



Finance and Administrative Committee

Agenda

Tuesday, June 22, 2021

Tom Davies Square

Councillor Jakubo, Chair

6:00 p.m. Open Session, Council Chamber / Electronic Participation

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1. Call to Order

2. Roll Call

3. Declarations of Pecuniary Interest and the General Nature Thereof

4. Consent Agenda

For the purpose of convenience and for expediting meetings, matters of business of repetitive or routine nature are included in the Consent Agenda, and all such matters of business contained in the Consent Agenda are voted on collectively.

A particular matter of business may be singled out from the Consent Agenda for debate or for a separate vote upon the request of any Councillor. In the case of a separate vote, the excluded matter of business is severed from the Consent Agenda, and only the remaining matters of business contained in the Consent Agenda are voted on collectively.

Each and every matter of business contained in the Consent Agenda is recorded separately in the minutes of the meeting.

4.1. Routine Management Reports

4.1.1. Healthy Community Initiative Fund Applications – June 2021

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This report provides a recommendation regarding Healthy Community Initiative (HCI) funding requests. By-law 2019-129 requires Council's approval for all eligible HCI Capital fund requests exceeding \$10,000 and Grant requests exceeding \$1,000.

5. Presentations

5.1. City of Greater Sudbury Long Term Financial Plan Update 2021

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This report and presentation by Kevin Fowke, General Manager of Corporate Services, provides information regarding the corporation's financial condition over the next 10 years. A model of anticipated revenues and expenditures from 2022 – 2031 indicate that financial condition should remain relatively strong. Based on the directions provided by key documents that inform annual operating plans, the financial projections described here reflect a variety of assumptions that, overall, show Greater Sudbury can maintain its current position as a low-cost service provider compared to other Ontario municipalities with greater than 100,000 population. Council should have financial flexibility to undertake a variety of city-building initiatives over the forecast period without impairing the City's strong credit rating.

6. Managers' Reports

6.1.	2021 Budget Process Evaluation	32
	This report provides information regarding input on the 2021 budget process from one-on-one meetings with Councillors and members of the Executive Leadership Team.	
6.2.	2022 Budget Direction	38
	This report provides recommendations regarding tax increases and directions to guide staff in the preparation of the 2022 Business Plan. In addition, budget pressures for 2022 have also been identified.	
7.	Referred & Deferred Matters	
7.1.	Enterprise Risk Management Update and Annual Register of Key Enterprise Risks	52
	This report provides information on the implementation of an Enterprise Risk Management (ERM) framework for the City of Greater Sudbury and builds on the staff ERM update presentation of April 20, 2021. The report also summarizes Council's appetite for risk and introduces the first annual Key Enterprise Risk Management Analysis for Council's consideration as a foundational part of the development of the 2022 Municipal Budget.	
8.	Members' Motions	
9.	Correspondence for Information Only	
9.1.	2021 Annual Grants	58
	This report provides information regarding the annual allocations of grants to a variety of community groups and organizations, approved by Council as part of the 2020 budget process. The 2021 grants will be released subject to Council's approval of the applicable by-law.	
9.2.	2021 Operating Budget Variance Report - March	75
	This report provides information regarding a variance analysis based on the City's first quarter results (January to March 31, 2021). Staff have identified areas where material year end variances in the operating budget may occur.	
9.3.	Contract Awards Exceeding \$100,000 January 1 – March 31, 2021	78
	This report provides information regarding contract awards \$100,000 or greater awarded from January 1, 2021 to March 31, 2021 and may include any previously omitted reports from past reporting periods.	
9.4.	2021 First Quarter Statement of Council Expenses	90
	This report provides information regarding expenses incurred by Members of Council in the first quarter of 2021. This report is prepared in accordance with By-law 2016-16F respecting the payment of expenses for Members of Council.	
9.5.	2020 Investment Report	122

This report provides information regarding the investment activities for the year and certifies that all investments made in the year 2020 were in compliance with both City's Investment Policy (Bylaw 2010-246F) and Ontario Regulations 655/05.

- 10. **Addendum**
- 11. **Civic Petitions**
- 12. **Question Period**
- 13. **Adjournment**

Healthy Community Initiative Fund Applications – June 2021

Presented To:	Finance and Administration Committee
Meeting Date:	June 22, 2021
Type:	Routine Management Reports
Prepared by:	Lyne Côté Veilleux Leisure Services
Recommended by:	General Manager of Community Development

Report Summary

This report provides a recommendation regarding Healthy Community Initiative (HCI) funding requests. By-law 2019-129 requires Council's approval for all eligible HCI Capital fund requests exceeding \$10,000 and Grant requests exceeding \$1,000.

Resolution

THAT the City of Greater Sudbury approves the Healthy Community Initiative Fund requests, as outlined in the report entitled "Healthy Community Initiative Fund Applications – June 2021", from the General Manager of Community Development, presented at the Finance and Administration Committee meeting on June 22, 2021.

AND THAT the City of Greater Sudbury directs staff to prepare a by-law to implement the recommended changes.

Relationship to the Strategic Plan, Health Impact Assessment and Community Energy & Emissions Plan (CEEP)

This report refers to the goal: Create a Healthier Community as identified in the Strategic Plan, as it aligns with the Population Health Priorities of Building Resiliency, Investing in Families, Creating Play Opportunities, Promoting Mental Health Awareness, Achieving Compassionate City Designation and Implementing an Age-Friendly Strategy. The information in this report has no relationship to the Community Energy & Emissions Plan.

Financial Implications

The Healthy Community Initiative (HCI) Fund is allocated within prescribed budgets. Approval of an HCI capital project includes approval of operating costs to be provided in the base budget in subsequent budget years for the operating department.

Background

By-law 2018-129, requires Council's approval for all Grant requests that meet Healthy Community Initiative (HCI) funding criteria and exceed \$1,000 and all Capital requests that meet HCI funding criteria and exceed \$10,000. Eligible applications for Grant requests of \$1,000 or less, and eligible Capital requests of \$10,000 or less may be approved by the General Manager (GM) of Community Development.

HCI Fund Applications and Financial Summary

Appendix A - Healthy Community Initiative Fund - Applications, lists HCI Fund requests by Ward as recommended by the GM of Community Development for approval by Council. All projects listed in Appendix A have been evaluated against By-law 2018-129 and its related criteria and have been verified to ensure sufficient funds are available within each Ward's funding allocation.

Appendix B – Healthy Community Initiative Fund – Application Outcomes, provides a list of HCI Fund applications that were approved or denied by the GM of Community Development since the last report presented at the Finance and Administration Committee meeting on May 18, 2021.

Appendix C – Healthy Community Initiative Fund Financials, includes the recommended approvals contained in this report as well as a summary of HCI Fund allocation balances up to June 22, 2021. The amounts may be adjusted due to reimbursement of under-spent funds from completed and reconciled projects/initiatives.

Next Steps

Upon Council approval, applicants will receive written notification confirming their approved funding and the intended use of funds, and grant recipients will also receive a Post-project Final Report form. This form is to be completed by the applicant and returned following completion of their initiative for reconciliation by Financial Services.

Grant recipients will receive funding via electronic fund transfer or by cheque (where applicable) for the approved amount, whereas a capital funded project will be managed by the City of Greater Sudbury, working closely with the applicant. HCI funded capital projects will be prioritized based on Leisure Services Division annual work plans and initiated within 24 months in accordance with the HCI policy.

During the pandemic, approved grant funds supporting social activities will be issued upon confirmation that the initiative can proceed pursuant to public health protocols or restrictions established by the Province of Ontario, Public Health Sudbury & Districts, the City of Greater Sudbury and/or other regulatory bodies.

HCI funded capital projects will be prioritized based on Leisure Services' (or other assigned operating department's) annual workplans and initiated within 24 months in accordance with the HCI policy.

Should an HCI fund request not be approved, the applicant will be notified of same.

Resources Cited

Healthy Community Initiative Fund, By-law 2018-129

<https://www.greatersudbury.ca/city-hall/grants-and-funding/hci-fund/application-process/hci-fund-policy/>

**Healthy Community Initiative (HCI) Fund
Applications for Council Approval – June 22, 2021**

CAPITAL FUNDS

Ward	Recipient/ Project/ Location	Purpose for Funds	Estimated Operating Costs/Yr	Amount Requested	Amount Recommended for Approval by the GM
10	Nepahwin Lake Watershed Stewardship Group / Potable water fountain / Nepahwin Park, Sudbury	To assist with costs to purchase and install a water bottle refill station/water fountain	\$400	\$19,400	\$19,400
12	Ridgecrest Accessible Park Neighbourhood Association / Outdoor exercise equipment / Redfern Senior and Tot Lot, Sudbury	To assist with costs to purchase and install outdoor exercise equipment	\$3,500	\$55,000	\$55,000

GRANTS

Ward	Recipient/Initiative	Purpose for Funds	Amount Requested	Amount Recommended for Approval by the GM
12	L'Association canadienne-française de l'Ontario (ACFO) du grand Sudbury / Heritage document on the Flour Mill silos	To support costs for researching information and producing a historic text regarding the preservation of the Flour Mill silos.	\$1,500	\$1,500

Healthy Community Initiative Fund

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

For the period of April 20, 2021 to May 21, 2021

Successful Applications

Capital Funds				
Ward	Group / Project	Estimated Operating Costs/Yr	Amount Requested	Amount Approved
No items to report				

Grants			
Ward	Group / Project	Amount Requested	Amount Approved
No items to report			

Unsuccessful Applications

Ward	Group / Project	Amount Requested	Reason(s) for Denial
No items to report			

Healthy Community Initiative (HCI) Fund Financials for the Period Ending June 22, 2021

Schedule 1.1 – Capital

Ward	2021 Allocation*	2020 Uncommitted Funds (carry forward)	Adjustments from Completed Projects	Approved by General Manager 2021	Approved by Council 2021	Proposed for Approval by Council	Balance of Uncommitted Funds After Resolution	Pending Requests (to May 21, 2021)
1	\$ 22,967	\$ 63,191	\$ -	\$ -	\$ -	\$ -	\$ 86,158	\$ 67,300
2	\$ 22,967	\$ 34,448	\$ -	\$ -	\$ -	\$ -	\$ 57,415	\$ -
3	\$ 22,967	\$ 1,185	\$ -	\$ -	\$ -	\$ -	\$ 24,152	\$ 24,500
4	\$ 22,967	\$ 37,170	\$ -	\$ -	\$ -	\$ -	\$ 60,137	\$ -
5	\$ 22,967	\$ 30,557	\$ -	\$ -	\$ -	\$ -	\$ 53,524	\$ -
6	\$ 22,967	\$ 77,390	\$ -	\$ -	\$ -	\$ -	\$ 100,357	\$ -
7	\$ 22,967	\$ 29,912	\$ -	\$ -	\$ -	\$ -	\$ 52,879	\$ -
8	\$ 22,967	\$ 30,692	\$ -	\$ -	\$ -	\$ -	\$ 53,659	\$ 3,000
9	\$ 22,967	\$ 6,088	\$ -	\$ -	\$ -	\$ -	\$ 29,055	\$ -
10	\$ 22,967	\$ 99,446	\$ -	\$ -	\$ -	\$ 19,400	\$ 103,013	\$ -
11	\$ 22,967	\$ 13,045	\$ -	\$ -	\$ -	\$ -	\$ 36,012	\$ 11,250
12	\$ 22,967	\$ 91,097	\$ -	\$ -	\$ -	\$ 55,000	\$ 59,064	\$ 3,600

Schedule 1.2 – Grants

Ward	2021 Allocation*	2020 Uncommitted Funds (carry forward)	Adjustments from Completed Initiatives	Approved by General Manager 2021	Approved by Council 2021	Proposed for Approval by Council	Balance of Uncommitted Funds After Resolution	Pending Requests (to May 21, 2021)
1	\$ 10,417	N/A	\$ -	\$ -	\$ -	\$ -	\$ 10,417	\$ -
2	\$ 10,417	N/A	\$ -	\$ -	\$ -	\$ -	\$ 10,417	\$ -
3	\$ 10,417	N/A	\$ -	\$ 1,000	\$ 8,000	\$ -	\$ 1,417	\$ -
4	\$ 10,417	N/A	\$ -	\$ -	\$ 5,500	\$ -	\$ 4,917	\$ 500
5	\$ 10,417	N/A	\$ -	\$ -	\$ -	\$ -	\$ 10,417	\$ -
6	\$ 10,417	N/A	\$ -	\$ -	\$ -	\$ -	\$ 10,417	\$ -
7	\$ 10,417	N/A	\$ -	\$ -	\$ -	\$ -	\$ 10,417	\$ -
8	\$ 10,417	N/A	\$ -	\$ -	\$ -	\$ -	\$ 10,417	\$ -
9	\$ 10,417	N/A	\$ -	\$ -	\$ -	\$ -	\$ 10,417	\$ 500
10	\$ 10,417	N/A	\$ -	\$ -	\$ -	\$ -	\$ 10,417	\$ -
11	\$ 10,417	N/A	\$ -	\$ -	\$ -	\$ -	\$ 10,417	\$ 1,000
12	\$ 10,417	N/A	\$ -	\$ -	\$ -	\$ 1,500	\$ 8,917	\$ -

* There were no contributions to the HCI Reserve Fund in 2021 as the maximum threshold of \$24,000 was achieved in 2020. There was a one-time deduction of \$100,000 in the HCI Fund to support the Transitional Housing business case in the 2021 budget (Resolution FA2021-24-A17). The contribution to the Playground Revitalization project for 2021 is \$99,394

City of Greater Sudbury Long Term Financial Plan Update 2021

Presented To:	Finance and Administration Committee
Meeting Date:	June 22, 2021
Type:	Presentations
Prepared by:	Kevin Fowke Corporate Services
Recommended by:	General Manager of Corporate Services

Report Summary

This report and presentation by Kevin Fowke, General Manager of Corporate Services, provides information regarding the corporation's financial condition over the next 10 years. A model of anticipated revenues and expenditures from 2022 – 2031 indicate that financial condition should remain relatively strong. Based on the directions provided by key documents that inform annual operating plans, the financial projections described here reflect a variety of assumptions that, overall, show Greater Sudbury can maintain its current position as a low-cost service provider compared to other Ontario municipalities with greater than 100,000 population. Council should have financial flexibility to undertake a variety of city-building initiatives over the forecast period without impairing the City's strong credit rating.

Relationship to the Strategic Plan, Health Impact Assessment and Community Energy & Emissions Plan (CEEP)

This report has no direct relationship to the Strategic Plan, but it provides Council with an assessment of the corporation's most likely financial condition over the next 10 years. These details will inform decisions that drive progress on fulfilling Strategic Plan objectives. This report has no direct connection to the Community Energy & Emissions Plan (CEEP).

Financial Implications

There are no financial implications associated with this report.

Executive Summary:

Over the forecast period, the City continues to demonstrate financial strength, enjoy financial flexibility and benefit from policy choices made in prior periods that demonstrate a sustainable approach to managing services. The forecast includes:

- A 10-year projection for property taxes, which shows an anticipated annual change of 3.0% per year net of assessment growth and the potential, if Council chooses, to remain in the lowest quartile of municipal taxation, based on taxes payable per household, for municipalities with greater than 100,000 population,

- Low cost financing availability for significant asset reinvestment and renewal,
- A strategy for reserve replenishment,
- A strong credit rating signaling strong financial fundamentals at the municipal corporation and economic resilience and generally moderate growth in Greater Sudbury,
- Continued relatively low taxation rates in comparison to similar sized municipalities and as a percentage of household income,
- Continued evolution in the corporation's financial policies to further support, or strengthen, the corporation's financial condition.

Council's Strategic Plan describes service enhancements and new asset investments. These investments place upward pressure on annual budgets and taxation levels. Without adjustments in current service levels that offset that upward pressure, net costs will increase. In the short term, post-pandemic cost pressures driven by changes in input prices and new measures designed to protect residents and staff also drive operating cost increases. Other challenges highlighted in this year's update are as follows:

- Continued deterioration of assets and their effect on services and operating costs in the form of unanticipated repair and downtime,
- Lower than average levels of Reserve and Reserve Funds that would be available to address unanticipated costs and/or use for emerging/unplanned opportunities,
- Significantly constrained capital in the 10 year model unless alternate sources of funding (including the choice to assume additional debt) can be secured at reasonable costs,
- Shortages along the supply chain, combined with higher global post pandemic spending, driving significant municipal capital and operating cost inflation and, potentially, pressure on central banks to increase interest rates,
- Increased employment costs due to the addition of new staff to replace contracting arrangements, interest arbitration in Police and Fire Services, Long Term Disability and WSIB insurance premiums,
- Constrained capital funding in the earlier years of the projection (2022 – 2026), resulting from prior period commitments to fund significant capital renewal projects and the intention to strengthen reserve levels by redirecting funds that previously funded debt payments,
- The various roles Council may decide to play in the post Covid – 19 pandemic recovery, such as providing financial relief/support for other community institutions or assets.

BACKGROUND:

Experience shows how decisions taken in prior periods, sometimes decades ago, produce a consequence that affects current financial position and/or service capacity. For example, decisions to forego preventive maintenance expenditures 10 or 15, or even 20 years ago in favor of lower overall taxation levels have the effect of premature asset renewal needs, or increased repair expenditures to keep assets operational. A Long Term Financial Plan offers a view, or several potential views, to show how current decisions can accumulate to produce long-term outcomes. In this way, a long term financial plan is a tool that helps Council assess choices and understand their potential impacts now and in the future. It can provide a guide to shape service plans, budgets and strategies that consider the variety of competing priorities Council must regularly address.

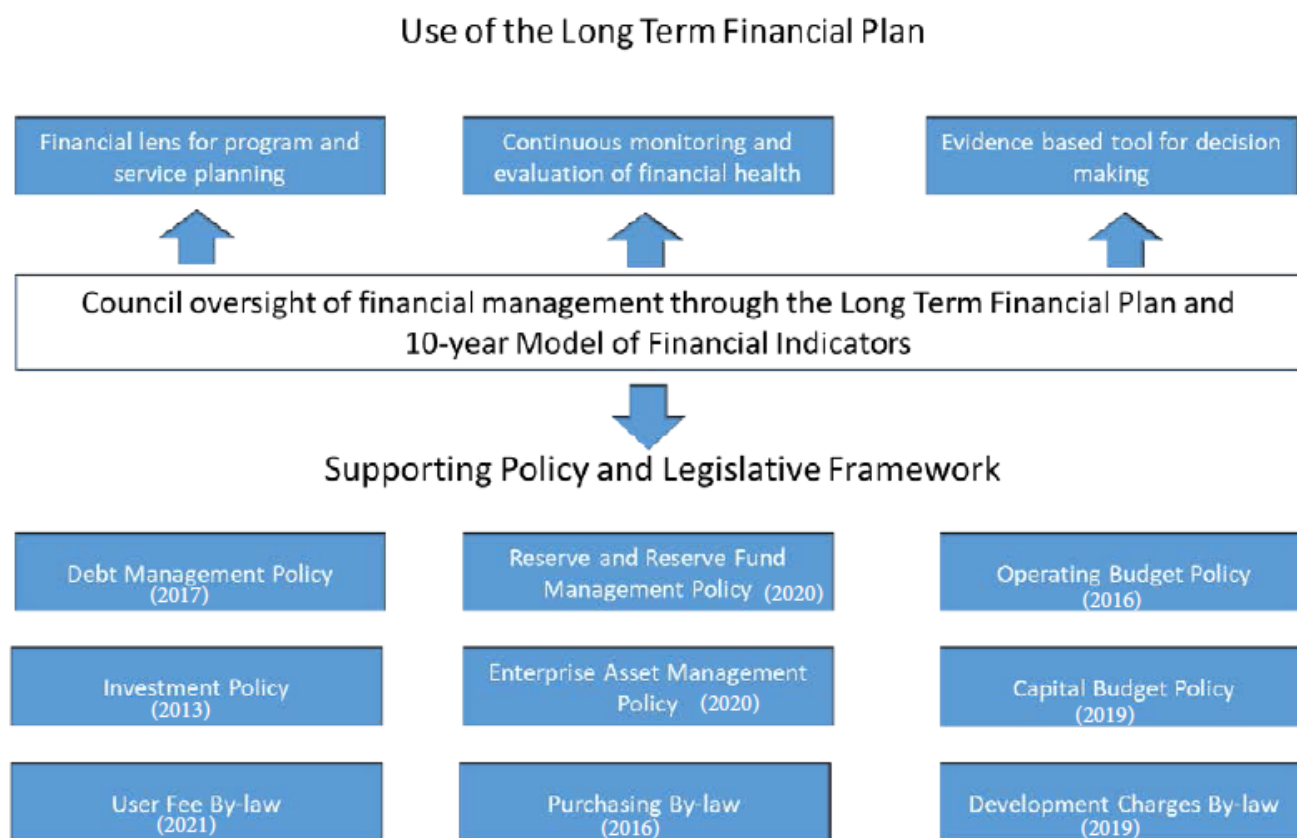
Since 2017, financial policy and annual budget choices have been made based on the principles set out in the corporation's Long Term Financial Plan. These principles include:

- **Long-term Sustainability:** a long-term perspective on the City's financial position, funding sources and resource allocations
- **Respect for the Taxpayer:** quality services at an affordable cost
- **Appropriate Funding for Services:** a fair allocation of costs based on service utilization and ability to pay

- **Planning for Infrastructure:** investments consider required asset levels of service in the long term and alternative means of procuring and financing

Financial Policy Framework

The Plan guides the development and maintenance of the City's financial by-laws and policies to ensure a holistic and integrated fiscal management approach. The table below provides an overview of the framework (with dates signifying the year in which the policy was introduced or was last updated):



Appendix A contains an update on updates and the status of additional financial strategies.

FACTORS INFLUENCING LONG TERM FINANCIAL PLAN ASSUMPTIONS:

Economic Condition

The long term financial plan is influenced by (and can influence) eight significant, distinct economic trends in Greater Sudbury. The 10-year forecast reflects the following assumptions about local economic trends:

- Slow to moderate growth in the medium to long term (the City's population is expected to grow by 6,900 – 15,000 persons, 6,000 – 8500 households and 6,400 – 11,000 jobs from 2016 – 2046). (Hemson, 2018)
- Aging infrastructure requiring significant capital investment (currently being further defined in the form of detailed asset management plans).
- Adverse effects of climate change and changing weather patterns, leading to increased costs for storm events, changes to the way assets need to be replaced and the emergence of green technologies and assets that may require more capital investment but also may relieve certain operating expenditures.
- Diversified, resilient labour market that has demonstrated and sustained employment growth and is rebounding well from pandemic lows. This means that the City has the flexibility to rely on taxation revenues as a reliable funding source in a stable local economy.

- Senior government funding uncertainty. Provincial debt burden and Federal investments in economic stimulus through the pandemic may create a vulnerability where senior orders of government are not able to offer operating and capital funding in future periods.
- A growing population of aging and vulnerable citizens with unique needs and service requirements.
- Rapidly changing technology that drives new costs related to how the corporation connects with residents and delivers services. This trend has the potential to add to operating cost (as service delivery continues in “traditional” forms and service efforts are expanded “on line”) but it also means that services will be delivered more efficiently in the future, perhaps without the same concentration of human resources or capital assets.
- A post-Covid-19 pandemic environment that is uncertain but is trending toward the potential for rapid reopening of economies and a “boom” cycle for the global economy.

Population Growth and Assessment

The City of Greater Sudbury continues a steady, slow growth trajectory as the only city in Northern Ontario with continued population growth. For example, as reported by Statistics Canada, Greater Sudbury’s current population is approximately 170,000, up from 160,000 in the 2016 census. This slow to moderate growth trajectory means that population and the number of households (using the most conservative assumptions) may not support business growth, labour force evolution and the quantity of increased assessment needed to sustain existing services and service levels. The higher growth assumption anticipates an increase of approximately 285 households per year approximately 0.4% per year to 2046. This means that the growth rate in terms of occupancies or households will grow by approximately 0.4% at the higher assumption in the Hemson Study.

The plan reflects 1.0% assessment growth in our model assumptions comprised partially of this growth in households and anticipated assessment growth resulting from increases in construction and renovations (net of demolitions). Efforts aimed at assessment protection (i.e. ensuring property values are properly assessed by the Municipal Property Assessment Corporation and defending appeals) are also important to make sure our assessment growth is appropriately captured and included in tax calculations.

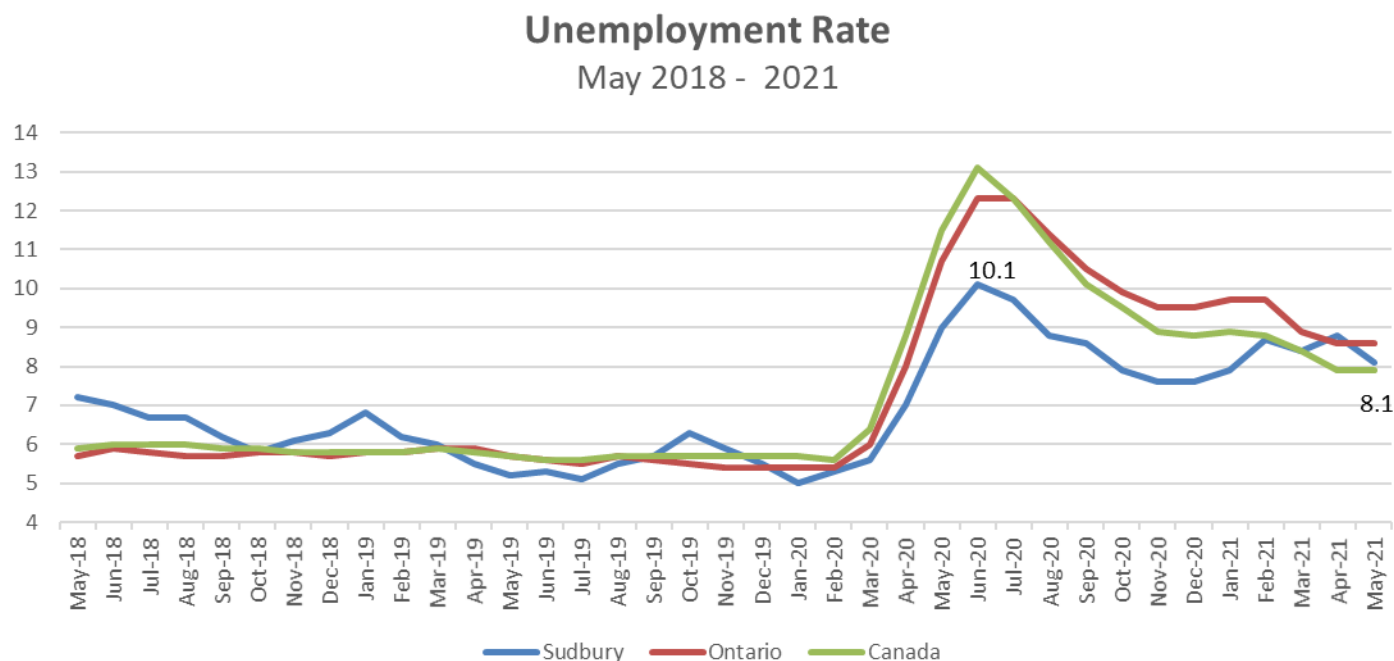
Gross Domestic Product (GDP)

According to the Conference Board of Canada (Major City Insights, March 2021), Greater Sudbury’s economy is expected to recover from the 8.1% decline it experienced due to the pandemic in 2020 with solid growth of 4.5% in 2021 and 3.6% in 2022. Gross Domestic Product for 2021 is anticipated to be \$8.4 billion. This is a significant increase in the growth expectation from prior periods.

Employment

Greater Sudbury’s unemployment rate for May 2021 was 8.1%, a decrease of 0.7% compared to the previous month. This is lower than Ontario’s provincial rate of 8.6% and similar to the national rate of 8.0%. The number of people employed in the city is 81,500, which is up from 81,200 in April 2021. With the recent drawbacks, Sudbury has recovered 50% (5,500) of jobs lost since the lowest point during the COVID-19 shutdown in June 2020. The participation rate is 61.0%, down from 61.2% in April 2021.

Figure 1: Unemployment Rate, CGS/GSDC April Economic Bulletin



The Conference Board of Canada is forecasting a rebound of 3,600 jobs in 2021, followed by a further gain of 1,000 jobs in 2022. Sudbury is not expected to fully regain its 2019 employment peak of 88,300 jobs (a level which was sustained for only two months) until 2025.

Building Construction Activity

Building permit value for the first four months of 2021 is \$90 million compared with \$54 million for the first four months of 2020, despite ongoing societal and economic pressures from pandemic response to the COVID-19 virus. Housing starts look healthy for 2021 with 93 units with a total value of \$19 million for the first four months of 2021 compared to 22 units with a total value of \$5 million at this time last year. This number of new housing starts is important. Although building permit values were high in 2020, the number of new housing unit starts was negatively affected by the Covid-19 pandemic response. With 93 units in the first four months of 2021, the City is closer to the higher growth assumption in the Hemson Study. Housing starts are a stronger predictor of future assessment growth than any other economic factor. For example, a high performing mining industry and low unemployment with growing GDP is excellent but the unit of growth that matters most to growth from the municipal perspective is real growth in taxable property and growth in the value of those properties.

For the purpose of our financial modelling, this expectation of continued strength in building permits and capital investment due to lower unemployment and robust GDP growth along with assessment protection activities lead to the modelling of assessment growth at 1.0%. It is possible that stronger than anticipated economic development could move this assumption significantly higher than 1.0% and 10-year scenarios in Appendix C demonstrate that potential.

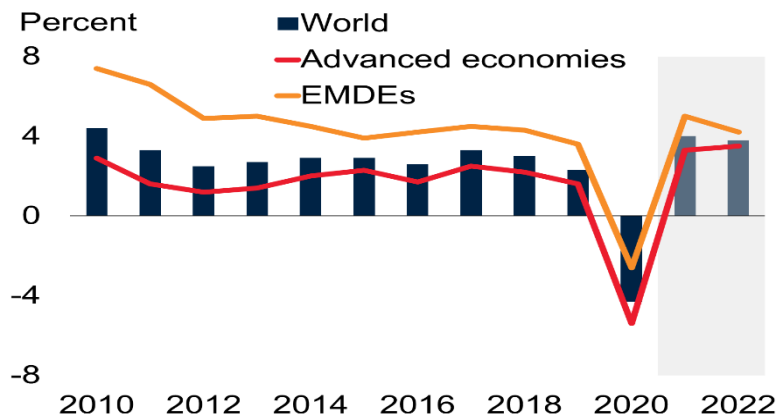
Household Income

The assumption used for average household income for the present modelling purposes (2021) for Greater Sudbury is \$103,767 in line with the BMA report methodology and is increased by 2% each year thereafter in the 10-year financial model below. This level of household income is slightly lower than the provincial average.

Continued Covid – 19 Pandemic Response and Recovery

There are a variety of economic predictions available for global and Canadian growth in the pandemic recovery anticipated from 2021 to 2023. Figure 2 demonstrates a phenomenon known as the “V shaped” recovery and it is predicted, in particular for advanced economies like Canada by both the World Bank, McKinsey and Company, the Conference Board (International) and the International Monetary Fund (IMF).

Figure 2: World Bank Global Growth forecast for 2021 and 2022.



The response and recovery predictions for municipal services (and as a consequence some of our non-tax revenues) are anticipated to take different time frames to recover. Of those services most impacted by the Covid-19 virus the recovery time will vary. Leisure services are anticipated to recover quickly (more or less along the lines of the “V shaped” recovery predicted in the broader economy. Services like Transit and Parking though will not experience a return to 2019 levels or any real growth until 2024 or 2025 without some policy or service change. There is not

consensus among Transit properties across Canada though about the exact revenue recovery timing. Factors such as the resumption of in-class University and College learning, capacities for places like restaurants and entertainment venues will drive this recovery and may lead to different timing across the Country.

This figure is representative of a situation in which the impact of reduced infection of the Covid-19 virus (and its variants) and increased regional vaccination meets increasing confidence and consumer spending in mid-2021. Current economic predictions seem to favour this scenario. World Bank predicts growth for Canada of 3.3% in 2021 and 3.5% in 2022, the IMF is even more bullish on Canadian growth anticipating 5.0% growth in 2021 and 4.7% growth in 2022. The Conference Board anticipates a growth rate for Canada and the United States in excess of 5.0% for 2021 with a return to 2.4% growth for 2023 – 2026 and 2.6% for 2026 – 2030.

This also means that strategies such as the Employment Land Strategy, efforts aimed at making our community more welcoming and inclusive need to be redoubled in order to position our local economy for growth.

Potential for Inflation to Place Upward Pressure on Interest Rates

Growth and high demand for Sudbury’s resource rich domestic product is good news, but it also signals the risk of significant price inflation in many categories of goods and services, supply chain interruption and the potential for higher interest rates and a higher Canadian dollar. The Canadian all products, year over year Consumer Price Index has increased from 0.7% in December of 2020 to 3.4% in April of 2021. If inflation exceeds the 3.0% Bank of Canada target range maximum, there may be pressure to increase interest rates. This could increase the cost of future borrowing, but would not affect interest rates on existing, outstanding debt.

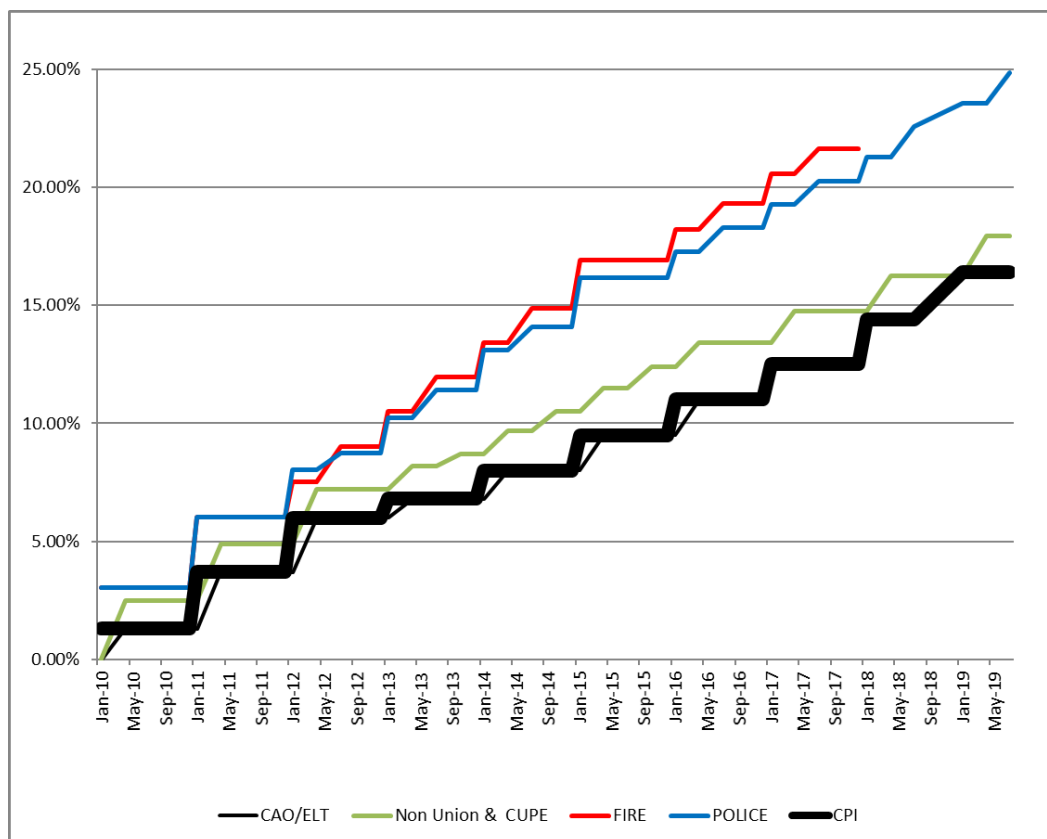
Labour and Employment Costs

The City’s 58 lines of service are primarily community, resident, business or personal services, not producing and delivering products. As a result, forty three (43%) percent of total expenses are salary and benefits costs for those providing service. The value of benefits as a proportion of the roughly \$284M the corporation plans to spend on salaries and benefits combined in 2022 is over \$54M, or approximately 19% of total costs.

The corporation has experienced, on average 6.5% increases in the cost of benefits and 10% increases in the cost of workplace safety and insurance board (WSIB) premiums over the past 5 years. The employee population is older than the Provincial average, it is more likely in 2021 to experience a debilitating psychological or mental stress related injury or illness than in any prior period and Provincial legislation is changing to incorporate more health conditions and illness among those covered by the WSIA.

Contractual obligations also drive employment cost increases and in particular those employment obligations that feature interest arbitration as a settlement mechanism for collective bargaining are driving employment costs for municipalities, particularly in Police and Fire Services. Obviously, when additional net new positions are added to support these services, salary and benefits costs increase. These factors greatly influence the expense escalation assumptions in the base model in this report.

Figure 3. Cumulative History of General Wage Increases for Various Employee Groups 2010 – 2019



FINANCIAL CONDITION:

Standard & Poors AA (Stable) Rating

From 2018 - 2020, the municipality received an AA credit rating from S&P Global Ratings (S&P) with a stable outlook. A debt rating is intended to represent an evaluation of the creditworthiness of a debtor, anticipating ability to service and repay debt. The AA (stable) rating is an investment grade rating. That indicates the corporation has a very strong capacity to pay interest and repay principal loans. It leads to lower interest rates for Sudbury compared to municipalities with lower ratings. It also signals, for the purposes of long term financial planning, flexibility to make choices that capitalize on opportunities and/or to secure external debt financing.

The current trends and forecasts included in this long-term financial plan update are consistent with the data S&P used to develop its analysis and support its credit rating assessment. Our assessment for 2021 is anticipated in July or August of 2021. By following this plan, Council should expect similar future assessments from S&P.

Monitoring and Performance Reporting: Three Categories of Financial Condition Indicators

The Long Term Financial Plan is built on the four financial principles, measured by three groups of financial condition indicators. Each group of indicators, as defined by the Public Sector Accounting Board, provides insights into a specific aspect of financial condition. Collectively, they address how the corporation is managing its financial health. The principles and indicators also guide Council and staff when making decisions related to service and program planning. The three groups are:

- Sustainability – the ability of a municipality to maintain existing service levels and meet existing requirements without increasing its relative debt or property tax levels.
- Flexibility - the ability of a municipality to increase its financial resources to address additional commitments and changes to service levels. This is done by increasing property tax revenues, fees, reserve balances or by taking on additional debt.
- Vulnerability - the degree to which the City is susceptible to changes in funding sources outside of its control. There is a risk in relying too heavily on funding sources outside a municipality's direct control because they can be reduced or eliminated without notice.

The corporation compares its financial performance to a typical range of indicators in comparable municipalities. Since 2017, comparisons with the following municipalities provide further context for understanding the corporation's financial condition: Thunder Bay, Sault Ste. Marie, Timmins, North Bay, Barrie, Kingston, Brantford, Windsor and Chatham-Kent.

Appendix B contains comparisons on the financial indicators for 2016 – 2020.

THE 10-YEAR LONG TERM FINANCIAL PLAN MODEL:

The “**Base**” 10-year Financial Plan Model is developed using the following assumptions (some of which are covered above in line with our economic predictions):

- The model predicts that revenues impacted by the Covid-19 pandemic return to pre-pandemic levels in 2023 and reflect a quicker recovery in late 2021 and 2022 for leisure and recreation and a slower (2024-2025) for transit and parking.
- Decrease in senior level of government social housing allocations over the next ten years.
- Water and Wastewater user fees increase by 4.8% per year per the W/WW Financial Plan.
- Investment earnings are expected to return to 2% for the term of the plan.
- Expenses increase by 3.9% in 2022, 2.9% in 2023 and 2.8% thereafter, with contributions to capital increased by 4.9% in 2022, 3.5% in 2023 and 3.0% thereafter.
- Salaries and Benefits increase by contractually committed amounts and consider increases in 2021 due to higher than anticipated long term disability and WSIB premiums and the potential for increases to continue to outpace market wage outcomes in services relying on interest arbitration (Police and Fire Services).
- The Capital Levy continues at 1.5% (approved in 2020) and is included in the capital contribution amounts moving forward.
- Includes all major capital projects funded in 2021 and 2022 (Municipal Road 35, Bridge and Culvert Rehabilitation, McNaughton Terrace Treatment Facility, the Junction, Event Centre, and Playground Revitalization), the Therapeutic Pool, Pioneer Manor bed redevelopment, Transitional Housing and the associated principal and interest payments on all outstanding debt (including the \$200 million debenture issued in early 2020 and the \$100 million to be issued by the end of 2021 for 2021 approved capital projects).
- Includes an additional amount equal to 1% of the total 2022 levy in the 2023 forecast, and every year thereafter, as a contribution to reserves but could be used for the array of strategic initiative work in

the strategic plan, additional asset investment or to enhance services or the way services are delivered (for example, to support actions in the Community Energy and Emissions Plan, Customer Service Strategy or enhanced digitization of citizen services).

- Updates average household income (\$103,767 for 2021, increased by 2% per year) in line with up to date comparator numbers from the BMA study.
- Net assessment increases by 1% per year for the entire plan period.

“Base” Plan with Assumptions Above

The 10-year operating budget (revenues and expense) projection is summarized in the table below.

Forecasted Operating Budget
(In thousands of dollars)

	Budgeted 2021	2022	2023	2024	2025	2026	Forecasted 2027	2028	2029	2030	2031	Ten Year Total
Revenues:												
	332,212	335,450	339,302	345,842	352,651	359,740	367,121	374,807	382,813	391,151	399,836	3,648,713
Expenses:												
	616,305	638,446	657,564	676,614	696,269	716,545	737,464	759,050	781,325	804,313	828,033	7,295,624
Net levy before undemoted items	284,093	302,996	318,262	330,772	343,618	356,805	370,343	384,243	398,512	413,162	428,197	3,646,911
Debt repayment (existing debt)	18,377	8,564	7,068	5,906	5,311	4,779	4,779	4,779	4,764	4,606	4,606	55,162
Municipal levy before undemoted items	302,470	311,560	325,330	336,678	348,929	361,584	375,122	389,022	403,276	417,768	432,803	3,702,073
Debt Repayment 2020 - 2022 Capital Includin PM and \$200M		12,210	13,883	14,720	14,720	14,720	14,720	14,720	14,720	14,720	14,720	143,853
Municipal levy	\$ 302,470	323,770	339,213	351,398	363,649	376,304	389,842	403,742	417,996	432,488	447,523	3,989,779
											Average annual increase	
											4.0%	

The 10-year base operating model generates a net tax levy increase which averages 4.0 % over the plan period. Net of predicted assessment growth at 1.0%, the model anticipates taxation increases in the 3.0% range over the plan period. This result is slightly higher than the model predicted in 2018 and 2019 due primarily to the sustained historic levels of capital investment from 2017 to 2020 and the planned levels of capital investment from 2021 to 2024.

Projected Financial Indicator Results in the Base 10-year Plan

FINANCIAL INDICATORS	Budgeted	Forecasted									
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Sustainability											
Financial assets to financial liabilities	0.73	0.64	0.61	0.63	0.67	0.73	0.79	0.87	0.97	1.08	1.20
Reserve and reserve funds per household	\$ 1,505	\$ 1,254	\$ 1,129	\$ 1,119	\$ 1,352	\$ 1,647	\$ 2,007	\$ 2,436	\$ 2,937	\$ 3,512	\$ 4,166
Operating expenses as a percentage of taxable assessment	2.76%	2.83%	2.88%	2.93%	2.98%	3.03%	3.09%	3.14%	3.20%	3.26%	3.32%
Capital additions as a percentage of amortization expense	166%	155%	121%	126%	115%	114%	114%	113%	113%	112%	112%
Total debt per household	\$ 3,292	\$ 4,065	\$ 4,253	\$ 4,092	\$ 3,940	\$ 3,786	\$ 3,650	\$ 3,499	\$ 3,345	\$ 3,190	\$ 3,034
Flexibility											
Debt to Reserve Ratio	2.19	3.24	3.77	3.66	2.91	2.30	1.82	1.44	1.14	0.91	0.73
Residential taxes per household	\$ 2,837	\$ 3,025	\$ 3,157	\$ 3,259	\$ 3,360	\$ 3,464	\$ 3,576	\$ 3,690	\$ 3,806	\$ 3,924	\$ 4,045
Residential taxation as a percentage of household income	2.73%	2.86%	2.92%	2.96%	2.99%	3.02%	3.06%	3.10%	3.13%	3.16%	3.20%
Total taxation as a percentage of total assessment	1.32%	1.39%	1.45%	1.48%	1.52%	1.56%	1.60%	1.64%	1.68%	1.72%	1.76%
Debt servicing costs as a percentage of total revenues	3.66%	3.80%	3.78%	3.60%	3.35%	3.16%	2.88%	2.80%	2.72%	2.63%	2.55%
Net book value of tangible capital assets as a percentage of historical cost	49.9%	49.6%	48.8%	48.1%	47.3%	46.5%	45.7%	44.9%	44.1%	43.3%	42.5%
Vulnerability											
Operating grants as a percentage of total revenues	22.5%	21.4%	20.8%	20.2%	19.7%	19.2%	18.6%	18.1%	17.6%	17.1%	16.7%
Capital grants as a percentage of total capital expenditures	18.1%	33.1%	23.3%	27.1%	20.6%	20.2%	19.8%	19.4%	19.0%	18.7%	18.3%

Comments on the Base Model

The model provides 10-year summary projections for the capital budget and the resulting levels of debt, debt payments and reserve and reserve funds.

Reserve and Reserve Funds

The 10-year summary projections show that our reserve and reserve funds per household remain at levels below our comparators. They rise slightly at the end of the period (2025 – 2030) as some long term debt is retired and there are increases in the reserves for capital. Also, staff anticipate that Council will want to take steps to increase reserves closer to their minimum levels and have placed an amount equal to 1% of the 2022 levy into contributions to reserves and capital in the 2023 projection. Of course, Council retains full discretion to apply these funds for other purposes, or to exclude them from the annual budget.

Reserve and reserve funds matter because they increase flexibility, protect against one-time or unanticipated pressures and they enable the corporation to respond to unplanned opportunity when, for example, new investment opportunities arise or senior orders of government introduce funding programs that require an unbudgeted municipal contribution.

Future Capital Programs

With historically large capital programs in 2017 – 2020 and anticipated multi-year projects carrying over into 2021 and 2022, contributions to capital and reserves are more committed in the early years of the base model. The Therapeutic Pool, Pioneer Manor bed redevelopment and Transitional Housing financing plans rely on redirecting funds currently reserved for capital. This means that the City needs to maximize funding opportunities from senior governments and use the most innovative ways to manage aging assets in the long term. This also calls for new capital assets to be planned with innovative design and committing to the goal of shrinking the city's asset footprint.

Debt

Last year, the long term financial plan indicated that the 10-year projection of the City's debt per household stabilized in 2022. This reflected the full phase-in of debt payments on the existing \$200 million debenture approved in 2020. Significant additions to the capital program in 2021 means that debt per household continues to climb until 2026.

The model includes all anticipated borrowing. This includes the approximately \$100M in debt required to fund 2020 and 2021 capital projects. Staff will continue to analyze and make recommendations on the use of debt financing based on the types of investments required, the availability of low interest debt and the Debt Management Policy.

Current forecasts show the City remains well within the established ranges defined in the Debt Management Policy, which are much lower than the municipal debt limit prescribed by the province. It is important to recall that debt proceeds enable asset renewal that, in exchange for the debt repayments, provides important community assets that enhance the community's quality of life.

10 Year Financial Model Alternatives: Other Scenarios based on Alternate Assumptions

Appendix C contains three alternate scenarios. They represent the potential 10-year financial scenarios that alter the assumptions listed above and contain the projected financial indicators in a summary table to demonstrate how those choices, if taken by future Councils, could impact the corporation's long term financial condition.

Scenario 1 describes a **"Low Growth, Conservative Investment"** scenario in which expenses are reduced by 2% per year from 2023 to 2030 (reflecting significant planned service level reductions) and it eliminates the 1% contribution to reserve and reserve funds in 2023. This is not a recommended scenario but it demonstrates a scenario which anticipates low growth, with service and service level reductions to maintain property tax levels at the lowest level among Ontario municipalities with greater than 100,000 population.

Scenario 2 describes a **"High Growth"** model in which all other assumptions in the base model remain, financial policies are followed consistently for things like continued capital contribution and inflation to support all existing services at existing levels. Growth at this level would very likely outpace the higher growth scenario in the Hemson report and require economic development interventions and step changes in business investments in the community to be sustained over a 10-year period.

Scenario 3 demonstrates a **"Growth and Strategic Investment"** scenario in which the corporation:

- a) enhances its position as an investable municipality with higher levels of capital renewal,
- b) realizes stronger, long term economic growth, resulting increased taxation revenues and
- c) introduces special levies to support infrastructure spending.

Similar to the base model, where a one-time investment in reserves and reserve funds is anticipated, this scenario shows the effects of additional investments in capital (modelled presently as special 1.5% capital levies) in 2025, 2027 and 2030. The disposition of these funds would be subject to Council direction. For example, they could be directed toward asset renewal for specific asset classes (e.g. a local roads levy, a facilities refurbishment levy), to advance strategic investments in plans like the Community Energy and Emission Plan, or to support specific partnership opportunities with senior orders of government on capital or strategic priorities.

FINANCIAL MODELLING RISK:

There are a number of risks that, if realized, could affect the City's ability to sustain current service levels.

Asset Condition

Thorough asset condition data for a number of asset classes are being presented this year to Council. Per the financial policy updates above, staff will present comprehensive asset condition data for the first several asset classes in July – September of 2021. These plans will highlight not only the capital financing needs to inform the financial plan but will also present strategies and alternatives for Council's consideration to close asset condition gaps and reduce this risk. Nonetheless, there remains a risk that one or more assets could deteriorate or even fail, resulting in a reduction or interruption of service to residents.

Base Metal Prices

The price of nickel, a commodity that is key to the Greater Sudbury economy continues to have good prospects thanks to its importance in the production of Electric Vehicle batteries. The Sudbury Basin also produces other critical minerals such as cobalt, copper and platinum group metals - elements that are essential to EVs and other modern technologies. In the first five months of 2021, the price of Nickel on the London Metals Exchange has been above \$7 per pound with highs approaching \$9 per pound, reflecting significant nickel inventory drawdowns in particular since the end of the first quarter of 2021. In addition, copper prices have increased by 60% in the last eight months which reflects confidence in the global economy. It is worth noting that the strike by production and maintenance workers at Vale, at the time of publication of this report has yet to be resolved. This is a significant risk to assumptions about economic growth and post-pandemic recovery.

Assessment Growth and Economic Development

The cost to provide services to residents continues to increase. With low assessment growth, economic development activities take on greater importance as new taxable assessment helps spread the cost of municipal services over a broader tax base. Economic growth through new private sector investments is needed to help sustain the City's taxation levels.

Funding from Senior Orders of Government

Staff continue to monitor the forecasted provincial and federal deficits (and debt). Covid - 19 pandemic stimulus and policy supports have been extensive. Yet in the last five years, the City has seen a reduction in its Ontario Municipal Partnership Fund annual funding of \$7.1M from \$28.4M to \$21.3M. The Provincial Audit and Accountability fund continues in its second phase and Greater Sudbury has been approved for \$500,000 in funding. These examples encourage municipalities to be increasingly self-reliant and develop financing plans that are less dependent on senior government funding.

Project Delivery

The scale of the capital plan is significant and continues to grow. The available staffing resources to deliver the capital plan has seen minimal change year over year. Price increases for construction materials in early 2021 may be short term in nature and reflect immediate shipping and supply chain interruption. If they persist however, cost estimates/budgets may understate actual costs.

Interest Rates

The City has approved several significant projects to be funded through the use of debt. Interest rate fluctuations and potential increases create uncertainty. The initial tranche of \$200M in debt was obtained at the lowest rate for an issuance of its size in municipal history at the time of its issuance, (2.416% over 30 years). This provides certainty about debt servicing costs into the future for the majority of planned debt. The 2020 and 2021 capital programs call for an additional issuance of \$100M in external debt. The rapid increase in prices in early 2021 signals higher interest rates in the near future.

The City's current public debt rating of AA stable and the rates it has been able to obtain on outstanding debt provide rate certainty. This makes this risk easier to manage in future periods.

COVID-19 Virus Response and Economic Effect:

The continued pandemic response poses the most significant risk, according to the majority of long term global financial forecasts over the plan period. This means that the single greatest potential risk is any continued presence of the virus or its variants which causes governments and health authorities to intervene in the economy.

Without a major resurgence of the virus in late 2021 or 2022, the International Monetary Fund (IMF) report on perceptions of the post-pandemic economy: *World Economic Outlook: Managing Divergent Recoveries*, (IMF, April 2021) points to two sets of potential risks. It describes two sets of major trends during pandemic: first, the variety of different global paths used for managing the health crisis, which exacerbates commercial price volatility and different financial implications, even amongst regional trading partners, and second, policy support and the lack of spending opportunity (savings).

Of most concern to advanced economies (such as ours) are:

- Covid – 19 resurgence
- High levels of national debt
- Supply chain disruption
- Asset bubbles (such as real estate and housing price increases that may not be sustainable)

Other risks, still significant in terms of concern for advanced economies though less concerning than for emerging or developing economies:

- Persistent unemployment
- Inflation
- Weak demand
- Insufficient government supports

The current global economic environment is a potential boon for our long term plans (it may result in a boom of growth and demand for local products and places like Greater Sudbury). It also comes with risk from the perspective of our corporate municipal long term plans in the form of factors beyond Council's control like interest rates, the ongoing strike at Vale, inflation and the potential for future waves of Covid-19 that prolong the pandemic response and delay recovery.

CONCLUSION:

This long term financial plan update should assure both Council and taxpayers that the City is accountable and transparent. Further, it demonstrates its commitment to ensuring the City is sustainable and maintains its fiscal health into the future.

The corporation's financial condition is strong and has been strengthened through prudent management of finances through the Covid-19 pandemic and support from senior governments. Financial condition could be further strengthened with concerted efforts to improve the corporation's level of reserve and reserve funds. Throughout the forecast period this plan shows the corporation has sufficient flexibility to finance its service efforts and make investments that fulfill Council's strategic priorities. It maintains a rate of taxation that is in the lowest quartile of municipalities with a population of greater than 100,000.

These conclusions anticipate the corporation will adopt alternate service and service level choices to address dynamic economic conditions and evolving social needs. Equally the City will be expected to lead recovery activities in the broader sense; facilitating development opportunities, supporting local businesses and institutions, and advancing infrastructure projects. Economic development, assessment protection and growth are critical to balancing anticipated increases in expenses and the potential that revenues may take longer than expected to return to pre-pandemic levels for some services.

The next formal plan update will be prepared later in 2022 in anticipation of the first budget to be directed by the 2022 – 2026 City Council. Staff will continue to include long-term financial plan impacts and financial indicator performance at key decision points and when analyzing service and service level decisions for Council throughout the year.

Resources Cited

1. Capital Budget Policy -
https://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=1303&itemid=15_907&lang=en
2. Reserve and Reserve Fund Management Policy -
<https://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&lang=en&id=1507&i temid=18028>
3. Development Charges By-Law –
<https://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&lang=en&id=1324&i temid=17074>
4. Outlook for Growth – Hemson Consulting
<https://pub-greatersudbury.escribemeetings.com/filestream.ashx?documentid=6298>
5. Conference Board of Canada – Global Economic Outlook:
<https://conference-board.org/topics/global-economic-outlook>
6. World Bank
<https://www.worldbank.org/en/publication/global-economic-prospects>
7. McKinsey & Company
<https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/the-coronavirus-effect-on-global-economic-sentiment#>
8. International Monetary Fund
<https://www.imf.org/en/Publications/WEO/Issues/2021/03/23/world-economic-outlook-april-2021>

Appendix A:

Completed Policy Recommendations and Ongoing Revision Based on Experience:

The 2017 Long Term Financial Plan made a number of policy recommendations, which have addressed by Council. In the period between 2017 and 2020, Finance and Administration Committee made significant alterations to the Operating and Capital Budget Policies, Reserve and Reserve Fund Management Policy, the Development Charges By-law and the Debt Management Policy.

In 2020 and early 2021 staff in Financial Services and Budgeting have begun to lead “running revisions” to these policies that build on experience with some of the new policy elements and tools.

The following policies have been amended or are being recommended for amendment in 2021.

Capital Budget Policy: One of the key features in changes to the Capital Budget Policy in 2018 was the evolution to enterprise prioritization of capital needs. Since that time, a staff team have been using uniform scoring criteria to rank capital projects for recommendation to Executive Leadership Team during budget preparation. The team conducted a review of the prioritization process and has recommended some minor tweaks to the weighting of some criteria scores and a change in process for new capital assets. The criteria scoring changes result in a slightly higher weighting for projects with benefits to goals in the City’s Community Energy and Emission Plan. Also, in the 2022 budget documents, *new capital asset investment* will be separated from *sustaining capital asset investment* through the use of business cases during the budget process. This means that the enterprise capital prioritization tool will be used for sustaining capital only (repairs and maintenance to existing assets) focusing on the most critical asset reinvestment priorities. New assets will be truly viewed as new business opportunities with other operating improvements that are recommended in that format in budget documentation.

User Fee By-law: In December of 2020, Council approved changes to the City’s Miscellaneous User Fee By-law including revised principles, a framework for rate setting and a set of formulae for setting rates based on targets for operating and capital cost recovery.

Enterprise Asset Management Policy: In Q3 of 2021 staff will be bringing forward asset levels of service and detailed asset condition data for three classes of assets: 1. Core infrastructure (including roads, bridges, water, wastewater and stormwater), 2. Fleet and Equipment and 3. Municipal Parking Lots. This data exceeds the targets set in the *Infrastructure for Jobs and Prosperity Act, 2015* for data collection and will form the basis for recommendations of alternatives and strategies available to Council to address deteriorating assets. Further, Council has directed additional work on facilities renewal and facilities location which will be completed in 2021 and reflected in future budget documents.

Status of Additional Strategies

The following additional financial strategies were highlighted in the 2017 plan and the actions taken to date are noted below:

Strategy Recommendation	Status
1. Implementation of stormwater management fees.	The asset condition data for stormwater assets has been completed and will be reported to Council in Q3 of 2021. A sustainable management model, including stormwater fee alternatives will follow.
2. Use of alternative tax classes and adjusting property tax ratios.	Property tax ratios are adjusted on an annual basis to ensure fairness to the residential taxpayer and encourage commercial or industrial development. In 2021, staff will develop recommendations on the Provincial government’s new small business property tax sub-class.

<p>3. Capital financing: using debt to fund infrastructure renewal/replacement.</p>	<p>The use of debt was approved in 2018 for reconstruction on Lorne Street, improvements to Municipal Road 35 and the replacement of the Sudbury Community Arena. In 2019, debt was approved for the financing plan for the development of The Junction, (Library/Art Gallery and the Greater Sudbury Convention/Performance Centre) to promote arts and culture in the community, invest in the downtown and improve quality of life for residents. Debt was also approved for bridge refurbishment. In 2021 budget deliberations, Pioneer Manor bed redevelopment, the therapeutic pool project and enhanced transitional housing supports were all funded using a mix of future capital contributions and external debt.</p>
<p>4. Introduction of a capital levy to fund the infrastructure renewal/replacement requirement.</p>	<p>In the 2020 budget Council approved a 1.5 per cent special capital levy and directed that it to be used on the infrastructure renewal requirements that had the biggest potential impact on the City's infrastructure deficit. This levy is included in the available capital each year in the long term financial plan model.</p>
<p>5. Infrastructure and service rationalizations: analyzing current service levels of arenas, community centres, playgrounds, roads, municipal fleet and other.</p>	<p>The City has completed a core service level review and Council has evaluated many of its recommendations through the budget process. Business cases for facilities rationalization and user fees were prepared for the 2021 budget deliberations. Work is underway on facilities condition and location analysis in Emergency Services and facilities rationalization/renewal plans are anticipated in Q4 for a variety of other facilities using \$500,000 of funding from the Audit and Accountability Fund – Intake 2.</p>

Appendix B:

Sustainability

Key points about Greater Sudbury's sustainability include:

- The ratio of financial assets to liabilities at 1.41 is within the recommended range of 0.75 to 1.5, and higher than our comparators. This indicates the corporation has the financial means to meet its commitments and is within a reasonable range of liquidity and financial capacity compared to other municipalities.
- The level of Reserves and Reserve Funds per Household is low compared to other municipalities, yet an operational surplus in 2020 has placed this ratio back in the low end of the target range. The overall low levels of reserves highlights the corporation's practice of relying on reserve funding to support capital financing plans (which have been historically large in the period from 2017 to 2020), offset operating deficits and address unanticipated service requirements (such as emergency repairs). Low reserve levels indicate limited capacity to deal with cost increases or revenue losses, requiring the City to revert to taxation, user fee increases or the issuance of debt. Changes to the reserve and reserve fund policy and funding strategies presented to Council in early 2020 support efforts to reverse this trend. The Annual Report contains detailed reserve and reserve fund information.
- Greater Sudbury's operating expenses as a percentage of total assessment is very steady over time and compares favorably to our peer municipalities.
- Recent capital budgets and planned capital spending show the corporation has been reversing its historical under-investment in asset renewal. The ratio of annual capital asset additions to annual amortization expense (213.9% in 2019 and 161.1% in 2020) indicates the corporation is investing more in new assets than the value it is consuming each year to provide its services. It is noteworthy however that some of this capital addition is for new assets or in some cases, new services that the City has decided to provide. Some of the capital additions reflected in this ratio are new capital assets, not sustaining capital which is required to keep pace with amortization (or usage) of asset value.
- Taxes receivable as a percentage of taxes levied is an indication of taxpayer ability to pay and collections efforts. The ratio remains low and is a real positive in light of the Covid-19 pandemic response. This percentage is not materially different than any pre-pandemic year in this 5-year analysis.

		2020	2019	2018	2017	2016
Sustainability Indicators	Target					
Financial assets to financial liabilities	0.75 to 1.50	1.41	1.66	1.66	1.66	1.67
Total reserves and reserve funds per household	\$2,000 to \$3,500	\$ 2,067	\$ 1,830	\$ 1,981	\$ 1,931	\$ 2,132
Total operating expenses as a percentage of taxable assessment	2.0% to 3.5%	2.3%	2.4%	2.3%	2.3%	2.2%
Capital additions as a percentage of amortization expense	150% to 250%	161.1%	213.9%	111.4%	133.2%	95.2%
Taxes receivable as a percentage of taxes levied	n/a	3.2%	2.8%	2.7%	3.0%	2.4%

Flexibility

Key points about Greater Sudbury's flexibility include:

- Taxation levels remain among the lowest in Ontario for Cities with a population greater than 100,000. Both residential taxes per household and residential taxes as a percentage of household income have been, and remain, well below the typical range for municipalities in the BMA study. This indicates Council has discretion to raise taxes to support changes in services or service levels.
- The corporation historically had a much lower debt per capita and other debt ratios than comparator municipalities. The typical range for debt per household among our comparators is \$2,000 - \$3,500. As anticipated, the issuance of \$200 million in debt early in 2020 has moved us up into that range. The 2020 result of \$3454 per household is still within the target range and is well within our debt

policy thresholds. This means the corporation is investing in asset renewal using debt financing more than in prior periods, but remains within typical levels for comparable cities.

- The ratio of debt servicing costs to revenue is 3.24%, which remains low compared to other municipalities but moves us beyond the target range for this indicator. This means the relative share of annual revenue to support debt servicing costs is increasing but remains, as above, within the acceptable range in comparison to other municipalities and within our debt policy limits.
- The net book value of tangible capital assets is, like the capital additions as a percent of amortization expense, a proxy for the amount of value remaining in assets...a sense of how much of the asset base is “used up” due to the passage of time from a book value perspective. It is noteworthy that despite the historic levels of capital additions in the 2017 – 2020 time period, these values have remained stable or even declined marginally. This means that despite the corporation’s investments in asset renewal and in new capital assets, their net book value versus their historical cost continues to decrease. This highlights the need for fresh asset condition data and clearly established asset levels of service to yield strategies and alternatives to historical patterns of asset investments for Council’s consideration.
- The ratio of debt to reserves has been impacted by an increase in debt at the same time as a decrease in reserves. At 1.67, Greater Sudbury’s ratio is higher than the BMA average of 0.90.

		2020	2019	2018	2017	2016
Flexibility Indicators	Target					
Residential taxes per household	\$3,000 to \$5,000	\$ 2,472	\$ 2,349	\$ 2,258	\$ 2,176	\$ 2,072
Debt per household	\$2,000 to \$3,500	\$ 3,454	\$ 927	\$ 1,012	\$ 1,027	\$ 1,096
Residential taxes as a percentage of household income	3.0 to 5.0%	3.85%	3.79%	3.83%	3.85%	3.63%
Total taxation as a percentage of total assessment	1.0% to 2.5%	1.30%	1.27%	1.24%	1.22%	1.17%
Debt servicing costs (interest and principal) as a percentage of net revenues	2.0% to 3.0%	3.24%	1.98%	2.32%	2.19%	2.28%
Net book value of tangible capital assets as a percentage of historical cost of tangible capital assets	40% to 60%	49.2%	49.3%	48.8%	49.7%	50.3%
Ratio of debt to reserves and reserve funds	1% to 1%	1.67	0.50	0.50	0.50	0.50

Vulnerability

Key points about Greater Sudbury’s vulnerability include:

- The corporation’s vulnerability is within a typical range for comparator municipalities. Greater Sudbury relies to a lesser degree than other municipalities on senior government funding for operations.
- Reliance on operating grants from senior levels of government increases the corporation’s exposure to sudden changes in funding that it does not directly control. Examples include Ontario Municipal Partnership Fund allocations, provincial and federal gas taxes, and funding agreements with numerous ministries (health and long-term care, education, community and social services, etc.).
- While this exposure increases the corporation’s overall risk of a sudden change in revenue, reliance on federal and provincial funding has remained consistent as shown by minor fluctuations in government transfers to total revenue.
- A higher ratio does not always indicate greater vulnerability. Where senior government funding is directed toward specific capital projects (for example, with grants for specific capital projects), the corporation’s risk of sudden revenue loss is relatively low.

		2020	2019	2018	2017	2016
Vulnerability Indicators	Target					
Ratio of government transfers to total revenue	n/a	0.27	0.28	0.29	0.30	0.25
Operating grants as a percentage of total revenues	10% to 25%	23.2%	22.0%	23.2%	22.6%	22.9%
Capital grants as a percentage of total capital expenditures	10% to 25%	22.6%	26.0%	40.2%	45.3%	14.1%

Appendix C:

“Low Growth, Conservative Investment” scenario in which expenses are reduced by 2% per year from 2023 to 2030 (reflecting significant planned service level reductions) and elimination of the 1% contribution to reserve and reserve funds in 2023.

The 10-year operating budget (revenues and expense) projection is summarized in the table below.

Forecasted Operating Budget (In thousands of dollars)													
	Budgeted 2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Ten Year Total	
Revenues:													
	332,212	335,450	339,302	340,554	342,059	343,831	345,876	348,205	350,830	353,762	357,014	3,456,883	
Expenses:													
	616,305	638,446	657,564	654,034	650,942	648,296	646,101	644,363	643,092	642,296	641,982	6,467,116	
Net levy before undernoted items	284,093	302,996	318,262	313,480	308,883	304,465	300,225	296,158	292,262	288,534	284,968	3,010,233	
Debt repayment (existing debt)	18,377	8,564	7,068	5,906	5,311	4,779	4,779	4,779	4,764	4,606	4,606	55,162	
Municipal levy before undernoted items	302,470	311,560	325,330	319,386	314,194	309,244	305,004	300,937	297,026	293,140	289,574	3,065,395	
Debt Repayment 2020 - 2022 Capital Incudin PM and \$200M		12,210	13,883	14,720	14,720	14,720	14,720	14,720	14,720	14,720	14,720	143,853	
Municipal levy	\$ 302,470	323,770	339,213	334,106	328,914	323,964	319,724	315,657	311,746	307,860	304,294	3,353,101	
Average annual increase in levy												0.1%	

Unsurprisingly, the 10-year net tax levy increase in this scenario is negligible and would almost certainly place the City in the lowest net tax per household position among Ontario Municipalities with greater than 100,000 population. Taxation as a percentage of household income is roughly 1% less than the base scenario. Deep cuts to services and available resources would be required to achieve this scenario and although the existing, known projects could be accomplished, capital would be scarce and in years with such steep cost reductions, sourcing additional funding through debt or capitalizing on matching funds from senior orders of government would be difficult. Also, service reductions are not easy and frequently take several years to implement and some have negative revenue consequences that would only be fully understood once the reductions were put in place. The model anticipates we would see a steady decrease in operating expenditure but if this could not be realized, there is a risk that operating deficits would further erode reserves and flexibility. Without any intervention to improve our reserves, they continue at low levels among our comparators. Decreases in service and an inability to address, for example, our aging infrastructure in this scenario could lead to lower growth estimates and reduced sustainability as well as flexibility. Service quality would be relatively low, and the risk of asset failures would increase the risk of service interruptions that decrease citizen satisfaction with city services.

FINANCIAL INDICATORS	Budgeted 2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Sustainability											
Financial assets to financial liabilities	0.73	0.64	0.61	0.62	0.65	0.69	0.73	0.77	0.82	0.87	0.93
Reserve and reserve funds per household	\$ 1,505	\$ 1,254	\$ 1,129	\$ 1,074	\$ 1,217	\$ 1,373	\$ 1,542	\$ 1,725	\$ 1,923	\$ 2,136	\$ 2,364
Operating expenses as a percentage of taxable assessment	2.76%	2.83%	2.88%	2.83%	2.79%	2.75%	2.71%	2.68%	2.65%	2.62%	2.59%
Capital additions as a percentage of amortization expense	166%	155%	121%	126%	115%	114%	114%	113%	113%	112%	112%
Total debt per household	\$ 3,292	\$ 4,065	\$ 4,253	\$ 4,092	\$ 3,940	\$ 3,786	\$ 3,650	\$ 3,499	\$ 3,345	\$ 3,190	\$ 3,034
Flexibility											
Debt to Reserve Ratio	2.19	3.24	3.77	3.81	3.24	2.76	2.37	2.03	1.74	1.49	1.28
Residential taxes per household	\$ 2,837	\$ 3,025	\$ 3,157	\$ 3,098	\$ 3,039	\$ 2,982	\$ 2,932	\$ 2,885	\$ 2,838	\$ 2,793	\$ 2,751
Residential taxation as a percentage of household income	2.73%	2.86%	2.92%	2.81%	2.71%	2.60%	2.51%	2.42%	2.33%	2.25%	2.17%
Total taxation as a percentage of total assessment	1.32%	1.39%	1.45%	1.41%	1.37%	1.34%	1.31%	1.28%	1.25%	1.22%	1.20%
Debt servicing costs as a percentage of total revenues	3.66%	3.80%	3.78%	3.60%	3.35%	3.16%	2.88%	2.80%	2.72%	2.63%	2.55%
Net book value of tangible capital assets as a percentage of historical cost	49.9%	49.6%	48.8%	48.1%	47.3%	46.5%	45.7%	44.9%	44.1%	43.3%	42.5%
Vulnerability											
Operating grants as a percentage of total revenues	22.5%	21.4%	20.8%	20.2%	19.7%	19.2%	18.6%	18.1%	17.6%	17.1%	16.7%
Capital grants as a percentage of total capital expenditures	18.1%	33.1%	23.3%	27.1%	20.6%	20.2%	19.8%	19.4%	19.0%	18.7%	18.3%

“High Growth” scenario in which all other assumptions in the base model remain, and we assume 2.0% assessment growth per year.

With all else equal and a 2.0 % growth rate, the 4.0% net tax levy increase in the base model over ten years nets to an average annual increase of 2.0%. The Financial Indicators demonstrate the value of growth in terms of flexibility. The model also features the reserve and reserve fund levy in 2023 so, as in the base model, the corporation's reserves levels are more in line with our more flexible municipal comparators and there is more potential for Council to make decisions about additional investments in reserves, debt, capital or service enhancements than in the base model.

“Growth and Strategic Investment” scenario in which the corporation:

- a) enhances its position as an investable municipality with higher levels of capital renewal,
- b) realizes stronger, long term economic growth, resulting increased taxation revenues and
- c) introduces special levies to support infrastructure spending.

Forecasted Operating Budget (In thousands of dollars)														
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Although the average annual increase in the levy in this scenario is 4.5%, the net taxation levy increase anticipates a 1.5% annual average assessment growth figure so the estimated 10-year increase is the same as the base model at 3%. Consequently, the ratio of taxation as a percentage of household income remains the same as the base model while the additional growth allows for the flexible use of debt and reserve replenishment to further strengthen indicators like the debt to reserve ratio, the reserves per household and capital additions. This would be a preferred scenario and would further benefit the corporation in the form of enhanced cash flows and flexibilities to be able to make investments such as investments in Community and Energy Emissions Plan projects, accelerate implementation of master plan recommendations and more facilities renewal investments.

FINANCIAL INDICATORS	Budgeted	Forecasted									
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Sustainability											
Financial assets to financial liabilities	0.73	0.64	0.61	0.63	0.68	0.74	0.83	0.93	1.05	1.20	1.37
Reserve and reserve funds per household	\$ 1,505	\$ 1,254	\$ 1,129	\$ 1,119	\$ 1,420	\$ 1,786	\$ 2,293	\$ 2,873	\$ 3,529	\$ 4,348	\$ 5,253
Operating expenses as a percentage of taxable assessment	2.76%	2.83%	2.87%	2.90%	2.96%	2.99%	3.06%	3.10%	3.14%	3.21%	3.25%
Capital additions as a percentage of amortization expense	166%	155%	121%	126%	115%	114%	114%	113%	113%	112%	112%
Total debt per household	\$ 3,292	\$ 4,065	\$ 4,253	\$ 4,092	\$ 3,940	\$ 3,786	\$ 3,650	\$ 3,499	\$ 3,345	\$ 3,190	\$ 3,034
Flexibility											
Debt to Reserve Ratio	2.19	3.24	3.77	3.66	2.77	2.12	1.59	1.22	0.95	0.73	0.58
Residential taxes per household	\$ 2,837	\$ 3,025	\$ 3,157	\$ 3,259	\$ 3,409	\$ 3,515	\$ 3,680	\$ 3,798	\$ 3,918	\$ 4,099	\$ 4,227
Residential taxation as a percentage of household income	2.73%	2.86%	2.92%	2.96%	3.03%	3.07%	3.15%	3.19%	3.22%	3.31%	3.34%
Total taxation as a percentage of total assessment	1.32%	1.39%	1.44%	1.47%	1.52%	1.55%	1.60%	1.64%	1.67%	1.73%	1.76%
Debt servicing costs as a percentage of total revenues	3.66%	3.80%	3.78%	3.60%	3.35%	3.16%	2.88%	2.80%	2.72%	2.63%	2.55%
Net book value of tangible capital assets as a percentage of historical cost	49.9%	49.6%	48.8%	48.1%	47.3%	46.5%	45.7%	44.9%	44.1%	43.3%	42.5%
Vulnerability											
Operating grants as a percentage of total revenues	22.5%	21.4%	20.8%	20.2%	19.7%	19.2%	18.6%	18.1%	17.6%	17.1%	16.7%
Capital grants as a percentage of total capital expenditures	18.1%	33.1%	23.3%	27.1%	20.6%	20.2%	19.8%	19.4%	19.0%	18.7%	18.3%

2021 Budget Process Evaluation

Presented To:	Finance and Administration Committee
Meeting Date:	June 22, 2021
Type:	Managers' Reports
Prepared by:	Steve Facey Financial Support & Budgeting
Recommended by:	General Manager of Corporate Services

Report Summary

This report provides information regarding input on the 2021 budget process from one-on-one meetings with Councillors and members of the Executive Leadership Team.

Relationship to the Strategic Plan, Health Impact Assessment and Community Energy & Emissions Plan (CEEP)

This report refers to operational matters and has no direct connection to the Community Energy & Emissions Plan.

Financial Implications

There are no financial implications associated with this report.

Background

The annual budget document and the budget process itself have undergone a number of changes over the past 5 years. The main focus of the process has shifted to describe anticipated service outcomes for the 58 lines of service provided by the City, planned project objectives and supporting financing plans. The focus is on the relationship between services, service levels and costs, not only the financing plans and associated tax levy changes. Budget presentation has evolved considerably and the document is more user friendly in its description of the performance and outcomes the plan anticipates.

Given the on-going changes to the document as well as extensive budget process for 2021, staff invited Councillors to provide feedback. One-on-one meetings with individual councilors helped staff gather feedback on what went well and what could be improved. The meetings were focused on 6 topics: budget forecast and direction; the budget document; business cases; community engagement; the question and answer period; and budget deliberations. This report details the findings of the one-on-one meetings, as well as staff's recommendations to address the areas that require some further changes.

Budget Forecast and Direction:

In August 2020, staff presented a two year forecast to the Finance and Administration Committee, which coincided with the Corporation's Long-term Financial Plan, to obtain budget direction. This was the start of the budget development process however, due to the pressures faced in 2020 as a result of the COVID-19 pandemic, budget direction was deferred until November. The committee ultimately directed staff to prepare a plan that had no more than a 3.9% property tax increase with options to achieve an increase of 2.5% and 3%.

What went well:

- The budget direction process continues to work. Staff and Councillors believe the process is still effective as it provides clear direction to meet objectives.

Areas to Improve:

- Clarification can be provided on how the forecast and Long-term Financial Plan were prepared and how that was included within the budget direction report.

Proposed Change #1: Staff will increase emphasis in the two year forecast, the development of the Long-term Financial Plan and more detailed information about the factors influencing the 2022 Budget.

Budget Document:

The budget document addresses several accountability and decision support requirements. To achieve this, it offers both summarized and detailed information describing planned service levels, performance information and benchmarks, and details that describe financial choices available to Committee. It also provides detailed program information to support understanding the dependencies that exist between various parts of the organization and the contributions each make to the corporation's planned results. The document continues to change and improve from previous years. Staff will continue to make steps towards moving to a service based budget.

What went well:

- The document was well received by members of Council. Staff heard comments that the document is approachable and that it tells a compelling performance story.
- Staff heard comments that there was a good depiction that services drive costs and that the document was less repetitive than previous years.
- Staff also heard that the document is referenced throughout the year and provides a resource for valuable information.

Areas to improve:

- Business plans, or information specific to individual sections within the document should be prepared consistently and need to be prepared at the same level of quality. There are also minor disconnects between performance indicators. The performance story should clearly present what is expected and what was delivered.

Proposed Change #2: Staff follow a template for business plans that describe the services within a given section, details of what is expected from that section as well as how it has performed within the past number of years. Staff will continue striving towards improving this information within the

document.

- The presentation of year over year changes needs to be better presented within the budget document.

Proposed Change #3: Included in the document is an analysis and presentation of the revenue and expenditure changes from the previous Council approved budget and the current draft budget. Staff will incorporate commentary in each of the financial summaries where explanations should be provided for further context.

Business Cases:

Business cases continue to be a consistent point of conversation. The business case section continues to evolve in order to respond to Council's information requests and its desire to make informed decisions.

What went well:

- The template continues to improve and it provides the necessary information to the Committee. It was recommended that business cases should include multiple scenarios rather than the maximum or minimum, considering service levels can vary. Staff will be updating the template and presentation to show not only the incremental cash flows, or tax impact, but the overall cash flows for each service level enhancement.
- Where staff anticipate recommending a business case for inclusion in the recommended budget, it will first be presented for information to Committee in advance of budget deliberations similar to what was done in 2021. The purpose of this additional process step is to clarify the rationale for the business case and proposed financing plan.

Areas to improve:

- The process of recommending a business case, and the overall dollar impact continues to be a concern for a number of Councillors. Staff received feedback in support of an endorsement by individual committees as well as Council or the Finance and Administration Committee. Given that each committee resolution is ratified by Council through the adoption of minutes, staff have not prepared a proposed change for this process.
- In previous years, staff were directed to include business cases under a certain threshold in the draft budget as long as it was approved by the organization's Executive Leadership Team. Staff were then directed to include all business cases, regardless of dollar value, as an individual consideration for Council.

Proposed Change #4: Staff received mixed reviews with respect to the inclusion of business cases within the draft budget, however, staff will once again include a recommendation in the budget direction report that any business case below \$100,000 be included in the base budget subject to the approval of ELT. This information will be highlighted and disclosed separately within the budget document.

- Determining which items are presented as a business case, included in the draft budget or submitted through capital prioritization causes confusion.

Proposed Change #5: New capital projects, studies and service level enhancements will be presented as business cases. Historically, new assets or capital projects have not scored well when

prioritizing capital projects as asset renewal remains one of the major focuses. Staff need to be cognizant of the potential of new capital assets or projects that may enhance operations and evaluate those submissions in conjunction with all capital requirements. Staff may be required to better present alternate funding sources for Council's consideration.

Community Engagement:

The City has utilized online services to provide a budget tool for the past four years as well as information sessions with the general public. Staff continuously look for new ways to engage the public in the budget process.

What went well:

- Councillors were content with the Over to You Community Engagement strategies. This platform allowed the public to share feedback on the 2021 budget and the issues facing the City.

Areas to improve:

- The online interactive tool received varying comments with the budget survey and ideas. Staff received more input than previous years, however overall utilization can improve. Staff can potentially keep the tool, or some aspects, open year round as issues may come up outside of the budget process.

Proposed Change #6: Staff are currently evaluating options to better involve and educate the public on the budget through an online tool and to open it to feedback earlier in the budget process. Throughout the debrief process, staff heard that the balanced budget tool was appreciated and should potentially be reintroduced for budget feedback.

Question and Answer Period:

The number of questions received during the Budget Q&A period has decreased significantly, from over 100 questions for the 2020 Budget, to approximately 50 questions for the 2021 Budget. The intention of the Q&A process is to ultimately save time during deliberations.

What went well:

- The process was well received as staff were given the opportunity to thoroughly answer all questions.
- For 2021, staff did not include the identification of who asked which question. This will continue for the 2022 Budget Q&A process.

Areas to improve:

- There was confusion on which questions to staff were to be published.

Proposed Change #7: Staff will continue recommending that only questions sent to the budget email address (budget@greatersudbury.ca) are to be published. Staff are also exploring other opportunities for submitting questions, an update will be provided when the 2022 budget document is presented to Committee.

- Questions submitted are currently responded to on a weekly basis during budget deliberations.

Proposed Change #8: Staff heard during debrief meetings that deadlines should be implemented, for both Councillors and staff, if information is required prior to a specific decision point within the budget process.

Budget Deliberations:

Budget deliberation meetings allow Councillors to focus on strategic decisions relating to service level changes. Deliberations for the 2021 budget occurred from February to April 2021, rather than in the fourth quarter of a typical budget year.

What went well:

- The deliberation meetings continue to allow Committee to focus on strategic decisions. The conversations revolve around service levels and the corresponding financing plans.

Areas to improve:

- Staff received mixed feedback with respect to budget deliberations. Most Councillors agreed that deliberations lasted too long, however the length of deliberations allowed for the development of financing plans for a number of key projects (ie. Pioneer Manor, Transitional Housing etc.)

Proposed Change #9: Staff are once again attempting to complete budget deliberations within the first few weeks of December. This may require additional meetings after December 1st, however three budget meetings are scheduled at this time. There are options with respect to how the information can be reviewed. For example, one alternative would see members of the Executive Leadership Team reviewing sections of the document in advance of budget deliberation meetings in one on one meetings with Councilors. Or, such reviews could occur at scheduled committee meetings in November prior to budget deliberations.

Proposed Change #10: Budget meeting start times can be changed to 2:00 pm. And changes to the procedural by-law can be made to reflect a four hour meeting prior to a vote being required to continue.

Proposed Change #11: Any motions or amendments are proposed to be submitted to the Clerks office and Finance Staff as far in advance as possible prior to the start of budget deliberation meetings. This will allow staff to review and prepare for the proposed motion and work with the Councillor if there are any questions.

Additional Proposed Changes

Committee members offered other comments with the intention of suggesting improvements to the budget process for 2022. The following are additional items that were raised:

- Two major themes that will be discussed, or continue to be discussed, within the Budget Document will be Enterprise Risk Management and Asset Condition
- As Asset Management Plans are finalized throughout the organization, the internal process of capital prioritization should sunset. The Plans will provide the requirements of the organization and then discussions will be required for which services are prioritized.
- Staff are required to adhere to the procedure by-law. Any task that requires more than 2 hours of work should be formally directed by Council or Committee.

Summary and Next Steps:

Staff heard positive feedback on the budget document and overall process and the proposed changes described here further develop a process that is serving the organization well. However, continuous improvement is necessary with the size and diversification of the organization. Staff will continue to review

best practices and incorporate feedback to continuously improve the budget document. The purpose of bringing this report is to highlight the feedback received as well as potentially receive additional direction to include within the 2022 Budget process.

2022 Budget Direction

Presented To:	Finance and Administration Committee
Meeting Date:	June 22, 2021
Type:	Managers' Reports
Prepared by:	Liisa Lenz Financial Support & Budgeting
Recommended by:	General Manager of Corporate Services

Report Summary

This report provides recommendations regarding tax increases and directions to guide staff in the preparation of the 2022 Business Plan. In addition, budget pressures for 2022 have also been identified.

Resolutions

Resolution 1:

THAT the City of Greater Sudbury directs staff to prepare a 2022 Business Plan that includes an operating budget for all tax supported services as outlined in the report entitled “2022 Budget Direction”, from the General Manager of Corporate Services presented at the Finance and Administration Committee meeting on June 22, 2021, that considers:

- The cost of providing provincially mandated and cost shared programs;
- The cost associated with growth in infrastructure that is operated and maintained by the City;
- An estimate in assessment growth; and
- Recommendations for changes to service levels and/or non-tax revenues so that the level of taxation in 2022 produces no more than a 3.6% property tax increase over 2021 taxation levels.

Resolution 2:

THAT the City of Greater Sudbury directs staff to develop the 2022 Capital Budget based on an assessment of the community's highest priority needs consistent with the application of prioritization criteria described in this report as outlined in the report entitled “2022 Budget Direction”, from the General Manager of Corporate Services presented at the Finance and Administration Committee meeting on June 22, 2021, that considers:

- Financial affordability;
- Financial commitments and workload requirements in subsequent years for multi-year projects;
- The impact on operating costs associated with new projects;
- The probability and potential consequences of asset failure if a project is not undertaken; and

- e. The financial cost of deferring projects.

Resolution 3:

THAT the City of Greater Sudbury directs staff to prepare a Business Plan for user fee supported Water and Wastewater Services as outlined in the report entitled “2022 Budget Direction”, from the General Manager of Corporate Services presented at the Finance and Administration Committee meeting on June 22, 2021, that includes:

- a. The cost of maintaining current approved programs at current service levels based on anticipated production volumes;
- b. The cost associated with legislative changes and requirements;
- c. The cost associated with growth in infrastructure operated and maintained by the City;
- d. A reasonable estimate of water consumption; and
- e. A rate increase not to exceed 4.8%, consistent with the Water and Wastewater Long-Range Financial Plan approved by the Finance and Administration Committee on June 4, 2019.

Resolution 4:

THAT the City of Greater Sudbury directs staff to provide recommendations for changes to user fees (non Water/Wastewater) as outlined in the report entitled “2022 Budget Direction”, from the General Manager of Corporate Services presented at the Finance and Administration Committee meeting on June 22, 2021, that reflect:

- a. The full cost of providing the program or services including capital assets, net of any subsidy approved by Council;
- b. Increased reliance on non-tax revenue; and
- c. Development of new fees for municipal services currently on the tax levy.

Resolution 5:

THAT staff present any service enhancements, changes in services, or new service proposals as Business Cases for consideration by the Finance and Administration Committee on a case-by-case basis, as outlined in the report entitled “2022 Budget Direction”, from the General Manager of Corporate Services presented at the Finance and Administration Committee meeting on June 22, 2021, subject to the following conditions;

- a. All businesses cases must be approved by resolution of the Finance and Administration Committee to be incorporated into the 2022 Budget Document; and
- b. Any business case with a value of \$100,000 or less be incorporated into the base budget where the Executive Leadership Team supports the change, with a summary of such changes disclosed to the Finance and Administration Committee in the budget document;

Resolution 6:

THAT the City of Greater Sudbury requests its Service Partners (Greater Sudbury Police Services, Nickel District Conservation Authority, Greater Sudbury Public Library Board, Public Health Sudbury & Districts) to follow the directions in resolution one as outlined in the report entitled "2022 Budget Direction", from the General Manager of Corporate Services presented at the Finance and Administration Committee meeting on

June 22, 2021, when preparing their 2022 municipal funding requests.

Relationship to the Strategic Plan, Health Impact Assessment and Community Energy & Emissions Plan (CEEP)

This report is informed by all of the Strategic Objectives outlined in the 2019-2027 City of Greater Sudbury Strategic Plan.

This report refers to operational matters and has no direct connection to the Community Energy & Emissions Plan.

Financial Implications

There are no direct financial implications associated with this report. Budget directions provide staff with Council approved guidelines for producing service plans that drive the City's operating, capital and rate supported budgets. The 2022 Budget is subject to City Council review and approval, which is anticipated to be provided in the last quarter of 2021.

Backgrounds

The purpose of this report is to obtain directions from City Council that will guide the development of the 2022 Budget. Recommended directions address:

- a) Process steps to produce the Budget (that includes a tax-supported operating budget, a capital budget and a user-rate supported budget) and a schedule that anticipates final Council approval in December 2021.
- b) Forecasted tax increases for 2022 and 2023 are consistent with the 2021 Long-term Financial Plan Update.
- c) Criteria for adjusting services and service levels, if required, for 2022 operating and user rate budgets, and for prioritizing new projects recommended in the 2022 capital budget.

The continued presence of the COVID-19 virus presents several ongoing risks and cost drivers that influence 2022 budget planning.

Consistent with budget presentations over the past five years, the 2022 operating budget will reflect Council's Strategic Plan, key planning documents such as Master Plans, the Asset Management plan, the Customer Service Strategy, the Population Health Calls to Action and the Community Energy and Emissions Plan (CEEP). It will emphasize the relationship between services, service levels and expected costs.

Business plans for each service, supported by key performance indicators derived from our benchmarking network and other internal measures of service performance, will serve as the foundation for decisions and demonstrate accountability for results. While reduced revenue forecasts and preliminary cost projections indicate a higher tax increase would be needed to support existing service levels, staff recommend a direction that reflects assuming risk in order to achieve a 3.6% property tax increase in 2022.

This means capital investment and service adjustments or alternate means of financing will need to be considered to maintain a balanced budget. Staff will develop broad categories of adjustments for Council's

review. There are several considerations required to assess the balance between appropriate taxation levels and service adjustments. As the community continues to adjust and recover from the effects of the COVID-19 virus, the corporation will need to be ready to play a key role in facilitating development opportunities, supporting local businesses, advancing infrastructure projects and continuing to deliver services to residents. For a complete picture of the City's service plans and related financial commitments, all Outside Boards are requested to submit their board-approved budgets for 2022 no later than September 30, 2021 so that the Finance and Administration Committee can consider these along with the City's budget during deliberations in December 2021.

The revenue and expenditure projections described in this report reflect several inputs. They include anticipated revenues and costs associated with maintaining current service levels, decisions approved in the 2021 budget process, larger service contracts that are subject to renewal/renegotiation, projected workload volumes and the financial implications of changes in legislation. The forecast also anticipates utilization of leisure and transit services will return to pre-pandemic levels. These forecasts help provide context, but will be adjusted throughout the budget development process as new/more information becomes available.

Planned Outcomes and Key Deliverables

The recommended motions recognize both current, approved service levels and work required to the vision of the 2019-2027 City of Greater Sudbury Strategic Plan: to be a Centre of excellence and opportunity – a vibrant community of communities living together. The seven strategic initiatives of the Strategic Plan are:

- Asset Management and Service Excellence
- Business Attraction, Development and Retention
- Climate Change
- Economic Capacity and Investment Readiness
- Housing
- Create a Healthier Community
- Strengthen Community Vibrancy

The Strategic Plan shapes other enterprise planning efforts such as the Community Energy and Emissions Plan, the Customer Service Strategy, advancing the Population Health agenda and the Information Technology Strategy, among many others. The 2022 forecasted workplan contains a number of important milestones that support Council's Strategic Plan and accomplish specific outcomes included in various enterprise plans including, but not limited to:

- Continue to create a healthier community by ensuring equitable access to community recreation.
- Continue to enhance Asset Management through data digitization.
- Enhancing the quality of Municipal services and building new sustainable infrastructure.
- Continued implementation of actions associated with the Community Energy and Emissions Plan.
- Continued progress on the four Large Projects.

2021 Budget Implications

The 2021 Municipal Budget was approved with significant capital and operating investments that will impact the next number of years. These decisions included impacts on reserves, future capital spending as well as future levy impacts. Included in the 'Factors Influencing the 2022 Operating Budget' section listed below are implications of the limitations of hiring summer students, administrative efficiencies and the approval of

business cases during budget deliberations.

Limited Hiring of Summer Students

In December 2020, a number of potential service level reductions were highlighted for Council's consideration in order to table a budget which coincided with the direction target. At that time, the continuation of not hiring summer students (approximately \$1.5 million) was presented as an alternative to reach the target. These meetings resulted in direction to staff to maintain service levels for Waterfront Programming as well as Parkland Maintenance. Combined, these two services accounted for the majority of the reduction that could be realized if summer students were not hired. As a result, approximately \$323,000 (of the \$1.5 million estimate) will be able to be realized in 2021. The difference of \$1.2 million was then allocated to the 'Administrative Efficiencies' account that is described below.

Administrative Efficiencies

As staff finalized preparations of the 2021 Budget document, an amount was included under the title of 'Administrative Efficiencies'. This was intended for organic savings as efficiencies were found throughout the organization through enhanced technologies, consolidation of duties, attrition and not filling vacant positions. This account was originally estimated at \$540,000 but it has increased to approximately \$1.8 million as a result of the summer student limitations. Staff are proposing to remove this reduction in 2022, which puts pressure on the 2022 taxation levy.

Business Cases

During the 2021 budget deliberations, the Finance and Administration Committee approved a total of 27 business cases with little to no impact on the 2021 taxation levy. While many of these business cases have identified funding sources, approximately \$950,000 has been added to the 2022 forecast adding further pressure to the tax levy. Approximately \$800,000 are for one-time expenditures and can be removed in future years. Later in this report, under the 'Mitigation Strategies to Achieve Budget Direction' section, staff have proposed a number of alternatives to potentially lessen the impact of these items.

Factors Influencing the 2022 Operating Budget

The following forecasts anticipate the same services and level of service approved in the 2021 Budget and reflects a 6.0% taxation levy increase net of 1.0% assessment growth. The chart below summarizes the pressures the organization is facing, as well **Appendix A** provides additional details:

Category	Forecast 21-22 Change
Salaries & Benefits	\$4.4 million
One Time Funding – Draw from Reserve	\$3.8 million
Revenue Increase – Leisure Services	(\$2.2 million)
Contribution to Capital	\$2.0 million
Service Partners	\$3.7 million
Administrative Efficiencies	\$1.8 million

Debt Repayment	\$1.7 million
General Inflation	\$1.4 million
Software Costs	\$1.1 million
Insurance	\$840,000
Housing Funding (Federal)	\$550,000
WSIB	\$375,000
Hydro	\$280,000
Total Significant Increases	\$19.7 million

The taxation levy increase identified in the Long Term Financial Plan and 2022/2023 Forecast can be summarized as follows:

	2022 Forecast %	2023 Forecast %
Tax Levy Increase (As forecast by the Long Range Financial Plan)	7.0	4.8
Less: Impact of Assessment Growth	(1.0)	(1.0)
Projected Municipal Tax Increase	6.0	3.8
Tax Increase Consists of:		
Service Partners	1.0	0.9
Provincially Mandated Services	0.9	0.5
Capital Projects	0.7	0.6
Municipal Services (net of assessment growth)	3.4	1.8
Forecasted Municipal Tax Increase	6.0	3.8

Plans for service level changes or service enhancements will be presented separately and supported by a business case so that the Finance and Administration Committee can consider them on their individual merits and decide whether to include them in the 2022 Budget.

In February 2020, staff presented a revised Reserves, Reserve Funds and Trust Funds By-law report. Included in this report were minimum reserve and reserve fund balances. In order to achieve these minimum levels, staff recommended a plan that increased annual contributions to reserves. The 2023 forecast includes a contribution to reserves equal to 1% of the forecasted 2022 net levy.

Continuous Improvement & Service Adjustments

Greater Sudbury has maintained its low-cost position relative to other municipalities while continuing to deliver Council approved service levels. This has included enhancing some services, all with tax increases consistent with the approved Long-term Financial Plan. Achieving these results has been possible, in part, by ongoing efforts to identify process improvements and service changes.

Greater Sudbury has for many years identified savings and reallocated resources to priority areas to address program pressures and service levels without exceeding Council's budget directions. Many of these savings and efficiencies have been identified in the budget document, with approximately \$22.2 million in cost avoidance or cost adjustments identified between 2016 and 2021 for the Tax and Rate Supported budgets. Continuing this practice through the 2022 budget development process, staff will continue to work to identify savings and opportunities for reallocation of resources to address pressures.

Mitigation Strategies to Achieve Budget Direction

Budget adjustments will be required to achieve the recommended taxation level identified in Recommended Resolution #1. In order to achieve the target, approximately \$7.5 million of net levy savings is required. Staff have identified areas where the City can take risk to achieve a 3.6% tax levy increase.

Adjust the contribution to capital to reflect a 2% increase over 2021	\$1,195,000
Defer budgeting for debt repayment to 2023	\$1,740,000
Remove inflation factored in to Purchased Services and Materials	\$1,360,000
Increase Transit revenues for anticipated normal return to in class learning for post-secondary	\$910,000
Remove all Covid-19 related expenses	\$875,000
Fund the 2022 impact of one time business cases	\$800,000
Phase out the Administrative Efficiencies over three years	\$595,000
Total	\$7,475,000

As with any reduction to the budget that does not alter approved service levels, there is inherent risk. In the list noted above, the City is proposing to take the following risk:

- A reduced capital plan will be sufficient to maintain capital assets going forward.
- All legislative measures related to Covid-19 will be lifted, and that many operations will return to a pre-pandemic state.
- The cost to acquire materials and supplies will remain the same and not be subject to inflation. It should be noted that the April 2021 CPI is 3.4%.
- Reserves will remain sufficient to continue to fund one time business cases approved in the 2021 budget.

If all of these initiatives are taken into effect, a taxation levy increase of 3.6% can be achieved.

Risk

In collaboration with the Auditor General, the Executive Leadership Team has developed an enterprise-

wide risk assessment to identify key corporate risks and their potential consequences if the risks become real. “Risk” is defined as anything that can impair the achievement of the corporation’s objectives. The corporation has a variety of risks that could influence its ability to achieve results. These include:

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

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

Property Taxes and Household Income

The 2020 BMA Municipal Study provides information regarding the percentage of household income required to pay for total property taxes of a typical bungalow. For the City of Greater Sudbury, 3.8% of household income is required to support payment of property taxes. The BMA average and median is also 3.8%.

When comparing to other municipalities with a population of greater than 100,000, Sudbury ranks as the second lowest in property taxes for a typical detached bungalow.

2023 Forecast

The 2023 forecast was developed using the same assumptions as 2022 with adjustments for known contractual increases, and decisions made by Council in the 2021 budget process. The cost to provide the same level of service represents a 4.8% taxation levy increase before the estimated assessment growth of 1.0%. This results in a net tax impact of 3.8%. These projections are based on current information and are not final. These estimates will change as more information becomes available, and the 2022 budget submissions are completed.

Assessment Growth

The current assessment growth forecast is 1.0%. It is difficult to project assessment growth as new construction is offset by demolitions and other tax write-offs. To maximize the potential for assessment growth, staff are providing building plans electronically to assist MPAC in assessing new properties, but the timing of their addition to tax rolls is not within staff’s full control.

To put the estimated growth into perspective, the value of 1.0% growth each year would have to generate an increased weighted assessment of approximately \$226 million over the current assessment of over \$22.6 billion. This is net of all tax write-offs, which reduces the assessment growth. The majority of the City’s

growth over the last few years has come from the residential class. The Finance and Administration Committee will receive updated assessment information through the budget process.

Factors Influencing the 2022 Capital Budget

The Capital Budget Policy guides the preparation of the City's short and long term capital plans. This policy builds on direction from City Council about the City's asset management strategy and the City's Long-term Financial Plan.

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

Identifying capital budget priorities incorporates data about the serviceability of assets, their state of repair, impact on emissions and expected service levels. An enterprise-wide prioritization process is used for determining the greatest service needs and reflects the expertise of a cross-functional staff team from across the corporation. With these priorities in place, potential financing sources are identified to fund the work in a fiscally sustainable manner.

The Capital Budget Policy increases the assurance that the corporation's highest priority projects are included in the budget. Similarly, the published Budget will include details about each planned project.

The 2022 capital prioritization process (with minor revisions to weighting from 2021) will include the following criteria and the corresponding weights:

1. Strategic Priority	13
Link to the Strategic Plan	8
Project Integration	2
Societal/Qualitative ROI	3
2. Financial Considerations	6
External Funding Opportunities	4
Return on Investment	2
3. Risk Management	21
Legislative Requirements	6
Health and Safety Impact	3
Probability and Consequence of Failure	12
4. Asset Renewal/Restoration	10
Link to Asset Renewal Life Cycle Costing	3
Impact on Service Level	2
Overall City Asset Footprint	1
Environmental ROI / Relationship to CEEP	4
Total	50

The ongoing pandemic related disruptions and material prices are causing significant pressures on the completion of capital projects. This is the result of supply chain issues for a variety of construction materials (such as lumber, steel and other items), which is causing significant pricing increases, as well as lower or no availability and/or delay in delivery of materials. This will result in capital projects with longer completion

times as well as higher costs than expected.

In addition, during 2021 budget deliberations, reserve funds have been committed and utilized towards completion of new capital projects, which has reduced the availability of funds to cover over expenditures, contingency with COVID and other tax levy pressures, and for new proposed projects in the 2022 Capital Budget. As a result, Council may be required to secure additional debt or cancel other capital projects depending on the pressures faced.

Water/Wastewater

In June 2019, the Finance and Administration Committee approved the Water and Wastewater Long-Range Financial Plan. The timeframe of the plan is 20 years, until 2039, with an annual rate increase of 4.8% each year during this period to achieve financial sustainability. Staff anticipate rates will increase by 4.8%, as planned. By legislation, the plan is subject to revision every five years prior to the City applying for renewals to its drinking water licenses. The next application to renew will be in the fall of 2024. The next Plan revision will occur during the latter part of 2023 and early 2024 and presented to Council in advance of the next license renewal period. Staff anticipates that the next update will incorporate estimates from upcoming revisions to the Water Wastewater Master Plan and Asset Management Plan.

Service Partners

Once the Committee provides budget direction to staff, a letter will be sent requesting the city's service partners (i.e. Greater Sudbury Police Services, Nickel District Conservation Authority, Greater Sudbury Public Library Board and Public Health Sudbury & Districts) to present their budgets to the Finance and Administration Committee. Staff will be requesting their approved budgets in advance of the draft budget being distributed to the Committee. If the approved budget is not available, staff will be requesting an estimate of their budgets. Recommended Resolution Seven, if approved, requests the service partners follow the same guidance staff are using to set the 2022 municipal budget so that the total financial impact is no more than a 3.6% change in taxation.

2022 Budget Schedule

The 2022 budget schedule has been attached for the Committee's review in **Appendix B**. The budget schedule reflects a similar process as prior budgets. Three back-to-back meetings have been scheduled for deliberations the week of November 29th, however if required time is available for additional meetings the week of December 6th.

Summary

Staff recommends that the Finance and Administration Committee provide direction for the 2022 Budget to include a 3.6% property tax increase. This will require service adjustments that will be subject to further review by Council as part of the budget development process. Staff also recommend a 4.8% Water and Wastewater rate increase, consistent with the financial plan adopted by Council in 2019. Further, staff

recommend the City's Service Partners follow the same directions presented in this report to facilitate Council's desired level of taxation, services and service levels.

The forecast information presented here is based on the best estimates available at this time. It is important to note that the figures and related assumptions about these forecasts will change throughout the budget process. Staff anticipate the budget will be presented in November 2021.

Resources Cited

Core Services Review –

<https://pub-greatersudbury.escribemeetings.com/filestream.ashx?documentid=1158>

Long-term Financial Plan (2020 Update) –

<https://pub-greatersudbury.escribemeetings.com/filestream.ashx?documentid=39387>

Council Strategic Plan –

<https://pub-greatersudbury.escribemeetings.com/filestream.ashx?documentid=2542>

Greater Sudbury Community Energy and Emissions Plan (CEEP) –

<https://pub-greatersudbury.escribemeetings.com/filestream.ashx?documentid=39068>

Appendix A: Additional Information about Economic Assumptions Influencing the 2022 Budget

The following economic assumptions influence the figures included in the 2022 operating budget, the cumulative effect would produce an unacceptably high tax increase:

1. General inflation factors applied to costs, unless otherwise noted are based on the Bank of Canada inflationary control target of 2.0%. Inflation projections from three of the major banks that have inflation forecasts for 2022 ranging from 2.2 to 2.8%. A 2.2% inflationary increase is worth approximately \$1.4 million.
2. It is anticipated that Covid-19 will have lasting effects on the organization. While the 2022 forecast anticipates utilization of services such as transit and leisure facilities may return to pre-pandemic levels, it is also expected that additional measures put in place such as enhanced cleaning and personal protective equipment will remain in effect.
3. Staff are forecasting a 5% increase in natural gas costs as well as an increase of 2.5% for hydro costs. The financial impact for natural gas is \$100,000 and \$280,000 for hydro.
4. Overall, salaries and benefits reflect the effects of negotiated collective bargaining agreements as well as additional personnel approved through previous budgets.

Overall, salaries and benefits account for a \$4.4 million (excluding Police) increase over the 2021 budget.

5. In addition WSIB premiums have significantly increased. The total impact is forecasted to be an additional \$375,000 in 2022.
6. Contributions for capital have been increased by 4.9% for 2022 in accordance with the Capital Budget Policy, which calls for the greater of 2.0% or the first quarter increase in the Non-Residential Building Construction Price Index (Ottawa) (NRBCPI Ottawa), or the most current NRBCPI Ottawa available at the time of developing the forecast. As of the first quarter of 2021, this index was 4.9%. This increases capital spending on the tax levy by approximately \$2.0 million.
7. Preliminary estimates from the outside Boards includes Nickel District Conservation Authority (2% increase to the operating grant and 14% increase to the capital grant), Greater Sudbury Public Library and Greater Sudbury Police Service (GSPS). It also includes staff's estimate of a change in Public Health Sudbury & Districts' budget (5% to remain consistent with the Provincial cap), resulting in an increase to the 2022 budget by \$3.7 million.
8. Insurance is anticipated to increase approximately 20%.
9. Software Expenses is anticipated to increase 119% due to the increasing costs of software licenses and annual maintenance.
10. A number of contractual increases across the organization to provide services.
11. Social housing provincial funding allocations for 2022 are decreasing by approximately \$550,000. The allocations will be phased out entirely by 2031.

12. Several of the business cases that were approved in the 2021 budget have additional requirements in 2022. The increase on the tax levy to ensure that these initiatives are successful is approximately \$1 million.
13. Several efforts were made to reduce the property tax levy increase in the 2021 budget including delaying debt for capital projects therefore delaying the debt repayment, as well as a contribution from reserves to offset the direct budget pressures related to Covid-19. To ensure that the previously approved capital projects are completed, the debt repayment amounts have been increased to reflect the total amount required. As well the budgeted contribution from reserve and other one-time funding has been removed as staff are anticipating that the pressures related to Covid-19 in 2022 will not be significant.

Appendix B: 2022 Budget Schedule

2022 Budget Direction	June 22, 2021
2022 Budget Update	September 21, 2021
Community Consultation Session <ul style="list-style-type: none"> On-Line Submissions 	September, October 2021
Table Budget Document 2022 Operating and Capital Budget Overview Presentation (CAO & CFO) Presentation from Outside Boards (tentative)	November 2, 2021
Budget Meeting <ul style="list-style-type: none"> Review and approve Operating and Capital Budgets and Water/Wastewater Rates Three consecutive meetings have been scheduled 	November 29, 30, and December 1, 2021
City Council Approval of 2022 Operating and Capital Budget	December 14, 2021
Approval of 2022 Property Tax Policy	May 2022

Enterprise Risk Management Update and Annual Register of Key Enterprise Risks

Presented To:	Finance and Administration Committee
Meeting Date:	June 22, 2021
Type:	Referred & Deferred Matters
Prepared by:	Ian Wood Strategic Initiatives, Communications and Citizen Services
Recommended by:	Chief Administrative Officer

Report Summary

This report provides information on the implementation of an Enterprise Risk Management (ERM) framework for the City of Greater Sudbury and builds on the staff ERM update presentation of April 20, 2021. The report also summarizes Council's appetite for risk and introduces the first annual Key Enterprise Risk Management Analysis for Council's consideration as a foundational part of the development of the 2022 Municipal Budget.

Relationship to the Strategic Plan, Health Impact Assessment and Community Energy & Emissions Plan (CEEP)

This report refers to the following Strategic Objectives in the City of Greater Sudbury Strategic Plan 2019-2027: Asset Management and Service Excellence; Business Attraction, Development and Retention; Climate Change; Economic Capacity and Investment Readiness; and Housing.

This report addresses community resilience and climate change preparedness, in line with the Community Energy and Emissions Plan.

Financial Implications

There are no direct financial implications associated with this report.

Introduction

As outlined in the Enterprise Risk Management (ERM) Policy, ERM is a decision-making tool that is designed to assist Council and staff to monitor potential risks within the organization and to ensure that adequate resources are allocated to ensure that strategies are developed and implemented to mitigate risks to an acceptable level. ERM helps to support informed decision-making, promote confidence in the organization's ability to respond to risks, and to create transparency with regard to key enterprise risks and how these risks are being managed.

Every activity carries some risk and municipalities are continuously exposed to a wide spectrum of risks. The corporation cannot completely avoid risk, nor eliminate it. It is important to understand Council's perspective

on the acceptable balance between risk mitigation and timely, low-cost service efforts. For example, lower risk tolerance increases the potential for more oversight in the form of policy controls and output validation. While this would reduce the potential that an adverse outcome could occur, it could also affect cost, performance or quality in ways that might also be unacceptable.

Establishing the ERM environment, sometimes described as risk tolerance or appetite, is an important role in any organization. It is the governing body's responsibility to establish an ERM environment. In the City of Greater Sudbury, this role belongs to Council. This report provides an assessment of this environment, the basis for the assessment and describes how it will be applied through our service delivery systems.

ERM is not a new concept for the City of Greater Sudbury. Prior to the Auditor General's recommendation to begin the development of an enterprise-wide approach, risk management was already an integral part of project planning across the organization. In the past five years, all departments have initiated ERM analysis for their services and have worked with the Auditor General to incorporate risk management thinking into the development of annual work plans. For the past several years, ELT has been able to review this work to discuss common themes, or key enterprise risks.

This report is next step in the evolution of ERM. By bringing forward a key enterprise risk report at the beginning of the annual budget cycle, Council can be directly engaged in the risk management discussion to inform its decision-making and resource allocation choices. As this process matures over the next several years, Council will be able to see trends in the identified risks, monitor the success of the risk mitigation strategies and direct resources to achieve desired outcomes.

ERM Environment

Every organization has unique elements and, for the purposes of ERM, it is important to understand how an individual organization approaches risk. The risk environment includes the level of tolerance for risk ("risk appetite") and acceptable methods for managing risk. A basic understanding of this environment helps staff to determine which projects and approaches should be pursued in any given situation.

As stated in the CGS ERM Policy, the CAO and City Council each have roles and responsibilities in the systematic management of enterprise risks. Council will determine the level of tolerance for risk and will monitor the approach to key enterprise risks.

The risk environment can be evaluated and stated in many ways. For example, as shown in the following table, the public service in the United Kingdom summarizes this on a five point scale, (Averse, Minimal, Cautious, Open, Eager), with each level developed as a statement that provides a high level description of the approach to risk for a particular category.

Risk Appetite	Description
Averse	Avoidance of risk and uncertainty is key objective. Activities undertaken will only be those considered to carry virtually no inherent risk
Minimal	Preference for very safe business delivery options that have a low degree of inherent risk with the potential for benefit/return not a key driver. Activities will only be undertaken where they have a low degree of inherent risk.
Cautious	Preference for safe options that have low degree of inherent risk and only limited potential for benefit. Willing to tolerate a degree of risk in selecting which activities to undertake to achieve key deliverables or initiatives, where we have identified scope to achieve significant benefit and/or realise an opportunity. Activities undertaken may carry a high degree of inherent risk that is deemed controllable to a large extent.
Open	Willing to consider all options and choose one most likely to result in successful delivery while providing an acceptable level of benefit. Seek to achieve a balance between a high likelihood of successful delivery and a high degree of benefit and value for money. Activities themselves may potentially carry, or contribute to, a high degree of residual risk.

Risk Appetite	Description
Eager	Eager to be innovative and to choose options based on maximising opportunities and potential higher benefit even if those activities carry a very high residual risk.

Earlier this year, staff conducted an informal survey of members of Council to obtain a basic understanding of the risk environment for the corporation. Eleven councillors participated and provided input, with the results placing our organization's risk environment between Cautious and Minimal on the chart of values above.

This result is not surprising as public sector organizations generally tend towards a more cautious approach to risk. Unlike the private sector, which has the relatively simple measure of profits to determine the risk/reward benefits of any particular venture, public enterprise rewards tend to be indirect and longer term. There is also a need to demonstrate, often over a shorter period of time, that public funds achieve value for money.

The survey results assist staff in understanding the risk environment and provide guidance for developing initiatives and assessing potential risks. Knowledge of the risk environment also assists staff in developing risk mitigation strategies to better ensure that initiatives are delivered in a manner that respects the direction provided at the corporate governance level.

Annual Register of Key Enterprise Risks

As described earlier in this report, work carried out at the divisional and department level has been discussed with the Auditor General and is consolidated in the following key enterprise risks. In line with the process presented to the Finance and Administration Committee on April 20, each identified risk has been assessed for the likelihood of occurrence (Almost Certain, Likely, Possible, Unlikely or Rare) and a similar assessment for the potential consequence of an occurrence (Severe, Major, Moderate, Minor, Insignificant). The combination of these assessments determines the significance of the unmitigated risk to the organization, which can vary from low to moderate to significant to critical.

Any risks that are determined to be significant or critical have been assigned to a member of ELT who will act as risk owner and will be responsible for overseeing strategies to mitigate the risk to a level that is acceptable within the CGS risk management environment. The risk owner will report regularly to ELT on progress and, as appropriate, the CAO will incorporate information in quarterly updates to Council.

Mitigation strategies may require additional staff, financial resources or processes to implement. As appropriate, these will be discussed with Council. Council will also have the ability to monitor progress and direct resources as part of the annual budget process.

The table, included as Appendix A, provides the details for Key Enterprise Risks as Council sets the direction for the 2022 Municipal Budget.

Conclusion

As indicated, this report continues the development of a formal ERM process at the City of Greater Sudbury. Council can expect that processes and reporting will evolve over the next several years as ERM becomes embedded in the annual business cycle. The Auditor General's role will also evolve as that office shifts from a development role into a monitoring and evaluation role.

The stated goals of supporting informed decision-making, ensuring confidence in the organization's ability to respond to risks, and creating transparency with regard to key enterprise risks and how these risks are being managed, will remain at the forefront of the corporation's ERM efforts.

Council can expect to see the ERM concepts and approach reflected in reports on a regular basis, in the CAO's regular quarterly reporting and annually as part of the budget direction reports.

Resources Cited

Enterprise Risk Management Policy – Adopted by Council on September 11, 2018 –
<https://pub-greatersudbury.escribemeetings.com/filestream.ashx?documentid=4807>

Enterprise Risk Management Update Presentation, April 20, 2021 -
<https://pub-greatersudbury.escribemeetings.com/FileStream.ashx?DocumentId=39845>

KEY ENTERPRISE RISK	LIKELIHOOD	CONSEQUENCE	RISK LEVEL	RISK OWNER	AFTER MITIGATING STRATEGIES, IS THERE RESIDUAL RISK?
Misalignment may exist between financial resource allocations and Council's priorities.	Almost Certain	Moderate	Significant	CAO	YES Within Risk Tolerance parameters
Asset renewal investments may be insufficient to maintain acceptable condition and service levels.	Almost Certain	Major	Critical	GM of Corporate Services	YES Work initiated but additional effort required
The corporation, or the city as a whole, is insufficiently resilient to respond to environmental or economic shocks.	Possible	Severe	Significant	CAO	YES Within Risk Tolerance parameters
Global connections and business attraction/development efforts may be insufficient for ensuring Greater Sudbury's economic competitiveness.	Possible	Major	Significant	Director of Economic Development	YES Within Risk Tolerance parameters
Communications and engagement efforts may be insufficient for building resident trust and confidence	Likely	Moderate	Significant	ED of Strategic Initiatives, Communications and Citizen Services	YES Within Risk Tolerance parameters
Existing human capital management policies and practices may be insufficient for attracting, managing, developing and retaining top talent to support existing and future operations.	Likely	Moderate	Significant	GM of Corporate Services	YES Within Risk Tolerance parameters
The corporation may be unprepared for the effects of climate change	Likely	Severe	Critical	CAO	YES Work initiated but additional effort required
Corporate service delivery may be insufficiently supported by appropriate technology, datasets, training or equipment.	Likely	Moderate	Significant	GM of Corporate Services	YES Work initiated but additional effort required

Information entrusted to the corporation may be inadequately protected from unauthorized access.	Possible	Major	Significant	GM of Corporate Services	YES Within Risk Tolerance parameters
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2021 Annual Grants

Presented To:	Finance and Administration Committee
Meeting Date:	June 22, 2021
Type:	Correspondence for Information Only
Prepared by:	Jeff Pafford Leisure Services
Recommended by:	General Manager of Community Development

Report Summary

This report provides information regarding the annual allocations of grants to a variety of community groups and organizations, approved by Council as part of the 2020 budget process. The 2021 grants will be released subject to Council's approval of the applicable by-law.

Relationship to the Strategic Plan, Health Impact Assessment and Community Energy & Emissions Plan (CEEP)

This report refers to the goal: Create a Healthier Community as identified in the Strategic Plan, as it aligns with the Population Health Priorities of Play, Age Friendly Strategies, Compassionate City and Families. The information in this report has no relationship to the Community Energy & Emissions Plan.

Financial Implications

Funds for the reported grants are included in the 2021 Leisure Services, Children & Social Services and Communication & Citizen Services Council approved operating budgets.

Background

The City of Greater Sudbury (City) has historically provided an annual grant to a variety of community groups and organizations. Funds are generally used by recipients towards operating costs and costs to deliver special events and programs. The majority of funds are budgeted in the Leisure Services Division operating budget with the exceptions of grants to the Anderson Farm Museum Heritage Society (Communications & Citizen Services), the Northern Ontario Railroad Museum & Heritage Centre (Communications & Citizen Services), New Hope Outreach Services/Samaritan Centre (Children & Social Services) and the Social Planning Council (Children & Social Services). The disbursement of grants is authorized by City Council through the passing of a By-Law on an annual basis.

At the Finance and Administration Committee meeting of July 7, 2015, Council received a report entitled "Annual Grants Allocation Background". The report detailed grants provided to community groups and organizations for a ten year period (2005 to 2015).

At the City Council meeting of March 8, 2016, resolution CC2016-99 was passed as follows:

WHEREAS various community groups receive an annual grant allocation from Leisure Services;

AND WHEREAS this grant allocation is based on historical practice, with many grant recipients pre-dating municipal amalgamation;

AND WHEREAS the value for money for said grants are not clearly understood;

THEREFORE BE IT RESOLVED that in 2016, all recipients of Leisure Services Grants be informed that they will have to re-apply for their 2017 grant allocation;

AND THAT clear criteria and application process be developed and presented to Finance and Administration Committee in September 2016;

AND THAT each community group be required to reapply every five years on a go forward basis.

On November 15, 2016, the Finance and Administration Committee received a report outlining a new application process and criteria for annual grants. Council approved that annual grant recipients would complete a grant application form every five years and complete a year-end report annually.

2020 annual grants were approved by Council at the Finance and Administration Committee meeting of April 14, 2020, and by way of By-law 2020-83: By-law to Authorize the Payment of Grants to Various Non-Profit Community Organizations in the Leisure Services Sector, passed at the City Council meeting of May 5, 2020.

Upon Council's direction, a Grant Agreement accompanied 2020 annual grants which outlined the permitted uses of the grant and requirements for year-end reporting. Post-project reports were to be returned to the Leisure Services Division by February 26, 2021.

2020 Annual Grant Review

Grant agreements for annual grant recipients outlined permitted use of funds, eligible and ineligible expenses and the requirement to provide a year-end report and other financial deliverables. Year-end reports were to include a narrative describing the recipient's use of the grant and the resulting benefit to the community. Information submitted to the City has been reviewed by the respective Director responsible for the operating budget from which the grant is funded. A summary of the 2020 year-end reports is attached as Appendix A - 2020 Annual Grant Year- End Report Summary.

Impact of COVID-19

Provincial and Public Health restrictions limited the ability for many organizations to deliver programs and services due to the COVID-19 pandemic. Where, in some cases, it was not feasible for organizations to deliver programs and services and/or to utilize the funds for their intended purposes, grants were not issued in 2020. Unspent funds that were already issued, will be returned to the City in accordance to provisions within the grant agreements. Instances where grants were not issued or that, at the time of this report, were not fully spent are noted in Appendix A - 2020 Annual Grant Year End Report Summary.

The pandemic has also brought upon challenges for grant recipients to gather the information necessary to complete and submit financial year-end reports. 2021 annual grants will be issued upon verification that the required 2020 year-end deliverables are received and that the need for funds in 2021 is confirmed with recipients.

Changes from Previous Annual Grant Reports

The following is a summary of additions and changes to annual grants from previous years' reports:

Ward 10 Kingsmount/Bell Park Community Action Network

At the City Council meeting of November 24, 2020, Council approved the establishment of the Ward 10 Kingsmount/Bell Park Community Action Network which provides for an annual grant of \$2,500 to the group as per the City's Community Action Network Terms of Engagement.

Through the 2021 budget process Council approved new community grants for the following organizations:

Kivi Park Community Foundation

At the Finance and Administration Committee meeting of October 13, 2020, Council approved an annual grant equivalent to the property tax liability associated with privately owned lands of Kivi Park (Resolution FA2020-50). The grant is issued to support the sustainability of Kivi Park and to aid the Foundation in keeping user fees affordable.

At the Community Services Committee meeting of September 16, 2019, Council approved a resolution redirecting funds received through Contract CDD17-287 (Purchase of Service Agreement for Sports Equipment rental Operations) and approved an annual grant in the amount of \$25,000 to the Clifford & Lily Fielding Charitable Foundation (CLFCF) to support operations of Kivi Park (Resolution CS2019-15). As the Kivi Park Community Foundation is overseeing the operations of the Park and has made application for charitable status, the annual grant, including that for 2020 to the CLFCF under By-law 2020-83, will be issued to the Kivi Park Community Foundation.

Non Profit Curling Clubs

Council approved an annual grant equivalent to 50% of the property tax liability of the following local not-for-profit curling clubs (Resolution FA2021-10):

- Capreol Curling Club
- Coniston Curling Club
- Copper Cliff Curling Club
- Curl Sudbury (formerly Sudbury Curling Club)

Sudbury Multicultural Folk Arts Association

Council approved a one-time operating grant to the Sudbury Multicultural Folk Arts Association in the amount of \$30,000 to support its operations (Resolution FA2021-11).

Sudbury Shared Harvest

An annual grant in the amount of \$30,000 to Sudbury Shared Harvest was approved to provide financial stability to cover basic operating expenses and to assist in leveraging funds from others sources (Resolution CC2020-268).

2021 Annual Grants

Community Centres

Annual grants to the following community centers assist with the operating costs of non-municipally owned facilities as well as for the delivery of recreation programs.

Beaver Lake Sports & Cultural Club	\$16,000
Carole Richard Park Community Centre	\$16,000
Kukagami Campers Association	\$10,000
Penage Road Community Centre	\$16,000
Skead Community Centre	\$16,000
Wahnapiatae Community Centre	\$16,000
Community Centres Total	\$90,000

Special Events

Annual grants to the following organizations assist with costs related to annual community events.

Anderson Farm Museum Heritage Society Fall Fair	\$2,500
Downtown Sudbury – Blueberry Festival	\$2,500
Onaping Falls Lions Club Cavalcade of Colours	\$1,500
Science North Canada Day Celebration (fireworks)	\$30,000
Sudbury Multicultural and Folks Arts Association (Canada Day)	\$11,000
Special Events Total	\$47,500

Older Adult Centres

In accordance with the provisions of the *Seniors Active Living Centres Act* mandated under the Ministry of Seniors Affairs, the City contributes annually to eligible seniors centres in the amount of 20% of the centre's eligible operational costs. The following is a summary of the approved Seniors Active Living Centres.

Club 50 Chelmsford	\$12,000
Club Accueil Âge d'Or - Azilda	\$14,100
Centre Club d'Âge d'Or de la Vallée	\$17,080
Club Amical du Nouveau Sudbury	\$19,354
Nickel Centre Seniors Club	\$6,700
Onaping Falls Golden Age Club	\$9,527
One Eleven Senior Citizens Centre	\$12,000
Parkside Older Adult Centre Sudbury	\$12,000
Rayside-Balfour Senior Craft Shop	\$ 5,700
Older Adult Centres Total	\$108,461

Youth Centres

Annual grants are provided to the following organizations to assist with costs associated with operating youth centre sites.

Rayside-Balfour Youth Centre	\$60,000
Sudbury Action Centre for Youth	\$89,120
Youth Centres Total	\$149,120

Community Action Networks

At the City Council meeting of December 12, 2017, revised Terms of Engagement for Community Action Networks (CANs) were approved which identify that annual grants are to be used for administrative and promotional purposes. The revised Terms of Engagement provides the ability for CANs to carry over a maximum of 25% of unspent grant funds to the following year with City approval.

Azilda	\$2,500
Capreol	\$2,500
Chelmsford	\$2,500
Coniston	\$2,500
Copper Cliff	\$2,500
Donovan/Elm West	\$2,500
Flour Mill	\$2,500
Garson/Falconbridge	\$2,500
Minnow Lake	\$2,500
Onaping Falls	\$2,500
South End	\$2,500
Uptown	\$2,500
Valley East	\$2,500

Walden	\$2,500
Ward 1	\$2,500
Ward 8	\$2,500
Ward 10 Kingsmount/Bell Park	\$2,500
Community Action Networks Total	\$42,500

Non-Profit Curling Clubs

The following organizations receive an annual grant equivalent to 50% of their property tax liability.

Capreol Curling Club	\$4,119
Coniston Curling Club	\$1,674
Copper Cliff Curling Club	\$4,363
Curl Sudbury	\$4,543
Non Profit Curling Club Total	\$14,700

Miscellaneous Annual Grants

The following organizations receive annual grants to support operations and activities.

Northern Ontario Railroad Museum & Heritage Centre	\$106,430
Child and Community Resources	\$40,000
Rainbow Routes Association	\$45,000
New Hope Outreach Services (Samaritan Centre)	\$27,000
Social Planning Council of Sudbury	\$50,000
Sudbury Rainbow Crime Stoppers	\$50,000
Volunteer Sudbury/Bénévolat Sudbury	\$10,000
Kivi Park Community Foundation	\$25,000
Kivi Park Community Foundation	\$14,860
Sudbury Multicultural Folk Arts Association	\$30,000
Sudbury Shared Harvest	\$30,000
Miscellaneous Annual Grants Total	\$428,290

Next Steps

Upon passing of the by-law to authorize 2021 annual grants, recipients will be sent a 2021 grant agreement. The grant agreements will outline the permitted uses of the grant and requirements for year-end reporting.

Where applicable, funds will be issued to a recipient upon confirmation of expected need, especially as it relates to 2021 pandemic measures, and/or following verification that all required year-end deliverables for their 2020 grant are received.

As per previous Council direction, a value for money audit will be conducted on annual grants after a five year period (in 2022) at which time organizations will be required to reapply for annual grants.

Resources Cited

Resolution FA2021-11 re: Sudbury Multicultural Folk Arts Association Grant, City Council (April 27, 2021), p. 18

<https://pub-greatersudbury.escribemeetings.com/FileStream.ashx?DocumentId=39838>

Resolution FA2021-10 re: Non-Profit Curling Clubs Grant, City Council (April 27, 2021), p. 18

<https://pub-greatersudbury.escribemeetings.com/FileStream.ashx?DocumentId=39838>

Request to Establish a Community Action Network in Ward 10 Report, City Council (November 24, 2020)

<https://pub-greatersudbury.escribemeetings.com/filestream.ashx?documentid=38577>

Resolution CC2020-268 re: Sudbury Shared Harvest Grant, City Council (November 10, 2020), p. 3
<https://pub-greatersudbury.escribemeetings.com/FileStream.ashx?DocumentId=38701>

Resolution FA2020-50 re: Kivi Park Operating Foundation Grant, Finance and Administration Committee (October 13, 2020), p. 3
<https://pub-greatersudbury.escribemeetings.com/FileStream.ashx?DocumentId=38981>

By-law 2020-83 to Authorize the Payment of Grants to Various Non-Profit Community Organizations in the Leisure Services Sector, City Council (May 5, 2020)
<https://pub-greatersudbury.escribemeetings.com/filestream.ashx?documentid=615>

Annual Grants Report, Finance and Administration Committee (April 14, 2020), p. 27
<https://pub-greatersudbury.escribemeetings.com/FileStream.ashx?DocumentId=29577>

Kivi Park Update, Community Services Committee (September 16, 2019)
<https://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&i>

Revised Terms of Engagement for Community Action Networks Report, City Council (November 21, 2017), p. 153
<https://pub-greatersudbury.escribemeetings.com/FileStream.ashx?DocumentId=31316>

Annual Grants Value for Money Review Report, Finance and Administration Committee (January 17, 2017)
<http://agendasonline.greatersudbury.ca/index.cfm?pg=feed&action=file&agenda=report&itemid=2&id=1167>

Annual Grants Draft Application/Criteria Report, Finance and Administration Committee (November 15, 2016)
<http://agendasonline.greatersudbury.ca/index.cfm?pg=feed&action=file&agenda=report&itemid=4&id=975>

Resolution CC2016-99 re: Annual Grant Criteria and Application Process, City Council (March 8, 2016)
<https://pub-greatersudbury.escribemeetings.com/FileStream.ashx?DocumentId=32624>

Annual Grants Allocation Background Report, Finance and Administration Committee (July 7, 2015)
<http://agendasonline.greatersudbury.ca/index.cfm?pg=feed&action=file&agenda=report&itemid=3&id=842>

Appendix A – 2020 Annual Grant Year-End Report Summary

For some organizations, the pandemic has brought upon challenges in gathering the necessary information to complete financial year-end reports. Missing information at the time of writing this summary is noted as “Pending”.

Community Centres			
Organization	Grant Amount	Purpose of the Grant	Year-End Report Summary
Beaver Lake Community Centre	\$16,000	Assists with yearly operating expenses	<ul style="list-style-type: none"> The Center is a community hub for recreational and cultural activities as well as a meeting place for area groups including the Walden CAN. The 2020 pandemic impacted the Centre’s ability to raise funds to offset costs but it managed to host a few scaled-down fundraisers.
Carole Richard Park Community Centre	\$16,000	Assists with yearly operating expenses	<ul style="list-style-type: none"> The Centre rented their facility free of charge to support local groups during the 2020 pandemic.
Kukagami Campers’ Association	\$10,000	Assists with maintenance and operating costs of buildings and structures	<ul style="list-style-type: none"> The 2020 pandemic impacted the Association’s ability to raise funds to offset costs but it managed to maintain buildings at their Memorial Grounds.
Penage Road Community Centre	\$16,000	Assists with yearly operating expenses	<ul style="list-style-type: none"> The Centre hosts regular events and provides space to community groups for meetings, celebrations and other activities. The 2020 pandemic impacted the number and types of activities the Centre was able to host but it managed to carry out a few initiatives respecting public health measures.
Skead Community Centre	\$16,000	Assists with yearly operating expenses	<ul style="list-style-type: none"> The Centre hosts community events and offers space and outdoor amenities for programs and recreational activities. The 2020 pandemic prevented the Centre from hosting events, however; the funds were needed to cover ongoing operating expenses.
Wahnapitae Community Centre	\$16,000	Assists with yearly operating expenses	<ul style="list-style-type: none"> The Centre hosts and provides space for other groups to put on community events and activities. The Centre hosted a successful Valentine social event and had to cancel all other initiatives for the balance of the year due to the 2020 pandemic.

Special Events			
Organization	Grant Amount	Purpose of the Grant	Year-End Report Summary
Anderson Farm Museum Heritage Society	\$2,500	Assists with the annual Anderson Farm Museum Heritage Society Fall Fair	<ul style="list-style-type: none"> Funds were not issued in 2020 as the Anderson Farm Fall Fair was cancelled due to the pandemic.

Appendix A – 2020 Annual Grant Year-End Report Summary

Downtown Sudbury	\$2,500	Assists with operating costs of the Blueberry Festival	<ul style="list-style-type: none"> The funds were not issued in 2020 as they were not required due to the pandemic.
Onaping Falls Lions Club	\$1,500	Assists with expenditures related to hosting the Cavalcade of Colours event	<ul style="list-style-type: none"> The funds were not issued in 2020 as the event did not take place due to the pandemic.
Science North	\$30,000	Assists with expenditures related to hosting the virtual Sudbury Celebrates Canada Day event	<ul style="list-style-type: none"> Due to the 2020 pandemic, the event was streamed and was successfully attended virtually by over 128,000 participants. The event included a wide variety of bilingual activities, entertainment and cultural performances and was themed to recognize front-line workers.
Sudbury Multicultural & Folk Arts Association	\$11,000	Assists with expenditures related to hosting virtual Canada Day festivities and a Food Fest event	<ul style="list-style-type: none"> The Food Fest event did not take place due to the pandemic. Canada Day activities were done in partnership with Science North and the City of Greater Sudbury.

Community Action Networks (CAN)			
Organization	Grant Amount	Purpose of the Grant	Year End Report Summary
Azilda	\$2,500	Assists with operating costs and activity promotion	<ul style="list-style-type: none"> Carrying forward \$355.68. Coordinated a flag project that saw the installation of Canadian flags and seasonal holiday flags, and held a contest to design a flag for Azilda. Started a project to re-develop the Voyageur Trails and established a facebook page. Held virtual meetings and working on a plan of action for 2021
Capreol	\$2,500	Assists with operating costs and activity promotion	<ul style="list-style-type: none"> Carrying forward \$1,675. Co-ordinated the Community Garden at Our Lady of Peace Church. Co-ordinated activities for Halloween - sponsored cookie kits, hosted a contest and assisted the Capreol Lion's Club on a Halloween event. Co-ordinated the CAN Tree Lighting and Drive-By Santa event and hosted a snow sculpture contest. Held virtual meetings.
Chelmsford	\$2,500	Assists with operating costs and activity promotion	<ul style="list-style-type: none"> Carrying forward \$2,492. Co-ordinated the community garden in the park and supported the Legion Commemorative garden project, donating to one of the benches purchased.

Appendix A – 2020 Annual Grant Year-End Report Summary

Coniston	\$2,500	Assists with operating costs and activity promotion	<ul style="list-style-type: none"> • Carrying forward \$1,777.13. • Started the Coniston Community Spotlight to highlight local volunteers. • Hosted Winterfest 2020. • Co-ordinated the installation of banners on Second Avenue (Spring/Summer – historical banners, Fall/Winter – seasonal banners). Greater Sudbury Hydro assisted with the installation of the banners and holiday lights at the bus memorial. • Co-ordinated a fall community clean-up. • Collaborated with the Northern Credit Union to sponsor the Christmas Outdoor Home Décor Contest. • Co-ordinated Coniston Community Garden, Maria's Greenhouse and food share program Senior's Helping Seniors. • Held virtual meetings.
Copper Cliff	\$2,500	Assists with operating costs and activity promotion	<ul style="list-style-type: none"> • Carrying forward \$1,878.66. • Several annual CAN projects were put on hold due to the pandemic including: the annual yard sale, tree lighting event and banner contest. • The CAN has been active in advocating for the preservation of the Copper Cliff Fire Hall. • CAN money was used to plant a large fir tree on the site of the Cenotaph. • Vale continued to be a valuable partner for the CAN and contributed to the planting of the '20 Trees Project'. • Maintained the CAN garden adjacent to the library. The library and fire hall also had annuals planted on their properties. • Hosted Halloween activities including a pumpkin carving contest and Scavenger Hunt. • Decorated the Copper Cliff Museum and large fir tree with holiday lights. Purchased replacement lights that were installed with the assistance of Sudbury Hydro.
Donovan/Elm West	\$2,500	Assists with operating costs and activity promotion	<ul style="list-style-type: none"> • Carrying forward \$862.61. • Installed new flooring at the Antwerp Playground Clubhouse. The rubber flooring that was in the building was moved to the Elm-West Playground Clubhouse. • Supported three community gardens in the ward at Antwerp, Elm-West and Victory Park. • Worked on a plan to address safety and security with the underground tunnels in the ward.

Appendix A – 2020 Annual Grant Year-End Report Summary

Flour Mill	\$2,500	Assists with operating costs and activity promotion	<ul style="list-style-type: none"> • Carrying forward \$1,791.67. • Provided input to the City and were consulted on the Lift Station (St. Charles Street), Junction Creek erosion, and the proposed bike path through the area. • Hosted meetings including presentation from GSPS and PHSD, addressing issues of community concern. • Working on a project to light up the historic silos. • Held virtual meeting.
Garson/Falconbridge	\$2,500	Assists with operating costs and activity promotion	<ul style="list-style-type: none"> • Carrying forward \$2,396.20. • Collaborated with Penman Playground Association to revitalize Penman Park and outdoor rink/multi-use pad project. • Co-ordinated the CAN community gardens at First Baptist Church. Continued to grow and harvest produce for the Garson Food Bank throughout the summer. • Hosted Catherine Park clean-up and worked on revitalizing the park. • Through an HCI grant, purchased 5 LED holiday decorations to be installed on Falconbridge Road (in front of Garson Mall) in the fall of 2021. • Launched a Holiday Home contest for residents to send in photos of the exterior of their home decorated. • The CAN discussed a plan to enhance community awareness with different contests and campaigns throughout 2021. • Held virtual meetings.
Minnow Lake	\$2,500	Assists with operating costs and activity promotion	<ul style="list-style-type: none"> • Carrying forward \$2,174.34. • Co-ordinated a volunteer recognition campaign to acknowledge the volunteers in the ward that were responsible for taking care of maintaining the dog park, community gardens and outdoor rinks. • Signage was purchased to help promote the CAN and CAN meetings with plans to rotate meetings between various playground buildings in the ward. • The Executive worked with the Manager of Cemetery Services to acquire land to expand the Minnow Lake Community Gardens and establish the Urban Farm. Had meetings with Felix Lopes who will be donating a greenhouse. • Held discussions with a group at the end of Fourth Avenue to create a new community garden.

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Onaping Falls	\$2,500	Assists with operating costs and activity promotion	<ul style="list-style-type: none"> • Carrying forward \$111.34. • Took part in the Onaping Falls Winter Carnival in February 2020. • Planning started in 2020 to establish a community garden. A utility shed was purchased and placed at the site of the future garden. • In partnership with the Onaping Falls Recreation Committee (OFRC) applied for funding through the Local Food Infrastructure Fund Grant through Agriculture & Agri-Food Canada. • Partnered with the OFRC to host the 'Junk in the Trunk' Halloween event held in Levack. Over 300 treat bags were given out to children and youth, that also included custom-made masks.
South End	\$1,266.03	Assists with operating costs and activity promotion	<ul style="list-style-type: none"> • Carrying forward \$3,733.97. • Hosted meetings in January and February with a roster of new projects for the year. The meetings included presentations from guest speakers from the Nepahwin Lake Watershed Stewardship Committee and Lockerby Legion. • The CAN sub-committee for improving safety in school zones presented a substantial amount of data they had collected about traffic and pedestrians at critical streets and intersections near neighbourhood schools, in preparation for a meeting with key City officials in the spring. • A grand opening event in May for the Vintage Green Playground was postponed due to COVID. • Planning started for a new trail at the top of Tuscanny Trail.
Uptown	\$2,500	Assists with operating costs and activity promotion	<ul style="list-style-type: none"> • Carrying forward \$1,722.34 • The CAN was successful in having City Council designate the exterior façade of 162 Mackenzie a heritage building under the Provincial Heritage Act. A Heritage Sub-Group worked for over a year to see this designation happen, with a significant three-part report being undertaken to present to Council, including the completion of a community survey, as well as community engagement. • Co-ordinated community clean ups over a two week period. • Prepared and shared a monthly e-newsletter to the community. • Completed the street sign topper project. • Continue to work with CGS to investigate the feasibility of a park in the greenspace area near the Green Stairs or another location in Uptown. • Provided input on the Notice of Application for Rezoning for Red Oak Villa. • Planned a new project with artist Terry Williams which will hopefully be ready for spring/summer 2021.

Appendix A – 2020 Annual Grant Year-End Report Summary

Uptown Cont'd			<ul style="list-style-type: none"> • Partnered with CKLU and supported a new Uptown annual event in the holiday season called 'Carols in Air' that was expanded city-wide. • Operated a collective neighbourhood watch. • Became a partner to the SSHRC Partnership grant proposal directed by Professor Jean-Pierre Chupin, PHD, Research Chair.
Valley East	\$2,500	Assists with operating costs and activity promotion	<ul style="list-style-type: none"> • Carrying forward \$1,996.31. • Hosted the 5th Annual Family Fun Day in February 2020. Activities included sleigh rides, a bonfire, skating, live band, art station, etc. An HCI grant was received to help pay for the cost of bouncy inflatables. • CAN volunteers decorated the Howard Armstrong Recreation Centre with holiday lights and decorations. Hosted an online Tree Lighting ceremony, as well as a house decorating contest. • Continued to hold virtual meetings and discuss CAN priorities for 2020.
Ward 1	\$2,500	Assists with operating costs and activity promotion	<ul style="list-style-type: none"> • Carrying forward \$2,433.71. • The Community Garden Sub-committee co-ordinated the Delki Dozzi community garden. Volunteers rebuilt garden beds, built tomato cages and maintained benevolent garden beds. It was a successful, high yield year.
Ward 8	\$2,500	Assists with operating costs and activity promotion	<ul style="list-style-type: none"> • Carrying forward \$568.77. • Collaborated with other community partners, helped plan, support and execute the Keeping Senior's Warm Rockathon fundraiser. • Attended the Westmount Winter Carnival to promote the CAN. • Participated in Noah Community Hub meetings. • Attended Seedy Sunday to help promote the CAN-supported community gardens. • The Cultivate Your Neighbourhood school project could not take place due to COVID. Instead, volunteers planted seeds at home for the Twin Forks community garden. Produce was shared with the community. Supplies were also provided to Place Hurtubise so they could start plants for their community garden. Held community garden activities in partnership with the Community Garden Network and four local schools. • Were a main partner in the Home Garden pilot project. • Encouraged the community to help do spring clean-up in parks and along trails (promoted via social media). • Helped to maintain new grass (sod) at Twin Forks after the new splash pad was installed. Volunteers did daily watering until the sod was established. • Partnered with the Junction Creek Stewardship Committee in painting yellow fish beside road drains in the ward (in sections close to Junction Creek).

Appendix A – 2020 Annual Grant Year-End Report Summary

Ward 8 Cont'd			<ul style="list-style-type: none"> • Helped Sudbury Shared Harvest expand the mini food forest at Twin Forks. • Held a virtual Zoom Budget Town Hall Meeting, in collaboration with the City. • Held a 'Holiday Lights' social media campaign where residents submitted photos of their houses and were put into a draw for prizes. • Worked with Coalition for a Liveable Sudbury on a number of small COVID-friendly projects throughout the year. • Provided input on the City's Community Energy and Emissions Plan (CEEP), participated on the Communications Working Group for CEEP. • Continued to engage the community virtually through Facebook posts. • Secured additional soil and gardening materials for the community garden at Place Hurtubise. • Enhanced and added additional garden beds at Twin Forks and Westmount parks. Conducted outreach and activities with Social Housing complexes in partnership with NOAH Community Hub, Social Planning Council, GSPS, Our Children our Future and Coalition for a Liveable Sudbury. • Finished the art project at Twin Forks. • Continued fundraising for the Twin Forks Splash Pad. • Started conversations to establish a trail system at Twin Forks and basketball court at Place Hurtubise. • Hosted New Sudbury Days Festival. • Collaborated with Neighbourhood Associations on projects and events. • Assisted with the Keeping Senior's Warm project. • Worked with neighbours on Voyageur Street to hold discussions about an interest in co-housing and seniors issues. • Held virtual meetings.
Ward 10		Assists with operating costs and activity promotion	<ul style="list-style-type: none"> • Carrying forward \$593.68. • Conducted outreach to residents in Ward 10 and held initial meetings with the community to garner interest and formally establish the Kingsmount-Bell Park CAN. • Determined CAN boundaries and discussed community priorities. • Volunteers installed wood chips on the Roxborough Trail. • Developed a Ward 10 CAN website. • Held virtual meetings.

Appendix A – 2020 Annual Grant Year-End Report Summary

Older Adult Centres			
Organization	Grant Amount	Purpose of the Grant	Year-End Report Summary
Club 50 Chelmsford	\$12,000	Assists with operating and maintenance expenses pursuant to the <i>Senior Active Living Centres Act, 2017</i>	<ul style="list-style-type: none"> • Total expenditures \$69,974. • The Club brings together Francophone seniors and offers entertainment and activities aimed to breaking social isolation. • Due to the 2020 pandemic, the Club canceled all activities and closed the space provided to a local volunteer group. The Club's administration continued to manage its finances and maintain the building.
Club Accueil Âge d'Or - Azilda	\$14,100	Assists with yearly operating and maintenance expenses pursuant to the <i>Senior Active Living Centres Act, 2017</i>	<ul style="list-style-type: none"> • Total expenditures \$47,470.76 • The Club provides a gathering place and offers a wide range of activities, programs, information sessions and events. • Due to the pandemic, the Club was closed since March 13, 2020.
Centre Club d'Âge d'Or de la Vallée	\$17,080	Assists with operating and maintenance expenses pursuant to the <i>Senior Active Living Centres Act, 2017</i>	<ul style="list-style-type: none"> • Total expenditures \$72,790.43. • The Centre provides a wide range of programs, activities, and services to seniors in a Francophone environment with the goal of reducing social isolation. • The 2020 pandemic has hampered many of the Centre's activities but they managed to provide online interactions with members and successfully distributed a Christmas dinner via takeout/curbside pick-up.
Club Amical du Nouveau Sudbury	\$19,354	Assists with operating and maintenance expenses pursuant to the <i>Senior Active Living Centres Act, 2017</i>	<ul style="list-style-type: none"> • Total expenditures: pending • The Club offers a wide range of on-site activities, programs and events. • Although the Club had to cancel their regular activities due to the 2020 pandemic, it shared information re: on-line resources with its members and offered opportunities for them to pick up books and puzzles to keep them engaged.
Nickel Centre Seniors Club	\$6,700	Assists with operating and maintenance expenses pursuant to the <i>Senior Active Living Centres Act, 2017</i>	<ul style="list-style-type: none"> • Total expenditures \$37,583. • The Club promotes social interaction amongst seniors by hosting various activities and events. • The 2020 pandemic limited the Club's activities but it continued to reach out to seniors remotely.

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Onaping Falls Golden Age Club	\$9,527	Assists with operating and maintenance expenses pursuant to the <i>Senior Active Living Centres Act, 2017</i>	<ul style="list-style-type: none"> • Total expenditures \$51,179 • The Club promotes the general welfare of seniors by providing education, resources and opportunities to participate in social activities. • The 2020 pandemic has hampered the Club's activities including fundraisers however, volunteers continued to monitor the wellbeing of seniors and assist them on an individual basis as needed.
One Eleven Senior Citizens Centre	\$12,000	Assists with operating and maintenance expenses pursuant to the <i>Senior Active Living Centres Act, 2017</i>	<ul style="list-style-type: none"> • Total expenditures: \$72,470 • The Centre engages seniors from the club as well as tenants of 111 Larch Street in a wide variety of activities. • The 2020 pandemic curtailed the Centre's initiatives and impacted staffing.
Parkside Older Adult Centre Sudbury	\$12,000	Assists with operating and maintenance expenses pursuant to the <i>Senior Active Living Centres Act, 2017</i>	<ul style="list-style-type: none"> • Total expenditures \$225,047.81 • The Centre provides a wide range of programs and services for seniors at numerous locations throughout the City. • Due to the pandemic, the Centre remained closed since March, 2020. • Reinvented, converted and provided over 100 social and educational programs virtually and/or by telephone with technical support on various digital platforms.
Rayside-Balfour Senior Craft Shop	\$5,700	Assists with operating and maintenance expenses pursuant to the <i>Senior Active Living Centres Act, 2017</i>	<ul style="list-style-type: none"> • Total expenditures \$43,794 • The Centre provides seniors with opportunities to develop their woodworking skills and participate in various projects/activities. • Completed enhancements to the ventilation and dust collecting systems which improved air quality in the shop.

Youth Centres			
Organization	Grant Amount	Purpose of the Grant	2020 Year-End Report Summary
Rayside-Balfour Youth Centre	\$60,000	Assists with yearly operating expenses	<ul style="list-style-type: none"> • Total expenditures \$28,723.92 • The Centre provides youth with a friendly and safe space to interact and engage in a variety of activities. • The Centre was closed through most of the pandemic. • Moving forward the Centre plans to offer services within public health guidelines and by utilizing online resources and social media.

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Sudbury Action Centre for Youth	\$89,120	Assists with yearly operating expenses	<ul style="list-style-type: none"> • Total expenditures \$52,505.41 • More than 85 homeless and at-risk youth were provide with basic necessities, support and services • The Centre provided youth with arts and cultural activities as well as free on-line tutorials. • The Centre distributed more than 2 tons of food to youth in need in 2020.
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Miscellaneous Annual Grants			
Organization	Grant Amount	Purpose of the Grant	2020 Year-End Report Summary
Child and Community Resources (CCR)	\$40,000	Assists with operating costs of running a developmental summer program	<ul style="list-style-type: none"> • CCR offer a recreational summer program for children and youth with complex special needs (including G-tube care) who are unable to access existing community programs. • Activities consider individual needs and encourage integration into events with nondisabled peers. • Funding was not issued as the program was cancelled due to the 2020 pandemic.
Kivi Park Community Foundation (formerly approved for the Clifford and Lily Fielding Charitable Foundation)	\$25,000	Assists with operating costs	<ul style="list-style-type: none"> • Pending execution of the agreement and issuance of the funds for 2020.
Human League Association	\$35,000	One-time grant to assist with operating costs	<ul style="list-style-type: none"> • The Human League offers programs that aim to address the needs for nutrition and activities of Sudbury's vulnerable youth.
Northern Ontario Railroad Museum & Heritage Centre (NORMHC)	\$106,430	Assists with operating expenses	<ul style="list-style-type: none"> • The NORMHC attracts visitors to the museum, Prescott Park, The Heritage Centre, the Garden of Life and The Town of Capreol. • NORMHC became a member of the Travel Industry of Ontario and Attractions Ontario, and established new partnerships to create a new educational exhibit. • During the pandemic, NORMHC offered in-person and virtual programming, launched a new website, produced marketing and promotional materials and enhanced several of exhibits.

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Rainbow Routes Association	\$45,000	Assists with operating expenses	<ul style="list-style-type: none"> • The Association led group hikes up until March. • Programming was suspended due to the 2020 pandemic, however; the Association created a self-guided Sudbury Camino event, enhanced their website, furthered trail construction and signage projects and distributed thousands of trail maps in the community.
New Hope Outreach Services (Samaritan Centre)	\$27,000	Assists with costs for a custodian position	<ul style="list-style-type: none"> • The Centre provides space to community organizations that offer services to relieve poverty and benefit the community.
Social Planning Council (SPC) of Sudbury	\$50,000	Assists with operating expenses	<ul style="list-style-type: none"> • The SPC Sudbury assists in mobilizing community resources and conducts research activities relating to social development and community well-being. • The SPC Sudbury engaged in a variety of community initiatives and projects focused on priority areas and targeting local human service needs. • Two staff were hired to support food security initiatives for First Nations communities.
Sudbury Multi-cultural & Folk Art Association (SMFAA)	\$30,000	One time grant to assist with operating expenses	<ul style="list-style-type: none"> • The Association provides essential services to newcomers and works to retain them in the community. • The SMFAA formed an understanding with the YMCA on the benefits of working together on the Newcomer Settlement Program.
Sudbury Rainbow Crime Stoppers (SRCS)	\$50,000	Assists with operating expenses	<ul style="list-style-type: none"> • SRCS contributes to public safety with its Tipster program which assists law enforcement in solving crimes as well as non-police issues (e.g. animal abuse). • Successfully pivoted in-person public awareness strategies due to the pandemic by introducing the Police Giveaway Bag Campaign, distributing thousands of brochures through the R.I.D.E. program and delivering virtual staff in-service presentations to social service organizations. • SRCS engaged community partners and stakeholders through its Youth Opioid Awareness Campaign and its Illegal Dumping Campaign.
Volunteer Sudbury/Bénévolat Sudbury	\$10,000	Assists with operating expenses	<ul style="list-style-type: none"> • With the pandemic restricting acceptance of volunteers from member organizations, Volunteer Sudbury was able to develop programs and rebuild its team. • Worked with a new infrastructure program for access to health care and have established a Youth Engagement Council (aged 16-22) to develop a youth volunteering program for youth, by youth. • Engaged youth, seniors and community living individuals through new programming and continued to remove barriers to volunteering through its Valuable Volunteer Program.

2021 Operating Budget Variance Report - March

Presented To:	Finance and Administration Committee
Meeting Date:	June 22, 2021
Type:	Correspondence for Information Only
Prepared by:	Liisa Lenz Financial Support & Budgeting
Recommended by:	General Manager of Corporate Services

Report Summary

This report provides information regarding a variance analysis based on the City's first quarter results (January to March 31, 2021). Staff have identified areas where material year end variances in the operating budget may occur.

Relationship to the Strategic Plan, Health Impact Assessment and Community Energy & Emissions Plan (CEEP)

This report refers to operational matters and has no direct connection to the Community Energy & Emissions Plan.

Financial Implications

There are no financial implications associated with this report.

Background

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

A more detailed projection will be undertaken in the summer based on the expenditures and revenues realized from January to May 2021. During this process, each department will be requested to project a year end value for each account. Based on this information, a corporate year end projection will be made. The Finance and Administration Committee will receive this report in August, 2021.

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

1) Taxation Revenue

The first 2021 supplementary tax roll has not yet been received and therefore staff is unable to forecast the potential year end position. In 2020, the City received \$1.7 million in supplement taxation, approximately \$700,000 below the budgeted amount. This is an area where the potential for a variance exists, therefore staff will monitor and provide an up to date forecast for the June Variance Report when more information becomes available.

2) Human Resources and Organizational Development

Human Resources and Organizational Development is anticipating an over expenditure of \$220,000 related to legal costs. This is due to increased costs associated with various labour relations and employment matters, as well as costs associated with interest arbitration, grievance mediation and arbitrations. These activities are related to contractual obligations and have no impact on service levels.

3) Roads Winter Control Operations

Roads winter control is anticipating an under expenditure of \$3.35 million by year end as at March 31, 2021. This is largely due to favourable weather conditions leading to fewer winter events and an early spring. In accordance with the Reserve and Reserve Funds bylaw, any Roads Winter Control under expenditures shall be contributed to the Roads Winter Control Reserve Fund, if the City is in an overall surplus position. It is to be noted that the Roads Winter Control Reserve Fund has a balance of \$0 at year end (December 31, 2020).

4) Environmental Services

Tipping fee revenues are currently anticipated to fall short of targets for 2021 by approximately \$350,000 based on early 2021 activities. The estimated shortfall is largely due to Covid-19 restrictions on business operations. There is no impact on service levels as a result.

5) Water Wastewater

User fees for the first quarter of 2021 are slightly lower than revenues during the same period in 2020, which was pre-Covid. The current trend of lower commercial consumption has been partially offset by stable residential consumption during the latest stages of lockdowns and stay at home orders. The June projections will be based on information from our billing provider and will provide a better indication of the impact of current provincial orders.

Water and Wastewater is an essential service and both Treatment and Compliance and Distribution and Collection are operating under a normal schedule. At this time, no significant net over expenditures or net under expenditures are anticipated.

6) Fire Services

Fire Services is experiencing budget pressures of \$530,000 primarily in overtime costs due to an increase of WSIB Post Traumatic Stress Disorder injuries, unexpected early retirements and the September 2020 arbitration award which increased staffing with 2 additional firefighters on a full time basis. Approval was only received in April to hire the additional 8 new firefighters required as part of the 2021 budget process. Full time recruitment is currently taking place and the new recruits are expected to be hired in September and operational in November.

Covid-19

The corporation continues to respond to the Covid-19 pandemic and is cautiously preparing for a return to a service status which is more like the pre-Covid-19 operating environment. Factors such as provincial stay-at-home orders, reduced capacity, and enhanced safety and cleaning measures continue to generate cost pressures. In addition to extra costs, the City is also experiencing reduced user fee revenue as many services have experienced periods of closures, or reduced utilization. Similar to 2020, Provincial funding has been announced to help offset these added pressures. It is difficult to determine the overall impact that Covid-19 will have on 2021 services as this largely depends on provincial guidelines. The City will continue to follow the lead of the Province, and ensure that services are available to citizens when it is safe to do so.

Covid-19 Vaccination

The City continues to be an active partner in Public Health Sudbury and Districts efforts to vaccinate the community. This is a large undertaking with significant financial requirements. It is anticipated that the cost to vaccinate the community will be funded from by Province via Public Health Sudbury and Districts.

Summary

This report provides Committee with a preliminary review of the revenues and expenditures for the first three months of 2021. A more comprehensive review will take place after the May 2021 month end and Council will be presented with a corporate year end projection in August. Regular reports will be prepared for Council throughout 2021.

Contract Awards Exceeding \$100,000 January 1 – March 31, 2021

Presented To:	Finance and Administration Committee
Meeting Date:	June 22, 2021
Type:	Correspondence for Information Only
Prepared by:	Kari Bertrand Purchasing
Recommended by:	General Manager of Corporate Services

Report Summary

This report provides information regarding contract awards \$100,000 or greater awarded from January 1, 2021 to March 31, 2021 and may include any previously omitted reports from past reporting periods.

Relationship to the Strategic Plan / Health Impact Assessment

This report supports Council's Strategic Initiative to Demonstrate Innovation and Cost-Effective Service Delivery. It specifically continues the evolution of business planning, financial and accountability reporting systems to support effective communication with taxpayers about the City's service efforts and accomplishments.

Financial Implications

Sufficient funding exists within the previous approved budgets in accordance with the Operating and Capital Budget Policies at that time. Council approved policies for the Operating and Capital Budgets enable staff to reallocate operating budget dollars or obtain funding from the respective Holding Account Reserve (for Capital only) in order to award tenders when the tendered amount exceeds the budgeted amount. The budget amount is an estimate whereas the tendered amount is the actual cost received by the City through a competitive tender process from the marketplace.

Background

As required by the City of Greater Sudbury's Purchasing By-Law:

- Section 8(2), regular information reports shall be provided to Council on the Bid Solicitations, cooperative purchases, Emergency purchases and Revenue Generating Contracts Awarded with a Total Acquisition Cost or revenue of \$100,000 or greater.
- Section 26(2), soon after the purchase as reasonably possible, a report to Council is required advising of the circumstances of the Emergency Purchase when greater than \$100,000. Only emergency procurements where budget authorization is not required are included in this report. Other emergencies may be reported separately.

During the reporting period there were 15 contract awards valued at \$100,000 or greater as a result of a competitive procurement process, seven non-competitive contract awards valued at \$100,000 or greater, one cooperative contract award valued at \$100,000 or greater, and three contract awards valued at \$100,000 or greater as a result of Standing Offers.

Bid Solicitations are advertised electronically on bids&tenders in the form of either Request for Tender or Request for Proposal. Where a Request for Tender is used, the Award is to the Lowest Compliant Bid. Where a Request for Proposal is used, the Award is to the highest scored Proposal based on Best Value, which is defined as the optimal balance of performance and cost determined in accordance with pre-defined evaluation criteria; all in accordance with the Purchasing By-law.

BID SOLICITATION DETAILS:

- For additional information regarding Bid Solicitations, please visit the City's bids&tenders webpage: <https://greatersudbury.bidsandtenders.ca/Module/Tenders/en>

APPENDICES:

- APPENDIX A - Competitive Contract Awards \geq \$100,000
- APPENDIX B - Non-Competitive Contract Awards (Including Emergency Purchases) \geq \$100,000
- APPENDIX C – Cooperative Contract Awards \geq \$100,000
- APPENDIX D - Contract Awards \geq \$100,000 Resulting from Standing Offers

Explanations and Legend for Appendices:

- All Bid Amounts and Contract Award Values exclude applicable taxes.
- **Budget** amount:
 - Operating budgets are presented on an annual basis and are identified as **(O)**.
 - Capital budgets are presented on a project basis and are identified as **(C)**.
 - Housing budgets are identified as **(H)**.
- **Estimate for Contract Term** is the amount that identifies the Total Acquisition Cost (potential value of the entire agreement, including option years) and is used to:
 - determine applicable By-Law and trade agreement requirements for open-competitive procurements
 - provide a basis for a value comparison when multiple procurements are funded from the same budget
 - allows for the procurement to account for current market conditions at the time of posting
- **Contract Award Value** is the value of the initial term of the contract that the City has committed to and does not include option years.

APPENDIX A – Competitive Contract Awards ≥ \$100,000

Report period: January to March 2021

Procurement Method Contract Number Description	No. of Bids	Budget Estimate for Contract Term (\$)	Bidder(s)	Bid Amount (\$) or Score	Contract Award Value (\$)	Contractor Contract Award Date	Contract Term
Request for Proposal CPS20-26 Land Management Information System (LMIS)	7	\$600,000 (O-2022) \$3,600,000(C) <small>Note: Implementation costs and first year of annual fees are covered under the Capital Budget. Note: This budget is used for multiple purchases/contracts.</small> \$3,435,222	Avocette Technologies Inc.	89	\$3,351,210	Avocette Technologies Inc. 1/07/2021	Five-year term
			Unisys Canada Inc.	82			
			Vision33 Inc.(Hosted)	73			
			Vision33 Inc.(On Premise)	73			
			Proponents who did not meet the requirements throughout the various stages of the evaluation process: - LaunchIT Corp. - Computronix Canada Ltd. - AmberLeaf Partners, Inc. - Run Straight Consulting Ltd.				
Tender ENG20-57 Culvert Replacement & Asphalt Rehabilitation, Birch Street, Donald Street to Notre Dame E - Overview of Specifications and Schedule of Prices	5	\$985,000(C) <small>Note: This budget is used for multiple purchases/contracts.</small> \$986,700	Bélanger Construction (1981) Inc.	\$637,500	\$637,500	Bélanger Construction (1981) Inc. 1/07/2021	One-time
			Garson Pipe Contractors	\$676,591			
			Denis Gratton Construction Ltd.	\$862,157			
			Teranorth Construction & Engineering Ltd.	\$901,868			
			MCA Contracting Ltd.	\$1,030,284			
Request for Proposal CAO20-177 Nevada In-Market Support for Northern Ontario Mining Supply and Services Sector	1	<u>\$190,000(O)</u> \$450,000	Sudbury and Area Mining Supply and Services Association o/a MineConnect	86	\$450,000 <small>Note: Budget provided to Proponents. Quality based selection process used.</small>	Sudbury and Area Mining Supply and Services Association o/a MineConnect 1/12/2021	Two-year term

APPENDIX A – Competitive Contract Awards ≥ \$100,000

Report period: January to March 2021

Procurement Method Contract Number Description	No. of Bids	Budget Estimate for Contract Term (\$)	Bidder(s)	Bid Amount (\$) or Score	Contract Award Value (\$)	Contractor Contract Award Date	Contract Term
Tender ENG20-10 Lively Infrastructure Upgrades Lively/Walden Phase 1: Third Avenue	7	\$7,500,000(C) <small>Note: This budget is used for multiple purchases/contracts.</small> \$2,968,375	Bélanger Construction (1981) Inc.	\$1,399,935	\$1,544,935 <small>Note: The Award Amount includes a \$145,000 contingency.</small>	Bélanger Construction (1981) Inc. 1/15/2021	One-time
			Teranorth Construction & Engineering Ltd.	\$1,577,041			
			Dominion Construction	\$1,583,575			
			MCA Contracting Ltd.	\$1,675,226			
			Garson Pipe Contractors	\$2,064,192			
			Hollaway Equipment Rental Ltd.	\$2,245,910			
			Denis Gratton Construction Ltd.	\$2,290,730			
Tender ISD20-147 Supply and Delivery of Lime Products for Water and Wastewater	2	\$1,378,529(O) <small>Note: This budget is used for multiple purchases/contracts.</small> \$450,000	Sudbury Lime	\$408,660	\$408,660	Sudbury Lime 1/27/2021	Three-year initial term, plus two one-year renewal options
			Carmeuse Lime & Store <small>Note: Only bid on one of two products.</small>	\$319,183			
Tender CDD20-13 Bread and Bakery Products for Pioneer Manor (Standing Offer)	2	\$56,605(O) \$225,000	Bimbo Canada	Various Unit Prices	Approx. \$135,000 for three years	Bimbo Canada Weston Foods (Canada) Ltd. 2/02/2021	Three-year initial term, plus two one-year renewal options
			Weston Foods (Canada) Ltd.	Various Unit Prices			

APPENDIX A – Competitive Contract Awards ≥ \$100,000

Report period: January to March 2021

Procurement Method Contract Number Description	No. of Bids	Budget Estimate for Contract Term (\$)	Bidder(s)	Bid Amount (\$) or Score	Contract Award Value (\$)	Contractor Contract Award Date	Contract Term
Tender CPW20-53 Corporate Vehicle Rental (Standing Offer)	3	Various Accounts (O) \$2,500,000	New Horizon Car & Truck Rentals Inc. Enterprise Rent-A-Car Canada Company Laking Motors	Various Rates Various Rates Various Rates	Approx. \$1,500,000 for three years	New Horizon Car & Truck Rentals Inc. 2/10/2021	Three-year initial term, plus two one-year renewal options
Tender ENG20-9 Water and Sewer Replacement, Godfrey Drive, Creighton Road to Park Street	7	\$3,181,841(C) Note: This budget is used for multiple purchases/contracts. \$881,794	Teranorth Construction & Engineering Ltd. Dominion Construction Bélanger Construction (1981) Inc. MCA Contracting Ltd. Garson Pipe Contractors Lacroix Construction Co. (2014) Denis Gratton Construction Ltd.	\$868,095 \$889,399 \$897,299 \$899,726 \$987,727 \$1,129,730 \$1,335,150	\$868,095	Teranorth Construction & Engineering Ltd. 2/23/2021	One-time
Request for Proposal CPS20-2 Insurance Claims Adjusting Services	3	\$300,000(O) \$1,000,000	1594607 Ontario Ltd. o/a Canadian Shield Adjusters ClaimsPro LP Sedgwick Canada Inc.	91 81 79	Approx. \$200,000 for one year	1594607 Ontario Ltd. o/a Canadian Shield Adjusters 3/02/2021	One-year initial term, plus four one-year renewal options

APPENDIX A – Competitive Contract Awards ≥ \$100,000

Report period: January to March 2021

Procurement Method Contract Number Description	No. of Bids	Budget Estimate for Contract Term (\$)	Bidder(s)	Bid Amount (\$) or Score	Contract Award Value (\$)	Contractor Contract Award Date	Contract Term
Request for Proposal SHO20-112 Architectural & Engineering Services for Redevelopment of 1310 Sparks St. Sudbury	7	<u>\$236,000(C)(H)</u> \$280,000	Kearns Mancini Architects Inc.	87	\$236,000	Kearns Mancini Architects Inc. 3/05/2021	One-time
			Yallowega Bélanger Salach Architecture	86			
			CSV Consultants Inc.	84			
			Centreline Architecture	80			
			Proponents who did not meet the requirements throughout the various stages of the evaluation process: - Coolearth Architecture Inc. - L360 ARCHITECTURE - Steenhof Building Services Group				
Tender CPW20-35 Snow Plowing and Snow Removal - Municipal Parking Lots	13	Various <u>Accounts (O)</u> \$1,650,000	Bidders: Dixon Contracting Group Inc.; 1594686 Ontario Inc. o/a Nadeau Bros.; Wolf Lake Construction 2003 Inc.; 1232359 Ontario Ltd. o/a Turf King - Turf Scapes; 1558649 Ontario Inc o/a Marquis Nadeau Contracting; Hollaway Equipment Rental Ltd. o/a Hollaway Construction; 1700381 Ontario Inc. o/a Futurescape Landscaping; Anexx Inc. o/a PCC Contracting; William Day Construction Ltd.; Dominion Construction; D.Lafond Contracting Ltd.; Centralian Tech Inc.; VIDA Property Management Inc.	Various Rates Per Location	Approx. \$990,000 for three years	Awarded Bidders and Locations: https://greatersudbury.bidsandtenders.ca/Module/Tenders/en/Tender/Detail/d503439c-e3b3-4bfc-b316-f516b82723ca/#Awarded 3/12/2021	Three-year initial term, plus two one-year renewal options

APPENDIX A – Competitive Contract Awards ≥ \$100,000

Report period: January to March 2021

Procurement Method Contract Number Description	No. of Bids	Budget Estimate for Contract Term (\$)	Bidder(s)	Bid Amount (\$) or Score	Contract Award Value (\$)	Contractor Contract Award Date	Contract Term
Tender GSP20-115 Supply, Removal and Application of Vehicle Graphics for GSPS	3	<u>\$446,258(O)</u> Note: This budget is used for multiple purchases/contracts. \$121,000	M Designs Canada Ltd. o/a Fastsigns Etobicoke	\$53,860	\$161,580 Note: Three year value based on estimated requirements.	M Designs Canada Ltd. o/a Fastsigns Etobicoke 3/15/2021	Three-year initial term, plus two one-year renewal options
			Alpine Graphic Productions Ltd.	\$83,935			
			AG Event Graphics Inc.	\$281,250			
Tender ISD21-1 Operated 4x4 Truck Mounted Rotary - Type Sweeper for Intersection Sweeping	3	<u>\$82,310(O)</u> \$258,000	Barry's Trucking	\$165,600	\$165,600 Note: Three year value based on estimated requirements.	Barry's Trucking 3/26/2021	Three-year initial term, plus two one-year renewal options
			P. Munro Group Inc.	\$234,900			
			1594686 Ontario Inc.	\$261,270			
Tender AIR20-142 Airport Chiller Upgrade	7	<u>\$375,000(C)</u> \$350,000	Cimco Refrigeration, a Division of Toromont Industries Ltd.	\$344,569	\$344,569	Cimco Refrigeration, a Division of Toromont Industries Ltd. 3/31/2021	One-time
			Mike Witherell Mechanical Ltd.	\$347,770			
			Metal-Air Mechanical Systems Ltd.	\$387,450			
			Ainsworth Inc.	\$411,094			
			Patrick Mechanical Ltd.	\$436,500			
			Madden Electric Incorporated	\$443,876			
			1999359 Ontario Limited O/A Raw Group	\$451,383			

APPENDIX A – Competitive Contract Awards ≥ \$100,000

Report period: January to March 2021

Procurement Method Contract Number Description	No. of Bids	Budget Estimate for Contract Term (\$)	Bidder(s)	Bid Amount (\$) or Score	Contract Award Value (\$)	Contractor Contract Award Date	Contract Term
FES21-28 Tender for the Supply and Delivery of Four (4) Electric Vehicles for Emergency Services	2	<u>\$223,852(O)</u> \$200,000	Tesla Motors Canada ULC Disqualified Bidder: - CJ Morris Investments Ltd.	\$211,960	\$211,960	Tesla Motors Canada ULC. 3/31/2021	One Time

APPENDIX B – Non-Competitive Contract Awards ≥ \$100,000

Report period: January to March 2021

Description	Budget (\$)	Trade Agreement / By-Law Exemption / Council Resolution	Contract Award Value (\$)	Contractor Contract Award Date	Contract Term
PUR21-140ss Vehicle Computers, Licensing and Accessories (GPS Tracking)	\$2,053,426(O) Note: This budget is used for multiple purchases/contracts.	Purchasing By-Law Schedule A, 5. Other: (11) Ongoing costs for software systems previously acquired. (12) The existence of exclusive rights for Goods previously acquired. Trade Agreement Exemption: CFTA - Article 513 1. (b)(iii) due to absence of competition for technical reasons.	\$153,720	Consat Canada Inc. 01/04/2021	One-year renewal for 2021
PUR21-134ss Community Paramedic Program Director	\$50,265(O)	Purchasing By-Law Schedule A, 4. Professional and Special Services: (5) Regulated Health Professionals. Trade Agreement Exemption: CFTA – Article 504 11. Non-Application (h) procurement of (ii) health services or social services.	Approx. \$25,000 per year	Dr. Joanne Clarke Medical Professional Corporation 01/05/2021	One-year initial term, plus four one-year renewal options
PUR20-19ss CCTV Camera Systems (Standing Offer)	Various Accounts (O)	City Council Resolution CC2020-95	Approx. \$1,250,000 for 5 years	I-Vision Systems Inc. 01/21/21	Five-year term
PUR21-60ss Sierra Annual Maintenance, Greater Sudbury Public Library Software	\$200,000(O)	Purchasing By-Law Schedule A, 5. Other: (11) Ongoing costs for software systems previously acquired.	\$105,435	Innovative Interfaces, Inc. 02/03/2021	One-year renewal for 2021

APPENDIX B – Non-Competitive Contract Awards ≥ \$100,000

Report period: January to March 2021

Description	Budget (\$)	Trade Agreement / By-Law Exemption / Council Resolution	Contract Award Value (\$)	Contractor Contract Award Date	Contract Term
PUR21-158 Medical Director Services Agreement	\$73,490(O)	Purchasing By-Law Schedule A, 4. Professional and Special Services: (5) Regulated Health Professionals. Trade Agreement Exemption: CFTA – Article 504 11. Non-Application (h) procurement of (ii) health services or social services.	Approx. \$25,000 per year	Dr. Jason Prpic 02/20/2021	One-year initial term, plus four one-year renewal options
PUR21-105ss MR35 Hydro One Relocation of Utilities	\$38,689,447(C) Note: This budget is used for multiple purchases/contracts.	Purchasing By-Law Schedule A, (5) Other: (8) Removal, relocation, maintenance and construction related to utility or rail. Trade Agreement Exemption: CFTA – Article 504 11. Non-Application (i) procurement of goods or services (iii) between enterprises that are controlled or affiliated with the same enterprise, or between one government body or enterprise and another government body or enterprise.	\$297,895	Hydro One Networks Inc. 03/02/2021	One-time
PUR21-121ss Security Services for Homeless YMCA Project	\$10,595 (O)	Emergency - Urgent Purchase: Current corporate service provider did not have capacity to provide this urgent short-term service; therefore, another service provider was selected.	\$103,607	Commissionaires 03/31/21	One-time

APPENDIX C – Cooperative Contract Awards ≥ \$100,000

Report period: January to March 2021

Description	Budget (\$)	Trade Agreement / By-Law Exemption / Council Resolution	Contract Award Value (\$)	Contractor	Contract Term
				Contract Award Date	
PUR21-18cp Gas & Diesel	Approx. \$5,100,000(O)	Cooperative Purchase with Local Authority Service - Municipal Group Buying Program	\$25,500,000 Note: Estimate based on past purchase volumes.	Local Authority Service 03/18/21	Five-year term

APPENDIX D - Contract Awards > \$100,000 Resulting from Standing Offers

Standing Offer Number/Title & Project Description	Contractor	Contract Award Value (\$)	Contract Award Date
ISD19-19 Engineering & Architectural Services Valley Wells Retrofit	JL Richards & Associates Ltd.	\$239,261	2/17/2021
ISD19-19 Engineering & Architectural Services Category 11 - Solid Waste; City contact	GHD Ltd.	\$171,492	3/02/2021
ISD19-19 Engineering & Architectural Services Wanapitei Trunk Watermain - HydroExcavation, Design, Tender Support, Contract Administration	AECOM Canada Ltd.	\$118,410	3/18/2021
ISD19-19 ENG21-51 - Manninen Road Bridge Rehabilitation	Associated Engineering (ONT) Ltd.	\$101,624	3/25/2021

(O) = Operating budgets and are presented on an annual basis
(C) = Capital budgets and are presented on a project basis

(H) = Housing budgets

2021 First Quarter Statement of Council Expenses

Presented To:	Finance and Administration Committee
Meeting Date:	June 22, 2021
Type:	Correspondence for Information Only
Prepared by:	Christina Dempsey Accounting Services
Recommended by:	General Manager of Corporate Services

Report Summary

This report provides information regarding expenses incurred by Members of Council in the first quarter of 2021. This report is prepared in accordance with By-law 2016-16F respecting the payment of expenses for Members of Council.

Relationship to the Strategic Plan, Health Impact Assessment and Community Energy & Emissions Plan (CEEP)

This report refers to operational matters and has no direct connection to the Community Energy & Emissions Plan.

Financial Implications

There is no financial impact as the amounts are within the approved operating budgets.

Background

Attached is the first quarter Statement of Council Expenses for the period January 1, 2021 to March 31, 2021.

In accordance with the City's by-law on Transparency and Accountability and the Payment of Expenses for Members of Council and Municipal Employees by-law, the City of Greater Sudbury discloses an itemized statement of Council expenses on a quarterly and annual basis. The Statement of Council Expenses discloses the:

- Operating budget and expenses for the office of the Mayor;
- Office expense budget and expenses for each Councillor;
- Council Memberships and Travel expenses; and
- Council expenses.

Expenses disclosed relate to non-salary expenditures from these budgets and are eligible expenses in the Payment of Expenses for Members of Council and Municipal Employees by-law, including Schedule B, where applicable.

The appendices disclose the details of each transaction including payee, date paid, amount, general description and name of benefitting organization if applicable.

Resources Cited

By-law 2007-299 Policy regarding accountability and transparency

<http://www.greatersudbury.ca/city-hall/open-government/open-government-pdfs/by-law-delegation-of-powers/>

By-law 2016-16F Payment of Expenses for Members of Council and Municipal Employees

<https://agendasonline.greatersudbury.ca/index.cfm?pg=feed&action=file&attachment=15240.pdf>

By-law 2020-124 to Amend By-law 2016-16F

<https://pub-greatersudbury.escribemeetings.com/filestream.ashx?documentid=39343>

Statement of Council Expenses

For the period ended, March 31, 2021

Description	Annual Budget	Actual Expenses	Remaining Budget	
Office of the Mayor	783,725	150,813	632,912	Schedule 1
Council Expenses	1,251,233	259,705	991,528	Schedule 2
Council Memberships and Travel	85,395	66,437	18,958	Schedule 3
Net Total	2,120,353	476,955	1,643,398	

Council Expenses are reported as per By-Law 2016-16F, Payment of Expenses for Members of Council and Municipal Employees and By-Laws 2020-124 and 2019-154 amendments to By-law 2016-16F.

Statement of Council Expenses

Office of the Mayor

For the period ended, March 31, 2021

Description	Annual Budget	Actual Expenses	Remaining Budget	Notes
Salaries and Benefits	623,058	130,714	492,344	(1)
Translation Costs	3,060	310	2,750	Appendix 1A
Office Expense	4,056	225	3,831	Appendix 1B
Consultants	24,000	5,861	18,139	Appendix 1C
Public Relations	5,608	-	5,608	Appendix 1D
Advertising	-	117	(117)	Appendix 1E
Cellular Services	1,208	234	974	Appendix 1F
Travel	12,000	-	12,000	Appendix 1G
Internal Recoveries - Staff Support	52,535	-	52,535	
Internal Recoveries - Program Support	56,596	12,914	43,682	(2)
Internal Recoveries - Parking and Other	1,604	438	1,166	Appendix 1H
Net Total	783,725	150,813	632,912	

- (1) Salaries and benefits are costs relating to the Mayor and support staff. This expense includes the salary and benefits, internet, phone and car allowance for the Mayor.
- (2) Internal recoveries program support includes costs associated for Accounts Payable, Accounts Receivable, Information Technology, Human Resources, Payroll, Budget and the Mailroom.

Statement of Council Expenses

Council Expenses

For the period ended, March 31, 2021

Description	Annual Budget	Actual Expenses	Remaining Budget	Notes
Salaries and Benefits	957,727	216,171	741,556	(1)
Office Expense	5,100	-	5,100	Appendix 2M
Cellular Services	4,782	886	3,896	Schedule 4 & Appendix 2N
Internal Recoveries - Program Support	173,464	38,734	134,730	(2)
Internal Recoveries - Parking and Other	-	-	-	Appendix 2O
<i>Councillors office expense</i>				(3)
Ward 1 Mark Signoretti	9,180	-	9,180	Schedule 4 & Appendix 2A
Ward 2 Michael Vagnini	9,180	792	8,388	Schedule 4 & Appendix 2B
Ward 3 Gerry Montpellier	9,180	1,025	8,155	Schedule 4 & Appendix 2C
Ward 4 Geoff McCausland	9,180	21	9,160	Schedule 4 & Appendix 2D
Ward 5 Robert Kirwan	9,180	72	9,108	Schedule 4 & Appendix 2E
Ward 6 Rene Lapierre	9,180	919	8,261	Schedule 4 & Appendix 2F
Ward 7 Mike Jakubo	9,180	198	8,982	Schedule 4 & Appendix 2G
Ward 8 Al Sizer	9,180	-	9,180	Schedule 4 & Appendix 2H
Ward 9 Deb McIntosh	9,180	46	9,134	Schedule 4 & Appendix 2I
Ward 10 Fern Cormier	9,180	348	8,832	Schedule 4 & Appendix 2J
Ward 11 Bill Leduc	9,180	318	8,862	Schedule 4 & Appendix 2K
Ward 12 Joscelyne Landry-Altmann	9,180	176	9,004	Schedule 4 & Appendix 2L
Net Total	<u>1,251,233</u>	<u>259,705</u>	<u>991,528</u>	

- (1) Salaries and benefits are costs relating to Councillors and support staff. This expense includes the salary and benefits (includes Internet and phone allowance) and mileage of the Councillors.
- (2) Internal recoveries includes costs associated for Accounts Payable, Accounts Receivable, Information Technology, Human Resources, Payroll, Budget and the Mailroom.
- (3) Expenses incurred are limited to not exceed the Councillor's annual Office Expense Budget as per By-law 2020-124
- Surplus amounts from:
- Each individual Councillor's Office Expense budget
 - The Corporate Council Travel Account
- can be contributed to the Organizational Development Reserve to a maximum of \$10,000 in reserve. Contributions cannot put the City in a deficit position or increase a deficit.
- Reserve amounts can be used to fund:
- Over expenditures in an individual Councilor's Office expense budget that are the result of professional development costs, including travel, for attendance at one or more professional development events, and if funds remain,
 - Over expenditures in the Corporate Council Travel Account.

Statement of Council Expenses

Council Memberships and Travel

For the period ended, March 31, 2021

Description	Annual Budget	Actual Expenses	Remaining Budget	Notes
Association Dues	65,000	64,458	542	(1) Appendix 3A
Corporate Council Travel	16,100	-	16,100	(2) Appendix 3B
Corporate Council Travel Recoveries	-	-	-	Appendix 3B
Insurance	4,295	1,979	2,316	(3)
Net Total	85,395	66,437	18,958	

For Association Dues and Corporate Council Travel see attached Appendices for additional details provided as per the requirements of By-Laws 2020-124 and 2019-154 amendments to By-Law 2016-16F, Payment of Expenses for Members of Council

- (1) General Association Dues are for City membership fees and association dues that have been approved by resolution of Council.
- (2) Corporate Council Travel is for a Member of Council that has been nominated or endorsed by resolution of Council to sit on an association or organization's Board that is related to the Municipality and that meets away from our community.
- (3) Insurance costs for all of Council includes Council Accident Policy, Out of Province Medical and a portion of general liability.

Statement of Council Expenses
Council Office, Mileage, and Cell Phones
For the period ended, March 31, 2021

		Books & Subscriptions	Business Hospitality	Communications	Event Tickets	Gifts	Memberships	Media Notices	Meeting Setup	Office Supplies	Postage & Courier	Travel / Prof. Dev.	Office Total	Mileage	Cell Phone	Total per Councillor
Ward 1	Mark Signoretti	-	-	-	-	-	-	-	-	-	-	-	-	-	58.21	58.21
Ward 2	Michael Vagnini	-	-	-	-	-	-	-	-	791.92	-	-	791.92	-	92.12	884.04
Ward 3	Gerry Montpelier	-	-	-	-	-	-	1,025.00	-	-	-	-	1,025.00	-	58.77	1,083.77
Ward 4	Geoff McCausland	20.50	-	-	-	-	-	-	-	-	-	-	20.50	-	66.98	87.48
Ward 5	Robert Kirwan	72.04	-	-	-	-	-	-	-	-	-	-	72.04	527.88	58.79	658.71
Ward 6	Rene Lapierre	-	-	-	-	-	-	-	-	918.93	-	-	918.93	-	89.78	1,008.71
Ward 7	Mike Jakubo	-	-	-	-	-	-	198.44	-	-	-	-	198.44	-	58.47	256.91
Ward 8	Al Sizer	-	-	-	-	-	-	-	-	-	-	-	-	-	71.42	71.42
Ward 9	Deb McIntosh	45.69	-	-	-	-	-	-	-	-	-	-	45.69	-	68.85	114.54
Ward 10	Fern Cormier	-	-	-	-	-	-	347.61	-	-	-	-	347.61	-	58.52	406.13
Ward 11	Bill Leduc	-	-	-	-	-	-	-	-	317.56	-	-	317.56	-	70.66	388.22
Ward 12	Joscelyne Landry-Altmann	-	-	-	-	-	-	175.64	-	-	-	-	175.64	-	89.90	265.54
		138.23	-	-	-	-	-	1,746.69	-	2,028.41	-	-	3,913.33	527.88	842.47	5,283.68

Office of the Mayor***Translation Costs******For the period ended, March 31, 2021***

Date	Amount	Payee	Description	Note / Reference
28-Feb-21	310.11	LES TRADUCTIONS GHP TRANSLATION SERVICES	Translation - Statement from Mayor Bigger - Jan 8 Covid-19 update, Statement from Mayor Bigger - Jan 17 condolences to family members, friends and residents of Amberwood Suites, Statement from Mayor Bigger - passing of G. Armstrong - Statement from Mayor Bigger - Covid-19 vaccines in Greater Sudbury	
310.11		YTD Totals as per GL March 31, 2021		

Office of the Mayor

Office Expenses

For the period ended, March 31, 2021

Date	Amount	Payee	Description	Note / Reference
28-Feb-21	20.34	STAR METROLAND	Toronto Star online subscription	
2-Mar-21	138.59	AMAZON.CA	Web cam	
2-Mar-21	45.79	GREATER SUDBURY CHAMBER OF COMMERCE	Ticket to International Women's Day 2021 presented by Cambrian College, Mar 8	
2-Mar-21	20.34	STAR METROLAND	Toronto Star online subscription	
225.06			YTD Totals as per GL March 31, 2021	

Office of the Mayor***Consultants******For the period ended, March 31, 2021***

Date	Amount	Payee	Description	Note / Reference
25-Feb-21	1,953.80	ROBSON TODD	Communications and Advisory services in Jan	
28-Feb-21	1,953.80	ROBSON TODD	Communications and Advisory services in Feb	
31-Mar-21	1,953.80	ROBSON TODD	Communications and Advisory services in Mar	
5,861.40		YTD Totals as per GL March 31, 2021		

Office of the Mayor

Public Relations

For the period ended, March 31, 2021

Date	Amount	Payee	Description	Note / Reference
0.00		YTD Totals as per GL March 31, 2021		

Office of the Mayor***Advertising******For the period ended, March 31, 2021***

Date	Amount	Payee	Description	Note / Reference
28-Feb-21	117.04	POSTMEDIA NETWORK INC	2020 Ad for Remembrance Day	
	117.04		YTD Totals as per GL March 31, 2021	

Office of the Mayor

Cellular services

For the period ended, March 31, 2021

Date	Amount	Payee	Description	Note / Reference
18-Jan-21	78.08	BELL MOBILITY	Jan Stmt - cellular bill	
28-Feb-21	78.05	BELL MOBILITY	Feb Stmt - cellular bill	
31-Mar-21	78.19	BELL MOBILITY	Mar Stmt - cellular bill	
	234.32		YTD Totals as per GL March 31, 2021	

59.14	Mayor Brian Bigger
175.18	Staff
<u>234.32</u>	

For the period ended, March 31, 2021

0.00	YTD Totals as per GL March 31, 2021
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Office of the Mayor

Internal Recoveries - Parking and Other

For the period ended, March 31, 2021

Date	Amount	Payee	Description	Note / Reference
18-Feb-21	138.05	CGS-PARKING	TDS Jan parking space	
28-Feb-21	138.05	CGS-PARKING	TDS Feb parking space	
28-Feb-21	11.95	CGS-PARKING	Parking office Feb	
31-Mar-21	11.95	CGS-PARKING	Parking office Mar	
31-Mar-21	138.05	CGS-PARKING	TDS Mar parking space	
438.05			YTD Totals as per GL March 31, 2021	

Ward 1: Mark Signoretti
Councillor's Office Expenses
For the period ended, March 31, 2021

Category	Date	Amount	Payee	Description	Note / Reference
Books & Subscriptions					
		0.00			
Business Hospitality					
		0.00			
Communications					
		0.00			
Event Tickets					
		0.00			
Gifts					
		0.00			
Memberships					
		0.00			
Media Notices					
		0.00			
Meeting Setup					
		0.00			
Office supplies					
		0.00			
Postage & Courier					
		0.00			
Travel/Prof. Devel.					
		0.00			
		-	YTD Totals as per GL March 31, 2021		

Ward 2: Michael Vagnini
Councillor's Office Expenses
For the period ended, March 31, 2021

Category	Date	Amount	Payee	Description	Note / Reference
Books & Subscriptions		0.00			
Business Hospitality		0.00			
Communications		0.00			
Event Tickets		0.00			
Gifts		0.00			
Memberships		0.00			
Media Notices		0.00			
Meeting Setup		0.00			
Office supplies	2-Feb-21	247.00	CORPORATE EXPRESS	Office supplies	
	2-Mar-21	544.92	CORPORATE EXPRESS	Office supplies	
		791.92			
Postage & Courier		0.00			
Travel/Prof. Devel.		0.00			
		791.92		YTD Totals as per GL March 31, 2021	

Ward 3: Gerry Montpellier***Councillor's Office Expenses******For the period ended, March 31, 2021***

Category	Date	Amount	Payee	Description	Note / Reference
Books & Subscriptions					
		0.00			
Business Hospitality					
		0.00			
Communications					
		0.00			
Event Tickets					
		0.00			
Gifts					
		0.00			
Memberships					
		0.00			
Media Notices	27-Jan-21	600.00	CHELMSFORD FISH AND GAME ASSOCIATION	Ad in Top 50 Tournament Angler magazine	
	10-Mar-21	230.00	ONAPING FALLS RECREATION COMMITTEE	Ad in the Onaping Falls News Oct - Dec 2020 editions	
	15-Mar-21	195.00	ONAPING FALLS RECREATION COMMITTEE	Ad in the Onaping Falls News Jan-Mar editions	
		1,025.00			
Meeting Setup					
		0.00			
Office supplies					
		0.00			
Postage & Courier					
		0.00			
Travel/Prof. Devel.					
		0.00			
		1,025.00		YTD Totals as per GL March 31, 2021	

Ward 4: Geoff McCausland

Councillor's Office Expenses

For the period ended, March 31, 2021

Category	Date	Amount	Payee	Description	Note / Reference
Books & Subscriptions	15-Jan-21	20.50	MCCAUSLAND GEOFF	Toronto Star online subscription	
		20.50			
Business Hospitality		0.00			
Communications		0.00			
Event Tickets		0.00			
Gifts		0.00			
Memberships		0.00			
Media Notices		0.00			
Meeting Setup		0.00			
Office supplies		0.00			
Postage & Courier		0.00			
Travel/Prof. Devel.		0.00			
		20.50			
		20.50	YTD Totals as per GL March 31, 2021		

Ward 5: Robert Kirwan
Councillor's Office Expenses
For the period ended, March 31, 2021

Category	Date	Amount	Payee	Description	Note / Reference
Books & Subscriptions	22-Mar-21	56.79	KIRWAN ROBERT	Reference books	
	2-Mar-21	15.25	STAR METROLAND	Toronto Star online subscription	
		72.04			
Business Hospitality					
		0.00			
Communications					
		0.00			
Event Tickets					
		0.00			
Gifts					
		0.00			
Memberships					
		0.00			
Media Notices					
		0.00			
Meeting Setup					
		0.00			
Office supplies					
		0.00			
Postage & Courier					
		0.00			
Travel/Prof. Devel.					
		0.00			
		72.04		YTD Totals as per GL March 31, 2021	

Ward 6: Rene Lapierre
Councillor's Office Expenses
For the period ended, March 31, 2021

Category	Date	Amount	Payee	Description	Note / Reference
Books & Subscriptions		0.00			
Business Hospitality		0.00			
Communications		0.00			
Event Tickets		0.00			
Gifts		0.00			
Memberships		0.00			
Media Notices		0.00			
Meeting Setup		0.00			
Office supplies	31-Mar-21	127.02	LAPIERRE RENE	Google One storage	
	2-Mar-21	791.91	CORPORATE EXPRESS	Office supplies	
		918.93			
Postage & Courier		0.00			
Travel/Prof. Devel.		0.00			
		918.93		YTD Totals as per GL March 31, 2021	

Ward 7: Mike Jakubo***Councillor's Office Expenses******For the period ended, March 31, 2021***

Category	Date	Amount	Payee	Description	Note / Reference
Books & Subscriptions					
		0.00			
Business Hospitality					
		0.00			
Communications					
		0.00			
Event Tickets					
		0.00			
Gifts					
		0.00			
Memberships					
		0.00			
Media Notices	31-Jan-21	99.22	THE CAPREOL EXPRESS	Ad in the Jan 1, Jan 15 editions	
	17-Feb-21	99.22	THE CAPREOL EXPRESS	Ad in the Feb 1, Feb 15 editions	
		198.44			
Meeting Setup					
		0.00			
Office supplies					
		0.00			
Postage & Courier					
		0.00			
Travel/Prof. Devel.					
		0.00			
		198.44		YTD Totals as per GL March 31, 2021	

Ward 8: Al Sizer***Councillor's Office Expenses******For the period ended, March 31, 2021***

Category	Date	Amount	Payee	Description	Note / Reference
Books & Subscriptions		0.00			
Business Hospitality		0.00			
Communications		0.00			
Event Tickets		0.00			
Gifts		0.00			
Memberships		0.00			
Media Notices		0.00			
Meeting Setup		0.00			
Office supplies		0.00			
Postage & Courier		0.00			
Travel/Prof. Devel.		0.00			
		-	YTD Totals as per GL March 31, 2021		

Ward 9: Deb McIntosh
Councillor's Office Expenses
For the period ended, March 31, 2021

Category	Date	Amount	Payee	Description	Note / Reference
Books & Subscriptions	15-Jan-21	45.69	MCINTOSH DEB	Reference Book	
		45.69			
Business Hospitality		0.00			
Communications		0.00			
Event Tickets		0.00			
Gifts		0.00			
Memberships		0.00			
Media Notices		0.00			
Meeting Setup		0.00			
Office supplies		0.00			
Postage & Courier		0.00			
Travel/Prof. Devel.		0.00			
		45.69		YTD Totals as per GL March 31, 2021	

Ward 10: Fern Cormier
Councillor's Office Expenses
For the period ended, March 31, 2021

Category	Date	Amount	Payee	Description	Note / Reference
Books & Subscriptions					
		0.00			
Business Hospitality					
		0.00			
Communications					
		0.00			
Event Tickets					
		0.00			
Gifts					
		0.00			
Memberships					
		0.00			
Media Notices	28-Feb-21	347.61	PUBLICATION VOYAGEUR	Ad for semaine nationale de la francophonie	
		347.61			
Meeting Setup					
		0.00			
Office supplies					
		0.00			
Postage & Courier					
		0.00			
Travel/Prof. Devel.					
		0.00			
		347.61	YTD Totals as per GL March 31, 2021		

Ward 11: Bill Leduc***Councillor's Office Expenses******For the period ended, March 31, 2021***

Category	Date	Amount	Payee	Description	Note / Reference
Books & Subscriptions		0.00			
Business Hospitality		0.00			
Communications		0.00			
Event Tickets		0.00			
Gifts		0.00			
Memberships		0.00			
Media Notices		0.00			
Meeting Setup		0.00			
Office supplies	2-Feb-21	317.56	CORPORATE EXPRESS	Office supplies	
		317.56			
Postage & Courier		0.00			
Travel/Prof. Devel.		0.00			
		0.00			
		317.56		YTD Totals as per GL March 31, 2021	

Ward 12: Joscelyne Landry-Altman

Councillor's Office Expenses

For the period ended, March 31, 2021

Category	Date	Amount	Payee	Description	Note / Reference
Books & Subscriptions		0.00			
Business Hospitality		0.00			
Communications		0.00			
Event Tickets		0.00			
Gifts		0.00			
Memberships		0.00			
Media Notices	10-Mar-21	175.64	PUBLICATION VOYAGEUR	Ad for La Voyageuse - journee internationale de la femme	
		175.64			
Meeting Setup		0.00			
Office supplies		0.00			
Postage & Courier		0.00			
Travel/Prof. Devel.		0.00			
		175.64		YTD Totals as per GL March 31, 2021	

Council Expenses

Office Expenses

For the period ended, March 31, 2021

Date	Amount	Payee	Description	Note / Reference
0.00		YTD Totals as per GL March 31, 2021		

Council Expenses

Cellular Services

For the period ended, March 31, 2021

Date	Amount	Payee	Description	Note / Reference
18-Jan-21	263.79	BELL MOBILITY	Jan Stmt - cellular bill	
28-Feb-21	293.00	BELL MOBILITY	Feb Stmt - cellular bill	
31-Mar-21	329.54	BELL MOBILITY	Mar Stmt - cellular bill	
	886.33		YTD Totals as per GL March 31, 2021	

842.47 Councillors

43.86 Staff

886.33

Council Expenses

Internal Recoveries - Parking and Other

For the period ended, March 31, 2021

Date	Amount	Payee	Description	Note / Reference
0.00		YTD Totals as per GL March 31, 2021		

Council Memberships and Travel

Association Dues

For the period ended, March 31, 2021

Date	Amount	Payee	Description	Note / Reference
1-Jan-21	8,209.93	FEDERATION OF CANADIAN MUNICIPALITIES	Membership fees Jan 1/21 to Mar 31/21 from prepaid expense	
2-Jan-21	37,746.62	FEDERATION OF CANADIAN MUNICIPALITIES	Membership fees Mar 31/21 to Mar 31/22	
13-Jan-21	(9,436.61)	FEDERATION OF CANADIAN MUNICIPALITIES	Transfer membership fees Jan 1/22 to Mar 31/22 to prepaid expense	
2-Jan-21	9,564.22	ASSOCIATION FRANCAISE DES MUNICIPALITES	Membership fees Jan 1/21 to Dec 31/21	
14-Jan-21	18,373.40	ASSOCIATION OF MUNICIPALITIES OF ONTARIO	Membership fees Jan 1/21 to Dec 31/21	
64,457.56			YTD Totals as per GL March 31, 2021	

Council Memberships and Travel

Council Travel

For the period ended, March 31, 2021

Date	Amount	Payee	Description	Attendee	Location	Date	Note / Reference
0.00		YTD Totals as per GL March 31, 2021					

2020 Investment Report

Presented To:	Finance and Administration Committee
Meeting Date:	June 22, 2021
Type:	Correspondence for Information Only
Prepared by:	Ed Stankiewicz Corporate Services
Recommended by:	General Manager of Corporate Services

Report Summary

This report provides information regarding the investment activities for the year and certifies that all investments made in the year 2020 were in compliance with both City's Investment Policy (Bylaw 2010-246F) and Ontario Regulations 655/05.

Relationship to the Strategic Plan, Health Impact Assessment and Community Energy & Emissions Plan (CEEP)

This report supports Council's strategic pillar of Responsive, Fiscally Prudent, Open Governance.

Financial Implications

There are no financial implications associated with this report.

Background

In accordance with the City's Investment Policy (Bylaw 2010-246F), there is a requirement that the Treasurer present an investment report to Council annually.

This report summarizes the investment activities for the year and certifies that all investments made in the year 2020 were in compliance with both the policy and the Ontario Regulation 655/05.

The City of Greater Sudbury's investment portfolio, at cost, was as follows:

	December 31, 2020	December 31, 2019
Long Term Investment	\$136,703,238	\$120,527,633
Short Term Investment	\$377,667,080	\$184,945,606
Total Investment Portfolio	\$514,370,318	\$305,473,239

The breakdown of these investments is as follows:

	December 31, 2020	December 31, 2019
--	-------------------	-------------------

Canada Bonds	\$882,517	\$648,715
Provincial Bonds	\$107,538,624	\$71,446,932
Municipal Bonds	\$9,507,623	\$18,985,523
Term Deposits, GIC's, etc	\$396,441,554	\$214,392,069
Total	\$514,370,318	\$305,473,239

The large increase in the investment portfolio at the end of 2020 was due mainly to the \$200,000,000 of debt secured in March of 2020. To date approximately \$170,000,000 of this debt remains available for investment. To ensure liquidity of these funds for use on the large projects, these funds were invested in short term investments.

During the year, 93 (2019 -50) separate investment transactions were completed. Interest earned on investments, excluding capital gains, plus interest earned on average daily bank balances, yielded an average rate of return of 1.89% (2019 – 2.58%).

Interest earnings of \$3,610,345 (2019 - \$5,368,937) were credited to reserve and trust funds. The balance of investment income was earned by capital and operating funds. In accordance with the investment policy, the investment income earned by the capital fund was attributed to the operating fund. Including interest earned from the bank, other sources, and capital gains, the operating fund was credited with \$8,496,542 (budget \$3,805,000) interest revenue. In 2019, \$4,527,223 of interest revenue was credited to the operating fund.