

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

**Council Chambers  
Tom Davies Square**

**Saturday, January 24, 2004  
Commencement: 9:10 a.m.**

Chair

**COUNCILLOR CALLAGHAN, IN THE CHAIR**

Present

Councillors Berthiaume; Bradley (A 10:36 a.m.); Caldarelli (A 9:49 a.m.); Dupuis; Gainer; Gasparini (D 12:00 p.m.; A 2:20 p.m.); Kett (A 9:14 a.m.); Reynolds; Rivest; Thompson; Mayor Courtemanche

City Officials

M. Mieto, Chief Administrative Officer; D. Belisle, General Manager of Public Works; C. Hallsworth, General Manager of Citizen & Leisure Services; D. Nadorozny, General Manager of Economic Development & Planning Services; C. Matheson, General Manager of Health & Social Services; D. Wuksinic, General Manager, Corporate Services; T. Beadman, Acting General Manager, Emergency Services; R. Swiddle, Director of Legal Services/City Solicitor; S. Jonasson, Director of Finance/City Treasurer; C. Mahaffy, Manager of Financial Planning and Policy; D. Dumontelle, Budget Technician; P. Aitken, Government Relations/Policy Analyst; C. Salazar, Manager of Corporate Strategy & Policy Analysis; E. Stankiewicz, Co-Ordinator of Current Budget; J. McKechnie, Executive Assistant to the Mayor; J.P. Graham, Plants Engineer; T. Mowry, City Clerk; M. Burtch, Licensing & Assessment Clerk; CJ Caporale, Council Secretary

News Media

Sudbury Star; MCTV; Channel 10 News; Le Voyageur

Declarations of  
Pecuniary Interest

None

**PRESENTATIONS**

Item 2  
Business Plans &  
Budget Focus

The Chief Administrative Officer gave an electronic presentation regarding Business Plans and Budget Focus outlining the following:

- ▶ Mayor's inaugural address outlining the need to invest in the quality of life, health and security, social fabric, population growth, and economic expansion
- ▶ Background (provincial grant losses from 1996 to present; operating fund gap in the next ten years; capital funding gap; the largest component of capital needs - roads)

Item 2  
Business Plans &  
Budget Focus  
(continued)

- ▶ Objectives (fulfill objectives of LTF Plan; use guiding principles of City of Tomorrow paper; financial sustainability; meet operating & capital requirements)
- ▶ Public consultation (first & second series of information meetings)
- ▶ Presentation (new rolled up version - less cost centres; efficiencies highlights; department goals outlined; budget variances explained; performance measures included)
- ▶ Corporate themes (cost reductions/avoidance; enhanced or new revenues; special projects; improved service; alternate services delivery; new ways of doing business; e-governance)
- ▶ New Deal for Cities
- ▶ Sudbury's future

Item 3  
2004 Citizen &  
Business Survey

The Chief Administrative Officer gave an electronic presentation regarding 2004 Citizen and Business Survey which was prepared by Oraclepoll Research Ltd. The survey was submitted, under separate cover, to members of the Finance Committee. Mr. Mieto advised the Finance Committee that the survey questioned 1200 citizens over the age of eighteen and 100 business owners/managers in the first two weeks of December 2003. The survey was conducted both in english and french. The issues on the survey were:

- ▶ top issues (roads, taxes, jobs, health care, economy, budget, amalgamation)
- ▶ overall satisfaction with municipal services
- ▶ increase & decrease in satisfaction by municipal services
- ▶ most & least important municipal services
- ▶ budget related questions

Item 4  
2004 Current Budget  
Public Input Session I

Report dated 2004-01-23 from the General Manager of Corporate Services regarding 2004 Current Budget Public Input Session I was received for information only. Ed Stankiewicz, Co-Ordinator of Current Budget, gave an electronic presentation briefly outlining the concerns of the citizens:

- ▶ maintaining recreation facilities
- ▶ personal use of City vehicles
- ▶ borrowing to improve infrastructure
- ▶ proposed tax increase
- ▶ looking at efficiencies
- ▶ funding from outside agencies
- ▶ surplus property
- ▶ encourage in-migration
- ▶ introduce a spay/neuter program
- ▶ lobby senior levels of government for additional funding
- ▶ favour user fees rather than tax increases

Item 4  
2004 Current Budget  
Public Input Session I  
(continued)

- ▶ perceive management at City being top heavy
- ▶ co-ordination of water, wastewater and road repairs
- ▶ provide financial assistance to non-municipal community centres

Youth Input Sessions  
Parking Lot #1

Councillor Kett advised the Finance Committee that the input sessions should be brought to the youth of the community, since they are our future. He would like to see these sessions be implemented at the secondary and post-secondary schools.

With the concurrence of the Finance Committee, this request was placed in the parking lot.

Use of City Vehicles

Mayor Courtemanche requested that the issues regarding the use of City vehicles and surplus property be addressed immediately during the budget process. If Council wants to continue to engage the public, then they need to respond to their questions quickly.

Councillor Callaghan agreed with this request and advised the Finance Committee that the Chief Administrative Officer was committed to doing this and these issues will be addressed in the February 12, 2004 budget document.

Recess

At 10:45 a.m., the Finance Committee recessed.

Reconvene

At 11:00 a.m., the Finance Committee reconvened.

Item 5  
2003 BMA Municipal  
Study

The General Manager of Corporate Services gave an electronic presentation regarding the 2003 BMA Municipal Study. This report was submitted, under separate cover, to the members of the Finance Committee. This study was conducted by BMA Management Consulting Inc. and it outlined the following:

- ▶ the study represents 61 municipalities of Ontario
- ▶ 75% of Ontario's population
- ▶ historical items measured (net levy per capita; assessment; taxes paid; water and wastewater costs; hydro costs; tax ratios)
- ▶ new items measured (density; land area; debt; user fees; household income)
- ▶ City of Greater Sudbury has the largest land area of all 61 municipalities
- ▶ revenues as a percentage of total expenditures (waste disposal, transit, recreation programs)
- ▶ taxes, and water/sewer costs per detached bungalow
- ▶ total municipal property tax burden as a percentage of income
- ▶ relative tax comparison

Item 5  
2003 BMA Municipal  
Study  
(continued)

The Finance Committee discussed the issue of land area in comparison to other municipalities and how it affects the impact on production and distribution costs such as water and wastewater.

Councillor Gasparini asked the General Manger of Corporate Services what other northern municipalities participated and if their results differed from our municipality regarding utilities costs. Mr. Wuksinic indicated that costs of hydro was eliminated from the study this year. Councillor Kett indicated that more pressure be put on BMA Management Consulting Inc. to encourage more northern cities to participate and to include hydro costs once again. The Chair advised the Finance Committee that a letter will be sent to BMA Management Consulting Inc. outlining these requests.

Recreational User  
Fees  
Parking Lot #2

A discussion regarding recreational facilities raised the issue of whether or not the City was charging enough in user fees and if the implementation of the programs was costing too much. The City of Greater Sudbury has more facilities per capita as compared to other municipalities but the arena fees are comparable. The General Manager of Citizen and Leisure Services advised the Finance Committee that this was a very complex issue because we cover a larger area than other municipalities. Councillor Rivest requested more information on the comparison to other municipalities regarding the increase of user fees and lowering costs.

With the concurrence of the Finance Committee, the issue of recreational user fees was placed in the parking lot.

Item 6  
Capital Financing  
Alternatives

Report dated 2004-01-22 from the General Manager of Corporate Services regarding Capital Financing Alternatives was received.

The General Manger of Corporate Services gave an electronic presentation regarding the following:

- Long Term Financial Plan overview
- Council decisions (June 25, 2003 & March 3, 2003)
- National/Provincial scene (municipal infrastructure failure; increase of municipal responsibilities; no funding)
- sources of capital financing in Ontario municipalities
- Provincial grant losses (1996 to present)
- purpose, benefits, specific outcomes, highlights, annual capital needs, financial forecasts, Oracle survey, BMA study, tax rate & relative position of the LTF Plan
- capital financing alternatives (common elements, differences)
- water/wastewater capital financing alternatives (common elements, differences, impact on average user)

Item 6  
Capital Financing  
Alternatives  
(continued)

With the consensus of the Finance Committee, it was agreed to move into the issues regarding the need to borrow and to outline the details. Councillor Reynolds inquired whether the interest for borrowing would be at the market rate or a rate provided by OMEIFA. The General Manager of Corporate Services stated that there was a need for a bond rate.

The Finance Committee discussed the need for funding regarding road construction, water & wastewater expansions, maintenance of leisure facilities, fire and ambulance services, transit services, maintenance of equipment at Public Works.

Rock Tunnel  
Parking Lot #3

Councillor Bradley addressed the issue regarding the expansion of the South End Rock Tunnel and whether or not developers would contribute towards the expansion through development charges. He felt that completing only half of the expansion would solve the problems of the south end. Councillor Bradley requested that the importance of phasing the construction of the South East Rock Tunnel be looked into further.

With the concurrence of the Finance Committee, this request was placed in the parking lot.

Request for Reports

With the consensus of the Finance Committee, Councillor Gasparini requested a report on the policies and a breakdown regarding the use of City vehicles including insurance costs, expenses, the use and by whom, etc. She also requested that City cars be separated from other vehicles such as transit and fire.

Use of City Vehicles

INCO Partnership

Councillor Gasparini also suggested that there was a need for a partnership with INCO regarding community involvement such as a funding partnership. She also requested an analysis on the economic impact on local economy for completing the capital projects over the proposed borrowing term.

Mayor Courtemanche advised the Finance Committee that INCO is aware of the need for this and he will continue his dialogue with them and explore where the need is required.

Recess

At 12:30 p.m., the Finance Committee recessed.

Reconvene

At 1:16 p.m., the Finance Committee reconvened.

Item 6  
Capital Financing  
Alternatives  
(continued)

A discussion regarding water & wastewater servicing of areas that were equipped with septic systems and wells took place. Councillor Thompson asked the General Manager of Public Works if these areas had been informed of the rising costs and that the need for these services might decrease. He suggested that the Water/Wastewater Priority List be updated by canvassing these areas again and advising the residents of the increase in costs.

Item 7  
2004 Base Capital  
Budget

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

The Finance Committee discussed the need for borrowing and whether this was feasible. They discussed the need for road construction, sewer repair and other revenue options such as assessment and development growth and to look at our infrastructure in order to allow for development, before the City borrows money.

The Chair stated that it was important to address capital items such as road construction for 2004 and reach a decision in order for Public Works to go forward with tendering.

The following recommendation was presented:

2004-02 Gainer-Courtemanche: THAT the Roads, Water and Wastewater programs for 2004, as identified on pages 108 to 113 of the Finance Committee Agenda of January 24, 2004 be approved as follows:

Roads . . . . .	\$ 9,309,205	
Water . . . . .	8,220,000	
Wastewater . . . . .	6,400,000	
plus the continuation of Municipal Road 35 . . . . .	<u>2,100,000</u>	(previously committed)
Totalling . . . . .	<u>\$26,029,250</u>	

and THAT funding be provided as follows:

Contribution from Current

Roads . . . . .	\$11,409,250
Water . . . . .	7,052,150
Wastewater . . . . .	6,712,340

Contribution from Capital Financing

Reserve Fund - Water . . . . .	1,167,850
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Contribution to Capital

Financing Reserve Fund - Wastewater . . . . .	<u>&lt;312,340&gt;</u>
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Totalling . . . . .	<u>\$26,029,250</u>
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Item 7  
2004 Base Capital  
Budget  
(continued)

**RECORDED VOTE:**

<b><u>YEAS</u></b>	<b><u>NAYS</u></b>
Berthiaume	Rivest
Bradley	
Caldarelli	
Dupuis	
Gainer	
Gasparini	
Kett	
Reynolds	
Thompson	
Mayor Courtemanche	
Callaghan	

**CARRIED**

Change of Chair

At 2:30 p.m., Councillor Callaghan vacated the chair.

**COUNCILLOR GAINER, IN THE CHAIR**

**CORRESPONDENCE - INFORMATION ONLY**

Item 8  
Area Rating

Report dated 2004-01-22 from the General Manger of Corporate Services regarding Area Rating was received for information only.

Change of Chair

At 2:42 p.m., Councillor Gainer vacated the chair.

**COUNCILLOR CALLAGHAN, IN THE CHAIR**

Recess

At 2:45 p.m., the Finance Committee recessed.

Reconvene

At 3:00 p.m., the Finance Committee reconvened.

Item 8  
Area Rating  
(continued)

Sandra Jonasson, Director of Finance, explained to the Finance Committee that Area Rating was introduced to the City of Greater Sudbury at the time of amalgamation and the City of Greater Sudbury Act 1999 permitted area rating relating to the following:

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

Request for Reports

Transit Ridership

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With the consensus of the Finance Committee, Councillor Dupuis requested that the Ridership report for the City of Greater Sudbury be updated. The General Manager of Citizen and Leisure Services advised that this report is a one-page report and will submit it to Council.

Item 9  
Assessment Growth vs Market Valuation Change

Report dated 2004-01-22 from the General Manger of Corporate Services regarding Assessment Growth versus Market Valuation change was received for information only.

Sandra Jonasson, Director of Finance, advised the Finance Committee that a detailed report on the Municipal Property Assessment Corporation (MPAC) will be on the next Council agenda. It was stated that MPAC is a non-profit organization and owned by all Ontario municipalities.

Item 10  
Full Cost Recovery of Water & Wastewater Services

Report dated 2004-01-22 from the General Manger of Corporate Services regarding Full Cost Recovery of Water and Wastewater Services was received for information only.

Councillor Thompson stated that Provincial legislation implemented 100% full cost recovery and this explains the rise in water/wastewater costs.

Parking Lot

With the consensus of the Finance Committee, the following reports were requested to be brought back to the Finance Committee:

1. Obtaining specific public input from secondary & post-secondary students.
2. Recreational user fees in comparison to other municipalities.
3. Phasing in the construction of the South End Rock Tunnel and cost sharing with developers.
4. Tax rebate programs for low and no-income persons and their ability to pay.

Adjournment

2004-03 Berthiaume-Bradley: That this meeting does now adjourn.  
Time: 4:02 p.m.

**CARRIED**

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Chair

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City Clerk