

# Request for Decision City Council




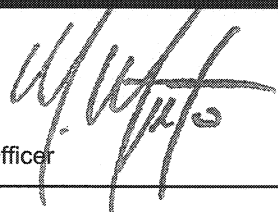
Type of Decision									
Meeting Date	August 10, 2005				Report Date	August 3, 2005			
Decision Requested	<input checked="" type="checkbox"/>	Yes		No	Priority	<input checked="" type="checkbox"/>	High		Low
	Direction Only				Type of Meeting	<input checked="" type="checkbox"/>	Open		Closed

Report Title
2006 Budget Schedule

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
<p><b>That Council adopt the proposed 2006 Budget Schedule as appended to this report.</b></p>
<input checked="" type="checkbox"/> 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: August 3, 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 details the proposed meeting dates for the 2006 Current and Capital Budgets and the Capital Needs and Financing report to be presented to Council.

**BACKGROUND**

The attached schedule begins with Council's Visionary Session in June and ends with the development of property tax policy in the spring of 2006.

***Public Input***

Two dates have been scheduled for the public to provide its input for the 2006 Budget process. The first date (September 19, 2005) has been set aside for forums in each of the six wards. The second public input session will take place at Tom Davies Square on September 26, 2005. All meetings will commence at 7:00 p.m. and are scheduled until 10:00 p.m. There will be councillors and staff at all the public meetings. This is the same format as was followed last year.

***Capital Needs and Financing***

The discussion regarding capital needs will take place at a special Priorities Committee meeting to be held October 26, 2005. Capital Needs for each area, for the next ten years will be compiled, together with all known funding sources for the same period. This will illustrate the projected capital funding gap, for which funding solutions will be developed. Council will be undertaking a priority setting exercise based on the known capital needs and related funding.

***Budget Overview***

On November 24, 2005, Council will receive the 2006 Budget document, including both Current and Capital, and the Long Term Capital Plan. In addition, an overview highlighting the Budget will be presented to Council.

### ***Budget Review Sessions***

The review sessions for the Current and Capital Budgets are scheduled in Council Chambers for 5:30 p.m. to 10:00 p.m. with two fifteen minute breaks. Supper will be served in the Councillors' lounge prior to each review session meeting.

### ***Property Tax Policy***

The development of property tax policy will take place in the spring of 2006 and this will conclude the approval of the 2006 budgeting process.

### ***Summary***

It is recommended that Council adopt the 2006 Budget Schedule outlined in this report.

<b>2006 Budget Proposed Schedule</b>			
June 24, 2005			Council Visioning Session
September 19, 2005	7:00 - 10:00	Ward Meetings	Public Input
September 26, 2005	7:00 - 10:00	Tom Davies Square	Public Input
<b>October 26, 2005</b>	<b>4:00 - 10:00</b>	<b>Special Priorities Committee</b>	<b>Capital Needs &amp; Financing</b>
November 24, 2005		Council	Distribute Current Budget
			Distribute 2006 Capital Budget
			Distribute Long Term Cap Plan
			Budget Overview
November 28, 2005	5:30 - 10:00	Finance Committee	Current Budget Review
November 30, 2005	5:30 - 10:00	Finance Committee	Current Budget Review
December 5, 2005	5:30 - 10:00	Finance Committee	Current Budget Review
December 7, 2005	5:30 - 10:00	Finance Committee	2006 Capital Budget Review
December 12, 2005	5:30 - 10:00	Finance Committee	2006 Capital Budget Review
December 15, 2005		Council	Budget Approval
Spring, 2006		Council	Tax Policy

Note: On September 19, 2005, there will be six separate public input sessions - one in each ward

# Request for Decision City Council




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Meeting Date	August 10, 2005				Report Date	July 25, 2005			
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
New Blue Box Recyclable Items

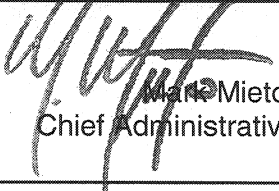
Policy Implication + Budget Impact	
<input checked="" type="checkbox"/>	This report and recommendation(s) have been reviewed by the Finance Division and the funding source has been identified.
<p>The \$13,000 funding for the additional recyclable materials will need to be provided in the 2006 current base budget (offset by any WDO funding received).</p>	
<input checked="" type="checkbox"/>	Background Attached

Recommendation
<p>That Low Density Polyethylene (PE) Plastic Bags &amp; Film and Polystyrene (PS) be added to the blue box recyclable program as detailed in the report dated July 25, 2005 from the General Manager of Infrastructure &amp; Emergency Services.</p>
Recommendation Continued

**Recommended by the Department Head**

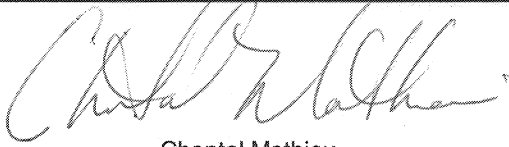
  
 Alan Stephen  
 General Manager of Infrastructure & Emergency Services

**Recommended by the C.A.O.**

  
 Marie Mieto  
 Chief Administrative Officer

Date: July 25, 2005

**Report Prepared By**



Chantal Mathieu  
Director of Solid Waste

**Division Review**

Chantal Mathieu  
Director of Solid Waste

**New Blue Box Recyclable Items**

The Technical Steering Committee (TSC) reviewed the potential addition of two blue box recyclable categories on July 13, 2005. The categories were as follows:

1. **Low Density Polyethylene (PE) Plastic Bags and Film** - includes for example, grocery sacks; retail store carry out sacks; milk pouches and outer bags; bread bags, sandwich bags, and bulk food bags; dry cleaning bags; diaper outer bags; frozen food bags; and over wrap for toilet tissue and paper towels.

**Fast Facts**

Bags can often be reused again. For example, a bread bag can be a sandwich bag for a school lunch, and more than 80 percent of consumers reuse plastic bags as liners for household wastebaskets.

**Cost to Recycle** - The cost to recycle these items is estimated at approximately \$10,000 per year. Up to 50% of these costs will be eligible for WDO blue box funding.

2. **Polystyrene (PS)** - includes for example, foam and rigid polystyrene take-out containers; clear polystyrene salad and sandwich boxes; foam meat trays; foam egg cartons; foam and rigid polystyrene plates and cups.

**Cost to Recycle** - The cost to recycle these items is estimated at approximately \$3,000 per year. Up to 50% of these costs will be eligible for WDO blue box funding.

**What happens at the Polystyrene Recycling Plant?**

- The collected polystyrene is sorted, ground into flakes and washed.
- The polystyrene flakes are tumble-dried in hot air and squeezed with rollers.
- Strands are made from melted flakes, cut into bead-sized pellets, and cooled with water.
- The recycled resin pellets are sold to be remolded into new products.

The TSC and staff are recommending the addition of these two new categories. If Council approves, the new categories will be added in the next recycling contract. Residents would then be able to recycle these items commencing April 2006.

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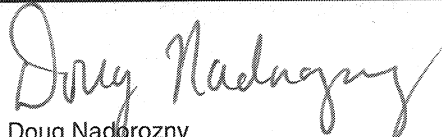


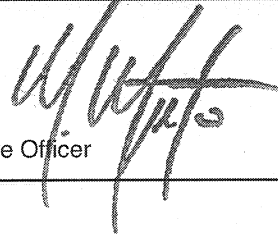
Type of Decision									
Meeting Date	August 11, 2005				Report Date	July 27, 2005			
Decision Requested	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	Priority	<input checked="" type="checkbox"/>	High	<input type="checkbox"/>	Low
	Direction Only				Type of Meeting	<input type="checkbox"/>	Open	<input type="checkbox"/>	Closed

Report Title
Taxi, Limousine and Shuttle Transportation By-Law #2003-3

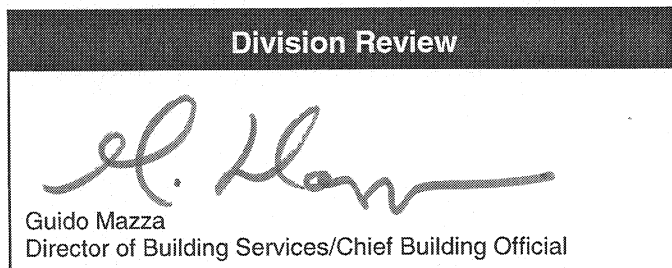
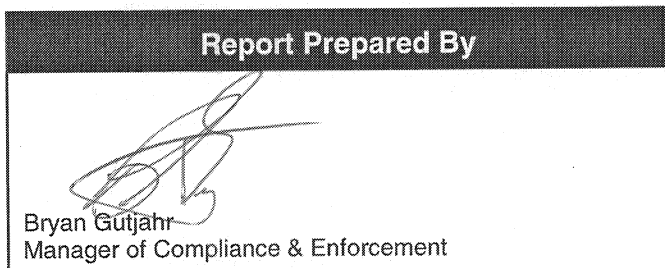
Policy Implication + Budget Impact	
<input checked="" type="checkbox"/>	This report and recommendation(s) have been reviewed by the Finance Division and the funding source has been identified.
Background Attached	

Recommendation
<p>THAT Council appoint a Member of Council to assist in the review of By-Law #2002-3 and who will sit as Chair of the public meeting to receive input about By-law #2003-3 from the public as well as owners and drivers of taxis, limousines and shuttles.</p> <p>Items to be reviewed at this meeting will be limited to;</p> <ul style="list-style-type: none"> <li>i) Zone review</li> <li>ii) Airport service</li> <li>iii) Barrier free accessible service</li> </ul> <p>AND FURTHER THAT Council accept the tariff review report and direct staff to implement the new tariff increase of 6% effective September 1, 2005 .</p>
Recommendation Continued

Recommended by the Department Head
 Doug Nadrozny General Manager of Growth & Development

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

Date: July 27, 2005



## BACKGROUND

On April 28, 2005, Council passed a resolution that the Taxi, Limousine and Shuttle Transportation By-Law #2003-3 be reviewed by Council or a Committee of Council and that staff be instructed to schedule public hearings to receive input from the public as well as the owners and drivers of taxis, limousines and shuttles.

### Historical Background

Upon amalgamation, City Council embarked on an extensive overview and consolidation of the area Taxi By-laws. Council engaged a consultant, Hara & Associates Inc. who are experienced in the review of taxi by-laws throughout Canada to assist in the process. The roughly 3 year process involved the consultant contacting and interviewing owners and drivers to discuss their concerns. Public meetings and customer surveys undertaken by Oracle Research were also conducted. A report was tabled on June 6, 2002, accepted by Council with the current Taxi By-Law drafted and passed on August 12, 2003. The current By-law expires on September 1, 2008, with a Council mandated review after 4 years, in September, 2007. The report prepared by Hara & Associates will be available for Council review together with this report.

Based on the last approximate 2 years of experience with By-law #2003-3, the concerns expressed by owners and drivers of taxis, limousines and shuttles includes:

- i) A review of the zone system
  - Is there a need to maintain the current separate zone system or should the Greater City be opened to all taxis
- ii) Review the provision that requires a pre-arranged fare at the airport for shuttle owners as well as overall airport taxi service in consultation with the Sudbury Airport Community Development Corporation to establish taxi and limousine services consistent with industry standards
- iii) Review the current provisions in the by-law related to barrier-free accessible service.

It is recommended that a public meeting be scheduled in September 2005 to address only these concerns listed above. Staff will then review the by-law and make recommendations on any necessary amendments.

Overall, City staff agree that the by-law is well written and has been very effective to ensure that taxis, limousines and shuttles are maintained to a very high standard. This is evident in our By-law Enforcement bi-annual inspections of the vehicles which show a marked improvement in the quality of these vehicles. However there are a few minor provisions that must be revisited and improved to assist enforcement staff in the administration and enforcement of the by-law.



Date: July 27, 2005

## **TARIFF REVIEW**

### **Taxicab Numbers and Tariff Review**

The Taxi, Limousine and Shuttle Transportation By-Law #2003-3 Section 19 states that once a year the Chief Taxi Inspector shall prepare a report that reviews taxicab tariffs and the maximum number of taxicabs licenced to Zone 1 and make recommendations to Council on any needed changes. This review has been undertaken by staff and the following are the results of the study.

### **Taxicab Numbers in Zone 1**

The Chief Taxi Inspector does not recommend a change in the number of taxis in Zone 1 at this time as the number of these licences is sufficient to service Zone 1 at this time .

### **Taxicabs Tariffs**

The Taxi and Limousine study prepared by Hara and Associates recommended that the City of Greater Sudbury implement a Taxi Cost Index (TCI) which would be used by the Chief Taxi Inspector to calculate any required change to Taxicab Tariffs.

The common method of adjusting rates is to use the Consumer Price Index (CPI). However, it is preferable to use the Taxi Cost Index (TCI) because it represents a basket of goods including fuel, vehicles, and insurance that must be purchased. As such City staff have prepared a calculation for a tariff increase using the recommended Taxi Cost Index as contained in Schedule 'J' of By-Law 2003-3 (attached)

## **TARRIF RECOMMENDATION**

When the by-law was implemented in August 2003 the basic rate of inflation suggested a tariff rate increase of 6.7%. However, staff recommended a further discretionary tariff rate increase of 9% for reasons of helping offset capital cost expenditures required by the new by-law to upgrade vehicles to meet the higher standards of safety, equipment, training demanded of the industry.

It is also hoped that some of the additional revenue will also be reflected in the salaries paid to taxi drivers.

Council approved the staff recommendations and the tariffs were adjusted accordingly.

Staff have now reviewed the basic rate of inflation from the benchmark date of March 2002 to April 2005 which shows an increase of 12.8%.

Since the basic rate of inflation in March 2002 was 6.7% then the difference to April 2005 is 6.1%.

Therefore it is recommended that the 2003 tariff be increased by 6% to be implemented September 1, 2005.

Date: July 27, 2005

**SCHEDULE 'J'****ESTIMATION OF CHANGE IN COST OF OPERATING A TAXICAB**

The change in the cost of operating a taxicab shall be estimated using the Cost Index method.<sup>1</sup> It may be calculated using Worksheets A and B of this Schedule. The following steps shall be followed:

**Get Recent Cost Data:** Obtain the most recent available number for each Proxy Time Series listed in Worksheet B and enter on the same line in Column E.<sup>2</sup>

Where a designated proxy series has been discontinued by Statistics Canada, the Chief Taxi Inspector may designate a new proxy series, giving first preference to related monthly series available from Statistics Canada. In this case the Chief Taxi Inspector must also replace the Base Value for March 2002 in Column D of the Worksheet with an appropriate value for the newly selected proxy.

**Calculate % Cost Increase of Each Item:** Calculate the value for each cell in Column G using numbers from the other columns and the formula ( $G=[E\div D-1]\times 100$ ).

**Calculate Current Index Components:** Calculate the value for each cell in Column H using numbers from the other columns and the formula ( $H=[E\div D\times B]$ ).

**Calculate Current Cost Index: Total** the values in Column H and enter them on line J of Worksheet B.

**Calculate % change in Cost of Operating a Taxicab Since March 2002:** Calculate cell K in Worksheet B using the formula.

The result of Step 5 should be reported and considered in review of adjustment to taximeter rates.

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1. Explanatory Note: The Cost Index method is intended to be approximate, not exact. It estimates changes in cost by measuring changes in the cost of commodities and services that taxis share with other sectors of the economy. These changes are measured using publicly available statistics, such as components of the Consumer Price Index maintained by Statistics Canada. The Cost Index method is used because it uses data developed at arm's length from the industry, and avoids potentially lengthy and costly enquiries into the operating costs of individual taxicab owners and brokers. The index does not capture any unusual cost increases resulting from new requirements of operators by the Bylaw or administration of the City of Greater Sudbury.

2. As of June 2003 these series are available through the Statistics Canada Internet web site for a nominal fee payable on line by credit card. The information in column B identifies the series within the Statistics Canada CANSIM database

Date: July 27, 2005

**SCHEDULE J**

Worksheet A: Calculation of Sudbury Cost Index						
A	B	C	D	E	G =[E?D-1]?100	H =E?D
Cost Item	Share of Costs - March 2002	Proxy Time Series For Cost Item (With Data Retrieval Information)	Base Value March 2002	Current Value April 2005	Percent Change in Cost Item Since March 2002	Current Value of Index Component
Fuel	12.0%	<b>Consumer Price Index for Gasoline</b> v736363 - Table 326-0001: Consumer price index, 2001 basket content; Ontario; Gasoline (Index, 1992=100)[P106074]	123.4	164.5	33.3	16.0
Repairs & Maintenance	9.6%	<b>Consumer Price Index for Automotive Parts, Repair and Maintenance</b> v736364 - Table 326-0001: Consumer price index, 2001 basket content; Ontario; Automotive vehicle parts, maintenance and repairs (Index, 1992=100)[P106075]	111.4	124.6	11.8	10.7
Employed Driver Returns	26.4%	<b>Hourly Wage Transportation &amp; Warehousing</b> v1591431 - Table 281-0029: Average hourly earnings for employees paid by the hour (SEPH); Ontario; Excluding overtime; Transportation and warehousing [48-49] (Dollars)[L181190]	18.39	19.72	7.2	28.3
Professional Fees	0.3%		18.39	19.72	7.2	0.3
Owner Driver Returns	29.2%		18.39	19.72	7.2	31.3
Insurance	11.3%	<b>Consumer Price Index for Auto Insurance</b> v736366 - Table 326-0001: Consumer price index, 2001 basket content; Ontario; Automotive vehicle insurance premiums (Index, 1992=100)[P106077]	189.0	242.6	28.4	14.5
Depreciation	4.0%	<b>Consumer Price Index for Vehicles</b> v736361 - Table 326-0001: Consumer price index, 2001 basket content; Ontario; Purchase of automotive vehicles (Index, 1992=100)[P106139]	124.4	124.6	0.2	4.0
Return on Investment	1.4%		124.4	124.6	0.2	1.4
Dispatch Fees	5.4%	<b>Consumer Price Index - All items</b> v736288 - Table 326-0001: Consumer price index, 2001 basket content; Ontario; All-items (Index, 1992=100)[P106000]	119.5	128.0	7.1	5.8
Miscellaneous	0.4%		119.5	128.0	7.1	0.4
<b>TOTAL</b>	<b>100.0%</b>					<b>112.8</b>

Worksheet B: Calculation of % Cost Increase Since March 2002	
(I) Base Value of Cost Index March 2002	100.0
(J) Current value of Index (Total from column H of Worksheet A)	112.8
(K) Percent change in Taxi Costs Since March 2002 ((J+I-1)×100)	12.8%

Notes:

The comparison period extends from March 2002 to April 2005 (most recent index values available as of July 2005).

These calculations follow the methodology established in By-law 2003-3, Schedule J. Using annual averages of monthly index values will produce different results.

Total of Column H may not sum due to rounding.