

Request for Decision City Council



Type of Decision

Meeting Date	May 27, 2004				Report Date	May 19, 2004			
Decision Requested	<input checked="" type="checkbox"/>	Yes		No	Priority	<input checked="" type="checkbox"/>	High		Low
	Direction Only				Type of	<input checked="" type="checkbox"/>	Open		Closed

Report Title

Canada Day Celebrations

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.

Background Attached

Recommendation

THAT the Council of the City of Greater Sudbury contribute \$10,000 towards fireworks for the Canada Day Celebrations to be held on July 1, 2004;

AND FURTHER that this special funding come from the Contingency Account.

Recommendation Continued

Recommended by the General Manager

Caroline Hallsworth
General Manager, Citizen and Leisure Services

Recommended by the C.A.O.

Mark Mieto
Chief Administrative Officer

Report Prepared By

Caroline Hallsworth
General Manager, Citizen and Leisure Services

Division Review

Executive Summary

The City of Greater Sudbury has been requested to join community partners in contributing to the fireworks for the Canada Day Celebrations.

Background

On June 20, 1868, Governor General, Lord Monck, signed a proclamation which "called upon all Her Majesty's loving subjects throughout Canada to join in the celebration of the anniversary of the formation of the union of the British North America provinces in a federation under the name of Canada on July 1st." The following year, Dominion Day, which is now called Canada Day, was formally established as a day of celebration across Canada.

Across Canada, from Parliament Hill to the smallest Canadian communities, Canada Day Fireworks displays are an integral but expensive component of every Canada Day celebration and the City of Greater Sudbury is being asked to join partners, Science North and Rogers Radio, in contributing to the Canada Day Firework Celebrations. Rogers Radio contributes in excess of \$10,000 in advertising for Canada Day while Science North contributes significant amounts of staff time to planning the event and providing complimentary outdoor programs that run all day long on Canada Day.

For 2004, \$10,000 of funding in support of the fireworks display has been requested. This is in addition to the in-kind support that the City of Greater Sudbury provides to Canada Day Celebrations, which includes transit service, assignment of additional waterfront safety and park maintenance staff to Bell Park and provision of logistical assistance to the Canada Day celebrations.

If approved by Council, this funding would come from the Corporate Services Contingency Account. In future years, the Canada Day Celebration Committee will be asked to make application through the Arts and Culture Granting process as the Canada Day Celebrations are an integral part of our celebrations of the diversity of Canadian culture.

Request for Decision City Council



Type of Decision									
Meeting Date	May 27 th , 2004				Report Date	May 20 th , 2004			
Decision Requested	<input checked="" type="checkbox"/>	Yes		No	Priority	<input checked="" type="checkbox"/>	High		Low
	Direction Only				Type of Meeting	<input checked="" type="checkbox"/>	Open		Closed

Report Title
Cinefest Sudbury Film Industry Centre Year II

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.
Background Attached	

Recommendation
That City Council support Year II of the Cinefest Sudbury Film Industry Centre 2004 in the amount of \$15,000 from the 2004 capital envelope. An additional \$7,500 will be provided from the Tourism Event Support Program.
Recommendation Continued

Recommended by the General Manager

Doug Nadorozny
 Doug Nadorozny, General Manager
 Economic Development and Planning Services

Recommended by the C.A.O.

Mark Mieto
 Mark Mieto
 Chief Administrative Officer

Date: May 20th, 2004

Report Prepared By



Shawn Poland
Business Development Officer

Division Review



Helen Mulc
Manager of Business Development

Executive Summary:

Cinéfest Sudbury's Industry Forum is now entering its second year of operation and – with the festival expanding from 7 to 9 days – is looking to build on the successes of 2003. The roots of any film and television industry are in the organizations that provide networking, professional development, mentorship and training to emerging talent and voices within the trade. Through the establishment the Industry Forum in 2003, Cinéfest Sudbury increased its role within the Canadian film industry as a showcase for production, as a forum for discussion, and as a means for professional development for aspiring filmmakers.

The Industry Centre 2004 will again consist of the Film Forum Series and Marketplace components (described below), and will introduce an international component engaging U.S. producers in a dialogue around international co-productions. This new international component accounts for the increased contributions from both the federal (Telefilm) and provincial (Ontario Media Development Corporation) governments. Please see the 2004 Project Budget attached as well as the 2003 Final Report.

Background:

The inaugural Cinéfest Sudbury Industry Forum played host to over 180 music, television and film industry professionals. Entertaining and informative workshops were presented to over 224 individuals participating from communities across Northern and Southern Ontario.

In keeping with the spirit of a 'film festival' Cinéfest Sudbury transformed the former Famous Player's Cinemas in Downtown Sudbury into a full service one-stop Industry Forum. Priding itself on how audience friendly the film festival is, it was the goal of Cinéfest to establish an atmosphere that was not only a place for Industry Forum audiences to interact with workshop hosts and panel delegates, but also an environment which focused on the business side of the Film Festival. In doing so, some of the key business components that Cinéfest Sudbury implemented in 2003 and will be building on in 2004 are:

1. WORKSHOPS

Cinéfest Sudbury's series of practical and innovative workshops allowed industry professionals to share their experience, skills and insight with one another as well as the general public. The workshops were of great interest to both the general public as well as professionals from the film, television and music industries. Workshops, such as The Magic of Animation and The Craft of Songwriting, were conducted in an interactive manner where all participants were able to practice the techniques they are learning and get the valuable direction needed from the workshop hosts themselves to assure they are following the correct path. This trend will continue in 2004. As part of Cinéfest Sudbury's constant efforts to make the its Industry Forum an event for all Northern Ontarians, Cinéfest Sudbury promotes Northern Ontario's bilingual culture by hosting both English as well as French workshops.

2. PANEL DISCUSSIONS

Cinéfest Sudbury's line up of panel discussions consist of several educational and informative sessions that catered to both film and music audiences of every level of experience. Audiences are treated to first hand accounts by some of Canada's foremost directors, producers, actors and musicians retelling their experiences on how to get their first 'big-break' into their respective careers. Each session is moderated by an individual who play an influential role in their industries; or who have made a significant impact on the Canadian film and/or music markets. Moderators such as Cameron Bailey (NOW Magazine, CBC Radio and Canada AM), Claudette Jaiko (National Film Board of Canada) and Tara Lift (Maple Music Recordings) have guided discussion. Like the workshops hosted by Cinéfest, the panel discussions were offered in both English as well as French.

3. CROSS BORDER SHOPPING (New in 2004)

Given Canada's growing interest in co-venturing with the United States, Industry Forum will provide an effective, project-driven conference with American representatives through Cross Border Shopping. Hosted by the Ontario Media Development Corporation, Cross Border Shopping will feature pre-scheduled micro-meetings with 4 to 6 key American Producers/Directors, providing a unique and intimate opportunity for the Canadian industry to engage potential partners, interesting properties and new financing prospects. With a stimulating schedule of networking, information exchange, screenings and social events, Cross Border Shopping provides a golden opportunity to Canadian delegates for intimate access to international relationships in a targeted, focussed and time-effective environment. Cross Border Shopping will help the Canadian industry build international ties, kick-start co-productions and co-ventures and lever Canadian productions into the global marketplace.

4. PITCH'N IT!

A chance of a lifetime is offered to budding film & television writers from the North. Pitch'n It! is an interactive contest where Northern Ontario residents submit their proposals for the next 'big' television hit or film blockbuster to Cinéfest Sudbury. The top ten entries are then selected by Cinéfest Sudbury staff members and the contestants given the opportunity to 'sell' their ideas and themselves in six-minutes to a jury of television and film industry professionals. The prize for the winning 'pitch' (\$1,000 in 20030 could be used to develop the writing of the film or television idea.

5. DEMO CRITIQUE

northern Ontario songwriters have the opportunity to have their original songs and recordings heard by the decision makers of the music industry. Cinéfest's panel for 'The Craft of Songwriting' deals with the craft and business of songwriting and provides participants practical advise on how to be a better songwriter. Panelists evaluate and discussed the songs provided by audience members and give immediate and invaluable feedback, giving participants insight and advice with regards to both the craft and business of song writing.

6. CHILDREN'S ACTIVITIES

In accordance with Cinéfest Sudbury's constant endeavor to promote cultural opportunities to Northern Ontario's young people, Cinéfest Sudbury offers Northern youth the opportunity to test their artistic abilities under the tutelage of two of the National Film Board of Canada's top animators. The Magic of Animation help children make the simple sketches magically come to life, as they learn the principals of animation using optical illusions, flip tricks, flip books, thaumatropes and zoetropes.

7. STUDENT ACTIVITIES (New in 2004)

In 2004, Cinéfest Sudbury plans to offer a wide range of music and film related workshops which are geared specifically to elementary and secondary school students. This new and innovative series of workshops and panels will take place during regular school hours and be specially priced with students in mind. Workshops and panel discussions will include intense and informative sessions with professionals from the film, music and interactive digital media industries geared at pointing inquisitive minds in the right direction to tap into the market of their choice.

8. MASTER CLASS (New in 2004)

Cinéfest Sudbury is proud to announce the introduction of Master Class into its line-up for 2004. Master Class will offer participants a chance to learn from the veterans of the film industries and have proved to be beneficial for filmmakers at all stages of their careers. Master Class will be day-long classes provide insights into the creative processes and production concerns that have informed the works of some of Canada's leading filmmakers. In these culturally rich session, participants will also have an opportunity to discuss their own projects with the hosts of the Master Class, giving them the information they need to know to propel themselves and their projects to the next level.

9. MENTOR SESSIONS (New in 2004)

In 2004, Cinéfest Sudbury's Industry Forum will give young and prospering Northern Ontario filmmakers a chance of a lifetime with the introduction of Cinéfest Mentor Sessions. With the Mentor Sessions, up and coming filmmakers from the North will be able to book 15 minutes of one-on-one time with renowned filmmakers such as Deepa Mehta, Atom Egoyan and Don McKellar. These Mentor Sessions are invaluable to young filmmakers as they give the much needed individual meeting time to pose to Industry Giants any questions they feels they need answered, seek advice and make the contact with someone who is established in the Canadian Film Industry and can point them in the correct direction.

10. REGISTRATION & SERVICE DESK

The Industry Forum Service Desk is the one-stop information centre for anyone attending the festival. Delegates and special guests will be able to pick up all passes and delegates catalogues. A mailbox and message centre (consisting of email, fax and telephone) is available to all delegates and guests who are registered with Cinéfest Sudbury's Industry Forum. With the service desk, delegates and special guests attending the festival will be able to gain an intimate knowledge of the workings of the festival, information on others who are attending the festival.

11. MEDIA OFFICE (Expanded in 2004)

Cinéfest Sudbury's Media Office will be an invaluable tool for local, national and international media outlets covering the festival. Providing easy access from a centralized location, Media representatives can schedule and conduct interviews through the office with directors, actors, and producers from films that are being screened at Cinéfest Sudbury. The Media Office will be equipped with Cinéfest Sudbury staff and volunteers running a seamless operation focusing on the promotion of the Canadian film and music scene, as well as the promotion of the Festival itself. Media officials can go about their daily operations in the Media Office by producing media releases, news articles, daily reports, etc... The Media Office will be fully equipped with computer, internet access, email access, telephone and fax. By 2005, Cinéfest Sudbury's Media Office will be fixed with the ability to have interactive online media conferences.

12. MESSAGE CENTRE (Expanded in 2004)

Cinéfest Sudbury's Delegate Message Centre will be a section of the Industry Forum where Special Guests and Delegates can send and receive messages on a daily basis. Based on a mailbox system, each guest and delegate will have a mailbox that is designated specifically to them. As messages come in during the duration of the festival, they will be stored in the individual's own private mailbox. These mailboxes can be checked on a regular basis during the festival, and is an extremely important tool in keeping guests and delegates connected with both their personal and business life outside of the surroundings of the film festival.

13. INDUSTRY SCREENING LOUNGE (New in 2004)

The Cinéfest Sudbury Screening Lounge is designed for specifically for both film programmers and film reviewers. Each year, Cinéfest Sudbury publishes a catalogue of films, which are given to us for advance screening. Film programmers from The Film Circuit, other Film Festivals and Film Reviewers can book specified times to have a private screening of the films for their programming and reviewing needs. This is an essential tool in the promotion of Canadian Product and allows for further distribution to areas where such Canadian Films would usually not be screened.

14. MARKETPLACE LOUNGE

The Marketplace Lounge is a relaxed area where delegates can sit back and put their feet up after a day's work of networking, film promotion, attending and/or hosting workshops/panel discussions. The cocktail environment is designed to create an atmosphere where dignitaries and guests can forge new and important partnership and build on existing relationships.

Festival History

Cinefest, Sudbury's International Film Festival, was established in 1989 in response to a demand for greater film entertainment variety from Sudbury's cultural arts community. Despite initial skepticism, Sudburians proved that a mining-oriented community could be receptive to repertory film culture as approximately 9,000 patrons crowded theatres during the inaugural three day event. The festival continued to mature and, by 1993, evolved into a full-service film organization with the event expanding to over 100 films.

Cinefest also spearheaded and coordinated the Northern Film Circuit, linking a series of Northern Ontario communities with monthly screenings of top flight Canadian and international film. The film circuit is now amalgamated into a national network operating in over 60 communities across Canada. In fact, Cinefest 2001 hosted the first-ever Film Circuit Conference, and delegates from across Canada will be returning to Sudbury once again in 2002.

Cinefest Sudbury has evolved into one of the most popular and most anticipated cultural entertainment events in Northern Ontario. An annual tradition for film enthusiasts, the festival entails a full seven days of film activity each September and is recognized as one of Canada's premiere film events. Now a year-round operation, the festival employs 3 full-time staff and an additional 3 to 4 contract staff during peak festival season. The festival has become a major cultural tourism attraction, having a \$2.4 million economic impact on the Sudbury Region (Ministry of Citizenship, Culture and Recreation) and welcoming over 25,000 ticket holders each year, approximately 15% are from outside of the Greater Sudbury area.

Economic and Community Benefits

- increase in out-of-town, overnight guests
- valuable platform from which to showcase Sudbury as a viable production and development centre
- national media profile for the City of Greater Sudbury
- access to industry decision makers
- development of Northern Ontario filmmaking talent
- leveraged relationships with film, television and music agencies

Conclusion

Cinefest Sudbury has proven its commitment to the cultural, entertainment, and economic sectors of Greater Sudbury. Moreover, the festival has taken a leading role in film development alongside Music and Film in Motion, yet another of the festival's successful partnerships. Investment in the Cinefest Sudbury Industry Centre will enable the festival, Music and Film in Motion, and Greater Sudbury to further position itself as a modest but viable centre film development and production.

The following motion was passed by the GSDC Board of Directors at its regular meeting on Wednesday, May 12th:

That the Greater Sudbury Development Corporation Board of Directors support Year II of the Cinefest Sudbury Film Industry Centre 2004 in the amount of \$15,000 from the 2004 Economic Development Capital Envelope. An additional \$7,500 will be provided from the Tourism Event Support Program.

The capital allocation of \$15,000 is provided by the 2004 Economic Development Capital Envelope. The envelope started the year with a balance of \$6,796 from the 2003 Economic Development Capital Envelope, plus an approved contribution of \$813,890, totalling \$820,686. Year to date project approvals left a balance of \$329,191. The recommendation in this report is for \$15,000 leaving a balance of \$314,191 in the 2004 Economic Development Capital Envelope.

The additional \$7,500 is provided by the Tourism Event Support Program contained in the 2004 current budget.

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	Direction Only				Type of Meeting	<input checked="" type="checkbox"/>	Open	<input type="checkbox"/>	Closed

Report Title

Tax Extension Agreement Roll # 070.008.125.00.0000
Between the City of Greater Sudbury and Pro Bait & Tackle Inc.

Policy Implication + Budget Impact

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

N/A

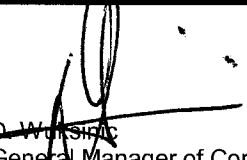
Background Attached

Recommendation

That the appropriate by-law be enacted.

Recommendation Continued

Recommended by the General Manager


D. Worsick
General Manager of Corporate Services


Recommended by the C.A.O.


M. Mieto
Chief Administrative Officer


Reviewed by: M. L. Gauvreau, Manager of Current Accounting Operations

Date: May 21, 2004


Report Prepared By



T. Derro
Supervisor of Tax/Chief Tax Collector



Division Review



S. Jonasson
Director of Finance/City Treasurer

BACKGROUND

Pro Bait & Tackle Inc. has requested a Tax Extension Agreement with respect to the property located at 469 Kingsway in the City of Greater Sudbury. A Tax Extension Agreement is a standard Agreement. This Agreement provides that if the owner fails to honour the provisions of the agreement, the agreement shall become null and void and the owner shall be placed in the position that he/she was in prior to the entering into of the agreement, which may include the sale of the property by public tender.

A tax certificate was registered against these lands on December 1, 2003 and the owner has one year from that date to redeem the property by paying all outstanding taxes, penalty, interest charges and costs in full in one lump sum.

However, Section 378 (1) of the *Municipal Act*, allows a municipality to enter into a Tax Extension Agreement with the owner of the property providing an extension of time for payment of the arrears by way of a down payment and monthly payments.

The owner is agreeable to making payment of the arrears on the following Schedule. It is recommended that a standard form Extension Agreement be authorized.

CALCULATION OF PAYMENTS REQUIRED UNDER EXTENSION AGREEMENT
TS FILE NO. 03-81

	AMOUNT
(1) Outstanding taxes, penalty and interest charges on TAX ARREARS CERTIFICATE	\$37,636.60
(2) Additional taxes levied subsequent to tax sale proceedings 2004	\$ 6,530.08
2005	\$ 7,000.00
2006	
(3) Estimated additional penalty and interest charge subsequent to tax sale proceedings	\$ 8,457.98
(4) Administration Charges - Estimated	<u>\$ 1,685.00</u>
TOTAL AMOUNT TO BE PAID UNDER EXTENSION AGREEMENT	\$61,309.66
TO BE PAID AS FOLLOWS:	
(1) Down payment on signing	\$25,000.00
(2) 23 Payments of \$500.00 each, starting June 1, 2004	\$11,500.00
(3) 1 Final Payment of \$24,809.66 on May 1, 2006	<u>\$24,809.66</u>
	\$61,309.66

Request for Decision City Council





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Decision Requested	<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
Tax Extension Agreement Roll # 070.022.015.00.0000 Between the City of Greater Sudbury and Martin Charles Sainio

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
That the appropriate by-law be enacted.
Recommendation Continued

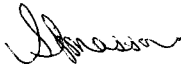
Recommended by the General Manager
 D. Wuksinic General Manager of Corporate Services

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

Reviewed by: M. L. Gauvreau, Manager of Current Accounting Operations

Date: May 21, 2004

Report Prepared By
 T. Derro Supervisor of Tax/Chief Tax Collector

Division Review
 S. Jonasson Director of Finance/City Treasurer

BACKGROUND

Martin Charles Sainio has requested a Tax Extension Agreement with respect to the property located at 505 Melvin Avenue in the City of Greater Sudbury. A Tax Extension Agreement is a standard Agreement. This Agreement provides that if the owner fails to honour the provisions of the agreement, the agreement shall become null and void and the owner shall be placed in the position that he/she was in prior to the entering into of the agreement, which may include the sale of the property by public tender.

A tax certificate was registered against these lands on December 1, 2003 and the owner has one year from that date to redeem the property by paying all outstanding taxes, penalty, interest charges and costs in full in one lump sum.

However, Section 378 (1) of the *Municipal Act*, allows a municipality to enter into a Tax Extension Agreement with the owner of the property providing an extension of time for payment of the arrears by way of a down payment and monthly payments.

The owner is agreeable to making payment of the arrears on the following Schedule. It is recommended that a standard form Extension Agreement be authorized.

CALCULATION OF PAYMENTS REQUIRED UNDER EXTENSION AGREEMENT
 TS FILE NO. 03-90

	AMOUNT
(1) Outstanding taxes, penalty and interest charges on TAX ARREARS CERTIFICATE	\$ 4,109.33
(2) Additional taxes levied subsequent to tax sale proceedings	\$ 1,298.53
2004	
2005	\$ 1,400.00
2006	
(3) Estimated additional penalty and interest charge subsequent to tax sale proceedings	\$ 1,107.73
(4) Administration Charges - Estimated	<u>\$ 1,685.00</u>
TOTAL AMOUNT TO BE PAID UNDER EXTENSION AGREEMENT	\$ 9,600.59

TO BE PAID AS FOLLOWS:

(1) Down payment on signing	\$ 2,500.00
(2) 21 Payments of \$250.00 each, starting June 1, 2004	\$ 5,250.00
(3) 1 Final Payment of \$1,850.59 on March 1, 2006	<u>\$ 1,850.59</u>
	\$ 9,600.59

Request for Decision City Council





Type of Decision									
Meeting Date	May 27, 2004				Report Date	May 14, 2004			
Decision Requested		Yes	<input checked="" type="checkbox"/>	No	Priority		High	<input checked="" type="checkbox"/>	Low
	Direction Only				Type of Meeting		Open		Closed

Report Title
Healthy People for a Healthy Tomorrow! Developing a Framework for Community Action on the Prevention of Obesity

Policy Implication + 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 Financial Impact	
<input checked="" type="checkbox"/>	Background Attached

Recommendation
For Information Only
Recommendation Continued

Recommended by the General Manager
 Catherine Matheson General Manager of Health and Social Services

Recommended by the C.A.O.
 Mark Meeto C.A.O.

Date: May 27, 2004

Report Prepared ByStephanie Leclair
Policy/Community Developer**Division Review**Carmen Ouellette
Director, Children Services**Background**

The Steering Committee on the Community Prevention of Obesity is a group of organizations, agencies and individuals working together to achieve a common goal. The Committee was established in October 2003 following a study on the health status of Northern Ontario children. The research indicates that 30% of Northern children are overweight and 17% are at risk of becoming obese. National and provincial research indicates that obesity rates are increasing and this is a significant burden to the public health care system. Adults (ages 20 to 64 years) who live in the Sudbury and District catchment area are more likely to be overweight than their provincial counterparts (39% vs 33%). Key health indicators have also identified Sudbury and District's leading cause of morbidity and mortality is cardiovascular disease, which is often related with obesity.

Project Overview

Changes in our social and physical environments have created barriers to good nutrition and physical activity affecting not only the health of our children, but also the health of our community. In order to address this issue, the City of Greater Sudbury, the Sudbury and District Health Unit, the Social Planning Council of Sudbury, local Pediatricians, the Heart Health Coalition and other community partners are organizing a forum, *Healthy People for a Healthy Tomorrow* scheduled for June 9th and 10th, 2004.

The intent of the *Healthy People for a Healthy Tomorrow!* forum is to educate the community about obesity prevention, the concept of healthy weights and to develop a community action strategy for tackling the challenges faced by the 200,000 residents of the City of Greater Sudbury and District. The forum will bring together a wide spectrum of community stakeholders including: healthcare workers, social service representatives, recreation providers, government officials, client service workers, teachers, professors and community members.

Following the forum, the Steering Committee on the Community Prevention of Obesity will continue to carry out several tasks:

- post forum report
- develop communication tools and strategies in order to educate and keep key stakeholders informed of current trends and research on the prevention of obesity.
- enhance community mobilization in the practice of healthy eating and physical activity.
- assist community stakeholders with the implementation of strategies identified at the forum.
- evaluate obesity prevention strategies in the community.

The conference agenda is attached for the information of Council.

Healthy People for a Healthy Tomorrow!

Day One

Day Two

Greater Sudbury
 Community Planning Council
 81 St. Anne Road

Everyone welcome!

Hosted by:
 The Steering Committee on the Community Prevention of Obesity
 A collaborative partnership with



Sudbury & District Health Unit
 Service de santé publique de Sudbury et du district

12 00 - 13 00	Lunch - Kids and Commercial Bill Jeffrey, National Coordinator, Centre for Science in the Public Interest	13 00 - 13 45	Findings from School-Based Health Promotion Research Dr. Gail McVey, Health Systems Resource Group, The Hospital for Sick Children, Assistant Professor, Public Health Sciences, University of Toronto
13 45 - 14 15	Energizer Break	14 15 - 16 00	Energizer Break
14 15 - 16 00		16 00 - 16 30	Workshop Reflections and Panel Discussion

13 00 - 13 45	Workshop Reflections and Panel Discussion	13 45 - 14 15	Energizer Break
14 15 - 16 00		14 15 - 16 00	
16 00 - 16 30	Workshop Reflections and Next Steps		

For more information contact: (705) 522-9200, ext. 257
 or E-mail: healthyweights@sdhu.com

Request for Decision City Council



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

Report Title

Northeastern Ontario Geriatric Care Conference: Practical Management

Policy Implication + Budget Impact

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

N/A


Background Attached

Recommendation

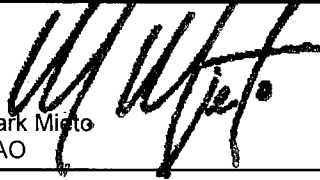
For Information Only

Recommendation Continued

Recommended by the General Manager



Catherine Matheson
General Manager, Health & Social Services

Recommended by the C.A.O.


Mark Miato
CAO

Date: May 19, 2004

Report Prepared By



Ginette Forget Rose
Community Liaison Coordinator

Division Review



Randy Hotta
Director, Long-Term Care Facility & Seniors
Services

BACKGROUND

Pioneer Manor is hosting their Annual Northeastern Ontario Geriatric Care Conference: Practical Management on June 8th and June 9th, 2004. Geriatric conferences have been offered at Pioneer Manor for the past ten years. This conference will provide information on various topics, including; positive interaction with families, how to deal with challenging behaviors, current medication updates and methods of communicating with people who suffer from dementia. Other topics are end of life issues, and zero lift policy.

The committee is pleased to offer a high caliber of speakers ranging from a geriatric psychiatrist, physician, speech-language pathologist, and a kinesiologist. Participants attending the conference come from community service agencies and long term care facilities through out Northeastern Ontario. Various best practices have emanated from these conferences including the Gentle care model of dementia, better ways to assess and manage pain, and methods of enhancing communication with families as partners in health care.

The conference agenda is attached for the information of Council.

**INORTHEASTERN ONTARIO
GERIATRIC CARE CONFERENCE:
PRACTICAL MANAGEMENT**

AGENDA

Tuesday, June 8, 2004

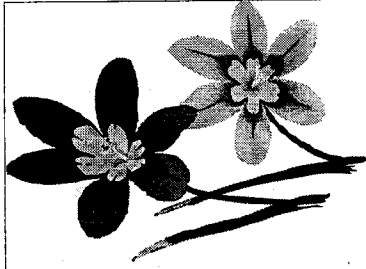
- 8:00 – 8:45 Registration
- 8:45 – 9:00 Welcome by Councillor Ted Callaghan on behalf of the City of Greater Sudbury Council
Catherine Matheson General Manager of Health and Social Services for the City of Greater Sudbury.
- 9:00 - 10:15 Stephen Mathew, PRC
Changing The Way We Interact With Families
- 10:15 – 10:30 Nutritional Break
- 10:30 – 11:30 Stephen Mathew, PRC
Changing The Way We Interact With Families
- 11:30 – 12:15 Lunch Break
- 12:15 – 1:45 Dr. Melissa Andrew, M.D., MEd. FRCP (C)
Dementia in Disguise
Case Study:
Kim Pelkman, O.T. Reg. (Ont.)
Monica Bretzlaff, B.A., T.R., PRC
- 1:45 - 2:15 Nutrition Break
- 2:15 – 2:30 Dr. Krishna, M.D. Psychiatrist
End of Life Issues

**GERIATRIC CARE CONFERENCE:
PRACTICAL MANAGEMENT**

AGENDA

Wednesday, June 9, 2004

- 8:15 – 8:30 Opening Remarks
- 8:30 - 10:00 J. B. Orange, BSc, MHSc, PhD; Post-doctoral Research Fellowship; Reg. CASLOP, SLP (C).
Associate Professor
Enhancing Communication with Individuals with Dementia.
- 10:00 - 10:15 Nutrition Break
- 10:15 – 11:45 Continuation of Enhancing Communication with Individuals with Dementia.
- 11:45 - 12:30 Lunch
- 12:30 – 1:15 Dr. Maurice St. Martin, M.D. CCFP
Medication Update Relating to Dementia
- 1:15 - 2:45 Sherri Bastos, Kinesiologist
Zero Lift
- 2:45 – 3:00 Wrap Up and Evaluation



Request for Decision City Council

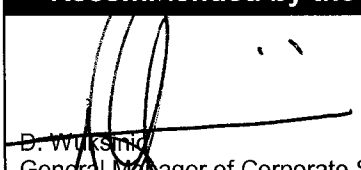


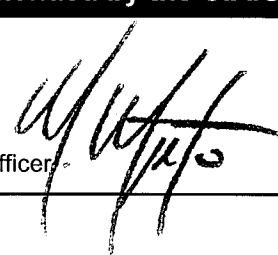
Type of Decision									
Meeting Date	May 27, 2004				Report Date	May 21, 2004			
Decision Requested		Yes	<input checked="" type="checkbox"/>	No	Priority	<input checked="" type="checkbox"/>	High		Low
	Direction Only				Type of Meeting	<input checked="" type="checkbox"/>	Open		Closed

Report Title
2004 Ontario Budget The Plan for Change

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.
<input checked="" type="checkbox"/>	Background Attached

Recommendation
FOR INFORMATION ONLY
Recommendation Continued

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

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

Report Authored By



E. Stankiewicz
Co-Ordinator of Current Budget

8

Division Review



S. Jonasson
Director of Finance / City Treasurer

BACKGROUND

On Tuesday May 18, 2004 the Minister of Finance, Greg Sorbara, unveiled the Province of Ontario 2004 Budget. Most of the focus was on Health Care and Education. However, there were a number of items that will affect municipalities across Ontario. Although a number of issues were addressed, details for many issues have not yet been developed.

Attached are the Municipal Finance Officers' Association (MFOA) synopsis of the budget as it relates to municipalities, the Conference Board of Canada highlights, and the KPMG highlights of the budget.

The following provides a brief description of some of the issues concerning our municipality.

Assessment and Property Tax Relief

The Province will introduce legislation to cancel the annual reassessment for taxation year 2005 and provide a new assessment cycle to allow MPAC more time to ensure the accuracy of the rolls. The new cycle will also allow municipalities more time to review the data and taxpayers more time to review their values. Assessment averaging will be deferred and reviewed at a later date.

The Province has acknowledged the complex nature of property tax policy and the perceived inequities in the system and have therefore provided municipalities more options or tools for use in achieving more equity in the tax system. The tools will also result in less administration in the system as potentially fewer properties will be in the capped or clawed back scenario. In addition the Province will introduce legislation to provide tax relief to small businesses.

Gas Tax Rebate

Commencing October 1, 2004 the Province will dedicate 1 cent per litre of gas tax to municipalities for public transit. This will be increased to 1.5 cents and 2 cents in October 2005 and October 2006. The distribution mechanism is currently not known.

Infrastructure Financing

The Province will create the Ontario Strategic Infrastructure Financing Authority (OSIFA), which will replace the Ontario Municipal Economic Financing Authority (OMEIFA). It is not known whether these loans will have interest rate subsidies.

As was the case with OMEIFA, this authority will focus on water, waste water, waste management, roads and public transit in the first year. In subsequent years, the eligible services will be expanded to Long Term Care facilities and affordable housing.

Environmental Issues

The Province is committed to achieve a 60% diversion of waste from landfills by municipalities. The relief, deferrals or cancellations for Brownsfields development sites will be shared with the Province as they have committed to the education portion of the relief to expedite this process of having these sites return to productive use.

Social Services

An additional 3,760 beds for Long Term Care facilities will be available across the province. As well, in the first year of this budget, an additional 4,000 subsidized daycare spaces will be provided. There are no details identifying how these beds and spaces will be allocated.

The Province has also committed to increasing the basic needs allowance and the shelter allowance by 3% for Ontario Works and Ontario Disability Support Program clients. The \$106 million province wide cost will be funded entirely by the Province in 2004. In 2005, our cost estimate of increased allowances for Ontario Works clients is worth about \$110,000. As for the ODSP shelter allowance increases, the City does not know the cost of this increase or how the CRF is affected.

Public Health

By 2007, the Province has committed to funding 75% of eligible costs up from the current 50%. In Sudbury's case, the impact is not known as this service is a Local Services Realignment (LSR) function and there is uncertainty as to how this will affect the Community Reinvestment Funding (CRF).

Electricity Reform

The Province is committed to ensure that all consumers pay the full cost of electricity, therefore removing any subsidies paid by the taxpayers. A new fee structure will be in place for January 2005. It is not yet known how this will impact our municipality.

Municipal Act and Planning Act

The Province through consultations with stakeholders will be reviewing both pieces of legislation with the intention of providing reform to best serve all parties.

Plan to Promote Northern Prosperity

This plan will invest \$285 million in the northern transportation system, which reinforces the provincial commitment to expand Hwy 69. Another \$135 million has been dedicated for community infrastructure through the Northern Ontario Heritage Fund, and \$107 million has been earmarked for expansion projects to create new spaces in universities and colleges including the Northern Ontario Medical School.

Community Reinvestment Fund (CRF)

The tables reflect an increase in Community Reinvestment Funding (CRF) of only \$30 million from the 2002 actual to the 2004 forecast. In the City of Greater Sudbury 2004 Budget, our forecasted CRF was increased substantially to reflect the additional cost of the linked Local Services Realignment functions. Increases in expenditures from Public Health and ODSP have resulted in an increase in our budgeted CRF number. However, it is not yet known whether there will be a reconciliation of the LSR for 2003 and beyond, so this budgeted increased revenue may be at risk. Inquiries have been made to the Ministry of Municipal Affairs' staff but at this point they have little information regarding this issue.

Summary

This report only provides a cursory review of the 2004 Provincial budget. As more details become available, Council will be updated. General Managers will be investigating issues under their jurisdiction and will report back to Council with their findings.



2004 PROVINCIAL BUDGET May 18, 2004

TO THE MUNICIPAL TREASURER

On Tuesday, May 18, 2004, the Honourable Greg Sorbara, Minister of Finance, presented the McGuinty government's first budget. This summary of the budget has been prepared by MFOA staff for your information. While much of the budget deals with health and education issues, there were a significant number of elements that affect municipalities in this budget. The most important of these are summarized below.

The full budget and supporting documents, can be found at the website of the Ministry of Finance at:
<http://www.ontariobudget.fin.gov.on.ca/bud04e/index.htm>

This summary deals with a number of issues in the budget, including:

- Municipal Highlights
- Provincial Financial Position
- Economic Outlook
- Other Initiatives

MUNICIPAL HIGHLIGHTS

Details of the municipal highlights can be found in Budget Paper A. Page references are supplied if more detail is required.

1. **Property Taxation Reform (see Budget Paper C, pp. 129-132)**
 - The budget proposes a number of changes with respect to:
 - The assessment cycle
 - The 2005 reassessment
 - Assessment averaging
 - Tax capping mitigation tools,
 - Treatment of New Construction, and
 - Assistance for small businesses

Below is a summary of the intended amendments with respect to assessment and taxation. Given the importance of these policy changes, the section on taxation changes from the budget is reproduced in its entirety in Appendix A of this bulletin.

- Assessment Cycle – the annual valuation date is moved back from June 30 to January 1 of the preceding year.
 - MPAC will have additional time to prepare the assessment roll utilizing that time to ensure greater accuracy.
 - Taxpayers will have additional time to review new values.
 - Municipalities will have more time to analyze assessment data and make tax policy decisions.
- 2005 Reassessment – In the transition to the January 1 valuation date, 2005 taxation will be based on the June 30, 2003 values. No reassessment will take place for the 2005 taxation cycle.
- Assessment Averaging – The government intends to introduce legislation deferring the implementation of assessment averaging, pending consultation on other tax mitigation tools that will address volatility in the system.
- Tax Capping Mitigation Tools – In an effort to progress toward full CVA taxation, legislation is to be introduced such that:
 - Municipalities would be able to increase the 5% cap on increasing business properties to 10%
 - Minimum annual increases could be implemented at 5% of the current year's CVA taxation
 - Properties capped or clawed back at amounts less than \$250 could be moved to full CVA taxation
- Assistance for Small Business
 - Legislation is to be introduced which will allow the combined use of graduated tax rates and optional tax classes.
- Phasing out of New Construction Program
 - Beginning in 2005 amendments to the legislation will allow municipalities to establish a “floor” or minimum percentage of CVA taxation that is to be paid by eligible properties regardless of the taxation level arrived at through the comparable property calculations.
 - The municipality may adopt a 70% floor for 2005 and escalate that minimum each year by 10% until 2008 when their option would be to set the floor at 100% of CVA taxation.

MFOA expects to work closely with the Ministry of Finance to provide guidance and education materials to its members. Stay tuned for further updates through Tax Facts and other vehicles.

2. Gas Tax (see Budget Paper A, p. 32)

- The government will dedicate 1.0 cent per litre of provincial gas tax for public transit beginning in October 2004. Funding will increase to 1.5 cents in October 2005 and 2.0 cents in October 2006.
- The budget indicates that a distribution mechanism is to be determined and will be the focus of upcoming consultation

3. Public Health (see Background, New Deal for Municipalities, p. 1)

- The province will assume 75% of the cost of public health by 2007 versus the 50% level of funding at the moment.

4. Income Support Payments (Budget Paper A, p. 28)

- The province intends to improve income support programs by:
 - A 3% increase in social assistance basic needs and maximum shelter allowances for recipients of Ontario Works and Ontario Disability Support Program; and
 - An increase in the maximum benefit provided to families caring for children with severe

disabilities.

- The initiatives will have a financial impact on municipalities since these programs are co-funded with the municipal sector.

5. MOU Process and Review of the Municipal Act (Budget Paper A, p. 32)

- The province and the Association of Municipalities of Ontario signed a Memorandum of Understanding in 2001. The MOU requires the Province to consult with AMO on initiatives that will have a budgetary impact on municipalities. The government proposes to enshrine this agreement in law under the Municipal Act.
- The province will also work with the sector to review the Municipal Act to ensure that they have appropriate powers and flexibility.

6. Infrastructure Financing Authority (Budget Paper A, pp. 50-51)

- It appears that the Ontario Municipal Economic Infrastructure Financing Authority (OMEIFA) will be supplanted by a new agency. The government will create the Ontario Strategic Infrastructure Financing Authority (OSIFA) as an innovative financing vehicle for the broad public sector to renew and build public infrastructure.
- OSIFA will develop and implement an infrastructure renewal program to reduce financing costs for the broad public sector. The budget does not state that loans will have interest rate subsidies as was the case with OMEIFA loans.
- The 2004/2005 renewal loan program will focus on municipalities in five key areas: water, wastewater, waste management, roads and bridges and public transit. These are the same service sectors that were eligible for low interest OMEIFA loans. In subsequent years, the range of eligible services will be expanded to include municipal long-term care facilities and affordable housing providers.
- The government plans a consultation process involving line ministries and stakeholders to develop the program. The program parameters are expected to be in place by year's end.
- OSIFA will offer a new financial instrument called Infrastructure Renewal Bonds (IRBs) to institutional and individual investors. The interest return on the bonds will not be tax free. The proceeds of the sale of these bonds will be used to fund the infrastructure renewal program.

7. Provincial Land Tax (Budget Paper C, p. 133)

- The province commits to move forward on updating the provincial land tax. In 2004-2005 the Ministry of Finance will consult with northern communities to determine how to implement PLT reform.

8. Brownfields (Budget Paper A, p. 34)

- The province will move forward to proclaim outstanding legislative provisions to provide incentives to remediate brownfield sites. Based on qualifying criteria, the province will match property tax relief to ensure that sites are returned to productive use.
- The province has set aside \$5 M this year for their share of tax reductions.

9. Growth Management in the Golden Horseshoe (Budget Paper A, p. 33)

- The government will release a growth management plan for the Golden Horseshoe to minimize costs and maximize benefits.

- 10. Transit (Budget Paper A, p. 33)**
- The government will introduce legislation to create a Greater Toronto Transportation Authority to reduce gridlock and facilitate the flow of goods and services.
 - The government will invest \$448 million for transit capital, including funding for the Toronto Transit Commission, GO Transit, a bus rapid transit bus system in the GTA and technical and environmental studies in Ottawa and Waterloo Region.
- 11. Northern Ontario (Budget Paper B, p. 96 and Background, New Deal for Municipalities, p. 2)**
- Invest \$285 M in 2004-2005 for improving the northern transportation system.
 - Dedicate \$135 M for community infrastructure through the Northern Ontario Heritage Fund
 - Provide \$107 M for expansion projects to create new spaces in universities and colleges, including the Northern Ontario Medical School
 - Dedicate \$10 M for a Northern Investor Program to allow northern Ontario residents to participate in pooled investments for distribution to eligible small and medium sized business in their communities.
- 12. Rural Ontario (Budget Paper A, p. 33 and Background, New Deal for Municipalities, p. 3)**
- Partnership with the municipal sector and federal government for a 5 year, \$900 million program under the Canada-Ontario Municipal Rural Infrastructure Fund (COMRIF).
- 13 Electricity Reform (Budget Paper A, p. 30)**
- The government plans to introduce legislation in June 2004 to reform the electricity sector. A new market structure is expected to be in place early in the new year.
 - The government proposes to create an Ontario Power Authority that will be responsible for long-term supply adequacy and encouraging conservation and renewable energy.
 - The intent of these proposed changes is to have consumers pay the true cost of electricity, without taxpayers paying part of the cost.

PROVINCIAL FINANCIAL POSITION

- The following table from the budget shows the Province's financial position. In 2004-2005, revenues of \$78,360 M are expected. Program expenses are estimated to be \$66,695 M. An additional \$10,329 M in debt charges and \$2,575 M in capital spending brings total expenditures to \$79,599 M. The government is planning for an overall deficit in the current fiscal year of \$2,239 M. The government has a balanced budget plan to balance the budget in fiscal 2007-2008 (see Table A7, page 76, Budget Paper A).

Statement of Financial Transactions
(\$ Millions)

Table A1

	2000-01	2001-02	Actual 2002-03	Interim 2003-04	Plan 2004-05
Revenue †	66,044	66,249	68,609	68,250	78,360
Expense					
Programs	51,146	53,647	56,922	62,518	66,695
Capital **	2,123	1,890	1,876	2,202	2,575
Interest on Debt	10,873	10,337	9,694	9,752	10,329
Total Expense	64,142	65,874	68,492	74,472	79,599
Reserve	-	-	-	-	1,000
Surplus / (Deficit)	1,902	375	117	(6,222)	(2,239)
Net Debt †	132,496	132,121	132,647	139,405	142,412
Accumulated Deficit †	132,496	132,121	118,705	124,927	127,166

* Includes one-time revenue gain of \$3,881 million related to the projected elimination of the liability for non-utility generator power purchase agreements in 2004-05.

** Starting in 2002-03, major tangible capital assets owned by Provincial ministries (land, buildings and transportation infrastructure) are accounted for on a full accrual accounting basis. Other tangible capital assets owned by Provincial ministries will continue to be accounted for as expense in the year of acquisition or construction. All capital assets owned by consolidated government organizations are accounted for on a full accrual basis.

† Net debt represents the difference between liabilities and financial assets. Accumulated deficit represents net debt adjusted for tangible capital assets.

- While Net Debt or Accumulated Deficit are projected to increase through 2005, interest on debt as a percentage of projected revenue is falling over the same period.

ECONOMIC OUTLOOK

Growth and Inflation

- The Ontario economy is expected to grow in 2004 by 2.3%, and 3.2% in 2005. These growth rates are slightly below the private sector average (see p. 84). Growth at these rates are expected to foster strong job creation and rising incomes.
- Inflation is expected to remain below 2%, with the exception of 2005 (2.1%).

Ontario Economic Highlights (Annual Average, Per Cent)							
	2001	2002	2003	2004p	2005p	2006p	2007p
Real GDP Growth	1.8	3.6	1.3	2.3	3.2	3.3	3.4
Nominal GDP Growth	2.8	5.6	3.2	4.1	5.0	5.2	5.3
Unemployment Rate	6.3	7.1	7.0	6.7	6.5	6.2	5.9
CPI Inflation	3.1	2.0	2.7	1.9	2.1	1.9	1.8

Sources: Statistics Canada and Ontario Ministry of Finance Budget Paper B, p. 83.

- Strong growth in the United States is expected to foster growth in Canada, given that the United States purchases approximately \$200 B in goods and services from Ontario (about 40% of GDP).

Canadian Dollar

- The Canadian dollar is expected to appreciate in coming years. The benefit of an appreciating dollar is that it benefits Ontario consumers by making imported goods less expensive. In the same way, business investment on imported goods also becomes cheaper. A dollar that is too expensive can affect the

competitiveness of Ontario exporters. However, the “Canadian dollar has fallen back from over 78 cents US to under 73 cents US in early May, reducing the potential risk to economic growth” (page 86).

Job Creation

- Ontario is expected to create 104,000 jobs in 2004, an increase of 1.7 per cent. Strong job growth is expected from 2005 to 2007. Growth is anticipated to be in the 2% range annually.
- The unemployment rate is projected to fall from 7.0 per cent in 2003 to 5.9 per cent in 2007.
- Strong job creation will produce increases in personal income which is expected to increase by 3.4 per cent in 2004.

Interest Rates

- Short-term interest rates are expected to increase slightly as economic growth strengthens. Longer-term rates are also expected to rise moderately. Despite these increases, rates are expected to remain low by historic standards.

Interest Rate and Inflation Outlook (Annual Per Cent)

	2002	2003	2004p	2005p	2006p	2007p
3-Month Canadian Treasury Bill Rate	2.6	2.9	2.1	3.0	4.1	4.6
10-Year Government of Canada Bond Rate	5.3	4.8	4.7	5.2	5.6	5.8
Ontario CPI Inflation Rate	2.0	2.7	1.9	2.1	1.9	1.8

p = projection. Sources: Bank of Canada, Statistics Canada and Ontario Ministry of Finance.

OTHER INITIATIVES

Health levy (Budget Paper C, p. 115)

- This Budget proposes the introduction of a new health care premium. The premium will increase as income rises. The table below sets out the proposed premiums when fully implemented.

Taxable Income	2004 Taxation Year	2005 and Subsequent Taxation Years
up to \$20,000	\$0	\$0
\$20,000 - \$36,000	\$150	\$300
\$36,000 - \$48,000	\$225	\$450
\$48,000 - \$72,000	\$300	\$600
\$72,000 - \$200,000	\$375	\$750
more than \$200,000	\$450	\$900

- The premium rates will be phased in (see Budget Paper C, p. 115). The premium would apply to individuals who are residents of Ontario on the last day of their taxation year. Trusts and non-resident taxpayers would be exempt from the premium.
- The premium is expected to raise \$1,635 M in 2004-2005, rising to \$2,600 M in 2007-2008.

Appendices

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

- Appendix A: Extract from Budget Dealing with Property Tax and Assessment Initiatives
- Appendix B: Provincial Revenue (Budget Paper A, p. 70)
- Appendix C: Provincial Operating Expense (Budget Paper A, p. 71)
- Appendix D: Provincial Capital Expenditures (Budget Paper A, p. 72)

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APPENDIX A

Property Tax Stability, Flexibility and Fairness Measures

In recent months, the government has received extensive input from municipalities and taxpayers on ways to improve the stability, fairness, flexibility and simplicity of the property tax system. This consultative process has led to the development of the initiatives outlined below that would be implemented starting in the 2005 taxation year.

Assessment Cycle

Since the province-wide implementation of current value assessment (CVA) in 1998, there have been four reassessments:

- o 1998 reassessment based on property values as of June 30, 1996;
- o 2001 reassessment based on property values as of June 30, 1999;
- o 2003 reassessment based on property values as of June 30, 2001; and
- o 2004 reassessment based on property values as of June 30, 2003.

The 2004 reassessment marked the first year of the mature assessment cycle that was intended to be applied to all successive taxation years, with annual reassessments being conducted based on property values as of June 30 of the preceding year. However, after its first year of implementation, the parties involved in the assessment process have indicated that this cycle does not provide sufficient time.

Specifically:

- o the current cycle does not provide sufficient time for the Municipal Property Assessment Corporation (MPAC) to prepare accurate assessments for the more than 4.3 million properties in Ontario;
- o the current cycle does not provide taxpayers with sufficient opportunity to review their new assessed values and have errors corrected before the roll is finalized, resulting in an increased need to file appeals; and
- o the current cycle does not enable municipalities to conduct impact analysis and tax policy deliberations in a timely fashion prior to the finalization of budgets and tax rates for the year.

To address all of these challenges, the government intends to introduce legislation to alter the timelines of the assessment cycle.

Under the proposed new cycle, which would be implemented for the 2006 taxation year, reassessments would be based on property values as of January 1 of the year preceding the taxation year-six months earlier than the current valuation date of June 30. For example, for the 2006 taxation year, assessments would be based on property values as of January 1, 2005.

To facilitate the transition from the current June 30 cycle to the proposed new January 1 cycle, the government proposes to cancel the reassessment that would have been conducted for the 2005 taxation year. Property assessments for the 2005 taxation year would be based on the same valuation date as the 2004 assessments-that is, June 30, 2003.

For future years, reassessments would be conducted annually.

Assessment Averaging

The property tax reform legislation that was enacted in 1997 included a plan for assessments to be based on averaged property values starting in the 2005 taxation year. Specifically:

- o in 2005, the taxes on each property would be based on an average of the current values of the property from two years (2004 and 2005); and
- o in 2006 and future years, the taxes on each property would be based on an average of the current values from three successive years (current year plus the two preceding years).

During recent consultations, the government received advice from stakeholders to defer or cancel the implementation of assessment averaging. It is widely felt that assessment averaging would add complexity to the property tax system, would not enhance fairness for taxpayers, and would be redundant with existing property tax

mitigation tools.

In consideration of the challenges that would be posed by the implementation of averaging in 2005, the government intends to introduce legislation to defer the implementation of assessment averaging.

The government plans to proceed with analysis and consultation on alternative assessment stabilization measures for residential and business properties for 2006 and future reassessment years. Research will focus on developing tools that:

- address taxpayer concerns with assessment volatility for individual properties;
- ensure fairness for all property owners, both those experiencing increases and those experiencing decreases; and
- are administratively feasible for municipalities and MPAC.

Cap on Tax Increases Related to Reassessments

When current value assessment (CVA) was implemented on a province-wide basis in 1998, a mandatory tax-capping program was also introduced to provide for a gradual phase-in of the impacts of CVA for commercial, industrial and multi-residential properties.

Under this capping program, municipalities are required to limit the annual assessment-related tax increases on these properties to five per cent of the previous year's taxes. (Municipal tax increases are permitted on top of this five per cent where budgetary levy increases are applied.)

In order to recoup the revenue that is lost from limiting taxes on properties facing increases, municipalities may limit or "claw back" the decreases of properties whose taxes are declining under CVA.

Municipalities and taxpayers have identified several concerns with the capping program, including the embedded historical tax inequities, the very slow rate of progress towards CVA, and the complexity of the system that leads to a lack of transparency for property owners and administrative costs for municipalities. The preferential treatment applied to newly constructed properties is seen as exacerbating these issues.

To address these concerns, the government intends to introduce legislation to provide municipalities with a range of options to modify the tax-capping program in order to increase progress towards CVA. Under these proposed options, which would be available for 2005 and future taxation years:

municipalities could increase the amount of the annual cap from 5 per cent to up to 10 per cent of previous year's taxes;

- municipalities could implement a minimum annual increase for capped properties of up to 5 per cent of CVA-level taxes;
- municipalities could move capped or clawed-back properties directly to their CVA taxes if they are within \$250 of their CVA taxes;
- municipalities could phase out the "new construction treatment" by creating floors establishing a minimum percentage of CVA tax responsibility, such that eligible properties would be taxed at:
 - up to 70 per cent of CVA-level taxes in 2005;
 - up to 80 per cent of CVA-level taxes in 2006;
 - up to 90 per cent of CVA-level taxes in 2007; and
 - up to 100 per cent of CVA-level taxes in 2008 and future years.

These proposed enhancements to the capping program would facilitate the transition to CVA while still maintaining a manageable pace of change for property owners. Leaving the decision as a municipal option would allow local governments to respond to local conditions.

The government will continue to analyse progress under the capping program and consult on the development of additional assessment stabilization measures that could be introduced as business properties complete the transition to CVA.

Small Business

Discussions have also been held with stakeholders about further flexibility to address the needs of small businesses in their communities.

Currently, municipalities have two options available to target tax reductions to smaller and lower-valued properties:

- graduated tax rates can be applied across the entire commercial and/or industrial property classes to apply lower tax rates to the lower portion of properties' assessments; and
- optional property classes can be used to adjust the tax burden of specific types of properties within the commercial and industrial classes.

The government intends to introduce legislation to enhance these mechanisms by giving municipalities the option to combine these measures and apply graduated tax rates at the optional property class level.

The government will continue to consult with representatives from the municipal and business sectors to discuss further options for targeting tax reductions to small business properties.

APPENDIX B

Revenue
(\$ Millions)

Table A2

	2000-01	2001-02	Actual 2002-03	Interim 2003-04	Plan 2004-05
Taxation Revenue					
Personal Income Tax	17,911	19,097	18,195	17,778	18,821
Retail Sales Tax	13,735	13,803	14,183	14,260	15,036
Corporations Tax	9,200	6,646	7,459	7,222	8,320
Employer Health Tax	3,424	3,502	3,589	3,737	3,874
Gasoline Tax	2,172	2,192	2,306	2,282	2,328
Fuel Tax	648	659	682	684	716
Ontario Health Premium	-	-	-	-	1,635
Tobacco Tax	504	703	1,183	1,299	1,452
Land Transfer Tax	642	665	814	911	927
Electricity Payments-In-Lieu of Taxes	907	387	711	597	630
Other Taxes	333	371	429	391	259
	49,476	48,025	49,551	49,161	53,998
Government of Canada					
Canada Health and Social Transfer (CHST)	4,138	5,831	7,346	7,014	-
Canada Health Transfer (CHT)	-	-	-	-	4,677
Canada Social Transfer (CST)	-	-	-	-	2,924
CHST Supplements	757	380	191	577	775
Social Housing	541	524	525	522	521
Health Reform Fund	-	-	-	387	582
Diagnostic/Medical Equipment	190	190	-	193	193
Infrastructure	2	-	62	155	267
Other Government of Canada	501	829	770	1,114	859
	6,129	7,754	8,894	9,962	10,798
Income from Investment in Government Business Enterprises					
Ontario Lottery and Gaming Corporation	2,181	2,255	2,288	2,100	2,117
Liquor Control Board of Ontario	877	904	939	1,043	1,117
Ontario Power Generation Inc. and Hydro One Inc.	783	179	717	(15)	335
Other Government Enterprises	14	7	(2)	(59)	(5)
	3,855	3,345	3,942	3,069	3,564
Other Non-Tax Revenue					
Net Reduction of Power Purchase Contract Liability *	-	-	161	104	4,024
Reimbursements	1,809	1,592	1,111	1,175	1,252
Electricity Debt Retirement Charge	-	-	889	1,000	1,009
Vehicle and Driver Registration Fees	929	941	982	986	987
Power Sales	695	815	635	510	675
Other Fees and Licences	503	474	606	505	536
Liquor Licence Revenue	525	530	530	486	499
Sales and Rentals	637	344	560	520	403
Royalties	235	224	304	243	239
Miscellaneous Other Non-Tax Revenue	1,251	2,205	444	529	376
	6,584	7,125	6,222	6,058	10,000
Total Revenue	66,044	66,249	68,609	68,250	78,360

* Includes one-time revenue gain of \$3,881 million related to the projected elimination of the liability for non-utility generator power purchase agreements in 2004-05.

APPENDIX C

Operating Expense (\$ Millions)

Table A3

Ministry	2000-01	2001-02	Actual 2002-03	Interim 2003-04	Plan 2004-05
Agriculture and Food	634	775	615	677	549
Attorney General *	969	995	1,052	1,156	1,162
Board of Internal Economy	116	124	146	204	149
Children and Youth Services *	2,070	2,244	2,431	2,643	2,832
Citizenship and Immigration *	65	59	53	56	62
Community and Social Services *	5,772	5,751	5,787	6,016	6,317
Community Safety and Correctional Services *	1,419	1,513	1,652	1,670	1,745
Consumer and Business Services	155	172	178	184	213
Culture	236	279	330	294	277
Democratic Renewal Secretariat	-	-	-	-	4
Economic Development and Trade *	200	221	241	260	414
Education	7,961	8,354	8,998	9,754	10,623
Teachers Pension Plan (TPP)	(402)	42	238	235	359
Energy	344	367	144	118	137
Environment *	190	265	237	260	304
Executive Offices	21	19	20	22	19
Finance - Own Account *	1,146	1,196	1,092	1,316	1,184
Interest on Debt	10,873	10,337	9,694	9,752	10,329
Change Fund	-	-	-	-	328
Community Reinvestment Fund	561	557	622	652	656
Electricity Consumer Price Protection Fund	-	-	665	253	-
Power Purchases	695	815	786	799	946
Health and Long-Term Care *	22,530	23,738	25,607	28,100	29,652
Change Fund	-	-	-	-	609
SARS-related and Major One-Time Health Costs	-	-	-	842	-
Intergovernmental Affairs *	6	6	9	6	9
Labour	104	110	123	120	133
Management Board Secretariat *	144	246	172	268	355
Retirement Benefits	(33)	63	102	340	433
Contingency Fund	-	-	-	-	965
Municipal Affairs and Housing *	1,792	1,135	636	678	692
Native Affairs Secretariat	16	13	16	16	14
Natural Resources	417	438	454	518	505
Northern Development and Mines	69	75	73	79	73
Office of Francophone Affairs	4	5	3	4	4
Public Infrastructure Renewal *	9	15	33	23	31
Tourism and Recreation *	124	143	135	213	184
Training, Colleges and Universities	3,219	3,248	3,471	3,934	4,194
Transportation	593	664	801	808	862
Year-End Savings	-	-	-	-	(300)
Total Operating Expense	62,019	63,984	66,616	72,270	77,024

* Ministries restated to reflect new government structure.

APPENDIX D

Capital Expense †
(\$ Millions)

Table A4

Ministry	2000-01	2001-02	Actual 2002-03	Interim 2003-04	Plan 2004-05
Agriculture and Food	1	29	68	1	7
Attorney General	42	46	43	25	55
Children and Youth Services *	10	6	7	-	9
Community and Social Services *	4	25	16	10	21
Community Safety and Correctional Services	99	88	66	47	42
Consumer and Business Services	-	-	1	1	2
Culture	18	14	42	28	70
Economic Development and Trade *	-	19	21	32	39
Education	4	17	10	16	27
Energy	86	50	46	54	52
Environment	22	20	13	4	13
Finance *	7	11	8	5	4
Health and Long-Term Care	322	205	339	355	346
Management Board Secretariat **	24	28	3	(1)	(13)
Municipal Affairs and Housing *	-	12	20	208	234
Native Affairs Secretariat	5	3	2	-	2
Natural Resources	65	70	72	69	85
Northern Development and Mines	356	371	391	344	447
Public Infrastructure Renewal *	4	-	4	17	168
Capital Contingency Fund	-	-	-	-	150
Tourism and Recreation	14	9	55	54	65
Training, Colleges and Universities	204	49	71	121	171
Transportation	836	818	578	812	679
Year-End Savings	-	-	-	-	(100)
Total Capital Expense †	2,123	1,890	1,876	2,202	2,575

† Starting in 2002-03, major tangible capital assets owned by Provincial ministries (land, buildings and transportation infrastructure) are accounted for on a full accrual accounting basis. Other tangible capital assets owned by Provincial ministries will continue to be accounted for as expense in the year of acquisition or construction. All capital assets owned by consolidated government organizations are accounted for on a full accrual basis.

* Ministries restated to reflect new government structure.

** Ministries contributions for investments in Provincially owned land and buildings are recorded as an expense by the contributing ministries. Starting in 2002-03 any resulting adjustment to expense from the capitalization and amortization of most of these Provincially owned land and buildings is recorded in Management Board Secretariat.

Sources: Ontario Ministry of Finance and Ontario Ministry of Public Infrastructure Renewal.



The 2004 Ontario Budget Taming the Health Care Tiger

INTRODUCTION

The 2004 Ontario Budget makes a significant structural break with previous budgets in that it attempts to reorder the priorities of provincial spending away from health care towards education. Those who believe that the public policy focus should be on building human capital will thus find this budget to their liking. However, those more interested in ensuring the future quality of health care services will need to be convinced that the government can indeed significantly lower health care spending growth over the medium term while safeguarding the health care system.

The budget presents a plan to eliminate an estimated 2003–2004 deficit of \$6.2 billion by fiscal year 2007–2008. The budget's gradual approach to deficit elimination will spread the impact on program spending and on the economy over the four-year horizon. However, as the finance minister candidly admitted, the government was not able to perform this feat without breaking a campaign promise not to raise taxes. The introduction of an Ontario Health Premium and the elimination of the electricity subsidy represent an increase in the tax take, broadly defined, of roughly \$1.9 billion in 2004–2005 and \$2.7 billion in 2005–2006. Also, the deficit elimination plan depends on the freezing of non-health, non-education

spending in nominal (i. e., current dollar) terms and the significant reduction in health care spending growth. This degree of spending restraint implies cuts to program spending in real (inflation-adjusted) terms, and it will be extremely difficult to achieve, putting deficit elimination at risk.

Many important elements of the budget, including the focus on human capital, renewing cities, and ensuring that the price of electricity reflects the true cost of production, are consistent with public policy advice provided by The Conference Board of Canada.

THE 2004 BUDGET MEASURES

REVENUES

The Ontario government introduced a number of new revenue-enhancing measures in the 2004 Budget, most of which together form a small portion of the net increase to tax collections. In fact, net new taxation revenue over the next two fiscal years is almost entirely accounted for by the Budget's preeminent new initiative, the Ontario Health Premium. Health care premiums were last seen in Ontario in 1989, when Liberal finance minister Robert Nixon eliminated them in favour of an employer-paid tax. The new tax, based on taxable income and deducted at source, will not apply to taxable income

below \$20,000 and will be levied on a scale that rises to \$900 for individuals with taxable income in excess of \$200,000. The Health Premium will come into effect on July 1, and the Budget estimates that it will generate revenues of \$1.6 billion in 2004–2005 and \$2.4 billion in 2005–2006.

Increased revenues will be generated by a hike to the so-called “sin taxes.” The tobacco tax will be increased to 11.1 cents per cigarette at midnight on May 18, and will raise a projected \$90 million in extra revenues this fiscal year. A long list of increases to levies on beer, wine and spirits, effective June 21, will raise an additional \$45 million this year, rising to \$60 million in 2005–2006.

Revenues will be further enhanced by the government’s Administrative Fairness and Effectiveness initiative. This initiative proposes to cut unnecessary red tape in the retail sales tax, enable easier collection of taxes owed by corporations and generally increase the efficiency of tax collections. By 2006–2007, this initiative is expected to boost revenues by just under half a billion dollars.

One final—and less obvious—revenue measure arises out of the Budget’s electricity sector reforms. This involves a transfer to consumers of the Province’s and the Ontario Electricity Financing Corporation’s liabilities for the above-market portion of some 90 existing agreements to purchase power from non-utility generators. Consumers will now pay the full cost for existing and future power generation contracts, eliminating a liability of \$3.9 billion. The aggregate savings to the provincial government generated by this transfer of liability in the 2004–2005 fiscal year imply a permanent increase to consumers’ future electricity bills on the order of \$300 million per year. This measure is aimed at having consumers pay the true cost of electricity, a principle publicly supported by The Conference Board of Canada.

Four key measures introduced in the Budget will partly offset the tax increases discussed previously. Three of these measures affect corporate tax collections. First, the budget puts in place a multi-year plan to eliminate the capital tax; however, full implementation will not occur until 2012. Second, enhancements to the capital cost allowance for computers and network equipment will cost \$61 million by 2005–2006. Finally, a comprehensive apprenticeship training tax credit will cost \$80 million in 2004–2005 and \$95 million in 2005–2006.

EXPENDITURES

Education a Priority

The Ministry of Education will raise spending markedly in the next fiscal year as the province has made improving student achievement in literacy and numeracy a top priority. Spending on primary and secondary education will increase by 8.9 per cent to \$10.6 billion in 2004–2005. This includes an increase in School Board Operating Grants of \$736 million this fiscal year. Part of these funds will help to implement the cap on class size to 20 students from junior kindergarten to Grade 3 and to provide additional support to students in order to improve their reading, writing and mathematical skills by age 12. The increase in education spending in 2004–2005 also includes \$133 million, mainly allocated to enhance literacy and numeracy programs. Over the next three fiscal years, the Ministry of Education’s spending on operations will increase by 4.2 per cent on average, confirming the importance of education in the government’s overall agenda.

To support post-secondary education and apprenticeship and training programs, the Ministry of Training, Colleges and Universities will raise spending by 6.6 per cent to \$4.2 billion in 2004–2005. Following a comprehensive review, tuition fees will be frozen for two years and post-secondary institutions will be compensated for costs resulting from this measure. A one-time payment of \$25 million will also be provided in 2004–2005 to help colleges facing financial hardship and to assist in the transition to a longer term funding framework. Finally, spending on student financial assistance plans will also increase.

Health Care Expenditure Reined In

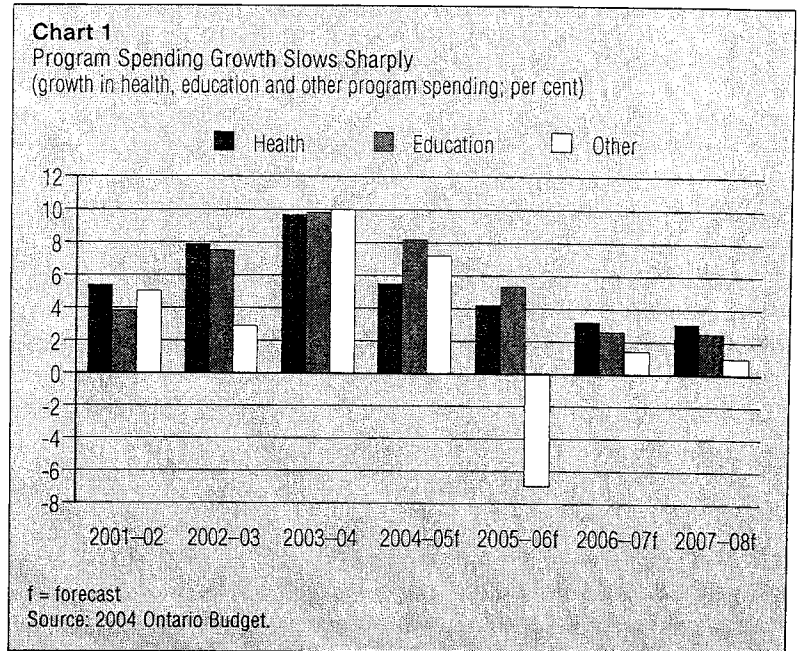
Since fiscal year 2000–2001 health care spending has been growing by an average annual compound rate of 7.6 per cent. In fiscal year 2004–2005 growth will be held to 5.5 per cent. Over the next three fiscal years, health care spending growth will be held to an average of only 3.5 per cent (see Chart 1). This will not be easy to achieve. According to Conference Board estimates, health care costs are outpacing general inflation. Furthermore, an aging population will require increased health spending just to provide a constant level of care. Together these two factors suggest a long-term average growth rate for health care spending of approximately 4.4 per cent—a figure which assumes no real per capita

improvements in the quality of care. With this in mind, it is obvious that significant structural change will be required in order to maintain a high quality of care, while achieving the growth targets presented in the budget.

Accordingly, the government has created a \$609 million fund which will help pay for projects to reduce long-term health care costs. The province will attempt to expand primary and community-based care as an alternative to the more expensive institutional care. The provincial government has thus allocated funds for the creation of 150 health teams to provide comprehensive primary care on a 24/7 basis. Furthermore, the budget will focus on home care as a more cost effective method of service delivery. Additional spending will provide for 96,000 Ontarians receiving care in their homes by 2007–2008, and for an additional 6,000 receiving end-of-life care. The government will also provide increased funding for families to acquire medical equipment for home use. The use of long-term care facilities will be expanded by an additional 3,760 beds in 2004–2005 at a cost of \$2.5 billion. Finally, mental health services will be expanded to serve an additional 79,000 by 2007–2008 at a cost of \$583 million in that fiscal year. Together these changes are expected to significantly reduce the demand for more expensive hospital services.

Hospital spending growth will be further reined in by an increased focus on preventative care. The major item in this category is the provision of \$156 million for three new vaccines to the children’s immunization program. The government will also attempt to improve efficiency in the delivery of hospital services. In this regard, the budget will allocate \$78 million to modernize health care service delivery and help achieve health system integration. This will include establishing a system to provide for emergency rooms with electronic access to recipients’ drug history records and setting up an electronic patient record system.

The result of all of these strategies is a projected dramatic slowing in hospital spending growth, the source of much of the savings in Ontario’s budget for health care. In fiscal year 2004–2005 hospital care spending is budgeted to grow by 4.6 per cent. However, hospital care spending will expand by an average pace of only 3.1 per cent per year over the next three fiscal years.



Finally, to further limit the growth of the health care system, the government will discontinue coverage for certain health services. These include optometry for ages 20–64, chiropractic and physiotherapy services.

Cities and Infrastructure

The budget makes a concerted effort to enhance the viability of Ontario’s cities with an emphasis on developing mass transit, ensuring the supply of clean water and improving urban infrastructure.

The growing problem of gridlock in the Greater Toronto Area (GTA) has caught the attention of the Ontario government, with the budget including solid support for mass transit. The provincial government will dedicate one cent of the existing provincial gas tax to municipalities, increasing that to two cents by October 2006, with this money to be spent on mass transit. By 2007 this will represent approximately \$350 million and will help alleviate congestion problems in Ontario’s largest cities—especially if the money is allocated on a transit ridership basis, as opposed to a population formula. In addition, the government will invest \$448 million in transit capital in fiscal year 2004–2005, with by far the bulk of this money spent in the GTA. The government also plans to create a Greater Toronto Transportation Authority, with a clear mandate to reduce gridlock in the GTA. This should help ensure an integrated planning approach to the provision of mass transit.

In an effort to ensure that the province's drinking water remains safe, the government plans to invest roughly \$400 million this fiscal year to support source-to-tap clean drinking water initiatives.

The budget also undertakes to tackle other infrastructure needs. The government is currently developing a 10-year plan, which will set out infrastructure priorities for all sectors. In the meantime, in addition to the mass transit and clean water initiatives detailed above, the budget commits \$505 million towards improving municipal infrastructure this fiscal year. When combined with another \$990 million to be spent on highway improvements and some small amounts of spending in other areas, total infrastructure outlays (excluding health and education) will amount to roughly \$2.9 billion in fiscal year 2004–2005.

THE BUDGET'S ECONOMIC OUTLOOK

The budget's economic outlook for the province of Ontario is very conservative in 2004, with 2.3 per cent real gross domestic product (GDP) growth assumed, compared to 2.8 per cent growth in the Conference Board's latest forecast. However, the Ontario Finance Department has purposely shaved 0.4 per cent from the consensus real GDP growth rate to ensure prudent revenue estimates. The real GDP growth rates in the medium term are almost identical to those contained in the latest Provincial Outlook, as are the growth rates for nominal GDP.

The same holds true for the outlook for real exports, with growth of 2.6 per cent in 2004 and averaging 4.3 per cent over the 2005–2008 time period almost perfectly matching the Board's own forecast. The budget has also been careful to assume an increase in interest rates, with 90-day Treasury Bills rising from an average of 2.1 per cent in 2004 to 4.6 per cent in 2007, capturing the resultant negative impact on provincial debt charges. Overall, the economic outlook assumptions that underlie the revenue and expenditure projections presented in the budget are both prudent and realistic.

RISKS

The budget assumes that the government will be able to successfully shift to a dramatically lower trend rate of growth for health care spending and freeze other non-education spending beginning in fiscal year 2005–2006. A \$1 billion Change Fund to facilitate the transformation to results-based planning and alter the structure of the delivery of health care services is counted upon to help generate this structural change. According to the budget document, by next fiscal year the projected operating plans of 15 ministries are either declining or flatlined. This level of austerity will not be easy to achieve, especially over the space of one year, creating a substantial degree of risk around the deficit elimination strategy.

The 2004 Ontario Budget: Taming the Health Care Tiger
by *Peter Hall*

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canada taxnewsflash

Selected Tax Policy and Administrative Developments

Highlights of the 2004 Ontario Budget

Today Ontario's Finance Minister, Greg Sorbara, delivered the province's 2004 budget, projecting a deficit of \$6.2 billion for the 2003-04 fiscal year and announcing a four-year plan to balance the budget by 2007-08. Since the *Taxpayer Protection Act* prevents the Minister from raising tax rates to finance this plan without obtaining the consent of Ontarians through a referendum, this year's budget sets out a variety of other measures to raise revenue by introducing a new health care premium, increasing user fees for certain services, and cutting back various tax credits and subsidies.

Highlights of tax changes announced in today's budget are discussed below.

Ontario health care premium introduced at graduated rates

- The 2004 Ontario budget announces that the province will join Alberta and British Columbia in levying health care premiums, as of July 1, 2004. Unlike the other two provinces, Ontario's health care premium will be charged at graduated rates based on taxable income.
- The top Ontario health care premium for 2005 and later years applicable to income over \$200,000 will be \$900 (\$450 for 2004), as compared with the flat rate of \$648 per year for single individuals in B.C. and \$528 per year for single individuals in Alberta. For Ontarians earning between \$72,600 and \$200,000, the premium will be \$750 for 2005 and later years (\$375 for 2004). Unlike Alberta and B.C., Ontario does not propose any premium assistance based on family net income.
- The premium will apply to individuals who are resident in Ontario on the last day of their taxation year.

- The proposed Ontario health care premium structure is as follows:

Taxable income	Proposed premium	
	2004	2005 and later years
Up to \$20,000	\$0	\$0
\$20,000 - \$36,000	\$150	\$300
\$36,000 - \$48,000	\$225	\$450
\$48,000 - \$72,000	\$300	\$600
\$72,000 - \$200,000	\$375	\$750
More than \$200,000	\$450	\$900

- In general, the increase in premium level in each bracket would be phased in over the first \$600 of taxable income in that range at the rate of 25 per cent.
- Ontario proposes that the health care premium will be administered and collected through the income tax system under the existing Tax Collection Agreement between Ontario and the federal government, and thus income tax withholding and instalment rules will apply. Withholdings for employees will commence July 1, 2004. Self-employed individuals will pay their premiums through their regular income tax instalments.

Capital tax to be eliminated in stages by 2012

- The 2004 Ontario budget sets out a timetable for gradually eliminating the Ontario capital tax by 2012. The capital tax will be phased out by gradually increasing the taxable paid-up capital deduction from \$5 million to \$15 million by 2008, and then by gradually reducing the capital tax rates each year from 2009 until the capital tax is fully eliminated on January 1, 2012.

- The 2004 Ontario budget's schedule for eliminating the capital tax is as follows:

	Deduction (\$millions)	Regular corporations (%)	Financial Institutions		
			First \$400 million of taxable capital (%)	Taxable capital above \$400 million	
				Non-deposit taking (%)	Deposit-taking
Current	5	0.300	0.600	0.720	0.900
January 1, 2005	7.5	0.300	0.600	0.720	0.900
January 1, 2006	10.0	0.300	0.600	0.720	0.900
January 1, 2007	12.5	0.300	0.600	0.720	0.900
January 1, 2008	15	0.300	0.600	0.720	0.900
January 1, 2009	15	0.225	0.450	0.540	0.675
January 1, 2010	15	0.150	0.300	0.360	0.450
January 1, 2011	15	0.075	0.150	0.180	0.225
January 1, 2012			Eliminated		

- The proposed increases in the taxable paid-up capital deduction and the tax rate cuts will be prorated for taxation years that straddle the effective dates.

Capital Tax — Revised definition of “current accounts payable”

- The 2004 Ontario budget proposes to amend the definition of “current accounts payable” in response to the Ontario Divisional Court’s decision in *QEW 427 Dodge Chrysler (1991) Inc.* In that case, the court held that current accounts payable include amounts owed to creditors, including financial institutions, and not just suppliers.
- The definition of “current accounts payable” is amended for tax years ending after May 18, 2004 to specify that it includes only amounts payable to a supplier for purchases of goods and services.
- Ontario will also introduce amendments retroactive to taxation years ending after May 19, 1993 to exclude from “current accounts payable” liabilities incurred in connection with the purchase or trading of shares, bonds or other securities.

Ontario resource allowance — To be maintained

- Ontario has decided not to parallel the federal measures to replace the 25 per cent resource allowance with a deduction for Crown royalties and mining taxes paid, which became effective for taxation years ending after December 31, 2002. The 2004 Ontario budget says Ontario will maintain the resource allowance and the non-deductibility of Crown royalties and mining taxes retroactive to the commencement of the federal change.

Measures to parallel 2004 federal budget proposals

- The 2004 Ontario budget proposes amendments to parallel several 2004 federal budget changes, subject to any necessary modifications, including:
 - Extending the **carry-forward period for business losses** to 10 years (from seven)
 - Increasing the **capital cost allowance rate for computer equipment** to 45 per cent (from 30 per cent) and for data network infrastructure equipment to 30 per cent (from 20 per cent), effective for such equipment acquired after March 22, 2004
 - Limiting the **deductibility of fines and penalties, patronage dividends and unused charitable donations**
 - Clarifying that the **general anti-avoidance rule (GAAR)** applies beyond the *Income Tax Act* to a misuse or abuse of the provisions of the *Income Tax Regulations*, the *Income Tax Application Rules*, and Canada's tax treaties
 - Clarifying the **"affiliated persons" rules** as they apply to trusts
 - Easing the **associated corporation rules** for purposes of the \$2 million expenditure limit under the refundable portion of the federal investment tax credit for scientific research and experimental development; Ontario will adopt this measure for purposes of the Ontario Innovation Tax Credit.

Employer Health Tax

- Among other changes to the Employer Health Tax (EHT), the instalment remittance rules will be changed to base payments on the actual payroll for each month, instead of using an estimate based on the prior month's payroll. Payments will be due on the 15th day of the following month. As the initiative will take effect on January 1, 2005, the first payment under the new rules will be due on February 15, 2005, based on remuneration for January 2005. Employers will not be required to remit an instalment in January 2005.

- The EHT rules will be amended retroactive to January 1, 1990 to specify that certain taxable benefits are included in the employee's income for EHT purposes. These benefits include amounts included in income by reason of sections 5, 6 or 7 of the federal *Income Tax Act*, such as automobile benefits, low-interest employee loans, and employee group term life insurance benefits.
- The EHT rules will be amended retroactive to January 1, 1990 to specify that, as long as a person reports to work at a permanent establishment in Ontario, all of that employee's remuneration is subject to EHT. Ontario will also appeal a recent Ontario Supreme Court of Justice decision that Ontario-based professional sports teams should not have to pay EHT on salaries paid to players and others for games played outside Ontario.
- The EHT exemption for stock option benefits paid to employees of research-intensive companies will be eliminated as of May 18, 2004.

New Apprenticeship Training Tax Credit

- The budget proposes a new 25% refundable Apprenticeship Training Tax Credit (30% for businesses with payrolls not exceeding \$400,000) on salaries and wages paid to apprentices in certain skilled trades, that is, apprentices in designated industrial, construction, motive power trades and certain service trades. Corporations and unincorporated businesses are eligible. An employer will be eligible for a tax credit of up to \$5,000 per year per eligible apprentice to a maximum of \$15,000 over the first 36 months of the apprenticeship.

Enhanced Ontario Film and Television Tax Credit

- The Ontario Film and Television Tax Credit (OFTTC) is enhanced for productions commencing principal photography after March 27, 2003, such that qualifying labour expenditures will not be reduced by equity investments from Canadian government film agencies. The OFTTC is also being amended to parallel recent enhancements to the federal Canadian Film or Video Production Tax Credit.

Eliminating tax credits and subsidies

- The 2004 Ontario budget proposes to eliminate the following tax incentives:
 - Workplace Accessibility Tax Incentive
 - Workplace Child Care Tax Incentive
 - Graduate Transitions Tax Credit
 - Educational Technology Tax Incentive
 - Various tax incentives for electricity supply and conservation
 - Ontario Home Ownership Savings Plan
 - Ontario Research Employee Stock Option Credit

Changes affecting capital investments and financial institutions

- The 2004 Ontario budget says Ontario will propose technical amendments to clarify that investors in publicly traded trusts will not be liable for the activities of the trusts. The budget documents provide no additional details about this proposal.
- Among other changes involving Labour Sponsored Investment Funds (that is, labour sponsored venture capital corporations), Ontario will impose a moratorium on registrations, effective May 18, 2004. This change is part of a larger project to review this program to ensure it is achieving its objectives of increasing venture capital investment.
- Ontario proposes to adopt a recent change to the federal *Cooperative Credit Associations Act* by excluding retail associations from the definition of “loan corporation” in the *Loan and Trust Corporation Act* (Ontario).
- Ontario will review the *Mortgage Brokers Act* to modernize mortgage brokers' regulatory framework and strengthen consumer protection. In June 2004, Ontario will begin discussions on the basis of a Consultation Paper.
- Ontario will review the *Credit Unions and Caisses Populaires Act* to introduce amendments which will ensure an environment that enables credit unions to take advantage of strategies to strengthen their national presence, and to take account of changes made by other jurisdictions. Amendments are expected by the end of fiscal

Sales and indirect taxes

- Ontario will issue draft retail sales tax (RST) regulations for public comment relating to RST-exempt transfers of assets between related corporations, with a view to finalizing the regulations in the fall of 2004. Additionally, rules for the transfer of assets between partnerships and their principals will be regulated and made consistent with the rules for related corporations.
- As of 12:01 a.m. on May 19, 2004, Ontario's tobacco tax rate will rise to 11.1¢ per cigarette, tobacco stick or gram of cut tobacco.
- Volume levies for spirits and wine and brewers' fees for beer will increase as of June 21, 2004.

- Ontario will increase user fees and charges later this year or early next year for a variety of services, including driver's licence fees, cost recovery from Workplace Safety and Insurance Board, civil court fees, small claims court fees, and charges for the use of hydro transmission corridor lands.
- The government proposes to proceed with changes to simplify procedures for claiming an exemption from RST on purchases, such that Purchase Exemption Certificates will no longer require a signature, a list of exempt items or an expiry date.
- Regarding property tax, the government proposes to provide municipalities with a range of options to modify the property tax capping program to progress more quickly towards Current Value Assessment. Under these proposed options, for 2005 and future tax years, municipalities could increase the amount of the annual cap from 5 per cent to up to 10 per cent of the previous year's taxes. This change may result in significant property tax increases for some commercial, industrial and multi-residential property owners.

We can help.

Your KPMG adviser can help you assess the effect of the tax changes in this year's Ontario budget on your personal finances or business affairs, and point out ways to take advantage of their benefits or ease their impact. We can also keep you up-to-date on the progress of these proposals as they make their way into law and help you bring any concerns you may have to the attention of the Ontario Ministry of Finance.

* * * * *

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Request for Decision City Council



Type of Decision									
Meeting Date	May 27, 2004				Report Date	May 19, 2004			
Decision Requested	<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 type="checkbox"/>	Open	<input type="checkbox"/>	Closed

Report Title
Contract For National Homelessness Initiative Funding

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.
<p>Council approved the community plan (Resolution 2003-611) recognizing \$693,810 of available funding for 2003-2006. This report identifies the break down and utilization of federal funding, 100% based on the community plan.</p>	
<input checked="" type="checkbox"/>	Background Attached

Recommendation
<p>Whereas the federal government has funding of \$693, 810 available for 2003 - 2006 for the City of Greater Sudbury through an extension of the National Homelessness Initiative (NHI);</p> <p>Therefore, let it be resolved that the Council of the City of Greater Sudbury authorize the use of these funds to continue the original projects and to initiate new research activities as recommended in the updated community plan; and</p> <p>Further be it resolved that the Council of the City of Greater Sudbury authorize the General Manager of Health and Social Services and the Clerk to enter into a contract with Human Resources Skills Development Canada (HRSDC); and</p>
Recommendation Continued

Recommended by the General Manager
<p>Catherine Matheson General Manager, Health & Social Services</p>

Recommended by the C.A.O.
<p>Mark Mieto C.A.O.</p>

Date: May 19, 2004

Report Prepared By



Mary Murdoch
Co-ordinator, Emergency Shelters & Homelessness

Division Review



Harold Duff
Director, Social Services

Further, that By-law 2004-96F Schedule "A" be repealed and replaced with a new bylaw to reflect the spending allocation as noted in this report for the 2004 and 2005 calendar year.

Background

The City of Greater Sudbury, from 2000 to 2003 embraced the National Homelessness Initiative (NHI) as a means to access funds to assist in the development and implementation of several community projects that were endorsed by the Task Force on Emergency Shelters and Homelessness

The updated Community Plan (2003) recommended that the funds be utilized to continue the original projects created and to initiate new research activities. Since the creation of the initial Community Plan, the City of Greater Sudbury has been recognized by the Federal Government as a national leader in cooperative partnership building.

The allocation of funds for 2003 - 2006 are recommended as follows:

Date: May 19, 2004

Allocation of NHI Funding June 2004 - December 31, 2005

Organization	Project/Programme	NHI Funding Allocation
Centre de Sante Communautaire	Operation of the "Corner Clinic" which provides health care for the homeless	\$66,000
Glad Tidings Tabernacle	Day time operation of the "Elgin Street Mission"	\$75,710
Elizabeth Fry Society	Operation of the "Elizabeth Fry Transition House" to provide ten emergency and short term beds for homeless women	\$55,056
Inner Sight Educational Homes	Provision of 16 emergency and short term beds for males ages 16 - 19.	\$97,880
John Howard Society	Provision of outreach services to ex-offenders and their families and to offenders and their families.	\$39,216
**In trust for the unincorporated non-profit association known as I Believe Network	Delivery of the "FIRST STEPS" Program which assists with the reintegration of ex-offenders, their families and others in need through the provision of moral, spiritual and practical life skills support primarily focused on the search for housing and employment.	\$96,948
Research	Homelessness	\$45,000
New Hope Outreach Services	(Samaritan Centre du samaritain) Capital Costs	\$200,000
Other	Administrative Expenses	\$18,000
Total		\$693,810

Request for Decision City Council



Type of Decision

Meeting Date	May 27 th , 2004				Report Date	May 17 th , 2004			
Decision Requested	<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 type="checkbox"/>	Open	<input type="checkbox"/>	Closed

Report Title

Community Placement Target Fund Slippage

Policy Implication + Budget Impact

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

There is no budget impact as the funds were held in the committed Community Placement Target Fund Reserve.

Background Attached

Recommendation

Whereas Council for the City of Greater Sudbury placed into reserve specific allocations from the Community Placement Target Fund to provide direct and indirect services to Ontario Works participants; and

Whereas the Social Services Division has identified several services that have not utilized their specific allocations; and

Whereas additional resources are required for the Catholic Charities Soup Kitchen; the City's Extreme Cold Weather Alert initiative; First Steps; and the Mission;

Recommendation Continued

Recommended by the General Manager

Catherine Matheson
General Manager Health and Social Services

Recommended by the C.A.O.

Mark Mieto
C. A. O.

Date: May 17th, 2004

Report Prepared By



Vivienne Martin
Acting Manger of Employment Supports

Division Review



Harold Duff
Director, Social Services

Therefore be it resolved that \$589,835, as outlined in this report, be returned to the uncommitted Community Placement Target Fund and \$222,048 be allocated from the uncommitted Community Placement Target Fund reserve for June 1st 2004 to December 31st, 2005 for the programs noted above, and that the appropriate bylaw be passed to expend these funds

Background

Community Placement Target Funds allocated for internal and external projects are reviewed, slippage identified, recommended to priorities committee to be redirected to emerging projects as required. This insures that valuable community based programming continues.

Slippage from Community Placement Target Funds 2000 to 2003

Recommendation/ Resolution Number	Project	Findings	Slippage
	Community Placement Incentives	Original set aside to assist during the introduction of the 'call centre' industry to the City of Greater Sudbury this money was converted to assist in the development of new community placements.	\$75,000
Recommendation 2002-22	Skills Training	These funds have permitted clients to access unique training paths.	\$241,500
Recommendation 2002-22	Mid North Literacy Network	This contract permitted purchase of service for a literacy assessor. The Division has not required this service at the rate originally anticipated.	\$23,590
Recommendation 2002-22	Salvation Army	In 2002 actual utilization was less than expected.2002 this fund was set aside to offset municipal costs but was not accessed.	\$14,619
Resolution number 2003-150F	Red Cross Rent Bank		\$126
Resolution number 2003-150F	Homelessness Initiatives	Savings were realized due to under-expenditures in planning areas.	\$70,000

Date: May 17th, 2004

Resolution Number	Project	Project review	Slippage
Resolution number 2003-150F	Employment Assistance Project Fund	The program was not implemented due to policy changes by The Ministry of Community and Social Services..	\$115,000
2003-612	Psycho-vocational Assessments	Savings were realized due to under-expenditures in planning areas	\$50,000
		Slippage TOTAL	\$589,835

It is recommended that \$589,835 in slippage from Community Placement target fund be recognized as uncommitted bringing the new uncommitted Community Placement Target Fund balance to \$751,125.

Community Placement Target Fund Recommended Expenditures

It is recommended that \$222,048 be directed toward the three projects, listed below, from the uncommitted Community Placement Target Fund Reserve leaving an uncommitted balance of \$529,077

Project	Description	2004	2005	Total
Catholic Charities Soup Kitchen	During the period of construction of the Samaritan center it is required that the Soup Kitchen relocate necessitating relocation costs.	\$16,950	\$13,753	\$30,703
Extreme Cold Weather Alert	This program provides increased outreach and shelter options for those at risk from extreme cold weather from December 1 st to March 31 st .	\$18,500	\$18,500	\$37,000
First Steps	This is a transfer of the funding source for First Steps from National Homelessness Initiative funding to the Community Placement Target Fund resulting in no change in service level.	\$12,405	\$48,762	\$61,167
The Mission	This is a transfer of the funding source for First Steps from National Homelessness Initiative funding to the Community Placement Target Fund resulting in no change in service level.		\$93,178	\$93,178
			Required Total	\$222,048

Request for Decision City Council

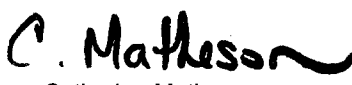



Type of Decision									
Meeting Date	May 27th, 2004				Report Date	May 18th, 2004			
Decision Requested	<input checked="" type="checkbox"/>	Yes		No	Priority	<input checked="" type="checkbox"/>	High		Low
	Direction Only				Type of Meeting	<input checked="" type="checkbox"/>	Open		Closed

Report Title
Emergency Shelter Bed Sustainability Strategy

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.
<p>There is no budget impact as the funds are held in the uncommitted Community Placement Target Fund Reserve.</p>	
<input checked="" type="checkbox"/>	Background Attached

Recommendation
<p>Whereas the City of Greater Sudbury provides funding to support the operation of emergency shelters beds; and</p> <p>Whereas there are sufficient dollars available in the uncommitted Community Placement Target Fund Reserve; and</p> <p>Where as an action plan and community model is being developed to address a viable long term solution for emergency shelter bed provision;</p> <p>Therefore be it resolved that Council approve Option # 3 in the amount of \$330,670 from the uncommitted community placement target fund reserve from April 1st, 2004 to June 30th, 2005 and that the appropriate bylaw be passed to expend these funds.</p>
Recommendation Continued

Recommended by the General Manager
 Catherine Matheson General Manager Health and Social Services

Recommended by the C.A.O.
 Mark Miet C.A.O.

Date: May 20th, 2004

Report Prepared By



Vivienne Martin
Acting Manger of Employment Supports

Division Review



Harold Duff
Director, Social Services

Background

This report outlines the current crisis in the emergency shelter bed system; the networking and cooperative spirit evolving from some interim strategies and the road ahead for strategic planning and implementation of a local solution that could be shared with other communities who are also struggling with similar problems.

As the largest city in Northern Ontario, the City of Greater Sudbury provides many types of services for citizens from surrounding rural and urban communities. As a mental health and addiction center, individuals seek treatment and support to resume productive membership in society. The funding crisis issues that are impacting mental health and addiction services are slowly emerging as real issues for service providers for the homeless. The emergency shelter bed system was designed to house people without shelter, not to become the panacea for all other issues such as a shortage in hospital beds, mental health beds, affordable housing, subsidies, addiction treatment space etc.

A continuum of support would see that outreach workers would move the absolute homeless into the emergency shelter system. As a triage operation, the emergency shelter system should be able to assess and screen the individual to identify and locate space in the appropriate transitional shelter required. From the supportive transitional structure, with opportunity to address the issues that have lead to the absolute homeless circumstances, a continuum would provide a housing support worker to locate the required private or subsidized housing required. This would be an ideal model, but it is not the current reality.

The City of Greater Sudbury has acted on behalf of the provincial and federal governments in administering funding for various initiatives. Additionally, the City has provided local dollars, staff hours and lobbying to ensure that solutions are based on community priorities. This is one of those pivotal points in the provision of core human service delivery. Emergency shelter is not only about being homeless - its about the unravelling of the social safety net.

Current Crisis

Ontario Works Sanctioning and Impacts on Community Supports

In 1995 the Ontario Works Act introduced significant penalties (3 month disqualification for financial assistance based on the first infraction and 6 months for any second and subsequent occurrence) for individuals :

1. who did not participate in employment programming; or
2. who quit employment without justification; or
3. who were fired with reason.

Date: May 20th, 2004

Evicted and without the full financial assistance, individuals and families found themselves accessing community supports, like emergency shelters.

To illustrate the contradiction inherent in this policy the following example has been created:

One month stay Emergency Shelter vs one month entitlement for Rent

Family Type	Rental Type	Monthly Entitlement Basic Needs and Shelter
single person on Ontario Works	Private Rental Unit	\$520
single person no Ontario Works	Emergency Shelter	\$1140

Every Delivery Agent provides additional funds to 'house' individuals in shelters when they are disqualified from the Ontario Works program eligibility . In addition to housing individuals, outreach workers are funded to support the individuals in finding affordable housing solutions.

Emergency Shelter Funding

It was determined that the static Provincial funding formula is effecting the short term and long term realities of providing emergency shelter beds. Funding is capped at \$38 per day and is issued on actual occupancy rate. Operationally, services providers must still pay fixed costs associated with maintaining a shelter. Additionally the capped cost does not reflect the actual cost associated with the provision of all the supports required to 'shelter' a homeless individual or family.

To assess the impact of the Utilization Rate the Social Services Division reviewed the 'peak' time for access to shelter, January to March for the past three years

Utilization Rates 2002 to 2004

Agency	Occupancy Rate Jan (%)			Occupancy Rate Feb (%)			Occupancy Rate Mar (%)		
	2002	2003	2004	2002	2003	2004	2002	2003	2004*
Elizabeth Fry	74	92	79	107	104	92	105	114	86
YWCA Geneva House	63	75	74	55	150	94	45	173	88
L'Association des jeunes de la rue/Foyer Notre Dame House	85	99	105**	53	102	122**	99	110	114**
Salvation Army	86	106	67	86	106	88	83	92	83
Inner Sight	85	80	50	88	65	45	87	78	43

* forecasted utilization rate for March 2004 by the Social Services Division

** Occupancy rate above 100% as 'Extreme Cold Weather Alert' program was in effect and no individual or family is turned away.

Date: May 20th, 2004

The 2005/2006 trends show a stabilization, and potential decline in the required beds for homeless males and females, except for young females accessing service at Foyer Notre Dame.

The seven bi-annual Time Studies, from July 2000 to July 2003, have consistently identified a core absolute homeless population hovering around 250. In mid 2002 the Salvation Army and the Elizabeth Fry Society received additional beds which created additional capacity. These additional emergency shelter beds have resulted in the occupancy rate falling below 100%.

Starting January 2003, the City of Greater Sudbury's implementation of the Extreme Cold Weather Alert has also impacted the occupancy rate at emergency shelters. The Mission (not a shelter provider except during an Extreme Cold Weather Alert) is now open throughout the night and individuals may choose to stay there rather than access an emergency shelter.

Across the Province and around the Country funding based on annualized occupancy rates does not enable the emergency shelter providers to access allocated funding. Those agencies that are able to access the allocated funding are still not able to cover the operational costs because the capped per diem rate is not adequate. The Division has confirmed that the Region of Halton provides annualized funding by 'topping' up to \$48 per diem. Peel Region has indicated that there is 'topping' up that ranges from \$67 to \$106 per diem.

Faced with the following factors

- knowledge of the need for emergency shelter beds;
- difficulty in the per diem/occupancy rate funding formula; and
- the mandate shift at the YWCA Geneva House to providing service to Victims of Domestic Violence and not homeless women with or without dependants

a community consultation was called, March 2004.

Between March 1st and April 15th, 2004 Emergency Shelter bed providers, community support, housing outreach workers, the Ministry of Community and Social Services and city Staff worked to develop a local short term solution.

Interim Strategy

Emergency Shelter Beds for Homeless Women and children who are not victims of domestic violence - six month solution.

It was identified that there was capacity for four (4) additional Emergency Shelter Beds (two week stay with extension by exception only) at L'Association des jeunes de la rue/Foyer Notre Dame House and for one (1) additional Emergency Shelter Bed at the Elizabeth Fry Transitional House. The Elizabeth Fry society also agreed to act as the referral agency for those women over the age of 19 and women with dependants to hotel/motels when the system is at capacity.

The Social Services Division assigned a Caseworker to deal with Homeless Women with or without dependants accessing the emergency shelter beds at either L'Association des jeunes de la rue/Foyer Notre Dame House or the Elizabeth Fry Transitional House pending a long term

Date: May 20th, 2004

solution. As the program is reviewed in conjunction with the shelter providers for Males, expansion may occur. Protocol requires that "next business day" contact with caseworker at Social Services to assess for:

1. Eligibility of Ontario Works (OW)/ Ontario Disability Support Program (ODSP) and tracking of reasons not eligible for assistance - should the person not qualify for OW/ODSP, she will be assigned to a housing outreach worker. The Social Services Division, through the base budget funds housing outreach workers at the Elizabeth Fry Society, the Canadian Mental Health Association and the Sudbury Youth Action Centre; and funds the Red Cross Rent bank and Housing Registry.
2. For those eligible for OW the Case Worker will develop an action plan to secure accommodations and a comprehensive individual plan to access resources, stabilize life events and begin to work towards sustainable self sufficiency.
3. For those ongoing OW/ODSP clients liaison with current caseworker to develop action plan to maintain ongoing assistance through minimized stay in a shelter.

Strategic Planning for a local solution

As part of the community consultation during March 1st to April 15th, 2004 it was recommended that an integrated approach to funding and service delivery be developed. Persons who are accessing the emergency shelter bed system have difficulty securing affordable housing because of age or race, mental health issues, addiction problems, and difficulty accessing social assistance due to legislative requirements. To address the issues time will be required to coordinate a Summit; develop a model that addresses the unique needs of the homeless in the north; and implement the solution. The Health and Social Services Department will take a lead role in identifying and bringing together the necessary Federal and Provincial Ministries, service providers and community partners.

In the fall of 2002 a study was commissioned by the Edmonton Joint Planning Committee on Housing and the Calgary Homeless Foundation. The overall objective was to:

"Provide critical data to assist service providers and funders in developing business cases for providing and prioritizing services to the homeless"

The study entitled "Societal Cost of Homelessness" by the IBI Group was released on May 23rd, 2003. The study reviewed a continuum of service providers, included Emergency Shelter Beds, safe houses, youth shelters, food banks, drop in centers and recovery programs - with a residential component. The conclusion of the study supports the direction that the Health and Social Services Department has initiated.

"It should be emphasized that most of the services provided to the homeless examined in this analysis are reactive, and focused on providing an emergency or maintenance response to the symptoms of the problem. This service approach - while desperately needed - does not address the fundamental causes of homelessness. As quantified by this analysis, these types of services

Date: May 20th, 2004

are currently very costly, but projected local growth in demand (13% annually for shelter spaces, with status quo assumptions) suggests that the current model will not be financially sustainable in the longer term. Clearly, financial reasons alone are sufficient to necessitate transition to a homelessness prevention model of service delivery. This transition will require increased total spending in the near-term, but will ultimately result in a reduction in the level of homelessness. In the longer term, through better understanding and management of the causal factors, and a shift to prevention from a response model, it is expected that the net societal cost of homelessness could be reduced.”

The recent announcement of funding from the Ministry of Municipal Affairs for the Rent Bank Program and the Ministry of Community and Social Services for the Energy Bank Program are indicators that the Provincial Government is moving toward the preventative model. These funds, in addition to the local preventative programming through the Social Planning Council (Emergency Fund and Community Fund) and the Canadian Red Cross (Rent Bank and Housing Registry) position the City of Greater Sudbury to begin the shift to a prevention model.

The recognition by the local service providers that individuals with mental health and/or addiction issues are being released from programming without the necessary supports will require that Ministries not normally linked with the current homelessness model are encouraged to participate in the dialogue.

The preferred option will provide the time necessary to: bring together Federal and Provincial Ministries that are key players in preventing homelessness through broad reaching policy and infrastructure developments. It is expected that local community partners and service providers who provide front line service can assist in the prioritizing what services can be phased out, continued or initiated.

Emergency Shelter Beds for Persons in Crisis - 18 month solution.

In February 2004, the Elizabeth Fry Society received short term stabilization funding through to December 31st, 2005. Further to the community consultation meeting held March 5th, 2004 the Social Services Division is now proposing that the stabilization funding model be offered to the Salvation Army, L'Association des jeunes de la rue/Foyer Notre Dame House and Inner Sight educational homes while a local long term strategic plan is completed. Funding is available through the uncommitted Community Placement Target Fund. There are several options for consideration. To assist in the consideration each option has been analysed for positive and negative impact on service delivery.