



FINANCE AND ADMINISTRATION COMMITTEE AGENDA

Finance and Administration Committee Meeting
Tuesday, June 2, 2020
Tom Davies Square - Committee Room C-11 / Electronic Participation

COUNCILLOR MIKE JAKUBO, CHAIR

Deb McIntosh, Vice-Chair

4:00 p.m. FINANCE AND ADMINISTRATION COMMITTEE MEETING
COMMITTEE ROOM C-11 / ELECTRONIC PARTICIPATION

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ROLL CALL

DECLARATIONS OF PECUNIARY INTEREST AND THE GENERAL NATURE THEREOF

REGULAR AGENDA

MANAGERS' REPORTS

- R-1. Report dated April 23, 2020 from the General Manager of Community Development regarding Coordination and Administration of a Housing First System and Homelessness Prevention Supports Contract. **4 - 7**
(RESOLUTION PREPARED)
(This report provides a recommendation regarding approval for a single source award to Centre de Sante Communautaire du Grand Sudbury to continue an existing Contract for the Coordination and Administration of a Housing First System and Homelessness Prevention Supports from September 14, 2020 to December 31, 2021.)
- R-2. Financial Implications Associated with the Corporation's COVID-19 Response **(FOR INFORMATION ONLY) (REPORT TO FOLLOW)**
(This report provides information regarding the financial implications associated with the Corporation's response to COVID-19 developments to May 31st with projections to June 30th and July 31st if this crisis continues.)

REFERRED & DEFERRED MATTERS

- R-3. Report dated May 20, 2020 from the General Manager of Corporate Services regarding Capital Levy Allocation. **8 - 20**
(RESOLUTION PREPARED)
(This report provides a recommendation regarding alternatives to allocate Council's approved 2020 1.5% capital levy.)

MEMBERS' MOTION

CORRESPONDENCE FOR INFORMATION ONLY

- I-1. Report dated April 30, 2020 from the General Manager of Corporate Services regarding 2020 Budget Process Evaluation. **21 - 28**
(FOR INFORMATION ONLY)
(This report provides information regarding a summary of the evaluation of the 2020 Budget process.)

I-2. Report dated April 21, 2020 from the General Manager of Corporate Services regarding Section 391 Charges - Update of Existing Projects.

29 - 32

(FOR INFORMATION ONLY)

(This report provides an update regarding existing projects where City of Greater Sudbury collects Section 391 charges as building permits are issued.)

ADDENDUM

CIVIC PETITIONS

QUESTION PERIOD

ADJOURNMENT

Request for Decision

Coordination and Administration of a Housing First System and Homelessness Prevention Supports Contract

Presented To: Finance and
Administration
Committee

Presented: Tuesday, Jun 02, 2020

Report Date Thursday, Apr 23, 2020

Type: Managers' Reports

Resolution

THAT the City of Greater Sudbury authorizes the General Manager of Community Development to enter into a single source Agreement with Centre de Santé Communautaire du Grand Sudbury, as outlined in the report entitled "Coordination and Administration of a Housing First System and Homelessness Prevention Supports Contract" from the General Manager of Community Development, presented at the Finance and Administration Committee meeting on June 2, 2020.

Relationship to the Strategic Plan / Health Impact Assessment

This report supports Council's Strategic Plan in the area of Quality of Life and Place as it aligns with the Population Health Priorities of Indigenous Youth, Mental Health, Housing and Healthy Streets by providing services to people who are homeless or at risk of homelessness.

Report Summary

This report will request approval for a single source award to Centre de Sante Communautaire du Grand Sudbury to single source an Agreement for the continuation of the Coordination and Administration of a Housing First System and Homelessness Prevention Supports from September 14, 2020 to December 31, 2021.

The Centre de Sante Communautaire du Grand Sudbury is the lead agency for the Homelessness Network and has been providing homelessness services through a contract with the City of Greater Sudbury since 2007.

Financial Implications

Signed By

Report Prepared By

Gail Spencer
Coordinator of Shelters and
Homelessness
Digitally Signed Apr 23, 20

Manager Review

Tyler Campbell
Director of Social Services
Digitally Signed Apr 23, 20

Division Review

Tyler Campbell
Director of Social Services
Digitally Signed Apr 23, 20

Financial Implications

Apryl Lukezic
Co-ordinator of Budgets
Digitally Signed Apr 23, 20

Recommended by the Department

Steve Jacques
General Manager of Community
Development
Digitally Signed Apr 23, 20

Recommended by the C.A.O.

Ed Archer
Chief Administrative Officer
Digitally Signed Apr 29, 20

The current annual funding allocation is \$785,000 and is funded between Municipal and Provincial Homelessness funding envelopes.

Executive Summary

This report will request approval for a single source award to Centre de Santé Communautaire du Grand Sudbury to continue an existing Contract for the Coordination and Administration of a Housing First System and Homelessness Prevention Supports from September 14, 2020 to December 31, 2021.

Background

In March 2015, the City of Greater Sudbury (City) submitted a Request for Proposal (RFP) under Contract CDD 15-2 to receive and evaluate proposals for the Coordination and Administration of a Housing First System and Homelessness Prevention Supports. The RFP was awarded to Centre de Santé Communautaire du Grand Sudbury as the lead agency of a partnership of community agencies called the Homelessness Network. The term of the Contract was September 14, 2015 to September 13, 2018, with an option for a two-year extension. The Contract was subsequently extended from September 14, 2018 to September 13, 2020. The services provided are funded between Municipal and Provincial homelessness funding envelopes.

The Homelessness Network has provided homelessness services through an Agreement with the City since 2007. The services have included homelessness prevention, outreach, Extreme Cold Weather Alert Services, and Housing First Services. This partnership has developed since 2007 to include best practices within the homelessness sector and is a key foundation for the network of services provided to people experiencing homelessness within the City. A report demonstrating the success of the Housing First Program operated by the Homelessness Network was presented to the Community Services Committee on January 15, 2018.

According to the Purchasing By-law a non-competitive purchase where a Single Source Purchase is being recommended by the Authorized Person may be considered when it is recommended by the Authorized Person that a business case can be made to establish that the purchase is in the best interests of the City. In addition, applicable trade agreements allow the City of Greater Sudbury to contract with non-profit organizations without open competition.

Given the current conditions in responding to the COVID-19 outbreak and the importance of consistency in providing ongoing services to people who are homeless, or at risk of homelessness, it is recommended that a single source Agreement is in the best interests of the City. These services would continue at existing service levels and at the current level of funding through an Agreement with Centre de Santé Communautaire du Grand Sudbury from September 14, 2020 to December 31, 2021. An RFP would be posted in the fall 2021 to seek proposals to continue services after December 31, 2021.

Next Steps

Upon approval of Council, a funding Agreement will be completed with Centre de Santé Communautaire du Grand Sudbury to continue to provide existing services from September 14, 2020 to December 31, 2021.

An RFP would be posted in fall 2021 to seek proposals to continue services after December 31, 2021.

References

<https://agendasonline.greatersudbury.ca/index.cfm?pg=feed&action=file&agenda=report&itemid=2&id=1258>

Request for Decision

Capital Levy Allocation

Presented To: Finance and
Administration
Committee

Presented: Tuesday, Jun 02, 2020

Report Date Wednesday, May 20,
2020

Type: Referred & Deferred
Matters

Resolution

Resolution One:

THAT the City of Greater Sudbury invest the 1.5% capital levy, equal to \$4.1 million directly in the projects outlined in Option 1 (Buildings and Equipment) in the report entitled Capital Levy Allocation Follow Up from the General Manager of Corporate Services, dated May 20, 2020.

In the event resolution one is carried and option 3 is chosen, the following resolution will need to be read and passed:

THAT the City of Greater Sudbury amend existing tenders for road projects that include the road locations described in Option 3 in the report entitled Capital Levy Allocation Follow Up from the General Manager of Corporate Services, dated May 20, 2020.

In the event resolution one is defeated, resolution two will be read and considered.

Resolution Two:

THAT the City of Greater Sudbury use the 1.5% capital levy as an annual payment to secure debt and invest in the projects outlined in Option ____ in the report entitled Capital Levy Allocation Follow Up from the General Manager of Corporate Services, dated May 12, 2020.

Resolution Three (only if Option #4 or #5 is approved by Committee):

THAT the City of Greater Sudbury approves additional debt financing of approximately \$22 million for associated water and wastewater infrastructure improvements on Lorne Street and Local Roads in Downtown areas with the debt repayments to be incorporated within the 2021 Water and Wastewater Operating Budget.

Signed By

Report Prepared By

Kevin Fowke
General Manager of Corporate
Services
Digitally Signed May 20, 20

Financial Implications

Apryl Lukezic
Co-ordinator of Budgets
Digitally Signed May 20, 20

Recommended by the Department

Kevin Fowke
General Manager of Corporate
Services
Digitally Signed May 20, 20

Recommended by the C.A.O.

Ed Archer
Chief Administrative Officer
Digitally Signed May 20, 20

Relationship to the Strategic Plan / Health Impact Assessment

Council's 2020 budget includes a 1.5% capital levy for investment towards City's aging infrastructure. This report outlines capital investment recommendations which are based on the enterprise asset management policy and capital prioritization tool. These policies of Council and the capital levy itself directly align with Council's strategic priorities including asset management.

Report Summary

This report provides a recommendation regarding alternatives to allocate Council's approved 2020 1.5% capital levy.

Financial Implications

The \$4.1 million identified as the funding source will be available for any of these options.

If one of the debt options is selected, then there would be additional debt financing for the related water and wastewater infrastructure improvements that would be included in the 2021 Water and Wastewater Budget.

PURPOSE

The purpose of this report is to further analyze recommended options for the application of the 1.5% capital levy approved with the 2020 budget and outline capital investment recommendations based on direction received at the January 14th Finance and Administration Committee.

BACKGROUND

City Council finalized the 2020 budget on December 16th, 2019. As a part of the process, Council approved a dedicated capital levy of 1.5% toward investments in the City's "aging infrastructure". Staff returned to the January 14th meeting of the Finance and Administration Committee with a number of options for Committee's consideration and the following motion was carried by the Committee:

THAT the report regarding the allocation of the special capital levy be deferred and that staff be directed to prepare a report and additional options by the end of the first quarter of 2020 that include investments focusing on the infrastructure deficit as described in the 2016 Municipal Asset Management Plan with three lists of proposed projects for each of the following categories:

1. Arterial roads;
2. Local roads; and,
3. Buildings and Facilities,

AND THAT the report contemplate the alternatives of spending only the capital levy of \$4.1 million, borrowing over a 30 year period in the amount of \$80 million and borrowing over a 20 year period in the amount of \$61 million dollars;

AND THAT the report include information regarding the financial payback from potential energy savings for projects involving Buildings and Facilities.

ANALYSIS

Each year, the City prioritizes capital investments using a single enterprise prioritization tool based on principles in its Enterprise Asset Management Policy. Capital investment priorities are finalized by the City's Executive Leadership Team and are recommended to the Finance and Administration Committee in form of a plan containing capital projects and funding recommendations for those projects as a part of the Committee's annual budget deliberations. Further, a four year outlook is developed.

The Committee's deliberations annually include changes to the mix of projects recommended by staff and debate about the optimal funding mechanisms. The result of the debate forms the City's annual capital plan.

Decision #1 – Resolution #1

With the addition of a dedicated capital levy in 2020, Committee now has to decide how to prioritize investment of that levy. It could invest the levy directly in \$4.1 million worth of additional capital projects which would be added to the roughly \$170 million capital plan for 2020 or it could approve the

use of the capital levy to debt finance a larger source of funding for long term asset renewal. That is the first decision Committee is being asked to consider in this report.

If resolution #1 is approved, Committee will decide on projects equaled to \$4.1 million for immediate planning and execution. Below, Tables 1 – 3 outline three options for Committee’s consideration categorized into arterial roads, local roads and buildings and facilities in accordance with the January 14th motion. The project details are contained in Appendix A. These options appear in order of staff’s recommendation and Resolution #1 will be read with Option 1 as the recommended set of projects.

Table 1 – Option 1

1. Facilities and other aging infrastructure:		
Arena SMART Hub Energy Upgrades		507,000
Arena Roof Replacements and Interior Drywall Upgrades		2,270,000
Copper Cliff Library Capital Repairs		1,170,000
Transit - Implementation of Various Technological Improvements		4,987,000
		8,934,000
Less: Estimated Energy Grant for Arena SMART Hub Project		(157,669)
Less: Estimated ICIP Funding for Transit Technological Improvements		(3,640,510)
Less: Funds committed in 2021 Capital Budget towards Transit Project		(1,035,821)
		4,100,000

Table 2 – Option 2

2. Local Roads:		
Local Road Improvements for our Downtowns		4,100,000
		4,100,000

Table 3 – Option 3

3. Arterial:		
Old Hwy 69 (MR 80) North of Maley Drive to McCrea Heights (enhanced scope)		1,600,000
Capreol Road (MR 84) Cote Boulevard to Linden Drive		1,800,000
Old Hwy 69 (MR 80) South of Jean D’arc Street to North of Dominion Drive		700,000
		4,100,000

Option 1 contains a set of buildings and equipment projects that all scored very well in the enterprise capital prioritization exercise in preparation for the 2020 budget. They are projects that maximize available funding from senior levels of government and payback in terms of energy credits. The arena and Copper Cliff Library projects return these facilities to a “state of good repair” standard and while they improve energy efficiency, they do not generate savings to budget that would create a measurable payback. If Option #3 on roads is approved, then another resolution is required to be passed in order to expand scope of existing tenders for these road locations.

Decision #2 – Resolution #2

If resolution #1 is defeated, Committee will consider using the 1.5% capital levy as an annual payment to secure debt and invest in a longer list of projects depending if term of debt is over 20 or 30 years. If either of the debt financing options below are chosen, a separate resolution will have to be passed in order to authorize additional debt financing for the corresponding water and wastewater linear infrastructure improvements. This debt financing would result in debt repayments in the annual water and wastewater operating budgets starting in the 2021 Budget.

Using the capital levy to debt finance an amount over 20 years would result \$61 million available for capital expenditure and over 30 years would result in \$80 million at best available interest rates. In accordance with the City's debt management policy and the Municipal Act, debt financing would only be recommended for those projects on assets with an estimated useful life equal to or greater than the term of debt used to finance the projects.

If resolution #2 is approved and Committee uses the 1.5% capital levy as an annual payment over 20 years to generate \$61 million, the projects listed in Table 4 are recommended to Committee for investment.

Table 4 – Option 1

4. \$61 million Debt over 20 years Option:		
Lorne Street - from Power to Logan (additional funds as external grants not approved)		14,600,000
Frobisher Salt/Sand Dome Replacement		8,250,000
Maley Drive Extension (four lanes from Frood Road to MR 35 with roundabout at Frood Road)		11,000,000
Local Road Improvements for our Downtowns	3,040	18,240,000
Copper Cliff Library Capital Repairs		1,170,000
Various Pool upgrade requirements:		
- Onaping		1,600,000
- RG Dow		400,000
- Nickel District		650,000
- Gatchel		2,400,000
Greater Sudbury Housing Corporation capital projects:		
- 1960 Paris Elevator Modernization		300,000
- 1052 Belfry Make Up Air Replacement		100,000
- 166 Louis Street Make Up Air Replacement		100,000
- Walkup Apartment Make Up Air (\$35,000 per building x 4 units)		140,000
- 1960 A+B Paris Roof Replacement		1,200,000
- 1960 A Paris Balcony Railing Replacement		350,000
- 1960 B Paris Balcony Railing Replacement		500,000
Total Debt Financing for Cash Flow		61,000,000

If resolution #2 is approved and Committee uses the 1.5% capital levy as an annual payment over 30 years to generate \$80 million, the projects listed in Table 5 are recommended to Committee for investment.

Table 5 – Option 2

5. \$80 million Debt over 30 years Option:		
Lorne Street - from Power to Logan (additional funds as external grants not approved)		14,600,000
Lorne Street - from Logan to Elm		17,900,000
Frobisher Salt/Sand Dome Replacement		8,250,000
Maley Drive Extension (four lanes from Frood Road to MR 35 with roundabout at Frood Road)		11,000,000
Local Road Improvements for our Downtowns	3,193.92	19,163,510
Various Pool upgrade requirements:		
- Onaping		1,600,000
- RG Dow		400,000
- Nickel District		650,000
- Gatchel		2,400,000
Greater Sudbury Housing Corporation capital projects:		
- 1960 Paris Elevator Modernization		300,000
- 1052 Belfry Make Up Air Replacement		100,000
- 166 Louis Street Make Up Air Replacement		100,000
- Walkup Apartment Make Up Air (\$35,000 per building x 4 units)		140,000
- 1960 A+B Paris Roof Replacement		1,200,000
- 1960 A Paris Balcony Railing Replacement		350,000
- 1960 B Paris Balcony Railing Replacement		500,000
Transit - Implementation of Various Technological Improvements		4,987,000
Total Debt Financing before estimated funding sources		83,640,510
Less: Estimated ICIP Funding for Transit Project pending ICIP Approval		(3,640,510)
Total Debt Financing		80,000,000

Local Roads Improvement Program in our Downtowns

In both resolutions, there are options which provide an investment (of either \$4.1 million in option 2, \$18.2 million in option 4 and \$19.2 million in option 5) local roads improvement in the downtowns across Greater Sudbury. These options anticipate staff will bring a program forward for Committee's direction comprised of projects which will rehabilitate and/or complete road reconstruction in the City's various downtowns. These projects would result in engineering investigation and planning in 2020 and construction anticipated between 2021 and 2024 to coordinate projects and minimize impact on downtown area businesses. We would anticipate interest from Downtown BIA and local businesses which warrant sufficient planning before final design and construction commences.

These projects benefit local roads in some of the oldest areas of our community with an extended life of assets and provide economic benefits along with beautification features. Further, the downtowns across our community are areas where updates could include transportation demand management features such as cycling infrastructure and pedestrian safety features. If one of these options is directed, staff would return with recommended downtown streets across our community and any complimentary water/wastewater funding possibilities where the repair includes renewal of linear

infrastructure. Some geotechnical work is planned in 2020 in downtown Sudbury as part of the 2020 Capital Budget.

FINANCIAL IMPLICATIONS

If Option 1 is chosen, \$1,035,821 will need to be funded in the 2021 capital budget for the Transit related project. Otherwise, there are no direct financial implications should the Committee select any of the options in the report under Resolution #1 or #2. The 1.5% capital levy would fund either the direct expenditure of \$4.1 million on a set of approved capital projects or would provide the first payment toward 20 or 30 year debt financing.

Council will recall that the 2021 Capital Budget (forecast column as shown in 2020 Capital Budget) consists of the cash flow spending for capital projects approved in the 2020 Capital Budget or earlier years. In order to fund the 2021 Capital Budget as tabled, it utilized most of the annual capital contribution (as shown on the table on page 382) as well as additional \$10 million of external debt (as shown on the table on page 390). Should Committee approve Resolution #1, \$7.9 million would be available for 2021 capital prioritization (less \$1,035,821 if Option 1 is selected). Should Committee approve Resolution #2, \$3.7 million of capital funds would be available for 2021 capital prioritization. Therefore, there is minimal amount of funds available to invest in new capital projects as part of the 2021 Capital Budget, unless additional debt is acquired to fund new projects in 2021. In other words, the 2021 Capital Budget will appear as tabled in the 2020 Budget document with approximately \$3.7 million to \$7.9 million available to new capital projects in various areas such as roads, facilities, information technology, fire services, Greater Sudbury Housing Corporation and so on. It does exclude water, wastewater, fleet, paramedic services, parks equipment and Police as they have separate funding sources for its capital budgets.

There are other choices available to Council though that include the use of the \$4.1 million levy to access debt in 2021 (rather than immediately as described in Resolution #2) or additional debt financing. Staff will seek direction on the desired scope of new capital projects to be added to the 2021 budget through the budget direction report which will be presented to Committee in at its May meeting.

CONCLUSION / RECOMMENDATION

Staff recommends that Option 1 be approved for the capital levy amount in 2020 as this will address the infrastructure deficit and maximize other potential funding opportunities. This option will also commit a portion from the 2021 Capital Budget and the remainder would be available for new capital projects for Council consideration as part of the 2021 Budget deliberations.

Appendix A - Additional Details of Capital Projects in Options

Project Name	Estimated Cost	Useful Life in Years of Capital Project for Debt Financing Option Only	Expected Completion Date (end of 2020, end of 2021, etc)	Description of Project (obtained from Capital Prioritization submissions where available) (For Road Projects - also indicate how integrates with W/WW work along with estimated cost of water and ww (separately as will be funded from respective reserve fund.)	Pros or Benefits of why project should be completed. What are future costs that are avoided with this project?	Cons or Drawbacks if project is not completed	How does project address infrastructure gap?	Return on Investment / Payback (ie. annual savings; annual energy savings; energy rebates; etc)	Federal / Provincial Funding or Other Grants
1 Arena SMART Hub Energy Upgrades	\$ 507,000		Q3 2021	<p>An arena facilities consume a great deal of electrical energy during its normal operation. A typical community arena ice plants accounts for 40% of the energy used each year. Energy is the second-highest cost of operation, exceeded only by labor, in a typical ice facility. City arena refrigeration systems were designed for decades ago with simple analog technology. Modern technology available, including modulating head pressure controls and monitoring equipment, reduces equipment run time and energy consumption. It estimated that 1,195,317 KW of energy will be saved by installing the SMART Hub technology amounting to a energy cost savings of \$188,787 annually.</p> <p>This project proposes to purchase SMART Hub technology to be installed in each arena plant. The SMART Hub upgrade offers the following main features: SMART Scheduling; remote access; maintenance schedule notifications; alarm to email/text notifications; mobile app; power monitoring; and floating head pressure. As an option, the project could look at Class 1 arenas only, which would have a project cost of \$275,000 with annual savings of \$109,131.</p>	This project supports the City's Strategic Plan of Creating a Healthier Community (investment in infrastructure to support community recreation). The project also supports the City's Community Energy and Emissions Plan (CEEP) by reducing energy use at municipal arenas. As equipment run time will be reduced, the project will extend the life expectancy of arena refrigeration equipment (approximately 10%).	Energy costs will continue to be incurred due to analog technology. Equipment servicing costs will continue rise as equipment approaches end of life expectancy.	The project will allow the City to continue providing existing service levels for arenas. The City currently provides 16 ice pads across 14 arenas. The Parks, Open Space and Leisure Master Plan establishes a provision level of one ice pad for every 405 youth registrants.	Estimated energy savings of \$188,787 annually. Average pay back period per system installed is 3.08 years.	Estimated energy grant of \$157,669 expected in completion of this project.
2 Arena Roof Replacements and Interior Drywall Upgrades	\$ 2,270,000	30	End of 2021	<p>The Cambrian, Capreol, Coniston, Countryside, Dr Edgar LeClair, Garson, and JJ Coady Arenas require roof replacements and interior drywall repairs as identified from the recent 2018 Building Condition Assessments (BCA).</p> <p>The stakeholders of this project are Assets, Leisure Services, Parks and citizens that rent the arenas.</p> <p>With funding approval, we will begin design and tender the works in 2020. The repairs are anticipated to be phased amongst the several arenas, and completed in 2021. The main risk of not being able to complete this project is that we are over budget at tender. CGS nor the Consultants can predict or control the market pricing from the tender stage.</p>	This project supports the City's Strategic Plan of Creating a Healthier Community (investment in infrastructure to support community recreation). Cambrian and Onaping roofs are actively leaking. The rest are nearing end of life-cycle. Water leaks into interiors can cause mould and other adverse health issues.	Escalation of costs due to inflation, the longer water leaks are prolonged, the more damages to interior finishes, and increased risk to developing mould.. Failing asset will lead to increased customer complaints and portray a negative image of the City when hosting out of town teams during events.	The project will allow the City to continue providing existing service levels for arenas. The City currently provides 16 ice pads across 14 arenas. The Parks, Open Space and Leisure Master Plan establishes a provision level of one ice pad for every 405 youth registrants.	None	None.
3 Copper Cliff Library Capital Repairs	\$ 1,170,000	20	End of 2021	The Copper Cliff Library is fast approaching the end of its useful life. There are a number of large repair/replacement projects identified: complete roof replacement, parking lot refurbishment, front and rear entrances/ramp replacements, doors and brick/planter refurbishment. In addition, significant interior upgrades are required due to safety concerns which includes upper loft railing and stair railing. Other interior renovations required include bathroom retrofits, flooring replacement and electrical updates. The stakeholders of this project are Libraries, Assets and Citizens. Although we expect to be able to complete this work in its entirety in 2020, there could be a possibility that a portion of the interiors being completed in 2021 (this can only be confirmed from tender with a contractor).	The leaks result in issues the deterioration of other parts of the building, including windows. Water leaks also cause mould and can have adverse issues on health.	Will continue to deteriorate in a progressive rate and eventually will not be able to function.	This will prolong the use of the facility.	Will result in savings of costs associated to repair and mitigate roof leaks, and will preserve other elements of building that are deteriorating as a result of the leaks.	None

Appendix A - Additional Details of Capital Projects in Options

Project Name	Estimated Cost	Useful Life in Years of Capital Project for Debt Financing Option Only	Expected Completion Date (end of 2020, end of 2021, etc)	Description of Project (obtained from Capital Prioritization submissions where available) (For Road Projects - also indicate how integrates with W/WW work along with estimated cost of water and ww (separately as will be funded from respective reserve fund.)	Pros or Benefits of why project should be completed. What are future costs that are avoided with this project?	Cons or Drawbacks if project is not completed	How does project address infrastructure gap?	Return on Investment / Payback (ie. annual savings; annual energy savings; energy rebates; etc)	Federal / Provincial Funding or Other Grants
4 Transit - Implementation of Various Technological Improvements	\$ 4,987,000		end of 2023	Leveraging with Investing in Canada Infrastructure Program (ICIP) funding, Transit is applying for the implementation of various technological improvements. The resulting recommendations of the review must allow for the collection and operational management of reliable data which will be used to analyze service demand. Preliminary areas of improvements will focus on a new electronic fare payment system, and an on-demand solution for low(er) ridership areas. There is a high confidence that this project can be completed as described and within forecasted cost and timeframe.	The implementation of various technological options will positively impact riders by increasing customer experience and operational efficiencies. Technological improvements will create alternate payment options for a more accessible transit service (new electronic fare collection system) and create operational efficiencies with the collection of better data to support planning and network design. On-demand technologies would provide an increase in level of service in low demand areas. Programs which support operational functions (daily work assignments, absenteem etc) could reduce time spent on administrative tasks, and provide Supervisors time to manage the system.	Doesn't improve customer feedback for easier, faster and more dependable fare media options. Also, failure to implement new smartcard technology will result in continued farebox maintenance costs on aged assets (most fareboxes are past their useful life) whereas a new system would result in significantly less maintenance costs due to newer life cycle. On-Demand technology will allow for improved service within existing operating funds.	Fareboxes are becoming increasingly expensive to maintain and eliminating their use with smartcard technology would assist in the life cycle of this new payment system.	Lower farebox maintenance. Approx. \$80k per year average annual spend since 2018 with annual budget of \$45K in 2020.	\$ 3,640,510
5 Local Roads Resurfacing and Rehabilitation	\$ 4,100,000		2020	Scope of work includes resurfacing or rehabilitation of the asphalt, granular material, curbs and sidewalk. The design life of the surface asphalt will be approximately 10 years.	Scope of work includes resurfacing or rehabilitation of the asphalt, granular material, curbs and sidewalk. The design life of the surface asphalt will be approximately 10 years.	Maintenance costs will be expected to increase and local resident satisfaction is not addressed.	Proposed work will increase the lane km of roads which can be classified as good or very good.	Maintenance work can be reallocated to other assets.	None
6 Old Hwy 69 (MR 80) North of Maley Drive to McCre Heights (enhanced scope)	\$ 1,600,000		2020	Increase scope of approved project from localized patching to full length resurfacing of approximately 3.5km of arterial road. \$1.6 mil in funding will be added to the approved \$2.0 mil funding for 2020.	Full length resurfacing will reduce future maintenance costs within the road segment and extend the service life of the road segment to 7 to 10 years.	Maintenance of sections between the patched sections of road will be required. Full length resurfacing may be required within the expected service life of the proposed full length resurfacing.	Proposed work will increase the lane km of roads which can be classified as good or very good.	Maintenance work can be reallocated to other assets.	None
7 Capreol Road (MR 84) Cote Boulevard to Linden Drive	\$ 1,800,000		2020	Bring forward proposed project from the planned completion year of 2021 to 2020 and revise limits. Scope of work includes approximately 1.5 km of full depth asphalt rehabilitation of arterial road using recycled technology and addition of paved shoulders.	Rescheduling proposed from 2021 to 2020 work provides an opportunity for additional road work in 2021.	Delay in project will result in increase in maintenance costs for this road segment.	Proposed work will increase the lane km of roads which can be classified as good or very good.	Maintenance work can be reallocated to other assets.	None
8 Old Hwy 69 (MR 80) South of Jean D'arc Street to North of Dominion Drive	\$ 700,000		2020	Bring forward proposed project from the planned completion year of 2021 to 2020. Scope of work includes approximately 0.4 km of 90mm asphalt grind and overlay with curb replacement. This contract has been awarded and work will be approved by change order.	Rescheduling proposed from 2021 to 2020 work provides an opportunity for additional road work in 2021.	Delay in project will result in increase in maintenance costs for this road segment.	Proposed work will increase the lane km of roads which can be classified as good or very good.	Maintenance work can be reallocated to other assets.	None

Appendix A - Additional Details of Capital Projects in Options

Project Name	Estimated Cost	Useful Life in Years of Capital Project for Debt Financing Option Only	Expected Completion Date (end of 2020, end of 2021, etc)	Description of Project (obtained from Capital Prioritization submissions where available) (For Road Projects - also indicate how integrates with W/WW work along with estimated cost of water and ww (separately as will be funded from respective reserve fund.)	Pros or Benefits of why project should be completed. What are future costs that are avoided with this project?	Cons or Drawbacks if project is not completed	How does project address infrastructure gap?	Return on Investment / Payback (ie. annual savings; annual energy savings; energy rebates; etc)	Federal / Provincial Funding or Other Grants
9 Lorne Street - from Power to Logan (additional funds as external grants not approved)	\$ 14,600,000	Average of 30+ years	2021	This project includes the construction of the rehabilitation and resurfacing of Lorne Street for one of two phases. This phase of work includes from Power Street to Logan Street. Phase 1 includes Power St. to West of Big Nickel Mine as well as Power St. to Logan Ave. The City of Greater Sudbury has approved a portion of funding, and was originally presented with proposed Federal and Provincial funding that did not materialize. The City currently has approximately \$9 million currently budgeted for Roads (annual allocation in future capital budgets until 2038. This request is for the balance of funding. Additional information on this project can be found in the Business Case as part of the 2020 Budget document.	This project will address aging infrastructure, work will be coordinated with water/wastewater improvements, improve citizen satisfaction and foster economic development.	Road and water/wastewater infrastructure will continue to deteriorate, maintenance costs are expected to increase, and future capital costs can be expected to increase.	Proposed work will increase the lane km of roads which can be classified as good or very good.	Maintenance work can be reallocated to other assets.	None
10 Frobisher Salt/Sand Dome Replacement	\$ 8,250,000	50	2021	This project includes the construction of a new salt/sand storage structure at the Frobisher Depot. The proposal for this work is supported by the council report titled "Depot Master Plan - Frobisher, St. Clair, Suez, Black Lake and Whitefish" dated July 31, 2018.	This project will support redevelopment of the depot site using best salt management practices as the storage of pickled sand and salt will be located outside of the Ramsey Lake intake protection zone.	If the project is not completed, the City would not be adhering to the preferred solution of the Frobisher Depot Risk Management Plan and would be at risk of salt contamination of the intake protection zone.	A new storage facility for the Frobisher Depot is required and completion of this project will reduce the total funding required to address the depot infrastructure deficit.	Building maintenance work can be reallocated to other assets.	None
11 Maley Drive Extension (four lanes from Frood Road to MR 35 with roundabout at Frood Road)	\$ 11,000,000	Average of 30+ years	With approval in March, it would be tendered in 2020 with majority of work completed by end of 2021.	Scope of work includes four lanes from Frood Road to MR 35 with a roundabout at Frood Road. This road segment is currently attracting additional traffic with the recent opening on Maley Drive and experiencing congestion issues.	Improve levels of service for operation of transportation network, promoting economic development, and synergy with existing construction work.	If project is not completed congestion will continue and maintenance costs are expected to increase.	This project does address the existing infrastructure deficit on the pavement condition of the existing two lane road.	Maintenance work can be reallocated to other assets.	None
12 Local Road Improvements for our Downtowns	Approximately \$18 million to \$19 million	Average of 30+ years	Construction of these roads would be phased over multiple years to minimize impact to businesses.	Scope of work includes reconstruction of the asphalt, granular material, curbs and sidewalk. The design life of the surface asphalt will be approximately 20 years, however the other components will have a design life of 50 years, therefore the average design life will exceed 30 years. In 2021, Larch Street from Elgin to Lisgar (Sudbury) is identified in the capital budget and these limits could be extended to include portions of Lisgar and Durham. All community Downtown areas will be review for opportunities for road improvements including resurfacing, rehabilitation, sidewalk and curb renewal, light standards and will provide opportunities for beautification.	This project will reduce maintenance costs for the improved road segments, increase resident satisfaction with completion of community improvements and improve ability to attract businesses to downtown areas.	Maintenance costs will be expected to increase and resident/business satisfaction is not addressed.	Proposed work will increase the lane km of roads which can be classified as good or very good.	Maintenance work can be reallocated to other assets.	None
Various Pool Upgrade Requirements:									
13 - Onaping	\$ 1,600,000	15	End of 2021	This project also has corresponding work with W/WW which is estimated at \$4,000/m.	This project supports the City's Strategic Plan of Creating a Healthier Community (investment in infrastructure to support community recreation). The project will reduce the frequency and magnitude of service level interruptions in the future. BCA calls for investment in facility.	The deferral of repairs called for in the BCA will result in increased emergency repair and maintenance costs. Derferral of repairs also increases the probability of service interruptions or equipment/mechanical failures.	The project will allow the City to continue providing existing service levels for pools. The City currently provides 5 pools. The Parks, Open Space and Leisure Master Plan established a provision level of one aquatic facility for every 25,000 residents (including CGS pools, YMCA and Laurentian University). Project would bring identified items back to a state of good repair which will prolong the use of the facility.	Small potential for ROI on the HVAC, but unlikely. Must be evaluated to be confirmed. The rest of the items will not have a ROI. Lighting already updated.	None. Perhaps on the HVAC. TBD

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14 - RG Dow	\$ 400,000	15	End of 2021	<p>Various repairs have been identified for Pools based on Building Condition Assessment (BCA) reports completed in 2018 to bring the facilities to a State of Good Repair (SOGR).</p> <p>The main repairs identified are to the mechanical, HVAC, electrical and public address equipment refurbishments.</p> <p>The stakeholders of this project are Assets and Leisure Services. With funding approval, we will begin design and tender the works in 2020. Most repairs will be completed in 2020, but some of the items may run into 2021 for completion. This can only be confirmed at tender stage with the successful contractor.</p> <p>The main risk of not being able to complete this project is that we are over budget at tender. CGS nor the Consultants can predict or control the market pricing from the tender stage.</p> <p>The BCA's estimate were provided by using an industry standard benchmark (RS Means).</p>	<p>This project supports the City's Strategic Plan of Creating a Healthier Community (investment in infrastructure to support community recreation). The project will reduce the frequency and magnitude of service level interruptions in the future.</p> <p>BCA calls for investment in facility.</p>	<p>The deferral of repairs called for in the BCA will result in increased emergency repair and maintenance costs. Derferral of repairs also increases the probability of service interruptions or equipment/mechanical failures.</p>	<p>The project will allow the City to continue providing existing service levels for pools. The City currently provides 5 pools. The Parks, Open Space and Leisure Master Plan established a provision level of one aquatic facility for every 25,000 residents (including CGS pools, YMCA and Laurentian University).</p> <p>Project would bring identified items back to a state of good repair which will prolong the use of the facility.</p>	<p>Small potential for ROI on the HVAC, but unlikely. Must be evaluated to be confirmed. The rest of the items will not have a ROI. Lighting already updated.</p>	<p>None. Perhaps on the HVAC. TBD</p>
15 - Nickel District	\$ 650,000	15	End of 2021	<p>Various repairs have been identified for Pools based on Building Condition Assessment (BCA) reports completed in 2018 to bring the facilities to a State of Good Repair (SOGR).</p> <p>The main repairs identified are to the mechanical, HVAC, electrical and public address equipment refurbishments.</p> <p>The stakeholders of this project are Assets and Leisure Services. With funding approval, we will begin design and tender the works in 2020. Most repairs will be completed in 2020, but some of the items may run into 2021 for completion. This can only be confirmed at tender stage with the successful contractor.</p> <p>The main risk of not being able to complete this project is that we are over budget at tender. CGS nor the Consultants can predict or control the market pricing from the tender stage.</p> <p>The BCA's estimate were provided by using an industry standard benchmark (RS Means).</p>	<p>This project supports the City's Strategic Plan of Creating a Healthier Community (investment in infrastructure to support community recreation). The project will reduce the frequency and magnitude of service level interruptions in the future.</p> <p>BCA calls for investment in facility.</p>	<p>The deferral of repairs called for in the BCA will result in increased emergency repair and maintenance costs. Derferral of repairs also increases the probability of service interruptions or equipment/mechanical failures.</p>	<p>The project will allow the City to continue providing existing service levels for pools. The City currently provides 5 pools. The Parks, Open Space and Leisure Master Plan established a provision level of one aquatic facility for every 25,000 residents (including CGS pools, YMCA and Laurentian University).</p> <p>Project would bring identified items back to a state of good repair which will prolong the use of the facility.</p>	<p>Small potential for ROI on the HVAC, but unlikely. Must be evaluated to be confirmed. The rest of the items will not have a ROI. Lighting already updated.</p>	<p>None. Perhaps on the HVAC. TBD</p>
16 - Gatchell	\$ 2,400,000	15	End of 2021	<p>Various repairs have been identified for Pools based on Building Condition Assessment (BCA) reports completed in 2018 to bring the facilities to a State of Good Repair (SOGR).</p> <p>The estimate includes \$1.5M for tank replaement. In 2016, Gatchell Pool was closed for a two week period to complete emergency repairs. The pool had been losign significant water which was discovered to be a result of a major crack running the length of the pool tank. A patch was applied with a 15 year life expectancy. Other repairs identified are to the mechanical, HVAC, electrical and public address equipment refurbishments.</p> <p>With funding approval, we will begin design and tender the works in 2020. Most repairs will be completed in 2020, but some of the items may run into 2021 for completion. This can only be confirmed at tender stage with the successful contractor.</p> <p>The main risk of not being able to complete this project is that we are over budget at tender. CGS nor the Consultants can predict or control the market pricing from the tender stage.</p> <p>The BCA's estimate were provided by using an industry standard benchmark (RS Means).</p>	<p>This project supports the City's Strategic Plan of Creating a Healthier Community (investment in infrastructure to support community recreation). The project will reduce the frequency and magnitude of service level interruptions in the future.</p> <p>BCA calls for investment in facility.</p>	<p>The deferral of repairs called for in the BCA will result in increased emergency repair and maintenance costs. Derferral of repairs also increases the probability of service interruptions or equipment/mechanical failures.</p>	<p>The project will allow the City to continue providing existing service levels for pools. The City currently provides 5 pools. The Parks, Open Space and Leisure Master Plan established a provision level of one aquatic facility for every 25,000 residents (including CGS pools, YMCA and Laurentian University).</p> <p>Project would bring identified items back to a state of good repair which will prolong the use of the facility.</p>	<p>None. HVAC and lighting already updated a few years ago, and no potential for savings.</p>	<p>None</p>
Greater Sudbury Housing Corporation Capital Projects:									

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17 - 1960 Paris Elevator Modernization	\$ 300,000	25	Q1 2021	Modernization of the 1960 Paris B building elevators (2 elevators). 3rd Party elevator audit from 2014 recommended the full modernization of the elevators at this building. Subsequent to this audit, the controllers became obsolete and parts are no longer available. The elevator is no longer providing the level of service with one unit being out of service for over 2 months. The elevators should last 25 years.	It is important to maintain levels of service in a community housing building made up of family units. The second elevator has the same obsolete controller and thus this work needs to be completed before failure.	If not completed then there is a likelihood of failure and a reduction in service levels. This will result in tenant complaints and the risk of an order against us.	The facility condition index for this building is considered on the cusp of poor. Operating an elevator to failure will further push the building into poor condition. Completing this project will benefit this metric while ensuring that tenants receive appropriate service levels.	No Annual Savings however service level standard not being met due to numerous elevator shutdowns. Currently most costs related to call outs are covered under Service Contract however elevator remains shutdown for extended periods to due components are obsolete.	None Anticipated
18 - 1052 Belfry Make Up Air Replacement	\$ 100,000	25	Q3 2020	The Make Up Air unit on the roof has had intermittent failures and is not operating with the reliability required for the building. The impacts our ability to maintain service level standards. There is an increased operational cost as technicians are dispatched, often after hours, to address a breakdown. New unit should last 25 years.	Maintain levels of service in a senior's community housing building units. The unit provides fresh, filtered and heated air while pressurizing the hallways. This controls odours They can also be used by the fire department to control the spread of smoke in the event of a fire.	If not completed then there is a likelihood of failure and a reduction in service levels. This will result in tenant complaints and the risk of an order against us.	The facility condition index for this building is considered on the cusp of poor. Operating a MUA unit to failure will further push the building into poor condition. Completing this project will benefit this metric while ensuring that tenants receive appropriate service levels.	Modeling of pre-retrofit conditions compared to the post-retrofit conditions result in an estimated electricity savings of 11,647 kWh and GHG emissions reduction of 12,958 ekGCO2. Annual Estimated Savings \$1400	None Anticipated
19 - 166 Louis Street Make Up Air Replacement	\$ 100,000	25	Q3 2020	The Make Up Air unit on the roof has had intermittent failures and is not operating with the reliability required for the building. The impacts our ability to maintain service level standards. There is an increased operational cost as technicians are dispatched, often after hours, to address a breakdown. New unit should last 20 years.	Maintain levels of service in a community housing building units. The unit provides fresh, filtered and heated air while pressurizing the hallways. This controls odours They can also be used by the fire department to control the spread of smoke in the event of a fire.	If not completed then there is a likelihood of failure and a reduction in service levels. This will result in tenant complaints and the risk of an order against us.	The facility condition index for this building is considered on the cusp of poor. Operating a MUA unit to failure will further push the building into poor condition. Completing this project will benefit this metric while ensuring that tenants receive appropriate service levels.	Modeling of pre-retrofit conditions compared to the post-retrofit conditions result in an estimated electricity savings of 5,766 kWh, a natural gas savings of 336 m3, and GHG emissions reduction of 6,414 ekGCO2. Annual Estimated Savings \$800.	Heat source is Natural Gas - Potential Enersmart Energy Rebate under Affordable Housing Conservation Program
20 - Walkup Apartment Make Up Air (\$35,000 per building x 4 units) 27 Hanna, Capreol 35 Spruce, Garson 3553 Montpellier, Chelmsford 155 Lapointe, Hanmer	\$ 140,000	25	Q3 2020	The Make Up Air unit on the roof has had intermittent failures and is not operating with the reliability required for the building. The impacts our ability to maintain service level standards. There is an increased operational cost as technicians are dispatched, often after hours, to address a breakdown. New unit should last 25 years.	Maintain levels of service in a community housing building units. The unit provides fresh, filtered and heated air while pressurizing the hallways. This controls odours They can also be used by the fire department to control the spread of smoke in the event of a fire.	If not completed then there is a likelihood of failure and a reduction in service levels. This will result in tenant complaints and the risk of an order against us.	The facility condition index for this building is considered on the cusp of poor. Operating a MUA unit to failure will further push the building into poor condition. Completing this project will benefit this metric while ensuring that tenants receive appropriate service levels.	Modeling of pre-retrofit conditions compared to the post-retrofit conditions result in an estimated electricity savings of 12,916 kWh, and GHG emissions reduction of 9,100 ekGCO2. Annual Estimated Savings \$1550.	None Anticipated
21 - 1960 A+B Paris Roof Replacement	\$ 1,200,000	20	Q3 2020	The flat roof at 1960 Paris is near the end of life and at risk of leaking. There are occasions where partially blocked scuppers result in higher than ideal water levels, increasing the risk of a leak. The blockage can be from ice dam formation during freeze/thaw events. The impact of a consistent and/or significant leak will be significantly costly as the water migrates unabated through the substructure and into tenant units. The impact is a loss or change of housing requirement for community housing members. A fundamental service level standard is to provide shelter that does not leak. New Roof should last 20 years.	It is important to prevent damage associated with a leak, prevent impact to tenants housed in the building, and maintain levels of service in a community housing building.	If not completed then there is a likelihood of failure and a reduction in service levels. This will result in tenant complaints and the risk of an order against us.	The facility condition index for this building is considered on the cusp of poor. Operating a highrise building roof to failure will result in increased costs and further push the building into poor condition. Completing this project will benefit this metric while ensuring that tenants are not at risk of losing housing due to leaks.	The improved insulation in a new roof would provide for a payback in approximately 11.2 years with an electricity savings of 500 kWh, natural gas savings of 15,873 m3, providing for an annual savings of \$5,005.	None Anticipated

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22	- 1960 A Paris Balcony Railing Replacement	\$ 350,000	20	Q3 2021	The 1960 Paris balcony railings require removal and replacement with new aluminium railings and associated deck repairs as needed. The current steel railings are deteriorated with flaking paint and rust. There is a risk that these will become unsafe for tenants and people walking below as they continue to deteriorate. A similar project was undertaken at 720 Bruce by GSHC staff with great success. This project is intended to be undertaken before there is failure. New Railings should last 20 years.	It is important to ensure the safety of tenants and the people below. Purchasing a new aluminum railing will provide decades of reliability and remove the need to frequently repair and repaint the railings.	If not completed then there is a likelihood of failure and a reduction in service levels. It is not an acceptable risk to operate balconies to the point of failure or decommission. This will result in tenant complaints and the risk of an order against us.	The facility condition index for this building is considered on the cusp of poor. Failure to replace the railings will further push the building into poor condition. Completing this project will benefit this metric while ensuring that tenant and pedestrian traffic safety is maintained.	This project does not provide financial savings related to energy efficiency, rather is a health and safety matter that reduces risk to tenants and pedestrians once completed. Savings are related to the impact of closing balconies resulting in tenancy impacts and possible vacancies or rent abatement costs.	None Anticipated
23	- 1960 B Paris Balcony Railing Replacement	\$ 500,000	20	Q3 2021	The 1960 Paris balcony railings require removal and replacement with new aluminium railings and associated deck repairs as needed. The current steel railings are deteriorated with flaking paint and rust. There is a risk that these will become unsafe for tenants and people walking below as they continue to deteriorate. A similar project was undertaken at 720 Bruce by GSHC staff with great success. This project is intended to be undertaken before there is failure. New Railings should last 20 years.	It is important to ensure the safety of tenants and the people below. Purchasing a new aluminum railing will provide decades of reliability and remove the need to frequently repair and repaint the railings.	If not completed then there is a likelihood of failure and a reduction in service levels. It is not an acceptable risk to operate balconies to the point of failure or decommission. This will result in tenant complaints and the risk of an order against us.	The facility condition index for this building is considered on the cusp of poor. Failure to replace the railings will further push the building into poor condition. Completing this project will benefit this metric while ensuring that tenant and pedestrian traffic safety is maintained.	This project does not provide financial savings, rather is a health and safety matter that reduces risk to tenants and pedestrians once completed.	None Anticipated

For Information Only

2020 Budget Process Evaluation

Presented To: Finance and
Administration
Committee

Presented: Tuesday, Jun 02, 2020

Report Date Thursday, Apr 30, 2020

Type: Correspondence for
Information Only

Resolution

For Information Only

Relationship to the Strategic Plan / Health Impact Assessment

This report refers to operational matters.

Report Summary

This report provides Committee with a summary of one-on-one meetings with Councillors and their input on the budget process.

Financial Implications

There are no financial implications associated with this report.

Signed By

Report Prepared By

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Digitally Signed Apr 30, 20

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Background:

The annual budget document and the budget process itself have undergone a number of changes over the past 4 years. The main focus of the process has shifted to describe anticipated service outcomes for the 58 lines of service provided by the City, planned project objectives and supporting financing plans. The focus is on the relationship between services, service levels and costs, not only the financing plans and associated tax levy changes. Along with these changes, the look and feel and how the numbers were presented has transformed to make the document more user friendly in its description of the performance and outcomes the plan anticipates.

Given these considerable changes, staff requested councillors' feedback based on the 2020 process. All councillors were invited to provide feedback and seven one-on-one meetings with individual councillors helped staff gather feedback on what went well and what could be improved. The meetings were focused on 6 topics: budget forecast and direction; the budget document; business cases; community engagement; the question and answer period; and budget deliberations. This report details the findings of the one-on-one meetings, as well as staff's recommendations to address the areas that require some further changes.

Budget Forecast and Direction:

In May 2019, staff presented a 2020/2021 forecast to the Finance and Administration Committee to obtain budget direction. This is the start of the budget development process. In 2019 the committee directed staff to prepare a plan that had no more than a 3.5% property tax increase with options to achieve an increase of 2.5% and 3%, with an option to include a 1% levy designated for road maintenance. It also directed staff to describe the service impacts of a 4.5% property tax increase..

What went well:

- There was clear direction and understanding about the expectations expressed by the committee.
- There were clearly defined parameters for building the 2020 Budget. Staff were able to meet Council's directions, subject to a number of base budget adjustments that were described in an update delivered in September.

Areas to Improve:

- The budget debrief meetings included a request for additional information on how the forecast was prepared and what went into the budget direction report.

Proposed Change #1: Staff will increase emphasis on the two year forecast, the budget development process and additional information about the factors influencing the 2021 Budget.

- It was not generally understood by all councillors that setting the Budget Direction and Forecast is the starting point of the budget development process. If there are changes, or recommendations by the Committee, they should be discussed at this point.

Proposed Change #2: Staff will increase emphasis on the opportunity councillors have to amend recommended budget directions, or provide additional recommendations, while the committee considers the Budget Directions report.

Budget Document:

The budget document serves multiple audiences' needs and fulfills several accountability and decision support requirements. To achieve this, it offers both summarized and detailed information describing planned service levels, performance information and benchmarks, and details that describe financial choices available to Committee. It also provides detailed program information to support understanding the dependencies that exist between various parts of the organization and the contributions each make to the corporation's planned results. The 2020 document included aspects from the Core Service Review to further highlight the relationship between services and the respective costs.

What went well:

- The document was well received by members of Council. Staff heard comments that the document is approachable and that it tells a compelling performance story.
- Staff also heard comments that there was a good depiction that services drive costs, with the incorporation of the 'Services' section.

Areas to improve:

- Councillors expressed an interest in receiving more information about the choices made to produce a plan that fit within the established budget directions. Staff heard comments that councillors want to know how staff worked through the process, what decisions were made, and the changes year over year.

Proposed Change #3: Staff will provide more details about the choices involved in producing a draft budget. This could take the form of 'Budget 101' meetings with small groups of councillors to provide detailed information about the deliberations staff completed to produce a plan that fit within Council's budget directions. The purpose of these meetings would be to educate and inform Council of the process, decisions, and highlights of that year's budget. Some councillors expressed a desire for a review, ahead of the budget deliberation process which involved the entire committee, with members of ELT reviewing the respective sections of the document.

- The method for determining the 2020 budget figures can be clarified. Staff heard comments requesting the story of 'how' the City of Greater Sudbury finalized the budget document. Staff heard requests for more information about the corporation's subservices and line accounts. Some councillors expressed satisfaction with the current level of detail provided.

Proposed Change #4: Staff will examine how to rearrange current process steps so that, when there are inquiries about line item details, they can be addressed earlier in the review process and avoid distraction when the Committee is finalizing the budget.

Business Cases:

The business case section continues to evolve in order to respond to Council's information requests and its desire to make informed decisions.

What went well:

- The template continues to improve and it provides the necessary information to the Committee. It was recommended that business cases should include multiple scenarios rather than the maximum or minimum considering service levels can vary.

Areas to improve:

- The process of recommending a business case, and the overall dollar impact was a concern to a number of councillors.

Proposed Change #5: When a councillor requests a business case, there should be a resolution approved by Council or Committee to support its development. Councillors may bring forward their requests at any meeting and ask for a business case to be prepared for consideration during the budget process.

Proposed Change #6: Staff will include a recommendation in the budget direction report that any business case below \$100,000 be included in the base budget and disclosed in the budget document.

Proposed Change #7: Where staff anticipate recommending a business case for inclusion in the recommended budget, it will first be presented for information to Committee in advance of budget deliberations. The purpose of this additional process step is to clarify the rationale for the business case and proposed financing plan. Over time, the distinction between Council and staff business cases can be removed with the list business cases representing Committee approved opportunities to improve service delivery.

A unique risk with the 2021 budget development process is the effect of the corporation's ongoing response and recovery to the COVID-19 pandemic. With many committee meetings curtailed during the COVID-19 pandemic emergency, staff may need to recommend alternatives to presentation of potential business cases at Committee.

Community Engagement:

The City has utilized online services to provide a budget tool for the past three years as well as information sessions with the general public. Staff continuously look for new ways to engage the public in the budget process.

What went well:

- Councillors were content with the Community Engagement strategies. These sessions allowed staff to share information on the 2020 budget process and the issues facing the City. It also allowed for citizens to have their questions answered and ideas heard.

Areas to improve:

- Public information sessions were not well attended and required a significant amount of staff time.

Proposed Change #8: Staff will continue to be creative and develop new engagement opportunities.

- The online interactive tool received varying comments with the budget survey and ideas. Only 164 individuals completed the survey with 13 individuals providing ideas.

Proposed Change #9: Staff are currently evaluating options to better involve and educate the public on the budget through an online tool and to open it to feedback earlier in the budget process.

Question and Answer Period:

At the request of Council, staff held a budget Q&A meeting at a Finance and Administration Committee meeting.

The number of questions received during the Budget Q&A period has increased significantly, from under 10 questions for the 2019 Budget, to over 100 questions for the 2020 Budget.

What went well:

- The process was well received as it potentially reduced the number of meetings required, and staff were given the opportunity to thoroughly answer all questions.

Areas to improve:

- There was confusion on which questions to staff were to be published.

Proposed Change #10: Staff will be recommending that only questions sent to the budget email address (budget@greatersudbury.ca) are to be published. This will be included within the resolution included in the budget direction report.

Budget Deliberations:

Budget deliberation meetings allowed councillors to focus on strategic decisions relating to service level changes. Some members at Council have indicated that they would like to see more detail.

What went well:

- The deliberation meetings continue to allow Committee to focus on strategic decisions. The conversations revolve around service levels and the corresponding financing plans.

Areas to improve:

- There is a view that the Budget has evolved to a point where the level of preparation for Committee members has increased and councillors need more opportunities to clarify their understanding of it. The annual consolidated budget for the City of Greater Sudbury is now typically in the range of \$700 million. With its emphasis on explaining both service levels, performance and costs, the Budget document offers opportunities for understanding municipal operations in ways that it historically didn't provide. It provides insights into the cause-and-effect relationship between changes in either service levels or cost, making the document (and the process) complex.

Proposed Change #11: Additional meetings will be scheduled. The form of these meetings can be determined, but there are options. For example, one alternative would see members of the Executive Leadership Team reviewing sections of the document in advance of budget deliberation meetings in one on one meetings with Councilors. Or, such reviews could occur at scheduled committee meetings.

Proposed Change #12: Budget meeting start times can be changed to 2:00 pm.

- During the 2020 budget deliberations, Chair Jakubo invited a round table discussion about the budget, with all members present sharing their objectives for the process. This included comments from individual councillors about their interests as well as their expectations from the budget meetings.

Proposed Change #13: It is recommended to have this conversation at the onset of deliberations. The conversation at committee clarified a set of objectives for the process from each Committee members' perspective and greatly assisted in moving the process forward. It was an excellent conversation starter as well as an agenda like list of the types of interests Committee members wanted to be sure were discussed during deliberations.

Additional Proposed Changes

Committee members offered other comments with the intention of suggesting improvements to the budget process for 2021. The following are additional items that were raised:

- Requests for further detail were as follows:
 - Line by line detail earlier for review
 - More granular detail on a program level rather than by Division

- Presentations by each GM with more detail at the respective committee meetings (i.e. the Growth and Infrastructure detail would be presented to Operations Committee or in advance of final budget deliberations at a Finance and Administration Committee meeting).
- When projects are presented in the budget document (specifically capital), the benefit of why this is being recommended should be included. What is the ripple effect of not doing this? Why are we doing this now? Additional information should be included when presenting capital projects for Committee's consideration.
- Certain sections of the document seemed repetitive.
- Balances of reserves should be included for Council's consideration (committed, uncommitted, opening and ending balances) as funding sources or as long term financial context for decision making.
- The Long-Term Financial Plan should play a bigger part during the budget process and deliberations. It is touched on during the document, but a presentation should be included to further educate the impact of what the current year budget has and how it compares to the Long-Term Financial Plan.
- Include further analysis on the organization structure, specifically management before considering service level reductions, the City should do a scan of the current structure and provide findings to Committee. There is an interest in understanding how our management structure compares to other municipalities.
- A recommended plan of action should accompany the request of a special capital levy.

Summary and Next Steps:

Staff heard positive feedback on the budget document and overall process and the proposed changes described here further develop a process that is serving the organization well. However, continuous improvement is necessary with the size and diversification of the organization. Staff will continue to review best practices and incorporate feedback to continuously improve the budget document.

Staff are currently developing a 2021/22 forecast, which will be brought to the Committee along with a request for budget direction. Due to COVID-19, the presentation of the budget direction report will be delayed to the third quarter, instead of the normal timing during the second quarter. This year, the budget forecast and direction report will move to either the July or August committee meeting and consequently, the finalization of a 2021 budget will take place in early 2021. Given the uncertainty surrounding recovery from the COVID-19 pandemic, staff will monitor and make best recommendation on timing in the budget direction report. Although the Municipal Act does not provide an absolute deadline for a municipality's annual budget, it is imperative to finalize certain elements of the budget like water/wastewater rates and the capital budget so as to minimize losses related to billing and timing of procurements.

The direction report will highlight potential changes to the budget document and/or process based on the feedback received for committee's consideration and direction.

For Information Only

Section 391 Charges - Update of Existing Projects

Presented To: Finance and
Administration
Committee

Presented: Tuesday, Jun 02, 2020

Report Date Tuesday, Apr 21, 2020

Type: Correspondence for
Information Only

Resolution

For Information Only

Relationship to the Strategic Plan / Health Impact Assessment

This report refers to operational matters.

Report Summary

The purpose of this report is to provide the Finance and Administration Committee with an update on Section 391 charges collected up to December 31, 2019.

Financial Implications

This report has no financial implications.

Signed By

Report Prepared By

Apryl Lukezic
Co-ordinator of Budgets
Digitally Signed Apr 21, 20

Division Review

Ed Stankiewicz
Executive Director of Finance, Assets
and Fleet
Digitally Signed Apr 27, 20

Financial Implications

Apryl Lukezic
Co-ordinator of Budgets
Digitally Signed Apr 27, 20

Recommended by the Department

Kevin Fowke
General Manager of Corporate
Services
Digitally Signed Apr 27, 20

Recommended by the C.A.O.

Ed Archer
Chief Administrative Officer
Digitally Signed Apr 29, 20

Background

The purpose of this report is to provide Finance and Administration Committee with an update on Section 391 charges collected up to December 31, 2019. This report provides the total funds received and funds to be received in the future as development occurs and building permits are issued.

Summary of Capital Projects funded with Section 391 Charges

The City is authorized to charge Section 391 recovery charges in accordance with By-Law 2018-45. These charges were put in place before the City updated the Development Charges By-law, and were established to recover from the benefitting landowners the growth related capital costs paid by the City. The three projects are: South End Rock Tunnel, Watermain on Ste.Agnes/Montee Principale, and Water and Sewer capital costs on Kingsway East. These recovery charges will continue to be collected at the building permit stage, as new development occurs until total financing including interest is collected.

Below is a continuity schedule illustrating the Section 391 charges collected up to December 31, 2019, and remaining balances that will be collected when development occurs and building permits are issued.

South End Rock Tunnel:

On October 25th, 2006 City Council authorized By-Law 2006-300 and approved the collection of Section 391 Charges to recover \$4 million of growth related costs from benefitting landowners, over a 40 year period, plus interest.

Amount to be recovered from Benefitting Landowners in the South End	\$4,000,000
Add: Accumulated Interest to December 31, 2019	\$2,255,719
Less: Section 391 Charges Collected up to December 31, 2019	(\$1,212,713)
Balance to be recovered from Benefitting Landowners at the Building Permit Stage (2020 to 2046)	\$5,043,006

Council funded the \$4.0 million from the Capital Financing Reserve Fund – Wastewater, so annual contributions are contributed back to this reserve fund. During 2019, the City collected \$42,119 (\$51,005 in 2018).

January 1, 2017 to December 31, 2021 rates in accordance with By-Law 2018-45 are \$1,913 for a single residential home, \$1,148 for a multiple dwelling per unit and \$7.02 per square metre for commercial or industrial. These rates will increase every five year period to account for the time value of money and the accumulated interest. These charges are in addition to the City's Development Charges since this project was not included in the Development Charges Background Study and related by-law.

Lionel E. Lalonde Centre/St-Agnes/Montee Principale

On March 29th, 2006 City Council authorized By-Law 2006-27 and approved the collection of Section 391 Charges to recover \$105,000 of growth related watermain cost from benefitting landowners, over a 20 year period, plus interest.

Amount to be recovered from Benefitting Landowners on Ste.Agnes / Montee Principale	\$105,000
Add: Accumulated Interest to December 31, 2019	\$69,064
Less: Section 391 Charges Collected up to December 31, 2019	(\$0)
Balance to be recovered from Benefitting Landowners at the Building Permit Stage	\$174,064

Council funded the \$105,000 from the Capital Financing Reserve Fund – Water, so annual contributions are contributed back to this reserve fund.

In accordance with By-Law 2018-45 the rate is \$495 for a single residential home. This charge is in addition to the City's Development Charges since this project was not included in the Development Charges Background Study and related by-law.

Kingsway Industrial Park - Sewer and Water Enhancements:

On February 28th, 2007 City Council authorized a Section 391 recovery charge and approved by-law #2007-54F on March 7th, 2007, to recover \$3.8 million of growth related costs from benefitting landowners, over a 20 year period, plus interest.

Amount to be recovered from Benefitting Landowners on Kingsway (as of Dec 31, 2019)	\$2,266,566
Add: Accumulated Interest to December 31, 2019	\$1,272,807
Less: Section 391 Charges Collected up to December 31, 2019	(\$6,626)
Balance to be recovered from Benefitting Landowners at the Building Permit Stage (2020 to 2027)	\$3,532,746

It was estimated that \$3.8M of growth related capital costs will be incurred from 2007 to 2019 and remain in progress until completion. As of December 31, 2019, the City spent \$3,323,454 in which \$2,266,566 is to be recovered from Section 391 charges.

Council approved internal borrowing from the Capital fund, so annual contributions are contributed to reduce this debit balance. There were no Section 391 Charges collected from 2013 to 2019.

January 1, 2018 to December 31, 2022 rates in accordance with By-Law 2018-45 are \$4,687 for a single residential home, \$2,524 for a multiple dwelling per unit and \$16.49 per square metre for commercial or industrial. These rates were increased on January 1, 2018 (every five year period) to account for the time

value of money and the accumulated interest. These charges are in addition to the City's Development Charges since this project was not included in the Development Charges Background Study and related by-law.,

Conclusion

In accordance with By-law 2018-45 (2018 Water and Wastewater Rates and Charges By-Law), staff will continue to recover these costs from the benefitting landowners and keep Council apprised of annual revenues received.