

FINANCE COMMITTEE 'REVISED' AGENDA

to be held on
Wednesday, December 8, 2004
at
5:30 p.m.

Councillor
Eldon Gainer
Chair



Councillor
Frances Caldarelli
Vice-Chair



**TWENTY-FIRST MEETING OF THE FINANCE COMMITTEE
TO BE HELD ON WEDNESDAY, DECEMBER 8, 2004 AT 5:30 P.M.
IN THE COUNCIL CHAMBER, TOM DAVIES SQUARE**

COUNCILLOR GAINER, CHAIR

(PLEASE ENSURE CELL PHONES AND PAGERS ARE TURNED OFF)

The Council Chamber of Tom Davies Square is wheelchair accessible. Please speak to the City Clerk prior to the meeting if you require a hearing amplification device. Persons requiring assistance are requested to contact the City Clerk's Office at least 24 hours in advance of the meeting if special arrangements are required. Please call (705) 671-2489, extension 2475. Telecommunications Device for the Deaf (TTY) (705) 688-3919. Copies of Agendas can be viewed on the City's web site at www.greatersudbury.ca.

1. Declarations of Pecuniary Interest

THE FOLLOWING IS TO BE READ ALOUD BY THE CHAIR:

Section 291 of the Municipal Act, 2001 requires public notice before Council may hold a meeting to adopt a budget, or to amend one.

The public notice was published in the Sudbury Star (Saturday, November 27, 2004) and Le Voyageur (Wednesday, December 1, 2004) and posted on the City's internet website www.greatersudbury.ca

Should City Council not adopt its 2005 Budget at the Finance Committee meeting on Wednesday, December 8, 2004, the Chair, prior to adjournment, will announce the date when Council intends to adopt the 2005 Budget.

PRESENTATIONS/DELEGATIONS

PAGE NO.

{NONE}

ROUTINE MANAGEMENT REPORTS

{NONE}

CORRESPONDENCE - INFORMATION ONLY

{NONE}

The following items are carried over from the Finance Committee meeting held on Monday, December 6, 2004

2005 CAPITAL BUDGET REVIEW

2. A presentation by the General Manager of Corporate Services regarding the Capital Funding Options. (Capital Funding Options to be found on Pages 1-7 immediately after black tab entitled "Capital Budget" in Budget document.)
(ELECTRONIC PRESENTATION) (FOR INFORMATION ONLY)

3. Report dated 2004-12-06 from the General Manager of Corporate Services regarding 2005 Capital Budget - Managed Debt Financing.

1 - 2

(This report recommends that Council approve Option 4, page 5 of the 2005 Capital Budget Report found in the Budget document.)

RECOMMENDATION: THAT Council approve Option 4 as presented in the 2005 Capital Budget Report;

AND THAT Council direct staff to take the appropriate actions necessary to secure financing to accomplish an additional \$45 million road infrastructure project that will qualify under the Canada-Ontario Municipal Rural Infrastructure Fund ("COMRIF") eligibility criteria;

AND THAT Council direct staff to make an application with COMRIF for 2/3 funding under that program.

4. Report dated 2004-12-08 from the General Manager of Corporate Services regarding Canada-Ontario Municipal Rural Infrastructure Fund (COMRIF). **3 - 4**

RECOMMENDATION: WHEREAS the Province of Ontario and the Federal Government have announced the Canada-Ontario Municipal Rural Infrastructure Fund;

AND WHEREAS the deadline for the first applications is January 10, 2005;

AND WHEREAS municipal councils must pass a resolution that the application submitted is their highest priority.

NOW THEREFORE BE IT RESOLVED THAT the Council of the City of Greater Sudbury hereby advises that its highest priority for its first submission under the Canada-Ontario Municipal Rural Infrastructure Fund is the improvement and rehabilitation of roads and bridges.

5. Report dated 2004-12-03 from the General Manager of Corporate Services regarding 2005 Capital Budget. **5 - 7**

Review of the 2005 Capital Budget and 2006/2007 Capital Forecast.
(CAPITAL BUDGET WAS SUBMITTED UNDER SEPARATE COVER)

RECOMMENDATION: THAT Council approve the 2005 Capital Budget, as summarized on the following schedule, to allow those projects approved to proceed in a timely fashion;

AND THAT the 2006 and 2007 Capital Forecasts be received.

6. Review of 2005 Capital Budget Options.
7. Voting on 2005 Capital Budget Options.

Following the Voting Process there will be a 15 minute break.

8. Finalization of Current Budget pending outcome of Capital Budget Review.

RECOMMENDATION: THAT the 2005 Current Budget be approved in the gross amount of _____, and in the net amount of _____;

AND THAT City Council accept the following Board's budgets:

- ▶ The City's share of the Nickel District Conservation Authority's operating budget in the amount of **\$262,042;**
- ▶ The City's share of the Sudbury & District Health Unit's operating budget in the amount of **\$6,168,958;**
- ▶ The Greater Sudbury Police Service's operating budget in the amount of **\$35,004,369;**

subject to finalization of CRF funding.

2005 PARKING LOT REVIEW - IF REQUIRED

9. The Chair of the Finance Committee will review each of the items placed in the Parking Lot during the meeting. The consensus of Council will be required for each item listed in the Parking Lot.
- ▶ Councillor Eldon Gainer, Chair, Finance Committee

10:00 P.M. ADJOURNMENT

(RESOLUTION PREPARED)

**COUNCILLOR ELDON GAINER
CHAIR, 2004 FINANCE COMMITTEE**

**CORRIE-JO CAPORALE
COUNCIL SECRETARY**

2005 Capital Budget Review

Request for Recommendation Finance Committee



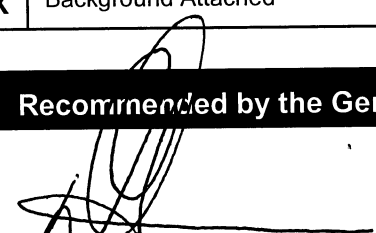
Type of Decision									
Meeting Date	December 6, 2004				Report Date	December 6, 2004			
Decision Requested	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	Priority	<input checked="" type="checkbox"/>	High	<input type="checkbox"/>	Low
	Direction Only				Type of Meeting	<input checked="" type="checkbox"/>	Open	<input type="checkbox"/>	Closed

Report Title
2005 Capital Budget - Managed Debt Financing

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

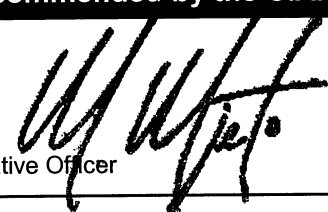
Recommendation
<p>That Council approve Option <u>4</u> as presented in the 2005 Capital Budget Report; directs staff to take the appropriate actions necessary to secure financing to accomplish an additional \$45 million road infrastructure project that will qualify under the Canada-Ontario Municipal Rural Infrastructure Fund ("COMRIF") eligibility criteria; and directs staff to make an application with COMRIF for 2/3 funding under that program.</p>
Recommendation Continued

Recommended by the General Manager



D. Wuksinic
General Manager of Corporate Services

Recommended by the C.A.O.



M. Mieto
Chief Administrative Officer

Report Prepared By



J. Van de Rydt
Co-Ordinator of Capital Budget & Risk Management

Division Review



S. Jonasson
Director of Finance/City Treasurer

BACKGROUND

Several options were presented in the 2005 Capital Budget Report which was included with the 2005 Capital Budget document. Option 4, which is recommended to Council, would have the City issue debt to finance the one-third municipal share of qualifying project expenditures under the COMRIF program. The roads capital program under this set of assumptions would be as follows:

Financing Source	2005	2006	2007	2008	2009	TOTALS
Debt Issued	3,700,000	3,700,000	3,700,000	3,900,000		15,000,000
Capital Envelopes	14,236,510	17,641,380	21,359,190	21,359,190	21,359,190	
Capital Levy	3,157,000	3,299,000				
COMRIF 2/3 Grant	7,300,000	7,300,000	7,300,000	8,100,000		30,000,000
Debt repayment		(393,510)	(787,020)	(1,180,530)	(1,595,310)	
Roads Program	28,393,510	31,546,870	31,572,170	32,178,660	19,763,880	143,455,090

Under this scenario, a \$143 million Roads program could be accomplished with the issue of \$15 million debt. This scenario would allow for an additional \$45 million roads program with the least amount of borrowing, \$15 million, because of the COMRIF 2/3 grant of \$30 million. After making an allowance for debt repayments on the \$15 million debenture (assuming interest at 6.5% over a 15-year term) this option will increase the roads capital program by an extra \$41 million over the doubling of roads capital program previously approved by Council.

Request for Recommendation Finance Committee



Type of Decision

Meeting Date	December 8, 2004				Report Date	December 8, 2004			
Decision Requested	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	Priority	<input checked="" type="checkbox"/>	High	<input type="checkbox"/>	Low
	Direction Only				Type of Meeting	<input checked="" type="checkbox"/>	Open	<input type="checkbox"/>	Closed

Report Title

CANADA-ONTARIO MUNICIPAL RURAL INFRASTRUCTURE FUND (COMRIF)


Policy Implication + Budget Impact

N/A	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

<p>Whereas the Province of Ontario and the Federal Government have announced the Canada-Ontario Municipal Rural Infrastructure Fund;</p> <p>And Whereas the deadline for the first applications is January 10, 2005;</p> <p>And Whereas municipal councils must pass a resolution that the application submitted is their highest priority.</p> <p>Now therefore be it resolved that:</p> <p>The Council of the City of Greater Sudbury hereby advises that its highest priority for its first submission under the Canada-Ontario Municipal Rural Infrastructure Fund is the improvement and rehabilitation of roads and bridges.</p>
Recommendation Continued

Recommended by the General Manager

 D. Bélisle General Manager of Public Works
--

Recommended by the C.A.O.

 M. Mieto Chief Administrative Officer
--

Date: December 8, 2004

Report Prepared By



D. Bélisle
General Manager of Public Works

Division Review

Council is aware of the very short time line for the City's first application for COMRIF funding. As next week marks Council's last meeting before the application deadline of January 5, 2005, the proposed resolution would be in order.

Request for Recommendation Finance Committee

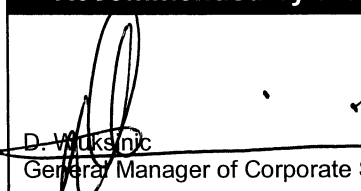


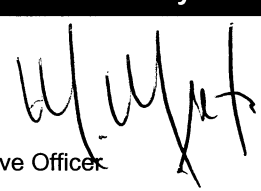
Type of Decision										
Meeting Date	December 6, 2004				Report Date	December 3, 2004				
Decision Requested	<input checked="" type="checkbox"/>	Yes		No	Priority	<input checked="" type="checkbox"/>	High		Low	
	Direction Only				Type of Meeting	<input checked="" type="checkbox"/>	Open		Closed	

Report Title
2005 Capital Budget

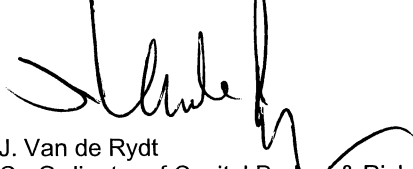
Policy Implication + Budget Impact	
<input checked="" type="checkbox"/>	This report and recommendation(s) have been reviewed by the Finance Division and the funding source has been identified.
<input checked="" type="checkbox"/>	Background Attached

Recommendation
<p>That Council approve the 2005 Capital Budget, as summarized on the following schedule, to allow those projects approved to proceed in a timely fashion; and</p> <p>That the 2006 and 2007 Capital Forecasts be received.</p>
Recommendation Continued

Recommended by the General Manager
 D. Wicks General Manager of Corporate Services


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

Report Prepared By



J. Van de Rydt
Co-Ordinator of Capital Budget & Risk Management

Division Review

for 

S. Jonasson
Director of Finance/City Treasurer

2005 CAPITAL PROGRAM

Public Works	Roads	\$ 18,384,510
	Water	7,589,300
	Wastewater	7,407,500
	Solid Waste	1,009,190
	Facilities	1,920,300
	Fleet & Equipment	3,404,000
	Parking	80,000
Citizen and Leisure Services	Library	124,000
	Leisure Services	1,159,858
	Community Improvement Plans	200,000
	Neighbourhood Participation Projects	150,000
	Cemetery	315,000
	Transit	3,050,000
Corporate Services	Corporate Infrastructure	308,960
	Information Technology	100,000
	Community Support Projects	1,295,000
Economic Development & Planning		230,170
Emergency Services	Fire Services	305,120
	Emergency Planning & Strategic Services	160,000
	Ambulance	1,338,650
Health & Social Services		686,400
Police Services		<u>1,424,740</u>
TOTAL CAPITAL PROGRAM		<u>\$ 50,642,698</u>

with funding to be provided as follows:

Current Fund - Capital Envelopes		\$ 39,553,910
Contributions from Reserves & Reserve Funds		
1. MR #80 Reserve Fund	400,000	
2. Roads Capital Financing Reserve Fund	300,000	
3. Parking Improvement Reserve Fund	80,000	
4. Vehicle & Equipment Replacement Reserve Fund	4,164,182	
5. Waste-water Capital Financing Reserve Fund	86,520	
6. Emergency Services (Ambulance) Reserve Fund	1,498,650	
7. Citizen & Leisure Capital Financing Reserve Fund	382,300	
8. Adanac Ski Chalet Reserve	50,108	
9. Cemetery Reserve Fund	165,000	
10. Gas Tax Reserve Fund	338,518	
11. Police Vehicle & Equipment Replacement Reserve Fund	385,000	
12. Police Capital Financing Reserve Fund	<u>556,610</u>	8,406,888
Grant or Subsidies		650,000
Other Recoveries		<u>2,031,900</u>
TOTAL FUNDING		<u>\$ 50,642,698</u>

BACKGROUND

The 2005 Capital Budget document has been distributed under separate cover. The capital program summarized above is recommended to Council for adoption.

Certain capital projects previously approved by Council in past years will be rescinded, through year-end adjustments to close out and reallocate excess capital, with capital funding returned to reserves: namely, \$556,610 for Police Mobile Data Terminals returned to the Police Capital Financing Reserve Fund, and \$382,300 returned to the Citizen & Leisure Capital Financing Reserve Fund for capital projects for the Adanac Ski Hill. Both of these reserve funds will be drawn upon in 2005 to fund project expenditures in the Police and Citizen & Leisure Services capital programs.

Should Council accept Option 4 (identified in the 2005 Capital Budget document) and the use of managed debt as a financing alternative for the municipal portion of a COMRIF project, staff will immediately begin the search for financing arrangements and make an application for funding to the Canada-Ontario Municipal Rural Infrastructure Fund. Public Works will develop an enhanced Roads program and report back to Council in January 2005.

The Long Term Financial Plan Update (November 2003) identified capital funding gaps over the next ten years 2004 to 2013. During the preparation of the three-year capital forecast, every effort was made to match the timing of the needs identified in the LTFP but there may be discrepancies, on a year to year basis, as some projects may have been accelerated, or delayed in some cases. A significant change, worthy of comment, is the announced gas tax funding for Transit. This alone has reduced our capital gap by \$8 million.

As directed by Council at its Priorities Setting Exercise of September 24th and 25th, 2004, a report addressing the Long-Term Financial Strategy for Total Infrastructure will be prepared and presented in the Spring of 2005. This report will present both financing scenarios....one outlining meeting infrastructure requirements using own funds, as well as managed debt to meet the unfunded capital needs in all areas.