



FINANCE AND ADMINISTRATION COMMITTEE AGENDA

Finance and Administration Committee Meeting
Tuesday, February 11, 2020
Tom Davies Square - Council Chamber

COUNCILLOR MIKE JAKUBO, CHAIR

Deb McIntosh, Vice-Chair

4:00 p.m. FINANCE AND ADMINISTRATION COMMITTEE MEETING
COUNCIL CHAMBER

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DECLARATIONS OF PECUNIARY INTEREST AND THE GENERAL NATURE THEREOF

COMMUNITY DELEGATIONS

World Trade Centre Group

(ELECTRONIC PRESENTATION) (FOR INFORMATION ONLY)

- Cody Cacciotti, Director, World Trade Center Greater Sudbury
- Marianne Matichuk, Director, World Trade Center Greater Sudbury
- Martin Salloum, Regional Director, North America, World Trade Centers Association

(The World Trade Centre Group was invited by Chair, Jakubo. The presentation presents council with the opportunity to establish a World Trade Center location in Greater Sudbury. This unique proposal provides an incredible new opportunity to connect Greater Sudbury with the world, and the world to Greater Sudbury.)

CONSENT AGENDA

(For the purpose of convenience and for expediting meetings, matters of business of repetitive or routine nature are included in the Consent Agenda, and all such matters of business contained in the Consent Agenda are voted on collectively.

A particular matter of business may be singled out from the Consent Agenda for debate or for a separate vote upon the request of any Councillor. In the case of a separate vote, the excluded matter of business is severed from the Consent Agenda, and only the remaining matters of business contained in the Consent Agenda are voted on collectively.

Each and every matter of business contained in the Consent Agenda is recorded separately in the minutes of the meeting.)

ADOPTING, APPROVING OR RECEIVING ITEMS IN THE CONSENT AGENDA

(RESOLUTION PREPARED FOR ITEM C-1)

ROUTINE MANAGEMENT REPORTS

- C-1. Report dated January 20, 2020 from the General Manager of Community Development regarding Healthy Community Initiative Fund Applications.

5 - 10

(RESOLUTION PREPARED)

(This report provides a recommendation regarding approval(s) of eligible Healthy Community Initiative Fund application(s) in accordance with By-law 2018-129.)

REGULAR AGENDA

PRESENTATIONS

1. CAO and Corporate Services 2020 Outlook Presentation
(ELECTRONIC PRESENTATION) (FOR INFORMATION ONLY)

- Ed Archer, Chief Administrative Officer
- Kevin Fowke, General Manager of Corporate Services

(This presentation provides information on the 2020 outlook for the Finance and Administration Committee.)

MANAGERS' REPORTS

- | | |
|---|-------------------------|
| <p>R-1. Report dated January 28, 2020 from the Chief Administrative Officer regarding World Trade Center Proposal.
 (FOR INFORMATION ONLY)
 (This report provides information regarding the World Trade Center Greater Sudbury, which has been received as an unsolicited business proposal seeking support and possible partnership with the municipality.)</p> | <p>11 - 55</p> |
| <p>R-2. Report dated January 29, 2020 from the General Manager of Corporate Services regarding Reserves, Reserve Funds and Trust Funds By-Law Update.
 (RESOLUTION PREPARED)
 (This report provides a recommendation regarding the summary of changes to the Reserves, Reserve Funds and Trust Funds By-law.)</p> | <p>56 - 96</p> |
| <p>R-3. Report dated January 28, 2020 from the General Manager of Growth and Infrastructure regarding Snow Plowing for Winter Controls - Term of Contract.
 (RESOLUTION PREPARED)
 (This report provides a recommendation to award ISD19-70 for Winter Operations Snow Plowing Services.)</p> | <p>97 - 104</p> |
| <p>R-4. Report dated January 15, 2020 from the General Manager of Corporate Services regarding Request for Decision to Delegate Tax Appeals Under Section 357(1)(d.1) to the Assessment Review Board.
 (RESOLUTION PREPARED)
 (This report provides a recommendation regarding Delegating Tax Appeals Under Section 357(1)(d.1) to the Assessment Review Board.)</p> | <p>105 - 122</p> |
| <p>R-5. Report dated January 23, 2020 from the General Manager of Corporate Services regarding Municipal Accommodation Tax Update.
 (RESOLUTION PREPARED)
 (This report provides a recommendation regarding the first year of the Municipal Accommodation Tax.)</p> | <p>123 - 130</p> |

MEMBERS' MOTION

CORRESPONDENCE FOR INFORMATION ONLY

- I-1. Report dated January 28, 2020 from the General Manager of Corporate Services regarding Public Sale for Tax Arrears Under the Municipal Act - April 30, 2020.
(FOR INFORMATION ONLY)

131 - 150

(This report provides information regarding the public sale for tax arrears under the Municipal Act.)

ADDENDUM

CIVIC PETITIONS

QUESTION PERIOD

ADJOURNMENT

Request for Decision

Healthy Community Initiative Fund Applications

Presented To: Finance and
Administration
Committee

Presented: Tuesday, Feb 11, 2020

Report Date Monday, Jan 20, 2020

Type: Routine Management
Reports

Resolution

THAT the City of Greater Sudbury approves the Healthy Community Initiative Fund requests, as outlined in the report entitled "Healthy Community Initiative Fund Applications", from the General Manager of Community Development, presented at the Finance and Administration Committee meeting on February 11, 2020;

AND THAT the City of Greater Sudbury directs staff to prepare a by-law to implement the recommended changes.

Relationship to the Strategic Plan / Health Impact Assessment

This report supports Council's Strategic Plan with respect to the goal: Create a Healthier Community, as it aligns with the Population Health Priorities of Building Resiliency, Investing in Families, Creating Play Opportunities, Promoting Mental Health Awareness, Achieving Compassionate City Designation and Implementing an Age-Friendly Strategy. The Healthy Community Initiative funds support community-based projects and initiatives that are affordable and promote inclusiveness for the benefit of citizens.

Signed By

Report Prepared By

Lyne Côté Veilleux
Co-ordinator of Community Initiatives &
Quality Assurance
Digitally Signed Jan 20, 20

Division Review

Jeff Pafford
Director of Leisure Services
Digitally Signed Jan 20, 20

Financial Implications

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

Recommended by the Department

Steve Jacques
General Manager of Community
Development
Digitally Signed Jan 24, 20

Recommended by the C.A.O.

Ed Archer
Chief Administrative Officer
Digitally Signed Jan 28, 20

Report Summary

By-law 2018-129 requires Council's approval for all eligible Healthy Community Initiative Capital fund requests exceeding \$10,000, and Grant requests exceeding \$1,000. The General Manager of Community Development is recommending that funding requests identified in the report be approved as proposed.

Financial Implications

The Healthy Community Initiative (HCI) Fund is allocated within prescribed budgets. Approval of an HCI capital project includes approval of operating costs to be provided in the base budget in subsequent budget years for the operating department.

Background

By-law 2018-129, requires Council's approval for all Grant requests which meet Healthy Community Initiative (HCI) funding criteria and exceed \$1,000 and all Capital requests which meet HCI funding criteria and exceed \$10,000. Eligible applications for Grant requests of \$1,000 or less, and eligible Capital requests of \$10,000 or less may be approved by the General Manager (GM) of Community Development.

HCI Fund Applications and Financial Summary

Appendix A - Healthy Community Initiative Fund - Applications, lists HCI Fund requests by Ward as recommended by the GM of Community Development for approval by Council. All projects listed in Appendix A have been evaluated against By-law 2018-129 and its related criteria and have been verified to ensure sufficient funds are available within each Ward's funding allocation.

Appendix B – Healthy Community Initiative Fund – Application Outcomes, provides a list of HCI Fund applications that were approved or denied by the GM of Community Development since the last report presented at the Finance and Administration Committee meeting on January 14, 2020.

Appendix C – Healthy Community Initiative Fund Financials, includes the recommended approvals contained in this report as well as a summary of HCI Fund allocation balances up to February 11, 2020. The amounts may increase due to reimbursement of under-spent funds from completed and reconciled projects/initiatives.

Next Steps

Upon Council approval, applicants will receive written notification confirming their approved funding and the intended use of funds and grant recipients will also receive a Final Report form. The Final Report form is to be completed by the applicant and returned post-event/project completion for reconciliation by Financial Services. Grant recipients will receive funding via electronic fund transfer or by cheque (where applicable) for the approved amount, whereas a capital funded project will be managed by the City of Greater Sudbury, working closely with the applicant.

Should an HCI fund request not be approved, the applicant will be notified of same.

Resources Cited

Healthy Community Initiative Fund, By-law 2018-129
<http://agendasonline.greatersudbury.ca/index.cfm?pg=feed&action=file&attachment=24310.pdf>

Healthy Community Initiative (HCI) Fund**Applications for Council Approval – February 11, 2020****CAPITAL FUNDS**

Ward	Recipient/ Project/ Location	Purpose for Funds	Estimated Operating Costs/Yr	Amount Requested	Amount Recommended for Approval by the GM
No items to report					

GRANTS

Ward	Recipient/Initiative	Purpose for Funds	Amount Requested	Amount Recommended for Approval by the GM
3	Onaping Falls Recreation Committee / 2020 Onaping Falls Youth Choir	To support costs for choir supplies, equipment and local concert travel.	\$1,500	\$1,500
5	Valleyview Community Church / Reel Life Summer Drive-in Community Movie Theatre / summer 2020	To support the costs of movie licensing fees.	\$2,500	\$2,500

Healthy Community Initiative Fund**Applications: Approved/Denied by the General Manager, Community Development**

For the period of December 24, 2019 to January 20, 2020

Successful Applications

Capital Funds				
Ward	Group / Project	Estimated Operating Costs/Yr	Amount Requested	Amount Approved
7	Capreol 100 Committee (Northern Ontario Railroad Museum & Heritage Centre) / Capreol community welcome sign enhancements	\$0	\$ 4,900	\$ 4,900
8	Rainbow Routes Association / Trail development (Lansing Ave to Junction Creek Waterway Park)	\$2,500	\$ 10,000	\$ 10,000
12	Ukrainian Seniors' Centre / Landscape architect design for Hantyshyn Park enhancements	\$0	\$ 5,000	\$ 5,000

Grants			
Ward	Group / Project	Amount Requested	Amount Approved
2	Beaver Lake Sports & Cultural Club Inc. / 2020 Winter Carnival (Feb. 14-16)	\$ 1,000	\$ 1,000

Unsuccessful Applications

Ward	Group / Project	Amount Requested	Reason(s) for Denial
No items to report			

Healthy Community Initiative (HCI) Fund Financials for the Period Ending February 11, 2020

Schedule 1.1 – Capital

Capital	2020 Allocation	Uncommitted Funds from 2019 (carry forward)*	Approved by Community Development GM 2020	Approved by Council 2020	Proposed for Approval by Council	End Balance of Uncommitted Funds After Resolution*	Pending HCI Funding Requests (to Jan. 20/20)
Ward 1	\$ 24,500	\$ TBD	\$ -	\$ -	\$ -	\$ 24,500	\$ 46,700
Ward 2	\$ 24,500	\$ TBD	\$ 8,500	\$ -	\$ -	\$ 16,000	\$ -
Ward 3	\$ 24,500	\$ TBD	\$ -	\$ -	\$ -	\$ 24,500	\$ 29,500
Ward 4	\$ 24,500	\$ TBD	\$ -	\$ -	\$ -	\$ 24,500	\$ -
Ward 5	\$ 24,500	\$ TBD	\$ -	\$ -	\$ -	\$ 24,500	\$ -
Ward 6	\$ 24,500	\$ TBD	\$ -	\$ -	\$ -	\$ 24,500	\$ -
Ward 7	\$ 24,500	\$ TBD	\$ 4,900	\$ -	\$ -	\$ 19,600	\$ -
Ward 8	\$ 24,500	\$ TBD	\$ 10,000	\$ -	\$ -	\$ 14,500	\$ -
Ward 9	\$ 24,500	\$ TBD	\$ -	\$ -	\$ -	\$ 24,500	\$ -
Ward 10	\$ 24,500	\$ TBD	\$ -	\$ -	\$ -	\$ 24,500	\$ -
Ward 11	\$ 24,500	\$ TBD	\$ -	\$ -	\$ -	\$ 24,500	\$ 43,500
Ward 12	\$ 24,500	\$ TBD	\$ 5,000	\$ -	\$ -	\$ 19,500	\$ -

Schedule 1.2 – Grants

Grant	2020 Allocation	Uncommitted Funds from 2019 (carry forward)	Approved by Community Development GM 2020	Approved by Council 2020	Proposed for Approval by Council	End Balance of Uncommitted Funds After Resolution*	Pending HCI Funding Requests (to Jan. 20/20)
Ward 1	\$ 12,250	N/A	\$ 500	\$ -	\$ -	\$ 11,750	\$ 500
Ward 2	\$ 12,250	N/A	\$ 1,000	\$ -	\$ -	\$ 11,250	\$ 500
Ward 3	\$ 12,250	N/A	\$ -	\$ 2,000	\$ 1,500	\$ 8,750	\$ 2,500
Ward 4	\$ 12,250	N/A	\$ -	\$ -	\$ -	\$ 12,250	\$ -
Ward 5	\$ 12,250	N/A	\$ -	\$ -	\$ 2,500	\$ 9,750	\$ 1,500
Ward 6	\$ 12,250	N/A	\$ -	\$ -	\$ -	\$ 12,250	\$ 1,000
Ward 7	\$ 12,250	N/A	\$ 700	\$ -	\$ -	\$ 11,550	\$ -
Ward 8	\$ 12,250	N/A	\$ -	\$ -	\$ -	\$ 12,250	\$ 500
Ward 9	\$ 12,250	N/A	\$ -	\$ -	\$ -	\$ 12,250	\$ -
Ward 10	\$ 12,250	N/A	\$ -	\$ -	\$ -	\$ 12,250	\$ -
Ward 11	\$ 12,250	N/A	\$ -	\$ -	\$ -	\$ 12,250	\$ 500
Ward 12	\$ 12,250	N/A	\$ -	\$ -	\$ -	\$ 12,250	\$ -

* The amounts may increase due to reimbursement of under-spent funds from completed and reconciled projects/initiatives.

For Information Only

World Trade Center Proposal

Presented To: Finance and
Administration
Committee

Presented: Tuesday, Feb 11, 2020

Report Date Tuesday, Jan 28, 2020

Type: Managers' Reports

Resolution

For Information Only

Relationship to the Strategic Plan / Health Impact Assessment

This report includes information on how this project may align with Council's strategic priorities related to economic and business development.

Report Summary

This will provide an overview on the World Trade Center Greater Sudbury (WTCGS) proposal. It also includes an Executive Summary provided by the WTCGS organization.

The proponents will attend the February 11, 2020 Finance & Administration Committee to deliver a presentation about their proposal.

Financial Implications

There are no financial implications to this report at this time.

Signed By

Report Prepared By

Meredith Armstrong
Acting Director of Economic
Development
Digitally Signed Jan 28, 20

Financial Implications

Apryl Lukezic
Co-ordinator of Budgets
Digitally Signed Jan 28, 20

Recommended by the C.A.O.

Ed Archer
Chief Administrative Officer
Digitally Signed Jan 28, 20

World Trade Center Greater Sudbury

For Information Only

Staff Report – January 25, 2020

The purpose of this report is to provide information about an unsolicited development proposal presented to the corporation that seeks municipal financial support. The proponents will attend the February 11, 2020 Finance & Administration Committee to deliver a presentation about their proposal.

BACKGROUND

At their regular meeting of January 15, 2019 Council approved Resolution CC2019-04, directing staff “to explore the potential to attract private sector participation into the Junction projects” including “residential, hotel and commercial development that complements and supports” the functional programming and mandate of the Junction projects.

Economic Development staff were first invited to a meeting with the WTCGS proponents in early August 2019 for a confidential presentation on the initial concept. This presentation was distinct from any ongoing staff efforts related to the Council direction to seek private developments for the Junction projects.

Following this initial presentation, staff met with the WTCGS to discuss potential collaboration with the Junction West project, comprised of the Convention & Performance Centre. World Trade Centers are often co-located with convention facilities in other communities to leverage the amenities and services provided by these types of spaces.

In December 2019 in discussion with staff, the WTCGS representatives confirmed their interest in bringing information forward publicly to Council as part of an unsolicited business proposal. Staff prepared this report to facilitate the Finance and Administration Committee’s review.

The *World Trade Center Greater Sudbury Executive Summary* has been prepared by the local organization for Council’s information and is attached to this report.

PROJECT SUMMARY

The proposal anticipates the development of a purpose-built facility called “World Trade Center Greater Sudbury”. It would be located in downtown Sudbury. As described in the proposal, the facility is envisioned as “the premier location to connect Greater Sudbury to the world” which “will foster a vibrant community of like-minded companies, entrepreneurs, support services, government and non-governmental agencies” in a building with distinctive architectural design and compelling street presence, immediately recognizable as a landmark. The facility tenants and partner agencies and organizations share a common purpose: “to build prosperity through international commerce”.

Proposed as an iconic building for the downtown core, the facility would not encompass a convention centre but envisions collaboration with the Junction West project of the City, potentially incorporating a hotel and a parking structure, with the goal of maximizing conference facilities within the community. As noted in the proposal, “in order to diversify its revenue streams, the World Trade Center Greater Sudbury will offer a number of strategic services common to World Trade Center locations” such as:

- Trade Missions – Inbound & Outbound
- Trade Services
- World Showcase Product Launch Area
- Retail Space

- Office Space – Anchor tenants, hotel offices
- Consul Corps office
- Meeting rooms
- Sky Bar Atrium – World Trade Centre Club
- Corporate Apartments
- Seminars & Educational Sessions
- Sponsorship & Memberships
- Advertising Opportunities

The World Trade Centre Greater Sudbury would be structured as a not-for-profit organization managed by a Board of Directors. Support would also be provided by formalized Advisory Committees to ensure timely access to industry and business intelligence. The WTCGS also intends to reinvest any profits generated by the facility into the sectors it supports in the form of funding to help with business expansion and job creation.

The services would be offered through paid membership granting access to services such as trade missions, outbound selling missions, business center services and access to “the World Trade Center Club”, described as “a comfortable meeting place for business people” for facility tenants or external companies who pay for access.

The initial WTCGS concept includes a request to the City for capital funding of \$10 million requested in annual installments of \$1 million over 10 years.

THE WORLD TRADE CENTERS ASSOCIATION ORGANIZATION

The World Trade Centers Association (WTCA) works to connect World Trade Center organizations and their members globally to support opportunities for international trade and investment. Each member Center is considered an independent organization that works to foster economic growth at the local level and in collaboration with other WTCA members world-wide with a “globally integrated network” representing approximately 750,000 businesses and individuals.

According to the WTCA Membership Overview, “its mission is to support the establishment and successful operation of individual World Trade Centers as part of a worldwide alliance which enhances world trade and development, leading to economic growth and stability”. Benefits of membership in the WTCA described in the Overview include training, consultation, networking, reciprocal and in-kind services, policy discussion and engagement and participation in global programs. The World Trade Center Greater Sudbury also notes the following statistics (also included in the Executive Summary, attached):

...cities with integrated World Trade Center networks draw Foreign Direct Investment per capita at twice the rate of their countries and export goods at 1.55 times the rate of their national average. Communities with an established World Trade Center location also boast a higher workforce participation level of 1.5 percent the national level.

Use of the World Trade Center designation and branding is emphasized in the WTCA membership package as a competitive advantage: “Through a rigorous application and approval process, regular Members obtain the right to use the marks to brand a facility in their respective geographic area. Use of the service marks is a valuable marketing advantage and links a Member with the worldwide network of WTCs.” (*Welcome to the WTCA Membership Overview*, included in Appendices.)

Access to WTCA branding and resources is granted through a license agreement and fee structure, which is subject to annual accreditation. There are 327 licensees in 89 countries across the globe; in Canada, these include Edmonton, Halifax, Montreal, Saskatoon, Toronto, Vancouver and Winnipeg.

THE WORLD TRADE CENTER GREATER SUDBURY PROPOSAL

As described in the business plan presented by the proponents, Greater Sudbury's WTC anticipates the creation of 20 full-time equivalent jobs, plus temporary employment related to the building's construction phase of 160 jobs. Initial projections put construction costs at between \$55 million and \$65 million.

However, in subsequent discussions with City staff, the WTCGS has expressed its interest in a collaborative approach, which is further noted in the attached proposal:

Through preliminary discussions with the City of Greater Sudbury, there is a mutual benefit to exploring a joint build where the World Trade Center Greater Sudbury could be co-located with the City of Greater Sudbury's proposed conference center as part of the Junction West. A collaborative build could result in a substantial reduction in the cost of the WTCGS through the design of shared space and site amenities.

The WTCGS proposal notes a potential revenue source for the municipality in the form of property taxes as a way to recover the cost of the capital contribution to the project, along with benefits from collaboration with the Junction West conference facilities:

The City's contribution could be recouped [through the collection of property taxes] as early as seven years following the opening of the site depending on the overall footprint of the structure. Those revenues could be utilized to sustain The Junction complex, reducing the burden on the average tax payer. The establishment of the WTCGS will also result in an increase in conference center booking as well as the ability to host exclusive events in the community.

As indicated on page 12 of the attached Executive Summary provided by the proponents, the project includes a request for a \$10 million contribution from the municipality. The World Trade Center Greater Sudbury proposal also confirms the organization's intention to pay property taxes, and has included this cost in its initial financial plans as estimated at between \$750,000 and \$1.5 million. The proposal notes that by projecting an annual property tax payment of one million dollars, the City could recover its initial contribution by 2033".

The timing and form of municipal support could take a variety of forms. For example, while it could be a direct financial contribution payable over several periods, it could also include a property donation or allowances that offset the project's direct costs. If Council wanted to pursue this proposal, staff anticipate any municipal contribution would be subject to confirmation that the project's remaining financing needs are secured.

The contribution of the City is also cited as an important indication of support required to secure funding from senior levels of government. Funding requests include \$10 million in provincial support

and \$20 million from the federal government, with \$15 million indicated as “generated revenue” (page 12, Executive Summary, attached).

PROPOSED BUSINESS MODEL

The World Trade Center Greater Sudbury proposes to serve local entrepreneurs and connect them with international businesses seeking trade, education and expertise in mining, technology and health sciences. These services would be provided on a fee-for-service basis to its members.

The proposal’s revenue projections include attracting major corporate sponsors and partners that have a national presence and are members in other Canadian World Trade Center locations. The project does not contemplate the direct construction and operation of a hotel; rather, the proponent proposes approaching hotels for investment. Close proximity to hotel facilities is an important component required for the success of the World Trade Center business model in most, if not all, locations.

The WTCGS anticipates offering a variety of trade services to members such as access to trade information, trade education, trade missions (inbound and outbound), market research, translation, networking events, marketing opportunities, paid advertising, tours/transportation, real estate services and co-working spaces.

A number of existing agencies and organizations, including the City of Greater Sudbury itself, offer related services to businesses. For instance, the City’s Economic Development division hosts a number of international delegations of businesses and government partners from around the world, partnering with local companies as well as provincial and federal agency partners and the Sudbury & Area Mining Supply & Services Association (SAMSSA) to host and connect these potential investors with Sudbury-area businesses and help them to access considerable expertise in the mining innovation sectors. There is no cost to the participating businesses, although these partners will occasionally make in-kind contributions to the familiarization tour as delegates are welcomed.

The Regional Business Centre, housed within Economic Development, provides access to market research and business training to local entrepreneurs at no cost. NORCAT and other organizations also offers a range of business services and training resources to entrepreneurs, often at low or no cost.

In the attached proposal, the WTCGS has noted these entities and confirms its intention to work cooperatively with them:

There is no need to duplicate the incubation, innovation and start up hubs already in existence through organizations such as NORCAT, the Regional Business Centre, Cambrian Innovates or the Forge at Laurentian University. The WTCGS’s mandate is to work with the aforementioned entities to help market, promote and raise awareness of products, processes and innovations developed locally to new clients located all across the world.

The concept is that the World Trade Center Greater Sudbury, like other World Trade Centers, will concentrate the city’s international business expertise and resources to create a “critical mass” required to attract global companies and fuel economic growth in the community, noting a much higher potential to attract international trade missions through the World Trade Center network.

In line with this concept, the WTCGS also emphasizes that the World Trade Center model has been successful in a number of other cities in Canada and abroad, and the growth of this network of Centers indicates the potential for success in Greater Sudbury, also providing a strong resource for learning and best practices that have worked elsewhere.

Further primary research would be required to establish the local market size and viability of a business plan that depends on paid membership and fee-for-service in order to reduce the risk associated with this type of business model for Greater Sudbury.

The WTCGS concept includes a number of members-only amenities and commercial components in a project that would rely on a number of public funders. While public funds have been used in similar ways in other projects – one example is Place des Arts, a publicly funded project which also includes retail and dining components – there may remain some concern regarding the use of public funds for private sector or exclusive-access entities that may compete with nearby private sector businesses. The differentiation between the role of public funds and private funds in the project needs further explanation.

The WTCGS would seek to place its clients in downtown Sudbury, close to important business amenities including municipal services, provincial and federal ministries, financial institutions, educational facilities including the Laurentian School of Architecture, cultural attractions, transportation options and one of the city's main commercial districts.

The WTCA Membership Overview states that a World Trade Center must be an "iconic" building in a central location with specific amenities, which may rule out adaptive reuse or renovation of older buildings. This may be worth exploring further depending on opportunity to collaborate and/or co-locate with the Junction project.

The World Trade Center branding and related resources could be of benefit to a Junction West conference facility by aligning it with a globally recognized brand and access to a worldwide network of businesses and government partners.

Nevertheless, it must be noted that a request for financial support presents significant challenges for Council given the number of projects already underway across the community as well as the general lack of financial resources available to the City.

CURRENT STATUS AND READINESS

To date, the World Trade Center Greater Sudbury organization has received 40 letters of support from a mix of private business and non-profit organizations.

The WTCGS group has also held several meetings with FedNor to discuss possible funding applications for federal contributions, and has shared details on the business proposal and related financial information.

The WTCGS submitted their original application to the World Trade Center Association on February 28, 2019 and received approval on April 1, 2019. This means that the WTCA has already approved Greater Sudbury as a viable site for its own World Trade Center.

The World Trade Center Greater Sudbury group first approached the City in August 2019 on a confidential basis. In discussions with City staff, the WTCGS has noted that as part of the licensing agreement with the World Trade Center Association (WTCA), there is an expectation with the WTCA for a timeline of 36 months between the initial plan for the project and the construction and opening of the facility itself.

The plan of the WTCGS is to start to build the capacity of the local organization during 2020, for instance with the rental of a storefront space downtown; the local proponent is able to access the benefits of the WTC network and resources before the building is completed.

FIT WITH PLANS

Relevance and relationship to Council's 2019-2027 City of Greater Sudbury Strategic Plan

Strategic Goal #2: Business Attraction, Development and Retention; Strategic Goal #4: Economic Capacity and Investment Readiness

- The WTCGS has potential to align with the stated goals of supporting business growth, attracting new investment and leveraging public sector assets and intergovernmental partnerships to generate new activity; it also helps to “build on opportunities resulting from our clustered network of health and education institutions”.

Relevance and relationship to Downtown Master Plan

- The preferred location for the WTCGS facility is in downtown Sudbury, assisting with revitalization of the downtown core and leveraging the amenities of the area, including accommodation, shopping, dining, entertainment and business opportunities.

CONCLUSION

This unsolicited proposal has features that align with Council's strategic goals. Staff have not undertaken any primary research or due diligence to assess the business plan included in the proposal. It reflects features that could complement Council's plan for a conference centre.



World Trade Center Greater Sudbury Executive Summary

The World Trade Centers Association: An Overview

The World Trade Centers Association (WTCA) stimulates trade and investment opportunities for commercial property developers, economic development agencies, and international businesses looking to connect globally and prosper locally.

The WTCA serves as an 'international ecosystem' of global connections, iconic properties, and integrated trade services under the umbrella of a prestigious global brand.

The World Trade Center brand was born in 1939 during the World's Fair in Queens, NY when the fairgrounds were given the name "World Trade Center." In 1959, David Rockefeller envisioned a permanent site in New York that could be established as the meeting place for international business. By 1961, plans to build the iconic twin towers in New York were underway and the site would officially open in 1973.

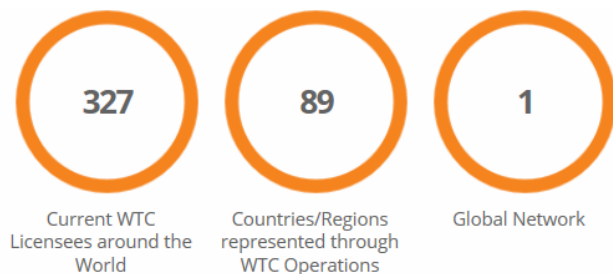
In 1969, the World Trade Centers Association was established and incorporated as a non-profit organization dedicated to promoting international trade and investment. Within a year, the organization was comprised of fifteen members and new sites were established across the globe.



As stated in its Constitution and Bylaws, the specific purposes of the WTCA are:

1. To encourage the expansion of world trade and investment
2. To promote international business relationships and understanding
3. To foster the increased participation in world trade by businesses in emerging markets
4. To create and encourage mutual assistance and cooperation among members
5. To promote and further the "World Trade Center" concept worldwide

CONNECT GLOBALLY, PROSPER LOCALLY
Access the power of the World Trade Centers Association to unleash your global potential.



Currently, there are 327 World Trade Centers located throughout eighty-nine countries all connected through one globally integrated network representing roughly **750,000** businesses and individuals. The establishment of a World Trade Center in Greater Sudbury would make it the eighth WTCA organization in Canada joining the likes of Edmonton, Halifax, Montreal, Saskatoon, Toronto, Vancouver and Winnipeg.

According to the World Trade Centers Association, cities with integrated World Trade Center networks draw **Foreign Direct Investment per capita at twice the rate of their countries and export goods at 1.55 times the rate of their national average**. Communities with an established World Trade Center location also boast a **higher workforce participation level of 1.5 percent the national level**.

Benefits of the World Trade Centers Association



PRESTIGIOUS BRAND

- + Become the access point for global trade and investment opportunities both inbound and outbound
- + Achieve better competitive positioning for your city by leveraging the WTC brand to demonstrate your role in the international arena
- + Attract foreign direct investment to your community through increased global recognition as a 'destination for international business and investment'
- + Create, retain and expand jobs, and develop the local tax base by raising the international profile of your city



GLOBAL NETWORK

- + Leverage global government and business connections that help foster investment and trade opportunities in your city
- + Increase outreach, visibility and partnership through WTCA digital assets and in-person support
- + Stimulate investment in your community by obtaining best practices insights from peers worldwide



INTEGRATED TRADE SERVICES

- + Support the bottom line of local businesses by connecting them to reciprocal WTC facilities and international business services worldwide
- + Create, retain and expand jobs, and develop the local tax base by raising the international profile of your city/region
- + Cost-effectively market investment opportunities to targeted audiences by participating in the most prestigious WTCA organized trade and investment fairs
- + Become an even greater resource to your local businesses with ongoing support and training from WTCA (onsite and offsite)



ICONIC PROPERTIES

- + Use the WTC iconic property and brand to anchor development and enhance the value of your city
- + Create new public-private partnerships to support the missions of international business and foreign direct investment entities co-located in your WTC
- + Make your city a center for international events and visitors with the help of WTCA's network of exhibition organizers and trade mission planners

Global Connections, Local Growth

The World Trade Centers Association has identified three key themes that help summarize numerical data showcasing the return on investment for communities that establish a World Trade Center location.

Key Theme #1: Urban Outperformers Create Cities without Borders

- Strategic partnerships between global and local stakeholders are the critical enabling factor for cities competing for Foreign Direct Investment (FDI) and seeking to expand local businesses' access to new markets.
- Cities with a WTCA member on average draw FDI per capita at twice the rate of their country, and export goods at 1.55 times the national level, per capita.
- These thriving FDI destinations are also engines of job creation, with every USD 1B in annual FDI associated with a 1.5 percent higher workforce participation.

Key Theme #2: Planes, Brains and Connectivity

- Hard infrastructure, a skilled workforce, and digital connectivity constitute core building blocks differentiating and strengthening cities' relative competitiveness.
- For every 1,000 passengers transiting through an airport, one can expect a USD 7.3M increase to local GDP, and a USD 30K increase in FDI inflows.
- Adding just 1,000 people with tertiary education to a city's population is associated with a USD 381K increase in FDI inflows by.

Key Theme #3: Small Companies are Big Business

- The share of Small Medium Enterprises (SMEs) engaged in international trade is typically under 10 percent, underscoring the importance of trade-related support services—like those offered by WTCA Members—to unlocking their potential and making them an economic force multiplier for cities.
- According to *From the Ground Up*, (page 8) there are upwards of 9,000 SMEs located within the City of Greater Sudbury. If only 10 percent are currently engaged in international trade, there are over **8,000** potential clients that could benefit from WTCGS services in Greater Sudbury alone.

The World Trade Center Greater Sudbury

The World Trade Center Greater Sudbury (WTCGS) will be the premier location to connect Greater Sudbury to the world and the world to Greater Sudbury.

The World Trade Center Greater Sudbury will foster a vibrant community of like-minded companies, entrepreneurs, support services, government and non-governmental agencies. Together, members of this local organization will share a common purpose: to build prosperity in the region through international commerce.

The WTCGS will follow the tradition of World Trade Center properties around the globe with distinctive architectural design and an environmentally sustainable building that makes it an immediately recognizable landmark. Established in eighty-nine countries, World Trade Centers are much-coveted addresses for business and organizations devoted to international trade.

The World Trade Center Greater Sudbury will be established in the heart of the city – strategically located in proximity to the head offices of global companies and Greater Sudbury’s business leaders, as well as a broad scope of business support services ranging from legal to financial.

For visitors, downtown Greater Sudbury offers plentiful accommodation, shopping, dining and entertainment options. The Bridge of Nations and the Ramsey Lake board walk system, located on beautiful Ramsey Lake in the centre of the city, are a short walk away.

The World Trade Center Greater Sudbury will be guided by advisory boards that support the areas of focus for the WTCGS ensuring that key partners operating within the sectors have the opportunity for input and consultation with regard to how the WTCGS can best serve its members. Those sectors are listed below.

1. **Mining, Mining Technology & Innovation** (Exploration, Development, Extraction, Processing, Distribution, Utilization and Remediation)
2. **Healthcare** (Northern and Rural Healthcare, Research)
3. **Environmental** (Rehabilitation, Assessment & Planning, Remediation)
4. **Tourism and Film** (Arts & Culture, Innovation and Product Development)
5. **Education** (Regional Areas of Expertise, Skill Development, Course Development, International Recruitment)

Greater Sudbury’s unique areas of expertise make it a viable market for a World Trade Center location and the option to establish a site locally was promptly approved by the World Trade Centers Board of Directors in April 2019.

Local Demand for the World Trade Center Greater Sudbury

While the World Trade Centers Association chose Greater Sudbury, it was important to establish a demand for its services in Greater Sudbury. Community support for the World Trade Center Greater Sudbury has been overwhelming. To date, the World Trade Center Greater Sudbury has received more than forty letters of support with more on the way.

The WTCGS has received letters from the following stakeholders:

Airco	BakerTilley
Bestech	BIA Downtown Sudbury
Cambrian College	Canadian Hardware Consultants
Center for Excellence in Mining Innovation	Chief Paul Pederson (Greater Sudbury Police Services)
Canadian National Railway Co.	Communities in Bloom Ontario
College Boreal	Covergalls
Desjardins Group	Dr. David Pearson (Living With Lakes)
Foodland (Capreol / Garson)	Glencore
Goodman School of Mines	Greater Sudbury Chamber of Commerce
Dr. John Gunn	Hatch
Joe Drago	Laurentian University
Manitoulin Transport	Mark Browning (Beards, Tucos Tacos, Cosmic Dave's)
Marc Serre (MP Nickle Belt)	Mark Palumbo
McEwen School of Architecture	Mike DiBrina
Minecat	MIRARCO
Northern Ontario Construction Association	Northern Ontario Railroad Museum & Heritage Centre
Northern Ontario School of Medicine	Ontario Parks Association
RDH-Scharf	Sandvik
SNOLAB	Stuart Olson
UA Local 800	Workforce Planning for Sudbury & Manitoulin
XPS	

Letters of Support: Highlights

"We at CEMI understand completely how important a World Trade Center-branded operation would be for providing local companies and organizations with access to a global business network that offers a diverse array of international trade services and facilities to use to help expand their international business profile," – Doug Morrison, President & CEO CEMI

"I am very pleased to strongly support the proposal to establish a node of the World Trade Center network here in Sudbury. Restoration of the landscape for hundreds of square miles around the Sudbury smelters is world renowned. Current research with industry partners is looking at the climate change benefits of landscape revegetation through increased carbon storage on the land. Climate change is now an important lens." –Dr. David Pearson, Living With Lakes

"Collège Boréal has students from over 50 different countries, and we recognize the importance of international trade. Growing economic opportunities for Greater Sudbury and the entire region of northern Ontario will benefit all students." –Daniel Giroux, President College Boreal

"The Greater Sudbury Chamber of Commerce is an advocate for local businesses and a World Trade Center in Greater Sudbury would greatly benefit our members via the opportunities provided by the center's global network." –Debbie Nicholson, President & CEO and Bryan Walsh, Chair Greater Sudbury Chamber of Commerce

"We feel strongly that a World Trade Center will significantly enhance our city's connection to a global network, one that provides a diverse array of international trade services and facilities and stimulates new international business opportunities. We feel the impact on Greater Sudbury and the entire region of northern Ontario will be significant, building on our strengths while acting as a catalyst for establishing new and productive networks that will help our city reach new levels of prosperity." –David T. Fortin -Director and Associate Professor McEwen School of Architecture

"Growing economic opportunities for the City of Greater Sudbury and the entire region of northern Ontario will benefit a number of key sectors including but not limited to mining, environmental rehabilitation, forestry, education, healthcare and tourism. Many of these industries are serviced by CN providing a mutually agreeable proposal." –Daniel Salvatore, Manager Public Affairs Canadian National Railways

WTCGS Location and Partnership with the City of Greater Sudbury

The World Trade Center Greater Sudbury was originally envisioned as an independent entity in the City of Greater Sudbury's downtown core. The initial cost projections placed the construction of the entity at \$55 -65 million and the design encompassed an integrated parking structure and potential hotel.

Through preliminary discussions with the City of Greater Sudbury, there is a mutual benefit to exploring a joint build where the World Trade Center Greater Sudbury could be co-located with the City of Greater Sudbury's proposed conference center as part of the Junction West. A collaborative build could result in a substantial reduction in the cost of the WTCGS through the design of shared space and site amenities.

The WTCGS will act as a revenue generator for the site through the collection of property taxes by the City of Greater Sudbury. The City's contribution could be recouped as early as seven years following the opening of the site depending on the overall footprint of the structure. Those revenues could be utilized to sustain The Junction complex, reducing the burden on the average tax payer. The establishment of the WTCGS will also result in an increase in conference center booking as well as the ability to host exclusive events in the community (ex WTCA AGM). The addition of the WTCGS to the Junction West complex will act as an economic driver and an anchor tenant, providing a more complete suite of services to better serve Greater Sudbury's business sector. The WTCGS will be an integral piece of bringing new economic activity back to the downtown core.



Revenue and Services

The World Trade Center Greater Sudbury's financial projections were prepared by BakerTilly and reviewed by the board of directors at the World Trade Center Association as part of the World Trade Center Greater Sudbury's application.

The World Trade Center Greater Sudbury is an incorporated not-for-profit organization dedicated to enhancing Greater Sudbury's business profile on the global stage. It strives to increase new business and trade opportunities for local and regional businesses while contributing to the economic vitality of the city's priority sectors.

As a **not-for-profit organization**, the World Trade Center Greater Sudbury will be able to re-invest any potential profits back into the sectors it supports providing local businesses a value added opportunity for establishing themselves in the region of Greater Sudbury.

In order to diversify its revenue streams, the World Trade Center Greater Sudbury will offer a number of strategic services common to World Trade Center locations.

- Trade Missions – Inbound & Outbound
- Trade Services
- World Showcase Product Launch Area
- Retail Space
- Office Space – Anchor tenants, hotel offices
- Consul Corps office
- Meeting rooms
- Sky Bar Atrium – World Trade Centre Club
- Corporate Apartments
- Seminars & Educational Sessions
- Sponsorship & Memberships
- Advertising Opportunities

Market Analysis: What Makes the WTCGS Unique

From The Ground Up 2015 -2025, is an extensive market analysis incorporating the entire region of Greater Sudbury. The document outlines Greater Sudbury's desire to create a more robust entrepreneurial ecosystem. In Greater Sudbury, entrepreneurship is a cornerstone of the local economy, with nearly 9,000 small and medium sized businesses operating within the city. The entrepreneurial spirit of the community has its foundation in the mining industry, however, today entrepreneurship is also occurring in other sectors and spaces (e.g. information technology, environmental services, creative industries, medical technology).



To further develop and strengthen this network, the GSDC identifies that the collective community must work together to coordinate its approach to entrepreneurship and economic development service delivery. Incubators provide an environment for business networking and cross-pollination that helps stimulate growth of the creative ecosystem. The presence of incubator and accelerator support for start-ups and small business has a significant impact on the survival rate – and job creation potential – of entrepreneurial ventures. While the community has some of this infrastructure in place, further investments will contribute to achieving the overall vision of the report.

The GSDC concludes that what is needed is an entity to help maximize partnerships to promote more innovative and globally connected entrepreneurship start-ups, and to leverage and complement existing entrepreneurship structures and programming while pursuing external markets for local businesses. The establishment of the World Trade Center Greater Sudbury will significantly enhance Greater Sudbury's ability to address these tasks.

There is no need to duplicate the incubation, innovation and start up hubs already in existence through organizations such as NORCAT, the Regional Business Centre, Cambrian Innovates or the Forge at Laurentian University. The WTCGS's mandate is to work with the aforementioned entities to help market, promote and raise awareness of products, processes and innovations developed locally to new clients located all across the world. The WTCGS can help penetrate new international markets, engaging new clients and opening up new opportunities for local SMEs through a new business network consisting of 327 World Trade Centers and over 750,000 members.

Bringing the World to Greater Sudbury



Bringing Greater Sudbury to the World



While there are local businesses and organizations that conduct international business, there is no central entity in Greater Sudbury that coherently connects the community and all of its strengths to the rest of the world.

An appropriate analogy is that of the fisherman. There are a number of local businesses who cast their line into the ocean in search of new international opportunities. They often operate independently or serve a specific industry or sector. The World Trade Center has the ability to act as a net. With access to a developed trade network, the World Trade Center has the ability to produce more leads, make more strategic connections and offer an elevated return on investment for local businesses.

Funding

In addition to generating revenue through services rendered sponsorship, and membership opportunities, the World Trade Center Greater Sudbury will be seeking support from all three levels of government. Municipal support for the project is integral to unlocking additional funding envelopes from upper levels of government.

Municipal Ask - \$10 million (\$1 million / year for 10 years)

Provincial - \$10 million

Federal - \$20 million

Generated Revenue - \$15 million

By working collectively to establish a World Trade Center, we can place Greater Sudbury on the world stage.



City of Greater Sudbury Contribution and Tax Revenue

The World Trade Center Greater Sudbury is requesting a contribution of \$10 million from the City of Greater Sudbury spread out over ten years (\$1 million per year over 10 years). The contribution from the City will be used to leverage support from upper levels of government.

The World Trade Center Greater Sudbury has agreed to pay property taxes, which is reflected in its financial statements. The property tax on the proposed building is estimated between \$750,000 - \$1.5 million depending on the MPAC report. Estimating a \$1 million tax payment, the City of Greater Sudbury will recoup its initial contribution by 2033.

Year	Contribution to the WTCGS	Property Tax on WTCGS
2021	1,000,000.00	-
2022	1,000,000.00	-
2023	1,000,000.00	-
2024	1,000,000.00	1,000,000.00
2025	1,000,000.00	1,000,000.00
2026	1,000,000.00	1,000,000.00
2027	1,000,000.00	1,000,000.00
2028	1,000,000.00	1,000,000.00
2029	1,000,000.00	1,000,000.00
2030	1,000,000.00	1,000,000.00
2031	-	1,000,000.00
2032	-	1,000,000.00
2033	-	1,000,000.00

Job Creation

Job Creation and Retention

According to the Pan-Ontario Mining Supply and Service Sector Economic Impact Study, there are roughly 23,000 jobs in northern Ontario's Mining Supply and Service sector which also supports another 16,000 indirect jobs. In total, that is nearly 40,000 jobs that will be impacted by the establishment of a World Trade Center in Greater Sudbury. The mining supply sector is but one of five priority sectors that the World Trade Center Greater Sudbury will be supporting. More specifically, listed below are the immediate job creation stats related to the establishment of the WTCGS.

Direct Jobs

- Twenty (20) new employment opportunities at the World Trade Center Greater Sudbury
- One Hundred and Sixty (160) construction jobs related to the building of the facility as per estimates from the Northern Ontario Construction Association

Indirect Jobs

- Construction of proposed hotel
- Staffing and management for proposed hotel
- Increased staffing for convention center, airport, passenger rail service, retail, tourism and hospitality sector
- Increased business opportunities for local SMEs

Summary: Benefits to the City of Greater Sudbury

- Places Greater Sudbury on the world stage
- Works alongside existing businesses and organizations to promote economic growth
- Attracts new investment, trade and talent to the City of Greater Sudbury
- Access to established trade network comprised of more than 750,000 businesses worldwide
- Places Greater Sudbury on the WTCA circuit of trade missions (inbound missions)
- The WTCA has already approved Greater Sudbury as a viable site
- Forty plus letters of support from local businesses, organizations and associations
- Financial projections show a viable and sustainable entity and were approved by the WTCA
- As a not-for-profit entity, profits will be reinvested to support development in priority sectors
- Increases property values in the downtown core of Greater Sudbury
- Validates other major projects in the downtown core
- Greater Sudbury will recoup its initial investment through the collection of property taxes
- Draw Foreign Direct Investment per capita at twice the rate of the national average
- Ability to export goods at 1.55 times the rate of the national average
- A higher workforce participation level of 1.5 percent higher compared to the national level.
- Ability to pursue new services and creations (Consul Corps Office, Global Affairs Office, etc.)
- Ability to create direct and indirect jobs for the citizens of Greater Sudbury
- Increases airport and passenger rail service to and from Greater Sudbury
- Increased tourism spending from additional visitors
- Creation of primary and secondary job opportunities
- Global competition for architectural design



Welcome to the WTCA Membership Overview



WORLD TRADE CENTERS
ASSOCIATION





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INTRODUCTION

Welcome to the World Trade Centers Association (WTCA)!

As an association, we strive to connect our Members with other global WTCs to nurture opportunities for international trade and investment. The key to the success of these efforts is our Members themselves—independent, first-class organizations that work to enrich their local communities by engaging and working with each other.

This overview is intended to be a starter guide—a general overview of the organization, what comprises a successful WTC, and what the WTCA can do to help its Members succeed. WTCA leadership, Headquarters staff, and Regional staff exist to assist and empower Members with the resources and help they need to thrive in their communities.

So please, take a moment to explore this guide and what it might offer. We are delighted to welcome new Members to our one-of-a-kind network and look forward to many years of working together.



As stated in its Constitution and Bylaws, the specific purposes of the WTCA are:

1. To encourage the expansion of world trade and investment
2. To promote international business relationships and understanding
3. To foster the increased participation in world trade by businesses in emerging markets
4. To create and encourage mutual assistance and cooperation among members
5. To promote and further the “World Trade Center” concept worldwide

THE WTCA ORGANIZATION

The WTCA is a not-for-profit corporation interested in promoting and assisting world trade. Its mission is to support the establishment and successful operation of individual World Trade Centers (WTCs) as part of a worldwide alliance which enhances world trade and development, leading to economic growth and stability.

WTCA GOVERNANCE AND OPERATION

Under its Constitution and Bylaws, the WTCA is governed by a Board of Directors not to exceed 24 persons. Following each Board election, the directors elect a Chairperson and two Vice Chairs from among the directors. These officers serve two-year terms. WTCA directors are elected by the Association’s Regular Members. Elections are held every two years, and those elected serve overlapping terms of four years each.





Candidates for director must represent an existing Regular Member who is accredited, and every effort is made to nominate candidates that will preserve a broad international representation on the Board.

WTCA MEMBERSHIP

Regular Membership

This category is available to organizations currently involved or interested in becoming involved in the planning, development and operation of a World Trade Center, which is defined by the WTCA Constitution and Bylaws as one or more buildings providing for the centralized accommodation of activities and services devoted to the promotion and expansion of world trade.

Under the WTCA's Constitution and Bylaws, there can be only one Regular WTCA Member in a single city or economic region at one time.

Satellite Membership

Regular Membership also includes Satellite World Trade Centers. To be eligible for Regular Membership as a Satellite, an organization must meet all the criteria pertinent to Regular Membership, must be located totally within the economic region of an existing Regular Member, must be sponsored by the Regular Member in that region with an operating facility, and is subject to a relationship with that Regular Member that has been approved by the WTCA Board.

BENEFITS OF WTCA MEMBERSHIP

In keeping with its mission of facilitating and promoting international trade through WTCs, the Association strives to aid the growth and success of its Members in many ways. Here are some of them:



THE WTCA ORGANIZATION

Training: WTCA Members are eligible to participate in periodic World Trade Center Development Seminars and in frequent workshops and similar orientation programs that take place throughout the year at WTCA meetings.

Individual consultations: Individualized assistance is readily available from Regional staff located in each of the Association's geographic regions, as well as staff at WTCA headquarters in New York.

Networking: WTCA Members are part of a global network with many common objectives. Learning from and helping one another is a common practice among WTCA Members and it is one of WTCA's biggest strengths.

Reciprocity: Many WTCA Members offer reciprocal facilities and services at no cost, or at a discounted cost, to local Members of other global WTCs.

Global programs: WTCA Members benefit from participation in the global programs created by the WTCA. These programs depend on multi-WTC cooperation, made possible through multiple platforms—both on- and offline—which connect Members.

Participation in regular meetings: WTCA Members are encouraged to attend all meetings of the Association. These meetings enable Members to learn about current programs and to participate in new program development. The meetings also promote informal discussions among delegates that lead to useful inter-WTC cooperation.

Use of World Trade Center designation: The WTCA has registered the World Trade Center, WTC and map-design logo service marks in jurisdictions throughout the world. Through a rigorous application and approval process, regular Members obtain the right to use the marks to brand a facility in their respective geographic area. Use of the service marks is a valuable marketing advantage and links a Member with the worldwide network of WTCs.

A voice in world affairs: WTCA Members participate in discussions about timely world trade policy and practice issues, leading to WTCA resolutions that are forwarded to appropriate international organizations and media for consideration.

MEMBERSHIP MEETINGS

The WTCA holds a number of gatherings throughout the year that enable WTCs to connect with each other and share ideas which strengthen the entire WTC network. These meetings are held in various Member locations around the world and include:

- **The General Assembly** – which is the principal annual gathering of the membership – is held every year in a different global location. These locations are selected through a bidding process whereby Members hoping to host such an event offer proposals for the Board's consideration.
- **WTCA's Member Seminar** is conducted by WTCA headquarters yearly in New York to serve as a new member orientation, as well as the Association's learning-and-development event. With presentations by headquarters staff, keynote speakers, panelists and structured, interactive workshops, this event is a chance to enrich WTC operations, and hear from Champions both in and out of the organization.
- **Regional Meetings** are smaller gatherings held on a regional basis (for example, Europe or Latin America) which focus on the specific needs, challenges and opportunities for WTCs in their respective parts of the globe. Unlike the annual General Assembly or Member Seminar, these events are not organized solely by headquarters, but are primarily coordinated by the Members and Regional staff in the regions themselves.

TRADEMARK USE AND PROTECTION

The World Trade Center and WTC marks, and tri-globe map design logo are the internationally recognized symbols of the World Trade Center concept and are essential components of the WTC brand. As a result, the WTCA carefully guards the use of the marks, and has obtained protection for them in countries around the world. WTCs are encouraged to prominently display the marks on their buildings, stationery, business cards and marketing materials. It is the responsibility of the individual WTCA Members to



ensure that their use of the marks is done so correctly, and that they adhere to the guidelines spelled out in the brand style guide. Note that the rights and obligations for using these brand identifiers are spelled out in the license agreement signed by each Member, and as such, are enforceable by WTCA.

BRAND PROMOTION

At the heart of the WTCA is the “World Trade Center” brand. While it is a name that is instantly recognizable around the world, it is also a brand that makes a promise to its Members and the communities where they thrive. Accordingly, the WTCA has dedicated a great deal of resources on brand protection, brand promotion and positioning. Through a series of programs and initiatives, headquarters in New York works with Regional staff and Members to build the brand both at the grass-roots and local level, as well as globally. However, as an Association, the WTCA is only as great as its Members, who are and remain the focus of our brand promotion efforts. It is only through Member-staff collaboration that the brand can continue to grow and flourish.



WORLD TRADE CENTER®
CITY NAME



WORLD TRADE CENTER®
CITY NAME



WORLD TRADE CENTER®
CITY NAME



WORLD TRADE CENTER®
CITY NAME



WORLD TRADE CENTER CONCEPT

A World Trade Center-branded operation provides companies and organizations with access to a diverse array of international trade services and facilities, enabling them to increase their international business. WTCs create a “critical mass” of international business expertise that attracts leading companies and stimulates economic growth in their community.

A WTC does not compete with businesses and organizations already involved in world trade. Instead, it cooperates with them and enhances their offerings by differentiating and offering programs not available elsewhere. In this setting, WTCs and other trade organizations complement each other, and the WTCA is a resource to these potential partners as the only organization of its kind that is apolitical and transcends borders.

The primary mission of a WTC is to support the world trade objectives of the region it serves, and the local business community that avails itself of the WTC’s services. Thus, there is no single formula for a successful WTC. Instead, each WTC must be carefully tailored to the specific needs, objectives, opportunities and obstacles of its own region. This applies to every aspect of a WTC, including its size, location, organization, facilities and services.

While each WTC is unique, there are two common components of a fully operational and successful World Trade Center:

- **Trade-related services offered to the tenants and the business community at large.**
- **A physical facility with tenants, most usually office or mixed-use development**

TRADE SERVICES

The key requirement for a WTC is trade services. The services may be provided by the WTC’s management group, by a WTC tenant or by another organization under contract with the WTC. The most important thing is that services are available to WTC tenants, members and the region’s business community in general.

Below are some of the major services WTCs provide:

- **Trade Information**
- **Trade Education**
- **Trade Missions**
- **Trade Shows/Exhibitions**
- **Translation Services**
- **Market Research**
- **Business Services**
- **Networking Events**
- **B2B Matchmaking**

As mentioned, some of these services can be provided by WTC tenants or other organizations. In this case, the WTC management must ensure that the best level of quality is maintained to reflect the WTC’s reputation. The use of another organization to provide a given service has the advantage of freeing the WTC’s management to concentrate on other WTC functions.

REAL ESTATE

Iconic and prestigious, a World Trade Center-branded facility offers an internationally-recognized address suited for any company seeking to enhance their profile and trade globally. WTCs provide flexible, modern office accommodations, including co-working and hot-desk space, as well as conference, meeting and exhibition facilities.

These two components—the physical facility and trade services—work closely together and produce the best results for a successful, unique and effective WTC.



TRADE SERVICES

Trade education and trade information services can be incredibly attractive to potential members or tenants who do not have these in-house capacities. By offering information on the latest issues that face companies globally, along with in-depth training on how to enter the international marketplace, a WTC can differentiate itself from other buildings or similar organizations.

There are many possible subjects on which to offer education and information services programs, and a few possible areas include:

- **Import / Export**
- **Trade Finance**

- **Cultural Orientation**
- **Regional or Country Market Overviews**
- **Market Research**
- **Taxes**
- **Marketing**
- **Shipping and Freight**
- **Regulatory Issues**

These subjects will vary from region-to-region and from WTC-to-WTC. Most important is to establish an educational program that reflects the most pressing issues in the local market.

WORLD TRADE CENTER CHINA (BEIJING)



TRADE MISSIONS

A trade mission program is an ideal World Trade Center-branded service. It utilizes all the services within a WTC, and benefits from the vast international network of services offered by other WTCs worldwide.

Trade mission programs provide a useful and effective method of promoting the regional and local business of the WTC. Missions can be outbound, where participants are venturing to another country to sell their goods or services, or inbound, where a WTC receives foreign delegations who are seeking to find business partners.

OUTBOUND SELLING MISSIONS

A trade mission is focused on small and medium enterprises (SMEs), which do not have the in-house expertise or the resources to conduct their own unaided export campaigns.

Market research: Careful market research must be carried out to select a target market including a detailed analysis of the economic and political stability of a country, an evaluation of market opportunities, the growth potential of the market, the suitability of the market for the type of goods or services available in the WTC's region, the existence of a WTC in the proposed target country and the participants' ability to export to the target market.

The potential sources of information within the target country may consist of local trade associations, embassies, commercial trade offices, chambers of commerce and banks.

Choosing the type of mission: Trade missions are usually "vertical," meaning they are focused on a specific line of complementary products and services, or "horizontal," which covers multiple products and services. Missions can be independently arranged or timed to coincide with trade fairs or other major international gatherings like the WTCA General Assembly. Trade missions led by dignitaries, such as ambassadors, heads of state, governors, etc. also prove to be powerful ways to secure top-level meetings.

An active WTC that conducts multiple trade missions has the opportunity to consider these different types of missions and determine which is most suited to its membership and other local potential participants.

Finding an organizing partner: It is essential that WTCs have a reliable partner in the target market to work with in arranging a successful trade mission. That partner will be responsible for publicizing the mission and setting up business appointments, providing local logistics, and serving as host.

The local WTC, which shares an understanding and commitment to trade and client service, with access to the local membership to find appropriate matches, should be able to help in this respect. If there is no WTC in the target market, or if the local WTC is unable to assist, other partners can include trade associations, chambers of commerce and government/embassy offices.

Partners may charge the organizing WTC an appropriate fee for their services, which can be included into the fee paid by participants.

Matchmaking: The heart of any trade mission is the matchmaking sessions, where participants can sit down individually with prospective partners. To maximize the chances of successful meetings, a WTC should take the following steps:

1. Trade mission participants should provide information on what they are selling and what they are looking for in a potential partner
2. This information is relayed to the WTC's partner in the target market which is cross referenced with the local matches
3. All meetings are organized for the visit

Matchmaking tends to be easier in vertical trade missions, because of the concentration of companies in similar industries. For horizontal trade missions, more advance work must be done to assure that the time of participating companies is well spent.

INBOUND TRADE MISSIONS

A WTC expects outstanding service from its partner when arranging an inbound trade mission, and must have good contacts with local conference facilities (if there are none in the WTC's building), hotels, translators, etc. in order to supply these services for inbound missions. When notified of a prospective inbound mission, a WTC must also quickly respond with its own assessment of potential matchmaking partners.



THE REAL ESTATE COMPONENT

A World Trade Center-branded facility needs to be an iconic building which provides Grade-A accommodation which is suitable for occupiers in the respective sub market. Each WTC is an independent commercially viable project that is supported by the local investment and occupier market.

In assessing the suitability for a WTC in the market, the Member should be aware of the following aspects which need to be satisfied prior to progressing the development process as follows:

- Funding sources and cost of finance
- Location, both micro and macro considerations
- Rental levels
- Take up in the sub market
- Supply in the sub market
- Supply pipeline in the sub market
- Vacancy rates
- Investment yield
- Potential pre-lets

- Size (suitable to local sub market)
- Design/layout
- Specification
- Build costs
- Mix of business office units/services/ hotel/ retail complex

Market Analysis: A sound analysis of the market determines the viability of any specific office building. The office sub market and the broader supply and demand metrics need to support an office development.

The office needs to be designed and specified to a Grade-A level to attract high quality international tenants. The specification and amenity of a building need to be sufficient to attract and retain tenants in the respective sub market.

Feasibility and Sensitivity Analysis: A development appraisal and sensitivity analysis will determine the feasibility of a project on the site. Key issues in mixed-use projects relate to the identity of the office space within the overall scheme, the compatibility and supporting



nature of the other uses, the maintenance of a strong office / corporate environment, and the amenities that will be most suited for targeted office tenants.

Construction Finance: The developer must have access to sufficient funding (debt and equity) to complete the construction of the project, and the developer is expected to demonstrate this availability.

Location: The WTC designation recognizes the intention of the building to be focused on international business activity in the particular region. Among the factors to consider when selecting a site for the WTC are:

- Accessibility to transportation
- Proximity to major international businesses
- Established office sub market
- Convenient hotels and parking facilities
- Adjacent or close to convention/exhibition centers

Design: The initial design is driven by many site factors, the master plan and urban design. A WTC-branded office building, whether freestanding or in a mixed-use project, should have a distinct identity through prominent placement, good architecture, height and strong entrance features to achieve its maximum potential.

A good WTC design is therefore one that makes a distinctive statement, drawing attention as a landmark and becoming a defining feature of its home-city.

TENANT SERVICES

A World Trade Center-branded facility should provide Grade A tenant services, in line with the best assets in the local sub market. This amenity should reinforce the exclusivity of the WTC address, with a view to attracting and retaining good companies to take space in the asset. While tenant services vary from country-to-country and project-to-project depending on market and cultural conditions, the components of a successful tenant services program include:





- Building amenities
- Special events
- Concierge services
- Special marketing/publicity/promoting the brand locally

Building amenities: The building should provide amenities which are supported by the local occupational market. Common areas and signage must be kept clean and decorated in line with WTCA standards.

Special events: The WTC can host tenant-focused events to help enhance the value of the WTC address. Events can include cultural offerings like art exhibits, concerts, short plays and book fairs, or international-themed events like international food and wine tastings, lectures, and of course, trade education, workshops and seminars.

Concierge services: WTCs can also offer concierge services that can assist tenants in arranging aspects of their lives outside the walls of the WTC. Appropriate fees should, of course, be charged for these services.

Special marketing/publicity: WTCs should consider offering tenants added visibility for their products and services through the WTC's own marketing and publicity efforts. Large-scale cooperative marketing programs can also be explored with tenants, deepening their ties to the WTC.

BUSINESS CENTER SERVICES AND COWORKING

A World Trade Center-branded facility can enhance its revenue and position within the local and international business community by offering a range of business services to companies and visitors. These services may include but are not limited to the following:

- Short-term, flexible, office space
- Long-term office accommodation
- Incubator business center
- Telecommunications and internet services
- Secretarial services
- Domiciliation services
- Copy/graphics capabilities



WORLD TRADE CENTER AMSTERDAM

- Translation/Interpretation
- Use of conference rooms

WORLD TRADE CENTER CLUB

A World Trade Center Club is the ideal focal point for many World Trade Centers. It is a comfortable meeting place for business people and helps bring together business executives, WTC members, tenants and international visitors, thereby facilitating relationships.

The primary aim of a WTC Club is to foster and promote the expansion of international business by encouraging communication among key executives.

A WTC club should consider the following variables:

- Membership
- Location
- Amenities

Membership: The membership structure gives the WTC Club its distinctive character. Membership can either be restricted to tenants in the building or can be open to external companies.

Various categories for membership can be offered – corporate membership, individual membership, or external membership – with different levels of benefits and preferential rates. WTC Club membership can also be granted automatically to WTC tenants (for example).

Location: The WTC Club should be in a prominent position to help establish the club's exclusivity. Whether by altitude or attitude, the location of these facilities should demonstrate the value of membership. If a WTC is only a trade operation, the club may be located within prominent hotels or restaurants in the vicinity of the WTC's offices.

Amenities: A WTC Club should offer the following amenities:

- A catering operation
- Meeting rooms
- Marketing and communication tools for members (newsletters, etc.)
- Special events
- Wi-Fi and other relevant technical amenities
- Coworking desks



WORLD TRADE CENTER SANTIAGO



MARKETING THE WORLD TRADE CENTER

As with any product or service, active marketing is essential to a sustainable World Trade Center-branded operation. Good marketing will firmly establish the WTC's role in the community, attract tenants into a WTC-branded building, increase WTC membership, and increase attendance at WTC sponsored programs.

There are two types of marketing campaigns for WTCs: brand marketing and marketing that generates traffic. Brand marketing helps convey the essence and benefits of being a member of a WTC, while marketing that generates traffic is designed to immediately attract tenants, members or attendance at events. A long-term marketing program will continuously balance these two elements.

Some of the following points should be considered when developing a marketing program:

- Identifying the target audience
- Public relations (PR)
- Media relations
- Opinion/Thought Leadership
- Social Media
- Content Marketing
- Advertising
- Email
- Marketing collateral
- Networking
- Internal/employee/member communications

Identify the target audience: Before any marketing program begins, it is essential that the campaign's target be clearly identified. Knowing the characteristics of an audience enables the creation of specific messages that are most likely to resonate with them. In general, the following audiences should be made aware of the WTC and its programs and operations:

- International businesses in the community, including prospective tenants and members
- The local business community at large
- Real Estate media and audiences

- Opinion makers within the community, including media and government
- The general public
- Academic institutions
- Other trade organizations and Chambers of Commerce

Public relations: PR is vital for a World Trade Center, and especially for a new project. A WTC needs to generate awareness of its mission, policies, programs and performance. PR works best when it is a by-product of useful work. This means that the WTC's activities must be genuine "news." A WTC should aim to stress its practical achievements and how they benefit the WTC's clients and the community. It should also stress, by timely example, the value of belonging to the WTCA and its network of cooperating WTCs.

News is a noteworthy event affecting a number of people outside the WTC. News is only news for a very brief period, so timing is crucial. And perhaps most importantly, crafting a story that speaks to the specific audience one wishes to reach—and the needs of that group—is essential to attracting the attention of editors and reporters who write for those readers, listeners or viewers.

Media relations: The heart of any public relations program is gaining visibility for a WTC through the local media. Coverage of the WTC and its events in local newspapers, magazines, television and radio is the best way for the entire community to become aware of a WTC's goals and programs.

Opinion/Thought Leadership: It is essential for a WTC to establish itself as the authoritative voice for international trade in the community. This is what is popularly referred to as "Opinion" or "Thought Leadership." A principal objective will be to get media and community leaders to contact the WTC for its opinion on current trade issues or local economic trends. WTCs can encourage this through the placement of opinion articles and letters to the editor in the local newspaper, as well as the release of custom-crafted, relevant research output. Additionally, the WTC president or executive director may want to consider offering comments on current trade issues. One word

of caution: always remember to carefully consider those who may be adversely affected by these opinions.

Social Media: In today's media environment, social media (Facebook, Twitter, LinkedIn, Weibo, etc.) is often the first place readers will get information. The power of social media is that it leverages networks of individuals who share news, thereby offering not only information, but a built-in credibility that traditional media may not be able to replicate. It is therefore critical to build social media channels and followers by becoming—and remaining—active on these networks, as well as sharing and staying engaged with those whom a WTC follows itself. While this aspect may be commonly understood, what is less so is the realization that this takes a tremendous amount of time and energy. Make sure the proper resources are in place, otherwise traction will be hard to come by. It is a constant and ongoing effort to build and maintain a social presence.

Content Marketing: The media landscape has changed a great deal in just the last 10-20 years, and today most readers and news consumers get their information through a mix of search engines (Google, primarily, as well as other search engines) and social media (Facebook, Twitter, Weibo, etc.). While this has had a drastic impact on traditional news brands, and may constitute a tenuous situation where issues such as so-called “fake news” are concerned, it does present brands with an opportunity to

go direct to consumers, bypassing traditional gatekeepers of information. This is what is referred to as “content marketing,” or more simply put, crafting content that is valuable to consumers in an effort to market your brand. This may take the form of opinion or thought leadership pieces on social media, video, or custom-commissioned research. But as with social media, this requires a great deal of resources and focus, so ensure these are in place, otherwise it may prove extremely hard to make inroads using content marketing.

Advertising: A WTC can also raise its profile through strategic advertising. While often expensive, targeted advertising can be an effective tool to attract participants at WTC programs and events, as well as tenants to WTC-branded buildings. Advertising is a less effective tool to attract WTC members than more meaningful methods that build trust and confidence in a brand.

Email Marketing: Email marketing remains an important part of a marketing mix, but because of the sheer volume consumers and potential customers receive, the market is incredibly saturated, and using only this method can make it difficult to break through the “noise.” Email marketing is most effective when a member of an audience has already engaged and created a connection with a marketer. When a brand has built trust or credibility with an audience member, then delivering messages via this channel becomes easier. Best practice dictates that email



marketing remains part of a WTC's overall marketing efforts but should not be relied upon as the only means by which to connect with potential customers or tenants.

Marketing collateral materials: Effective marketing requires a range of materials that present a brief overview of the WTC and the benefits of membership or tenancy. This type of collateral can include websites, brochures, membership directories, newsletters, annual reports, etc. The right mix is determined by the specific needs of the individual WTC.

Networking: Even with all of the new channels, media and mobile opportunities in the marketing mix, there is still tremendous value in face-to-face meetings and networking that cannot be replicated virtually. It is one of the most valuable propositions of becoming a Member of the WTCA and should be one of the hallmarks of membership or tenancy in a local WTC. While all channels are crucial, creating ways for members and tenants to connect with others both in and outside of the network should always be a priority.

Internal/employee/member communications: The key constituents of any communications plan are a WTC's internal employees or members. Often the most important touchpoints of any brand, these key players must be brought into the fold, kept informed and engaged so they carry the right messages and tone

throughout their own interactions with customers or external parties. If done correctly, internal audiences can be turned into the most effective and powerful evangelists for any brand positioning effort.

CONCLUSION

Belonging to the WTCA is a special position. In choosing to apply and join, Members embrace the concept that our unique network can connect the business world around the globe to foster important opportunities that lift the cities and regions where they are located. Those who belong to the network also understand that their individual actions have an effect on the entire roster, in addition to their own value proposition. As such, Members should lean in to the responsibility of being steadfast, accountable stewards of the collective brand.

In not only joining the WTCA, but becoming active and engaged, WTCs make great strides to building their own connections, both for themselves and their local members and tenants. But the key to leveraging this inherent value lies with Members themselves as they consider their level of engagement. The strength of the network relies on the robust nature of its Membership, and their engagement with both WTCA, and more importantly, with each other.






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WTCA Trade & Investment Report: Global Connections, Local Growth

Key Themes and Supporting WTCA Messaging

Below are some important key themes identified within the report, accompanied by supporting WTCA messages that put these findings in the context of our association.

These messages are intended to help tie the report's numerical data and conclusions back to the work our members are doing.

Key Theme #1: Urban outperformers create cities without borders

- Strategic partnerships between global and local stakeholders are the critical enabling factor for cities competing for Foreign Direct Investment (FDI) and seeking to expand local businesses' access to new markets.
- Cities with a WTCA member on average draw FDI per capita at twice the rate of their country, and export goods at 1.55 times the national level, per capita.
- These thriving FDI destinations are also engines of job creation, with every USD 1B in annual FDI associated with a 1.5 percent higher workforce participation.

» Supporting WTCA Messages

- Members of the WTCA are important pieces of a city's economic ecosystem, and play an important role in connecting local businesses and investors to global opportunities.
- By leveraging our global network, Members help to integrate their home cities to the international marketplace, which can have a profound positive effect on important building blocks of a strong and resilient economy, namely Foreign Direct Investment, exports and jobs.

Key Theme #2: Planes, brains and connectivity

- Hard infrastructure, a skilled workforce, and digital connectivity constitute core building blocks differentiating and strengthening cities' relative competitiveness.
- For every 1,000 passengers transiting through an airport, one can expect a USD 7.3M increase to local GDP, and a USD 30K increase in FDI inflows.
- Adding just 1,000 people with tertiary education to a city's population is associated with a USD 381K increase in FDI inflows by.
- Among cities with below average internet penetration (less than 54.5 percent), every 10-percentage-point increase in household internet penetration was associated with an acceleration in GDP growth by more than half a percentage point.

» Supporting WTCA Messages

- Many WTCs provide important facilities, and/or are closely associated with a municipal port/airport, and function in tandem with vital connective institutions
- A vast number of WTCA members have formal partnerships and associations with educational institutions, helping to drive education focused on the skills gap
- Through their own programming, many WTCs also provide vital trade and investment education to the business community
- As part of the critical, multi-institutional ecosystem, members act as an additional resource that boosts the capacity and ability of metro areas to provide vital facilities and services

Key Theme #3: Small companies are big business

- SMEs drive local growth and employment, constituting 50-60 percent of value added, and 70 percent of jobs in the OECD.
- The share of SMEs engaged in international trade is typically under 10 percent, underscoring the importance of trade-related support services—like those offered by WTCA Members—to unlocking their potential and making them an economic force multiplier for cities.

» Supporting WTCA Messages

- Small-to-medium-sized enterprises (SMEs) form the backbone of local economies around the globe, accounting for the majority of value-added products and services, and the lion's share of local jobs.
- However, SMEs are vastly under-represented in global markets.
- World Trade Centers provide a means for SMEs to enter the international marketplace and to grow beyond the city limits where they are located.
- As partners in business, local WTCA members play an important role to help local business unlock their true potential.

Request for Decision

Reserves, Reserve Funds and Trust Funds By-Law Update

Presented To: Finance and Administration Committee

Presented: Tuesday, Feb 11, 2020

Report Date Wednesday, Jan 29, 2020

Type: Managers' Reports

Resolution

THAT the City of Greater Sudbury directs staff to present a by-law to revise the Reserves, Reserve Funds and Trust Funds By-Law to reflect the changes outlined in the report entitled "Reserves, Reserve Funds and Trust Funds By-Law Update", from the General Manager of Corporate Services, presented at the Finance and Administration Committee meeting on February 11, 2020; and

THAT the City of Greater Sudbury approves the commitment of \$2.2 million from the Human Resources Reserve Fund towards succession planning initiatives; and

THAT the City of Greater Sudbury adopts the policy contained in Appendix D of the report from the General Manager of Corporate Services dated February 11, 2020.

Relationship to the Strategic Plan / Health Impact Assessment

This report relates to the Asset Management and Service Excellence objective as well as the Economic Capacity and Investment Readiness objective.

Report Summary

This report provides an update to the Reserves and Reserve Funds By-law along with the establishment of a Reserves and Reserve Funds Policy.

Financial Implications

The changes outlined in this report will become effective and be reflected within the 2019 year-end audited financial statements.

Signed By

Report Prepared By

Apryl Lukezic
Co-ordinator of Budgets
Digitally Signed Jan 29, 20

Division Review

Ed Stankiewicz
Executive Director of Finance, Assets and Fleet
Digitally Signed Jan 29, 20

Financial Implications

Apryl Lukezic
Co-ordinator of Budgets
Digitally Signed Jan 29, 20

Recommended by the Department

Kevin Fowke
General Manager of Corporate Services
Digitally Signed Jan 29, 20

Recommended by the C.A.O.

Ed Archer
Chief Administrative Officer
Digitally Signed Jan 29, 20

Background

This report provides the Finance and Administration Committee with historical information on reserves and reserve funds, a proposed policy on reserve funds, as well as proposed changes for the reserve fund by-law.

The chart below provides a summary of reserves and reserve funds. Reserves and reserve funds are funds set aside for a specific purpose and the difference between the two is that a reserve fund earns interest whereas a reserve does not. The committed portion represents funds set aside within reserves that have already been approved to be spent towards capital projects or set aside for future operating liabilities but not yet spent.

	2014	2015	2016	2017	2018
Reserves	\$5,550,896	\$8,165,551	\$7,143,741	\$6,616,212	\$4,211,029
Reserve Funds	150,673,781	156,746,835	152,129,306	136,283,349	143,232,139
Total	156,224,677	164,912,386	159,273,047	142,899,561	147,443,168
Committed Portion - Capital	70,210,387	67,170,595	86,199,863	75,084,440	49,877,993
Committed Portion - Operating	1,949,655	9,688,446	10,095,034	9,822,551	8,350,255
Total after Committed Portion	\$84,064,636	\$88,053,345	\$62,978,150	\$57,992,570	\$89,214,920

Importance of Reserve Funds

Reserves are monies authorized by Council to be set aside for future capital and operating needs. They are a key component of the City's long-term financial strategy, supporting the City's priority of achieving long-term financial viability. The City's reserves and reserve funds are maintained by the City for four main purposes:

- To support the sustainability of assets by providing for the renewal, major maintenance and replacement of existing capital assets;
- To smooth the financial impact of unplanned cost increases or revenue reductions, or to stabilize fluctuations on property taxation and/or other fees;
- To respond to or capitalize on opportunities that could impact services such as government matching grants, private sector partnerships or other alternative service delivery methods; and
- To fund new capital assets to address community growth.

Reserves support effective long-term planning by matching revenues and expenses over the long-term to ensure the sustainability of services and assets. They also provide Council financial flexibility to capitalize on unanticipated opportunities and respond to budget shortfalls that could otherwise result in property tax increases. In addition, a well-balanced approach to the planning and use of reserves is considered good financial management and contributes to the City's strong credit rating.

Comparison to Other Municipalities

The chart below shows that Greater Sudbury is below the average range of our BMA comparators for all indicators. It is important to highlight that the City earned AA credit rating from S&P Global in 2019 based on its practice of strong financial management, including responsible reserves stewardship. Standard & Poors did however note that reserves were lower than comparable municipalities.

Municipalities have limited sources of funding to establish and replenish reserves & reserve funds. Municipalities either plan and manage reserve balances, or the annual surpluses and deficits determine the year end balances. The City has been doing the latter and recommending a change to improve the long-term planning of reserves.

Indicator	CGS 2015	CGS 2016	CGS 2017	CGS 2018	BMA Average 2018	BMA Median 2018
Reserves per capita	\$998	\$994	\$865	\$887	\$1,034	\$885
Debt to reserve ratio	0.20	0.50	0.50	0.50	0.90	0.50
Tax Discretionary Reserves as % of Taxation	57%	52%	44%	39%	72%	78%
Discretionary Reserves as % of Own Source Revenues	41%	38%	33%	29%	56%	56%

The City's discretionary reserve funds in comparison to other municipalities are lower than average. The City's tax discretionary reserves as a percent of taxation in 2018 was 39% while the BMA average was 72% and the BMA median was 78%. This is an indication that the City does not have as much flexibility to use reserve funds to immediately address unanticipated expenditures; when the committed portion of these reserve funds are spent these ratios will be even lower. With unplanned asset failures and climate change effects, the risk is growing that reserves are insufficient to continue using them the same way we have in the past. We need to plan and fund reserves with dedicated allocations to lower the risk.

Proposed Changes to the Reserve Fund By-Law

1. Consolidation of Reserve Funds

In reviewing the reserve funds, there were a number of reserves that were identified that do not require separate tracking and therefore it is recommended that these reserve funds be consolidated with the Tax Rate Stabilization Reserve and the Capital Financing General Reserve Fund, as shown in Appendix A. Any commitments associated with the consolidated reserve funds will be transferred to the Tax Rate or Capital Financing General committed accounts.

The Capital Budget Policy takes an enterprise-wide approach to prioritizing and funding capital projects, therefore a number of reserve funds have been consolidated to support enterprise-wide planning and prioritization. This has reduced the number of reserve funds outstanding which has helped to improve efficiency in monitoring and tracking the reserves.

The reserve funds that will be consolidated are shown in Appendix A and will become effective in the 2019 year end financial statements.

2. Minimum Targets and Other Changes to Reserve Funds

Based on the Long-Term Financial Plan, prepared by KPMG in April 2017, it recommended that the City review the current reserve funds and establish minimum and maximum amounts for some of the reserves. Specifically, it recommended that review of the reserve funds will help to establish minimum amounts to ensure the sufficiency of these funds to meet future service sustainability needs. In reviewing the reserve funds, this would also include a reevaluation of the reserves where minimum and maximum amounts have already been established.

A minimum target has been determined for some reserve funds based on professional judgment to manage risk in areas where it has been deemed appropriate. This will help to ensure sufficiency of the fund balances and the City's ability to improve its financial position in comparison to other municipalities. If a reserve fund balance does not meet the minimum target, attention will be given to those reserve funds and effort will be made to increase the fund balances to the minimum target level. A rationale in selecting the minimum targets for certain reserve fund has been established and is shown in Appendix B.

There is no recommendation for a maximum target as the needs are so great that there is not any risk that a reserve will have too much funding available.

Starting with the 2021 Budget, staff will recommend that the Budget direction include a contribution to reserves that will be prorated (based on the recommended minimum levels) to the three main reserves being:

- Tax Rate Stabilization Reserve
- Capital Financing General Reserve Fund
- Winter Control Reserve Fund

A contribution to the reserve funds will enable the City to increase the reserves to maintain financial stability and long-term financial planning.

Appendix B also provides information on the reserve funds that will remain in the Reserve Fund By-law along with their revenue sources and purpose.

3. Obligatory Reserve Funds

Appendix C is a listing of all obligatory reserve funds and the purpose and use of the funds as it relates to various agreements or acts.

The Appendix includes new obligatory reserve funds which will be added to the Reserves and Reserve Funds and they are: Subwatershed Provincial Fund Reserve Fund, OMCC Provincial Grant Reserve Fund, AMO Funding Reserve Fund. These additions reflect new funding agreements where funds must remain in a separate account and earn interest until fully spent.

In addition, there are a few obligatory reserve funds which will be removed when the balances are zero and include the Development Charges – Cemetery Services Reserve Fund and the Development Charges – Public Works. The reason for the removals is due to the fact that the City no longer collects development charges for cemetery services or public works.

4. Greater Sudbury Housing Corporation

This policy and by-law excludes the Greater Sudbury Housing Corporation (GSHC) as the GSHC has its own reserve funds and policy including limits.

Reserve and Reserve Fund Policy

Appendix D includes the recommended Reserve and Reserve Fund Policy which outlines the management and administration of the City's reserves and reserve funds.

Commitment for Succession Planning Request

In 2007 and 2009, Council approved a fund in the amount of \$2.9 million to be established to assist the City to address short- and long-term human resource planning needs.

Since 2007, the succession fund has supported the hiring and successful transfer of knowledge for forty-six (46) positions, under three categories:

1. Apprentice and Co-Operative Education Placements (Technicians) – funds apprenticeships in positions that have pending retirements in difficult to attract fully licenced skilled trades.
2. Pre-hire – provide overlap between outgoing employee and replacement hire.
3. Strategic hire – positions that support succession initiatives or anticipated retirements that require significant organizational information, experience and skills.

A portion of the funds were reserved for outreach recruitment with most of the funds used for pre-hiring and strategic hiring for key positions and support for apprenticeship and co-operative educational opportunities. Within the next 5 years, the organization forecasts that approximately 15% of staff can retire. While this does not indicate with certainty that these employees will retire, their eligibility creates a vulnerability for the City. The Executive Leadership Team assesses and calibrates its talent pipeline for key roles in the organization through a series of Talent Management activities. These activities lead to steps with individual employees such as arranging developmental assignments, training and leadership education, and overlap with retiring employees. The succession management guidelines authorized by Council in 2007 establishes the kinds of activities that are eligible for funding through the use of these succession management funds.

Coupled with the potential upcoming wave of retirements within the City, there is a recognized shortage that will continue to grow within the technical and skilled trade roles. The Ontario Chamber of Commerce (OCC) conducted a study that indicated over 50% of employers recruiting for a role within engineering and infrastructure reported difficulty in recruiting. Ten out of the 57 inside unit/non union jobs (17%) we focused on required reporting. This does not speak to whether or not the second round of recruitment was successful. The areas of focus were: IT, Finance/Accounting and Technical positions from GIS. The City's experience with engineering, leadership and top technical roles is similar. Our experience is consistent with the OCC's report.

These challenges within our workforce and within the labour market support the continued need to allocate succession funds to ensure that the City can attract prospective employees to the City to key roles and support their integration into our workforce.

As a result, staff is requesting that \$2.2 million be committed from the Human Resources Reserve Fund to continue with succession planning initiatives as outlined in this report.

Conclusion:

Staff recommends that Council adopts the Reserve and Reserve Fund Policy as well as the changes as outlined in this report. These changes will be reflected within the Reserves, Reserve Funds and Trust Funds By-law and will become effective for the 2019 year end financial statements.

Appendix A - Reserve Fund Consolidations

The reserves and reserve funds in the table below have been consolidated into other reserve funds and a rationale to explain the change.

Reserve or Reserve Fund	Consolidated	Balance as of December 31, 2018	Rationale
Land Reclamation	Tax Rate Committed	\$ 514,300	Separate reserve is not required and can be tracked within Tax Rate Reserve Committed.
Various Expenditures	Tax Rate Committed	\$ 338,145	Separate reserve is not required and can be tracked within Tax Rate Reserve Committed.
Ontario Works	50/50 to Tax Rate and Capital General	\$ 340,150	Separate reserve is not required. In future years, if any deficit in Ontario Works, it will be funded from overall corporate operating surplus or funded from Tax Rate Stabilization Reserve. The balance is split 50/50 as original funds were allocated from a prior year surplus, if it remained in surplus, would have been transferred 50/50 to these two reserve funds.
Vector Bourne Disease	Funds Previously Uncommitted	\$ -	The balance was uncommitted in 2018 and reserve must be removed from by-law.
Auditor General	Tax Rate Uncommitted	\$ 239,169	Separate reserve is not required. In future years, if additional funds are required for AG office, it can be included within annual operating budget or separate Council report with Tax Rate Stabilization Reserve as funding source.
Accessibility	Capital General Committed	\$ 205,507	Separate reserve is not required. Purpose of reserve is for capital projects relating to accessibility. Annual budgeted funding of \$50K can be contributed to Capital General RF Uncommitted for future capital projects. Any accessibility capital projects should follow the capital prioritization process and be funded as part of the annual capital budget.
Land Acquisition	Capital General RF	\$ 3,506,640	Separate reserve fund is not required. Purpose of funds is to purchase land required by the City for various purposes. In past years, the reserve fund increases from sale of land. Any purchase of land is typically required for a capital project and should follow the capital prioritization process and be funded from contribution from capital. Any closed reports to Council will include the CFRF General as the funding source.
Community Initiatives	Tax Rate Uncommitted	\$ 16,475	Separate reserve fund is not required and can be tracked within Tax Rate Reserve Committed.
VETAC	Tax Rate Committed	\$ 5,286	Separate reserve fund is not required and can be tracked within Tax Rate Reserve Committed.
Drains & Stormwater	Capital General RF	\$ 1,655,419	In future years, this operating department will not be balanced from this reserve fund. Any operating deficit will be funded by the overall corporate operating surplus or from the Tax Rate Stabilization Reserve. This reserve fund main use is towards drain and stormwater capital projects and thus should be transferred to CFRF Uncommitted and used as funding source towards annual capital budget.
Drains & Stormwater Committed	Capital General RF Committed	\$ 7,788,449	Separate reserve fund is not required and can be tracked within Capital General Committed.
Economic Development	Tax Rate Uncommitted	\$ 21,575	Separate reserve fund is not required. If additional funds are required in this area, can be included within annual operating budget or separate Council report with funding source being Tax Rate Stabilization Reserve.
Economic Development - Committed	Tax Rate Committed	\$ 130,930	Separate reserve fund is not required and can be tracked within Tax Rate Committed.
		\$ 14,762,045	
Total to be transferred to CFRF Uncommitted		\$ 5,332,134	for future capital projects and land purchases
Total to be transferred to CFRF Committed		\$ 7,993,956	
Total to be transferred to Tax Rate Reserve Uncommitted		\$ 447,294	for future one-time projects/initiatives and to offset any future operating deficits
Total to be transferred to Tax Rate Reserve Committed		\$ 988,661	
Total Transfers		\$ 14,762,045	Amount to be transferred will be lower due to approvals and transactions in 2019 and pending 2019 year end adjustments.

Appendix A - Reserve Fund Consolidations (continued)

Reserve or Reserve Fund	Consolidated	Balance as of December 31, 2018	Rationale
Information Technology	Capital General	\$ 2,599,813	Due to enterprise wide approach of capital prioritization.
Information Technology - Committed	Capital General Committed	\$ 516,847	Due to enterprise wide approach of capital prioritization.
Transit	Capital General	\$ 44,090	Due to enterprise wide approach of capital prioritization.
Transit - Committed	Capital General Committed	\$ 89,471	Due to enterprise wide approach of capital prioritization.
Recycling Equipment	Capital General	\$ 758,570	Due to enterprise wide approach of capital prioritization.
Recycling Equipment - Committed	Capital General Committed	\$ -	Due to enterprise wide approach of capital prioritization.
Environmental Services	Capital General	\$ 84,572	Due to enterprise wide approach of capital prioritization.
Environmental Services - Committed	Capital General Committed	\$ 92,436	Due to enterprise wide approach of capital prioritization.
CLELC	Capital General	\$ 210,039	Due to enterprise wide approach of capital prioritization.
Peoplesoft / ERP	Capital General	\$ 1,743,827	Due to enterprise wide approach of capital prioritization.
Peoplesoft / ERP - Committed	Capital General Committed	\$ 360,545	Due to enterprise wide approach of capital prioritization.
Planning	Capital General	\$ 649,775	Due to enterprise wide approach of capital prioritization.
Planning - Committed	Capital General Committed	\$ 570,775	Due to enterprise wide approach of capital prioritization.
Corporate Infrastructure	Capital General	\$ 5,098	Due to enterprise wide approach of capital prioritization.
Corporate Infrastructure - Committed	Capital General Committed	\$ 48,404	Due to enterprise wide approach of capital prioritization.
Administrative Infrastructure	Capital General	\$ 212,494	Due to enterprise wide approach of capital prioritization.
Administrative Infrastructure - Committed	Capital General Committed	\$ -	Due to enterprise wide approach of capital prioritization.
Public Works Building	Capital General	\$ 520,244	Due to enterprise wide approach of capital prioritization.
Public Works Building - Committed	Capital General Committed	\$ 527,821	Due to enterprise wide approach of capital prioritization.
Emergency Management	Capital General	\$ 67,749	Due to enterprise wide approach of capital prioritization.
Emergency Management - Committed	Capital General Committed	\$ -	Due to enterprise wide approach of capital prioritization.
Roads	Capital General	\$ 6,344,820	Due to enterprise wide approach of capital prioritization.
Roads - Committed	Capital General Committed	\$ 10,844,676	Due to enterprise wide approach of capital prioritization.
Health & Social Services	Capital General	\$ 426,305	Due to enterprise wide approach of capital prioritization.
Health & Social Services - Committed	Capital General Committed	\$ 42,250	Due to enterprise wide approach of capital prioritization.
Fire	Capital General	\$ 388,870	Due to enterprise wide approach of capital prioritization.
Fire - Committed	Capital General Committed	\$ -	Due to enterprise wide approach of capital prioritization.
Leisure Services	Capital General	\$ 1,162,685	Due to enterprise wide approach of capital prioritization.
Leisure Services - Committed	Capital General Committed	\$ 690,685	Due to enterprise wide approach of capital prioritization.
		<u>\$ 29,002,861</u>	

Transfers Completed from Change in Capital Budget Policy:

Total transferred to CFRF Uncommitted \$ 15,218,951

Note - portion of these funds have been used in 2019 Capital Budget, 2019 Operating Budget, and to fund creation of Holding Account

Total transferred to CFRF Committed \$ 13,783,910

Note - amount will be reduced as spending is incurred.

Total \$ 29,002,861

Appendix B - Reserve Fund Summary and Minimum Levels

Reserve or Reserve Fund	Balance as of December 31, 2018	Purpose	Revenue Sources	Usage of Funds	Revisions for Revenue Sources	Revisions to Usage of Funds	Minimum \$ Level	Minimum \$	Rationale for Level
Tax Rate Stabilization	\$ 1,077,620	This Reserve provides for year to year variances in the operating budget.	Half of any annual operating surplus and any approved project with a surplus or if the project was cancelled will be credited back to this Reserve if originally funded from this reserve. Any other revenues shall be authorized by Council.	Half of any annual operating deficit shall be charged to this Reserve. Any other expenditures shall be authorized by Council.	By-law will include wording to reflect annual budgeted contributions to this reserve.	No changes.	3% of annual property taxation levy	\$ 8,700,000	Stabilization in part funds emergent issues and offset unrealized revenues or higher expenses than budgeted (annual operating deficits).
Organizational Development Reserve	\$ 341,012	This Reserve provides funding for training and development of City staff.	Shall be funded by any annual under-expenditure in all training related budget line accounts (as listed in by-law) providing such contribution shall not put the City into a deficit position or increase a deficit.	This reserve shall be used only for the purpose of funding the training and development of City staff and is a working reserve.	No changes.	No changes.	None	None	No minimal level is recommended.
Holding Account - General	\$ -	This Holding Account reserve is to be used for capital projects that are funded from the tax levy.	Any surplus from a capital project funded from the tax levy shall be contributed back to this Reserve.	This reserve may be used to fund deficits for capital projects that were funded from the tax levy based on limits in accordance with the Capital Budget Policy.	No changes.	No changes.	\$4,000,000	\$ 4,000,000	Amount as per Capital Budget Policy
Holding Account - Water	\$ -	This Holding Account reserve is to be used for Water capital projects.	Any surplus from a capital project funded from the Water user fees shall be contributed back to this Reserve.	This reserve may be used to fund deficits for Water capital projects based on limits in accordance with the Capital Budget Policy.	No changes.	No changes.	\$1,500,000	\$ 1,500,000	Amount as per Capital Budget Policy

Appendix B - Reserve Fund Summary and Minimum Levels

Reserve or Reserve Fund	Balance as of December 31, 2018	Purpose	Revenue Sources	Usage of Funds	Revisions for Revenue Sources	Revisions to Usage of Funds	Minimum \$ Level	Minimum \$	Rationale for Level
Holding Account - Wastewater	\$ -	This Holding Account reserve is to be used for Wastewater capital projects.	Any surplus from a capital project funded from the Wastewater user fees shall be contributed back to this Reserve.	This reserve may be used to fund deficits for Wastewater capital projects based on limits in accordance with the Capital Budget Policy.	No changes.	No changes.	\$ 1,500,000	\$ 1,500,000	Amount as per Capital Budget Policy
CGS Sick Leave	\$ 4,432,711	This Reserve Fund provides for year to year variances in the operating budget to cover sick leave for retiring employees.	This Reserve Fund shall be funded from the budgeted contributions from the operating budget.	Expenditures from this Reserve Fund are to be used to pay sick leave to retiring employees in accordance with the policies of the City of Greater Sudbury.	No changes.	No changes.	80% of liability amount	\$ 3,520,000	Liability amount on annual F/S was \$4.4M at Dec 31/18.
Police Sick Leave	\$ 1,920,530	This Reserve Fund provides for year to year variances in the operating budget to cover various payments such as sick leave, top up, retirement leave, etc. for Greater Sudbury Police Service employees.	This Reserve Fund shall be funded from the budgeted contributions from the operating budget.	Expenditures from this Reserve Fund are to be used to pay for various payments (i.e. sick leave, top up, retirement leave, etc.) to Greater Sudbury Police Service employees in accordance with policies of the Greater Sudbury Police Service Board.	No changes.	No changes.	None	None	No minimum level recommended.
CGS Post Employment Benefits	\$ 1,118,896	This Reserve Fund can be utilized for the purpose of funding post employment benefits.	This Reserve Fund is funded from surplus (if any) from the Pensioners cost centre and any budgeted contribution for this purpose provided that such a contribution would not put the City into a deficit position or increase a deficit.	Expenditures from this Reserve Fund may only be used for the purpose of funding post employment expenses unless authorized by Council.	No changes.	No changes.	10% of liability amount	\$ 3,450,000	Liability amount on annual F/S was \$34.5M at Dec 31/18.
Police Benefits Part 65	\$ 483,256	This Reserve Fund can be utilized for the purpose of funding post 65 benefits.	This Reserve Fund can be funded: a) From excess funds from the operating budget provided that such a contribution would not put the City into a deficit position or increase a deficit. b) From contributions from the annual operating budget.	Expenditures from this Reserve Fund may only be used for the purpose of funding post 65 benefits unless authorized by the Board.	No changes.	No changes.	None	None	No minimum level recommended.

Appendix B - Reserve Fund Summary and Minimum Levels

Reserve or Reserve Fund	Balance as of December 31, 2018	Purpose	Revenue Sources	Usage of Funds	Revisions for Revenue Sources	Revisions to Usage of Funds	Minimum \$ Level	Minimum \$	Rationale for Level
HR Management	\$ 4,586,492	This fund can be utilized for initiatives targeted to reduce or control expenses to the benefit plans and sick leave reserve fund. Funding of such initiatives are subject to a positive cost/benefit analysis and further subject to the approval of the Director of Human Resources and Organizational Development.	This Reserve Fund shall be funded from net under expenditures in employee benefit programs, excluding WSIB but including any funds held in reserve by the City's benefit carrier. Net over expenditures in these same programs may be charged to this Reserve Fund. Any contributions to this Reserve Fund not covered above shall be authorized by Council.	Expenditures may be made from this Reserve Fund, on the direction of the City's Chief Administrative Officer, in order to fund exit packages and other similar arrangements. Any expenditures from this Reserve Fund not covered above shall be authorized by Council.	No changes.	No changes.	\$3,000,000	\$ 3,000,000	Minimum recommended for potential expenses relating to employees and long term commitments.
HR Mgmt - Committed	\$ 2,161,770	This fund can be utilized for initiatives targeted to reduce or control expenses to the benefit plans and sick leave reserve fund. Funding of such initiatives are subject to a positive cost/benefit analysis and further subject to the approval of the Director of Human Resources and Organizational Development.	This Reserve Fund shall be funded from net under expenditures in employee benefit programs, excluding WSIB but including any funds held in reserve by the City's benefit carrier. Net over expenditures in these same programs may be charged to this Reserve Fund. Any contributions to this Reserve Fund not covered above shall be authorized by Council.	Expenditures may be made from this Reserve Fund, on the direction of the City's Chief Administrative Officer, in order to fund exit packages and other similar arrangements. Any expenditures from this Reserve Fund not covered above shall be authorized by Council.	No changes.	No changes.	\$2,000,000	\$ 2,000,000	Minimum amount is for variances relating to employee benefits provider.
WSIB Schedule 2	\$ 1,764,792	This Reserve Fund shall be used for payment of invoices under Schedule 1 and Schedule 2 of the WSIB Act, and other related expenses.	This Reserve Fund shall be funded annually through the operating budget, including any WSIB Schedule 1 New Experimental Experience Rating (NEER) program rebates and funds received from participating on WSIB Safety Group Committees. Any contributions from this Reserve Fund not covered above shall be authorized by Council.	Expenditures may be made from this Reserve Fund for Workplace Health and Safety Claims Management, Early Intervention and Training Seminars relating to the NEER Program, payment of invoices relating to WSIB Schedule 1 NEER Program surcharges and other related programs. Any expenditures from this Reserve Fund not covered above shall be authorized by Council.	No changes.	No changes.	3% of annual payroll	\$ 6,600,000	Minimum for potential claims - greater likelihood of claims with Police, Fire, EMS, etc
WSIB Schedule 2 Committed	\$ 4,242,557	This Reserve Fund is the committed portion of the WSIB Schedule 2 set aside to fund any potential future catastrophic claims.	This Reserve Fund shall be funded to the minimum amount for future claims from the WSIB uncommitted reserve fund.	This is a working reserve fund to fund any future catastrophic claims.	No changes.	No changes.	Potential future catastrophic claims	\$ 3,000,000	Minimum for potential future catastrophic claims.

Appendix B - Reserve Fund Summary and Minimum Levels

Reserve or Reserve Fund	Balance as of December 31, 2018	Purpose	Revenue Sources	Usage of Funds	Revisions for Revenue Sources	Revisions to Usage of Funds	Minimum \$ Level	Minimum \$	Rationale for Level
Election	\$ 1,274,039	To amortize the cost of a municipal election over 4 years, rather than expensing the entire amount in the year of the election.	This Reserve Fund shall be funded by an annual contribution from the operating budget.	This Reserve Fund shall be used to fund election related expenditures.	No changes.	No changes.	None	None	No minimums are recommended as the balance would increase over every 4 years to ensure funds available for the municipal election or other election expenses.
Insurance	\$ 838,869	This Reserve Fund shall be used for payment of insurance claims, uilding property valuation projects and updates, and other related expenses.	This Reserve Fund shall be funded by an annual contribution from the operating budget and insurance recovereies related to first party losses.	This Reserve Fund shall be used for payment of insurance claims at or below the deductible limit, and other related expenses, such as but not limited to third party brokers, adjusters and legal fees. This Reserve Fund shall also be used to fund building property valuation projects and updates.	No changes.	No changes.	1% of property taxation levy	\$ 2,900,000	Minimum for potential insurance claims as well as events that may not be covered by insurance (eg. 2018 wind storm)
Parking	\$ 467,086	This Reserve Fund shall be used for capital parking projects.	Net proceeds from all parking operations in excess of the net opeating budget shall be credited to this Reserve Fund. Any excess funding from Parking capital projects shall be credited to this Reserve Fund.	This Reserve Fund shall be used to fund any operational net over expenditures in the Parking operating budget. Expenditures from this Reserve Fund shall be authorized by Council.	By-law will include wording for the following: a) that proceeds on sale of assets be transferred to this reserve fund; b) that any project surplus be transferred to this reserve fund in the same manner as in the Capital Budget Policy for the Holding Accounts	By-law will include wording that any related project deficit will be funded from this reserve fund in the same manner as in the Capital Budget Policy for the Holding Accounts	10% of operating budget and 5% of asset replacement value	\$ 545,000	Minimum should be based on % of operating expenses and % of asset replacement costs.
Pioneer Manor Donations	\$ 75,191	This is Reserve Fund is to be used for projects deemed beneficial to Pioneer Manor and its residents.	Net revenue from fund raising activities at Pioneer Manor shall be credited to this Reserve Fund.	Expenditures shall be made from this Reserve Fund to fund projects deemed beneficial to Pioneer Manor and its residents. Expenditures from this Reserve Fund in excess of \$25,000 shall be authorized by Council.	No changes.	No changes.	None	None	Based on donations received that are set aside for future spending.

Appendix B - Reserve Fund Summary and Minimum Levels

Reserve or Reserve Fund	Balance as of December 31, 2018	Purpose	Revenue Sources	Usage of Funds	Revisions for Revenue Sources	Revisions to Usage of Funds	Minimum \$ Level	Minimum \$	Rationale for Level
Social Housing	\$ 7,823,628	This Reserve Fund shall be used for Social Housing capital projects as authorized by Council.	Any annual net under expenditure in the Social Housing operating budget shall be credited to this Reserve Fund, to allow it to rise to \$10 million, if such contribution will not put the City in a deficit position or increase an existing deficit. If the combined net under expenditures of the Library/Citizen Service Centre, Land Reclamation, Organization Development, Social Housing, Police Services and Information Technology is less than the City's overall surplus then each respective reserve will receive a prorated share of the accumulated operating surplus based on their net under expenditure.	Any annual net over expenditure in the Social Housing operating budget may be funded from this Reserve Fund. Expenditures from this Reserve Fund shall be authorized by Council.	No changes.	No changes.	2% of asset replacement value of \$350 million	\$ 7,000,000	Minimum for future capital replacements and projects based on asset replacement value which was \$350M on F&A Committee report on Oct 22 2019.
Industrial Park	\$ 3,399,723	This Reserve Fund shall be used for operating services and capital projects for the City's industrial parks and other industrial lands.	All net revenues from land sales in the City's industrial parks and other industrial lands shall be deposited into this Reserve Fund.	Expenditures that pertain directly to these land sales, such as legal fees, lot survey fees, mortgage payments, real estate commissions, and similar expenses may be netted against the proceeds. Expenditures may also be made from this Reserve Fund for the improvement of City's lands within the Industrial Parks or other City industrial lands, including landscaping, lighting, fencing and the placing of signs, and for costs incurred in the development of the Industrial Parks. Expenditures may also be made from this Reserve Fund for the acquisition and development of additional land for industrial purposes. Expenditures may also be made from this Reserve Fund to fund the City's share for upgrading of City related infrastructure (i.e. Roads, Water/Wastewater linear pipes, etc.) relating to Industrial Park Land Development and/or Development Cost Sharing Policy for Industrial Parks. Authorization of Council is required to spend from this Reserve Fund.	No changes.	No changes.	None	None	No minimum level recommended.

Appendix B - Reserve Fund Summary and Minimum Levels

Reserve or Reserve Fund	Balance as of December 31, 2018	Purpose	Revenue Sources	Usage of Funds	Revisions for Revenue Sources	Revisions to Usage of Funds	Minimum \$ Level	Minimum \$	Rationale for Level
Regional Business Centre	\$ 453,787	This Reserve Fund was first established by the former Regional Municipality of Sudbury subsequent contributions were made by partners in the Business Centre. This is a working Reserve Fund	Any year-end net under expenditures in Business Centre operations shall be credited to this Reserve Fund such that a contribution would not put the City into a deficit position or increase a deficit and any year-end net over expenditures in Business Centre operations may be funded from this Reserve Fund.	Expenditures may be made from this Reserve Fund for Business Centre purposes.	No changes.	No changes.	None	None	No minimum amount recommended. If RF is depleted, then this service should be funded from annual tax levy.
Communications Infrastructure	\$ 523,401	This Reserve Fund shall be used to fund operational expenditures and capital projects under the Communications Infrastructure.	Annual budgeted amounts shall be contributed to this Reserve Fund for replacement of Community Infrastructure. Any excess funds from Communication Infrastructure capital projects shall be credited to this Reserve Fund. Any annual net under expenditures in the Communications Infrastructure operating budget shall be credited to this Reserve Fund.	This Reserve Fund shall be used to fund any operational net over expenditures in the Communications Infrastructure operating budget. Expenditures up to \$25,000 may be made from this Reserve Fund with the authorization of the Chief of Emergency Services and/or Director of Corporate Services (Police). Expenditures over \$25,000 require the authorization of Council.	No changes.	No changes.	None	None	No minimum level recommended.
Winter Control Roads	\$ 0	This Reserve Fund shall be used to fund Roads Winter Control expenditures.	Any or all Roads Winter Control under expenditures shall be credited to this Reserve Fund to allow it to rise to the level of \$5,000,000 provided the contribution in any year would not place the City into a deficit position or increase a deficit position.	Any Roads Winter Control over expenditures may be funded from this Reserve Fund.	By-law will include wording to reflect annual budgeted contributions to this reserve.	No changes.	Total deficit of last 3 years	\$ 6,600,000	Minimum should be based on total deficits in last 3 years, which for 2016 to 2018 was \$6.6 million.
Police Services Donations	\$ 173,120	This Reserve Fund shall be used for the purpose of crime prevention initiatives as the Greater Sudbury Police Services Board deems suitable.	This Reserve Fund shall be funded by an annual contribution of any excess donation proceeds net of related expenditures in that year.	This Reserve Fund shall be used only for the purpose of crime prevention initiatives as the Greater Sudbury Police Services Board deems suitable, without further authorization from Council.	No changes.	No changes.	None	None	No minimum level recommended.

Appendix B - Reserve Fund Summary and and Minimum Levels

Reserve or Reserve Fund	Balance as of December 31, 2018	Purpose	Revenue Sources	Usage of Funds	Revisions for Revenue Sources	Revisions to Usage of Funds	Minimum \$ Level	Minimum \$	Rationale for Level
Police Services Board	\$ 35,431	This Reserve Fund shall be used for any purpose that the Greater Sudbury Police Service Board considers in the public interest in accordance with Sections 132 and 133 of the Police Services Act and for such charitable or other events as the Board deems suitable.	This Reserve Fund shall be funded from the Greater Sudbury Police Service Board Auction held annually, interest earned from fund investments, and monies recovered as a result of seized property.	This Reserve Fund shall be used for any purpose that the Greater Sudbury Police Service Board considers in the public interest in accordance with Sections 132 and 133 of the Police Services Act and for such charitable or other events as the Board deems suitable, without further authorization from Council. A Statement of Revenues and Expenditures shall be provided to the Financial Services Division of the City of Greater Sudbury by the Greater Sudbury Police Service Board no later than February 15 in each year, prepared as at December 31st of the previous year.	No changes.	No changes.	None	None	No minimum level recommended.
Library & Citizen Service Centre	\$ 408,158	This Reserve Fund can be utilized for the purpose of funding any net over expenditures over the Library/Citizen Service operating budget as well as capital projects.	Any annual net under expenditures in the Library/Citizen Service Centre operating budgets shall be credited to this Reserve Fund only if such contribution will not put the City in a deficit position or increase an existing deficit. If the combined net under expenditures of the Library/Citizen Service Centre, Land Reclamation, Organizational Development, Social Housing, Police Services, and Information Technology is less than the City's overall surplus then each respective reserve will receive a prorated share of the accumulated surplus based on their net under expenditure. Any excess funds from Library/Citizen Services capital projects shall be credited to this reserve fund.	This Reserve Fund may be used to fund any net over expenditures in the Library/Citizen Service operating budget. This Reserve Fund shall be used for Library/Citizen Services capital projects. Expenditures over \$25,000 from this Reserve shall be authorized by Council, otherwise authorization from the Library Board is required.	No changes.	No changes.	None	None	No minimum recommended as Library Board can spend up to \$25K per project without Council approval; used to offset operating deficit; and for capital projects.

Appendix B - Reserve Fund Summary and Minimum Levels

Reserve or Reserve Fund	Balance as of December 31, 2018	Purpose	Revenue Sources	Usage of Funds	Revisions for Revenue Sources	Revisions to Usage of Funds	Minimum \$ Level	Minimum \$	Rationale for Level
Cemeteries	\$ 353,276	This Reserve Fund shall be used for cemetery capital projects.	Any annual net under expenditure in the Cemetery operating budget shall be credited to this Reserve fund. Any excess funding from Cemetery capital projects shall be credited to this Reserve Fund.	This Reserve Fund shall be used to fund any operational net over expenditures in the Cemetery operating budget. Authorization of Council is required for spending from this Reserve Fund.	By-law will include wording for the following: a) that proceeds on sale of assets be transferred to this reserve fund; b) that any project surplus be transferred to this reserve fund in the same manner as in the Capital Budget Policy for the Holding Accounts	By-law will include wording that any related project deficit will be funded from this reserve fund in the same manner as in the Capital Budget Policy for the Holding Accounts	None	None	No minimum level is recommended. If RF is depleted, then this service should be funded from annual tax levy.
199 Larch Street	\$ (14,909)	This Reserve Fund shall be used for capital projects at 199 Larch Street.	Any annual operating budget net under expenditures shall be contributed to this Reserve Fund. Any excess funds from 199 Larch Street capital projects shall be credited to this Reserve Fund.	Any annual net over expenditure in the 199 Larch Street operating budget may be funded from this Reserve Fund. Any expenditures from this Reserve Fund shall be authorized by Council.	By-law will include wording for the following: a) that proceeds on sale of assets be transferred to this reserve fund; b) that any project surplus be transferred to this reserve fund in the same manner as in the Capital Budget Policy for the Holding Accounts	By-law will include wording that any related project deficit will be funded from this reserve fund in the same manner as in the Capital Budget Policy for the Holding Accounts	5% of building replacement cost	\$ 3,000,000	Minimum amount based on % of replacement cost for future capital replacement projects.
Health Community Initiatives	\$ 9,073	This Reserve Fund shall be used to support funding of capital projects requests that follow the guidelines of the Healthy Community Initiative Fund Policy.	Allocate 2% of funds annually from the City budget to the Healthy Community Initiative Fund.	This Reserve Fund shall be used to award grants that are in accordance with the Health Community Initiatives. All grants must be authorized or approved by By-law of Council, in accordance with the Municipal Act, 2001.	No changes.	No changes.	2% of annual HCI allocation per HCI by-law	\$ 9,000	HCI of 2% of annual funds

Appendix B - Reserve Fund Summary and Minimum Levels

Reserve or Reserve Fund	Balance as of December 31, 2018	Purpose	Revenue Sources	Usage of Funds	Revisions for Revenue Sources	Revisions to Usage of Funds	Minimum \$ Level	Minimum \$	Rationale for Level
Fleet - Equip & Vehicle	\$ 1,882,056	This Reserve Fund shall be used to purchase fleet equipment and vehicles as authorized by Council.	Annual equipment rates shall contain a provision for straight-line replacement depreciation, which shall form contributions to this Reserve Fund. Proceeds from the sale of used Fleet equipment or vehicles shall be credited to this Reserve Fund.	This Reserve Fund shall be used to purchase fleet equipment and vehicles as authorized by Council.	By-law will include wording for the following: a) that proceeds on sale of assets be transferred to this reserve fund; b) that any project surplus be transferred to this reserve fund in the same manner as in the Capital Budget Policy for the Holding Accounts	By-law will include wording that any related project deficit will be funded from this reserve fund in the same manner as in the Capital Budget Policy for the Holding Accounts	2019 annual capital program	\$ 3,500,000	Minimum based on annual capital program so funds available if unplanned replacements required for significant heavy duty vehicles and equipment.
Police - Equipment	\$ 1,437,461	This Reserve Fund shall be used to purchase new Police equipment and vehicles as determined by the Greater Sudbury Police Services Board, and in accordance with the Police equipment replacement plan.	Annual contributions to this Reserve Fund shall be made in accordance with Greater Sudbury Police Services Board operating budget. Any excess funds from Police Services Equipment/Vehicle Replacement capital projects shall be credited to this Reserve Fund. Proceeds from the sale of used Police vehicles and equipment shall be credited to this Reserve Fund.	This Reserve Fund shall be used to purchase new Police equipment and vehicles as determined by the Greater Sudbury Police Services Board, and in accordance with the Police equipment replacement plan.	By-law will include wording that proceeds on sale of assets be transferred to this reserve fund	No changes.	None	None	No minimum level recommended.

Appendix B - Reserve Fund Summary and Minimum Levels

Reserve or Reserve Fund	Balance as of December 31, 2018	Purpose	Revenue Sources	Usage of Funds	Revisions for Revenue Sources	Revisions to Usage of Funds	Minimum \$ Level	Minimum \$	Rationale for Level
Equipment & Vehicle Replacement - Parks	\$ 296,660	This Reserve Fund shall be used to purchase new parks equipment and vehicles as authorized by Council.	Annual budgeted amounts shall be contributed to this Reserve Fund. Any excess funds from Parks Equipment/Vehicle Replacement capital projects shall be credited to this Reserve Fund. Proceeds from the sale of used Parks equipment shall be credited to this Reserve Fund.	This Reserve Fund shall be used to purchase new parks equipment and vehicles as authorized by Council.	By-law will include wording for the following: a) that proceeds on sale of assets be transferred to this reserve fund; b) that any project surplus be transferred to this reserve fund in the same manner as in the Capital Budget Policy for the Holding Accounts	By-law will include wording that any related project deficit will be funded from this reserve fund in the same manner as in the Capital Budget Policy for the Holding Accounts	Annual capital program	\$ 100,000	Minimum based on annual capital program.
Capital Financing General	\$ 1,822,269	This Capital Financing Reserve Fund shall be used to provide for year to year variances in the operating budget, and to fund capital projects.	Half of any operating budget surplus shall be credited to this Capital Financing Reserve Fund. Any surplus from a capital project approved by Council from this Reserve Fund shall be contributed back to this Reserve Fund.	Half of any operating budget deficit shall be charged to this Capital Financing Reserve Fund. This Capital Financing Reserve Fund may be used for any project of a capital nature upon authorization of Council.	By-law will include wording that a) proceeds on sale of assets be transferred to this reserve fund and b) to reflect annual budgeted contributions to this reserve.	No changes.	1% of asset replacement value (\$5.1 billion)	\$ 51,000,000	To use for ongoing capital program and fund increased number and value of capital projects in various years to provide source of revenue as opposed to debt.

Appendix B - Reserve Fund Summary and Minimum Levels

Reserve or Reserve Fund	Balance as of December 31, 2018	Purpose	Revenue Sources	Usage of Funds	Revisions for Revenue Sources	Revisions to Usage of Funds	Minimum \$ Level	Minimum \$	Rationale for Level
Police	\$ 1,942,302	This Capital Financing Reserve Fund shall be used to fund operational expenditures and capital projects under the Police Services.	The Capital Financing Reserve Fund shall be funded from the operating budget, excess funds from Police capital projects and from operating budget provided that such contribution will not put the Greater Sudbury Police Services Board or the City in a deficit position or increase a deficit. If the combined net under expenditures of the Library/Citizen Service Centre, Land Reclamation, Organizational Development, Social Housing, Police Services and Information Technology is less than the City's overall surplus then each respective reserve will receive a prorated share of the accumulated surplus based on their net under expenditure.	Any operating budget over expenditure shall be funded from this Capital Financing Reserve Fund. Additional expenditures may be made from this Capital Financing Reserve Fund for Police Services capital projects upon authorization by the Greater Sudbury police Services Board.	By-law will include wording that proceeds on sale of assets be transferred to this reserve fund	No changes.	None	None	No minimum level recommended.
Wastewater	\$ 13,440,507	This Capital Financing Reserve Fund shall be used to fund any net over expenditures in Wastewater operating budget. The balance in this reserve fund should not fall below 10% of the estimated revenues for these services in any year.	The Capital Financing Reserve Fund shall be funded from excess funds from Wastewater capital projects and net under expenditures from the Wastewater operating budget.	Expenditures may be made from this Capital Financing Reserve Fund for wastewater projects of a capital nature, upon authorization by Council.	By-law will include wording that proceeds on sale of assets be transferred to this reserve fund	No changes.	1% of asset replacement value (\$2.349 billion)	\$ 23,490,000	Minimum based on asset replacement cost. Minimum amount for Operating is within Committed RF based on 10% of annual revenues.
Water	\$ 12,064,499	This Capital Financing Reserve Fund shall be used to fund any net over expenditures in the Water operating budget. The balance in this reserve fund should not fall below 10% of the estimated revenues for these services in any year.	This Capital Financing Reserve Fund shall be funded from excess funds from Water capital projects and net under expenditures from the Water operating budget.	Expenditures may be made from this Capital Financing Reserve Fund for water projects of a capital nature, upon authorization by Council.	By-law will include wording that proceeds on sale of assets be transferred to this reserve fund	No changes.	1% of asset replacement value (\$2.148 billion)	\$ 21,480,000	Minimum based on asset replacement cost. Minimum amount for Operating is within Committed RF based on 10% of annual revenues.

Appendix B - Reserve Fund Summary and and Minimum Levels

Reserve or Reserve Fund	Balance as of December 31, 2018	Purpose	Revenue Sources	Usage of Funds	Revisions for Revenue Sources	Revisions to Usage of Funds	Minimum \$ Level	Minimum \$	Rationale for Level
Emergency Medical Services	\$ 2,707,455	This Reserve Fund shall be used to fund vehicles/equipment replacement and station development for EMS.	Annual budgeted amounts for vehicles/equipment replacement and station development shall be credited to this Reserve Fund. Any excess funding from EMC capital projects shall be credited to this Reserve Fund. Proceeds from sale of vehicles and equipment shall be credited to this Reserve Fund.	Annual net under expenditures in EMS up to maximum amortization expenses per Form B (Ministry of Health) shall be contributed to this Reserve Fund in order to maximize the annual Land and Ambulance Provincial Grant.	By-law will include wording for the following: a) that proceeds on sale of assets be transferred to this reserve fund; b) that any project surplus be transferred to this reserve fund in the same manner as in the Capital Budget Policy for the Holding Accounts	By-law will include wording that any related project deficit will be funded from this reserve fund in the same manner as in the Capital Budget Policy for the Holding Accounts	n/a	n/a	This is 50/50 City and Ministry - unable to increase contributions to reserve fund as in accordance with funding agreement.

Appendix C - Obligatory Reserve Fund Summary

Obligatory Reserve Fund	Operating or Capital	Purpose	Revenue Sources	Usage of Funds
Federal Gas Tax Reserve Fund	Capital	This Reserve Fund can be utilized for the purpose of funding environmentally sustainable Municipal infrastructure projects.	This Reserve Fund shall be funded from monies received by the City from the Federal Government from time to time as Federal gas tax Funds, pursuant to a Letter of Agreement between the associations of Municipalities of Ontario and the City of Greater Sudbury.	Expenditures may be made from the Reserve fund, in accordance with the Letter of Agreement, for environmentally sustainable Municipal infrastructure projects within the following categories: public transit, water, wastewater, solid waste, local roads, bridges and tunnels, capacity building and community energy. Expenditures from this Reserve Fund shall be authorized by Council.
Dedicated Provincial Gas Tax Reserve Fund for Public Transportation	Capital and Operating	This Reserve Fund can be utilized for the purpose of funding public transportation.	This Reserve fund shall be funded from monies received by the City from the Province of Ontario from time to time as Dedicated Gas Tax Funds for Public Transportation, pursuant to a Letter of Agreement between the Province of Ontario and the City of Greater Sudbury.	Expenditures may be made from the Reserve Fund for eligible expenditures related to public transportation as described in the Letter of Agreement with the Province of Ontario and the Dedicated Gas Tax Funds for Public Transportation Program Guidelines and Requirements and consistent with the City's Asset Management Plan and Ridership Growth Plan approved by Council. Expenditures from this Reserve Fund shall be authorized by Council.
Children's Services Reserve Fund	Operating	This Reserve Fund shall be used within the Children Services division to offset changes in annual funding from the Ministry.	This Reserve Fund shall be funded from the one-time mitigation funding to the new Child Care funding formula as received from the Ministry of Education Early Learning Division.	This Reserve Fund shall be used within annual operating budget for Children's Services division to offset changes in annual funding from the Ministry.
Ontario Community Infrastructure (OCIF) Reserve Fund	Capital	This Reserve Fund can be utilized for the purpose of funding projects for the renewal, rehabilitation and replacement of core infrastructure assets.	This Reserve Fund is funded from monies received from the Government of Ontario from time to time as Ontario Community Infrastructure Funds (OCIF), pursuant to the Agreement between the Province and the City of Greater Sudbury.	Expenditures may be made from the Reserve Fund, in accordance with the Agreement, for eligible project categories for the renewal, rehabilitation and replacement of core infrastructure assets which include roads, bridges and culverts, water and wastewater. Expenditures from this Reserve Fund shall be authorized by Council.

Appendix C - Obligatory Reserve Fund Summary

Obligatory Reserve Fund	Operating or Capital	Purpose	Revenue Sources	Usage of Funds
Parks Reserve Fund	Capital	This Reserve Fund can be utilized for the purpose of funding park land acquisitions, park improvements, and for other public recreational purposes.	This Reserve Fund is funded through 5% and 2% deposits received for parks purposes pursuant to the Planning Act. Land may also be deeded to the City in lieu of cash deposits. Net proceeds from the sale of such lands would be credited to this reserve fund. Proceeds from disposition of surplus parkland shall be credited to this reserve fund.	This Reserve Fund is to be used for park land acquisition, park improvements and for other public recreational purposes including the erection or repair of buildings used for recreational purposes and the acquisition of machinery to use for public recreational purposes. Proceeds from disposition of Parkland shall be reserved with 50% to be used towards acquisition of parkland based on the adopted priority list and 50% to be used towards acquisition of parkland or park development in the ward for which the sale was made. Expenditures of \$25,000 or less can be funded from this reserve fund under the authority of the General Manager of Community Development. Authorization of Council is required to spend over \$25,000 from this Reserve Fund.
Subdivision Deposits Reserve Fund	Capital	This Reserve Fund can be utilized for the purpose of funding Infrastructure Services Department projects related to subdivisions.	This Reserve Fund shall be funded by non-refundable deposits received from Developers under the terms of subdivision agreements for asphalt or other related deposits.	This Reserve Fund shall be used by the Infrastructure Services Department to carry out required work on projects as specified in the Agreements. All funds for a specified project will be transferred to the respective Department upon completion of that project.
Site Plan Deposits Reserve Fund	Capital	This Reserve Fund can be utilized for the purpose of funding Infrastructure Services Department projects related to site plans.	This Reserve Fund shall be funded by non-refundable deposits received from Developers pursuant to Subdivision and Site Plan Agreements.	This Reserve Fund shall be used by the Infrastructure Services Department to carry out required work on projects as specified in the Agreements. All funds for a specified project will be transferred to the respective Department upon completion of that project.
Tree Planting Reserve Fund	Operating	This Reserve fund can be utilized for the purpose of funding Infrastructure Services Department projects related to tree planting.	This Reserve Fund shall be funded by non-refundable deposits received from Developers pursuant to Subdivision and Site Plan Agreements.	This Reserve Fund shall be used by the Infrastructure Services Department to carry out required work on projects as specified in the Agreements. All funds for a specified project will be transferred to the respective Department upon completion of that project.

Appendix C - Obligatory Reserve Fund Summary

Obligatory Reserve Fund	Operating or Capital	Purpose	Revenue Sources	Usage of Funds
Road Deposits Reserve Fund	Capital	This Reserve Fund can be utilized for the purpose of funding Infrastructure Services Department projects related to roads.	This Reserve Fund shall be funded from non-refundable deposits received pursuant to Site Plan Control Agreements and Subdivision Agreements.	This Reserve Fund shall be used by the Infrastructure Services Department to carry out required work on projects as specified in the Agreements. All funds for a specified project will be transferred to the respective Department upon completion of that project.
Water and Wastewater Deposits Reserve Fund	Capital	This Reserve Fund can be utilized for the purpose of funding Infrastructure Services projects related to Water and Wastewater.	This Reserve Fund shall be funded from non-refundable deposits made to the City pursuant to Subdivision, Site Plan Control or other similar Agreements for specific water and/or wastewater upgrading projects. This Reserve Fund shall be funded from the \$2,000 per lot charge to be collected on registration of Plans of Subdivision and any approvals of lot severances, within the area listed below: Firstly: Lot 2, Concession 3, Township of Hanmer Secondly: West Half of Lot 1, Concession 3, Township of Hanmer The deposits above shall be used to fund the upgrade of the Centennial Drive Booster Station in the former City of Valley East.	This Reserve Fund shall be used by the Infrastructure Services Department to carry out required work on projects as specified in the Agreements. All funds for a specified project will be transferred to the respective Department upon completion of that project.
Building Permit Revenue Stabilization Reserve Fund	Operating	This Reserve Fund can be utilized for the purpose of funding any annual net over expenditures from Building Services.	This Reserve Fund shall be funded by an annual contribution from the operating budget of excess revenues over expenditures from Building Services activities.	Expenditures from this Reserve Fund may be used to offset any annual net over expenditures.
Storm Water Management Reserve Fund	Capital	This Reserve Fund can be utilized for the purpose of funding Infrastructure Services Department projects related to storm water management.	This Reserve Fund shall be funded by non-refundable deposits received pursuant to Site Plan Control Agreements and Subdivision Agreements for future storm water management initiatives.	This Reserve Fund shall be used by the Infrastructure Services Department to carry out required work on projects as specified in the Agreements. All funds for a specified project will be transferred to the respective Department upon completion of that project.

Appendix C - Obligatory Reserve Fund Summary

Obligatory Reserve Fund	Operating or Capital	Purpose	Revenue Sources	Usage of Funds
Subwatershed Provincial Fund	Capital	The purpose of this Reserve Fund is to fund the completion of twelve (12) subwatershed studies that identify storm water best management practices that will serve to protect or enhance the natural ecological environment within the City and promote long-term sustainability to the City's lakes and rivers.	This Reserve Fund shall be funded from monies received from the Minister of the Environment, Conservations and Parks.	Expenditures may be made from the Reserve Fund, in accordance with the Agreement between the Minister of the Environment, Conservations and Parks and the City of Greater Sudbury to fund related subwatershed studies. This Agreement shall be in effect until 90 days after the Final Report is due which is December 29, 2019. Expenditures shall be authorized by Council.
OMCC Provincial Grant Reserve Fund	Capital	This Reserve Fund can be utilized for the purpose of funding projects that support the implementation of commuter cycling infrastructure. Eligible projects must meet the requirements set out in the Agreement as well as be listed under the Eligible Cycling Infrastructure Projects.	This Reserve Fund shall be funded from monies received from the Minister of Transportation for the Province of Ontario.	Expenditures may be made from the Reserve Fund in accordance with those described in the Eligible Projects List. This Agreement shall be in effect from March 19, 2018 to March 31, 2021. Expenditures shall be authorized by Council.
AMO Funding Reserve Fund	Operating	The purpose of this Reserve Fund is to support Ontario's Main Street Revitalization Initiatives.	This Reserve Fund shall be funded from the Association of Municipalities of Ontario.	Expenditures may be made from this Reserve Fund for costs directly related to the Eligible Projects outlined in the Ontario's Main Street Revitalization Initiative Agreement. Eligible Projects include the Community Improvement Plan and Other Municipal Land Use Planning Policy projects. This Agreement shall be in effect from April 1, 2018 to March 31, 2020. An extension has been granted to October 31, 2020. Expenditures shall be authorized by Council.

Appendix C - Obligatory Reserve Fund Summary

Obligatory Reserve Fund	Operating or Capital	Purpose	Revenue Sources	Usage of Funds
ESDC Enabling Accessibility Grant Reserve Fund	Capital	This reserve fund can be utilized towards the construction of a therapeutic pool as the funds are received as part of the ESDC Enabling Accessibility Fund Grant. The funds is required to be returned if not spent on the therapeutic as per the funding agreement.	This Reserve Fund shall be funded from the ESDC Enabling Accessibility Fund Grant.	Expenditures may be made from this Reserve Fund for costs directly related to the construction of the therapeutic pool in accordance with the funding agreement.
Development Charges - Administration Reserve Fund	Capital	The purpose is to transfer all DC revenues received and then transferred to the respective DC reserve funds. The balance represents DC's owing from deferrals approved by Council on when the property is sold.	All development charges collected during the year are deposited into this Reserve Fund and then allocated to applicable Development Charges Reserve Fund.	Transfer of development charges collected and allocated to the respective DC reserve funds.
Development Charges - General Government Reserve Fund	Capital	This Reserve Fund can be utilized for the purpose of funding General Government capital projects.	This Reserve Fund shall be funded from monies received from payment of development charges at the building permit application stage for General Government services as described by the current Development Charges By-Law in accordance with 12 provisions of section 35 of the <i>Development Charges Act</i> .	Expenditures will be transferred for General Government capital projects as identified within the Development Charges Background Study which is updated at least every 5 years. Borrowing from the Reserve Fund, or from one designated municipal service fund to another, for municipal financial purposes will be permitted as authorized from time to time by resolution or By-Law of Council provided interest is paid in accordance with the <i>Development Charges Act</i> and the regulations thereunder, and in particular section 36 of the <i>Development Charges Act</i> .

Appendix C - Obligatory Reserve Fund Summary

Obligatory Reserve Fund	Operating or Capital	Purpose	Revenue Sources	Usage of Funds
Development Charges - Library Reserve Fund	Capital	This Reserve Fund can be utilized for the purpose of funding Library capital projects.	This Reserve Fund shall be funded from monies received from monies received from payment of development charges at the building permit application stage for Library services as described in the current Development Charges By-Law in accordance with provisions of section 35 of the <i>Development Charges Act</i> .	Expenditures will be transferred for Library capital projects as identified within the Development Charges Background Study which is updated at least every 5 years. Borrowing from the Reserve Fund, or from one designated municipal service fund to another, for municipal financial purposes will be permitted as authorized from time to time by resolution or By-Law of Council provided interest is paid in accordance with the <i>Development Charges Act</i> , the regulations thereunder, and in particular section 36 of the <i>Development Charges Act</i> .
Development Charges - Fire Reserve Fund	Capital	This Reserve Fund can be utilized for the purpose of funding Fire capital projects.	This Reserve Fund shall be funded from monies received from payment of development charges at the building permit application stage for Fire services as described in the current Development Charges By-Law in accordance with provisions of section 35 of the <i>Development Charges Act</i> .	Expenditures will be transferred for Fire capital projects as identified within the Development Charges Background Study which is updated at least every 5 years. Borrowing from the Reserve Fund, or from one designated municipal service fund to another, for municipal financial purposes will be permitted as authorized from time to time by resolution or By-Law of Council provided interest is paid in accordance with the <i>Development Charges Act</i> and the regulations thereunder, and in particular section 36 of the <i>Development Charges Act</i> .
Development Charges - Police Reserve Fund	Capital	This Reserve Fund can be utilized for the purpose of funding Police capital projects.	This Reserve Fund shall be funded from monies received from payment of development charges at the building permit application stage for Police services as described in the current Development Charges By-Law in accordance with provisions of section 35 of the <i>Development Charges Act</i> .	Expenditures will be transferred for Police capital projects as identified within the Development Charges Background Study which is updated at least every 5 years. Borrowing from the Reserve Fund, or from one designated municipal service fund to another, for municipal financial purposes will be permitted as authorized from time to time by resolution or By-Law of Council provided interest is paid in accordance with the <i>Development Charges Act</i> and the regulations thereunder, and in particular section 36 of the <i>Development Charges Act</i> .

Appendix C - Obligatory Reserve Fund Summary

Obligatory Reserve Fund	Operating or Capital	Purpose	Revenue Sources	Usage of Funds
Development Charges - Public Safety Reserve fund	Capital	This Reserve Fund can be utilized for the purpose of funding Public Safety capital projects.	This Reserve Fund shall be funded from monies received from payment of development charges at the building permit application stage for Public Safety as described in the current Development Charges By-Law in accordance with provisions of section 35 of the <i>Development Charges Act</i> .	Expenditures will be transferred for Public Safety capital projects as identified within the Development Charges Background Study which is updated at least every 5 years. Borrowing from the Reserve Fund, or from one designated municipal service fund to another, for municipal financial purposes will be permitted as authorized from time to time by resolution or By-Law of Council provided interest is paid in accordance with the <i>Development Charges Act</i> and the regulations thereunder, and in particular section 36 of the <i>Development Charges Act</i> .
Development Charges - Parks and Recreation Reserve Fund	Capital	This Reserve Fund can be utilized for the purpose of funding Parks and Recreation capital projects.	This Reserve Fund shall be funded from monies received from payment of development charges at the building permit application stage for Parks and Recreation services as described in the current Development Charges By-Law in accordance with provisions of section 35 of the <i>Development Charges Act</i> .	Expenditures will be transferred for Parks and Recreation capital projects as identified within the Development Charges Background Study which is updated at least every 5 years. Borrowing from the Reserve Fund, or from one designated municipal service fund to another, for municipal financial purposes will be permitted as authorized from time to time by resolution or By-Law of Council provided interest is paid in accordance with the <i>Development Charges Act</i> and the regulations thereunder, and in particular section 36 of the <i>Development Charges Act</i> .
Development Charges - Cemetery Services Reserve Fund (This obligatory reserve fund will be removed from the by-law.)	Capital	This Reserve Fund can be utilized for the purpose of funding Cemetery capital projects.	This Reserve Fund shall be funded from monies received from payment of development charges at the building permit application stage for Cemetery Services services as described in By-Law 2014-151 in accordance with provisions of section 35 of the <i>Development Charges Act</i> .	Expenditures will be transferred for Cemetery Services capital projects as identified within the Development Charges Background Study which is updated at least every 5 years. Borrowing from the Reserve Fund, or from one designated municipal service fund to another, for municipal financial purposes will be permitted as authorized from time to time by resolution or By-Law of Council provided interest is paid in accordance with the <i>Development Charges Act</i> and the regulations thereunder, and in particular section 36 of the <i>Development Charges Act</i> .

Appendix C - Obligatory Reserve Fund Summary

Obligatory Reserve Fund	Operating or Capital	Purpose	Revenue Sources	Usage of Funds
Development Charges - Public Works Reserve Fund	Capital	This Reserve Fund can be utilized for the purpose of funding Public Works capital projects.	This Reserve Fund shall be funded from monies received from payment of development charges at the building permit application stage for Public Works services as described in By-Law 2014-151 in accordance with provisions of section 35 of the <i>Development Charges Act</i> .	Expenditures will be transferred for Public Works capital projects as identified within the Development Charges Background Study which is updated at least every 5 years. Borrowing from the Reserve Fund, or from one designated municipal service fund to another, for municipal financial purposes will be permitted as authorized from time to time by resolution or By-Law of Council provided interest is paid in accordance with the <i>Development Charges Act</i> and the regulations thereunder, and in particular section 36 of the <i>Development Charges Act</i> .
Development Charges - Ambulance Reserve Fund	Capital	This Reserve Fund can be utilized for the purpose of funding Ambulance capital projects.	This Reserve Fund shall be funded from monies received from payment of development charges at the building permit application stage for Ambulance services as described in the current Development Charges By-Law in accordance with provisions of section 35 of the <i>Development Charges Act</i> .	Expenditures will be transferred for Ambulance capital projects as identified within the Development Charges Background Study which is updated at least every 5 years. Borrowing from the Reserve Fund, or from one designated municipal service fund to another, for municipal financial purposes will be permitted as authorized from time to time by resolution or By-Law of Council provided interest is paid in accordance with the <i>Development Charges Act</i> and the regulations thereunder, and in particular section 36 of the <i>Development Charges Act</i> .
Development Charges - Transit Services Reserve Fund	Capital	This Reserve Fund can be utilized for the purpose of funding Transit Services capital projects.	This Reserve Fund shall be funded from monies received from payment of development charges at the building permit application stage for Transit services as described in the current Development Charges By-Law in accordance with provisions of section 35 of the <i>Development Charges Act</i> .	Expenditures will be transferred for Transit capital projects as identified within the Development Charges Background Study which is updated at least every 5 years. Borrowing from the Reserve Fund, or from one designated municipal service fund to another, for municipal financial purposes will be permitted as authorized from time to time by resolution or By-Law of Council provided interest is paid in accordance with the <i>Development Charges Act</i> and the regulations thereunder, and in particular section 36 of the <i>Development Charges Act</i> .

Appendix C - Obligatory Reserve Fund Summary

Obligatory Reserve Fund	Operating or Capital	Purpose	Revenue Sources	Usage of Funds
Development Charges - Emergency Preparedness Reserve Fund	Capital	This Reserve Fund can be utilized for the purpose of funding Emergency Preparedness capital projects.	This Reserve Fund shall be funded from monies received from payment of development charges at the building permit application stage for Emergency Preparedness services as described in the current Development Charges By-Law in accordance with provisions of section 35 of the <i>Development Charges Act</i> .	Expenditures will be transferred for Emergency Preparedness capital projects as identified within the Development Charges Background Study which is updated at least every 5 years. Borrowing from the Reserve Fund, or from one designated municipal service fund to another, for municipal financial purposes will be permitted as authorized from time to time by resolution or By-Law of Council provided interest is paid in accordance with the <i>Development Charges Act</i> and the regulations thereunder, and in particular section 36 of the <i>Development Charges Act</i> .
Development Charges - Roads Reserve Fund	Capital	This Reserve Fund can be utilized for the purpose of funding Roads capital projects.	This Reserve Fund shall be funded from monies received from payment of development charges at the building permit application stage for Roads services as described in the current Development Charges By-Law in accordance with provisions of section 35 of the <i>Development Charges Act</i> .	Expenditures will be transferred for Roads capital projects as identified within the Development Charges Background Study which is updated at least every 5 years. Borrowing from the Reserve Fund, or from one designated municipal service fund to another, for municipal financial purposes will be permitted as authorized from time to time by resolution or By-Law of Council provided interest is paid in accordance with the <i>Development Charges Act</i> and the regulations thereunder, and in particular section 36 of the <i>Development Charges Act</i> .
Development Charges - Water Reserve Fund	Capital	This Reserve Fund can be utilized for the purpose of funding Water capital projects.	This Reserve Fund shall be funded from monies received from payment of development charges at the building permit application stage for Water services as described in the current Development Charges By-Law in accordance with provisions of section 35 of the <i>Development Charges Act</i> .	Expenditures will be transferred for Water capital projects as identified within the Development Charges Background Study which is updated at least every 5 years. Borrowing from the Reserve Fund, or from one designated municipal service fund to another, for municipal financial purposes will be permitted as authorized from time to time by resolution or By-Law of Council provided interest is paid in accordance with the <i>Development Charges Act</i> and the regulations thereunder, and in particular section 36 of the <i>Development Charges Act</i> .

Appendix C - Obligatory Reserve Fund Summary

Obligatory Reserve Fund	Operating or Capital	Purpose	Revenue Sources	Usage of Funds
Development Charges - Wastewater Reserve Fund	Capital	This Reserve Fund can be utilized for the purpose of funding Wastewater capital projects.	This Reserve Fund shall be funded from monies received from payment of development charges at the building permit application stage for Wastewater services as described in the current Development Charges By-Law in accordance with provisions of section 35 of the <i>Development Charges Act</i> .	Expenditures will be transferred for Wastewater capital projects as identified within the Development Charges Background Study which is updated at least every 5 years. Borrowing from the Reserve Fund, or from one designated municipal service fund to another, for municipal financial purposes will be permitted as authorized from time to time by resolution or By-Law of Council provided interest is paid in accordance with the <i>Development Charges Act</i> and the regulations thereunder, and in particular section 36 of the <i>Development Charges Act</i> .
Development Charges - Drains Reserve Fund	Capital	This Reserve Fund can be utilized for the purpose of funding Drain capital projects.	This Reserve Fund shall be funded from monies received from payment of development charges at the building permit application stage for Drains as described in the current Development Charges By-Law in accordance with provisions of section 35 of the <i>Development Charges Act</i> .	Expenditures will be transferred for Drains capital projects as identified within the Development Charges Background Study which is updated at least every 5 years. Borrowing from the Reserve Fund, or from one designated municipal service fund to another, for municipal financial purposes will be permitted as authorized from time to time by resolution or By-Law of Council provided interest is paid in accordance with the <i>Development Charges Act</i> and the regulations thereunder, and in particular section 36 of the <i>Development Charges Act</i> .

Appendix D

Reserve and Reserve Fund Policy

1. Purpose

The purpose of this Reserve and Reserve Fund Policy (Policy) is to provide guidance with respect to the development, maintenance and use of City of Greater Sudbury (City) reserves and reserve funds (reserves). It will establish guidelines, limits and conditions applicable to the reserves and reserve funds of the City.

The establishment of reserves assists in providing for the long-term financial stability and flexibility of the City, positions the City to respond to varying economic conditions and changes that affect the City's financial position, and ensures the organization continues with its ability to carry out its responsibilities.

2. Policy Statement

The organization actively manages reserves and reserve funds to ensure minimum fund balances are available. Council has flexibility to react to unanticipated opportunities and the ability to minimize annual changes in taxation or debt.

3. Principles of Reserves and Reserve Funds

All reserves must be established, maintained and used for a specific purpose mandated by this policy, statute, or City by-law.

The capital reserves are to be used for the future replacement or acquisition of capital assets.

The City shall strive to develop appropriate reserves and reserve funds to meet future financial obligations with respect to City equipment and infrastructure, fiscal needs and employee benefit obligations.

4. Scope / Application

Administrative criteria:

- reserves must have a unique Corporate purpose
- all reserve funds earn interest each year
- a minimum balance may be established for a reserve fund
- a time period shall be specified for the repayment or replenishment of each reserve fund to its specified minimum balance
- a business case shall be provided specifying the purpose, benefits and method of repayment for each proposed departmental use of a reserve fund

Appendix D Reserve and Reserve Fund Policy

Definitions

- 4.1. *Reserve* means funds set aside for a specific purpose and does not earn interest.
- 4.2. *Reserve Fund* means funds set aside for a specific purpose and earns interest.
- 4.3. *Obligatory Reserve Fund* means external sources of funds received but not yet spent or earned for the purpose it was received. Typically, these are funds are restricted to be spent in accordance with various funding agreements or legislation or acts such as the Federal Gas Tax funding agreement and Development Charges Act. Obligatory Reserve Funds are also known as deferred revenue on the annual financial statements.
- 4.4. *External Sources of Funds* includes government grants, donations and third-party financing. If these sources have external restrictions as to their use, they are to be recorded within an obligatory reserve fund or deferred revenue and not form part of a year-end reserve amount.
- 4.5. *Internal Sources of Funds* includes approved budget contributions; annual surplus contributions; and carryover of current year's budget funds that have been approved for a specific purpose but not expended during the year.
- 4.6. *Transfer* means funds moved between two or more reserves or reserve funds.
- 4.7. *Working Reserve* means staff have the delegated authority to spend funds from the reserve without Council approval when in accordance with the reserve fund by-law.
- 4.8. *Executive Director of Finance, Assets and Fleet* position is also known as the City Treasurer or Chief Financial Officer.

5. Objectives

Reserves shall be established and expended to achieve the following objectives:

- 5.1. Promotion of financial stability and flexibility (stable and predictable property tax levies)

The City recognizes that unstable and unpredictable property tax levies can adversely affect residents and businesses in Greater Sudbury. In order to maintain stable and predictable levies, the City will maintain sufficient reserves to buffer the impact of unusual or unplanned cost increases and revenue reductions over multiple budget cycles.

- 5.2. Provide for operating emergencies

The City is exposed to unusual operating emergencies resulting from inclement weather, catastrophic events, environmental hazards and so on. It may not be feasible, or cost-effective, to absorb the costs of such emergencies during one

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Reserve and Reserve Fund Policy

budget cycle. The City will maintain adequate reserves to mitigate such emergencies, extensive service interruptions, and manage risks to infrastructure and public safety.

5.3. Financing for capital assets and projects

Use of reserves for financing new capital assets is an effective means of matching one-time funds to one-time capital projects. In addition, the City requires financial resources to quickly respond to opportunities that could provide capital infrastructure through private or public sector partnerships, and other alternative service delivery methods.

5.4. Safeguard and maximize existing assets

The City has an inventory of specialized machinery, equipment and technology systems necessary for the efficient delivery of services to the public, which need to be replaced on well-defined lifecycle standards. The City also has a need to provide insurance against unforeseen losses of these and other assets and claims against its assets where it is found legally liable.

5.5. Facilitate Long-Term Financial Planning

Reserves are essential to sound long-term financial planning in order to manage risk as well to mitigate higher property tax levies in years where one-time costs are expected or may occur.

It would also enable funds to be set aside to pay for future obligations that are known to occur such as sick leave, post-employment benefits, WSIB, election and so on.

5.6. Adherence to statutory requirements

Reserve funds that are required to maintain funds received from others until earned or spent on the specific purpose as outlined in legislation or agreements are established as Obligatory Reserve Funds. Examples would include Federal Gas Tax, subdivision deposits, and development charges.

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Reserve and Reserve Fund Policy

6. General Criteria

6.1. Least cost to taxpayers

Reserves should support the least cost alternative in the long-term for delivering standards of service adopted by Council. This means they will be used to:

- Buffer the effects of large cost increases and revenue reductions and allow time to adjust City service costs or revenue generation to avoid unnecessary tax increases, and
- Provide internal capital financing which may be more cost-effective than external borrowing or leasing.

6.2. Fairness and equity to taxpayers

Reserves should serve to balance the impact of the operating costs and capital costs, on both current and future taxpayers by:

- Applying reserves derived from one-time revenue sources to one-time capital or operating projects.
- Applying reserve funds and current revenues in a ratio, which recognizes the appropriate sharing of savings from current taxpayers with contributions from future taxpayers (this will likely require repayment of all or a portion of, reserves from future rates or user fees).

6.3. Meet statutory and legal requirements

Reserves must meet the requirements of grant funding agreement, federal statutes, acts, City by-laws or any other contract or judgment enforceable by law.

6.4. Meet accounting standards

Reserves must meet generally accepted accounting principles (GAAP) and accounting standards applicable to local governments (PSAB).

7. Methodology

This policy is intended to ensure funds are available for each of the City's reserves as set out in the Reserves and Reserve Funds By-law to fund both operational and capital expenditures. At this point, this policy excludes deferred revenues (also known as obligatory reserve funds).

Reserves and Reserve Funds are grouped into the following categories:

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Reserve and Reserve Fund Policy

- Operating
- Capital
- Statute (Obligatory)

An operating reserve/reserve fund is generally used to stabilize or mitigate the impact of fluctuations in operating costs and revenues or to accumulate funds for future or contingent liabilities. Capital reserve funds are used to fund capital works and are invested by the City until required for use thereby earning interest.

7.1. General Policy

- Reserve Funds that earn interest are to be invested in accordance with the City's Investment Policy. The interest earned remains within the respective reserve funds in order to be used for the specified purpose. This enables the funds set aside to grow in relation to inflation and rising costs.
- Transfers from reserves must not deplete the reserve below the minimum target unless recommended by the Executive Director of Finance, Fleet and Assets and it can be reasonably demonstrated that future sources of revenue will provide sufficient funding to restore the reserve to a minimum balance.
- All approved funding must be used for the specific purpose as outlined in the reserve request, unless Council directs otherwise.
- All spending from respective reserves and reserve funds must be approved by Council, unless it is noted as a working reserve or as noted in the by-law.
- Reserves should never have a negative balance. A plan approved by the Executive Director of Finance, Assets and Fleet should be made if a reserve is below an appropriate minimum balance.
- All existing reserves shall follow the established minimum and maximum balances as identified in Appendix A (which will be incorporated into the by-law).

7.2. Establishment and Modification

- Reserves can be established through inclusion in the annual operating or capital budget, which is approved by Council, or through a separate resolution of Council. The Reserves and Reserve Funds By-Law will be amended on a periodic basis to reflect these new reserves.
 - An Exception is for Obligatory Reserve Funds which will be created when required to be in accordance with funding agreement, contracts or Acts. Staff will notify Council of these changes on the annual update report to Council or the Finance & Administration

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Reserve and Reserve Fund Policy

Committee and the Reserve and Reserve Fund By-Law will be amended on a periodic basis.

- All new reserve requests must:
 - Be established with a specific purpose for which the reserve funding is intended. New reserve requests shall include the correlation with the City's Strategic Plan and/or the City's Long-Term Financial Plan. Each request shall link to specific pillars within the Strategic Plan and/or the financial policies outlined in the Long-Term Financial Plan in order for a new reserve to be created. All funds within a reserve are considered committed for the specific purpose as outlined in the reserve request, unless Council directs otherwise.
 - Designate as to whether the reserve is capital or operating, or both.
 - Identify funding sources and use of funds from the reserve.
 - Identify a minimum balance. A minimum balance ensures that each reserve fund is not depleted to where it is ineffective in serving its intended purpose.
 - Identify the consequences of not creating the reserve (e.g. risks, possible alternatives and consequences).
- Repayment or replenishment of each new reserve to its specified minimum or fixed amount shall be in accordance with Section 8.4 of this policy.
- Year-end surpluses of each new reserve shall be transferred out of the reserve in accordance with Section 8.4.

7.3. Investment

- Reserves shall be invested for a term that will not exceed its expected date of need.
- Reserves are to be invested in accordance with the City's Investment Policy.
- Interest earned on reserves shall be recognized as revenue in the operating budget; whereas interest earned on reserve funds shall be recognized in each specific reserve fund.
- Interest earned or accrued each month is credited to each reserve fund, based on its balance at the previous month-end.
- Interest enables the reserve funds to keep in line with cost increases and that sufficient funds are available when required.

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Reserve and Reserve Fund Policy

7.4. Contributions to and Withdrawals from Reserve Funds

- Contributions to and withdrawals from reserves shall be made in accordance with applicable resolutions, by-law and this Policy.
- Contributions to and withdrawals from reserves and reserve funds shall be approved by Council as part of the annual budget process, or specifically by resolution with the following exceptions:
 - Direct contribution to obligatory reserve funds such as development charges revenue;
 - Transfers that are a direct result of Council approved by-laws or resolutions such as annual operating surplus or deficit as part of Operating Budget Policy and the Reserves and Reserve Fund By-law, or the Capital Budget Policy;
 - Transfer of funds between reserves and reserve funds based upon adequacy analysis or other related information, at the discretion of the City Treasurer, or designate.

7.5. Lending / Temporary Borrowing Between Reserve Funds

Temporary borrowing from another reserve or reserve funds to cover a short-term operating or capital deficit or internal financing is permitted, when justified, adequately supported and authorized by Council.

The following conditions must be met in order to allow borrowing from reserve funds:

- Borrowing is consistent with the intended purpose of the reserve.
- A plan to repay the reserve fund (including any applicable interest) within a reasonable timeframe is required and documented.
- Within legislative requirements (ie. Development Charges Act).

7.6. Termination and Closure of Reserve Funds

If the purpose for which the reserve or reserve fund was created have been accomplished and the reserve or reserve fund is determined to be no longer necessary, a report shall be presented to Council with the recommendation on:

- The closure of the reserve or reserve fund
- The disposition of any remaining funds
- The necessary amendment to the Reserve and Reserve Fund By-law

Appendix D

Reserve and Reserve Fund Policy

A resolution of Council will be required to close a reserve or reserve fund. The By-law establishing the reserve fund will be required to be repealed in order to close a Reserve Fund.

8. Standard of Care / Responsibilities

This section outlines how the reserves will be monitored and maintained by staff and Council. Overall, once City Council approves reserves and reserve funds by resolution and/or by-laws, the Executive Director of Finance, Assets and Fleet (Treasurer) shall have overall authority for the reserves and reserve funds managed by the City.

City Council shall:

- In accordance with the Municipal Act 2001, Section 224 develop and evaluate policies, ensure that administrative policies, practices and procedures and controllership policies, practices and procedures are in place and maintain the financial integrity of the municipality.
- Approve transactions to and from reserves and reserve funds through the budget process or by specific resolution or by-laws.

The Executive Director of Finance, Assets and Fleet (or designate) shall:

- Develop and update this Policy as necessary and present changes to Council;
- Ensure that the principles and requirements contained in this Policy are applied consistently across all departments;
- Perform the transfers to and from reserves and reserve funds as authorized by Council through a resolution and/or by-law;
- Recommend strategies for the adequacy of reserves including target levels;
- As part of the reporting to City Council, review and report on the adequacy and continuing need for reserves managed by the City;
- Preparation and presentation of reports and/or by-laws associated with the establishment, monitoring, or termination of reserves;
- Updates the City's long-term financial plan with consideration of appropriate reserves to effectively meet the City's operating and capital budget financing needs;
- Ensure reserves managed by the City are in line with senior government statutes and agreements and other pertinent policies.

9. Reporting

Appendix D

Reserve and Reserve Fund Policy

The Treasurer or designate shall prepare the following reports regarding reserves managed by the City:

- Annual Audited Financial Statements – the balances of reserves and reserve funds along with comparisons to minimum levels and adequacy of reserve fund levels shall be included within the Annual Report.
- Budget Document – the annual budget document shall include total reserve fund balances and forecasted amounts based on staff recommendations within the tabled Budget document.
- Development Charges (DC) Reserve Funds Report – an annual report detailing pertinent information regarding DC reserve funds shall be presented to Council as required by the Development Charges Act, 1997, as amended.

Request for Decision

Snow Plowing for Winter Controls - Term of Contract

Presented To: Finance and
Administration
Committee

Presented: Tuesday, Feb 11, 2020

Report Date Tuesday, Jan 28, 2020

Type: Managers' Reports

Resolution

Resolution #1

THAT the City of Greater Sudbury authorizes the Award of contract ISD 19-70 – Part A, “Winter Operations Snow Plowing Services”, to Pioneer Construction Inc. at an estimated annual cost of \$ 980,000, for an eight-year term of contract with two single-year extension options, as outlined in the report “Winter Control Plowing Services – Contract Award” from the General Manager of Growth and Infrastructure at the Finance and Administrative Committee Meeting of February 11, 2020.

Resolution #2

THAT the City of Greater Sudbury authorizes the Award of contract ISD 19-70 – Part B, “Winter Operations Snow Plowing Services”, to Belanger Construction (1981) Inc. at an estimated annual cost of \$ 598,500, for an eight-year term of contract with two single-year extension options, as outlined in the report “Winter Control Plowing Services – Contract Award” from the General Manager of Growth and Infrastructure at the Finance and Administrative Committee Meeting of February 11, 2020.

Resolution #3

THAT the City of Greater Sudbury authorizes the Award of contract ISD 19-70 – Part C, “Winter Operations Snow Plowing Services”, to Belanger Construction (1981) Inc. at an estimated annual cost of \$ 598,500, for an eight-year term of contract with two single-year extension options, as outlined in the report “Winter Control Plowing Services – Contract Award” from the General Manager of Growth and Infrastructure at the Finance and Administrative Committee Meeting of February 11, 2020.

Signed By

Report Prepared By

Randy Halverson
Director of Linear Infrastructure
Services
Digitally Signed Jan 28, 20

Division Review

Randy Halverson
Director of Linear Infrastructure
Services
Digitally Signed Jan 28, 20

Financial Implications

Apryl Lukezic
Co-ordinator of Budgets
Digitally Signed Jan 29, 20

Recommended by the Department

Tony Cecutti
General Manager of Growth and
Infrastructure
Digitally Signed Jan 29, 20

Recommended by the C.A.O.

Ed Archer
Chief Administrative Officer
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Relationship to the Strategic Plan / Health Impact Assessment

This report refers to operational matters.

Report Summary

One of the three existing snow plowing services contracts (ISD 12-18) is scheduled to expire at the end of the 2019/2020 winter season (March 31st, 2020). To ensure continuity of plowing services and to allow the successful vendors sufficient time to secure new equipment, staff is seeking Council approval to award contract ISD19-70 "Snow Plowing for Winter Control Operations" for an eight-year term. The contract specifies that the service providers would be required to procure 22 new multi function trucks to be utilized on an "on demand" basis for winter road maintenance services within the City of Greater Sudbury and to also provide pricing options for both a five-year and eight-year term of contract each including two single-year extensions. The results of the procurement are included in the analysis section of this report (table 1) and suggests that the pricing for the eight-year term of contract with up to two single-year extensions is the most cost effective approach for these services.

Financial Implications

The contract services portion of the City's current winter control plan utilizes an "on demand" approach and as such the costs can fluctuate significantly based on weather events. The budget is formulated based on contract rates and average utilization. The 2020 financial results will vary depending on the weather however the average 13% rate increase could lead to a \$125,045 deficit for the November and December periods of 2020, when the new contract commences. This figure is estimated using the 2020 budgeted hours per truck under the current contract. Using the same approach, the updated unit pricing will be incorporated into the 2021 Base Budget and could result in an approximate \$357,000 increase to the 2021 Budget for Plowing and Standby costs.

The current contract was subject to a fixed rate for the first 5 years, and a CPI increase in each of the two option years. Furthermore, the new contract would reflect a fixed rate for 8 years, with the two one-year options subject to CPI, if applicable. Table 1 reflects the summary of contractor bids for ISD19-70. The average unsuccessful unit rate bid reflects an increase of 92% over the current rate. Given the nature of the "on-demand" service and the length of the contract, numerous factors such as economy and weather further increase the risk of the contract.

Over expenditures resulting from Winter Control activities are typically funded from the Winter Control Roads Reserve Fund. This reserve was depleted as of December 31, 2018 and any over expenditures for 2020 (in Winter Maintenance) will form part of the year-end position and may be funded from the Tax Rate Stabilization Reserve.

Winter Control Snow Plowing Services – Contract Award

Background:

The City of Greater Sudbury utilizes a combination of City and contract resources to maintain its road network during the winter months. Currently, there are three different contracts in place to ensure staff have enough contracted equipment to achieve the goals of the approved service levels for winter road plowing/sanding/salting (see table 2 for details). The current operational model has 42% of roadway snow plowing routes completed by City personnel with the balance or 58% completed with contracted services. To ensure that our contracted services are available when required, the City utilizes a standby system for the period commencing November 15th up to and including March 31st each winter season. During that period of time, contract services are utilized on an “on demand” basis for winter road maintenance. The above noted approach ensures staff has sufficient City personnel to deliver not only snow plowing services but also the winter maintenance programs the City currently offers.

The largest of the three plowing services contracts is scheduled to expire at the end of this winter season (March 31st, 2020). In response to that need, staff prepared a tender (ISD19-70 “Snow Plowing for Winter Control Operations”) that included the procurement of 22 new multi function trucks to be utilized on an “on demand” basis for winter road maintenance services within the City of Greater Sudbury. The new contract (ISD19-70) can be viewed in its entirety at the following link:

<https://greatersudbury.bidsandtenders.ca/Module/Tenders/en/Tender/Detail/1dde5482-a461-4591-814e-a37bfdd199eb>

The procurement period for these new multi function trucks by the service providers is estimated to take eight months, therefore the tender process was initiated substantially earlier than the expiration of the current contract (March 31st, 2020) and/or expected time this new contract will commence which is November 15th, 2020.

Analysis:

Summary of Bids

On January 7th, 2020 the tender for contract ISD 19-70 “Snow Plowing for Winter Control Operations” closed. The contract resulted in interest from four different vendors. The contract included pricing for both a five-year and eight-year contract term with two single year extensions. The summary of the bids is contained in Table 1.

Table 1 – Summary of Contractor Bids

Bidder and Part	5 + 2 Year Contract Term	8 + 2 Year Contract Term
Part A		
Bélanger Construction (1981) Inc.	\$1,015,000	\$997,500
Emcon Services Inc.	\$1,558,165	\$1,492,540
Ferrovial Services Canada Ltd.	\$2,254,000	\$2,089,500
Pioneer Construction Inc.	\$997,500	\$980,000
Part B		
Bélanger Construction (1981) Inc.	\$609,000	\$598,500
Emcon Services Inc.	\$1,001,826	\$933,198
Ferrovial Services Canada Ltd.	\$1,587,600	\$1,505,700
Pioneer Construction Inc.	\$735,000	\$722,106
Part C		
Bélanger Construction (1981) Inc.	\$609,000	\$598,500
Emcon Services Inc.	\$996,912	\$928,284
Ferrovial Services Canada Ltd.	\$1,587,600	\$1,505,700
Pioneer Construction Inc.	\$659,211	\$647,850

The total contract prices highlighted in Table 1 reflects the cost of production hours, using an average of the current contract for the past 5 years.

Scope Changes from Previous Contract

The tender document was prepared similar to previous contracts with two notable changes. The number of plows required under this contract was increased from 21 to 22 and pricing options for a five-year and eight-year contract term with extensions was to be included.

The first change in contract ISD 19-70 "Snow Plowing for Winter Control Operations" is the number of plows the City requires. Staff have added an additional unit to ISD19-70 in order to address an equipment shortfall in another winter control contract. The bid results for two plow/sand trucks of another awarded winter control contract (ISD19-103) were exorbitant and therefore staff chose not to award those two pieces of equipment. By finding synergies in operations, staff were able to reduce the total number of necessary contracted equipment by one. For the other unit, staff are utilizing an older City owned truck on an interim basis (single winter season) prior to testing the market once again through contract ISD19-70 and addressing the equipment shortfall.

Table 2 highlights the number of pieces of equipment that were included in each of the three snow plowing contracts that are utilized by Linear Infrastructure Services. ISD19-70 yielded an approximate 17% reduction in the unit price bid compared to price bid for the plow/sand truck in ISD 19-103.

Table 2 – Summary of Winter Control Contract Units

Contract	Previous Contract # of Units	Proposed/Current Contract # of Units	Expiry Date of Current Contract
Winter Control Operations - Snow Plowing (ISD19-70)	21	22	3/31/2020
Supply & Operation of Snowplowing Equipment for Lanes, Cul-de-Sacs and Municipal Parking Lots (ISD17-257)	10	10	11/15/2020
Summer & Winter Grading Operations (ISD19-103)	9	7	10/31/2022
Total	40	39	

The second scope change involved the addition of an eight year contract term with a potential two single-year extensions. In the past two contracts, a contract term of five years with two single-year options was awarded and in both cases the option years were utilized. In 2019, the Auditor General presented a report to the Audit Committee titled “Performance Audit of Winter Maintenance Programs for Roads” which recommended that the next time staff tendered for this contract to include an option for an eight-year term with two single-year options which would align the contract duration more closely with the expected useful service life of the multi function trucks being sought in the procurement. Staff agreed with the audit recommendation and as such prepared a pre-qualification and tender package to replace the expiring contract (ISD 12-18) for “Winter Operations Snow Plowing Services” with both a five-year and an eight-year term of contract with two single-year options. Both contract term options were further subdivided into Part “A” (ten multi function trucks for the South and SW Sections), Part “B” (six multi function trucks for the NW and NE Sections) and Part “C” (six multi function trucks for the SE Section).

Comparison of In-House Plowing Services versus Contract Services

Staff completed a business case to ensure the current “on demand” approached used with contract plowing was the most cost effective way to deliver these services. “On demand” services are the type of services where staff has the ability to call in Contractors to operate snow plows on an as needed basis during a winter event. As noted earlier, the Contractor completes 58% of the routes and the City completes the balance. The chart included in Appendix A highlights the results of the financial analysis and demonstrates that

the cost of City delivered services is more expensive than that of the Contractors due to the "on demand" approach. The annual savings per route with the City's current approach of using "on demand" Contractor plowing for the 22 routes included in contract ISD19-70 "Snow Plowing for Winter Control Operations" is \$79,059 per route, per year or \$1,739,303 for all 22 routes (assuming the City is using a 16-5 schedule).

On the other hand, if the City were inclined to offer snow plowing services with the same "on demand" approach, the savings realized by the City diminish as the production hours (plowing) increase and in actual fact at approximately 430 service hours, becomes a viable option to consider. Based on staffs findings and understanding that the five year average of snow plowing usage (including standby) paid to the Contractor is 400 hours, the current approach saves the City \$6,697 per route, per year or \$147,333 for all 22 routes. As shown in the chart in Appendix A, the current approach of using "on demand" contract plowing with standby for the Contractor's portion of the City's plowing services is the most economical way to deliver these services.

Potential Service Level Changes with Contracting In Snow Plows

If the City was to contract in any/all of the Contractor's routes with either the 16-5 or 16-7 schedules, the change would result in additional labour hours to enhance current services and/or minimize use of Contractors for winter activities. Assuming the average usage including standby was 400 hours for contracted snow plowing services, the residual labour hours for the 16-hour five day or 7 day schedule would be 1,830 hours or 2,745 hours respectively for each route. The extra hours would be available during the winter months and would potentially allow staff to utilize in house crews for activities such as snow removal, pothole patching and road scraping (ice blading) which are currently being completed by a mix of in house staff and contractors.

The recently tabled "Contracting-In Update" report provides details on the status of contracting in initiatives currently being reviewed and/or underway in Linear Infrastructure Services. The report can be seen in its entirety at the following link:

<https://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=1346&itemid=16963&lang=en>

Conclusion and Next Steps

In all instances, the eight-year term of contract with two single-year options yielded a 1.75% lower rate than the five-year term of contract. Given that contract pricing is firm (excluding fuel escalation) for the first eight years and that the City will only consider increases to the maximum of CPI in the option

years, if approved, the City will be realizing stable contract pricing for up to a decade of “on demand” winter road maintenance services in an unpredictable economic climate.

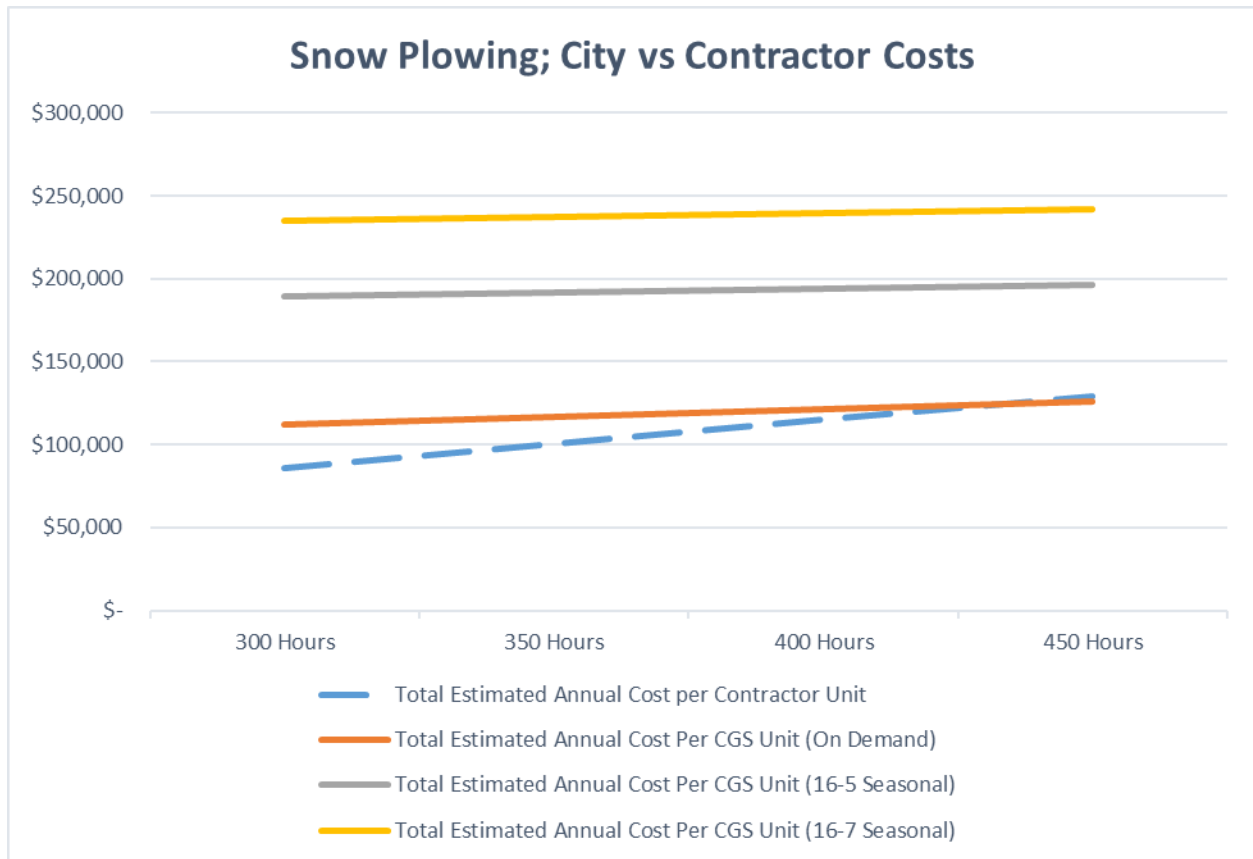
Furthermore, the analysis demonstrates the current approach with contract services (“on demand”) represents best value at this time without limiting the City's ability for future analysis and potential adjustment of the mix of in-house versus contracting-out services for snow plowing/sanding/salting our roadways across the City.

Accordingly, staffs seeking Finance and Administration Committee's approval to award ISD19-70 “Snow Plowing for Winter Control Operations” for an eight-year term of contract with two-single-year options to the lowest compliant bidder(s).

Winter Control Snow Plowing Services – Contract Award

Appendix A - Financial Analysis

“On Demand” Plowing Services (City versus Contractor), 16-5 Schedule Seasonal Services (City) and 16-7 Schedule Seasonal Services (City)



Notes:

- 1) The above noted chart does not include the capital costs associated with purchasing new plows.
- 2) The Contractor costs include:
 - a. Cost for production hours based on the average unit rate bid in contract ISD19-70
 - b. Standby costs (one hour per day November 15th until March 31st each winter season for each day not in production)
- 3) The City costs include:
 - a. Equipment costs for the snow plow including fuel, maintenance, and capital contribution
 - b. Labour (single operator for “on demand”, two operators for a 16-5 schedule, and three operators for a 16-7 schedule). Estimates are reflective of rates in the collective bargain agreement and estimated overtime paid annually.
 - c. Supervision and supervisor's vehicle

Request for Decision

Request for Decision to Delegate Tax Appeals Under Section 357(1)(d.1) to the Assessment Review Board

Presented To: Finance and Administration Committee

Presented: Tuesday, Feb 11, 2020

Report Date: Wednesday, Jan 15, 2020

Type: Managers' Reports

Resolution

THAT the City of Greater Sudbury directs staff to prepare a by-law pursuant to subsection 357(11) of the Municipal Act, 2001, providing authority to delegate Council's authority to the Assessment Review Board only to exercise Council's powers and functions under subsections 357(1) and (5) with respect to applications made under subsection 357(1)(d.1) regarding an application for the cancellation, reduction or refund of taxes where the applicant is unable to pay taxes because of sickness or extreme poverty;

AND FURTHER THAT the City Clerk be directed to give a certified copy of the by-law to the registrar of the Assessment Review Board and to the Municipal Property Assessment Corporation, as outlined in the report entitled "Request for Decision to Delegate Tax Appeals Under Section 357(1)(d.1) to the Assessment Review Board", from the General Manager of Corporate Services, presented at the Finance and Administration meeting on February 11, 2020.

Relationship to the Strategic Plan / Health Impact Assessment

This report refers to operational matters.

Report Summary

Section 357 of the Municipal Act, 2001, provides authority for applications to be made for the cancellation, reduction or refund of all or part of the tax levied on land under certain circumstances. One of these circumstances relates to when the applicant is unable to pay taxes because of sickness or extreme poverty. Staff is seeking approval for a by-law that would delegate Council's authority under subsection 357(11) of the Municipal Act, 2001, to the Assessment Review Board regarding applications received for this circumstance.

Signed By

Report Prepared By

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Digitally Signed Jan 15, 20

Division Review

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Financial Implications

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Co-ordinator of Budgets
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Recommended by the Department

Kevin Fowke
General Manager of Corporate Services
Digitally Signed Jan 28, 20

Recommended by the C.A.O.

Ed Archer
Chief Administrative Officer
Digitally Signed Jan 28, 20

Financial Implications

There are very few applications received for sickness or extreme poverty annually. There is no anticipated financial impact of this proposed process change. Currently amounts relating to write-offs under Section 357 are accommodated within the existing tax write-off expense budgets.

Background

Section 357 of the *Municipal Act, 2001*, provides authority for the cancellation, reduction or refund of all or part of the taxes levied on land under certain circumstances. There are eight of these circumstances that enable a taxpayer to make application to the treasurer as set out in subsection 357(1):

- (a) *as a result of a change event, as defined in clause (a) of the definition of "change event" in subsection 34(2.2) of the Assessment Act, during the taxation year, the property or portion of the property is eligible to be reclassified in a different class of real property, as defined in regulations made under that Act, and that class has a lower tax ratio for the taxation year than the class the property or portion of the property is in before the change event, and no supplementary assessment is made in respect of the change event under subsection 34(2) of the Assessment Act;*
- (b) *the land has become vacant land or excess land during the year or during the preceding year after the return of the assessment roll for the preceding year;*
- (c) *the land has become exempt from taxation during the year or during the preceding year after the return of the assessment roll for the preceding year;*
- (d) *during the year or during the preceding year after the return of the assessment roll, a building on the land,*
 - (i) was razed by fire, demolition or otherwise, or*
 - (ii) was damaged by fire, demolition or otherwise so as to render it substantially unusable for the purposes for which it was used immediately prior to the damage;*
- (d.1) *the applicant is unable to pay taxes because of sickness or extreme poverty;*
- (e) *a mobile unit on the land was removed during the year or during the preceding year after the return of the assessment roll for the preceding year;*
- (f) *a person was overcharged due to a gross or manifest error that is clerical or factual in nature, including the transposition of figures, a typographical error or similar error but not an error in judgment in assessing the property;*
or
- (g) *repairs or renovations to the land prevented the normal use of the land for a period of at least three months during the year.*

With the exception of claims under 357(1)(d.1), based on sickness or extreme poverty, the applications are related to change events that occur during the year and can be dealt with administratively. In these instances, staff evaluates the applications for completeness and accuracy and based on recommendations by the Municipal Property Assessment Corporation (MPAC) as to changes (if any) in the assessment of the property resulting from the identified events determine

whether a tax adjustment is required. The amount of any tax adjustment is dictated by the change to the assessed value. Any proposed tax adjustments arising from applications under s. 357 are approved by Council before processing. Applicants have an opportunity to attend a hearing before the Hearing Committee to resolve any disputes regarding their application(s). Applications under Subsection 357(1)(d.1) for cancellation, reduction or refund of all or part of the taxes levied on the land are based on the applicant's claim of inability to pay taxes because of sickness or extreme poverty. These applications are based on compassionate grounds and cannot be determined in the same manner as the remaining sections which are based on whether a specified event resulted in a change in the assessed value of the land. While applications under this clause are rarely received, staff wish to ensure that there is a policy framework for addressing such applications.

Council may choose one of two paths moving forward.

The *Municipal Act, 2001*, subsection 357(11), provides Council with the ability to delegate to the Assessment Review Board, its decision making authority for claims for tax cancellation, reduction or refund, found in subsections 357(1) and 357(5), based on claims under 357(1)(d.1), of sickness or extreme poverty.

Alternatively, if Council wishes to retain the authority to remain the decision maker with respect to applications under 357(1)(d.1), a framework for decision making should be established. This is important as The *Municipal Act, 2001*, provides no definition or specific criteria as to what constitutes "sickness or extreme poverty" and does not establish the evidentiary requirements to successfully support such applications. To provide a level playing field to applicants, guidelines should be established.

Options/Discussion:

Delegate Authority to ARB

The Assessment Review Board is an independent adjudicative tribunal established under the Assessment Act, with a mandate to hear appeals about property assessment and classification that also deals with some Municipal Act appeals. Members hear appeals and make decisions based on the law and the evidence presented at the hearing. Decisions by the ARB are final and binding, subject only to appeal to Divisional Court on questions of the law when the Court grants leave to appeal.

A by-law delegating authority to the Assessment Review Board to make decisions regarding tax cancellation, reduction or refund based on sickness or extreme poverty [357(1)(d.1)] allows for applicants to make application directly to the ARB. The ARB has experience as a hearing body, so applicants can expect:

- a consistent approach by an independent body that has experience with this particular type of appeal
- a set of strict evidentiary standards, including the administration of oaths
- effective guidelines for confidentiality of personal information and
- formal rules for proceeding to be applied in accordance with legislation related to the ARB

Information from the Assessment Review Board regarding tax relief due to sickness or extreme poverty is attached to this report as Appendix 'A' and a guide to the Assessment Review Board is Appendix 'B'.

Staff have researched and determined that this is a standard practice by municipalities around the Province such as the City of Toronto, City of Mississauga, City of Hamilton, Town of New Market and many more to have authority delegated to the Assessment Review Board to evaluate and decide on behalf of the municipality whether a property owner(s) should receive tax relief due to sickness and extreme poverty.

If this is Council's preferred approach, Council will need to pass a by-law to delegate its decision making authority under s. 357(1)(d.1) to the Assessment Review Board.

It is important to note that there are no fees to the applicant associated with applications under subsection 357(1)(d.1) to the Assessment Review Board should Council choose to delegate its authority as described.

A by-law delegating authority to the Assessment Review Board can always be repealed by Council, and its authority under 357(1)(d.1) restored.

Retain Authority

If Council's preference is to retain its decision making authority under 357(1)(d.1) regarding appeals for tax relief based on sickness and extreme poverty, it is recommended that a policy and guidelines be developed to establish the requirements and supporting material to be submitted by the applicant; a process to be followed; and guidelines to assist Council in assessing entitlement to relief, the amount of relief to be granted, and any conditions.

Past experience with applications of this type has shown that applicants have not provided the additional information requested to assess the applications. It is possible that even with a detailed policy and guidelines, applicants may be hesitant to make application and/or provide their personal information due to the sensitive nature of their circumstances. Since all applications are brought forward to the Hearing Committee for recommendation to Council, reports are prepared and certain information (property roll numbers) may be made public or the applicant may have to attend an open public meeting to have their application heard.

Decisions on applications would have to be made by Council by September 30 of each year in accordance with statutory guidelines.

The applicant would be entitled to file an appeal with the Assessment Review Board if the applicant disagreed with Council's decision or if Council failed to make a decision by September 30th. Unlike the situation where the applicant applies directly to the ARB, fees could be applicable where the applicant appeals to the Assessment Review Board regarding a decision of Council or Council's failure to make a decision by the deadline.

Summary:

It is recommended that in accordance with Subsection 357(11) of the *Municipal Act, 2001*, Council delegate their powers and functions under subsections 357(1) and (5) to the Assessment Review Board relating to applications made under subsection 357(1)(d.1) and that the appropriate by-law be passed.



Tax Relief Due to Sickness of Extreme Poverty

What is a sickness or extreme poverty appeal?

Both the Municipal Act, 2001 and the City of Toronto Act, 2006 permit municipalities to cancel, reduce or refund all or part of taxes if you are unable to pay your taxes because of sickness or extreme poverty. If you believe you are entitled to tax relief for a particular tax year, you must apply before February 28 of next year. Applications are made to the municipality, unless the municipality has passed a by-law that gives the power to grant this tax relief to the Assessment Review Board (ARB).

How do I file this appeal?

If you are unable to pay your taxes because of sickness or extreme poverty you should contact your municipality for information on how to apply for tax relief. They will let you know the process to follow.

In some cases you will have to apply to the municipality and then, if you are not satisfied with the outcome, you can appeal to the ARB. In other cases you may be able to apply directly to the ARB.

In either case the deadline for applying for tax relief for each tax year is February 28 of the following year. For example, if you are seeking tax relief from your 2016 taxes, you would need to file your application on or before February 28, 2017.

File your appeal using the Sickness or Extreme Poverty Appeal Form, available [here](#).

After filling out the correct form, send it to the ARB **before the deadline**, there is no filing fee for Sickness or Extreme Poverty Appeals. Send your appeal:

By fax: 416-314-3717 or 1-877-849-2066, or

By mail: 655 Bay Street, 15th Floor, Toronto ON, M5G 1E5, or

In person: 655 Bay Street, 15th Floor, Toronto (on Bay, north of Dundas)

You will be mailed a letter letting you know that the ARB has received your appeal and that a hearing will be scheduled. You will also be provided with a date to start working on your appeal, which will be heard by summary proceeding.

For more information, see the General and Summary Proceedings information sheet, available [here](#).

How do I prepare for my hearing?

To prepare for your hearing, bring **two** photocopies of all documents you plan on presenting as evidence. Your evidence should:

- relate to the tax year of your appeal, and
- relate to all adults living with you.

Some examples of the kinds of evidence you should bring to prove your claim include:

- income statements from any source, including an employer, long term disability, spouses income, income from a tenant, or any other source,
- personal income tax assessments from the Canada Revenue Agency,
- documentation related to the Ontario Disability Support Program,
- personal bank statements for all of your bank accounts,
- a listing of all your assets and their value, including the value of the property, any other properties, vehicles, investments, RRSP's, Canada Savings Bonds, and any other assets,
- copies of monthly bills, and a detailed list of expenses, including items such as medications, medical supplies, transportation, loan payments, mortgage payments, groceries, personal expenses, child care, housing, life insurance, and any other expenses,
- supporting documents from doctors or other medical professionals for any medical care,
- supporting documents to show that you were unable to work because of sickness, such as documents from the Workplace Safety and Insurance Board, and
- any other evidence that you feel will support your position.

Under the ARB's Rules of Practice and Procedure, you are required to disclose to the municipality **all** documents in your possession, control or power, that are relevant to the matters raised in your appeal, even if you do not intend to rely on a particular document at the hearing.

Note: Send one copy of all your evidence to the municipality before your hearing date. Contact the Revenue or Tax Department of your municipality to find out their mailing address.

Where will my hearing take place?

You will be sent a letter in the mail with the date, time and location of your hearing. The hearing will be held in the municipality you live in or as close to the municipality as possible.

Can anyone watch my hearing?

No. Appeals that deal with sickness or extreme poverty are private. These hearings only involve the person who filed the appeal, the municipality, and the ARB.

What if I am going to be late to my hearing?

Please call the ARB as soon as you realize you may be late. Call toll-free 1-866-448-2248 or (416) 212-6349 and ask to speak to a Case Coordinator. Make sure you have your hearing notice with you when you call, so you can provide the information needed to direct you to the right person.

Will the hearing venue be accessible?

ARB hearings are held in municipal sites throughout Ontario. The ARB's offices are accessible and the Accessibility Standards for Customer Service applies to municipalities. The ARB strives to schedule hearings at accessible facilities. If you have any questions about accessibility, please call the ARB and ask to speak to the Accessibility Coordinator.

What if I need an interpreter?

Most hearings are held in English. The ARB can hold hearings in French or have a sign language interpreter at your hearing if you request it at least 25 days before your hearing date. If you would like to bring someone to your hearing to interpret for you in any other language, you may bring them with you for that purpose.

Where can I find more information?

For more information please refer to the ARB's *Rules of Practice and Procedure* which can be found on our website or by calling us at (416) 212-6349 or toll free 1-866-448-2248.

We are committed to providing services as set out in the *Accessibility for Ontarians with Disabilities Act, 2005*. If you have any accessibility needs, please contact our Accessibility Coordinator as soon as possible at (416) 212-6349 or 1-866-448-2248.

Please Note

The information contained in this sheet is not intended as a substitute for legal or other advice, and in providing this information, the ARB assumes no responsibility for any errors or omissions and shall not be liable for any reliance placed on the information in this sheet. Additional information, including the ARB's *Rules of Practice and Procedure*, is available at www.elto.gov.on.ca, or by calling (416) 212-6349 or toll free 1-866-448-2248.



The **Environment and Land Tribunals Ontario (ELTO)** includes the Assessment Review Board, Board of Negotiation, Conservation Review Board, Environmental Review Tribunal, Ontario Municipal Board, Niagara Escarpment Hearing Office and the Office of Consolidated Hearings. The Tribunals operate under specific legislative requirements and share resources and best practices. The Assessment Review Board hears appeals from persons who believe there is an error in the assessed value or classification of a property and also deals with some types of property tax appeals under the Municipal Act and City of Toronto Act. For more information contact us at:

Environment and Land Tribunals Ontario
655 Bay Street, Suite 1500, Toronto, ON M5G 1E5
Telephone: (416) 212-6349 or toll free: 1-866-448-2248
Website: www.elto.gov.on.ca



Environment and Land Tribunals Ontario

Your Guide to the Assessment Review Board

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Part I – Overview

About the Assessment Review Board

The Assessment Review Board (ARB) is an independent adjudicative tribunal that hears appeals about property assessments and classification. The ARB also deals with some Municipal Act and City of Toronto Act appeals. In a court-like setting, ARB Members hear appeals and makes decisions based on the law and the evidence presented at the hearing.

The ARB does not prepare or send out property assessment notices. The Municipal Property Assessment Corporation (MPAC) assesses all properties in Ontario.

ARB contact information:

The ARB 's address:

655 Bay Street, Suite 1500
Toronto, ON M5G 1E5

Website: www.elto.gov.on.ca

E-mail:

assessment.review.board@ontario.ca

To fax the ARB:

Toll Free: 1-877-849-2066 –

From Toronto: (416) 314-3717

To call the ARB:

Toll Free: 1-800-263-3237

From Toronto: (416) 314-6900

The ARB 's office hours:

Monday-Friday 8:30 a.m. – 5 p.m.

*Excluding statutory holidays

History

In 1970, the Province began issuing property assessments and replaced the Courts of Revision with the Assessment Review Court (ARC). ARC was renamed the Assessment Review Board (ARB) in 1983. When the Fair Municipal Finance Act, 1997, came into affect, the ARB became the Province's only adjudicative tribunal for property assessment appeals. Before 1998, ARB decisions could be appealed to the Ontario Municipal Board (OMB).

Decisions by the Board are final and binding, subject only to appeal to Divisional Court on a question of law when the Court grants leave to appeal. The Board also may review its decisions.

New legislation has been introduced for the 2009 tax year. This legislation introduced several changes to the assessment appeal process. This Guide has been produced to help you better understand some of the changes.

Jurisdiction

The Board's jurisdiction and its authority are defined by the Assessment Review Board Act, the Assessment Act, the Municipal Act, 2001, the City of Toronto Act, 2006, The Provincial Land Tax Act, 2006, the Education Act and the Statutory Powers Procedure Act.

ARB's Rules of Practice and Procedure

Made under section 25.1 of the Statutory Powers Procedure Act, the ARB's Rules of Practice and Procedure apply to all proceedings before the Assessment Review Board. It is recommended that any person who has dealings with the Board, review the Rules before attending a Board proceeding. The Rules can be viewed and printed from the ARB website free of charge. A hard copy of the Rules can be requested from the ARB's Public Inquiry office. There is a fee for a hard copy version of the rules.

Property assessment system in Ontario



The above diagram illustrates the major participants in the property assessment system of Ontario. The provincial government, through the Ministry of Finance, sets the laws on property assessment. Municipalities are responsible for setting tax rates and collecting property taxes. The Municipal Property Assessment Corporation (MPAC) assesses and classifies all properties in Ontario. When MPAC makes a decision about a property assessment that the owner does not agree with, the owner may file an appeal with the Assessment Review Board (ARB). MPAC and the ARB are two different organizations. The ARB process is described in this Guide.

Matters heard at the ARB

1. Assessment Act appeals

These appeals are made under sections 32, 33, 34 and 40 of the Assessment Act. Usually, reasons for these appeals include:

- A wrong property assessment (for example, if you believe your assessment is too high)
- A wrong property classification (for example, if you believe the current use of your land is not correctly classified)
- To correct factual errors in the assessment roll

2. Tax appeals

These appeals deal with the amount of taxes for a property. If the property is in the City of Toronto, the appeal is made under the City of Toronto Act, 2006. If the property is in any other municipality in the province, the appeal is made under Municipal Act, 2001. For properties outside of municipalities such as in unorganized territories, the appeal is made under the Provincial Land Tax Act, 2006. Usually, these appeals are against a decision made by the municipality about a tax

matter. In some cases, the municipality has passed a bylaw directing applications to be filed directly with the ARB. Ask your municipality about their process before filing with the ARB.

Part II – ARB Process

Filing assessment appeals

The Municipal Property Assessment Corporation (MPAC) assesses all properties in Ontario. MPAC is responsible for sending out the Property Assessment Notice. This notice tells you the assessed value of your property and your property class. **The process of filing an assessment appeal to the ARB depends on your property class.**

If your property, or a portion of it, is classified as **residential, farm*, conservation land* or managed forest***:

- 1) You **MUST** file a Request for Reconsideration (RFR) with MPAC first.
- 2) You **MUST** receive a RFR decision **BEFORE** filing an appeal with the ARB.
- 3) Your deadline to file with the ARB is 90 days from the mailing date of MPAC's Notice of Decision.

*Properties that are classed as farms, managed forests or conservation lands, may be eligible for special tax class programs. If you have issues with eligibility for these programs, you must first file a RFR with the Program Administrator. MPAC does NOT administer these programs. After you receive a RFR decision from the Program Administrator, you may appeal that decision to the ARB. See the ARB website for information on these property tax class programs.

If your property, or a portion of it, is classified as **any other property class**:

- 1) You may file a RFR with MPAC **or** you may file an appeal with the ARB.
- 2) If you file a RFR with MPAC first and do not agree with the RFR decision from MPAC, you may then file an appeal with the ARB. Your deadline to file with the ARB is 90 days from the mailing date on the RFR decision.
- 3) If you file with the ARB first, your deadline to file with the ARB is March 31 of the tax year.

If you are **not the property owner**, you must file your appeal with the ARB first and send a copy of the appeal form to the property owner by the filing deadline.

How to file your appeal

E File

You can file your appeal online using **E File** on the ARB website, www.elto.gov.on.ca. E Filing is a quick and easy way to file your ARB appeal. After you submit the online form, you will receive an e-mail confirming your appeal has been received. Processing time is also quicker since all the necessary information is automatically stored in the ARB's database. You must have a credit card to file online. E Filed appeals receive a \$10 discount to the filing fee.

Forms

If you are not E Filing your appeal, you may fill out a form and send it to the Board. This form is available on the ARB website (and at its office) and may be available through some MPAC offices, municipal offices and Government Information Centres.

Once the form has been filled out, you can send the form by fax or mail, or deliver it in person to the Assessment Review Board (see the beginning of this Guide for ARB contact information).

Filing Fees

There is a fee to file an ARB appeal. Please contact the Board or check the Board's website for the current fee amount.

Fees are payable by cheque, money order or major credit card (VISA, Master Card) and must be in Canadian funds. Cheques and money orders should be made payable to the "Minister of Finance" and should include the roll number of the property on the front of the cheque or money order. If hand-delivering an appeal, payment can also be made by cash or by debit. **There are no refunds of filing fees.**

Filing tax applications or appeals

To file a tax application or appeal, make sure to use the right form. The forms are available at ARB's offices and on the ARB website. They may also be available through some Government Information Centres and municipal offices.

These types of appeals can be sent to the Board via mail, fax or in person. Tax appeals cannot be E Filed. Filing fees for these types of appeals depend on the type of appeal being filed. The forms used for filing tax appeals indicate the correct filing fee. A listing of the ARB's filing fees may be found on the ARB website or by contacting the ARB.

After filing with the ARB

After filing your appeal, the ARB will send you an acknowledgment letter in the mail. If the appeal is E Filed, the acknowledgment of receipt is sent by e-mail immediately after submitting. A Notice of Hearing will be sent to you in the mail once your hearing date has been scheduled. Hearings are normally held in the municipality closest to the location of the property.

E Calendar

E Calendar allows you to search for ARB hearing dates on the website www.elto.gov.on.ca. Using E Calendar, you can view the hearings scheduled in a particular month and municipality. Only current information is available. Previous months hearing dates are not listed on E-Calendar.

E Status

E Status is a feature on the ARB website that allows you to find out the status of an appeal. Using the 19-digit roll number, you can view information such as the date, time and location of a hearing, as well as and what parties are involved in the hearing.

Adjournments

An adjournment is a delay of a hearing date. After receiving a Notice of Hearing, you should be prepared to attend the hearing. However, if you cannot attend, you may request that the hearing be adjourned (delayed) to a later date. Your request should:

- Be sent to the Board, in writing, as soon as you know an adjournment is needed;
- Include the reasons for the adjournment;
- Include proof that the other parties involved (i.e. MPAC and the municipality) agree to the adjournment.

Just sending your request to the Board does NOT mean that your hearing will be adjourned. The Board does not always grant adjournment requests. The Board will inform you of its decision on your request. You are expected to attend your hearing unless the Board informs you of any changes to your hearing date. Failure to show up for your hearing could result in your case being dismissed.

If you must make a last minute request to adjourn, please contact the Board right away to discuss your reasons. For more information about adjournments, please see the ARB's Rules of Practice and Procedure.

Withdrawals

To withdraw an ARB appeal, you must send a letter or fill out a withdrawal form and send it to the Board by fax, mail or e-mail. In the letter, include your name, address, the property roll number, and the reason for the withdrawal. A withdrawal form is available for download on the ARB website. After the withdrawal request is received the ARB will review it. If the request is granted, the Board will forward an acknowledgement of withdrawal to everyone involved in the matter and the file will be closed.

Case Managed Stream

If you did not file a Request for Reconsideration (RFR) with the Municipal Property Assessment Corporation (MPAC) and your property is above a certain assessed value, your appeal will be scheduled into the case managed stream. This process is meant to clarify issues and procedures before a full hearing of an appeal begins.

For more information about the case managed stream, please see the ARB's Rules of Practice and Procedure. The Rules are available on the Board's website.

Hearings

It is important that you come prepared to your ARB hearing. The hearing is your opportunity to explain why you think your property assessment is wrong. Although it is MPAC's responsibility to explain its valuation of your property, **you should still bring evidence to support your case.**

Appeals are usually called on a first come, first-served basis. When you arrive to the hearing, you must sign an attendance sheet. The order of the sign-in sheet is the order the appeals are called. Once your appeal is called, the hearing will usually follow the process outlined below.

1. MPAC will describe the property, explain how the assessment was made and present evidence.
2. You may question MPAC about their evidence.
3. You will have a chance to present your evidence and explain why you think the assessment is wrong.
4. MPAC may question you or any of your witnesses.
5. If the municipality is taking part in the hearing, its representative will also be given the opportunity to give evidence and question witnesses.
6. MPAC will summarize their case.
7. You will summarize your case.
8. MPAC will give their closing statement.
9. You will give your closing statement. As the appellant, you have the right to make the final closing statement.
10. The ARB Member gives an oral decision OR reserves the decision (meaning the Member will make the decision at a later date. In this case, an explanation of the decision called **Written Reasons** will be mailed to you.)
11. If you own a farm, managed forest or conservation land properties and are seeking a special tax classification, the ARB Member will refer the appeal for a further hearing. Your appeal is sent to the Agriculture Food Rural Affairs Appeals Tribunal (AFRAAT) if the property is a farm, or to the Mining and Lands Commissioner if the property is a managed forest or a conservation land.

For more information on hearings, please see the ARB's *Rules of Practice*.

PART III – Preparing for a hearing

Using a representative

When you come to the Board for your appeal, you can represent yourself or have someone else represent you. If you choose to have someone else represent you, you must provide the Board with your representative's name, address, telephone number, fax number and e-mail. ARB appeal forms include a section for collecting this information. It is your responsibility to make sure that the Board receives your authorization of representation before the hearing.

Note: anyone in Ontario providing legal services requires a licence, unless the person is not captured by the Law Society Act or is exempt by a Law Society by-law. By-law 4 exempts persons who are not in the business of providing legal services and occasionally provide assistance to a friend or relative for no fee. For information on licensing please refer to the Law Society of Upper Canada's website www.lsuc.ca or call 416-947-3315 or 1-800-668-7380.

Gathering Evidence

A hearing is **your** chance to explain **why you think your property assessment is wrong**. Your evidence and the evidence presented by the other parties will be used by the Board to **make a decision on your appeal**. Some examples of evidence that would be useful for you to bring are listed below (this is not an exclusive list, you may bring other evidence that you think would best support your case).

- ☐ Your property's location, lot size, square footage, number of stories and building age, amenities, condition, etc.
- ☐ Comparable properties' lot sizes, square footages, number of stories and building ages
- ☐ Sales information for your property and the comparable properties*
- ☐ Assessed values of your property and comparable properties
- ☐ Photographs of your property and comparable properties

* If current sales information is not available, the ARB may consider sales figures from other years.

It is important that ALL documents you plan to use as evidence be exchanged between parties AT LEAST 21 days before the hearing date. You must also make sure to bring **two extra** copies of all documents to the hearing.

These are some suggestions on where to find evidence to support your case:

- Through MPAC – call 1-866-296-6722 or visit online at www.mpac.ca
- Your municipal office (town hall or city hall)
- Land registry offices

See the ARB brochure “Preparing for your Hearing” for more information.

Part IV – After the Hearing

Decisions

At the Hearing

After all parties have had a chance to provide the Member with their evidence, the Member will summarize the evidence and give an oral decision. In some cases, the Member may need more time to consider the evidence and may reserve the decision to a later date. If the decision is reserved, a decision with Written Reasons will be mailed to the parties.

If an oral decision is given at the hearing, a written confirmation of the decision will be mailed to the parties after the hearing. If a request for Written Reasons is made, the decision will be sent with the Written Reasons.

Written Reasons

Any party may request Written Reasons for a Member's decision. Written Reasons outline why the Member made his or her decision. To request Written Reasons, you must ask for them at the hearing or make a request, in writing, to the Board within 14 days of the hearing date.

Review a Decision

The Board's Rules of Practice and Procedure provide guidelines for reviewing decisions. It is not an opportunity to rehear or reargue an appeal. For the Board to consider reviewing a decision, it may take into consideration:

- Whether a material error of law or fact was made, which, if corrected, would have a significant effect on the decision;
- Whether any other person has relied upon or acted on the decision; and
- Whether the rights of a party other than the requester will be prejudiced if the decision is changed.

To request a Review of Decision, a party must have requested Written Reasons for the decision. When you send in your request to the ARB for a review of your decision, you must include:

1. A copy of the Written Reasons;
2. An affidavit of the facts and reasons for your request;
3. A \$125 filing fee, per property (this fee is not refundable).

Appeal a Decision

A decision of the Board may be appealed to the Superior Court of Justice (Divisional Court) only on a question of law. To start the process of appealing, you must apply to the Court and seek leave to appeal. People usually consult legal counsel to explore this option.

Please Note

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The Assessment Review Board (ARB) is an independent adjudicative tribunal established by the Province of Ontario to hear appeals from persons who believe there is an error in the assessed value or classification of a property. The ARB, which operates under a variety of legislation including the Assessment Act, also deals with some types of property tax appeals under the Municipal Act and City of Toronto Act, 2006 and the Provincial Land Tax Act, 2006.

Produced by:

Assessment Review Board
655 Bay Street, Suite 1500, Toronto, ON M5G 1E5
Tel (416) 314-6900 or toll free 1-800-263-3237
Fax (416) 314-3717 or toll free 1-877-849-2066

Request for Decision

Municipal Accommodation Tax Update

Presented To: Finance and
Administration
Committee

Presented: Tuesday, Feb 11, 2020

Report Date Thursday, Jan 23, 2020

Type: Managers' Reports

Resolution

THAT the City of Greater Sudbury directs that the City's net portion of the Municipal Accommodation Tax be contributed to the "Tax Rate Stabilization Reserve" as outlined in the report entitled "Municipal Accommodation Tax Update", from the General Manager of Corporate Services, presented at the Finance and Administration meeting on February 11, 2020.

Relationship to the Strategic Plan / Health Impact Assessment

This report supports Council's strategic objective and goal of Economic Capacity and Investment Readiness by supporting the tourism sector and implementation of the Municipal Accommodation Tax to leverage the benefits it will provide for advancing the goals of the Tourism Strategy.

Report Summary

On June 9, 2018, the Finance and Administration Committee approved the final steps in the implementation of a Municipal Accommodation Tax (MAT) as of September 1, 2018. This report serves to provide an update on the work completed since that report and the financial results for the first 12 months of the MAT.

Signed By

Report Prepared By

Jim Lister
Manager of Accounting/Deputy
Treasurer
Digitally Signed Jan 23, 20

Division Review

Ed Stankiewicz
Executive Director of Finance, Assets
and Fleet
Digitally Signed Jan 23, 20

Financial Implications

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

Recommended by the Department

Kevin Fowke
General Manager of Corporate
Services
Digitally Signed Jan 28, 20

Recommended by the C.A.O.

Ed Archer
Chief Administrative Officer
Digitally Signed Jan 28, 20

Financial Implications

If approved, the Municipal Accommodation Tax funds, estimated in the amount of \$1.1 million for 2019 be set aside in the Tax Rate Stabilization Reserve and be uncommitted and available for use since the related debt has not been secured.

In addition, any future year amounts above the required \$800,000 debt payment included in the KED financing plan approved in 2018 will also be uncommitted in the Tax Rate Stabilization Reserve.

Background

At the June 9, 2018 Finance and Administration Committee, the General Manager of Corporate Services presented a report entitled "Implementation of the City of Greater Sudbury's Municipal Accommodation Tax". As a result, staff were directed to:

1. Prepare the necessary by-laws.
2. Enter into a contribution agreement (an Eligible Tourism Entity Agreement or the ETE) with The City of Greater Sudbury Community Development Corporation (operating as the Greater Sudbury Development Corporation, or the GSDC). The contribution agreement was meant to:
 - Govern the terms on which the MAT funding was to be provided
 - Set out financial accountability measures to ensure that amounts paid to the ETE are used for the exclusive purpose of promoting tourism.
 - Require the GSDC to establish a Tourism Development Subcommittee which included representation from the tourism sector and accommodation providers, as well as GSDC board members.
3. Enter into an agreement with Airbnb to collect the Municipal Accommodation Tax from its members and remit to the City of Greater Sudbury on their behalf.

This report serves to provide information regarding the items noted above. In addition, the report provides information on the financial results of the program for the first year of operation.

Progress since the June 9, 2018 Municipal Accommodation Tax report

Staff from Economic Development, Legal and Finance collaborated to move the implementation of the Municipal Accommodation Tax "MAT" forward.

By-law preparation

Staff prepared bylaw 2018-127 – A By-law of the City of Greater Sudbury to Establish the Municipal Accommodation Tax and it was passed July 10, 2018. The by-law includes the provisions noted in the February and June reports to Committee including:

- Delegation of Authority to the Treasurer
- MAT rate of 4%
- Exemptions as approved by Committee
- Assessment, enforcement, audit and interest provisions

Eligible Tourism Entity Agreement (ETE) between The City of Greater Sudbury and The City of Greater Sudbury Community Development Corporation (GSDC)

The provincial legislation provides direction to each participating municipality to designate an organization to receive the portion of MAT proceeds to be dedicated to reinvestment into the tourism sector. In Greater Sudbury's case, Council designated the City of Greater Sudbury Community Economic Development Corporation (GSDC) as its Eligible Tourism Entity. The GSDC, as an existing non-profit board with an economic development mandate that has long encompassed tourism as a priority, took on the responsibility for the investment of the applicable funds for the purposes of promoting and growing the tourism industry in Greater Sudbury.

From the industry consultation phase of the implementation process there were concerns raised by accommodation providers. The key concerns included:

- How the funds will be spent and their ability to offer input into the GSDC process to maximize the return for the tourism sector.
- How there will be clear oversight and transparency in the management of the funds and ensuring there is comprehensive reporting on the investments and returns.

In April 2019 The City and GSDC signed the ETE based on the recommendations contained in previous reports to Committee. To address the concern raised by the tourism industry that their views might not be heard with respect to the use of the MAT funds, the ETE Agreement includes the establishment of a Tourism Development Committee.

Highlights of the ETE include guidance on:

- Governance - funds spent only for the promotion of tourism activities and tourism products
- The creation of a Tourism Development Committee (see below)
- Budget and work plan – including controls on level of spending requiring Council or the Treasurer's approval
- Calculation of MAT funds payable and definition of reasonable costs to be deducted from gross MAT revenue
- Reporting - The GSDC will submit an annual report to the City to include:
 - Activities engaged to promote tourism and products developed
 - Proposed activities for the next fiscal year

- Outcomes, including key performance indicators
- A term of five years, subject to two conditional additional terms of five years, including provisions for cancellation due to non-compliance.

Tourism Development Committee

In order to ensure the GSDC makes informed investment decisions, a Tourism Development Committee (TDC) was established to bring together a focused group of tourism sector professionals. The GSDC worked with the city's newly developed hotel association, the Hotel and Accommodation Association of Sudbury (HAAS), to develop terms of reference and committee structure that includes three HAAS members, one retail member, one attraction member and two GSDC Board members. These members are committed to providing advice, recommendations, information and expertise that will provide for better planning and decision making related to the investment of the applicable MAT funds.

One of the first tasks the TDC completed was the review and refinement of a Tourism Strategy for the next 3 to 5 years. Having regard for the existing Community Economic Development Strategic Plan From the Ground Up, the TDC committee presented a document that recommended an improved tourism vision, new key values to guide decisions, and updated goals to reflect the current community priorities/opportunities; this document was endorsed by the GSDC Board at their meeting of May 8, 2019.

In addition to the development of the strategy and upon recommendation by the Committee, the GSDC has approved support to hire a dedicated staff person to lead the City's targeted efforts to attract meetings, conventions and sport tourism events to the community. This contracted staff position started in November 2019. The role will be required to track and report on leads generated, bid opportunities and results, and return on investment of marketing initiatives.

To date, the GSDC Board has also approved the TDC recommendation to provide support for joint marketing and promotions projects in collaboration with the City's Tourism and Culture team. One project is the development of new assets (photo, video and creative services) that are relevant to all markets and future campaign opportunities; other actions include focused projects such as the partnership with event sector-specific Ignite and Adrenalin Magazine as well as with Business Events Canada

to promote our meetings, conventions, sporting and events business assets. These projects started in Q4 of 2019 and will take place throughout 2020.

Finally, the GSDC has approved the TDC to develop and manage a tourism grant program based on the Community Economic Development (CED) Fund. The TDC is reviewing the application process and funding guidelines and working to ensure that adequate information is collected from applicants to evaluate the impact on tourism (number of visitors attracted and hotel rooms nights etc.). Once ready, the program information will be shared publicly, and applications will be accepted. The TDC will review and make recommendations to the GSDC for approval as done with the CED. The GSDC will be formally presenting the final summary of 2019 activities, an updated workplan and budget for 2020, to the Treasurer by the end of Q1 2020.

Agreement with Airbnb

MAT applies to accommodations provided through Airbnb. Staff was successful in obtaining agreement with the Canadian office of Airbnb to collect the MAT at the platform level (i.e. at the point of booking online with the consumer). The agreement was signed in August 2018 with a start date of October 1, 2018 (one month later than the implementation of the MAT).

Any amounts collected by Airbnb are deducted from the monthly remittance reports from accommodation providers and are collected direct from Airbnb on a quarterly basis.

Financial Update

Staff communicated with the accommodation providers regarding the administrative details of the MAT program and there was a communication strategy directed to the public regarding the benefits of the program.

With the passage of the by-law authorizing the MAT, Finance staff finalized a comprehensive MAT Policy and Procedure to guide the administration of the MAT program. The Policy and Procedure provides details on responsibilities, reporting by providers, remittances, collection, audit and issue resolution.

City Costs

In accordance with Regulation 435/17 the City may deduct costs to administer and collect the MAT before distributing 50% of the revenue to the ETE. Administrative and

collection costs include staffing, development of forms, information technology, audit and legal costs.

A Business Case to convert part-time staffing to full time status for the administration of the MAT program was approved as part of the 2019 Budget process.

Financial Results for the First Year

The first Remittance Reports were due October 31st, 2018 with payment to be received by November 15th, 2018. Qualified providers could apply for a Quarterly Reporting and Remittance Program to reduce their administrative burden.

Period	09/18-12/18	01/19-8/19	09/18-08/19
Gross MAT Revenue	\$753,500	\$1,473,300	\$2,226,800
Net MAT	\$726,400	\$1,420,400	\$2,146,800
City Share	\$363,200	\$710,200	\$1,073,400
GSDC Portion	\$363,200	\$710,200	\$1,073,400

The above numbers indicate the MAT program has been more successful in revenue generation than previously anticipated. The extra funds will provide further investments into the local tourism industry beyond the original estimates of \$800,000 per year.

Audit

The City also has the right to audit providers to ensure accuracy of Remittance Reports. City staff has selected 16 providers to be audited to date. Ten of the audits are complete and six more are in progress. Audit financial differences have been minor, and the audit results communication letter is normally a small suggestion for improvement related to disclosure of the tax on invoices.

Net MAT Revenue Calculation and the Disposition of the City of Greater Sudbury's share

In the previous reports to committee on the MAT it was decided that the City share of be set aside in the Tax Rate Stabilization Reserve – Committed to fund the Event Centre debt payments in accordance with approved Council budgets.

The financing plan for the Event Centre (now known as the KED) approved in the 2018 budget required MAT funding in the amount of \$800,000 per year. There is the potential to continue to achieve funding above that level and based on the results of the first year of implementation there is a further \$273,000 of funds available for investment. Until such time as the debt is incurred there is not a need for the funds to be committed in the Tax Rate Stabilization Reserve and should be available for other investment. Staff

is proposing that all the MAT funds for 2019 be uncommitted in the Tax Rate Stabilization Reserve. In the fiscal year the debt is incurred, and beyond, staff proposes any MAT funds above the \$800,000 annual debt repayment be used to fund the Tax Rate Stabilization Reserve and be available for investment.

Resources cited

By-law 2018-127 – City Council – A By-law of the City of Greater Sudbury to Establish the Municipal Accommodation Tax

<https://agendasonline.greatersudbury.ca/index.cfm?pg=feed&action=file&attachment=24308.pdf>

June 9, 2018 – Finance and Administration Committee – Implementation of the Municipal Accommodation Tax report

<http://agendasonline.greatersudbury.ca/index.cfm?pg=feed&action=file&agenda=report&itemid=5&id=1269>

February 6, 2018 – Finance and Administration Committee – Transient Accommodation Tax report

<http://agendasonline.greatersudbury.ca/index.cfm?pg=feed&action=file&agenda=report&itemid=5&id=1269>

Bill 127 – Stronger, Healthier Ontario Act (Budget Measures), 2017

http://www.ontla.on.ca/web/bills/bills_detail.do?locale=en&BillID=4778&isCurrent=false&ParlSessionID=412&detailPage=bills_detail_the_bill

Municipal Act, 2001

<https://www.ontario.ca/laws/statute/01m25>

Ontario Regulation 435/17 – Transient Accommodation Tax

<https://www.ontario.ca/laws/regulation/170435?search=litigation+guardian>

For Information Only

Public Sale for Tax Arrears Under the Municipal Act - April 30, 2020

Presented To: Finance and
Administration
Committee

Presented: Tuesday, Feb 11, 2020

Report Date Tuesday, Jan 28, 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 deals with a public tax sale for properties in tax arrears under the authority of Part XI of the Municipal Act of Ontario. On Thursday, April 30, 2020 the City of Greater Sudbury will offer approximately thirty five (35) properties for sale in accordance with the rules and procedures governing a public tax sale.

Financial Implications

There are no financial implications associated with this report.

Signed By

Report Prepared By

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Manager of Taxation
Digitally Signed Jan 28, 20

Manager Review

Ed Stankiewicz
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Financial Implications

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Recommended by the Department

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Recommended by the C.A.O.

Ed Archer
Chief Administrative Officer
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Executive Summary

Part XI of the Municipal Act, 2001 (the Act) provides the authority for a municipality to collect property tax arrears through tax registration and public sale. On Thursday, April 30, 2020, the City of Greater Sudbury will conduct a sale of land by public tender (tax sale) in accordance with this legislation. Approximately thirty five (35) properties will be offered for sale. Tenders will be accepted until 3:00 pm on the day of the sale and tenders will be opened at 3:30 pm.

Background

On April 30, 2020, the City of Greater Sudbury will conduct a sale of land by public tender for properties with tax arrears, under the authority of the Municipal Act, 2001. The Finance Division will be coordinating the public sale in accordance with the Rules and Procedures as outlined in Provincial Legislation.

Approximately thirty five (35) properties will be offered for sale on April 30, 2020, and full payment in certified funds by the current property owner will be accepted up until 3:00 pm, after which tenders will be opened at 3:30 pm the same day and a successful tenderer declared.

Over the past few years, the number of properties offered for tax sale was approximately thirty five (35) on average. A majority of these properties have their outstanding taxes paid off prior to the deadline, resulting in only approximately five (5) to ten (10) properties proceeding to the tax sale.

The following outlines the procedures undertaken with respect to the collection of tax arrears:

- Regularly throughout each year, arrears notices are sent to the assessed owners of all properties on which realty taxes remain unpaid.
- Under the authority of the Municipal Act, 2001, for those properties which are two (2) years in arrears, a notice of upcoming legal action is sent to the owner.
- If payment is not received or if satisfactory repayment arrangements are not made, a tax arrears certificate representing a lien against the property is registered on title in accordance with the Municipal Act, 2001. Notices are sent by registered mail to the assessed owner and all parties having an interest in the property. An administration charge representing costs of collection is levied on the property.
- The property owner has one (1) year from the date of registration to pay the taxes and administration fee in full or enter into a tax extension agreement with the municipality.
- A final notice is sent by registered mail to the assessed owner and all interested parties 280 days after the lien is registered.

- If taxes still remain unpaid after the redemption period (one year), the Municipal Act, 2001 authorizes the Treasurer of the municipality to offer the property for public sale. For all of the properties proceeding to tax sale, the one year redemption period has expired.
- A notice is sent to the assessed owner by registered mail advising of pending tax sale action.
- All affected properties are advertised for sale in accordance with procedures outlined in the Municipal Act, 2001 and Ontario Regulation 181/03.

Tax Extension Agreements

The City of Greater Sudbury offers the option for a tax extension agreement as per Section 378 of the Municipal Act, 2001, for properties that have a tax arrears certificate registered on title. As per the Act this option is only available before the expiry of the one-year period following the date of the registration of the tax arrears certificate. The one-year redemption period has expired for all properties that will be available for sale.

Cancellation of Sale of Land by Public Tender

A property can only be cancelled from the sale of land by public tender if:

- the cancellation price is paid in full by certified funds or other acceptable methods as set out in the Municipal Act, 2001, prior to the registration of a Tax Deed; or
- by the treasurer of the municipality if in his or her opinion,
 - it is not in the best interests of the municipality to continue with the proceedings; or
 - because of some neglect, error or omission, it is not practical or desirable to continue proceedings.

Postponement of Sale of Land by Public Tender

The sale of a property may be postponed and conducted at a later date, if after advertising the treasurer is of the opinion that completing the sale would be impractical or would be unfair to the tenderers.

Summary

The process of the sale of land by public tender is a collection tool used by the City of Greater Sudbury to collect unpaid property tax arrears. This process is authorized under the Municipal Act, 2001. All aspects of this collection method are regulated by the Municipal Act, 2001, and the Municipal Tax Sale Rules as set out in Ontario Regulation 181/03.

For reference, attached is the information package and checklist (Appendix 'A') that will be provided to potential tenderers online and by hard copy as part of the tender package for each property advertised for sale. The information package and checklist provide the details about the sale, the process, obligations and provide a checklist to assist potential tenderers with submitting their tender(s).

Also provided is Ontario Regulation 181/03 (Municipal Tax Sale Rules) in Appendix 'B' which has to be adhered to throughout the process for the sale to be valid.



IMPORTANT INFORMATION REGARDING THE SALE OF LAND BY PUBLIC TENDER

Definitions:

All references to section numbers in this Information Sheet are references to the *Municipal Act, 2001*. Additionally, this Information Sheet uses certain terms which are defined in the *Municipal Act, 2001*, Part XI Section 371 as set out below:

“Cancellation Price” means an amount equal to all the tax arrears owing at any time in respect of the land together with all current real property taxes owing, interest and penalties thereon and all reasonable costs incurred by the municipality after the treasurer becomes entitled to register a tax arrears certificate under section 373 or 373.1 in proceeding under this Part or in contemplation of proceeding under this Part and may include,

- a. legal fees and disbursements
- b. the cost of preparing an extension agreement under section 378,
- c. the costs of preparing any survey required to register a document under this Part, and
- d. a reasonable allowance for costs that may be incurred subsequent to advertising under section 379

“Tax Deed” means a tax deed prepared under section 379 and includes the title conferred by the registration of the tax deed.

“Notice of Vesting” means a notice of vesting prepared under section 379 and includes the title conferred by the registration of the notice of vesting.

Limitations:

The City of Greater Sudbury makes no representation regarding the title to or any other matters relating to the land to be sold. Responsibility for ascertaining these matters rests with the tenderers who are advised to investigate matters of interest prior to submitting a tender.

No verbal information or advice provided in furtherance or for the purposes of this tender by the Municipality or its staff will be binding on the Municipality. All written instructions, specifications and terms will be considered clear and complete unless written attention is called to any apparent discrepancies or incompleteness before the official closing.

Although this Information Sheet sets out as summary of the procedures, for your convenience, interested parties should reference the relevant sections of the *Municipal Act, 2001* as well as *Ontario Regulation 181/03* (Municipal Tax Sales Rules). These can be found online at <https://www.ontario.ca/laws>, among other locations.

In the event of a conflict between the contents of this document and the content of the *Municipal Act, 2001* or Regulations thereunder, the provisions of the *Municipal Act, 2001* and/or Regulation shall govern.

At any time prior to the registration of a Tax Deed the treasurer may halt proceedings and register a cancellation certificate as per section 382 of the *Municipal Act, 2001*, if in his or her opinion,

- a. it is not in the financial interests of the municipality to continue with the proceedings; or

- b. because of some neglect, error or omission, it is not practical or desirable to continue proceedings

The treasurer may postpone the tax sale and conduct it on a later date as per section 22 of the Regulation, if after advertising the treasurer is of the opinion that completing the sale would be impractical or would be unfair to the tenderers.

About Sale of Land by Public Tender (Tax Sale):

A Sale of Land by Public Tender (also referred to in this Information Sheet as a 'Tax Sale') is governed by the *Municipal Act, 2001*, and Ontario Regulation 181/03 (the "Municipal Tax Sales Rules"). By following the process set out in this legislation, the municipality has an opportunity to sell land which is in arrears of taxes in order to recover the arrears.

The Municipality registers a Tax Arrears Certificate on the title of a property in tax arrears for at least two (2) years. This certificate indicates that the property will be sold if the "Cancellation Price" is not paid within one year of registration of the certificate.

The Municipality advertises the property(s) for sale due to non-payment of taxes if the "Cancellation Price" is not paid within the one year registration of the certificate and no tax extension agreement has been executed.

Tender packages for properties being offered for Sale of Public Tender as part of a tax sale process will be made available for pickup through the City of Greater Tax Department on the 2nd Floor, Tom Davies Square, 200 Brady St, Sudbury. Municipal office hours are 8:30 a.m. to 4:30 p.m., Monday to Friday, holidays excluded. Documents will also be available online at <https://www.greatersudbury.ca/city-hall/tax-services/tax-sale-properties>, and may be printed and used.

All sealed tender envelopes received will be date and time stamped when received and will be retained unopened in a safe place by the treasurer.

All sealed tender and withdrawals will be opened at 3:30 p.m. local time on the closing date in a public place as indicated in the tender package and the advertisement.

After the opening of all sealed envelopes, the treasurer will examine all envelopes, tender to purchase forms and bid deposits. Any tender that does not meet all of the necessary criteria will be rejected.

All rejected tenders together with the tenderer's deposit will be returned by registered mail, along with an explanation as to the reason for its rejection to the mailing address provided on the Tender to Purchase Form submitted by the tenderer.

If two or more tenders of equal amount are tendered, then the tenderer who submitted the earlier tender will be deemed to be the higher tenderer.

The two highest tenders will be retained until the successful tenderer has met all commitments. The successful tenderer will be notified in writing by ordinary mail to the address provided on the Tender to Purchase Form, that the tenderer will be declared the successful purchaser if, within 14 days of the notice the balance reflected on the notice is paid in full. This balance will include the balance of the amount tendered, any taxes that may be applicable, such as land transfer tax and/or HST and accumulated taxes. As a result, the total amount required to close, including registration costs will exceed the tendered amount.

The tenderer will be required to retain a lawyer to act on their behalf to process the transaction and register the transfer.

If the highest tenderer does not remit the remaining funds as required within the 14 days of the notification, the highest tenderer's deposit is forfeited to the Municipality and the property is offered with the same terms and conditions to the second highest tenderer.

If the second highest tenderer does not remit the remaining funds as required, then the second highest tenderer's deposit is forfeited to the Municipality and the treasurer shall declare that there is no successful purchaser.

For every property advertised for Sale of Land by Public Tender that has a successful purchaser, the Municipality does obtain (prior to transfer) a statement from the Ministry of Energy, Northern Development and Mines that the land:

- a) is liable to a tax imposed under the *Mining Act* and accordingly, under section 384 of the *Municipal Act, 2001*, the registration of this document creates a severance of the surface rights from the mining rights, or
- b) is not liable for a tax imposed under the *Mining Act* and accordingly, under section 384 of the *Municipal Act, 2001*, the registration of this document does not create a severance of the surface rights from the mining rights.

Note: This process is required by law and may increase the timeframe between the tender opening and the transfer of title.

Certain interests in the land will survive the tax sale. The Tax Deed provides the successful tenderer with title to the land free of all interests except:

- a) easements and restrictive covenants that run with the land,
- b) any estates and interests of the Crown in right of Canada or in right of Ontario,
- c) any interest or title acquired by adverse possession by abutting landowners before registration of the tax deed.

The Municipality does not provide vacant possession of any property purchased through a Sale of Land by Public Tender or provide keys to any building on the property on closing. If the property purchased through a Tax Sale is not vacant, it is the sole responsibility of the tenderer to secure possession at their own cost.

If no tenders are received or if no tenders remain for a property after the review process, then the treasurer shall declare that there is no successful purchaser.

If there is no successful purchaser, the Municipality has the option to register a notice of vesting in favour of the Municipality.

Additional Information About Sale of Land by Public Tender:

You should be aware that Sale of Land by Public Tender is not a regular real estate transaction. If you are participating in a sale of land by public tender **it is highly recommended that you seek independent legal advice prior to submitting a tender to ensure your interests are protected.**

The City of Greater Sudbury does not own or have access to the properties being advertised for Sale by Public Tender and cannot provide access to potential tenderers for viewing. All property is sold 'as is'.

All potential tenderers are advised to obtain all required information about the property prior to submitting a tender.

The onus is on the tenderer to conduct their own inquiries into such matters as zoning, access, work orders, environmental concerns, water, hydro and other arrears, building restrictions, access to public roads, title problems or the physical condition of the land and/or any structure(s) thereon.

The Municipality does not provide legal opinions or advice to potential tenderers in respect of issues which may arise in the context of a Sale of Land by Public Tender.

The Municipality makes no representations as to the quality of the title, the value or marketability of the property(s) being sold under Sale of Land by Public Tender. Under the provisions of the *Municipal Act, 2001*, the treasurer is not bound to inquire about or form any opinion of the value of the properties before conducting a sale and has no duty to obtain the highest or best price for the property(s).

The Municipality is not obligated to provide a survey or reference plan or any document other than a Tax Deed to a successful purchaser for any parcel of land being sold under tax sale.

Instructions for submitting a Tender to Purchase:

Below are the steps and instructions to be followed for completing tender and tender envelope and for submitting the tender in a Sale of Land by Public Tender. These must be followed to ensure these items are prepared and submitted in accordance with the Municipal Tax Sales Rules: Failure to comply can result in a rejection of the tender:

1. Tender Amount

The minimum tender amount for a property is the amount advertised as the 'Cancellation Price' (taxes, penalties, interest, administration charges etc) at time of advertising. Your tender amount must be this amount or more. Should your tender be accepted as the successful tender, you will also be required to pay 'accumulated taxes' being any further taxes, penalties, interest, administration charges etc that have accumulated since the time of advertising along with Land Transfer Tax and any applicable HST.

2. Tender to Purchase Form (Form 7)

All tenders must be on Tender to Purchase Form (Form 7).

- a. There is a Tender to Purchase (Form 7) in your tender package or one may be obtained at the website of the Government of Ontario Central Forms Repository under the listing for the Ministry of Municipal Affairs.
- b. All information is required to be typewritten or legibly handwritten in ink.
- c. Information must be accurately completed and provided in full.

3. Deposit (Must be at least 20% of your tender)

- a. Your tender must be accompanied by a deposit of at least 20 per cent (20%) of your tender amount.
- b. The deposit needs to be rounded to the 'higher cent' where applicable. (For example: if your tender is \$10,000.01 then 20% of \$10,000.01 equals \$2,000.002 and you must round up, so the deposit will be at least \$2,000.01).
- c. Deposit shall be made by way of money order/bank draft/certified cheque by a bank or authorized foreign bank within the meaning of section 2 of the *Bank of Act (Canada)*, a trust corporation registered under the *Loan and Trust Corporations Act* or credit union within the meaning of the *Credit Unions and Caisses Populaires Act, 1994*.
- d. The deposit must be made payable to **City of Greater Sudbury**.
- e. **IMPORTANT** – if you receive notification that your tender has been accepted, you must pay the full amount owing (as provided) within 14 days of the notice. **If payment in full is not received as required, for any reason, your deposit will be forfeited to the Municipality.**

4. Tender Envelope

The tender and deposit must be submitted in a sealed envelope, addressed to the treasurer. You must note on the face of the envelope:

- a) it is for a Sale of Land by Public Tender,
- b) set out a short description or municipal address of the land sufficient to permit the treasurer to identify the parcel of land to which the tender relates.

You may wish to use the envelope label provided in the tender package and affix it to your envelope.

5. Only One Parcel Per Tender to Purchase (Form 7)

Each tender shall relate to only one parcel of land. If you are submitting a tender(s) for more than one property, you must submit a separate Tender to Purchase (Form 7), each with its own separate deposit and in its own envelope for each property.

6. Terms and Conditions

No additional terms or conditions that are not provided for in the Municipal Sales Tax Rules will be accepted. If your Tender to Purchase (Form 7) includes any additional terms or conditions, it will be rejected.

7. Submitting a Tender(s)

- a. Tenders must be received no later than 3:00 p.m. local time (closing time) on Thursday, April 30, 2020 (closing date) at the Tax Department, 2nd Floor, Tom Davies Square, 200 Brady Street, Sudbury, Ontario P3E 3L9.
- b. Closing time will be determined in accordance with the clock on the computer at the Tax Department counter.
- c. Tenders may be submitted in person, by courier or by mail. Tenderers are solely responsible for the actual delivery of their tender. The tender must be received by the treasurer on or before the closing time on the closing date or it will be rejected. The treasurer will consider only the time of delivery to the Tax Department and will not consider the day and time of delivery of the tender to a courier, delivery service or Canada Post, etc. or whether it was delivered to the Municipality prior to the closing time, if it is not actually in the possession of the treasurer at the closing time.

Note: If sent by mail or the mailing address includes a Post Office Box, there is no guarantee the Municipality will collect their mail before 3:00 p.m. on the day of the sale.

8. Withdrawing a Tender(s)

A tender may be withdrawn if the tenderer delivers a written request to have their tender withdrawn to the treasurer by 3:00 p.m. local time on the closing date. Any tender withdrawals will be opened at the opening of the sealed envelopes. The delivery envelope and notice of withdrawal must:

- a. be delivered in a sealed envelope
- b. be addressed to the treasurer
- c. indicate that it is in relation to the Sale of Land for Public Tender and
- d. provide a short description or the municipal address of the land sufficient to permit the treasurer to identify the parcel of land to which the withdrawal letter relates.

9. Questions

All questions regarding this Sale of Land by Public Tender must be submitted in writing via email to taxdepartment@greatersudbury.ca or by fax to 705-671-9327.

Tender's Checklist for Submitting a Valid Tender

If your tender does not meet all of the below criteria, the Tender shall be rejected:

- ☐ Tender is submitted on the **Tender to Purchase Form (Form 7)** and:
 - a. Must be addressed to the person who holds the position of Treasurer under Section 286(2), even if their Title is different.
 - b. Shall be typewritten or legibly handwritten in ink. Ensure to complete each section.
 - c. Only deals with one parcel of land.
- ☐ Tender includes only the terms and conditions as provided for in the Municipal Tax Sale Rules.
- ☐ Tender amount is equal to or greater than the Minimum Tender Amount as advertised for the property.
- ☐ Tender is accompanied by a deposit of at least 20% of **your** tendered amount.
 - a. Deposit of at least 20% must always be rounded up the 'Higher' cent
ie: your tender \$10,000.01
20% of \$10,000.01 equals \$2,000.02 therefore your deposit must be at least \$2,000.01
- ☐ Deposit is made out in the favour of the City of Greater Sudbury.
- ☐ Deposit is made by way of money order/bank draft/certified cheque by a bank or authorized foreign bank within the meaning of section 2 of the *Bank of Act (Canada)*, a trust corporation registered under the *Loan and Trust Corporations Act* or credit union within the meaning of the *Credit Unions and Caisses Populaires Act, 1994*.
- ☐ Tender is submitted in a sealed envelope and sets out the following information whether on the envelope label provided or otherwise:
 - a. Addressed to the "treasurer"
 - b. Specifies it relates to a Tax Sale
 - c. Short description or municipal address of the land sufficient to allow the Treasurer to identify the parcel of land which the tender relates
- ☐ Only one Tender to Purchase Form (Form 7) per envelope.
- ☐ Your tender(s) must be received in the office of City of Greater Sudbury, Tax Department, Attn: City Treasurer, 2nd Floor, Tom Davies Square, 200 Brady Street, PO Box 5555, Stn 'A', Sudbury, ON, P3A 4S2, before 3:00 p.m. local time, Thursday, April 30, 2020.

***If you have not met all of the above criteria,
the Tender will be rejected!***

Municipal Act, 2001

ONTARIO REGULATION 181/03 MUNICIPAL TAX SALES RULES

Consolidation Period: From January 1, 2018 to the [e-Laws currency date](#).

Last amendment: 571/17.

Legislative History: 580/06, 571/17.

This is the English version of a bilingual regulation.

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PART I

INTERPRETATION AND FORMS

Definitions

1. In this Regulation,

“accumulated taxes” means real property taxes that have accumulated with respect to a parcel of land from the first day of advertising of the parcel for sale by public sale until the day a successful purchaser is declared; (“impôts accumulés”)

“board” means a board described in subsection 371 (2) of the Act. (“conseil”) O. Reg. 181/03, s. 1.

Public sale of land

2. A public sale of land under the Act shall be conducted in accordance with this Regulation. O. Reg. 181/03, s. 2.

Required information on documents

3. (1) A tax arrears certificate referred to in subsection 373 (1) or 373.1 (1) of the Act shall contain the information set out in Schedule 1. O. Reg. 181/03, s. 3 (1); O. Reg. 571/17, s. 1 (1).

(2) A tax arrears cancellation certificate referred to in subsection 375 (2), 378 (6) or 382 (3) or (6) of the Act or subsection 22 (2) of this Regulation shall contain the information set out in Schedule 2. O. Reg. 181/03, s. 3 (2); O. Reg. 580/06, s. 1.

(3) A tax deed and the statement related to it, as required by clause 379 (5) (a) and subsection 379 (6) of the Act, shall contain the information set out in Schedule 3. O. Reg. 181/03, s. 3 (3); O. Reg. 571/17, s. 1 (2).

(4) A notice of vesting and the statement related to it, as required by clause 379 (5) (b) and subsection 379 (6) of the Act, shall contain the information set out in Schedule 4. O. Reg. 181/03, s. 3 (4); O. Reg. 571/17, s. 1 (2).

Matters prescribed for purposes of s. 381 (3) of the Act

3.1 The matters described in subparagraphs 5 (i), (ii), (iii) and (v) of Schedule 3 and subparagraphs 6 (i), (ii), (iii) and (v) of Schedule 4 are prescribed for the purposes of subsection 381 (3) of the Act. O. Reg. 571/17, s. 2.

Forms

4. (1) The forms set out in the Table to Schedule 5 are prescribed as required forms for the purposes indicated in the Table. O. Reg. 571/17, s. 3.

(2) The forms prescribed by subsection (1) are the forms that are available on the website of the Government of Ontario Central Forms Repository under the listing for the Ministry of Municipal Affairs. O. Reg. 571/17, s. 3.

PART II SALE BY PUBLIC TENDER

Advertisement

5. (1) If the treasurer conducts a sale by public tender, the advertisement required by clause 379 (2) (b) or clause 379 (2.0.1) (b) of the Act, as the case may be, shall comply with this section. O. Reg. 571/17, s. 4.

(2) The treasurer shall advertise the land for sale once in *The Ontario Gazette* and once a week for four weeks in a newspaper that, in the opinion of the treasurer, has such circulation within the municipality as to provide reasonable notice of the sale or, if there is no such newspaper, post a notice in the municipal office and one other prominent place in the municipality. O. Reg. 571/17, s. 4.

(3) The following rules apply to advertisements under subsection (2):

1. The advertisement in *The Ontario Gazette* shall be in Form 6.
2. If the land is advertised for sale in a newspaper,
 - i. during the first week, the advertisement in the newspaper shall be in Form 6,
 - ii. during the second, third and fourth weeks, the advertisement shall either be in Form 6 or shall contain the information set out in subsection (4), and
 - iii. if the advertisement is not in Form 6 during one or more of the weeks described in subparagraph ii, the treasurer shall make a copy of the advertisement in Form 6 available on a website of the treasurer’s choosing during those weeks that the advertisement is not in Form 6.

3. If the land is advertised for sale by the posting of a notice, the notice shall be in Form 6. O. Reg. 571/17, s. 4.

(4) If Form 6 is not used for a newspaper advertisement in one or more of the weeks described in subparagraph 2 ii of subsection (3), the advertisement shall contain the following information during those weeks that the advertisement is not in Form 6:

1. The name of the municipality or board.
2. The street address and municipality in which the land is located or, if there is no street address, the location of the land.
3. The deadline for receiving tenders.
4. The minimum tender amount (*set out the cancellation price as of the first day of advertising*).
5. The following statements:

- i. This sale is governed by the *Municipal Act, 2001* and the Municipal Tax Sales Rules made under that Act.
- ii. Further information about this matter is available online at (*website address*), or you may contact (*contact information for the municipality or board, such as address, email address, telephone number, and one or more contact names*). O. Reg. 571/17, s. 4.

(5) An advertisement may relate to the sale of any number of parcels of land. O. Reg. 571/17, s. 4.

(6) The treasurer shall allow at least seven days after the publication of the last advertisement in *The Ontario Gazette* or a newspaper, or where there is no newspaper, the posting of the notice, for the submission of tenders. O. Reg. 571/17, s. 4.

Tender

6. (1) A tender shall be in Form 7 and shall be,

- (a) typewritten or legibly handwritten in ink;
- (b) accompanied by a deposit of at least 20 per cent of the tender amount, which deposit shall be made by way of money order or by way of bank draft or cheque certified by a bank or authorized foreign bank within the meaning of section 2 of the *Bank Act* (Canada), a trust corporation registered under the *Loan and Trust Corporations Act* or a credit union within the meaning of the *Credit Unions and Caisses Populaires Act, 1994*;
- (c) submitted in a sealed envelope which indicates on it that it is a tax sale and provides a short description or municipal address of the land sufficient to permit the treasurer to identify the parcel of land to which the tender relates; and
- (d) addressed to the treasurer. O. Reg. 181/03, s. 6 (1); O. Reg. 571/17, s. 5.

(2) A tender shall relate to only one parcel of land. O. Reg. 181/03, s. 6 (2).

Receipt of tender

7. (1) On receiving an envelope identified as containing a tender, the treasurer shall mark on it the time and date on which it was received and shall retain it unopened in a safe place. O. Reg. 181/03, s. 7 (1).

(2) For the purposes of this Part, where two or more tenders are equal, the tender that was received earlier shall be deemed to be the higher. O. Reg. 181/03, s. 7 (2).

Withdrawn tender

8. (1) A tender is withdrawn if the tenderer's written request to have the tender withdrawn is received by the treasurer before 3 p.m. local time on the last date for receiving tenders. O. Reg. 181/03, s. 8 (1).

(2) The envelope containing a withdrawn tender shall be opened at the time of the opening of the sealed envelopes. O. Reg. 181/03, s. 8 (2).

Opening of tenders

9. (1) The treasurer, at a place in the municipality that is open to the public, shall open the sealed envelopes containing the tenders as soon as possible after 3 p.m. local time on the last date for receiving tenders. O. Reg. 181/03, s. 9 (1).

(2) The sealed envelopes shall be opened in the presence of at least one person who did not submit a tender, which person may be a municipal employee. O. Reg. 181/03, s. 9 (2).

(3) After opening the sealed envelopes, the treasurer shall examine their contents and shall reject every tender that,

- (a) is not equal to or greater than the minimum tender amount as shown in the advertisement;
- (b) does not comply with section 6;
- (c) includes any term or condition not provided for in this Regulation; or
- (d) has been withdrawn as set out in subsection 8 (1). O. Reg. 181/03, s. 9 (3).

(4) After complying with subsection (3), the treasurer shall reject all but the two highest of the remaining tenders. O. Reg. 181/03, s. 9 (4).

(5) Every rejected tender shall be returned to the tenderer together with the tenderer's deposit, if any, and a statement of the reason for rejection. O. Reg. 181/03, s. 9 (5).

Notice of vesting

10. If, after complying with section 9, no tenders remain, the treasurer shall declare that there is no successful purchaser. O. Reg. 181/03, s. 10.

Two remaining tenders

11. (1) If, after complying with section 9, two tenders remain, the treasurer shall immediately notify the higher tenderer, by ordinary mail sent to the address shown in the tender, that the tenderer will be declared to be the successful purchaser if, within 14 days of the mailing of the notice, the balance of the amount tendered, any taxes that may be applicable, such as a land transfer tax, and the accumulated taxes are paid, in cash, to the treasurer. O. Reg. 181/03, s. 11 (1); O. Reg. 571/17, s. 6.

(2) If the higher tenderer makes the payment as set out in subsection (1), the treasurer shall declare the tenderer to be the successful purchaser. O. Reg. 181/03, s. 11 (2).

(3) If the higher tenderer does not make the payment as set out in subsection (1), the tenderer's deposit shall be immediately forfeited to the municipality and the treasurer shall offer the parcel of land to the lower tenderer in accordance with section 12. O. Reg. 181/03, s. 11 (3).

One remaining tender

12. (1) If, after complying with section 9, only one tender remains or if, in accordance with subsection 11 (3), the treasurer is required to offer the parcel of land to the lower tenderer, the treasurer shall immediately notify the tenderer, by ordinary mail sent to the address shown in the tender, that the tenderer will be declared to be the successful purchaser if, within 14 days of the mailing of the notice, the balance of the amount tendered, any taxes that may be applicable, such as a land transfer tax, and the accumulated taxes are paid, in cash, to the treasurer. O. Reg. 181/03, s. 12 (1); O. Reg. 571/17, s. 7.

(2) If the tenderer makes the payment as set out in subsection (1), the treasurer shall declare the tenderer to be the successful purchaser. O. Reg. 181/03, s. 12 (2).

(3) If the tenderer does not make the payment as set out in subsection (1),

(a) the treasurer shall declare that there is no successful purchaser and may register a notice of vesting in the name of the municipality; and

(b) the tenderer's deposit shall be immediately forfeited to the municipality. O. Reg. 181/03, s. 12 (3).

PART III SALE BY PUBLIC AUCTION

Advertisement

13. (1) If the treasurer conducts a sale by public auction, the advertisement required by clause 379 (2) (b) or clause 379 (2.0.1) (b) of the Act, as the case may be, shall comply with this section. O. Reg. 571/17, s. 8.

(2) The treasurer shall advertise the land for sale once in *The Ontario Gazette* and once a week for four weeks in a newspaper that, in the opinion of the treasurer, has such circulation within the municipality as to provide reasonable notice of the sale or, if there is no such newspaper, post a notice in the municipal office and one other prominent place in the municipality. O. Reg. 571/17, s. 8.

(3) The following rules apply to advertisements under subsection (2):

1. The advertisement in *The Ontario Gazette* shall be in Form 8.

2. If the land is advertised for sale in a newspaper,

i. during the first week, the advertisement in the newspaper shall be in Form 8,

ii. during the second, third and fourth weeks, the advertisement shall either be in Form 8 or shall contain the information set out in subsection (4), and

iii. if the advertisement is not in Form 8 during one or more of the weeks described in subparagraph ii, the treasurer shall make a copy of the advertisement in Form 8 available on a website of the treasurer's choosing during those weeks that the advertisement is not in Form 8.

3. If the land is advertised for sale by the posting of a notice, the notice shall be in Form 8. O. Reg. 571/17, s. 8.

(4) If Form 8 is not used for a newspaper advertisement in one or more of the weeks described in subparagraph 2 ii of subsection (3), the advertisement shall contain the following information during those weeks that the advertisement is not in Form 8:

1. The name of the municipality or board.

2. The street address and municipality in which the land is located or, if there is no street address, the location of the land.

3. The time and place of the auction.

4. The minimum bid amount (*set out the cancellation price as of the first day of advertising*).

5. The following statements:

i. This sale is governed by the *Municipal Act, 2001* and the Municipal Tax Sales Rules made under that Act.

ii. Further information about this matter is available online at (*website address*), or you may contact (*contact information for the municipality or board, such as address, email address, telephone number, and one or more contact names*). O. Reg. 571/17, s. 8.

(5) An advertisement may relate to the sale of any number of parcels of land. O. Reg. 571/17, s. 8.

(6) The treasurer shall allow at least seven days after the publication of the last advertisement in *The Ontario Gazette* or a newspaper, or where there is no newspaper, the posting of the notice, before holding the auction. O. Reg. 571/17, s. 8.

(7) The auction shall be held at such place in the upper-tier municipality or single-tier municipality or, in the case of unorganized territory, in the territorial district in which the land is located as the treasurer may name in the advertisement. O. Reg. 571/17, s. 8.

Auctioneer

14. (1) The treasurer or such other person as the treasurer may name shall act as auctioneer. O. Reg. 181/03, s. 14 (1).

(2) The auctioneer shall open the auction by declaring the tax sale officially open and by reading out sections 15, 16, 17 and 18. O. Reg. 181/03, s. 14 (2).

Duties of auctioneer

15. For each parcel of land to be sold during the auction, the auctioneer shall,

- (a) in opening or reopening the bidding on the parcel, state the minimum bid as set out in the advertisement;
- (b) acknowledge each bidder, repeat each bid made and call for higher bids; and
- (c) if no higher bid is made, repeat the last bid three times and if there is still no higher bid, acknowledge the highest bidder. O. Reg. 181/03, s. 15.

Highest bidder is purchaser

16. The highest bidder shall be declared to be the successful purchaser if the bidder immediately pays the amount bid, any taxes that may be applicable, such as a land transfer tax, and the accumulated taxes, in cash, to the auctioneer. O. Reg. 181/03, s. 16; O. Reg. 571/17, s. 9.

Failure to pay

17. If the highest bidder fails to make the payment as set out in section 16 and the bidding has not been previously reopened under this Regulation, the auctioneer shall immediately reopen the bidding. O. Reg. 181/03, s. 17.

No bids

18. If no bid is made for a parcel of land after the opening of the bidding or if, after the reopening of the bidding under section 17, no bid is made or there is no successful purchaser, the auctioneer shall declare that there is no successful purchaser. O. Reg. 181/03, s. 18.

Receipt

19. The auctioneer shall issue a receipt to the successful purchaser for the amounts received under section 16 and the receipt shall include a legal description of the parcel of land and the name of the purchaser and the name in which the tax deed will be registered. O. Reg. 181/03, s. 19.

Auction closed

20. The auctioneer shall declare the auction closed upon completion of the bidding on all the parcels of land offered for sale in the auction. O. Reg. 181/03, s. 20.

List

21. The auctioneer shall prepare and keep a list showing each parcel of land offered for sale in the auction and the name and address of the successful purchaser or, where there is no successful purchaser, that there is no successful purchaser. O. Reg. 181/03, s. 21.

PART IV GENERAL

Postponement of sale

22. (1) If, after a public sale under the Act is advertised in accordance with section 5 or 13, as the case may be, the treasurer is of the opinion that completing the sale would be impractical or would be unfair to the bidders or tenderers, the treasurer may postpone the sale and conduct it on a later date after readvertising it in accordance with section 5 or 13, as the case may be. O. Reg. 580/06, s. 3; O. Reg. 571/17, s. 10.

(2) If a public sale is postponed under subsection (1) and the rescheduled sale does not occur within 90 days after the date that was originally advertised for the sale, the treasurer shall immediately register a tax arrears cancellation certificate. O. Reg. 580/06, s. 3.

(3) Subsection (2) does not prevent the treasurer from registering a new tax arrears certificate and proceeding under Part XI of the Act. O. Reg. 580/06, s. 3.

Returning tenders

22.1 If the treasurer postpones or cancels a sale by public tender, the treasurer shall,

- (a) open the sealed envelopes, if he or she has not already done so; and
- (b) return to the tenderers any tenders that he or she retains together with the appropriate deposits, if any, and a statement setting out the reason for the return. O. Reg. 580/06, s. 3.

Registration

23. As soon as possible after a successful purchaser is declared in a sale under the Act, the treasurer shall prepare and register the necessary documents in accordance with the Act. O. Reg. 181/03, s. 23.

Condition

24. Before registering a tax deed or a notice of vesting in respect of land that is in a local municipality referred to in Schedule 2 to Regulation 995 of the Revised Regulations of Ontario, 1990 (Forms and Records) made under the *Registry Act*, the treasurer shall obtain a statement in Form 9 signed by an authorized employee of the Ministry of Northern Development and Mines. O. Reg. 181/03, s. 24; O. Reg. 580/06, s. 4.

Method of payment

25. Subject to clause 6 (1) (b), any payment required by this Regulation to be made in cash may be made by way of cash or money order or by way of bank draft or cheque certified by a bank or authorized foreign bank within the meaning of section 2 of the *Bank Act* (Canada), a trust corporation registered under the *Loan and Trust Corporations Act* or a credit union within the meaning of the *Credit Unions and Caisses Populaires Act, 1994*. O. Reg. 181/03, s. 25; O. Reg. 571/17, s. 11.

Forfeited funds

26. All deposits forfeited under this Regulation to a municipality shall form part of the general funds of the municipality. O. Reg. 181/03, s. 26.

Transition, certificate registered before January 1, 2018

27. If, before January 1, 2018, a tax arrears certificate is registered in respect of land, this Regulation as it read on December 31, 2017 applies in respect of the proceedings or other steps that may be taken as a result of the registration of that certificate. O. Reg. 571/17, s. 12.

28. OMITTED (REVOKES OTHER REGULATIONS). O. Reg. 181/03, s. 28.

SCHEDULE 1 TAX ARREARS CERTIFICATE

A tax arrears certificate shall contain the following information:

1. The name of the municipality or board.
2. The street address and municipality in which the land is located or, if there is no street address, the location of the land.
3. A statement by the treasurer of the municipality verifying,
 - (i) the amount of tax arrears owing on December 31 of the relevant year and that at least part of the amount plus any additional real property taxes and costs are still owing to the municipality or board, and
 - (ii) that the land described in the certificate will be sold by public sale if the cancellation price is not paid within (*choose one year or 90 days, as appropriate*) following the date of the registration of the certificate.
4. The name of the treasurer and the date of the statement.
5. A notice setting out,
 - (i) that the time period for paying the cancellation price may be extended if, before the expiry of the (*choose one-year or 90-day, as appropriate*) period, the municipality or board enters into an extension agreement with any owner of the land, the spouse of any owner, any mortgagee, any tenant in occupation of the land or any person the treasurer is satisfied has an interest in the land,
 - (ii) that the cancellation price will be calculated as of the date that the amount of the tax arrears is paid to the municipality or board and may be higher than the amount set out in the certificate,
 - (iii) that, if there is no successful purchaser at the public sale, the land, upon registration of a notice of vesting, will vest in the municipality or board, and
 - (iv) the name and address of the municipality or board to which any inquiries may be directed, including an address for service.
6. A legal description of the land.

O. Reg. 181/03, Sched. 1; O. Reg. 580/06, s. 6; O. Reg. 571/17, s. 13.

SCHEDULE 2
TAX ARREARS CANCELLATION CERTIFICATE

1. A tax arrears cancellation certificate referred to in subsection 375 (2), 378 (6) or 382 (3) or (6) of the Act or subsection 22 (2) of this Regulation shall, in relation to a tax arrears certificate that was registered under section 373 or 373.1 of the Act, contain the following information:

1. The name of the municipality or board.
2. The street address and municipality in which the land is located or, if there is no street address, the location of the land.
3. A statement by the treasurer verifying that the tax arrears certificate registered on (*date of registration*) as (*instrument number*) is cancelled in respect of the land described in the tax arrears cancellation certificate.
4. If applicable, a statement by the treasurer verifying that the cancellation price was paid on (*date of payment*).
5. If applicable, a statement by the treasurer verifying that the cancellation price remains unpaid and a new tax arrears certificate may be registered in this matter.
6. The name of the treasurer and the date of the statement.
7. The name and address of the municipality or board to which any inquiries may be directed, including an address for service.
8. A legal description of the land.

2. In addition to the information set out in section 1 of this Schedule, a tax arrears cancellation certificate shall, in relation to a tax arrears certificate that was registered under section 373 of the Act, contain a statement by the treasurer stating, if applicable, that,

- (a) the cancellation price was paid by a person, other than the owner or spouse of the owner of the land, who was entitled to receive notice under subsection 374 (1) of the *Municipal Act, 2001* or an assignee of such person; and
- (b) as a result of the payment of the cancellation price, (*name and address of person*) has a lien on the land for (*amount of lien*), except in the circumstances where subsection 375 (3.1) of the *Municipal Act, 2001* applies to the land.

O. Reg. 571/17, s. 14.

SCHEDULE 3
TAX DEED

A tax deed and the statement related to it, as required by clause 379 (5) (a) and subsection 379 (6) of the Act, shall contain the following information:

1. The name of the municipality or board.
2. The street address and municipality in which the land is located or, if there is no street address, the location of the land.
3. A statement that, by virtue of the *Municipal Act, 2001*, the registration of the tax deed vests in the transferee an estate in fee simple in the land together with all rights, privileges and appurtenances and free from all estates and interests except,
 - (i) easements and restrictive covenants that run with the land,
 - (ii) any estates and interests of the Crown in right of Canada or in right of Ontario, other than an estate or interest in the land that,
 - (A) is vested in the Crown in right of Ontario because of an escheat or forfeiture as a result of the dissolution of a corporation, or
 - (B) belongs to the Crown in right of Ontario as a result of the death of an individual who did not have any lawful heirs, and
 - (iii) any interest or title acquired by adverse possession by abutting landowners before registration of the tax deed.
4. A statement that the registration of the tax deed vests in the transferee any interest in or title to adjoining land acquired by adverse possession before the registration of the tax deed if the person originally acquiring the interest or title did so as a consequence of possession of the land described in the tax deed.
5. A statement by the treasurer verifying that,
 - (i) a tax arrears certificate was registered under (*choose section 373 or section 373.1, as appropriate*) of the *Municipal Act, 2001* as (*instrument number*) with respect to the land at least (*choose one year or 90 days, as appropriate*) before the land was advertised for sale,
 - (ii) notices were sent and statutory declarations were made in substantial compliance with the *Municipal Act, 2001* and the regulations under that Act,

- (iii) the cancellation price was not paid within (*choose one year or 90 days, as appropriate*) following the date of the registration of the tax arrears certificate,
 - (iv) there was no subsisting extension agreement when the land was advertised for sale,
 - (v) the land was advertised for sale in substantial compliance with the *Municipal Act, 2001* and the regulations under that Act, and
 - (vi) if applicable, the (*name of municipality*) passed a by-law under subsection 379 (3) of the *Municipal Act, 2001* excluding mobile homes from the sale of the land.
6. If applicable, a statement by the treasurer verifying that the Ministry of Northern Development and Mines has advised the municipality that the land described in this tax deed (*choose (i) or (ii) as appropriate*),
 - (i) is liable to a tax imposed under the *Mining Act* and accordingly, under section 384 of the *Municipal Act, 2001*, the registration of this document creates a severance of the surface rights from the mining rights, or
 - (ii) is not liable to a tax imposed under the *Mining Act* and accordingly, under section 384 of the *Municipal Act, 2001*, the registration of this document does not create a severance of the surface rights from the mining rights.
 7. The name and address of the municipality or board to which any inquiries may be directed, including an address for service.
 8. A legal description of the land.

O. Reg. 181/03, Sched. 3; O. Reg. 580/06, s. 8; O. Reg. 571/17, s. 15.

SCHEDULE 4 NOTICE OF VESTING

A notice of vesting and the statement related to it, as required by clause 379 (5) (b) and subsection 379 (6) of the Act, shall contain the following information:

1. The name of the municipality or board.
2. The street address and municipality in which the land is located or, if there is no street address, the location of the land.
3. A statement that registration is made under the *Municipal Act, 2001* and, under that Act, the municipality or board attempted to sell the land described in the notice of vesting for arrears of taxes but could not find a successful purchaser and, accordingly, the registration of the notice vests the land described in the notice of vesting in the municipality or board.
4. A statement that, by virtue of the *Municipal Act, 2001*, the registration of the notice of vesting vests in the municipality or board an estate in fee simple in the land together with all rights, privileges and appurtenances and free from all estates and interests, including all estates and interests of the Crown in right of Ontario, except,
 - (i) easements and restrictive covenants that run with the land, including those for the benefit of the Crown in right of Ontario,
 - (ii) any estates and interests of the Crown in right of Canada, and
 - (iii) any interest or title acquired by adverse possession by abutting landowners, including the Crown in right of Ontario, before registration of the notice of vesting.
5. A statement that the registration of the notice of vesting vests in the municipality or board any interest in or title to adjoining land acquired by adverse possession before the registration of the notice if the person originally acquiring the interest or title did so as a consequence of possession of the land described in the notice.
6. A statement by the treasurer verifying that,
 - (i) a tax arrears certificate was registered under (*choose section 373 or section 373.1, as appropriate*) of the *Municipal Act, 2001* as (*instrument number*) with respect to the land at least (*choose one year or 90 days, as appropriate*) before the land was advertised for sale,
 - (ii) notices were sent and statutory declarations were made in substantial compliance with the *Municipal Act, 2001* and the regulations under that Act,
 - (iii) the cancellation price was not paid within (*choose one year or 90 days, as appropriate*) following the date of the registration of the tax arrears certificate,
 - (iv) there was no subsisting extension agreement when the land was advertised for sale,
 - (v) the land was advertised for sale in substantial compliance with the *Municipal Act, 2001* and the regulations under that Act, and

- (vi) if applicable, (*name of municipality*) passed a by-law under subsection 379 (3) of the *Municipal Act, 2001* excluding mobile homes from the sale of the land.
7. If applicable, a statement by the treasurer verifying that the Ministry of Northern Development and Mines has advised the municipality that the land described in this notice (*choose (i) or (ii) as appropriate*),
- (i) is liable to a tax imposed under the *Mining Act* and accordingly, under section 384 of the *Municipal Act, 2001*, the registration of this notice creates a severance of the surface rights from the mining rights, or
 - (ii) is not liable to a tax imposed under the *Mining Act* and accordingly, under section 384 of the *Municipal Act, 2001*, the registration of this notice does not create a severance of the surface rights from the mining rights.
8. The name and address of the municipality or board to which any inquiries may be directed, including an address for service.
9. A legal description of the land.

O. Reg. 181/03, Sched. 4; O. Reg. 580/06, s. 9; O. Reg. 571/17, s. 16.

SCHEDULE 5 FORMS

Column 1 Form	Column 2 Title	Column 3 Date	Column 4 Purpose for which form is used
1	Notice of Registration of Tax Arrears Certificate	January 2018	a notice required by section 374 of the Act
2	Statutory Declaration Regarding Sending of Notice of Registration of Tax Arrears Certificate	January 2018	a statutory declaration required by subsection 374 (3) of the Act
3	Final Notice of Registration of Tax Arrears Certificate Under Section 373 of the Act	January 2018	a final notice required by subsection 379 (1) of the Act
4	Statutory Declaration Regarding Sending of Final Notice	January 2018	a statutory declaration required by subsection 379 (2) of the Act
5	Payment into Court – Statement of Facts	January 2018	the statement required by subsection 380 (2) of the Act
6	Sale of Land by Public Tender	January 2018	form of advertisement required by paragraphs 1, 2 and 3 of subsection 5 (3) of this Regulation
7	Tender to Purchase	January 2018	form of tender required by subsection 6 (1) of this Regulation
8	Sale of Land by Public Auction	January 2018	form of advertisement required by paragraphs 1, 2 and 3 of subsection 13 (3) of this Regulation
9	Mining Act Information	January 2018	a statement required by section 24 of this Regulation
10	Notice of Readvertisement	January 2018	a notice required by subsection 380.1 (2) of the Act

O. Reg. 571/17, s. 17.

FORMS 1-10 REVOKED: O. Reg. 571/17, s. 18.

Français

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