

# Correspondence For Information Only

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Correspondence  
For Information Only

# Request for Recommendation Finance Committee

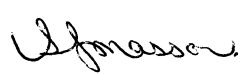


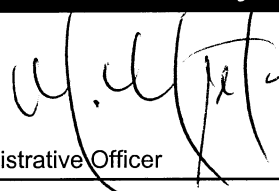
Type of Decision									
Meeting Date	June 29, 2005				Report Date	June 22, 2005			
Decision Requested		Yes	<input checked="" type="checkbox"/>	No	Priority	<input checked="" type="checkbox"/>	High		Low
	Direction Only				Type of Meeting	<input checked="" type="checkbox"/>	Open		Closed

Report Title
2004 Reserves and Reserve Funds Report

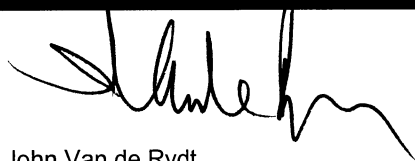
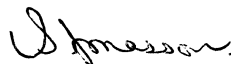
Policy Implication + Budget Impact	
<input checked="" type="checkbox"/>	This report and recommendation(s) have been reviewed by the Finance Division and the funding source has been identified.
<input checked="" type="checkbox"/>	Background Attached

Recommendation
FOR INFORMATION ONLY
Recommendation Continued

Recommended by the Department Head
 S. Jonasson Acting Chief Financial Officer/Treasurer

Recommended by the C.A.O.
 M. Mieto Chief Administrative Officer

Date: June 22, 2005

**Report Prepared By**John Van de Rydt  
Co-ordinator Capital Budget and Risk Management**Division Review** Cheryl Mahaffy  
Manager of Financial Planning & Policy/Deputy Treasurer**BACKGROUND:*****By-law***

By-law 2005-15F, being the by-law to establish and continue reserves, reserve funds and trust funds, is appended to this report. This by-law is reviewed on an annual basis and recommendations to establish, discontinue or consolidate reserves are brought to Council for approval, and for authority to amend the By-law.

***Trust Funds***

Trust funds are not included in this report. Trust funds are monies of others, being held in trust by the City, for specific purposes. The money is spent on the intended purpose or returned to the original source. Examples of trusts are the cemetery trust where money has been received and is held in trust to ensure perpetual care and maintenance of the cemeteries, or the funds belonging to residents of Pioneer Manor being held in trust for them.

***Reserves and Reserve Funds***

The main difference between a reserve and a reserve fund is that a reserve does not earn interest, whereas a reserve fund is in a separate fund and is credited, on a monthly basis, with the interest it has earned.

The attached report provides a more detailed explanation of each of the City's reserves and reserve funds at the end of 2004. The balances have been split into two columns - "Commitments" and "Available for Future Requirements".

***Commitments***

The balances in this column represent funds that have been set aside for a specific purpose or funding commitments which have been made against the funds. For example, the Reserve for Various Expenses contains those funds set aside at year end for specific purchases that were budgeted for in 2004 but for various reasons were not received prior to year end. Another example is the commitment against the Municipal Road 80 Reserve Fund for the upgrade of Municipal Road 80. These funds, received from the Province, must be used to upgrade the road otherwise the funds are to be returned to the Province.

Date: June 22, 2005

***Available for Future Requirements***

The balances in this column represent funds that have been set aside for projects that will be undertaken in the future. An example of this type of reserve is the Social Housing Capital Reserve Fund. The City has been mandated to provide Social Housing services, and the Province provides funding each year for this downloaded service through the Community Reinvestment Fund. The transfer from the Province, now through the Ontario Municipal Partnership Fund, is not sufficient to cover the operating costs of this section and any large scale capital repairs to the housing stock. This reserve has therefore been established to avoid any major budget fluctuations should a costly capital undertaking materialize. A conservative estimate of \$5 million dollars for Social Housing needs has been identified over ten years in the Long Term Financial Plan. In any years where Social Housing has a surplus, and the City is also in a surplus position, the Social Housing surplus is contributed to this reserve, but at present there is no further funding identified for this need.

Another example is the Ontario Works Reserve Fund. A recommendation in the Long Term Financial Plan was the establishment of reserves for service areas which are subject to major fluctuations in order to avoid deficits in years where a significant increase may occur. Increases might be as a result of a large increase in caseload or Provincially mandated increases in benefits after the City Budget had been established.

***Council Discretion***

In keeping with the Long Term Financial Plan, and in light of the City's reserves and reserve funds not being adequate for identified needs, it is recommended that the balances be left intact. However, Council may choose to reallocate some of the funds. If so, the balances in the last column of the attached report have not been specifically committed. Some of these balances could be reallocated, but the purpose for which the reserves have been established should be kept in mind. Any reserve re-allocations to the Current Budget should be for one time projects only, since the reserve fund balance will not be available as an offset in future years.

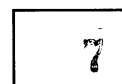
***Borrowing***

Council may choose to borrow from the reserve funds in order to finance a capital project. This is within the guidelines of the City's investment policy. The recommendation would be to borrow from a specific reserve fund or funds and repay the fund(s) over time. The rate of interest, per the investment policy, would be the rate of return being earned on investments at the time of the loan, plus 1 percent.

***Long Term Financial Plan***

The Long Term Financial Plan, adopted by Council, references reserves in a number of its recommendations:

- 1.6 Plan for the replacement of infrastructure through the use of life cycle costing and the development of replacement reserves.
- 5.2 Undertake regular reviews of remaining life and condition of assets and determine required annual reserve contributions sufficient to ensure that 90% of approved infrastructure rehabilitation / replacement schedules can be met at the required time.
- 8.1 Facility, equipment and infrastructure replacement reserves should be established and funded to ensure that 90% of approved infrastructure rehabilitation / replacement schedules are met (long-term).
- 8.2 Establish a Stabilization Reserve for programs that are susceptible to significant annual expenditure



Date: June 22, 2005

fluctuations (eg. Winter Maintenance, Ontario Works). Program budgets should be based on a moving five year historical average of program spending. In years when surplus funds occur in these programs, surpluses should be reserved, provided an overall City surplus exists. Where the City's overall surplus is less than the program surplus, funds should only be reserved up to the level of the overall City surplus.

- 8.3 Establish reserves to provide funding for future liabilities (eg. sick leave). Contributions to these reserves should be set, at a minimum, at an amount sufficient to ensure the liability does not increase.

The City needs to address these recommendations through the establishment of and continuation of increased funding for reserves.

At present, there are Capital Financing Reserve Funds for each of the capital envelopes but the annual contributions from the envelopes go directly to Capital as the needs each year are so pressing. There is no opportunity to build up these reserve funds to meet the future needs that have been identified in the Long Term Financial Plan. The annual capital funding gap has been identified to be over \$40 million. The Long Term Financial Plan identified solutions to have these annual needs fully met by the end of the ten year period and the need to continue and fund reserve and reserve funds were integral parts of the solution.

In the attached report, the Capital Financing Reserve Funds related to Water and Wastewater have been shown as fully committed. Any balances related to water and wastewater cannot be reallocated, as these funds have been raised through the water and wastewater rates and need to be retained for water and wastewater purposes only.

### ***BMA Study***

As outlined in this study, reserves and reserve funds are a critical component of a municipality's long-term financing plan. The purpose for maintaining reserves, as outlined in the report, is to:

- ▶ Provide stability of tax rates in the face of variable and uncontrollable factors (consumption, interest rates, unemployment rates, changes in subsidies)
- ▶ Provide financing for one-time or short term requirements without permanently impacting tax and utility rates
- ▶ Make provisions for replacements/acquisitions of assets/infrastructure that are currently being consumed and depreciated
- ▶ Avoid spikes in funding requirements of the capital budget by reducing their reliance on long-term debt borrowings
- ▶ Provide a source of internal financing
- ▶ Ensure adequate cash flows
- ▶ Provide flexibility to manage debt levels and protect the municipality's financial position
- ▶ Provide for future liabilities incurred in the current year but paid for in the future

Reserves offer liquidity which enhances the municipality's flexibility, both in addressing unplanned operating requirements and in permitting the municipality to temporarily fund capital projects internally. The level of reserves and reserve funds is a measure of the financial health of a municipality. Compared to other municipalities in Ontario, the City is considerably below the average as it pertains to reserves and reserve funds as a percentage of total expenditures, as identified in the 2004 BMA municipal study. The City of Greater Sudbury is at 15% while the average is 39%. Only eight of sixty-one participants in the study have a lower percentage than Sudbury. The results across the survey range from a low of 5.6% to a high of 164%. In summary, the City's financial health is not good when compared to other Ontario municipalities.

### Reserves as a % of Total Expenditures

- The following table provides the 2003 Reserves (excluding obligatory reserves) compared to the 2003 Total Expenditures
- Reserves as a percentage of Total Expenditures was calculated. The results across the survey range from a low of 5.6% to a high of 164%

Municipality	Reserves	Total Expenditures	2003 Reserves as % Total Expenditures	2002 Reserves as % Total Expenditures
Orangeville	\$ 1,455,413	\$ 25,873,778	5.6%	25.1%
St. Thomas	\$ 4,951,827	\$ 73,442,648	6.7%	N/A
Timmins	\$ 5,966,002	\$ 79,620,918	7.5%	
North Bay	\$ 9,324,810	\$ 123,020,921	7.6%	5.9%
Kawartha Lakes	\$ 12,559,766	\$ 113,268,325	11.1%	
Chatham-Kent	\$ 26,969,835	\$ 221,477,845	12.2%	13.7%
Ottawa	\$ 258,112,934	\$ 1,969,989,224	13.1%	14.8%
Toronto	\$ 1,076,131,927	\$ 7,230,229,243	14.9%	14.0%
Sudbury	\$ 61,255,275	\$ 409,039,595	15.0%	14.8%
Midland	\$ 2,783,632	\$ 17,852,986	15.6%	14.4%
Samia	\$ 12,068,048	\$ 76,769,427	15.7%	N/A
Cobourg	\$ 3,629,335	\$ 22,191,519	16.4%	N/A
Brantford	\$ 34,031,808	\$ 189,748,002	17.9%	18.7%
Oshawa	\$ 18,790,734	\$ 103,934,965	18.1%	14.6%
Tiny	\$ 2,023,290	\$ 11,019,494	18.4%	31.3%
Kitchener	\$ 30,527,792	\$ 158,554,538	19.3%	17.0%
Fort Erie	\$ 4,776,907	\$ 24,079,892	19.8%	18.7%
Newmarket	\$ 10,201,228	\$ 51,178,118	19.9%	
Wainfleet	\$ 810,856	\$ 3,828,533	21.2%	16.4%
Guelph	\$ 48,410,182	\$ 222,837,914	21.7%	21.9%
Niagara Region	\$ 141,711,181	\$ 624,945,320	22.7%	23.7%
Niagara Falls	\$ 23,177,867	\$ 100,455,369	23.1%	16.4%
Pelham	\$ 1,977,347	\$ 8,512,154	23.2%	26.0%
Peterborough	\$ 41,437,155	\$ 174,597,313	23.7%	N/A
Port Colborne	\$ 3,752,535	\$ 14,893,902	25.2%	26.5%
Cambridge	\$ 22,055,097	\$ 87,044,286	25.3%	27.9%
Orillia	\$ 11,646,319	\$ 43,725,066	26.6%	30.3%
Stratford	\$ 18,231,506	\$ 66,741,131	27.3%	20.4%
London	\$ 173,427,739	\$ 629,846,288	27.5%	28.0%
Thunder Bay	\$ 81,992,169	\$ 285,354,797	28.7%	N/A
Burlington	\$ 36,480,053	\$ 121,523,616	30.0%	38.0%
Oakville	\$ 35,241,035	\$ 114,742,449	30.7%	30.1%
St. Catharines	\$ 30,204,668	\$ 96,469,183	31.3%	31.7%
Hamilton	\$ 334,818,435	\$ 1,061,779,167	31.5%	32.0%
Georgina	\$ 8,327,347	\$ 25,868,476	32.2%	37.4%
Pickering	\$ 18,572,282	\$ 57,014,523	32.6%	35.2%
Corwall	\$ 44,867,837	\$ 132,368,470	33.9%	41.6%
Kingston	\$ 86,802,912	\$ 255,939,059	33.9%	28.8%
Halton Hills	\$ 9,616,632	\$ 28,225,356	34.1%	28.8%
Collingwood	\$ 9,623,725	\$ 27,502,317	35.0%	30.3%
East Gwillimbury	\$ 4,128,575	\$ 11,734,886	35.2%	42.3%
Waterloo Region	\$ 174,802,947	\$ 489,484,058	35.7%	37.6%
Barrie	\$ 58,998,770	\$ 159,164,716	37.1%	37.2%
Niagara-on-the-Lake	\$ 5,646,928	\$ 15,192,799	37.2%	45.9%
Whitby	\$ 25,802,384	\$ 67,301,925	38.3%	34.3%
Leamington	\$ 12,869,636	\$ 29,162,396	44.1%	N/A
Whitchurch-Stouffville	\$ 7,727,015	\$ 15,384,903	50.2%	82.3%
Markham	\$ 82,080,964	\$ 161,313,199	50.9%	N/A
Tay	\$ 4,907,815	\$ 9,258,976	53.0%	59.4%
Halton Region	\$ 232,979,057	\$ 430,160,179	54.2%	50.1%
West Lincoln	\$ 4,388,031	\$ 8,016,857	54.7%	48.8%
Milton	\$ 20,379,764	\$ 37,212,838	54.8%	49.6%
Vaughan	\$ 99,047,725	\$ 174,461,298	56.8%	53.3%
King	\$ 9,131,358	\$ 14,415,663	63.3%	62.2%
Wasaga Beach	\$ 12,410,808	\$ 19,129,653	64.9%	77.3%
Welland	\$ 24,842,026	\$ 36,110,529	68.8%	70.3%
Penetanguishene	\$ 9,327,507	\$ 9,635,513	96.8%	102.2%
Brampton	\$ 286,620,512	\$ 237,355,389	120.8%	148.2%
Clarington	\$ 66,878,489	\$ 46,862,931	142.7%	N/A
Mississauga	\$ 631,482,707	\$ 405,740,683	155.6%	174.4%
Thorold	\$ 26,157,163	\$ 15,948,845	164.0%	170.4%
Average			38.6%	42.4%

# CITY OF GREATER SUDBURY

## Reserve and Reserve Fund Balances as at December 31, 2004

NAME	RESERVES	2004 Year End	Commitments	Available for Future Requirements
Election Reserve	This reserve receives an annual contribution from the current fund and accumulates these funds to offset the cost of municipal elections held once every three years.	\$ 197,376	\$ 36,000 Ward Study	\$ 161,376
Libraries / Citizen Service Centre Reserve	Because libraries receive Provincial operating grants, a working reserve is required to fund any library deficits. When the City is in a surplus position overall, any Library surplus is contributed to this reserve. It is also used to finance capital and special projects.	\$ 56,253		\$ 56,253
Tree Purchases Reserve	Fund created from surpluses due to revenues being greater than budgeted in the Land Reclamation project, over the years. Balance used to offset fluctuations in the cost of purchasing seedlings each year.	\$ 196,865		\$ 196,865
Reserve for Various Expenses	Created at year-ends, through resolution of Council, to allow funds budgeted in current year to be carried forward to the following year to pay for certain items.	\$ 869,079	\$ 869,079	\$ 0
Reserve for Ex-Gratia Grants	\$25,000 is budgeted each year for ex-gratia grants, which are grants given to residents to help off-set clean-up costs in the event of a sewer back-up. In years where the grants do not total \$25,000 the difference is credited to this reserve and in years where grants exceed the budget, the difference is funded through this reserve.	\$ 128,194		\$ 128,194
Water Meter Installation Reserve	Deposits collected from developers or individuals at the building permit stage for installation of water meters in new homes when construction is completed. As homes have meters installed, the funding is taken from the reserve.	\$ 178,902	\$ 178,902	\$ 0

<b>NAME</b>	<b>RESERVES</b>	<b>2004 Year End</b>	<b>Commitments</b>	<b>Available for Future Requirements</b>
Ontario Works Reserve	In accordance with recommendations in the Long Term Financial Plan, this Reserve was established in 2002 to help offset fluctuations in programs or changes in Provincial funding. This money should be retained for the purpose intended, in compliance with the Long Term Financial Plan.	\$ 340,000		\$ 340,000
Ontario Works - Community Placement Reserve	Provincial funding received as a result of exceeding targets in the Employment Support Services area. Funding must be used for Ontario Works related programs. Any funds not used by the end of 2005 must be returned to the Province. Much of the balance has been committed to specific projects through Council resolution.	\$ 929,886	\$ 929,886	\$ 0
Ontario Works - Emergency Housing Reserve	Funding set aside to be used for emergency housing. This is Provincial funding and must be kept aside for this purpose.	\$ 22,541	\$ 22,541	\$ 0
Pioneer Manor Fundraising Reserve	Net revenue resulting from fund-raising activities at Pioneer Manor (mainly through auxiliary). Committee of residents, auxiliary, staff recommend expenditures from this reserve (i.e. prints for walls, etc.). Not truly City's money.	\$ 41,513	\$ 41,513	\$ 0
Future Development Charges Study Reserve	The Development Charges By-law expired in 2004 and a new study was undertaken that year. Balance held to fund future study costs.	\$ 51,247	\$ 51,247	\$ 0
Tax Rate Stabilization Reserve	This reserve provides for year-to-year variances in the operating budget. One half of any operating surplus is credited to this reserve and one half of any operating deficit is funded from this reserve.	\$ 641,229	\$ 640,000 Junction Creek Creosote Study NDCA Healthy Communities Master Fire Plan	\$ 1,229
Reserve for Agricultural Drains	Funded through contributions from the Current Budget to ensure sufficient funds on hand for municipal portion of agricultural drains construction and maintenance costs.	\$ 87,061	\$ 87,061	\$ 0
Reserve for Cultural Exchange	Under control of the Mayor, and to be used for projects related to cultural exchange (e.g. events with Sudbury's twin city in Finland).	\$ 2,518		\$ 2,518



<b>NAME</b>	<b>RESERVES</b>	<b>2004 Year End</b>	<b>Commitments</b>	<b>Available for Future Requirements</b>
Property Evaluation Reserve	Funded through current budget contributions for property replacement cost valuations.	\$ 97,000	\$ 97,000	\$ 0
West Nile Reserve	Funded by reserve contributions transferred from the Tax Rate Stabilization Reserve and the General Capital Financing Reserve to fund future West Nile program costs billed by the Health Unit.	\$ 92,000	\$ 92,000	\$ 0
<b>TOTAL RESERVES</b>		<b>\$ 3,931,664</b>	<b>\$ 3,045,229</b>	<b>\$ 886,435</b>

<b>NAME</b>	<b>RESERVE FUNDS</b>	<b>2004 Year End</b>	<b>Commitments</b>	<b>Available for Future Requirements</b>
Sick Leave Reserve Fund	Annual contributions from current budget to be used to pay out accumulated sick leave credits. Most employees no longer receive sick leave credits, but are covered through weekly indemnity and long term disability. Sick leave credits in existence at the time of the change were left intact, and employees are entitled to a payout of 50% of these credits, to a maximum of 6 months pay, when they retire. Employees at Pioneer Manor and Fire Services still accumulate 1.5 days per month of sick leave. The present liability (at 50% and to the maximum of 6 months) is in excess of \$3 million	\$ 2,846,974	\$ 2,846,974	\$ 0
Sick Leave Reserve Fund - Police	The Police still accumulate sick leave credits of 1.5 days per month, and are entitled to a pay out of 50% of accumulated credits, up to six months of pay, when they leave. The present liability, calculated at the 50% and 6 month maximum, exceeds \$3.5 million.	\$ 948,888	\$ 948,888	\$ 0

NAME	RESERVE FUNDS	2004 Year End	Commitments	Available for Future Requirements
Human Resources Management Reserve Fund	Originally established to pay direct billings from the carrier for claims, and funded from any surplus generated by budgeted amounts exceeding actual claims expenses. The City is now on a premium based benefit plan, but some billings are still materializing from old claims. Funds are required for these billings and also to offset any future benefit rate fluctuations. Under the current premium rate structure, the City could incur a deficit if actual costs covered by the carrier exceed the premiums remitted. The carrier can recover any such deficits from the City the year after they occur, either by heavy rate increases or a lump sum payment. Funds need to be held in reserve to avoid major increases. An amount of \$875,406, held in trust by ManuLife, is included in the 2004 year end balance.	\$ 2,189,521		\$ 2,189,521
WSIB (Workers Compensation Insurance Board) Schedule 2 Reserve Fund	Established through contributions from Current Fund by assessing 'premiums' on payroll. The reserve is used to pay invoices from WSIB, to top up salaries in accordance with Collective Bargaining Agreement requirements (Police and Fire), to pay rehabilitation expenses and to fund the premium for stop loss coverage. The reserve ensures there is no detrimental impact on the current budget. This reserve fund is also maintained in order to have funds available should the City experience any catastrophic loss. The stop loss coverage has a deductible of \$400,000. All City employees except Pioneer Manor are under Schedule 2. The actuarial evaluation of liabilities related to WSIB was \$1.1 million at the end of 2004.	\$ 1,566,789	\$ 1,566,789	\$ 0
WSIB Reserve Fund	Money set aside, through Council resolution in regard to ongoing litigation.	\$ 900,000	\$ 900,000	\$ 0

<b>NAME</b>	<b>RESERVE FUNDS</b>	<b>2004 Year End</b>	<b>Commitments</b>	<b>Available for Future Requirements</b>
Insurance Reserve Fund	Funded through contributions from Current Fund and used to fund adjuster expenses and the deductible portion of claims. There are many outstanding claims, with the deductible portion of each claim being \$50,000. The fund is required to ensure that claims can be covered with no impact on the Current Budget.	\$ 1,940,008	\$ 1,940,008	\$ 0
Public Works Equipment and Vehicle Replacement Reserve Fund	Funded through contributions from Current Fund by equipment credits. Annual contribution is not sufficient to fund capital needs.	\$ 1,960,212	\$ 519,341	\$ 1,440,871
Police Vehicle and Equipment Reserve Fund	Funded through contributions from Current Fund. Annual contribution is scheduled to be fully utilized. This Reserve Fund is controlled by the Police Services Board.	\$ 178,123	\$ 178,123	\$ 0
Transit Vehicle and Equipment Replacement Reserve Fund	Funded through contributions from Current Fund by equipment credits.	\$ 712,341	\$ 423,782	\$ 288,559
Fire Equipment and Vehicle Replacement Reserve Fund	Funded through contributions from Current Fund by equipment credits. Annual contribution is not sufficient to fund capital needs of Fire Services. Annual lease financing repayments of \$259,847 required each year for the next four and one-half years.	\$ 209,435	\$ 209,435	\$ 0
Recycling Equipment Replacement Reserve Fund	Funded through contributions from Current Fund. Much of the recycling equipment has reached the end of its useful life. It is anticipated that the equipment will have to be replaced within the next few years, and the full balance of this fund will be required.	\$ 1,360,363		\$ 1,360,363
Parks Equipment and Vehicle Replacement Reserve Fund	Funded through contributions from Current Fund by equipment credits. Annual contribution is not sufficient to fund capital needs of Parks.	\$ 307,000		\$ 307,000
Land Acquisition Reserve Fund	Funded from net proceeds of sale of surplus property and used to fund purchases of any required property.	\$ 1,811,403	\$ 1,565,000 LEL Centre Property Administration	\$ 246,403

<b>NAME</b>	<b>RESERVE FUNDS</b>	<b>2004 Year End</b>	<b>Commitments</b>	<b>Available for Future Requirements</b>
Pioneer Manor Donations Reserve Fund	Funded through donations and to be used specifically for improvements to the grounds and courtyards at Pioneer Manor.	\$ 70,537	\$ 70,537	\$ 0
Social Housing Capital Reserve Fund	Established with Provincial Funding and needed to fund any major capital undertakings for the housing stock. The Long Term Financial Plan recognizes a need for \$5 million in capital projects over the next ten years. Operating surpluses in this section are to be credited to this reserve fund if the City is in an overall surplus position. Deficits are funded from this reserve fund. This reserve is capped at \$5 million.	\$ 4,977,356		\$ 4,977,356
Industrial Park Reserve Fund	Established from proceeds of land sales in the Industrial Park and to be used for the expansion or creation of Industrial Parks. Has been used in recent years to provide leverage funding for Economic Development.	\$ 1,315,569	\$ 398,227 Sudbury Neutrino Observatory and Deep Mining Research Consortium ED projects	\$ 917,342
Business Centre Reserve Fund	Originally established through a contribution from the Industrial Reserve Fund, has continued through contributions from partners in the Regional Business Centre. The balance therefore is not completely attributable to the City. The Business Centre was created to help businesses become established and viable. Surpluses and deficits in the Regional Business Centre are credited to or debited from this fund.	\$ 223,329	\$ 223,329	\$ 0
Dedicated Gas Tax Reserve Fund	Funded by monies received from the Province for the replacement of transit vehicle and equipment.	\$ 338,518	\$ 338,518	\$ 0
Centennial Drive Booster Reserve Fund	Funded through \$2,000 per lot charge collected on registration of Plans of Subdivision in area near Centennial Drive. Funds must be used to provide booster for water service.	\$ 14,419	\$ 14,419	\$ 0

<b>NAME</b>	<b>RESERVE FUNDS</b>	<b>2004 Year End</b>	<b>Commitments</b>	<b>Available for Future Requirements</b>
Roads Winter Control Reserve Fund	Established in 2003 in accordance with Long Term Financial Plan recommendations. May be used to offset Winter Control over-expenditures.	\$ 758,732		\$ 758,732
Vegetation Enhancement Technical Advisory Committee (VETAC) Reserve Fund	Funded through donations and to be used for projects recommended by the Vegetation Enhancement Technical Advisory Committee, as authorized by Council.	\$ 3,618	\$ 3,618	\$ 0
Whitewater Lake Park Reserve Fund	Funds Whitewater Lake Park capital expenditures	\$ 46,923	\$ 46,923	\$ 0
Museum Reserve Fund	Brought forward from the former Rayside-Balfour and to be used for projects related to that museum.	\$ 21,902	\$ 21,902	\$ 0
South Branch Library Reserve Fund	Net rent proceeds from the tenant at the South Branch location are credited to this reserve fund to be used for required renovations.	\$ 81,700	\$ 81,700	\$ 0
Adanac Ski Chalet Reserve Fund	Funds transferred from the Insurance Reserve Fund to cover the deductible portion of replacement costs of the ski chalet.	\$ 50,449	\$ 50,449	\$ 0
Police Services Donations Reserve Fund	Under control of the Police Services Board and to be used for crime prevention initiatives.	\$ 11,510	\$ 11,510	\$ 0
Subdivision Deposits Reserve Fund	Funded through non-refundable deposits received from developers under the terms of subdivision agreements, to be used for work for which deposits were made.	\$ 1,551,212	\$ 1,551,212	\$ 0
Tree Planting Reserve Fund	Funded through non-refundable deposits received from developers under the terms of site plan agreements, etc. and to be used by Public Works for tree planting at applicable sites.	\$ 662,845	\$ 662,845	\$ 0
Gazebo Concert Series Reserve Fund	Funded by donations for the concert series and to be used to offset expenses of the concert series.	\$ 838		\$ 838

<b>NAME</b>	<b>RESERVE FUNDS</b>	<b>2004 Year End</b>	<b>Commitments</b>	<b>Available for Future Requirements</b>
Cemeteries Reserve Fund	Cemetery Services is self-funding; therefore this reserve is funded through any annual operating surpluses of cemeteries and is to be used only for funding deficits and for cemetery capital projects.	\$ 195,106	\$ 64,443	\$ 130,663
Emergency Services - Ambulance Reserve Fund	Funded through contributions from Current and Provincial grants. To be used for ambulance capital projects including all vehicle and equipment. May be subject to having to return funds to Province if not used for projects specific to EMS.	\$ 1,936,020	\$450,524 Connect Ontario LEL Police upgrade Ambulance Capital	\$ 1,485,496
199 Larch Street Building Maintenance Reserve Fund	Established at time of purchase of 199 Larch, with small annual contributions. To be used to offset any major capital repairs not budgeted, thus preventing a substantial impact on the current fund. Surpluses in this section shall be credited to the reserve fund, if the City is in a surplus position overall. Deficits are to be funded from this reserve fund.	\$ 671,204		\$ 671,204
<b>TOTAL RESERVE FUNDS</b>		<b>\$ 29,862,844</b>	<b>\$ 15,088,496</b>	<b>\$ 14,774,348</b>

<b>NAME</b>	<b>CAPITAL FINANCING RESERVE FUNDS (CFRF)</b>	<b>2004 Year End</b>	<b>Commitments</b>	<b>Available for Future Requirements</b>
CFRF - Information Technology	Funded from any surplus in the Information Technology section, if the City is in a surplus position. Also funded from any under-expenditures in related capital projects. To be used for information technology projects only.	\$ 2,361,433		\$ 2,361,433

<b>NAME</b>	<b>CAPITAL FINANCING RESERVE FUNDS (CFRF)</b>	<b>2004 Year End</b>	<b>Commitments</b>	<b>Available for Future Requirements</b>
CFRF - Solid Waste	Funded from annual contributions from the current budget and under-expenditures in related capital projects. To be used only for solid waste projects. The balance of this reserve fund is required for projects identified in the approved Certificate of Approval for the landfill sites, in particular the Sudbury site which is slated to become the only landfill site in the City once all other sites are closed.	\$ 4,856,662		\$ 4,856,662
CFRF - General	One half of any annual current operating surplus or deficit is funded from or contributed to this reserve fund. It is also the only source of funding for capital projects that have no capital envelope.	\$ 1,868,807	\$ 1,655,000 RG Dow Pool Market Square Clock Tower Litigation Junction Creek Creosote Study NDCA Healthy Communities Master Fire Plan	\$ 213,807
CFRF - Corporate Infrastructure	Originally funded by contributions from current, now only from any under-expenditures in related capital projects. To be used only for corporate infrastructure (i.e. telephone systems, docutech equipment, etc.).	\$ 300,355		\$ 300,355
CFRF - Economic Development	Funded from unallocated or excess funds in the Economic Development capital program for economic development projects only.	\$ 1,041,833	\$ 1,041,833 Economic Development projects capital	\$ 0
CFRF - Public Works Buildings	Funded from under-expenditures in related capital projects. To be used only for public works buildings projects.	\$ 141,896		\$ 141,896
CFRF - Police	Funded from under-expenditures in related capital projects. Will be used only for Police projects. Reserve is under the control of Police Services Board.	\$ 1,257,956	\$ 556,610	\$ 701,346
CFRF - Roads	Funded from under-expenditures in related capital projects. To be used only for Roads projects.	\$ 774,402	\$ 300,000	\$ 474,402

<b>NAME</b>	<b>CAPITAL FINANCING RESERVE FUNDS (CFRF)</b>	<b>2004 Year End</b>	<b>Commitments</b>	<b>Available for Future Requirements</b>
CFRF - Waste Water	Originally funded from current fund, now funded from under-expenditures in related capital projects. In addition, surpluses and deficits in this utility are contributed to or funded from this reserve fund. To be used only for Wastewater projects. Used to address any emergency upgrades which may be required, upon authority of Council.	\$ 5,696,304	\$ 5,696,304	\$ 0
CFRF - Water	Originally funded from current fund, now funded from under-expenditures in related capital projects, (in 2003 the proceeds from a recently settled litigation were repaid to this reserve fund). In addition, surpluses and deficits in this utility are contributed to or funded from this reserve fund. To be used only for water projects, and projects necessitated by the Ministry of the Environment.	\$ 5,380,251	\$ 5,380,251	\$ 0
CFRF - Health and Social Services	Originally funded from current fund, now funded only from under-expenditures in related capital projects. To be used only for Health and Social Services projects.	\$ 1,542,065	\$ 1,442,065	\$ 100,000
CFRF - Fire Services	Funded from under-expenditures in old related capital projects. To be used only for Fire Services Projects.	\$ 1,726		\$ 1,726
CFRF - Citizen / Leisure Services	Funded from under-expenditures in old related capital projects. To be used only for Citizen and Leisure Services projects. Close to \$50 million of projects were identified in the Long Term Financial Plan for Recreation, Leisure and Library Services.	\$ 42,601	\$ 14,910 VE Archives	\$ 27,691
<b>TOTAL CAPITAL FINANCING RESERVE FUNDS</b>		<b>\$ 25,266,291</b>	<b>\$ 16,086,973</b>	<b>\$ 9,179,318</b>



<b>NAME</b>	<b>OBLIGATORY RESERVE FUNDS</b>	<b>2004 Year End</b>	<b>Commitments</b>	<b>Available for Future Requirements</b>
Road Levy Payments Reserve Fund	Funded through payments from the public pursuant to Subdivision Agreements, Site Plan Agreements, etc. Must be used for upgrading roads for which the payment was made.	\$ 491,483	\$ 491,483	\$ 0
Water and Wastewater Payments Reserve Fund	Funded through payments from the public pursuant to Subdivision Agreements, Site Plan Agreements, etc. Must be used for upgrading water and waste-water services for which the payment was made.	\$ 338,545	\$ 338,545	\$ 0
Parking Improvements Reserve Fund	Funded from net proceeds of parking facilities and can be used only on improvements or expansions to parking facilities. \$110,000 of this fund has been approved for use in the 2004 capital budget.	\$ 1,144,679	\$ 1,144,679	\$ 0
Capital Lot Levies Reserve Fund	Funds collected under the terms of old capital levy by-laws, and related to some subdivisions. Funds collected can be used only on water or waste-water capital projects.	\$ 138,510	\$ 138,510	\$ 0
Municipal Road 80 Reserve Fund	Funds advanced from the Province, and which can be used only for the Municipal Road 80 project. \$400,000 storm outlet project costs in 2005.	\$ 4,832,314	\$ 4,832,314	\$ 0
Parks (Section 50) Reserve Fund	Funds collected under Section 50 of the Planning Act restricted for the creation of parks and related expenditures.	\$ 704,258	\$ 704,258	\$ 0
Site Plan Agreement Deposits Reserve Fund	Deposits from contractors for specific projects which must be undertaken. Can be used for no other purpose.	\$ 653,749	\$ 653,749	\$ 0
<b>TOTAL OBLIGATORY RESERVE FUNDS</b>		<b>\$ 8,303,538</b>	<b>\$ 8,303,538</b>	<b>\$ 0</b>

<b>GRAND TOTAL RESERVES AND ALL RESERVE FUNDS</b>	<b>\$ 67,364,337</b>	<b>\$ 42,524,236</b>	<b>\$ 24,840,101</b>
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D. Jonasson  
C. Madoff  
R. Swiddle  
Jeff - Policy  
J Van de Rydt

**BY-LAW 2005-15F**

**A BY-LAW OF THE CITY OF GREATER SUDBURY  
TO ESTABLISH AND CONTINUE RESERVES, RESERVE  
FUNDS AND TRUST FUNDS**

**WHEREAS** the Council of the City of Greater Sudbury deems it desirable to pass a By-law to establish and continue Reserves, Reserve Funds, Capital Financing Reserve Funds and Trust Funds for the City of Greater Sudbury;

**NOW THEREFORE THE COUNCIL OF THE CITY OF GREATER  
SUDBURY HEREBY ENACTS AS FOLLOWS:**

1. The Reserves as set out in Schedule "A" are hereby established or continued for the City of Greater Sudbury.
2. The Reserve Funds as set out in Schedule "B" are hereby established or continued for the City of Greater Sudbury.
3. The Capital Financing Reserve Funds as set out in Schedule "C" are hereby established or continued for the City of Greater Sudbury.
4. The Trust Funds as set out in Schedule "D" are hereby established or continued for the City of Greater Sudbury.
5. Reserves, Reserve Funds, Capital Financing Reserve Funds and Trust Funds which are designated in Schedules "A", "B", "C", or "D" respectively as working funds may be used for the purposes identified therein without further authorization from Council.
6. The City's Chief Financial Officer & City Treasurer is hereby authorized to pay out any Trust Funds to the parties entitled thereto when she or he deems it appropriate to do so without further authorization from Council.
7. By-law 2004-108F as amended by By-laws 2004-268F, 2004-310F and 2004-374F of the City of Greater Sudbury is hereby repealed.

8. Each of the following Schedules:

Schedule "A" Reserves;

Schedule "B" Reserve Funds;


Schedule "C" Capital Financing Reserve Funds; and


Schedule "D" Trust Funds

attached hereto form part of this By-law.


9. This By-law shall come into force and take effect on the day of passing thereof.


**READ A FIRST AND SECOND TIME IN OPEN COUNCIL** this 27th day of  
January, 2005.

  
\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
Clerk

**READ A THIRD TIME AND FINALLY ENACTED AND PASSED IN OPEN  
COUNCIL** this 27th day of January, 2005.

  
\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
Clerk

**SCHEDULE "A"**  
**to By-law 2005-15F**  
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**RESERVES**

**1. Tree Purchases Reserve**

- (1) Any annual surplus in the Land Reclamation operating budget shall be credited to this Reserve, if such contribution will not put the City in a deficit position or increase a deficit.
- (2) Any annual deficit in the Land Reclamation operating budget may be charged against this Reserve.
- (3) Funds from this Reserve shall be used to offset any price fluctuations in annual tree purchases for the Land Reclamation Program.
- (4) Authorization of Council shall be required to spend funds from this Reserve for any purpose except (2).

**2. Reserve for Various Expenses**

- (1) This Reserve is funded from Current Budget, on authorization of Council, for specific programs or projects for which there was a budget, but which were not completed by year-end.
- (2) Expenditures shall be made from this Reserve only to finalize those programs for which the funds had been reserved.

**3. Reserve for Ex Gratia Grants**

- (1) Any budgeted amount for ex gratia grant payments for sewer back-ups for a given year which are not expended at the end of that year shall be credited to this Reserve.
- (2) Any expenditures for ex gratia grant payments for sewer back-ups beyond the amount budgeted in any given year shall be expended from this Reserve.
- (3) This Reserve is a working fund.

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**4. Reserve for Water Meter Installation**

- (1) Amounts paid for water meters, as part of the Building Permit process, shall be credited to this Reserve.
- (2) Costs for installation of water meters in new homes shall be charged to this Reserve.
- (3) This Reserve is a working fund.

**5. Ontario Works Emergency Housing Reserve**

- (1) This Reserve may be used to fund any project related to emergency housing.
- (2) Authorization of Council shall be required to add to or spend from this Reserve.

**6. Reserve - Pioneer Manor Fundraising**

- (1) Net revenue resulting from fund-raising activities at Pioneer Manor shall be credited to this Reserve at year-end.
- (2) Expenditures shall be made from this Reserve to fund projects deemed beneficial to Pioneer Manor and its residents by the Fund-Raising Committee and the administrative staff at Pioneer Manor, and approved by Council.

**7. Reserve for Future Development Charges Study**

- (1) Expenditures may be made from this Reserve to fund future development charges studies.
- (2) Authorization of Council is required to add to or spend from this Reserve for any purpose other than (1).

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**8. Tax Rate Stabilization Reserve**

(1) This Reserve provides for year-to year variances in the operating budget.

One-half of any operating surplus shall be credited to this Reserve and one-half of any operating deficit shall be charged to this Reserve.

(2) This Reserve is a working fund.

**9. Library/Citizen Service Centre Reserve**

(1) This Reserve provides for year-to-year variances in the operating budget.

(2) Any annual surplus in the library/citizen service centre operating budget shall be credited to this Reserve if such contribution will not put the City in a deficit position or increase an existing deficit.

(3) Any annual deficit in the library/citizen service centre operating budget may be charged against this Reserve.

(4) Any other expenditure from this Reserve shall require the authorization of Council.

(5) Separately tracked within this reserve is a donation from the Valley East Heritage Committee for maintenance of the Valley East portion of the archives to be housed in the Capreol Citizen Service Centre/Library.

**10. Election Expenses Reserve**

(1) Annual contributions shall be made to this Reserve from the Current Fund.

(2) This Reserve shall be used to offset election expenses in election years.

(3) This Reserve is a working fund.

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**11. Cultural Exchange Reserve**

- (1) This Reserve, which is carried forward from the former City of Sudbury shall be used to offset expenses of Cultural Exchanges, such as those incurred regarding the former City of Sudbury's Twin City in Finland.
- (2) Expenditures shall be made from this Reserve at the discretion of the Mayor of the City of Greater Sudbury.

**12. Agricultural Drains Reserve**

- (1) This Reserve shall be funded through the Current Budget.
- (2) This Reserve shall be used to fund the municipal share of agricultural drains maintenance charges and the municipal share of construction costs of new drains.
- (3) This is a working reserve.

**13. Property Evaluation Reserve**

- (1) This Reserve shall be funded through the Current Budget.
- (2) This Reserve shall be used to fund property evaluation projects for insurance purposes.
- (3) This is a working reserve.

**14. West Nile Virus Reserve**

- (1) This Reserve shall be funded through contributions from the Tax Rate Stabilization Reserve and the Capital Financing Reserve Fund - General in the amount of \$46,000 each.
- (2) This Reserve shall be used to fund any billings from the Sudbury & District Health Unit for expenditures related to West Nile virus.
- (3) This is a working reserve.

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**15. O.W. Community Placement Reserve**

- (1) This Reserve is funded through Provincial subsidies.
- (2) This Reserve shall be used to fund Ontario Works / Employment Support programs and projects only.
- (3) Authorization of Council is required to add to or spend from this Reserve.

**16. Market Square Reserve**

- (1) Funding of this Reserve is from net rent revenues received from the Market Square property.
- (2) The Reserve shall be used to fund projects related to the Market Square property.
- (3) Authorization of Council is required to spend from this Reserve.

**17. Ontario Works Reserve**

- (1) This Reserve is funded through Provincial subsidies.
- (2) This Reserve shall be used to offset funding fluctuations in Ontario Works programs and projects.
- (3) Authorization of Council is required to add to or spend from this Reserve.



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**RESERVE FUNDS**

**1. Sick Leave Reserve Fund**

- (1) This Reserve Fund shall be funded from the budgeted contributions from current funds for this purpose.
- (2) Expenditures may be made from this Reserve Fund to pay sick leave to retiring employees in accordance with the policies of the City of Greater Sudbury.
- (3) This Reserve Fund is a working fund.

**2. Sick Leave Reserve Fund - Police**

- (1) This Reserve Fund shall be funded from the budgeted contributions from current funds.
- (2) This Reserve Fund shall be used to pay sick leave to retiring Greater Sudbury Police Service employees in accordance with policies of the City of Greater Sudbury.
- (3) This Reserve Fund is a working fund.

**3. Human Resources Management Reserve Fund**

- (1) This Reserve Fund shall be funded from surpluses in employee benefit programs (excluding WSIB).
- (2) This Reserve Fund shall be funded annually by a transfer of an amount equal to the balance outstanding in the WSIB Schedule 2 Reserve Fund, after deducting the estimated amount of WSIB liability as calculated by actuaries, and deducting the deductible amount of the WSIB stop loss coverage, all such amounts calculated as of December 31<sup>st</sup> in each year. The first such transfer shall be calculated as of December 31<sup>st</sup>, 2004.

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- (3) Deficits in these same programs shall be charged to this Reserve Fund. In addition, this fund can be utilized for initiatives targeted to reduce or control expense to the benefit plans and sick leave reserve fund. Funding of such initiatives are subject to a positive cost/benefit analysis and further subject to the approval of the Director of Human Resources and Organizational Development.
- (4) Expenditures may be made from this Reserve Fund, on the direction of the City's Chief Administrative Officer, in order to fund voluntary exit packages and other similar arrangements.
- (5) Any contributions to or expenditures from this reserve fund not covered by (1) and (2) above shall be authorized by Council.

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**4. WSIB Schedule 2 Reserve Fund**

- (1) This Reserve Fund shall be funded annually through the Current Budget.
- (2) This Reserve Fund shall be used for payment of invoices under Schedule 2 of the WSIB Act, and other related expenses including any Stop Loss insurance coverage.
- (3) Expenditures may be made from this Reserve Fund for Workplace Health and Safety Claims Management, Early Intervention and Rehabilitation of Disabled Workers, Training Seminars relating to the NEERS Program and other related programs, subject to approval by Council.
- (4) An amount equal to the balance remaining in this Reserve Fund after deducting the estimated amount WSIB liability, as calculated by actuaries, and after deducting the deductible amount of the WSIB stop loss coverage, all calculated as of December 31<sup>st</sup> in each year, shall be transferred in each year to the Human Resources Management Reserve Fund. The amount of the first such transfer shall be calculated as of December 31<sup>st</sup>, 2004.
- (5) This is a working reserve fund.

**5. Insurance Reserve Fund**

- (1) This Reserve Fund shall be funded by an annual contribution from the Operating Budget.
- (2) This Reserve Fund shall be used only for payment of insurance claims at or below the deductible limit, and other related expenses, such as adjusters' fees.
- (3) This is a working reserve fund.

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**6. Equipment and Vehicle Replacement Reserve Fund - Public Works**

- (1) Annual equipment rates in the Public Works budget shall contain a provision for straight-line depreciation, which shall form contributions to this Reserve Fund.
- (2) Salvage values received from the sale of used Public Works equipment or vehicles shall be credited to this Reserve Fund.
- (3) This Reserve Fund shall be used to purchase new Public Works equipment and vehicles as approved through the Capital Budget process, or as otherwise authorized by Council.

**7. Equipment and Vehicle Replacement Reserve Fund - Parks**

- (1) Annual equipment rates in the Parks budget shall contain a provision for straight-line depreciation, which shall form contributions to this Reserve Fund.
- (2) Salvage values received from the sale of used Parks equipment or vehicles shall be credited to this Reserve Fund.
- (3) This Reserve Fund shall be used to purchase new Parks equipment and vehicles as approved through the Capital Budget process, or as otherwise authorized by Council.

**8. Equipment and Vehicle Replacement Reserve Fund - Transit**

- (1) Annual budgeted amounts shall be contributed to this Reserve Fund.
- (2) Salvage values received from the sale of used Transit equipment or vehicles shall be credited to this Reserve Fund.
- (3) This Reserve Fund shall be used to purchase new Transit equipment and vehicles as approved through the Capital Budget process, or as otherwise authorized by Council.

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**9. Equipment and Vehicle Replacement Reserve Fund - Emergency Services - Fire**

- (1) Annual budgeted amounts shall be contributed to this Reserve Fund.
- (2) Salvage values received from the sale of used Fire equipment or vehicles shall be credited to this Reserve Fund.
- (3) This Reserve Fund shall be used to purchase new Fire equipment and vehicles as approved through the Capital Budget process, or as otherwise authorized by Council.

**10. Replace Recycling Equipment Reserve Fund**

- (1) Annual contributions to this Reserve Fund shall be made from the operating budget.
- (2) Salvage values received from the sale of used recycling equipment or vehicles shall be credited to this Reserve Fund.
- (3) This Reserve Fund shall be used only for replacement of recycling equipment in accordance with the Recycling Equipment Replacement Plan.
- (4) Expenditures may be made from this Reserve Fund only with authorization of Council.

**11. Land Acquisition Reserve Fund**

- (1) Net proceeds from the sale of any City lands or buildings declared surplus shall be credited to this Reserve Fund.
- (2) Costs of advertising, surveys, realtor fees, etc. incurred in the sale of surplus land shall be charged to this Reserve Fund.
- (3) Expenditures shall be made from this Reserve Fund only with authorization of Council.

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**12. Parking Improvements Reserve Fund**

- (1) Net proceeds from all parking operations shall be credited to this Reserve Fund.
- (2) This Reserve Fund shall be used for capital improvements to parking facilities.
- (3) Expenditures shall be made from this Reserve Fund only with authorization of Council.

**13. Pioneer Manor Donations Reserve Fund**

- (1) All monetary donations received by or for Pioneer Manor shall be credited to this Reserve Fund.
- (2) This Reserve Fund shall be used only to assist in the improvements of the front grounds and courtyards at Pioneer Manor.
- (3) Expenditures from this Reserve Fund shall be authorized by Council.

**14. Industrial Reserve Fund**

- (1) All net revenues from land sales in the City's industrial parks and other industrial lands shall be deposited into this Reserve Fund.
- (2) Expenditures that pertain directly to these land sales, such as legal fees, lot survey fees, mortgage payments, real estate commissions, and similar expenses may be charged against this Reserve Fund.
- (3) Expenditures may also be made from this Reserve Fund for the improvement of City's lands within the Industrial Parks or other City industrial lands, including landscaping, lighting, fencing and the placing of signs, and for costs incurred in the development of the Industrial Parks.

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(4) Expenditures may also be made from this Reserve Fund for the acquisition and development of additional land for industrial purposes as outlined in this By-law.

(5) Authorization of Council is required to spend from this Reserve Fund, except for subsection (2) expenses.

**15. Business Centre Reserve Fund**

(1) This Reserve Fund was first established by the former Regional Municipality of Sudbury (contribution from Industrial Reserve Fund), subsequent contributions were made by partners in the Business Centre.

(2) Expenditures may be made from this Reserve Fund only for Business Centre purposes.

(3) Any year-end surpluses in Business Centre operations shall be credited to this Reserve Fund and any year-end deficits in Business Centre operations shall be funded from this Reserve Fund.

(4) This is a working reserve fund.

**16. Capital Lot Levy Reserve Fund**

(1) This Reserve Fund shall be funded from any payments made to the City from the public as Lot Levies, pursuant to the former Regional Municipality of Sudbury By-laws 79-111 and 89-111, as amended, for the purposes of upgrading the wastewater systems and for upgrading the water systems in the City.

(2) This Reserve Fund shall be used only for the purposes of upgrading the wastewater systems and upgrading the water systems in the City.

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**17. Centennial Drive Booster Station Reserve Fund**

(1) This Reserve Fund shall be funded from the \$2,000 per lot charge to be collected on registration of Plans of Subdivision and any approvals of lot severances, within the area listed below

FIRSTLY: Lot 2, Concession 3, Township of Hanmer

SECONDLY: West Half of Lot 1, Concession 3, Township of Hanmer.

(2) This Reserve Fund shall be used only to fund the upgrade of the Centennial Drive Booster Station in the former City of Valley East.

(3) All expenditures from the fund shall be made in accordance with Council Policies for the purposes set out in subsection (2) above or shall be otherwise authorized by resolution of Council.

(4) This is a working reserve fund.

**18. Water and Wastewater Payments Reserve Fund**

(1) This Reserve Fund shall be funded from payments made to the City from the public pursuant to Subdivision Agreements, Site Plan Control Agreements or other similar Agreements for specific water and/or wastewater upgrading projects.

(2) All expenditures from this Reserve Fund shall be for water/wastewater upgrading projects for which the payment was made in every case.

(3) This is a working Reserve Fund.



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**19. Road Levy Payments Reserve Fund**

- (1) This Reserve Fund shall be funded from payments received from the public pursuant to the Road Levy policy of the City of Greater Sudbury and the former Regional Municipality of Sudbury.
- (2) This Reserve fund shall be used only for road upgrading projects for which the payment was made in every case.
- (3) This is a working reserve fund.

**20. Municipal Road No. 80 Reserve Fund**

- (1) This Reserve Fund shall be funded from funding received from the Province of Ontario for that purpose.
- (2) This Reserve Fund shall be segregated from all other Reserve Funds and invested separately.
- (3) All interest earned from these investments made from funds in this Reserve Fund shall be credited directly back to this Reserve Fund.
- (4) The money in this Reserve Fund shall be used only to fund the Municipal Road No. 80 widening project.
- (5) Expenditures from this Reserve Fund shall be made only with authorization of Council.

**21. Roads Winter Control Reserve Fund**

- (1) All Roads Winter Control under-expenditures shall be credited to this Reserve Fund to allow it to rise to the level of \$3,000,000 provided the contribution in any year would not place the City into a deficit position or worsen a deficit position.

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(2) Any Roads Winter Control over-expenditures may be funded from this Reserve Fund.

(3) This is a working Reserve Fund.

**22. VETAC Reserve Fund**

(1) This Reserve Fund shall be funded from donations made for this purpose.

(2) All expenditures from the Reserve Fund shall be authorized by Council, upon recommendation from the VETAC Committee.

**23. Parks Reserve (Section 50) Reserve Fund**

(1) This Reserve Fund is funded through 5% and 2% deposits received for parks purposes pursuant to *the Planning Act*.

(2) This Reserve Fund is to be used for park land acquisition and improvements.

(3) Authorization of Council is required to spend from this Reserve Fund.

**24. Museum Reserve Fund**

(1) Expenditures from this Reserve Fund shall be made only for the benefit of the museum in the former Town of Rayside-Balfour.

(2) Any expenditure from this Reserve Fund shall be authorized by Council.

**25. Subdivision Deposits Reserve Fund**

(1) This Reserve Fund shall be funded by non-refundable deposits received from Developers under the terms of subdivision agreements.

(2) This Reserve Fund shall be used by the Infrastructure and Emergency Services Department to carry out required work in the applicable subdivisions.

(3) This is a working reserve fund.

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**26. Site Plan Deposits Reserve Fund**

- (1) This Reserve Fund shall be funded by non-refundable deposits received from Developers pursuant to site plan agreements.
- (2) This Reserve Fund shall be used by the Infrastructure and Emergency Services Department to carry out required improvements.
- (3) This is a working reserve fund.

**27. Tree Planting Reserve Fund**

- (1) This Reserve Fund shall be funded by non-refundable deposits received from Developers.
- (2) This Reserve Fund shall be used by Infrastructure and Emergency Services Department for tree planting in applicable sites.
- (3) This is a working reserve fund.

**28. Cemeteries Reserve Fund**

- (1) This Reserve Fund is funded through annual operating surpluses of cemeteries.
- (2) This Reserve fund shall be used for cemetery capital projects.
- (3) Authorization of Council is required for spending from this Reserve Fund.

**29. Emergency Services - Ambulance Reserve Fund**

- (1) Annual budgeted amounts for vehicle and equipment replacement shall be credited to this Reserve Fund.
- (2) Any excess funding from ongoing ambulance capital projects shall be credited to this Reserve Fund.

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(3) This Reserve Fund shall be used to fund vehicle and equipment replacements and other capital projects for Infrastructure and Emergency Services - Ambulance.

(4) Expenditures from this Reserve Fund shall be authorized by Council.

**30. Greater Sudbury Police Service Board Reserve Fund**

(1) This Reserve Fund shall be funded from the Greater Sudbury Police Service Board Auction held annually, interest earned from fund investments, and monies recovered as a result of seized property.

(2) This Reserve Fund shall be used for any purpose that the Greater Sudbury Police Service Board considers in the public interest in accordance with Sections 132 and 133 of the *Police Services Act* and for such charitable events as the Board deems suitable, without further authorization from Council.

(3) A Statement of Revenues and Expenditures shall be provided to the Financial Services Division of the City of Greater Sudbury by the Greater Sudbury Police Service Board no later than February 15 in each year, prepared as at December 31st of the previous year.

**31. Gazebo Concert Series Reserve Fund**

(1) This Reserve Fund is funded by donations from the public for the concert series at Bell Park.

(2) This Reserve Fund shall be used only to cover expenses of the concert series at Bell Park.

(3) This is a Working Reserve Fund.

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**32. Equipment and Vehicle Reserve Fund - Police**

- (1) Annual contributions to this reserve fund shall be made in accordance with the Greater Sudbury Police Services Board operating budget.
- (2) Salvage values received from the sale of used Police vehicles and equipment shall be credited to this reserve fund.
- (3) This reserve fund shall be used to purchase new Police equipment and vehicles as determined by the Greater Sudbury Police Services Board, and in accordance with the Police equipment replacement plan.
- (4) This is a working reserve fund.

**33. Police Services Donations Reserve Fund**

- (1) This reserve fund shall be funded by an annual contribution of any excess donation proceeds net of expenditures in that year.
- (2) This reserve fund shall be used only for the purpose of crime prevention initiatives as the Greater Sudbury Police Services Board deems suitable, without further authorization from Council.
- (3) This is a working reserve fund.

**34. South Branch Library Reserve Fund**

- (1) Funding of this Reserve Fund shall be from net rents received.
- (2) This Reserve Fund is intended to fund the future repairs / renovations to the building.
- (3) Authorization of Council is required to add to or spend from this Reserve Fund.

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**35. 199 Larch Building Maintenance Reserve Fund**

- (1) This Reserve Fund shall be used for capital undertakings at 199 Larch.
- (2) Any annual operating surplus shall be contributed to this Reserve Fund.
- (3) Any other expenditures from this Reserve Fund shall be authorized by Council.

**36. Social Housing Capital Reserve Fund**

- (1) This Reserve Fund shall be used for Social Housing capital undertakings, as authorized by Council.
- (2) Any annual surplus in the Social Housing operating budget shall be credited to this Reserve Fund, to allow it to rise to \$5 million, if such contribution will not put the City in a deficit position or increase an existing deficit.
- (3) Any annual deficit in the Social Housing operating budget shall be funded from this Reserve Fund.
- (4) Any other expenditures from this Reserve Fund shall be authorized by Council.

**37. Falconbridge Community Centre Reserve Fund**

- (1) This Reserve Fund shall be funded by net profits from the operation of the Falconbridge Wellness Centre at the Falconbridge Community Centre.
- (2) This Reserve Fund shall be used for capital projects at the Falconbridge Wellness Centre and at the Falconbridge Community Centre.
- (3) Any other expenditures from this Reserve Fund shall be authorized by Council.

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**38. Dedicated Gas Tax Fund for Public Transportation Reserve Fund**

(1) This Reserve Fund shall be funded by monies received by the City from the Province of Ontario from time to time as Dedicated Gas Tax Funds for Public Transportation, pursuant to a Letter of Agreement between the Province of Ontario and the City of Greater Sudbury.

(2) As outlined in the Guidelines and Requirements provided by the Province of Ontario, interest earned by the monies in the Reserve Fund shall be calculated at the Chums One rate and credited to the Reserve Fund.

(3) Expenditures may be made from the Reserve Fund for eligible expenditures related to public transportation as described in the Letter of Agreement with the Province of Ontario and the Dedicated Gas Tax Funds for Public Transportation Program Guidelines and Requirements and consistent with the City's Asset Management Plan and Ridership Growth Plan approved by Council.

(4) Expenditures from this Reserve Fund shall be authorized by Council.

**39. Human Resources Management Reserve Fund - Police**

(1) This Reserve Fund shall be funded from surpluses in employee salaries and benefits from current budget funds, provided that such contribution will not put the Greater Sudbury Police Services Board or the City in a deficit position or increase a deficit.

(2) Any annual operating deficit in employee salaries and benefits from current budget funds shall be funded from this Reserve Fund.

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(3) Expenditures made from this Reserve Fund shall be made to pay human resources contractual obligations, termination payouts, retirement gratuities, and other related expenses.

(4) This Reserve Fund is a working fund.

(5) Any other expenditures may be made from this Reserve Fund only with the authorization of the Greater Sudbury Police Services Board.

**40. Whitewater Lake Park Reserve Fund**

(1) Funding for this Reserve Fund is provided by the proceeds of sale of Lots 11 and 12 on Plan M-1236, which were acquired by the former Town of Rayside Balfour for parks purposes pursuant to the *Planning Act*.

(2) Expenditures from this Reserve Fund may be used for improvements to the Whitewater Lake Park upon authorization of Council.



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**CAPITAL FINANCING RESERVE FUNDS**

**1. Capital Financing Reserve Fund - General**

- (1) This Capital Financing Reserve Fund shall be used to provide for year-to-year variances in the operating budget: one-half of any operating surplus shall be credited to this Capital Financing Reserve Fund and one-half of any operating deficit shall be charged to this Operating Capital Reserve Fund.
- (2) This Capital Financing Reserve Fund may be used for any project of a capital nature upon authorization of Council.
- (3) This is a working capital financing reserve fund.

**2. Capital Financing Reserve Fund - Corporate Infrastructure**

- (1) This Capital Financing Reserve Fund shall be funded from unallocated or excess funds from the capital envelope for Corporate Infrastructure Envelope.
- (2) This Capital Financing Reserve Fund shall be used only for Corporate Infrastructure capital projects.
- (3) All expenditures from this Capital Financing Reserve Fund shall be authorized by Council.

**3. Capital Financing Reserve Fund - Information Technology**

- (1) This Capital Financing Reserve Fund shall be funded from unallocated or excess funds from the capital envelope for Information Technology.
- (2) Existing funds in the Computer Equipment Reserve Fund shall be transferred to this Capital Financing Reserve Fund.

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(3) Any annual surplus in the Information Technology operating budget shall be credited to this Capital Financing Reserve Fund only if such contribution will not put the City in a deficit position, or increase an existing deficit.

(3) Expenditures from this Capital Financing Reserve Fund shall be made only for Information Technology capital projects.

(4) Expenditures may be made from this Capital Financing Reserve Fund only with authorization from Council.

**4. Capital Financing Reserve Fund - Public Works Buildings**

(1) This Capital Financing Reserve Fund shall be funded through unallocated or excess funds from the capital envelope for Public Works Buildings.

(2) This Capital Financing Reserve Fund shall be used only for Public Works Buildings capital projects.

(2) Expenditures from the Capital Financing Reserve Fund shall be made only upon authorization by Council.

**5. Capital Financing Reserve Fund - Police**

(1) This Capital Financing Reserve Fund shall be funded from unallocated or excess funds in capital envelope for Police, from development charges proceeds and from the current operating budget exclusive of salaries and benefits provided that such contribution will not put the Greater Sudbury Police Services Board or the City in a deficit position or increase a deficit.

(2) Any current operating deficit, exclusive of salaries and benefits shall be funded from this Capital Financing Reserve Fund.

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(3) This Capital Financing Reserve Fund shall be used only for Police capital projects and one-time service delivery enhancement projects.

(4) Expenditures may be made from this Capital Financing Reserve Fund only upon authorization by the Greater Sudbury Police Services Board.

**6. Capital Financing Reserve Fund - Roads**

(1) This Capital Financing Reserve Fund shall be funded through unallocated or excess funds from the capital envelope for Roads, and development charges proceeds.

(2) This Capital Financing Reserve Fund shall be used only for Roads capital projects.

(3) Expenditures from this Capital Financing Reserve Fund shall be made only upon authorization by Council.

**7. Capital Financing Reserve Fund - Wastewater**

(1) This Capital Financing Reserve Fund shall be funded from unallocated or excess funds from the capital envelope for Wastewater, development charges proceeds and net operational surpluses from the Wastewater Operating Budget.

(2) This Capital Financing Reserve Fund shall be used to fund any operational deficits in the Wastewater Operating Budget.

(3) This is a working Reserve Fund.

(4) Expenditures may be made from this Capital Financing Reserve Fund for wastewater projects of a capital nature, upon authorization by Council.

**8. Capital Financing Reserve Fund - Water**

(1) This Capital Financing Reserve Fund shall be funded from unallocated or excess funds from the capital envelope for Water and net operational surpluses in the Water Operating Budget.

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(2) This Capital Financing Reserve Fund shall be used to fund any operational deficits in the Water Operating Budget.

(3) This is a working Reserve Fund.

(4) Expenditures may be made from this Capital Financing Reserve Fund for water projects of a capital nature, upon authorization by Council.

**9. Capital Financing Reserve Fund - Community Development - Health and Social Services**

(1) This Capital Financing Reserve Fund shall be funded from unallocated or excess funds from the capital envelope for Community Development - Health and Social Services.

(2) This Capital Financing Reserve Fund shall be credited with any balance remaining in the Pioneer Manor Reserve Fund, upon the closing of that Reserve Fund.

(3) Provincial Revenue received for High Wage Subsidy and any additional subsidy received as a result of reconstruction at Pioneer Manor, beyond the amount required for debt repayment shall be credited to this Capital Financing Reserve Fund.

(2) This Capital Financing Reserve Fund shall be used for Community Development - Health and Social Services capital projects.

(3) Expenditures may be made from this Capital Financing Reserve Fund upon authorization by Council.

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**10. Capital Financing Reserve Fund - Infrastructure and Emergency Services  
( Fire)**

- (1) This Capital Financing Reserve Fund shall be funded through unallocated or excess funds from the capital envelope for Infrastructure and Emergency Services - Fire.
- (2) This Capital Financing Reserve Fund shall be use only for Infrastructure and Emergency Services - Fire capital projects.
- (3) Expenditures may be made from this Capital Financing Reserve Fund only upon authorization of Council.

**11. Capital Financing Reserve Fund - Community Development - Citizen and  
Leisure Services**

- (1) This Capital Financing Reserve Fund shall be funded through unallocated or excess funds from the capital envelope for Community Development - Citizens and Leisure.
- (2) This Capital Financing Reserve Fund shall be used only for Community Development - Citizens and Leisure capital projects.
- (3) Expenditures from this Capital Financing Reserve Fund shall be made only upon authorization of Council.

**12. Capital Financing Reserve Fund - Solid Waste**

- (1) This Capital Financing Reserve Fund shall be funded from unallocated or excess funds in the capital envelope for Solid Waste.
- (2) This Capital Financing Reserve Fund shall be used only for solid waste projects of a capital nature.

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(3) Expenditures may be made from this Capital Financing Reserve Fund only with authorization from Council.

**13. Capital Financing Reserve Fund - Growth and Development - Economic Development**

(1) This Capital Financing Reserve Fund shall be funded by a transfer from the Growth and Development - Economic Development /Community Loan Reserve Fund of funds committed by Council in the 2005 Capital Budget process.

(2) This Capital Financing Reserve Fund shall be funded from unallocated or excess funds in the capital envelope for Growth and Development - Economic Development.

(3) This Capital Financing Reserve Fund shall be used only for economic development projects.

(4) Expenditures may be made from this Capital Financing Reserve Fund only with authorization of Council.

(5) Advances from this Capital Financing Reserve Fund shall be made to the Growth and Development - Economic Development Capital Envelope as follows:

2005 - \$350,000

2006 - \$350,000

2007 - remaining balance.

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**TRUST FUNDS**

**1. Pioneer Manor Residents' Trust Fund**

(1) This Trust Fund shall consist of monies being held on behalf of Residents in Pioneer Manor for:

- (a) accommodation payments for Residents on family benefits;
- (b) accommodation payments for Residents that are controlled by the Public Guardian and Trustee; and
- (c) Residents' assets or monies.

(2) Payment from this Trust Fund may be made to Residents, or their legal representatives, or may be applied to outstanding accounts of the City of Greater Sudbury.

**2. Retirees' Pension Trust**

(1) This Trust Fund shall consist of payments to be made to retired employees in future years as part of an incentive package.

(2) Residual amounts for interest earned shall be returned to the Human Resources Management Reserve Fund.

(3) The City Treasurer for the City of Greater Sudbury is authorized to enter into arrangements with a financial institution for the management of this Trust Fund and payments are to be made in accordance with by-laws 99-66F and 98-54A of the former Regional Municipality of Sudbury.

**SCHEDULE "D"**  
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**3. SSAB Contingencies Trust Fund**

- (1) This Trust Fund shall be used for any potential contingencies relative to the former Social Services Administration Board that may arise.
- (2) This Trust Fund shall be maintained until January 12, 2006, after which time, any funds remaining in this Trust Fund shall be distributed in accordance with the main severance formula as used in the distribution of assets of the former Board.
- (3) The City Treasurer is authorized to continue financial arrangements with a financial institution to maintain this Trust Fund in a separate account.
- (4) The City of Greater Sudbury shall be entitled to an administrative fee for the management of this Trust Fund equal to the amount of the interest earned on this Trust Fund.

**4. Business Centre Trust Fund**

- (1) This Trust Fund shall consist of funds contributed by the Province of Ontario to allow the Regional Business Centre to advance to clients that wish to start up a new business, a loan to 90% of the cost of preparing a business plan, to a maximum of \$5,000.
- (2) Expenditures from this Trust Account shall be made in accordance with decisions made by the partners in the Business Centre. Funds in this Trust Account are also subject to return to the Province of Ontario upon request.



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**5. Ontario Home Renewal and Ontario Home Renewal (Rental) Trust Fund**

- (1) This Trust Fund shall consist of money received by the former Regional Municipality of Sudbury as reimbursement from Ontario Home Renewal Program and Ontario Home Renewal Rental Program payments.
- (2) Funds in this Trust Account may be transferred to the Province of Ontario after the administrative fee of the City of Greater Sudbury and of the former Regional Municipality of Sudbury is deducted.

**6. Deposits by Contractors**

- (1) This Trust Fund shall consist of all money given to the City of Greater Sudbury as deposits, guarantees, or other security under Subdivision Agreements, Site Plan Agreements, Construction Lien Agreements, Removal of Building Agreements, Test Manhole Agreements, Servicing Agreements and other similar arrangements.
- (2) Expenditures may be made from this Trust Fund with authorization from City Council, the City Solicitor or the City Treasurer.

**7. Cemetery Care and Maintenance Trust Fund**

- (1) A portion of the price of cemetery plots and markers shall be set aside in this Trust Fund for perpetual care, as required pursuant to the *Cemeteries Act (Revised)* and regulations thereunder.
- (2) No expenditures from the capital of this Trust Fund shall be permitted.
- (3) Interest from this Trust Fund shall be transferred to the Cemeteries Current Budget.

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**8. Cemetery Pre-Need Assurance Fund**

- (1) Monies paid for pre-need services at the cemeteries, such as prepayment of grave opening and closing charges, and prepayment of charges for grave-side services shall be deposited to this Trust Account.
- (2) Interest earned by this Trust Fund shall be credited directly to the Trust Fund.
- (3) Deposits to and expenditures from this Trust Account shall be made on advice from the Manager of Cemeteries and in accordance with the Cemeteries Act and regulations thereunder.

**9. Sudbury Airport CDC Trust Fund**

- (1) This Trust Fund was created by the former City of Sudbury for the purposes of depositing operating surpluses from the Sudbury Airport Community Development Corporation and funding received from the Federal Government.
- (2) Surpluses in the monthly airport operating budget shall be credited to this Trust Fund and deficits in the monthly airport operating budget shall be charged to this Trust Fund.
- (3) All interest earned by this Trust Fund shall be credited directly to the Trust Fund.
- (4) Expenditures shall be made from this Trust Fund for uses established by the Sudbury Airport CDC by resolution of the Board of the Sudbury Airport CDC.

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**of the City of Greater Sudbury**

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**10. Elections Trust Fund**

- (1) Refundable deposits received from persons running for municipal election shall be deposited to this Trust Fund.
- (2) This Trust Fund is used only in election years.
- (3) All interest earned by this Trust Fund shall be credited to the Trust Fund.
- (4) Deposits to and refunds from this Trust Fund shall be made only on advice from the City Clerk in accordance with the *Municipal Elections Act, 1996*.

# Request for Recommendation Finance Committee

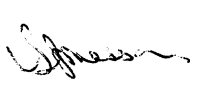



Type of Decision									
Meeting Date	June 29, 2005				Report Date	June 22, 2005			
Decision Requested		Yes	<input checked="" type="checkbox"/>	No	Priority	<input checked="" type="checkbox"/>	High		Low
	Direction Only				Type of Meeting	<input checked="" type="checkbox"/>	Open		Closed

Report Title
2004 Year-End Position

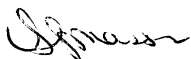
Policy Implication + Budget Impact	
<input checked="" type="checkbox"/>	This report and recommendation(s) have been reviewed by the Finance Division and the funding source has been identified.
N/A	
<input checked="" type="checkbox"/>	Background Attached

Recommendation
FOR YOUR INFORMATION
Recommendation Continued

Recommended by the Department Head
 S. Jonasson Acting Chief Financial Officer / Treasurer

Recommended by the C.A.O.
 M. Mieto Chief Administrative Officer

Date: June 22, 2005

**Report Prepared By**for C. Mahaffy  
Manager of Financial Planning & Policy/Deputy Treasurer**Division Review****EXECUTIVE SUMMARY**

This report will summarize the 2004 year-end position of the City of Greater Sudbury, showing a balanced budget.

**BACKGROUND**

The City has a policy in place whereby any year-end under or overexpenditures are contributed to or funded from the Capital Financing Reserve Fund - General and the Tax Rate Stabilization Reserve in equal amounts.

Also, included in the City's Reserve / Reserve Fund By-law are policies where certain program-specific surpluses or deficits are contributed to or funded from related reserves. There is, of course, the proviso that such contributions cannot create or increase a deficit for the City overall. The five programs covered by these policies are:

- Information Technology
- Land Reclamation
- Social Housing and
- Libraries / Citizen Service Centres
- Police Services.

For 2004, each of these programs experienced positive variances totaling \$3.5 million. However, contributing this amount to the respective reserves would have put the City into a deficit position. Consequently, based on each program's share of the total amount, the contributions to the reserves were pro-rated and limited to \$2.6 million, as follows:

• Capital Financing Reserve Fund - Information Technology	\$ 836,175
• Tree Purchases Reserve	40,917
• Social Housing Capital Reserve Fund	1,180,863
• Reserve for Libraries / Citizen Service Centres	42,087
• Capital Financing Reserve Fund - Police	<u>494,147</u>
Total	<u>\$2,594,189</u>

After contributing to reserves for the above five programs, in accordance with policy, the City's final position is a balanced budget for 2004. This has been verified through the annual audit, which was completed at the end of May.

Date: June 22, 2005

**Differences from the August Projection**

A 2004 Variance Report was presented to Council last October based on August projections, indicating an overall surplus of about \$1.3 million for 2004, if the Province provided a year-end reconciliation of the Community Reinvestment Fund / Local Services Realignment programs (CRF / LSR). Although this reconciliation did take place, it did not occur until the end of March 2005, and the revenue received had to be recognized in 2005. There was no surplus for 2004.

**Variance Chart**

The attached chart lists the over and under expenditures throughout the corporation. Favourable variances are in brackets, while overexpenditures are shown without brackets. An explanation has been provided for any section with a variance in excess of \$250,000.

**Major Variances****General Revenues*****(1) Grants and Subsidies - \$4.1 million***

There is a \$4.1 million negative variance in grants and subsidies. This is directly related to the Province not providing a reconciliation for CRF/LSR programs for 2003 and 2004. The revenues received for 2004 were exactly what the Province cash-flowed (based on the 2002 reconciliation), adjusted down by \$400,000 to cancel the receivable set up in 2003. Fortunately, underexpenditures in the Children's Services, Sole Support, and Ontario Disabled Support programs somewhat offset this shortfall.

***(2) Corporate Revenue - Capital \$272,000***

The biggest shortfall in this area was the Slots revenue which was \$162,000 less than budgeted. Shortfalls in Interest added to taxes account for the balance.

**Executive, Administration and Corporate Services*****(3) Information Technology - (\$278,000)***

This section had a net underexpenditure of \$278,000 after the contribution to the reserve fund. The underexpenditure was largely attributable to not hiring all of the budgeted staff in 2004.

**Economic Development and Planning*****(4) Planning and Development Services - (\$903,000)***

Revenues in Building Services, chiefly for Building Permits, exceeded the budget by \$701,000, while underexpenditures and increased revenue in Committee of Adjustment accounted for a further \$114,000. Small underexpenditures throughout the section also occurred.

Date: June 22, 2005

**Health and Social Services*****(5) Ontario Works - (\$1.8 million)***

Mandatory programs were overspent by just over \$300,000. No specific item accounts for this overexpenditure, but a combination of small overexpenditures throughout the various programs. For example, Back to School Needs was overspent by about \$60,000; funeral expenses were over by another \$40,000; and Board and Lodging by another \$70,000. A further overexpenditure of \$319,000 was incurred in the Discretionary Programs area because the City did not receive offsetting subsidy from the Ministry. Providing for special needs (e.g. for prosthesis needs) and emergency shelter services account for this overexpenditure.

Employment Support Services was underspent by \$443,000 most of which related to Level 3 Subsidy funding from the Province being higher than budgeted. Underexpenditures throughout the programs account for the balance.

Sole Support was underspent by almost \$1 million, which helped to offset the large funding shortfall in the CRF; while the Ontario Disabled Support program, also a CRF program, was underspent by close to \$1 million.

***(6) Social Housing - (\$394,000)***

The net underexpenditure in Social Housing was almost \$400,000 after the contribution to the reserve. As was explained in the August projection report, the budget was developed based on a benchmark system that the Province was to implement in 2004. Implementation has been delayed until 2005.

**Public Works*****(7) Roads Maintenance - \$1.6 million***

The overexpenditure in Roads is due to road sanding and salting and other winter maintenance programs, which are strictly a factor of weather conditions.

***(8) Waste Management - (\$1.7 million)***

The underexpenditure in this section is almost entirely due to increased tipping fee revenue, related to the substantial increase in building activity.

Date: June 22, 2005

**Audit and Filing of Financial Information Returns**

As was the case in 2004, the Financial Information Returns (FIRs) had to be filed with the Province by May 31<sup>st</sup>. This deadline was met, and the Auditors are scheduled to present the Financial Statements and the annual Audit report at the Finance meeting of June 29<sup>th</sup>.

**2005 Current Budget**

Certain budget options which were approved during the 2005 Current Budget process were to be funded from the anticipated 2004 surplus:

Healthy Community	\$ 350,000
NDCA Special Project	250,000
Fire Master Plan	<u>220,000</u>
Total	<u>\$ 820,000</u>

Although the surplus did not materialize in 2004, there is sufficient funding available in the two reserves which would have been credited with the surplus: the Tax Rate Stabilization Reserve and the Capital Financing Reserve Fund - General. The year-end balances in these reserves are \$391,000 and \$669,000 respectively. These two reserves will fund any commitments made against the 2004 anticipated surplus.



# COST CENTRE REPORT

## PERIOD ENDING DECEMBER 31, 2004

(000)

<b>SUMMARY</b>						
	<b>Annual Budget</b>	<b>Y-T-D Budget</b>	<b>%</b>	<b>Y-T-D Actual</b>	<b>%</b>	<b>Over (Under) Expenditure</b>
<b>GENERAL REVENUES</b>	<b>(212,496)</b>	<b>(212,496)</b>	<b>100</b>	<b>(208,153)</b>	<b>98</b>	<b>4,343</b>
EXECUTIVE, ADMIN & CORPORATE SERVICES	11,285	<b>11,285</b>	100	<b>10,446</b>	93	(839)
ECONOMIC DEV & PLANNING SERVICES	5,970	<b>5,970</b>	100	<b>5,067</b>	85	(903)
HEALTH & SOCIAL SERVICES	47,796	<b>47,796</b>	100	<b>45,731</b>	96	(2,065)
CITIZEN & LEISURE SERVICES	28,486	<b>28,486</b>	100	<b>28,302</b>	99	(184)
PUBLIC WORKS	56,815	<b>56,815</b>	100	<b>56,858</b>	100	43
EMERGENCY SERVICES	22,435	<b>22,435</b>	100	<b>22,409</b>	100	(26)
OUTSIDE BOARDS	39,709	<b>39,709</b>	100	<b>39,340</b>	99	(369)
<b>EXPENDITURES</b>	<b>212,496</b>	<b>212,496</b>	<b>100</b>	<b>208,153</b>	<b>98</b>	<b>(4,343)</b>
<b>NET BUDGET</b>	<b>-</b>	<b>-</b>		<b>-</b>		<b>-</b>

# COST CENTRE REPORT

## PERIOD ENDING DECEMBER 31, 2004

(000)

GENERAL REVENUES						
	Annual Budget	Y-T-D Budget	%	Y-T-D Actual	%	Over (Under) Expenditure
TAXATION LEVY	(144,370)	(144,370)	100	(144,354)	100	16
(1) GRANTS & SUBSIDIES	(58,236)	(58,236)	100	(54,181)	93	4,055
(2) CORPORATE REVENUE/CAPITAL	(9,890)	(9,890)	100	(9,618)	97	272
<b>GENERAL REVENUES</b>	<b>(212,496)</b>	<b>(212,496)</b>	<b>100</b>	<b>(208,153)</b>	<b>98</b>	<b>4,343</b>

# COST CENTRE REPORT

## PERIOD ENDING DECEMBER 31, 2004

(000)

<b>EXECUTIVE, ADMINISTRATIVE &amp; CORPORATE SERVICES</b>						
	<b>Annual Budget</b>	<b>Y-T-D Budget</b>	<b>%</b>	<b>Y-T-D Actual</b>	<b>%</b>	<b>Over (Under) Expenditure</b>
EXECUTIVE AND LEGISLATIVE	1,193	<b>1,193</b>	100	<b>1,111</b>	93	(82)
OFFICE OF THE CAO	1,118	<b>1,118</b>	100	<b>1,118</b>	100	-
<b>CORPORATE SERVICES</b>						
GENERAL MANAGER'S OFFICE	1,794	<b>1,794</b>	100	<b>1,761</b>	98	(33)
INTERNAL AUDIT	256	<b>256</b>	100	<b>241</b>	94	(15)
INFORMATION TECHNOLOGY SERVICE	-	-		<b>(278)</b>		(278)
FINANCIAL SERVICES	3,558	<b>3,558</b>	100	<b>3,368</b>	95	(190)
HUMAN RESOURCES	-	-		-		-
SUPPLIES AND SERVICES	-	-		-		-
SOLICITOR AND CLERK	1,858	<b>1,858</b>	100	<b>1,617</b>	87	(241)
ASSESSMENT SERVICES	1,508	<b>1,508</b>	100	<b>1,508</b>	100	-
<b>EXECUTIVE, ADMIN &amp; CORPORATE SERVICES</b>	<b>11,285</b>	<b>11,285</b>	<b>100</b>	<b>10,446</b>	<b>93</b>	<b>(839)</b>

(3)

# COST CENTRE REPORT

## PERIOD ENDING DECEMBER 31, 2004

(000)

<b>ECONOMIC DEVELOPMENT &amp; PLANNING SERVICES</b>						
	<b>Annual Budget</b>	<b>Y-T-D Budget</b>	<b>%</b>	<b>Y-T-D Actual</b>	<b>%</b>	<b>Over (Under) Expenditure</b>
GENERAL MANAGER'S OFFICE	1,104	1,104	100	1,102	100	(2)
ECONOMIC DEVELOPMENT	2,034	2,034	100	2,036	100	2
(4) PLANNING AND DEVELOPMENT SERVICES	2,832	2,832	100	1,929	68	(903)
<b>ECONOMIC DEVEL &amp; PLANNING SERVICES</b>	<b>5,970</b>	<b>5,970</b>	<b>100</b>	<b>5,067</b>	<b>85</b>	<b>(903)</b>

# COST CENTRE REPORT

## PERIOD ENDING DECEMBER 31, 2004

(000)

<b>HEALTH AND SOCIAL SERVICES</b>						
	<b>Annual Budget</b>	<b>Y-T-D Budget</b>	<b>%</b>	<b>Y-T-D Actual</b>	<b>%</b>	<b>Over (Under) Expenditure</b>
GENERAL MANAGER'S OFFICE	1,140	1,140	100	1,098	96	(42)
COMMUNITY DEVELOPMENT & SOCIAL POLICY	-	-		-		-
CHILDREN SERVICES	3,307	3,307	100	3,287	99	(20)
LONG TERM CARE & SENIORS	1,360	1,360	100	1,551	114	191
(5) ONTARIO WORKS	25,193	25,193	100	23,393	93	(1,800)
(6) HOUSING SERVICES	16,796	16,796	100	16,402	98	(394)
<b>HEALTH AND SOCIAL SERVICES</b>	<b>47,796</b>	<b>47,796</b>	<b>100</b>	<b>45,731</b>	<b>96</b>	<b>(2,065)</b>

# COST CENTRE REPORT

## PERIOD ENDING DECEMBER 31, 2004

(000)

<b>CITIZEN &amp; LEISURE SERVICES</b>						
	<b>Annual Budget</b>	<b>Y-T-D Budget</b>	<b>%</b>	<b>Y-T-D Actual</b>	<b>%</b>	<b>Over (Under) Expenditure</b>
GENERAL MANAGER'S OFFICE	1,235	<b>1,236</b>	100	<b>1,217</b>	99	(19)
CEMETERY SERVICES	121	<b>121</b>	100	<b>132</b>	109	11
PUBLIC LIBRARIES/CITIZENS SERVICES	6,859	<b>6,859</b>	100	<b>6,845</b>	100	(14)
LEISURE & RECREATION SERVICES	12,441	<b>12,441</b>	100	<b>12,410</b>	100	(31)
GREATER SUDBURY TRANSIT	7,830	<b>7,829</b>	100	<b>7,698</b>	98	(131)
<b>CITIZEN &amp; LEISURE SERVICES</b>	<b>28,486</b>	<b>28,486</b>	<b>100</b>	<b>28,302</b>	<b>99</b>	<b>(184)</b>

# COST CENTRE REPORT

## PERIOD ENDING DECEMBER 31, 2004

(000)

<b>PUBLIC WORKS</b>						
	<b>Annual Budget</b>	<b>Y-T-D Budget</b>	<b>%</b>	<b>Y-T-D Actual</b>	<b>%</b>	<b>Over (Under) Expenditure</b>
ENVIRONMENTAL INNOVATION & INITIATIVES	230	230	100	286	124	56
ENGINEERING SERVICES	230	230	100	230	100	-
BUILDINGS & FACILITIES	3,625	3,625	100	3,577	99	(48)
TRAFFIC AND TRANSPORTATION	264	264	100	287	109	23
OPERATIONS ADMINISTRATION	(70)	(70)	100	-	-	70
WATER MAINTENANCE	3,024	3,024	100	3,024	100	-
WASTE WATER MAINTENANCE	585	585	100	585	100	-
(7) ROADS MAINTENANCE	38,254	38,254	100	39,839	104	1,585
FLEET	-	-		10		10
PUBLIC WORKS DEPOTS	-	-		-		-
(8) WASTE MANAGEMENT	10,673	10,673	100	9,020	85	(1,653)
<b>PUBLIC WORKS</b>	<b>56,815</b>	<b>56,815</b>	<b>100</b>	<b>56,858</b>	<b>100</b>	<b>43</b>

# COST CENTRE REPORT

## PERIOD ENDING DECEMBER 31, 2004

(000)

<b>EMERGENCY SERVICES</b>						
	<b>Annual Budget</b>	<b>Y-T-D Budget</b>	<b>%</b>	<b>Y-T-D Actual</b>	<b>%</b>	<b>Over (Under) Expenditure</b>
GENERAL MANAGER'S OFFICE	297	<b>297</b>	100	<b>300</b>	101	3
EMERGENCY PREPAREDNESS	140	<b>140</b>	100	<b>192</b>	137	52
FIRE SERVICES	14,971	<b>14,971</b>	100	<b>15,119</b>	101	148
EMERGENCY MEDICAL SERVICES	7,027	<b>7,027</b>	100	<b>6,798</b>	97	(229)
<b>EMERGENCY SERVICES</b>	<b>22,435</b>	<b>22,435</b>	<b>100</b>	<b>22,409</b>	<b>100</b>	<b>(26)</b>



# COST CENTRE REPORT

## PERIOD ENDING DECEMBER 31, 2004

(000)

<b>OUTSIDE BOARDS</b>						
	<b>Annual Budget</b>	<b>Y-T-D Budget</b>	<b>%</b>	<b>Y-T-D Actual</b>	<b>%</b>	<b>Year-end Surplus (Deficit)</b>
N.D.C.A.	254	<b>254</b>	100	<b>254</b>	100	-
PUBLIC HEALTH (HEALTH UNIT)	6,173	<b>6,173</b>	100	<b>5,969</b>	97	(204)
POLICE SERVICES	33,282	<b>33,282</b>	100	<b>33,117</b>	100	(165)
<b>OUTSIDE BOARDS</b>	<b>39,709</b>	<b>39,709</b>	<b>100</b>	<b>39,340</b>	<b>99</b>	<b>(369)</b>

# Request for Recommendation Finance Committee

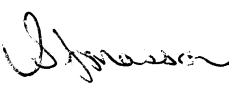


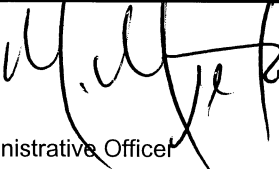
Type of Decision									
Meeting Date	June 29, 2005				Report Date	June 22, 2005			
Decision Requested		Yes	<input checked="" type="checkbox"/>	No	Priority	<input checked="" type="checkbox"/>	High		Low
	Direction Only				Type of Meeting	<input checked="" type="checkbox"/>	Open		Closed

Report Title
2005 Current Budget Variance Report - April


Policy Implication + Budget Impact	
<input checked="" type="checkbox"/>	This report and recommendation(s) have been reviewed by the Finance Division and the funding source has been identified.
<input checked="" type="checkbox"/>	Background Attached

Recommendation
FOR INFORMATION ONLY
Recommendation Continued

Recommended by the Department Head
 S. Jonasson Acting Chief Financial Officer / Treasurer

Recommended by the C.A.O.
 M. Mieto Chief Administrative Officer

Date: June 22, 2005

**Report Prepared By**  
E. Stankiewicz  
Co-Ordinator of Current Budget**Division Review**  
C. Mahaffy  
Manager of Financial Planning & Policy/Deputy Treasurer**EXECUTIVE SUMMARY**

This report will identify areas where material year-end variances may occur.

**BACKGROUND**

The purpose of this report is to provide Council with a preliminary overview of potential year-end variances for the Corporation. The source used is the April Cost Centre Report, which includes expenditures and revenues for the first four months of the year. In many areas, only four months of data is not sufficient to identify potential variances; however in other areas, there may have been significant factors that have contributed to current variances which may also result in year-end variances.

A more detailed projection will be undertaken in early fall based on the expenditures and revenues contained in the July 2005 Cost Centre Report. During this process, each department will be requested to project a year-end value for each account. Based on the information returned by the departments, a corporate year-end projection will be made. Council will receive this report in September of 2005.

The following are areas where potential material year-end variance may occur:

**1. Ontario Municipal Partnership Fund**

The reconciliation of the 2003 and 2004 CRF Program, which adversely affected the 2004 year-end, provided a one-time positive variance in 2005. The funding received will offset the 2005 Ontario Municipal Partnership Fund (OMPF) shortfall of \$2.7 million and the unbudgeted costs associated with collective bargaining.

**2. Slot Revenue**

Based on the last two quarterly payments from the Ontario Lottery and Gaming Corporation, our 2005 revenues may fall short of the budgeted value by \$100,000 to \$200,000.

**3. Supplementary Taxation**

The first supplementary taxation listing received from the Municipal Property Assessment Corporation (MPAC) was worth \$73 million in Current Value Assessment (CVA). Based on this data and considering another two supplementary listings for 2005, the revenue should exceed the budget. This section will be in a better position in July to report on the anticipated revenue.

Date: June 22, 2005

**4. Information Technology**

This area should experience an underexpenditure by year-end as four positions within this division remain vacant. However, in accordance with current policy, the Information Technology division contributes its underexpenditure to the reserve if the Corporation is also in a surplus position at year-end.

**5. Building Services**

The exceptional building activity continues for 2005 and due to increased revenue generated for this activity, it is expected that this section will experience a net underexpenditure by year-end. However, as a result of Bill 124, all underexpenditures must be contributed to a reserve to ensure future stability.

**6. Housing Services**

The Housing Services budget was developed on the premise that the Province would implement a new funding model based on benchmarks effective January 1, 2005. However, negotiations are now complete and the Province is expected to unveil the new funding formula by early fall but it is not anticipated that they will make this funding model retroactive to January 1, 2005. This action would result in an underexpenditure in Housing Services.

**7. Leisure & Recreation Services**

Better than expected user fee revenues are responsible for this section being currently under budget. Concession and beverage revenues at the Sudbury Arena as a result of the successful season experienced by the Sudbury Wolves is the major contributing factor for this additional revenue.

**8. Transit Services**

Greater than anticipated revenues for Transit has offset higher fuel costs. The soaring cost of diesel fuel may determine if this section experiences an underexpenditure or overexpenditure by year end.

**9. Roads Maintenance**

As a result of the favourable weather conditions in the first part of the year, the winter control budget is currently under spent. Given a normal November and December winter season, this budget will be under spent by year-end. However, the summer roads program may be overspent. Deteriorating roads require more pothole patching and spring cleanup is currently over budget due to the increased use of sand. Overall, this section should be close to budget at year-end if no extraordinary weather conditions are experienced.

**10. Solid Waste Management**

Better than expected tipping revenues will result in a year-end net underexpenditure for this section. The return (for the summer) of one of our major waste disposal clients is one major contributing factor and the increased building activity is also responsible for this increased revenue.

Date: June 22, 2005

11. **EMS**

The Emergency Medical Services is currently not at full complement. However, the service is trying to fill vacancies through the job competition process in order to comply with the service contract with the Ministry of Health and Long Term Care. They have not achieved that goal to date and this section will experience an underexpenditure by year-end.

12. **Restructuring**

For 2005, Phase 1 restructuring savings of approximately \$300,000 will be realized. An additional \$1.6 million in Phase 2 restructuring will realized by 2007. The impact of Phase 2 restructuring on the 2005 budget will not be known until year-end.

**SUMMARY**

Departments continue to monitor their budgets and continue to make adjustments to balance controllable items. This has been a preliminary review of the revenues and expenditures for the first four months of 2005. A more comprehensive review will take place after the July 2005 month-end and Council will be presented with a corporate year-end projection in September.