



Finance Committee AGENDA

***THIRD MEETING OF THE FINANCE COMMITTEE
TO BE HELD ON SATURDAY, JANUARY 24, 2004 AT 9:00 A.M.
IN THE COUNCIL CHAMBER, TOM DAVIES SQUARE***

(PLEASE ENSURE CELL PHONES AND PAGERS ARE TURNED OFF)

The Council Chamber of Tom Davies Square is wheelchair accessible. Please speak to the City Clerk prior to the meeting if you require a hearing amplification device. Persons requiring assistance are requested to contact the City Clerk's Office at least 24 hours in advance of the meeting if special arrangements are required. Please call (705) 671-2489, extension 2475. Telecommunications Device for the Deaf (TTY) (705) 688-3919. Copies of Agendas can be viewed on the City's web site at www.greatersudbury.ca.

***THE CHAIR WILL PROVIDE FOR A BREAK BETWEEN 10:45 A.M. AND 11:00 A.M.
LUNCH WILL BE PROVIDED BETWEEN 12:30 P.M. AND 1:15 P.M.***

COUNCILLOR CALLAGHAN, IN THE CHAIR

1. Declarations of Pecuniary Interest

PRESENTATIONS

PAGE NO.

- 2. A presentation from the Chief Administrative Officer regarding Business Plans and Budget Focus.
(ELECTRONIC PRESENTATION) (FOR INFORMATION ONLY)
 - Mark Mieto, Chief Administrative Officer

- 3. A presentation from the Chief Administrative Officer regarding 2004 Citizen and Business Survey (prepared by Oraclepoll Research Ltd.).
(ELECTRONIC PRESENTATION) (FOR INFORMATION ONLY)
(REPORT UNDER SEPARATE COVER)
 - Mark Mieto, Chief Administrative Officer

- 4. Report dated 2004-01-23 from the General Manager of Corporate Services regarding 2004 Current Budget Public Input Session I. **1 - 3**
(ELECTRONIC PRESENTATION) (FOR INFORMATION ONLY)
 - Ed Stankiewicz, Co-Ordinator of Current Budget

- 5. A presentation from the General Manager of Corporate Services regarding BMA Municipal Study 2003.
(ELECTRONIC PRESENTATION) (FOR INFORMATION ONLY)
(REPORT PREVIOUSLY CIRCULATED UNDER SEPARATE COVER)
 - Doug Wuksinic, General Manager, Corporate Services

- 6. Report dated 2004-01-22 from the General Manager of Corporate Services regarding Capital Financing Alternatives. **4 - 16**
(ELECTRONIC PRESENTATION)
 - Doug Wuksinic, General Manager, Corporate Services

Report dated 2003-09-19 from the General Manager of Corporate Services from the Finance Committee meeting of September 22, 2003. **17 - 43**

- Programme Report by Year **44 - 77**

(Two subject matters:

 - 1) Use of managed debt, and the implementation of a Capital Infrastructure Levy, as recommended in the Long-Term Financial Plan to sustain Infrastructure (Roads, Facilities, etc.); and
 - 2) Decision regarding expansion of existing sewer and water programs through the use of managed debt.)

6. Report dated 2004-01-22 from the General Manager of Corporate Services regarding Capital Financing Alternatives (**continued**).

RECOMMENDATION: WHEREAS Council has adopted the Long Term Financial Plan which identified the need to have a Capital Levy and which recommended the use of a managed debt program; and

WHEREAS the Long Term Plan has now been updated, identifying a greater funding gap;

NOW THEREFORE BE IT RESOLVED THAT:

Annual inflation be applied to all capital envelopes;

Option _____ of a Managed Debt Program be undertaken, as outlined in this report, contingent upon the implementation of a Capital Levy;

An annual Capital Levy of 2.27% of the previous years net levy be implemented;

The Ontario Municipal Economic Infrastructure Financing Authority (OMEIFA) program, where available, be utilized for any debenturing and the regular market be used where necessary;

Application be made to OMEIFA to participate in the 2004 funding scheme;

The City of Greater Sudbury obtain a credit rating, to be funded from the Capital Financing Reserve Fund - General, at an approximate cost of \$25,000 with an annual maintenance fee of approximately \$10,000; and

WHEREAS Council has requested capital financing alternatives in order to address infilling of Water and Waste Water services;

NOW THEREFORE BE IT RESOLVED THAT:

Option _____ of the Capital Financing Alternatives for Water/Wastewater extensions, as outlined in the report from the General Manager of Corporate Services dated September 19,2003 be approved and included in the 2005 base budget and the calculation of future Water/Wastewater Rates;

The OMEIFA program be utilized for any debenturing, where possible and the regular market used where necessary;

Application be made to OMEIFA to participate in the 2004 funding scheme;

Council policy to maintain existing infrastructure only, and not build new infrastructure be suspended for Water and Wastewater projects on the approved priority list, in order to address these servicing needs; and

The policy on Water and Wastewater extensions be amended as outlined in this report.

REPORTS FOR ACTION**PAGE NO.**

7. Report dated 2004-01-22, with attachments, from the General Manager of Corporate Services regarding 2004 Base Capital Budget.

78 - 162

(This report presents the Base Capital Budget for 2004 based on existing envelopes.)

RECOMMENDATION: WHEREAS Council has requested the early approval of the 2004 Capital Budget to allow those projects approved to proceed in a timely fashion;

IT IS THEREFORE RECOMMENDED THAT the 2004 capital program be approved as detailed on the following schedules:

Citizens and Leisure	Library	\$ 325,000
	Community Improvement Plan	200,000
	Neighbourhood Participation Projects	150,000
	General	569,580
	Cemetery	250,000
	Transit	180,000
	Parking	110,000
Corporate Services	Corporate Infrastructure	311,340
	Information Technology	102,000
	Community Support Projects	1,020,000
Economic Development & Planning		839,090
Emergency Services		1,566,560
Health & Social Services		1,093,740
Police Services		1,866,760
Public Works	Buildings	1,940,850
	Roads & Drainage	9,309,250
	Municipal Road 35	2,100,000
	Water	8,220,000
	Wastewater	6,400,000
	Solid Waste	2,920,000
	Fleet & Equipment	<u>3,052,000</u>
TOTAL CAPITAL PROGRAM - 2004		<u>\$ 42,526,170</u>

7. Report dated 2004-01-22, with attachments, from the General Manager of Corporate Services regarding 2004 Base Capital Budget **(continued)**.

RECOMMENDATION (continued): with funding to be provided as follows:		
Current Fund - Capital Envelopes		\$ 32,819,020
Reserves & Reserve Funds		
1. Library Reserve Fund	125,000	
2. Cemetery Reserve Fund	250,000	
3. Reserve Fund - Equipment Replacement	3,627,000	
4. Parking Reserve Fund	110,000	
5. Reserve Fund - Emergency Services Ambulance	932,739	
6. Reserve Fund - Equipment Replacement - Police	1,038,500	
Capital Financing Reserve Fund - Police	140,000	
7. Capital Financing Reserve Fund - Water	1,167,850	
8. Transfer to Capital Financing Reserve Fund - Wastewater	(312,340)	
9. Capital Financing Reserve Fund - Solid Waste	<u>1,900,000</u>	8,978,749
Grant or Subsidies		78,401
Reallocated Capital		600,000
Other Recoveries		<u>50,000</u>
TOTAL FUNDING		<u>\$ 42,526,170</u>

CORRESPONDENCE FOR INFORMATION

(If items 8 & 9 are not dealt with at this time, they will be dealt with at the Priorities Committee meeting of 2004-01-28.)

8. Report dated 2004-01-22 from the General Manager of Corporate Services regarding Area Rating.
(ELECTRONIC PRESENTATION) (FOR INFORMATION ONLY)

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▶ Sandra Jonasson, Director of Finance/City Treasurer

(This report and presentation give the rationale for Area Rating and how the City of Greater Sudbury uses Area Rating for fire and transportation services.)

CORRESPONDENCE FOR INFORMATION (continued)

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9. Report dated 2004-01-22 from the General Manager of Corporate Services regarding Assessment Growth versus Market Valuation Change. **169 - 174**
(ELECTRONIC PRESENTATION) (FOR INFORMATION ONLY)

▶ Sandra Jonasson, Director of Finance/City Treasurer

(This report and presentation provide a brief explanation of Assessment growth and Assessment valuation changes.)

10. Report dated 2004-01-22 from the General Manager of Corporate Services regarding Full Cost Recovery of Water and Wastewater Services. **175 - 211**
(FOR INFORMATION ONLY)

(This report provides an overview of the water/wastewater recovery policy adopted by Council in 2001.)

MANAGERS' REPORTS

{NONE}

ADJOURNMENT

(4:00 P.M.)

(RESOLUTION PREPARED)

2004-01-23

**COUNCILLOR CALLAGHAN
CHAIR**

**CORRIE-JO CAPORALE
COUNCIL SECRETARY**