



# FINANCE COMMITTEE AGENDA

to be held on  
**Wednesday, April 13, 2005**  
at  
**5:00 p.m.**

**Councillor  
Eldon Gainer  
Chair**



**Councillor  
Frances Caldarelli  
Vice-Chair**



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***TWENTY-THIRD MEETING OF THE FINANCE COMMITTEE  
TO BE HELD ON WEDNESDAY, APRIL 13, 2005 AT 5:00 P.M.  
IN THE COUNCIL CHAMBER, TOM DAVIES SQUARE***

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**(DINNER WILL BE SERVED AT 6:30 P.M. IN THE COUNCILLORS' LOUNGE)**

**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](http://www.greatersudbury.ca).**

1. Declarations of Pecuniary Interest

2. Report dated 2005-04-08, with attachments, from the Acting CFO/Treasurer regarding Grant Announcement - Ontario Municipal Partnership Fund. **1 - 6**  
**(ELECTRONIC PRESENTATION)**

(On March 31<sup>st</sup>, the Province unveiled the successor grant to the Community Reinvestment Fund (CRF), called the Ontario Municipal Partnership Fund (OMPF). This fund is no longer tied to downloaded services, but is an unconditional grant program “designed to help address the burden social programs place on municipalities with limited funds, respond to policing issues in small communities and address some of the unique challenges faced by northern, rural and small communities”.

One time funding will be provided to address the issue of outstanding CRF reconciliations for 2003 and 2004, and to provide transitional funding to municipalities that will see reduced grant revenue under OMPF as compared to the CRF payment received for 2004.

The impact on the City of Greater Sudbury will be addressed in the report.)

**RECOMMENDATION:** WHEREAS the Province has introduced a new grant program - the Ontario Municipal Partnership Fund to replace the Community Reinvestment Fund for 2005;

AND WHEREAS the Province will reconcile the Community Reinvestment Fund for 2003 and 2004 providing additional funding of \$1.4 million;

AND WHEREAS the City has recently identified efficiencies and cost savings that will not be fully realized until 2008;

BE IT RESOLVED THAT the City of Greater Sudbury petition the Province to provide transitional funding to phase-in funding shortfalls for the years 2005 to 2008;

AND THAT any shortfall for 2005, not covered by transitional funding be funded from reserves.

3. Report dated 2005-04-06, with attachments, from the Acting CFO/Treasurer regarding 2005 Property Tax Policy.  
**(ELECTRONIC PRESENTATION)**

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- ▶ John Hughes, Hemson Consulting Ltd.

(Since 1998, municipalities have been responsible for the development of property tax policy. For 2005, it is proposed that the broad class ratios remain unchanged and the optional large industrial class be maintained. In addition, with the introduction of the new tax tools by the Province, it is proposed that the City make use of all the new options, insofar as they do not negatively affect the clawback percentage. These new options are:

- A 10% property tax cap
- Increasing the minimum value of tax increases
- Eliminating properties from clawback and capping if taxes are within \$250 of CVA taxes

Tax rates will also be recommended.)

**RECOMMENDATION:** 1) WHEREAS the City of Greater Sudbury continues the practice of having as many properties as possible pay their fair share of property taxes based on their Current Value Assessment (CVA);

AND WHEREAS the Province of Ontario has introduced new tax tools which will allow properties to reach their CVA taxes more rapidly;

THEREFORE BE IT RESOLVED THAT the City of Greater Sudbury use all of the new tax tools to the maximum, resulting in more properties paying true CVA taxes, and the tools are as follows:

- 1) Raise the 5% tax increase cap to 10%,
- 2) Implement a minimum annual increase of 5% of CVA level taxes for capped properties,
- 3) Move capped and clawed back properties within \$250 of CVA taxes directly to CVA taxes,
- 4) Create a minimum CVA tax of 70% of CVA for newly constructed properties.

THAT the City Solicitor prepare the necessary bylaw.

2) WHEREAS the City of Greater Sudbury's Broad Industrial tax ratio is above the 2.63 provincial threshold;

AND WHEREAS if this ratio is above the threshold, the City may pass only 50% of the levy increase to industrial properties, thus shifting the remaining 50% of this levy increase to all other classes;

**...cont'd**

3. Report dated 2005-04-06, with attachments, from the Acting CFO/Treasurer regarding 2005 Property Tax Policy (continued):

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**RECOMMENDATION (continued):** THEREFORE BE IT RESOLVED THAT the City of Greater Sudbury lower the Broad Industrial tax ratio to the provincial threshold of 2.63 resulting in these properties paying their fair share of the levy increase.

3) WHEREAS the BMA Municipal Study has identified that the Residual Industrial tax ratio is high when compared to other Ontario municipalities while the Large Industrial tax ratio is low to mid when compared to other Ontario municipalities;

THEREFORE BE IT RESOLVED THAT the Residual tax ratio be lowered while the Large Industrial tax ratio be increased without adversely affecting the clawback percentage in the Industrial Class;

AND THAT Council approve the following ratios:

Residential	1.0000	
New Multi-Residential	1.0000	
Multiple Residential	2.0591	
Commercial	1.6574	
Industrial Occupied	2.4242	
Large Industrial	2.7477	
Pipelines	1.3721	
Managed Forests	.2500	
Farmlands	.2500	;

AND THAT the City Solicitor prepare the necessary bylaw.

4) WHEREAS the Province of Ontario under Bill 140 has a maximum tax increase policy (capping) for business properties (multi-residential, commercial and industrial);

AND WHEREAS the City of Greater Sudbury, through past practice has funded this cap on taxes by clawing back from properties realizing reduced taxation;

**...cont'd**

- 3. Report dated 2005-04-06, with attachments, from the Acting CFO/Treasurer regarding 2005 Property Tax Policy (continued):

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**RECOMMENDATION (continued):** THEREFORE BE IT RESOLVED THAT the following clawback percentages, as calculated by the Online Property Taxation Analysis (OPTA) System, be adopted by the City of Greater Sudbury:

Multi-Residential	29.2011%
Commercial	61.9897%
Industrial	59.9749%;

AND THAT the City Solicitor prepare the necessary bylaw.

5) WHEREAS currently the Royal Canadian Legions, Polish Combatants and Navy League of Canada are exempted from municipal taxes and pay education taxes;

AND WHEREAS these organizations have petitioned the City for additional relief (education taxes) and during Budget deliberations Council supported them;

THEREFORE BE IT RESOLVED THAT for 2005 and each year thereafter, these organizations are exempted from all property taxation under Section 361 of the Municipal Act;

AND THAT the City Solicitor prepare the necessary bylaw.

**ROUTINE MANAGEMENT REPORTS**

**{NONE}**

**CORRESPONDENCE - INFORMATION ONLY**

- 4. Report dated 2005-04-08, with attachments, from the Executive Director of Administrative Support Services regarding Value-for-Money Audit Report: Energy Retrofits (former Region facilities).  
(FOR INFORMATION ONLY)

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**MANAGERS' REPORTS**

**{NONE}**

**6:30 P.M. ADJOURNMENT (RESOLUTION PREPARED)**

**COUNCILLOR ELDON GAINER  
CHAIR, 2005 FINANCE COMMITTEE**

**CORRIE-JO CAPORALE  
COUNCIL SECRETARY**