

**THE SIXTEENTH SPECIAL MEETING OF THE COUNCIL  
OF THE CITY OF GREATER SUDBURY**

**Council Chamber  
Tom Davies Square**

**Wednesday, October 25, 2006  
Commencement: 4:11 p.m.**

**DEPUTY MAYOR RON BRADLEY, IN THE CHAIR**

Present

Councillors Berthiaume; Caldarelli; Callaghan; Dupuis; Gasparini; Kett (A4:15pm); Reynolds; Rivest (A4:18pm); Thompson (A4:31pm); Mayor Courtemanche (A4:55pm)

City Officials

M. Mieto, Chief Administrative Officer; D. Nadorozny, General Manager of Growth & Development; A. Stephen, General Manager of Infrastructure & Emergency Services; L. Hayes, CFO/Treasurer; H. Salter, Deputy City Solicitor; G. Lamothe, Manager of Communications & French Language Service; G. Clausen, City Engineer; C. Mahaffy, Manager of Financial Planning & Policy; B. Lautenbach, Director of Planning Services; B. Falcioni, Director of Roads & Transportation; A. Haché, City Clerk; F. Bortolussi, Planning Committee Secretary; CJ Caporale, Council Secretary

News Media

Channel 10 News; Northern Life

Declarations of  
Pecuniary Interest

None declared.

**PUBLIC HEARING - FEES BY-LAW - SOUTH END ROCK TUNNEL**

Item 3  
Introductory Remarks

The Chair stated that a public meeting was being held as required by the Municipal Act, 2001 where a municipality proposes to pass a fees by-law. He indicated Council by resolution approved a fee to recover \$4 million at 5% interest, over a 40 year term (rates to be set for each 5 year period throughout the term) which represents a portion of the construction costs of the South End Rock Tunnel attributable to future development. The proposed recovery fees would be applicable to new development in the Rock Tunnel Catchment from the following sectors - residential, commercial, and industrial. This charge would be collected at the building permit stage and would be in addition to Development Charges.

The Chair then stated that any person in attendance would be provided an opportunity to make representation.

Councillor D. Craig's  
Letter

Letter dated 2006-10-23 from Councillor D. Craig regarding the above matter was tabled.

The Council meeting was adjourned and the Public Hearing was opened to receive input regarding the fees by-law for the South End Rock Tunnel.

Item 4  
Rock Tunnel  
 Financing Options

Report dated 2006-09-20 from the CFO/Treasurer regarding Rock Tunnel Financing Options was received.

Ms. Lorella Hayes, CFO/Treasurer provided Council with an electronic presentation. A map of the Rock Tunnel sewer catchment area - land use was provided, along with a description of the charges calculated for a \$4 million recovery target as follows:

Period	Section 391 Fee		
	Single, Semi-Detached, Townhouses	Multi-Residential	Commercial / Industrial ( / sq metre)
Years 1 - 5	\$1,175	\$ 704	\$ 4.31
Years 6 - 10	\$1,499	\$ 899	\$ 5.50
Years 11 - 15	\$1,913	\$1,148	\$ 7.02
Years 16 - 20	\$2,442	\$1,465	\$ 8.96
Years 21 - 25	\$3,116	\$1,869	\$11.43
Years 26 - 30	\$3,977	\$2,386	\$14.59
Years 31 - 35	\$5,076	\$3,045	\$18.62
Years 36 - 40	\$6,479	\$3,886	\$23.76
Note: Fees have been calculated by Hemson Consulting.			

Ms. Hayes again pointed out that this evening's public information meeting was required before a by-law could be implemented, the charge amounts must be confirmed annually as part of water/wastewater rate setting process, and charged revenue and accrued costs must be carefully accounted for.

She indicated that the effective date would be October 26, 2006 and if federal funding was received, it would be applied to reduce the \$4 million recovery target and the fees would be reduced accordingly.

Item 5  
List of Speakers

A list of Speakers received by the City Clerk's Office prior to the close of the Agenda on Thursday, October 19, 2006 was received.

Public Hearing  
Section 391 Fees -  
South End Rock  
Tunnel

Ms. V. Smith,  
Past Chair, Greater  
Sudbury Chamber of  
Commerce

Submissions were heard in the order that they appeared on the "Speakers' List".

Ms. Smith stated that the Chamber of Commerce advocates for business and community prosperity. She stated that setting additional area specific charges to offset budget shortfalls is setting a precedent that may hamper future growth or become the normal process to fund infrastructure projects when funding is not available. She indicated that infrastructure costs have been paid for through the general levy because all citizens would benefit from the new infrastructure. Ms. Smith stated that the Chamber of Commerce supports continuing the funding of infrastructure projects through the general levy.

She congratulated Council on removing the charges from the Industrial, Commercial and Institutional sector to attract and encourage growth in the city. The Chamber of Commerce feels that imposing cost recovery fees on the ICI sector in the south end has the potential to slow growth when development should be encouraged and looking forward to the benefits of an increased tax base.

Ms. Smith advised that it is the Chamber's continuing challenge for Council to maintain a transparent system of fiscal responsibility. The close scrutiny of projects may result in savings, reducing or covering the shortfall. The Chamber encourages the City to review the costs to see if savings can be found within the project.

She also stated that a review of all funding opportunities from various sources should be encouraged. With this in mind, the Chamber strongly urged Council to defer its decision until the end of the City's fiscal year in order to allow the federal government time to follow through on funding.

Ms. Smith stated that implementing recovery costs prior to federal funding announcement would jeopardize any funding intended for this project. She indicated that Minister Tony Clement announced that within weeks of the upcoming municipal election, Sudbury should expect to hear from the federal government.

Dr. R. Jacques  
Eden Point, Sudbury

Dr. Jacques stated that as a taxpayer and a father he feels children may suffer from the way this is handled.

He asked staff to clarify issues regarding the Rock Tunnel, development charges, recovery fees, etc. He questioned whether it is standard practice of other cities in Ontario to recover costs for new infrastructure from developers wanting to develop. He indicated

Dr. R. Jacques  
Eden Point, Sudbury  
(continued)

that developers should pay for recovery fees. The CFO/Treasurer indicated that a significant amount of the cost, whether development charges or recovery costs, is paid by the developer.

He asked staff to explain why a recovery cost was not imposed from the start of the Rock Tunnel as a clear component of the project.

Mr. Mieto explained that the project was to be originally funded by one-third by the provincial government, one-third by the federal government, and one-third by the municipal government. He indicated that the City did not receive the federal funding and costs for the project came in higher than anticipated, therefore, the City faced a shortfall of \$4 million. Council requested staff look at other funding options to pay for the project.

Dr. Jacques questioned the use of development charges and the monies in the reserve fund. He indicated that funding from the general reserve would create a shortfall for future infrastructure needs.

Mr. Mieto stated that the municipality may borrow money from a reserve fund but if it does, the municipality shall repay the amount used plus interest, at a rate not less than the prescribed minimum interest rate.

The Speakers List now complete, Deputy Mayor Bradley asked if there was anyone present who wished to comment.

Mr. R. Arnold, Dalron

Mr. Arnold indicated that an announcement regarding federal government funding appears to be close. He questioned whether it would be possible to wait to find out if federal government produces the funding and if not, then Council would be required to pass a by-law at a later date.

Public Hearing  
Section 391 Fees -  
South End Rock  
Tunnel

There being no further requests to address Council, the Public Hearing concerning this matter was closed and the Council meeting resumed in order to discuss and vote on the resolution.

Resolution

The following resolution was presented:

2006-26 Gasparini-Dupuis: THAT Council pass a Fees By-law to recover \$4 million at 5% interest, over a 40 year term (rates to be set for each 5 year period throughout the term) which represents a portion of the construction costs of the South End Rock Tunnel in accordance with Option 1, as outlined in the report dated September 20, 2006 from the CFO/Treasurer.

**CARRIED**

**CORRESPONDENCE FOR INFORMATION ONLY**

Item 6  
Public Notification  
Procedures

Report dated 2006-10-18, with attachments, from the Executive Director of Administrative Services regarding Public Notification Procedures - Fees By-law - South End Rock Tunnel was received for information only.

Adjournment

2006-27 Berthiaume-Caldarelli: THAT this meeting does now adjourn. Time: 5:24 p.m.

**CARRIED**

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Deputy Mayor Bradley

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Angie Haché, City Clerk