



Budget 10
Operating

2010 Operating Budget



2010 Operating Budget

OPERATING BUDGET SUMMARY 0.0.00.00.00.00

Description

THE CITY OF SUDBURY WAS FORMED ON JANUARY 1ST, 2001. WITH A GEOGRAPHIC AREA ENCOMPASSING SOME 3,627 SQUARE KILOMETERS, THE CITY OF GREATER SUDBURY IS THE SECOND LARGEST CITY IN CANADA AND THE LARGEST MUNICIPALITY IN ONTARIO BASED ON LAND MASS. THE CITY OF GREATER SUDBURY PROVIDES MUNICIPAL SERVICES TO MORE THAN 160,000 CITIZENS WITHIN ITS VAST GEOGRAPHIC BOUNDARIES. THESE SERVICES ARE ESSENTIAL TO THE WELL BEING OF CITIZENS AND ENHANCE THEIR QUALITY OF LIFE: WATER, ROADS, FIRE, POLICE, EMERGENCY MEDICAL SERVICES, WASTE MANAGEMENT, PUBLIC TRANSIT, RECREATION PROGRAMS, ECONOMIC DEVELOPMENT AND LAND USE PLANNING, HEALTH AND SOCIAL SERVICES AND SO MUCH MORE. COUNCIL'S STRATEGIC PRIORITIES ARE:

- COMMUNITY GROWTH & DEVELOPMENT: FOCUS ON A HEALTHY AND SUSTAINABLE COMMUNITY, ACTIONS AND INITIATIVES
- INFRASTRUCTURE INVESTMENT: BUILDING AND RENEWING INFRASTRUCTURE, INCLUDING ROADS, FACILITIES AND SERVICES TO MEET CURRENT AND FUTURE COMMUNITY NEEDS
- FISCAL SUSTAINABILITY: ENSURING VALUE FOR MONEY MUNICIPAL SERVICES AND AFFORDABLE MUNICIPAL TAXES WHILE MAXIMIZING ALTERNATIVE REVENUE OPPORTUNITIES
- EXCELLENCE IN GOVERNANCE: IMPROVING GOVERNANCE AND ADMINISTRATIVE SYSTEMS TO BEST SERVE BOTH PUBLIC INTEREST AND COMMUNITY NEEDS.

Description		2009 Actual	2009 Budget	2010 Basic Budget	% 2009 Budget
PERSONNEL	Full Time Positions		1,911.00	1,926.00	.8
	Temp. & Part Time Hours		868,507.00	851,175.00	-2.0
	Overtime Hours		20,811.00	21,181.00	1.8
	Crew Hours		608,350.00	608,350.00	
	Volunteers		335.00	335.00	
EXPENDITURES	Salaries & Benefits	190,613,523	186,244,824	191,223,062	2.7
	Materials & Operating Expenses	29,405,524	28,365,562	28,622,685	.9
	Equipment Expenses	1,648,534	1,555,669	1,767,912	13.6
	Energy Costs	17,262,737	17,843,918	17,630,424	-1.2
	Purchased/Contract Services	162,896,971	161,406,338	160,612,598	-.5
	Debtenture Costs / Insurance and Taxes	8,995,213	8,423,829	9,154,137	8.7
	Professional Development & Training	1,822,055	1,919,959	1,921,309	.1
	Grants - Transfer Payments	37,165,759	39,006,956	44,708,982	14.6
	Provisions to Reserves/Capital	65,600,877	65,830,161	66,487,742	1.0
Internal Recoveries	-1,356,943	-654,189	-562,012	-14.1	
TOTAL EXPENDITURES		514,054,250	509,943,027	521,566,839	2.3
REVENUES	Levies	-11,046,379	-11,044,330	-10,557,928	-4.4
	Provincial Grants	-185,209,226	-184,806,700	-191,964,167	3.9
	Federal Grants	-265,464	-290,334	-634,540	118.6
	User Fees	-86,353,590	-89,232,862	-90,919,196	1.9
	Licensing & Lease Revenues	-3,613,812	-3,862,324	-3,742,347	-3.1
	Investment Earnings	-9,557,434	-9,524,880	-8,704,880	-8.6
	Contribution from Reserves	-18,071,990	-13,228,635	-5,505,905	-58.4
	Other Revenues	-12,059,941	-11,412,324	-12,103,444	6.1
TOTAL REVENUE		-326,177,836	-323,402,389	-324,132,407	.2
NET BUDGET		187,876,414	186,540,638	197,434,432	5.8
ESTIMATED ASSESSMENT GROWTH					1.5
NET OPERATING TAX IMPACT					4.3

OPERATING BUDGET SUMMARY

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Major Variance Analysis:

Expenditures:

1. Salaries and Benefits increased by approximately \$5.0 million or 2.7%. The increase is mainly due to contractual increases in wages and benefits, net of fluctuations in the wages of the workforce in light of retirements, as well as changes in the size of the workforce as identified in the staffing reconciliations for permanent positions, temporary and crew hours.
2. Materials and Operating Expenses increased by approximately \$260,000 or .9%. The small increase is due to the anticipated \$1.0 million in costs associated with the 2010 municipal election, additional expenses of \$400,000 related to Land Reclamation and increases due to inflationary pressures and tendered contract price increases, offset primarily by the reduction of \$1.7 million in one-time costs associated with the Organics pilot project in 2009.
3. Equipment Expenses have increased by approximately \$212,000 or 13.6% due to the phasing in of purchasing workstation computers versus leasing.
4. Energy Costs decreased by approximately \$215,000 or 1.2% due to decreased fuel of \$500,000 and natural gas prices of \$400,000 offset by higher than inflationary pressures on other utility costs, such as Hydro, of \$500,000 and water.
5. Purchased and Contract Services decreased by approximately \$800,000 or .5%. The decrease is largely attributed to the reduction in one-time costs of approximately \$2.3 million approved in 2009, reductions in Best Start programs of \$1.0 million, offset by increased ODSP costs of \$.9 million and greater than inflationary increases in Solid Waste and winter maintenance.
6. Debenture Costs/Insurance and Taxes have increased by approximately \$730,000 or 8.7% to reflect anticipated increases to property taxes on city properties, as well as to account for the internally borrowing costs associated with previously approved water capital projects.
7. Professional Development and Training has not increased as departments are consciously attempting to contain these types of expenditures.

OPERATING BUDGET SUMMARY

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8. Grants and Transfer Payments increased by approximately \$5.7 million or 14.6% due primarily to the net change in one time funding arrangements for programs under affordable housing program of \$5.2 million, \$500,000 associated with the annualization of the N.O.S.O.A. grant to \$1.0 million, an increase in Ontario Works expenditures of \$2.3 million as a result of an anticipated increase in caseloads. These increases are offset by the reduction of one-time grants of \$2.7 million approved in 2009, including \$2.0 million in funding towards the St. Joseph Health Centre.
9. Provisions to Reserves and Capital increased by approximately \$660,000 or 1.0%. A number of factors contribute to this increase such as, an increase of \$840,000 to water wastewater capital envelopes in accordance with the Sustainable Capital Asset Management policy, and inflation to capital envelopes of approximately \$1.3M in accordance with policy, offset by the removal of one-time contributions to capital associated with 2009 approved enhancements.
10. Internal recoveries reflect the net effect of services performed by operating departments for other departments.

Revenues:

11. Levies, excluding the municipal tax levy, decreased by \$490,000 or 4.4% due largely to anticipated decreases in Payments in Lieu taxation revenue resulting from the Provincial initiative to reduce the Business Education Tax (BET) which was retained by the City.
12. Provincial Grants increased by approximately \$7.2 million or 3.9%. The increase reflects the increased grants of one-time programs of \$5.2 million in Social Housing, an increase in Land Ambulance grants of \$260,000, increased grants in Ontario Works to correspond with the aforementioned increased caseloads, offset by \$1.0 million decrease in Best Start funding and the projected loss of \$6.3 million in OMPF grants related mainly to Social Programs. This budget includes \$6.4M in one-time OMPF funding to offset the decline in assessment equalization funding. Staff anticipates that the City will receive the 2010 OMPF funding announcement in November, at which time an adjustment to the base budget may be required.
13. Federal Grants have increased by \$345,000 or 118.6% due to the new mix of funded programs including the development of the Northern Ontario School of Architecture.
14. User fees increased by approximately \$1.7 million or 1.9% due mainly to the proposed water wastewater increase of \$3.3 million as well as the 3.0% general user fee rate increase in accordance with the user fee bylaw offset by decreases in transit fees of \$700,000, decrease in sale of recyclables revenue, and decreased building permits activities.

OPERATING BUDGET SUMMARY

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15. Investment Earnings decreased by approximately \$820,000 or 8.6% in anticipation of lower rates of return on investments as a result of the world economic slowdown. In addition, the City may have less cash flow during 2010 due to the timing of the receipt of the Federal/Provincial Infrastructure Stimulus funds.

16. Contribution from Reserves decreased by approximately \$7.7 million or 58.4% as a result of Council approving \$7.6 million of one-time funding in the 2009 budget highlighted by the Organic Pilot of \$2.1M and enhancement options, including but not limited to \$2M for St. Joseph's Health Centre, \$690,000 for emergency shelter services, \$750,000 for one-time roads maintenance and \$340,000 for physician recruitment, as well as reductions in ridership growth envelope of \$1.1 million, and various reductions related to items including, but not limited to, Simon Lake resonators, Tangible Capital Asset project, downtown incentives, offset by a contribution of \$1.0 million to fund the costs associated with the 2010 municipal election.

17. Other revenues increased by approximately \$700,000 or 6.1% which is due mainly to increased Waste Diversion Ontario (WDO) revenues related to hazardous waste, increased contributions from Vale and Xstrata of \$400,000 for Land Reclamation and increased aggregate revenues offset by anticipated decreases in Provincial Offences revenues.

**City of Greater Sudbury
2010 Base Budget
Variance Analysis
(in \$ millions)**

	Gross Budget	Revenue	Net Levy	% Chg
2009 Operating Budget	\$ 509.9	\$ 323.4	\$ 186.5	
Provincially Mandated Programs:				
Social Housing				
- Affordable housing	5.2	5.2	-	
- contribution to service providers	0.1		0.1	
Social Services				
- ODSP support	0.9	6.8	(5.9)	
- OW	2.3	1.9	0.4	
Children Services	(1.0)	(1.1)	0.1	
Reduction in OMPF grant related to Social Programs	-	(6.3)	6.3	
Emergency Medical Services (Land ambulance)	0.4	0.3	0.1	
	7.9	6.8	1.1	0.6%
Revenue Changes:				
Decrease POA revenues	-	(0.2)	0.2	
Decrease in PILs	-	(0.4)	0.4	
Decrease in investment income	-	(0.8)	0.8	
Decrease in Building Services	(0.8)	(0.8)	-	
Decrease in Transit user fees	-	(0.7)	0.7	
Decrease in Transit ridership growth program	(1.1)	(1.1)	-	
Decrease in Handi Transit ridership growth program	(0.1)	(0.3)	0.2	
Decrease in Economic development programs	(0.3)	(0.3)	-	
Increase in Waste Diversion Ontario funding for Hazardous Waste	0.3	0.3	-	
Northern Ontario School of Architecture start up	0.5	0.5	-	
Decrease in environmental services user fees	-	(0.1)	0.1	
Increase in aggregates	-	0.1	(0.1)	
Increase in land reclamation revenues	0.4	0.4	-	
	(1.1)	(3.4)	2.3	1.2%
Expenditure Changes:				
Contractual increases in Solid Waste operating and material contracts	0.6	-	0.6	
Increase on Capital Envelopes (except WWW & Police)	0.8	-	0.8	
Increase contractual obligations, salaries, benefits and general inflation	3.3	0.7	2.6	
Increase in Water / Wastewater expenses and user fees	3.2	3.3	(0.1)	
Increase for Election Costs	1.0	1.0	-	
Increase cost in Winter Maintenance	0.5	-	0.5	
Increase in Pioneer Manor	0.9	-	0.9	
Reduction in one time funded from surplus - homelessness	(0.7)	(0.7)	-	
Reduction in one time funded from surplus - other	(5.1)	(5.1)	-	
Decrease in fuel and energy costs	(0.2)	-	(0.2)	
Decrease in Organics Pilot Project	(2.1)	(2.1)	-	
	2.2	(2.9)	5.1	2.7%
In year approvals/annualization:				
Organics	0.2	-	0.2	
Archives	0.1	-	0.1	
Northern Ontario School of Architecture	0.5	-	0.5	
	0.8	-	0.8	0.4%
Outside boards:				
SDHU (estimated)	0.2	-	0.2	
Police (estimated)	1.6	0.2	1.4	
	1.8	0.2	1.6	0.9%
2010 Base Budget	\$ 521.5	\$ 324.1	\$ 197.4	5.8%
Proposed Capital Levy	-	-	-	
2010 Operating Budget	\$ 521.5	\$ 324.1	\$ 197.4	
Estimated Assessment Growth				-1.5%
Net Municipal Tax Increase				4.3%
Consists of:				
Base Budget				4.3%
Capital Levy				0.0%
				4.3%

2010 OPERATING BUDGET SUMMARY

	2009 APPROVED BUDGET (\$000)			2010 DRAFT BUDGET (\$000)			VARIANCE		
	Expenditure	Revenue	Net	Expenditure	Revenue	Net	Net	% change	% 2009
								over 2009	Levy
Corporate Revenue and Expenditures									
Taxation & Other Revenue	3,291	-23,161	-19,870	3,835	-21,996	-18,161	1,709	-8.6%	
Capital Levy									
Constellation City									
Grants & Subsidies		-35,355	-35,355		-34,179	-34,179	1,176	-3.3%	
Total	3,291	-58,516	-55,225	3,835	-56,175	-52,340	2,885	-5.2%	1.55%
Executive, Legislative and Administrative									
Mayor & Council	1,370		1,370	1,397		1,397	27	2.0%	
Auditor General	321		321	331		331	10	3.0%	
Office of the C.A.O.	473		473	502		502	29	6.1%	
Total	2,165		2,165	2,230		2,230	66	3.0%	0.04%
Administrative Services									
Admin.Serv. Exec. Dir. Off. & Debt & Cont.Capital	1,200	-140	1,060	1,085		1,085	25	2.4%	
Clerk's Services & Election Services	1,014	-100	914	2,075	-1,133	942	28	3.0%	
Communications & French Language	721	-3	718	729	-4	726	8	1.1%	
Legal Services	1,501	-224	1,276	1,548	-164	1,385	108	8.5%	
Provincial Offences	1,204	-2,789	-1,585	1,228	-2,641	-1,413	172	-10.9%	
Information Technology	10	-10		9	-9				
Total	5,650	-3,267	2,384	6,676	-3,951	2,725	341	14.3%	0.18%
Human Resources & Prof Development									
H.R. Administration	-1,674	-216	-1,890	-1,813	-152	-1,965	-75	3.9%	
Health & Safety	760	-434	326	823	-510	313	-12	-3.8%	
Pensioners	1,564		1,564	1,651		1,651	87	5.6%	
Total	650	-650		661	-661				0.00%
Growth and Development									
GM's Office	402	-125	277	410	-125	285	9	3.2%	
GSDC - Board & Committees	897		897	914		914	18	2.0%	
Economic Development	6,429	-3,387	3,042	6,472	-3,303	3,169	127	4.2%	
Planning & Development	5,710	-1,283	4,427	5,895	-1,256	4,639	212	4.8%	
Building, Enforcement, Compliance	5,560	-5,249	311	4,754	-4,366	388	76	24.5%	
Transit, Parking & Crossing Guards	20,851	-11,070	9,781	19,914	-9,133	10,782	1,001	10.2%	
Total	39,848	-21,114	18,733	38,359	-18,182	20,176	1,443	7.7%	0.77%
Financial Services									
Financial Services Administration	645		645	652		652	6	1.0%	
Debt & Contribution to Capital	3,053	-2,053	1,000	1,047	-47	1,000		0.0%	
Financial Planning and Policy and Budgeting	4,508	-988	3,519	4,633	-1,009	3,624	105	3.0%	
Accounting	1,247	-582	665	1,112	-371	740	75	11.3%	
Financial Information Systems	411		411	510	-85	426	15	3.6%	
Taxation	852	-212	640	867	-202	665	25	4.0%	
Supplies & Services	11	-11		8	-8				
Total	10,728	-3,847	6,880	8,828	-1,721	7,107	227	3.3%	0.12%
Community Development									
GM's Office & Debt and Cont.to Capital	5,480	-28	5,451	5,601	-36	5,565	114	2.1%	
Administrative & Financial Services	387		387	414		414	27	7.1%	
Regional Geriatric Program	753	-750	3	878	-878		-3	-100.0%	
Housing Services	26,006	-8,130	17,876	31,278	-13,344	17,933	58	0.3%	
Long Term Care & Seniors Services	26,003	-23,941	2,062	26,856	-24,010	2,847	785	38.1%	
Social Services Summary	101,450	-79,551	21,899	103,895	-87,576	16,319	-5,580	-25.5%	
Citizen Services, Libraries, Children Services	31,178	-19,940	11,237	30,458	-18,814	11,644	407	3.6%	
Leisure & Recreation Summary	25,737	-7,915	17,823	25,203	-7,022	18,181	358	2.0%	
OMPF - Comm Dev. Portion		-18,456	-18,456		-13,293	-13,293	5,163	-28.0%	
Total	216,993	-158,712	58,281	224,584	-164,974	59,610	1,329	2.3%	0.71%
Infrastructure Services									
GM's Office	-45		-45				45		
Financial Support Services									
Engineering Services	218	-28	190	70	-70		-190		
Assets Management & Debt & Contr. Capital	7,765	-3,389	4,375	8,083	-3,427	4,656	281	6.4%	
Water/Waste Water Summary	55,377	-52,497	2,880	58,576	-55,693	2,883	2	0.1%	
Roads Maintenance	58,510	-1,112	57,398	58,844	-449	58,396	998	1.7%	
Environmental Services Summary	20,672	-9,110	11,562	19,921	-7,206	12,715	1,153	10.0%	
Total	142,497	-66,136	76,361	145,495	-66,846	78,649	2,288	3.0%	1.23%
Emergency Services									
	18,359	-8,893	9,466	18,780	-9,128	9,652	186	2.0%	0.10%
Fire Services Summary									
	19,405	-92	19,313	19,976	-104	19,872	559	2.9%	0.30%
Share of N.D.C.A.									
	545		545	554		554	9	1.6%	0.00%
Share of Public Health									
	5,209		5,209	5,365		5,365	156	3.0%	0.08%
Police Services									
	44,605	-2,175	42,430	46,223	-2,389	43,834	1,405	3.3%	0.75%
Net Levy	509,943	-323,402	186,541	521,567	-324,132	197,434	10,894	5.8%	
Estimated Assessment Growth									1.5%
Net Tax Increase									4.3%
Capital Levy									0.0%
Net Operating Tax Increase									4.3%

**City of Greater Sudbury
2010 Budget
Permanent Staff Reconciliation**

Department / Division	2009 Approved Final	2009 Council Approvals	2010 Restatement	2010 Adjustments	2010 Base
Executive & Administration	7	-	-	-	7
Administrative Services	71	-	-	-	71
Human Resources & Org. Dev.	22	-	-	-	22
Growth & Development Services	226	-	-	-	226
Financial Services	55	-	-	-	55
Community Development Services	489	9 ¹	-	-	498
Infrastructure Services	423	-	-	-	423
Fire Services	129	-	-	-	129
Emergency Services	131	-	-	-	131
Police Services	358	-	-	6 ²	364
Grand Totals	1,911	9	-	6	1,926

1 Resolution #2009-373 was passed by Council to convert temporary hours to permanent full time positions based on permanent funding from the North East Local Health Integration Network.

2 No net impact on the budget, fully funded secondments.

**City of Greater Sudbury
2010 Budget
Temp/Part Time Hours Reconciliation**

Department / Division	2009 Approved Final	2009 Council Approvals	2010 Restatement	2010 Adjustments	2010 Base
Corporate Revenues	457	-	-	-	457
Executive & Administration	7,308	-	-	-	7,308
Administrative Services	7,961	-	-	(914)	7,047
Human Resources & Org. Dev.	14,616	-	-	-	14,616
Growth & Development Services	138,270	-	-	588	138,858
Financial Services	4,137	-	-	2,741	6,878
Community Development Services	585,703	(19,187)	-	(785)	565,731
Infrastructure Services	32,965	225	-	-	33,190
Fire Services	328	-	-	-	328
Emergency Services	30,962	-	-	-	30,962
Police Services	45,800	-	-	-	45,800
Grand Totals	868,507	(18,962)	-	1,630	851,175

TEMPORARY HOURS RECONCILIATION

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Variance Explanations:

1. Administrative Services

There was a decrease in Legal Services of 914 hours in accordance with the catalyst report.

2. Growth & Development:

Economic Development is anticipating an increase of 2,618 hours due to provincially and federally funded programs.

Planning & Development received an increase of 1,806 hours for the web portal for immigrants funded from the Ministry of Citizenship and Immigration as approved in the Council report dated March 11, 2009.

Transit Services reduced part time hours by 3,836 due to the conclusion of the 3 year ridership growth program.

3. Financial Services:

Additional 914 part time hours for Tangible Capital Assets are required to complete the project.

1,827 hours for project co-ordinator in Financial Information Systems will be financed by funds set aside for ERP initiatives.

4. Community Development:

The Regional Geriatric Program's hours have been reduced by 19,187 due to a conversion to full time employees as approved by Council September 9, 2009.

The reduction of 785 hours is a net of reductions in Pioneer Manor (4,927), Community Partnerships (914); offset by increases in funded hours in Housing (1,218) and Children's Services (2,011) and additional hours in Archives (1,827) approved during the 2007 budget process.

5. Infrastructure Services:

There is an increase of 225 hours to annualize the Organics Program for a full year in 2010 (2009 was 6 months), as approved by the Priorities Committee resolution R2008-35 on June 18, 2008.

**City of Greater Sudbury
2010 Budget
Crew Hours Reconciliation**

Department / Division	2009 Approved Final	2009 Council Approvals	2010 Restatement	2010 Adjustments	2010 Base
Community Development Services	141,255	-	-	-	141,255
Infrastructure Services	467,095	-	-	-	467,095
Grand Totals	608,350	-	-	-	608,350

2010 DRAFT BUDGET
MANDATORY VERSUS DISCRETIONARY SERVICES BREAKDOWN

The following chart displays the breakdown between mandatory and discretionary services delivered by the City. Included in mandatory are Housing Services, Ontario Works, Child Care Services, Emergency Medical Services, NDCA, Public Health and Police Services.

	Gross Expenditure (\$M)	Tax Levy (\$M)
Mandatory Services:		
Housing Services	31.3	17.9
Ontario Works	103.9	16.3
Child Care Services	19.7	2.9
OMPF – Social Program Component		-13.3
Emergency Medical Services	17.2	8.4
NDCA	0.5	0.5
Public Health	5.4	5.4
Police Services	46.2	43.8
Total Mandatory Services	224.2	81.9
Discretionary Services	297.3	115.5
Total Budget	521.5	197.4

Within both the mandatory and discretionary services, there are varying degrees of discretion in the service levels.