

Vision: *The City of Greater Sudbury is a growing, world-class community bringing talent, technology and a great northern lifestyle together.*



Agenda

Finance Committee

meeting to be held

Monday, December 5th, 2011

at 4:00 pm

Council Chamber, Tom Davies Square

FINANCE COMMITTEE AGENDA

For the 20th Finance Committee Meeting
to be held on **Monday, December 5, 2011**
Council Chamber, Tom Davies Square at 4:00 pm

COUNCILLOR TERRY KETT, CHAIR

Frances Caldarelli, Vice-Chair

(Please ensure that cell phones and pagers are turned off)

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DECLARATIONS OF PECUNIARY INTEREST AND THE GENERAL NATURE THEREOF

PRESENTATIONS

1. Next Steps for 2012 Budget Deliberations
(ELECTRONIC PRESENTATION) (FOR INFORMATION ONLY)
 - Lorella Hayes, Chief Financial Officer/Treasurer

FOLLOW UP REPORTS TO PARKING LOT ITEMS

2. Report dated November 30, 2011 from the Chief Financial Officer/Treasurer regarding Seniors' Rebate. **6 - 8**
(FOR DIRECTION ONLY)
(This report seeks the Finance Committee's direction on the Seniors Rebate of Property Taxes or Water and Wastewater)
3. Report dated December 5, 2011 from the Chief Financial Officer/Treasurer regarding Funding Sources for Staffing Increases. **9 - 10**
(FOR INFORMATION ONLY) (REPORT TO BE TABLED)
(This report provides the Finance Committee with the historical funding sources for staffing increases since 2007.)
4. Report dated December 1, 2011 from the General Manager of Infrastructure Services regarding Hauled Liquid Waste Tipping Fees. **11 - 21**
(RECOMMENDATION PREPARED)
(Report regarding pump out fees for private septic tanks as per parking lot request dated November 24th, 2011.)
5. Report dated December 1, 2011 from the General Manager of Community Development regarding Emergency Shelter Funding. **11 - 21**
(FOR INFORMATION ONLY)
(Bringing forward previous reports regarding emergency shelter funding for information only)

REVIEW OF BUDGET OPTIONS

6. Review of Operating Budget Options
(2012 BUDGET DOCUMENT UPDATE INCLUDING BUDGET RANKING PROCESS GUIDELINE UNDER SEPARATE COVER)

REVIEW OF WATER/WASTEWATER OPTIONS

7. Review of Water/Wastewater Budget Options

(2012 OPERATING BUDGET UPDATE INCLUDING WATER/WASTEWATER SERVICES BUDGET RANKING PROCESS GUIDELINE UNDER SEPARATE COVER)

CORRESPONDENCE FOR INFORMATION ONLY

8. Report dated November 30, 2011 from the General Manager of Growth and Development regarding Downtown Parking Rates. **22 - 23**
(FOR INFORMATION ONLY)

VOTING ON BUDGET OPTIONS

9. Demonstration of Voting Process
• Ron St. Onge, Manager of Software and Business Applications
10. Voting on Budget Options
(Vote on the 2012 Budget Options)

MANAGERS' REPORTS

11. Report dated November 17, 2011 from the Chief Financial Officer/Treasurer regarding Realignment of Meter Equivalency Ratios. **24 - 30**
(RECOMMENDATION PREPARED)
(Report tabled at the November 24, 2011 meeting attached.)
12. Report dated November 17, 2011 from the Chief Financial Officer/Treasurer regarding 2012 Water and Wastewater Services Budget **31 - 49**
(RECOMMENDATION PREPARED)
(Report tabled at the November 24, 2011 meeting attached.)
13. Report dated November 24, 2011 from the General Manager of Community Development regarding Community Development - Capital Funded Projects Reallocation. **50 - 87**
(RECOMMENDATION PREPARED)
(This report recommends re-allocation of funded projects in the Community Development Capital to accommodate the renovations to the Chelmsford Family Health Team site, plumbing retrofits at I.J. Coady Memorial Arena along with funding the renewal of the Lily Creek Boardwalk.)
14. Report dated November 30, 2011 from the Chief Financial Officer/Treasurer regarding Amended 2012 to 2016 Capital Budget. **88 - 92**
(RECOMMENDATION PREPARED)

(2012 CAPITAL BUDGET DOCUMENT UPDATE UNDER SEPARATE COVER)

(This report provides Council with the amended capital budget and requests direction regarding the capital enhancements.)

15. Report dated November 30, 2011 from the Chief Financial Officer/City Treasurer regarding Ontario Regulation 284/09 - Budget Matters. **93 - 94**

(RECOMMENDATION PREPARED)

(Reporting requirements as per Reg 284/09 of the Municipal Act, information for expenses that were excluded from the budget but will be included in the audited financial statements.)

16. Report dated December 1, 2011 from the Chief Financial Officer/City Treasurer regarding 2011 Water Wastewater Operating Budget Variance Report - September. **95 - 98**

(RECOMMENDATION PREPARED)

(This report from the Chief Financial Officer/Treasurer and the General Manager of Infrastructure Services projects a year end position of the Water Wastewater Operating Budget for the year ending December 31, 2011.)

PARKING LOT REVIEW

17. The Chair of the Finance Committee will review each of the items placed in the Parking Lot. The consensus of Council will be required for each item listed in the Parking Lot.

THIS MEETING WILL BE CONTINUED ON WEDNESDAY, DECEMBER 7, 2011 AT 4:00 P.M. IF ANY AGENDA ITEMS ARE NOT COMPLETED

Adjournment (Resolution Prepared)

**CAROLINE HALLSWORTH, EXECUTIVE DIRECTOR, ADMINISTRATIVE SERVICES/CITY CLERK
FRANCA BORTOLUSSI, COUNCIL SECRETARY**

Request for Decision

Seniors' Rebate

Presented To:	Finance Committee
Presented:	Monday, Dec 05, 2011
Report Date	Wednesday, Nov 30, 2011
Type:	Follow Up Reports to Parking Lot Items

Recommendation

For Direction.

Staff are seeking direction on which rebate option Finance Committee would consider and the value of the option. Based on Finance Committee's decision, the appropriate option will be added to the 2012 Operating Budget voting process.

Background

History of the Elderly Property Tax Assistance Credit

At amalgamation, all senior homeowners that met the criteria of the program were eligible for a \$100 tax credit. In 2004, the credit was increased to \$150 and in 2008 it was increased again to \$200. The following outlines the criteria an individual must meet to be eligible for the tax credit:

- Receives the Guaranteed Income Supplement (GIS*) from the Federal Government
- Is a City of Greater Sudbury resident
- Is at least 65 years old, in the year the credit is claimed
- Is assessed as the owner of the residential property for the entire year prior to the year of application
- Occupies a single family dwelling unit in the City of Greater Sudbury on which municipal taxes have been levied in excess of \$600 annually
- The credit is also extended to a surviving owner, spouse or same sex partner

*The Guaranteed Income Supplement is an income tested, monthly benefit for seniors with limited incomes. It is a benefit that low income seniors receive in addition to their Old Age Security (OAS) pension.

Seniors' Assistance for Water/Wastewater Rebate

A Finance Committee request to provide a seniors rebate for water and wastewater charges was brought forward in a report to Policy Committee on November 16, 2011. The report proposed that the Finance Committee consider a water/wastewater rebate for eligible seniors and four options were prepared as follows:

Signed By

Report Prepared By

Ed Stankiewicz
Manager of Financial Planning & Policy
Digitally Signed Nov 30, 11

Recommended by the Department

Lorella Hayes
Chief Financial Officer/Treasurer
Digitally Signed Nov 30, 11

Recommended by the C.A.O.

Doug Nadorozny
Chief Administrative Officer
Digitally Signed Dec 1, 11

Options	Level of Rebate	% Fixed Portion of 2011 Water/Wastewater Bill	Estimated Total Cost	Est. Increase in Overall Water Rates
Option 1	\$50	12.5%	\$47,500	0.1%
Option 2	\$75	18.75%	\$71,250	0.15%
Option 3	\$100	25.0%	\$95,000	0.2%
Option 4	Status quo & no rebate program	-	-	-

Policy Committee referred this issue to the Senior Advisory Panel (SAP) and staff met with the SAP on November 17, 2011. At the Finance Committee of November 24, 2011, two requests were made:

1. What is the impact of a \$25 water/wastewater rebate?
2. Investigate a property tax credit of \$75 versus a \$75 water/wastewater rebate.

The value of a \$25 water/wastewater rebate would be 1/3 the value identified in the Policy Committee report. The value for each block of \$25 rebates is \$24,000, which translates to an approximate .05% increase in the water/wastewater rate.

\$75 Property Tax Credit versus \$75 Water/Wastewater Rebate

The City of Greater Sudbury's existing Elderly Property Tax Assistance Credit program of \$200 is provided for under Section 365 of the Municipal Act. This section of the Act allows the City to provide tax reductions for the purposes of relieving financial hardship. As a result of this provision, the School Boards participate in this tax reduction, lessening the impact on the City's budget. Due to area rating the education portion of the property tax bill varies from 13% to 15%. For this analysis a 14% education tax portion of the property tax bill will be used and an estimate of 950 applicants will be considered. Based on these assumptions, the total tax credit for this \$75 initiative would be borne by the City at \$64.50 and school boards at \$10.50 for a total estimated value of \$62,000 to the City.

The \$75 water/wastewater rebate would be borne by all water/wastewater rate payers. This initiative would increase the water/wastewater rate by approximately .15%. This would have no affect on the tax levy.

Options for Consideration

Option One

Increase the seniors' property tax credit. The criteria of the program would not change and the school boards would share proportionately in the program. If inflationary increases were applied since 2008, the credit would be approximately \$225. An increase of \$25 would be worth approximately \$21,000, while a \$75 increase would translate to \$62,000 on the tax levy or .03%.

Option Two

Provide a water/wastewater rebate for eligible seniors. The same criteria as outlined in the Elderly Property Tax Assistance Credit Program would be used. A \$25 rebate would translate into an additional \$24,000 expenditure to the water wastewater budget. A \$75 rebate would be worth approximately \$72,000 on the water wastewater budget and would be carried by all water and wastewater users through a 0.15% rate increase.

Option Three

Status Quo. Provide no additional assistance.

Conclusion

Staff are seeking direction on which rebate option the Finance Committee would consider and the value of this option.

Request for Decision

Hauled Liquid Waste Tipping Fees

Presented To:	Finance Committee
Presented:	Monday, Dec 05, 2011
Report Date	Thursday, Dec 01, 2011
Type:	Follow Up Reports to Parking Lot Items

Recommendation

THAT Council authorize the deferral of the Hauled Liquid Waste tipping fees from January 1, 2012 to July 1, 2012; and

THAT Council authorize Staff to make required adjustments to the WWW bylaws to coincide with the above deferral; and

THAT Staff prepare and implement a community education and outreach initiative which includes an information letter fully explaining the new processes needed to deal with Hauled Liquid Waste for distribution to every rural resident affected by the fees; and

THAT Staff prepare a report and presentation with recommendations for separate holding tank fees for the consideration of Council.

Signed By

Report Prepared By

Nick Benkovich
Director of Water/Wastewater Services
Digitally Signed Dec 1, 11

Recommended by the Department

Greg Clausen, P.Eng.
General Manager of Infrastructure Services
Digitally Signed Dec 1, 11

Recommended by the C.A.O.

Doug Nadorozny
Chief Administrative Officer
Digitally Signed Dec 1, 11

Finance Implications

The deferral will have no impact on the 2012 Water / Waste Water budget as revenues for this initiative were not budgeted for due to the uncertainty of the amounts that would be collected.

Project Background:

With the approval of Resolution 2010-353 Council approved an update to the Sewer Use Bylaw on September 15, 2010. One of the many objectives of the Bylaw included regulating Hauled Liquid Waste (HLW) within the City of Greater Sudbury through the planned decommissioning of the three (3) existing hauled sewage sites and transitioning to a HLW receiving station to be located at the Sudbury Wastewater Treatment Plant.

The Resolution further directed Staff to proceed with a phased implementation and enforcement of the Sewer Use Bylaw and the Source Control Program. The implementation strategy included a one year grace period from the date of Council approval of the updated Bylaw to allow affected stakeholders and customers time to adapt to the new requirements and programs contained in the Bylaw. This grace period ended on September 15, 2011.

During the grace phase-in period Staff carried out a comprehensive communications and public education plan to help customers in developing environmentally friendly practices that comply with the Bylaw requirements.

Several of the new requirements in the Bylaw generate additional costs for the Water and Wastewater Services Division such as administration, various additional equipment, software, and laboratory fees, maintenance and life cycle costs. As such, the new Bylaw introduces fees to recover these additional costs and these fees are set out in the Water and Wastewater Rate By-law.

At Council's request, this report has been prepared for the decision of Council to delay the implementation of the HLW fees until July 1, 2012. This additional time will provide Staff an opportunity to complete additional education and outreach initiatives so that affected property owners can fully understand the rationale for the HLW fees and adjust to the new requirements. The deferral would also provide an opportunity to complete the development of a separate lower fee proposal, (and design business processes to differentiate those customers) to address the specific requirements for customers with holding tank waste for Council's consideration. Holding tank fee implementation could then come into effect on July 1, 2012.

Staff will undertake to provide a follow up report to explain the reasons for tipping fees and propose a separate fee for holding tank customers for the consideration of Council complete with a presentation on the HLW transition strategy early in 2012.

Financial Implications:

There are no anticipated financial implications from the deferral of the fees as the costs of additional public education and outreach initiatives will be funded from approved budgets and no revenue was budgeted in 2012 due to uncertainty of amounts to be collected (principle of conservatism).

For Information Only

Emergency Shelter Funding

Presented To:	Finance Committee
Presented:	Monday, Dec 05, 2011
Report Date	Thursday, Dec 01, 2011
Type:	Follow Up Reports to Parking Lot Items

Recommendation

For Information Only

Background

Please see attached previous reports to Council regarding emergency shelter funding, as per Council's request November 14th, 2011.

Signed By

Report Prepared By

Gail Spencer
Coordinator of Shelters and
Homelessness
Digitally Signed Dec 1, 11

Division Review

Luisa Valle
Director of Social Services
Digitally Signed Dec 1, 11

Recommended by the Department

Catherine Matheson
General Manager of Community
Development
Digitally Signed Dec 1, 11

Recommended by the C.A.O.

Doug Nadorozny
Chief Administrative Officer
Digitally Signed Dec 1, 11

For Information Only

Information on Funding of Homelessness Initiatives

Presented To:	Finance Committee
Presented:	Monday, Mar 28, 2011
Report Date	Wednesday, Mar 23, 2011
Type:	Follow Up Reports to Parking Lot Items

Recommendation

For information only

Background

City of Greater Sudbury Homelessness Initiatives

The City of Greater Sudbury receives funding from Federal, Provincial and Municipal Government to support homelessness programs. The funding is used in a coordinated and strategic way to maximize the benefits to the citizens of Greater Sudbury. While the financial support of emergency shelter programs is a key component of the safety net provided to the community, funding is also used to provide supports which prevent homelessness, coordinate homelessness services, and develop alternate housing options such as transitional housing.

The following is an overview of the programs and services provided by Social Services in support of Homelessness Initiatives.

Provincial and Municipal funding sources

Signed By

Report Prepared By

Gail Spencer
Coordinator of Shelters and Homelessness
Digitally Signed Mar 23, 11

Division Review

Luisa Valle
Director of Social Services
Digitally Signed Mar 23, 11

Recommended by the Department

Catherine Matheson
General Manager of Community Development
Digitally Signed Mar 23, 11

Recommended by the C.A.O.

Doug Nadorozny
Chief Administrative Officer
Digitally Signed Mar 23, 11

Homelessness Network

The Homelessness Network is a group of eight local agencies that Administer and Co-ordinate the Prevention Supports and Housing First System to assist and support citizens to move out of the cycle of homelessness. This program is funded by the Provincial Consolidated Homelessness Prevention Program (CHPP) and Municipal funding.

The Homelessness Network administers several programs, which include:

- Provincial Rent Bank (approximately \$69,000/year provided through Provincial funding)
- Emergency Energy Fund (approximately \$34,000/year provided through Provincial funding)
- Extreme Cold Weather Alert (approximately \$50,000/year provided through Municipal funding)
- CGS Rent bank Program (approximately \$20,000/year provided through municipal funding)

In 2010 the Homelessness Network assisted 1942 households who were at risk of homelessness, of which 97.9% were able to remain housed.

Emergency Shelter Programs:

Emergency Shelter services are provided by the Salvation Army and L'association des jeunes de la rue. Costs for this program are shared between the Province Per Diem funding and Municipality operational top up funding. For the year 2011 the cost sharing formula is 81.2% Provincial and 18.8% Municipal. These costs are being uploaded to the Province, and by the year 2018 will be funded 100% by the Province.

Provincial Per Diem is an amount set out by the Province and administered by the City of Greater Sudbury's Social Services office and is based on occupancy within the Emergency Shelter program. For 2010, the Per Diem rate provided by the Province was \$46.70 per day (\$47.30 per day for 2011).

Municipal operational top up funding has been provided to the Emergency Shelter service providers on an annual one-time basis through budget options. The operational top up is required to fill the gap between the total operating costs of the program less the Provincial Per Diem funding received from the Province. In 2010 operational top up funds were offset by using Provincial Social Assistance Restructuring Funding (SAR) for the female youth and womens & families components as the program met the funding criteria.

In 2010, 987 individual men, women, youth and children stayed at one of the emergency shelter programs within the City of Greater Sudbury. The average length of stay in the men's and women's and families program was 19 days; the average length of stay for the youth was 38 days.

Survey of other communities

In November 2008 an informal email survey was sent out to other Ontario Municipalities about funding of emergency shelter programs. The results from the offices that responded indicated:

- 14 of the 15 offices (93%) that fund emergency shelters in their community provide some other type of funding in addition to the Provincial Per Diem available.

Other funding sources:

- 6 offices used Municipal top up funding
- 6 offices used Provincial CHPP funding
- 3 office used Federal HPS funding
- 2 offices used NCB or OCB reinvestment funds (now called SAR funding)
- 2 offices offer property at no cost or below market rate rental of property
- Other programs combined programming and receive funds through Corrections Canada, MCSS, Trillium, United Way

Federal Funding Source:

Homelessness Partnering Strategy (HPS)

The City of Greater Sudbury has been designated the Community Entity for administering the Federal Homelessness Partnering Strategy (HPS) funding within the community. The Community Entity is the link between the Federal Government and the Community Advisory Committee. The Community Advisory Committee on Homelessness was created to implement the priorities established in the Community Plan that address homelessness within the City of Greater Sudbury with the resources available from the federal government's Homelessness Partnering Strategy. Federal funding has been at a rate of \$226,189 per year from 2007- 2011.

The HPS funding was used in our community to address the three priorities as determined through the Community Plan Update and endorsed by Council on January 23rd, 2008. The three priorities are:

1. To provide transitional shelter for those who are chronically homeless through partnerships.
2. To develop a reporting method that will allow of the monitoring, measurement and evaluation of the overall effectiveness of the system that is currently in place to deal with the most

vulnerable in the City of Greater Sudbury.

3. Support the Community in change management to the Housing First Strategy.

Results:

- six new transitional beds at Rockhaven addiction treatment program for men who have completed the addiction program
- six new transitional beds at Foyer Notre Dame for young women aged 16 to 19 who are completing high school
- six new transitional beds at Canadian Mental Health Association for people experiencing mental health issues.
- two Report Cards on Homelessness for the City of Greater Sudbury
- training provided to community partners on the Housing First Strategy.

Future

The Federal Government has announced a further funding commitment of three years under the Homelessness Partnering Strategy at a rate of \$226,189 per year (2011 to 2014). A Community Consultation was held in December 2010 and a new Community Plan has been developed.

Homeless Individuals and Families Information System (HIFIS)

Homeless Individuals and Families Information System (HIFIS) is a community-driven national information system for shelter service providers. The system helps facilities (such as emergency shelters) with their operations and planning activities, while also collecting data on the characteristics of the homeless population across Canada. Within our community there are four emergency shelter programs, eight Homelessness network agencies, and the Elgin Street Mission who collect HIFIS data.

Overview of Funding Sources 2010

Funding Source:	Federal	Provincial	Municipal
Transitional Housing (HPS Funding)	\$226,189		
HIFIS	\$53,553		
Homelessness Network		\$118,641	\$433,524
Provincial Rent Bank		\$69,581	
Emergency Energy Fund		\$34,620	
City Rent Bank			\$20,000
Extreme Cold Weather Alert			\$50,000
Emergency Shelter <ul style="list-style-type: none"> - Social Assistance Restructuring - Per Diem funding - Municipal Operational Top Up 		345,000 479,755 0	0 115,474 360,000
Total	\$279,742	\$1,047,597	\$978,988

Summary of Emergency Shelters

Program Costs:

	2006 Actuals	2007 Actuals	2008 Actuals	2009 Actuals	2010 Actuals	2011 Budgeted
Operational Top Up	612,281.00	541,575.00	690,000.00	680,000.00	705,000.00	705,000.00
Per Diems	876,633.95	768,212.35	882,846.30	859,924.00	595,229.41	1,574,763.00
Net Program Costs	1,488,914.95	1,309,787.35	1,572,846.30	1,539,924.00	1,300,229.41	2,279,763.00

Funding Breakdown:

Federal	154,194.00	329,575.00	-	-	-	-
Provincial - Social Assistance Restructuring	-	-	-	-	345,000.00	282,000.00
Provincial - Per Diem	702,654.61	640,634.32	705,720.84	687,939.20	479,754.90	1,278,707.56
	702,654.61	640,634.32	705,720.84	687,939.20	824,754.90	1,560,707.56
Municipal - Operational Top up	458,087.00	212,000.00	690,000.00	680,000.00	360,000.00	423,000.00
Municipal - Per Diem	173,979.34	127,578.03	177,125.46	171,984.80	115,474.51	296,055.44
	632,066.34	339,578.03	867,125.46	851,984.80	475,474.51	719,055.44

Program Costs

	1,488,914.95	1,309,787.35	1,572,846.30	1,539,924.00	1,300,229.41	2,279,763.00
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Per Diem Rates

	2006	2007	2008	2009	2010	2011
Per Diem	39.15	39.95	40.75	41.60	42.50	43.00
PNA	3.80	3.90	4.00	4.10	4.20	4.30
	42.95	43.85	44.75	45.70	46.70	47.30

Request for Decision

Emergency Shelter Operational Top Up Request

Presented To:	City Council
Presented:	Wednesday, Sep 28, 2011
Report Date	Tuesday, Sep 20, 2011
Type:	Managers' Reports

Recommendation

THAT, the Council of the City of Greater Sudbury considers the one time funding for operational top up for the emergency shelter programs for homelessness in the amount of \$375,000 and directs staff to prepare a budget option during the 2012 budget deliberation.

Finance Implications

If approved, a budget option will be developed for the Finance Committee for the 2012 budget deliberations in the amount of \$375,000.

Budget option – funding request \$ 651,736 Less: Social Assistance Restructuring Funding (SAR) (276,736) Total Budget Consideration for 2012 \$ 375,000

Signed By

Report Prepared By

Gail Spencer
Coordinator of Shelters and Homelessness
Digitally Signed Sep 20, 11

Division Review

Luisa Valle
Director of Social Services
Digitally Signed Sep 20, 11

Recommended by the Department

Catherine Matheson
General Manager of Community Development
Digitally Signed Sep 20, 11

Recommended by the C.A.O.

Doug Nadorozny
Chief Administrative Officer
Digitally Signed Sep 20, 11

Background

The Social Services Division, Community Development Department of the City of Greater Sudbury is mandated by the Province of Ontario to provide Emergency Shelter in our community. This has been achieved and is successful through partnerships with service providers in our community that provide emergency homelessness shelter programs.

The City of Greater Sudbury receives funding from Federal, Provincial and Municipal Government to support homelessness programs. The funding is used in a coordinated and strategic way to maximize the benefits to the citizens of Greater Sudbury. The financial support of the emergency shelter programs is a key component to the safety net provided to the community.

Emergency Shelter Programs

L'Association des jeunes de la rue has been operating Foyer Notre Dame for several years. This organization has provided an emergency shelter for female youth, in the community for several years and in June 2011 they added the operation of the male youth emergency shelter program. The Foyer Notre Dame House is a fully bilingual program designed to assist homeless youth between the ages of 16 and 19. Their program goals are to assist each youth in achieving family integration, to undergo functional life skills training, to achieve vocational scholastic reintegration and to reach self sufficiency and personal independence.

The Salvation Army has been providing emergency shelter services for the adult Men's Hostel Program for many years and in 2007 expanded to include the Women's and Families Shelter Program. The Salvation Army provides emergency shelter services to assist homeless males and females over the age of 19 as well as homeless families. Their program goals are to provide board, lodging and personal needs to homeless people on a short term basis as well as provide support services to these individuals.

The City of Greater Sudbury continues to partner with both L'Association des jeunes de la rue and The Salvation Army in providing the emergency shelter programs to the citizens and families in need in the community. These services are an integral and vital component in assisting the vulnerable citizens in our community.

Long-Term Affordable Housing Strategy

The Ministry of Municipal Affairs and Housing released the Housing Policy Statement and supporting regulations to the *Housing Services Act, 2011* which will become effective January 1, 2012. The province's Long-Term Affordable Housing Strategy focuses on transforming the way housing and homelessness services are delivered in order to achieve better outcomes for people. Ontario Housing Policy Statement provides direction to service managers to guide the development of locally relevant housing and homelessness plans.

One of the key changes proposed in phase one of the Long-Term Affordable Housing Strategy is consolidating provincially funded housing and homelessness programs in which the Emergency Hostels/Shelters funding will be affected.

To date, the Service Managers are still awaiting details on the consolidation of phase one programs. The Province has stated that they are committed to consulting key stakeholders prior to making any changes.

Additional Information

In June 2011 an email survey was submitted to other Ontario communities who have emergency shelter programs. Communities were asked how they fund their emergency shelter programs.

Fourteen (14) communities with emergency shelters responded to the survey. Information provided showed that communities utilize a combination of funding sources to meet the needs of their emergency shelters. The following is a summary of the responses:

- None of the communities are able to fund the emergency shelter program with only Provincial Per Diem funding
- 10 communities provide some municipal funding (71%)

- 6 communities use Provincial CHPP funding to provide some prevention supports and outreach services for the shelter (43%)
- 2 communities use Federal HPS funding to provide some prevention supports and outreach services for the shelter (14%)
- 4 communities emergency shelter service providers fundraise to support their program (29%)

In the City of Greater Sudbury, the Provincial CHPP funding is used to provide supports and outreach services through the Homelessness Network. Federal HPS funding is used to meet the priorities identified in the community plan such as the development of transitional housing.

A summary of the Emergency Shelter program costs and funding has been attached to this report.

Budget Option Request

Both L'Association des jeunes de la rue and The Salvation Army have put forward a request during the Public Input Session for operational top up funding for the Emergency Shelter Programs for the 2012 budget year.

Municipal operational top up funding has historically been provided to both The Salvation Army and L'association des jeunes de la rue on an annual one-time basis through budget options. The operational top up is required to fill the gap between the total operating costs of the program less the Provincial Per Diem funding received from the Province.

Costs for the Emergency Shelter Program have been historically shared by the Province Per Diem funding and Municipal operational top up funding. For the year 2012 the cost sharing formula is 82.8% Provincial and 17.2% Municipal and by the year 2018 will be funded 100% by the Province as the costs are being uploaded.

Provincial Per Diem is an amount set out by the Province and administered by the Social Services Division and is based on actual occupancy within the Emergency Shelter program. Currently, the Province provides \$47.90 per diem per day per person.

The budget option request for 2012 is for a total of \$651,736 with \$426,736 allocated to The Salvation Army and \$225,000 allocated to L'Association des jeunes de la rue - Foyer Notre Dame House.

The Province has allowed an allocation from the Social Assistance Restructuring funding to be applied to the Women and Families and the Female Youth Shelter programs for operational top up.

As a result the budget option request is amended as follows:

Budget option – funding request	\$ 651,736
Less: Social Assistance Restructuring Funding (SAR)	<u>(276,736)</u>
Total Budget Option for 2012	\$ 375,000

If any additional Provincial or Federal funding is subsequently received and/or available, the City's allocation could be reduced.

Recommendations

The Emergency Shelter programs have been delivered successfully by both The Salvation Army and L'association des jeunes de la rue for many years. Both agencies continue to seek alternate funding sources to maintain and improve their services. The Social Services Division works closely with all the agencies in the community and has completed due diligence in ensuring that the mandated programs are available and delivered with excellence by the service providers through these partnerships.

The Social Services Division is recommending that City Council consider a budget option for Operational Top up for the Emergency Shelter Program in the amount of \$375,000.

The Social Services Division is further recommending that the budget option be reflected as a one-time option for the 2012 budget, given that the Long-Term Affordable Housing Strategy and the requirements of the Housing Services Act, 2011 (Bill 140) coming into effect on January 1, 2012 will have an effect on the emergency shelter programs and funding of which are unknown to the Municipality.

For Information Only

Downtown Parking Rates

Presented To:	Finance Committee
Presented:	Monday, Dec 05, 2011
Report Date	Wednesday, Nov 30, 2011
Type:	Correspondence for Information Only

Recommendation

For Information Only

Finance Implications

If the parking option is approved by Finance Committee, the additional revenue generated will be contributed to the Parking Reserve.

Downtown Parking Rates

At the September 22, 2011 Policy Committee, we brought options forward that proposed parking rate increases for 2012. Increases would be seen in hourly rates, daily rates, monthly rates, special event rates and lease rates anticipating an increase in revenues of \$424,310.00. This anticipated increase in revenue was based on the parking rates increase effective January 1, 2012.

This report outlines the next steps if the options are approved. The process outlined and the timeline are critical to ensure we achieve the anticipated results. Should the options be approved as proposed, and if staff is allowed to proceed following the Finance Committee meeting of December 5, 2011, the rate increase would take place on February 1st, 2012. The following outlines the steps required to implement the rate increase.

1) Change machines and meters to reflect new rates

Appointments will have to be booked with Suppliers – they will need 1-2 days on site

- The 2 cashier system will have to be reprogrammed by the supplier. (WPS)
- The 6 pay and display machines will have to be reprogrammed by the supplier. (Cale)
- The 400 on-street meters will have to be reprogrammed by the City's Maintenance Operator.

2) Change Signage to reflect new rates

Signs need 2-3 weeks to prepare and 1-2 days for installation

- The 4 signs at the Tom Davies Square and Centre for Life must be changed.

Signed By

Report Prepared By

Gloria Kindrat
Supervisor of Parking
Digitally Signed Nov 30, 11

Division Review

Danielle Braney
Director of Asset Services
Digitally Signed Nov 30, 11

Recommended by the Department

Bill Lautenbach
General Manager of Growth and Development
Digitally Signed Nov 30, 11

Recommended by the C.A.O.

Doug Nadorozny
Chief Administrative Officer
Digitally Signed Dec 1, 11

- b) The 6 signs at the Pay and Display Municipal Lot entrances must be changed.
- c) All decals on on-street meters must be changed.
- d) The 6 special event signs will need to be changed.

3) Monthly Pass Sales modifications to reflect new rates

One week to change systems

- a) Change rates in systems at Citizen Service Centre for monthly and quarterly parking passes.
- b) Change rates for payroll deduction.

4) PSA's on new rates

Ongoing

- a) Internal Customers
- b) External Customers

5) Lease Agreements require notification

At least one-month notice

Notice must be given to the customers who lease space within our Municipal Lots.

Request for Decision

Report dated November 17, 2011 from the Chief Financial Officer/Treasurer regarding Realignment of Meter Equivalency Ratios.

Presented To:	Finance Committee
Presented:	Monday, Dec 05, 2011
Report Date	Thursday, Dec 01, 2011
Type:	Managers' Reports

Recommendation

THAT Council of the City of Sudbury approve Option 1, which states that the 2012 monthly fixed charge for the 5/8 or 3/4 inch water meters be frozen at the 2011 rate of \$15.71, and the foregone fixed charge revenue be passed on to the high volume customers with service lines equal to or greater than a 1 inch meter, as outlined in the report dated November 17, 2011 from the Chief Financial Officer/Treasurer.

Signed By

No signatures or approvals were recorded for this report.

Request for Recommendation Finance Committee



Type of Decision							
Meeting Date	November 24, 2011			Report Date	November 17, 2011		
Decision Requested	X	Yes		No	Priority	X	High
							Low
	Direction Only				Type of Meeting	X	Open
							Closed

Report Title
Realignment of Meter Equivalency Ratios

Budget Impact/Policy Implication		Recommendation	
X	This report has been reviewed by the Finance Division and the funding source has been identified.		
<p>There will be no impact to the total fixed charge revenues collected by the City but there will be water and wastewater rate relief of approximately \$715,000 (base budget) to residential customers. This amount will be passed on to the high volume users, with meter sizes of 1 inch or greater.</p> <p>The adoption of this recommendation will result in a net overall increase on water and wastewater costs for various City operating departments, and will be funded within the 2012 Base Budget.</p>		<p>THAT Council approves Option 1, which states that the 2012 monthly fixed charge for the 5/8 or 3/4 inch water meters be frozen at the 2011 rate of \$15.71, and the foregone fixed charge revenue be passed on to the high volume customers with service lines equal to or greater than a 1 inch meter, as outlined in the report from the Chief Financial Officer dated November 17, 2011,</p>	
X	Background Attached		Recommendation Continued

Recommended by the Department	Recommended by the C.A.O.
 Lorella Hayes Chief Financial Officer/Treasurer	 Doug Nadorony Chief Administrative Officer

Report Prepared By	Division Review
 Paddy Buchanan Manager of Accounting	

BACKGROUND

During the 2011 budget deliberations, Council directed staff to review the water and wastewater (WWW) rates with specific attention to the distribution of charges between residential and high volume users, such as the non-residential customers. This report sets out the preliminary findings of this review. Over the next several months the Regional Treasurer's Group will be undertaking a WWW rate structure review and it is expected that this work together with the City's review may provide further recommendations in mid 2012.

For the purposes of this report, customers using a 5/8 or 3/4 inch meter will be classified as residential or low volume users. High volume customers are those who connect to the system with a meter 1 inch or greater. There are approximately 45,000 5/8 inch customers and approximately 2,000 customers with metre sizes of 1 inch and greater.

Current Water and Wastewater Rate Structure

The City's water and wastewater services are provided on a full user-pay (includes operating and capital envelopes) basis excluding fire protection costs. Under the current rate structure, customers are charged a fixed monthly service fee for water that varies based on the size of the water service and a variable consumption charge calculated on a per cubic metre basis of water consumed. Wastewater fees are calculated as a surcharge (percentage) of water rates and as such incorporate both a fixed and variable component. Revenues from the fixed charge comprise approximately 35% of the user fees and the variable charge accounts for 65% of the user fees.

For 2011, the residential customer fixed monthly service charge for water is \$15.71 and the variable consumption charge is \$1.081 per cubic metre of water consumed. The 2011 wastewater surcharge is 111.9% of water rates.

Alternative Water and Wastewater Rate Structures

In 2009, KPMG was engaged to undertake a review of the City's water and wastewater rate structure and presented their findings to Council on November 12, 2009. In this report KPMG set out several alternatives for water and wastewater rate setting. The major conclusions of this report were:

- The City should not consider reducing the percentage of user fees generated by the fixed charge (as noted above approximately 35% of user fees), since almost 70% of the WWW expenses are fixed in nature.

- The City should continue to use a uniform variable consumption charge for water customers as it is easily understood, simple to administer, consistent with common and best practices for Ontario municipalities and fair in that all customers pay the same rate for water consumed.
- The City should continue to levy a wastewater surcharge on the fixed and variable water rates.

During 2011, Finance staff with the assistance of BMA Management Consulting Inc. undertook an environmental scan of current practices in water and wastewater rate setting to determine if there was any new information that would suggest that the conclusions of the KPMG report should be changed. This report confirms the KPMG conclusions noted above, with the exception of one finding that emerged.

During staff's review, it was noted that the residential fixed charge and the high volume customer fixed charge could be realigned to provide for more equitable distribution of the fixed charges between residential and high volume customers. The remainder of this report discusses this finding and makes a recommendation for 2012.

Distribution of Fixed Charges

The water fixed charge rates were established at the time of amalgamation, based on meter equivalency ratios. The meter equivalency ratios (set out in the Tables below) are factors that are used to establish the charge to larger customers against a base charge which is the smallest meter size available, 5/8 inch residential meter. It has been the City's practice to increase these rates annually by the volumetric water rate increase. The fixed charges for 2011 are as follows:

TABLE 1: 2011 Fixed Charges

Meter Size Inches	City's Meter Equivalency Ratio	Monthly Fixed Water Charge \$
5/8 or 3/4	1.0000	15.71
1	1.4831	23.30
1 1/2	2.0000	31.42
2	4.0286	63.29
3	8.0127	125.88
4	12.0573	189.42
6	20.1012	315.79
8	32.3285	507.88
10	55.4430	871.01

During late 2011, staff undertook a review of the City's ratios. The following table summarizes the City's ratios, American Water Wastewater Association (AWWA) recommended ratios, and the average from 20 municipalities surveyed by BMA.

TABLE 2: COMPARISON OF METER EQUIVALENCY RATIOS

Meter Size Inches	City's Meter Equivalency Ratio	Recommended Ratios per AWWA	BMA Survey Average
5/8	1.0000	1.0	1.0
1	1.4831	2.5	2.38
1 ½	2.0000	5.0	3.96
2	4.0286	8.0	6.38
3	8.0127	16.0	11.57
4	12.0573	25.0	19.45
6	20.1012	50.0	39.43
8	32.3285	80.0	60.77
10	55.4430	115.0	82.57

As illustrated above, the City's meter equivalency ratios are well below both the AWWA and BMA Survey Average ratios. These differences are further evident when we compare the percentage of the Fixed Charge of the Total WWW bill by meter size, in Table 3 below.

TABLE 3: FIXED CHARGE AS A % of TOTAL WWW BILL

Metre Size Inches	Assumed Consumption – cubic meters	City - % Fixed Charge of Total Bill	BMA Survey Avg - % Fixed Charge of Total Bill
5/8	250	41	25
1	1,000	21	27
2	10,000	7	10
3	30,000	4	7
4	100,000	2	4

With the current rate structure, a typical residential water bill in the City (assumes consumption of 250 cubic meters) has a total fixed charge component of 41% and is much higher than the average of the municipalities surveyed in the BMA Municipal Benchmarking Report at 25%. For a sample of high volume customers, the total fixed charge component of an average bill is below the survey average as illustrated above.

This analysis suggests that the City's fixed charges could be realigned between residential and high volume users.

The following options have been prepared for the Finance Committee's consideration:

OPTION 1: Freeze the 5/8 inch meter fixed charge at the 2011 rate of \$15.71

To begin to address this imbalance, this report recommends that the 2011 residential fixed charge of \$15.71 be frozen for 2012 and that the foregone residential fixed charge revenue of approximately

\$715,000 (base budget) be passed on to the high volume customers.

Table 4 illustrates the estimated change in the Fixed Charge as a percent of Total Bill, if Option 1 is approved by the Finance Committee:

TABLE 4: PROPOSED FIXED CHARGE AS A % of TOTAL WWW BILL

Metre Size Inches	Assumed Consumption – cubic metres	City - % Fixed Charge of Total Bill	Option 1: % Fixed Charge of Total Bill	BMA Survey Avg - % Fixed Charge of Total Bill
5/8	250	41	40	25
1	1,000	21	26	27
2	10,000	7	8.7	10
3	30,000	4	6	7
4	100,000	2	2.8	4

As illustrated in Table 4 above, if the Finance Committee approves Option1 to freeze the 5/8 inch meter rate in 2011, and pass along the increase to the high volume customers, the City's fixed charge as a percent of the total bill, is still below the BMA Survey Average.

If Option 1 is adopted, the 2012 base budget overall water and wastewater rate increase for an average residential customer (assumes consumption of 250 cubic metres) would be 2.5% compared to an overall rate increase under the existing policy of 4.2%. This represents an annual fixed charge saving of \$16. The overall water and wastewater rate increase for high volume customers (assumes average consumption as established by BMA) would range between 4.4% and 12% for high volume customers compared to a rate increase under the existing policy of 4.2%. The following table illustrates the impact to the overall water and wastewater rate increase by customers. The increased annual fixed charge cost would be \$250 for a 1 inch meter, \$340 for a 1 ½ inch meter and \$680 for a 2 inch meter.

TABLE 5: Impact on WWW RATE

Meter Size Inch	No of Customers	Rate Increase Existing Policy %	Rate Increase Freeze Residential Fixed Charge %
5/8 or 3/4	44,652	4.2	2.5
1	1,092	4.2	12
1.5	442	4.2	7.2
2	476	4.2	6.7
3	30	4.2	5.9
4	14	4.2	5.0
6	20	4.2	4.4

There are approximately 45,000 residential customers and 2,000 high volume customers.

OPTION 2: Status Quo

The Finance Committee could increase all Fixed Meter Charges in accordance with existing practice. It has been the City's practice to increase these rates annually by the volumetric water rate increase. As illustrated in Table 5 above, the overall impact to all customers would be approximately 4.2% for the Base Budget.

The decision to adopt Option 1 could be deferred until the Regional Treasurer's Group completes the WWW rate structure review. It is expected that their report and recommendations will be available during 2012.

CONCLUSION

A preliminary rate review has identified that water fixed charge rates should be realigned between residential and high volume customers. There are two options for consideration.

It is recommended that Option 1 be adopted.

Request for Decision

Report dated November 17, 2011 from the Chief Financial Officer/Treasurer regarding 2012 Water and Wastewater Services Budget

Presented To:	Finance Committee
Presented:	Monday, Dec 05, 2011
Report Date	Thursday, Dec 01, 2011
Type:	Managers' Reports

Recommendation

THAT the Finance Committee approves the 2012 Water and Wastewater rates as follows: \$_____ per cubic metre; \$_____ water fixed service rate for either a 5/8 inch or 3/4 inch meter; and a wastewater surcharge of _____% of the total fixed and variable water bill;

WHICH represents an overall increase of _____% based on residential customer using 250 cubic metres per annum;

AND THAT the remaining Miscellaneous Water Wastewater User Fees increase by the greater of 3% or September Consumer Price Index;

AND THAT the Finance Committee approve the revised Sustainable Capital Asset Management Program, subject to annual approval by Council during budget deliberations;

AND THAT the necessary Water and Wastewater Rate By-law be prepared in accordance with the report dated November 17, 2011 from the Chief Financial Officer/Treasurer and the General Manager of Infrastructure Services.

Signed By

No signatures or approvals were recorded for this report.

Request for Recommendation Finance Committee





Type of Decision							
Meeting Date	November 24, 2011			Report Date	November 17, 2011		
Decision Requested	X	Yes	No	Priority	X	High	Low
	Direction Only			Type of Meeting	X	Open	Closed

Report Title
2012 Water and Wastewater Services Budget

Budget Impact/Policy Implication		Recommendation
X	This report has been reviewed by the Finance Division and the funding source has been identified.	<p>THAT the Finance Committee approves the 2012 Water and Wastewater rates as follows: \$ _____ per cubic metre; \$ _____ water fixed service rate for either a 5/8 inch or 3/4 inch meter; and a wastewater surcharge of _____% of the total fixed and variable water bill;</p> <p>WHICH represents an overall increase of _____% based on residential customer using 250 cubic metres per annum; and</p> <p>THAT the remaining Miscellaneous Water Waste Water User Fees increase by the greater of 3% or September Consumer Price Index; and</p> <p>THAT Finance Committee approves the revised Sustainable Capital Asset Management Program, subject to annual approval by Council during budget deliberations; and</p> <p>THAT the necessary Water and Wastewater Rate By-law be prepared, and in accordance with the report dated November 17, 2011 from the Chief Financial Officer/City Treasurer.</p>
X	Background Attached	Recommendation Continued

Recommended by the Department	
 Lorella Hayes Chief Financial Officer/Treasurer	 Greg Clausen General Manager of Infrastructure Services

Recommended by the C.A.O.
 Doug Nadorozny Chief Administrative Officer

Report Prepared By	Division Review
 Dion Dumontelle Co-ordinator of Accounting	 Paddy Buchanan Manager of Accounting

BACKGROUND

This report provides the Finance Committee with an overview of:

1. Proposed 2012 Water and Waste Water (WWW) Operating and Capital Budget
2. Recap of WWW 10 year Financial Plan
3. Proposed Budget Options and resulting impacts to WWW rates

2012 PROPOSED WATER AND WASTEWATER OPERATING AND CAPITAL BUDGET

The proposed operating expenditure budget is \$58.4 million compared to the 2011 operating expenses of \$57.3 million. The 2012 budget details can be found in pages 192 to 219 in the Operating Budget binder.

To fund the base budget operating expenditures, it will be necessary to raise \$25.9 million through the variable and fixed water user fees (\$25.6 in 2011) and \$27.9 million through the wastewater surcharge fees (\$27.1 million in 2011).

Based on the 2012 base budget and 2012 projected consumption, the variable water rate for 2012 would be \$1.124 per cubic metre (\$1.081 in 2011) representing a 4.0% increase.

The wastewater surcharge would be 112.3% of total water charges (111.9% in 2011), representing a 0.4% increase.

The fixed water charge for a 5/8 inch meter would be \$16.34 representing a 4.0% increase.

The overall proposed WWW increase is 4.2%, for a residential customer using 250 cubic metres per annum. These rates do not include any operating or capital enhancement options.

The increase is comprised of:

Base Budget	1.5%
Projected Decline in Consumption	<u>2.7%</u>
	4.2%

This proposed base budget includes a number of efficiencies that emanated from the Toward Fiscal Sustainability Plan and initiatives identified by management. These include:

- Annual reduction in diesel maintenance contract services of \$50,000 as part of an operational efficiency initiative that will see this work performed by City staff
- Reduction in the use of leased vehicles at a savings of \$20,000

- Rationalization of some contractual services that will result in additional annual savings of approximately \$70,000

In addition, there are a number of potential medium to longer term sustainability initiatives, including:

- Service level standards governing distribution and collection emergency repairs, including defining response times for water main break repair. This standard will require Council approval
- Follow up on 2010 collective bargaining agreement items regarding shift schedules for distribution and collection, and lift station staff
- Improved synergies with Roads and WWW operations
- Business process reviews and implementation of new CMMS system
- Recommendations from Strategic Technology and Business Plan Review
- Non-revenue water reduction strategies
- Wet weather flow reduction strategies
- Plant process optimization (chemicals and power)

Fire Protection Costs on Municipal Levy

Consistent with Council policy, Water and Wastewater costs are recovered through the Water/Wastewater rates, with the exception of \$3.2 million of water costs, related to the provision of fire protection. These costs should be funded by the municipal levy in accordance with the Water Wastewater Rate By-law.

Municipal water system design has capacity for increased water flows for firefighting purposes and this capacity has a cost in terms of oversized infrastructure (water mains, pumps, storage tanks) and higher operating expenses. In 2001, the costs of fire protection services were calculated and have increased annually by a 2% inflationary factor.

For purposes of the Financial Plan approved by Council in 2011, the amount of fire protection costs were recalculated using a methodology provided by the American Water Works Association (AWWA). The cost of fire protection was calculated at \$3.4 million, of which only \$2.9 million was funded through the municipal levy in 2011. As per the methodology outlined by AWWA, the fire protection costs increase annually, as the operating and capital expenses increase.

For 2012, staff have budgeted \$3.2M, or 94% of the 2011 fire protection costs which have been funded from the municipal tax levy.

User Fees and Consumption

The water and wastewater user fee rates are calculated on the projected consumption for the upcoming year. Consistent with similar trends across the province, consumption of water has been decreasing. This decline can be attributed to many factors, including:

- Conservation of water through education and technology such as water saving devices
- Wet summers leading to less outdoor watering
- Customers using less water in response to increased prices

This decline in consumption puts upward pressure on the water and wastewater user fee rates. In 2006 consumption was 16.3 million cubic metres. The 2011 budget is 14.9 million cubic metres and the year end projection is between 14.3 to 14.5 million cubic metres. For 2012, budgeted consumption is 14.3 million cubic metres. Decline in consumption is consistent with industry trends.

It is recommended that other water and wastewater user fees included in the by-law be increased by the greater of 3% or September Consumer Price Index. This policy change is consistent with the City's Miscellaneous User Fee By-law.

Capital Base Budget 2012

The total proposed capital budget for water and wastewater for 2012 is \$35.1. The proposed funding is the base capital envelopes calculated in accordance with the Capital Budget Policy for 2012 of \$11.1 million for water and \$11.8 million for wastewater for a combined total of \$22.9 million as well as funding from Federal Gas Tax (\$2 million), Capital Financing Reserve Funds (\$5.0 million) and future capital envelopes (\$5.2 million). The highlights of the capital works program for the 2012 budget include:

- Robinson Drive Watermain - \$1.28M
- Phase 2 of Wahnapiatae Water Treatment Plant - \$2.0M
- Hanmer Water Storage Tank (design) - \$600,000
- Sudbury Wastewater Treatment Plant upgrades - \$6.75M
- Lift station upgrades - \$3.76M
- Various watermain and sewer projects - \$8.62M

The 2012 to 2016 Capital Budget details have been provided under separate cover.

FINANCIAL PLAN FOR WATER AND WASTEWATER SERVICES, DATED MARCH 1, 2011

Pursuant to Section 31(1) of the *Safe Drinking Water Act, 2002*, Provincial licenses are required for the operation of municipal drinking water systems in Ontario. To obtain these licenses one of the conditions that the City is required to meet includes the preparation of a financial plan that is approved by Council resolution and submitted to the Province.

The Financial Plan for Water and Wastewater Services was presented and approved by Council on March 3, 2011 and then submitted to the Ministry of Municipal Affairs and Housing.

The objective of the Financial Plan is to provide a financial projection that achieves long term financial sustainability for Water and Wastewater Services. Financial sustainability means that there are sufficient revenues to provide for operating costs, debt servicing costs and capital rehabilitation and replacement costs to the extent that Water and Wastewater Services meet or exceed regulatory and environmental protection standards.

The Financial Plan is an estimate of the future financial requirements of Water and Wastewater Services based on its actual experience with respect to operations and the best knowledge available about future economic conditions such as market demand, operating cost increases, capital requirements and interest rates. The Financial Plan is a dynamic document and because it is based on assumptions about the future it will change as these assumptions change.

The results of the Financial Plan showed that a Water and Wastewater rate increase of 7.4% was required in each of the next ten years to achieve financial sustainability based on a set of assumptions. The largest component of this increase is related to capital reinvestment (approximate average of 5%).

Further the Financial Plan indicated that this overall rate increase of 7.4% could be reduced to 6.1% if the period to achieve sustainability was increased to 15 years and further reduced to 5.4% if the period to achieve sustainability was increased to 20 years. The impact of extending the sustainability period is a reduction in the annual capital reinvestment.

Introduction of Sustainable Capital Asset Management in 2001

In 2001, the City of Greater Sudbury adopted a sustainable capital asset management program (SCAMP) which is contained in the Water and Wastewater Rate By-law. The By-law stated:

“The City’s Sustainable Capital Asset Management Program shall be continued, for the purpose of financing the on-going cost of maintaining the City’s water and wastewater infrastructure system. The water capital allocation for this purpose shall be increased by \$400,000 annually and the wastewater capital allocation by \$440,000 annually, until such time as capital contributions for water and wastewater equal 2% of the water and wastewater infrastructure replacement value.”

The estimated replacement value when the policy was established was \$1.1 billion. As a result of this progressive policy, capital expenditures for water and wastewater capital assets increased from \$10 million in 2001 to \$21.5 million in 2011. In the 2011 budget process Council approved \$2 million of Federal Gas Tax revenues to be allocated to water and wastewater and a further capital enhancement of \$875,000 resulting in an overall actual capital budget in 2011 of just over \$24 million.

While this increase in funding is consistent with the original forecasts under SCAMP, Council was advised in 2005 that the original funding increases under SCAMP would be insufficient to provide for sustainability of capital assets due to revisions in the estimated replacement cost of the infrastructure. With the completion of tangible capital asset accounting in 2009, the City has estimated the replacement value of the water and wastewater infrastructure to be in the order of \$2.3 billion and this would require \$46 million in annual capital spending (2011 dollars) compared to the capital spending budget of \$24.4 million in 2011.

Based on the results of the 10 year Financial Plan, it is recommended that the SCAMP policy within the Water Wastewater Rate By-law be updated.

PROPOSED SUSTAINABLE CAPITAL ASSET MANAGEMENT POLICY:

Commitment to Long Term Financial Sustainability

The updating of the sustainable capital asset management policy recognizes Council's commitment to the long term sustainability of water and wastewater infrastructure and provides sufficient capital funding based on the approved Financial Plan of March 3, 2011.

Updating of the Financial Plan and Annual Capital Allocation

The Financial Plan will change over time as a result of changing assumptions and future decisions of Council and therefore it is important that the Financial Plan be updated on a regular basis and the capital allocation also be updated to ensure that financial sustainability can be achieved. The policy recommends that the Financial Plan be updated as significant assumptions change but no less than every five years. Further, the capital allocation would also be updated and revisions to the Sustainable Capital Asset Policy, if required, presented to Council for approval.

Proposed Revision to the Sustainable Capital Asset Management Policy

This report recommends that the Sustainability Capital Asset Management Policy for Water and Wastewater Services be revised and approved as follows and that the Water and Wastewater Rate By-law be amended.

“The City’s sustainable capital asset management program shall be continued, for the purpose of financing the renewal of water and wastewater infrastructure systems. The Water and Wastewater capital allocation for this purpose shall be increased in accordance with the City’s “Financial Plan for Water and Wastewater Services” (dated March 1, 2011 and updated and approved by Council as required but no less than every five years) until such time as capital contributions for Water and Wastewater equal 2% of the Water and Wastewater infrastructure replacement value.”

Annual Budget Review and Approval

Although the recommended policy sets out that the annual budget allocation required in order to achieve financial sustainability be prepared in accordance with the Financial Plan dated March 3, 2011, Council has the opportunity through the annual budget process to review, change and approve the budget.

2012 BUDGET OPTIONS:

Eight budget options have been prepared for the Finance Committee’s consideration. The overall Water Wastewater rate increase for 2012 ranges from the base budget of 4.2% to 7.4%, if all eight budget options are approved.

See Appendix A for the Water Wastewater Budget Option Package.

Summary of the Proposed 2012 Budget Rate Increases

The following table summarizes the budget enhancements in four scenarios for the Finance Committee’s consideration. Table 1 provides an overview of the water and wastewater overall increases and the resulting rates for each of four options, for a **residential homeowner using 250 cubic metres** annually. Approximately 96% of the City’s customer base would be in this category, using a 5/8 or 3/4 inch water meter.

Table 1 (residence using 250 cubic metres)

	Option 1 Base Budget	Option 2	Option 3	Option 4
2012 Base Budget	4.2%	4.2%	4.2%	4.2%
Operating Budget Enhancements (#1 to #5)	-	0.3%	0.3%	0.3%
Capital Inflation Increase Enhancement (#6)	-	1.0%	1.0%	1.0%
SCAMP Increase (#7 and #8)	-	-	0.6%	1.9%
Overall Increase	4.2%	5.5%	6.1%	7.4%
Less: Option to Freeze Fixed Service Charge	(1.7%)	(2.2%)	(2.3%)	(2.1%)
Overall Increase with Freeze to Fixed Service Charge	2.5%	3.3%	3.8%	5.3%
Variable Water Rate per cubic metre	\$1.124	\$1.14	\$1.14	\$1.159
Wastewater Surcharge	112.3%	112.0%	113.2%	114.1%

Budget Options

See Appendix A for the details of the Operating Budget enhancements (#1 to #5).

In addition, see report on Meter Equivalency Ratios for explanation of option to freeze the 5/8 inch fixed service charge.

The following section provides further information regarding the Capital Budget enhancements (#6, #7 and #8).

Capital Envelope Inflation Enhancement (#6): 1% Increase

Council referred a budget option to change the City's policy and increase the capital envelopes by the Non-Residential Building Construction Price Index (NRBCPI). For 2012, this would increase the capital funding for Water and Wastewater by \$537,533, based on the current NRBCPI of 4.4%. This would increase the overall water wastewater rate by approximately 1.0%. For 2012, staff is recommending that the full increase go towards wastewater capital and funds will be applied to the upgrades at the Sudbury Wastewater Treatment Plant, thereby reducing the amount of funding required from future capital envelopes by \$537,533.

Sustainable Capital Asset Funding 2012 (#7 and #8)

In addition to the base capital budget the additional capital budget that would be required in accordance with the proposed revised SCAMP policy in each of the two options is as follows.

Enhancement #7 Rate Increase (\$000)			Enhancement #7 & #8 Rate Increase (\$000)		
Water	WW	Total	Water	WW	Total
0	282	282	200	437	637

The SCAMP options were developed within the overall rate increase of 7.4% approved by the Financial Plan. Since consumption is less than anticipated, the amount of capital proposed by the SCAMP options is less than the recommendation in the Water Wastewater Financial Plan.

Enhancement 7: 0.6% Increase

Additional Wastewater capital expenditures totaling \$282,000 include:

Funds would be applied to the upgrades at the Sudbury Wastewater Treatment Plant (head house and standby power) thereby reducing the amount of funding required from future capital envelopes by \$282,000.

Enhancement 8: 1.9% Increase

Additional water and wastewater capital expenditures totaling \$637,000 include:

Water

- Lively water tank demolition \$160,000
- Watermain Rehabilitation (lining) \$40,000

Wastewater

- Funds would be applied to the upgrades at the Sudbury Wastewater Treatment Plant (head house and standby power) thereby reducing the amount of funding required from future capital envelopes by \$437,000.

CONCLUSION AND RECOMMENDATION

In summary, the proposed overall water/wastewater rate increase is 4.2%. The enhancements proposed could result in a 0.3% to a 3.2% additional increase, bringing the overall water wastewater increase to between 4.2% and 7.4%.

The overall rate increase will also change, depending on the Committee's decision with respect to freezing the residential monthly Fixed Service Charge.

Council will be voting on the budget and options at its December 5th, 2011 meeting and passing the Water and Wastewater Rate By-Law at its meeting of December 14th, 2011. Following this time line will ensure that rates are approved and effective as of January 1st, 2012 resulting in no lost revenues in 2012.

APPENDIX A

CITY OF GREATER SUDBURY 2012 OPERATING BUDGET OPTIONS WATER WASTEWATER SERVICES

Category		Revenues	Expenses	WWW Rate Impact	Option #	Vote YES/NO
Fiscal Sustainability	Implement a new fee for site inspections - subdivisions and site plans.	-20,000		-0.05%	1	
Council/Committee Resolution	Implement a Pavement Degredation Fee. This represents water waste water costs to be charged by roads.		30,000	0.05%	2	
Council/Committee Resolution	Implement a \$75 Elderly Water Wastewater Rebate for single dwelling home owners over age 65 and in receipt of GIS		71,250	0.15%	3	
Fiscal Sustainability	Introduce new fees for emergency locates, private sewer lateral corrective call outs and increase existing fees related to tampering and water shut offs.	-130,000		-0.25%	4	
Council/Committee Resolution	Hire 2 additional FTE's. One is an additional capital engineer to handle the increased capital expenditures recommended by the Water Wasterwater Financial Plan. The other is an administrative position to assist with capital budget financial analysis and procurement and contract administration.		236,572	0.40%	5	
	Subtotal Operating Options	-150,000	337,822	0.30%		
Council/Committee Resolution	Increase the water and wastewater capital envelopes by the Non-Residential Building Construction Price Index(NRBCPI)		537,533	1.00%	6	
Council/Committee Resolution	Increase capital envelopes by an additional \$282,000.		282,000	0.60%	7	
Council/Committee Resolution	Increase capital envelopes by an additional \$637,000.		637,000	1.30%	8	
	Subtotal Capital Options		1,456,533	2.90%		
	Total Options	-150,000	1,794,355	3.20%		

CGS Budget Option		Year:	2012
Category: Fiscal Sustainability		Type: Reduction	Fund: Operating
Department: 5250 Waste Water Revenue		Division: Infrastructure Services	
Request: As a Fiscal Sustainability measure a new fee for site inspections - subdivisions and site plans			
Description/Impact: <p>As a Fiscal Sustainability proposal, a site inspection fee related to the release of letters of credit and deposits would be charged to developers. The fee is related to those inspections that City staff perform in order to ensure that on-site works have been completed in accordance with approved plans. These inspections are necessary in order to allow for the release of deposits and letters of credit which the City is holding to ensure the completion of the works. In most cases more than one site inspection is required to confirm that the works have been completed to the City's satisfaction. Revenue generated from the site inspections would also flow to the Water/Wastewater Department which would generate additional permanent cash inflows of \$20,000.</p> <p>Staff have prepared a report to the September 6, Planning Committee meeting setting out in greater detail this new fee for site inspections and in what instances it would be applied. Policy Committee has approved the fee increase in principle and therefore has been referred to Finance Committee for consideration in the 2012 Budget process. If approved, this option would reduce the overall water and waste water rate by approximately .05%.</p>			
Impact on Staffing (Negative if Reduction)		Net Budget Increase (Negative if Reduction)	
Full Time Postion(s): 0		Permanent: \$(20,000) One-time: \$0 Notes:	

Status: Open

CGS Budget Option		Year:	2012
Category: Council/Committee Resolution		Type: Enhancement	Fund: Operating
Department: 5238	Water Repairs and Maintenance	Division:	Infrastructure Services
Request: Implement a Pavement Degredation Fee			
Description/Impact:			
<p>On September 21, 2011 the Policy Committee recommended that an option for Pavement Degradation Fees be forwarded to the Finance Committee for consideration in the 2012 budget. It was also recommended that the fee schedule be amended to limit the fees to roads that do not exceed 20 years of age.</p> <p>It is anticipated that the amended fee schedule will result in annual revenues of approximately \$70,000. These fees will have an impact on various utility companies such as Greater Sudbury Hydro, Hydro One, Bell Canada, Vianet, Union Gas as well as some City Departments, primarily Water/Wastewater Services. Fees of approximately \$60,000 are expected from Water/Wastewater Services and the remaining \$10,000 from external utility companies. Implementation of the Pavement Degradation Fee will commence on July 1, 2012. This will result in increased costs of approximately \$30,000 for water, which will be funded by water user rates. Any revenue received from implementation of these fees will be contributed to the Capital Financing Reserve Fund- Roads.</p> <p>If approved, this option would increase the overall water and waste water rate by approximately .05%.</p>			
Impact on Staffing (Negative if Reduction)		Net Budget Increase (Negative if Reduction)	
Full Time Postion(s): 0		Permanent: \$30,000 One-time: \$0 Notes:	

Status: Open

CGS Budget Option		Year:	2012
Category: Council/Committee Resolution		Type: Enhancement	Fund: Operating
Department: 5201 Water Waste Water Admin		Division: Infrastructure Services	
Request: Implement a permanent \$75 Elderly Water Wastewater Rebate			
Description/Impact: <p>A \$75 elderly water waste water rebate for single dwelling homeowners over age 65 and in receipt of the Guaranteed Income Supplement was presented to Policy Committee on November 16, 2011. This was referred to the Senior's Advisory Panel for comment.</p> <p>If Council were to approve Option 2 as recommended by staff, the estimated cost of \$71,250 would increase the overall water and waste water rate by approximately .15%.</p>			
Impact on Staffing (Negative if Reduction)		Net Budget Increase (Negative if Reduction)	
Full Time Postion(s): 0		Permanent: \$71,250 One-time: \$0 Notes:	

Status: Open

CGS Budget Option		Year:	2012
Category: Fiscal Sustainability		Type: Reduction	Fund: Operating
Department: 5241 Water Meter Maintenance		Division: Infrastructure Services	
Request: Introduce new user fees for water and waste water services and increase other existing fees.			
Description/Impact: <p>As a fiscal sustainability proposal, additional user fees related to emergency locates, private sewer lateral corrective call outs are proposed. In addition, existing fees relating to water shut off and meter tampering administrative fees will be increased to reflect the actual costs of providing the service. See attached summary for details. If approved, this option would reduce the overall water waste water increase by approximately .25%.</p>			
Impact on Staffing (Negative if Reduction)		Net Budget Increase (Negative if Reduction)	
Full Time Postion(s): 0		Permanent: \$(130,000) One-time: \$0 Notes:	

Status: Open

**CITY OF GREATER SUDBURY
2012 BUDGET
MISCELLANEOUS REVENUES BUDGET OPTION**

Proposed New Water Wastewater (WWW) User Fees

The following new fees are being proposed. In recommending these fees, WWW have reviewed the fee structures in other Ontario municipalities and the fees proposed are consistent with charges across Ontario. These fees are being introduced to ensure that users of a particular service pay for the service rather than the cost being covered by all WWW users and that the service is being used wisely by citizens.

Proposed Fee	Proposed 2012 Fee	Revenue Impact
Verification of water meter accuracy if water meter is found to be accurate	\$286	Nominal
Leachate tipping fee	\$25 per cubic meter	Not determinable
Private Sewer Lateral – second and subsequent call outs when repairs to private pipes are not carried out in accordance with original assessment	\$80 per hour	\$60,000
Emergency locates	\$175 per hour	\$20,000
After hours charge for thawing water lines	\$50	\$500
Operator in charge (attendance at work sites to supervise WWW infrastructure)	\$80 per hour	Currently charging but not identified in the by-law therefore housekeeping change. No new revenue
Tapping	\$80 per hour	Currently charging but not identified in the by-law therefore housekeeping change. No new revenue
Valve turning	\$80 per hour	Currently charging but not identified in the by-law therefore housekeeping change. No new revenue
Fire flow testing	\$80 per hour	\$1,000
Hydrant water use	\$1.85 cubic metre \$500 refundable equip deposit \$250 equip rental and set up	\$2,000

Adjustments to Existing WWW User Fees

The following changes to existing WWW user fees are being recommended to more closely approximate the City's actual costs related to these services.

Existing Fee	2011 Fee	Proposed 2012 Fee	Revenue Impact \$
Bulk Water	1.75	1.85	3,500
Bulk Water Cards	\$50 per card	\$50 per customer	N/A
Admin Fee Tampering	169	230	12,000
Water Supply Shut Off	30.97	70.00	31,000

4(a)

CGS Budget Option		Year:	2012
Category: Council/Committee Resolution		Type: Enhancement	Fund: Operating
Department: 5202 Water Waste Water Supervision		Division: Infrastructure Services	
Request: Hire two additional staff to support water and waste water capital programs			
Description/Impact: <p>The Water and Wastewater Financial Plan, which was received by Council during 2011, identified the need for additional engineering staff to deal with the increasing capital costs. This was identified to occur during 2012 and this enhancement will enable water and waste water staff to ensure that present and future capital projects are planned and completed on a more timely basis. The second position is an administrative position to assist with capital budget financial analysis, procurement and contract administration.</p> <p>If approved, this option would increase the overall water waste water rate by approximately .4%.</p>			
Impact on Staffing (Negative if Reduction)		Net Budget Increase (Negative if Reduction)	
Full Time Postion(s): 2		Permanent: \$236,572 One-time: \$0 Notes:	

Status: Open

CGS Budget Option		Year:	2012
Category: Council/Committee Resolution		Type: Enhancement	Fund: Operating
Department: 5253 W W Debt and Cont to Cap		Division: Infrastructure Services	
Request: Increase Capital Envelopes from 2% Inflation to Non Residential Building CPI of 4.4% for 2012 Budget			
Description/Impact: <p>The recommendation outlined in the November 3rd, 2011 report titled "Capital Budget - Inflation Options" has been approved to be brought forward by the Finance Committee during the November 8th, 2011 Finance Committee meeting. The option is to amend the existing capital policy and increase capital envelopes by the Non-Residential Building Construction Price Index (NRBCPI) effective for the 2012 Budget. This cost index directly relates of the cost of capital construction projects and will assist the City in maintaining the current level of infrastructure. In addition, recognition of these inflationary pressures will ensure capital investments are not eroded by shrinking real dollars. This option would result in an additional \$537,533 in capital funding. If approved, this option would increase the overall water and waste water rates by approximately 1.0%.</p>			
Impact on Staffing (Negative if Reduction)		Net Budget Increase (Negative if Reduction)	
Full Time Postion(s): 0		Permanent: \$537,533 One-time: \$0 Notes:	

Status: Open

CGS Budget Option		Year:	2012
Category: Council/Committee Resolution		Type: Enhancement	Fund: Operating
Department: 5253 W W Debt and Cont to Cap		Division: Infrastructure Services	
Request: Increase capital envelopes by an additional \$282,000			
Description/Impact: <p>In addition to the base capital budget, the additional capital budget that would be required in accordance with the proposed revised SCAMP policy under this option would be \$282,000. The SCAMP options were developed within the overall rate increase of 7.4% approved by the Financial Plan. Since consumption is less than anticipated, the amount of capital proposed by this SCAMP option is less than the recommendation in the Water Wastewater Financial Plan. If approved, this option would increase the overall water waste water rate by approximately .6%.</p>			
Impact on Staffing (Negative if Reduction)		Net Budget Increase (Negative if Reduction)	
Full Time Postion(s): 0		Permanent: \$282,000 One-time: \$0 Notes:	

Status: Open

CGS Budget Option		Year:	2012
Category: Council/Committee Resolution		Type: Enhancement	Fund: Operating
Department: 5253 W W Debt and Cont to Cap		Division: Infrastructure Services	
Request: Increase capital envelopes by an additional \$637,000			
Description/Impact: <p>In addition to the base capital budget, the additional capital budget that would be required in accordance with the proposed revised SCAMP policy under this option would be \$282,000. The SCAMP options were developed within the overall rate increase of 7.4% approved by the Financial Plan. Since consumption is less than anticipated, the amount of capital proposed by this SCAMP option is less than the recommendation in the Water Wastewater Financial Plan. If approved, this option would increase the overall water waste water rate by approximately 1.3%.</p>			
Impact on Staffing (Negative if Reduction)		Net Budget Increase (Negative if Reduction)	
Full Time Postion(s): 0		Permanent: \$637,000 One-time: \$0 Notes:	

Status: Open

Request for Decision

Community Development - Capital Funded Projects Reallocation

Presented To:	Finance Committee
Presented:	Monday, Dec 05, 2011
Report Date	Thursday, Nov 24, 2011
Type:	Managers' Reports

Recommendation

THAT the Finance Committee approve the re-allocation of Capital projects as part of the existing Community Development Capital envelope and;

THAT \$260,000 be funded in 2012 for the Chelmsford Family Health Team (CFHT) site which will cover the cost of remedial repairs and project design drawings and;

THAT leasehold improvements for the CFHT in the amount of \$650,000 be funded in 2013 and;

THAT the City's partnership funding in the amount of \$40,000 for the Lily Creek Boardwalk renewal be funded from the Community Development 2012 Capital contingency and further;

THAT the I.J. Coady Memorial Arena plumbing retrofit estimated at \$115,000 be funded from the 2013 Community Development Capital envelope for implementation in the spring of 2012.

Signed By

Report Prepared By

Real Carre
Director of Leisure Services
Digitally Signed Nov 24, 11

Recommended by the Department

Catherine Matheson
General Manager of Community Development
Digitally Signed Nov 30, 11

Recommended by the C.A.O.

Doug Nadorozny
Chief Administrative Officer
Digitally Signed Dec 1, 11

Finance Implications

The 2012-13 Community Development Capital funded projects have been re-allocated in order to fund the following: \$260,000 be funded in 2012 and \$650,000 be funded as part of the 2013 Capital for the Chelmsford Family Health Team, the City's partnership funding in the amount of \$40,000 for the Lily Creek Boardwalk renewal be funded from the 2012 Capital contingency and the I.J. Coady Arena plumbing retrofit estimated at \$115,000 be funded from the 2012 Community Development envelope.

Background

The purpose of the report is to provide Council with a recommendation on re-prioritizing the 2012-13 Community Development funded capital projects to accommodate the funds required to complete the renovations of the Chelmsford former town hall to accommodate the Chelmsford Family Health Team along with funding the City's partnership contribution with Rainbow Routes Association for the renewal of the Lily Creek Boardwalk, and the plumbing retrofit for I.J. Coady Memorial Arena.

City of Lakes F.H.T. – Chelmsford

During the Capital Budget overview presentation held on Wednesday, October 5, 2011, Councillor Berthiaume identified the need to fund the renovations to the former Chelmsford Town Hall. In 2005, the City of Greater Sudbury partnered with the Northern Ontario School of Medicine and the Health Sciences North (Sudbury Regional Hospital) to engage in the development of the City of Lakes Family Health Teams. The City's commitment to the partnership was to provide available infrastructure in four locations: Pioneer Manor, Valley East, Walden and Rayside-Balfour. To date, the Pioneer Manor, Valley East and Walden sites have been realized. As part of a 2011 budget enhancement option, Council approved a one-time allocation in the amount of \$30,000 to generate schematic architectural design and cost estimate to renovate the former Town Hall offices located at 3400 Hwy 144, Chelmsford. A building condition assessment was completed by J.L. Richards & Associates Ltd. in August, 2011. The total cost to renovate this site is estimated at \$1,300,000. An additional \$260,000 is necessary to implement critical repairs and the City's 50% contribution to the renovation in the amount of \$650,000 be funded as part of the 2013 Capital. The remaining 50% will be funded from the Ministry.

The following projects originally recommended to be funded in 2012 would be deferred and recommended for funding as part of the 5 year capital needs.

2012 Deferred Capital to 2013-2015

T.M. Davies Arena - \$50,000

Garson Arena - \$50,000

Carmichael Arena - \$40,000

Sudbury Community Arena - \$100,000

Roof patching and repairs - \$20,000

Lily Creek Boardwalk Renewal

City Council approved the following resolution:

2011-448 – That the Lily Creek Boardwalk options be referred to the Finance Committee for consideration in the 2012 Budget.

The City's partnership funding of \$40,000 is recommended for funding from the 2012 Capital Contingency allocation.

I.J. Coady Memorial Arena - Elevated Levels of Lead

In early October 2010, City staff were notified by the Health Unit that lead levels in the water at the I.J. Coady Memorial Arena exceeded the maximum allowable concentration. Staff were instructed to post signs at all fixtures such as fountains and sinks with warnings that lead testing was underway and to avoid drinking the water and alternate water would be provided at the arena until the situation was rectified. Staff were requested to flush the internal plumbing on a regular basis with the objective of not allowing the water to sit in the pipes for prolonged periods of time. Follow up tests inside of the building continued to yield test results in excess of the MOE prescribed levels of lead concentration.

A certified plumber recommended the installation of new water lines provided that the source of contamination was not in the existing municipal water system. Attached is a copy of the report completed by Independent Energy Services. The existing water lines were originally installed during construction (1976). The company proposes to run the new water lines from the water meter room to the mechanical room using the space available under the bleachers on the South End East sides of the Arena. The water lines include cold and hot water recirculation lines. Any solder used for any reason will be lead free. The cost is estimated at approximately \$85,000.

In addition to replacing the domestic water line, staff also requested a cost estimate to replace the main water line from the road to the Arena. The capital cost is estimated at \$24,500 (cost estimate attached).

Water/Wastewater Services has confirmed that the new water supply is virtually lead free.

Water/Wastewater Services have been working to resolve this issue over the past year and this work is presently ongoing. When the issue arose, the department quickly implemented a change to the treatment chemical program at the wells to reduce the corrosion in the system to reduce the lead uptake from the lead plumbing components. The results of this chemical change were expected to take several months to fully develop. During this time, additional monitoring was set up to track progress. Although the results of this monitoring indicated some general lowering of corrosion rates in the system, the results from the arena still warranted further action.

During that time, the Water/Wastewater Services has also working to develop the option to add PH adjustment capability into the treatment program at the wells as the data indicates that this may be effective at lowering the corrosion rates in the system further and consequently mitigate the lead uptake more effectively. The work on this project has progressed as far as possible until final approval is received from the Ministry of the Environment to complete and implement the PH adjustment. The Capital and Operating staff are working on this project and will proceed with the implementation once approvals are granted by MOE.

In order to resolve the problem on a long term basis, it is recommended that the water lines be replaced at an estimated cost of \$115,000. The replacement of the water lines can be implemented in the spring of 2012 and the capital cost can be funded from the 2013 Community Development Capital envelope.



Leisure and Citizen Services Summary

CATEGORY DESCRIPTION

(For detailed project listing see attached)

	2012 REQUEST	2013 OUTLOOK	2014 OUTLOOK	2015 OUTLOOK	2016 OUTLOOK
Leisure					
Previous Council Approvals	\$ 404,732	\$ 404,732	\$ 404,732	\$ 404,732	\$ 404,732
Parks / Playgrounds	\$ 735,000	\$ 125,000	\$ 2,146,810	\$ 700,000	\$ 1,350,000
Parks Equipment	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Total Leisure	\$ 1,239,732	\$ 629,732	\$ 2,651,542	\$ 1,204,732	\$ 1,854,732
Libraries and Museums					
Previous Council Approvals	\$ 215,000	\$ 278,000	\$ 278,000	\$ 278,000	\$ 278,000
Library and Museum Projects	\$ 578,620	\$ 588,197	\$ 517,967	\$ 257,411	\$ 617,564
Total Libraries and Museums	\$ 793,620	\$ 866,197	\$ 795,967	\$ 535,411	\$ 895,564
Facilities					
Roofing	\$ 30,000	\$ 390,000	\$ 130,000	\$ 425,000	\$ 100,000
Equipment Replacement	\$ 410,000	\$ 15,000	\$ -	\$ -	\$ 80,400
Structural Repairs/Upgrades	\$ 215,000	\$ 355,000	\$ 75,000	\$ 150,000	\$ -
Heating & Ventilation	\$ 30,000	\$ 225,000	\$ 23,000	\$ 150,000	\$ -
Interior Renovations	\$ 85,000	\$ 214,452	\$ -	\$ 900,000	\$ 200,000
Other Upgrades and Replacements	\$ 410,000	\$ 1,605,000	\$ 175,000	\$ 550,000	\$ 630,458
Health & Safety	\$ 640,178	\$ 100,000	\$ 80,000	\$ 78,322	\$ 300,000
Total Facilities	\$ 1,820,178	\$ 2,904,452	\$ 483,000	\$ 2,253,322	\$ 1,310,858
PROJECT COSTS	\$ 3,853,530	\$ 4,400,381	\$ 3,930,509	\$ 3,993,465	\$ 4,061,154
PROJECT FINANCING					
Reserves: Capital	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)
Reserves: Development Charges	\$ (225,000)	\$ (225,000)	\$ (225,000)	\$ (225,000)	\$ (225,000)
Financing: Future Years	\$ (115,000)	\$ 115,000	\$ -	\$ -	\$ -
Grants (Provincial and Federal)	\$ -	\$ (650,000)	\$ -	\$ -	\$ -
CAPITAL ENVELOPE (Tax Levy)	\$ 3,413,530	\$ 3,540,381	\$ 3,605,509	\$ 3,668,465	\$ 3,736,154

Priority Setting:

Priority setting for Leisure is based on renewal, health and safety and new facilities. For new facilities, priority is based on Parks/Open Space Leisure Master Plan in order to implement identified priority projects.

Priority setting for Facilities is based on aging facilities and need in areas of building shell, roofs, mechanical, electrical and health and safety.

Priority setting for Citizen Services is based on building renewal and expansion. In regards to facility priority, it is based on building age (repair roof, replace lighting, replace boiler etc) as well as expansion (new library).



Leisure and Citizen Services Details

Previous Council Approvals (Internal Borrowing)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
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Leisure and Citizen Services Details

PROJECT DESCRIPTION	PROJECT TYPE R (Renewal) E (Expansion) N (New)	2012 REQUEST	2013 OUTLOOK	2014 OUTLOOK	2015 OUTLOOK	2016 OUTLOOK
Libraries and Museums						
Previous Council Approvals (Internal Borrowing)						
South Branch Library (2012 to 2031)	N	\$ 215,000	\$ 278,000	\$ 278,000	\$ 278,000	\$ 278,000
Subtotal Previous Council Approvals		\$ 215,000	\$ 278,000	\$ 278,000	\$ 278,000	\$ 278,000
Library and Museum Projects						
South Branch Parking Lot / Landscaping	N	\$ 250,000				
Archive Building Upgrades	R	\$ 90,000				
Museum Building Upgrades	R	\$ 75,000				
Valley East Roof / Flooring	R	\$ 30,000				
Azilda Library Parking Lot Paving	R	\$ 45,000				
Library Automated System Upgrade	R	\$ 45,000	\$ 75,000			
Archives - Interim Renovations	R		\$ 150,000			
Mackenzie Library Flooring / Painting	R		\$ 100,000			
Anderson Farm Stable - Kitchen Furnace Replacement	R		\$ 75,000			
Community Archives Shelving	R		\$ 75,000			
Garson Community Service Centre Roof	R		\$ 30,000			
Library Automated System Upgrade	R			\$ 150,000		
Capreol Community Service Centre Window Replacement	R			\$ 75,000		
Capreol Community Service Centre Boiler Replacement	R			\$ 50,000		
Community Archives Shelving	R			\$ 75,000		
Anderson Farm Building Improvements	R			\$ 75,000		
Coniston Library Roof	R			\$ 40,000		
Community Archives HVAC Unit	R				\$ 100,000	
Copper Cliff Library Roof	R				\$ 50,000	
Mackenzie Library Boiler Replacement	R				\$ 50,000	
Mackenzie Library - New Building Feasibility Study and Land Acquisition	R					\$ 617,564
Contingency	R	\$ 43,620	\$ 83,197	\$ 52,967	\$ 57,411	
SUBTOTAL - Library and Museum Projects		\$ 578,620	\$ 588,197	\$ 517,967	\$ 257,411	\$ 617,564
TOTAL Libraries and Museums		\$ 793,620	\$ 866,197	\$ 795,967	\$ 535,411	\$ 895,564



Leisure and Citizen Services Details

PROJECT DESCRIPTION		PROJECT TYPE		2012 REQUEST	2013 OUTLOOK	2014 OUTLOOK	2015 OUTLOOK	2016 OUTLOOK
		R (Renewal)	E (Expansion)					
		N (New)						
Facilities								
Roofing								
Patching and Repairs (Various Locations)	R	\$	30,000	\$	100,000	\$	50,000	\$ 150,000
Naughton Community Centre	R			\$	190,000			\$ 100,000
Dr Edgar Leclair Arena	R			\$	75,000			
Adanac Ski Hill Garage	R			\$	25,000			
Civic Memorial Mausoleum	R					\$	80,000	
Carmichael Arena	R						\$	200,000
Azilda Parks Depot	R						\$	75,000
SUBTOTAL - Roofing				\$	30,000	\$	390,000	\$ 425,000
Equipment Replacement								
Howard Armstrong Recreation Centre - Pool Filter	R		130,000					
Raymond Plourde Arena - Condensor	R		80,000					
Dr Edgar Leclair Arena - Compressor	R		60,000					
Chelmsford Arena - Dehumidification	R		60,000					
Capreol Arena - Dehumidifier	R		55,000					
Toe Blake Arena - Ice Plant Panel Replacement	R		25,000		15,000			
Dr Edgar Leclair Arena - Water Softener	R			\$				\$ 80,400
Fitness Equipment Replacement	R							
SUBTOTAL - Equipment Replacement				\$	410,000	\$ 15,000	\$ -	\$ -
Structural Repairs & Upgrades								
IJ Coady Arena - Waterline Replacement	R		115,000					
IJ Coady Arena - Waterline Replacement - Future Envelopes			(115,000)	\$	115,000			
IJ Coady Arena - Waterline Replacement - Financing in Budget Year			-	\$	115,000			
Capreol Arena - Windows	R		50,000					
Capreol Arena - Building Shell	R		50,000					
Minnow Lake Place - Shell Improvements	R			\$	190,000			
Cambrian Arena - Parking Lot & Site Work	R			\$	125,000			
IJ Coady Arena - Door Upgrades	R			\$	40,000			
Adanac Skill Hill - Garage and Shell Improvements	R					\$	75,000	
Sudbury Arena - Building Shell	R						\$	100,000
TM Davies Arena - Cladding and Beam Restoration	R						\$	50,000
SUBTOTAL - Structural Repairs & Upgrades				\$	215,000	\$ 355,000	\$ 75,000	\$ 150,000
Heating & Ventilation								
McClelland Arena - Header Trench Repairs	R		20,000					
Chelmsford Arena - Ventilation in Dressing Rooms	R		10,000					



Leisure and Citizen Services Details

PROJECT DESCRIPTION	PROJECT TYPE R (Renewal) E (Expansion) N (New)	2012 REQUEST	2013 OUTLOOK	2014 OUTLOOK	2015 OUTLOOK	2016 OUTLOOK
Capreol Millennium Centre - Boiler	R		\$ 70,000			
Onaping Falls Community Centre - Ventilation	R		\$ 65,000			
Falconbridge Community Centre - Furnace	R		\$ 50,000			
Countryside Arena - Boiler	R		\$ 40,000			
Centennial Arena - Boiler	R			\$ 15,000		
Capreol Ski Hill - Furnace	R			\$ 8,000		
Capreol Arena - Boiler	R				\$ 50,000	
McCelland Arena - Hall HVAC	R				\$ 40,000	
TM Davies Arena - Boiler	R				\$ 30,000	
Naughton Community Centre - Boiler	R				\$ 30,000	
SUBTOTAL - Heating & Ventilation		\$ 30,000	\$ 225,000	\$ 23,000	\$ 150,000	\$ -
Interior Renovations						
Dr. E. Leclair - Interior Door Replacements	R	\$ 25,000				
Garson Arena - Arena Seating Partial Replacement	R	\$ 20,000				
Raymond Plourde Arena - Flooring Replacement	R	\$ 15,000				
Countryside Arena - Exit Doors	R	\$ 15,000				
I.J. Coady Rink - Board Repair	R	\$ 10,000				
Arena Flooring - Various Arenas	R		\$ 114,452 ⁸			\$ 200,000
Toe Blake Arena - Lighting Retrofits	R		\$ 50,000			
Dr. E. Leclair Arena - Lighting Retrofits	R		\$ 50,000			
Sudbury Arena - Washroom Retrofits	R				\$ 500,000	
Facility Lighting Upgrades	R				\$ 400,000	
SUBTOTAL - Interior Renovations		\$ 85,000	\$ 214,452	\$ -	\$ 900,000	\$ 200,000
Other Upgrades and Improvements						
Study - Life Cycle Analysis (Capital Needs Pools / Arenas)	N	\$ 80,000	\$ 25,000			\$ 30,000
Sustainable Mobility - Purchase Bike Racks (Public Request)	N	\$ 10,000				
Chelmsford Family Health Team (Building Repairs)	N	\$ 190,000	\$ 1,300,000			
Chelmsford Family Health Team (Drawing / Design)	N	\$ 70,000				
Accessibility - Various Locations	R		\$ 80,000			\$ 150,000
Community Halls Upgrades	R		\$ 50,000		\$ 50,000	\$ 50,000
Pools Upgrades	R			\$ 75,000		
Cemetery System - Internal Roads	R				\$ 350,000	
Tables / Chairs for Special Events	R					\$ 100,000
Contingency	R	\$ 60,000	\$ 150,000	\$ 100,000	\$ 150,000	\$ 300,458
SUBTOTAL - Other Upgrades and Improvements		\$ 410,000	\$ 1,605,000	\$ 175,000	\$ 550,000	\$ 630,458



Leisure and Citizen Services Details

Leisure and Citizen Services - Capital Budget 6/7

PROJECT DESCRIPTION	PROJECT TYPE	2012 REQUEST	2013 OUTLOOK				2014 OUTLOOK				2015 OUTLOOK				2016 OUTLOOK			
			R (Renewal)				E (Expansion)				N (New)							
Health & Safety																		
Mandatory Fire, Health and Safety Retrofits for Arenas and Buildings	R	\$ 375,000																
E.S.A. Retrofits - Parks Services	R	\$ 200,000																
Fire Code Retrofits	R	\$ 50,000																
Aging Trees	R	\$ 15,178																
Energy Retrofits	R																	
SUBTOTAL - Health & Safety		\$ 640,178	\$ 100,000	\$ 80,000	\$ 78,322	\$ 150,000												
TOTAL Facilities		\$ 1,820,178	\$ 2,904,452	\$ 483,000	\$ 2,253,322	\$ 1,310,858												
PROJECT COSTS		\$ 3,853,530	\$ 4,400,381	\$ 3,930,509	\$ 3,993,465	\$ 4,061,154												

Notes:

- 1) Includes funding from Development Charges Reserve Fund.
- 2) Grace Hartman Amphitheatre - Vendor and Licensing Area Ground Development.
- 3) Carmichael, Selkirk Fields, Twin Forks, Lorne Brady, Capreol Ball Field, Hammer Lions Ball Field, Blezard Fields, Oja Complex, Kinsmen Sports Complex.
- 4) Demolition / tipping fees and restoring the area with top soil and sod.
- 5) Funding from Parks - Equipment Replacement Reserve Fund.
- 6) Includes funding from Development Charges Reserve Fund.
- 7) 3 Full Size Soccer Fields / Playground at Countryside Arena Sports Complex.
- 8) Sudbury Arena (Leading to Ice Surface From Dressing Rooms), Toe Blake Arena (Dressing Rooms / Hallway), Dr. Edgar Leclair CC/ Arena (Dressing Rooms / Hallway), Countryside Arena (Original Rink).

Operating Impact:

- 9) \$10,000 ongoing cost for Lily Creek



Leisure and Citizen Services

Unfunded Capital Projects

PROJECT DESCRIPTION		PROJECT TYPE	COST	PROJECT DESCRIPTION		PROJECT TYPE	COST
Leisure Services				FACILITIES CONTINUED			
Trails/Bike Paths		N	\$ 12,000,000	Patching and Repairs - Various Locations		R	\$ 200,000
Leisure Parking Lots		R	\$ 12,000,000	Accessibility - Various Locations		R	\$ 200,000
Major Community Parks		R	\$ 10,000,000	Naughton Community Centre - Roof Area #2, 4, 5, 6, 7		R	\$ 180,000
Playground Sites		R	\$ 6,000,000	Waterfront / Pool Upgrades		R	\$ 179,452
Therapeutic Pool - Lionel Lalonde Centre - Azilda		N	\$ 6,000,000	Chelmsford Arena - Parking Lot Upgrade South Side		R	\$ 100,000
Tennis Court Upgrades		R	\$ 4,500,000	McClelland Arena - Roof B2 & C		R	\$ 90,000
Soccer Field Development and Upgrades - 14 New Fields		N	\$ 3,900,000	Sudbury Arena - Washroom improvements		R	\$ 80,000
Skate Parks - 6 Permanent Parks		N	\$ 3,600,000	Mackenzie Street Library - Shell Improvements		R	\$ 80,000
Baseball/Softball Diamond Upgrades		N	\$ 3,000,000	Carmicheal Community Centre - Re Roof A & B		R	\$ 75,000
Ski Hill Upgrades		R	\$ 2,000,000	Coniston Arena - Parking Lot Improvement/Lighting		R	\$ 75,000
Outdoor Rinks		R	\$ 1,500,000	Anderson Farm - Building Shell		R	\$ 75,000
Splash Parks - 7 Parks		N	\$ 1,400,000	Gatchell Pool - Roofing Shingles (1/2)		R	\$ 60,000
Fitness Centres		R	\$ 900,000	Dr. Leclair Community Centre/Arena - Board Replacement		R	\$ 55,000
Playgrounds/Playfields/Park Upgrades (Incl.Public Request - Hammer Playground)		R	\$ 300,000	Copper Cliff Library - Ground Work/Sidewalk		R	\$ 55,000
Dog Park - Phase 2 - Fencing and Signage (Public Input Request)		N	\$ 59,424	Improvements to the Copper Cliff Arena / Sports Complex (Public Input Request)		R	\$ 50,000
			\$ 67,159,424	IJ Coady Arena Exterior Wall Repairs		R	\$ 50,000
EQUIPMENT				IJ Coady Arena Compressor Replacement		R	\$ 50,000
2 Utility Tractors		R	\$ 50,000	IJ Coady Arena Boiler Replacement		R	\$ 50,000
1 Greensgroomer		R	\$ 50,000	I.J. Coady Arena - Rubber Flooring (Hallway + Dressing Room)		R	\$ 50,000
1 Aerator		R	\$ 50,000	Carmicheal Arena - Pre/Paint Roof Beams		R	\$ 45,000
1 Aerator		R	\$ 50,000	Coniston Library Building - Re Roof + Fascia		R	\$ 45,000
1 Turf Truck (T Fox)		R	\$ 40,000	Centennial Arena - Rubber Flooring in Dressing Rooms		R	\$ 35,000
Equipment		R	\$ 40,000	Carrefour Senator Rheel Belisle - Replace Shingles		R	\$ 35,000
2 Utility Tractors		R	\$ 40,000	Ben Moxam Community Centre - Barrier Free Access		R	\$ 30,000
1 Sweeper		R	\$ 40,000	Raymond Plourde Arena - Washroom Upgrades		R	\$ 30,000
1 Overseeder		R	\$ 40,000	Garson Arena - Washroom Improvements/Plumbing		R	\$ 30,000
1 Aerator		R	\$ 25,000	Ridgecrest Tot Lot Fieldhouse - Re Roof		R	\$ 30,000
Trencher		R	\$ 20,000	Coniston Arena - Bleacher Repair		R	\$ 25,000
5 Toro Walk Behind Mowers		R	\$ 15,000	Garson Arena - Door Replacement		R	\$ 25,000
1 Sander		R	\$ 10,000	I.J. Coady Arena - Exit Doors and Hardware		R	\$ 25,000
2 York Rakes		R	\$ 10,000	Victory Playground Fieldhouse - Shell Improvements		R	\$ 25,000
1 Sander		R	\$ 10,000	Anderson Farm House - Re Roof		R	\$ 25,000
5 Tillers		R	\$ 5,000	Place Hurtubise Playground - Re-Roofing - Soffit - Fascia		R	\$ 25,000
1 Fertilizer Spreader		R	\$ 5,000	Centennial Youth Centre - Fascia, Soffit, Remove Railing		R	\$ 20,000
5 Leaf Blowers		R	\$ 2,500	McClelland Arena - Board Repair		R	\$ 20,000
5 Hedge trimmers		R	\$ 2,500	Raymond Plourde Arena - Replace Interior Doors (Lobby)		R	\$ 20,000
5 Chainsaws		R	\$ 2,500	Lonsdale Playground Fieldhouse - Site Grading Water Drainage		R	\$ 15,000
5 Tillers		R	\$ 2,500	Dr. Leclair Community Centre/Arena - Paint - Lobby		R	\$ 15,000
			\$ 500,000	Chelmsford Arena - Dressing Room Doors		R	\$ 15,000
FACILITIES				Coniston Arena - Lobby Floor		R	\$ 15,000
Arena Renewal - Replacement of 4 Ice Pads		R	\$ 45,500,000	Gatchell Pool - Flooring Replacement		R	\$ 15,000
Accessibility		R	\$ 10,000,000	V.L.A. Playground Building Rink - Shell Improvements		R	\$ 15,000
Energy Retrofits		R	\$ 5,000,000	Eyre Playground - Re Roof		R	\$ 15,000
Boat Launching Sites - Upgrades		R	\$ 1,000,000	Capreol Arena - Interior Painting		R	\$ 10,000
Sudbury Arena Dehumidifier and Ventilation		R	\$ 900,000	Gatchell Pool - Lockers - Mens/Womens Changeroom		R	\$ 10,000
Recreation Program Equipment		R	\$ 600,000	Ridgemount Playground Fieldhouse - Windows		R	\$ 10,000
Lily Creek Boardwalk		N	\$ 450,000	Carmicheal Arena - Score Clock		R	\$ 9,000
Dr. Leclair Arena - Parking Lot Improvements		R	\$ 300,000	Dow Pool - Barrier Free Access		N	\$ 8,000
Barydowne Arena - Metal Roof Retrofit		R	\$ 240,000	Walden Citizen Service Centre/Library - Flooring Hall		R	\$ 8,000
Field house at the Centennial Field in Capreol		N	\$ 200,000	Old Skead Rd Storage Building Garage - Demolition		R	\$ 7,500
Dowling Leisure / Citizen Service Centre - Roof		R	\$ 200,000	Dow Pool - Door Replacement		R	\$ 7,500
				Valley East Cemetery Storage - Overhead Garage Door		R	\$ 5,000
TOTAL UNFUNDED PROJECTS							\$ 66,819,452
							\$ 134,478,876

Request for Decision

Lily Creek Boardwalk Options

Presented To: City Council

Presented: Wednesday, Oct 26, 2011

Report Date Tuesday, Oct 18, 2011

Type: Managers' Reports

Recommendation

THAT Council approve Option ___ in accordance with the report dated October 26, 2011 from the General Manager of Community Development.

Finance Implications

A \$35,000 contribution from Science North will be used to offset the expenditures for either removal of the structure or repair and retrofit the structure. Should Council approve option 3, the City would be required to contribute a one-time allocation up to \$40,000 in 2012 by amending the Capital Budget to incorporate this initiative. In addition, approval of this option would also require ongoing maintenance costs of \$10,000, which would be allocated to the 2013 Operating Budget.

Signed By

Report Prepared By

Real Carre
Director of Leisure Services
Digitally Signed Oct 18, 11

Recommended by the Department

Catherine Matheson
General Manager of Community
Development
Digitally Signed Oct 18, 11

Recommended by the C.A.O.

Doug Nadorozny
Chief Administrative Officer
Digitally Signed Oct 20, 11

Background

In 1991, Science North entered into an agreement with the former City of Sudbury for the usage of a portion of the Lily Creek Marshland. The twenty (20) year license expired in March 2011. Science North confirmed in March 2010 that they are not interested in extending or renewing the agreement.

Science North has indicated that it would contribute \$35,000 either to the demolition, repair or replacement of the boardwalk. As part of the 2011 Budget, staff submitted 2 enhancement options. The options included replacing the existing boardwalk and the expansion of the boardwalk to link James Jerome Sports Complex. The options valued at \$300,000 (replacement) and \$150,000 (expansion) were not approved for 2011 Budget. Attached are the copies of the options as submitted.

On May 25th, 2011, the boardwalk was temporarily closed pending a safety review of the site. The engineering firm R. V. Anderson Associates was hired to conduct a structural review of the boardwalk. For Council's information, the final copy of the structural review is attached.

The structural review provides options related to immediate repairs and the replacement of the boardwalk within a two (2) year period. The cost for the immediate repairs is estimated between \$30,000 - \$40,000.

The repairs would extend the life of the boardwalk for the next two (2) years. The replacement of the entire

structure is estimated between \$225,000 - \$300,000 which includes replacing 75 panels (8ft x 12ft) using pressure treated lumber.

Rainbow Routes Association expressed interest in revitalizing the Lily Creek Boardwalk post the 2011 Budget. Rainbow Routes Association is applying for a Job Creation Project Grant from the Ministry of Training, Colleges and Universities for the Lily Creek Boardwalk. As part of the project application, the association is interested in including the restoration and upgrades to the Lily Creek Boardwalk (attached is a copy of their proposal). The application if approved would include:

1. Removal of approximately 120 meters of the existing boardwalk from the west end including the bridge.
2. Build a new 40 meter boardwalk to connect the remaining (approximately) 150 meters of boardwalk to James Jerome Sports Complex.
3. Refurbish the remaining easterly portion of the existing section of the boardwalk (150 meters) per recommendations made by R.V. Anderson and Associates.

The total project cost to complete the restoration and upgrade is estimated between \$70,000-\$90,000 (total labour cost will be covered by the grant). In terms of funding the project, Rainbow Routes Association will access the Science North one-time allocation in the amount of \$35,000 and will include \$15,000 for labour costs.

A balance in the amount of \$40,000 would be required from the City to realize this project should the grant be approved. In addition, the association is requesting the City cover the cost of any tipping fees re: disposal of materials. Rainbow Routes Association will receive confirmation in the spring of 2012 related to the status of their grant application. The restoration work will be per the engineer's recommendation.

Staff have prepared options for Council's consideration:

Option 1 - Utilize \$35,000 from Science North to remove the existing Lily Creek Boardwalk structure at no cost to the City of Greater Sudbury.

Option 2 - Repair existing structure as per scope of work identified by R.V. Anderson estimated between \$30,000 - \$40,000. Science North funds in the amount of \$35,000 to be allocated for the immediate repairs.

Option 3 - Rainbow Routes Association is applying for a Job Creation Project Grant from the Ministry of Training, Colleges and Universities and is interested in including the restoration and upgrade to the Lily Creek Boardwalk. The Association has estimated the cost of materials and supplies between \$70,000-\$90,000 to complete the restoration. The association will be applying for \$15,000 for labour as part of their grant application and will be including the Science North one-time allocation of \$35,000. The City would be requested to fund a maximum \$40,000.

June 30, 2011

RVA 112369

City of Greater Sudbury
Bag 5000, Station A
Sudbury, ON. P3A 5P3

Attention: Mr. Bruce Drake
Risk Management/Insurance Officer

Dear Bruce:

**Re: *Structural Assessment of Lily Creek Boardwalk
Revised Final Report (DRAFT)***

1.0 INTRODUCTION

At the request of the City of Greater Sudbury (City), R.V. Anderson Associates Limited (RVA) undertook a cursory review of the Lily Creek Boardwalk. This review was carried out with the following objectives:

- Provide a review of the condition of the boardwalk;
- Determine the necessary short-term repair work required to return the boardwalk to service; and
- Provide recommendations to extend the life of the boardwalk over the long-term.

This report presents our findings and provides general recommendations for repairs to the Lily Creek Boardwalk to return to service this season. The recommendations are based on visual observations made during a site inspection performed on May 30, 2011, and a review of the original design drawings completed by RVA in 1991.

1.1 Background Information

The Lily Creek Boardwalk was originally designed and constructed in the early 1990s for Science North. The boardwalk is 2.43m (8-ft) wide and constructed of cedar decking over polystyrene billets, which floats over the marshland for an approximate total length of 270m (900



ft). The boardwalk is made up of 75 individual 2.43m x 3.66m (8-ft x 12-ft) panels fastened together by hinged metal connections. There is one seating area mid-way along the boardwalk and an observation deck with seating at the end. There is also a structural steel pedestrian bridge over the main channel of Lily Creek where it is crossed by the boardwalk. There was originally a handrail on both sides of the boardwalk for its entire length, which has been previously removed by City staff.

We understand that Science North has issued correspondence to the City in March 2010 indicating that the boardwalk had become a safety and maintenance concern. After some discussion between the Community Development Department, City Council and Rainbow Routes, RVA was approached by the City to carry out this assignment. The boardwalk is currently closed to pedestrian traffic as a precautionary measure.

2.0 ASSESSMENT

A visual site inspection was conducted by Robert Langlois, P.Eng., of RVA on May 30, 2011, who was accompanied by staff from the City's Parks Department. The inspection reviewed the entire length of the boardwalk, and a series of digital photos of the inspection were taken and have been enclosed for reference. City staff removed deck boards at four (4) random locations to allow inspection below the walking surface, including the skirting, deck braces and polystyrene billets.

2.1 Boardwalk Surface

The boardwalk surface (decking) is generally in fair to poor condition. The cedar deck surface has weathered due to exposure to the elements. There is fungus/mould visible at the ends of the deck boards in some areas, which is indicative of rot occurring in the wood. We estimate 15 to 20% of the deck boards are showing signs of rot (see Photo 1) and are in need of replacement.

In some areas it was observed that the boardwalk surface slopes to one side (see Photo 2). In these areas this sloped surface appears to be the result of a portion of the boardwalk bearing on land, and a portion floating. This distortion of the boardwalk appears to be the result of a shift in the position of the boardwalk, possibly due to the action of the winter ice.

2.2 Boardwalk Sub-Structure

Along the sides of the boardwalk the upper skirting boards above the water level of the wetland are in fair condition, similar to the deck surface. This applies to the other substructure

components, such as the corner posts, deck braces (joists) and anchor boards for the foam billets.

Below the water level the skirting boards and posts exhibit deterioration and rot (see Photo 3). These components are either completely immersed in water or are continually exposed to a cycle of wet/dry from the buoyant boardwalk structure. City staff were easily able to make indentations in the soft wood in these areas.

2.3 Metal Components

The spiral ardox nails used to fasten the deck boards to the sub-structure are exhibiting corrosion, but generally remain effective. There are a number of nail heads protruding along the sides of the walkway (see Photo 4).

The connections (hinges) that fasten the boardwalk panels together are generally in good to fair condition, with most showing signs of surface corrosion only and the occasional connection showing more significant corrosion (see Photo 5). It is evident that some of the cotter pins have been replaced over the years as some appear to be relatively new.

The other metal plates, connections and carriage bolts of the boardwalk above the water level are also in fair to good condition (i.e. surface corrosion only). However, those components below the water line exhibit more significant corrosion; including rust and delamination (see Photo 6).

2.4 Foam Billets

The polystyrene foam billets below the boardwalk generally did not succumb to deterioration from immersion in water. Accordingly, apart from dirt and some minor abrasions, the billets are generally in good condition.

In some areas, however, the billets have been subjected to what appears to be gnawing (see Photo 7). We observed billets that have had a significant volume eaten away, and small pieces of foam were visible floating in the water below and adjacent to the boardwalk. We were informed by City Parks staff that this physical deterioration of the billets is the result of muskrats, which use the foam bits to construct nests.

2.5 Handrails and Observation Platforms

The condition of the observation platforms appear to match that of the overall boardwalk. Those

components above the water level show some signs of deterioration, and those components below the water level are in much worse condition.

The handrails in the seating areas show some signs of deterioration, particularly the bases of the posts at the connection to the boardwalk skirt where the posts and anchors are below the water line. The handrails deflect relatively easily when force is applied, and the connections of one handrail to another (e.g. corners of observation platform) are generally not effective (see Photo 8).

2.6 Connection to Land (Entrance to Boardwalk)

The City has previously placed a temporary ramp over the concrete abutment at the entrance to the boardwalk, presumably to mitigate a tripping hazard that has resulted from a step at the abutment. In spite of the temporary ramp, the tripping hazard remains. It appears the concrete abutment has shifted over the years such that it is tipping towards the wetland (see Photo 9).

The metal connections of the boardwalk structure to the concrete appear to be in fair condition, exhibiting mild corrosion only. However, the wooden members to which the metal connections are fastened are showing signs of deterioration and need replacement. It appears this connection has been changed previously as there are abandoned bolt holes visible beyond the existing metal plates.

2.7 Bridge Over Lily Creek

A structural steel pedestrian bridge spans over the principal creek channel, roughly mid-way along the boardwalk. The cedar decking and handrail of this bridge appeared to be in fair condition, and exhibited the same general weathering as was observed on the boardwalk surface elsewhere. We also observed mild corrosion of the structural steel components of the bridge that were visible from the side (see Photo 10).

Because a review of this bridge was not included in our original scope of work as discussed with Mr. Bruce Drake on May 27, 2011, we have not made any observations related to the piles or bridge sub-structure. Should the City wish to prepare a detailed “terms of reference” for an investigation of the bridge, RVA can provide a fee estimate for this work.

At the request of the City, we have assumed a scope of work for a more detailed assessment of the pedestrian bridge and hereby provide a fee estimate of **\$5,000.00**. This assessment will

include the following elements:

- Field visit by a senior structural engineer;
- Review of original design drawings compared to as-constructed structure;
- Assessment of level of deterioration or distortion (if any) of the structure;
- Calculation of capacity of bridge to sustain required loads; and
- Brief report summarizing findings and recommendations.

We understand the City is seeking a cost allowance to replace this bridge. In the absence of a detailed scope of work or design drawings, we are unable to provide a detailed cost estimate for a new pedestrian bridge. From our experience in similar pedestrian bridges elsewhere, a new pedestrian bridge similar to the existing one could range in cost from \$140,000 to \$160,000. In addition, the City would have to include an allowance for demolition of the existing bridge of \$80,000 to \$100,000. We note these are order-of-magnitude cost estimates and are for preliminary discussion purposes only.

3.0 DISCUSSION

Our initial impression of the Lily Creek Boardwalk is that it is in fair condition considering the age of the structure (+/- 20 years), the materials used for construction (cedar lumber with no preservative treatment) and the location/environment in which it was constructed (floating in wetland). However, we noted a number of deficiencies with the structure that should be addressed prior to the boardwalk going back into service.

Our cursory review has revealed that much of the lower substructure (i.e. 2x10 skirting, posts) has deteriorated due to rot or corrosion of the components. However, the deterioration of these components does not appear to have significantly compromised the integrity of the boardwalk since the principal structural components are above the water level. The wooden and metal components in these areas should be replaced over time.

The broken/rotten deck boards (estimated at 15-20% of the surface area) and protruding nail heads represent a hazard to pedestrians on the deck surface and should be addressed prior to re-opening the boardwalk. Also, the sloping surface should be levelled.

We also recommend that the tripping hazard and issues related to the entrance to the boardwalk be rectified as soon as possible. These items include the tripping hazard on both sides of the concrete abutment, the corroded metal connections and the deteriorated deck

braces. Though the temporary ramp has helped mitigate these issues, it is not a permanent solution.

The polystyrene billets appear to be functioning adequately; however they are subject to damage by animals, which will ultimately compromise their ability to provide flotation to the boardwalk. Further, the bits of foam that are chewed off create a mess in the wetland. Accordingly, over the long term the City should consider replacing the polystyrene billets with a different flotation system, such as high-density polyethylene (HDPE) barrels. We understand from speaking with City Parks staff that such a system was successfully implemented by the City for a new floating dock arrangement at the boat launch off Ramsey Lake Road.

We have noted that the majority of the boardwalk is currently not equipped with a pedestrian handrail. The regulation of this boardwalk is not governed by the Ontario Building Code, therefore the requirement for a handrail is ultimately a risk management issue for the City and not an issue related to engineering. The City will have to decide if this boardwalk is to be compliant with the Accessibility for Ontarians with Disabilities Act (AODA), and consequently whether or not the structure needs to be modified accordingly.

4.0 RECOMMENDATIONS

We have separated our recommendations into those requiring immediate action to bring the boardwalk back into service, and those proposed to extend the serviceable life of the boardwalk into the future.

4.1 Immediate Issues

The following items should be addressed by the City immediately:

- All deck boards that show significant signs of rot or deterioration be replaced;
- All protruding nail heads should be removed and replaced with deck screws;
- In areas where the boardwalk has shifted (i.e. sloped surface), it should be manoeuvred back into position to level the sloped surface; and
- During replacement of deck boards, the sub-structure (skirting, deck braces) should be inspected more thoroughly and replaced as required.

In addition, the arrangement at the boardwalk entrance should be revised to eliminate the tripping hazard so as to safely accommodate pedestrian traffic. We recommend replacing the

wooden deck braces and metal connections on the wetland side of the concrete abutment. Also, the grading on the other side of the abutment should be raised with granular material and landscaped properly with topsoil and seed.

Our preliminary estimate of the cost of this immediate work is \$30,000 to \$40,000 if pressure-treated lumber is used. The material cost for cedar lumber is roughly double the cost of pressure-treated lumber, which would have the effect of increasing the total construction cost by 20-25%.

We understand the City has requested a fee estimate for preparation of drawings and specifications of the immediate repair works, as well as tendering of the project and field inspection. It is our feeling that use of an engineering consultant to provide these services for the immediate repair works would not be cost-effective, and that this would be best left to City Parks staff.

We feel the above-noted items will allow the City to extend the life of the boardwalk for a maximum of two (2) years. At that time, we recommend the City arrange to have the structural integrity of the boardwalk assessed again.

4.2 Long-Term Issues

The boardwalk sub-structure components (e.g. skirting, posts) are in poor condition and will continue to deteriorate over time. In order to extend the life of the boardwalk into the future, these components will all need to be totally replaced, including the foam billets. Replacing these sub-structure components can not be accomplished without disassembling the boardwalk decking. Therefore, we recommend the City implement a program to replace all 75 of the 2.43m x 3.66m (8-ft x 12-ft) panels with equivalent panels of a similar design.

We recommend the individual panels of the boardwalk be disassembled and replaced with equivalent panels of similar construction following the original design (i.e. floating deck, 8-ft x 12-ft, hinged connection, HDPE barrels). The metal components of the boardwalk that are currently only lightly corroded can either be replaced or re-furbished and re-installed to reduce costs.

Our preliminary estimate of the total cost of this work is \$3,000 to \$4,000 per panel if pressure-treated lumber is used, for a total cost of \$225,000 to \$300,000. The material cost for cedar lumber is roughly double the cost of pressure-treated lumber, which would have the effect of increasing the total construction cost by 20-25%.

4.3 Fee Estimate

At the request of the City, we have prepared an order-of-magnitude fee estimate to complete the design of the boardwalk reconstruction, preparation of contract drawings and specifications, tendering, contract administration, field inspection and preparation of as-built drawings. We estimate our total fees to be **\$30,000** to **\$40,000** for this scope of work. We note this estimate does not include provision for the pedestrian bridge, as discussed earlier.

5.0 SUMMARY

Based on the site visit by RVA personnel and City Parks staff of the Lily Creek boardwalk and subsequent review of the condition of the boardwalk original design drawings, we recommend the City implement a two-phased approach to address the deficiencies of the structure. We recommend the City begin by addressing the immediate safety-related concerns for pedestrians at the boardwalk. Further, we recommend the City implement a program to replace the boardwalk with new materials.

We trust this report meets your needs at this time. Should you have any questions or require additional clarification, please do not hesitate to contact the undersigned.

Yours truly,

R. V. Anderson Associates Limited

Robert G. Langlois, P. Eng.
Project Manager

Shawn N. Scott, P. Eng.
Project Director

Encls. Figures 1-8

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Photo 1 – Deck boards exhibiting rot.



Photo 2 – Boardwalk sloping to side.



Photo 3 – Boardwalk sub-structure – rot and corrosion below water line.



Photo 4 – Nail heads protruding



Photo 5 – Panel connection showing mild corrosion.



Photo 6 – Metal connections corroded below water line.



Photo 7 – Chewed polystyrene billets.



Photo 8 – Observation deck and handrail.



Photo 9 – Start of boardwalk and connection to abutment.



Photo 10 – Pedestrian bridge.

CGS Budget Option		Year: 2011
Category: Departmental Submission		Type: Enhancement Fund: Operating
Department: 4401 Parks Services Administration		Division: Community Development Service
Request: Provide funding for the expansion of the Lily Creek Boardwalk to James Jerome Sports Complex		
Description/Impact: Given Council approval for replacement of existing Lily Creek Boardwalk, this option provides Council with an opportunity to further enhance the boardwalk by constructing an expansion of the rebuilt boardwalk to the James Jerome Sports Complex. The expansion of the boardwalk to link James Jerome Sports Complex would provide an opportunity for the users of James Jerome Sports Complex to enjoy the use of the Lily Creek Boardwalk by linking the boardwalk with a walkway leading to the facility.		
Impact on Staffing (Negative if Reduction)		Net Budget Increase (Negative if Reduction)
Full Time Position(s): 0 Crew Hours: 250		Permanent: \$10,000 One-time: \$150,000 Notes: Given approval of the replacement of the Lily Creek Boardwalk option, permanent funding \$25,000 and One-Time \$300,000.

Status: Accepted

CGS Budget Option		Year: 2011
Category: Departmental Submission		Type: Enhancement Fund: Operating
Department: 4401 Parks Services Administration		Division: Community Development Service
Request: Provide funding for the replacement of the Lily Creek Boardwalk		
Description/Impact: <p>In 1991, Science North entered into an agreement with the former City of Sudbury for the usage of a portion of the Lily Creek Marshland. The twenty year license will be expiring in March 2011. Science North has confirmed that they are not interested in extending or renewing the agreement.</p> <p>The department is recommending that the existing boardwalk be removed due to health and safety concerns. The option is to provide capital funding to replace the existing boardwalk.</p>		
Impact on Staffing (Negative if Reduction)		Net Budget Increase (Negative if Reduction)
Full Time Position(s): 0 Crew Hours: 600		Permanent: \$25,000 One-time: \$300,000 Notes: Science North has confirmed that \$35,000 is available to remove the existing boardwalk.

Status: Accepted

**Rainbow ROUTES Association
Lily Creek Boardwalk
Proposal 10.11.11**

The City has presented 2 options for the Lily Creek Boardwalk:

Option 1: Utilize \$35,000 from Science North to remove the existing Lily Creek Boardwalk structure at no cost to the City of Greater Sudbury

Option 2: Repair the existing structure as per scope of work identified by R.V. Anderson estimated between \$30,000 to \$40,000. Science North funds in the amount of \$35,000 to be allocated for the repairs. Council to consider replacement of the structure during the 2014 Budget process.

Rainbow Routes Association at its Board meeting of Oct 11, 2011 passed the following motions:

Motion 10.11.03: The Board of Directors of RRA sees the value in the restoration of the Lily Creek Board Walk.

Motion 10.11.07: Given that Rainbow Routes Association wishes to be a part of the solution to restore and upgrade the Lily Creek Boardwalk we offer the attached 3rd option to the City of Greater Sudbury for its consideration.

Option 3:

Fact: The Boardwalk is currently 270 meters long.

1. Remove approximately 120 meters of the existing boardwalk from the west end including the bridge (noted in **red** on the attached map).
2. Build a new 40 meter boardwalk to connect the remaining approximately 150 meters of boardwalk to James Jerome Park (noted in **purple** on the attached map).
3. Refurbish the remaining older section of the remaining easterly portion of the boardwalk (150 meters) per recommendations made by RV Anderson. (the yellow line indicates both the existing gravel path and boardwalk to be refurbished).

Total Estimated Cost for Option 3 as prepared by Rainbow Routes in consultation with RV Anderson Report and local volunteer engineers: \$70,000 to \$90,000.

Benefits:

1. Create a connected loop to the playing fields thus encouraging more use of the boardwalk.
2. There will be less board walk to maintain 185m vs 270m (40m will be brand new)
3. Removal of the bridge will vastly reduce the engineering, cost and any risk of use.

Rainbow Routes Association
200 Brady Street, P.O Box 5000,
Stn A, Sudbury, Ontario, P3A 5P3
Phone (705) 674-4455, ext. 4603
Fax (705) 671-6767
rainbowroutes@greatersudbury.ca

Registered Charitable Number:
87320 6136 RR001
Lily Creek Boardwalk - Full Report 19/20



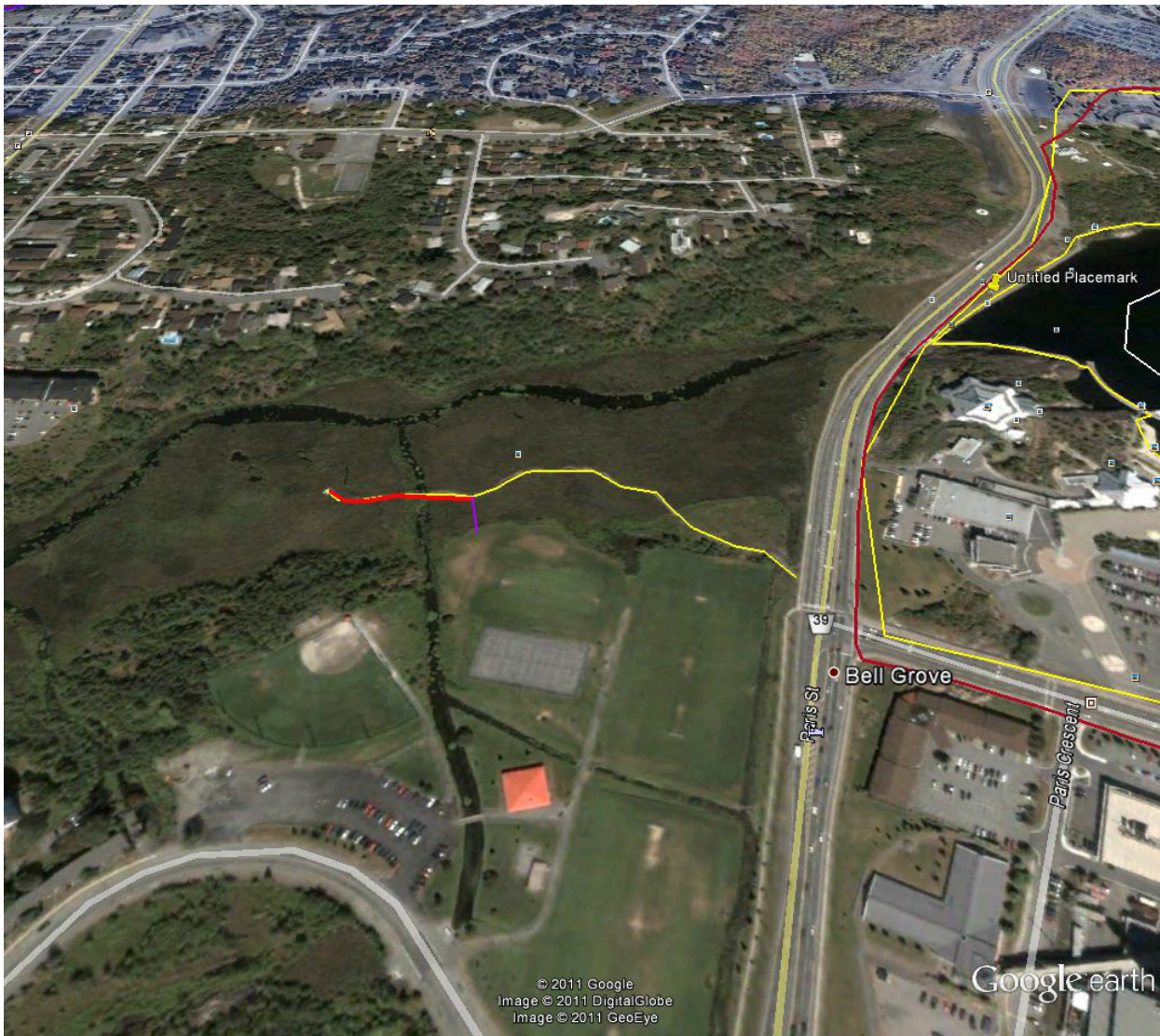
Rainbow Routes Association Proposal:

1. Apply for a Job Creation Project grant from the Ministry of Training, Colleges and Universities to complete the work to offset up to \$15,000 in the above noted estimated cost.
2. Rainbow Routes will produce an environmental assessment with a list of mitigations to safe guard the marsh, its fish and bird life prior to any work being done.
3. RRA to work with the Park's Department to ensure work completed meets their specifications.
4. That the City will cover the costs of any tipping fees for docks to be disposed of.
5. Rainbow Routes will produce a letter stating that the new section of the boardwalk meets the appropriate flotation requirements.

In summary:

Rainbow Routes is prepared to work with the City to save and enhance a piece of valued community infrastructure for considerably less cost than estimated by the RV Anderson report.

In order to apply for a Job Creation Grant we require a response to our proposal from the City of Greater Sudbury by November 10, 2011.



REGULAR AGENDA

MANAGERS' REPORTS

Item R-1 Lily Creek Boardwalk Options

Report dated October 18, 2011 was received from the General Manager of Community Development regarding Lily Creek Boardwalk Options.

Council considered the following options:

Option 1: Being to utilize \$35,000 from Science North to remove the existing Lily Creek Boardwalk structure at no cost to the City of Greater Sudbury, in accordance with the report dated October 26, 2011 from the General Manager of Community Development.

Option 2: Being to repair existing structure as per scope of work identified by R.V. Anderson, estimated between \$30,000 - \$40,000. Science North funds in the amount of \$35,000 to be allocated for the immediate repairs in accordance with the report dated October 26, 2011 from the General Manager of Community Development.

Option 3: Being that Rainbow Routes Association is applying for a Job Creation Project Grant from the Ministry of Training, Colleges and Universities and is interested in including the restoration and upgrade to the Lily Creek Boardwalk. The Association has estimated the cost of materials and supplies between \$70,000 - \$90,000 to complete the restoration. The Association will be applying for \$15,000 for labour as part of their grant application and will be including the Science North one-time allocation for \$35,000. The City of Greater Sudbury would be requested to fund a maximum of \$40,000 in accordance with the report dated October 26, 2011 from the General Manager of Community Development.

Councillor Caldarelli requested that, if Option 3 is to be considered, a friendly amendment be added to the option that \$20,000 be funded from the Healthy Community Initiative Fund for Ward 10. A further request was made by Councillor Dupuis that the remaining balance of \$20,000 come from the Leisure Services Capital Envelope.

None of the above options received the support of the majority of members of Council.

REGULAR AGENDA (CONT'D)

MANAGERS' REPORTS (CONT'D)

Item R-1
Lily Creek Boardwalk
Options (cont'd)

With the concurrence of the Council, a fourth option was developed and the following motion was presented:

2011-448 Dupuis-Dutrisac: THAT Lily Creek Boardwalk Options be referred to the Finance Committee for consideration in the 2012 Budget.

CARRIED

Item R-2
Hiring of General
Manager of
Infrastructure Services

Report dated October 19, 2011 was received from the Director of Human Resources and Organizational Development regarding Hiring of a General Manager of Infrastructure Services.

Nominations were held for the appointment to the Ad-Hoc Committee for the Recruitment and Selection of a General Manager of Infrastructure Services were opened.

NOMINATOR

NOMINEE

Councillor Caldarelli
Councillor Dupuis

Councillor Kett
Councillor Belli

There being no further nominations, nominations were closed.

The following motion was presented:

2011-449: Dutrisac-Cimino: THAT Council of the City of Greater Sudbury direct staff to commence the recruitment and selection process for a new General Manager of Infrastructure Services;

AND THAT an Ad-Hoc Committee for the Recruitment and Selection of a General Manager of Infrastructure Services be established in accordance with Article 45 of the Procedure By-law 2009-177;

AND THAT the Terms of Reference for that Ad-Hoc Committee outlined in Appendix A of the report dated October 19, 2011, be adopted;

AND THAT the following Councillors be appointed as members of the Recruitment and Selection Committee:

Councillor Belli
Councillor Kett



2869 White St, Val Caron, Ontario, P3N1B2

I.J Coady Memorial Arena

13 Second Avenue North, Levack, ON, P0M 1R0

Domestic Water Lines – Lead Contamination

15 November 2010

I.J. Coady Memorial Arena

1. Purpose

To provide a written report complete with a proposal on the installation of new domestic water lines including the following relevant information:

- Written Proposal to supply and install new domestic water lines in the arena beginning at the incoming service.
- The new water lines will be installed using the Canadian certified pro-press fittings. These fitting do not require any soldering because they are compression type fittings.

2. Problem

The domestic water shows high concentration of lead content. Lead is a toxic metal known to be harmful to human health if ingested. Lead soldered fittings are the common cause of high concentrations of lead in water lines.

It is important to note that at this point, we are unable to determine if the source of contamination is in the existing municipal water system. If the municipal system is the cause, replacement of water lines in the arena would not alleviate your problem. Should the source of lead be a direct result of the water lines, replacement will eliminate the lead content.

Causes

Why is lead believed to be present in the water lines?

- Corrosion is the most common cause.
 - Created by a reaction between the water and the soldered fittings.
 - Dissolved oxygen, low pH(acidity) and low mineral content in water are common causes of corrosion.
- Hot water will dissolve lead joints more rapidly than cold water.
- Water sitting in the lines for long periods of time will increase lead content.

3. Solutions

The following solutions can be done to minimize or eliminate lead content in drinking water.

- Before using water for drinking or cooking, "flush" the cold water faucet until the water feels as cold as it will get. This must be done to all drinking water faucets. Flushing is important because the longer water stays sitting in the water lines, the greater the possible lead contamination.



- Installation of new water lines including pipe and fittings. Please make reference to the attached quotation and photos.

4. Recommendation

Should the lead contamination be a direct result of the lead present in the solder of the existing pipe joints, we propose the following:

- Independent Energy Services Co Ltd (IES) recommends the installation of new water lines. The existing water lines were installed during the stage of construction and are no longer accessible as they run very high in the ceiling space. IES proposes to run new water lines from the water meter room to the mechanical room using the space available under the bleachers on the South and East sides of the Arena. These water lines include cold, hot and hot water recirculation lines. Any solder used for any reasons will be lead-free. Please see below for our quotation to provide this work.

Mechanical Quote:

Labour and material as per our scope of work.

New domestic water lines (hot/cold/recirculation) from existing incoming water main down to each plumbing fixture.

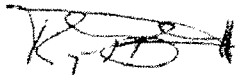
PRICE: ----- \$84,700.00 + H.S.T.

Price includes:

- Removal and re-installation of ceiling tiles.
- Breaking, patching and painting of block walls to access pipe chases.
- Replacing shower valves with single lever valves with reno-plates, new basin faucets and kitchen faucets.
- Pipe insulation

Note: Drinking fountain to remain as well as flush valves.

Thank you for the opportunity to quote this project.

Signed:  _____



5. Supporting Information

Please see below for various photos taken during the site visits.

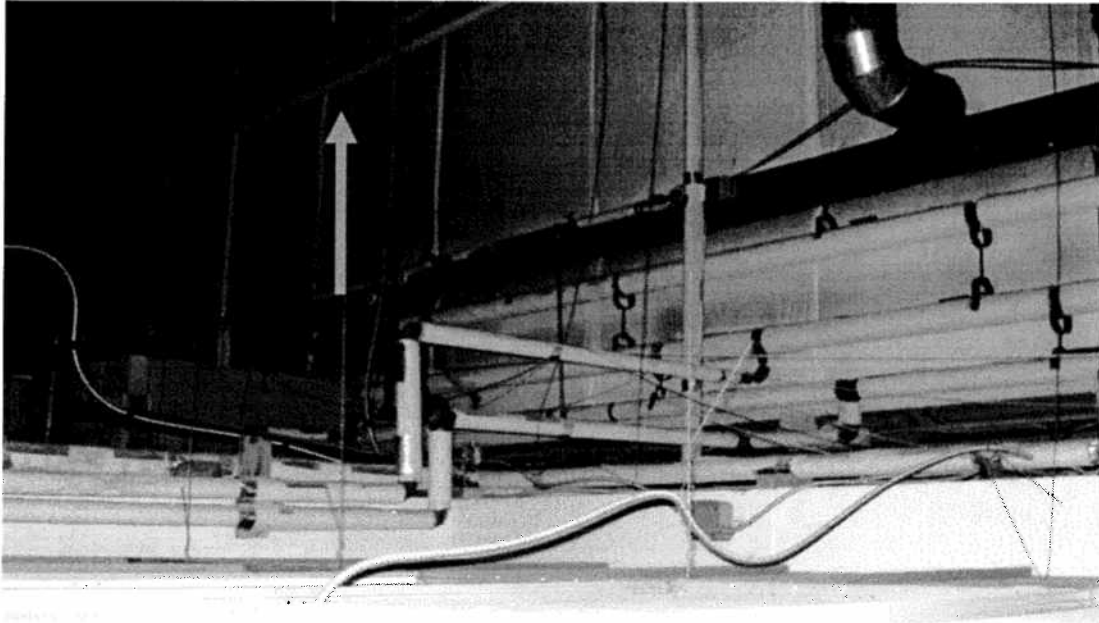


Fig 1.1 – Water lines located roughly 20'-0" above dropped ceiling

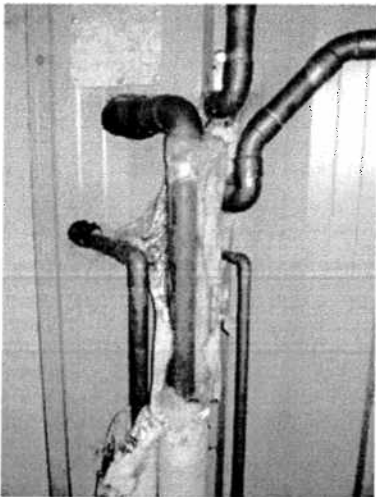


Fig 2.1 – Lead soldered joints

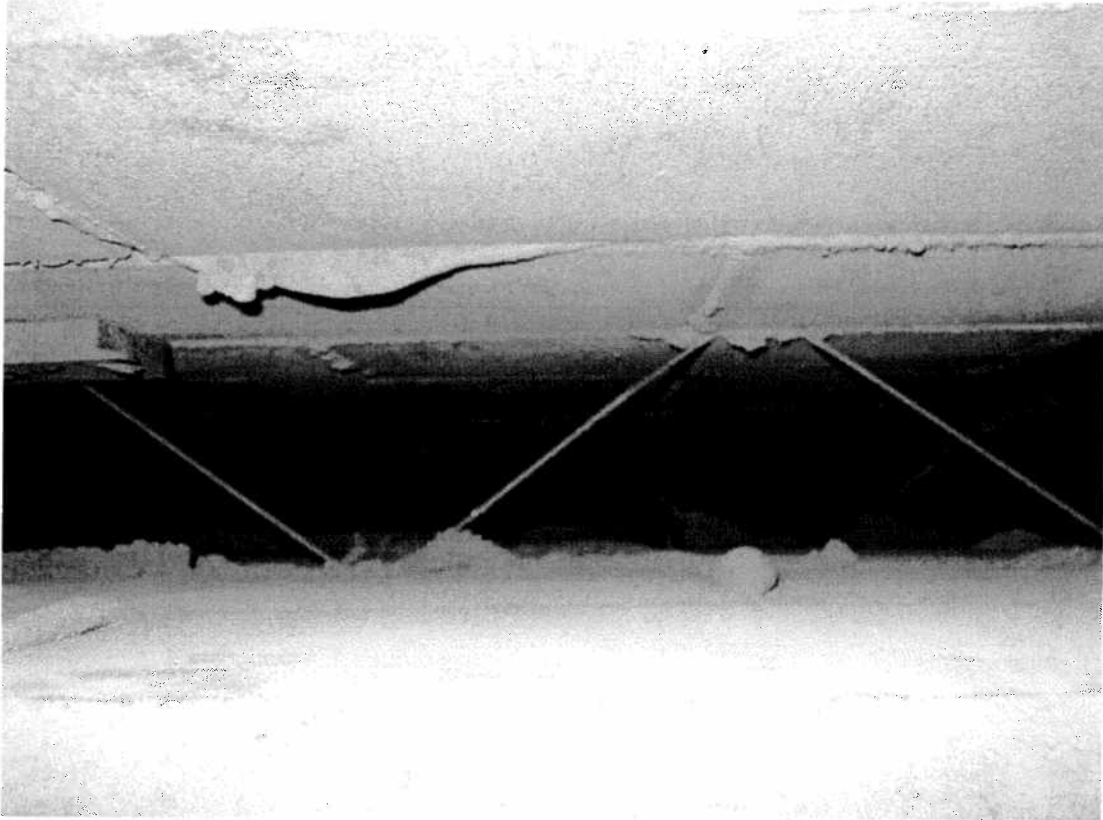


Fig 3.1 – Block wall separations with chase that will be utilized to install new water lines to fixtures.



Fig 4.1 – Water lines above suspended ceiling.

Bruce Tait Construction Ltd.

BOX 4, SITE 16, R.R. 3
SUDBURY, ONTARIO P3E 4N1
TELEPHONE: 522-5001
FAX: 522-2929

QUOTATION ONLY

TO: Rick LeBouthillier- City of Greater Sudbury

RE: Levack Arena

DATE: June 6, 2011

- 1) To install new 4 inch water service from existing 4 inch valve to water meter. Quote includes consulting engineer, all required testing and restoration of the site.

Price \$24,500.00 plus HST

This quote is valid for 30 days

Thank you for the opportunity to quote you on the above needs.

Request for Decision

Amended 2012 to 2016 Capital Budget

Presented To:	Finance Committee
Presented:	Monday, Dec 05, 2011
Report Date	Wednesday, Nov 30, 2011
Type:	Managers' Reports

Recommendation

THAT the Finance Committee approve the amended 2012 Capital Budget in the amount of \$_____, which is funded as follows: Contribution from the Operating Budget of \$_____; Contribution from Water and Wastewater user fees of \$_____; Provincial and Federal Grants of \$_____; Contributions from CGS reserve and reserve funds of \$_____; and Internal Financing of \$6,392,563 be approved for projects to be completed in 2012 and be repaid from future capital envelopes in 2013 to 2022.

THAT Council accept the 2012 Police Services Capital Budget and;

THAT the remainder of the 2013 to 2016 Capital Budgets be accepted for information for staff to use as a planning tool.

Signed By

Report Prepared By

Apryl Lukezic
Co-ordinator of Capital
Digitally Signed Nov 30, 11

Recommended by the Department

Lorella Hayes
Chief Financial Officer/Treasurer
Digitally Signed Nov 30, 11

Recommended by the C.A.O.

Doug Nadorozny
Chief Administrative Officer
Digitally Signed Dec 1, 11

Background

The purpose this report is to provide the Finance Committee with an overview of the amendment to the 2012 Capital Budget since it was presented at the Finance Committee meeting on October 5, 2011.

In addition, this report is to provide an updated list of "Internally Financed Projects" for the 2012 Capital Budget to include Water and Wastewater projects as presented at the

Finance Committee meeting on November 24, 2011 and to move one project from 2013 to 2012 for Community Development as explained below.

Amendments to the Capital Budget:

This report includes changes to the Community Development Capital Budget as explained below:

1. Leisure and Citizen Services:

a. Leisure:

Please refer to separate report from the General Manager of Community Development that explains how the following projects are now included within the capital budget: (i) renovations to the former townhall building into a Chelmsford Family Health Team; (ii) contribution for the upgrades to the Lily Creek Boardwalk; and (iii) waterline replacement at the IJ Coady Arena.

b. Libraries and Museums:

There was a new Library project added for the “Azilda Library Parking Lot Upgrades” as the Champlain Street in Azilda is planned for reconstruction in 2011/2012. This has presented a cost savings opportunity for favourable contract pricing to complete paving and drainage improvements to the Azilda Library as the building abuts Champlain Street. This new project has been funded by changing the scope and thereby reduced the scope of the Valley East roof/flooring and Library Information Technology requirements in 2012.

In addition, there were minor wording changes for Archive and Museum projects to reflect capital priorities established in recent planning sessions with the Archives Advisory Panel and the Museum Advisory Panel.

c. Cemetery Services:

The capital cost estimate for the Mausoleum Phase 5 project was based on past mausoleum construction. The estimate has been decreased due to a reduced scope of the project.

Please refer to the separate cover for insertions to the Capital Budget binder as includes the Community Development Capital Budget that have been amended as explained above, as well as Police Services Capital Budget as presented on November 8, 2011. Each project within the Community Development Capital Budget is shaded to highlight the amendments.

Capital Budget Enhancements:

Capital Budget enhancements were presented at the November 8, 2011 Finance Committee meeting for the inflation index option to use NRBCPI to inflate capital envelopes that will impact the tax levy and water and wastewater user fees. In addition, there are Water and Wastewater capital budget options for sustainable capital asset management program (SCAMP) as presented at the November 24, 2011 Finance Committee meeting.

The chart below explains the impact of these capital enhancements and options:

	2012 Capital Budget (All funding Sources)	Capital Budget Enhancement: NRBCPI	Capital Budget Enhancement: W/WW - SCAMP	Total Capital Budget
Tax Supported Capital Budget				
- Roads	36,957,138	576,415	n/a	37,533,553
- Other Areas	22,160,539	220,019	n/a	22,380,558
Water and Wastewater User Fees	35,080,973	537,553	919,000 (Note 1)	36,537,526
Total	\$94,198,650	\$1,333,987	\$919,000	\$96,451,637

Note 1 – Total of \$919,000 consists of two Capital Budget options of \$282,000 and \$637,000 respectively.

Amendment for Approval for Internal Financing:

Inclusive of the 2012 budget, it is recommended that expenditures totalling \$6.4 million be approved for spending. This has increased from \$1.2 million as presented within the report on October 5, 2011 as it includes Water and Wastewater projects with internal financing as presented on November 24, 2011 and moved one project for Community Development from 2013 to 2012. These funds will be internally financed by borrowing from the capital fund and reserve funds and repaid through contributions from the 2013 through 2026 capital envelopes and reserves. Please refer to Appendix A for a detailed listing of these internally financing projects.

As projects proceed, staff will be monitoring external borrowing rates to determine the most cost effective balance of internal and external debt financing.

Summary:

These amendments to the Community Development Capital Budget have been completed through re-allocation of funds between existing projects as presented on October 5, 2011.

Council direction on approval of the amendment and capital budget enhancements are required.



APPENDIX B: AMENDED 2012 CAPITAL BUDGET - INTERNALLY FINANCED PROJECTS

Department	Project	Remaining Portion to be Financed	Remaining Repayment Period	Source of Funds
Projects to be Approved within 2012 Capital Budget				
Infrastructure - Water	Third Avenue (Lively) - Philip Street to West End	\$ 700,000	2013	Capital Envelopes
Infrastructure - Wastewater	Sudbury WWTP Upgrades - Headhouse Construction & Standby Power Design	\$ 4,502,563	2013 - 2026	Capital Envelopes
Infrastructure - Drainage	Horizon Watershed Stormwater Management Facility	\$ 450,000	2013 - 2015	Capital Envelopes
Infrastructure - Drainage	Countryside Stormwater Pond	\$ 250,000	2013 - 2015	Capital Envelopes
Community Development - Facilities	IJ Coady Arena - Waterline Replacement	\$ 115,000	2013	Capital Envelopes
Community Development - Cemeteries	Civic Cemetery Mausoleum - Phase 5	\$ 375,000	2013 - 2022	Cemetery Reserve Fund
		\$ 6,392,563 ¹		
Previously Approved Projects				
Completed Projects				
Infrastructure - Water	Levack Water Supply	\$ 3,394,810	2012 - 2015	Capital Envelopes
Emergency Measures	Lionel E. Lalonde Centre	\$ 3,412,228	2012 - 2021	Operating
		\$ 6,807,038		
Projects In Progress				
Community Development - Facilities	Countryside Arena	\$ 5,669,719	2012 - 2035	Capital Envelopes, Development Charges
Community Development - Library	South Branch Library	\$ 3,500,000	2012 - 2031	Capital Envelopes, Development Charges
Infrastructure - Transit - Fleet	Transit/Fleet Garage	\$ 11,580,000	2013 - 2032	Capital Envelopes, Development Charges, Provincial Gas Tax
Police	Communications Infrastructure	\$ 9,200,000	2013 - 2027	Capital Envelopes
Infrastructure - Water	New Valley Wells	\$ 3,500,000	2013 - 2018	Capital Envelopes
		\$ 33,449,719		
TOTAL INTERNALLY FINANCED PROJECTS		\$ 46,649,320		

Note 1: Total of these projects represents the amount of \$6,392,563 for Financing - Future Years on 2012 Capital Budget.

Request for Decision

Ontario Regulation 284/09 - Budget Matters

Presented To:	Finance Committee
Presented:	Monday, Dec 05, 2011
Report Date	Wednesday, Nov 30, 2011
Type:	Managers' Reports

Recommendation

That the report dated November 25, 2011 from the Chief Financial Officer/Treasurer, as required by Municipal Act Regulation 284/09, be approved.

The Public Sector Accounting Board (PSAB) has issued several new requirements for financial reporting that all municipalities had to comply with starting in the 2009 reporting period. As reported to Council and as per the annual audited financial statements, the equity of a municipality is defined as "accumulated surplus". The accumulated surplus consists mainly of:

- Equity in Tangible Capital Assets
- Reserves and Reserve Funds
- Capital Funds
- Less Unfunded Liabilities such as Employee Future Benefits and Post Closure Landfill Sites

Ontario Regulation 284/09 states that for budget purposes, municipalities may continue to exclude amortization, post-employment benefits, and solid waste landfill closure and post-closure expenses.

Further, Ontario Regulation 284/09 requires that municipalities that have excluded expenses in the 2012 and future budgets must report to Council providing the impact of the following, which must be adopted by a resolution of Council prior to Council adopting the budget:

1. Impact of excluded expenses on the accumulated surplus, and
2. Impact on future tangible capital asset funding requirements.

Impact of Excluded Expenses on Accumulated Surplus

The Public Sector Accounting Board's (PSAB) new financial reporting requirements for the 2009 and future reporting periods incorporates the capitalization of tangible capital assets and amortization expenses in the financials for all municipalities in Canada. For budget purposes, Ontario Regulation 284/09 allows municipalities to exclude the expenses identified above from the budget. The City of Greater Sudbury's 2012 budget, like all past budgets, was completed on a funding basis where operating and capital budgets are balanced. Accordingly, on a funding basis, there is no projected impact to the City's accumulated surplus. The purpose of this report is to identify the impact of the 2012 budget on the City's accumulated surplus after converting the 2012 budget and assumptions to the full accrual basis of accounting.

Signed By

Report Prepared By

Apryl Lukezic
Co-ordinator of Capital
Digitally Signed Nov 30, 11

Recommended by the Department

Lorella Hayes
Chief Financial Officer/Treasurer
Digitally Signed Nov 30, 11

Recommended by the C.A.O.

Doug Nadorozny
Chief Administrative Officer
Digitally Signed Dec 1, 11

These adjustments that convert the 2012 budget prepared on the funding basis of accounting results in an estimated \$3.6 M reduction to the City's accumulated surplus. Adjustments relate to capital expenses, reserves, long term liabilities and debt repayments.

Explanations of the significant adjustments are outlined below:

1. Amortization Expense on Tangible Capital Assets

The annual financial statements now include amortization expense on tangible capital assets as required by the new PSAB standards. Although the City's 2012 Budget does not include amortization expense on tangible capital assets, provisions are made for contributions to capital and transfer to capital reserves to fund capital expenses. The 2012 budget is based on planned capital expenditures for the year. In addition, the ten year capital plan will be updated and developed in advance of the 2013 budget deliberations and will incorporate the tangible capital asset data and replacement values.

As amortization expense is not included in the budget, the impact of amortization is an estimated \$66 M reduction to the City's accumulated surplus. However, offsetting amortization is the funding for the acquisition of tangible capital assets. The estimated 2012 impact of tangible capital assets is a net of \$7.8 M reduction to the accumulated surplus.

2. Post-Employment Benefits Expenses

PSAB standards do not require liabilities associated with post-employment benefits to be fully funded by setting aside any portion of the accumulated surplus as reserves and reserve funds. The City's financial statements report liabilities and expenses relating to post-employment benefits while the City's budget includes estimated expenditures based on expected cash payments to be made during the year for retirement benefit plans, sick leave benefit plans, long-term disability plans, *Workplace Safety and Insurance Act* benefits, vacation agreements and retirement plans. The City has some reserves associated with these liabilities. The future payments for these liabilities and expenses for some transfers to reserves are included in the 2012 budget.

The impact of post-employment benefits expense is a reduction to the accumulated surplus and is estimated to be \$1.5 M in 2012.

3. Solid Waste Landfill Closure and Post-Closure Expenses

The PSAB standards do not require liabilities associated with solid waste landfill closure and post-closure care activities to be fully funded by setting aside any portion of the accumulated surplus as reserves and reserve funds. The City's financial statements report liabilities for landfill closure and post-closure. The City does not maintain a reserve for these liabilities. Capital construction costs are included in the capital budget as they are known.

The impact of solid waste landfill closure and post-closure expenses is a reduction to the accumulated surplus and is estimated to be \$277,000 in 2012.

Summary

The proposed 2012 Budget is estimated to decrease the City's accumulated surplus by \$3.6 million.

Additional work and funding is required in future years to meet the anticipated requirements to repair/replace existing/aging infrastructure and to fund the City's portion of growth-related infrastructure.

Regulation 284/09 requires this report be approved by Council and adopted by resolution prior to adoption of the 2012 Budget.

Request for Decision

2011 Water Wastewater Operating Budget Variance Report - September

Presented To:	Finance Committee
Presented:	Monday, Dec 05, 2011
Report Date	Thursday, Dec 01, 2011
Type:	Managers' Reports

Recommendation

That Council accepts the September 30, 2011 Water Wastewater Variance Report dated November 30, 2011 from the Chief Financial Officer/Treasurer and the General Manager of Infrastructure Services outlining the projected year end position.

BUDGET MANAGEMENT STRATEGIES IN 2011

Beginning early in 2010, Water and Wastewater Services began to take a number of steps to curtail operating expenditures. These initiatives have been continuing and include energy reduction and treatment chemical optimization strategies and changes to staff scheduling. Other measures such as using the deployment of casual labour to reduce overtime hours as well as reductions to some maintenance programs have contributed to cost containment. These cost containment strategies are and will continue in order to offset declining consumption, but are not sustainable in the long run.

YEAR END VARIANCE

For the year ending December 31, 2011 Water and Wastewater Services is projecting a deficit of approximately \$304,507, as outlined in Schedule A.

The major contributors to this deficit are:

Category	Favourable/(Unfavourable)
User Fees	\$(905,000)
Contribution from Reserves and Reserve Funds	316,800
Salaries and Benefits	234,700
Materials	575,000
Energy Costs	301,800
Purchased/Contract Services	(627,200)
Other Net Variances	\$(200,607)
Total Projected Deficit	\$(304,507)

Signed By

Report Prepared By

Dion Dumontelle
Co-ordinator of Accounting
Digitally Signed Dec 1, 11

Division Review

Paddy Buchanan
Manager of Accounting
Digitally Signed Dec 1, 11

Recommended by the Department

Lorella Hayes
Chief Financial Officer/Treasurer
Digitally Signed Dec 1, 11

Recommended by the C.A.O.

Doug Nadorozny
Chief Administrative Officer
Digitally Signed Dec 1, 11

VARIANCE EXPLANATIONS

User Fees

Annual water consumption has continued to decline from 16.3 million cubic metres in 2006 to a projected consumption of 14.4 million cubic metres in 2011. the average annual decline in consumption has been approximately 360,000 cubic metres. Projecting water consumption in this declining environment is very challenging.

Water and waste water user fees are therefore projected to be under budget by approximately \$1.1 million. The budgeted consumption for 2011 was estimated at 14.9 million cubic metres and the current projections indicate that the actual consumption could be as low as 14.4 million cubic metres.

This decrease in user fee revenues will be offset by additional ancillary revenues of \$210,000 related to work done for the public and the recovery of temporary salaries from external partners.

Reserve and Reserve Funds

The additional contribution from Reserve Funds will fund unbudgeted contractual obligations that arose during the third quarter, as per previous Council approval.

Salaries and Benefits

Salaries and Benefits are projected to be under budget by approximately \$235,000 due primarily to vacancies as a result of illness and a reduction in overtime costs.

Materials

Materials are projected to be under budget by \$575,000.

A major contributor to this anticipated saving relates to chemicals which between water and waste water are projected to be under budget by \$200,000. Chemical costs are affected favourably by the optimization programs as well as moderate weather conditions in 2011, as was the case in 2010.

Spare parts and other materials were under budget by \$375,000 due to the reduction in maintenance programs. WWW Services continues to defer some plant maintenance in order to offset declining consumption.

Energy Costs

Energy costs are projected to be under budget by approximately \$302,000. The savings are related primarily to the installation of more energy efficient pumps and blowers at waste water treatment plants.

Purchased/Contract Services

Purchased /Contract services are projected to be over expended by approximately \$627,000.

There have been 92 watermain breaks through the end of September compared to 64 breaks for the same period in 2010. In addition, the severity of these breaks has been greater than prior years illustrated by Barrydowne Road, Main Street in Chelmsford, Hillsdale and most recently Paris at Ramsey Lake Road. It is estimated that contract services related to repairing water main breaks will be over budget by approximately \$650,000, of which \$300,000 is the estimated cost to repair the watermain break on Paris at Ramsey Lake Road.

This over expenditure will be offset by savings in sludge haulage and various contract maintenance costs.

Revenue & Expense Summary

Water/Waste Water Mtce.

Projected for Year Ended December 31, 2011 (based on September 30 operating results)



Schedule A

	Annual Budget	Projected Actual at December 31	Variance Favourable/ (Unfavourable)	Projected % of Budget
Frontage Charges	498,733	498,733	-	100
Provincial Grants & Subsidies	-	-	-	
User Fees	53,647,476	52,742,476	(905,000)	98
From Reserve and Reserve Funds	280,702	597,502	316,800	213
Other Revenues	9,600	11,195	1,595	117
Municipal Levy (fire protection)	2,889,693	2,889,693	-	100
Total Revenues	57,326,204	56,739,599	(586,605)	99
Salaries & Benefits	12,164,069	11,929,402	234,667	98
Materials Expenses	3,969,535	3,394,492	575,043	86
Equipment Expenses	-	-	-	
Energy Costs	3,939,277	3,637,518	301,759	92
Purchased/Contract Services	7,127,248	7,754,446	(627,198)	109
Debenture & Insurance Costs	1,762,470	1,812,902	(50,432)	103
Prof Development & Training	73,199	78,102	(4,903)	107
Grants - Transfer Payments	25,500	25,500	-	100
Prov to Reserves & Capital	22,398,013	22,398,013	-	100
Internal Recoveries	5,866,893	6,013,731	(146,838)	103
Total Expenses	57,326,204	57,044,106	282,098	100
Excess (Deficiency) of Revenue Over Expenses (before contribution to Reserve Funds)	-	(304,507)	(304,507)	
Net Contribution from (to) Water and Waste Water Reserve Funds	-	304,507		
Excess (Deficiency) of Revenue Over Expenses (after contribution to Reserve Funds)	-	-		