



Finance Committee Meeting February 16, 2011

**Presented By: Doug Nadorozny
Lorella Hayes**



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Vision:

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

Mission:

We provide excellent access to quality municipal services and leadership in the social, environmental and economic development of the City of Greater Sudbury

Vision

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



Mission

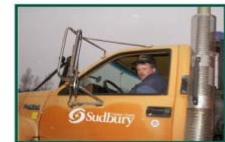
We provide excellent access to quality municipal services and leadership in the social, environmental and economic development of the City of Greater Sudbury.



Values

In fulfilling our roles we commit ourselves to:

- ◆ providing high quality service with a citizen focus
- ◆ managing the resources in our trust efficiently, responsibly and effectively
- ◆ encouraging innovation and accepting risks
- ◆ maintaining honest and open communication
- ◆ creating a climate of trust and a collegial working environment
- ◆ acting today in the interests of tomorrow



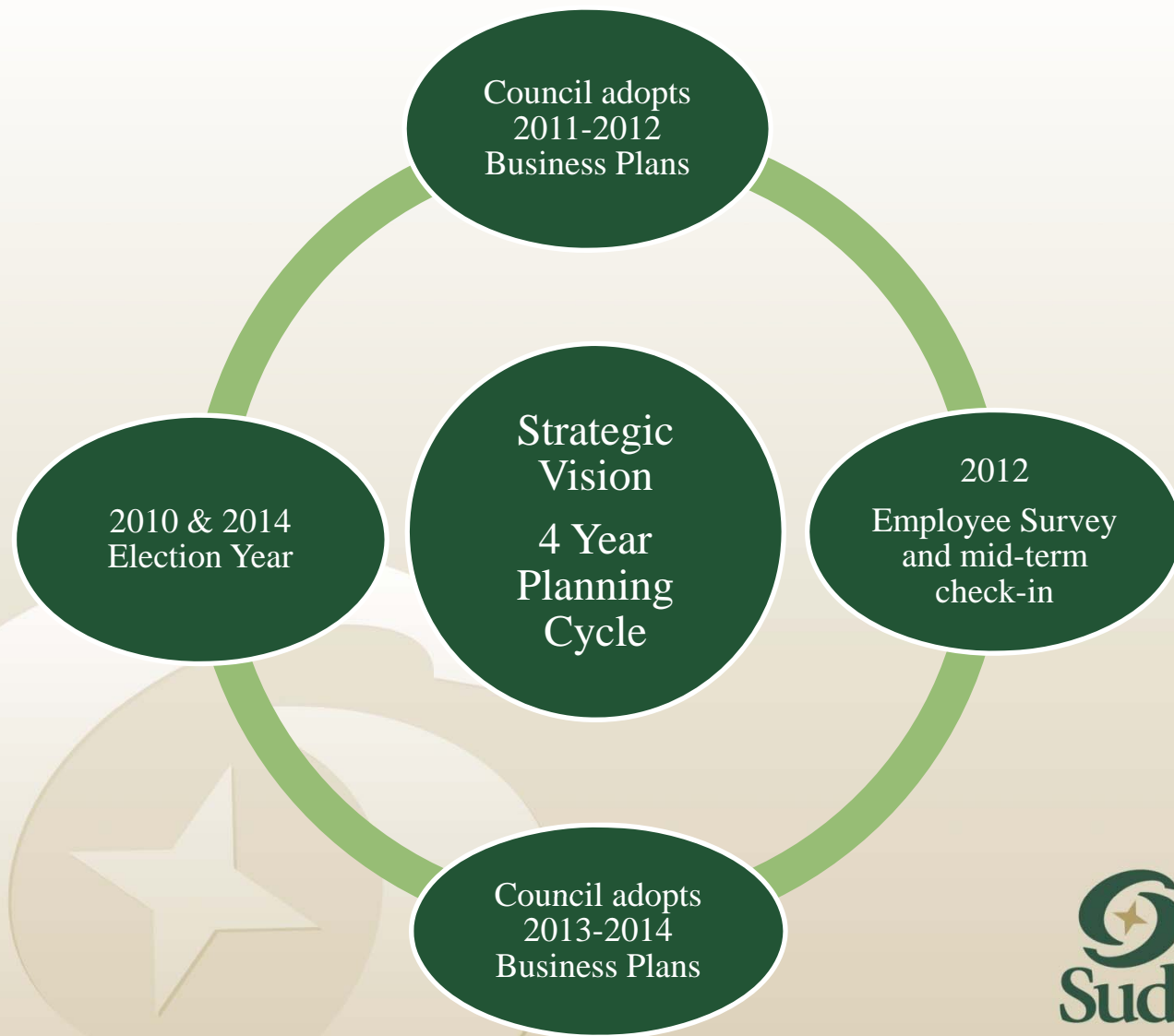



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Key Strategic Plans:

- Coming of Age in the 21st Century – Digging Deeper
- Healthy Sustainable Community Strategy
- Official Plan
- Towards Tomorrow - Long Term Financial Plan





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Community Top of Mind Issues

Top of Mind Issues	2009
Jobs / Job creation / Employment / Unemployment	20%
Business development / diversity / attraction	10%
Roads / streets	8%
Health care / home care / hospital care / doctor shortage	7%
Infrastructure	6%
Leadership / politics / government	5%
Mining industry / Vale INCO strike	4%
Taxes / Property taxes / Tax increases / Lower taxes	4%
Cultural development / recreational development	3%
Economy / Economic Stability	2%
Environment	2%
Youth outmigration	2%
Budget / finances	2%

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Importance & Rating of Services

Service	Importance Rating	Performance Satisfaction (Positive Score)
Maintenance of main roads	92%	29%
Fire protection	92%	75%
Ambulance services	91%	72%
Funding for access to health care services	91%	31%
Developing Job creation initiatives	90%	26%
Winter Road maintenance	90%	33%
Policing	90%	62%
Economic diversification and planning for the economic future	88%	32%
Water & sewer services	86%	51%
Planning for the CGS's future	85%	32%
Public health unit services	83%	59%
Waste collection	81%	74%

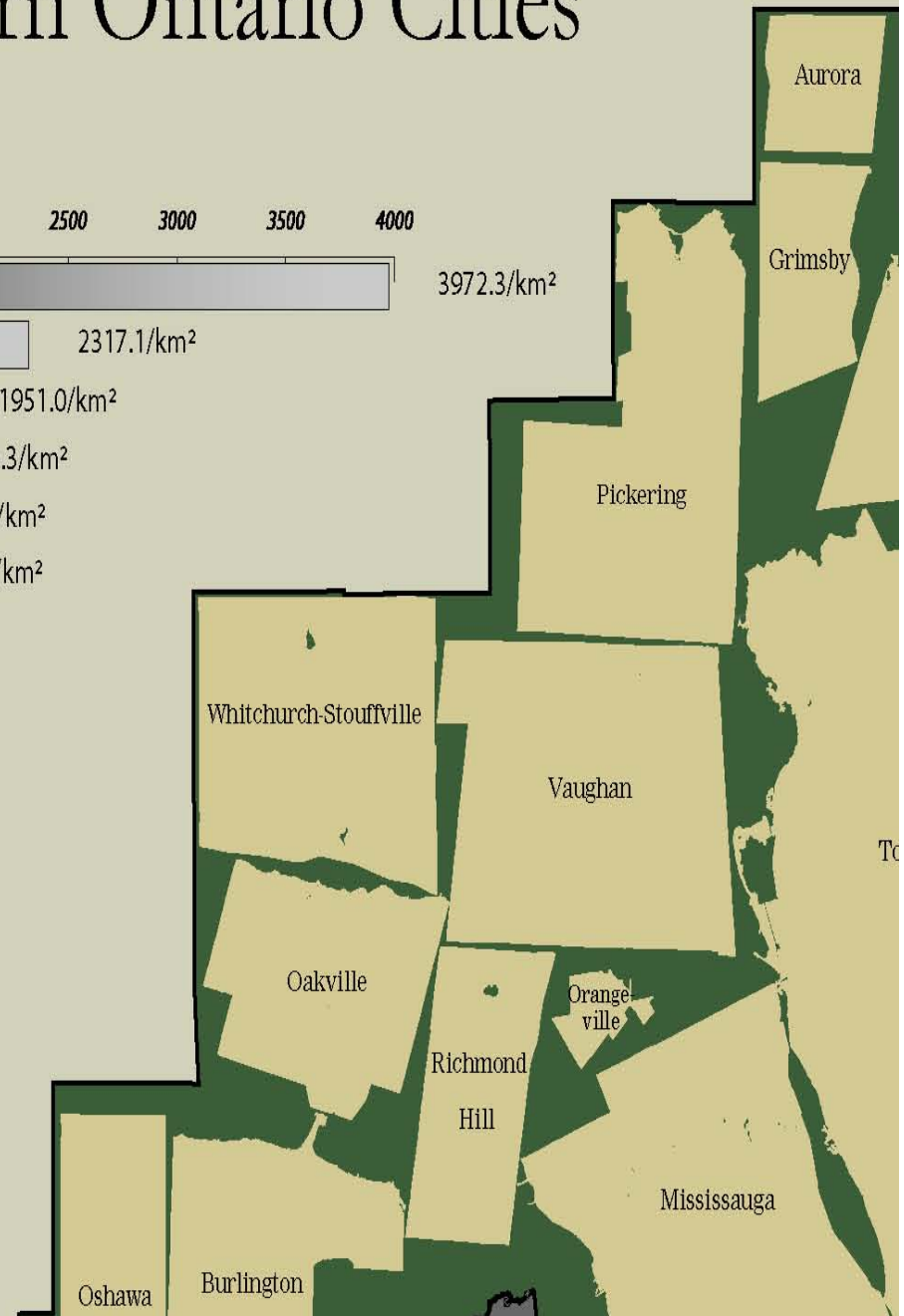
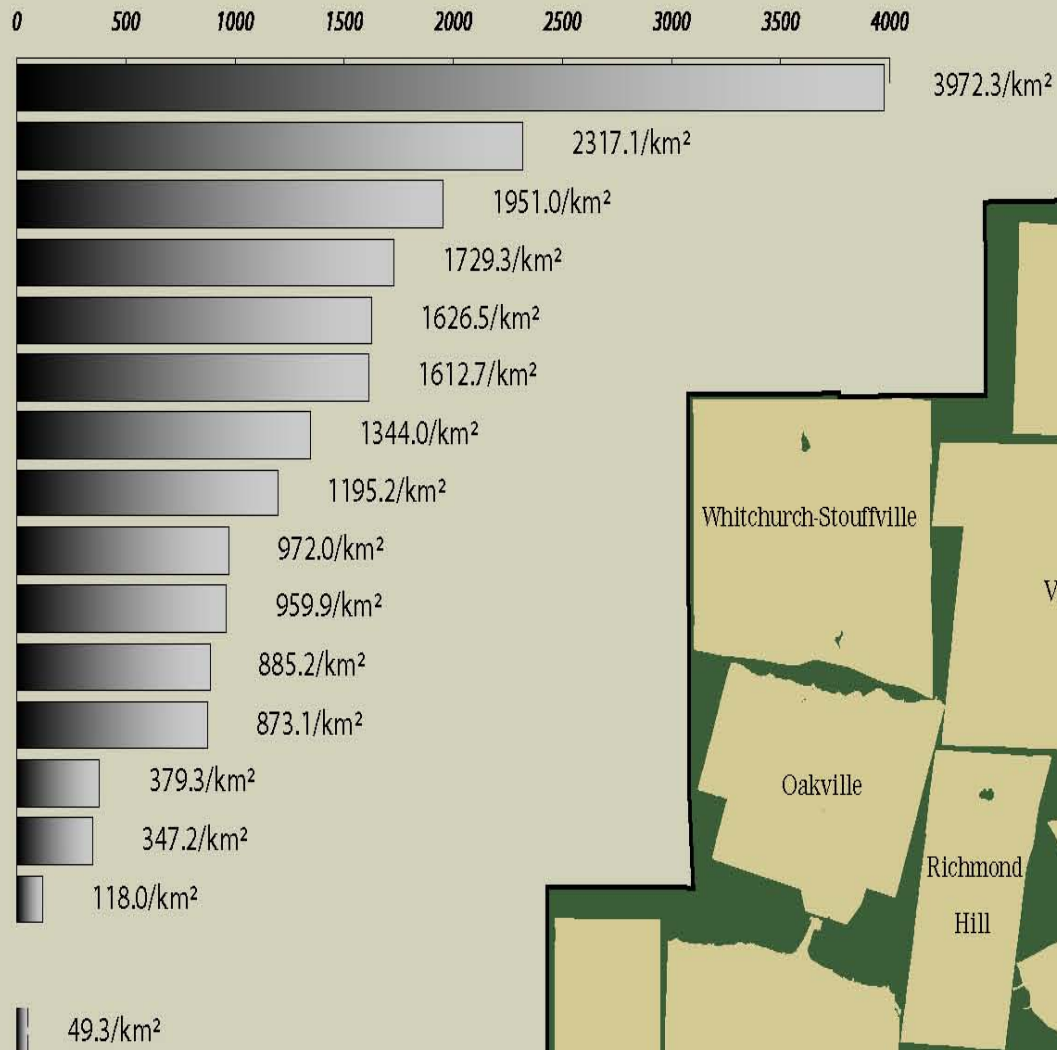
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Greater Sudbury vs. Southern Ontario Cities

Land Area & Population Comparison

	Sq. Km	Pop. (2006)
Toronto	630.2	2,503,281
Mississauga	288.5	668,549
Newmarket	38.1	74,295
Orangeville	15.6	26,925
Brampton	266.7	433,806
Richmond Hill	100.9	162,704
Ajax	67.1	90,167
Oakville	138.6	165,613
Oshawa	145.7	141,590
Aurora	49.6	47,629
Burlington	185.7	164,415
Vaughan	273.6	238,866
Pickering	231.6	87,838
Grimsby	68.9	23,937
Whitchurch	206.7	24,390
Total (not ind. Sudbury)	2,707.5	4,854,005
Greater Sudbury	3,200.6	157,857

Population Density Chart



2011 Budget - Key Highlights

2011 Base Tax Increase 3.9%

- Includes all core municipal services
- Police Services, SDHU and NDCA
- Net of assessment growth
- Net of 2011 Fiscal Sustainability Options



The Challenges and Opportunities

- Need for additional capital funding
- Continued partnerships with senior levels of government
- Desire to maintain low property taxes
- Program expansion, growth related expenditures, Council and community priorities
- Costs of compliance with regulations



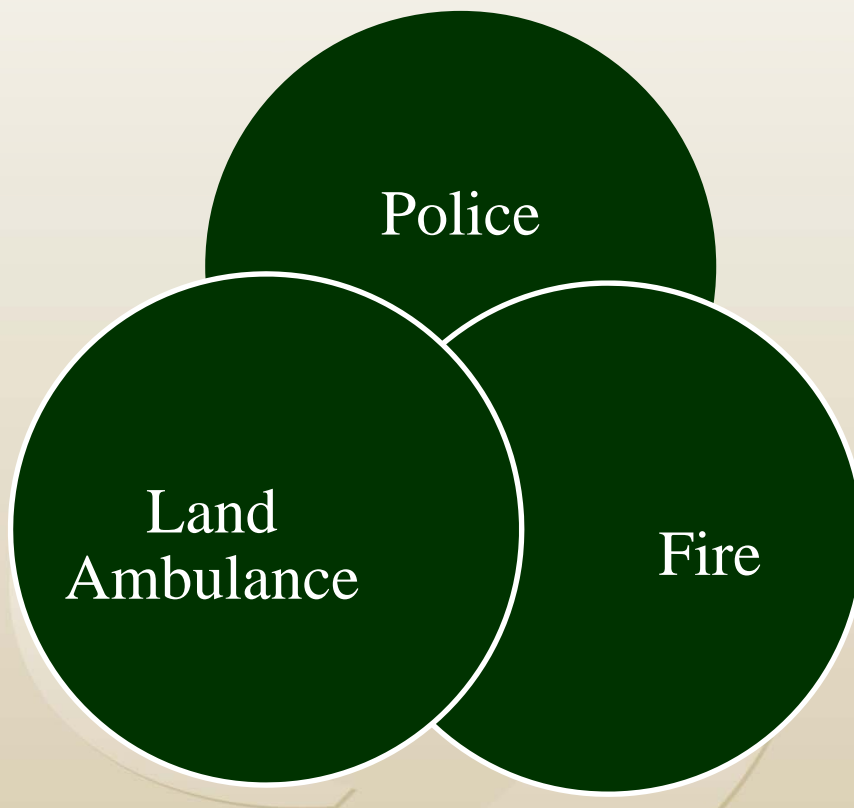
Toward Fiscal Sustainability

- Long Term Financial Plan Principles
- Creative solutions to realign budget expectations, refocus activities and streamline operations
- Benchmarking - OMBI and MPMP
- Top three tiers of management developed ideas for efficiencies /cost avoidance/new revenues

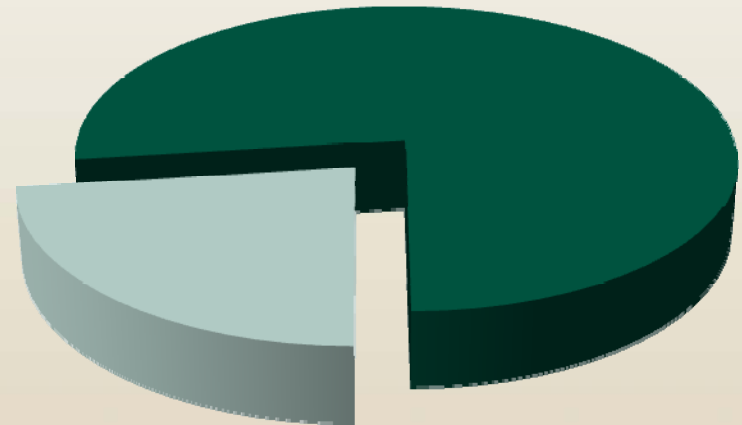


Investing in Public Safety

➤ \$90 million in expenses



30% of municipal tax levy

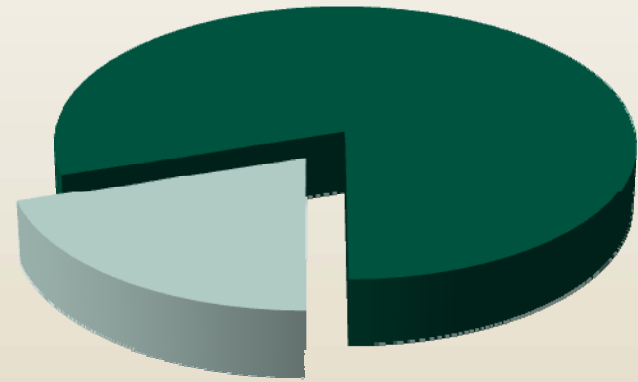



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Investing in Roads

- Roads Operating Budget - \$36.7 Million
- \$38.6 Million in Capital Budget
- Total investment of \$75M

25% of municipal tax levy

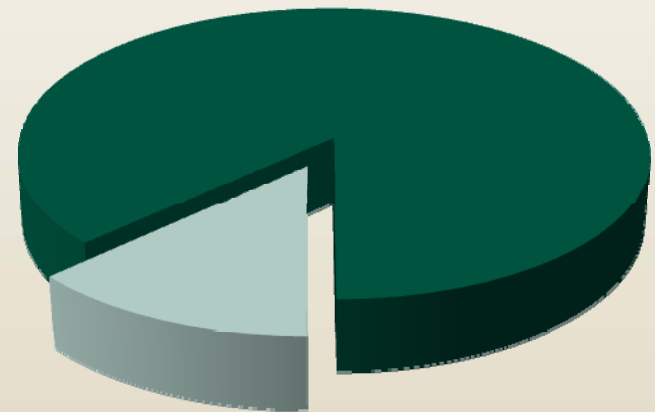


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Investing in a Community

- 13 Library branches, four museums, archives building
- Leisure services: 137 playgrounds, 54 outdoor rinks, 3 ski hills, 5 pools, 14 arenas
- Community partnerships
- Transit Services - 5 million passengers per year; accessible, urban and commuter

15% of municipal tax levy

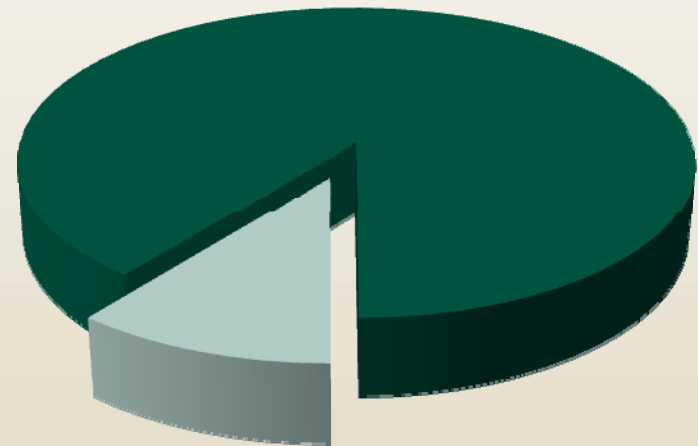



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Investing in Social Services

- Service Manager for Housing Services:
Contribution to Greater Sudbury Housing Services;
Contributions to non-profit housing services
- Ontario Works programs;
Shelters and Homelessness
- Child Care: Supporting over 5,000 licensed childcare spaces

12% of municipal tax levy

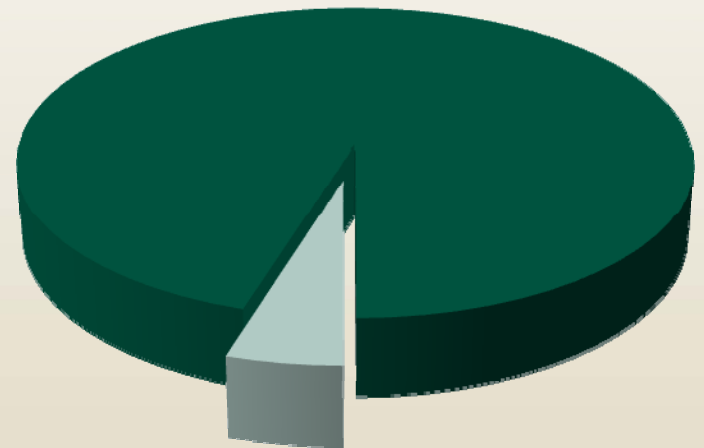


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Investing in the Environment

- Garbage, Recycling and Organics Collection
- Land Reclamation
- Environmental Planning Initiatives
- Clean and Safe Drinking Water
- Wastewater System

5% of municipal tax levy

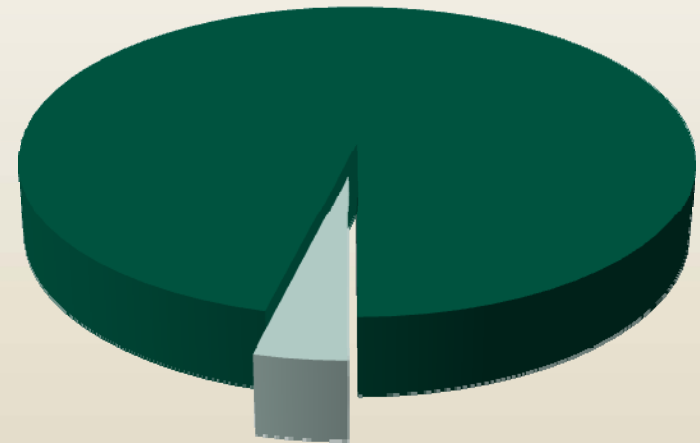



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Investing in Seniors & Health Care

- \$1 million contribution to Sudbury Regional Hospital
- Pioneer Manor - 406 residents
 - 2011 - 64 permanent beds; 27 additional interim beds
- Regional Geriatrics Program: Partnership with Province
- Seniors Property Tax Credit - \$200

4% of municipal tax levy

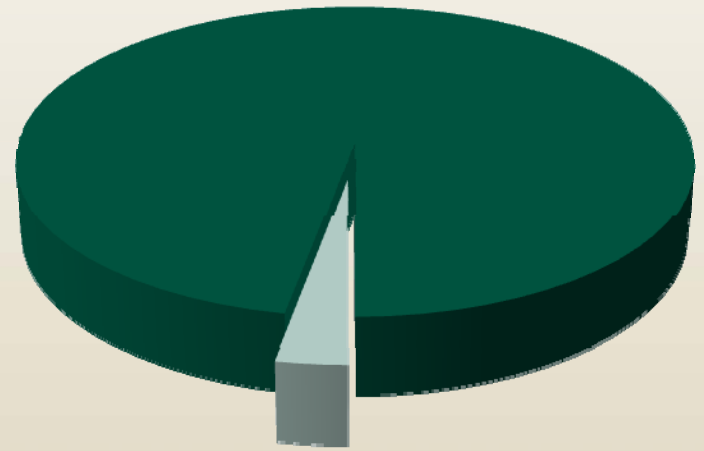



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Investing in Economic Growth

- \$1 million contribution to Northern Ontario School of Architecture
- Contribution to Greater Sudbury Development Corporation - \$904,805
- Regional Business Centre, Tourism initiatives
- Partnership with Federal and Provincial government

3% of municipal tax levy



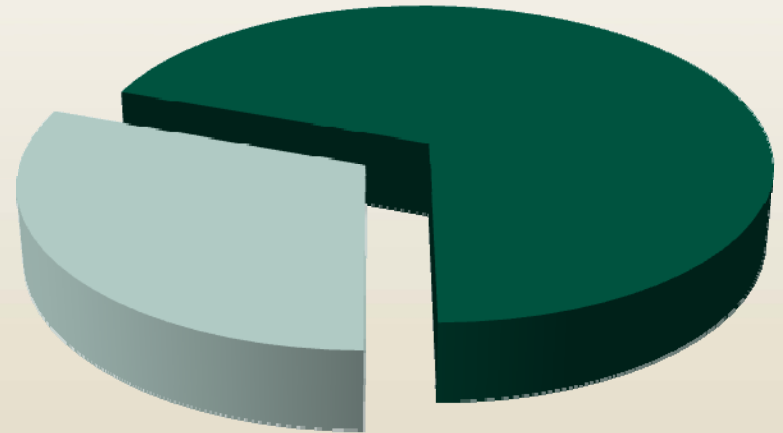

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Our Employees

- 2,002 Full-time
- 1,007,936 Part-time /Temporary Hours



44% of 2011 Gross Budget




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Operating and Capital Budget




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Key Principles of the Base Budget

- Council's approved initiatives are funded within the budget
- Legislative and contractual obligations are satisfied
- Council approved service and standard levels are maintained
- Cost of providing services is minimized
- Other revenue sources are maximized to minimize impact on property taxes



Key Highlights

Base Budget increase 6.4%

Less: Assessment Growth (2.4%)

Net Budget 4.0%

Less: Fiscal Sustainability Proposals (0.1%)

Net municipal tax increase 3.9%



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Key Highlights

Base Budget (net of assessment growth) 1.6%

Add: Redistribution of Expenses to
Taxes (from WWW) 1.0%

Add: Outside Boards 1.4%

Less: Fiscal Sustainability Proposals (0.1%)

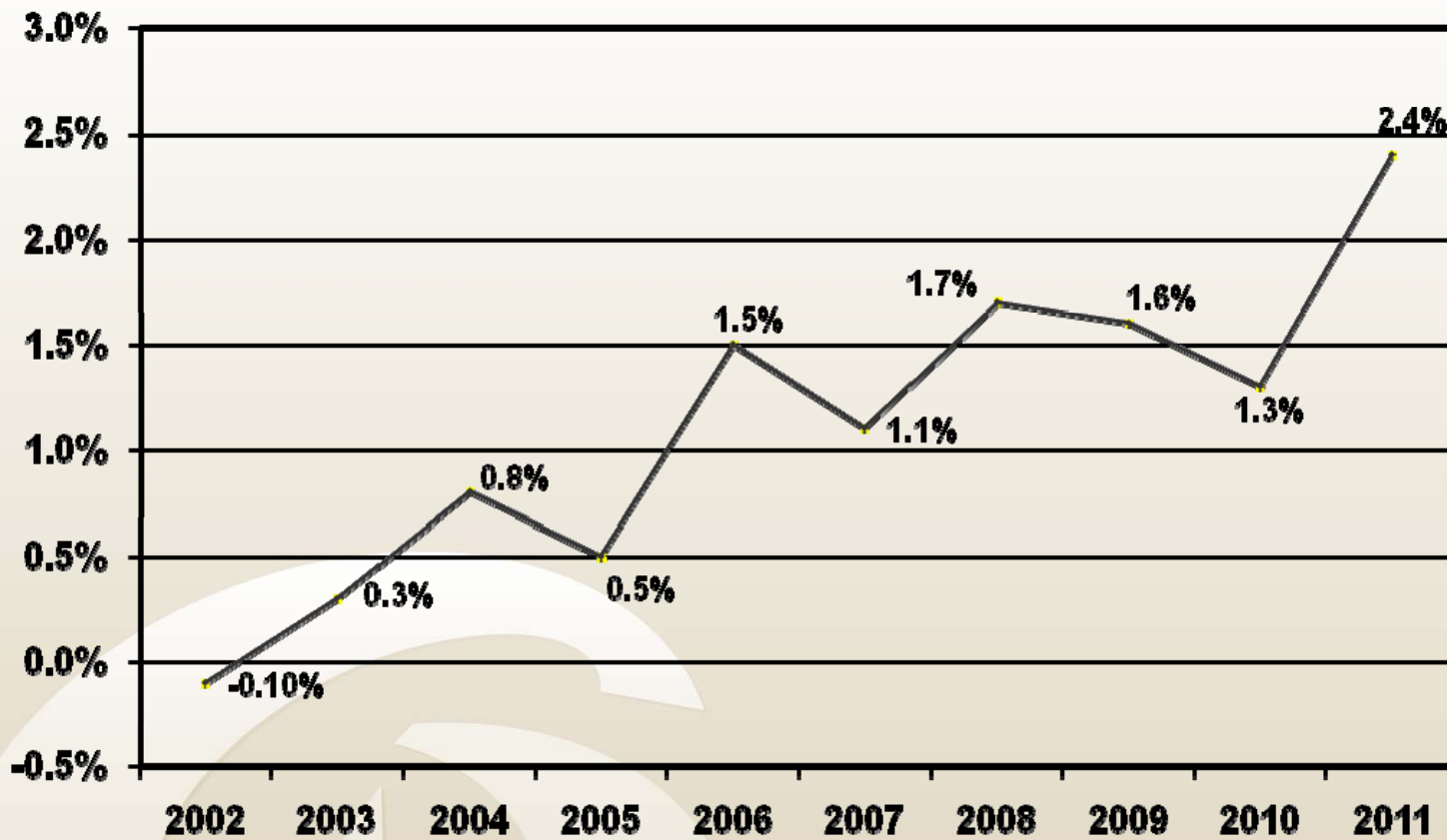
Net municipal tax increase 3.9%



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Assessment Growth

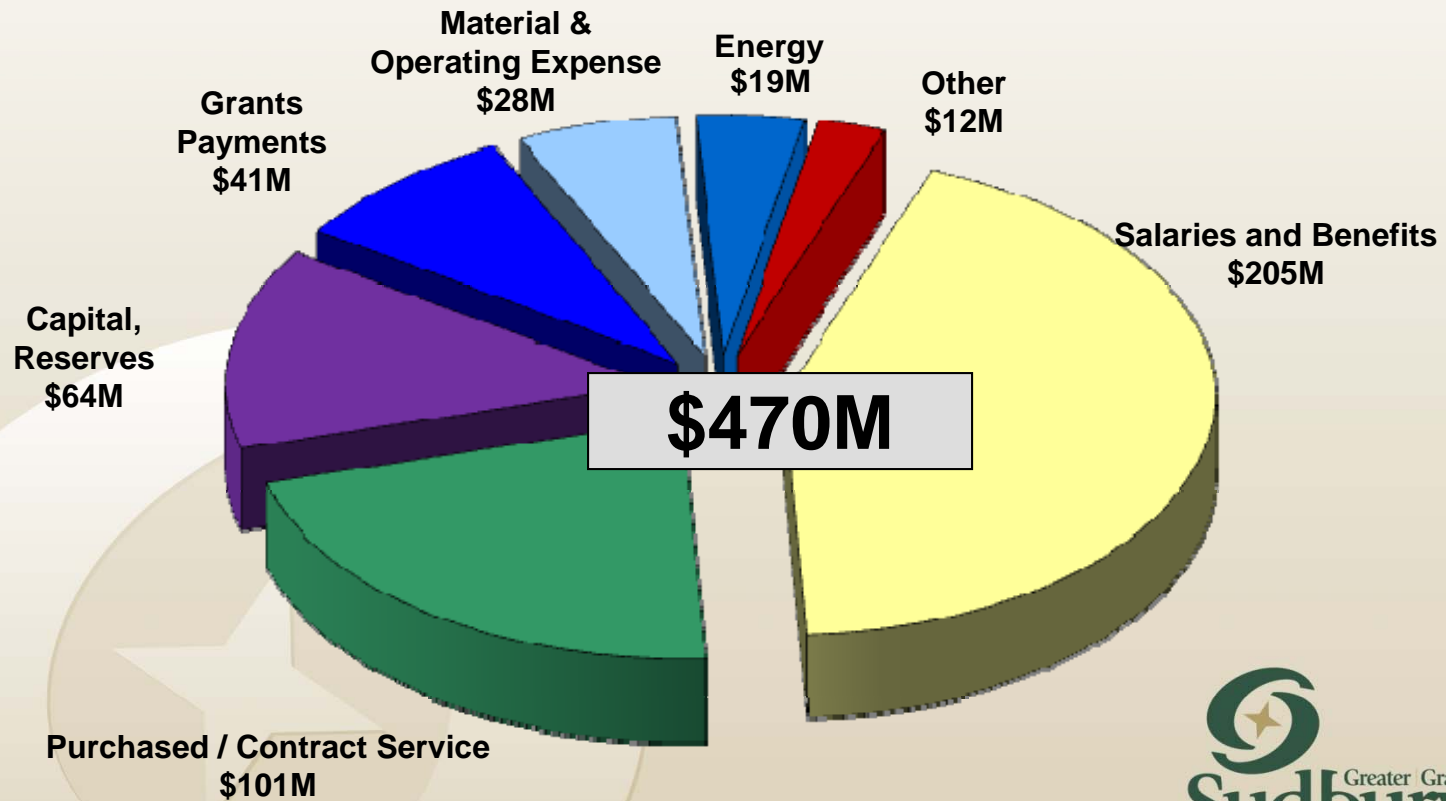
	Total	Growth
Residential	\$8.5 Billion	\$163 Million
Non-Residential	\$5.1 Billion	\$154 Million
Total Assessment	\$13.6 Billion	\$317 Million
		= 2.4%



Assessment Growth 2002 to 2011


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How 2011 Operating Dollars are Spent




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2011 Total Budget	\$469.9 M
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2010 Total Budget	\$524.4 M
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Decrease in Expenditures	\$54.5 M
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Decrease in Grants and Other Revenues	\$66.9 M
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Fiscal Sustainability Reduction Options	(\$0.2 M)
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Net Municipal Levy Increase	\$12.2 M
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= 3.9% Municipal Tax Increase



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Major Highlights	Gross Budget Decrease	Municipal Tax Levy Increase
Provincially funded programs	\$(66.0M)	\$1.7M
Contractually obligated, & other revenue and expenditure charges	\$9.7M	\$6.1M
Water Wastewater / redistribution of expenses	\$2.2M	\$1.9M
Police Services, NDCA & SDHU	\$2.8M	\$2.7M
Reduction of 2010 one-time funding	(\$3.0M)	-
Fiscal sustainability reductions	(\$0.2M)	(\$0.2M)
Total	54.7M	\$12.2M

Key Highlights:

Provincially Mandated Programs 0.9%

- Social Housing, Social Services, Children Services, Emergency Medical Services
- Province Uploads: ODSP Support and partial OW Benefits; No tax levy reduction



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Key Highlights:

Other Municipal Expenses and Revenues 3.1%

- Contractual obligations in accordance with collective bargaining agreements
- OMERS rate increase of \$1.3M
- Fire Services contractual obligations of \$1.1M
- Energy Costs: Hydro and Fuel \$1.1M
- Pioneer Manor additional staffing and beds \$700,000

Key Highlights:

- Program support drivers updated in accordance with OMBI; allocations consistent with year end annual report
- Modified Fleet Rental Rates
 - Monthly; capital replacement and operating costs
 - Fuel based on actual usage
 - Review of fleet inventory for efficiencies

Key Highlights:

Redistribution of expenses to Tax Levy 1.0%

- Redistribution of internal and indirect costs charged to Water Wastewater
- Allocation calculated based on drivers that link the use of the service to the cost allocated



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Key Highlights:

Outside Boards: Police, SDHU, NDCA 1.4%

- Presentations to Council on February 22nd




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Toward Fiscal Sustainability: Quick Wins for 2011/2012

- \$185,000 of budget reductions in 2011
- \$475,000 of budget reductions in 2012
- General Inflation: Savings \$1 million
 - December Consumer Price Index 2.4%
 - CGS 2011 Budget Guideline 0%
(unless contractually obligated)



Toward Fiscal Sustainability: Proposals for 2011

- Reduce stand by pay in winter control contracts
 - \$60,000 in 2011
 - \$60,000 in 2012
- Energy management initiatives
- Cost recovery strategies



Toward Fiscal Sustainability: Proposals for 2012

- Review marketing and advertising practices - \$75,000
- Increase parking tickets fines - \$123,000
- Review of snow plowing for municipal facilities - \$175,000

Toward Fiscal Sustainability

Medium and Long Term Proposals 2012 & Beyond

- Review of City owned lands and buildings: possible consolidation, disposal
- Review of Fleet Services for efficiencies
- GIS initiatives
- Parking Fees
(as per Strategic Parking Plan)



2011 Capital Budget 2012 to 2015 Capital Outlook



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Investing in Capital

Capital Budget  \$60 million

Sources of Revenues (in millions)	
Capital Envelopes (Tax Levy)	\$33.6
Contribution from Reserve and Reserve Funds and Development Charges	\$12.1
Federal and Provincial Grants	\$9.6
Internal Financing: Future Years Capital Envelopes	\$4.7
Total Capital Budget (excluding WWWW)	\$60



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2011 Budget: Key Highlights

- Federal Gas Taxes - \$10M
 - Fund incremental spending on capital projects improving clean air, clean water, reduced greenhouse gas emissions
 - 2011: Recommending \$2 million to WWWW and \$8 million to Roads
- Provincial Gas Taxes - \$2.8M
 - Available for transit capital \$1.4M & ridership growth initiatives \$1.4M



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2011 Capital Budget – Key Highlights

Roads	\$38.6 (in millions)
Environmental Services	\$1.7
Fleet	\$2.4
Facilities and other assets	\$1.9
Transit Services	\$4.5
Community Development	\$5.4
Fire	\$1.0
Emergency Services	\$0.8
Police	\$3.1
Administration	\$0.6

(Excludes WWW)



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2011 Capital Budget - Key Highlights

- Redistribution of Capital Envelopes
- Maley Drive - \$2.6 million funding envelope
- Acquisition and renovation of Transit and Fleet garage (20 years)
- Communications Infrastructure Replacement (15 years)
- Previous Council approvals: Countryside – 2nd ice pad, South Branch Library
- WWW Capital & 10 Year Plan



CGS - Low levels of Debt

- \$21 Million of External Debt
(199 Larch Street and Pioneer Manor)
- Annual Payments of \$2.3 Million

- Low Debt as a Percentage of Expenditures:
- 0.5% Compared to BMA Average of 4.2%

- Internal Financing
- Staff to review internal /external borrowing levels during 2011

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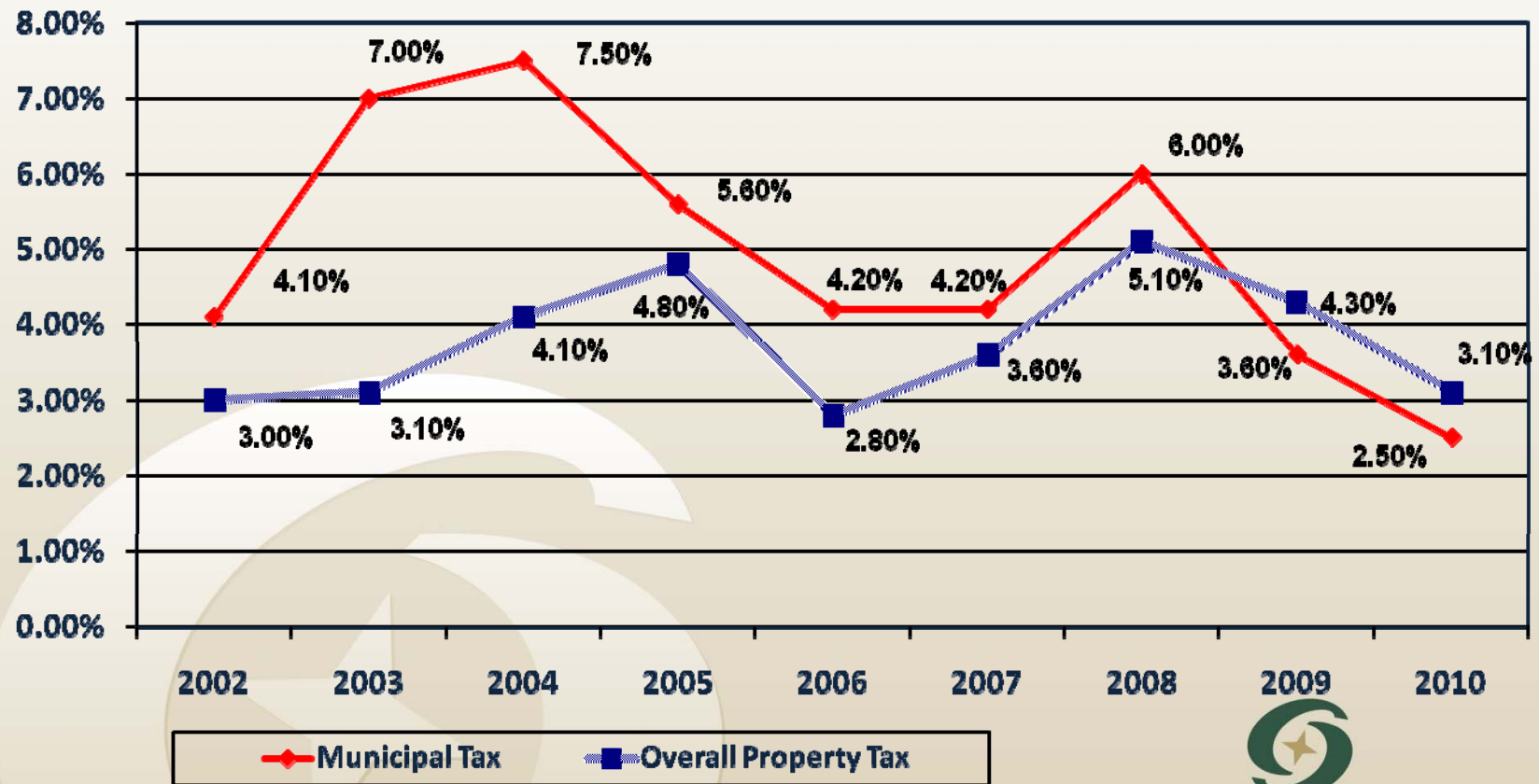
- Reserves & Reserve Funds

(in millions)	2009	2010 Estimate	2011 Projection
Reserves	\$6.6	\$9.1	\$9.1
Reserve Funds	\$73.7	\$78.4	\$72.0
Total	\$80.3	\$87.5	\$81.1

Municipal Services

	2011 Gross Expenditure	2011 Tax Levy	% of Tax Levy
Mandatory Services	\$222M	\$96M	47%
Other Municipal Services	\$248M	\$110M	53%
Total	\$470M	\$206M	100%

Property Tax Increases



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2011 Budget Schedule

Budget Overview and Tabling of Budget	February 16th
Presentation from Outside Boards	February 22nd
Review of Base Budget	February 28th and March 2nd
Water and Wastewater Budget Review (Operating and Capital) WWW 10 Year Financial Plan	March 3rd
Capital Budget	March 7th
Review and Voting on Budget Options	March 28th and 29th
Final Overview and Approval by Council	March 30th
Property Tax Policy	Spring 2011



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Questions




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