



# FINANCE AND ADMINISTRATION COMMITTEE AGENDA

---

Finance and Administration Committee Meeting  
**Tuesday, May 12, 2020**  
Tom Davies Square - Committee Room C-11 or via Electronic Participation

---

**COUNCILLOR MIKE JAKUBO, CHAIR**

---

**Deb McIntosh, Vice-Chair**

## **\*CANCELLED**

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

City of Greater Sudbury Council and Committee Meetings are accessible and are broadcast publically online and on television in real time and will also be saved for public viewing on the City's website at:  
<https://agendasonline.greatersudbury.ca>.

Please be advised that if you make a presentation, speak or appear at the meeting venue during a meeting, you, your comments and/or your presentation may be recorded and broadcast.

By submitting information, including print or electronic information, for presentation to City Council or Committee you are indicating that you have obtained the consent of persons whose personal information is included in the information to be disclosed to the public.

Your information is collected for the purpose of informed decision-making and transparency of City Council decision-making under various municipal statutes and by-laws and in accordance with the *Municipal Act, 2001, Planning Act, Municipal Freedom of Information and Protection of Privacy Act* and the City of Greater Sudbury's *Procedure By-law*.

For more information regarding accessibility, recording your personal information or live-streaming, please contact Clerk's Services by calling 3-1-1 or emailing [clerks@greatersudbury.ca](mailto:clerks@greatersudbury.ca).

## **DECLARATIONS OF PECUNIARY INTEREST AND THE GENERAL NATURE THEREOF**

## **REGULAR AGENDA**

### **MANAGERS' REPORTS**

- R-1. 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.)

- R-2. Report dated May 11, 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.)

### **MEMBERS' MOTION**

### **CORRESPONDENCE FOR INFORMATION ONLY**

- I-1. Report dated May 11, 2020 from the General Manager of Corporate Services regarding Development Charges - July 2020 to June 2021. **8 - 14**  
**(FOR INFORMATION ONLY)**

(This report provides an update regarding Development Charges effective July 1, 2020 until June 30, 2021 in accordance with By-Law 2019-100.)

- I-2. Report dated May 11, 2020 from the General Manager of Corporate Services regarding 2020 Budget Process Evaluation. **15 - 22**  
**(FOR INFORMATION ONLY)**

(This report provides information regarding a summary of the evaluation of the 2020 Budget process.)

- I-3. Report dated May 11, 2020 from the General Manager of Corporate Services regarding Section 391 Charges - Update of Existing Projects. **23 - 26**  
**(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, May 12, 2020

Report Date Monday, May 11, 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 May 12, 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 Santé 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 Santé 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 May 11, 20*

##### Manager Review

Tyler Campbell  
Director of Social Services  
*Digitally Signed May 11, 20*

##### Division Review

Tyler Campbell  
Director of Social Services  
*Digitally Signed May 11, 20*

##### Financial Implications

Apryl Lukezic  
Co-ordinator of Budgets  
*Digitally Signed May 11, 20*

##### Recommended by the Department

Steve Jacques  
General Manager of Community  
Development  
*Digitally Signed May 11, 20*

##### Recommended by the C.A.O.

Ed Archer  
Chief Administrative Officer  
*Digitally Signed May 11, 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>

## For Information Only

### Development Charges - July 2020 to June 2021

Presented To: Finance and  
Administration  
Committee

Presented: Tuesday, May 12, 2020

Report Date Monday, May 11, 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 will update Development Charges (DC) effective July 1, 2020 to June 30, 2021 in accordance with By-Law 2019-100.

### Financial Implications

This report has no financial implications as rates are prepared in accordance with the existing Development Charges By-Law 2019-100.

#### Signed By

##### **Report Prepared By**

Apryl Lukezic  
Co-ordinator of Budgets  
*Digitally Signed May 11, 20*

##### **Division Review**

Ed Stankiewicz  
Executive Director of Finance, Assets  
and Fleet  
*Digitally Signed May 11, 20*

##### **Financial Implications**

Apryl Lukezic  
Co-ordinator of Budgets  
*Digitally Signed May 11, 20*

##### **Recommended by the Department**

Kevin Fowke  
General Manager of Corporate  
Services  
*Digitally Signed May 11, 20*

##### **Recommended by the C.A.O.**

Ed Archer  
Chief Administrative Officer  
*Digitally Signed May 11, 20*



The following chart reflects the current DC rates effective until June 30, 2020:

<b>Servicing</b>	<b>Single Family Dwellings (per unit)</b>	<b>Semi Detached Dwellings (per unit)</b>	<b>Multiples, Apartments and Small Residential (per unit)</b>	<b>Industrial (per sq ft)</b>	<b>Commercial / Institutional (per sq ft)</b>
All Services	\$17,721	\$14,238	\$10,227	\$2.96	\$4.45
Excluding Water	\$16,718	\$13,432	\$9,648	\$2.75	\$4.23
Excluding Wastewater	\$13,033	\$10,472	\$7,522	\$1.97	\$3.45
Excluding Water and Wastewater	\$12,030	\$9,666	\$6,943	\$1.75	\$3.24

Development Charges are to be indexed per the Statistics Canada Quarterly Construction Price Statistics (Non-Residential Building Construction Index) in accordance with the Development Charges Act and By-Law 2019-100.

Since no statistics are released for Sudbury, the inflationary change for Ottawa is used and in accordance with By-Law 2019-100. The increase for the period of December 2018 to December 2019 which was released in February 2020 is 2.9%.

The chart below reflects the rates in effect starting July 1, 2020 until June 30, 2021. Please refer to Appendix A for the detailed development charge rate schedules.

<b>Servicing</b>	<b>Single Family Dwellings (per unit)</b>	<b>Semi Detached Dwellings (per unit)</b>	<b>Multiples and Apartments (per unit)</b>	<b>Industrial (per sq ft)</b>	<b>Commercial / Institutional (per sq ft)</b>
All Services	\$18,235	\$14,651	\$10,524	\$3.05	\$4.57
Excluding Water	\$17,203	\$13,822	\$9,928	\$2.82	\$4.35
Excluding Wastewater	\$13,411	\$10,776	\$7,740	\$2.02	\$3.55
Excluding Water and Wastewater	\$12,379	\$9,946	\$7,144	\$1.80	\$3.33

## Schedule A-1

### To By-law 2019-100

<b>Residential - Single Family Dwelling</b>	
	<b>2020</b>
	<i>as of July 1</i>
<i>Charge per unit</i>	<b>\$ 18,235</b>
General Government	213
Library Services	471
Fire Services	47
Police Services	332
Public Safety	110
Parks and Recreation	1,713
Ambulance Services	110
Emergency Preparedness	364
Transit Services	562
<b>Total General Services</b>	<b>\$ 3,924</b>
Roads and Related	7,586
Water Services	1,032
Wastewater Services	4,824
Drains and Stormwater	870
<b>Total Engineered Services</b>	<b>\$ 14,311</b>
<b>Total Development Charge all services</b>	<b>\$ 18,235</b>
<i>Excluding Water Service</i>	\$ 17,203
<i>Excluding Waste Water Service</i>	\$ 13,411
<i>Excluding Water and Waste Water Services</i>	\$ 12,379

## Schedule A-2

### To By-law 2019-100

<b>Residential - Semi Detached Dwelling</b>	
	<b>2020</b>
	<i>as of July 1</i>
<i>Charge per unit</i>	<b>\$ 14,651</b>
General Government	172
Library Services	379
Fire Services	38
Police Services	268
Public Safety	88
Parks and Recreation	1,377
Ambulance Services	88
Emergency Preparedness	292
Transit Services	452
<b>Total General Services</b>	<b>\$ 3,154</b>
Roads and Related	6,094
Water Services	829
Wastewater Services	3,875
Drains and Stormwater	699
<b>Total Engineered Services</b>	<b>\$ 11,497</b>
<b>Total Development Charge all services</b>	<b>\$ 14,651</b>
<i>Excluding Water Service</i>	\$ 13,822
<i>Excluding Waste Water Service</i>	\$ 10,776
<i>Excluding Water and Waste Water Services</i>	\$ 9,946

## Schedule A-3

### To By-law 2019-100

<b>Residential - Multiples, Apartments and Small Residential</b>	
	2020 <i>as of July 1</i>
<i>Charge per unit</i>	\$ <b>10,524</b>
General Government	123
Library Services	272
Fire Services	27
Police Services	192
Public Safety	64
Parks and Recreation	989
Ambulance Services	64
Emergency Preparedness	210
Transit Services	324
<b>Total General Services</b>	<b>\$ 2,265</b>
Roads and Related	4,377
Water Services	596
Wastewater Services	2,783
Drains and Stormwater	502
<b>Total Engineered Services</b>	<b>\$ 8,259</b>
<b>Total Development Charge all services</b>	<b>\$ 10,524</b>
<i>Excluding Water Service</i>	\$ 9,928
<i>Excluding Waste Water Service</i>	\$ 7,740
<i>Excluding Water and Waste Water Services</i>	\$ 7,144

## Schedule A-4

### To By-law 2019-100

<b>Industrial</b>	
	<b>2020</b>
	<i>as of July 1</i>
<i>Charge per square foot</i>	<b>\$ 3.05</b>
General Government	0.046
Library Services	-
Fire Services	0.010
Police Services	0.072
Public Safety	0.026
Parks and Recreation	-
Ambulance Services	0.026
Emergency Preparedness	0.077
Transit Services	0.123
<b>Total General Services</b>	<b>0.38</b>
Roads and Related	1.235
Water Services	0.221
Wastewater Services	1.024
Drains and Stormwater	0.185
<b>Total Engineered Services</b>	<b>2.67</b>
<b>Total Development Charge</b>	<b>3.05</b>
<i>Excluding Water Service</i>	\$ 2.82
<i>Excluding Waste Water Service</i>	\$ 2.02
<i>Excluding Water and Waste Water Services</i>	\$ 1.80

## Schedule A-5

### To By-law 2019-100

<b>Non-Residential Non-Industrial</b>		
	<b>2020</b>	
	<i>as of July 1</i>	
<i>Charge per square foot</i>	<b>\$</b>	<b>4.57</b>
General Government		0.046
Library Services		-
Fire Services		0.010
Police Services		0.072
Public Safety		0.026
Parks and Recreation		-
Ambulance Services		0.026
Emergency Preparedness		0.077
Transit Services		0.123
<b>Total General Services</b>		<b>0.38</b>
Roads and Related		2.763
Water Services		0.221
Wastewater Services		1.024
Drains and Stormwater		0.185
<b>Total Engineered Services</b>		<b>4.19</b>
<b>Total Development Charge</b>		<b>4.57</b>
<i>Excluding Water Service</i>	\$	4.35
<i>Excluding Waste Water Service</i>	\$	3.55
<i>Excluding Water and Waste Water Services</i>	\$	3.33

## For Information Only

### 2020 Budget Process Evaluation

Presented To: Finance and  
Administration  
Committee

Presented: Tuesday, May 12, 2020

Report Date Monday, May 11, 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**

Steve Facey  
Coordinator of Budgets  
*Digitally Signed May 11, 20*

**Division Review**

Ed Stankiewicz  
Executive Director of Finance, Assets  
and Fleet  
*Digitally Signed May 11, 20*

**Financial Implications**

Apryl Lukezic  
Co-ordinator of Budgets  
*Digitally Signed May 11, 20*

**Recommended by the Department**

Kevin Fowke  
General Manager of Corporate  
Services  
*Digitally Signed May 11, 20*

**Recommended by the C.A.O.**

Ed Archer  
Chief Administrative Officer  
*Digitally Signed May 11, 20*

**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](mailto: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, May 12, 2020

Report Date Monday, May 11, 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 May 11, 20*

**Division Review**

Ed Stankiewicz  
Executive Director of Finance, Assets  
and Fleet  
*Digitally Signed May 11, 20*

**Financial Implications**

Apryl Lukezic  
Co-ordinator of Budgets  
*Digitally Signed May 11, 20*

**Recommended by the Department**

Kevin Fowke  
General Manager of Corporate  
Services  
*Digitally Signed May 11, 20*

**Recommended by the C.A.O.**

Ed Archer  
Chief Administrative Officer  
*Digitally Signed May 11, 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 25<sup>th</sup>, 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 28<sup>th</sup>, 2007 City Council authorized a Section 391 recovery charge and approved by-law #2007-54F on March 7<sup>th</sup>, 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.