

Presentations and Delegations

Request for Recommendation Priorities Committee



Type of Decision									
Meeting Date	January 28, 2004				Report Date	January 20, 2004			
Recommendation	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	Priority	<input checked="" type="checkbox"/>	High	<input type="checkbox"/>	Low
	Direction Only				Type of Meeting	<input checked="" type="checkbox"/>	Open	<input type="checkbox"/>	Closed

Report Title
The Role of the Nurse Practitioner in the delivery of Primary Care

Policy Implications + Budget Impact	
<input type="checkbox"/>	This report and recommendation(s) have been reviewed by the Finance Division and the funding source has been identified
No policy or budget impact	
<input type="checkbox"/>	Background attached

Recommendation	
<p>WHEREAS the Nurse Practitioner functions as a member of the primary care team in the provision of primary care services; and</p> <p>WHEREAS the Nurse Practitioner provides community based comprehensive primary health care with a focus on health promotion and disease prevention; and</p> <p>WHEREAS the role of the Nurse Practitioner is seen as optimizing the healthcare delivery in Ontario:</p>	
<input type="checkbox"/>	Recommendation attached

Recommended by the General Manager
<p><i>C. Matheson</i> Catherine Matheson General Manager, Health and Social Services</p>

Recommended by the C.A.O.
<p><i>Mark Niero</i> Mark Niero Chief Administrative Officer</p>

Date: January 28, 2004

Report Authored By



Kim Rossi
Coordinator of Health Initiatives

Division Review

Name
and Title

THEREFORE be it resolved that the City of Greater Sudbury acknowledge the role of the Nurse Practitioner and its contribution to our underserved area and support the community's collaborative efforts necessary for the recruitment and retention of allied health care professionals.

Background:

Nurse Practitioners have practised in Ontario since the 1960's. The Nurse Practitioner is a Registered Nurse (EC) (Extended Class) who has received several more years of advanced medical training and is governed by the College of Nurses of Ontario.

The Nurse Practitioner can provide a number of services to clients which include:

1. Health Assessment and Diagnosis
2. Therapeutics
3. Health Promotion and Disease Prevention
4. Family Health
5. Community Development and Planning
6. Team and Centre Responsibilities.

Nurse Practitioners are not supervised by physicians. However, a collaborative relationship with a physician or a group of physicians is required to ensure that patients have access to a comprehensive range of primary care services.

In light of the physician shortage across the province the Ontario government recognized the contribution of the Nurse Practitioner in enhancing on the delivery of primary care services to underserved communities and committed in investing millions to allow communities in need to submit proposals to apply for Nurse Practitioners. Currently in Greater Sudbury there are a number of available NP positions however there is a need for the community to commit to the recruitment and retention efforts for Allied Health Care Professionals as many of the graduates from our post secondary professional schools, are migrating to other communities.

Conclusion

The role of the Nurse Practitioner in our community provides a significant contribution to primary care. As the City of Greater Sudbury faces the same challenges in recruiting and retaining health care professionals, a system needs to be in place which will address the crisis and bring forward manageable, community based solutions to ensure that we foster a healthy community. As well, city staff will continually monitor the availability of funding sources that will enable broadening Nurse Practitioner positions in Greater Sudbury.

Request for Recommendation Finance Committee




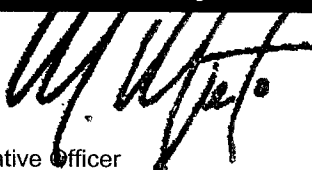
Type of Decision									
Meeting Date	January 24, 2004				Report Date	January 22, 2004			
Decision Requested		Yes	<input checked="" type="checkbox"/>	No	Priority	<input checked="" type="checkbox"/>	High		Low
	Direction Only				Type of Meeting	<input checked="" type="checkbox"/>	Open		Closed

Report Title
2004 Area Rating

Policy Implication + Budget Impact	
<input checked="" type="checkbox"/>	This report and recommendation(s) have been reviewed by the Finance Division and the funding source has been identified.
N/A	
<input checked="" type="checkbox"/>	Background Attached

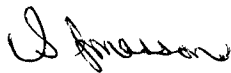
Recommendation
FOR INFORMATION ONLY
Recommendation Continued

Recommended by the General Manager
 D. Wukosinic General Manager of Corporate Services

Recommended by the C.A.O.
 M. Mieto Chief Administrative Officer

Date: January 22, 2004

Report Prepared By



S. Jonasson
Director of Finance/City Treasurer

Division Review

S. Jonasson
Director of Finance/City Treasurer

At the December 18th Finance Meeting, Councillor Dupuis requested that a presentation be made to Council on subject of Area Rating. This report accompanies the presentation which will be made to the Finance Committee on January 24th, 2004 as part of the 2004 budget process.

History

Area rating was introduced to the City of Greater Sudbury at the time of amalgamation. Section 15 of The City of Greater Sudbury Act 1999 laid out the rules and permitted area rating relating to:

- special services applicable to “old” municipalities
- assets and liabilities of the “old” municipalities, and
- for five specific services, namely
 - the supply and distribution of water,
 - the collection and disposal of sewage,
 - street lighting,
 - fire protection and prevention, and
 - public transportation, other than highways

Because area rating is complex and also difficult to administer, it is not a decision that a municipality wants to make without a lot of thought and review. For many good reasons, area rating under the first two scenarios was not introduced at the time of amalgamation (i.e. minimal service level differences between municipalities were harmonized, no substantial differences in assets and liabilities). These decisions cannot be revisited and therefore this report will only address the decisions around the area rating of the five services listed above and specifically the area rating of fire and transportation which was introduced due to the varied service levels offered by the former area municipalities.

Five Specific Services

Water and Wastewater

Both water and wastewater services were regional responsibilities prior to amalgamation and although these services were offered region-wide, not everyone received them. For a number of years all water costs and 30 percent of wastewater costs had been recovered through user fees and therefore area rating was not considered for these services. In 2001, the City moved to full cost recovery of both water and wastewater services and adjusted rates accordingly so that only those receiving the services paid for them.

Street lighting

Area rating was not considered for street lighting as the cost of this service was nominal as compared to other services and there did not seem to be major service level issues that needed to be addressed.

Fire Protection and Prevention

Prior to amalgamation, fire services levels were considerably different throughout the seven former area municipalities and the former unorganized area. It was not possible to harmonize service levels without increasing the budget by about \$20 million, nor was it felt necessary to have career level service throughout the newly created City of Greater Sudbury (CGS). In order to recognize the differing levels of service and also maintain the same relative tax position for this service, area rating was adopted. Therefore three distinct areas were recognized,

- Career - the former City of Sudbury area which was predominantly serviced by full time career firefighters supplemented marginally by volunteer forces,
- Composite - the former City of Valley East area which was serviced by both full time career firefighters and volunteer forces, and
- Volunteer - all other areas of the new CGS including the former unorganized areas which were serviced by volunteers forces only.

Public Transportation

Prior to amalgamation, public transportation service levels (transit and transportation for the disabled) were considerably different from one municipality to another. Again, it was not possible to harmonize service levels without increasing the budget by millions of dollars. In fact, the cost to harmonize this service was even higher than the cost of harmonizing fire services. The six smaller area municipalities had differing levels of service and there was no service in Onaping Falls. At the time of amalgamation, the decision was made to harmonize the service throughout the six smaller area municipalities and apply one area rate to them, and have another area rate for the former City of Sudbury area which had a much higher service level. The former unorganized area had no service and therefore was not required to pay for this service. Two area rates established were:

- Commuter - all lower tier municipalities except the former City of Sudbury and excluding the former unorganized areas (Service along major arteries, weekday service level between 6 - 8 trips daily)
- Urban - former City of Sudbury (More frequent service with higher number of trips and service along both main arteries and some residential streets)

Date: January 22, 2004

Area Rated Services

The following describes how fire protection and prevention costs and public transportation costs are area rated.

Fire Protection and Prevention

2004 Area Rating

Fire service costs include both base costs and direct suppression costs. The base costs include costs of administration, facilities and apparatus, public education and prevention. Because these costs are common to all areas, they are allocated to each of the fire service areas on the basis of weighted assessment. The direct suppression costs plus the allocated base costs determine the costs for each of the areas. The following chart illustrates the costs and taxes for each of the three service areas using preliminary 2004 budgets and preliminary 2004 assessments.

	Career \$	Composite \$	Volunteer \$	Total \$
Base Costs	2,993,165	501,271	1,325,475	4,819,911
Direct Suppression Costs	7,680,248	1,100,844	982,800	9,763,892
Total Costs	10,673,413	1,602,115	2,308,275	14,583,803
Weighted Assessment	5,575,109,743	953,000,809	2,403,066,229	8,931,176,781
Fire Tax Rate	.0019145	.0016811	.0009606	<i>.0016329</i>
Taxes (\$100,000 home)	191.45	168.11	96.06	<i>163.29</i>

Note the different tax levels in each of the areas in recognition of the differing service levels. Also note the last column which illustrates in italics what the uniform tax rate would be if there was no area rating. If a uniform tax rate were used at existing service levels, then the volunteer area would see a substantial increase in taxes while the career area would see a moderate drop in taxes with the composite area remaining relatively the same.

Future Service Levels and Area Rating Changes

Over the next year, there will be a number of changes made to the way fire services are delivered in order to ensure that the key principles in the delivery of emergency services are met. One of the objectives is that the closest/fastest and most appropriate emergency services resource be dispatched to the emergency, in the interests of public safety. For example, this will mean that the New Sudbury fire station will serve as first and second response to the community of Garson, and the Minnow Lake station will serve as first and second response to the community of Coniston. The service levels in these two communities will improve without any increase in costs. These changes and others will require a change to the area rating calculation. Thus the career rate would be extended over a larger area, probably resulting in a slight reduction in the career rate and a slight increase in the volunteer rate. Currently area rating is along old municipal boundaries, however new boundaries will have to be drawn to reflect the higher level of service such as those that will be seen in the Coniston and Garson areas and new area rates will have to be calculated.

In addition, the finalization of the master fire plan will be presented to Council in the spring after the 2004 budget is finalized and any resulting changes in service levels will require a review of area rating. One of the improvements being considered in the master fire plan is an increase of 10 full time firefighters in the Valley area. We emphasize that the master fire plan assessment is still underway and that at this time this is but a possible consideration - not a recommendation. Nevertheless, if recommended and subsequently approved by City Council, this would increase suppression service levels in this area to on site first unit response by a 4 person crew, 24 hours a day, seven days a week. Increased operating costs associated with this service level are estimated at \$1 million annually. The following chart shows the impact of these increased costs on the composite rate.

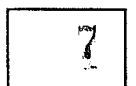
	Career \$	Composite \$	Volunteer \$	Total \$
Total Costs	10,673,413	2,602,115	2,308,275	15,583,803
Weighted Assessment	5,575,109,743	953,000,809	2,403,066,229	8,931,176,781
Fire Tax Rate	.0019145	.0027304	.0009606	.0017449
Taxes (\$100,000 home)	191.45	273.04	96.06	174.49

The fire rate in the Valley area would increase to considerably more than that in the former City of Sudbury area, and with a lesser but somewhat comparable service level. Therefore it would be appropriate to redefine the definition of the Career area to "suppression services offered 24 hours, seven days a week with first response by a 4 person crew manned by full time firefighters". This would allow for the harmonization of the career and composite area rates into one new career rate.

This next chart shows what would happen if the Career and Composite rates were melded into one new Career rate so that only two area rates would exist - a new career rate and the existing volunteer rate.

	New Career \$	Composite \$	Volunteer \$	Total \$
Total Costs	13,275,528	n/a	2,308,275	15,583,803
Weighted Assessment	6,528,110,552	n/a	2,403,066,229	8,931,176,781
Fire Tax Rate	.0020336	n/a	.0009606	.0017449
Taxes (\$100,000 home)	203.36	n/a	96.06	174.49

Note that the taxes in the former City of Sudbury area would go up somewhat as the assessment base in this area shares in the increased costs.



Public Transportation

2004 Area Rating

Transit costs and costs relating to transportation for the disabled are area rated in order to respect the differing levels of service in the City. Transit costs are allocated on a formula based on service hours provided and kilometers traveled. The 2004 allocation is 82 percent to the urban area and 18 percent to the commuter area. Transportation for the disabled costs are allocated based on net costs in each of the 2 service areas. The area rating boundaries follow the former area municipal boundaries.

The following chart illustrates the costs and taxes for public transportation for both service areas, using preliminary 2004 budget numbers and preliminary assessments.

	Urban \$	Commuter \$	Total \$
Transit	4,763,961	1,045,747	5,809,708
Transportation for the Disabled	955,240	641,070	1,596,310
Total Costs	5,719,201	1,686,817	7,406,018
Weighted Assessment	5,575,109,743	3,291,025,965	8,866,135,708
Tax Rate	.0010258	.0005126	<i>.0008353</i>
Taxes (\$100,000 home)	102.58	51.26	<i>83.53</i>

The last column which shows in italics what the tax rate would be if this service was maintained at existing levels but was no longer area rated. Also note that the former unorganized area does not pay for transportation services as it does not receive these services. Just as with fire protection and prevention, as service levels change, there may be a need to revisit how area rates are calculated. If this service was not area rated, there would be additional demands for increased service.

Summary

Area rating was introduced at the time of amalgamation in order to recognize the significant differences in levels of fire and transportation services in the former area municipalities and former unorganized areas. As the City evolves and service levels change, so will area rating. As service levels are harmonized, then area rates will be harmonized and where existing services are extended across old municipal boundaries, the area rating boundaries will be modified as well.

Request for Recommendation Finance Committee



Type of Decision

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Decision Requested		Yes	<input checked="" type="checkbox"/>	No	Priority	<input checked="" type="checkbox"/>	High		Low
	Direction Only				Type of Meeting	<input checked="" type="checkbox"/>	Open		Closed

Report Title

Assessment Growth versus Market Valuation Change

Policy Implication + Budget Impact

This report and recommendation(s) have been reviewed by the Finance Division and the funding source has been identified.

Background Attached

Recommendation

FOR INFORMATION ONLY

Recommendation Continued

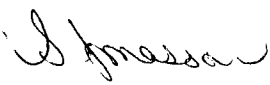
Recommended by the General Manager


D. Wukosinic
General Manager of Corporate Services

Recommended by the C.A.O.


M. Mieto
Chief Administrative Officer

Report Prepared By



S. Jonasson
 Director of Finance / City Treasurer

Division Review

S. Jonasson
 Director of Finance / City Treasurer

BACKGROUND

This report has been prepared to assist Council in understanding some of the issues relating to assessment, specifically the difference between assessment growth and market valuation change, and what each means to the City of Greater Sudbury.

City of Greater Sudbury Assessment Growth versus Market Valuation Change

Assessment Growth

Over the last number of years, the assessment growth in the City of Greater Sudbury has been relatively flat. This has been of concern to the City as assessment growth is seen as an indicator of a healthy community. Assessment growth represents the net increase in numbers of homes and business facilities and the expansion of facilities; and increases in assessment suggest that a community is growing. The following shows the assessment growth in the City of Greater Sudbury for the last number of years . The 2004 assessment growth is the highest it has been in a number of years.

Year	1996	1997	1998	1999*	2000	2001	2002	2003	2004*
Assessment Growth (Loss) %	0.57	0.54	0.65	0.77	0.28	0.40	-0.10	0.33	0.78

* 1999 growth artificially high due to introduction of provincial vacancy rebate program; 2004 growth based on MPAC data to October, 2003

Assessment growth is important to a municipality as it allows for an increase in the levy without an increase in the tax rate. For example, if a municipality has a one percent increase in its levy and a one percent growth in assessment, it can raise additional tax revenue without increasing taxes per se. In our City, the .78 percent assessment growth in 2004 is worth \$1 million. In other words, the 2004 levy can be \$1 million more than last year's levy without affecting taxes.

Market Valuation Change

2004 was also a reassessment year. Properties were reassessed by the Municipal Property Assessment Corporation (MPAC), to reflect June 2003 market values. These values are used to develop the returned roll which is used for 2004 taxation purposes. Preliminary estimates indicate that the City's market valuation change is 3.2 percent as outlined in the chart that follows. Market values of properties have changed such that the weighted assessment has increased by 3.2 percent. In comparison, in 2003 the market valuation change was a reduction of 3.6 percent. Although the increase in market values is a positive indicator to the community, it is not the same thing as assessment growth. What it does mean though, is that on average, properties have increased in value since the last reassessment.

Market Valuation Change (000)			
Class	2003 Weighted Assessment \$	2004 Weighted Assessment \$	Valuation Change %
Residential	5,380,233	5,576,949	3.7
Multi-residential	686,428	669,729	-2.4
Commercial	1,672,413	1,757,146	5.1
Industrial	318,759	313,576	-1.6
Large Industrial	541,286	563,466	4.1
Pipelines	47,677	46,046	-3.4
Farmland	2,227	2,518	13.1
Managed Forest	3,676	1,747	-52.5
Total	8,652,699	8,931,177	3.2

What is important to note is that the assessment growth of .8 percent is included in the valuation change of 3.2 percent. Now that we have reassessments every year it is not easy for Council or the public to see the municipality's assessment growth. Before 1998, assessment was easy to measure and in reassessment years, MPAC provided municipalities with assessment growth data. Since the move to market value assessment, municipalities have had to extract this information from the assessment data - a difficult job as the information is not readily available.

Hypothetical Example of Assessment Growth versus Market Valuation Change

The following sections of this report show the differences in assessment growth and valuation change using very simple examples. It assumes a "municipality called Tiny" with a municipal levy of \$10,000 and only 4 residential units initially, then growing to 5 units in Year 2. It demonstrates the impact of growth and market valuation change on each of the properties, the tax rate and the municipal levy.

Assessment Growth

This chart shows 4 units with a total assessment of \$500,000 and a total municipal levy of \$10,000 in year 1. The tax rate is determined by dividing the levy by the total assessment. In year 2 there is an additional unit with a value of \$20,000. If the tax rate remains at .02, the municipality can raise an additional \$400 or 4 percent because of the \$20,000 growth in assessment. Note that there has been no change in taxes for the first 4 units.

"Tiny" Municipality

	Year 1			Year 2		
Unit	Assessed Value	Tax Rate	Taxes/Levy	Assessed Value	Tax Rate	Taxes/Levy
1	100,000	0.02	2,000	100,000	0.02	2,000
2	120,000	0.02	2,400	120,000	0.02	2,400
3	80,000	0.02	1,600	80,000	0.02	1,600
4	200,000	0.02	4,000	200,000	0.02	4,000
5				20,000	0.02	400
Total	500,000		10,000	520,000		10,400

Market Valuation Change

Using the same four residential units as in the first example, the following chart demonstrates what happens when there are changes in value as a result of reassessment but no additional growth.

"Tiny" Municipality

	Year 1			Year 2		
Unit	Assessed Value	Tax Rate	Taxes/Levy	Assessed Value	Tax Rate	Taxes/Levy
1	100,000	0.02	2,000	115,000	0.0185	2,130
2	120,000	0.02	2,400	110,000	0.0185	2,035
3	80,000	0.02	1,600	85,000	0.0185	1,575
4	200,000	0.02	4,000	230,000	0.0185	4,260
Total	500,000		10,000	540,000		10,000

Even though there has been an 8 percent increase in values, there has been no assessment growth. There are no new units. A lower tax rate is calculated and the municipality collects the same levy as before. There is no new money for the municipality. Even though the municipality is collecting the same amount in total, the amount of tax paid by each residential unit is different than before due to the reassessment.

Assessment Growth and Market Valuation Change

This next chart illustrates the impact of both a change in valuation and an increase in assessment growth by combining both into one chart. It demonstrates the assessment growth and revenue that results from the additional unit.

"Tiny" Municipality

	Year 1			Year 2		
Unit	Assessed Value	Tax Rate	Taxes/ Levy	Assessed Value	Tax Rate	Taxes/ Levy
1	100,000	0.02	2,000	115,000	0.0185	2,130
2	120,000	0.02	2,400	110,000	0.0185	2,035
3	80,000	0.02	1,600	85,000	0.0185	1,575
4	200,000	0.02	4,000	230,000	0.0185	4,260
5*				21,600	0.0185	400
Total	500,000		10,000	561,600		10,400

* for simplicity assumes market value increase of 8% in new unit as well

The market value change is now 12.3 percent and it is made up of 4 percent real growth and 8.3 percent in market valuation change. The growth provides the municipality with additional revenue, however the market valuation change just redistributes the existing tax levy among the same ratepayers.

Other Assessment Issues

Properties are now being reassessed every year and so from now on (unless the Province changes the reassessment rules), the assessment rolls returned to municipalities will be a combination of valuation changes and pure assessment growth or loss. It will be up to municipalities to determine how much of the change relates to growth in order to calculate its value to the municipality.

There are many other assessment and tax issues that could be included in this report however the complexities of tax policy would only create confusion, so more information on tax policy will be provided at a later date. The one other issue that is important to know, is that legislation now allows a municipality to set its tax rate on a revised roll, as opposed to the returned roll. Municipalities are not happy with the quality of the rolls being returned by MPAC. Due to the number of errors in the assessment roll, for the last 2 years the City has chosen to set tax rates on the revised roll in order to work with MPAC to correct as many errors as possible before tax rates are set. This is a huge undertaking and is currently underway. The protection of the assessment base is a growing concern for many municipalities and therefore we have retained a property tax agent to assist with a number of assessment issues, of which the correction of errors on the assessment role is only one. Other issues of concern are appealing properties and preparing for Assessment Review Board Hearings to both defend and challenge valuations and seek out new revenue sources from increased or missed assessment.

In March or April when Council is ready to set tax rates, the assessment valuation numbers may be marginally different than they are today, due to the corrections being made to the roll at this time.

Summary

In summary, the City's returned roll indicates a 3.2 percent increase in market valuation. Included in this change is .78 percent real growth representing \$1 million in revenue. Both of these increases can be viewed as positive, especially in comparison to the limited assessment growth of .33 percent and negative market valuation change of 3.6 percent in 2003.