



FINANCE AND ADMINISTRATION COMMITTEE AGENDA

Finance and Administration Committee Meeting

Tuesday, June 21, 2016

Council Chamber, Tom Davies Square

COUNCILLOR MIKE JAKUBO, CHAIR

Deb McIntosh, Vice-Chair

6:30 p.m. FINANCE AND ADMINISTRATION COMMITTEE MEETING
COUNCIL CHAMBER

Council and Committee Meetings are accessible. For more information regarding accessibility, please call 3-1-1 or email clerks@greatersudbury.ca.

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.)

ADOPTING, APPROVING OR RECEIVING ITEMS IN THE CONSENT AGENDA

(RESOLUTION PREPARED FOR ITEMS C-1 TO C-2)

ROUTINE MANAGEMENT REPORTS

- C-1. Report dated June 1, 2016 from the Acting Chief Financial Officer/City Treasurer regarding 2016 Operating Budget Variance Report - March. **4 - 5**

(RESOLUTION PREPARED)

(This report identifies the areas of concern in the 2016 Operating Budget as of March 31, 2016.)

- C-2. Report dated June 2, 2016 from the Acting Chief Financial Officer/City Treasurer regarding 2016 Water Wastewater Operating Budget Variance Report - March. **6 - 6**

(RESOLUTION PREPARED)

(This report projects a year end position of the Water Wastewater Operating Budget based on expenditures and revenues to the end of March, 2016.)

CORRESPONDENCE FOR INFORMATION ONLY

- C-3. Report dated June 1, 2016 from the Acting Chief Financial Officer/City Treasurer regarding Modification to the 2016 Budget. **7 - 8**

(FOR INFORMATION ONLY)

(This report provides Council with updates to the 2016 Budget.)

ADDENDUM

CIVIC PETITIONS

QUESTION PERIOD AND ANNOUNCEMENTS

NOTICES OF MOTION

ADJOURNMENT

Request for Decision

2016 Operating Budget Variance Report - March

Presented To: Finance and
Administration
Committee

Presented: Tuesday, Jun 21, 2016

Report Date Wednesday, Jun 01,
2016

Type: Routine Management
Reports

Resolution

THAT the City of Greater Sudbury accepts the March 31, 2016 Variance Report dated June 1, 2016, from the Acting Chief Financial Officer/Treasurer outlining the projected year end position.

Executive Summary

This report provides a variance analysis of the City's first quarter results (January to March 31, 2016). Staff has identified areas where material year end variances in the operating budget may occur.

Background

The purpose of this report is to provide Council with a preliminary overview of potential year-end variances. The monitoring and reporting of variances has been conducted in accordance with the Operating Budget Policy. The March variance report reflects expenditures and revenues for the first three months of the year. In many areas, only three months of data is not sufficient to identify potential variances; however in other areas, there may have been significant factors identified that may result in year-end variances.

A more detailed projection will be undertaken in the summer based on the expenditures and revenues contained in the June 2016 Cost Centre Report. During this process, each department will be requested to project a year-end value for each account. Based on this information, a corporate year-end projection will be made. Council will receive this report in September of 2016.

In accordance with the Operating Budget Policy approved by Council, the following explanations relate to areas where a potential variance of greater than \$200,000 may occur within a division or section, or areas that Finance is monitoring closely:

Signed By

Report Prepared By

Barbara Dubois
Co-ordinator of Budgets
Digitally Signed Jun 1, 16

Recommended by the Department

Ed Stankiewicz
Acting Chief Financial Officer/City
Treasurer
Digitally Signed Jun 1, 16

Recommended by the C.A.O.

Ed Archer
Chief Administrative Officer
Digitally Signed Jun 7, 16

1) Taxation Revenue

The first 2016 supplementary tax roll has not yet been received and therefore staff is unable to forecast the potential yearend position. The \$2.2 million budget is based on the 2015 actual revenue received, however, this is an area where the potential for a variance exists. Staff will monitor and provide an up to date forecast for the June variance when more information becomes available.

2) Corporate Revenues

Slot revenue received from the Ontario Lottery and Gaming Corporation for the first quarter of 2016 is approximately \$40,000 less than received for the first quarter of 2015. The 2015 actual revenue received was \$120,000 less than the 2016 budget, and therefore if this trend continues, staff is forecasting a potential negative variance.

3) Environmental Services

As a result of the tender for management of the City's landfills there will be a positive variance in Environmental Services. However, the results of the City's garbage collection contract tender, which will be tendered and awarded during 2016 also have the potential to impact the division's financial position. Since these tender awards are financially significant, at this time the overall position is too difficult to predict.

4) Transit and Fleet Services:

Transit and Fleet Services are experiencing budget pressures in a few areas within their operations. The main area of concern is the increased cost of repair and maintenance of the City Fleet and Buses as a result of unexpected repairs and rising parts costs.

The other area experiencing budget pressure is less than anticipated transit revenues.

5) Roads Winter Control Operations

The net over expenditure of \$1.8 Million to the end of April is largely a result of the increased requirement for salting, sanding, plowing and snow removal. This section is weather dependant, therefore, making it challenging to project a potential year end position for this area. In accordance with the Reserve and Reserves Fund bylaw, any Roads Winter Control over expenditures may be funded from the Roads Winter Control Reserve Fund.

Summary

This has been a preliminary review of the revenues and expenditures for the first three months of 2016. It is still too early to provide an accurate year-end projection. A more comprehensive review will take place after the June 2016 month end and Council will be presented with a corporate year-end projection in September. Quarterly reports will be prepared for Council throughout 2016.

Request for Decision

2016 Water Wastewater Operating Budget Variance Report - March

Presented To: Finance and
Administration
Committee

Presented: Tuesday, Jun 21, 2016

Report Date Thursday, Jun 02, 2016

Type: Routine Management
Reports

Resolution

THAT the City of Greater Sudbury accepts the 2016 Water Wastewater Variance Report dated June 2, 2016 from the Acting Chief Financial Officer/Treasurer and the General Manager of Infrastructure Services regarding the March operating results.

Background

Actual revenues and expenditures are being tracked against budgets. At this early point in the year, potential budget variances that may occur are described below.

User Fees

Actual user fees are tracking below budgeted amounts at the end of March. It is too early in the year to project consumption levels with accuracy. Staff will have a better indication of consumption levels with the June projection report.

Purchased Contract Services

It is very difficult to budget for the amount of watermain breaks related repair work required during the year. Due primarily to favourable weather conditions there have been a below average number of breaks. There were only 26 watermain breaks through the end of March. That compares to 101 in 2015 (184 annual) and 70 in 2014 (141 annual). Again, it is too early to project to the end of the year but there is a potential for a significant underexpenditure in this line if this favourable trend continues.

Summary

Staff continues to manage and closely monitor Water and Wastewater Services budgets. This has been a preliminary review of the revenues and expenditures for the first three months of 2016.

Signed By

Report Prepared By

Dion Dumontelle
Co-ordinator of Finance, Water
Wastewater
Digitally Signed Jun 2, 16

Division Review

Shawn Turner
Manager of Financial & Support
Services
Digitally Signed Jun 2, 16

Recommended by the Department

Ed Stankiewicz
Acting Chief Financial Officer/City
Treasurer
Digitally Signed Jun 2, 16

Recommended by the C.A.O.

Ed Archer
Chief Administrative Officer
Digitally Signed Jun 7, 16

For Information Only

Modification to the 2016 Budget

Presented To: Finance and
Administration
Committee

Presented: Tuesday, Jun 21, 2016

Report Date Wednesday, Jun 01,
2016

Type: Correspondence for
Information Only

Resolution

For Information Only

Finance Implications

The 2016 approved budget has been adjusted to reflect the changes identified in this report and eliminate the \$335,822 budgeted draw from the Tax Rate Stabilization Reserve.

Background

At the Finance and Administration meeting on February 3, 2016, the 2016 Budget was approved including a one time draw from the Tax Rate Stabilization Reserve of \$335,822. As part of the budget approval, resolution FA2016-14 directed staff to identify ongoing savings in order to mitigate the draw from reserve.

The purpose of this report is to provide the Finance and Administration Committee with an update on the 2016 Budget adjustments which have been identified to eliminate the required draw from reserve.

The 2016 budget adjustments are as follows:

1. Reduction in the budgeted unleaded fuel price from \$0.90/Litre to \$0.85/Litre and diesel fuel price from \$0.88/Litre to \$0.83/Litre. This will reduce the fuel account budgets across the corporation by \$222,383.
2. Reduction in various cell phone account budgets totalling \$25,000 based on negotiated reductions in cell phone rates and 2015 actual costs.
3. Reduction in mailroom postage account budget of \$15,000 based on 2015 actual costs.
4. Increase in 2016 tipping fee revenue budget of \$50,000. The approved 2016 budget had included a reduction in tipping fee revenue based on 2015 yearend projections, however the 2015 actual revenues

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Barbara Dubois
Co-ordinator of Budgets
Digitally Signed Jun 1, 16

Recommended by the Department

Ed Stankiewicz
Acting Chief Financial Officer/City
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Digitally Signed Jun 1, 16

Recommended by the C.A.O.

Ed Archer
Chief Administrative Officer
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were slightly higher than projected.

5.Reduction in the budgeted Municipal Property Assessment Corporation fees of \$12,066 based on confirmation of the actual 2016 fees assessed.

6. Reduction in budgeted wage and benefit costs in Planning and Development Of \$11,373 as a result of restructuring.

The above noted budget changes total \$335,822 and have been prepared in order to eliminate the 2016 budgeted draw from the Tax Rate Stabilization Reserve and balance the budget.



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;

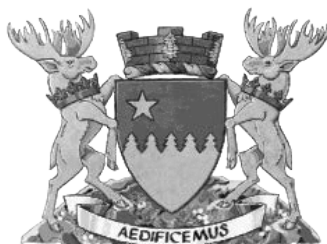
AND WHEREAS the City of Greater Sudbury official motto is "Come, Let Us Build Together," and was chosen to celebrate our city's diversity and inspire collective effort and inclusion;

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.