

# **AREA RATING**

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Finance and Administration Committee  
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# Area Rating Introduced by CGS at Time of Amalgamation

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The City of Greater Sudbury Act 1999 set out rules relating to:

- Special services of “old” municipalities
- Assets and liabilities of “old” municipalities
- Five specific services  
(water, sewage, street lighting, fire, and transportation)

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# Area Rating Decisions

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- No area rating of special services of “old” municipalities
- No area rating of assets and liabilities
- Area rating of fire and transportation services only to recognize differing service levels

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# Fire Protection and Prevention

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- Service levels considerably different throughout 7 former area municipalities and unorganized area
- Could not harmonize service levels without increasing the budget substantially
- Not necessary to have career level service throughout entire CGS
- Area rating adopted to recognize different service levels and maintain same relative tax position

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# Fire Protection and Prevention

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Three distinct service areas recognized:

- Career - former City of Sudbury  
(predominantly full time firefighters)
- Composite - former City of Valley East  
(mix of full time firefighters and volunteers)
- Volunteer - all other areas of CGS including  
unorganized area (volunteers only)

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# Fire Protection and Prevention

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- Base Costs  
Administration, facilities and apparatus, public education and prevention
- Direct Suppression Cost  
Career salaries and benefits and volunteer costs

$(\text{Base Cost} + \text{Direct Suppression Cost}) / \text{Weighted Assessment} = \text{Area Rate}$

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# Fire Protection and Prevention

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	Career	Composite	Volunteer
	(\$ million)	(\$ million)	(\$ million)
Allocation of Base Costs	5.02	.98	2.37
Direct Suppression Costs	<u>12.89</u>	<u>1.53</u>	<u>1.23</u>
Total Costs	17.91	2.51	3.60
Weighted Assessment	11,971	2,340	5,645
Fire Tax Rate	.1496%	.1071%	.0636%
Fire Taxes (\$230,000 CVA)	\$327	\$234	\$139

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# Fire Protection and Prevention

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- There will be changes to the way fire services are delivered to meet key objectives
- Closest/fastest and most appropriate resource is dispatched
- Example – New Sudbury station to respond to Garson and Minnow Lake station to respond to Coniston
- Some areas have seen increased service levels without increased costs
- May require changes to area rating
- Old municipal boundaries no longer reflect the service being received

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# Public Transportation

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- Transit and transportation for the disabled
- Service levels considerably different throughout 7 former area municipalities
- No service in former unorganized area
- Not possible to harmonize to one service level without substantial budget increases
- Could harmonize service levels in 6 smaller former area municipalities

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# Public Transportation

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Two distinct service areas were recognized:

- Commuter  
Former area municipalities except City of Sudbury (service along major arteries, weekday service level between 6-8 trips daily)
- Urban  
Former City of Sudbury (more frequent service with higher number of trips and service along both main arteries and some residential streets)

No area rate for former unorganized areas

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# Public Transportation

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- Transit costs (original allocation based on service hours)
  - 82/18 split in costs between urban and commuter areas
- Increased service hours in the commuter area has revised the allocation to 80/20 between the two areas
- Transportation for the disabled costs – actual costs in each of the two areas

$(\text{Transit Costs} + \text{Transportation for the Disabled Costs}) / \text{Weighted Assessment} = \text{Area Rate}$

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# Public Transportation

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	Urban	Commuter
	(\$ million)	(\$ million)
Transit Cost	7.79	1.95
Transportation for Disabled Cost	<u>1.85</u>	<u>1.10</u>
Total	9.64	3.05
Weighted Assessment	11,971	7,830
Residential Area Tax Rate	.0805%	.0389%
Transportation Taxes (\$230,000 CVA)	\$176	\$85

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# 2015 Taxation by Area

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

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# Summary

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- Area Rating introduced at the time of amalgamation
- To recognize significant differences in levels of fire and transportation services
- To maintain former municipal tax levels
- As service levels are harmonized or where existing services are extended across municipal boundaries, area rating boundaries may need to be modified

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# Questions

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# AREA RATING