



FINANCE AND ADMINISTRATION COMMITTEE AGENDA

Finance and Administration Committee Meeting
Tuesday, May 15, 2018
Tom Davies Square

COUNCILLOR MIKE JAKUBO, CHAIR

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

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.)

CORRESPONDENCE FOR INFORMATION ONLY

- C-1. Report dated April 29, 2018 from the General Manager of Growth and Infrastructure regarding Recycling End Markets. **4 - 6**
(FOR INFORMATION ONLY)
(This report provides information on the challenges facing municipalities in regards to the blue box recyclable end markets.)

REGULAR AGENDA

MANAGERS' REPORTS

- R-1. Report dated April 30, 2018 from the General Manager of Corporate Services regarding 2018 Property Tax Policy. **7 - 20**
(RESOLUTION PREPARED)
(This report recommends the adoption of the 2018 Property Tax Policy decision.)
- R-2. Report dated May 2, 2018 from the General Manager of Corporate Services regarding 2019 Budget Direction and 2019-2020 Two Year Financial Forecast. **21 - 32**
(RESOLUTION PREPARED)
(This report provides an overview of the forecasted budget for 2019-2020 and to seek Council's guidance for 2019 property tax increase.)
- R-3. Report dated May 2, 2018 from the Chief Administrative Officer regarding 2018 Downtown Sudbury Business Improvement Area Budget (BIA). **33 - 41**
(RESOLUTION PREPARED)
(This report provides information regarding the Downtown Sudbury Business Improvement Area Budget.)
- R-4. Report dated May 1, 2018 from the General Manager of Growth and Infrastructure regarding Operation & Maintenance of the Household Hazardous Waste Program. **42 - 46**
(RESOLUTION PREPARED)
(This report provides the tender results of the most recent procurement process for the Operation & Maintenance of the Household Hazardous Waste Program, Facility & Site.)
- R-5. Report dated May 1, 2018 from the General Manager of Growth and Infrastructure regarding Elements of a Public Art Policy. **47 - 58**
(RESOLUTION PREPARED)

(This report outlines common elements of a public art policy. These considerations include sections on vision, process and protocol, management of collection, administration and financing, and glossary.)

ADDENDUM

CIVIC PETITIONS

QUESTION PERIOD AND ANNOUNCEMENTS

NOTICES OF MOTION

ADJOURNMENT

For Information Only

Recycling End Markets

Presented To: Finance and Administration Committee

Presented: Tuesday, May 15, 2018

Report Date Sunday, Apr 29, 2018

Type: Correspondence for Information Only

Resolution

For Information Only

Relationship to the Strategic Plan / Health Impact Assessment

This refers to an operational matter.

Report Summary

China, one of the world's largest importers of recycling materials has imposed bans and restrictions on the acceptance of recyclable materials. This has created global repercussions that are expected to reduce revenues from the sale of recyclables with a potential \$550,000 shortfall for 2018.

Staff will continue to monitor the monthly markets and will provide updates as part of the quarterly operating variance reports prepared for the Finance & Administration Committee.

Financial Implications

Based on current trends, it is anticipated that the City could experience a loss in revenues from the sale of recyclables in the amount of \$1.1 million. Any actual loss experienced will be offset by a reduction of the revenue sharing portion at 50%. The 2019 budget for sale of recyclable materials will take into consideration market conditions at that the time it is developed.

Signed By

Report Prepared By

Chantal Mathieu
Director of Environmental
Digitally Signed Apr 29, 18

Financial Implications

Jim Lister
Manager of Financial Planning and Budgeting
Digitally Signed Apr 29, 18

Recommended by the Department

Tony Cecutti
General Manager of Growth and Infrastructure
Digitally Signed Apr 29, 18

Recommended by the C.A.O.

Ed Archer
Chief Administrative Officer
Digitally Signed Apr 29, 18

BACKGROUND

The purpose of this report is to provide an update on recycling end-markets.

Processing of Blue Box Materials

The mixed blue box materials that are collected or received at the Recycling Centre are processed by a City Contractor. The processing involves separating the recyclable items into specific categories and then shipping this material to end-markets. The City pays this Contractor to sort, process, ship and market the materials to various end markets. End-markets are companies that purchase or accept this processed material for re-use or to make new products.



The City pays the Contractor a rate per tonne to perform the work and shares equally in the revenues received from the sale of recyclable materials (revenue sharing).

Funding for the Blue Box Recycling Program

The Blue Box Recycling Program is funded by three key sources. The tax levy, revenues from the sale of recyclables and funding received from Stewardship Ontario.

Stewardship Ontario is a not-for-profit organization funded and governed by industries that produce or import products and packaging materials that end up in our blue boxes. Stewardship Ontario currently provides municipalities up to 50% funding on eligible blue box costs.

Recent and new legislation have indicated that producers will eventually be fully responsible for the proper management of their products and packaging, including the financial component. However, no specific timeline has been provided on when this change will take effect.

Current End-Markets

China, one of the world's largest importers of recycling materials has imposed bans and restrictions on the acceptance of recyclable materials. These new requirements have impacted global markets and forced suppliers of recyclable materials to look for alternative markets. This situation has unfortunately flooded the markets, reduced demand and lowered the value of recyclable materials.

Although it is very early in the year, the financial impact of decreasing revenues from the sale of recyclables based on the current trend could result in a \$1.1 million shortfall in revenues. The revenue sharing cost with our processing contractor would also decrease and this could create an overall estimated \$550,000 shortfall for the year 2018. This estimate is only based on the first two months of 2018.

The following chart highlights the variability for the sale of recyclables during the same period between 2008 and 2018:

Year	January to February
2008	\$378,000
2009	\$90,000
2010	\$359,000
2011	\$430,000
2012	\$370,000
2013	\$298,000
2014	\$318,000
2015	\$258,000
2016	\$257,000
2017	\$429,000
2018	\$153,000

Revenue from the sale of recyclables were depressed in 2009 following the financial crisis of September 2008. Once markets settled, revenues rebounded.

Commodities, including blue box recyclables have always been sensitive to market conditions. During depressed market conditions, end-markets will purchase the highest quality materials from nearby locations to reduce operating and transportation costs. These are operating challenges that periodically frustrate municipalities, but history has shown the markets eventually stabilize.

Until then, staff will continue to monitor the monthly markets and will provide quarterly updates as part of the operating variance reports prepared for the Finance & Administration Committee.

Request for Decision

2018 Property Tax Policy

Presented To: Finance and
Administration
Committee

Presented: Tuesday, May 15, 2018

Report Date Monday, Apr 30, 2018

Type: Managers' Reports

Resolution

Resolution #1:

THAT the City of Greater Sudbury approves property tax ratios as follows:

Multi-Residential - 2.000000;

Commercial – 1.980000;

Industrial – 3.957452;

Large Industrial - 4.4855558;

Pipeline – 2.179489;

Farm – 0.200000;

AND THAT the necessary Tax Ratio by-law and Tax Rate by-law be prepared.

Resolution #2:

THAT the City of Greater Sudbury use capping and clawback tools as follows:

- a) Implement a 10% tax increase cap
- b) Implement a minimum annual increase of 10% of CVA level taxes for capped properties
- c) Move capped and clawed back properties within \$500 of CVA taxes directly to CVA taxes
- d) Eliminate commercial and industrial properties that were at Current Value Assessment in 2016 from the capping exercise
- e) Eliminate commercial and industrial properties that crossed between capping and clawback in 2017 from the capping exercise

AND THAT the necessary by-law be prepared;

Signed By

Report Prepared By

Ed Stankiewicz
Executive Director of Finance, Assets
and Fleet
Digitally Signed Apr 30, 18

Financial Implications

Jim Lister
Manager of Financial Planning and
Budgeting
Digitally Signed Apr 30, 18

Recommended by the Department

Kevin Fowke
General Manager of Corporate
Services
Digitally Signed May 1, 18

Recommended by the C.A.O.

Ed Archer
Chief Administrative Officer
Digitally Signed May 1, 18

AND THAT the following clawback percentages, as calculated by the Online Property Taxation Analysis (OPTA) System, be adopted by the City of Greater Sudbury:

Commercial –100%;

Industrial – 53.1676%;

AND THAT the shortfall in funding the commercial cap be provided for by a contribution from the Tax Rate Stabilization Reserve;

AND THAT the City of Greater Sudbury approves the recommendations as outlined in the report entitled "2018 Property Tax Policy", from the General Manager of Corporate Services, presented at the Finance and Administration Committee Meeting on May 15, 2018.

Relationship to the Strategic Plan / Health Impact Assessment

This report refers to operational matters.

Report Summary

This report deals with the adoption of property tax policy decisions.

Financial Implications

If approved, a contribution of \$10,357 from the Tax Rate Stabilization Reserve will be made to the Operating Fund to fund the shortfall in taxation from the commercial tax class capping exercise.

Executive Summary

The purpose of this report is to establish 2018 property tax ratios to determine final property tax bills. There are two decisions:

- a) Determine the property tax ratios applicable for 2018 tax bills following a review of changes since the prior year, with particular regard for the impact of property reassessment and information regarding Council’s area rating policy.
- b) Determine the approach for managing tax capping and clawback provisions.

The recommendations in this report are consistent with property tax policy decisions adopted in prior years. As a result of valuation changes for 2017 as well as measures implemented by the Province to manage tax implications for the multi-residential class, assessment shifts between property classes continue to occur.

These assessment shifts change the relative share of taxes payable for each property class. Staff have analyzed options for mitigating the effect of assessment shifts.

Background

Calculation of Property Taxes

Rules governing property assessment values in Ontario are complex. However, the ultimate purpose of property assessment values is straightforward – to determine how the City’s tax levy is allocated to each property.

Calculating property taxes is based on information provided by the Municipal Property Assessment Corporation (MPAC), under the authority of the Provincial Assessment Act and the Municipal Act, 2001. MPAC is responsible for the classification and identification of property values for all individual properties in Ontario. Municipalities use MPAC data to assign property tax obligations to each property.

Provincial legislation require decisions regarding tax policy options to be made prior to issuing final property tax bills even if status quo is being maintained.

The City must establish its tax rates through a by-law on an annual basis to raise the required levy set out in the annual budget. The municipal tax rates are based on assessment values, tax ratios and the annual tax-based operating budget. Tax rates are calculated as follows:

$$\text{Property Tax Rate} = \frac{\text{Property Tax Levy} \times \text{Tax Ratio for the Class}}{\text{Weighted/Discounted Assessment for All Classes}}$$

For 2018, the City of Greater Sudbury will levy \$313 million in property taxation. This funds both municipal operations (\$260 M) and Greater Sudbury’s four school boards (\$53 M).

Decisions Required for 2018 Property Tax Policy

Generally, and consistent with other municipalities' practices, Greater Sudbury's traditional approach has been to establish tax ratios that minimize the impact to the residential property class, and to take decisions that prompt taxation on the full value of the property. This means that where choices exist to artificially sustain a property valuation that results in less tax being payable than it otherwise would pay except for that policy choice, the City of Greater Sudbury takes steps to remove those choices.

Property tax policy differs from the annual budget process, although both the budget and the choices in this report affect the amount of tax payable. It is useful to think of the budget process as determining the "size of the pie"; it establishes how much tax needs to be collected. Property tax ratios determine "how the pie is sliced"; it establishes the specific amounts each property owner pays. Unlike the budget process, property tax policy decisions do not change the amount of money the City receives through taxation.

Deciding Whether to Adjust Tax Ratios

Considering whether to adjust tax ratios is reasonable because several factors influence assessment values and these could lead to undesirable changes in taxes payable for some tax classes. For example, every four years MPAC resets its property values; this is called a "reassessment". A reassessment could result in a shift in property tax burden from one property class to another. By adjusting the tax ratios, this could be avoided and property classes will remain responsible for a consistent share of property tax payable.

Such a shift occurred in Greater Sudbury with the 2016 reassessment. The effect increased the relative property tax burden on residential and commercial properties and reduced it on the large industrial class. While increased assessments are phased in over a four year period, reductions in assessments are realized in the first year. In order to mitigate the large loss of taxation from the industrial class, Council approved increased tax ratios to recover some of this taxation. Since these large industrial property assessments are at their destination value, there will be no requirement in 2018 to raise these ratios.

For 2017, this was quite significant as the large industrial class realized a reduction in valuation of \$122 million of raw assessment. When the current large industrial tax ratio was applied, this resulted in a reduction of \$500 million in weighted assessment, which represented 2.5% of the City's total weighted assessment.

Also, the Province established a policy to ease the tax burden on multi-residential properties. The effect is to place a new upper limit on taxation for the multi-residential property class. On December 21, 2016, the Ministry of Finance announced measures to lessen the burden on the multi-residential class by imposing a maximum threshold ratio of 2.00 (compared to 2.74 previously). Ratios above that threshold would not provide the municipality the ability to pass any levy increase onto this class. The effect of this change increases the property tax burden on other property tax classes.

There are four options:

1. Approve the starting tax ratios for 2018 based on the approval of the 2017 ratios.
2. Reduce the multi-residential, commercial and industrial tax ratios to the provincial threshold.
3. Approve revenue neutral tax ratios, which maintains the relative tax burden within each class from 2017 to 2018.
4. Approve the threshold ratios for the multi-residential and commercial tax classes and reduce the broad industrial ratio to 4.15.

1. Approve the starting tax ratios based on the approval of the 2017 ratios.

This choice shifts tax responsibility marginally to the residential, and pipeline tax classes and reduces part of the tax obligations for the multi-residential, commercial and industrial classes. These three benefiting classes are above the provincial threshold (multi-residential - 2.00, commercial – 1.98 and industrial – 2.63) and as a result, properties in these three classes would be subject to a levy restriction. The levy restriction would be absorbed by the residential class and pipelines.

For the commercial and industrial class, only 50% of the approved levy increase can be passed on to these classes. With the new measures instituted for the multi-residential class, being above the new threshold ratio of 2.00, the result is a hard cap. That means no levy increase could be passed on to this class.

Based on this option, the residential class would realize an increase in taxation of \$3.2 million over 2017.

2. Reduce the multi-residential, commercial and industrial tax ratios to the provincial threshold

This option would move the tax ratios for the multi-residential, commercial and industrial class downward to the provincial threshold, being 2.00, 1.98 and 2.63 respectively, thus allowing 100% of the tax levy to be passed on to these three classes. Since the tax ratio reduction in the industrial class would be quite significant, the lower tax ratios would translate to lower taxes being generated from the industrial class resulting in additional tax burden to be absorbed by all other classes. Since the ratios for the multi-residential and commercial classes are close to the threshold ratios, moving these two classes to the threshold ratios and passing on 100% of the levy increase; this would result in increased tax revenue from these two classes.

In total, the tax increase from the residential class would be \$8.9 million with \$6.5 million of taxation being removed from the industrial class. Staff recognize this is an unreasonable option.

3. Approve revenue neutral tax ratios, which maintains the relative tax burden within each class from 2017 to 2018

The third option deals with moving tax ratios to a revenue neutral position, which would maintain the relative tax burden in each class at 2017 levels. As a result, the industrial class ratio would be above the provincial threshold, thus triggering the 50% levy restriction.

The result of accepting these revenue neutral ratios provides for tax increases in the residential class of \$4.1 million over 2017.

Staff recognize that this option is not acceptable.

4. Approve threshold ratios for the multi-residential and commercial classes and move the broad industrial tax ratio downward to 4.15.

As a result of the 2016 property reassessments, which reduced the valuations in the industrial class quite significantly, Council increased the industrial tax class ratio in 2017 to mitigate the tax impact on the residential class.

The industrial tax ratio is the second highest amongst municipalities within the BMA Municipal Study in 2017. As a result, it is recommended that over time, the City attempt to lower the tax ratio for this class.

By reducing this ratio from 4.59 to 4.15, additional tax burden would be passed on to all other classes. However, it is imperative from a competitive view point that this ratio continues to move downward.

This action would result in a municipal tax increase of 3.0% to the residential class.

This is the recommended option.

Tax Increase/ (Decrease) over 2017 (\$ millions)

Options	Residential	Multi-Residential	Commercial	Industrial	Large Industrial
Starting Ratios	3.2	0.4	3.1	1.5	(0.1)
Threshold Ratios	8.9	0.8	4.6	(3.2)	(3.3)
Revenue Neutral Ratios	5.1	0.4	2.0	0.9	0.3
Industrial Ratios at 4.15	4.1	0.5	3.2	0.8	(0.6)

The following chart reflects the property tax ratios resulting from the approval of Option 4, which would allow a reduction to the industrial class ratio which is one of the highest in the Province.

	2018 Proposed	2017 Approved
Multi-Residential	2.000000	2.121738
Commercial	1.980000	2.066940
Industrial	3.957452	4.310972
Large Industrial	4.485558	4.886254
Pipelines	2.179489	2.179489
Farm	0.200000	0.200000

If approved, the tax rates can be generated and the billing process can proceed. See Appendix “A” for Tax Rates.

Tax Capping and Clawback Provisions

As a result of provincial legislation, there are limits to tax increases that can be applied to business properties. This is known as “tax capping”. Under Bill 140, the cap was set at 5% over the previous year’s taxes plus the municipal levy increase. These caps are not intended to be permanent, and since 2005 the Province has allowed municipalities some ability to manage the effects of property tax capping. Generally, this involves shifting the tax burden among properties within the affected property tax class. The clawback is the amount that the decreasing property owners must forgo in order to fund the increasing properties’ cap on tax increases. This is represented by a percentage and not a dollar value.

All of the measures are still available for use by municipalities and have been enhanced for 2016 in an attempt to eliminate more properties from the capping exercise. In addition, the Minister of Finance has provided options to municipalities to exit the capping program for eligible classes and to phase out capping for tax classes that have all properties within the class levied at least at 50% of their Current Value Assessment taxes.

For Greater Sudbury, the capping exercise ceased in 2016 for the multi-residential class as this class has had no properties affected since 2015.

The following tools are being recommended for approval:

1. Implement a 10% tax increase cap.
2. Implement a minimum annual increase of 10% of CVA level taxes for capped properties.
3. Move capped and clawed back properties within \$500 of CVA taxes directly to CVA taxes.

4. Eliminate commercial and industrial properties that were at Current Value Assessment in 2016 from the capping exercise.
5. Eliminate commercial and industrial properties that crossed between capping and clawback in 2017 from the capping exercise.

The following table reflects the clawback percentage, capping dollars and properties affected by implementing the approved noted tools for the capping process.

	Commercial	Industrial	Total
Decrease Clawback %	100.0000%	53.1676%	
Clawback \$	\$142,345	\$1,634,950	\$1,777,295
Shortfall \$	\$10,357	\$0	\$21,895
# of Capped Properties	17	200	217
# of Clawback Decreasing Properties	11	24	35
# of CVA Tax Properties	2,658	189	2,847
Total # in Class	2,686	413	3,099

The approval of using all tools available is recommended to set the clawback percentage at:

Commercial	100.0000%
Industrial	53.1676%

By approving these clawback percentages it ensures that the decreasing properties will fund the cap of the increasing properties in the industrial class. The clawback in the commercial class at 100% is not sufficient to fund the cap and therefore it is recommended that the shortfall be funded from the Tax Rate Stabilization Reserve.

Tax Rates

In 2016, MPAC conducted the provincially mandated reassessment to update the assessment valuation date from January 1, 2012 to January 1, 2016. Assessment increases were to be phased in uniformly over the subsequent four-year taxation cycle from 2017 to 2020, while assessment decreases were fully implemented in the first year per Provincial Legislation. The CVA increase for the residential class was less than 4%. These valuation increases are phased in over a four year period. Therefore in 2018, the City's average residential assessment valuations increased by less than 1.0%. The valuation increases did not generate additional revenue for the City.

Impact of Provincially Regulated Education Tax Rates

Residential Education Taxes

As a result of the 2016 province wide reassessment, to account for the residential valuation increase throughout the province, the Ministry of Finance continues to reduce the provincially regulated residential education tax rate and in 2018; this represents a

5.0% reduction. If the property valuation increased by more than 5.0%, the property would realize an assessment related increase in education taxes. If the valuation was below 5.0%, the property would realize an assessment related education tax decrease. For 2017, the residential property education tax rate went from .179% to .170%, representing a 5.0% decrease.

Residential class property valuations in Sudbury increased by less than 1.0%. Collectively, the residential class will realize a reduction in education taxes of approximately \$0.9 million over 2017 values.

Commercial, Industrial and Pipeline Education Taxes

For 2018, the Ministry of Finance regulated the business class education tax rate at 1.09% representing a 4.4% reduction.

The elimination of the commercial and industrial subclasses also impacts the education taxes and the total increase in education taxes of \$0.6 million for commercial, industrial and pipeline is due in large part to this change in policy.

Education Tax Rates			
	2017	2018	% change
Residential, Multi-Residential	0.179%	0.170%	(5.0)
Commercial, Industrial, Pipeline	1.14%	1.09%	(4.4)

Tax Increase for Residential Property Class

Approved Budget	3.0%
Reduction in Education Tax Rate	<u>(0.9%)</u>
Tax Impact	<u>2.1%</u>

MPAC Reassessment - Valuation Changes Affecting Residential Tax Increases

Although the broad residential class would realize a 3.0% property tax increase, the individual property taxpayer may see a different tax increase based on the type of dwelling and the new reassessed value. Within the residential class, there are a number of different classifications of dwellings. Single family dwellings not on water reflected a 1% increase in valuation over the 2016 value. Conversely, waterfront properties reflected a 7% aggregate reduction in valuation from 2016. Condominiums reflected a 2% valuation increase of 2016 assessment. Duplexes and multiple unit properties (under 7 units within a structure) all had different valuation changes.

Area Rating

Another factor affecting 2018 tax increase is area rating. The methodology of area rating for the City of Greater Sudbury was developed at amalgamation and has remained unchanged, aside from minor adjustments. Area rating establishes different levels of taxation for different parts of the City, with the premise being that service levels

in those areas are sufficiently different that the basis for allocating costs should also be different. The two services that are area rated are Transit and Fire Services.

Fire Services

This service was area rated based on the level of career firefighters compared to volunteer firefighters. This created three distinct service levels and area rates:

1) Career Fire Rate

This rate recognizes that the former City of Sudbury is predominantly made up of career firefighters.

2) Composite Fire Rate

This rate applies only to the former City of Valley East, which has some career firefighters heavily supplemented by volunteer forces.

3) Volunteer Fire Rate

This area includes every former area municipality excluding the former City of Sudbury and Valley East, but taking into account the annexed area and is serviced by volunteer firefighters.

The actual fire tax rate for each area is calculated by taking the cost of fire services for the area and dividing it by the weighted assessment for that area. As has been recently discussed with Council, this method of allocation does not match service levels or costs incurred for the different service areas.

Public Transportation

There are two distinct areas for the public transportation area rate.

1) Urban Rate

This rate is applied to all properties in the former City of Sudbury and recognizes that this area requires more frequent service along both main arterial roads and residential streets. Based on the service hours received for this area, 80% of the conventional transit costs are allocated to this area. In addition, the Handi Transit costs realized within this boundary are also applied to this area.

2) Commuter Rate

This rate is applied to all other areas outside the former City of Sudbury with the exception of the annexed area, where no transportation rate would apply. This area would see approximately ten trips daily on main arteries and represents 20% of the service hours for conventional transit. Handi Transit actual costs for this area are used in the calculation of the area rate.

The transportation area rate is calculated for each area by taking the total costs (conventional and Handi Transit) for the area and dividing by the assessment for the area.

As a result, tax impact on properties will vary based on area rating and assessment changes from 2016 provincial reassessment.

Property Tax Distribution

This next chart reflects the tax impact in the residential class (municipal and education). This chart reflects the tax increases.

\$ Impact	Increasing Properties
0 - \$100	48,839
\$100 - \$200	7,244
> \$200	1,646
Total	57,729

There are 48,839 (85%) of the total 57,729 residential properties that will either experience an increase of less than \$100 on their 2018 property tax bill. The average increase would be \$50, but this figure will vary depending on area of the City, type of dwelling and valuation change year over year.

The average increase for properties under a \$200 increase is \$61.

Reassessment affecting 2019 tax rates

The 2016 reassessment affected the distribution of the tax burden amongst classes. However, the caps on taxation in the multi-residential and commercial classes emanating from ratios being above the provincial thresholds limited the tax burden to these classes.

With the adoption of threshold ratios for these two classes, there will no longer be a levy restriction and therefore, some of the tax burden will be removed from the residential class and moved to these two classes as a result of the valuation changes.

The annual valuation change for these classes are as follows:

Residential	1.0%
Multi-Residential	2.6%
Commercial	4.1%

For 2019 and 2020, the multi-residential and commercial classes will be responsible for a higher proportion of the tax burden to the benefit of the residential class.

2016 Reassessment – Industrial Properties

As mentioned last year, the 2016 reassessment returned a reduction of \$122 million in assessment (\$500 million in weighted assessment) for the industrial class. As a result, City staff appealed 13 large properties in an attempt to recoup this reduced assessment.

Dialogue with the mining companies is continuing with an expectation of a negotiated agreement amongst all parties.

Summary

The recommendations outlined in this report are consistent with tax policy decisions adopted in the past. If these recommendations are approved, tax rates may also be approved at the next Council meeting resulting in timely production of tax bills. Refer to Appendix "A" for Tax Rates and Appendix "B" for comparison regarding property taxation across Ontario, as reflected in the BMA Study.

2018 Tax Policy Report - Appendix A

**City of Greater Sudbury
2018 Final Tax Rates for all Municipal Purposes**

(all figures in the form of %'s)

Property Description	General	Career	Fire Rate		Transportation Rate		Career/Urban Area	Composite/Commuter Area	Volunteer/Commuter Area	Volunteer Area
			Composite	Volunteer	Urban	Commuter				
Residential/New Multi-Res	1.034682	0.156238	0.105179	0.061291	0.082750	0.038116	1.273670	1.177977	1.134089	1.095973
Multiple Residential	2.020694	0.312476	0.210358	0.122582	0.165500	0.076232	2.498670	2.307284	2.219508	2.143276
Commercial Occupied	2.048670	0.309351	0.208254	0.121356	0.163845	0.075470	2.521866	2.332394	2.245496	2.170026
Commercial Excess Land	2.048670	0.309351	0.208254	0.121356	0.163845	0.075470	2.521866	2.332394	2.245496	2.170026
Commercial Vacant Land	2.048670	0.309351	0.208254	0.121356	0.163845	0.075470	2.521866	2.332394	2.245496	2.170026
Industrial Occupied	4.021711	0.618304	0.416241	0.242556	0.327479	0.150842	4.967494	4.588794	4.415109	4.264267
Industrial Excess Land	4.021711	0.618304	0.416241	0.242556	0.327479	0.150842	4.967494	4.588794	4.415109	4.264267
Industrial Vacant Land	4.021711	0.618304	0.416241	0.242556	0.327479	0.150842	4.967494	4.588794	4.415109	4.264267
Large Industrial Occupied	4.555839	0.700815	0.471787	0.274924	0.371180	0.170972	5.627834	5.198598	5.001735	4.830763
Large Industrial Excess Land	4.555839	0.700815	0.471787	0.274924	0.371180	0.170972	5.627834	5.198598	5.001735	4.830763
Pipelines	2.255078	0.340519	0.229236	0.133583	0.180353	0.083073	2.775950	2.567387	2.471734	2.388661
Farm	0.206937	0.031248	0.021036	0.012258	0.016550	0.007623	0.254735	0.235596	0.226818	0.219195
Managed Forests	0.252587	0.039060	0.026295	0.015323	0.020688	0.009529	0.312335	0.288411	0.277439	0.267910

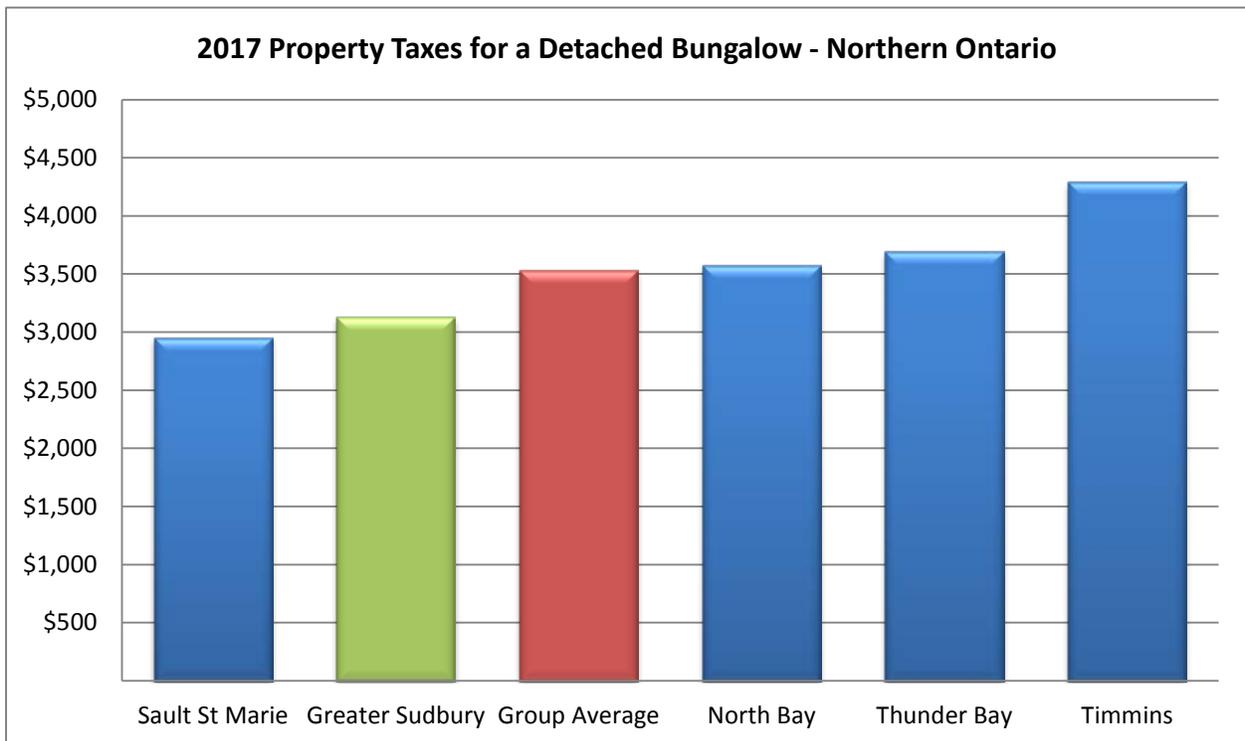
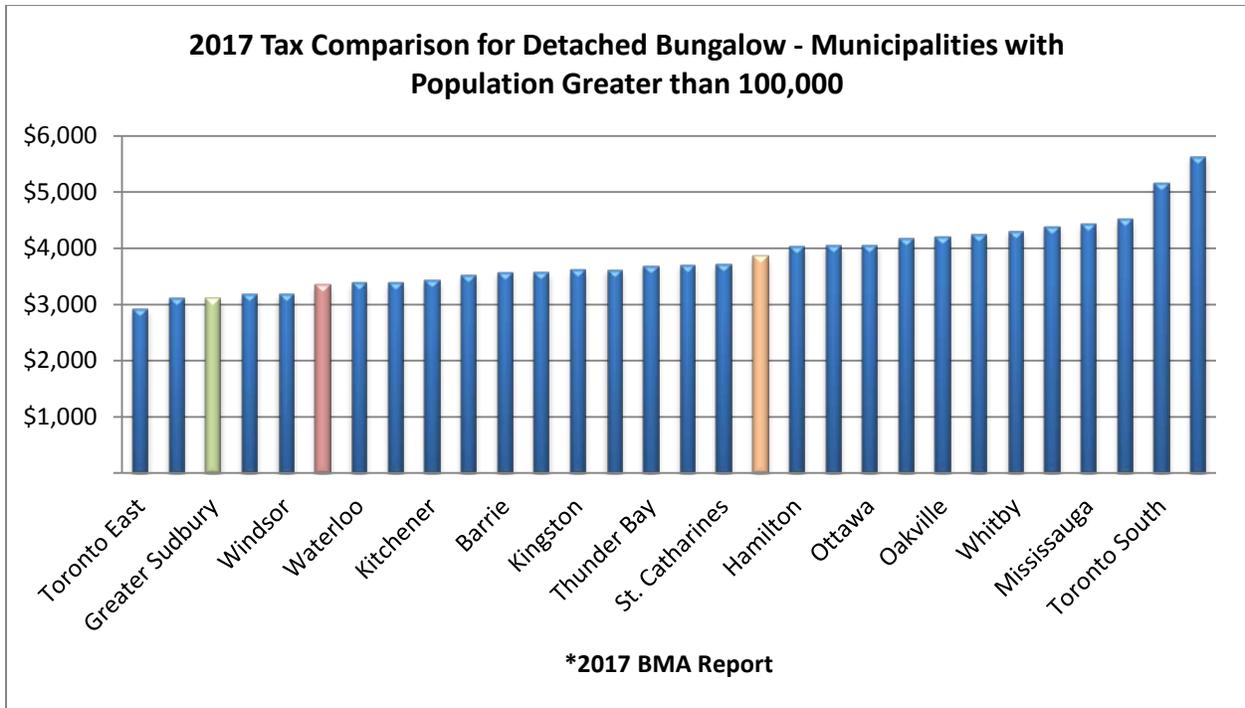
Fire Area Rate

- Career - this rate is applied to properties in the former City of Sudbury
- Composite - this rate is applied to the properties in the former City of Valley East
- Volunteer - this rate is applied to all other areas of the City of Greater Sudbury

Transportation Rate

- Urban - this rate applies to properties in the former City of Sudbury
- Commuter Rate - this rate applies to all other areas of the City of Greater Sudbury with the exception of the formerly Unorganized areas
- No Rate - applies to formerly Unorganized areas

2018 Tax Policy Report - Appendix B



Request for Decision

2019 Budget Direction and 2019-2020 Two Year Financial Forecast

Presented To: Finance and Administration Committee

Presented: Tuesday, May 15, 2018

Report Date Wednesday, May 02, 2018

Type: Managers' Reports

Resolution

Resolution #1:

THAT the City of Greater Sudbury directs staff to prepare a 2019 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 2019 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 2019 produces no more than a 3.5% property tax increase over 2018 taxation levels.

Resolution #2:

THAT the City of Greater Sudbury directs staff to develop the 2019 Capital Budget based on an assessment of the community's highest priority needs consistent with the application of criteria 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;

Signed By

Report Prepared By

Liisa Brule
Coordinator of Budgets
Digitally Signed May 2, 18

Division Review

Ed Stankiewicz
Executive Director of Finance, Assets and Fleet
Digitally Signed May 2, 18

Financial Implications

Jim Lister
Manager of Financial Planning and Budgeting
Digitally Signed May 2, 18

Recommended by the Department

Kevin Fowke
General Manager of Corporate Services
Digitally Signed May 2, 18

Recommended by the C.A.O.

Ed Archer
Chief Administrative Officer
Digitally Signed May 2, 18

e. The financial cost of deferring projects.

Resolution #3:

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 7.4%, subject to further review following completion of an updated long-term financial plan for water/wastewater services in the third quarter of 2018.

Resolution #4:

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 of non-tax revenue;
- c. The application of the means-based fee policy approved in the second quarter of 2018;
- d. Development of new fees for municipal services currently on the tax levy.

Resolution #5:

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 2019 Budget Document;
- b) Any business case with a value of \$50,000 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 2019 Budget Document regardless of its value.

Resolution #6:

THAT the City of Greater Sudbury requests its Service Partners (Police Services Board, Nickel District Conservation Authority, and Sudbury and District Health Unit) to follow the directions in resolution one of the report entitled "2019 Budget Direction" from the General Manager of Corporate Services, presented at the Finance and Administration Committee meeting on May 15, 2018, when preparing their 2019 municipal funding requests.

Resolution #7:

THAT the City of Greater Sudbury approves the proposed 2019 Budget Schedule in Appendix A of the

report entitled "2019 Budget Direction" from the General Manager of Corporate Services, presented to the Finance and Administration Committee meeting on May 15, 2018.

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 2019 forecast budget, as well as recommendations for directions to guide staff in the preparation of the 2019 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 2019 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 first quarter of 2019.

Executive Summary

The purpose of this report is to obtain directions from City Council regarding development of the 2019 Budget. It includes:

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

Consistent with budget presentations over the past two years, the 2019 budget 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, 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 no later than October 12, 2018 so that the Finance and Administration Committee can consider these along with the City's budget during deliberations in 2019.

The revenue and expenditure projections described in this report reflect several inputs. They include decisions approved in the 2018 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 2019 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 2019 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 as current service levels require a 1.4% change in taxation. Service partners cost increases and the cost of providing provincially mandated services require an additional 1.6% change in taxation, planned capital

expenditures, based on existing forecasts, require an additional 0.5% property tax increase. The following table summarizes the forecast changes:

	2019 Forecast %
Tax Levy Increase	4.5
Less: Impact of Assessment Growth	(1.0)
Forecasted Municipal Tax Increase	3.5%
Tax Increase Consists of:	
Provincial Mandated	0.6
Municipal Services (net of assessment growth)	1.4
Capital	0.5
Outside Boards	1.0
Forecasted Municipal Tax Increase	3.5%

Revenues are projected to increase by approximately \$4.2 million primarily due to an increase in user fee rates for water and wastewater and other fees. This anticipates revenue from Ontario Municipal Partnership Fund (OMPF) being relatively flat.

Operating expenditures are projected to increase by \$15.8 million (2.8%). The primary cost drivers are salary 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 Council can consider them on their individual merits and decide whether to include them in the 2019 Budget.

The net result of the change in expenditures and revenues translates into a levy increase of \$11.6 million. When assessment growth of 1.0% is factored, the projected tax increase is 3.5%. This is consistent with the Long-Term Financial Plan.

The overall impact for the residential tax class will likely be less than the 3.5% increase. The 2016 property value reassessment affected the distribution of the tax burden amongst tax classes. As a result, commercial, industrial, and multi-residential classes will be accounting for a larger portion of the tax burden, benefiting the residential class.

Risk

In collaboration with the Auditor General, the Executive Leadership Team is developing 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
- Aging infrastructure
- Climate change that brings more severe/adverse weather
- Legislative changes that influence how service is delivered and/or how much it costs
- Rapidly changing technology that requires the corporation to adapt how it provides service, or how it interacts with residents
- Economic conditions that influence perceptions of service affordability, access to trained workers 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 2017 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 4.0% and the median is 4.0% for municipalities over 100,000 in population.

Factors Influencing the 2019 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 2019 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 2019 ranging from 2.0% to 2.3%. A 2% inflationary increase is worth approximately \$1.9 million.
2. The price of crude oil is currently trading above \$65 per barrel, which is significantly higher than 2017. This influences the price of unleaded and diesel fuel, which staff forecast to be \$1.07/litre (up from \$0.90/litre in 2018). The

financial impact of fuel costs on the City would be approximately \$870,000.

The Ontario Fair Hydro Plan which was introduced in the summer 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 2019. Combined with consumption forecasts, the financial impact is a projected increase of \$250,000.

3. Overall, salaries and benefits reflect the effects of negotiated collective bargaining agreements, estimated changes to upcoming bargaining agreements, and changes resulting from Bill 148.

The Fair Workplaces, Better Jobs Act 2017, received Royal Assent on November 27, 2017. The total impact to the 2019 forecast is \$1.1 million.

In addition WSIB premiums have significantly increased for Police, Fire and EMS. The total impact is forecasted to be an additional \$675,000 in 2019. Overall, salaries and benefits account for a \$6.1 million increase over the 2018 budget.

4. User fees have been increased by the estimated 3.0% for 2019 in accordance with the Miscellaneous User Fee By-law. Staff are currently reviewing the affordable access to Transit and Recreation services. An update to the conceptual framework for Recreation services will be presented to Council in June 2018, and Transit will be incorporated into the Transit fare structure review to be presented in July. Changes to user fee rates will be incorporated into the 2019 budget.
5. Water/Wastewater, Cemetery, 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 3.5% for 2019 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). As of the fourth quarter of 2017, this index was 3.5%. This figure will be updated when the appropriate data is available. This increases capital spending on the tax levy by approximately \$1.3 million.
7. For 2019, staff are anticipating a decrease of \$135,000 to Ontario Municipal Partnership Fund (OMPF) funding.
8. Preliminary estimates from the outside Boards which includes Nickel District Conservation Authority (10% increase to the operating 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 2019 budget by \$2.4 million. The GSPS budget reflects a 3.8% increase over 2018 and includes an estimate for costs related to the annual provision to fund its Facilities Improvement Plan. GSPS are at risk of losing the Policing Effectiveness and Modernization Grant, which is intended to improve effectiveness, efficiency

and modernization of policing services. This represents a potential loss of \$1.1 million in 2019, and a further reduction of \$360,000 in 2020. Although the cost of implementing Cannabis Act legislation is not specifically known, it is anticipated that there could be a 2% impact on the GSPS budget, worth approximately \$1.1 million.

9. The impact of Social Housing on the 2019 forecast is an increase of approximately \$900,000. This is the result of mandatory inflationary increases to Non-Profit housing, and the Greater Sudbury Housing Corp totaling \$550,000, as well as a decrease in Federal funding, flowed to the City from the Province totaling \$350,000.
10. As approved in the 2018 Budget, funding for the large projects including Place des arts and the Event Centre have been included in the 2019 forecast. Funding for other large projects will be presented as a business case for Council decision. Costs for the large projects will be included in the updated long-term financial plan presented in June 2018.
11. Revenues from the sale of recyclable materials have taken a significant downturn at the end of 2017, and early 2018. China has imposed bans and restrictions on the acceptance of recyclable materials which have forced suppliers such as municipalities to look for alternative markets. As a result of low demand, markets have become saturated which has forced the price of materials down. For this reason, the 2019 projection for revenues from the sale of recyclable material have been reduced from \$2.1 million to \$1 million. This is offset by a reduction in the revenue sharing at 50% of the revenue. Overall, the net levy Impact is \$550,000 or 0.2% net levy increase. Staff will continue to monitor the markets and provide updates as more information becomes available. The 2019 budget will reflect information known at the time the budget is prepared.

Other Initiatives

Along with the large projects, the City is working on other initiatives which may be presented through business cases for decision in the budget process. Some of these initiatives include advancing the IT strategy to incorporate more technology in our business plans, as well as investigating the multi-use sports dome to be constructed in the City.

2020 Forecast

The 2020 forecast was developed using the same assumptions as 2019 with adjustments for known contractual increases, and decisions made by Council in the 2018 budget process. The cost to provide the same level of service represents a 3.9% taxation levy increase before the estimated assessment growth of 1.0%. This results in a net tax impact

of 2.9%. These projections are based on current information and are not final. These estimates will change as more information becomes available, and the 2019 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 number 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. Council will be kept apprised of assessment growth through the budget variance reports, which will report on the supplementary taxation rolls received from MPAC.

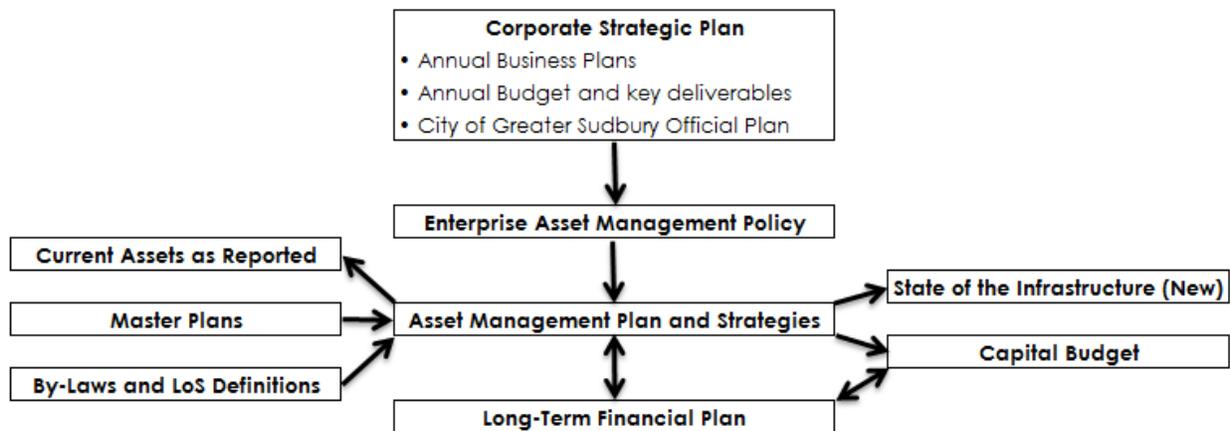
Factors Influencing the 2019 Capital Budget

Council recently received the Enterprise Asset Management Policy. Like most Canadian municipalities, Greater Sudbury must change its approach to long-standing asset management issues including:

- Increasing attention on maintenance services to support aging infrastructure;
- Improving everyone's understanding about the relationship between service levels and the costs required to provide them;
- Addressing increasingly complex and complicated legislative requirements designed to manage environmental stewardship;
- Mitigating the increased risk involved with managing older assets that could fail without timely maintenance, renewal or replacement investments.

Staff expects to implement several process changes to address these challenges. In addition to developing detailed asset management plans for all asset classes, changes are also being introduced to the process for determining capital spending priorities.

The following diagram was included in the Asset Management Policy:



The Capital Budget is an important element of the Asset Management framework because it shows where investments will be made to sustain, or strengthen, the city's overall asset condition. To ensure the investments reflect the City's highest needs and address the feedback offered by the other inputs to the asset management plan, changes are required to our current Capital Budget Policy and Procedures.

The most important change will be to the method used for determining capital priorities. Instead of determining priorities according to the funds allocated across 14 spending envelopes, a team comprised of senior staff from across the corporation will review all capital spending proposals and rank them according to consistent evaluation criteria. Following review by ELT, a financing plan for the ranked list will be developed and presented to Council for approval. The effect of this change is to ensure the city's highest priority capital investment needs are addressed.

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 in 2016, 2017, and 2018. The City is currently updating its water/wastewater financial plan and will present Council with the proposed new plan in late summer. For the purpose of this forecast, a 7.4% 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 Six, if approved, requests the service partners follow the same guidance staff are using to set the 2019 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 reviewing 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 2001 states 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.

Staff will be preparing and presenting a multi-year budget for the years 2020 and 2021. Although this does not follow the term of Council, the timing is important in order to incorporate the priorities set by Council in the Corporate Strategic Planning process which will take place in 2019.

2019 Budget Schedule

The 2019 budget schedule has been attached for the Committees review in Appendix A. The budget schedule reflects a similar process as the 2018 budget; however timelines have been adjusted to accommodate the 2018 Municipal Election.

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 2019 Base Budget. The services we provide 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.

2019 Budget Schedule

2019 Budget Direction Preliminary Forecast of Operating and Capital Budgets and Water/Wastewater Rate Increase	May 15, 2018
Community Consultation Session <ul style="list-style-type: none"> • On-Line Submissions 	Fall 2018
Update Meeting	September 25, 2018
Table Budget Document 2019 Operating and Capital Budget Overview Presentation (CAO & CFO) Presentation from Outside Boards (tentative)	Late January 2019*
Budget Meeting <ul style="list-style-type: none"> • Review and approve Operating and Capital Budgets and Water/Wastewater Rates • Three consecutive meetings have been scheduled 	Late February 2019*
City Council Approval of 2019 Operating and Capital Budget	Council Meeting following Finance and Administration Committee Approval of the Budget*
Approval of 2019 Property Tax Policy	May 2019

Note * The 2019 dates will be set and presented to Council with the 2019 Council and Committee meeting Schedule.

Request for Decision

2018 Downtown Sudbury Business Improvement Area Budget (BIA)

Presented To: Finance and Administration Committee

Presented: Tuesday, May 15, 2018

Report Date Wednesday, May 02, 2018

Type: Managers' Reports

Resolution

THAT the City of Greater Sudbury approves, in part, the proposed 2018 Downtown Sudbury BIA budget as described in the report entitled "2018 Downtown Sudbury Business Improvement Area (BIA) Budget", from the General Manager of Corporate Services, presented at the Finance and Administration Committee meeting on May 15, 2018;

AND THAT no aspect of the approval of the proposed budget constitutes approval of expenditure of funds on legal proceedings regarding the selection of sites and passage of City of Greater Sudbury By-laws 2018-63Z, 2018-61Z and 2018-62Z, all as amended, which amend the Zoning By-law to permit an arena, a casino and a parking lot for the Kingsway Entertainment District;

AND THAT the necessary by-law be prepared.

Relationship to the Strategic Plan / Health Impact Assessment

This report supports the 'Responsive, Fiscally Prudent, Open Governance' pillar of the Corporate Strategic Plan.

Report Summary

This report provides information relating to the 2018 Downtown Sudbury BIA budget and the BIA's obligations under the Municipal Act, 2001.

Financial Implications

There are no financial implications associated with this report.

Signed By

Report Prepared By

Ed Stankiewicz
Executive Director of Finance, Assets and Fleet
Digitally Signed May 2, 18

Financial Implications

Jim Lister
Manager of Financial Planning and Budgeting
Digitally Signed May 2, 18

Recommended by the Department

Kevin Fowke
General Manager of Corporate Services
Digitally Signed May 2, 18

Recommended by the C.A.O.

Ed Archer
Chief Administrative Officer
Digitally Signed May 2, 18

Background

Sections 204 through 215 of the Municipal Act, 2001 outline the criteria under which a Business Improvement Area (BIA) within a city must operate.

The BIA operates to achieve two main objectives in accordance with the Municipal Act, 2001 and these are as follows:

- a) To oversee the improvement, beautification and maintenance of municipally owned land, buildings and structures in the area beyond that provided at the expense of the Municipality generally; and
- b) To promote the area as a business or shopping area.

Downtown Sudbury BIA 2018 Budget

At the BIA's Annual General Meeting of Thursday February 22, 2018, the general membership approved its budget in the amount of \$534,000 representing a 2.5% increase over the 2017 operating budget (see Minutes of the Annual General Meeting attached). Contained in its budget under the category of Economic Development/Partnerships was an allocation of \$20,000 to assist with an appeal to the Local Planning Appeal Tribunal relating to the location of the Arena/Event Centre on the Kingsway.

AGM-18-01 states:

WHEREAS City Council has made decisions contravening their Downtown Master Plan, Official Plan and economic development policies, contrary to both Staff and Consultants' recommendations;

BE IT THEREFORE RESOLVED THAT the General Membership, present at the Annual General Meeting of 'Downtown Sudbury' BIA, Thursday, February 22, 2018, supports the recommendation of the Board of Directors, that an expenditure of \$20,000 be allocated within the 2018 budget to assist with the OMB appeal relating to the aforementioned discussion and their impacts on past and present investments by existing downtown members made in good faith and the City would adhere to their written and published policies.

The resolution was carried unanimously by the membership in attendance.

Approval in Part of the 2018 BIA Budget

The Municipality has the right to approve a BIA's budget in whole or in part under subsection 205(2) of the Municipal Act, 2001. That subsection states:

“A board of management shall submit the budget to council by the date and in the form required by the municipality and the municipality may approve it in whole or in part but may not add expenditures to it.”

In exercising its discretion to approve the 2018 BIA budget in whole or in part, staff would suggest whether the initiatives in the budget are consistent with the objectives of the BIA as described in section 204 of the Municipal Act, 2001. It would appear that the funding of an appeal of the Kingsway Entertainment District official plan amendment and rezonings would not be consistent with these objectives. As such, it is recommended that the City of Greater Sudbury approve the following budget amounts only:

Administration	\$245,000
Board/Member Development	\$13,000
Marketing	\$40,000
Special Events	\$80,000
Economic Development/Partnerships	\$5,000
Chargeback Reserve	\$11,000

Summary

It is recommended that the City of Greater Sudbury approve all of the proposed 2018 budget but for the part which includes the \$20,000 allocation to fund an appeal to the Local Planning Appeal Tribunal.

ANNUAL GENERAL MEETING – ‘DOWNTOWN SUDBURY’ BIA

Thursday, February 22, 2018, McEwen School of Architecture

THE ANNUAL GENERAL MEETING OF THE BOARD HELD AT 5:30 P.M.

J. MACINTYRE IN THE CHAIR.

PRESENT

B. McCullagh, K. MacIsaac, B. Diesinger, A. Vardy, F. Cormier

REGRETS

S. Vincent, J. Browning, A. Gilmore

ALSO PRESENT

Staff: M. Luoma, Executive Director
B. Kuczma, Program Co-ordinator
M. Leblanc, Member Services/Communications Officer
R. Ward, Bookkeeper

Guests and Downtown Members/Partners

WELCOME

J. MacIntyre welcomed Guests and introduced the Board of Directors.

PROJECT UPDATES

J. MacIntyre introduced the following Guests who provided updates of their respective Downtown projects:

- **4th Year Student Urban Design Project – Emilie Pinard** ... An overview of the current project of the students at the McEwen School of Architecture, being done in co-ordination with Prime Real Estate, and focusing on mixed use development opportunities at two sites in the core. Some of the students were present, with their models, to chat with attendees both prior to and following this business portion.
- **Planning Dept. Update – Ed Landry** ... An update of the Financial Incentives, Tom Davies Square courtyard (underway with expected completion in the fall), Durham Parkette (with expected completion in late summer), Elgin Greenway Phase One (Morris St. – Minto St.) (expected to begin this spring/summer), Elgin St. Pedestrian underpass (currently underway)
- **Library Art Gallery & Convention and Performance Centre – Ian Wood** ... Status report provided, including noting that there will be upcoming Public Consultation on Site Design at various locations, including in downtown
- **Place des Arts – Martin Lajeunesse, Marie-Eve Pepin** ... An overview of the next steps, including the beginning of construction this summer with expected opening in 2020.
- **Impark – Greg Chapman** ... Overview of the services provided, the importance of managing parking (and resulting efficiencies that brings), cost of surface lots vs structured parking.
- **Laurentian University – Dr. Pierre Zundel** ... How the Downtown fits into the new Strategic Plan of the University, particularly the opportunity for partnerships between the school, students and the downtown business community.

BUSINESS PORTION

J. MacIntyre provided a brief overview of the Board's activities and partnerships over 2017, noting that further details were outlined in the Annual Report contained in the registration package. He made specific reference to the following:

- **'Win This Space'** initiative ... The success of 2017 was outlined and Justine Martin, Guilty Pleasures Bakeshop and Bar, was introduced and said a few words as the 'Top Entrepreneur' in the Program. The 2018 Program was announced, thanks to the partnership with GSDC and the numerous Prize Package sponsors.
- **Const. Tyler Hagen** was introduced as our BIA direct liaison with the Greater Sudbury Police Service. Const. Hagen began in this role in early 2018 and has already visited a number of businesses. Members were advised of a new initiative between the BIA and the GSPS – **'Coffee with a Cop'** – as per information in the registration package.
- **BR&E** (Business Recruitment and Expansion Program) ... Liesel Franklin, GSDC, was introduced as our key working liaison with GSDC and the upcoming BR&E that she will be undertaking, including contacting a number of members.
- **Pedestrian Overpass** ... An overview of discussions to date was provided including project partners (CP, City, BIA, various levels of government) with the goal/objective to construct an overpass to link the Energy Court Parking lot to Elgin St. – particularly in light of the loss of parking as a result of the Place des Arts development.
- **Event Centre** ... An update was provided on this project, including the Board's recommendation to contribute funds to the OMB appeal (should there be one), and the potential 'fall out' that could come as a result (ie removal of current Directors, disbanding of the BIA, hold back of budget). It was noted that legal consultation was made and that Directors believe that this is necessary. The following resolution was then presented:

AGM-18-01 Deisinger-McCullagh

WHEREAS City Council has made decisions contravening their Downtown Master Plan, Official Plan and economic development policies, contrary to both Staff and Consultants' recommendations;

BE IT THEREFORE RESOLVED THAT the General Membership, present at the Annual General Meeting of 'Downtown Sudbury' BIA, Thursday, February 22, 2018, supports the recommendation of the Board of Directors, that an expenditure of \$20,000 be allocated within the 2018 budget to assist with the OMB appeal relating to the aforementioned discussion and their impacts on past and present investments by existing downtown members made in good faith that the City would adhere to their written and published policies

CARRIED UNANIMOUSLY

B. McCullagh (Vice-Chair) then provided an overview of the proposed 2018 Budget, including specifics on what is included in the various line items – as contained in the package – and recommended by the Board of Directors. It was further noted that the budget is also used to successfully leverage various partnerships to undertake programs (media, special events). The 'Win This Space' initiative was noted as a strong example of how the Board works with partners and how the budget is leverage ... the BIA commitment for 2018 is \$13,000 and the program package is valued at over \$47,000. In addition, M. Luoma was called upon to clarify the Chargeback line item and how it relates to 'levy loss'. The following resolutions were then presented.

AGM-18-02 Deisinger-McCullagh

THAT the General Membership supports and approves the 2018 Program and Operating Budget in the amount of \$534,000 as presented and discussed, representing a 2.5% increase over the 2017 Operating Budget;

AND FURTHER THAT this budget and program reflects the Strategic Plan and Directors' priorities including Marketing; Special Events; Development/Design.

CARRIED

AGM-18-03 Deisinger-McCullagh

THAT the General Membership of 'Downtown Sudbury' approves maintaining the 'Chargeback Reserve' for 2018, established for the purpose of covering any loss of revenue as a result of loss of assessment.

CARRIED

AGM-18-04 Deisinger-McCullagh

THAT the General Membership of 'Downtown Sudbury' approves maintaining the 'Reserve Fund', established in preparation of specific Major Projects in the Downtown.

CARRIED

CLOSING REMARKS

J. MacIntyre thanked the Presenters, Members and Guests for attending and noted that the Board is looking forward to another very positive and exciting year. He further thanked the School of Architecture for the meeting space, Motley Kitchen for the refreshments, Dani Star for the music.

ADJOURNMENT

There being no further matters to discuss at this time, this meeting adjourned at 7:30p.m.

Chair

Executive Director



DOWNTOWN SUDBURY
115 LARCH STREET
SUDBURY, ON P3E 1B8
705 674 5115
www.downtownsudbury.com

March 9, 2018

DELIVERED

City of Greater Sudbury
200 Brady St.
Sudbury, Ontario P3A 5P3

ATTENTION: CITY CLERK'S OFFICE

RE: 2018 BUDGET – 'Downtown Sudbury' BIA

'Downtown Sudbury' recently held their **Annual General Meeting – Thursday, February 22, 2018**. At this time, Members were provided Information Packages, as well as a verbal presentation including the 2018 Program and Budget (as approved and recommended by the Board of Directors). Property Owners and Businesses were advised of this meeting through delivered notices, emails, phone calls and visits.

Further to the presentation, the following resolution related to the 2018 Program and Budget was presented:

AGM-18-02

THAT the General Membership supports and approves the 2018 Program and Operating Budget in the amount of \$534,000 as presented and discussed, representing a 2.5% increase over the 2017 Operating Budget;
AND FURTHER THAT this budget and program reflects the Strategic Plan and Directors' priorities including Marketing; Special Events; Development/Design.

CARRIED

Attached are 15 copies of the Annual Report, for Council/Staff and for final ratification by City Council.

Should you have additional questions, please do not hesitate to contact me.

Yours truly,

Maureen M. Luoma
Executive Director
Att.

18-165 McCullagh-Deisinger

WHEREAS the Up Here Festival, now in its 4th year, has quickly become a recognized festival across the country;
AND WHEREAS the Festival continues to grow and strengthen both the performing and visual arts components and related venues throughout the downtown;

BE IT THEREFORE RESOLVED THAT the Board supports a 2018 Sponsorship in the amount of \$12,500.

CARRIED

Ribfest

Site ... M. Luoma provided an update on this year's event logistics including the need to relocate (due to the Place des Arts construction) and the resulting impacts and challenges that presents. A number of potential site options were presented and discussed – noting that these were very preliminary. Directors were also advised that the Red Cross, event partners since the inception with the specific role of Volunteer Co-ordination, are no longer able to participate due to organizational changes.

Further to a lengthy discussion, the following direction was provided to staff:

1. **Site option preference** ... Memorial Park, laneway, Minto Street area
Action/Next Steps ... Staff will now develop the logistical details, including required approvals, layout, etc. Further details to be presented at the April meeting.
2. **Charity partner** ... recommendation – YMCA
Action/Next Steps ... Confirmation that the YMCA is interested and available.

2017 Charitable Donation ... M. Luoma provided an overview of the 2017 financial results. Further to discussion, the following resolution was presented:

18-166 McCullagh-Gilmore

WHEREAS the on-site operations of the 10th Annual Downtown Sudbury Ribfest was made possible through Volunteers;
AND WHEREAS the Canadian Red Cross has been very supportive and an integral partner in this event from the inception, increasing their roles and responsibilities with the Volunteer scheduling and related needs;

BE IT THEREFORE RESOLVED THAT the Board approves a 2017 donation of \$10,000 to the Canadian Red Cross, Sudbury operation.

CARRIED

Taste of Downtown

M. Luoma provided an overview of a potential new event that would feature/focus on the downtown restaurants, noting that a preliminary meeting has been held with a few members to determine interest, logistics, etc. It was noted that some of the current ideas include:

- 'Passport' concept .. to drive people to the restaurants
- Prize opportunities for both participating public and restaurants
- Potential to include a 'Downtown Art Crawl', pop-up music, retail specials/sidewalk sale
- Opportunity for Charity involvement
- 'best practices' from other communities – ie Kelowna
- Potential for growth – but – this year beginning as a one-day event (Saturday) ie 11am – 4pm – possibly September (while outdoor patios are still open) – no date has been confirmed as yet

Discussion followed and support in principle received to continue to pursue this idea – perhaps including an evening opportunity ie after the dinner rush (8pm – 11pm).

Next steps ... A meeting will be held over the next few weeks inviting all restaurants to determine level of interest in order to proceed. Further report (including potential budget) at next meeting.

PROPOSED 2018 OPERATING BUDGET



The following **2018 Operating Budget** for 'Downtown Sudbury' BIA reflects the 2018 Work Plan ... building upon many of the projects/programs as identified at the Annual General Meeting and within the Annual Report ... representative of:

- Maintaining and developing existing **successful programs and projects**
 - The **Downtown Strategic Plan**
 - Continuing to work actively with **community and downtown partners** to initiate, undertake and develop programs/projects
 - **2.5% increase over the 2017 Operating Budget** ... to accommodate such initiatives as – Marketing, Special Events, Development/Design
 - A 'base' operating budget that may also **leverage additional funding** as well as services – ie event sponsors, media partners, Federal/Provincial Grants, City of Greater Sudbury, GSDC (ie 'Win This Space')
-

Operating Budget

\$534,000

Program Areas

Administration ie operations – rent, supplies, audit, staff	245,000
Board/Member Development ie Provincial Conference, Workshops, meetings (AGM)	13,000
Marketing ie website development/maintenance, downtown publication, bus-back adv, branded items (banners, tent)	40,000
Special Events ie Yard Sale, Downtown Rotary Blues For Food, Ribfest, Outdoor Movies, Christmas, sponsorships (ie Up Here, Graphic Con, Earth Day, Art Crawls, Fright Festival)	120,000
Streetscape/Environment ie hanging baskets, banners, snow removal at meters, tree lights	80,000
Economic Development/Partnerships ie Win This Space (with GSDC), Event Centre	25,000
Chargeback Reserve Specific to Levy Loss	<u>11,000</u>

\$534,000

Request for Decision

Operation & Maintenance of the Household Hazardous Waste Program

Presented To: Finance and Administration Committee

Presented: Tuesday, May 15, 2018

Report Date Tuesday, May 01, 2018

Type: Managers' Reports

Resolution

THAT the City of Greater Sudbury approves funding for Contract ISD18-3 for the Operation & Maintenance of the Household Hazardous Waste Program, Facility and Site from the Tax Rate Stabilization Reserve in the amount of \$96,000 for 2018 as outlined in the report entitled "Operation & Maintenance of the Household Hazardous Waste Program", from the General Manager of Growth & Infrastructure, presented at the Finance & Administration Committee meeting on May 15, 2018.

Relationship to the Strategic Plan / Health Impact Assessment

This report refers to operational matters.

Report Summary

This report provides the tender results of the most recent procurement process for the Operation & Maintenance of the Household Hazardous Waste Program, Facility and Site.

Financial Implications

The estimated 2018 budget shortfall is \$156,000 excluding taxes since the new contract terms will commence August 19, 2018. Approximately \$60,000 will be offset by a portion of the savings from the reassignment of waste collection from contractor crews to in-house crews. If approved, the remaining \$96,000 will be funded from the Tax Rate Stabilization Reserve in 2018. The 2019 budget will reflect the full cost of this contract.

Signed By

Report Prepared By

Renee Brownlee
 Manager of Solid Waste and Administrative Services
Digitally Signed May 1, 18

Division Review

Chantal Mathieu
 Director of Environmental
Digitally Signed May 1, 18

Financial Implications

Jim Lister
 Manager of Financial Planning and Budgeting
Digitally Signed May 1, 18

Recommended by the Department

Tony Cecutti
 General Manager of Growth and Infrastructure
Digitally Signed May 1, 18

Recommended by the C.A.O.

Ed Archer
 Chief Administrative Officer
Digitally Signed May 1, 18

BACKGROUND

The operation and maintenance of the Household Hazardous Waste Program is currently operated by EnviroSystems Incorporated. This contract provides for the labour, material, equipment and management necessary for the operation of the permanent Household Hazardous Waste Depot, the operation of the Toxic Taxi service and a paint reuse program in accordance with all municipal, provincial and federal by-laws, regulations and acts. This Contract expires August 18, 2018.

The Request for Supplier Qualification document ISD18-3 for the Operation & Maintenance of the Household Hazardous Waste Program, Facility and Site was prepared and submitted in late 2017. The document included clarification for service level and maintenance requirements, including the requirement for various plans. Performance standards, including key performance indicators, electronic reporting, Automatic Vehicle Locator (AVL) for the Toxic Taxi and the corporate health & safety standards protocols were also included in the document.

Purchasing posted the Request for Supplier Qualification document on January 23, 2018. The closing date of February 21, 2018 was in compliance with the posting time imposed by the Canadian European Trade Agreement and the Canadian Free Trade Agreement. Three (3) companies publically signed up for the plan takers list:

- 1) Blue Metric Environmental Inc.
- 2) Drain-All Ltd.
- 3) EnviroSystems Incorporated

EnviroSystems Incorporated submitted a document under the Request for Supplier Prequalification process. The submission was pre-qualified by staff and they submitted a tender bid on March 29, 2018. The compliant bid submitted was \$876,109.75 excluding taxes.

Following analysis, the compliant bid is over budget by approximately \$423,000 per year excluding taxes.

The estimated 2018 budget shortfall is \$156,000 excluding taxes since the new contract terms will commence August 19, 2018. Approximately \$60,000 will be offset by a portion of the savings from the reassignment of waste collection from contractor crews to in-house crews. Staff are recommending that the remaining shortfall of \$96,000 be funded from the Tax Rate Stabilization Reserve.

The estimated annual budget shortfall of \$423,000 excluding taxes will be incorporated in the 2019 base budget. These costs have been incorporated in the 2019/2020 preliminary financial forecast that will be presented to Council on May 15, 2018.

Based on the recent announcement made by the Minister of the Environment and Climate Change, staff anticipates that the management of household hazardous waste will transition to individual producer responsibility by December 31, 2020. This means that the majority of the costs may be removed from the municipal tax levy. Staff will participate in this transition process and provide the committee with regular updates as they become available.



2018

Falconbridge	Recycling Centre Frobisher	Household Hazardous Waste Depot
	M.I.C.	
Kingsway		

**Open the following Saturdays
from 8:30 am to 3:30 pm**

- January 13	- July 14
- February 10	- August 11
- March 10	- September 1, 8, 15, 22, 29
- April 7, 14, 21, 28	- October 6, 13, 20, 27
- May 5, 12, 19, 26	- November 10
- June 9	- December 8

Household Hazardous Waste Depot

1853 Frobisher Street, Sudbury

Don't throw hazardous waste in the garbage, down the sink or in the sewer. Bring it to the Household Hazardous Waste Depot for free disposal.

Examples of materials accepted

Common examples of household hazardous waste include:

- | | | | | |
|----------------------|-----------------------|---------------------------------|----------------------|-------------------|
| - medicines | - household batteries | - butane lighters and cylinders | - transmission fluid | - brake fluid |
| - car wax | - diesel | - kerosene | - car batteries | - gasoline |
| - motor oil | - antifreeze | - windshield washer | - glues | - cements |
| - paints | - thinners | - stains and preservatives | - turpentine | - paint strippers |
| - rust removers | - ammonia | - aerosols | - drain openers | - oven cleaners |
| - fire extinguishers | - pool chemicals | - propane tanks and cylinders | - fertilizers | - syringes |
| - fluorescent tubes | - thermometers | - weed and bug killers | | |

Materials not accepted:

No commercial, industrial, institutional, pathological, PCB, explosive, radioactive or unknown waste will be accepted.

Please note:

- All waste must be clearly labelled and in sealed containers.
- Do not mix different products together.
- Reusable containers will not be returned (i.e. plastic gas cans).
- Syringes must be in a puncture-proof container.

For further information, please call City Services at 3-1-1 or visit our website at www.greatersudbury.ca/wastemanagement.



It starts with you! We'll take it from here.





Toxic Taxi

Don't throw hazardous waste in the garbage, down the sink or in the sewer.

If you're unable to deliver your household hazardous waste to the Household Hazardous Waste Depot, please call the Toxic Taxi answering service at 705-560-9019 to make an appointment for free home collection service.

Please leave your name and telephone number(s). Your call will be returned in 24 hours to schedule an appointment.

You may also make a Toxic Taxi appointment by email. Simply send an email to Sudburytoxictaxi@hotzenvironmental.com detailing your name, address and the waste you have to be collected. A representative will reply with an appointment date that you will be asked to confirm.

Please note for safety reasons, the Toxic Taxi will not pick up waste if you are not home.

Examples of materials accepted:

Common examples of household hazardous waste include:

- | | | | | |
|----------------------|-----------------------|---------------------------------|----------------------|-------------------|
| - medicines | - household batteries | - butane lighters and cylinders | - transmission fluid | - brake fluid |
| - car wax | - diesel | - kerosene | - car batteries | - gasoline |
| - motor oil | - antifreeze | - windshield washer | - glues | - cements |
| - paints | - thinners | - stains and preservatives | - turpentine | - paint strippers |
| - rust removers | - ammonia | - aerosols | - drain openers | - oven cleaners |
| - fire extinguishers | - pool chemicals | - propane tanks and cylinders | - fertilizers | - syringes |
| - fluorescent tubes | - thermometers | - weed and bug killers | | |

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Please note:

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For further information, please call City Services at 3-1-1 or visit our website at www.greatersudbury.ca/wastemanagement.

It starts with you! We'll take it from here.



Greater Sudbury
45 of 60

IMPORTANT Information about Sharps Disposal

(Syringes, Needles and Lancets)

Sharps, including syringes, needles and lancets, must be discarded in a proper manner to prevent needlestick injuries. There are various methods of safe disposal:

Participating Pharmacies: Go to www.healthsteward.ca and enter your postal code to find the closest participating local pharmacy. These pharmacies will provide you with a free approved sharps disposal container, and once you bring it back full, they will safely dispose of it.

Household Hazardous Waste Depot: Place your sharps in a puncture proof container, such as a sharps disposal container from a pharmacy or a hard sided container such as a peanut butter jar, coffee can or detergent bottle. Deliver these sealed containers to the **Household Hazardous Waste Depot, 1853 Frobisher St.** (off Falconbridge Road), Sudbury. Hours of operation are available online at www.greatersudbury.ca/hazardouswaste or call 3-1-1 for information.

Toxic Taxi: Place your sharps in a puncture proof container, such as a sharps disposal container from a pharmacy or a hard sided container such as a peanut butter jar, coffee can or detergent bottle. You can schedule an appointment with the Toxic Taxi to pick up your sealed sharps container and other household hazardous waste from your home. For safety reasons, the Toxic Taxi will not pick up hazardous waste if you are not home. To book an appointment, please call the Toxic Taxi at 705-560-9019.



- NEVER** place sharps in a roadside garbage container, Blue Box or other waste collection container.
- NEVER** place sharps in a roadside or private property litter container.
- NEVER** place sharps in any private or commercial garbage or recycling bin.
- NEVER** dispose of sharps at a transfer station or landfill.

**Protect yourself.
Protect others.**
Please take care when
disposing of sharps.

Request for Decision

Elements of a Public Art Policy

Presented To: Finance and Administration Committee

Presented: Tuesday, May 15, 2018

Report Date Tuesday, May 01, 2018

Type: Managers' Reports

Resolution

THAT The City of Greater Sudbury directs staff to finalize a public art policy no later than September 2018, based on the elements as outlined in the report entitled "Elements of a Public Art Policy", from the General Manager of Growth and Infrastructure, presented at the Finance and Administration Committee meeting of May 15, 2018.

Relationship to the Strategic Plan / Health Impact Assessment

The adoption of a public art policy would conform to Priority B under the Quality of Life and Place pillar, which seeks to maintain great public spaces and facilities to provide opportunities for everyone to enjoy.

Report Summary

Council directed staff to prepare and present a suggested public art policy in order to provide consistent standards regarding choosing location and the installation and maintenance of public art.

Staff undertook a municipal scan, based on recent City-endorsed plans and discussions with the Public Art Subcommittee and community (Cultural Forums).

Staff has prepared a report which outlines common elements of a public art policy. These considerations include sections on vision, process and protocol, management of collection, administration and financing, and glossary.

Subject to Council's direction, a policy would be ready for September.

Signed By

Report Prepared By

Ed Landry
Senior Planner
Digitally Signed May 1, 18

Manager Review

Kris Longston
Manager of Community and Strategic Planning
Digitally Signed May 1, 18

Division Review

Jason Ferrigan
Director of Planning Services
Digitally Signed May 1, 18

Financial Implications

Jim Lister
Manager of Financial Planning and Budgeting
Digitally Signed May 1, 18

Recommended by the Department

Tony Cecutti
General Manager of Growth and Infrastructure
Digitally Signed May 1, 18

Recommended by the C.A.O.

Ed Archer
Chief Administrative Officer
Digitally Signed May 1, 18

Financial Implications

There are no direct financial implications associated with this report. Indirectly establishing a Public Art policy introduces a new service level that will, subject to future considerations, create new financing requirements in future periods.

Elements of a Public Art Policy
Planning Services Division
Report Date: April 23, 2018

Background

City Council passed the following motion on October 17, 2017:

“WHEREAS a strong public art program fosters creativity and innovation in a community;

AND WHEREAS public art animates the public realm through activities that benefit artists, residents and visitors alike;

AND WHEREAS public art enhances public spaces, architecture and landscapes;

AND WHEREAS a formal public art policy will encourage the creation of public art with both public and private development;

AND WHEREAS public art installations are currently being dealt with on an ad-hoc basis;

AND WHEREAS a public art policy is required to provide consistent standards regarding choosing locations, and the installation and maintenance;

THEREFORE BE IT RESOLVED that the City of Greater Sudbury direct staff to prepare and present a report on a suggested policy for public art for our City by March 1st, 2018 for the consideration of this Council.”

Purpose

The purpose of this report is to present elements that would be included in a public art policy for Council's consideration, and subject to Council's further direction, prepare a policy for approval by September, 2018.

Current Status

Public art is present throughout the municipality. Examples of public art include the Big Nickel, the Miners' Memorial at Bell Park, the Stompin' Tom statue at the Sudbury Community Arena, murals, paintings located throughout municipal buildings, among other examples. Council's recent motion recognizes that the acquisition of public art has mostly been done on an ad hoc basis. There

currently is not a policy governing the commissioning, acquisition, maintenance, or the financing of public art.

The City has highlighted the need for public art, and for a public art policy, in recent policy documents, namely, the Downtown Sudbury Master Plan, and more recently, the Greater Sudbury Cultural Action Plan.

Downtown Sudbury Master Plan

The City's Downtown Sudbury Master Plan, received and endorsed by Council in April, 2012, identifies a public art strategy (project 49) as a Beauty and Pride project (See Reference 1). Specifically, project 49 states:

"Public art helps to define a city's image to the outside world. Public art can take the form of sculptures, murals, fountains, lighting, landscape design, street furniture or architectural elements. Master Plan initiatives that require a public art component include the Elgin Greenway, Paris Street regreening, Durham Street and Elm Street Rebuild, Station Plaza, Tom Davies Square and Memorial Park upgrade.

"To bring more art into the Downtown, the Master Plan recommends the development and implementation of a comprehensive municipal Public Art Policy. In the more immediate term, the City should work with the BIA, DVDC, the Greater Sudbury Development Corporation, the Sudbury Arts Council, Le ROCS, local galleries, independent artists and other partners to develop a Public Art locational Plan."

Greater Sudbury Cultural Action Plan

The City endorsed the 'Greater Sudbury Cultural Plan 2015-2020' ('Cultural Plan') in April, 2015 (See Reference 2). The Cultural Plan produced four pillars: Creative identity; Creative People; Creative Places; and, Creative Economy.

The Cultural Action Plan, an accompanying document, provides goals and actions under each of the four pillars (See Reference 3). Goal #4 under the Creative Places pillar states the following:

- '4. Develop a public art program with a standard policy and dedicated funding. Encourage the creation of public art in conjunction with private and public development'

The Cultural Action Plan also identified a series of potential initiatives related to public art:

- "4.1 Develop a public art policy that outlines: commissioning process; priority/local themes; identifies key areas around the city; streamlines municipal approvals; and sets annual target levels

- 4.2 Following adoption of public art policy, identify and meet with private and public funders to explore additional revenue sources for a public art budget to cover costs
- 4.3 Form a public art jury to evaluate artists' submissions
- 4.4 Pilot the public art program with smaller functional pieces
- 4.5 Partner with organizations to display artwork on a rotating basis in public spaces and local institutions."

Council further supported the creation of a Cultural Action Committee (CAC), which reports to the Greater Sudbury Development Corporation, and acts as a leadership group for the implementation the Cultural Plan.

The CAC established a Public Art Subcommittee, which first met in October, 2015. The subcommittee discussed the following items:

- scope of a public art policy;
- short and long term goals of policy;
- process regarding acquisition, juries;
- current inventory of public art in Greater Sudbury;
- curating and safeguarding of municipal collections;
- review of best practices;
- next steps and timelines.

The discussion at the subcommittee level helped focus the municipal scan of best practices. The considerations raised at the subcommittee level, and through the municipal scan, were discussed with an internal staff team, with the public at key events such as the annual Cultural Forum, and should be reflected in a public art policy for the City of Greater Sudbury.

Elements of a Public Art Policy

Based on direction from Council, and informed by the Downtown Master Plan, the Cultural Plan and Action Plan, and discussions with the Public Art Subcommittee, staff conducted a scan of public art policies from comparable municipalities including Barrie, Calgary, Kingston, Waterloo, London, Ottawa, Peterborough, Kitchener, Waterloo, St-Catharines, Thunder Bay, and Toronto.

Common elements of the municipal scan of public art policy include:

1. Vision
2. Process and Protocol
3. Management of Collection
4. Administration
5. Glossary

The following sections outline each element and identify possible directions of a public art policy. These options are based on successful practices in comparable municipalities. Staff recommends that the policy be designed to be flexible, since it would be a new service provided by the City.

1. Vision

Public art policies such as those for Kingston, Barrie and Burlington establish both a vision and guiding principles. The City of London's Public Art policy establishes a series of policy statements. It is recommended that the City of Greater Sudbury use its Cultural Plan as both the basis of its vision and guiding principles.

Greater Sudbury's Cultural Plan's vision highlights the importance of geographic landscape, the multicultural history of the region and of our individual communities. Specifically, the vision states: "Greater Sudbury is a Northern cultural capital celebrated from coast to coast to coast for its artistic excellence, vibrancy and creativity. Sudbury's diverse cultural sector helps breathe life into the entire community through a range of programs and events which showcase the immense talent of local artists who draws inspiration from the land, and the rich multicultural heritage of the region."

As noted above, the Cultural Plan provides four pillars for strategic direction: creative identity; creative places; creative people; and, creative economy. The vision and guiding principles should be modified as necessary for a public art policy context, and prompted throughout the policy, for example: when selecting a site, selecting an artist, or determining whether to accept a donation.

2. Process and Protocol

Public art policies help define consistent standards. Process and protocol sections outline how art can be acquired, how the City will select sites, select artists, lend or borrow art.

Acquisition

It is recommended that a public art policy rely on the City's procurement by-law. Through the City's procurement by-law, the City could purchase or commission public art by open call, invited/limited competition, direct commission or direct purchase, artist on design team, or community art. The policy would allow the City to acquire public art by donation and by the creation of community arts projects. Comparable means to acquire public art is found in Barrie and Burlington.

Barrie's public art policy sets standards by which it acquires public art. For Greater Sudbury, these standards could include the following:

- Consistency with the vision and guiding principles of the public art policy (taken from the Cultural Plan);
- Compatibility with the Public Art Master Plan and/or Collections Mandate, if established;
- The quality of the art;
- Artistic merit;
- Suitability of the artwork for public display, including but not limited to public health and safety;
- Authenticity of the artwork;
- Condition of the artwork;
- Maintenance and conservation requirements;
- Ethical and legal considerations regarding ownership; and,
- Other criteria established by the City from time to time.

Barrie's public art policy also sets standards by which it receives donations of public art. For Greater Sudbury, these standards could include the following:

- That donations be unencumbered;
- That the City is not required to locate the work of art in a specific location in perpetuity;
- That donated art is accompanied by a maintenance plan prepared by a qualified person;
- That donated art includes funding for the maintenance and conservation/restoration of the work being donated, the amount of which will be established as part of an acceptance agreement;
- That funding donations must be free and clear of conditions and restrictions imposed by the donors regarding the City's use of these funds for the City of Greater Sudbury's Public Art Program;
- That maintenance requirements are feasible;
- That there is a safe and appropriate space to display and/or store the art until such time that it will be displayed;
- That, for insurance purposes, the monetary value of the artwork, or appraisal conducted by a qualified person, is provided;
- That the City has permission to display the work under Copyright matters, or that the permission to display the artwork can be established;

Having policy in this regard would also give the City clear direction as to when to decline to receive donations of public art.

Establishment of a Public Art Advisory Panel

Municipalities such as Kingston make use of a Public Art Advisory Panel (PAAP). It is recommended that a public art policy enable the City to form a PAAP. The policy would rely on the City's procedural by-law. If and once established, the

PAAP could advise on site selection, artist selection, project plans, the public art implementation plan, policy review, etc.

It is recommended that such a panel would represent the diversity among the city's residents, business, education and its arts and cultural communities. Staff recommends that panel members be selected, similar to when the City selects art jurors, with consideration to fair representation of cultural and artistic disciplines, gender, geography, and cultural diversity.

There may be situations where a Public Art Jury may be more appropriate. For example, the City may seek to form a jury to help select an artist and/or art piece to commemorate a special event, or have the jury sit for a short amount of time. The public art policy should therefore enable the City to form a public art jury from time to time.

Site Selection Criteria

Burlington's public art policy sets out a process whereby the City coordinates and prioritizes sites through the capital project planning process. The City of Greater Sudbury could require new public art for the following capital projects:

- New buildings
- Additions to an existing building
- Regional Park Design or Redesign
- Select major infrastructure projects
- Establishment of Gateway Features

Staff further recommends that the City prioritize sites based on the following criteria:

- Accessibility
- Visibility
- Compatibility, and
- Safety

Artist Selection Criteria

The City, in consultation with the Public Art Advisory Panel, if established, should consider the following criteria when selecting an artist:

- The vision and guidelines of this Public Art Policy, and the specific aims of the public art project;
- Artistic excellence of previous work;
- Professional qualifications;
- Relevant working experience as related to public art, project management and working with a design team, project team and/or community group, as appropriate

Role of artist

Municipalities such as Calgary require the artist, once selected, to engage with the community, and undertake public consultation, in the development of site-specific artwork. The City of Greater Sudbury should also employ this method when appropriate.

Staff recommends that the role of the artist be established by the City on a per-project basis. Specific duties could include, without limitation:

- Review of public art project plan;
- Development of public art vision;
- Public consultation;
- Collaboration with the community and City staff;
- Responsibility to obtain any required permits (e.g. building permit, road occupancy, etc);
- Research and understanding of local knowledge and experience;
- Development of site-specific artwork;
- Responsibility to obtain a maintenance plan;

Lending Public Art

The public art policy could establish standards by which the City can consider loan requests of its public art collection. Similar to Burlington's Public Art Policy, Greater Sudbury's policy could also provide guidance when the City is considering borrowing works of art for public display.

Legal Graffiti Walls

Legal graffiti walls are increasing in popularity across the province as graffiti abatement programs (e.g. Ottawa, Gatineau, Toronto). Municipalities approach legal graffiti walls in several ways. One way is to specifically identify which walls are legal and to set standards regarding the maintenance of these walls (e.g. walls will be painted four times a year).

Another way to regulate graffiti is to legalize it after it is installed. For example, the building owner would present graffiti to an advisory panel to officially recognize and legalize the art (i.e. a graffiti permit/certificate is obtained).

Typically, as in Greater Sudbury, graffiti is subject to the municipality's property standards by-law (e.g. graffiti is to be removed within a number of days of receiving a notice). The public art policy could introduce the idea of legal graffiti walls, given that the City could permit it under specific circumstances by amending its property standards by-law, accompanied with specific departmental programming elements.

3. Management of Collection

Public art policies set out standards for the inventory and maintenance, insurance, and removal, of public art (e.g. Barrie). These policies envision that the municipality may have both a Public Art Inventory (e.g. Burlington) and a Public Art Asset Management Plan. This means that each art piece would be catalogued, and would have information such as the maintenance plan and schedule tied back to the art. This information would also be useful for insurance purposes.

A public art policy should also provide direction on the removal, or de-accessioning, of public art. Typically, municipalities remove public art from the public domain if the art poses a health and safety risk, if the art is damaged beyond conservation efforts or repair, no longer suitable, etc.

4. Administration and Financing

Administration sections of public art policies usually prompt annual funding for public art, established through the annual budget process. These sections also consider that the municipality may establish further plans and guidelines, such as a public art master plan, to guide the acquisition of public art in the community.

Waterloo, Barrie, and London, for example, have established a Public Art Reserve Fund. In London's case, annual funding is allocated to the fund for the purchase, commission and donation of public art. An annual drawdown of up to 10% is permitted for the administration of the policy. This reserve fund also accepts funding donations from the community.

In Kingston, staff recommended (in 2015) that public art be a regular line item on an annual basis as part of the capital budget commencing in 2016, rising on an incremental basis to reach a target of \$250,000 annually by 2019. Further to this, staff recommended an allocation of \$125,000 as part of the annual operating budget to implement three focus areas of the public art program: Temporary Public Art, Street Art and Public Art Platforms; Community Arts, Public Engagement and Education; and, Artist and Arts Sector Development.

The City of Toronto employs the "Percent for Public Art" principle. This is a common practice found within numerous public art programs throughout North America. The recommended minimum public art contribution for a development is based on one percent of the gross construction cost of that development. This 1% budget includes all of the various costs associated with the commission, administration, etc of acquiring public art.

5. Glossary

A glossary provides definitions of select terms used throughout the policy. Where a term is not specifically defined, the normal meaning of the word is to be applied. Staff recommends the inclusion of a glossary to clarify the intent and desired outcomes of the public art policy.

Proposed Consultation Strategy

Once a draft policy has been prepared, Staff would seek direction to commence focused public consultation on the proposed public art policy. Staff proposes an online and paper format consultation strategy (including at Libraries and Citizen Service Centres), coupled with focused one-on-one stakeholder consultation with local artists and community groups interested in public art.

Summary and Recommendations

Council directed staff to prepare and present a report on a suggested policy for public art. Staff undertook a municipal scan, based on recent City-endorsed plans and discussions with the Public Art Subcommittee and community (Cultural Forums).

Staff has found that the following elements have been included in most municipal public art policies:

1. Vision
2. Process and Protocol
3. Management of Collection
4. Administration and Financing
5. Glossary

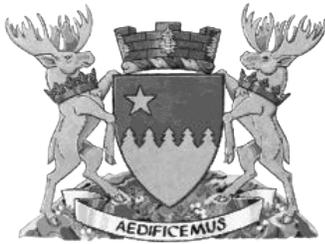
The above considerations should be included in a Public Art Policy, and augmented as described in more detail in this report. Staff will, if approved, return in September 2018, with a Public Art Policy for Council's consideration.

References

1. Downtown Sudbury Master Plan
http://www.greatersudbury.ca/content/div_councilagendas/documents/Attachment%20B.pdf
2. "Greater Sudbury Cultural Plan 2015-2020"
<http://agendasonline.greatersudbury.ca/index.cfm?pg=feed&action=file&attachment=13466.pdf>

3. "Greater Sudbury Cultural Action Plan"

<http://agendasonline.greatersudbury.ca/index.cfm?pg=feed&action=file&attachment=13438.pdf>



City of Greater Sudbury Charter

WHEREAS Municipalities are governed by the Ontario Municipal Act, 2001;

AND WHEREAS the City of Greater Sudbury has established Vision, Mission and Values that give direction to staff and City Councillors;

AND WHEREAS City Council and its associated boards are guided by a Code of Ethics, as outlined in Appendix B of the City of Greater Sudbury's Procedure Bylaw, most recently updated in 2011;

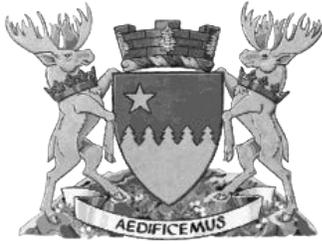
AND WHEREAS the City of Greater Sudbury official motto is "Come, Let Us Build Together," and was chosen to celebrate our city's diversity and inspire collective effort and inclusion;

THEREFORE BE IT RESOLVED THAT Council for the City of Greater Sudbury approves, adopts and signs the following City of Greater Sudbury Charter to complement these guiding principles:

As Members of Council, we hereby acknowledge the privilege to be elected to the City of Greater Sudbury Council for the 2014-2018 term of office. During this time, we pledge to always represent the citizens and to work together always in the interest of the City of Greater Sudbury.

Accordingly, we commit to:

- Perform our roles, as defined in the Ontario Municipal Act (2001), the City's bylaws and City policies;
- Act with transparency, openness, accountability and dedication to our citizens, consistent with the City's Vision, Mission and Values and the City official motto;
- Follow the Code of Ethical Conduct for Members of Council, and all City policies that apply to Members of Council;
- Act today in the interest of tomorrow, by being responsible stewards of the City, including its finances, assets, services, public places, and the natural environment;
- Manage the resources in our trust efficiently, prudently, responsibly and to the best of our ability;
- Build a climate of trust, openness and transparency that sets a standard for all the City's goals and objectives;
- Always act with respect for all Council and for all persons who come before us;
- Ensure citizen engagement is encouraged and promoted;
- Advocate for economic development, encouraging innovation, productivity and job creation;
- Inspire cultural growth by promoting sports, film, the arts, music, theatre and architectural excellence;
- Respect our historical and natural heritage by protecting and preserving important buildings, landmarks, landscapes, lakes and water bodies;
- Promote unity through diversity as a characteristic of Greater Sudbury citizenship;
- Become civic and regional leaders by encouraging the sharing of ideas, knowledge and experience;
- Work towards achieving the best possible quality of life and standard of living for all Greater Sudbury residents;



Charte de la Ville du Grand Sudbury

ATTENDU QUE les municipalités sont régies par la Loi de 2001 sur les municipalités (Ontario);

ATTENDU QUE la Ville du Grand Sudbury a élaboré une vision, une mission et des valeurs qui guident le personnel et les conseillers municipaux;

ATTENDU QUE le Conseil municipal et ses conseils sont guidés par un code d'éthique, comme l'indique l'annexe B du Règlement de procédure de la Ville du Grand Sudbury dont la dernière version date de 2011;

ATTENDU QUE la devise officielle de la Ville du Grand Sudbury, « Ensemble, bâtissons notre avenir », a été choisie afin de célébrer la diversité de notre municipalité ainsi que d'inspirer un effort collectif et l'inclusion;

QU'IL SOIT RÉSOLU QUE le Conseil de la Ville du Grand Sudbury approuve et adopte la charte suivante de la Ville du Grand Sudbury, qui sert de complément à ces principes directeurs, et qu'il y appose sa signature:

À titre de membres du Conseil, nous reconnaissons par la présente le privilège d'être élus au Conseil du Grand Sudbury pour le mandat de 2014-2018. Durant cette période, nous promettons de toujours représenter les citoyens et de travailler ensemble, sans cesse dans l'intérêt de la Ville du Grand Sudbury.

Par conséquent, nous nous engageons à :

- assumer nos rôles tels qu'ils sont définis dans la Loi de 2001 sur les municipalités, les règlements et les politiques de la Ville;
- faire preuve de transparence, d'ouverture, de responsabilité et de dévouement envers les citoyens, conformément à la vision, à la mission et aux valeurs ainsi qu'à la devise officielle de la municipalité;
- suivre le Code d'éthique des membres du Conseil et toutes les politiques de la municipalité qui s'appliquent à eux;
- agir aujourd'hui pour demain en étant des intendants responsables de la municipalité, y compris de ses finances, biens, services, endroits publics et du milieu naturel;
- gérer les ressources qui nous sont confiées de façon efficiente, prudente, responsable et de notre mieux;
- créer un climat de confiance, d'ouverture et de transparence qui établit une norme pour tous les objectifs de la municipalité;
- agir sans cesse en respectant tous les membres du Conseil et les gens se présentant devant eux;
- veiller à ce qu'on encourage et favorise l'engagement des citoyens;
- plaider pour le développement économique, à encourager l'innovation, la productivité et la création d'emplois;
- être une source d'inspiration pour la croissance culturelle en faisant la promotion de l'excellence dans les domaines du sport, du cinéma, des arts, de la musique, du théâtre et de l'architecture;
- respecter notre patrimoine historique et naturel en protégeant et en préservant les édifices, les lieux d'intérêt, les paysages, les lacs et les plans d'eau d'importance;
- favoriser l'unité par la diversité en tant que caractéristique de la citoyenneté au Grand Sudbury;
- devenir des chefs de file municipaux et régionaux en favorisant les échanges d'idées, de connaissances et concernant l'expérience;
- viser l'atteinte de la meilleure qualité et du meilleur niveau de vie possible pour tous les résidents du Grand Sudbury.