

**THE THIRTY-THIRD MEETING OF THE FINANCE COMMITTEE
OF THE CITY OF GREATER SUDBURY**

**Council Chamber
Tom Davies Square**

**Wednesday, March 29, 2006
Commencement: 4:35 p.m.**

Chair

COUNCILLOR ELDON GAINER, IN THE CHAIR

Present

Councillors Berthiaume; Bradley; Caldarelli; Callaghan; Craig; Dupuis; Gasparini; Kett (A5:08pm); Reynolds; Rivest; Mayor Courtemanche

City Officials

M. Mieto, Chief Administrative Officer; C. Matheson, General Manager of Community Development; D. Nadorozny, General Manager of Growth & Development; A. Stephen, General Manager of Infrastructure & Emergency Services; C. Hallsworth, Executive Director of Administrative Services; L. Hayes, CFO/Treasurer; P. Thomson, Director of Human Resources & Organizational Development; P. McCauley, Acting Manager of Communications & French Language Service; G. Clausen, City Engineer; E. Stankiewicz, Co-ordinator of Current Budget; C. Mahaffy, Manager of Financial Planning & Policy; S. St. Onge, Acting Manager of Current Accounting Operations; A. Haché, City Clerk; F. Bortolussi, Planning Committee Secretary; CJ Caporale, Council Secretary

News Media

Sudbury Star; MCTV; Le Voyageur

Declarations of
Pecuniary Interest

None declared.

MANAGERS' REPORTS

Item 2
OMPF 2006 Grant

Report dated 2006-03-24 from the CFO/Treasurer regarding Use of Additional Ontario Municipal Partnership Fund (OMPF) 2006 Grant was received.

Letter dated 2006-03-22 from Councillor Ted Callaghan regarding the above was received.

The Chief Administrative Officer and CFO/Treasurer provided an electronic presentation entitled "*Allocation of 2006 Ontario Municipal Partnership Fund Increase*".

Item 2
OMPF 2006 Grant
(continued)

Mr. Mieto advised that the Ministry of Finance provided a grant of \$3.6 million to the City of Greater Sudbury, revenue that was not anticipated during the 2006 Budget deliberations, and is seeking Council's direction regarding the allocation of the remaining \$3.0 million.

He stated that Sudbury was the largest recipient of the additional OMPF revenue increase in northern municipalities of Ontario.

Mr. Mieto advised that the Province announced a \$400 million in one-time Roads and Bridges funding, and that the City is eligible to receive \$9.8M for 2006. He indicated that based on the information received to date, the municipalities will determine their own roads and bridges priorities and that a report will be coming to Council on April 12, 2006.

He outlined the various positive revenue sources such as the OMPF Grant level which is expected to continue at \$58M, the increased Land Ambulance Funding which will move towards 50% / 50% cost sharing over the next three years, the province has made modifications to gas tax program which permits municipalities to spend gas tax on transit operating costs, the Health Unit cost sharing change to 75% / 25% in 2007, etc.

He stated that Sudbury continues to face operating and capital 2007 funding pressures, such as, negotiated wage settlements, energy costs, capital levy, etc. He provided a pie chart which illustrated the capital financing gap per envelope.

Ms. Hayes stated that there are eight components to the OMPF grant and that the City of Greater Sudbury qualified for three. She indicated that the main reasons for the increase are:

- the inclusion of the National Child Benefit which is now 100% eligible - this increased 2006 allocation by approximately \$750,000
- the Assessment Equalization grant component provides funding to municipalities whose total assessment per household is less than \$185,000 (the provincial median) - this is up from \$170,000 per household in 2005 and increased 2006 allocation by approximately \$2.4 million - due to the fact that Sudbury's assessment valuation increased by a smaller percentage than the Provincial average
- the final component is the Northern Communities allocation which is \$230 per household which is up from \$225 in 2005 and increased the 2006 grant by approximately \$500,000.

Item 2
OMPF 2006 Grant
(continued)

Ms. Hayes stated that the 2006 OMPF funding allocation was revised from the anticipated \$55.1 million to \$58.7 million, providing the City of Greater Sudbury with \$3.6 million more than budgeted. She then explained that on February 8, 2006, Council approved \$500,000 to the 2006 Winter Control operations budget and \$120,000 to the capital equipment, which leaves \$3 million for Council's direction.

Ms. Hayes briefly described three options staff had prepared for Council's consideration:

1. Provide a 1% municipal tax reduction and a \$1.5M contribution to Roads reserve dedicated to COMRIF projects;
2. Provide contributions to the three capital reserves in most need, as identified in the October 2005 update of the Long Term Financial Plan – Roads, Buildings, and Leisure; or
3. Provide Council with the opportunity to re-open the 2006 budget and Council would vote on a list of enhancement options, at a separate meeting sometime in May.

Ms. Hayes advised that staff recommends Option 1 which balances the opportunity for a tax reduction as well as a one-time contribution to roads reserve to be used as leverage funding for the COMRIF projects.

Options Prepared

The Chair advised that there were four options for the Committee's consideration:

The following recommendations were presented:

2006-22 Bradley-Caldarelli: THAT Council approve **Option 1** as outlined in the "OMPF 2006 Unbudgeted Grant" report from the CFO/Treasurer dated March 24, 2006, to implement a \$1,476,000 municipal tax levy reduction and a \$1,482,468 contribution to the Capital Financing Reserve Fund - Roads, to be used as leverage funding for Intake 2 COMRIF projects;

AND THAT a 1% municipal tax reduction, coupled with the reduction of the provincially regulated residential education tax, translates into an overall property tax increase of 2.8% for 2006.

CARRIED

Council Resolution
2005-424 - 2006
Current Budget

2006-23 Bradley-Caldarelli: THAT the Finance Committee recommends to Council that the first paragraph of Council Resolution 2005-424 be amended to indicate that the 2006 Current Budget be approved in the gross amount of **\$454,339,432** and the net amount of **\$156,052,091** representing a **4.2%** municipal tax increase, following notification to the public of the proposed amendment.

CARRIED

Adjournment

2006-24 Caldarelli-Callaghan: That this meeting does now adjourn.
Time: 5:40 p.m.

CARRIED

Councillor Eldon Gainer, Chair

Angie Haché, City Clerk