



FINANCE AND ADMINISTRATION COMMITTEE AGENDA

Finance and Administration Committee Meeting
Tuesday, April 19, 2016
Tom Davies Square

COUNCILLOR MIKE JAKUBO, CHAIR

Deb McIntosh, Vice-Chair

4:00 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

PRESENTATIONS

1. Report dated April 6, 2016 from the Acting Chief Financial Officer/City Treasurer regarding Area Rating of Fire and Transit Services. **4 - 7**

(ELECTRONIC PRESENTATION) (FOR INFORMATION ONLY)

- Ed Stankiewicz, Acting Chief Financial Officer/City Treasurer

(This report provides the Finance and Administration Committee with information regarding area rating.)

REGULAR AGENDA

MANAGERS' REPORTS

- R-1. Report dated February 1, 2016 from the Executive Director, Administrative Services/City Clerk regarding Telecommunication Device Usage. **8 - 10**

(FOR INFORMATION ONLY)

(This report summarizes the number of telecommunication devices by Department, Union vs Non Union and associated costs.)

- R-2. Report dated April 6, 2016 from the General Manager of Assets, Citizen and Leisure Services regarding Facility Management - 199 Larch Street. **11 - 14**

(RESOLUTION PREPARED)

(The report outlines three options for the management of the building at 199 Larch Street.)

ADDENDUM

CIVIC PETITIONS

QUESTION PERIOD AND ANNOUNCEMENTS

NOTICES OF MOTION

ADJOURNMENT

For Information Only

Area Rating of Fire and Transit Services

Presented To: Finance and
Administration
Committee

Presented: Tuesday, Apr 19, 2016

Report Date Wednesday, Apr 06,
2016

Type: Presentations

Resolution

For Information Only

Executive Summary

This report will provide information regarding the history of area rating for the City of Greater Sudbury and the property tax impact.

Background

During the 2016 budget deliberations, the Finance and Administration Committee requested a presentation for information on the area rating of services in the City of Greater Sudbury.

History of Area Rating

With the Provincial announcement of the four municipal amalgamations throughout the Province, the City of Greater Sudbury Act 1999 was enacted.

Section 15 of the Act set out rules for:

1. Special services of "old" municipalities
2. Assets and liabilities of "old" municipalities
3. Five specific services (Water, Sewage, Street Lighting, Fire, Transportation)

Prior to the amalgamation, a transition board was established to ensure a smooth transition from the two tier municipal system (regional and lower tier municipalities) to one city. This board set up task forces to review all aspects of municipal service delivery and their recommendations were reviewed by steering committees with the ultimate decisions being made by the members of the transition board.

The decision by the transition board was to only area rate Fire and Transportation Services to recognize the differing service levels.

The recommendation was adopted by the first Council of the City of Greater Sudbury.

Signed By

Report Prepared By

Ed Stankiewicz
Acting Chief Financial Officer/City
Treasurer
Digitally Signed Apr 6, 16

Recommended by the C.A.O.

Kevin Fowke
Acting Chief Administrative Officer
Digitally Signed Apr 6, 16

Fire Protection and Prevention

The analysis of Fire Services revealed that the service levels were considerably different throughout the seven former area municipalities and the unorganized areas that were being annexed to the City. The service could not be harmonized throughout the City without significantly increasing the City's budget. It was also determined that a career service level was not required throughout the entire City as the former area municipalities considered their volunteer services as providing adequate service levels. The area rating of this service was adopted to recognize these different service levels while maintaining the same relative tax position.

The three service level areas followed former municipal boundaries. They are as follows:

1. Career - Former City of Sudbury which is predominately serviced by full time fire fighters.
2. Composite - Former City of Valley East which is serviced by a mix of full time fire fighters and volunteers.
3. Volunteer - All other areas of the City including the unorganized area which is serviced by volunteer fire fighters only.

There are two components utilized in the calculation of the area specific rate:

1. Base Costs - Includes the cost of administration, facilities and apparatus, public education and prevention.
2. Direct Suppression Costs - Salary and benefit costs specific to each service area (Career, Composite and Volunteer).

The base costs for fire services are allocated to each service area based on their weighted assessment compared to the total City weighted assessment. This amount coupled with the direct suppression costs associated with each area are divided by the weighted assessment for their area to determine the area rated tax rate for fire services.

The following illustration reflects the calculation of fire rates for 2015:

	Career (\$ millions)	Composite (\$ millions)	Volunteer (\$ millions)
Allocation of Base Costs	5.02	.98	2.37
Direct Suppression Costs	<u>12.89</u>	<u>1.53</u>	<u>1.23</u>
Total Costs	17.91	2.51	3.60
Weighted Assessment	11,971	2,340	5,645
Residential Fire Area Rate	.1496%	.1071%	.0636%

After these rates are calculated, they are applied to the Current Value Assessment of the property to generate the taxes related to fire services.

Service Level Changes - Potential Area Rating Changes

Over the past 15 years there have been changes made in the way the service is being delivered to meet key objectives. Currently the closest or fastest and most appropriate resources are dispatched. Some examples of this are that the New Sudbury Station responds to Garson and the Minnow Lake Station responds to Coniston. Both areas that are in receipt of this service are receiving the career service level while paying taxes at the volunteer level. In order to rectify this issue, changes to boundaries are required

as old municipal boundaries are no longer valid.

Public Transportation

The second service that is area rated is public transit and transportation for the disabled. The service levels prior to amalgamation were considerably different throughout the seven former area municipalities, with no service to the formerly unorganized areas. To harmonize the service to one level would require significant budget increases. However, harmonizing service levels outside the core city could be accommodated.

As a result, two distinct service levels were developed for area rating and they are as follows:

Commuter - Former area municipalities except the former City of Sudbury, which provided service along main arteries with fewer daily trips.

Urban - Former City of Sudbury, which provided more frequent service along both main arteries and some residential streets.

There is no area rate for the former unorganized areas as there is no transit service provided in these areas.

The transportation area rate is based on a combination of transit costs and transportation for the disabled costs. The transit cost for each area is allocated based on the number of service hours provided in each area. At inception, the transit cost split was 82%/18% between the urban and commuter areas. Over the past few years, additional service hours have been allocated to the commuter area, resulting in a revised calculation of 80%/20%. The transportation costs for the disabled are allocated based on the historical actual cost in each service area. The transit costs coupled with the transportation for the disabled costs for each area divided by the weighted assessment for that area generates the transit area rate.

The following illustration reflects the calculation of rates for 2015:

	Urban (\$ millions)	Commuter (\$ millions)
Transit Cost	7.79	1.95
Transportation Disabled Cost	<u>1.85</u>	<u>1.10</u>
Total	9.64	3.05
Weighted Assessment	11,971	7,830
Residential Area Tax Rate	.0805%	.0389%

Once these rates are calculated they are then applied to the Current Value Assessment of the property to generate the taxes related to transportation services.

Affects of Area Rating for 2015 Taxation

Taxation for properties in the City of Greater Sudbury use three tax rates to determine the total taxation for a property. The only exception would be the annexed areas of the City, which receive no transit service, therefore, would only apply the general tax rate and the fire area tax rate to the Current Value Assessment to determine the total taxation of the property. The chart below reflects the tax impact by area.

	Career/Urban Composite/Commuter Volunteer/Commuter Volunteer			
General Taxation	\$2,130	\$2,130	\$2,130	\$2,130
Fire Services Taxation	\$327	\$234	\$139	\$139
Transportation Services Taxation	\$176	\$85	\$85	\$0
Total Taxation	\$2,633	\$2,449	\$2,354	\$2,269

The chart above reflects the 2015 municipal taxation for a home assessed at \$230,000 (2015 phased in assessment of \$218,550).

Summary

The area rating system currently utilized for taxation purposes came into existence with the amalgamation of the new City of Greater Sudbury. Council may request that staff review the current system and recommend potential changes.

For Information Only

Telecommunication Device Usage

Presented To: Finance and
Administration
Committee

Presented: Tuesday, Apr 19, 2016

Report Date Monday, Feb 01, 2016

Type: Managers' Reports

Resolution

For Information Only

Finance Implications

Costs for these telecommunication devices are included in existing operating budgets.

Background

At the January 13, 2016 Finance and Administration meeting, Council requested that staff prepare a report which would show the number of mobile devices by department and by Union/Non-Union status, along with the associated costs. The same information was also requested for pagers.

The information for mobile devices that has been gathered is for devices that communicate through the cellular network which Information Technology is responsible for. There are other mobile devices that do not need to connect through cellular and are not included in this report. Information Technology is aware of approximately 13 such devices, all of which are Ipads with specialized applications operated over wi-fi networks.

As an update, the City entered into a new contract for cellular services on January 1, 2015. The new contract resulted in a savings of approximately \$70,000 and was reflected in the reduction of the cellular budget accounts in 2015.

Except for the Fire department, the use of pagers is very limited. Currently, there is one pager being used for an on call rotation by non-union staff in Citizen and Leisure services at a monthly cost of \$13. Pioneer Manor has 4 pagers, one for a non union position, and 3 for union positions. These are used to contact staff quickly when assistance is required for residents. The monthly cost for Pioneer Manor is approximately \$52.

The fire department has approximately 325 pagers which are assigned to the volunteer fire fighters. These are purchased outright. The pages for these go directly through the new radio system, so there are no

Signed By

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Bruno Mangiardi
Chief Information Officer
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Recommended by the Department

Caroline Hallsworth
Executive Director, Administrative
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Recommended by the C.A.O.

Kevin Fowke
Acting Chief Administrative Officer
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monthly fees.

The attached chart details the requested information for the mobile devices based on the organizational structure that was presented for the 2016 Budget.

Telecommunication Device Usage

Division		Cell	Blackberry	iPhones	iPads	Monthly Cost
Administrative Services	Union	12	2			135
	Non-Union		4	1		210
Total		12	6	1	0	345
Assets,Citizen&Leisure,Transit Services	Union	60	9		2	650
	Non-Union	4	39	4		1,640
Total		64	48	4	2	2,290
Auditor General	Union					
	Non-Union		1			25
Total		0	1	0	0	25
Council	Union					
	Non-Union		5	7		515
Total		0	5	7	0	515
Finance	Union					
	Non-Union		4			150
Total		0	4	0	0	150
Growth & Development	Union	8	12		1	420
	Non-Union	2	23	4	2	980
Total		10	35	4	3	1,400
Health, Social & Emergency Services	Union	35	21			670
	Non-Union	2	33	8		1,380
Total		37	54	8	0	2,050
Human Resources & Org Development	Union					
	Non-Union		5			150
Total		0	5	0	0	150
Infrastructure Services	Union	38	45	2		1,410
	Non-Union	3	51			1,510
Total		41	96	2	0	2,920
Mayor	Union					
	Non-Union		1	3		220
Total		0	1	3	0	220
Office of the CAO	Union		3	2		115
	Non-Union			1		25
Total		0	3	3	0	140
Airport	Union	1	1	1		45
	Non-Union		2	2		160
Total		1	3	3	0	205
Grand Total		165	261	35	5	10,410

Request for Decision

Facility Management - 199 Larch Street

Presented To: Finance and
Administration
Committee

Presented: Tuesday, Apr 19, 2016

Report Date Wednesday, Apr 06,
2016

Type: Managers' Reports

Resolution

THAT the City of Greater Sudbury approves Option #: ____ for the maintenance and operation of the building at 199 Larch Street as outlined in the report dated March 31, 2016 from the General Manager of Assets, Citizen and Leisure Services.

Finance Implications

Net operating costs for 199 Larch Street are contributed to the 199 Larch Street Building Reserve Fund for capital projects as per the Reserve and Reserve Fund By-law.

Therefore, if Option 1 or 2 is approved any savings realized will increase the contribution to the Reserve Fund and if Option 3 is approved any change in contract costs realized will increase/decrease the contribution to the Reserve Fund with no tax levy impact.

Signed By

Report Prepared By

Danielle Braney
Director of Asset Services
Digitally Signed Apr 6, 16

Recommended by the Department

Ron Henderson
General Manager of Assets, Citizen
and Leisure Services
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Recommended by the C.A.O.

Kevin Fowke
Acting Chief Administrative Officer
Digitally Signed Apr 6, 16

Executive Summary

On May 5, 2015 City Council approved a one-year extension to Contract ISD08-25 for the operation and maintenance of the Provincial Building at 199 Larch Street to DTZ (formerly Unicco Facility Services Canada Company), to allow for a review of options available for the maintenance of the facility with a goal to achieve savings and /or increase efficiencies. The contract extension with DTZ ends May 5th, 2016.

The current facility operation at 199 Larch was reviewed with a focus on identifying the best and most cost effective option of operating and maintaining the facility. The following three options have been developed for consideration.

Option one: Maintenance and operation of 199 Larch with an additional 1 FTE and 1 regular part-time position Annual cost savings: \$15,000 to \$20,000

Option two: Maintenance and operation of 199 Larch with contract positions (1.7) Annual cost

savings: \$20,000 to \$25,000

Option three: Contracted services for maintenance and operation services (status quo) Potential budget increase

Background

The City of Greater Sudbury manages Tom Davies Square with its own workforce while the management of 199 Larch has been contracted since the property was purchased in 2003. Under the current contract, there are 1 on-site full-time building operator and 1 part-time operator assistant who oversee the day-to-day operations of the building and report to the management company. Additionally, qualified tradespersons or other professionals are subcontracted when required.

In late 2013, the contract was reviewed to reduce the scope of work and merge certain services with the same contracted services offered at Tom Davies Square. These included snow removal, security access system, generator maintenance, elevator maintenance and exterior lighting. The outcome was positive with standardization between facilities.

Also in 2013, another initiative was undertaken to upgrade Building Attendants' qualifications at Tom Davies Square. With the assistance of the City's Human Resources Department, a plan to secure in-house expertise and trade persons was implemented. The Maintenance section now includes one licensed electrician, one licensed plumber and a gas technician. The Building Superintendant has building automation, mechanical and HVAC expertise. This initiative ensures that more preventative maintenance work is done in-house which increases efficiencies and reduces cost. The results of this initiative are shown on the graph attached as Appendix A and indicate a substantial reduction in the overall operating budget at Tom Davies Square.

Considering that the initiative has proven successful at TDS, a similar approach is being proposed for 199 Larch. The following three options have been developed for consideration. Although it is possible to estimate some cost with certainty, future savings from using in-house expertise versus contracted services is more intangible.

Option 1

Maintenance and operation of 199 Larch with additional full-time and regular part-time staff (1 full-time permanent employee and 1,248 part-time hours)

The Provincial Tower and Tom Davies Square share many of the same key building functions such as vehicular entrances at Minto and Paris streets, the underground parking garage, the courtyard and upper level concourse and services to the public on various floors.

With focus on cost reduction and an increase in level of service, opportunities exist to better manage and operate the building with City staff. With one additional FTE / qualified trade person and one part-time junior maintenance person, the Maintenance section could take over current contracted services as it pertains to the operation and maintenance of 199 Larch.

Opportunities

Aside from a reduction in operational cost and being able to respond more efficiently to failures, merging maintenance operations for both facilities would allow better tracking and standardization of maintenance activities and preventative maintenance programs as well as a central location for record management.

Financial Implication

The estimated annual savings for this option range from \$15,000 to \$20,000 plus the avoided cost of a

potential increase to a new contract. Additional savings as seen at TDS are anticipated but cannot be quantified at this time.

This option would also increase the City's staff complement by 1 full-time permanent and 1 regular part-time staff. (1,248 hours)

Option 2

Maintenance and operation of 199 Larch with contract positions (3,075 part-time hours)

The City could hire contract employees reporting directly to the TDS Maintenance Section to oversee the operation and maintenance of 199 Larch. To attract qualified and committed people, a five-year contract for one full-time trade person and one part-time junior maintenance person is recommended.

Opportunities

The benefits of this option are similar to Option 1 but would also provide an opportunity to evaluate the outcome after 5 years.

Financial Implication

The estimated annual savings for this option range from \$20,000 to \$25,000 plus the avoided cost of an expected increase to a new contract. Additional savings as seen at TDS are anticipated but cannot be quantified at this time.

Since the positions to be created would be for a limited time, it might be difficult to attract applicants. Also with limited positions, staff turn-over could be an issue.

Option 3

Contracted services for maintenance and operation services (status quo)

This option maintains the status quo with 1 on-site full-time building operator and 1 part-time operator assistant to oversee the day-to-day operations of the building reporting to the management company who in turn will decide how the facility is managed and hire third party qualified tradespersons or other professionals when required.

To contain cost, the scope of work was reduced in 2013. A new contract could be tendered using the same scope of work.

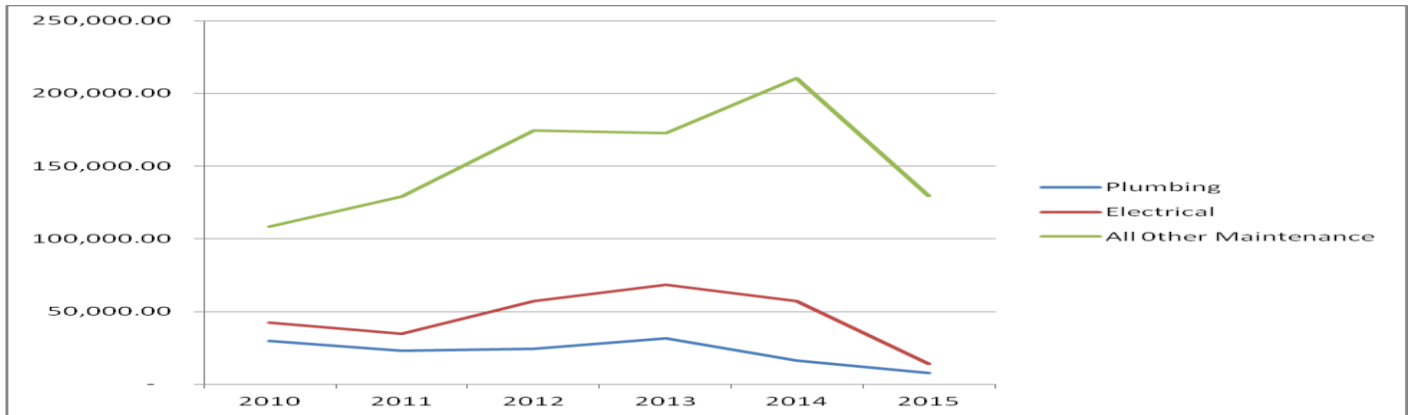
Opportunities

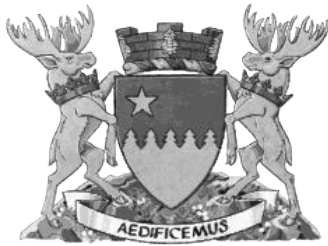
Over the years, the current contract has been reviewed to ensure that the best possible service is received at reasonable cost. This option does not appear to produce any significant synergies or benefit to the operation of the facility.

Financial Impact

The service under the existing provider has been in place since 2008 with minimal increase. Recent submissions received for similar services indicate that a potential increase can be expected.

APPENDIX A





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;

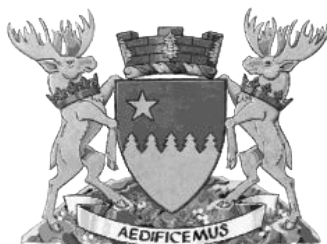
AND WHEREAS the City of Greater Sudbury official motto is "Come, Let Us Build Together," and was chosen to celebrate our city's diversity and inspire collective effort and inclusion;

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.