

west campus arterial, and Red Cedar Drive is a minor arterial. All roadways are divided with two lane approaches, except the west leg of Wilson, which is an undivided roadway and a single-lane approach. The traffic circle has a 150-foot (ft) diameter with a 35-ft wide circulating roadway.

Traffic Circle 2—Wilson at Bogue. Both Wilson Road and Bogue Street are major campus arterials, and all four roadways are divided with two lane approaches. This traffic circle has the same dimensions as Traffic Circle 1.

Traffic Circle 3—Shaw at Bogue. Both Shaw Lane and Bogue Street are major campus arterials, with the north and south legs having four lane divided approaches. The east leg is four-lane undivided, and the west leg is the start of two-lane, one-way streets through campus. This traffic circle has the same dimensions as the other two circles.

Two-way Stop 1—Shaw at Chestnut. Shaw Lane is a four-lane divided major east-west campus arterial, and Chestnut Street is a two-lane undivided minor

arterial. Chestnut traffic is required to stop for Shaw and then "yield" in the 25-ft median before crossing the far direction of Shaw.

Two-way Stop 2—Wilson at Farm. Both Wilson Road and Farm Lane are four-lane divided major campus arterials. Wilson traffic stops for Farm Lane and again in the 25-ft median.

Two-way Stop 3—Shaw at Red Cedar. The intersection is located near the west end of the Shaw Lane one-way street segment. Red Cedar Drive is a four-lane divided roadway to the south and a two-lane undivided roadway on the north. This intersection actually operates as a two-way "yield" intersection, with the Red Cedar traffic yielding for Shaw, and again in the 100-ft median.

Traffic Volume Studies

Eight-hour manual traffic counts were conducted at all six study locations for the hours 7 to 9 a.m., 11 a.m. to 1 p.m., and 2 to 6 p.m. The manual counts include all pedestrian and bicy-

cle movements through the intersections. In addition, 24-hour machine counts were taken for inbound and outbound movements on all approaches.

The studies reveal that traffic volumes at the three traffic circles are similar to the three two-way stop intersections. The peak-hour volumes for each intersection are shown on Figure 1.

The eight-hour pedestrian and bicycle counts show that the traffic circles average 2,940 pedestrians and 502 bicycles, while the two-way stop intersections average 2,815 pedestrians and 889 bicycles.

Study of Accidents

Accidents were reviewed for the years Jan. 1, 1988 through Sept. 30, 1991 (3.75 years), for the six intersections.

As shown in Table 1, the total number of accidents for the three traffic circles is 22.40 accidents per year. These accidents produced a total of 4.26 injuries. The three two-way stop intersections had 48.75 accidents, producing 19.73 injuries.

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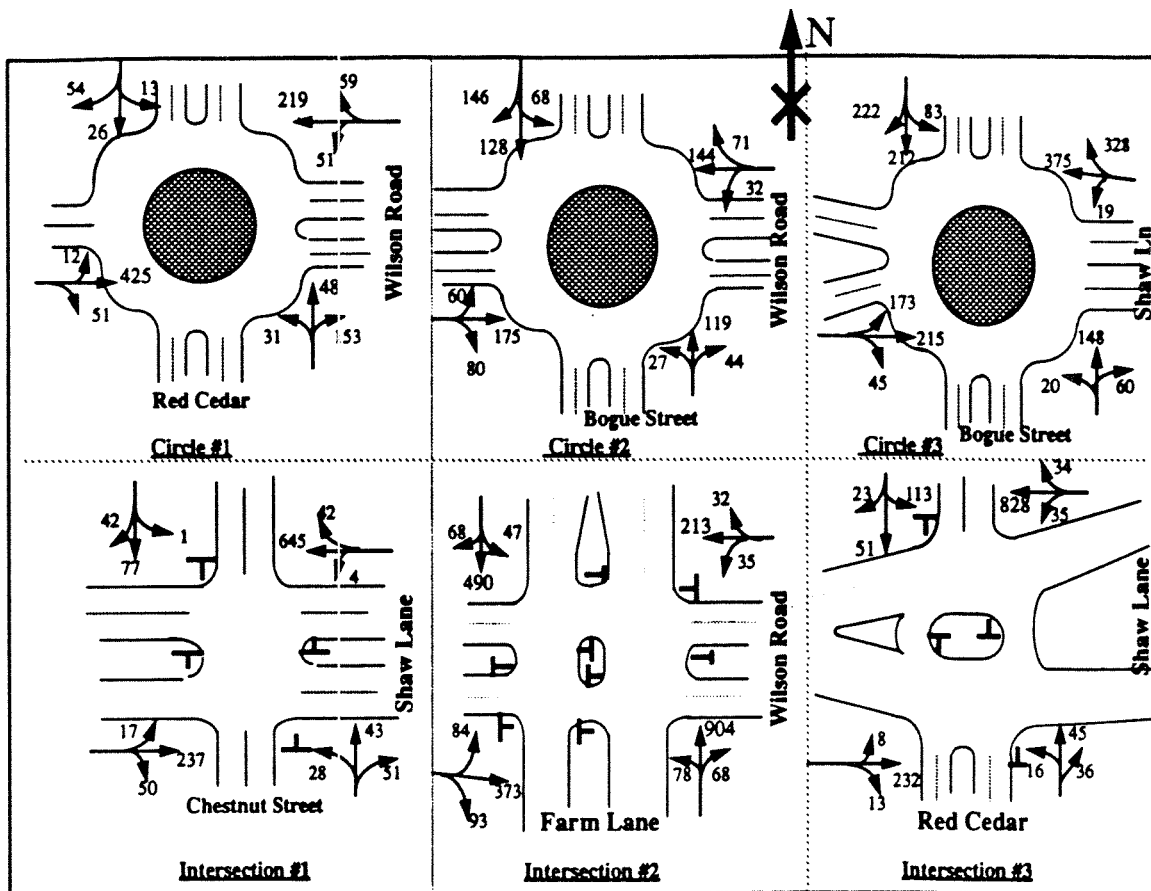


Figure 2. Geometrical sketches and the peak-hour volumes (vph) of the six intersections studied.

Table 1. Accidents During 3.75 Years Period

Intersection	Total Accidents	Bike & Pedestrian		Injury Accidents	Persons Injured	Accidents Per Year	Average Daily Volume	Accident Rate
		Bikes	Peds					
Circle #1	9	1	0	2	2	2.40	14,633	0.45
Circle #2	20	0	0	2	3	5.33	11,934	1.22
Circle #3	55	2	1	11	11	14.67	23,710	1.60
Intersection #1	52	4	0	18	24	13.87	14,985	2.54
Intersection #2	63	9	0	23	29	16.80	21,598	2.13
Intersection #3	67	10	0	17	21	17.87	18,543	2.64

There were only 1.07 bicycle and pedestrian accidents per year at the traffic circles, while there were a total of 5.60 bicycle and pedestrian accidents per year at the three two-way stop intersections.

Table 1 also shows that the accident rates at all of the traffic circle intersections are less than at the two-way stop intersections. As a group, the three traffic circle intersections combine for an average accident rate of 1.22, while the group of two-way stop locations have a 2.41 rate (almost double).

Accident Severity

The severity of accidents at the traffic circle intersections were consider-

ably less than at the two-way stop locations. There were only 15 injury accidents at the traffic circles (Severity Ratio of 0.18), compared to 58 injury accidents at the two-way stops (Severity Ratio of 0.32). The Severity Ratio is the number of injury accidents divided by the total number of accidents.

In addition, each injury accident at the two-way stops produced 1.28 injuries vs. 1.07 injuries at the traffic circles.

Bicycle and Pedestrian Safety

There were fewer pedestrian and bicycle accidents at the traffic circles

(four at the circles and 21 at the two-way stops). The accident rates of .06 and .27 accidents per million vehicles for these kinds of accidents indicates that traffic circles offer considerable safety benefit.

Fuel, Delay and Emission Measurement

Comparisons were made of the efficiencies of the traffic circle and two-way stop designs, by using the NETWORK SIMULATION (NETSIM) analysis.¹ This analysis simulates the intersection operation and measures the effectiveness of each by determining the fuel consumption, average speed, stops per vehicle

Table 2. Measures of Effectiveness at the Intersections Controlled by Traffic Circles and Stop Signs

	Intersection Number								
	Circle #1	Circle #2	Circle #3	Inter-section #1	Circle Conversion	Inter-section #2	Circle Conversion	Inter-section #3	Circle Conversion
# Stops/vehicle	0.01	0.02	0.02	0.27	0.00	1.33	0.02	0.27	0.00
Average speed, mph	15.36	16.00	14.53	14.47	15.36	2.83	15.45	10.90	14.68
Avg. delay/veh (sec)	2.25	1.88	1.85	3.91	1.89	31.40	1.88	6.03	1.75
Total delay (minutes)	7.20	5.70	9.40	13.40	6.60	157.0	9.90	24.00	6.00
Delay/veh-mile (min)	0.80	0.80	1.23	2.03	1.24	18.88	1.15	2.92	1.14
T-time/veh-mile (min)	3.91	3.75	4.13	4.15	4.12	21.20	4.03	5.50	4.09
Fuel consumption (M.P.G.)	11.61	9.88	8.99	5.81	8.80	3.54	9.04	7.64	9.11
Fuel emissions* (grams/veh-mile)									
HC	0.183	0.214	0.245	0.364	0.248	0.639	0.242	0.281	0.243
CO	3.080	3.822	4.405	7.306	4.355	10.352	4.348	5.000	4.399
NOx	0.763	1.095	1.207	2.395	1.245	2.423	1.203	1.413	1.204

*Through and left-turn traffic of East-West direction have to stop twice (as shown in Figure 1) before crossing the intersection

*For composite autos

and so forth of each design. Figure 3 shows the NETSIM Link/Node Diagrams used for the two-way stop and traffic circle control.

The measures of effectiveness as produced by NETSIM are shown in Table 2. The traffic circles generally

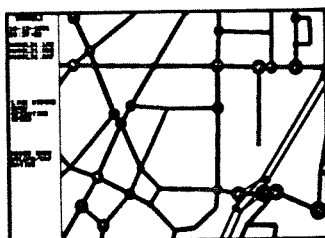
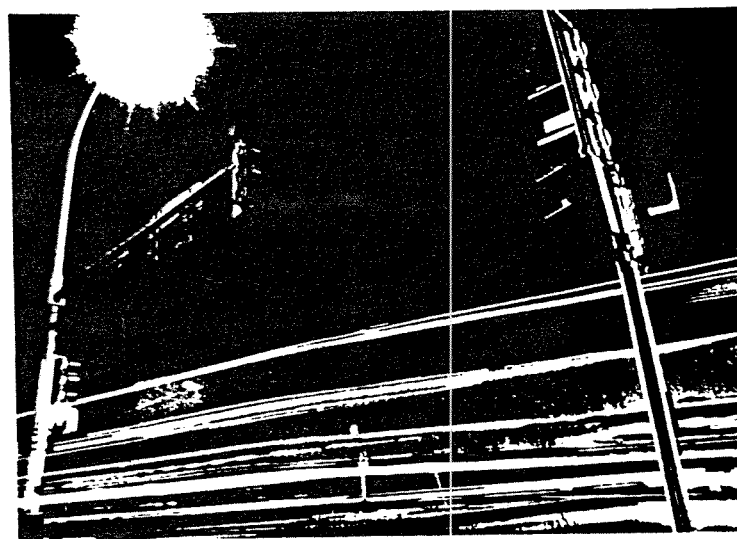
produced better results than even the best two-way stop intersection. Even though it was suspected that Two-Way Stop 2 was not operating well, the results were much worse than expected.

The study also shows that the measures of effectiveness can be improved

by converting the two-way stop intersections to traffic circles.

Capacity Analyses

The capacity and level of service (LOS) of each approach of all six inter-



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Table 3. Capacities and Levels of Service (LOS) for the Intersections Studied

	North Bd.		South Bd.		East Bd.		West Bd.		Overall	
	Capacity	LOS	Capacity	LOS	Capacity	LOS	Capacity	LOS	Capacity	LOS
Traffic Circle #1	2,117	A	2,360	A	1,186	A	1,879	A	7,542	A
Traffic Circle #2	1,032	A	2,324	A	2,278	A	2,123	A	7,757	A
Traffic Circle #3	1,126	A	1,266	A	1,084	A	1,640	A	5,116	A
Intersection #1	205	E	272	D	1,949	A	2,281	A	4,707	C
Circle Conversion	1,083	A	954	A	1,932	A	2,207	A	6,176	A
Intersection #2	2,021	A	1,729	A	437	F	195	F	4,384	C
Circle Conversion	1,307	B	755	C	1,308	A	614	B	3,984	B
Intersection #3	500	C	254	E	1,810	A	1,918	A	4,482	C
Circle Conversion	2,000	A	754	A	1,693	A	2,062	A	6,509	A

Δ = minimum headway in the circulation streams, set to 2 seconds for single circulating flow and 0 seconds for multilane circulating lanes

LOSs per approach and overall were based on the HCM 1985 criteria, which are based on the reserve or unused capacity of the lane in question.

Conclusions

The three traffic circles studied are operating better than the nearby two-way stop intersections. The safety benefits show that the accident rate at the two-way stop intersections is double the rate of the circles. The severity rate is three times that of the circles, and the pedestrian-bicycle rate is more than four times greater.

The data also show, however, that the existing traffic circle with the highest volume (Traffic Circle 3) does not operate as well as the other traffic circles. This may indicate that as traffic volumes increase, the safety and efficiencies of traffic circles decrease. Or, it may be that the design or the different arrangement of roadway approaches to Traffic Circle 3 contributed to its less efficient operation.

The apparent reason for the safety benefits of traffic circles are that motorists, bicycles and pedestrians are required to check for traffic from only one direction at a time, thereby simplifying the task. Because of the lower speeds created by the traffic circles, the accidents that did occur were less severe.

This study also shows that the capacity and operation of all the two-way stop intersections can be improved by converting them to traffic circles.

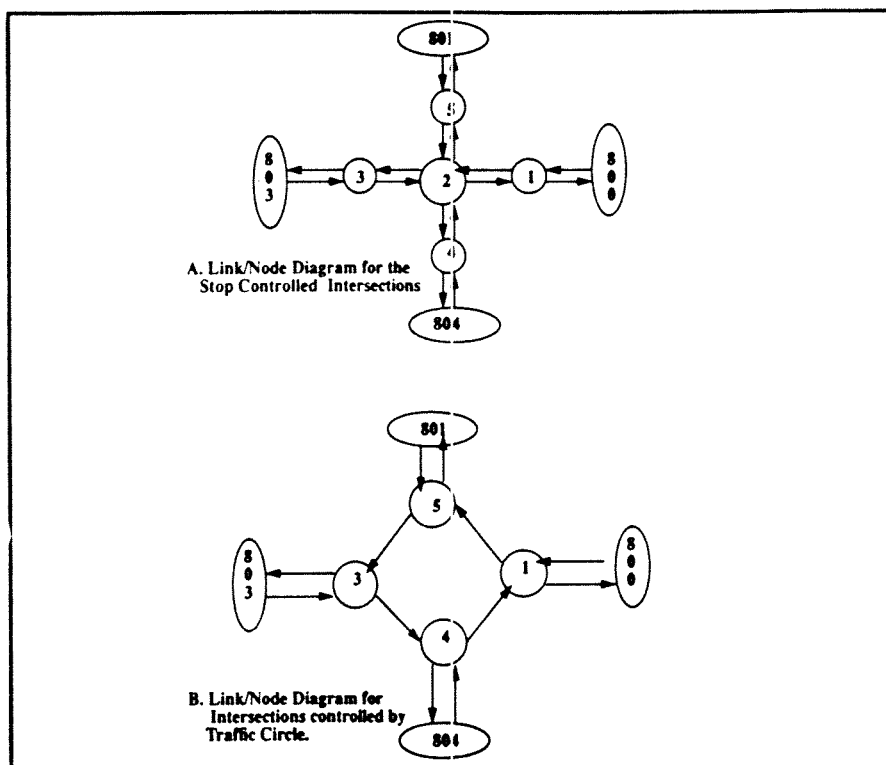


Figure 3. NETSIM's link/node diagrams for stop control and traffic circle control.

sections were analyzed, and the results are shown in Table 3.

All three traffic circles have an overall LOS of "A," while the two-way stop intersections have a LOS of "C." The analysis shows that the capacities of the two-way stop intersections can be improved by converting them to traffic circles.

The *Highway Capacity Manual* (HCM 1985)² method and the Highway Capacity Software were used to analyze the capacity of the three intersections controlled by the two-way stop.

The capacities of the traffic circles were analyzed based on the Troutbeck (1988) recommended formula.³ This formula is based on the National

Association of Australian State Road Authority (NAASRA 1986) Guide. The Gap Acceptance concept forms the basis for the NAASRA Formula, which is shown below:

$$Q_{emax} = \frac{n_e \times q_c (1 - q_c \Delta) e^{-q_c (T - \Delta)}}{1 - e^{-q_c T_0}}$$

where,

- n_e = number of entry lanes
- Q_{emax} = the maximum entry capacity
- q_c = circulation flow (vehicle/second)
- T = the critical gap (s), set to 4 seconds
- T_0 = follow-on time (s), set to 2 seconds, and

Results and Recommendations

Michigan State University and the Ingham County Road Commission are aware of the need to improve Intersection 2 (Farm Lane at Wilson Road), because of the number of accidents and poor operation of the existing design. The plan being considered involved adding headed-up left-turn lanes and signalizing the intersection.

As a result of this study, the university and the county are seriously considering the construction of a 100-ft central diameter roundabout. A roundabout is a more efficiently designed traffic circle. The roundabout should provide the following advantages:

- Improved capacity
- Improved safety
- Retention or increase in existing median areas (the medians will be greatly reduced if left-turn lanes are constructed)
- Creation of a more aesthetic roundabout more in keeping with the beautiful campus setting.

Michigan State University and other jurisdictions should be more aware of the possible benefits of circles and roundabouts. Certainly not all intersections are appropriate for the installation of roundabouts, but their use should be studied as an alternate to a traditional intersection with signal control.

References

1. Federal Highway Administration. *Traffic Network Analysis With NETSIM: A User Guide*. Washington, DC: US Department of Transportation, January 1988.
2. Transportation Research Board. *Highway Capacity Manual*. Special Report 209. Washington, DC: TRB National Research Council, 1985.
3. Troutbeck, R.J. "Intersections—Roundabout and Minis." *Transportation Engineering* 121, A42, 1988: 45-66. ■



William F. Savage, P.E., was employed for 27 years in various areas of traffic engineering by the Michigan Department of Transportation. He currently is a traffic engineering consultant. He received his B.Sc. in civil engineering from Michigan State University and his master's from the University of Michigan. He has been committee chairman and a member of numerous ITE committees. He is the past chairman of Technical Council's Department 4 Measures Division.



Khaled Al-Sahili is a doctoral candidate in transportation, Department of Civil Engineering at Michigan State University. He received his B.Sc. in civil engineering from Yarmouk University, Jordan, and his master's in transportation engineering from Jordan University of Science and Technology. His areas of interest are traffic operations and safety. He is a Student Member of ITE.

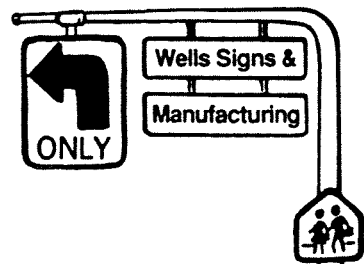
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Report To: **CITY COUNCIL**

Report Date: May 18, 2001

Meeting Date: May 22, 2001

Subject: Home Depot's request to extend store opening hours

Department Review:



Doug Nadorezny, General Manager
Economic Development and
Planning Services

Recommended for Agenda:



J.L. (Jim) Rule
Chief Administrative Officer

Recommendations:

1. Amend the former City of Sudbury Municipal Code Chapter 436 to grant Home Depot's request regarding store opening hours, by creating a new category regulating the hours of operation for "building supply yards".
2. Council may wish to review the policy of being in the business of regulating store hours in the new City of Greater Sudbury.

Executive Summary

The purpose of this report is to handle Home Depot's request regarding store opening hours. Home Depot has requested extending its hours of operation on Monday through to Friday to 10:00 p.m. (one additional hour), on Saturday to 9:00 p.m. (three additional hours), and on Sunday to 8:00 p.m. (three additional hours).

As well, Council may wish to review the policy of being in the business of regulating store hours in the new City of Greater Sudbury.

Background:

At the present time, the existing By-law of the former City of Sudbury (Municipal Code, Chapter 436) continues to be in force and effect within the boundaries of the former City.

There is no specific category in the By-law for building supply yards, so Home Depot would be regulated under the general provisions which permit the following hours of operation:

Monday to Friday - 5:00 a.m. to 9:00 p.m;
Saturday - 5:00 a.m. to 6:00 p.m.;
Sunday - 5:00 a.m. to 5:00 p.m.

In the rest of the former Region, only the Town of Capreol regulated store hours. The hours which stores in the former Town of Capreol are required to close are somewhat different from what is required in the former City of Sudbury.

Everywhere else, businesses determined their own hours of operation.

If Council chooses to continue regulating store hours, it should be noted that this decision will impose new store hour regulations on businesses which have operated without such restrictions in each of their respective communities prior to becoming part of the City of Greater Sudbury. Furthermore, this would force the cancellation of existing events such as "Midnight Madness" held in the former Town of Rayside Balfour. This is above and beyond the new retail establishments starting in the community of Greater Sudbury.

The City of Greater Sudbury is viewed as the "shopping hub" for residents across Northeastern Ontario with an "open for business" attitude. In the case of Home Depot, they are a North American retail chain which has standard operating hours across Canada. It should be noted that the opening hours of Home Depots' in cities across Ontario such as Newmarket, Barrie and London are until 12:00 midnight. In the City of Greater Sudbury, Home Depot has requested Council approve a 10:00 pm closure on weekdays, 9:00 pm on Saturdays and 8:00 pm on Sundays.

Given the amalgamation, it is timely for our new City to re-consider being in the business of regulating store hours of operation outside of the Retail Business Holidays Act. It is doubtful that Council would consider regulating the hours of operations for businesses in sectors other than retail. Operations such as the recently established call centres, mining or food service industries are not governed by municipally controlled hours of operation. As a progressive city that is attracting new retail development to the area, the issue of store hour opening extensions will continually re-surface.

The City of Greater Sudbury is one of two municipality in Ontario, one of two, out of 27 municipalities across the Province that continues to regulate store hours in the retail sector. That being said, cities across Ontario have embraced the market demand model one in which consumer demand is the guiding principle behind hours of operation.

The repeal of Municipal Code, Chapter 436, has been recommended by the staff of the former City on numerous occasions and was always hotly debated by its Council. Attached for your information is a 1999 report prepared by Fred Dean. The 1999 Report was prepared in response to a request by Chapters for an extension to its operating hours. After a public hearing the By-law was amended to create a new category for "bookstores" with hours of operation in accordance with Chapters' request.

Accordingly By-Law 2001-131 appears on the Agenda amending Chapter 436 of the former City of Sudbury Municipal Code to provide for extended hours of business for "building supply yards".

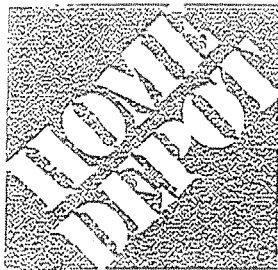
Alternative options for Council's consideration:

1. Repeal Chapter 436 of the City of Sudbury Municipal Code and By-law 78-14 of the former Town of Capreol, thereby getting out of the regulation of store hours, with the exception to Boxing Day and establishing a level playing field across the new City.

2. Do nothing at this time, in which case Home Depot will have to comply with the existing City By-law.
3. Direct staff to prepare for Council's consideration a new By-law which will apply throughout the new City, which:
 - (a) is the same as the existing City of Sudbury By-law with or without new hours for "building supply yards";
or
 - (b) is to be developed using a process of community consultation.

If option 3(b) is selected, Council may want to establish a Committee work with staff to come back with a recommended process for consultation which can be approved by Council.

The above options provide Council an ideal opportunity to grant Home Depot's request and at the same time review the policy of regulating store hours in the retail sector for the new City of Greater Sudbury.



Home Depot Canada
426 Ellesmere Rd. • Scarborough, Ontario • M1B 4E7

cc Jim Rub

April 10, 2001

Mayor Jim Gordon
City of Sudbury

Fax 705 673-3096

Dear Mayor Gordon,

I have heard from your office that you will not be able to attend the opening of the new Sudbury Home Depot store on May 10th. I am truly sorry that I will miss seeing you on that day but I assure you that I will be thinking of you and thanking everyone at the City for all of the efforts made to make this project a reality.

I have contacted the City regarding store opening hours. I understand that Sunday is not an issue and we will be open from 8 am to 8 pm. During the week (Monday to Friday), we are normally open until 10 pm which is one hour later than the City By-Law. On Saturday, we are normally open until 9 pm which is three hours later.

We understand that a legal change might be required for us to maintain our standard hours. Could you please call me (416 412-4239) to tell me what steps you can recommend to accomplish this?

Yours truly,

Stephen Kauffman

Stephen Kauffman, P. Eng.
Director of Real Estate

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June 6, 2001

Your Worship and Members of Council:

RE: EXTENDED STORE HOURS

Due to health reasons, I am sorry that I could not attend tonight's meeting. First of all, I am opposed to any change in the by-law to extend retail hours. I feel that the retail sector is being bullied by the big box stores to open earlier and to close later. I am positive that if more retail people were here tonight, you would get a rather large thumbs down.

I was to speak here in 1997 in regards to Boxing Day hours. I was informed subtly by my employer, whom by the way was a large retail chain, that if I attended that said meeting, my employment would be terminated. Since I am now self employed, I can now have my opinion heard without worrying about my job.

Right now Sudbury has, based on the New Sudbury Shopping Centre, 70.5 shopping hours per week. Are you aware that all business has a set budget annually for payroll hours? If you increase the shopping hours, you will not have magically attained more jobs. On the contrary, retail is hurting right now and the only answer would be to utilize their current staff and spread them over more hours. Now customer service goes right out the window. Small businesses are the ones whom will suffer. Most independent retailers work long hours and with payroll taxes being so high with no corporate breaks, they cannot afford extended hours. This passing of extended hours will cripple the small business employer. I know that I can not afford extended hours and that if push comes to shove, I will close my stores down. I would probably have to go on welfare and I would be guaranteed money, health benefits and a dental plan. Something I do not have access to at this time.

There are minimal full time jobs to be had in retail with the emphasis put on part time only. Extended hours mean that instead of your teenager, who has a part time job, getting home at a reasonable hour, your child will be getting home later. This will have an impact on their schooling.

We have heard that when a large employer comes into town, there are many employees hired. What is not advertised, is that within 6 months something happens. That something is referred to as a cull of the herd. Employees who do not meet the corporate profile are dismissed. The company hits its payroll objective and is satisfied. Family life will be compromised with extended hours. With so many people working multiple part time jobs the family nucleus is damaged. Less time spent with family can cause marital discord, minors will have no parental supervision or guidance. The only winners here are the large chain stores whose profits are filtered out of Sudbury.

..../2

Page 2....

We are not and can never expect to be Toronto. Leave the retail sector alone. We are unique in the sense that we do have some family values left. I am sure that if more retail people were aware of tonight's meeting and they were guaranteed freedom of speech, with no repercussions from their employers, more would have attended to night's meeting. With two dying malls and a down town core that is struggling, how can you justify extended hours? I strongly urge council to keep the retail hours as is. Protect the little guys because there is no one else out there to do it for us.

I was talking to a Chamber of Commerce member a few weeks ago and I was told the he feels that City Council has no right to regulate retail hours. It seems the concern is that with restricted hours no new money will be brought in to Sudbury. I do not feel that this would be the case. Although this may be the opinion of one board member, I believe it is up to City Hall to protect the quality of life to those whose lives will be profoundly affected, should you not keep the current by-law in place.

Thank you for letting me express my opinion.

Yours truly,

"Vanja Hacquard"

Ms. Vanja Hacquard,
Bos A3-14,
197 McLennan Drive,
SKEAD, Ontario.

NOTE: *Ms. Hacquard was at Council on 2001-05-22 and appeared on the Agenda as a Delegation. This item was not dealt with at that time as the resolution to proceed past 11:00 p.m. did not pass. Due to an illness, Ms. Hacquard is unable to attend the meeting of 2001-06-14 and submitted the foregoing letter in opposition to By-law 2001-131.*

Report Date: June 7, 2001

Subject: 2001 Provincial Budget

Department Review:



D. Wuksinic
General Manager of Corporate Services

C.A.O. Review:



J. L. (Jim) Rule
Chief Administrative Officer

Executive Summary

On May 9, 2001, Minister Flaherty delivered the 2001 Provincial Budget. This report provides a brief summary of how this budget affects the municipal sector.

Background

The Municipal Finance Officers Association (MFOA) has prepared a summary of the budget highlights and a copy of the summary is attached for Council's information. While the Provincial Budget delivered by Minister Flaherty on May 9, 2001 does not significantly affect municipalities, there are some issues that should be noted.

The specific municipal highlights are found on pages 4 and 5 of the MFOA attachment. The most significant municipal issues addressed in the Provincial Budget are:

1. the provincial reannouncement of its commitment to the SuperBuild Millennium Fund, and
2. the introduction of a new Public Sector Accountability Act.

SuperBuild Millennium Fund

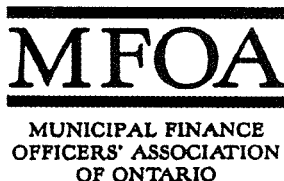
The 2001 Budget directs \$250 million for "strategic infrastructure" including transportation and environmental projects. Sudbury is named as one of the municipalities that will receive a "notional" funding allocation however no amount is specified.

Within the next few weeks, municipalities will receive letters outlining the "competitive proposal" approach to the funding. The Province has indicated that awards of funding will be based on selected proposals that are able to lever federal or private sector funding and meet the SuperBuild's four priorities.

Staff continue to check with the Province with respect to design criteria and the funding formula however no information is available as yet.

Public Sector Accountability Act

Public sector organizations will be required to report annually on their performance, present annual business plans and balance their budget every year. Little information on these reporting requirements is available at this time however this is bound to have a significant affect on municipalities in the future.



NEWS RELEASE

PROVINCE OF ONTARIO:
2001 BUDGET
May 9, 2001
9 Pages

TO THE MUNICIPAL TREASURER

2001 PROVINCIAL BUDGET OVERVIEW

- Mr. Jim Flaherty delivered the 2001 Provincial Budget on May 9, 2001. This budget is Mr. Flaherty's first budget and the government's third budget in a row that has been balanced.
- This budget does not affect municipalities in a significant fashion.
- The budget contains no announcements regarding residential education property tax rates in Ontario. In 1999, the Province announced a 20% reduction in residential education tax rates and delivered half of that cut in 1999. There was some speculation that all or part of the remaining reduction would come in this budget. It did not come in this budget. *Remaining 10% subsequently announced by Province.*
- The government continues its theme of cutting taxes. There are announcements for reductions in personal income tax, corporate taxes, and capital taxes.
- On the spending side, the budget contains increases in transportation spending through SuperBuild and Smart Growth.
- The government is making a priority of accountability in the broadly defined public sector. The government will introduce a new Accountability Act setting out new rules for agencies or governments, including municipalities, that receive funding from the government or from taxpayers directly. This will include annual reporting on performance.
- Regarding initiatives that will affect municipalities, the government has announced (and re-announced) a number of initiatives in the area of transportation infrastructure.

More Tax Cuts

- The Province is delivering the remainder of the 20% tax cut in the personal income tax promised in 1999. A number of examples of the impact of how the tax cuts affect families.

Summary of Examples of Tax Savings Scenarios

Example Situation	Net Income	Without Cuts	Ontario Tax Payable		Total % Change
			Original Cuts	After All Tax Cuts	
1 single parent - 2 children	36,000	2,485	1,640	740	70%
2 2 income earners - 2 children	37,000	2,635	1,745	915	65%
3 senior couple	48,000	2,175	1,425	810	63%
4 1 income earner - 2 children	50,000	3,890	2,625	1,420	63%
5 2 income earners - 2 children	60,000	4,570	3,095	2,225	51%
6 single individual - self employed	130,000	22,160	17,590	15,215	31%
7 2 income earners - 1 child at university	133,000	16,720	12,120	9,060	46%
8 2 income earners - 2 children	150,000	20,215	14,935	11,565	43%

- About 735,000 low-income earners will no longer pay any Ontario income tax.
- The Province proposes to raise the threshold for the surtax on Jan. 1, 2003 so that no one earning more than \$70,000 would pay the surtax (see Budget Paper C, page 93, in Budget Papers). This would eliminate one third of all individuals paying the surtax.
- The Budget promises to legislate the remaining steps to reduce the corporate income tax to 8% by 2005 (see Budget Paper C, page 93, in Budget Papers). The small business tax rate will be reduced to 4% by 2005.
- The Province will eliminate the capital tax on the first \$5,000,000 of taxable capital.

FISCAL OVERVIEW

Deficit/Surpluses

- For the fiscal year ending 2000/01, the Government is reporting a operating surplus of almost \$3.2 billion. This coupled with the \$668 million surplus recorded in 1999/00, represents the first time in 50 years that Ontario has achieved back to back fiscal surpluses.
- For fiscal year 2001/02, the Government is projecting a small surplus of \$140 million. It is the first time in nearly 100 years that an Ontario Government has presented three consecutive balanced budgets. A \$700 million surplus is predicted for 2002/03.

Debt Reduction

- The Province reduced its debt outstanding by \$3 billion for the fiscal year ending 2000/01, as part of its 2000 Budget commitment to reduce debt by \$5 billion during its current term of office.
- The 2001 Ontario Budget includes a \$1 billion reserve, which if not needed, would be applied towards debt reduction. The Province's debt is expected to fall from a peak of \$114.7 billion in 1998/99 to \$107.7 billion by 2003/04.
- The following table sets out the statement of financial transactions (in \$ millions) for the budget years 1997-98 to 2001-02 (Budget Paper B, p. 64, Budget Papers).

Statement of Financial Transactions
(\$Millions)

Table B1

	Actual 1997-98	Actual 1998-99	Actual 1999-00	Interim 2000-01	Plan 2001-02
Revenue	52,518	55,786	62,931	64,927	64,270
Expenditure					
Programs	43,709	46,509	46,369	50,428	52,011
Restructuring and Other Charges	1,595	76	211	31	
Total Program Expenditure	45,304	46,585	46,580	50,459	52,011
Capital	2,451	2,187	4,832	2,075	1,944
Public Debt Interest					
Provincial	8,729	9,016	8,977	8,883	8,795
Electricity Sector			520	520	520
Total Expenditure	56,484	57,788	60,909	61,937	63,270
Less: Reserve					1,000
Add: Net Impact of Electricity Restructuring to be Recovered from Ratepayers			(354)	202	140
Surplus/(Deficit)	(3,966)	(2,002)	1,668	3,192	140
Net Provincial Debt**	112,735	114,737	113,715	110,725	110,725

* Reflects the estimated excess of revenue over expenditure of the Ontario Electricity Financial Corporation (OEFC). Consistent with the principle of electricity restructuring, OEFC debt is to be recovered from ratepayers, not taxpayers. ** Net Provincial Debt represents total Liabilities less Financial Assets.

ECONOMIC OVERVIEW

Economic Outlook at a Glance

	1999	2000	2001	2002
Real GDP (%) (Province)	6.1	5.5	2.2	3.5
Real GDP (%) (Private)	5,688	5,872	up to 6019	up to 6200
Employment (000's)	6.3	5.7	5.5-6.0	5.5-6.0
CPI Inflation (%)	1.9	2.9	2.8	2
Provincial Revenues (\$ Billions)	62.9	64.9	64.3	65.5
Prov. Rev. without One Time Rev. in 2000-01.	62.9	63.9	64.3	65.5

Source: Budget Paper A, p. 4, Budget Papers

MUNICIPAL HIGHLIGHTS

SuperBuild Millenium Fund

- The Province re-announced its commitment to provide \$1 billion through the SuperBuild Millennium Fund. Some additional details are provided in the 2001 Budget.

GTA Municipalities

- Aside from the \$500 million for Toronto's waterfront, GTA municipalities will also benefit from the \$250 million allocation for inter-regional projects aimed at relieving gridlock. Focus will be placed on inter-regional transit expansion proposals.

Selected Large Urban Centres

- The 2001 Budget directs \$250 million for "strategic infrastructure" including transportation and environmental projects in large urban centres excluding Toronto. The following communities will receive a "notional" funding allocation:
 - Ottawa (\$70 million), Hamilton, Windsor, London, Sudbury, Thunder Bay, Waterloo Region and Niagara Region.
- Letters will be forthcoming to individual municipalities within the next few weeks which will outline the "competitive proposal" nature/approach to the funding. Awarding of monies to specific projects will be based on selected proposals being able to lever federal or private sector funding and meet SuperBuild's four priority categories:
 1. Address gridlock, including transit expansion projects;
 2. Environmental protection, including water and sewer upgrades and environmental and remediation projects;
 3. Access to strategic highway corridors and international border crossing; and
 4. Urban revitalization projects including public realm components of downtown and waterfront renewal projects.

SuperBuild OSTAR

- Round 1 of the Ontario Small Towns And Rural (OSTAR) initiative will provide \$240 million. OSTAR is a 5 year \$600 million program announced in the 2000 Ontario Budget. Announcements regarding successful proposals may be forthcoming this summer.

SuperBuild SCTP

- The deadline for submitting Round 1 applications for the SuperBuild Sports, Culture and Tourism Partnership closed on April 12, 2001. The SuperBuild Corporation is currently reviewing all applications and funding decisions are not expected until the fall of 2001. The Budget does not announce the expected level of funding to be provided within Round 1. SuperBuild SCTP is a 5 year \$300 million program.

Provincial Capital Investments

- The overall SuperBuild umbrella of programs will \$20 billion over 5 years consisting of \$10 billion from the Province (of which \$7 billion has been spent in the last two years) and \$10 is expected to be levered from private and public sector partners (including municipalities).

- For 2001, the Province expects to contribute about \$2 billion in infrastructure funding through SuperBuild. Of this total, about \$900 million, or roughly half of the total, will be directed to the provincial highway system. Spending this fiscal year (2001/02) on SuperBuild programs that involve municipalities is forecast as follows:
 - SCTP \$50 million
 - OSTAR \$50 million
 - Millennium \$100 million.

Action on Some Beaubien Recommendations

- In MFOA's Newsletter 38, we circulated 19 recommendations made by Mr. Marcel Beaubien's review of OPAC. The budget makes a commitment to act on some of these recommendations. The Province will establish an optional heritage property class to provide tax relief to owners of buildings designated under the *Ontario Heritage Act*. A consultation process is promised to develop eligibility criteria (see Budget Paper C, p. 100, Budget Papers).
- The optional "New Multi-residential class" is available to municipalities that wish to tax new multi-residential properties at lower tax rates for a period of 8 years. The Province proposes to extend this time frame to 35 years to provide greater certainty and incentives to builders of multi-residential buildings (see Budget Paper C, p. 101, Budget Papers).
- The budget speech confirms that the Province will revise the governance structure of OPAC. The speech also confirms that it will eliminate the right of municipalities to opt out of OPAC's assessment services. At the moment, there is a 14 member board. There are 12 municipal members and 2 provincial members. The government is proposing to amend the *Ontario Property Assessment Corporation Act* to change the board to 15 members comprised of 8 municipal representatives, 5 tax payer representatives and 2 provincial representatives.
- The name of the corporation will also be changed from the Ontario Property Assessment Corporation to the Municipal Property Assessment Corporation.

Accountability

- The government has again committed to introduce a new *Public Sector Accountability Act*. It will require all significant public sector organizations to report annually on their performance, present annual business plans and balance their budget every year. Obviously, municipalities are already required to balance budgets annually. However, the performance measurement issues and business planning components may have significant effects on municipalities.
- The government will continue to work with its transfer partners towards:
 - improving planning and goal setting and, where appropriate, developing shared goals;
 - giving the public more and better information on performance;
 - strengthening the link between goals and results, and taking action when organizations do not meet their goals; and
 - working to lower the cost of service while maintaining quality through such measures as benchmarking against other providers; common procurement and public tendering processes; better co-ordination of efforts among service providers; and creation of common service bureaus (see Paper F, page 188, Budget Papers).

Attachments

The following tables from the budget or from press releases have been attached for your information:

- Provincial Revenues (Budget Paper B, p. 65, Budget Papers)
- Provincial Operating Expenditures (Budget Paper B, p. 66, Budget Papers)
- Provincial Capital Expenditures (Budget Paper B, p. 67, Budget Papers)

The 2001 Budget is available on the internet at: <http://www.gov.on.ca/FIN/english/neweng.htm>

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Revenue
 (\$ Millions)

Table B2

	Actual 1997-98	Actual 1998-99	Actual 1999-00	Interim 2000-01	Plan 2001-02
Taxation Revenue					
Personal Income Tax	16,293	17,190	17,617	18,975	18,010
Retail Sales Tax	10,843	11,651	12,879	13,757	14,340
Corporations Tax	7,456	7,447	8,095	9,130	8,340
Employer Health Tax	2,851	2,882	3,118	3,455	3,620
Gasoline Tax	2,028	2,068	2,154	2,242	2,300
Fuel Tax	563	592	665	651	655
Tobacco Tax	425	447	481	495	620
Land Transfer Tax	565	470	565	630	670
Mining Profits Tax	40	23	50	90	55
Preferred Share Dividends Tax	60	50	33	40	56
Other Taxation	145	257	224	197	154
	41,269	43,077	45,881	49,662	48,820
Government of Canada					
Canada Health and Social Transfer (CHST)	3,970	3,553	3,967	4,137	5,630
CHST Supplements	-	-	755	758	380
Social Housing	387	358	466	550	530
Student Assistance	18	64	170	40	64
Indian Welfare Services	87	155	85	118	117
Young Offenders Act	59	57	58	56	55
Bilingualism Development	49	55	65	64	64
Employability Assistance for People with Disabilities	53	71	65	58	39
Canada-Ontario Infrastructure Works	116	71	19	-	-
Other	359	131	235	451	480
	5,098	4,515	5,885	6,232	7,359
Income from Government Enterprises					
Ontario Lottery and Gaming Corporation	1,485	1,764	1,924	2,150	2,000
Liquor Control Board of Ontario	745	809	845	875	890
Ontario Power Generation Inc. and Hydro One Inc.	-	-	903	918	524
Other	61	(26)	36	25	10
	2,291	2,547	3,708	3,968	3,424
Other Revenue					
Vehicle and Driver Registration Fees	820	890	911	930	925
Other Fees and Licences	548	661	667	680	685
Liquor Licence Revenue	506	519	539	525	518
Royalties	286	289	345	219	240
Sales and Rentals	582	640	2,133	585	300
Fines and Penalties	174	50	41	37	40
Local Services Realignment - Reimbursement of Expenditure	519	2,109	1,678	1,389	1,223
Miscellaneous	425	489	1,143	700	736
	3,860	5,647	7,457	5,065	4,667
Total Revenue	52,518	55,786	62,931	64,927	64,270
Total Revenue Excluding One-Time Tax Revenue in 2000-01*			62,931	63,913	64,270

* Excludes one-time Personal Income Tax revenue of \$764 million and Corporations Tax revenue of \$250 million in 2000-01.

These revenues are included in 2000-01 to reflect higher estimates of tax revenues for 1999-2000 than reported in the 1999-2000 Public Accounts.

Operating Expenditure**Table B3**

(\$ Millions)

Ministry	Actual 1997-98	Actual 1998-99	Actual 1999-00	Interim 2000-01	Plan 2001-02
Agriculture, Food and Rural Affairs	306	309	347	406	446
One-Time and Extraordinary	-	-	-	233	-
Farm Tax Rebate	158	-	-	-	-
Attorney General	683	753	846	971	979
Board of Internal Economy	113	117	154	117	117
Citizenship	73	82	95	78	78
Community and Social Services	8,067	7,659	7,512	7,638	7,756
Consumer and Business Services	92	136	134	157	168
Correctional Services	531	540	563	595	610
Economic Development and Trade	138	87	92	93	106
Education	4,715	7,719	7,704	8,096	8,471
School Board Transition/Phase-in Funding	224	-	268	-	-
Teachers' Pension Plan (TPP)	1,443	67	(363)	(779)	(230)
Energy, Science and Technology	69	83	429	469	284
Environment	142	162	174	190	215
Executive Offices	14	17	19	22	21
Finance - Own Account	691	998	548	896	773
Public Debt Interest					
Provincial	8,729	9,016	8,977	8,883	8,795
Electricity Sector	-	-	520	520	520
Community Reinvestment Fund	169	678	521	561	561
Provision for Electricity Sector	-	-	383	398	4
Health and Long-Term Care	18,283	18,867	20,373	21,779	23,486
Accelerated Health Care Commitment	-	-	-	498	-
Health Care Restructuring	532	50	-	-	-
Major One-Time Health Care Costs	113	639	286	486	190
Intergovernmental Affairs	5	4	4	5	5
Labour	117	108	101	105	113
Management Board Secretariat	359	353	147	224	346
Retirement Benefits	(86)	(219)	(165)	(197)	30
Contingency Fund	-	-	-	-	654
OPS Employee Severance (Net)	(159)	-	88	-	-
Special Circumstances Fund	-	180	-	-	-
Municipal Affairs and Housing	2,395	1,611	1,665	1,819	1,214
Municipal Capital and Operating Restructuring Fund	23	-	-	-	-
Municipal Restructuring Fund	71	-	-	-	-
Native Affairs Secretariat	12	12	15	18	15
Natural Resources	463	531	460	413	407
Northern Development and Mines	62	82	122	113	179
Office of Francophone Affairs	2	3	3	4	5
Solicitor General	646	756	816	905	932
Tourism, Culture and Recreation	205	286	367	361	392
Training, Colleges and Universities	3,052	3,281	3,285	3,236	3,365
Transportation	702	607	587	549	519
Restructuring	50	(17)	-	-	-
TTC Five Year Capital Transfer/Ottawa-Carleton Regional Transit Commission Transit Bus Subsidy Agreement	829	44	-	-	-
Year-End Savings	-	-	-	-	(200)
Total Operating Expenditure	54,033	55,601	57,077	59,862	61,326

Note: 1997-98 to 1999-2000 ministry totals restated to reflect recently announced government structure.

Capital Expenditure
 (\$ Millions)

Table B4

Ministry	Actual 1997-98	Actual 1998-99	Actual 1999-00	Interim 2000-01	Plan 2001-02
Agriculture, Food and Rural Affairs	1	1	1	1	51
Attorney General	47	73	62	40	55
Community and Social Services	31	27	20	14	38
Correctional Services	5	30	124	95	98
Education	267	229	52	4	16
Energy, Science and Technology	-	273	656	80	76
Environment	98	19	1	4	13
Water Protection Fund	-	15	160	17	5
Finance	6	4	7	7	13
SuperBuild Millennium Partnerships	-	-	-	4	100
Contingency Fund	-	-	-	-	100
Health and Long-Term Care	106	187	338	211	200
Major One-Time Capital Costs	-	-	1,004	140	-
Management Board Secretariat	80	39	13	20	37
Municipal Affairs and Housing	152	62	(10)	14	8
Native Affairs Secretariat	14	13	7	5	7
Natural Resources	151	73	96	65	99
Northern Development and Mines	173	177	212	312	327
Solicitor General	7	-	-	4	9
Tourism, Culture and Recreation	3	2	231	27	68
Training, Colleges and Universities	117	71	1,028	205	51
Transportation	1,193	892	830	806	673
Year-End Savings	-	-	-	-	(100)
Total Capital Expenditure	2,451	2,187	4,832	2,075	1,944

Note: 1997-98 to 1999-2000 ministry totals restated to reflect recently announced government structure.