



# FINANCE AND ADMINISTRATION COMMITTEE AGENDA

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Finance and Administration Committee Meeting  
**Tuesday, May 14, 2019**  
Tom Davies Square

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**COUNCILLOR MIKE JAKUBO, CHAIR**

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**Deb McIntosh, Vice-Chair**

6:00 p.m. FINANCE AND ADMINISTRATION COMMITTEE MEETING  
COUNCIL CHAMBER

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

## **PRESENTATIONS**

1. Report dated April 30, 2019 from the General Manager of Growth and Infrastructure regarding Strengthening Development Approval Services. **4 - 52**  
**(ELECTRONIC PRESENTATION) (FOR INFORMATION ONLY)**
  - Ed Archer, CAO
  - Tony Cecutti, General Manager, Growth & Infrastructure

(This report describes improvements to the City of Greater Sudbury's development approval services in response to stakeholder feedback and next steps in the improvement process.)
2. Report dated May 1, 2019 from the General Manager of Corporate Services regarding 2020-2021 Budget Direction and Two Year Financial Forecast. **53 - 67**  
**(ELECTRONIC PRESENTATION) (RESOLUTION PREPARED)**
  - Ed Archer, CAO

(This report provides an overview of the forecasted budget for 2020-2021 and to seek Council's guidance for 2020-2021 property tax increase.)

## **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 April 26, 2019 from the Interim General Manager of Community Development regarding Healthy Community Initiative Fund Applications. **68 - 73**  
**(RESOLUTION PREPARED)**

(This report is requesting approval(s) of eligible Healthy Community Initiative Fund application(s) in accordance with By-law 2018-129.)

## **REGULAR AGENDA**

## **REFERRED & DEFERRED MATTERS**

- R-1. Report dated April 30, 2019 from the General Manager of Growth and Infrastructure regarding Allocation of Capital Funding for Local Roads and Spreader Laid Patches. **74 - 106**  
**(FOR INFORMATION ONLY)**

(This report provides information regarding the Allocation of Capital Funding for Local Roads and Spreader.)

### **MEMBERS' MOTION**

### **CORRESPONDENCE FOR INFORMATION ONLY**

- I-1. Report dated May 1, 2019 from the General Manager of Corporate Services regarding Parking Update. **107 - 129**  
**(FOR INFORMATION ONLY)**

(This report will provide an update on parking concerns and initiatives in the downtown core.)

### **ADDENDUM**

### **CIVIC PETITIONS**

### **QUESTION PERIOD**

### **ADJOURNMENT**

## For Information Only

### Strengthening Development Approval Services

Presented To: Finance and  
Administration  
Committee

Presented: Tuesday, May 14, 2019

Report Date Tuesday, Apr 30, 2019

Type: Presentations

### Resolution

For Information Only

### Relationship to the Strategic Plan / Health Impact Assessment

This report refers to the Growth and Economic Development and Responsive, Fiscally Prudent, Open Governance priorities of the Corporate Strategic Plan.

### Report Summary

This report describes improvements to the City's development approval services in response to stakeholder feedback and next steps in the improvement process.

### Financial Implications

There are no financial implications associated with this report.

#### Signed By

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

Jason Ferrigan  
Director of Planning Services  
*Digitally Signed Apr 30, 19*

##### **Financial Implications**

Jim Lister  
Manager of Financial Planning and  
Budgeting  
*Digitally Signed Apr 30, 19*

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

Tony Cecutti  
General Manager of Growth and  
Infrastructure  
*Digitally Signed Apr 30, 19*

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

Ed Archer  
Chief Administrative Officer  
*Digitally Signed May 1, 19*

# Development Services: Planning, Building and Economic Development

## PURPOSE

This is the first in a series of three reports anticipated to be brought to Council this year to discuss issues and changes related to development services at the City of Greater Sudbury. The purpose of this report is to provide an overview of the work that has been done since January 2019 to engage with stakeholders in the development community and review policies and processes related to development services at the City. This report further shares with Council immediate and future plans to streamline and enhance these services.

## BACKGROUND

Contemporary cities establish a variety of standards that define requirements for various aspects of the community's lifestyle, layout and structures. Among these standards, land development, land use and building safety are of significant interest to most stakeholders. They are important because they have a direct effect on economic activity and the quality of life in the community, now and in the future.

Cities expect a variety of outcomes from their development, land use and building safety policies. Typically, these policies outline the requirements for creating and sustaining an environment that is safe, economically sustainable, environmentally responsible and aligned with long-term expectations about how future generations will experience life in the city. There are complex, dynamic interactions between many stakeholders required to successfully align all the efforts required to achieve these outcomes.

While cities establish many of these policies on their own, in Ontario local municipal policies must also incorporate provincial legislative requirements. There is an array of legislative directions, regulations and coordination requirements that municipalities must consider when determining their development, land use and building safety policies. Under the previous provincial government, there was a shift towards a more prescriptive framework that sometimes prioritized social and environmental considerations over economic development. The current provincial government has expressed a desire to transform legislative requirements to create additional certainty for investment and substantially reduce approval lead times, all with the goal of increasing the housing supply.

The City of Greater Sudbury provides a continuum of economic development, planning and building services to facilitate growth and investment in the community while achieving other desired community standards and outcomes. The policies, standards and business processes that are used to deliver these services have been designed to prioritize economic development, wherever possible. As an example, the City's Official Plan and Zoning By-law permit all land uses (with the exception of heavy industrial uses) along our key corridors as a way of encouraging economic development and growth. Staff also regularly use existing tools such as site alteration and conditional building permits to advance construction projects before final building permits have been approved and are in place.

These services are continually reviewed and adjusted in response to changes in the external environment (e.g. a change in provincial policy), development industry stakeholder feedback or the identification of other successful municipal practices through service specific networking and collaboration opportunities.

In 2010-2012 and 2015-2016, these services were reviewed in consultation with industry stakeholders as part of the Red Tape Reduction Task Force and Gearing Up for Growth Advisory Panel, respectively (see Appendices A and B). These initiatives resulted in several improvements, including most recently the creation of the Sudbury Planning Application Review Team (SPART), which has improved the quality of information provided to potential developers and investors.

For many years, the City's Development Liaison Advisory Committee (DLAC) has provided a forum for industry stakeholders and municipal staff to come together to discuss and resolve concerns associated with development approval policies, standards and business processes. DLAC's Terms of Reference are included in Appendix C.

While these changes are positive, the City cannot remain static and must continue to innovate to ensure that the economic development, planning and building services that it provides are responsive to the community's changing needs and expectations.

This is especially important as recent information from Statistics Canada suggests that the city's economic health is improving. As examples, the city's unemployment rate decreased from 6.7% to 5.9% between February and March of this year. Similarly, total employment increased from 84,100 to 86,600 during the same period. The Conference Board of Canada anticipates that the city's Gross Domestic Product will increase 1.3 percent this year, which is slightly below provincial forecasts.

Development activity in Q1 of 2019 is up when compared to the same period last year:

- \$6.2 million in commercial building permits were issued during this period, which is a significant increase when compared to \$3.3 million in Q1 2018.
- \$8.5 million in industrial building permits were issued in Q1 2019 versus \$7.3 million in Q1 2018.
- \$28.7 million in institutional building permits were issued in Q1 2019 versus \$3.1 million in Q1 2018.
- Early signs of residential activity also appear encouraging, with permits for 42 units about to be issued at the time of the writing of this report. Collectively, these permits represent approximately \$8.2 million of residential investment.

With this in mind, the City recently embarked on a listening exercise with development industry stakeholders. This exercise, which was initiated by Mayor Bigger and involved several ELT members, was designed to identify how the City could adjust its service efforts to reinforce everyone's shared interest in making Greater Sudbury a good place to do business while sustaining its mandate and ensuring long-term community outcomes are achieved.

## ANALYSIS

Like many single tier municipalities, the City of Greater Sudbury provides a range of economic development, land use planning and building permit and building inspection services. These include:

- Business attraction
- Business retention
- Small and Medium Enterprise development
- Development approvals (e.g. rezonings, subdivisions, site plans, minor variances, consents)
- Building permitting and enforcement

These services are delivered by different divisions of the organization – Economic Development Services, Planning Services and Building Services.

It should be noted that the City of Greater Sudbury provides other planning services such as long range planning and environmental planning. For the purposes of this report, these services have been excluded from the discussion.

There are a variety of key performance indicators that the City uses to measure how it performs relative to development services. In general, the data show that the City typically performs at service levels that exceed province-wide benchmarks. Anecdotal feedback from interviews with developers supports the message illustrated by the data that, in large measure, the City performs at a high level. Appendix D describes the key performance indicators in this area.

### Consultation Methodology

Staff conducted interviews with approximately 60 stakeholders from the development community. These included small business owners, large business owners, developers, land owners, and a number of other stakeholders. Interviews were conducted by four members of the City's Executive Leadership Team, including:

- Ed Archer (Chief Administrative Officer)
- Tony Cecutti (General Manager of Growth and Infrastructure)
- Eliza Bennett (Director of Communications and Community Engagement)
- Meredith Armstrong (Acting Director of Economic Development)

The interviews included a set series of questions, which ranged from general ("Tell us about your business") to experiential ("Tell us about your experiences with the City's development services") and specific ("Tell us what is next for you and how we can support you"). The discussions that took place were unique to each individual participant in the process.

### Findings

The interviews that were conducted were largely positive. Feedback clearly suggests that members of the development community have a positive relationship with the City, and with staff associated with supporting and enforcing development programs.

However, feedback also clearly suggested that the City can do more to support and encourage development activity. Through policy choices, process design and the judgment used to interpret regulatory requirements, interviews with developers identified a variety of issues that deserve further review. These include both process issues and policy issues. These are outlined in further detail below.

## Process Issues

This section briefly describes the process issues that were identified through the interviews with stakeholders. Later sections of the report detail how these issues might be addressed, both in the short- and the longer-term.

1. Discretionary judgment: Generally, this appears to refer to choices made by staff during specific file reviews that appear not to align with stakeholder expectations or the municipality's desired outcomes. Examples of this feedback suggests collaboration and process workflow between divisions needs to improve, decisions are difficult to obtain, responsiveness is not sufficient. Underlying all these elements is a perception that customer service needs to be strengthened.
2. Process design: Generally, this refers to choices about information flows designed to consistently produce specific outputs. Examples of this include application review processes that do not include sufficiently senior people so that decisions can be expedited; processes designed to avoid, rather than manage, risk; insufficient support for people unfamiliar with development processes; workload management that does not account for the differing impacts/complexity/value-added associated with some projects.
3. Role of consultants/third parties: Generally, this refers to the role of third party consultants in providing advice to their clients (for example, developers) related to municipal requirements. This issue may point to a lack of sufficient professional expertise in the community to support developers. Examples of this include a perception that advisors working on behalf of developer clients interpret guidance from municipal staff in ways that leave the developers uncertain about municipal requirements, or the rationale for them.

## Policy Issues

This section briefly describes the policy issues that were identified through the interviews with stakeholders. Later sections of the report detail how these issues might be addressed, both in the short- and the longer-term.

1. Development charges: There appears to be insufficient understanding about the role development charges play in municipal financing and their effect on local taxation levels. This is a wide-ranging issue and not limited to stakeholders in the development community.
2. Letters of credit: These are a standard form of business transaction in all municipalities; however, stakeholders suggested that there are opportunities to adjust our policy around these letters to mitigate the perceived risk of financial hardship.
3. Lot grading: There are views that current policies related to lot grading leave developers and/or property owners with too much residual risk, which can result in unwillingness to proceed with development or investment.

4. Provincial framework re environmental regulations/enforcement: As noted earlier, municipalities in Ontario are required to comply with a number of provincial standards and legislations, including those related to brownfields, species at risk, noise and vibration, and the Ministry of Transportation requirements. Two separate issues were identified under this category, including:
  - There is a perception that staff apply the legislation rigidly without application of professional judgment.
  - There may be a role for the City to take on a voice of advocacy to support the view that there are differences in circumstance between Northern Ontario and other areas of the province, where the legislation may be more or less consistency applicable.
5. Fire flow requirements: A number of stakeholders feel that the City's requirements as they related to fire flow are too strict and hinder development.
6. Delegated authority: This was particularly raised as an issue for simple real estate transactions. Generally speaking, there is a belief that staff should have more authority to authorize or realize Council's desired growth and development objectives, to appropriately facilitated next steps in a development project or process.

## Progress Made to Date

As issues were raised and where solutions within the purview of staff's authority were identified, staff was able to make immediate changes to enhance development services within the framework of the municipal mandate. The focus has been on process improvements, as these more readily fall under staff's delegated authority; however, a number of enhancements have also been made to municipal policies relating to development services. This section provides an overview of the changes already made to improve the City's delivery of development services.

## Process Improvements to Date

A wide range of changes has been made to the City's processes to address the issues identified through the stakeholder consultation.

1. A Development Ambassador position has been established on a pilot basis after reviewing relevant municipal precedents (Hamilton, Toronto, and Phoenix). The Ambassador acts as a point person for developers and investors pursuing Industrial, Commercial and Institutional (ICI) projects and helps to guide them through the municipal development approval. The position sits in the City's Economic Development Division to most effectively navigate the complexities of all three areas of the development world (economic development, building, and planning).
2. The principles of the City's recently approved Customer Service Strategy have been emphasized with all staff, and clear expectations regarding the importance of the strategy have been reaffirmed within the development services areas in particular. Specifically, the importance of approaching development with a risk-based, solutions-oriented approach has been established as a clear priority for staff.

3. Adjustments have been made to the City's stormwater management requirements for site plans, ensuring improvements are limited to the scope of the infill or expansion project. These requirements will continue to evolve as the subwatershed studies authorized by Council are finalized and approved.
4. Improvements have been made to the Development Liaison Advisory Committee (DLAC) by including Economic Development staff, altering the agenda format to focus more on strategic issues and engaging DLAC members in more collaborative discussions.
5. Since undertaking the consultations, changes have been made to the composition of SPART, to include the Directors of Economic Development, Planning and Building Services, respectively, to provide a high level perspective on the requirements associated with potential development applications. The new Development Ambassador also attends the City's Site Plan Application Review Team (SPART) meetings to bring an economic perspective. Changes were made to the meeting format to reinforce customer service and friendliness – demonstrating a focus on being welcoming and “open for business”.
6. The knowledge base content for 311 related to Planning and Building Services has been updated to improve the potential for 311 operators to resolve straightforward inquiries upon first point of contact.
7. Economic development considerations have been included in the application, review, assessment and reporting on of “major” planning applications (e.g., Official Plan Amendments, rezoning, subdivisions and condominiums, and site plans). This ensures a more holistic view of such applications, increasing staff's ability to identify issues and opportunities, mitigate risks, and ultimately better support development.
8. Staff are introducing technology to create “performance dashboards” that provides timely performance data via a key performance indicator report and improves the monitoring and communication of key performance indicators for planning and building.
9. While staff have already established relationships with peers across other municipalities, a specific “peer-to-peer” learning exchange has been established with the City of North Bay to share ideas and information about work processes related to planning and building.
10. Work is ongoing to implement the Land Management Information System (LMIS), which is a technology designed to support and enhance streamlined services for development. For example, this system will allow the introduction of electronic application and approval processes.

#### Policy Improvements to Date

Many development policies are subject to Council approval; however, adjustments have also been made to the City's policies to address the issues identified through the stakeholder consultation.

1. In consultation with DLAC's Lot Grading Subcommittee, changes have been introduced to the Lot Grading Policy that will reduce costs and improve risk management related to field inspection and processes changed. These changes will positively impact both the developer/builder, and the City. Further improvements still under review for implementation this year include process changes to improve timelines associated with issuing building permits for infill lot applications
2. Work is underway with DLAC members to improve other policies that they have identified as needing adjustment, including: customer service; standards for consultant/engineering reports; subdivision, site plan, road grade, planning application requirements, and fire flow standards. It is anticipated that these improvements will be brought forward to Council throughout the year as these DLAC subcommittees complete their work.
3. Key stakeholder groups were specifically consulted in the review of the existing Development Charges By-law, and involved in the establishment of key policy issues related to infrastructure projects for inclusion in the new by-law. Stakeholder groups consulted include the Sudbury District Homebuilders Association, the Greater Sudbury Chamber of Commerce, North Eastern Ontario Construction Association and local developers.

### Outcomes to Date

Anecdotal feedback from development industry stakeholders suggests that the changes that have already been implemented are having a positive impact. Staff are seen to be interpreting and applying enabling policies, exercising judgment, providing those with limited capacity extra support and demonstrating a willingness to work with proponents on projects.

### Next Steps

As noted earlier, this report is the first in an anticipated series of three that will be brought before Council this year. The expected outcome of the three reports is a strategy that will enhance the City's development approval processes and result in a more customer-focused and solutions-oriented approach to development as a whole.

This first report has focused on issues assessment; the second report will focus on principles for service delivery (expected in fall 2019) and the third will outline the recommended strategy to address the issues and principles (winter 2019).

A number of initiatives are currently underway to support further improvements to development services. These include:

- The development of a Land Management Information System (LMIS) is underway, as previously noted. The work that is being undertaken for this project in 2019 is related primarily to business process and service mapping related to development services. These will result in the establishment of new service benchmarks that can and will be reported on to support ongoing improvements in this key area.

- The provincial government is currently considering changes to various aspects of the legal, policy and regulatory framework that municipalities must follow when considering and making decisions on land use planning and building permit applications. While little is known about these changes at this time, the provincial government indicates that they will be transformative and support their goals of increasing housing supply and shortening approval lead times. It is anticipated that these changes will be announced in May 2019 and will trigger further changes to our service standards, business processes and policies.

While these larger transformations are underway, staff are continuing to strengthen business processes and policies through a number of next steps, including:

- Delivering additional customer service training to staff to foster a customer-focused, solutions oriented approach, building upon Council's "Gearing Up for Growth " and aligning with the new Customer Service Strategy (fall 2019).
- Implementing a customer satisfaction survey/exit interview for planning and building permit applications and using the feedback to identify and implement additional improvements (fall 2019).
- Creating "citizen guides" that explain and provide step by step guides for planning and building permit approval processes. These guides will assist less frequent users of development services to navigate municipal requirements (spring 2020).
- Expanding the scope of SPART to include building permits including renovations, expansions and new builds.
- Reviewing the City's business processes to create a prioritized approval stream for projects that deliver net economic value to the community (spring 2020).
- Formalizing existing issue identification, escalation and resolution processes, specifically within the development services areas (summer 2019).
- Reviewing policies and processes for letters of credit and delegated authority to ensure that they align with organizational requirements as well as stakeholder expectations, and that they are appropriate.
- Researching systems to enable a joint evaluation and sharing of perspectives related to professional advisors whose services may be required by developers to navigate municipal development services.
- Increasing coordination with other northern municipalities to engage in discussions about the application of regulatory requirements in Northern Ontario and other geographically-specific and unique environments.

## Measuring Success

In addition to the reports planned to be presented to Council over 2019, staff will continue to regularly report on key performance indicators related to development services. Reports will include both quantitative measures, as well as qualitative feedback as identified through continued consultation with stakeholders.

**MUNICIPAL RED TAPE  
2012 Progress Report**

**Greater Sudbury Chamber of Commerce  
April 2012**



Greater Sudbury  
**Chamber of  
Commerce**



**Chambre de  
commerce**  
du Grand Sudbury

## **Background**

In the spring of 2010, the Greater Sudbury Chamber of Commerce (GSCC) distributed a survey to identify what issues were most important to its business members. One of the top issues to come out of that exercise was the perception of unnecessary bureaucracy (red tape) at city hall.

A Red Tape Task Force was established to drill down and identify specific areas of concern; interviews with businesses and direct surveys were completed and results were collected. The end result was a report that identified twenty-two issues and processes that businesses felt needed to be addressed.

In September 2010 the GSCC presented the findings of the Red Tape Report to council. The report was received warmly and council requested that senior department staff begin to work immediately with the chamber to develop solutions for each point.

As a result of those discussions with city staff, the twenty-two points have been reviewed and timelines and objectives have been set where applicable. Some items have already been incorporated or are in the midst of being unveiled. In any case, this report serves as an update on the progress made to lessen the municipal regulatory burden identified by the twenty-two points in the previous report.

The GSCC would like to thank the city staff who participated in our task force meetings and who were available to answer all our questions. Their professionalism and desire to achieve solutions to these points was evident and we are grateful for their assistance.

- Bill Lautenbach, GM, Growth and Development
- Robert Webb, Supervisor of Development Engineering
- Eric Taylor, Senior Planner (replacing Art Potvin)
- Guido Mazza, Director of Building Services
- Art Potvin, Manager of Development Services
- Paul Baskcomb, Director of Planning Services
- Darlene Barker, Manager of Bylaw Enforcement

We further acknowledge that as a result of these discussions with city staff, there were instances where certain points raised in the initial red tape report were rendered fulfilled.

As the leading business organization in Greater Sudbury representing 1,050 business members and 47,000 employees, we want to thank these individuals for their dedication to improving the community for businesses.

## **At Issue**

With 98 percent of all employer businesses in Canada classified as small business and nearly 49 percent of the total national workforce employed by them, it is clear that small businesses are an essential economic contributor to our nation's well being.

And yet, small businesses face constraints – both human and financial - to comply with regulatory frameworks imposed by all levels of government. Small businesses have long argued that undue compliance costs have imposed a “hidden tax” on business.

This report provides a review of those discussions with city staff on each issue. Where warranted, the remaining gaps and associated timelines are identified.

### **1. Customer Service Orientation**

As any business knows, customer service is the greatest key to success. The same goes for the city. If the city is failing to provide an acceptable level of customer service, it risks creating a momentum of negative feelings and distrust among citizens and businesses.

In our initial report, many respondents reported that they often felt that city staff treated them with contempt and were weary of their presence and frustrated with their lack of knowledge.

It is imperative that the city take steps to implement a customer service standard for all frontline employees in order to ensure that the city begin to treat taxpayers as customers.

During discussions with staff, it was agreed that there was a need for a new orientation process for preparing new staff for their respective roles. This could and should entail training that is specific to departments and a better overall understanding of how customer service can influence the amount of trust and respect stakeholders are willing to place in their public institutions.

This was a significant issue to the membership and crosses all areas of the report.

***Priority level?***

High

***Who is responsible?***

- City management and staff
- Customer and client
- Planning Services
- Engineering
- Building Permits
- Building Inspections

***Actions Required?***

Customer service training for counter staff

Customer service training for Management personnel

Establish customer service standards for counter service which is written /published, i.e., competencies against which to measure staff performances

Surveys for customers

***Timeline***

2012 year (RFP for assessment framework has been issued).

***Commentary / Status***

- Chamber is now a member of Developers Liaison Advisory Committee (DLAC). We meet every other month and are free to raise issues pertaining to development.
- City has announced that they will create a talent management system to assess, manage and develop talent among its "key" staff. The goal of the system will be to measure the technical and behavioural performance of staff and to get staff and management involved in career development and succession planning inside the city. The Director of Human Resources and Organizational Development informed the chamber that they will seek outside assistance in order to design a talent management framework.

**2. Expediter within Building Controls**

A majority of the concerns came from smaller business members, particularly from one-off applicants who do not have the ability or financial resources to decipher various application processes required by the city.

The chamber recommends that city staff simplify all processes by using examples for each size and type of permit and by putting in place a system to track applications as they move through the various department approvals.

In addition, we believe:

- That the presence of a trained staff member at the counter will assist in alleviating frustrations and confusion;
- Holding application information sessions twice a year;
- Provide more in-depth training of all Building Controls staff including the frontline, clerical staff;
- Aim for on-line application for all permits within 12-24 months;
- Maintain the assigned processor for the contractors and consider exclusive time slot for them to come in with applications so there is no wait. This will be redundant once the applications are done on line.

Most importantly, establish an “expediter” position within the building controls department that is responsible for one-on-one assistance and remains a single point of contact for builders, contractors and ratepayers. This person would assist the applicant through the permit process, would know the status of the applications through the various approvals, and would communicate and advocate on behalf of the applicant where necessary.

A ‘Greater Sudbury Business Registry’ could offer the business community an electronic service window to handle many of their licence, registration, and building permits. Respondents indicated that an expediter – a contact who would work with the business applicant from the earliest stages of an application to the final inspection process – would be a valuable investment. This role would ensure a consistent line of communication and allow for personal linkages between businesses and the city.

***Priority level?***

High

***Who is responsible?***

Permit Service Clerks  
IT internal or external IT consultants

***Commentary / Status?***

- A focus on building permits for one –time builders
- Tighter penalties for repeated building inspections
- Need to have transparency through digital program accessible to applicant
- Better communications
- Additional frontline staff to offset vacation / sick day absences

***Timeline?***

The foundation of a good system is in place; we just need to add staff and get IT department working on modernizing the application process on the city website.

City indicates that it may be as much as 2-3 years (2014) for IT system activation.

### **3. Priority Client Status / Exclusive Time for Filing**

Provide priority client status to contractors and set aside exclusive time for the filing of their applications every day (e.g. 8:30 a.m. to 10:30 a.m.)

#### ***Priority level?***

Moderate.

#### ***Who is responsible?***

- Chief Building Official
- Permit Service Clerks

#### ***Commentary / Status?***

- Established priority time and operate according to known busier seasonal cycles.
- Continue assigning Permit Service Clerks to larger files but hire additional staff for busier summer period when other, smaller, and 'one-off', citizen and contractor applications come forward.

#### ***Timeline?***

Completed.

### **4. Staff follow-up Building Permit and Site Plan**

Require that city staff follow up with building permit and site planning applicants from the business community within a maximum of seven (7) business days. The expeditor should oversee this process and provide an update to the applicant at least once within the seven (7) day period and notify the applicant as to the status. The applicant should receive immediate notification if information is missing from the application.

#### ***Priority level?***

Moderate

#### ***Who is responsible?***

- Chief Building Official / Permit Service Coordinator
- Site Plan Control Officer / Manager Development Approvals
- IT internal / external

#### ***Commentary / Status?***

City has hired a Subdivision/Site Plan Engineer to oversee, coordinate, review and manage the work and files of staff that are reviewing site plan agreements and building inspections. These individuals will work with the Manager of Development and CBO.

Additional work is required to make site plan applications more transparent, however, IT is required to provide software basis for process.

With respect to subdivisions / site plan agreement deposits, a fees report concerning this issue has been drafted and reviewed at DLAC. The recommendation is that when subdivisions register, they

get a free inspection at the outset; a free second inspection two years later (or when the project is completed) but are charged by the hour if a third inspection is required.

The development approvals process is also being re-organized to ensure prompt turnaround of applications.

***Timeline?***

Staffing reorganization began in 2011 and system changes are now in place.

2013 for IT

**5. Performance Fees / Letters of Credit / Bonding / Release of Deposits**

The city must return money to bidders in a timely fashion and permit bidders that have bonding facilities in place to be able to use bid bonds in lieu of letters of certified deposits.

City staff must also be available to inspect sites in a timely fashion in order to complete the building file and return the letters of credit.

The city reported that they are encouraging the return of pro-rated amounts of performance bonds as contracts near completion. They also stated that they can hold a pro-rated value in the case of service contracts (i.e. janitorial) for a value equal to one month of the contract.

For contractors that pre-qualify, we encourage the city to waive the bid requirement and to have companies with a bonding facility in place, to be able to use it on all jobs.

***Priority level?***

High

***Who is responsible?***

- Engineering
- Council
- DLAC
- Infrastructure Services
- General Manager of Growth & Development
- Manager of Development Approvals
- Chief Building Official
- Industry

***Commentary / Status?***

Re-examine the need for up-front performance fees especially in situations where a vendor / contractor has been pre-qualified. Consider the use of letters of credit or bonds if the vendor / contractor has a bonding facility in place. Oftentimes the value of the contract does not relate to the value of the performance bond or certified cheque being requested. In situations where a certified cheque has been posted, releases a percentage of the amount related to the work completed, or allow the certified cheque to be replaced by a letter of credit or performance bond when the contract is awarded to the successful bidder.

Staff is reviewing present practices and is working to prepare a range of options for Council.

This includes considering when various cash fees taken, when should deposits be released, the developer's responsibility(s) for condition clearance and a 'three strike' rule for inspections.

New inspection fee policy is in place and improvements have been made through the development and reorganization in relation to the final acceptance and the release of deposits for subdivisions and site plans.

***Timeline?***

Undetermined

**6. Building Inspection Consistency / Inspections by Ward or Project**

A lack of consistency in the building inspection process and different interpretations of the building code by multiple inspectors was acknowledged as a significant road block. Different inspectors for the same job often produce contradictory orders. Consider linking building site inspections to ward boundaries and assign inspectors to specific projects until the project has been completed.

***Priority level?***

High

***Who is responsible?***

CBO / Assistant CBO

***Commentary / Status?***

Currently, building inspections are project based. This is mainly for two reasons; to avoid the perception of favouritism and not all wards are consistently busy.

However, the city does assign single inspectors to larger projects and has hired a Manager of Building Inspectors to ensure consistency – among other things – during inspections.

The city has hired a Manager of Inspections for oversight and to improve quality assurance.

***Timeline?***

Ongoing (require more inspectors)

**7. Site Plan Requirements**

Publicize with clear language, the expectations and requirements for site planning as they relate to respective project types.

***Priority level?***

High

***Who is responsible?***

- Planning Director
- Manager of Development Approvals
- Site Plan Control Officer
- Development Engineering Supervisor
- DLAC

### ***Commentary / Status?***

Despite the online availability of a site plan check list and citizen guide, many respondents stated that they were unaware of their existence. Better positioning and promotion is required.

Moreover, the existing site plan manual has yet to be reviewed and revised, and personnel changes have made this objective difficult. In the interim, the city has re-purposed the Administrative Assistant to the Manager of Growth and Development to coordinate all site plan issues related to homeowners.

Outstanding actions include:

- Publishing a new updated Site Plan Manual
- Include new CGS standards into the site plan manual (i.e., beatification standards, etc.)
- Reorganizing developer's approval process
- Post Homeowner's Guide to the city website

### ***Timeline?***

2013

## **8. Final Site Plan Times Reduced**

Final site plan inspection wait times must be reduced to no more than four (4) months.

### ***Priority level?***

High

### ***Who is responsible?***

- Site plan staff
- Development approvals
- Site plan applicants
- DLAC
- IT

### ***Commentary / Status?***

There has been some degree of completion in this area – Coordinator of Development Approvals and Subdivision Site Plan Engineer - however, the private sector must also shoulder some of the responsibility as incomplete reports/plans weigh down the ability of current staff to take on additional workloads.

### ***Timeline?***

Implemented

## **9. Integrate application requirements and regulations via IT**

Adopt improvements to IT systems that result in convenient and efficient access across all department organization boundaries with the end goal of integrating services for businesses. Publicize all regulations and requirements relating to applications (licenses, permits, inspections, etc) and post any amendments.

***Priority level?***

Moderate

***Who is responsible?***

- Planning Services
- Building Services
- IT
- By-law
- Engineering

***Commentary / Status?***

The city has the processes posted on its website but it could be better utilized as part of a more complete, consistent and accessible website.

By-laws / Regulations / Acts / Requirements / Manuals should be part of a one stop development issue page.

This will be addressed as the city continues working towards its website re-launch.

***Timeline?***

2014

**10. Online Filing System**

Put in place an on-line filing system that allows applicants to follow the progress of their applications and city staff to access applications and update them as required.

***Priority level?***

High

***Who is responsible?***

- IT
- Planning Division
- Building Services

***Commentary / Status?***

While the city has posted a Permit Application Check List, Applicable Law Checklist, Document/Drawing Submission Checklist, Document/Drawing Submission Checklist - New Buildings and Document/Drawing Submission Checklist – Housing, it has yet to allow for a secure application payment system.

This step will require additional IT support or content to create digital process and full transparency (will need to address security and privacy concerns).

***Timeline?***

2012-2013

#### **11. Reduce fee for commercial jobs that do not require city inspection**

Reduce the fee for commercial jobs that do not require city inspection (i.e. private inspection has been retained).

***Priority level?***

Low (see below)

***Who is responsible?***

n/a

***Commentary / Status?***

All projects require city inspection mandated by OBCA and inspections by design consultants are also mandated by OBCA.

#### **12. Streamline Application Forms**

Respondents stated that they thought that permit and application language was burdensome and excessive.

***Priority level?***

High

***Who is responsible?***

- Planning Services
- Building Services
- Engineering
- DLAC

***Commentary / Status?***

Development application forms have been completed and the city stated it is willing to work with chamber and other groups to improve the language contained in all the other forms but was adamant that the Ontario Planning Act and the Ontario Building Code prescribes most of the required content and it is very unlikely to change much of the structure of the documents.

***Timeline?***

2012

#### **13. Define and explain development fees**

Development charges are collected to fund capital expenditures that result from the expansion of municipal services to meet the needs of property development.

Greater Sudbury's development fee by-law (2004-200F) expired in 2009 and so a new by-law was passed that year that outlined a three year incremental rate increase.

Since that time, confusion persists as to what the charges are for and why they are higher each year.

***Priority level?***

High

***Who is responsible?***

- Planning Services
- Building Services
- Finance
- Communications
- Chamber

***Commentary / Status?***

Staff and DLAC wrote a development cost-sharing policy with respect to future development and it was approved by council.

The Auditor is also scheduled to review user fees as part of his annual reporting. When the Development Charges Bylaw is updated in 2013, it is expected that business input will assist in establishing an improved process and will create understanding among all stakeholders.

***Timeline?***

2013

**14. Increase current schedule of DLAC – results oriented**

Increase the current schedule of DLAC meetings to every three (3) months and realign the mandate of the DLAC to be results oriented. It should also report progress to the CAO and Council on a semi-annual basis.

***Priority level?***

Low

***Who is responsible?***

General Manager of Growth & Development  
DLAC (to help generate agenda)

***Commentary/Status?***

This is already in place as DLAC currently meets 5-6 times a year (excluding subcommittee work) and the minutes of DLAC are included on Planning Committee Agenda of Council for information. The GSCC is also now a sitting participant.

***Timeline?***

Completed

**15. Delegate authority, responsibility and frontline decisions**

Respondents cited city staff's unwillingness to make decisions as a factor contributing to red tape. Delegate authority and responsibility to those working on the front lines; empower staff and let them use their creativity and experience to solve problems. Break down the culture of empowerment and the "cover your ass" mentality.

***Priority level?***

High

***Who is responsible?***

- CBO
- Planning Director
- Manager of Development Approvals
- Development Engineer Supervisor
- Site Plan Engineer

***Commentary / Status?***

Empower all front line staff to make decisions through more extensive training. There needs to be an evaluation tool in place to aid development of the program.

Staff indicated that this is an ongoing issue and would require the involvement of HR and legal. The chamber offered to participate and review the information from past customer service data in an effort to potentially develop a means of measuring staff progress.

***Timeline?***

Ongoing; the city has issued an RFP for an employee assessment framework tool to be used for 'key' management positions.

2011-2012

## **16. Better Communication**

Survey respondents voiced their frustration with the lack of communication within and between departments. For some, it was specifically accessing the right personnel and seeking the proper department. Businesses need to know where and how to interact with government and the city must make a better effort to communicate.

Simply put, businesses don't have the time to spend navigating through channels and departments; they need to know where and how to interact with government. It is in the interest of the city to communicate and simplify wherever possible.

Despite the best leadership, accountability and measurement tools, municipalities with unclear policies and weak communication activities can cause a breakdown.

In the most obvious way, poor communication can make a municipality seem bureaucratic. Our members identified vague decision making, needless delays and a climate of secrecy as some of the leading red tape issues. In each case, they reported that it made them feel distrustful and frustrated.

While the development of 311 and the Citizen Service Centres are two positive steps taken to increase two-way communication between the city and citizens, challenges nonetheless remain with the navigational structure of the city website and the lack of accessible and clear language for bylaws, regulations and requirements.

***Priority level?***

High

***Who is responsible?***

- Council
- Management
- Staff

***Timeline?***

Immediate and ongoing

**17. Customer Service Evaluation**

Consider implementing customer service evaluation tools where residents are polled to seek their anonymous response to their interaction with city departments. The results should be provided to the CAO, Auditor General and Council on a quarterly basis.

***Priority level?***

Moderate

***Who is responsible?***

- Management
- HR
- Stakeholders (chamber, DLAC, etc.)

***Commentary / Status?***

Council direction required for staff to make a priority.

***Timeline?***

Immediately (at council's discretion)

**18. Municipal Service Improvement Review**

Consider the establishment of a bi-partisan Municipal Service Improvement Review Committee consisting of representatives from the business community, city council and senior department staff to review existing policies, practices and procedures to make them more stream-lined, less bureaucratic, and more business-friendly. The committee should meet on a quarterly basis.

***Priority level?***

High

***Who is responsible?***

Council  
Private Sector

***Commentary / Status?***

Despite DLAC satisfying aspects of this point, we nonetheless feel it worthwhile to pursue a more visible, less industry specific format with the Mayor as chair.

***Timeline?***

Immediately (at council's discretion)

**19. Inter-departmental Regulation**

Every department of the municipality should commit to reviewing and measuring the impact of interdepartmental regulation on a scheduled basis. This is a basic level of accountability and will assist in developing opportunities for cooperation and cohesion.

***Priority level?***

High

***Who is responsible?***

Management

***Commentary / Status?***

Management in various departments indicated that they perform this type of review within their respective departments but none indicated that they shared the results with anyone other than council (if at all).

The presence of an Auditor achieves a portion of this but more needs to be done.

***Timeline?***

Immediately (at council's discretion)

**20. Bylaws**

Ensure that bylaw staff conveys the main principles of the bylaws they are enforcing and that those bylaws are up to date, clear and reviewed on a periodic basis.

***Priority level?***

High

***Who is responsible?***

Manager of Bylaw Enforcement  
Legal Services  
Council

***Commentary / Status?***

The Manager of Bylaw Services informed us that her department is the last remaining vestige of pre-amalgamation as there are a number of bylaws pre-2001 that are in need of streamlining and updating.

For example, the bylaw regulating noise was updated in early 2010 and the city is now seeking public and industry input on the sign bylaw. The process has been slower than expected and it is now anticipated that council will approve a new sign bylaw in early 2012.

***Timeline?***

Ongoing and periodic (every three years).

**Conclusion**

On behalf of the Greater Sudbury Chamber of Commerce, we appreciate the opportunity to share the latest status of these recommendations with you. We strongly encourage Council to endorse them and direct staff to continue to engage us to find solutions. Local businesses are stakeholders in this community and any effort to lessen their red tape burden is a positive step that will contribute to their success as well as that of the local economy and our community.

## Request for Decision

### Gearing Up for Growth Advisory Panel

Presented To:	City Council
Presented:	Tuesday, Jun 14, 2016
Report Date	Wednesday, May 18, 2016
Type:	Managers' Reports

#### Resolution

THAT the City of Greater Sudbury approves the recommendations of the Gearing Up for Growth Advisory Panel, as outlined in the report dated May 18th, 2016 from the General Manager of Infrastructure Services.

#### Finance Implications

The Integrated Land and Property Management System will be funded from the Building Permit Revenue Stabilization Reserve Fund.

## Background

In 2015, City Council created the Gearing Up for Growth Advisory Panel and gave the Panel a four-part mandate designed to help Greater Sudbury become a more development friendly community.

Since this time, the Panel met with representatives from the development community to discuss the strengths, weaknesses and opportunity for improvements in the development approval process.

The feedback from the development community, together with the recommendations for improvement, are outlined in the attached report from the Advisory Panel.

The Gearing Up for Growth Advisory Panel is recommending to City Council that the City of Greater Sudbury take another step towards becoming a more development friendly community by:

1. creating a new Integrated Land and Property Management System for the land use planning and building approval processes to make them clear, efficient and accountable;
2. enhancing its formal pre-consultation process for applications made under the Planning Act;
3. continuing to refine its approach to stormwater management, including updating those approaches upon completion of the Subwatershed Plans for Ramsey Lake, Junction Creek and Whitewater Lake;
4. focusing on development approval customers by building on existing successes and providing staff

#### Signed By

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

Jason Ferrigan  
Director of Planning Services  
*Digitally Signed May 18, 16*

##### **Division Review**

Jason Ferrigan  
Director of Planning Services  
*Digitally Signed May 18, 16*

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

Tony Cecutti  
General Manager of Infrastructure Services  
*Digitally Signed May 18, 16*

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

Ed Archer  
Chief Administrative Officer  
*Digitally Signed May 31, 16*

- with the tools required to provide customer services required in an ever changing regulatory environment; and,
5. updating its existing Development Cost Sharing Policy to provide a more flexible and balanced approach to cost sharing for required off-site improvements.

These recommendations are supported by city staff, who worked closely with the Advisory Panel over the last year.

Further reports on the Integrated Land and Property Management System, Subwatershed Plans and Development Cost Sharing Policy will be brought before Council for consideration.

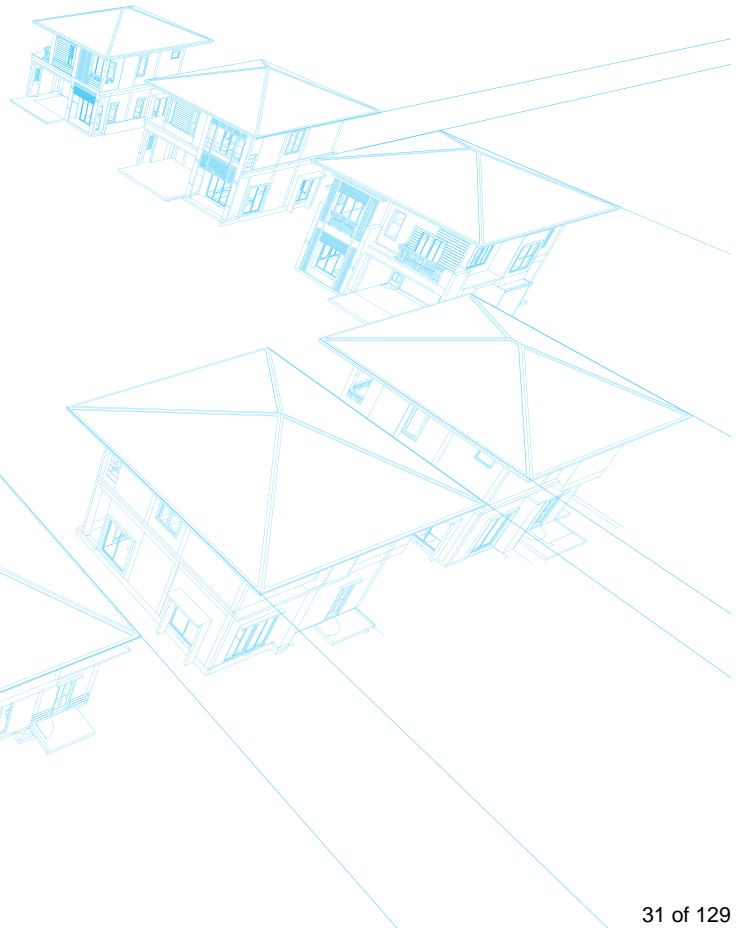
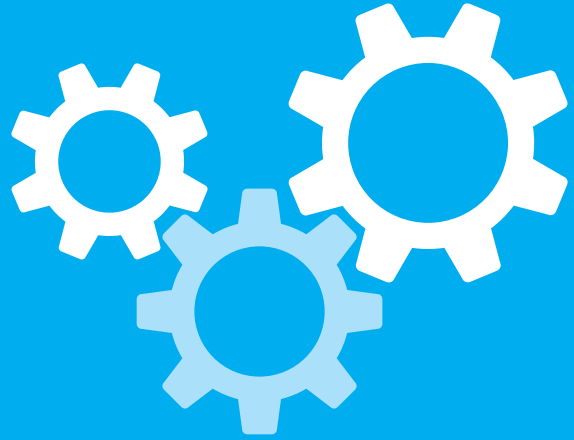
Staff is preparing to launch a new formal pre-consultation process in the Fall of this year and is exploring opportunities to improve customer service training and secure additional customer service feedback.

If City Council agrees with the recommendations of the Advisory Panel, then it should approve the recommendation outlined in the Resolution section of this report.

May 2016

# Gearing up for Growth!

Advisory Panel Report







May 2016

Mayor Bigger and Members of Council:

On behalf of the Gearing Up for Growth Advisory Panel, I am very pleased to provide you with this report, which responds to the mandate that you gave us in 2015.

At that time you asked the Panel to explore how to improve the development approval processes, improve interdepartmental co-operation and enhance customer service at City Hall – all with a view towards creating a more development friendly community.

Over the last ten months we consulted with our partners in the development community to better understand how we could achieve this goal. Our partners told us their concerns. Equally important, they also shared their ideas on how to strengthen the development approval process. The initiatives presented in this report are the result of discussions of the Panel. They are achievable and can help us move closer towards our goal.

I would like to thank our partners in the development community for openly sharing their thoughts and ideas. I would also like to thank the Greater Sudbury Chamber of Commerce, Sudbury and District Homebuilders Association and Northeastern Ontario Construction Association for helping us with this important project.

Working together, we will build Greater Sudbury up!

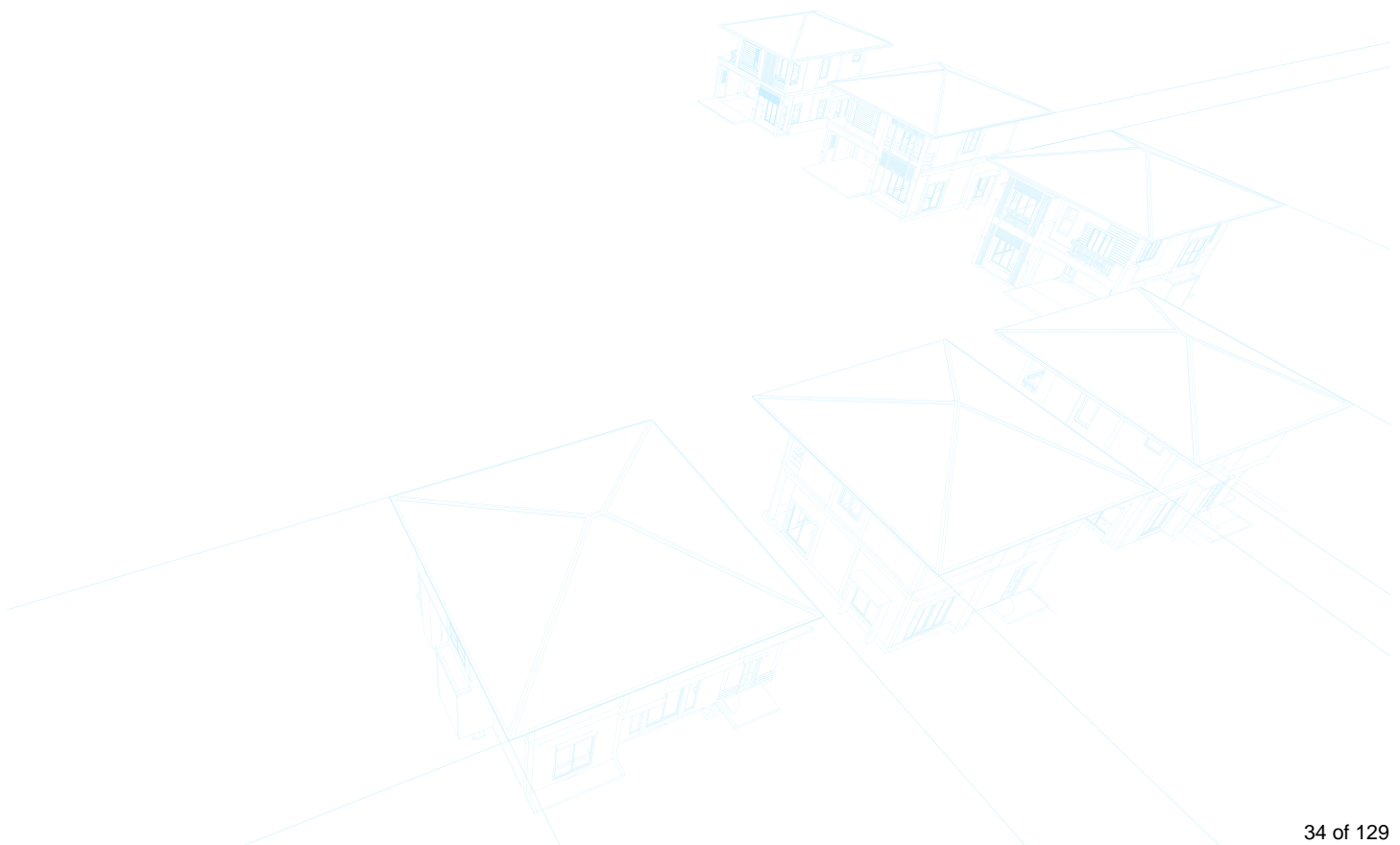
Respectfully submitted:

Fern Cormier  
Chair, Gearing Up for Growth Advisory Panel  
Councillor Ward 10



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## 1/ Who are we

**The Gearing Up for Growth Advisory Panel consists of range of stakeholders charged by City Council with recommending ways to make Greater Sudbury a more development friendly community.**

Getting a project from idea to implementation can be a complicated process in any North American city and Greater Sudbury is no exception. The scope and complexity of the planning, engineering and building permit processes has increased substantially in the last 10 to 20 years.

Depending on its complexity, a project may need to meet numerous federal, provincial, local municipal and other public agency laws, regulations, policies and standards before it can be approved, built and occupied.

This can require an upfront investment of time and capital on the part of a developer, often well before there is any certainty (or minimal risk) in the process and certainly well before there is any prospect of realizing a return on that up-front investment.

The key is to create a process that balances the needs of the development community (who are responding to a market opportunity) with the approval process requirements (which are designed to protect the public interest). Best practices suggest that such processes are clear and certain, easy to understand and navigate, consistent and predictable, as well as efficient. Such processes are also supported by a culture of trust and spirit of partnership.

The City of Greater Sudbury and its partners have strengthened the approval process. For more than 15 years, the City, in cooperation with the major industry associations, has operated the Development Liaison Advisory Panel to provide increased interaction between the City and the development community. The City also recently worked with the Greater Sudbury Chamber of Commerce on the Red Tape Reduction Task Force. Both processes have strengthened the approval process.

Understanding that there is always room for additional improvement, last year City Council established the Gearing Up for Growth Advisory Panel (the Panel) to review development approvals process and help Greater Sudbury become a more development friendly community. City Council gave the Panel a four-part mandate, as follows:

1. to identify the challenges and areas of concern of the development community in conjunction with the City's existing Development Liaison Advisory Panel;
2. to promote inter-departmental cooperation to make the City of Greater Sudbury a more development friendly community;
3. to identify ways to enhance customer service;
4. to review any other matters that may be identified as a result of discussions of the Advisory Panel.

**The Panel's nine members are drawn from outside and inside City Hall and is chaired by Councillor Fern Cormier. The current membership of the Panel is as follows:**

- Councillor Fern Cormier, Chair
- Tracy Nutt, Greater Sudbury Chamber of Commerce Red Tape Task Force
- Celia Teale, Sudbury and District Homebuilders Association
- Rick Cousineau, Northeastern Ontario Construction Association
- Tony Cecutti, General Manager of Infrastructure Services
- Jason Ferrigan, Director of Planning Services
- Guido Mazza, Director of Building Services/ Chief Building Official
- Eric Taylor, Manager of Development Approvals.

Lynne Reynolds, Councillor for Ward 11, played a key role on the Panel. Paul Baskcomb, former General Manager of Growth and Development, served on the Panel. The Panel is grateful for their leadership and assistance.



## 2/ What we did and heard

**We consulted with our partners in the development community. They told us that there is room to improve our processes and shift perspectives.**

During these consultations, the Panel received considerable feedback on how well the City's approval processes were working and how they could be improved. As the Panel moved through the discussions, five major feedback themes emerged.

### Theme 1: /Process

The development community shared considerable feedback around the City's approval processes. In general, they expressed concerns regarding the dispersed decision making authority; lack of problem-solving; length of turnaround times; apparent inconsistencies in comments; lack of flexibility in certain processes; lack of fast-tracking when needed; and, unclear parkland dedication requirements. They also expressed concerns that professional reports are not always being accepted and that building permit inspection requests by some clients are being made when work is still incomplete. They also spoke to the need for earlier pre-consultation meetings.

### Theme 2: /Timing

The development community also expressed concerns about timing. In general, they felt that the time value of money is not taken into account when it comes to time-lines, decision-making, interest and lost opportunities.

### Theme 3: /Perspective

The development community also expressed a concern that instead of encouraging development, there is a focus on requirements and assigning costs to the development.

### Theme 4: /Customer Service

The development community also expressed concerns that not all staff are equally responsive to inquiries and that sometimes too many staff are involved in and handle the same file.

### Theme 5: /Financial

From a financial perspective, the development community expressed concerns that costs assigned to developers are excessive and include things that don't benefit a particular development or will occur at a point well off into the future.



## 3/ Gearing up for growth

The Panel discussed how the City of Greater Sudbury could respond to the concerns raised. The Panel identified five “moves” that the City could undertake as it continues to improve and strengthen its developing approval process. This section describes these moves. The Panel’s recommendation is presented followed by an explanation from staff on how the recommendation can be realized.

### 3.1 Making the process easier to understand, navigate and accountable

The City of Greater Sudbury should create a new Integrated Land and Property Management System for its planning and building approval processes that is easier to navigate and improves accountability to both sides of the development process equation.

The City of Greater Sudbury currently uses a variety of standalone databases and software systems to support its building permit and Planning Act applications. Much of the data that the City relies on to help make decisions (e.g. Building Permit plans, Site Plans, OLS Surveys and M-Plans of Subdivision) are stored in hard copy format, standalone drives and databases, and common drives and databases. These systems are not accessible to the public or developers.

An Integrated Land and Property Management System (LPMS) would be a citywide, property centric system that provides a comprehensive history of all development, permitting, licensing, inspections, and by-law related activities for properties and land in the City and also provide a platform for active development applications.

The goal of the LPMS is to significantly improve development regulatory processes through enhanced internal data sharing and by better tracking the processes used by departments and divisions to manage the day-to-day business of development and building permit processes.

**The LPMS would deal primarily with the following functional areas:**

- land development (site plan and subdivision approvals);
- planning and zoning;
- permitting and inspections;
- by-law enforcement;
- licensing and registrations; and,
- professional and personal licenses.

The scope of the LPMS could be expanded over time to include encroachments, road occupancy, entrances, etc.

**The LPMS would replace over 20 existing IT solutions, simplifying the currently complex systems environment, and providing the following key functions:**

- front and back office application (permit, license, approval) processing;
- real time mobile tools for field based inspections staff;
- applicant access to online tools to submit, track and interact with applications online; and,
- public access, via the City’s website to tools to query the City’s LPMS database.

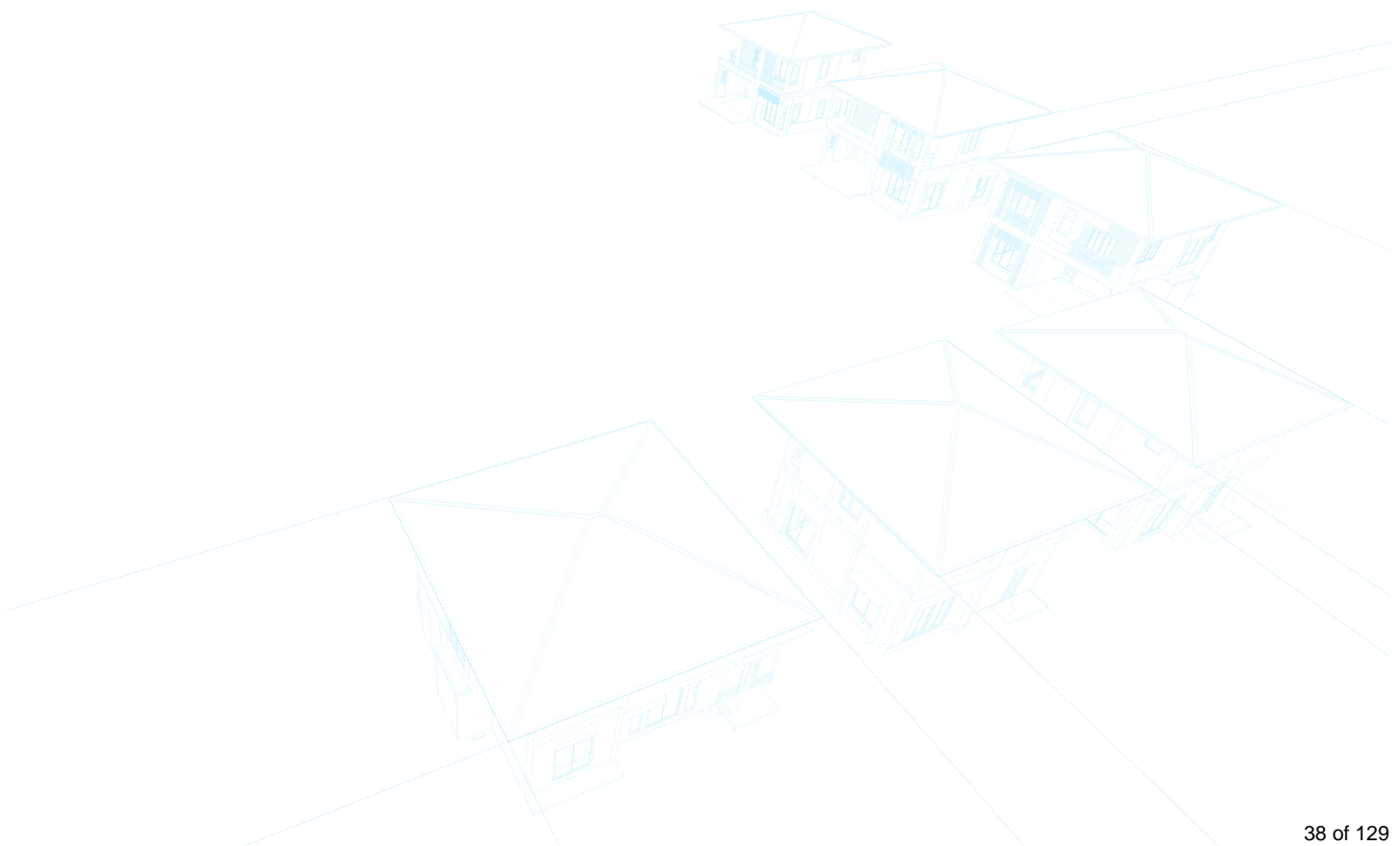
The LPMS would help mitigate risk by eliminating errors that result from poor access to information, improve internal productivity through savings in staff time, streamlining processes, information sharing, and automating tasks. The system would establish stronger financial controls, and improved payment processing



**The LPMS would also create many other efficiencies, including:**

- field worker efficiencies – between 10 - 20% productivity improvements can be realized by providing mobile office technology to inspectors and other field based staff;
- on-line applications will increase our competitiveness in the market, enabling out-of-town firms/developers to apply and engage the City's development approvals process;
- more efficient inter-departmental communications and data sharing; and,
- more effective tracking and managing timelines for comments on development applications.

The development of a Land Property Management System is seen as a key component in not only rationalizing the development processes involved but also clarifying the various development permitting and licensing procedures by mapping them out for our customers and clients. Further, electronic access by clients to the system process allows for the transparency and accountability the industry desires. Full project estimate and phasing over a four-year period has been established.





### 3.2 Making the process more certain through pre-consultation

*The City of Greater Sudbury should enhance its formal pre-consultation process for applications being made under the Planning Act.*

The City of Greater Sudbury encourages pre-consultation on all land use planning applications. The city has the legal ability to require pre-consultation with applicants on a wide range of land use planning applications prior to an application being made. These include Official Plan Amendments, Zoning By-law Amendments, Draft Plan of Subdivision, Draft Plan of Condominiums and Site Plans.

#### **In order to enhance and further strengthen the existing pre-consultation process:**

1. A review team, "SPART" Sudbury Planning Application Review Team, should be established comprised of key staff from Planning, Building, Development Engineering, Roads and Drainage along with other departments on an as needed basis. "SPART" should meet on a regular schedule to pre-consult with applicants, identify issues and information requirements and resolve issues on submissions. The Manager of Development Approvals should set the meeting schedule and the agenda items for each meeting.
2. Current checklists used for pre-consultation should also be reviewed and updated. Following pre-consultation meetings with SPART, applicants should be provided with the checklist of items that need to be submitted as part of a complete application. This checklist should be signed by the lead city staff and applicant as an agreement of what will form part of an application in order for the application to proceed.

These enhancements, which can be implemented this year, would provide clarity and consistency in the process, better manage expectations and result in improved submissions. . It is anticipated that this new system will be in place by the Fall.

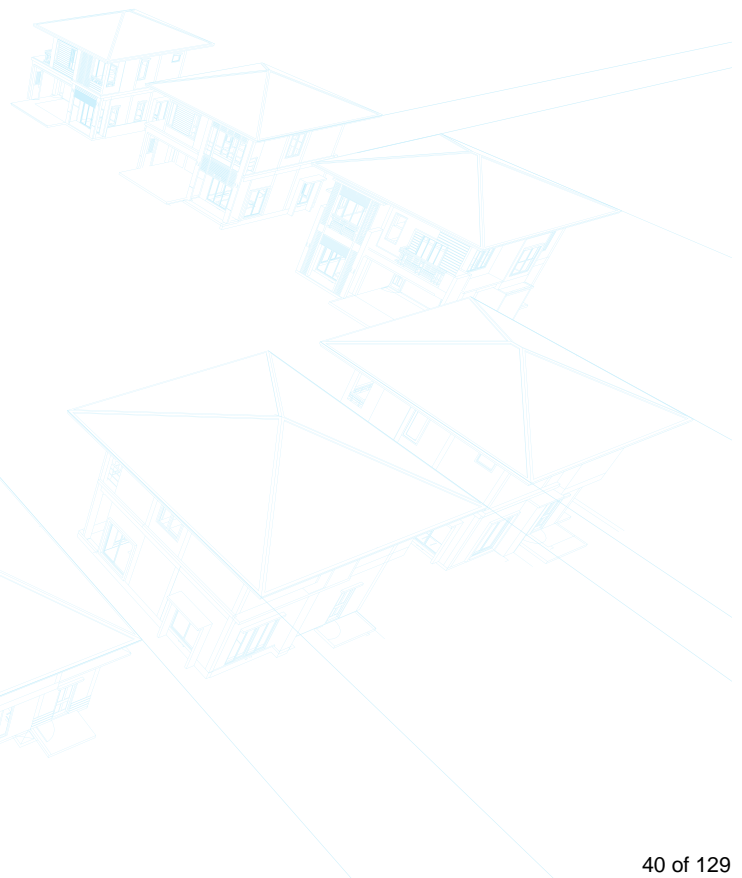


### 3.3 Making the process more certain through watershed studies

*The City of Greater Sudbury should refine its stormwater management policies and procedures for site plans and plans of subdivision/condominium. The Subwatershed Plans for Ramsey Lake, Junction Creek and Whitewater Lake will provide additional guidance for stormwater management in these subwatersheds, once complete.*

Historically, the City of Greater Sudbury required developers to provide on-site quantity and quality controls for larger developments and contribute to off-site improvements for smaller developments. This practice was recently changed to require that quality and quantity be addressed on all sites, where feasible. In some urban situations it may not be possible to address quantity and quality on site. In such instances, a contribution to downstream improvements may be appropriate. The City's site plan control procedures were updated to reflect this change. The City launched a full review of its site plan control procedures this year and will initiate a review of its subdivision procedures next year. It is anticipated that these reviews will provide additional stormwater management guidance, including the use of Low Impact Development.

In addition, in February 2016, the Province of Ontario announced \$2.3 million in provincial funding to complete nine subwatershed studies in Greater Sudbury. In March 2016, City Council directed staff to proceed with the nine funded studies, prioritized as follows: Ramsey Lake; Junction Creek (including Junction Creek, Garson, Kelly Lake, Copper Cliff, Meatbird Creek-Lively, Mud Lake, Simon/McCharles Lake); and, Whitewater Lake. These studies are required to be complete by March 2018. It is anticipated that these studies will provide further direction on stormwater management best practices.





### 3.4 Enhancing the customer experience

*The City of Greater Sudbury will focus on our development approval customers, build on our existing successes and provide staff with the tools to better provide the customer services required in an ever changing regulatory environment.*

As any business knows, customer service is the greatest key to success. The same must apply to the City in its regulatory function. Doing so can build trust and confidence in the process.

In March of 2012, as part of the response to the Chamber of Commerce's Red Tape Report to Council and Council's Customer Service Strategy, an initiative was launched in concert with the Human Resources Division to develop and deliver Customer Service Training to employees.

Building Services, Planning Services and Compliance & Enforcement worked with consultants from Seneca College to develop with front line staff participation a Customer Service Training Presentation tailored specifically to the work undertaken in these three regulatory environments. Further, based on this consultant's assessment, recommendations for how further training should be approached and executed were provided. Additional training content, follow-up actions and activities external to the environment were also provided. As a result a customer/citizen focus competency was created within the City's new Talent Development Program which would assist staff in personally developing tools that would serve them in continuously improving customer service.

Feedback from staff participants indicates that although the training hours are a good general overview of customer service principles, there is a need to take the training to the next level by identifying tools and resources that may be required in each area. As such staff have decided to re-visit Customer Service Training currently in place to ensure that staff feel and are provided the necessary opportunities for personal development to provide good customer service.

A Community Engagement Task Force has been assembled with employees from different departments to look at how we engage the citizens. As part of the Task Force, the CGS is in the midst of determining the top three (3) priorities in regards to customer service and will be putting in action plans to develop these areas.

Building and Planning Services staff will work with Human Resources within the Task Force to focus on our customers specifically involved in the various development processes and re-visit the Seneca Course "Customer Service Training Learning Assessment" Report to build on what has been successful and renew our focus on providing staff the tools to better provide the customer services required in an ever changing regulatory environment. This includes implementing regular focus groups with the residential and industrial/commercial/institutional sectors, as well as regular customer feedback surveys.

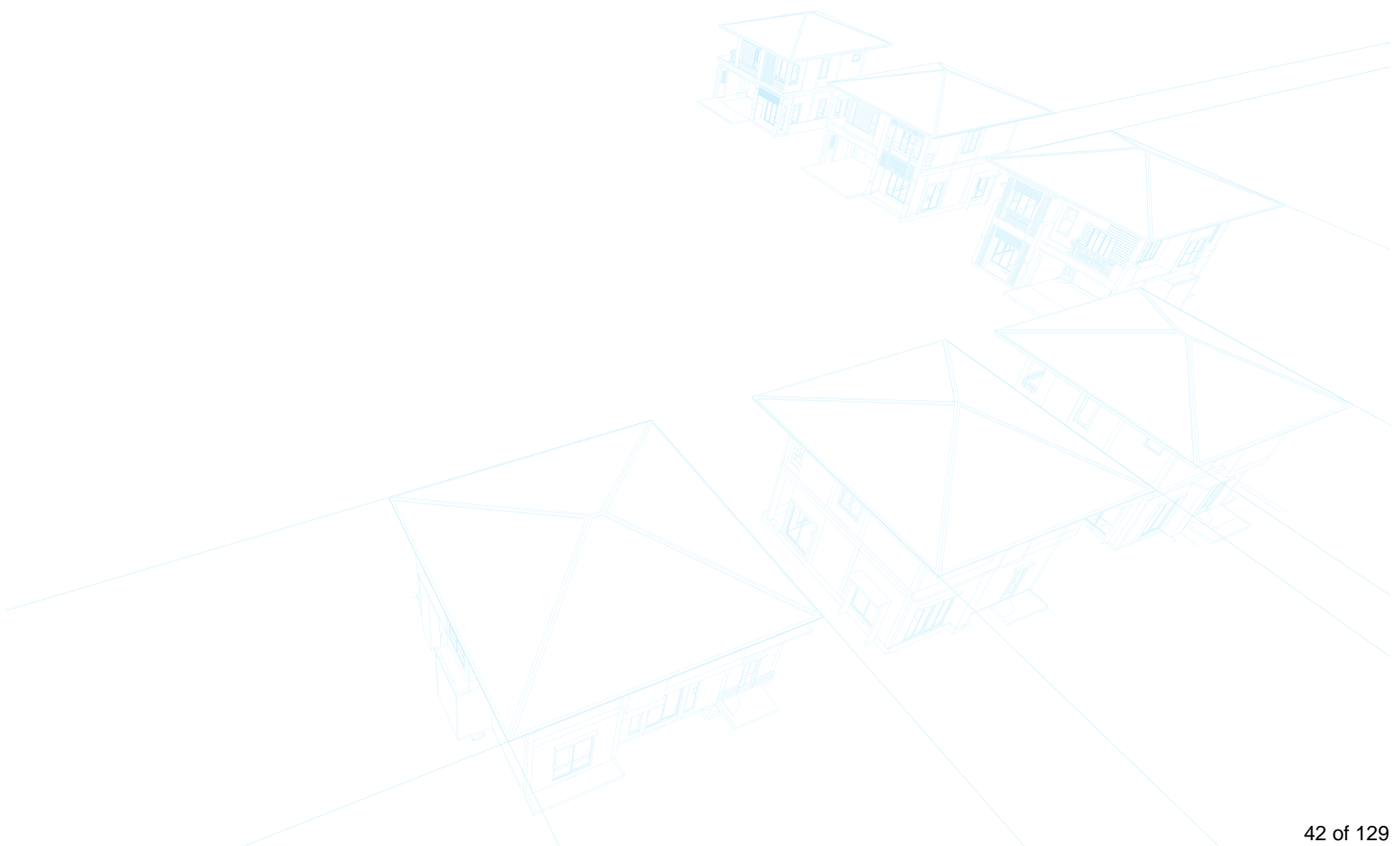


### 3.5 Creating a more flexible approach to cost sharing

*The City of Greater Sudbury should update its existing Cost Sharing Policy to provide a more flexible and balanced approach to cost sharing for required off-site improvements.*

In 2011, City Council approved a Policy on Development Cost Sharing after a two year long process. This policy was approved in response to feedback from the development community around the need to create a standardized approach for apportioning the cost for development related costs that are not captured by the Development Charges By-law.

In 2015, City Council requested a review of the Policy on Development Cost Sharing. City staff are currently working with the development community (through a subcommittee of the Development Liaison Advisory Panel) on the review. This review will gauge the applicability and effectiveness of the Policy on Development Cost Sharing through internal and external focus groups in addition to a review of common practices in other Ontario municipalities. It is intended that this review will improve the clarity and application of the Policy in order to provide more certainty to the City and development community. It is currently anticipated that staff will present the results of the review to City Council before the end of the second quarter in 2016.

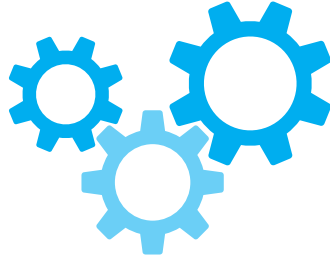




## 4/ Our Advice to City Council

The Panel appreciates the opportunity to provide advice on how we can make the city more development friendly. Our best advice to Council is as follows:

- The City of Greater Sudbury should create a new **Integrated Land and Property Management System** for its planning and building approval processes that is easier to navigate and improves accountability to both sides of the development process equation.
- The City of Greater Sudbury should enhance its **formal pre-consultation process** for applications being made under the Planning Act.
- The City of Greater Sudbury should continue to refine its approach to stormwater management and develop Subwatershed Plans for Ramsey Lake, Junction Creek and Whitewater Lake to improve certainty for environmental protection, planning and investment in the subwatersheds.
- The City of Greater Sudbury will focus on our **development approval customers**, build on our existing successes and provide staff with the tools to better provide the customer services required in an ever changing regulatory environment.
- The City of Greater Sudbury should update its **existing Cost Sharing Policy** to provide a more flexible and balanced approach to cost sharing for required off-site improvements.



## Gearing up for Growth!

Advisory Panel Report

April 2016



## **Development Liaison Advisory Panel**

### **Mandate**

To bring together key development and construction industry interests (developers, construction associations, development consultants and approval authorities) for the purpose of maintaining and improving the development/construction environment within the City of Greater Sudbury.

### **Membership**

Membership is based on stakeholder interest and commitment and not appointment by Council. Membership includes representatives from:

- Sudbury and District Homebuilders Association,
- Sudbury Construction Association,
- Greater Sudbury Chamber of Commerce,
- Sudbury Real Estate Board,
- Ontario Architects Association - Sudbury Chapter,
- Professional Engineers of Ontario - Sudbury Chapter,
- Ontario Land Surveyors - Sudbury Chapter,
- Ontario New Home Warranty Program,
- Chair of Planning Committee, and Planning Committee Members ex-officio.

Members are appointed on the basis of interest and willingness to participate in sub-committee workloads.

# BUILDING PERMITS & INSPECTIONS

SNAPSHOT  
MEDIAN  
FOR 2017

How much does it cost to process building permits & provide inspection services?

**\$8.29/** per \$1,000 construction value  
BLDG325M (EFFICIENCY)

**578** new residential dwelling units created  
BLDG221 (SERVICE LEVEL)

## KEEP IN MIND: Influencing Factors

Influencing factors can create variances in comparison data from year-to-year and from municipality-to-municipality.



### Complexity

Size and technical complexity of permit applications and construction work



### Economic Conditions

State of the local economy, interest rates and employment conditions can affect investment in building stock



### Geography

More travel time and fewer inspections can result in higher costs per permit



### Inspection Services

Nature of inspection process may vary



### Legislative Changes

Revisions or new Acts and Regulations adds time to the review and inspection process



### Municipal Policy

Varying permit requirements per jurisdiction

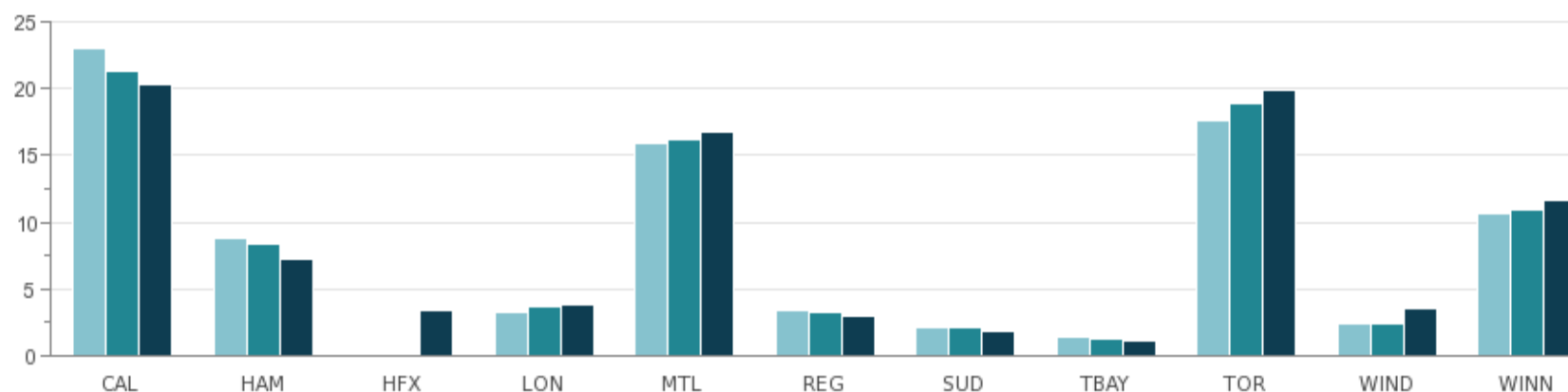
For a full description of influencing factors, please go to: [www.mbnccanada.ca](http://www.mbnccanada.ca)

**Fig. 2.1 Number of Residential and ICI Building Permits Issued in the Fiscal Year**

This measure includes residential and ICI (Industrial, Commercial and Institutional) building permits issued. Building Permits are defined as “permits required for construction” and are subject to the respective Building Code Act of each province.

**IMPORTANT:** The definition for this measure was changed to exclude “other building permits”. In most cases, the removal of “other building permits” was not material; however, the variance between 2017 results and that of prior years may be due to this change.

(In Thousands)



2015	23,063	8,857	N/A	3,165	15,847	3,343	2,031	1,307	17,584	2,358	10,654
2016	21,394	8,351	N/A	3,682	16,198	3,220	2,032	1,168	18,896	2,441	10,929
2017	20,353	7,155	3,439	3,865	16,741	2,974	1,809	1,068	19,865	3,580	11,669

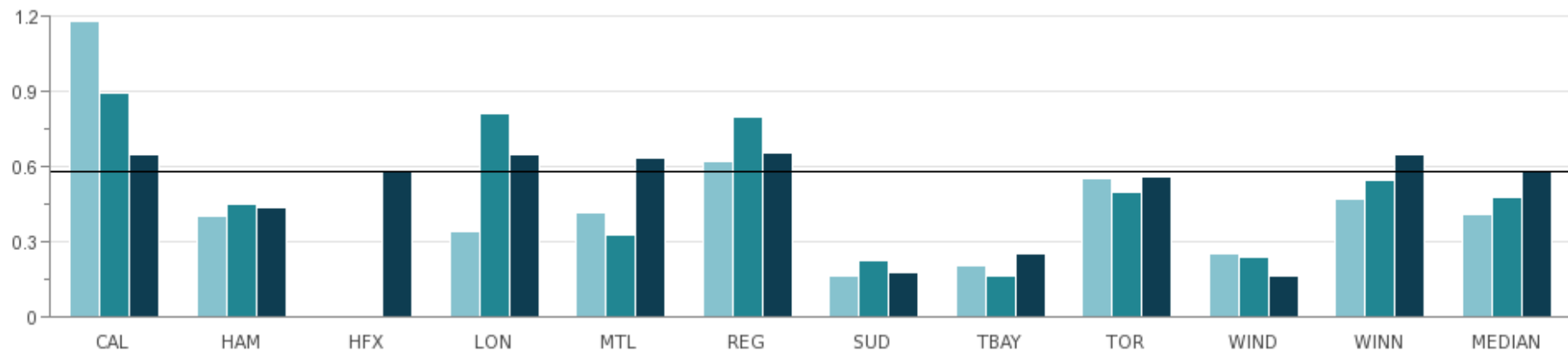
Source: BLDG206 (Statistic)

Windsor: The City experienced an increase in residential work, partly due to the basement flooding subsidy program.

**Fig. 2.2 New Residential Units Created per 100,000 Population**

This is an economic indicator that highlights development trends in a municipality. Typically, there is a correlation between the number of new residential dwelling units, population growth and the overall economic growth of a municipality.

(In Thousands)



2015	1,179	399	N/A	338	412	621	159	205	555	248	469	406
2016	896	451	N/A	809	323	796	222	162	497	239	543	474
2017	651	435	578	649	631	655	177	249	562	165	650	578

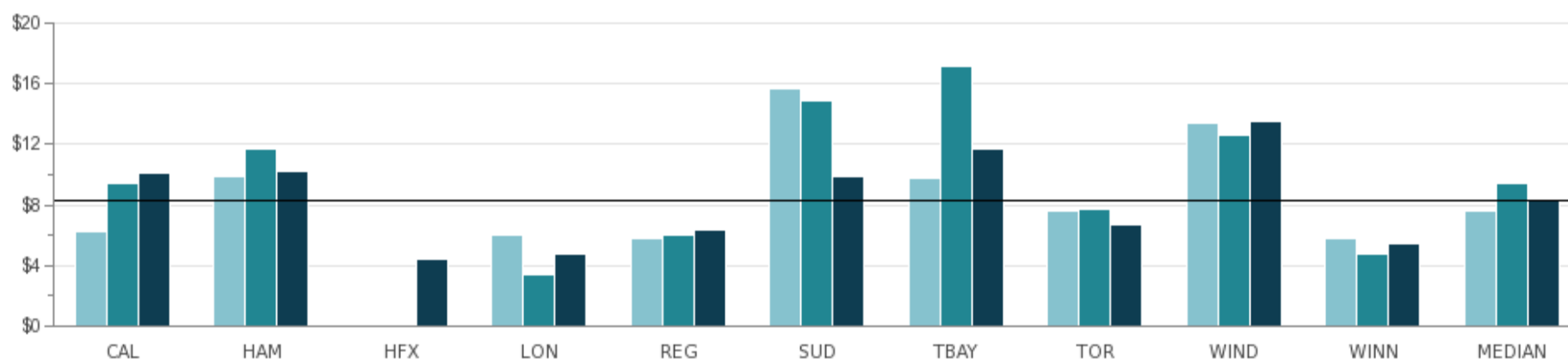
Source: BLDG221 (Service Level)

Windsor: There were fewer new residential units built in 2017 despite an increase in population

**Fig. 2.3 Operating Cost of Building Permits and Inspection Services per \$1,000 of Residential and ICI (Industrial, Commercial and Institutional) Construction Value**

This measure represents the operating costs associated with the provision of building permits and inspection services. The fluctuation in year over year results is impacted by the value of residential and ICI construction activity.

**IMPORTANT:** The definition for this measure was changed to exclude “other building permits”. In most cases, the removal of “other building permits” was not material; however, the variance between 2017 results and that of prior years may be due to this change.



2015	\$6.19	\$9.84	N/A	\$5.99	\$5.82	\$15.72	\$9.74	\$7.61	\$13.47	\$5.80	\$7.61
2016	\$9.38	\$11.75	N/A	\$3.36	\$6.04	\$14.92	\$17.22	\$7.69	\$12.64	\$4.78	\$9.38
2017	\$10.11	\$10.17	\$4.45	\$4.72	\$6.38	\$9.92	\$11.72	\$6.65	\$13.48	\$5.49	\$8.29

Source: BLDG325M (Efficiency)

Montreal: Does not track data.

Sudbury: The result reflects near-double increase in construction value in 2017, mostly in mining sector.

# PLANNING

## SNAPSHOT MEDIAN FOR 2017

**85%**  
**OF DEVELOPMENT  
APPLICATIONS**  
meet timeline  
commitments

PLNG450 (CUSTOMER SERVICE)

## TOTAL COST OF PLANNING

SINGLE TIER  
**\$24.85/per resident**

UPPER TIER  
**\$8.60/per resident**

PLNG250T (SERVICE LEVEL)

### KEEP IN MIND:

## Influencing Factors

Influencing factors can create variances in comparison data from year-to-year and from municipality-to-municipality.



### Application Variables

Type, mix and complexity of applications received



### Complexity

Scope and magnitude of applications received



### Government Structure

Single-tier vs. Upper-tier municipalities



### Legislation

Differences or variations in policy may impact applications



### Organizational Form

Differing structures may affect data collection and comparability



### Resources

Many municipalities are undertaking growth management studies, which impact workload and cost



### Timing

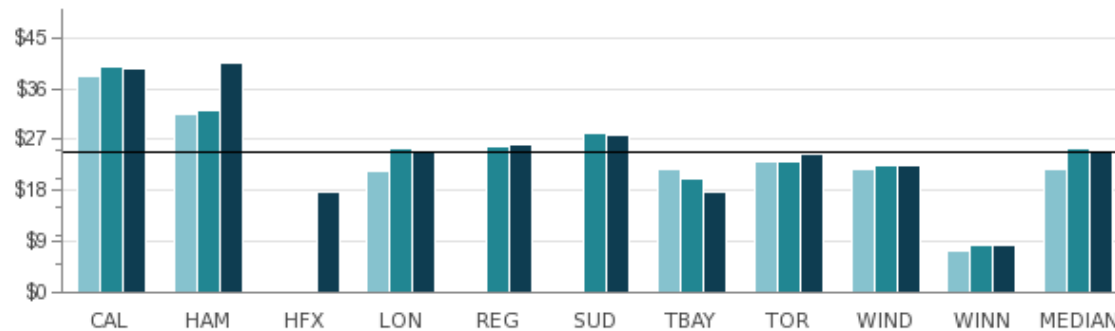
Process times vary based on application complexity and approvals

For a full description of influencing factors, please go to: [www.mbncanada.ca](http://www.mbncanada.ca)

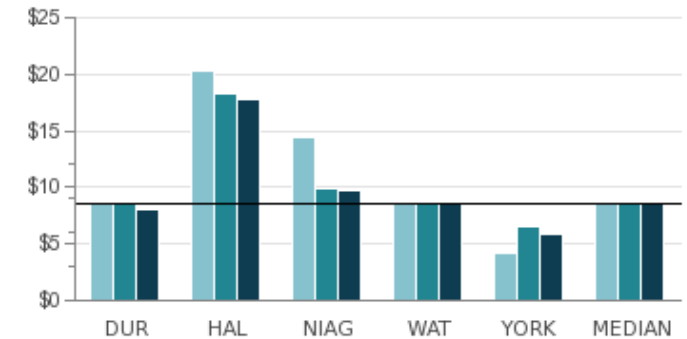
**Fig. 24.1 Total Cost for Planning per Capita**

This measure reflects the total cost to provide planning services. The amount spent on planning-related activities and application processing can vary significantly from municipality to municipality based on the types of applications, different organizational structures and legislation, and priorities established by local Councils.

Single-Tier



Upper-Tier

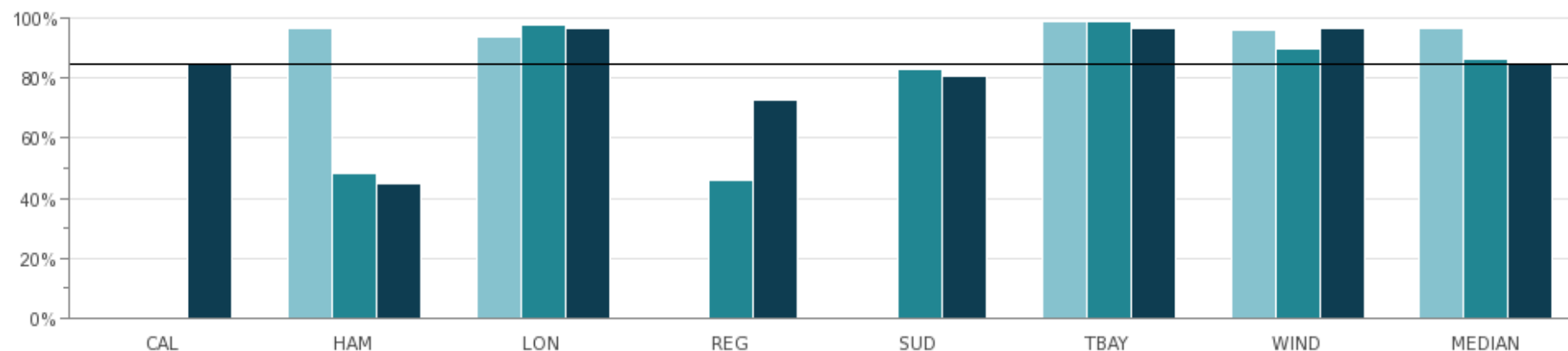


2015	\$38.31	\$31.38	N/A	\$21.36	N/A	N/A	\$21.81	\$23.06	\$21.71	\$7.42	\$21.81	\$8.47	\$20.25	\$14.41	\$8.76	\$4.17	\$8.76
2016	\$39.97	\$32.22	N/A	\$25.60	\$25.78	\$28.06	\$20.22	\$23.28	\$22.55	\$8.43	\$25.60	\$8.66	\$18.27	\$9.86	\$8.62	\$6.56	\$8.66
2017	\$39.54	\$40.58	\$17.91	\$25.29	\$26.03	\$27.94	\$17.61	\$24.40	\$22.30	\$8.44	\$24.85	\$8.08	\$17.73	\$9.70	\$8.60	\$5.92	\$8.60

Source: PLNG250T (Service Level)

**Fig. 24.2 Percent of Development Applications Meeting Timeline Commitments**

This measure shows the percentage of development applications that are processed and meet applicable timelines for single-tier municipalities only. Factors such as the volume and complexity of applications, revisions, and additional information and/or study requirements during consideration of applications received may affect the results.



2015	N/A	97%	94%	N/A	N/A	99%	96%	97%
2016	N/A	48%	98%	46%	83%	99%	90%	87%
2017	85%	45%	97%	73%	81%	97%	97%	85%

Source: PLNG450 (Customer Service)

Hamilton: The City adopted a new procedure that has resulted in an increase in the average number of days to meet the timeline commitments.

Toronto: Does not track data.

## Request for Decision

### 2020-2021 Budget Direction and Two Year Financial Forecast

Presented To: Finance and  
Administration  
Committee

Presented: Tuesday, May 14, 2019

Report Date Wednesday, May 01,  
2019

Type: Presentations

### Resolution

#### Resolution #1:

THAT the City of Greater Sudbury directs staff to prepare a 2020 Business Plan that includes an operating budget for all tax supported services that considers:

- a) The cost of maintaining current programs at current service levels based on anticipated 2020 workloads;
- b) The cost of providing provincially mandated and cost shared programs;
- c) The cost associated with growth in infrastructure that is operated and maintained by the City;
- d) An estimate in assessment growth;
- e) Recommendations for changes to service levels and/or non-tax revenues so that the level of taxation in 2020 produces no more than a 3.5% property tax increase over 2019 taxation levels, in accordance with the Long-Term Financial Plan.

#### Resolution #2:

THAT the City of Greater Sudbury directs staff to prepare a multi-year base operating budget for the years 2020 and 2021 for all tax supported services that considers:

- a) The cost of maintaining current programs at current service levels;
- b) The cost of providing provincially mandated and cost shared programs;
- c) The cost associated with growth in infrastructure that is operated and maintained by the City;
- d) An estimated assessment growth.

### Signed By

#### Report Prepared By

Liisa Lenz  
Coordinator of Budgets  
*Digitally Signed May 1, 19*

#### Manager Review

Jim Lister  
Manager of Financial Planning and  
Budgeting  
*Digitally Signed May 1, 19*

#### Division Review

Ed Stankiewicz  
Executive Director of Finance, Assets  
and Fleet  
*Digitally Signed May 1, 19*

#### Financial Implications

Jim Lister  
Manager of Financial Planning and  
Budgeting  
*Digitally Signed May 1, 19*

#### Recommended by the Department

Kevin Fowke  
General Manager of Corporate  
Services  
*Digitally Signed May 1, 19*

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

Ed Archer  
Chief Administrative Officer  
*Digitally Signed May 1, 19*

Resolution #3:

THAT the City of Greater Sudbury directs staff to develop the 2020 Capital Budget based on an assessment of the community's highest priority needs consistent with the application of prioritization criteria described in this report and that considers:

- a) Financial affordability;
- b) Financial commitments and workload requirements in subsequent years for multi-year projects;
- c) The increased operating costs associated with new projects;
- d) The probability and potential consequences of asset failure if a project is not undertaken;
- e) The financial cost of deferring projects.

Resolution #4:

THAT the City of Greater Sudbury directs staff to prepare a Business Plan for Water and Wastewater Services that includes:

- a) The cost of maintaining current approved programs at current service levels based on anticipated production volumes;
- b) The cost associated with legislative changes and requirements;
- c) The cost associated with growth in infrastructure operated and maintained by the City;
- d) A reasonable estimate of water consumption;
- e) A rate increase not to exceed the rate contained in the Water/Wastewater Financial Plan to be approved by the Finance and Administration Committee on June 4, 2019;
- f) And that a multi-year water/wastewater budget be prepared in accordance with Resolution 2 of this report, and the approved rate increase contained in the Water/Wastewater Financial Plan.

Resolution #5:

THAT the City of Greater Sudbury directs staff to provide recommendations for changes to user fees that reflects:

- a) The full cost of providing the program or services including capital assets, net of any subsidy approved by Council;
- b) Increased reliance on non-tax revenue;
- c) Development of new fees for municipal services currently on the tax levy;
- d) A multi-year user fee schedule for years 2020 and 2021.

Resolution #6:

THAT the City of Greater Sudbury directs staff to present any service enhancements, changes in services, or new service proposals as Business Cases for consideration by City Council on a case-by-case basis, subject to the following conditions;

- a) Any business case request from Councillors must be approved by resolution of Council or Committee to be incorporated into the 2020 Budget Document;

- b) Any business case with a value of \$100,000 or less be incorporated into the base budget where the Executive Leadership Team supports the change, with a summary of such changes disclosed to Council;
- c) Any business case Council directs staff to include for consideration that is not recommended by ELT be presented in the 2020 Budget Document regardless of its value.

Resolution #7:

THAT the City of Greater Sudbury requests its Service Partners (Greater Sudbury Police Services, Nickel District Conservation Authority, and Sudbury and District Health Unit) to follow the directions in resolution one of the report entitled "2020 - 2021 Budget Direction and Two Year Financial Forecast", from the General Manager of Corporate Services, presented at the Finance and Administration Committee meeting on May 14, 2019, when preparing their 2020 and 2021 municipal funding requests.

Resolution #8:

THAT the City of Greater Sudbury approves the proposed 2020 Budget Schedule in Appendix A of the report entitled "2020 - 2021 Budget Direction and Two Year Financial Forecast", from the General Manager of Corporate Services, presented at the Finance and Administration Committee meeting on May 14, 2019.

### **Relationship to the Strategic Plan / Health Impact Assessment**

This report refers to operational matters. Indirectly, following the directions recommended in this report support service efforts that advance all of Council's strategic priorities.

### **Report Summary**

This report provides an overview of the 2020 and 2021 forecasted budget, as well as recommendations for directions to guide staff in the preparation of the 2020 and 2021 Business Plan (budget).

### **Financial Implications**

There are no direct financial implications associated with this report. Budget directions provide staff with Council approved guidelines for producing the city's operating, capital and rate supported budgets. The 2020 and 2021 budget's final approval is subject to further public review as well as City Council review and approval, which is anticipated to be provided in the last quarter of 2019.

## **Executive Summary**

The purpose of this report is to obtain directions from City Council regarding development of the 2020 and 2021 base operating budget. It includes:

- a) A description of the proposed 2020 and 2021 base operating budget development process including a schedule that anticipates Council's approval of the 2020 and 2021 Operating Budget, User Rate Budgets, and the 2020 Capital Budget by December 2019,
- b) A forecast for the 2020 and 2021 base operating budget that anticipates the cost to provide the existing Council approved service levels,
- c) Factors influencing the municipality's 2020 and 2021 operating and user rate budgets, and the 2020 capital budget.

Consistent with budget presentations over the past three years, the 2020 and 2021 operating budgets will emphasize the relationship between services, service levels and expected costs. The presentation will provide a level of detail sufficient for Council to assess the budget's alignment with the strategic plan and its expected outcomes, as well as the fit between daily service expectations and planned service levels.

Business plans for each Division, supported by key performance indicators derived from our benchmarking network and other internal measures of service performance, will serve as the foundation for decision making and demonstrate accountability for results. For a complete picture of the City's service plans and related financial commitments, all Outside Boards are requested to submit their board-approved budgets for 2020 no later than August 1, 2019 so that the Finance and Administration Committee can consider these along with the City's budget during deliberations in late 2019.

The revenue and expenditure projections described in this report reflect several inputs. They include decisions approved in the 2019 budget process, anticipated revenues and costs associated with maintaining current service levels, projected workload volumes and the financial implications of changes in legislation. These projections help provide context to support the Committee's decisions regarding acceptable parameters for setting 2020 and 2021 budget directions.

While useful, such projections will be adjusted as work to finalize the budget proceeds and new information becomes available. These estimates will change as 2020 and 2021 budget submissions are completed.

## **Preliminary Financial Forecast**

After accounting for anticipated assessment growth, scheduled contract price adjustments, the financial impact of labour agreements and energy cost changes, maintaining municipal services at current service levels require a 2.4% change in

taxation. Service partners cost increases and the cost of providing provincially mandated services require an additional 2.9% change in taxation, planned capital expenditures, based on existing forecasts, require an additional 0.9% property tax increase. The following table summarizes the forecast changes:

	2020 Forecast %	2021 Forecast %
Tax Levy Increase	6.6	4.5
Less: Impact of Assessment Growth	(1.0)	(1.0)
Forecasted Municipal Tax Increase	5.6	3.5
<b>Tax Increase Consists of:</b>		
Provincially Mandated Services	1.0	1.0
Municipal Services (net of assessment growth)	2.4	1.3
Capital Projects	0.9	0.3
Outside Boards	1.3	0.9
Forecasted Municipal Tax Increase	5.6	3.5

Revenues are projected to increase by approximately \$5.3 million primarily due to an increase in user fee rates for water and wastewater and other fees. This estimate anticipates a reduction in revenue from the Ontario Municipal Partnership Fund (OMPF) of approximately \$1.1 million based on the 2019 announcement.

Operating expenditures are projected to increase by \$21.3 million (6.6%). The increase is primarily due to costs associated with routine service delivery such as salaries and benefits, contractual obligations, and energy costs. Plans for service level changes or service enhancements will be presented separately and supported by a business case so that the Finance and Administration Committee can consider them on their individual merits and decide whether to include them in the 2020 Budget.

The net result of the change in expenditures and revenues translates into a levy increase of \$18.1 million. Including assessment growth of 1.0%, the projected tax increase is 5.6%. The Long-Term Financial Plan anticipates a tax change of 3.5%.

The higher 2019 projection reflects changes in several factors. Specifically, contractual obligations including finalized and arbitrated collective bargaining agreements are higher than what was forecast in the Long-Term Financial Plan. As well, operating costs for services such as Transit, winter control and road maintenance are increasing as service level expectations and greater needs for asset rehabilitation/renewal are addressed.

Although not included in this forecast, staff anticipate reductions in programs that receive funding from the provincial government. As more information becomes known, staff will provide further report(s) on the implications of changes to provincial funding. Since the province's April budget announcement, service partners such as Conservation Sudbury and Public Health Sudbury and District learned details about funding reductions that will likely lead to service adjustments. Similarly, changes in funding for services provided directly by the municipality could prompt a review of service levels. Nevertheless, at this point staff do not anticipate such changes should alter the recommended budget directions presented in this report.

Subject to the Committee's consideration of the recommended motions in this report, staff anticipate presenting a plan that reflects the guidance provided by the Long-Term Financial Plan. In particular, recommended Motion 1 e) will be particularly important as it appears clear that service adjustments and/or adjustments to risk tolerance will be required to present a plan that aligns with the taxation levels anticipated by the Long-Term Financial Plan.

## **Risk**

In collaboration with the Auditor General, the Executive Leadership Team has developed an enterprise-wide risk assessment to identify key corporate risks and their potential consequences if the risks become real. "Risk" is defined as anything that can impair the achievement of the corporation's objectives. The corporation has a variety of risks that could influence its ability to achieve results. These include:

- Changes to our population mix that produce changes in service expectations or in the demand for certain services
- Legislative changes that influence how service is delivered and/or how much it costs. As discussed above, the impact of changes in provincial funding is not yet known and therefore poses a higher risk compared to prior periods.
- Aging infrastructure and the related risk of service interruptions
- Climate change that brings more severe/adverse weather and prompts more, or different, service responses
- Technology changes that present opportunities for the corporation to adapt how it provides service, or how it interacts with residents
- Economic conditions that influence perceptions of municipal financial sustainability, service affordability, access to trained workers and/or the relative competitiveness of local businesses

This assessment will inform choices about the emphasis that should be placed in the budget on discrete initiatives that could, among other results, help reduce or at least manage risk.

## Property Taxes and Household Income

The 2018 BMA Municipal Study provides information regarding the percentage of household income required to pay for total property taxes of a typical bungalow. For the City of Greater Sudbury, 3.8% of household income is required to support payment of property taxes. The BMA average is 3.8% and the median is 3.9% for municipalities over 100,000 in population.

## Factors Influencing the 2020 Operating Budget

The following financial forecasts are based on delivering the same services and level of service that is currently in place for the City of Greater Sudbury. The following economic assumptions influence the figures included in the 2020 operating budget:

1. General inflation factors applied to costs, unless otherwise noted are based on the Bank of Canada inflationary control target of 2.0%. Inflation projections from three of the major banks that have inflation forecasts for 2020 ranging from 2.1% to 2.4%. A 2.0% inflationary increase is worth approximately \$1.5 million or 0.6% tax levy increase.
2. The introduction of the carbon tax in 2019 resulted in a \$0.05 / litre in the price of fuel. For this reason, staff forecast the price of diesel and unleaded fuel to be \$1.12/litre (up from \$1.07/litre in 2019). The financial impact of fuel costs on the City would be approximately \$250,000.

The carbon tax also has an impact on natural gas prices. As a result, staff are forecasting a 5% increase in natural gas costs. The financial impact of this increase is approximately \$100,000.

The Ontario Fair Hydro Plan which was introduced in the summer of 2017 states that rate increases will be held at the rate of inflation for the years 2018-2021. For that reason, staff has used a rate of 2% for 2020. Combined with consumption forecasts, the financial impact is a projected increase of \$270,000.

3. Overall, salaries and benefits reflect the effects of negotiated collective bargaining agreements, and estimated changes to upcoming bargaining agreements.

In addition WSIB premiums have significantly increased for Police, Fire and EMS. The total impact is forecasted to be an additional \$535,000 in 2020. Overall, salaries and benefits account for an \$11.7 million increase over the 2019 budget.

4. User fees have been increased by the estimated 3.0% for 2020 in accordance with the Miscellaneous User Fee By-law. Changes to user fee rates will be incorporated into the 2020 budget.

5. Water/Wastewater, Building Services, 199 Larch Street, and Parking have been assumed to be self-supporting in accordance with policy.
6. Contributions for capital have been increased by 6.7% for 2020 in accordance with the Capital Budget Policy, which calls for the greater of 2.0% or the first quarter increase in the Non-Residential Building Construction Price Index (Ottawa) (NRBCPI Ottawa), or the most current NRBCPIR Ottawa available at the time of developing the forecast. As of the fourth quarter of 2018, this index was 6.7%. This increases capital spending on the tax levy by approximately \$2.5 million or 0.9% property tax levy increase.
7. For 2020, staff are providing for a decrease of \$1.1 million to Ontario Municipal Partnership Fund (OMPF) funding based on 2019 announcements. This represents a reduction of \$950,000 over the 2019 budgeted amount.
8. Preliminary estimates from the outside Boards which includes Nickel District Conservation Authority (2% increase to the operating grant, and a 20% increase to the capital grant), and Greater Sudbury Police Services (GSPS), as well City staff estimate for the Sudbury and District Health Unit (2% to remain consistent with prior years) result in an increase to the 2020 budget by \$3.3 million. The GSPS preliminary budget reflects a 5.5% increase which includes the annualized impact of the four new constables hired in 2019, the requirements of the strategic staffing plan, WSIB and Long Term Disability premium hikes and an additional contribution to the facilities improvement plan.
9. Based on historical trends, staff are providing for an \$830,000 increase in winter control costs.
10. As approved in the 2017, 2018 and 2019 budgets, funding for the large projects including Place des arts and the Kingsway Arena and Event Centre, as well as The Junction have been included in the 2020 forecast resulting in a 0.6% increase on the tax levy.

The following chart summarizes the significant increases included within the forecast.

<b>Category</b>	<b>Budget Increase</b>	<b>% Increase</b>
General Inflation	\$1.5 million	0.6
Carbon Tax (Fuel and Natural gas)	\$350,000	0.1
Hydro	\$270,000	0.1
Increased benefits for CUPE 148 arbitration	\$830,000	0.3
WSIB	\$535,000	0.2
Contribution to Capital	\$2.5 million	0.9
OMPF	\$950,000	0.3
Outside Boards	\$3.5 million	1.2
Winter Control	\$830,000	0.3
Large Projects	\$1.6 million	0.6
<b>Total Significant Increases</b>	<b>\$12.9 million</b>	<b>4.6%</b>

## 2021 Forecast

The 2021 forecast was developed using the same assumptions as 2020 with adjustments for known contractual increases, and decisions made by Council in the 2019 budget process. The cost to provide the same level of service represents a 4.5% taxation levy increase before the estimated assessment growth of 1.0%. This results in a net tax impact of 3.5%. These projections are based on current information and are not final. These estimates will change as more information becomes available, and the 2020 budget submissions are completed.

## Assessment Growth

For this forecast, estimated assessment growth of 1.0% has been used. It is difficult to project assessment growth as new construction is offset by demolitions and other tax write-offs. It should also be noted that not all construction is subject to taxable assessment, for example construction in underground facilities. In addition, manufacturing and processing properties are not assessed on the equipment or foundations to support the equipment used in the processing. Until projects are

completed and reviewed by MPAC, it is difficult to estimate the assessed value.

To put the estimated growth into perspective, the value of 1.0% growth each year would have to generate an increased weighted assessment of approximately \$215 million over the current assessment of over \$21.5 billion. This is net of all tax write-offs, which reduces the assessment growth. The majority of the City's growth over the last few years has come from the residential class. The Finance and Administration Committee will receive updated assessment information through the budget process.

## **Factors Influencing the 2020 Capital Budget**

In January, 2019 Council approved an updated Capital Budget Policy. The Capital Budget Policy guides the preparation of the City's short and long term capital plans. This revised policy builds on prior direction from City Council about the City's asset management strategy and the City's Long Term Financial Plan.

It is typical for a local government's capital renewal or replacement needs to exceed its available funds. This makes choices about capital spending particularly sensitive since tradeoffs are often necessary that can lead to unmet service expectations, unplanned emergency repair or maintenance costs, or higher overall costs.

In line with principles in our Asset Management Policy, the Capital Budget Policy guides capital spending decisions and helps minimize the impact of such tradeoffs. It incorporates data about the serviceability of assets and their state of repair, expected service levels and potential financing sources to carry out planned investments in a fiscally sustainable manner.

The Capital Budget Policy increases the assurance that the corporation's highest priority projects are included in the budget. An enterprise-wide prioritization process is used for determining the greatest service needs and reflects the expertise of a cross-functional staff team from across the corporation. Similarly, the published Budget will include details about each planned project for Council's review. This increases the likelihood that Council's priority projects will be appropriately considered in the capital budget.

The 2020 Capital Prioritization Tool will include the following criteria:

1. Strategic Priority
  - a. Link to the Strategic Plan
  - b. Project Integration
  - c. Shared Vision with Community Partners
  - d. Societal/Qualitative ROI
2. Financial Considerations
  - a. External Funding Opportunities
  - b. ROI
3. Risk Management
  - a. Legislative Requirements

- b. Health and Safety Impact
  - c. Probability and Consequence of Failure
- 4. Asset Renewal/Restoration
  - a. Link to Asset Renewal Life Cycle Costing
  - b. Impact on Service Level
  - c. Overall City Asset Footprint
  - d. Environmental ROI

## **Water/Wastewater**

In 2011, Council accepted a ten year Water and Wastewater Financial Plan which recommended an annual rate increase of 7.4% to achieve financial sustainability. Council approved a 7.4% increase from 2016 to 2019. The City is currently updating its water/wastewater financial plan and will present Council with the proposed new plan on June 4, 2019. For the purpose of this forecast, a 7.0% rate increase has been used.

## **Service Partners**

Once the Committee provides budget direction to staff, a final letter will be sent requesting the city's service partners (i.e. Greater Sudbury Police Services, Nickel District Conservation Authority, and Public Health Sudbury & Districts) to present their budgets to the Finance and Administration Committee. Staff will be requesting their approved budgets in advance of the draft budget being distributed to the Committee. If the approved budget is not available, staff will be requesting an estimate of their budgets. Recommended Resolution Seven, if approved, requests the service partners follow the same guidance staff are using to set the 2020 municipal budget so that the total financial impact is no more than a 3.5% change in taxation.

## **Multi Year Budgeting**

A multi-year budget is a business plan which covers several periods. The Municipal Act, 2001, Section 291(1) allows a municipality to prepare and adopt a budget for a period of two to five years in the first year, or the year immediately preceding the first year in which the budget applies.

Like several other municipalities, staff are proposing the practice of multi-year budgeting. This practice will see a budget document that reflects two or more years of base budget assuming the same Council approved service level. Service level changes will be presented as business cases for Council direction. The Municipal Act directs that municipalities must approve an annual budget and taxation levy. For this reason, years two and on will be presented in the form of a report detailing all changes to the base budget previously presented, as well as business cases for service level changes. The intent of this adjustment is not to open up the plans and budgets for a full-scale review, but to adhere to the multi-year budget and to provide the opportunity to

fine-tune the budgets only when circumstances warrant.

Finance investigated the opportunities of longer term planning as part of the budget process and identified that multi-year budgeting offers significant benefits and some challenges as presented below:

Benefits:

- Promotes long-range thinking and strategic planning: Most programs, services and capital investments that the City undertake have impacts and need funding over more than a single year. A multi-year budget will help strengthen longer-term planning focus for the City and improve implementation of the strategic and business plans by ensuring longer-term goals and objectives are supported by longer-term funding plans.
- Improves financial management: By providing estimates for service needs, commitments, and funding requirements for a long-term period, multi-year budgets help determine potential funding gaps and stimulate discussions around strategies to address the funding gaps. This will help improve the City's financial sustainability.
- Reduces uncertainty: Multi-year budgets provide a more in-depth estimate of service delivery expectations and the City's ability to fund those services over the long-term. Proper alignment of service cost projections with tax and other revenue sources provides greater degree of certainty for the citizens about what services they will receive and what taxes they will pay for those services.
- Promotes service-based planning: Multi-year budgets promote service-based planning by integrating resource allocations to service objectives and targets driven by Council priorities over a multi-year timeframe. It also links operating and capital activities and spending.
- Manages risk: Developing a multi-year spending plan and having indicators that signal when the budget is off course increases the City ability to make corrections before risks become realized, even when they result from circumstances outside of the City's control.
- Strengthens communication, accountability and transparency: Multi-year budgets can also improve accountability, transparency and decision-making by providing Council and citizens more contextual information about the consequences of current period decisions in future periods. Multi-year budgets help connect discussions regarding the achievement of long-term goals and short-term spending decisions.
- Improves efficiency and potentially reduce time dedicated to budget development: The annual budget process requires substantial time and effort for staff and Council on an annual basis. Although multi-year budgeting requires significant effort in the first year, it should only require minimal effort for annual

adjustments in subsequent years, provided annual adjustments are limited to external factors such as federal or provincial budgets, Council directed changes to priorities, or unforeseen and significant changes to economic factors. This could potentially save time each year, and create capacity for other important functions, including strategic and business planning as well as budget monitoring and evaluation.

- Supports credit rating: Financial management and budgetary performance are among key rating factors used by bond rating agencies in assessing the credit rating of municipalities. In 2018, Standards & Poor's (S&P), the City's credit rating agency, initiated an AA rating for the City of Greater Sudbury. This is partly due to the City's strong financial management and very strong budgetary performance. Implementing multi-year budgeting would be viewed positively by S&P as it would demonstrate the City has solid grasp of long-term financial planning and commitment to addressing long-term financial issues and concerns.

#### Challenges:

- Relies on estimates: One challenge with multi-year budgeting is the difficulty in accurately projecting revenues and expenses for multiple years. Projections are based on several controllable and uncontrollable elements including, but not limited to, collective agreements, inflation rates, population growth, and general economic conditions. Unanticipated changes in any of these factors could have significant impacts on budget plans. This would be mitigated by including an annual review and adjustment step in the budget development process.
- Impacts Council's ability to reallocate funding: A multi-year budget signals Council's intention about the services to be provided and the long-term financial direction of the City. This could be perceived as a constraint on Council's decision making ability. The annual review and adjustment process would mitigate this risk.

If approved, staff will be preparing and presenting a multi-year budget for the years 2020 and 2021. A multi-year budget is very timely at this stage in the Council term. Change priorities established in the Council Strategic Planning process can be incorporated and Council and the community will have predictable service levels and costs for the core period of its mandate.

## **2019 Budget – Debrief**

Staff are in the process of conducting debrief meetings with members of the Finance and Administration Committee to discuss the 2019 budget process. Any suggestions or recommendations from these meetings will be considered for the 2020 budget process and detailed in the September update report.

## **2020/2021 Budget Schedule**

The 2020 budget schedule has been attached for the Committee's review in Appendix A. The budget schedule reflects a similar process as prior budgets and requires the committee's approval to reschedule existing meeting dates to accommodate time for budget deliberations.

### **Summary**

This budget forecast is based on the best estimates available at this time. As time progresses, these estimates will be refined and form part of the draft 2020 and 2021 base operating budget, which according to the budget schedule will be presented on November 6, 2019. The services provided and the level of service offered drives the municipality's costs. Staff will continue to investigate opportunities for net cost reductions that could minimize any property tax increase.

Staff is seeking direction from the Committee to construct a budget at a 3.5% tax increase and a Water and Wastewater increase consistent with the financial plan adopted by Council.

# 2020/2021 Budget Schedule

Appendix A

<b>2020/2021 Budget Update</b>	<b>September 17, 2019</b>
<b>Community Consultation Session</b> <ul style="list-style-type: none"><li>• On-Line Submissions</li></ul>	<b>October, November 2019</b>
<b>Table Budget Document</b> <b>2020/2021 Operating and Capital Budget Overview</b> <b>Presentation (CAO &amp; CFO)</b> <b>Presentation from Outside Boards (tentative)</b>	<b>November 6, 2019</b>
<b>Budget Meeting</b> <ul style="list-style-type: none"><li>• Review and approve Operating and Capital Budgets and Water/Wastewater Rates</li><li>• Three consecutive meetings have been scheduled</li></ul>	<b>December 3, 4, 5, 2019</b>
<b>City Council Approval of 2020/2021 Operating and Capital Budget</b>	<b>December 10, 2019</b>
<b>Approval of 2020 Property Tax Policy</b>	<b>May 2020</b>

## Request for Decision

### Healthy Community Initiative Fund Applications

Presented To: Finance and  
Administration  
Committee

Presented: Tuesday, May 14, 2019

Report Date Friday, Apr 26, 2019

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 May 14, 2019;

AND THAT any necessary by-laws be prepared.

### Relationship to the Strategic Plan / Health Impact Assessment

This report supports Council's Strategic Plan in the area of Quality of Life and Place as it aligns with the Population Health Priorities of Building Resiliency, Investing in Families, Creating Play Opportunities, and Promoting 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.

### 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

#### Signed By

**Report Prepared By**

Lyne Côté Veilleux  
Co-ordinator of Community Initiatives &  
Quality Assurance  
*Digitally Signed Apr 26, 19*

**Division Review**

Jeff Pafford  
Director of Leisure Services  
*Digitally Signed Apr 26, 19*

**Financial Implications**

Jim Lister  
Manager of Financial Planning and  
Budgeting  
*Digitally Signed Apr 26, 19*

**Recommended by the Department**

Ian Wood  
Interim General Manager of Community  
Development  
*Digitally Signed Apr 26, 19*

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

Ed Archer  
Chief Administrative Officer  
*Digitally Signed Apr 26, 19*

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 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 General Manager 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 General Manager of Community Development since the last report presented at the Finance and Administration Committee meeting on April 16, 2019.

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 May 14, 2019. 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 be provided with a 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 – May 14, 2019

#### CAPITAL FUNDS

Ward	Recipient/ Project/ Location	Purpose for Funds	Amount Requested	Amount Recommended for Approval by the GM
3	Onaping Falls Recreation Committee / Pavilion / Onaping Falls (splash pad)	To assist with the cost to purchase and install a pavilion. Annual operating costs are estimated to be approximately \$2,000/yr.	24,500	\$24,500
3	Greater Sudbury Pickleball Association / Pickleball courts / Côté Park, Chelmsford	To assist with the costs of refurbishing and converting a portion of the existing tennis courts into pickleball courts. Annual operating costs would remain neutral.	\$25,500	\$0 (Court refurbishment can be completed to an acceptable standard within dedicated funds in the Leisure Services capital budget)

#### GRANTS

Ward	Recipient/Initiative	Purpose for Funds	Amount Requested	Amount Recommended for Approval by the GM
9	Coniston Community Action Network: Coniston Community Garden Sub-committee / Gardening program and harvest lunch (Jun.-Sept./19)	To assist with the costs of providing coffee breaks for the weekly Weeding Watering Wednesday program and the food/catering of the end-of-season Seniors Harvest Lunch.	\$1,150	\$1,150
12	Sudbury Action Centre for Youth / Community appreciation and awareness event (Jul. 12/19)	To assist with the costs of event games, food, and other amenities.	\$1,500	\$0 (The Sudbury Action Centre for Youth receives an annual community grant in the amount of \$89,120 for the Youth Program)
3,4	Les Productions Café-musique de Rayside Balfour / "Géants de Rayside-Balfour Giants" initiative (Sept-Oct./19)	To assist with project management costs to coordinate the "Géants de Rayside-Balfour Giants" initiative.	\$8,500 (\$4,250/ward)	\$2,000 (\$1,000/ward in accordance with the recommended policy thresholds to support a major, multi-ward community initiative)
8,9,11, 12	Foodshed/Sudbury Community Garden Network / Seed Starting/Grow Programs (Apr.-Sept./19)	To assist with the cost of purchasing gardening supplies/tools to run the program with students and community groups in selected wards and for costs to host an end-of-season harvest celebration.	\$2,000 (\$500/ward)	\$2,000 (\$500/ward)

**Healthy Community Initiative Fund**

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

For the period of March 30, 2019 to April 17, 2019

---

**Successful Applications**

<i>Capital Funds</i>			
Ward	Group / Project	Amount Requested	Amount Approved
9	South End Community Action Network / Park benches on Mallard's Landing walking trails	\$4,000	\$4,000
<i>Grants</i>			
Ward	Group / Project	Amount Requested	Amount Approved
3	Onaping Falls Hamper Committee / Christmas food hampers for local families	\$1,000	\$1,000
4	Miners for Cancer / Allan Epps Memorial Softball Tournament (Jun. 22/19)	\$500	\$500

**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 May 14, 2019

### Schedule 1.1 – Capital Funds

Capital	2019 Allocation	Uncommitted Funds from 2018 (carry forward)	Approved by Community Development GM 2019	Approved by Council 2019	Proposed for Approval by Council	End Balance of Uncommitted Funds After Resolution*	Pending HCI Funding Requests (to Apr. 26/19)
Ward 1	\$ 24,500	\$ 18,487	\$ 0	\$ 0	\$ -	\$ 42,987	\$ 0
Ward 2	\$ 24,500	\$ 12,417	\$ 0	\$ 0	\$ -	\$ 36,917	\$ 36,917
Ward 3	\$ 24,500	\$ 39	\$ 0	\$ 0	\$ 24,500	\$ 39	\$ 0
Ward 4	\$ 24,500	\$ 618	\$ 0	\$ 0	\$ -	\$ 25,118	\$ 0
Ward 5	\$ 24,500	\$ 14,001	\$ 0	\$ 0	\$ -	\$ 38,501	\$ 0
Ward 6	\$ 24,500	\$ 40,068	\$ 0	\$ 20,000	\$ -	\$ 44,568	\$ 3,763
Ward 7	\$ 24,500	\$ 15,332	\$ 0	\$ 0	\$ -	\$ 39,832	\$ 0
Ward 8	\$ 24,500	\$ 39,224	\$ 0	\$ 7,000	\$ -	\$ 56,724	\$ 970
Ward 9	\$ 24,500	\$ 26,454	\$ 4,000	\$ 0	\$ -	\$ 46,964	\$ 23,000
Ward 10	\$ 24,500	\$ 35,993	\$ 0	\$ 0	\$ -	\$ 60,493	\$ 0
Ward 11	\$ 24,500	\$ 29,263	\$ 0	\$ 0	\$ -	\$ 53,763	\$ 55,000
Ward 12	\$ 24,500	\$ 8,662	\$ 0	\$ 0	\$ -	\$ 33,162	\$ 0

### Schedule 1.2 – Grants

Grant	2019 Allocation	Uncommitted Funds from 2018 (carry forward)	Approved by Community Development GM 2019	Approved by Council 2019	Proposed for Approval by Council	End Balance of Uncommitted Funds After Resolution*	Pending HCI Funding Requests (to Apr. 26/19)
Ward 1	\$ 12,250	N/A	\$ 0	\$ 0	\$ -	\$ 12,250	\$ 500
Ward 2	\$ 12,250	N/A	\$ 2,500	\$ 0	\$ -	\$ 9,750	\$ 3,300
Ward 3	\$ 12,250	N/A	\$ 2,500	\$ 6,000	\$ 1,000	\$ 2,750	\$ 0
Ward 4	\$ 12,250	N/A	\$ 500	\$ 5,000	\$ 1,000	\$ 5,750	\$ 2,500
Ward 5	\$ 12,250	N/A	\$ 500	\$ 0	\$ -	\$ 11,750	\$ 1,250
Ward 6	\$ 12,250	N/A	\$ 500	\$ 0	\$ -	\$ 11,750	\$ 0
Ward 7	\$ 12,250	N/A	\$ 0	\$ 0	\$ -	\$ 12,250	\$ 1,000
Ward 8	\$ 12,250	N/A	\$ 0	\$ 0	\$ 500	\$ 11,750	\$ 1,000
Ward 9	\$ 12,250	N/A	\$ 0	\$ 0	\$ 1,650	\$ 10,600	\$ 4,000
Ward 10	\$ 12,250	N/A	\$ 0	\$ 500	\$ -	\$ 11,750	\$ 2,000
Ward 11	\$ 12,250	N/A	\$ 0	\$ 0	\$ 500	\$ 11,750	\$ 500
Ward 12	\$ 12,250	N/A	\$ 0	\$ 0	\$ 500	\$ 11,750	\$ 995

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

## For Information Only

### Allocation of Capital Funding for Local Roads and Spreader Laid Patches

Presented To: Finance and Administration Committee

Presented: Tuesday, May 14, 2019

Report Date: Tuesday, Apr 30, 2019

Type: Referred & Deferred Matters

### Resolution

For Information Only

### Relationship to the Strategic Plan / Health Impact Assessment

This report aligns with the Corporate Strategic Plan under Sustainable Infrastructure, Priority B: "Improve the quality of our roads."

### Report Summary

At the request of the Operations Committee on March 18, 2019, staff was directed to prepare a report which outlines the impacts and benefits of redirecting money allocated for local roads projects to large spreader laid asphalt patches.

This report will provide a brief overview of the history and reasons for of the funding of these programs, the methods of the selection, and the impact of the funding on the assets.

### Financial Implications

Financial implications were identified in the 2019 Capital Budget approved by Council. There are no additional financial implications as the recommendation is to maintain the funding levels identified in the 2019 Capital Budget Programs for Local Roads Rehabilitation and Resurfacing Program and Large Asphalt Patches Program (included in the Annual Recurring Road Programs and Projects).

#### Signed By

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

Stephen Holmes  
Director of Infrastructure Capital Planning  
*Digitally Signed Apr 30, 19*

##### **Division Review**

Stephen Holmes  
Director of Infrastructure Capital Planning  
*Digitally Signed Apr 30, 19*

##### **Financial Implications**

Jim Lister  
Manager of Financial Planning and Budgeting  
*Digitally Signed May 1, 19*

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

Tony Cecutti  
General Manager of Growth and Infrastructure  
*Digitally Signed May 1, 19*

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

Ed Archer  
Chief Administrative Officer  
*Digitally Signed May 1, 19*

## **Background**

At the request of the Operations Committee on March 18, 2019, staff was directed to prepare a report which outlines the impacts and benefits of redirecting money allocated for local roads projects to large spreader laid asphalt patches.

This report will provide a brief overview of the history and reasons for of the funding of these programs, the methods of the selection, and the impact of the funding on the assets.

### **Local Roads:**

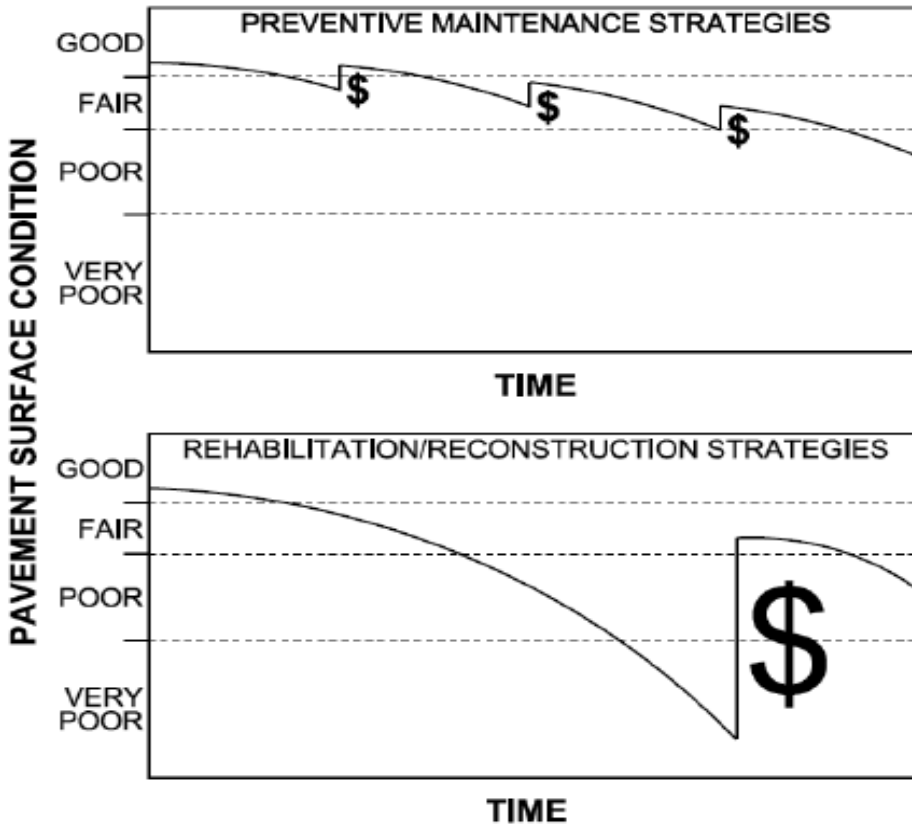
Capital project funding allocation under the previous envelope budgeting process was presented and adopted by council through a report prepared for the Priorities Committee dated February 26, 2009 and updated through a report prepared for the Operations Committee dated September 9, 2015. These reports set the target expenditure on local roads at 20% of the roads capital budget. The average annual expenditure on preventative maintenance strategies of local asphalt roads over the last several years has been approximately \$5 million. In preparation of the 2019 capital infrastructure plan, approximately \$5.1 million is allocated to local asphalt road projects which includes \$2.3 million for local road asset projects and \$2.8 million for local road and water/wastewater projects.

Funds were allocated to rehabilitation of local roads to maintain the local road pavement management program which prevents increased deterioration of the City's local road network. Roads selected under this program are roads that are in a condition such that maximum benefit from the program funding is achieved, i.e. the right treatment at the right time. The result of this strategy is that roads that have deteriorated significantly and require extensive repairs are not selected because this is not the most efficient use of the available funding. The Pavement Management Strategies indicated on the following page graphically demonstrates the two funding strategies. The upper graph represents the benefit of using pavement management strategies compared to the lower graph which demonstrates the higher costs of replacing the asset when it is not maintained.

The Average Network Condition – Local Roads graph on the following page was included in a presentation to the Operations Committee on September 9, 2015. This graph demonstrates the effect of various levels of funding of the local road network over time. In 2016 the average PCI of the local road network was measured to be 43. This value is slightly lower than that predicted from the graph but demonstrates that our pavement management program has provided us with a reasonable method of prediction of the road system condition based on annual funding.

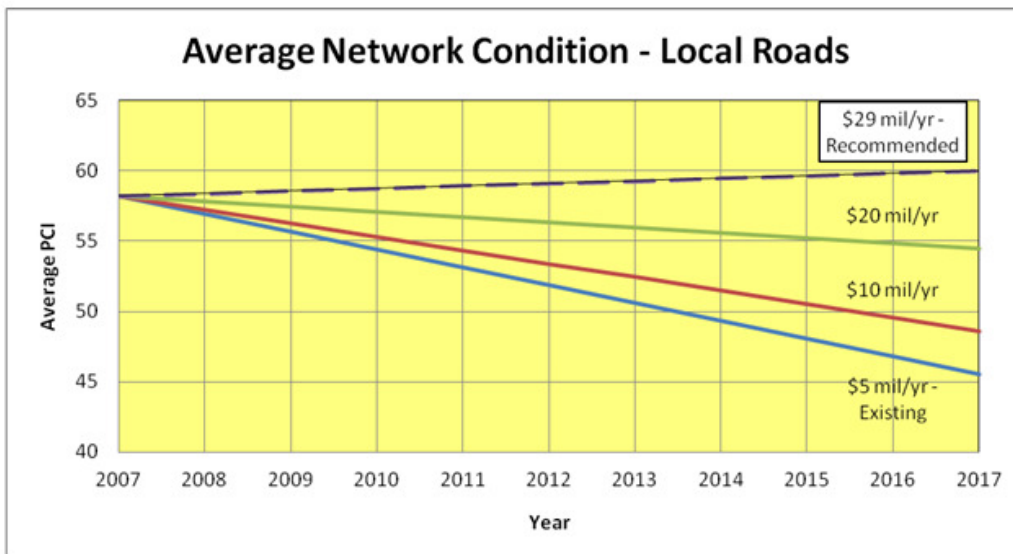
The annual recommended investment in local roads indicated on the graph is \$29 million. This aligns closely with our current estimation. For additional information on funding of the roads program, please refer to Appendix A, KPMG Report dated July 10, 2012 titled Financial Planning for Municipal Roads, Structures and Related Infrastructure.

## PAVEMENT MANAGEMENT STRATEGIES



### Notes:

Graph Source: VTrans Pavement Management Annual Report 2009.  
 Each \$1 spent during the first 40% drop in quality will cost \$4 to \$5 if delayed until the pavement loses 80% of its original quality (Source: World Bank).



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## **Spreader Laid Asphalt Patches:**

The work completed under the Spreader Laid Patches contract has been considered a maintenance activity with Roads Operations staff selecting the patch locations in areas that have required significant maintenance resources. In many instances, the areas selected would be sections of road that have deteriorated beyond the point where effective pavement management treatments would be considered economically efficient. In these cases, the spreader laid patches are considered to be a temporary treatment until such time funding becomes available to repair the road surface and substructure.

The work of this contract could potentially be used for resurfacing of sections of road which would significantly benefit from this type of treatment. For example, in areas where maintenance staff have noted surface asphalt delamination that has not yet been measured by the pavement management program, the asphalt could be repaired to significantly extend the life of the road if the road substructure is in good condition. Although City staff do not currently have detailed information on the performance of spreader laid patches we have observed an above average patch performance in areas of native granular soils such as sections of MR80 and Capreol Road.

The current proposed funding in 2019 for large asphalt patches is \$5.1 million which is approximately double the maximum program funding provided in recent years.

## **Funding Allocation for Local Roads and Spreader Laid Patches:**

It is difficult to prioritize between the local roads pavement management program and the spreader laid patches contract. Funds spent on the local roads will save future expenditures on more costly local road construction projects. Funds spent on spreader laid patches will provide a shorter term benefit in providing smoother driving surfaces but will not necessarily realize the benefit of constructing the right treatment at the right time.

It would be our recommendation at this time to continue with the proposed local road program in 2019. This work is aligned with the program that has been in progress for several years and has demonstrated that the pavement management program results generally support the predicted condition of the network. Funds spent in 2019 to reduce future spending on our roads assets is an efficient use of our funds.

The \$5.1 million currently proposed in 2019 for the spreader laid patches is significantly more than proposed in previous years. It would be our recommendation to maintain this funding to enable staff and contractors to execute this relatively large program as proposed. When the spreader laid patches contract is complete, we can reassess the execution of the contract, the condition of the high maintenance areas, our ability to potentially use these funds for surface improvements where the road substructure is sound and determine if increasing the funding of this program is an efficient use of our road network funds.



*cutting through complexity*

# CITY OF GREATER SUDBURY

## Financial Planning for Municipal Roads, Structures and Related Infrastructure

### Final Report

July 10, 2012



# Financial Planning for Roads

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Appendix B Financial Plan Schedules – Scenario 2

# Financial Planning for Roads

## Executive Summary

With a total area of over 3,600 square kilometres, the City of Greater Sudbury (the “City”) and its predecessor municipalities have invested heavily in the municipal road network and related infrastructure. Overall, the City maintains approximately 3,600 lane kilometres of roadways, the equivalent of a single lane highway connecting Greater Sudbury to the US-Mexican border at El Paso, Texas.

Total spending on the City’s road network during 2012 (operating and capital) is expected to amount to \$75 million, representing the largest single expense item for the City and accounting for 13% of the total municipal budget. The significance of the municipal road network is also demonstrated by the investment in the underlying infrastructure. With a historical cost of \$1.1 billion and estimated replacement cost of \$3.0 billion, the municipal road network represents the largest single asset class for the City.



With the implementation of accounting for tangible capital assets, municipalities, including the City, have a better understanding of the cost and investment requirements associated with their infrastructure, allowing for enhanced planning for the funding and rehabilitation of key infrastructure components. The City has already introduced sustainable capital asset management for its water and wastewater services, increasing the amount of capital funding in response to impending needs. This financial plan outlines a similar strategy for the City’s road network.

Prepared in conjunction with staff from the City’s Infrastructure and Financial Services Divisions, the financial plan for roads is intended to address a growing infrastructure and operational deficit, one that manifests itself through an increasing deterioration of the City’s road network. In 2012, the City will spend approximately \$35 million on capital expenditures for roads, compared to the estimated \$75 million that it is required to invest in order to maintain the road network at the recommended standard. The gap between actual and required spending has resulted in an immediate roads infrastructure deficit of approximately \$700 million, with a further \$570 million to be required on existing infrastructure over the next ten years. In addition, new infrastructure requirements arising from growth amount to a further \$241 million.

The financial plan recognizes that the magnitude of the roads infrastructure deficit cannot be addressed in a short timeframe. Rather, the financial plan considers a ten year phase-in period during which the City will increase funding for capital purposes by \$7 million per year each year to deal with the infrastructure shortfall, with an additional \$4 million invested in summer roads maintenance over five years. The increase in financial resources contemplated under the financial plan will allow the City to reduce its maintenance cycle from the current 83 years to approximately 40 years, which is a much closer reflection of the useful life of the road network. While the City intends to continue its efforts to secure support from senior levels of government for reinvestment in its roads network, the financial plan anticipates that, in the absence of senior government assistance, the City would be required to increase the municipal levy by 3.3% to 3.5% each year over the next ten years to fund its operating and capital requirements associated with roads.

# Financial Planning for Roads

## Background to the Study

During 2011, the City completed a ten year financial plan for water and wastewater services. While the impetus for the plan was Provincial licensing requirements, it represented the continuation of the City's efforts to appropriately address its infrastructure issues for water and wastewater services, which began with the implementation of sustainable capital asset management for water and wastewater services in 2001.

The completion of the financial plan for water and wastewater services was made possible through the adoption of tangible capital asset accounting by the City, which reflected a change in accounting policies for Canadian municipalities. For the first time in many years, municipalities have a perspective on the historical cost of their underlying infrastructure which, when combined with other elements such as useful life and replacement values, form the basis for effective asset management, recognizing that effective asset management involves not only the acquisition of assets, but also their maintenance and eventual replacement.

In recognition of the value of long-term financial planning, as well as concerns over the sufficiency of funding for both operating and capital requirements associated with its road network and related infrastructure (structures, signage, streetlights, storm sewers), the City has embarked on the preparation of a financial plan for the municipal road network and has retained KPMG to assist City staff with the development of the financial plan.

The financial plan outlined in this document is intended to assist Council and City staff to achieve a level of annual financing that will provide sustainability for the municipal road network. For the purposes of the financial plan, sustainability is defined as the condition whereby the level of financial resources allocated to roads is sufficient to provide for the recommended level of operational maintenance as well as the required capital reinvestment in the roads infrastructure.

It is important to recognize that the financial plan is simply that – a plan. It does not represent a binding multi-year budget and Council retains the authority and responsibility to establish budgets and tax rates on an annual basis, which may vary from those outlined in the financial plan.

In addition to this introductory section, the financial plan includes:

- An overview of the City's road network
- An analysis of historical and budgeted road expenditures (operating and capital)
- Observations concerning key challenges facing the City from a roads perspective
- An overview of the financial planning process, including key assumptions and outcomes



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# CITY OF GREATER SUDBURY

## Overview of the Municipal Road System



# Overview of the Municipal Road System

## Roads Categories

For the purposes of managing its road network, the City has categorized municipal roads into three groups – arterial, collector and local – based on traffic volumes, speeds and other considerations, with local roads representing the majority (62%) of all roads in Greater Sudbury. In addition, the City's road network is also classified by type of construction, with asphalt surfaced roads representing two-thirds of all roads infrastructure in the City (based on total lane kilometres<sup>1</sup>).

Category	Characteristics	Lane kilometres				% of Total Road Network	Examples
		Asphalt	Surface Treatment	Gravel	Total		
Arterial roads	<ul style="list-style-type: none"> <li>Moderate to high traffic volumes</li> <li>Medium to high speed</li> <li>Two to six lanes</li> <li>Limited to no on-street parking</li> <li>Limited or controlled direct access</li> </ul>	741	–	–	741	20.8%	Paris Street Garson-Falconbridge Road Barry Downe Road
Collector roads	<ul style="list-style-type: none"> <li>Low to moderate traffic volumes</li> <li>Medium speed</li> <li>Two to four lanes</li> <li>Controlled on-street parking</li> <li>Direct access (normally controlled)</li> </ul>	616	–	–	616	17.3%	Errington Street (Chelmsford) Southview Drive Auger Avenue
Local roads	<ul style="list-style-type: none"> <li>Low traffic volumes</li> <li>Low speed</li> <li>Two lanes</li> <li>On-street parking</li> <li>Uncontrolled direct access</li> </ul>	985	601	618	2,204	61.9%	Baker Street Laura Avenue Michael Street
Total		2,342	601	618	3,561	100.0%	
Percentage of total		65.8%	16.9%	17.3%	100.0%		

<sup>1</sup> A lane kilometre refers to one kilometre of single lane roadway. One kilometre of two lane road represents two lane kilometres, while five kilometres of four lane road represents 20 lane kilometres (four lanes x five kilometres = 20 lane kilometres).

# Overview of the Municipal Road System

## Assessing the Physical State of Greater Sudbury's Roads

Since 2000, the City has also classified its road network based on a Pavement Condition Index ("PCI"), which ranks roads based on four factors – structural cracking, non-structural cracking, rutting and roughness. Based on the PCI, roads can be assigned one of five rankings ranging from excellent to very poor, as noted below.

Category	PCI Score		Description
	Low	High	
Excellent	85	100	Sound pavement with few defects perceived by drivers
Good	60	85	Slight rutting and/or cracking and /or roughness that is noticeable to drivers
Fair	40	60	Multiple cracks are apparent and/or rutting may pull at the wheel and/or roughness necessitates drivers to make minor steering corrections
Poor	25	40	Significant cracks may cause potholes and/or rutting pulls at the vehicles and/or roughness is uncomfortable to occupants. Drivers may need to correct steering to avoid road defects.
Very poor	0	25	Significant cracks with potholes and/or rutting pulls at the vehicle and/or roughness is uncomfortable to occupants. Drivers will need to correct steering to avoid road defects.

# Overview of the Municipal Road System

## Assessing the Physical State of Greater Sudbury's Roads (continued)

While PCI provides an indication as to the current condition of the municipal road network, it also provides a framework for prioritizing capital spending. Guidance provided by the Ontario Good Roads Association attempts to link PCI to the timing and nature of capital spending on roads, recognizing that municipalities will adopt their own standards.

	Arterial	Collector	Local
Road condition is adequate	PCI > 85	PCI > 80	PCI > 80
Improvement required within six to 10 years	PCI of 76 to 85	PCI of 71 to 80	PCI of 66 to 80
Improvement required within one to five years	PCI of 56 to 75	PCI of 51 to 70	PCI of 46 to 65
Immediate rehabilitation	PCI of 50 to 55	PCI of 45 to 50	PCI of 40 to 45
Immediate reconstruction	PCI < 50	PCI < 45	PCI < 40

The most recent PCI rankings indicate that just over half of the City's road network is in either excellent or good condition. However, arterial and collector roads are in generally better condition than local roads. Two-thirds of arterial and collector roads is ranked as excellent or good as compared to 42% of local roads. Overall, the average PCI for the City's road network is in the order of 65 for arterial and collector roads and 57 for local roads<sup>1</sup>.

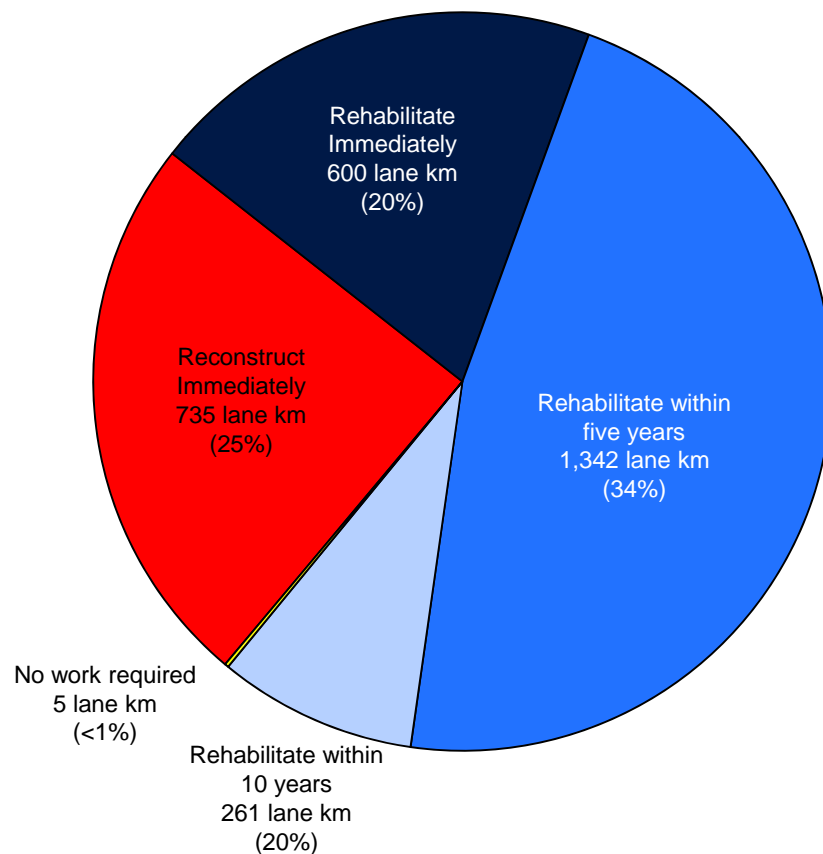
Category	PCI Index		Lane Kilometres				Percentage of Total
	From	To	Arterial	Collector	Local	Total	
Excellent	85	100	39	–	4	43	1.5%
Good	60	85	702	177	659	1,538	52.3%
Fair	40	60	–	399	729	1,128	38.3%
Poor	25	40	–	39	173	212	7.2%
Very poor	0	25	–	1	21	22	0.7%
Total – asphalt and surface treatment			741	616	1,586	2,943	100.0%
Gravel						618	
Total						3,561	

# Overview of the Municipal Road System

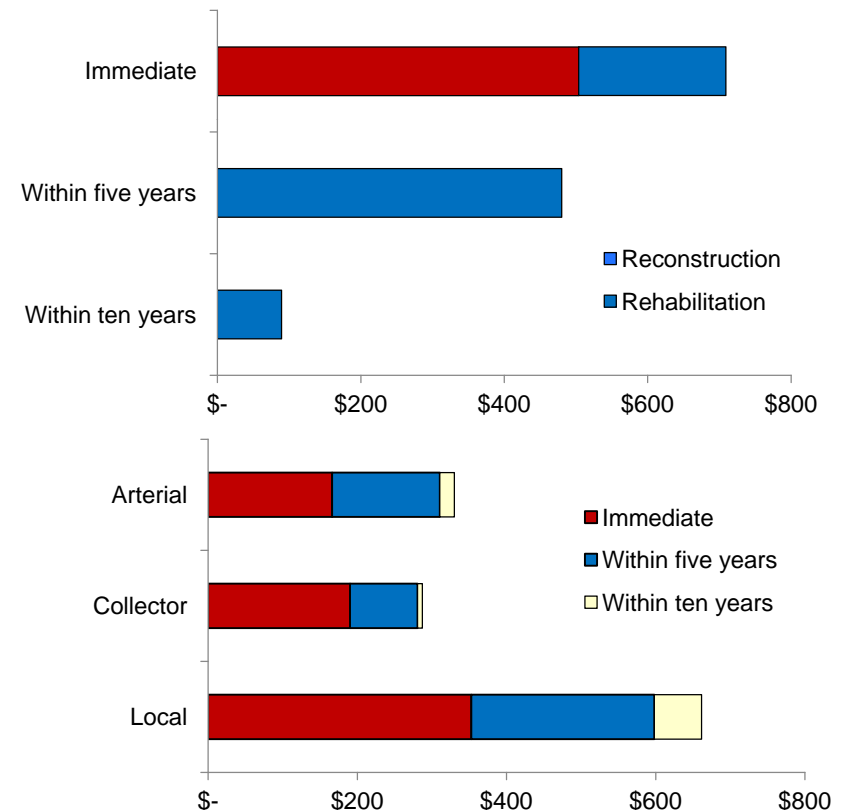
## Assessing the Physical State of Greater Sudbury's Roads (continued)

Application of the guidance provided by the Ontario Good Roads Association to the City's municipal road network in 2009 identifies an immediate infrastructure deficit (representing roads that are considered to be in immediate need of rehabilitation or reconstruction) of approximately \$700 million, with an additional \$480 million and \$90 million in capital reinvestment required over the next five years. While the City has invested significantly in road infrastructure since 2009, the magnitude of this infrastructure deficit likely has not changed significantly as the ongoing aging of roads continues to add to the investment requirement.

**Calculated capital investment requirement in 2009 (in lane kilometres)**



**Calculated capital investment requirement in 2009 (in millions of dollars)**



# Overview of the Municipal Road System

## Road Expenditures and Funding

The 2012 municipal budget anticipates just under \$75 million in spending on roads, comprised of \$38 million in operating costs and \$37 million in capital. Overall, road expenditures in 2012 are approximately 2.5% lower than the 2011 budgeted amounts, reflecting decreases in both operation and capital expenditures.

The municipal levy represents the largest source of funding for roads costs, amounted to over 80% of total revenues. Other funding sources for roads are primarily capital in nature and include Federal Gas Tax revenues, reserve contributions and advances from future years' capital envelopes.

### *Summary of roads expenditures and revenues<sup>1</sup>*

(in thousands)	2011 Budget		2012 Budget	
	Amount	Percentage	Amount	Percentage
Winter roads maintenance	\$15,294	20.0%	\$15,298	20.5%
Summer roads maintenance	\$14,522	19.0%	\$14,036	18.8%
Other costs	\$7,989	10.5%	\$8,252	11.1%
<b>Total operating expenditures</b>	<b>\$37,805</b>	<b>49.5%</b>	<b>\$37,586</b>	<b>50.4%</b>
Capital expenditures	\$38,619	50.5%	\$36,957	49.6%
<b>Total roads expenditures</b>	<b>\$76,424</b>	<b>100.0%</b>	<b>\$74,543</b>	<b>100.0%</b>

Municipal levy – operating purposes	\$36,555	47.8%	\$36,740	49.3%
Municipal levy – capital purposes	\$24,017	31.4%	\$24,498	32.9%
Gas tax grants	\$8,072	10.6%	\$7,960	10.7%
Other capital revenues	\$6,530	8.5%	\$4,499	6.0%
Other operating revenues	\$1,250	1.7%	\$846	1.1%
<b>Total revenues</b>	<b>\$76,424</b>	<b>100.0%</b>	<b>\$74,543</b>	<b>100.0%</b>

<sup>1</sup> Budgeted information for 2012 does not include the announced \$15 million contribution from Vale Canada Limited for the Municipal Road No. 4 capital project.

# Overview of the Municipal Road System

## Capital Reinvestment

As part of its capital budgeting process, the City has prepared a multi-year outlook that forecasts capital spending over a five year period (2012 to 2016). While the City plans to continue investment in the municipal road network, including increasing capital fund envelopes by the non-residential construction rate of inflation, the total planned capital expenditures over the next five years (\$172 million) represents only 7% of the calculated infrastructure requirements over the next five years for existing assets only (\$2.5 billion).

In addition to its planned expenditures, the City has identified new road and drainage projects that are currently unfunded, meaning that sufficient financing has not been allocated to the projects. The cost of these unfunded capital projects is currently estimated to be in the order of \$241 million. As these projects reflect new and not existing infrastructure, they are not included in the calculated infrastructure deficit.

### *Unfunded roads and drainage projects (2012 cost estimates)*

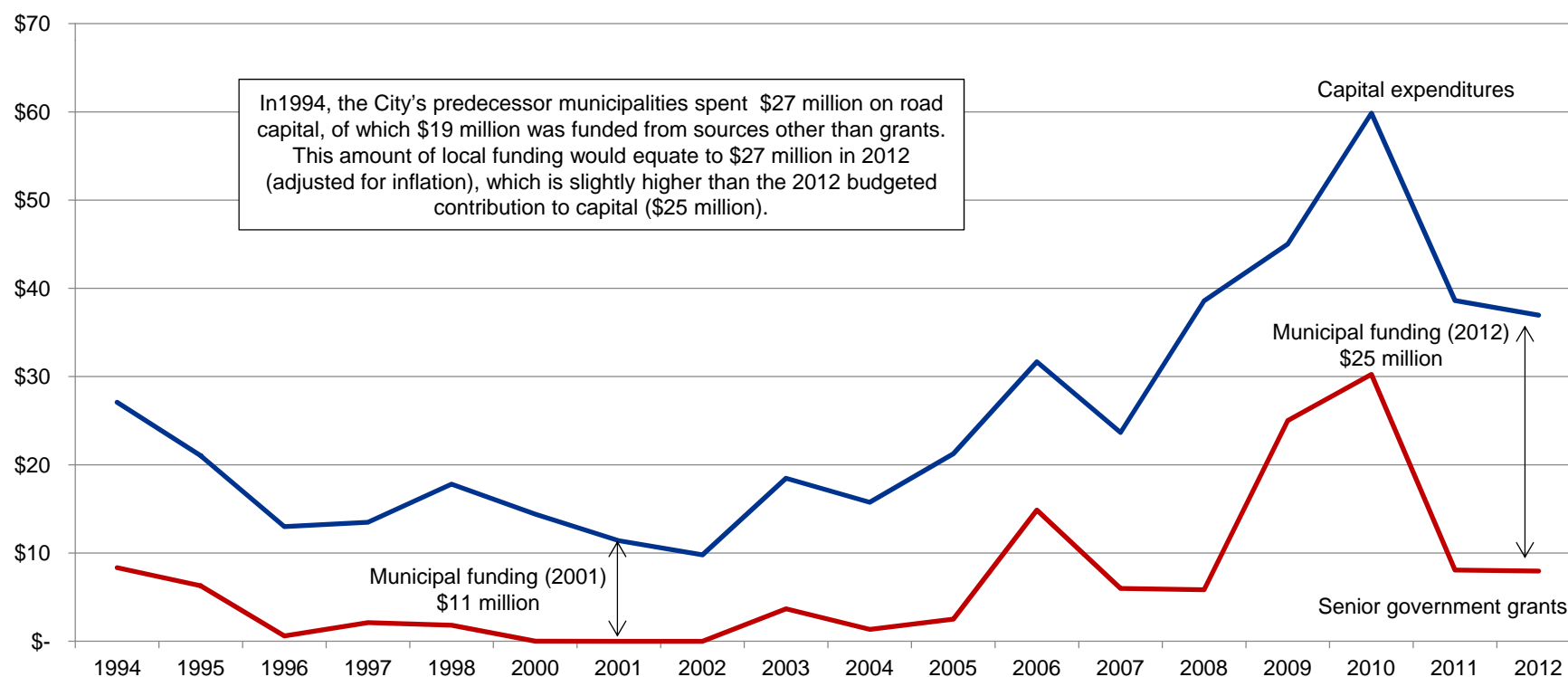
Project	Estimated Cost
<b>A. Maley Drive Extension</b>	
Total cost	\$115 million
Identified funding for Maley Drive extension	\$21 million
Maley Drive extension (unfunded component)	\$94 million
<b>B. Other Growth Related Projects</b>	
Municipal Road 35 widening (Azilda to Chelmsford)	\$29 million
Kingsway Boulevard realignment	\$25 million
Construction of new University link road	\$16 million
Notre Dame Avenue widening (Lasalle to Kathleen)	\$16 million
Lake Ramsey drainage system improvements	\$25 million
Junction Creek stormwater management	\$10 million
Other projects (each \$5 million or less)	\$26 million
Other capital projects	\$147 million
<b>Total identified unfunded capital projects</b>	<b>\$241 million</b>

# Overview of the Municipal Road System

## Historical Capital Expenditures and Grants

Historically, the level of capital expenditures available for roads and related infrastructure has been significantly influenced by the availability of grants from senior levels of government. In 1994, the predecessor municipalities spent a total of \$27 million on roads capital projects, including \$8 million in grants from senior levels of government. With the incorporation of conditional roads grants into municipal support grants in 1998, capital-specific grants for roads decreased to nil, with a corresponding reduction in capital expenditures by municipalities due to other external influences and financial pressures. Since that time, the City has significantly increase in capital expenditures for roads, due in large part to the availability of stimulus funding as well as the additional capital financing generated by the City's capital levy, both of which reflect the importance of roads infrastructure. The City's contribution to roads capital in 2012 is budgeted to be \$25 million, compared to \$11 million in 2001.

**Roads capital expenditures and grant revenues – City of Greater Sudbury and predecessor municipalities (in millions)**



# Overview of the Municipal Road System

## Concerns and Challenges

As part of the financial planning process as well as other communications to Council, City staff have expressed concerns over the insufficiency of funding for the City's road network, both from an operational and capital perspective:

- Staff recommend that the City attempt to maintain an average PCI of 70 for arterial and collector roads, with an average PCI of 60 recommended for local roads. To achieve this standard, staff advised that total annual capital expenditures need to increase to \$65 million for arterial, collector and local roads, with additional funding required for drainage, structures, streetlights, signage and other components of the road network. As noted below, the capital budget for 2012 provides approximately 38% of the recommended roads funding on an overall basis, with arterial and collector roads receiving a higher percentage of the recommended funding (54%) than local roads (18%).

	Budgeted Expenditures (2012)	Recommended Expenditures	Difference	Percentage of Recommended Expenditures Provided
Arterial and collector roads	\$19.6 million	\$36.0 million	\$16.4 million	54.4%
Local roads	\$5.1 million	\$29.0 million	\$23.9 million	17.6%
Total	\$24.7 million	\$65.0 million	\$40.3 million	38.0%

- In November 2011, City staff prepared a Zero Based Budget analysis for summer roads maintenance programs which indicated that a total of \$18.041 million would be required to staff's recommended standard of maintenance for roads, an increase of approximately \$4.0 million above the 2012 budgeted expenditures. The majority of this increase results from three specific changes to service levels:
  - Increasing the amount of asphalt patching undertaken by contractors from 8,000 m<sup>2</sup> per year (representing 0.08% of the municipal road network) to 25,000 m<sup>2</sup> per year (0.24%) +\$700,000
  - Decrease the cycle for gravel resurfacing from 80 years to 20 years +\$800,000
  - Increasing the frequency of catchbasin and manhole repairs from a 29 year cycle to a 20 year cycle and cleaning from a six year cycle to a two year cycle +\$1,000,000



*cutting through complexity*

# CITY OF GREATER SUDBURY

## Financial Planning for the Municipal Road System



# Financial Planning for the Municipal Road System

## Key Assumptions

The financial plan for the City's road network considers a ten year planning period (2013 to 2022) and establishes as its starting point the City's 2012 budget (operating and capital). Recognizing the significance of future infrastructure investment requirements, the financial plan considers two scenarios:

- **Scenario 1** assumes that the City will adopt a sustainable capital asset management plan for roads whereby capital contributions will increase over a 10-year period until such time as the level of capital funding is sufficient to provide for sustainable reinvestment in road infrastructure. Additionally, this scenario assumes that the Maley Drive extension will be the only significant investment in growth-related infrastructure, with other growth-related projects deferred. The Maley Drive extension is forecasted to be funded through a combination of grants, capital fund contributions and debt financing, with the debt servicing cost reflected in the financial model.
- **Scenario 2** is based on the first scenario but assumes that additional growth infrastructure projects (with a total forecasted cost of \$146 million) will also be undertaken by the City. These additional growth infrastructure projects are forecasted to be financed through a combination of grants and debt, with the debt servicing cost reflected in the financial model.

For both scenarios, the following assumptions have been considered:

- Operating costs have been increased by 3% annually, which reflects the assumed rate of inflation.
- Summer maintenance costs have been projected to increase by an additional amount to reflect a gradual increase in service levels consistent with those identified in the Zero Based Budget scenario prepared by staff. For the purpose of the financial plan, we have assumed that the service level increases will be phased-in over a five year period (2013 to 2017).
- Excluding inflationary increases, no adjustments (positive or negative) have been made to winter maintenance costs to reflect changing climatic conditions. To the extent that surpluses or deficits are experienced, it is assumed that the City will utilize its existing winter roads maintenance reserves to compensate for the budgetary variances.
- No changes in the method of allocating administrative costs or internal recoveries have been considered in the financial plan.
- Operating expenditures have not been adjusted to reflect the forecasted increases in capital spending, which will require additional resources for project management and other administrative responsibilities.

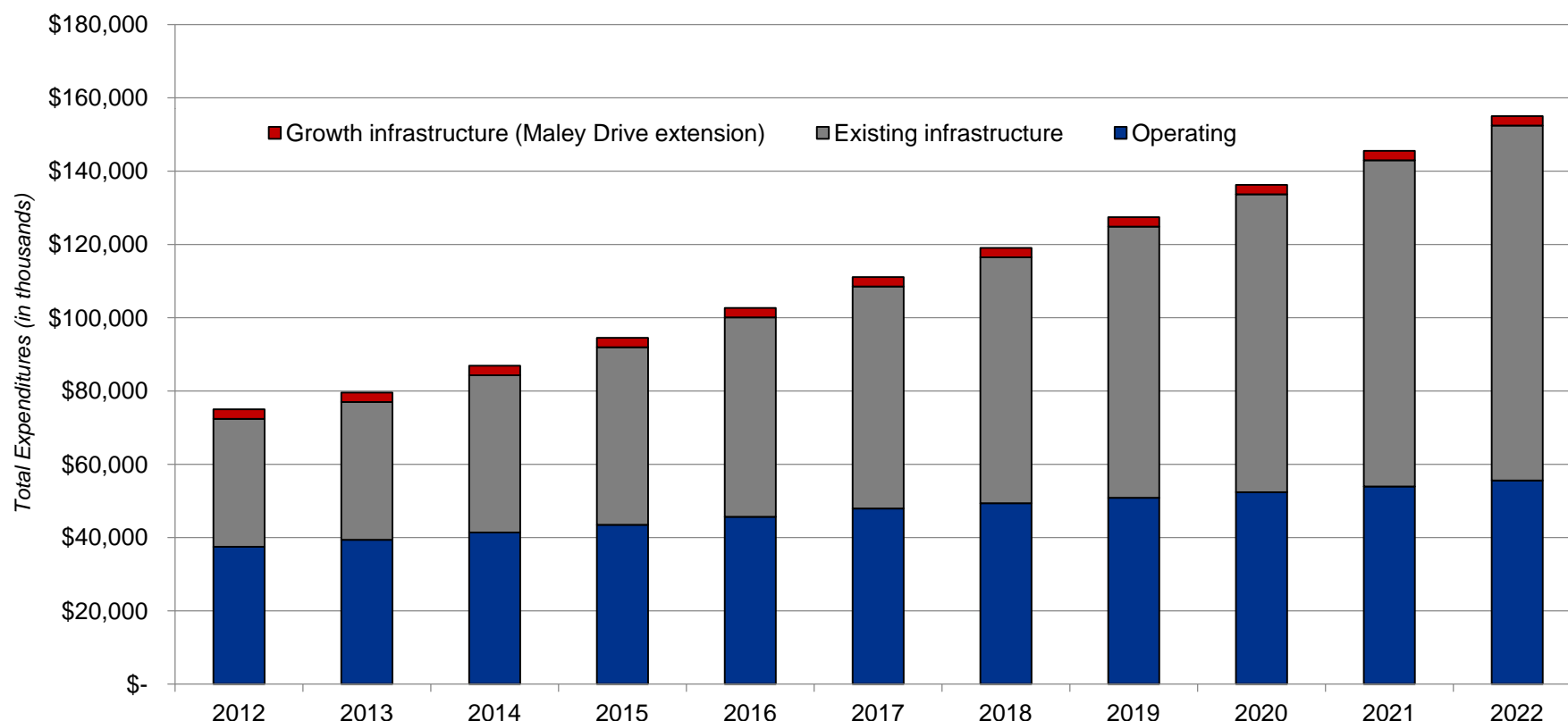
A summary of the financial plan is provided in the following pages, with detailed schedules included as appendices to this report.

# Financial Planning for the Municipal Road System

## Projected Road Costs – Scenario 1

The financial plan envisions operating costs increasing from \$37 million in 2012 to \$56 million in 2022, reflecting inflation and increases in service levels for summer roads maintenance. Capital spending on existing infrastructure is projected to increase from \$35 million to \$97 million, representing the required level of funding for sustainable capital maintenance. Capital spending for growth infrastructure represent the City's funding for the Maley Drive extension, comprised of debt servicing on the amounts borrowed to fund the City's local share of the project costs.

On an average annual basis, the increase in the overall municipal levy associated with this increase in roads expenditures (operating and capital) is 3.3% over the ten year planning period.

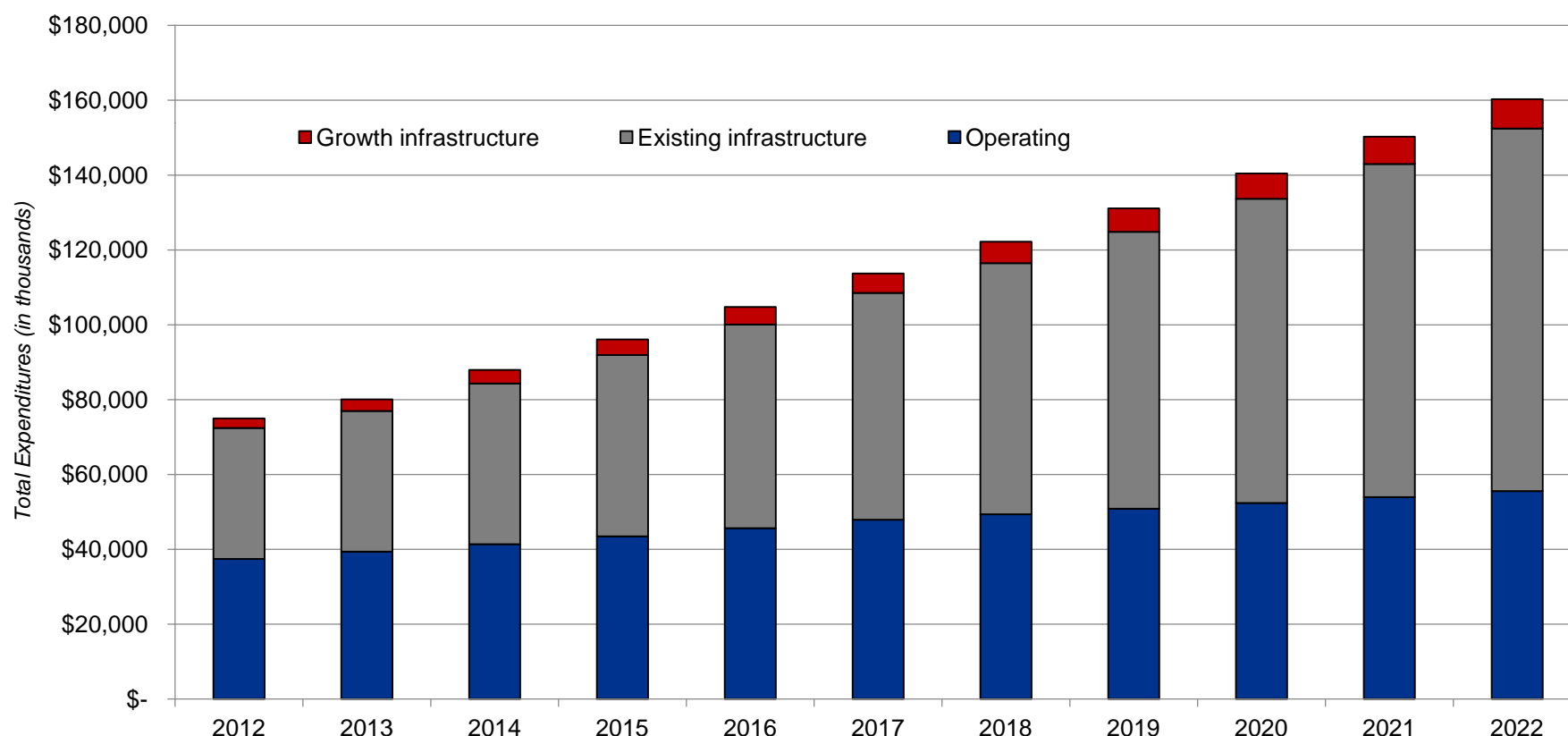


# Financial Planning for the Municipal Road System

## Projected Road Costs – Scenario 2

The second scenario reflects a higher level of funding for growth infrastructure, with additional growth-related projects undertaken during the planning period at a total cost of \$147 million. For the purposes of the financial model, it is assumed that the City's share of these project costs (i.e. total costs less grants received) will be funded through debt, with the City required to fund ongoing debt servicing costs.

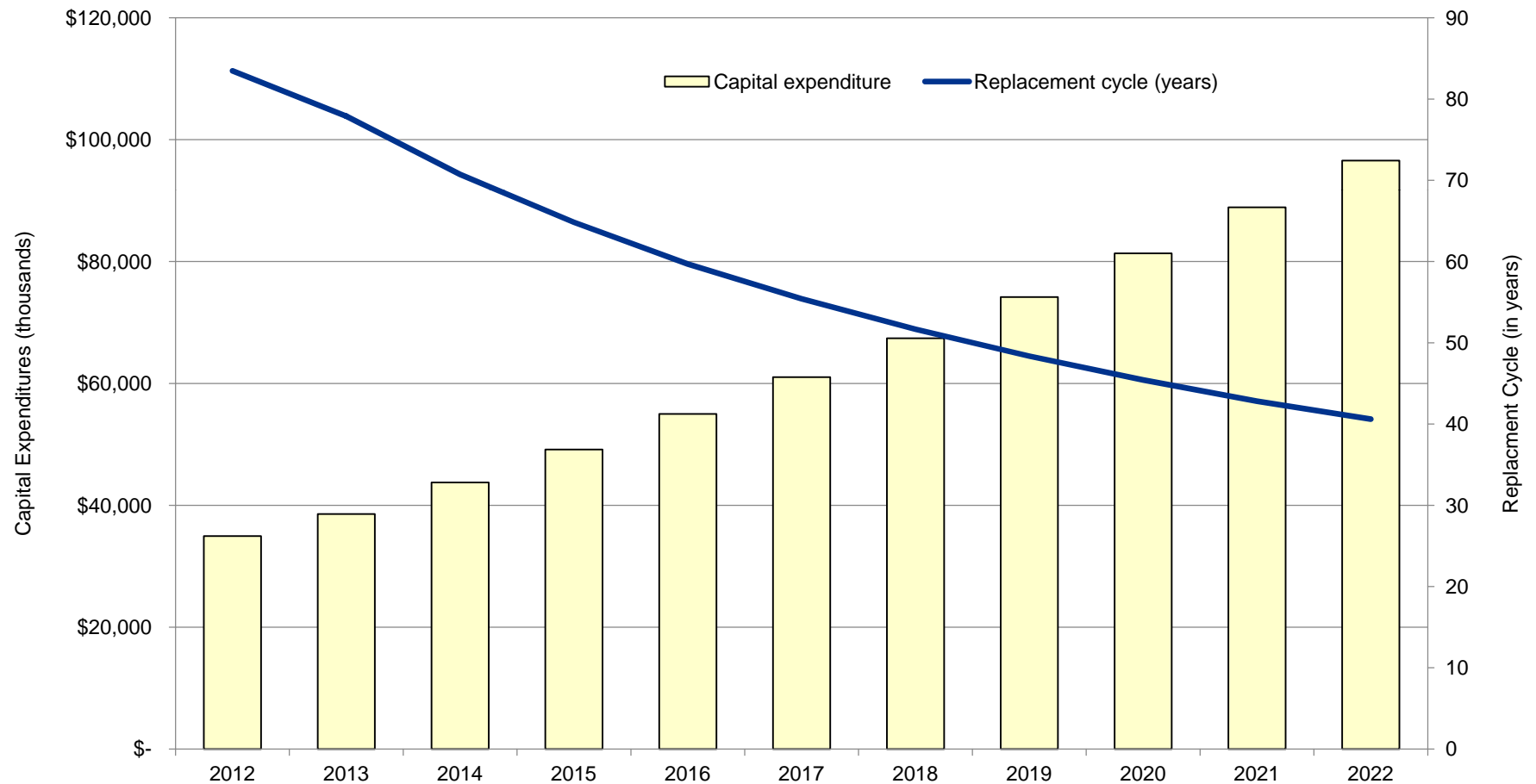
With the increased level of growth-related capital spending, the increase in the overall municipal levy associated with this scenario is 3.5% over the 10 year planning period, which is slightly higher than the forecasted increases in taxes under the first scenario (3.5%).



# Financial Planning for Municipal Road System

## Projected Capital Financing and Replacement Cycle

As the City's capital funding for its existing roads infrastructure increases by \$7 million per year, the replacement cycle is expected to decrease accordingly. Currently, the City's capital funding is sufficient to reconstruct/rehabilitate a road once every 80 years. At the end of the financial planning period, the reconstruct/rehabilitate cycle for roads is expected to approximate 40 years, which is reflective of the average useful life of a road.



# Financial Planning for the Municipal Road System

## Concluding Comments

- Based on guidance from the Ontario Good Roads Association, the current infrastructure deficit for roads is estimated to be \$700 million, with an additional \$480 million to be invested within the next five years and a further \$90 million within the next 10 years.
- Achieving a sustainable level of capital investment would require the City to increase its annual capital expenditures from the currently level of \$35 million to \$75 million. Based on a ten-year phase-in period and after considering the effects of inflation, the City would be required to increase its annual capital funding by \$6.2 million per year in each of the next ten years to achieve this level of capital reinvestment.
- From an operating perspective, attaining the recommended standard of summer roads maintenance would require an additional investment of \$4 million in the City's roads budget.
- The City intends to pursue funding from senior levels of government to finance the cost of its roads infrastructure requirement. In the absence of other sources of funding, the City would be required to increase the municipal levy by 3.3% to 3.5% each year over the next 10 years to meet the financial requirements outlined in the financial plan. The range of levy increases reflects different assumptions concerning the City's investment in growth infrastructure.



*cutting through complexity*

# CITY OF GREATER SUDBURY

## Appendix A Financial Plan Schedules Scenario 1



## CITY OF GREATER SUDBURY

Schedule 1

Statement of Projected Roads Financial Requirement  
For the Years Ending December 31  
(in thousands)

	Reference	Budgeted 2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>(A) Operating expenditures</b>												
Road maintenance and operating costs	<i>Schedule 3</i>	37,458	39,383	41,388	43,480	45,661	47,933	49,370	50,851	52,377	53,949	55,566
		37,458	39,383	41,388	43,480	45,661	47,933	49,370	50,851	52,377	53,949	55,566
<b>(B) Capital expenditures and allocations</b>												
Existing infrastructure	<i>Schedule 3</i>	34,949	37,598	42,914	48,448	54,415	60,578	67,103	74,005	81,300	89,005	96,877
Maley Drive expansion	<i>(note 1)</i>	2,585	2,585	2,585	2,585	2,585	2,585	2,585	2,585	2,585	2,585	2,585
Other growth projects	<i>(note 2)</i>	-	-	-	-	-	-	-	-	-	-	-
		37,534	40,183	45,499	51,033	57,000	63,163	69,688	76,590	83,885	91,590	99,462
<b>(C) TOTAL EXPENDITURES (A) + (B)</b>		<b>74,992</b>	<b>79,566</b>	<b>86,887</b>	<b>94,513</b>	<b>102,661</b>	<b>111,096</b>	<b>119,058</b>	<b>127,441</b>	<b>136,262</b>	<b>145,539</b>	<b>155,028</b>
<b>(D) Non-taxation operating revenue</b>												
Grant revenue		(40)	(40)	(40)	(40)	(40)	(40)	(40)	(40)	(40)	(40)	(40)
User fees and other charges		(751)	(751)	(751)	(751)	(751)	(751)	(751)	(751)	(751)	(751)	(751)
Contributions from reserves and reserve funds		(60)	(60)	(60)	(60)	(60)	(60)	(60)	(60)	(60)	(60)	(60)
		(851)	(851)	(851)	(851)	(851)	(851)	(851)	(851)	(851)	(851)	(851)
<b>(E) Capital grant revenue</b>												
Existing infrastructure		(7,959)	(7,885)	(7,885)	(7,885)	(7,885)	(7,885)	(7,885)	(7,885)	(7,885)	(7,885)	(7,885)
Maley Drive expansion	<i>(note 3)</i>	-	-	-	-	-	-	-	-	-	-	-
Other growth projects	<i>(note 3)</i>	-	-	-	-	-	-	-	-	-	-	-
		(7,959)	(7,885)	(7,885)	(7,885)	(7,885)	(7,885)	(7,885)	(7,885)	(7,885)	(7,885)	(7,885)
<b>(F) Other capital revenues</b>												
Future year financing		(700)	350	200	150	-	-	-	-	-	-	-
Contribution from reserves		(3,800)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
		(4,500)	(1,650)	(1,800)	(1,850)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
<b>(G) TOTAL NON-TAXATION REVENUE (D) + (E) + (F)</b>		<b>(13,310)</b>	<b>(10,386)</b>	<b>(10,536)</b>	<b>(10,586)</b>	<b>(10,736)</b>	<b>(10,736)</b>	<b>(10,736)</b>	<b>(10,736)</b>	<b>(10,736)</b>	<b>(10,736)</b>	<b>(10,736)</b>
<b>ROADS FUNDING FROM MUNICIPAL LEVY (C) - (G)</b>		<b>61,682</b>	<b>69,180</b>	<b>76,351</b>	<b>83,927</b>	<b>91,925</b>	<b>100,360</b>	<b>108,322</b>	<b>116,705</b>	<b>125,526</b>	<b>134,803</b>	<b>144,292</b>
Total increase in roads funding from municipal levy												
- Operating			1,925	2,005	2,092	2,181	2,272	1,437	1,481	1,526	1,572	1,617
- Capital			5,573	5,166	5,484	5,817	6,163	6,525	6,902	7,295	7,705	7,872
			7,498	7,171	7,576	7,998	8,435	7,962	8,383	8,821	9,277	9,489
Percentage increase in roads funding from municipal levy:												
- Operating			3.1%	2.9%	2.7%	2.6%	2.5%	1.4%	1.4%	1.3%	1.3%	1.2%
- Capital			9.0%	7.5%	7.2%	6.9%	6.7%	6.5%	6.4%	6.3%	6.1%	5.8%
			12.2%	10.4%	9.9%	9.5%	9.2%	7.9%	7.7%	7.6%	7.4%	7.0%
Percentage increase in municipal levy:												
- Operating			0.9%	0.9%	0.9%	0.9%	0.9%	0.6%	0.6%	0.6%	0.6%	0.6%
- Capital			2.6%	2.3%	2.4%	2.5%	2.5%	2.6%	2.6%	2.7%	2.8%	2.7%
			3.5%	3.2%	3.3%	3.4%	3.5%	3.2%	3.2%	3.3%	3.3%	3.3%
											<b>Average annual tax increase</b>	
											<b>3.3%</b>	

Notes:

- Represents contributions to capital for Maley Drive project costs and debt servicing costs.
- Under this scenario, no growth projects other than Maley Drive have been considered.
- Maley Drive and other growth projects are reflected on a net basis, with the cost of the projects netted against grant revenues and debt proceeds. Accordingly, the financial model reflects the debt servicing cost associated with growth-related borrowings.

## CITY OF GREATER SUDBURY

## Schedule 2

Statement of Projected Roads Operating Costs  
For the Years Ending December 31  
(in thousands)

	Reference	Budget		Projected								
		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Administration	(note 1)	\$ 462	476	490	505	520	536	552	569	586	604	622
Summer maintenance	(note 1)	13,926	14,344	14,774	15,217	15,674	16,144	16,628	17,127	17,641	18,170	18,715
Winter maintenance	(note 1)	15,283	15,741	16,213	16,699	17,200	17,716	18,247	18,794	19,358	19,939	20,537
Streetlighting	(note 1)	2,363	2,434	2,507	2,582	2,659	2,739	2,821	2,906	2,993	3,083	3,175
Engineering	(note 1)	4,966	5,115	5,268	5,426	5,589	5,757	5,930	6,108	6,291	6,480	6,674
Other	(note 1)	458	472	486	501	516	531	547	563	580	597	615
Operating costs before undernoted items		37,458	38,582	39,738	40,930	42,158	43,423	44,725	46,067	47,449	48,873	50,338
Service level increases for summer roads maintenance (note 2):												
Cumulative annual increase, beginning of year		-	-	801	1,650	2,550	3,503	4,510	4,645	4,784	4,928	5,076
Inflationary increase on prior year's cumulative increase		-	-	24	50	77	105	135	139	144	148	152
Current year's increase		-	801	825	850	876	902	-	-	-	-	-
Cumulative annual increase, end of year		-	801	1,650	2,550	3,503	4,510	4,645	4,784	4,928	5,076	5,228
Total projected roads operating costs		\$ 37,458	39,383	41,388	43,480	45,661	47,933	49,370	50,851	52,377	53,949	55,566

## Notes:

- (1) Based on the approved 2012 budget levels, adjusted for inflation at a rate of 3% per year. Amounts included all operating costs except for transfer to capital fund.  
(2) Represents the incremental summer maintenance costs required as per the City's zero-based budget analysis. For the purpose of our analysis, we have assumed a five-year phase-in period.

## CITY OF GREATER SUDBURY

## Schedule 3

Statement of Projected Roads Capital Financing Requirement  
For the Years Ending December 31  
(in thousands)

	References	Budget	Projected									
		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Sustainable capital investment requirement, beginning of year	(note 1)	\$ 69,986	72,086	74,249	76,476	78,770	81,133	83,567	86,074	88,656	91,316	94,055
Inflationary adjustment	(note 2)	2,100	2,163	2,227	2,294	2,363	2,434	2,507	2,582	2,660	2,739	2,822
Sustainable capital investment requirement, end of year		72,086	74,249	76,476	78,770	81,133	83,567	86,074	88,656	91,316	94,055	96,877
Less:												
Provision for Federal and Provincial gas tax grants	Schedule 1	(7,959)	(7,885)	(7,885)	(7,885)	(7,885)	(7,885)	(7,885)	(7,885)	(7,885)	(7,885)	(7,885)
Contributions from reserves and other non-taxation capital revenue	Schedule 1	(3,800)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
Net local requirement for roads capital before phase-in provisions		60,327	64,364	66,591	68,885	71,248	73,682	76,189	78,771	81,431	84,170	86,992
Phase-in percentage	(note 3)	37.3%	43.6%	49.9%	56.2%	62.5%	68.8%	75.1%	81.4%	87.7%	94.0%	100.0%
Net roads capital spending before debt		22,490	28,063	33,229	38,713	44,530	50,693	57,218	64,120	71,415	79,120	86,992
Less: Debt financing	(note 4)	-	-	-	-	-	-	-	-	-	-	-
Contribution to capital fund		\$ 22,490	28,063	33,229	38,713	44,530	50,693	57,218	64,120	71,415	79,120	86,992
Estimated replacement value of roads infrastructure, prior year:												
Land	(note 5)	\$ 11,411	11,753	12,106	12,469	12,843	13,228	13,625	14,034	14,455	14,889	15,336
Drains	(note 5)	22,658	23,338	24,038	24,759	25,502	26,267	27,055	27,867	28,703	29,564	30,451
Streetlighting	(note 5)	17,613	18,141	18,685	19,246	19,823	20,418	21,031	21,662	22,312	22,981	23,670
Bridges and culverts	(note 5)	252,909	260,496	268,311	276,360	284,651	293,191	301,987	311,047	320,378	329,989	339,889
Gravel roads	(note 5)	163,601	168,509	173,564	178,771	184,134	189,658	195,348	201,208	207,244	213,461	219,865
Aterial roads (urban and rural)	(note 5)	623,652	642,362	661,633	681,482	701,926	722,984	744,674	767,014	790,024	813,725	838,137
Collector roads (urban and rural)	(note 5)	563,335	580,235	597,642	615,571	634,038	653,059	672,651	692,831	713,616	735,024	757,075
Local roads (urban and rural)	(note 5)	1,176,728	1,212,030	1,248,391	1,285,843	1,324,418	1,364,151	1,405,076	1,447,228	1,490,645	1,535,364	1,581,425
Traffic signals and signs	(note 5)	22,866	23,552	24,258	24,986	25,737	26,508	27,301	28,119	28,963	29,833	30,727
		2,854,773	2,940,416	3,028,628	3,119,487	3,213,072	3,309,464	3,408,748	3,511,010	3,616,340	3,724,830	3,836,575
Inflationary increase		85,643	88,212	90,859	93,585	96,392	99,284	102,262	105,330	108,490	111,745	115,097
Estimated replacement value of roads infrastructure, current year		2,940,416	3,028,628	3,119,487	3,213,072	3,309,464	3,408,748	3,511,010	3,616,340	3,724,830	3,836,575	3,951,672
Contribution to capital fund	Schedule 1	22,490	28,063	33,229	38,713	44,530	50,693	57,218	64,120	71,415	79,120	86,992
Future year financing	Schedule 1	700	(350)	(200)	(150)	-	-	-	-	-	-	-
Contributions from reserves and other non-taxation capital revenue	Schedule 1	3,800	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Federal and Provincial gas tax grants	Schedule 1	7,959	7,885	7,885	7,885	7,885	7,885	7,885	7,885	7,885	7,885	7,885
Total capital financing		\$ 34,949	37,598	42,914	48,448	54,415	60,578	67,103	74,005	81,300	89,005	96,877
Capital financing as a percentage of replacement val.		1.2%	1.2%	1.4%	1.5%	1.6%	1.8%	1.9%	2.0%	2.2%	2.3%	2.5%
Projected replacement cycle (in years)		84	81	73	66	61	56	52	49	46	43	41

## Notes:

- (1) KPMG calculation based on estimated replacement value and useful lives of municipal road infrastructure.
- (2) Assumed to be 3% per year.
- (3) Assumes a 10-year capital phase-in period.
- (4) For the purposes of our analysis, no debt financing has been considered for capital expenditures relating to existing infrastructure.
- (5) Based on tangible capital asset information provided by the City.



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# CITY OF GREATER SUDBURY

## Appendix B Financial Plan Schedules Scenario 2



## CITY OF GREATER SUDBURY

Schedule 1

Statement of Projected Roads Financial Requirement  
For the Years Ending December 31  
(in thousands)

	Reference	Budgeted 2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>(A) Operating expenditures</b>												
Road maintenance and operating costs	<i>Schedule 3</i>	37,458	39,383	41,388	43,480	45,661	47,933	49,370	50,851	52,377	53,949	55,566
		37,458	39,383	41,388	43,480	45,661	47,933	49,370	50,851	52,377	53,949	55,566
<b>(B) Capital expenditures and allocations</b>												
Existing infrastructure	<i>Schedule 3</i>	34,949	37,598	42,914	48,448	54,415	60,578	67,103	74,005	81,300	89,005	96,877
Maley Drive expansion	<i>(note 1)</i>	2,585	2,585	2,585	2,585	2,585	2,585	2,585	2,585	2,585	2,585	2,585
Other growth projects	<i>(note 2)</i>	-	524	1,048	1,572	2,096	2,620	3,144	3,668	4,192	4,716	5,242
		37,534	40,707	46,547	52,605	59,096	65,783	72,832	80,258	88,077	96,306	104,704
<b>(C) TOTAL EXPENDITURES (A) + (B)</b>		<b>74,992</b>	<b>80,090</b>	<b>87,935</b>	<b>96,085</b>	<b>104,757</b>	<b>113,716</b>	<b>122,202</b>	<b>131,109</b>	<b>140,454</b>	<b>150,255</b>	<b>160,270</b>
<b>(D) Non-taxation operating revenue</b>												
Grant revenue		(40)	(40)	(40)	(40)	(40)	(40)	(40)	(40)	(40)	(40)	(40)
User fees and other charges		(751)	(751)	(751)	(751)	(751)	(751)	(751)	(751)	(751)	(751)	(751)
Contributions from reserves and reserve funds		(60)	(60)	(60)	(60)	(60)	(60)	(60)	(60)	(60)	(60)	(60)
		(851)	(851)	(851)	(851)	(851)	(851)	(851)	(851)	(851)	(851)	(851)
<b>(E) Capital grant revenue</b>												
Existing infrastructure		(7,959)	(7,885)	(7,885)	(7,885)	(7,885)	(7,885)	(7,885)	(7,885)	(7,885)	(7,885)	(7,885)
Maley Drive expansion	<i>(note 3)</i>	-	-	-	-	-	-	-	-	-	-	-
Other growth projects	<i>(note 3)</i>	-	-	-	-	-	-	-	-	-	-	-
		(7,959)	(7,885)	(7,885)	(7,885)	(7,885)	(7,885)	(7,885)	(7,885)	(7,885)	(7,885)	(7,885)
<b>(F) Other capital revenues</b>												
Future year financing		(700)	350	200	150	-	-	-	-	-	-	-
Contribution from reserves		(3,800)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
		(4,500)	(1,650)	(1,800)	(1,850)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
<b>(G) TOTAL NON-TAXATION REVENUE (D) + (E) + (F)</b>		<b>(13,310)</b>	<b>(10,386)</b>	<b>(10,536)</b>	<b>(10,586)</b>	<b>(10,736)</b>	<b>(10,736)</b>	<b>(10,736)</b>	<b>(10,736)</b>	<b>(10,736)</b>	<b>(10,736)</b>	<b>(10,736)</b>
<b>ROADS FUNDING FROM MUNICIPAL LEVY (C) - (G)</b>		<b>61,682</b>	<b>69,704</b>	<b>77,399</b>	<b>85,499</b>	<b>94,021</b>	<b>102,980</b>	<b>111,466</b>	<b>120,373</b>	<b>129,718</b>	<b>139,519</b>	<b>149,534</b>
Total increase in roads funding from municipal levy:												
- Operating			1,925	2,005	2,092	2,181	2,272	1,437	1,481	1,526	1,572	1,617
- Capital			6,097	5,690	6,008	6,341	6,687	7,049	7,426	7,819	8,229	8,398
			8,022	7,695	8,100	8,522	8,959	8,486	8,907	9,345	9,801	10,015
Percentage increase in roads funding from municipal levy:												
- Operating			3.1%	2.9%	2.7%	2.6%	2.4%	1.4%	1.3%	1.3%	1.2%	1.2%
- Capital			9.9%	8.2%	7.8%	7.4%	7.1%	6.8%	6.7%	6.5%	6.3%	6.0%
			13.0%	11.0%	10.5%	10.0%	9.5%	8.2%	8.0%	7.8%	7.6%	7.2%
Percentage increase in municipal levy:												
- Operating			0.9%	0.9%	0.9%	0.9%	0.9%	0.6%	0.6%	0.6%	0.6%	0.6%
- Capital			2.9%	2.6%	2.6%	2.7%	2.7%	2.8%	2.8%	2.9%	2.9%	2.9%
			3.8%	3.5%	3.5%	3.6%	3.6%	3.3%	3.4%	3.4%	3.5%	3.4%
											<b>Average annual tax increase</b>	
											<b>3.5%</b>	

Notes:

- (1) Represents contributions to capital for Maley Drive project costs and debt servicing costs.  
(2) Under this scenario, growth projects totalling \$247 million are anticipated to be undertaken during the financial planning period.  
(3) Maley Drive and other growth projects are reflected on a net basis, with the cost of the projects netted against grant revenues and debt proceeds. Accordingly, the financial model reflects the debt servicing cost associated with growth-related borrowings.

## CITY OF GREATER SUDBURY

## Schedule 2

Statement of Projected Roads Operating Costs  
For the Years Ending December 31  
(in thousands)

	Reference	Budget		Projected								
		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Administration	(note 1)	\$ 462	476	490	505	520	536	552	569	586	604	622
Summer maintenance	(note 1)	13,926	14,344	14,774	15,217	15,674	16,144	16,628	17,127	17,641	18,170	18,715
Winter maintenance	(note 1)	15,283	15,741	16,213	16,699	17,200	17,716	18,247	18,794	19,358	19,939	20,537
Streetlighting	(note 1)	2,363	2,434	2,507	2,582	2,659	2,739	2,821	2,906	2,993	3,083	3,175
Engineering	(note 1)	4,966	5,115	5,268	5,426	5,589	5,757	5,930	6,108	6,291	6,480	6,674
Other	(note 1)	458	472	486	501	516	531	547	563	580	597	615
Operating costs before undernoted items		37,458	38,582	39,738	40,930	42,158	43,423	44,725	46,067	47,449	48,873	50,338
Service level increases for summer roads maintenance (note 2):												
Cumulative annual increase, beginning of year		-	-	801	1,650	2,550	3,503	4,510	4,645	4,784	4,928	5,076
Inflationary increase on prior year's cumulative increase		-	-	24	50	77	105	135	139	144	148	152
Current year's increase		-	801	825	850	876	902	-	-	-	-	-
Cumulative annual increase, end of year		-	801	1,650	2,550	3,503	4,510	4,645	4,784	4,928	5,076	5,228
Total projected roads operating costs		\$ 37,458	39,383	41,388	43,480	45,661	47,933	49,370	50,851	52,377	53,949	55,566

## Notes:

- (1) Based on the approved 2012 budget levels, adjusted for inflation at a rate of 3% per year. Amounts included all operating costs except for transfer to capital fund.  
(2) Represents the incremental summer maintenance costs required as per the City's zero-based budget analysis. For the purpose of our analysis, we have assumed a five-year phase-in period.

## CITY OF GREATER SUDBURY

## Schedule 3

Statement of Projected Roads Capital Financing Requirement  
For the Years Ending December 31  
(in thousands)

	References	Budget	Projected									
		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Sustainable capital investment requirement, beginning of year	(note 1)	\$ 69,986	72,086	74,249	76,476	78,770	81,133	83,567	86,074	88,656	91,316	94,055
Inflationary adjustment	(note 2)	2,100	2,163	2,227	2,294	2,363	2,434	2,507	2,582	2,660	2,739	2,822
Sustainable capital investment requirement, end of year		72,086	74,249	76,476	78,770	81,133	83,567	86,074	88,656	91,316	94,055	96,877
Less:												
Provision for Federal and Provincial gas tax grants	Schedule 1	(7,959)	(7,885)	(7,885)	(7,885)	(7,885)	(7,885)	(7,885)	(7,885)	(7,885)	(7,885)	(7,885)
Contributions from reserves and other non-taxation capital revenue	Schedule 1	(3,800)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
Net local requirement for roads capital before phase-in provisions		60,327	64,364	66,591	68,885	71,248	73,682	76,189	78,771	81,431	84,170	86,992
Phase-in percentage	(note 3)	37.3%	43.6%	49.9%	56.2%	62.5%	68.8%	75.1%	81.4%	87.7%	94.0%	100.0%
Net roads capital spending before debt		22,490	28,063	33,229	38,713	44,530	50,693	57,218	64,120	71,415	79,120	86,992
Less: Debt financing	(note 4)	-	-	-	-	-	-	-	-	-	-	-
Contribution to capital fund		\$ 22,490	28,063	33,229	38,713	44,530	50,693	57,218	64,120	71,415	79,120	86,992
Estimated replacement value of roads infrastructure, prior year:												
Land	(note 5)	\$ 11,411	11,753	12,106	12,469	12,843	13,228	13,625	14,034	14,455	14,889	15,336
Drains	(note 5)	22,658	23,338	24,038	24,759	25,502	26,267	27,055	27,867	28,703	29,564	30,451
Streetlighting	(note 5)	17,613	18,141	18,685	19,246	19,823	20,418	21,031	21,662	22,312	22,981	23,670
Bridges and culverts	(note 5)	252,909	260,496	268,311	276,360	284,651	293,191	301,987	311,047	320,378	329,989	339,889
Gravel roads	(note 5)	163,601	168,509	173,564	178,771	184,134	189,658	195,348	201,208	207,244	213,461	219,865
Aterial roads (urban and rural)	(note 5)	623,652	642,362	661,633	681,482	701,926	722,984	744,674	767,014	790,024	813,725	838,137
Collector roads (urban and rural)	(note 5)	563,335	580,235	597,642	615,571	634,038	653,059	672,651	692,831	713,616	735,024	757,075
Local roads (urban and rural)	(note 5)	1,176,728	1,212,030	1,248,391	1,285,843	1,324,418	1,364,151	1,405,076	1,447,228	1,490,645	1,535,364	1,581,425
Traffic signals and signs	(note 5)	22,866	23,552	24,258	24,986	25,737	26,508	27,301	28,119	28,963	29,833	30,727
		2,854,773	2,940,416	3,028,628	3,119,487	3,213,072	3,309,464	3,408,748	3,511,010	3,616,340	3,724,830	3,836,575
Inflationary increase		85,643	88,212	90,859	93,585	96,392	99,284	102,262	105,330	108,490	111,745	115,097
Estimated replacement value of roads infrastructure, current year		2,940,416	3,028,628	3,119,487	3,213,072	3,309,464	3,408,748	3,511,010	3,616,340	3,724,830	3,836,575	3,951,672
Contribution to capital fund	Schedule 1	22,490	28,063	33,229	38,713	44,530	50,693	57,218	64,120	71,415	79,120	86,992
Future year financing	Schedule 1	700	(350)	(200)	(150)	-	-	-	-	-	-	-
Contributions from reserves and other non-taxation capital revenue	Schedule 1	3,800	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Federal and Provincial gas tax grants	Schedule 1	7,959	7,885	7,885	7,885	7,885	7,885	7,885	7,885	7,885	7,885	7,885
Total capital financing		\$ 34,949	37,598	42,914	48,448	54,415	60,578	67,103	74,005	81,300	89,005	96,877
Capital financing as a percentage of replacement val.		1.2%	1.2%	1.4%	1.5%	1.6%	1.8%	1.9%	2.0%	2.2%	2.3%	2.5%
Projected replacement cycle (in years)		84	81	73	66	61	56	52	49	46	43	41

## Notes:

- (1) KPMG calculation based on estimated replacement value and useful lives of municipal road infrastructure.
- (2) Assumed to be 3% per year.
- (3) Assumes a 10-year capital phase-in period.
- (4) For the purposes of our analysis, no debt financing has been considered for capital expenditures relating to existing infrastructure.
- (5) Based on tangible capital asset information provided by the City.

# Financial Planning for Roads

## Restrictions

The financial plan outlined in this report represents a forecast of the financial performance of the City's roads services under a series of assumptions that are documented within the plan. The financial plan does not represent a formal, multi-year budget for roads. The approval of operating and capital budgets for roads is undertaken as part of the City's overall annual budgeting process. Accordingly, the financial performance outlined in this document is subject to change based on future decisions of Council with respect to operating and capital costs, tax increases and unforeseen revenues and expenses. It is the intention of the City to adjust the financial plan on an annual basis to reflect the most recent budgetary decisions made by Council.

The information contained in this report has been compiled from information provided by the City. We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information. Readers are cautioned that this information may not be appropriate for their purposes. We reserve the right (but will be under no obligation) to amend this report and advise accordingly in the event that, in our opinion, new material information comes to our attention that may be contrary to or different from that which is set out in this document. Comments in this report should not be interpreted to be legal advice or opinion.

The contents of this report reflect our understanding of the facts derived from the examination of documents provided to us. This report includes or makes reference to future oriented financial information. We have not audited or otherwise reviewed the financial information or supporting assumptions and as such, express no opinion as to the reasonableness of the information provided.

The individuals that prepared this report did so to the best of their knowledge, acting independently and objectively. KPMG LLP's compensation is not contingent on any action or event resulting from the use of this report.

This report, including any attached appendices, must be considered in its entirety by the reader.



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## For Information Only

### Parking Update

Presented To: Finance and  
Administration  
Committee

Presented: Tuesday, May 14, 2019

Report Date Wednesday, May 01,  
2019

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 informs City Council on work progressing in 2019 and recaps the options available to create customer efficiency and add parking supply in the future.

### Financial Implications

There are no financial implications associated with this report.

#### Signed By

##### Report Prepared By

Brendan Adair  
Manager of Security and By-Law  
*Digitally Signed May 1, 19*

##### Financial Implications

Jim Lister  
Manager of Financial Planning and  
Budgeting  
*Digitally Signed May 1, 19*

##### Recommended by the Department

Kevin Fowke  
General Manager of Corporate  
Services  
*Digitally Signed May 1, 19*

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

Ed Archer  
Chief Administrative Officer  
*Digitally Signed May 1, 19*

## **BACKGROUND**

Previous reports on downtown parking were presented to Council on December 12th, 2017 and to members of the Finance and Administration Committee on July 10th, 2018. The purpose for these reports were to address concerns that projects in the downtown, in particular, Place des Arts and the Elgin Greenway, will result in the loss of municipal parking spaces. On February 19th, 2019, Council directed staff to examine alternate locations for large projects in the downtown. Changing locations will affect the supply of parking spaces. Parking recommendations will be incorporated into the Large Projects Update report being presented at the May 28<sup>th</sup>, 2019 City Council meeting.

The purpose of this report is to inform City Council on work progressing in 2019 and to recap the options available to create customer efficiency and add parking supply in the future. This report also reviews parking demand and acknowledges that there is a balance to be struck between our sustainable mobility aspirations and the acute, near term impacts of projects and changes in the downtown.

## **ANALYSIS**

### **Parking Lot Utilization**

In 2011, IBI Group completed a Strategic Parking Plan for the City of Greater Sudbury. Where the parking plan identified that the existing parking system at the time may not have been sufficient to accommodate the projected 2026 parking demand, it did conclude at that time “that Sudbury’s Downtown parking system was sufficient to meet the demand”. Taking into account parking supply and demand changes since 2011, in late 2018, IBI Group completed another downtown parking study for the City of Greater Sudbury.

The purpose of the study was to estimate current and post-construction parking operations in Downtown Sudbury, in order to determine whether a parking supply expansion was required to support redevelopment projects and associated parking lot closures. The study aimed to estimate the number of additional spaces required to meet future demand.

The IBI Group study reported that “parking systems are effectively full at an occupancy rate of approximately 85-90%”. Using this threshold, IBI Group confirmed that the “overall Downtown Sudbury parking system is considered sufficient to accommodate the existing demand”. The report found that seven of fourteen municipal off-street lots (near the central core) were operating above the 85% threshold and that on-street parking was generally operating below effective capacity (with the exception of Cedar Street, Larch Street and Lisgar Street). The report continued to cite that, while off-street lots in the downtown core were near capacity, “sufficient parking opportunities were available within close proximity of all parking facilities operating near or at capacity”.

Written prior to the loss of 59 parking spaces at the Larch Street Lot (Place des Arts) and forecasting further losses associated with large projects such as the Junction, the report confirms that *“a significant parking supply expansion, or tactics to deal with the excess parking demand are considered necessary to meet the Downtown parking needs once the Places Des Arts and The Junction are constructed”*. To achieve an off-street utilization of 90% and assuming current council approved projects will contribute toward a loss of municipal parking

that could range between 170-305 spaces, the report forecasts that all municipal off-street lots would be operating near or at capacity. Listed strategies to address this concern include construction of a centrally located parking facility within the downtown core. Further, where the City of Greater Sudbury is working diligently at a number of transportation demand initiatives, the report suggests continued work toward improved transit service, cycling infrastructure (bike lanes and parking) and investigation into shared parking agreements with private entities.

### **Review of On-Street Spaces**

A formal review of current on-street parking spaces will be completed while looking for any opportunity to expand the number of spaces. These would include only those minor adjustments that could be made to maximize additional spaces without significant capital work. (e.g. areas in the downtown with no on-street parking spaces that could be easily added by By-law and booked via pay by plate machine).

On-street parking machines will allow a more streamlined approach to any addition to the supply of on-street spaces, where there would no longer be a requirement to install a coin operated meter head. With on-street pay by plate machines planned for 2019, it is anticipated that the additional spaces would require on-street painting while adding signage to educate the parker of what zone they are in for payment on the pay by plate app or machine.

### **Parking Management at Centre for Life**

The City, YMCA and adjacent business owners are reviewing potential steps that would support vehicular and pedestrian traffic flow into and out of the garage while maximizing available space at both the YMCA lot on Elgin and in the garage / parking lot adjacent to the YMCA and Center for Life. Whether there is a need for an automated gate system or a simply a pay by plate machine, it is anticipated costs for construction and system improvements will be supported through the Parking Reserve Fund.

### **Dufferin Street Road Allowance**

The City owns a parcel of property described as the Dufferin Street road allowance, at the east end of Pine Street that could be opened up to create an additional 40 spaces. The location of the lot is slightly outside of the downtown core; however it is certainly within walking distance (particularly to the School of Architecture) and would not present any traffic issues and would increase parking capacity for long-term stays.

The cost to open this lot would be approximately \$40,000 which would be required to grade, provide drainage, fencing, signage and a pay by plate machine. It is currently a gravel lot and the intention would be to keep it in this condition. This is a viable option to add increased parking supply in the downtown core and would be relatively quick to implement.

### **Louis Street/Vincent Street**

The City of Greater Sudbury owns an area of land, designated as parkland, that is part of the linear park known as the Junction Creek Waterway Park, connecting users through to Hnatyshyn Park. This is a gravel lot intended to be used by patrons of the park. Enforcement staff report that the lot attracts unauthorized daily users who work in the downtown core. This lot is a 375 metre walk from the South East corner of Paris and Elm Street.

A further review of revenues and costs associated with lighting, grading, drainage and installation of a pay by plate parking machine, is required. Specific consultation will be completed to consider any environmental risks for the use of this area by vehicles when considering the proximity to Junction Creek.

## **CUSTOMER EFFICIENCIES**

### **Lighting and Wayfinding Improvements**

In order to address areas where there was limited or outdated systems in place, improvements to lighting were completed in the Fall of 2018 to three (3) municipal parking lots on Shaughnessy and Minto Street. Existing high pressure sodium (HPS) lights were replaced with more efficient LED lights to provide for safer and more accessible parking at night.

Further, for a majority of municipal lots, wayfinding signage improvements were completed in the Fall of 2018, replacing outdated plywood signs with 12' high aluminum signs. Signs are better positioned, perpendicular to the roadway, to allow drivers and pedestrians the ability to read the sign as they pass. Signs are highly visible and include a wayfinding map for all municipal parking lots in the downtown core.

**Figure 1- Shaughnessy Street West Lot Sign**



### **Pay by Plate Parking App**

The City has established a relationship with HotSpot Parking Inc (<https://htsp.ca/>) to provide mobile parking technology for (at least initially) on-street parking spaces in the downtown. With an implementation and communication date of June 1st, 2019, this system will allow customers to pay for on-street or off-street parking for a specified period with a single action (payments must be available through multiple options ie; app, website, SMS/text, etc). With a variety of payment options available to users (Visa, MasterCard, American Express and Debit) this system will allow customers to pay for additional parking time (while adhering to maximum parking time regulations).

This application will allow businesses to validate paid parking (on and off-street) and support other ways to enhance the overall customer experience for downtown visitors.

Where current meter heads do not allow for utilization reports, the implementation of this system will allow staff multiple options for back end reporting to better monitor utilization / trending / revenue of municipal parking.

The implementation of this system will support expansion for overall parking management solutions including management of monthly passes and lots with further opportunities to pair the system with transit services.

### **Pay by Plate Machines**

The City of Greater Sudbury released RFP CPS19-44 on March 14th, 2019, which closed on April 16th, 2019 with a total of four (4) proponent submissions. Through this procurement process, the City of Greater Sudbury is seeking qualified proponents to supply, deliver, install and commission twenty-five (25) on-street pay by plate parking machines. Without jeopardizing accessibility, efficiency and utilization of the machines, with a goal of replacing as many as possible of the current meter heads, the specific placement of on-street machines will be focused within the core business area of Downtown Sudbury. The machines will be fully operational no later than October 31st, 2019.

### **Downtown Parking between 5pm and 6pm**

Through the Downtown Business Improvement Area (BIA) Association, the City of Greater Sudbury has received a request to consider adjusting the current Traffic and Parking By-law restrictions that provide free on-street parking at meters after 6 p.m.

Parking revenue for on street parking during the period between 5 p.m. and 6 p.m. is estimated to be approximately \$54,312 per year. Revenue for parking in a Municipal lot during this hour of the day is approximately \$11,000.

The annual average number of tickets issued specifically in the downtown core between 5 p.m. and 6 p.m. in the in last three years is 404. The approximate available annual fine revenue for parking infractions issued in that time period is \$8,645.

Date Period	Total Tickets Issued- 5pm to 6pm	Potential Fine Revenue
April 01, 2016- April 01, 2017	261	\$5,760
April 01, 2017- April 01, 2018	615	\$13,035
April 01, 2018- April 01, 2019	336	\$7,140

Parking enforcement in the downtown core is completed by a contract service provider. The current hourly rate for enforcement is \$21.34/hr. Reducing for Stat Holidays where there is no service provision, enforcement after 5 p.m. accounts for approximately 248 hours annually. The annual cost for this enforcement activity is \$5,292.32.

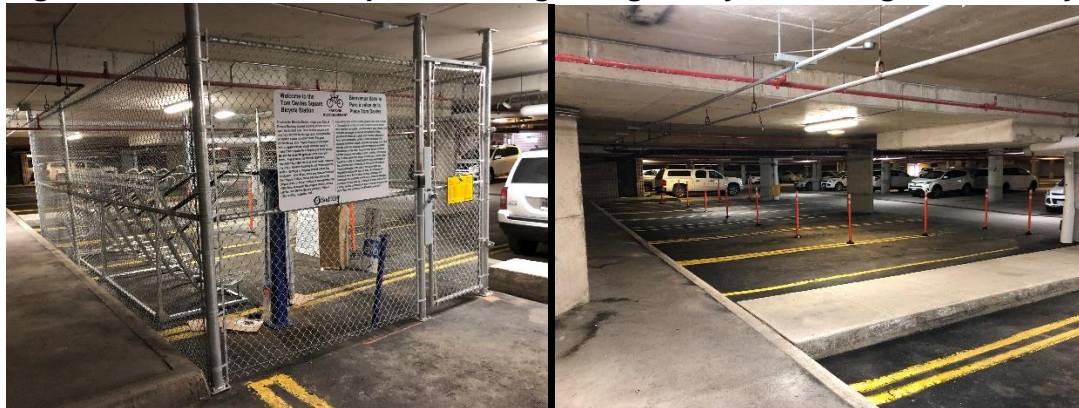
Considering loss of revenue for meter use (\$65,312), loss of fine revenue (\$8,645) and recoup of enforcement costs (\$5,292), the estimated annual cost of this change is approximately \$68,665. As a Staff initiative, a business case will be submitted as an option for the 2020 budget.

## **Bike and Motorcycle Parking - Tom Davies Square**

Encouraging active transportation, a secure bicycle parking area is available in the parking garage at Tom Davies Square. The area is located on the 199 Larch side of the underground parking garage. This secured area is accessible with a CGS issued building access card and features bicycle racks and a repair station for bicycle users. The area has been updated with improved lighting and video surveillance.

Adjacent to this area is a dedicated motorcycle parking area for up to eleven motorcycles. The area was created by reducing the length of six (6) parking spaces that were larger than a standard space, marked off with highly visible impact recovery posts. Line painting to properly denote the area is the last step in the completion of this work (higher temperatures are required for painting). Staff will be working toward developing a dedicated fee structure for motorcycle parking and for inclusion within the User Fee By-law.

**Figure 1.2- Tom Davies Square Parking Garage- Bicycle Parking and Motorcycle Parking**



## **CONCLUSION**

Downtown development with Place des Arts and the Junction project present significant opportunities, while also placing strain on existing municipal parking supply. While the IBI report has confirmed that the current system met parking demand requirements prior to the closure of the Elgin Street lot (when construction of the Place des Arts commenced) any elimination of existing supply will increase utilization beyond a sustainable capacity level. Keeping this in mind, work will continue toward the completion of a variety of customer efficiencies that may support a more accessible parking system. The direction for staff to consider an alternate location for the Junction project in the South District may lead to significant additional pressure on existing parking supply. Consideration for this requirement as well as construction phase parking supply will form a part of the Library/Art Gallery site alternatives report anticipated at the May 28th meeting of City Council.

Final Report

# City of Greater Sudbury Downtown Parking Study

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Prepared for City of Greater Sudbury  
by IBI Group

November 28, 2018

## Document Control Page

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# 1 Introduction

Parking is an important component of public policy in any municipality, but is especially important for Downtown commercial districts. Altering the existing parking system in a Downtown environment can be a complex process, requiring the consideration of different user groups, geographic zones, price ranges, and time periods. Parking in Downtown areas must cater to various users ranging from employees and residents with long-term parking needs, to visitors with short-term parking needs.

## 1.1 Study Background and Objectives

In January 2011, IBI Group completed the Strategic Parking Plan for the City of Greater Sudbury. The key study objective was to assess existing and future parking needs, and develop a forward-looking and sustainable parking plan for the next 15-20 years. The Strategic Parking Plan assessed existing parking needs and policies, developed future forecasts of parking demand, and identified alternative methods of providing and managing parking.

The Strategic Parking Plan identified that the existing parking system may not be sufficient to accommodate the projected 2026 parking demand. The study recommended the Energy Court Lot (Lot 13) to be reopened, and recommended consideration for consolidating the surface lots in the Downtown's southeastern area into a parking structure. This strategy would free up land to support future growth and development proposals.

Currently, two new developments are planned for Downtown Sudbury in the near future. The Places Des Arts, a development led by a number of local agencies, and The Junction, a City led development consisting of a Library, an Arts Gallery, and a Convention Centre with a hotel component. These new developments are planned to be located in such a manner that they would replace the following three municipal lots:

- Sudbury Arena Annex Lot (Lot 5)
- Sudbury Arena Lot (Lot 6); and
- Larch Street Lot (Lot 11).

This study is intended to estimate post-construction parking operations in Downtown Sudbury to determine whether a parking supply expansion is required to support the planned redevelopment projects and associated parking lot closures, and if so, to estimate the number of spaces required to meet future demand.

## 1.2 Report Structure

This report summarizes the key study findings, and is divided into the following components:

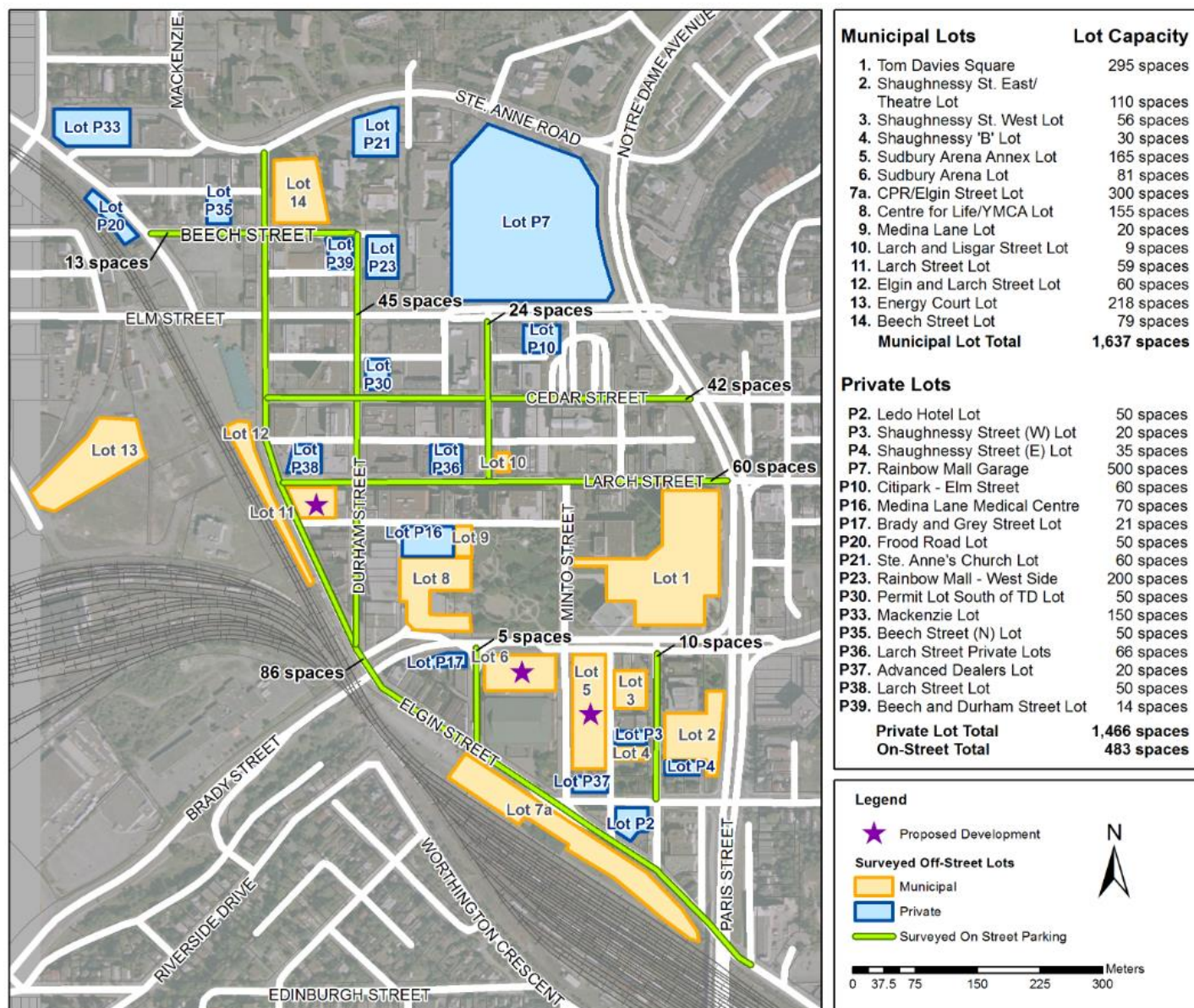
- **Existing Conditions Assessment:** Examines the parking supply and demand changes that have occurred since 2011, and given these known changes, estimates and assesses existing parking operations.
- **Post-Construction Parking Operations:** Estimates the parking demand generated by the proposed developments, projects post-construction parking operations, estimates the number of additional parking spaces required to meet the projected parking demand (if needed), identifies the most appropriate expansion type (surface lot, above ground structure, or underground garage), and provides a high level cost-estimate.

- **Conclusions and Recommendations:** Summarizes the study conclusions and recommendations.

### 1.3 Study Area

The Downtown Sudbury study area is maintained from the 2011 Strategic Parking Plan. The study area, and the municipal and private parking inventory is illustrated in **Exhibit 1-1**.

Exhibit 1-1: Downtown Sudbury Study Area



The following parking opportunities are provided in Downtown Sudbury:

- Municipal off-street: 1,637 spaces;
- Municipal on-street: 483 spaces; and
- Private off-street: 1,466 spaces.

Note that several private parking lots (P6, P11, P12, and P13) included in the 2011 study were excluded from this study. These lots are dedicated to serving specific land uses (TD Bank, Scotia Bank, etc.) and are not open for general public parking. Additionally, a portion of the Elgin Street Lot (Lot 7B) was excluded as these spaces are leased to the YMCA and are not open for general public parking.

The on-street parking supply was updated from the 2011 study through discussions with City of Greater Sudbury staff (an increase from 285 spaces in 2011 to 483 spaces in 2018). Note that the on-street parking patterns are assumed to remain relatively unchanged from 2011. Additional on-street parking opportunities exist in the residential areas surrounding the Downtown core.

The Downtown parking system provides two types of parking opportunities, permit and pay parking. Permit parking allows users to purchase monthly parking passes, while pay parking allows users to purchase parking time on demand on an hourly basis.

## 2 Existing Conditions Assessment

This section assesses existing parking operations and identifies which facilities are under-utilized or over-utilized. Existing parking operations were estimated by adjusting the data collected during the 2011 Strategic Parking Plan study using known parking supply changes and new developments between 2011 and 2018. This information was provided by the City of Greater Sudbury.

### 2.1 2011 Strategic Parking Plan Study Findings

During the 2011 Strategic Parking Plan study, parking utilization surveys were conducted every two-three hours on one weekday from 1:00 PM to 8:00 PM, and on a second weekday from 7:30 AM to 6:30 PM. The survey objective was to gain an understanding of existing parking patterns and to identify parking facilities operating near or at capacity.

Parking systems are considered “effectively full” at an occupancy of approximately 85-90%, depending on lot size and other characteristics. This represents the point where finding a space is challenging for drivers, resulting in an increased likelihood of a driver having to search for an available parking space. This analysis was completed assuming that the City of Sudbury’s parking system will also aim for the 85% parking utilization threshold. This is a common target for planning exercises, but can be adjusted higher or lower, depending on desired operating levels of service.

Based on the 2011 parking utilization survey findings, Sudbury’s parking system was determined to be sufficient to meet the existing parking demand at all times. During the period of peak parking demand, which occurred during the weekday business hours, the following occupancies were observed:

- Municipal off-street: 79% utilization;
- Municipal on-street: 71% utilization; and
- Private off-street: 65% utilization.

While the parking system operated under capacity, several on- and off-street parking facilities were observed to operate near or at capacity during peak parking operations. However, sufficient parking opportunities were available within close proximity of all parking facilities operating near or at capacity. Based on industry research, the publically-accepted walking

distance between a parking space and the user's final destination ranges between 300 – 400 metres.

Given that the system wide parking utilization was below the 85-90% effective capacity threshold, and that parking opportunities were available nearby individual lots operating near or at capacity, the 2011 study concluded that Sudbury's Downtown parking system was sufficient to meet the demand.

## 2.2 Parking Supply and Demand Changes

Since the 2011, the following parking supply and demand changes have occurred:

### Parking Supply

- Shaughnessy B Street Lot (Lot 4): new 30 space lot serving permit parking users;
- CPR Lot / Eglin Street Lot (Lot 7): supply has been increased from 225 to 300 parking spaces;
- Elgin at Larch Street Lot (Lot 12): supply has been reduced from 197 to 60 spaces. Additionally, the parking lot now only serves pay parking users;
- Energy Court Lot (Lot 13): new 218 space lot serving both pay and permit parking users;
- Beech Street Lot (Lot 14): supply has been decreased from 107 spaces to 79 spaces;
- Private Cedar Street Garage (P15): 70 space parking structure has been closed;
- Private Beech Street South Lot (P34): 200 space parking lot has been redeveloped into a Shoppers Drug Mart; and
- Private Beech Street and Durham Street Lot: new 14 space lot serving permit parking users.

### Parking Demand

- Shoppers Drug Mart: sufficient parking is provided on-site to meet parking demand; and
- Laurentian University McEwen School of Architecture: generated approximately 75 parking users during the period of peak parking demand, who are accommodated in the Energy Court Lot (Lot 13).

As a whole, 98 parking spaces have been lost while demand has increased by 75 vehicles.

## 2.3 2018 Existing Parking Operations

To estimate existing conditions parking operations, the parking supply and demand data collected in 2011 was adjusted given the changes discussed in Section 2.2. The following overarching principles were adopted when estimating existing parking operations:

- Considering the parking supply losses (lot closures and supply reductions), parking demand was redistributed to nearby parking lots with available capacity. The parking lots targeted for redistribution were limited to lots within acceptable walking distance (300 – 400m) that provide the same type of parking opportunities as the affected lot (pay versus permit parking);

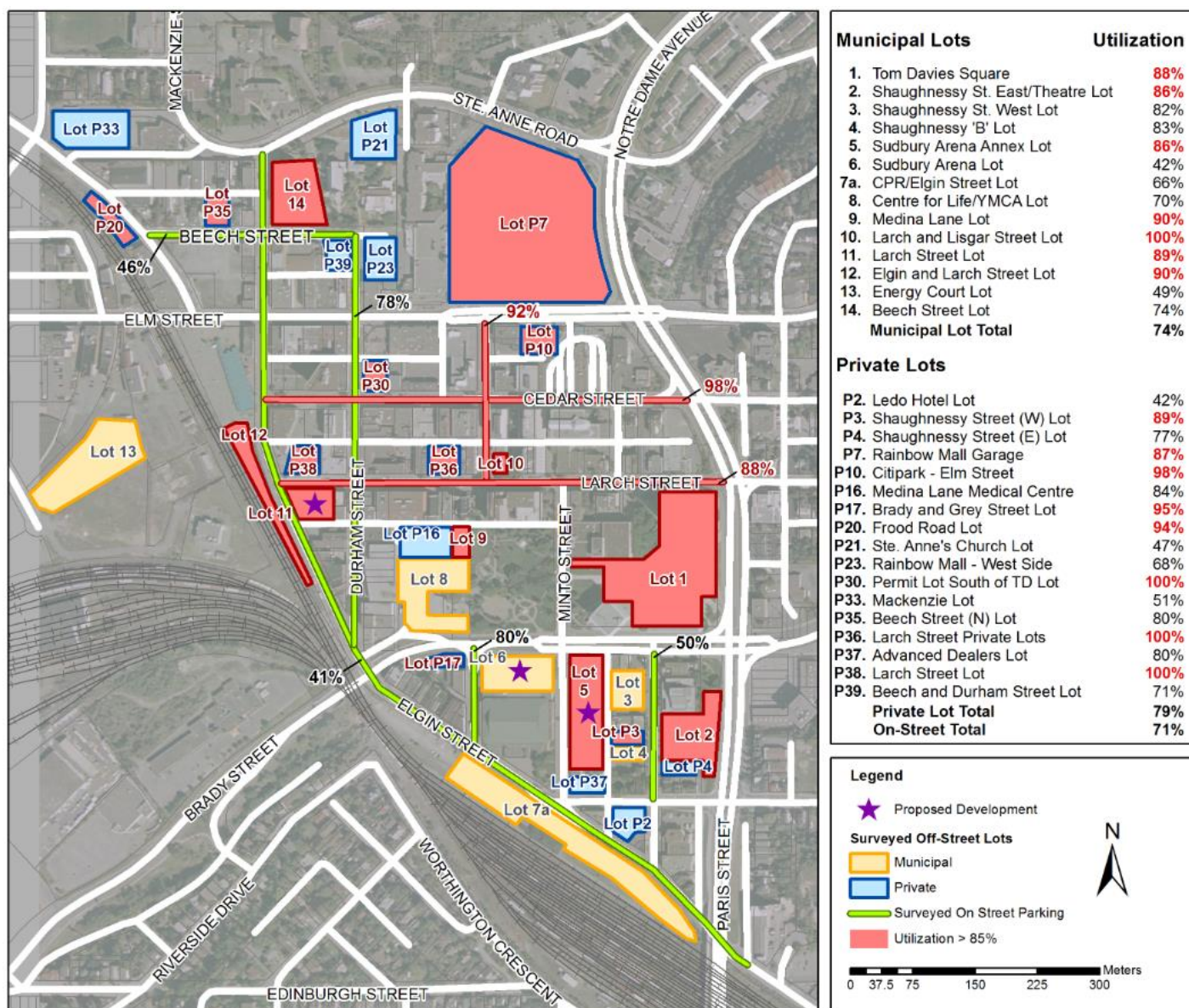
- Through discussions with City of Greater Sudbury staff, the parking demand generated by the McEwen School of Architecture was determined to be accommodated in the Energy Court Lot (Lot 13); and
- 50% utilization was targeted for the Energy Court Lot (Lot 13) based on known parking patterns. Demand was reallocated to the Energy Court Lot (Lot 13) from nearby parking lots operating over effective capacity;
- No direct impacts associated with parking supply increases. However, these lots were generally targeted for parking demand redistribution given the increased capacity.

The 2018 existing conditions assessment was completed considering a parking utilization target of 85%. Under 2018 existing conditions, the following system wide occupancies are estimated:

- Municipal off-street: 74% utilization;
- Municipal on-street: 71% utilization; and
- Private off-street: 79% utilization.

The overall Downtown Sudbury parking system is considered sufficient to accommodate the existing demand. While sufficient parking opportunities are provided system wide, individual lots are observed to operate near or at capacity. On-street parking is estimated to operate above effective capacity along several centrally located streets that are adjacent to small retail and restaurants. **Exhibit 2-1** geographically displays the lot-by-lot parking utilization in Downtown Sudbury.

Exhibit 2-1: Existing Conditions Parking Utilization



Considering the findings illustrated in **Exhibit 2-1**, the following observations are made:

- Seven of 14 municipal off-street lots are operating above the 85% effective capacity threshold. These lots are observed to be near the central core of the Downtown study area with available capacity in lots near the southern and western periphery, which is to be expected.
- Looking at the private parking system, eight of 17 off-street lots are operating above effective capacity. A similar distribution of parking demand is observed when compared to the municipal off-street parking system.
- On-street parking is generally operating below effective capacity with the exception of Cedar Street (98% utilization), Larch Street (88% utilization), and Lisgar Street (92% utilization).

- While parking operations are near capacity in the central core of the study area, sufficient parking opportunities were available within close proximity of all parking facilities operating near or at capacity.

Based on the observations described, it is likely valid that some users perceive a shortage in parking with occasional difficulty in finding a spot at some of the busier parking lots or on-street adjacent to small retail and restaurant land uses. However it was determined that sufficient parking opportunities are provided within acceptable walking distance. Therefore, the existing parking system is considered sufficient to meet existing demand.

### 3 Post-Construction Parking Assessment

While the existing parking supply is sufficient to meet the current parking demand, significant changes to Downtown parking operations are anticipated in the near future. Two new developments are planned for Downtown Sudbury in the near future. The Places Des Arts, a development led by a number of local agencies, and The Junction, a City led development consisting of a Library, an Arts Gallery, and a Convention Centre with a hotel component.

This section estimates post-construction parking operations in Downtown Sudbury to determine whether a parking supply expansion is required to support the planned redevelopment projects, and if so, to estimate the number of spaces required to meet future demand. Post-construction parking operations are anticipated to change in two ways:

- Loss of municipal parking supply; and
- New parking demand generated by the two developments.

Using the 85-90% effective capacity threshold and the projected parking utilization, post-construction parking operations are evaluated.

#### 3.1 Municipal Parking Supply Losses

Through discussions with City of Greater Sudbury staff, the following three municipal off-street parking lots were determined to be redeveloped to support the two proposed developments:

- Sudbury Arena Annex Lot (Lot 5): 165 spaces lost;
- Sudbury Arena Lot (Lot 6): 81 spaces lost; and
- Larch Street Lot (Lot 11): 59 spaces lost.

A total of 305 parking spaces are anticipated to be lost, which represents a municipal off-street parking supply reduction of 18.6%. Post-construction, the municipal off-street parking system will consist of 11 lots with a total supply of 1,332 spaces.

For the purposes of this investigation, the parking demand currently parking in the three lots planned to be redeveloped was redistributed to nearby parking lots with available capacity. The parking lots targeted for redistribution were limited to lots within acceptable walking distance (300 – 400m) that provide the same type of parking opportunities as the affected lot (pay versus permit parking). The following number of vehicles were redistributed:

- Sudbury Arena Annex Lot (Lot 5): 142 vehicles;
- Sudbury Arena Lot (Lot 6): 34 vehicles; and
- Larch Street Lot (Lot 11): 53 vehicles.

### 3.2 Proposed Development Parking Generation

The parking demand anticipated to be generated by the two proposed developments was provided by City staff. Note that the provided estimates are projections for weekday business hours. The proposed developments are anticipated to generate higher parking demand during weekday evenings and weekends. However, while the generated demand is estimated to be higher, the Downtown parking system is anticipated to have more than sufficient parking capacity available to meet the generated parking demand at these times. This assessment focuses on weekday business hours as system wide parking demand is known to peak during these periods. The proposed developments are anticipated to generate the following demand:

- Places Des Arts: 30 permit parking vehicles; and
- The Junction:
  - Library and Art Gallery: The Library currently provides 40 on-site parking spaces while the Art Gallery provides 16 on-site parking spaces. Given The Junction redevelopment, an increase in Library and Art Gallery demand is projected, resulting in the need for an additional 75 “no charge spaces”. These vehicles can park in either permit or pay parking spaces;
  - Convention Centre: 20 permit parking vehicles and 180 pay parking vehicles; and
  - Hotel: 10 permit parking vehicles and 90 pay parking vehicles. Note that to attract a hotel investor, the parking spaces serving the hotel will need to be attached, adjacent to, or in close proximity to the hotel. 100 parking spaces are anticipated to be reserved for hotel patrons in Lots 2 and 3. Lot 2 has a supply of 110 parking spaces while Lot 3 supplies 56 spaces.

The parking demand generated by the proposed developments is distributed to nearby parking lots with available capacity. The parking lots targeted for redistribution were limited to lots within acceptable walking distance (300 – 400m) that provides the required parking type (permit vs pay parking).

While the Energy Court Lot (Lot 13) is located outside of acceptable walking distance of The Junction, a portion of the Downtown core is within the generally accepted walking distance of the lot. Some vehicles currently parking in the Downtown core’s northern periphery are assumed (through an awareness or incentive campaign noting price and proximity) to shift to the Energy Court Lot (Lot 13). The shift is anticipated to increase available supply in the northern lots which could result in a further shift in parking demand from more centrally located parking lots. In other words, an increased use of the Energy Court Lot (Lot 13) could be anticipated to facilitate a parking demand shift that results in some parking supply becoming available in close proximity of The Junction. As the Energy Court lot (Lot 13) is located further from the Downtown core than other lots and therefore less attractive to users, the post-construction utilization of 70% was targeted (compared to the generally targeted utilization of 85%).

To validate the parking demand projections provided by the City of Greater Sudbury, the two development’s parking requirements were calculated using the Institute of Transportation Engineers Parking Generation Manual (4<sup>th</sup> Edition) and the City of Greater Sudbury Zoning By-law 2010-100Z. **Exhibit 3-1** compares the provided parking demand projections to the parking requirements. The development statistics were provided by City of Greater Sudbury staff.

Exhibit 3-1: Parking Demand Validation

Land Use	Stated Demand (vehicles)	Parking Generation Manual				Zoning By-law 2010-100Z			
		Rate	Size	Req. (spaces)	Diff.	Rate	Size	Req. (spaces)	Diff.
Places Des Arts	30	1 per 4 seats	299 seats	75	+45	1 per 4 seats	299 seats	75	+45
Library	75	1.48x + 27 (x=1,000 ft <sup>2</sup> )	65,700 ft <sup>2</sup>	124	+75	1 per 25 m <sup>2</sup>	6,104 m <sup>2</sup>	244	+232
Art Gallery		0.98 per 1,000 ft <sup>2</sup>	27,000 ft <sup>2</sup>	26		1 per 40 m <sup>2</sup>	2,508 m <sup>2</sup>	63	
Convention Centre	200	0.31 per attendee	900 attendees	279	+79	1 per 20 m <sup>2</sup>	5,621 m <sup>2</sup>	281	+81
Hotel	100	1.1x - 59 (x=rooms)	150 rooms	106	+6	1 per room + 1 per 10 m <sup>2</sup> of public space	150 rooms	150	+50

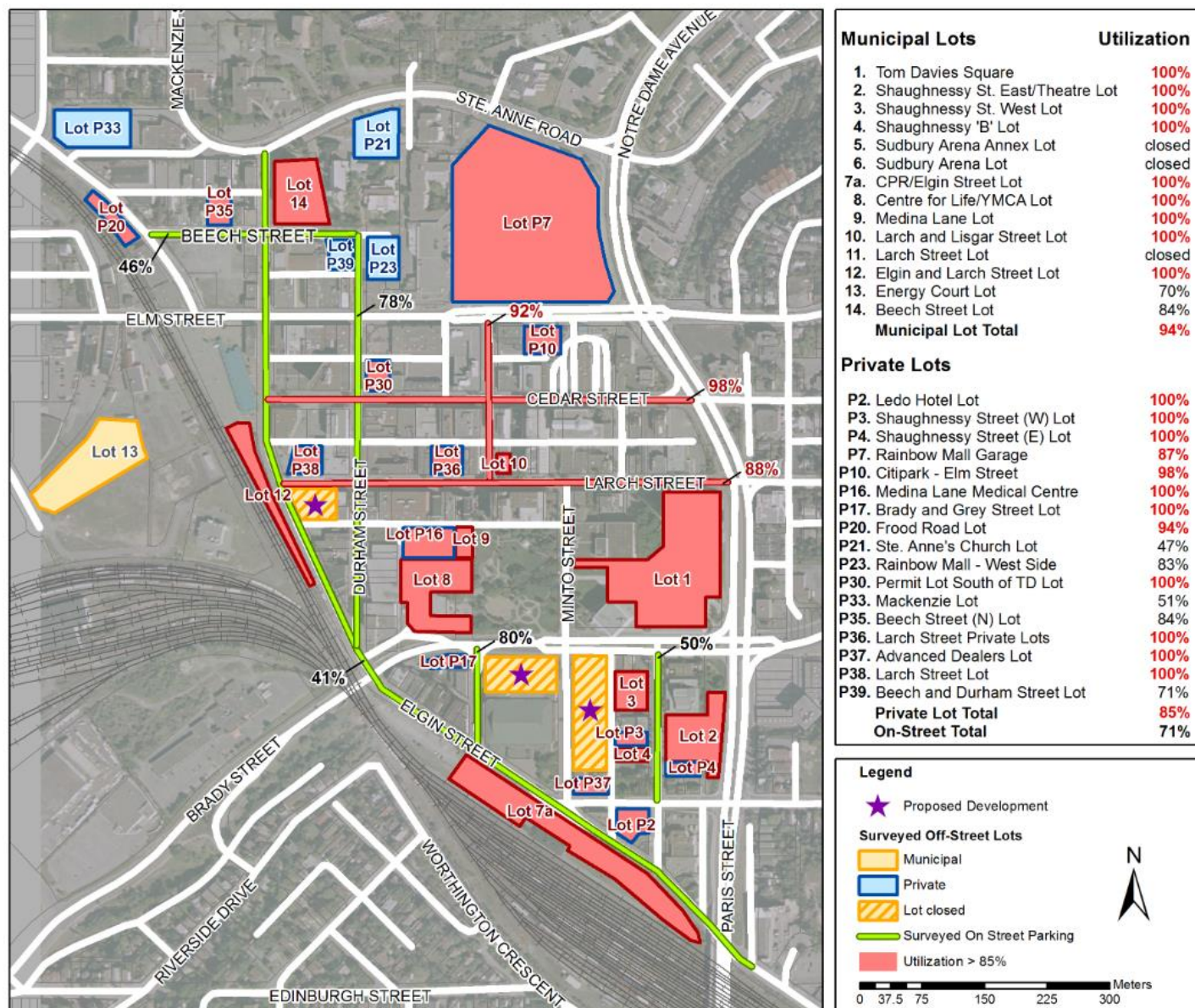
As displayed in **Exhibit 3-1**, the provided parking demand projections are lower than the parking requirements in all cases. Given that the proposed developments are anticipated to peak during weekday evenings and weekends, and that the estimated development parking demand is for weekday business hours, the parking requirements exceeding the projected parking demand is justified due to the differing peak times.

### 3.3 Post-Construction Parking Operations

This section consolidates the parking supply and demand changes outlined in Sections 3.1 and 3.2, and examines the Downtown core's post-construction parking operations.

The post-construction parking assessment was completed considering a parking utilization target of 85%. Overall, both municipal and private off-street systems are anticipated to operate over the 85% effective capacity threshold. **Exhibit 3-2** geographically displays the lot-by-lot parking utilization in Downtown Sudbury.

Exhibit 3-2: Post-Construction Parking Utilization



Considering the findings illustrated in **Exhibit 3-2**, the following observations are made:

- All municipal off-street lots are anticipated to operate near or at capacity, excluding the Energy Court Lot (Lot 13) which is projected to operate at 70% utilization. Both proposed developments are located outside of the 300-400m acceptable walking distance of Lot 13.
- Considering the private parking system, 12 of 17 off-street lots are anticipated to operate near or at capacity. Lots P21, P23, P33, P35, and P39 are anticipated to operate with available capacity. However, these lots are all located along the study area's northern periphery and outside of acceptable walking distance of The Junction.

- On-street parking operations remain unchanged from existing conditions. This occurs since patrons of the two proposed developments are anticipated to require parking for periods longer than the 2 hour maximum on-street limit allows.

While the demand generated by the Places Des Arts is anticipated to be accommodated by the existing system, 271 of the vehicles generated by The Junction could not be allocated. Based on these findings, a significant parking supply expansion, or tactics to deal with the excess parking demand, are considered necessary to meet the Downtown parking needs once the Places Des Arts and The Junction are constructed.

While the on-street parking system is not anticipated to directly serve the parking needs of the proposed developments due to the parking duration needed for visitors of the developments, vehicles currently parking off-street for periods less than 2 hours may shift on-street given the projected overcapacity off-street operations. In other words, available on-street parking is anticipated to facilitate some off-street parking supply becoming available in close proximity of the proposed developments. In 2011, the on-street parking system operated below effective capacity (71% utilized) indicating some available capacity. Additionally, between 2011 and 2018, 198 on-street metered parking spaces were added. Therefore, on-street parking could potentially accommodate a significant number of additional vehicles.

### **3.4 Parking Supply Expansion**

#### **3.4.1 Required Number of Spaces**

An iterative process was adopted when estimating the parking supply expansion required to meet post-construction parking needs, while providing efficient parking operations. The number of additional parking spaces was continuously adjusted until the municipal off-street parking system utilization decreased below the 85% effective capacity threshold.

In order to achieve the targeted 85% utilization, a parking supply expansion of 500 spaces is anticipated to be required.

#### **3.4.2 Recommended Strategy**

To achieve the targeted utilization of 85% (which requires 500 spaces), the City is recommended to construct a centrally located parking facility. Considering the high density central business district land uses, a structured parking supply expansion is considered most appropriate. The parking structure is recommended to be centrally located, ideally between the Places Des Arts and The Junction to support both developments and to maximize the number of near capacity lots within close proximity.

#### **3.4.3 High Level Cost Estimate**

Based on high level industry estimates, an aboveground parking structure costs approximately \$25,000 per space. Given this value, the high level cost estimate for the recommended parking structure is \$12,500,000.

Since this study estimated existing parking operations by adjusting the 2011 data using known parking supply and demand changes, the City is recommended to complete comprehensive parking demand surveys to confirm the findings. Significant cost savings are attributed to even minimal reductions to the required number of spaces.

## 3.5 Sensitivity Analysis

The generally accepted industry practice is to provide parking supply that targets a peak system wide utilization of 85%. However, this strategy may be overly conservative for Sudbury's context for the following reasons:

- The Convention Centre is not anticipated to be fully occupied on a regular basis. In other words, the parking demand is anticipated to be 200 vehicles lower than discussed in Section 3.3 during the periods the Convention Centre is inactive.
- Nominal population and employment growth is projected for the City of Greater Sudbury in the foreseeable future.

A sensitivity assessment is conducted to evaluate the parking supply expansion requirements considering a targeted off-street utilization of 90%.

### 3.5.1 Required Number of Spaces

To achieve an off-street utilization of 90%, a parking supply expansion of 315 spaces is anticipated to be required. When compared to the required number of spaces targeting 85% utilization, this value is significantly lower than the 500 parking spaces required.

By targeting an off-street utilization of 90% instead of 85%, the post-construction parking requirements can be achieved for approximately \$7,875,000 (compared to \$12,500,000).

When the Convention Centre is inactive, the off-street parking system is anticipated to operate at 84% utilization.

The City is recommended to decide whether the Convention Centre will be active during sufficient periods of time to justify providing an increased parking supply, or whether high system-wide utilization is acceptable during the periods the Convention Centre is active.

## 3.6 Additional Parking Strategies for Consideration

In addition to the structured parking supply expansion, the following strategies can be considered to reduce the centrally located parking structure's required number of spaces:

**Transportation Demand Management (TDM):** Investigate TDM as a strategy to reduce overall Downtown parking demand. Potential TDM strategies include improving transit service, cycling infrastructure (bike lanes and more bicycling parking), promoting the existing carpool program, and bringing a carshare service provider to Sudbury. TDM strategies can conservatively be estimated to reduce personal vehicle mode split by approximately 5% over a 10 year period.

Specific to the proposed developments, the City could consider providing free transit service with a valid Arts Gallery, Places Des Arts, or Convention Centre pass. Based on statistics collected following the 2015 Toronto Pan Am Games, Transit Ticket Integration increased transit ridership by approximately 12% of all spectator trips. While such success required significant supporting strategies and public communication, parking demand could be reduced by up to 5%.

**Investigate shared parking agreements with private entities:** The City could consider negotiating share parking agreements with private entities with available parking supply near The Junction. A preliminary review identified Grotto Park as a potential location with available supply.

**Surface parking expansion outside Downtown core:** As an alternative to provide structured parking, the City could investigate the opportunity to construct a surface lot outside of the Downtown core where space is more abundant and provide a shuttle bus connection to the

Downtown core. Through discussions with City staff, the option to construct a 40 parking spaces lot on Dufferin Street at a cost of approximately \$40,000 was identified.

**Free parking at Energy Court Lot (Lot 13):** Through a review of parking prices in the municipal off-street lots, parking at the Energy Court Lot (Lot 13) was determined to be discounted when compared to the more centrally located lots. In an attempt to further increase the appeal of Energy Court Lot (Lot 13) and therefore the Lot's utilization, the City could consider providing free parking.

## 4 Conclusions and Recommendations

Two new developments are planned for Downtown Sudbury in the near future. The Places Des Arts, a development led by a number of local agencies, and The Junction, a City led development consisting of a Library, an Arts Gallery, and a Convention Centre with a hotel component. This study is intended to estimate post-construction parking operations in Downtown Sudbury to determine whether a parking supply expansion is required for support the planned redevelopment projects, and if so, to estimate the number of spaces required to meet future demand. The following summarizes the study findings and directions.

### 2018 Existing Conditions Assessment

Based on an analysis of existing parking demand, it was found that sufficient parking is provided within the Downtown core, on an overall system basis. However, individual lots are observed to operate near or at capacity. Considering the municipal off-street parking system, 7 of 14 lots operate above the 85% effective capacity threshold, while 8 of 17 private off-street lots operate above effective capacity.

Based on the observations described, it is likely valid that some users perceive a shortage in parking with occasional difficulty in finding a spot at some of the busier parking lots or on-street adjacent to small retail and restaurant land uses. However, it was determined that sufficient parking opportunities are provided within acceptable walking distance. Therefore, the existing parking system is considered sufficient to meet existing demand.

### Post-Construction Parking Assessment

Significant changes to Downtown parking operations are anticipated considering the planned Places Des Arts and The Junction developments.

Based on an analysis of post-construction parking supply and demand, insufficient parking capacity is projected to be available to accommodate future parking needs. The findings suggest a significant parking supply expansion, or tactics to deal with the excess parking demand, are necessary to meet the post-construction parking needs. To attract a hotel investor, the parking spaces serving the hotel will need to be attached, adjacent to, or in close proximity to the hotel. 100 parking spaces are anticipated to be reserved for hotel patrons in Lots 2 and 3. Lot 2 has a supply of 110 parking spaces while Lot 3 supplies 56 spaces.

To achieve the targeted 85% utilization, a parking supply expansion of 500 spaces is anticipated to be required. A centrally located parking structure is recommended to meet post-construction parking needs. The high level construction cost is estimated to be approximately \$12,500,000.

Given that this assessment estimated existing parking operations by adjusting the 2011 data using known parking supply and demand changes, the City is recommended to complete comprehensive parking demand surveys to confirm this study's findings. Significant cost savings are attributed to even minimal reductions to the required number of spaces.

### **Sensitivity Analysis**

A sensitivity assessment is conducted to evaluate the parking supply expansion requirements considering a targeted off-street utilization of 90%.

To achieve the targeted 90% utilization, a parking supply expansion of 315 spaces is anticipated to be required. By targeting an off-street utilization of 90% instead of 85%, the post-construction parking requirements can be achieved for approximately \$7,875,000 (compared to \$12,500,000).

The City is recommended to decide whether the Convention Centre is anticipated to be active during sufficient periods of time to justify providing an increased parking supply, or whether the high system-wide utilization is acceptable during the periods the Convention Centre is active.

### **Additional Strategies for Considerations**

The following strategies can be considered to further reduce the centrally located parking structure's required number of spaces:

- Transportation demand management;
- Investigate shared parking agreements with private entities;
- Surface parking expansion outside Downtown core; and
- Free parking at Energy Court Lot (Lot 13).