

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

**Council Chamber  
Tom Davies Square**

**Wednesday, April 13, 2005  
Commencement: 5:25 p.m.**

Chair

**COUNCILLOR ELDON GAINER, IN THE CHAIR**

Present

Councillors Berthiaume; Bradley; Caldarelli; Craig; Dupuis; Gasparini; Kett; Rivest; Thompson; 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; S. Jonasson, Acting CFO/Treasurer; D. Bergeron, Co-ordinator of Internal Audits/Performance Measurement; G. Lamothe, Manager of Corporate Communications & French Language Services; C. Mahaffy, Manager of Financial Planning & Policy; E. Stankiewicz, Co-ordinator of Current Budget; P. Demers, Community Relations and Policy Advisor; T. Mowry, City Clerk; M. Burtch, Licensing and Assessment Clerk; CJ Caporale, Council Secretary

News Media

Channel 10 News; Le Voyageur

Declarations of  
Pecuniary Interest

None declared.

**PRESENTATIONS/DELEGATIONS**

Item 2  
Grant Announcement  
OMPF

Report dated 2005-04-08, with attachments, from the Acting CFO/Treasurer regarding Grant Announcement - Ontario Municipal Partnership Fund (OMPF) was received.

Ms. Sandra Jonasson, Acting CFO/Treasurer and Mr. Mark Mieto, Chief Administrative Officer gave an electronic presentation entitled "*Ontario Municipal Partnership Fund*".

Ms. Jonasson stated that the purpose of the presentation was to update the Committee on the new grant (Ontario Municipal Partnership Fund) that will be replacing the Community Reinvestment Fund (CRF), what the impact would be on the City and options for the Committee's consideration. She outlined the history of the CRF and stated that the OMPF was designed to help address the burden that social programs have on municipalities with limited funds, respond to policing issues in small communities, and address unique challenges in northern and rural communities.

Item 2  
Grant Announcement  
OMPF  
(continued)

Ms. Jonasson gave a breakdown of the OMPF grant components and stated that the actual grant amount would not be known until 2006 and that the grant would be estimated in the fall and adjusted afterwards.

Ms. Jonasson explained that the government is providing transition assistance for municipalities who will be seeing a decrease in funding from the 2004 cash flow. She stated that the one time funding that was received for 2003 and 2004 was \$1.5 million more than expected, but that the estimated grant for 2005 is \$2.7 million short compared to the amount budgeted in 2005.

The options for the Committee's consideration are as follows:

- Option 1a:** Reopen 2005 budget and reverse capital levy of \$3.2 million - Not Recommended
- Option 1b:** Reopen 2005 budget and find expenditure reductions of \$2.7 million - Not Recommended
- Option 2:** Petition the Province to provide transition funding for 2005 to 2008 and fund any remaining shortfall for 2005 from reserves - Recommended

Mr. Mieto outlined to the Committee what the City of Greater Sudbury's vision, mission and corporate priorities were. He explained that the City's action plan for the next 2-3 years was to look at internal efficiencies, meet with the Northern Mayors to review what the impacts of the new grant would have on the north and costs of social programs on municipal ratepayers, pursue upload of provincial services and new revenues, and also to look at capital investment.

The following recommendation was presented:

2005-02 Rivist-Dupuis: 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.

**CARRIED**

Item 3  
2005 Property Tax  
Policy

Report dated 2005-04-06, with attachments, from the Acting CFO/Treasurer regarding 2005 Property Tax Policy was received.

Mr. John Hughes of Hemson Consulting Ltd. gave an electronic presentation entitled "*Tax Policy Decision for 2005*".

The presentation outlined the following:

- reducing the Broad Industrial Class tax ratio
- adopting new options that would speed up the move to CVA taxes in capped classes (higher % increase on base taxes; increase based on CVA tax destination; increase threshold up to \$250; up to \$250 minimum decrease threshold would reduce number of "clawback" properties; minimum tax level on "new construction/new to class" properties to be set at 70% of CVA taxes)

The following recommendation was presented:

2005-03 Bradley-Rivest: 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:

- a) Raise the 5% tax increase cap to 10%,
- b) Implement a minimum annual increase of 5% of CVA level taxes for capped properties,
- c) Move capped and clawed back properties within \$250 of CVA taxes directly to CVA taxes,
- d) 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;

Item 3  
2005 Property Tax  
Policy  
(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 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.

**CARRIED**

Rules of Procedure

The Committee, by a two-thirds majority, agreed to dispense with the Rules of Procedure and deal with a recommendation, not on the Agenda, at this time.

Item 3  
2005 Property Tax  
Policy  
(continued)

Report dated 2005-04-13 from the Acting CFO/Treasurer regarding 2005 Property Clawback Percentages was tabled at the meeting.

The following recommendation was presented:

2005-04 Rivest-Bradley: WHEREAS the Online Property Tax Assessment (OPTA) System is still conducting its final audit for the City of Greater Sudbury property data;

AND WHEREAS the final clawback rates will not be known until early next week and will only be marginally different than those rates contained in the 2005 Property Tax Policy report from the Acting Chief Financial Officer / Treasurer dated April 6, 2005;

THEREFORE BE IT RESOLVED THAT Finance Committee authorize the Acting Chief Financial Officer / Treasurer to determine, for the 2005 taxation year, the percentage of tax decreases that must be withheld (clawback) to fund the tax cap for increasing properties in the Multi-Residential, Commercial and Industrial classes;

AND THAT the City Solicitor prepare the necessary by-law.

**CARRIED**

**CORRESPONDENCE - INFORMATION ONLY**

Item 4  
Value-for-Money Audit  
Energy Retrofits

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) was received for information only.

Adjournment

2005-05 Bradley-Rivest: That this meeting does now adjourn. Time: 6:37 p.m.

**CARRIED**

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Councillor Eldon Gainer, Chair

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City Clerk