

# ANNUAL REPORT 2018

FOR THE YEAR ENDING DECEMBER 31, 2018



PO Box 5000, Station A  
200 Brady Street  
Sudbury, Ontario P3A 5P3  
705.671.2489 or 311  
[greatersudbury.ca](http://greatersudbury.ca)





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## MESSAGE FROM THE MAYOR

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Our City Council maintains a steadfast commitment to balancing the needs of our community and affordability for taxpayers.

The Annual Report is essential in demonstrating these priorities by outlining strategic investments to enhance City services and how they provide value for residents by improving quality of life and encouraging growth in our community.

Investment in our infrastructure was a top priority for 2018 with funding being directed toward a number of projects:

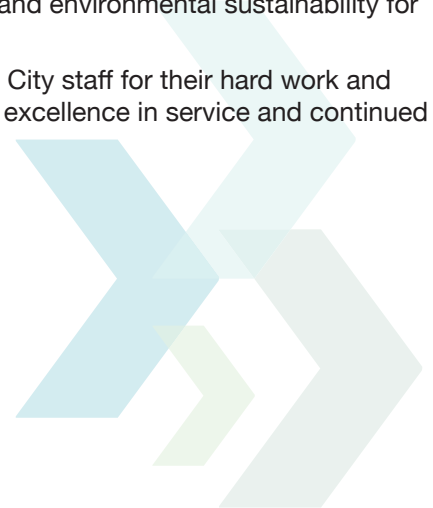
- the Lorne Street rehabilitation
- the four-laning of Municipal Road 35
- bridge and culvert projects
- increased investment in cycling infrastructure

The City of Greater Sudbury continues to work toward infrastructure renewal. These projects position the City for growth, ensuring the efficient movement of goods and people, safety and environmental sustainability for years to come.

I want to thank members of Council and City staff for their hard work and their continued commitment in ensuring excellence in service and continued progress in our community.

Sincerely,

Brian Bigger, Mayor,  
City of Greater Sudbury



## CITY COUNCIL

Greater Sudbury City Council is the decision making body for the City of Greater Sudbury as an organization. Its decisions impact how municipal services are provided to citizens.

Our Council is composed of the Mayor, who represents the City as a whole, and 12 Councillors, each of whom represents a ward, or geographic area, of the community.

Council is elected for a four-year term. The new term of office began on December 1, 2018.

### City Council

- Mayor – Brian Bigger
- Ward 1 – Mark Signoretti
- Ward 2 – Michael Vagnini
- Ward 3 – Gerry Montpellier
- Ward 4 – Geoff McCausland
- Ward 5 – Robert Kirwan
- Ward 6 – René Lapierre
- Ward 7 – Mike Jakubo
- Ward 8 – Al Sizer
- Ward 9 – Deb McIntosh
- Ward 10 – Fern Cormier
- Ward 11 – Bill Leduc
- Ward 12 – Joscelyne Landry-Altmann

### 2018 Meetings

- 23 Council meetings
- 51 Committee meetings



## MESSAGE FROM THE CAO

I am pleased to present the City of Greater Sudbury 2018 Annual Report. The report is an important document not only describing financial principles and results, but also reporting performance and accomplishments.

The report is the final step in the City's annual management cycle. The management cycle starts with business planning and budgeting, incorporating Council's strategic priorities, and concludes with the Annual Report. In the Annual Report, we describe our actual financial and service results. We believe this is an effective way to demonstrate accountability and transparency to the community we serve.

In December 2017, Council approved our 2018 budget. This established our service plans and priorities for the year, and described planned costs and revenues associated with each of our services. There was a strong focus on infrastructure renewal in our 2018 service plans.

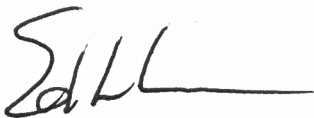
Our 2018 operating budget was \$564 million, providing resources that allowed us to deliver services in the approximately 60 lines of business residents rely on us to provide every day. The 2018 capital budget was \$263 million and included a roads budget of \$104 million. This provided funds for projects such as the four-laning of Municipal Road 35, continuation of Lorne Street rehabilitation, and increased investment in cycling infrastructure.

I sincerely thank staff for their continued focus on service and performance and for telling the City's story through this Annual Report. The achievements and milestones described here, including awards, major events and engagement opportunities for community members, reflect an ambitious community with a positive outlook.

These results are only possible due to the leadership and decisions of our City Council. Its direction is a critical element of the collaboration required to sustain the municipal programs and services that are so important to the city's quality of life.

The Annual Report tells the City's story for 2018 and provides insights about how long-range financial planning, investments in our city and continued progress will shape the future of our community.

Sincerely,



Ed Archer, Chief Administrative Officer  
City of Greater Sudbury





## MESSAGE FROM EXECUTIVE DIRECTOR OF FINANCE, ASSETS AND FLEET

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It is my pleasure to submit the 2018 financial information for the City of Greater Sudbury Annual Report. In addition to the consolidated financial statement for the year ended December 31, 2018, this report highlights key financial policies, the annual budget process and other information regarding financial performance related to the delivery of the City's programs and services.

The City of Greater Sudbury continues to ensure that it is financially prudent and sustainable by:

- Ensuring that reserves are not used to balance the operating budget;
- Updating the Long-Term Financial Plan;
- Developing asset management plans; and
- Considering the use of debt to finance large scale capital projects.

For the first time, the City of Greater Sudbury has received a Standard and Poor's (S&P) Global Ratings AA credit rating with a stable outlook. This rating influences the interest rate paid on any debt the City takes on.

The City continues to focus on operational excellence, continuous improvement and a sustainable approach.

I hope you enjoy our 2018 Annual Report and encourage you to visit the finance and budgeting sections on the City website where you can see how we deliver value to the taxpayers of the City of Greater Sudbury.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ed Stankiewicz'.

Ed Stankiewicz, Executive Director of Finance  
Assets and Fleet



## GREATER SUDBURY AT A GLANCE

The City of Greater Sudbury was formed on January 1, 2001, and represents the amalgamation of the towns and cities which comprised the former Regional Municipality of Sudbury and several unincorporated townships. It is the largest municipality in Ontario with an area of 3,228 square kilometres. It has evolved to become a hub for northeastern Ontario and provides access to medical, education, business and financial services. It contains 330 freshwater lakes, including the largest lake contained within a city, Lake Wanapitei.

### Our Population

- In 2018, Greater Sudbury was home to 166,000 people.
- Greater Sudbury is still growing. Between 2011 and 2016 Greater Sudbury welcomed 1,600 new citizens. It is the only northern Ontario city with positive growth and current projections suggest this trend will continue.
- Approximately 38 % of residents identify as knowing both official languages.
- Greater Sudbury is home to the third largest French population outside of Québec.
- More than 26 % of residents identify French as their mother tongue.
- The average age of a resident in Greater Sudbury is 42.2 years.

### Transportation in our City

- The City's road network contains 3,560 lane kilometres of road.
- A fleet of 59 accessible buses on 38 routes, cover more than 4.2 million kilometres of roadway and provide approximately 4.5 million passenger trips annually.
- Handi Transit service covers more than 1.63 million kilometres of roadway and provides approximately 130,000 passenger trips annually.
- Greater Sudbury Airport is one of northern Ontario's busiest airports servicing major Ontario and national markets. Airport traffic is up 6 % in 2018 with 286,000 passengers in 2018 compared to 271,000 in 2017.

### Higher Education

- The Northern Ontario School of Medicine, a faculty of medicine, is a joint initiative between Lakehead University and Laurentian University.
- The McEwen School of Architecture, part of Laurentian University, opened in 2013 and is the first new school of architecture to open in Canada in more than 45 years.
- Cambrian College provides a variety of courses in applied arts and technology.
- Collège Boréal is a French-language community college, with six satellite campuses located across Ontario.
- Laurentian University, a bilingual institution, offers graduate and undergraduate programs.
- Laurentian University, Cambrian College and Collège Boréal are attracting a record number of international students with over 1,500 in 2018/19.

## Population

**By 2046  
Greater Sudbury is  
expected to grow by**

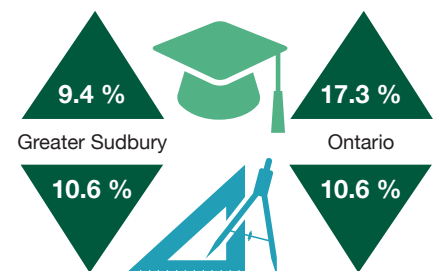
**4.1 %**



**2016                      2046**  
**166,130    172,900**

## Education

**University degrees  
are on the rise since 2011**



**Apprenticeship & trades  
certificates are on the decline  
since 2011**

Source: 2016 Census of Canada,  
Statistics Canada



## Income Levels on the Rise

# \$71,805

2016 Median Household Income



**Households making under  
\$49,999 are down**



**Households making over  
\$50,000 are up**

Median Household Income – Source: 2016  
Census of Canada, Statistics Canada



### Top Employers (rounded)

<b>3,900</b>	Health Sciences North
<b>3,800</b>	Vale
<b>2,500</b>	Government of Canada Tax Services
<b>2,500</b>	City of Greater Sudbury
<b>1,600</b>	Rainbow District School Board

## OUR ECONOMY – HOW ARE WE DOING?

Greater Sudbury is a great place to live, work, shop and play, is central to the economic growth of northeastern Ontario. Our medical, retail, business, financial and research services are critical to residents across the northeastern part of the province. The Bank of Canada predicts Canada's Gross Domestic Product (GDP) will grow by 2.2 % in 2019 and 1.9 % in 2020. Greater Sudbury is expected to grow by 1.2 % in 2019 and 1.1 % in 2020.

### Unemployment Rate

Greater Sudbury's unemployment rate was 6.6 % in 2018, down from 6.8 % in 2017. In comparison to the province and the country, Greater Sudbury was not far behind. Ontario's unemployment rate in 2018 was 5.6 % while Canada's was 5.8 %.

### New Businesses in 2018

- 60 businesses started
- 3 businesses expanded
- 94 jobs created

### Jobs and Job Growth

According to the Conference Board of Canada, the top sectors for employment in Greater Sudbury in 2018 included:

- Health Care and Social Assistance;
- Wholesale and Retail Trade;
- Primary and Utilities;
- Finance, Insurance, Real Estate, Business, Building and other Supporting Industries;
- Construction.

### Community Planning

2018 was a busy year for community planning. It included:

- 10,352 building inspections
- 7 official plan amendments
- 2 subdivision/condo applications
- 48 applications for rezoning
- 15 site plan applications
- 107 applications for minor changes to the Zoning By-law
- 93 lot split/easement applications

### Rental Markets

Vacancy rates for rental apartments in Greater Sudbury declined in 2018. This is largely a result of increased numbers of international students and rising homeownership borrowing costs.

## Housing and Building Permits

In 2018, 1,889 building permits were issued in the City of Greater Sudbury, a decrease of 5.5 %, from 2017. The total construction value of building permits issued in 2018 was \$291 million, indicating a 24 % decrease compared to \$383 million in 2017 which was the City's strongest year since 2009.

### Building Permit Value of Construction by Sector:

- The Industrial, Commercial and Institutional (ICI) sector accounted for 69 % of construction value in the City totaling \$200.9 million, a decrease of 30.2 % from 2017.
- New residential (including seasonal dwellings) accounted for 16.1 %, an increase of 6.6 % from 2017.
- Residential additions, alterations and renovations accounted for 11.7 %, up from the 7.2 % in 2017.
- Residential accessory buildings, accounted for 3 % up from 2.6 % in 2017.

## Municipal Accommodation Tax

- The Municipal Accommodation Tax (MAT) was implemented in September 2018. The 4 % fee is applied to accommodations of less than 30 consecutive days such as hotels, motels and other lodging.
- The MAT is estimated to generate \$1.6 million per year.
- Half of the MAT net revenue will be used to promote and grow the tourism industry through the Greater Sudbury Community Development Corporation. The other half will be used to support the new Arena/Event Centre.

## Construction

Continued growth is expected in Greater Sudbury's construction sector as a result of the \$80 million Maley Drive Extension and the \$100 million Kingsway Entertainment District and Arena/Event Centre projects.

## Mining and Mining Supply and Services Sector

- The mining supply and service sector is driving job creation, with strong export growth spurring business investment locally.
- In 2018, Vale and Glencore announced investments of 1.4 billion toward new mine development in the Sudbury region; Vale with its Copper Cliff Deep project and Glencore with its Onaping Depth endeavour.

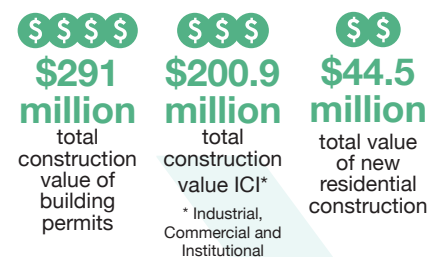
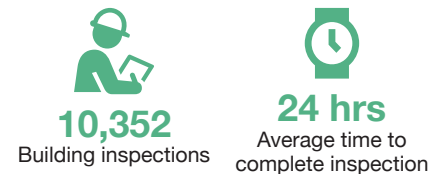
## Film and TV Production

- Film and TV production continues to grow in Greater Sudbury.
- In 2018 there were 15 productions filmed and a total of 580 days of filming.
- This resulted in over \$35 million spent in our local economy.

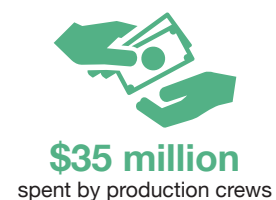
## Investing in the Arts

- In 2018, 42 arts and culture organizations received \$739,427 through Operating and Project Grant streams from the Greater Sudbury Community Development Corporation.
- This has led to the employment of over 100 artists and dozens of festivals.
- The estimated Return on Investment (ROI) is \$10.29 for every \$1 spent.

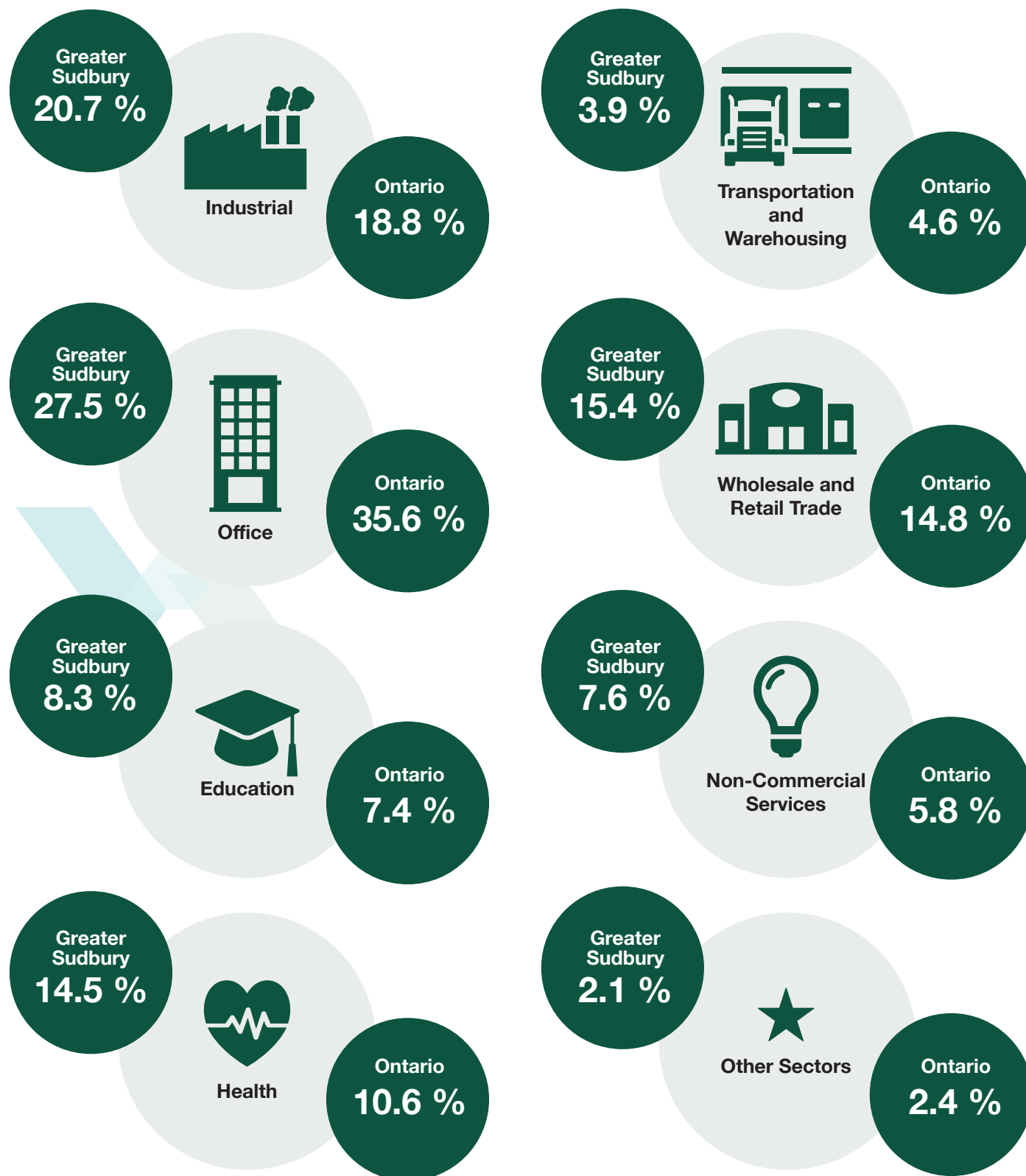
## Building Services



## Film Production



## Employment Sector



Source: 2016 Census of Canada, Statistics Canada  
 Prepared by the Analytics and GIS Section, City of Greater Sudbury  
 May 23, 2018

## FUTURE TRENDS

**Climate Change:** Climate change is creating risks for major weather events, with severe weather events increasing in frequency. This places more demand on infrastructure and operations which will require the municipality to have increased budget flexibility to deal with unexpected costs.

**Income Inequality:** A growing wealth gap has created increased pressure on municipal governments for their social services.

**Mining and New Mine Development:** Mining continues to be the most important economic factor affecting the growth outlook for Greater Sudbury. It creates variability with respect to the city's economic outlook, and over the longer term can be influenced by resources outside Greater Sudbury, such as the Ring of Fire. In 2018, Vale and Glencore announced investments of \$1.4 billion toward new mine development in the Sudbury region. These market trends bode well for the 300 businesses and 14,000 skilled workers that constitute Greater Sudbury's world-class mining supply and services cluster.

**Nickel Demand:** As one of the top nickel producers in the world, Greater Sudbury will no doubt benefit from the anticipated surge in demand for the metal as the global transition to electric vehicles begins to accelerate. Many of the key ingredients for electric vehicles such as nickel, copper, lithium and cobalt, are either produced in Greater Sudbury or in neighbouring communities.

**Population:** Greater Sudbury is expected to grow over the next 30 years by between 6,900 to 15,000 people, 6,000 to 8,400 households and 6,400 to 11,000 jobs under modest and high growth scenarios. Currently, the average age of a resident in Greater Sudbury is 42.2 years old. As our population ages, there will be a shift in services, increasing the demand on Paramedic Services, Housing and Long-Term Care (Pioneer Manor) which will prompt changes in other service areas.

**Regional Hub:** Greater Sudbury acts as a regional service centre for nearby municipalities including North Bay and Sault Ste. Marie, and provides a draw with additional amenities. This regional service function provides some stability to the long-term growth outlook.

**Regulatory Requirements:** Regulatory changes can add costs to the delivery of municipal services or require new services to be adopted.

**Slowing Provincial and Federal Economies:** With the Canadian and Ontario economies expected to slow, the federal and provincial governments may place greater pressure on municipal budgets.

**Technology Requirements:** Technology will continue to change the way the City delivers its services. These impacts may also increase the costs associated with maintaining systems and security. However, technology presents new economic opportunities and the ability to enhance the ways in which the City delivers services.



## ECONOMIC OUTLOOK


Economic Indicators	2016	2017	2018	2019f	2020f	2021f	2022f	2023f
Real GDP at basic prices (2007 \$ millions)	7,910	7,995	<b>8,126</b>	8,233	8,329	8,406	8,499	8,572
Percentage change	0.3	1.1	<b>1.6</b>	1.3	1.2	0.9	1.1	0.9
<b>Total employment (000s)</b>	<b>82</b>	<b>81</b>	<b>81</b>	<b>82</b>	<b>82</b>	<b>83</b>	<b>83</b>	<b>84</b>
Percentage change	-0.8	-0.7	<b>-0.6</b>	1.7	0.5	0.5	0.5	0.7
Unemployment rate (per cent)	8.1	6.7	<b>6.5</b>	6.2	6.1	5.9	5.8	5.8
<b>Household income per capita (\$)</b>	<b>48,521</b>	<b>49,464</b>	<b>50,138</b>	<b>51,542</b>	<b>52,906</b>	<b>54,236</b>	<b>55,650</b>	<b>57,199</b>
Percentage change	2.9	1.9	<b>1.4</b>	2.8	2.6	2.5	2.6	2.8
<b>Population (000s)</b>	<b>165</b>	<b>165</b>	<b>165</b>	<b>165</b>	<b>165</b>	<b>165</b>	<b>165</b>	<b>165</b>
Percentage change	-0.1	0.1	<b>0.1</b>	0.0	0.0	0.0	0.0	0.0
Total housing starts	289	195	<b>198</b>	259	263	262	263	260
<b>Retail sales (\$ millions)</b>	<b>2,124</b>	<b>2,253</b>	<b>2,306</b>	<b>2,382</b>	<b>2,433</b>	<b>2,478</b>	<b>2,525</b>	<b>2,571</b>
Percentage change	6.1	6.1	<b>2.3</b>	3.3	2.2	1.8	1.9	1.8
CPI (2002 = 1.000)	1.297	1.319	<b>1.352</b>	1.382	1.411	1.44	1.470	1.498
Percentage change	1.8	1.7	<b>2.6</b>	2.2	2.1	2.1	2.0	2.0

Source: Metropolitan Outlook 2, Winter 2019, Conference Board of Canada

f = forecast

Prepared by Analytics and GIS, Community &amp; Strategic Planning Section, City of Greater Sudbury, 14-May-19

## Regional Business Centre



**60**  
businesses  
started



**3**  
businesses  
expanded



**94**  
jobs  
created



**116** to **1,790**  
workshops  
delivered people

## Export Services 2011 to 2019

**Northern Ontario Export Program (NOEP) supports northern Ontario businesses as they expand outside of Canada.**

Survey results tell us that of northern companies who participated in the program:


**264 jobs**  
created in the past two years



reported

**\$25 – \$32.6 million**  
of total sales growth

**269 jobs**  
created in the next two years



**52**  
of those companies expect increased  
export revenue in the next two years



## THE 2015-2018 CORPORATE STRATEGIC PLAN

City of Greater Sudbury Council approved a 2015-2018 Corporate Strategic Plan designed to create a fiscally responsible, innovative, and responsive municipal government. It outlines strategic priorities for the City of Greater Sudbury, and further develops these priorities with measurable actions in the Implementation Plan. The Implementation Plan is a roadmap to some of the larger, more resource-intensive and transformational projects to be undertaken during this Council's term.

A status update on the progress of each action item outlined in the Implementation Plan was presented to Council on August 22, 2018. A number of action items have been completed and the majority are in progress. An updated status report was included as part of the 2019 budget document.

City Council met early in 2019 to develop a strategic plan to guide decisions through the next term of Council. It is anticipated that a new or significantly updated Strategic Plan will be available June 2019.

## HOW WE DELIVER THE CORPORATE STRATEGIC PLAN

The four priorities of the 2015-2018 Corporate Strategic Plan were:

1. Quality of Life and Place: Strengthen the high quality of life we already know and love
2. Growth and Economic Development: Grow the economy and attract investment
3. Responsive, Fiscally Prudent, Open Governance: Lead in public service excellence
4. Sustainable Infrastructure: Prioritize, build and rebuild our community's foundation

In 2018, the City was committed to producing tangible results for the community that align with these strategic priorities.

### 1. Quality of Life and Place

A city's success is measured by more than economics; it extends to the well-being and satisfaction of residents with their community. The City of Greater Sudbury aims to continuously improve the lives of residents of all ages by investing in better parks, bike lanes, cultural venues and much more.

#### Programs and Services

##### Feel Free to Skate

All 14 community arenas provided free public skating from September to December 2018. The pilot program provided affordable access to recreational opportunities by waiving fees for all ages, adult, and parents and tots public skating sessions at indoor arenas.

##### Indoor Walking Programs

Free indoor walking programs took place at municipal community centres and arenas between November 2018 and March 2019. The walking programs encouraged residents to stay active when the weather did not allow for outdoor activities.

## 2018 HIGHLIGHTS



## 2018 HIGHLIGHTS

**New Ambulances**

Three new ambulances equipped with new visual and auditory technology were added to the City's fleet. The technology is designed to increase the visibility of these first response vehicles as they travel city roads on life-saving missions.

**Population Health Priorities**

The City of Greater Sudbury hosted a daylong event in June 2018 where delegates drafted a Population Health Call to Action to use in their planning for the next 10 years. A final document was created outlining potential community actions that could help improve the city's quality of life and place. The 10 priorities for population health in Greater Sudbury endorsed by City Council are: Indigenous Youth, Resiliency, Families, Mental Health, Compassionate City, Play Opportunities, Housing, Holistic Health, Age-Friendly Strategy and Healthy Streets.

**Public Spaces and Facilities****Pickleball Courts**

The City of Greater Sudbury officially opened its first outdoor pickleball courts at O'Connor Playground in 2018. The permanent pickleball nets are open to the public, accommodating up to 24 players at a time.

**Universal Change Room**

The Howard Armstrong Recreation Centre officially opened a gender-neutral and fully accessible universal change room, improving public access to Greater Sudbury's largest municipal fitness centre.

**Playground Renewal**

Fifty-eight municipal playgrounds identified as being in poor condition, will be renewed over the next two to three years. Twelve municipal playgrounds, one in each ward, were chosen for renewal through a partnership between the City of Greater Sudbury and United Way Centraide North East Ontario/ Nord-est l'Ontario.

Installation of new play structures was completed at five of 12 playgrounds in 2018. The remaining seven playgrounds will undergo construction in the spring of 2019 with grand opening celebrations to follow.

**Green Living and the Environment****Regreening**

The City's internationally recognized Regreening Program celebrated 40 years in 2018. Over the past four decades Greater Sudbury has made a transformation from a moonscape to a living landscape and the ecological recovery has begun on roughly 80,000 hectares of affected land. Since 1978, over 3,400 hectares of barren land have been treated and almost 10 million seedlings have been replanted.



### 2018 Ugliest Schoolyard Contest

Confederation Secondary School and Lo-Ellen Park Secondary School were the winners of the 2018 annual Ugliest Schoolyard Contest, presented by VETAC, Greater Sudbury's Regreening Advisory Panel. The winning schools split a cash donation of \$20,000 from Sudbury Integrated Nickel Operations (Sudbury INO), a Glencore Company, the contest's major corporate sponsor. Financial contribution from KGHM, a private citizen, the Sudbury Horticultural Society and the Sudbury Master Gardeners were also pooled with supplies from local businesses to transform their schoolyards into greener and healthier outdoor environments. Since 2005, the Ugliest Schoolyard Contest and its sponsors have helped 45 schools create greener and healthier schoolyards.

### Clean Up Greater Sudbury

Each year, to promote litter awareness and revitalize community pride, the City invites residents and businesses to take part in clean-up initiatives such as the 20-Minute Makeover and two-hour Clean Up Blitz. In 2018, 469 participants in 25 groups picked up roadside litter throughout Greater Sudbury as part of the initiative.

### Drinking Water and Wastewater Treatment Plant Tours

In 2018, 266 people toured a City of Greater Sudbury Water or Wastewater Treatment Plant to find out where our water comes from and where it goes. Participants had the opportunity to observe wastewater plant processes and learn how water is treated before it is released into the environment. Hundreds of Greater Sudbury residents of all ages have taken part in the facility tours over the past few years.

## 2. Growth and Economic Development

Providing a welcoming environment to attract investment and stimulate growth is fundamental to our economy. Each year, the City attracts thousands of business travelers and visitors to a number of sporting, entertainment and cultural events and festivals.

### Business and Growth Opportunities

In 2018, 60 businesses were started, three businesses expanded and 94 jobs were created. There were 38 summer company applications submitted and seven businesses received Ontario government grants totaling \$21,000. There were 198 Starter Company Plus applications submitted and 21 businesses received grants totaling \$85,000.

### Workshops, Tours and Networking Events

In 2018 Regional Business Centre staff delivered 116 workshops to 1,790 people. City staff also hosted two city-wide tours and attended three investment networking events.

## 2018 HIGHLIGHTS



## 2018 HIGHLIGHTS

**Downtown Sudbury BIA “Win This Space” Initiative**

The Downtown Sudbury BIA “Win This Space” initiative is an innovative business recruitment initiative, designed to encourage entrepreneurship in Downtown Sudbury along with providing support, training opportunities and business mentorship. This initiative aligns with the Downtown Sudbury BIA Strategic Plan, Downtown Master Plan and From the Ground Up: Economic Development Strategic Plan and recruits new investment in Downtown Sudbury. The 2018 contest winner was Starlotte Dresen, the owner of Starlotte Satine Vintage. The grand prize was a package totaling almost \$50,000, including a one-year lease of up to \$15,000 located in downtown Sudbury.

**Sudbury Five**

2018 saw the launch of the new local franchise of the National Basketball League of Canada with support from the City. The professional men’s team played 40 games during its inaugural season beginning November 22, 2018.

**3. Responsive, Fiscally Prudent, Open Governance**

A strong emphasis is placed on the relationship between governance, information and the community. The City actively strives to provide relevant information to residents and to lead in public service excellence.

**Monthly Dashboard**

Throughout 2018, the City published a monthly dashboard that reported on different service areas. It is an effort the City is making to support fact-based discussions about our services and, ultimately, build public trust and confidence in the City. These reports focus as much as possible on the user experience, while highlighting performance data. Examining City services regularly is a way to improve on performance and processes.

**Integrity Commissioner**

As part of its commitment to open government and in conjunction with new legislation, the City appointed an Integrity Commissioner to coincide with the term of the new Council. The Integrity Commissioner is responsible for advising Councillors and local board members on matters relating to conduct and ethics, investigating complaints regarding these matters, and making findings as to whether complaints are unsubstantiated or not.

**Customer Service Strategy**

The first enterprise-wide customer service strategy was developed for employees and citizens to foster a positive customer service culture. It focuses on connecting people with services and connecting citizens with municipal employees, recognizing that customer service is everyone’s responsibility.

**Customer Relationship Management System**

The City’s Customer Relationship Management (CRM) system is used to manage resident calls and requests. New service areas were trained and included on the system to provide consistency in how resident questions and concerns are tracked and addressed across the organization. The new service areas using the CRM include: citizen services, cemetery services, engineering, construction and the Greater Sudbury Airport.





## 4. Sustainable Infrastructure

The building and maintenance of our community's foundation is a main priority of the City. Investments in roads and transportation infrastructure, including paths, sidewalks, transit and more, are vital to everything we do.

### Maley Drive

The Maley Drive Extension is an investment in the social, economic and environmental future of the City of Greater Sudbury. It will deliver benefits to residents, business and industry in an affordable and fiscally responsible manner while addressing the future needs of Greater Sudbury. With a surplus projected for Phase One, the last two Maley Drive Extension contracts totaling \$48 million were awarded to initiate work between Frood Road and Falconbridge Highway. The Maley Drive Extension, from Collège Boréal to Barry Downe Road, and reconstruction of Maley Drive from Barry Downe to Falconbridge Road are expected to be completed in 2019. The entire project is expected to be finished by the end of 2022.

### Parking Lot Redevelopment

The St. Joseph's Parking Lot redevelopment was completed and resulted in additional parking, green space, improved stormwater management, and enhanced access to the waterfront at Bell Park.

### Transit Funding

As part of the federal and provincial governments' bilateral agreement for the Investing in Canada Infrastructure Program, City of Greater Sudbury Transit will see contributions of \$39.8 million in federal funding and \$32.8 million in provincial funding. Assuming a municipal contribution of 27 %, this provides a potential total funding maximum of \$99.4 million toward public transit infrastructure projects over the next 10 years. The investments through the first phase of Public Transit Infrastructure Fund (PTIF) have given Greater Sudbury Transit the opportunity to re-evaluate and identify gaps in service which need to be addressed to meet the community's transportation needs. Updated routes and schedules will take effect in August of 2019.

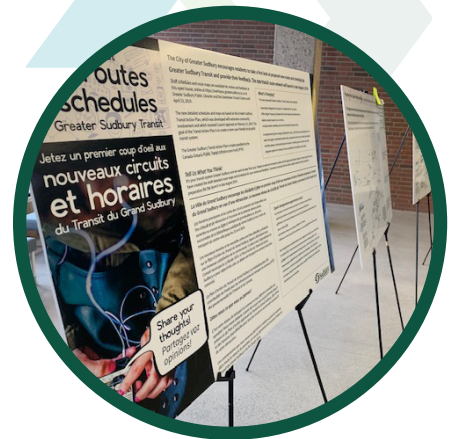
### Leading Pedestrian Intervals

Four new leading pedestrian interval (LPI) crossings were implemented to reduce conflict between pedestrians crossing the road and turning vehicles. LPIs give pedestrians an additional five seconds to begin crossing the intersection while traffic in the other direction faces a red light. This gives pedestrians time to be fully visible in the crosswalk and establish their right-of-way in the intersection, before adjacent traffic in the other lane is given the green light to turn.

The LPIs are located at the following intersections:

- Elgin Street at St Anne Road/Mackenzie Street
- Notre Dame Avenue at Ste Anne Road/Louis Street
- Notre Dame Avenue at King Street
- Notre Dame Avenue at Wilma Street
- Notre Dame Avenue and Kathleen Street

## 2018 HIGHLIGHTS





## Clean Up

July 9<sup>th</sup> storm



**5,157**  
**cubic metres**

of brush pick-up  
related to storm



**402**

tree stumps to be cleared



**44 green bins**  
**collected**

for spoiled food  
due to power outage

## Winter Maintenance

**13 ft**

**2018**  
**snowfall**  
(record setting)



**12**

**General**  
**call outs**  
(all City crews and  
contractors)



## EXTREME WEATHER IMPACT ON SERVICES

Greater Sudbury's climate is extremely seasonal, experiencing hot, humid summers and cold or snowy winters. In 2018, residents experienced a number of extreme weather events.

### Heat Wave

The summer of 2018 was extremely hot and dry. Due to a heat warning declared by Environment Canada, the City of Greater Sudbury took measures to ensure resident safety. From June 30, 2018 extending past July 5, the City extended hours and lifeguard supervision at municipal facilities and beaches and established Greater Sudbury Libraries as cooling centres. Due to extremely hot and dry conditions, the City declared a ban on all open air burning throughout the entire city from June until September.

### Severe Storm

On July 9, 2018, a severe microburst swept through the city resulting in downed power lines, fallen trees and power line fires. Greater Sudbury Utility crews, Public Works crews, power companies from Sault Ste. Marie, North Bay and Huntsville and contractors all took part in the impressive cleanup effort.

- Alert services were sent to 77,146 residents (10,638 confirmed receipt).
- At its peak, 4,000 households were without power. Most restored within two to three days.
- Fire Services responded to 57 calls of downed power lines and fires.
- 246 calls to 911.
- 1,207 calls to 311 the next day.
- 581 storm-related service requests to 311 one week after the storm.
- 450 fallen trees reported within two weeks of storm.
- Approximately \$900,000 spent by the City of Greater Sudbury due to this event.

### Snowfall

Crews work hard to ensure that all 3,536 lane kilometres of the municipal road network is clear and passable within 24 hours following the end of a winter weather event. Crews also maintain over 425 kilometres of sidewalks and keep about 500 bus stops clear. In 2018 the city received about 342 centimetres of snowfall, 133 % of the normal 30-year average. The snowfall exceeded averages from January to April (127 %) and November (234 %), while December's snowfall matched the average (100 %).

## ENGAGING OUR COMMUNITY

The City provides a variety of opportunities for citizens to participate in the discussions, decision-making and implementation of projects or programs that affect our community. Connecting with residents and listening to their feedback is important in ensuring we are successful in managing the long-term needs of the city.

### 2018 Citizen Survey

As part of City Council's commitment to engage residents in decisions that affect programs, services and policies, the City of Greater Sudbury launched the Citizen Survey in April 2018. Metroline Research Group Inc., a national marketing research company, surveyed 1,200 random households to measure citizen perceptions and attitudes regarding City services and general levels of satisfaction with local quality of life. Results were presented in a report to Council on August 14, 2018.

#### Key Findings:

- Residents are satisfied with their quality of life; 92 % said their quality of life is fairly good to excellent
- Local environment and community as a whole are significant factors in satisfaction
- The issue at top of mind for residents is the condition of municipal roads
- Planning for future also a common concern for residents

### Consultation and Public Engagement

Over the course of the year, the City reached out to the public for feedback on a number of projects and initiatives online and in person.

In 2018, to supplement in-person engagement and other engagement options, the City launched Over to You, an online engagement portal. It includes a variety of tools for engaging the public, including surveys, forums, idea boards, map applications, and more.

Online engagement is a convenient and quick way for residents to get involved and have their say in topics that are important to them. Through the portal, responses are gathered and easily shared and reported on to demonstrate community priorities.



### 2018 Over to You Summary

**30**

Engagement projects  
on portal

**29,200**

Total Visits

**3,200**

Maximum visits per day

**1,500**

New registrations  
to the site

### Top Projects



Cannabis Retail  
Store Survey



Backyard Hens



South End Off Leash  
Dog Park

## LARGE PROJECTS

In 2016, Council endorsed in principle, four Large Projects: the Kingsway Entertainment District and Arena/Event Centre, The Junction: Library/Art Gallery and the Greater Sudbury Convention/Performance Centre, and Place des Arts. These investments will result in economic growth, improved quality of life, and a bright future for the city. The positive impacts of the large projects will be felt by the residents of Greater Sudbury for years to come.

Each Large Project aligns with Council's Strategic Plan, Greater Together, by:

- Growing the economy and attracting investment
- Strengthening the high quality of life
- Leading in public service excellence
- Prioritizing, building and rebuilding the community's foundation.

In 2018, each project was in a different stage of exploration, analysis and development.

### 1. Kingsway Entertainment District and Arena/Event Centre

The Kingsway Entertainment District is a space for residents to gather and celebrate and enjoy our northern lifestyle. The first phase includes an Arena/Event Centre owned by the City of Greater Sudbury, a Casino owned and operated by Gateway Casinos and Entertainment Limited, an adjoining hotel complex and associated restaurants. Council direction has been received at all milestones, including the integrated site plan concept, financial plan, criteria to evaluate Design/Build bid proposals and Council approved rezoning of properties.

A Festival Square will connect the Casino/Hotel complex and Arena/Event Centre, providing an outdoor entertainment space, promoting family fun and relaxation year-round.

#### 2018 Highlights:

- Financial plan approved as part of the 2018 budget.
- Hosted several engagement opportunities to get feedback from the public on the design for Festival Square.
- Finalized detailed site design.
- Comprehensive cost sharing agreement finalized and confirmed commitment of all parties to the development of the Kingsway Entertainment District. Four partners are represented in the cost sharing agreement: City of Greater Sudbury (responsible for the event centre), Gateway (responsible for the casino and restaurants), the hotel/conference centre (represented by the developer, Mr. Zulich), and the developer (responsible for the remaining lands).
- The City of Greater Sudbury Planning Committee approved the Official Plan amendment and rezoning to permit a casino, public arena and parking lot at the Kingsway site.
- Twelve appeals filed with Local Planning Appeal Tribunal (LPAT) regarding the Official Plan amendment and rezoning of land, and an LPAT Case Management Conference was held in November, 2018.



## 2. The Junction: Library/Art Gallery and Greater Sudbury Convention/Performance Centre

Together, the Greater Sudbury Convention and Performance Centre (GSCPC) and the Library/Art Gallery (LAG) make up The Junction. This project envisions the redevelopment of two city blocks in Greater Sudbury's historic downtown. The GSCPC will be a unique, multi-purpose convention and live performance facility. The new main library will be a next generation community information and activity hub and the new Art Gallery of Sudbury will rightfully assume its role as an anchor institution for our community, enticing new and repeat visitors to engage with one of northern Ontario's most significant public community art collections.

### 2018 Highlights

- City Council approved the Sudbury Community Arena site and Minto Street parking lot as the preferred site for The Junction.
- An extensive community consultation campaign resulted in an integrated site design.
- Funding applications were submitted and a business case and financial plan were developed.
- Economic Developers Association of Canada selected The Junction as winner of the 2018 Marché International des Professionnels d'Immobilier (MIPIM) Award for outstanding real estate investment opportunity because of its potential for downtown revitalization and the uniqueness of the proposed facility.

## 3. Place des Arts

Place des Arts will be northern Ontario's first multidisciplinary arts and culture centre. Located at the corner of Elgin and Larch streets, north of Medina Lane in downtown Sudbury, the centre will be the permanent home of eight francophone cultural organizations. Together, they will offer nearly 850 activities per year, aiming to have 50,000 admissions annually. Designed to be a gathering place for the whole community, the four-storey building will include a performance hall, a multipurpose studio, a contemporary art gallery, a youth studio, a bistro with a seasonal sidewalk terrace, a gift and book shop, an early childhood artistic centre with a playground, and office space. Public spaces and services will be provided in both official languages.

### 2018 Highlights

- Schematic design phase of Place des Arts completed and approved.
- Site preparation and construction began on the future site of Place des Arts.
- City staff met with Place des Arts and downtown stakeholders regularly to implement communication strategies.
- The project secured several large private-sector donations and continues to approach its community fundraising goal.





## AWARDS AND RECOGNITION

### AA Credit Rating with a Stable Outlook – City of Greater Sudbury

- Issued by Standard and Poor's (S & P) Global Ratings
- The rating is attributed to the City's diverse economy and effective financial management and based on the view that the City's debt burden will remain manageable during the coming years, even with the City's robust capital plan.

### 2018 Ontario Age-Friendly Community Recognition Award – City of Greater Sudbury

- The City's Age-Friendly Community Action Plan was acknowledged with the award on behalf of the Ministry of Seniors Affairs during the inaugural Age-Friendly Community Symposium held in Toronto on March 26, 2018.
- The Seniors Advisory Panel has been working since 2016 to gather public input on how to make the city more accessible and inclusive through its Age-Friendly Community Task Force subcommittee.
- The engagement process included a survey of over 1,200 residents, 11 public forums and collaboration with community partners

### George Warren Fuller Distinguished Service Award – Nick Benkovich, retired City of Greater Sudbury Director of Water/Wastewater.

- The award is presented to a member by the American Water Works Association (AWWA) for distinguished service to the water supply field.
- Recipients are commemorated for their sound engineering skill, brilliant diplomatic talent, and constructive leadership which characterized the life of George Warren Fuller.

### Bronze Bicycle Friendly Community Award – City of Greater Sudbury

- The Share the Road Cycling Coalition recognized the City of Greater Sudbury with the award, making it Ontario's 40th Bicycle Friendly Community.
- Municipalities are judged in five categories of being bicycle friendly: Engineering, Education, Enforcement, Encouragement, and Evaluation and Planning and must demonstrate achievements in each category to be considered. The award categories are: Bronze, Silver, Gold, Platinum and Diamond.
- The City of Greater Sudbury joins Thunder Bay and Temiskaming Shores as Bronze level communities in Ontario's North, demonstrating the growing demand for cycling in all areas of the province.

### Industry Leader for Workforce Development and Training Award – City of Greater Sudbury

- Presented at the Destination Northern Ontario Summit held in Sault Ste. Marie in November 2018 to the City of Greater Sudbury.
- The award recognized three Sudbury Tourism Customer Service Familiarization (FAM) Tours held in 2018. FAM Tours are trips organized by travel providers to educate and promote the destination's products, attractions and services. As part of the tours, staff worked with





local tourism partners to visit activity centres, attractions and local businesses in the community.

- These recent tours helped generate new business for participating partners.

#### **Municipal Engineers Association (MEA) Award – Tony Cecutti, General Manager of Growth and Infrastructure**

- Presented in November 2018 at the MEA annual general meeting.
- This award recognizes an engineer who has contributed significantly to the profession of municipal engineering in the technical, educational or community service field. Recipients are commemorated for outstanding service to their community, their enhancement of the image of municipal engineering, and their record of long-term service in the profession.

#### **Distinguished Budget Presentation Award – City of Greater Sudbury**

- Awarded in September 2018 by the Government Finance Officers Association (GFOA) for the 2018 City of Greater Sudbury Budget.
- The award is considered the highest form of recognition in government budgeting. To qualify for the international award, the City's budget document met a number of guidelines for its effectiveness as a policy document, a financial plan, an operations guide and a communications tool.

#### **Gold-Level AVA Digital Award and Gold-Level Hermes Creative Award – City of Greater Sudbury**

- Awarded to the revitalized City of Greater Sudbury website in the Web-Based Production/Website/Government and the Government/Website Overall categories.
- The awards are administered and judged by the Association of Marketing and Communication Professionals. AMCP judges are industry professionals who look for companies and individuals whose talent exceeds a high standard of excellence and whose work serves as a benchmark for the industry.

#### **Economic Developers Association of Canada Conference MIPIM Award – City of Greater Sudbury**

- City Council's The Junction project, which includes the joint Library/ Art Gallery and Greater Sudbury Convention and Performance Centre, was awarded the 2018 Marché international des professionnels de l'immobilier (MIPIM) Award for its outstanding real estate investment opportunity. The award was given based on the downtown revitalization and private sector investment opportunities of the project.
- The award prize package included the cost of booth and registration fees for four participants to attend the MIPIM conference in Cannes, France, in March 2019.



Services provided by the municipality include:

### **Resident Safety:**

Animal Control  
Building Inspections  
By-law Enforcement  
Emergency Management  
Fire  
Paramedic Services  
Police

### **Public Health:**

Drainage and flood management  
Public Health Sudbury & Districts  
Wastewater collection and treatment  
Water treatment and distribution

### **Transportation:**

Roads and bridges  
Sidewalks and bike lanes  
Traffic control  
Transit  
Winter road maintenance

### **Quality of Life:**

Community grants  
Land use planning oversight  
Long-Term Care  
Parks and playgrounds  
Recreation programs and facilities  
Social Services

## ORGANIZATION PROFILE

The City of Greater Sudbury is a single-tier municipality meaning it is responsible for all municipal services and assumes all responsibilities set out under the Municipal Act and other provincial legislation. As such, the City is responsible for maintaining all infrastructure and assets, providing emergency services, library services and more in an area of 3,228 square kilometres. The City is in approximately 60 different lines of business, each one important to members of our community.

### Vision, Mission and Values

#### **Vision**

A growing community, recognized for innovation, leadership, resourcefulness and a great northern lifestyle.

#### **Mission**

Providing quality municipal services and leadership in the social, environmental and economic development of the City of Greater Sudbury.

#### **Values**

As stewards of the City of Greater Sudbury, we believe in recognizing the specific needs of all our citizens in urban, rural and suburban areas, and are guided by our belief in:

- Acting today in the interests of tomorrow
- Providing quality service with a citizen focus
- Embodying openness and transparency
- Communicating honestly and effectively
- Creating a climate of trust and a collegial working environment to manage our resources efficiently, responsibly and effectively
- Encouraging innovation, continuous improvement and creativity
- Fostering a culture of collaboration
- Ensuring an inclusive, accessible community for all
- Respecting our people and our places.



## GUIDING DOCUMENTS

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### The Official Plan

The Official Plan (OP) is a blueprint to help guide Greater Sudbury's development. It establishes long-term goals, shapes policies and outlines social, economic, natural and built environment strategies for the city.

The OP guides municipal decision-making on issues that affect the daily life of every resident such as the location of schools and other community facilities, the development of residential, commercial and industrial areas and more.

Phase 2 of the OP review is currently underway. It will align the OP with the Transportation Master Plan and the Water/Wastewater Master Plan, once complete. At that time, staff will bring forward any recommended land use policy changes associated with the Greater Sudbury Development Corporation's Strategic Plan: From the Ground Up 2015-2025.

### Communications Strategic Plan

The Communications Strategic Plan outlines a framework for the City's communication practices to ensure they meet the information and engagement needs and expectations of residents. It builds residents' understanding of their municipal government and employee confidence through ongoing, two-way engagement and communication.

### Cultural Plan

The Cultural Plan is the framework for identifying and leveraging the community's cultural resources and integrating culture across all facets of planning and decision-making. The plan includes substantial goals under four interconnected strategic directions; Creative Identity, Creative People, Creative Places and Creative Economy.

### Customer Service Strategy

The Customer Service Strategy describes how the City will transform customer service and build a consistently positive customer service culture. It outlines a framework for the City's customer service approach over the next three years, and serves as a roadmap to making positive customer service part of the City of Greater Sudbury brand.

### Downtown Master Plan

The Downtown Sudbury Master Plan is the blueprint for the revitalization of Downtown Sudbury, detailing a series of actions and initiatives along with time frames and responsibilities. A healthy, active, successful downtown makes a positive statement about the prosperity of a city to future residents, businesses and investors.

### Economic Development Strategic Plan

The Economic Development Strategic Plan strengthens the community's direction and focus, while working toward a vision of employment growth and economic diversification. It outlines a number of goals including the development of an entrepreneurship ecosystem, a welcoming and open community, a highly skilled and creative workforce, one of Ontario's top tourism destinations, and more.





### **Emergency Services Strategic Plan**

This document provides strategic direction for the Community Safety Department to achieve the vision of providing highly effective services that has the confidence of the community.

### **Enterprise Asset Management Policy**

The Enterprise Asset Management Policy outlines best practices for long-term financial planning and the process for making informed decisions regarding the acquisition, operation, maintenance, renewal, replacement and disposal of physical City assets.

### **Corporate Information Technology Strategic Plan**

The Corporate Information Technology Strategic Plan provides a direction to achieve a vision of great service experiences powered by technology and data, available anywhere, anytime. It emphasizes digitization with a focus on simple, easy to use technologies, improving service quality and efficiency in customer and staff interactions.

### **Planning Services Strategic Business Plan**

The Planning Services Strategic Business Plan is structured around six key goals and involves over 60 initiatives that can be undertaken to improve land use planning in the community. It defines Planning Services role in creating and managing positive change consistent with the Official Plan. It commits the division to proactively leading positive change, strengthening its evidence-based decision making frameworks, and furthering its reputation as innovators, collaborators, communicators and administrators.

### **Roads Financial Plan**

The financial plan for roads addresses growing infrastructure and operational requirements of the City's road network, the City's largest single asset class. The plan considers a plan that progressively, but responsibly, increases funding to support roads asset renewal and construction requirements.

### **Long-Term Financial Plan**

The Long-Term Financial Plan is designed to ensure the City attains financial sustainability and has sufficient resources to provide the services that the community expects.

### **Water/Wastewater Master Plan**

The Water/Wastewater Master Plan identifies long-term replacements and/or expansion to the water and wastewater servicing networks. It defines the water and wastewater infrastructure required to service existing and future development to 2041.

### **Water/Wastewater Long-Range Financial Plan**

The City of Greater Sudbury is legislated to maintain a financial plan for its water/wastewater services. The 10-year plan is a strategy to help achieve the financial sustainability of the water and wastewater system. Benchmarks are used to measure progress and serve as a guide to Council when making budget decisions. An updated study will be presented to Council in spring 2019.



## PERFORMANCE MEASUREMENT AND BENCHMARKING

The City regularly measures performance and participates in benchmarking activities. This allows Council and management to set goals to improve outcomes and develop action plans to reach targets.

### BMA Study

Each year, the City of Greater Sudbury participates in a comparative study of Ontario municipalities conducted by BMA Management Consulting Inc. In 2018, 108 municipalities participated in the study which provides comparisons of financial information, select user fees, sewer and water services, and more. The City also belongs to several industry-specific organizations, which compile and analyze benchmarking data to determine where service improvements can be made.

To see the results of the 2018 BMA Study visit [greatersudbury.ca/BMAStudy](http://greatersudbury.ca/BMAStudy).

### Municipal Benchmarking Network Canada (MBNCan)

The City joined MBNCan in the spring of 2017, after a two-year absence, to share expertise and data about municipal services. MBNCan is designed to highlight opportunities for improving service performance and demonstrate transparency and accountability to taxpayers.

MBNCan collects data annually for 36 program areas and provides comparisons with municipalities across the country. The City participates in all 36 service areas and reports on 166 measures. Full results for 2017 were released on November 1, 2018.









Results are reported on the City's website at [greatersudbury.ca/MBNCan](http://greatersudbury.ca/MBNCan).

### Performance Dashboards

In 2018, the City began providing a collection of statistics through monthly dashboards. The areas profiled vary each month, and the goal is to help assess and measure performance over time.

Performance dashboards for 2018 can be viewed at [greatersudbury.ca/dashboard](http://greatersudbury.ca/dashboard).

### Municipal Service Data Measured

-  **\$291,624** in building permit values (in 1000's)
-  **3,486** average monthly social assistance case load
-  **3,536** kilometres of roads
-  **24,803** megalitres of annual volume of treated wastewater
-  **20,056** megalitres of annual volume of treated drinking water
-  **95,825** tonnes of annual disposal of solid waste
-  **31,497** tonnes of annual diversion of solid waste
-  **4,432,000** of regular service passenger transit trips

## What the numbers say



paved lane km where condition is rated good to very good



of conventional transit passenger trips per person in service area per year



wastewater main backups per 100 km of waste water main per year



of wastewater estimated to have bypassed treatment



water main breaks per 100 km of water distribution pipe per year



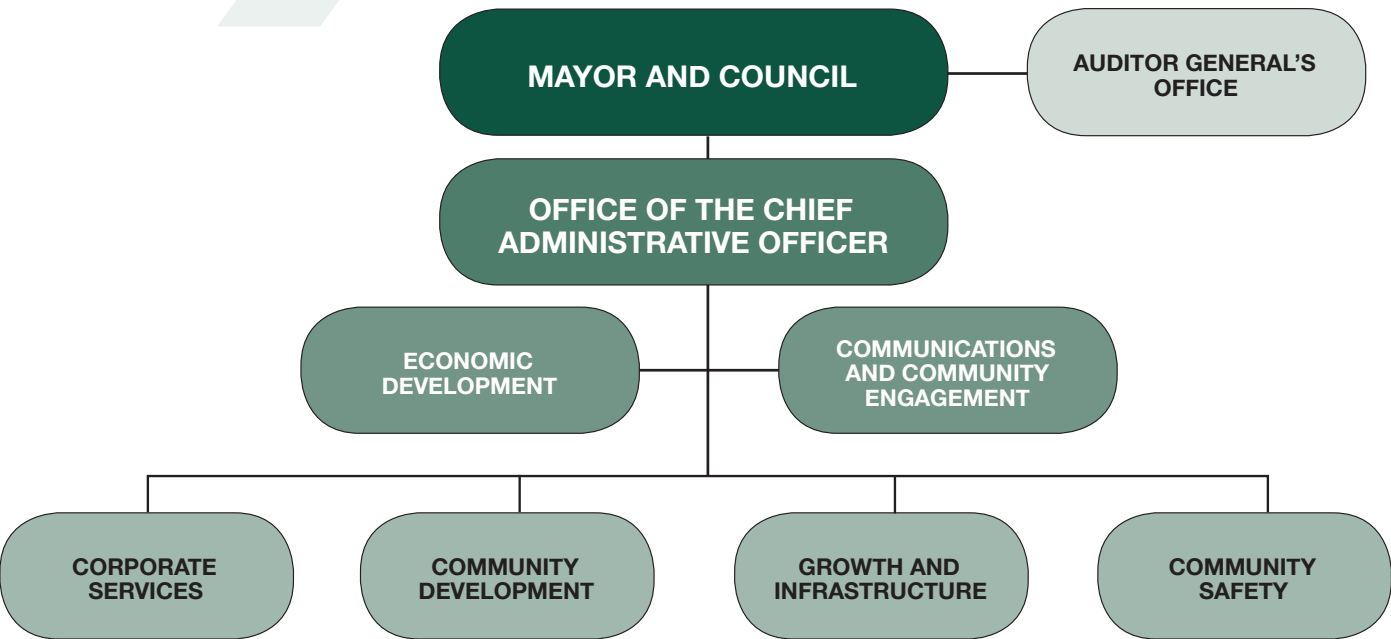
of residential solid waste diverted for recycling



Organization Structure

The City of Greater Sudbury's operations are overseen by the Office of the Cheif Administrative Officer (CAO) in conjunction with the Executive Leadership Team (ELT) and are managed through the following departments: Corporate Services, Community Development, Community Safety and Growth and Infrastructure. These departments work together to ensure citizen needs are met in a professional, timely manner, to achieve the goals of Council and to provide excellent service and delivery of programs and services to our community.

- Ed Archer,  
Chief Administrative Officer
- Tony Cecutti,  
General Manager of Growth and Infrastructure
- Kevin Fowke,  
General Manager of Corporate Services
- Joseph Nicholls,  
Interim General Manager of Community Safety
- Ian Wood,  
Interim General Manager of Community Development
- Ed Stankiewicz,  
Executive Director of Finance, Assets and Fleet
- Eliza Bennett,  
Director of Communications and Community Engagement
- Meredith Armstrong,  
Acting Director of Economic Development



## Office of the Chief Administrative Officer (CAO)

The Office of the CAO leads the City's Executive Leadership Team, provides corporate leadership and strategic support to all City departments and is responsible for supporting Mayor and Council, as well as the organization, in achieving priorities, strategic projects and initiatives to enhance citizens' quality of life.

The office of the CAO also includes the Communications and Community Engagement and Economic Development divisions.

### 2018 Accomplishments

#### CAO

- Continued to lead the advancement of each of the Large Projects endorsed by Council, including the Kingsway Entertainment District and Arena/Event Centre, The Junction and Place des Arts.
- Oversaw the substantial completion of a number of Council and organizational strategic priorities, including the completion of the website revitalization project, the Enterprise Risk Management Policy and the Capital Budget Prioritization project.
- Oversaw the completion of the City of Greater Sudbury Employee Survey, which had a 6 % increase in overall participation.
- Oversaw the development of an improved Council orientation program for the 2018-2022 Council.
- Implemented a monthly City dashboard to demonstrate performance and progress in municipal service areas.

#### Communications and Community Engagement

- Developed the City's first enterprise-wide customer service strategy, Respect. Excellence. Connection. Service., a roadmap for employees and citizens alike to make a positive customer service culture part of the City of Greater Sudbury brand.
- Completed the second phase of the City website revitalization project, resulting in a more user-friendly, customer-focused communications tool for residents.
- Delivered the 2018 Employee Survey under a new provider, with a 6 % point increase in participation.
- Completed the Connecting You, Connecting Us, communications strategic plan, with a focus on community understanding, positive story sharing and empowered communications.
- Trained and included several new service areas on the Customer Relationship Management system and/or 311, including Citizen Services, Cemetery Services, Engineering Services, Construction Services and Greater Sudbury Airport.

## OFFICE OF THE CHIEF ADMINISTRATIVE OFFICER

### COMMUNICATIONS AND COMMUNITY ENGAGEMENT

### ECONOMIC DEVELOPMENT



### Economic Development

- Created successful Greater Sudbury mining marketing partnership and staged initiatives in Nevada and Toronto.
- Advanced two of the four Large Projects endorsed by Council – the Convention and Performance Centre and the Library/Art Gallery know in combination as The Junction.
- Coordinated municipal support for Place des Arts.
- Collaborated with hotel industry to introduce new Municipal Accommodation Tax (MAT).
- Co-hosted Aboriginal Business Match and continued to develop economic development relationships with area First Nations.
- Coordinated municipal support for 2018 Telus Cup National Midget Championships.



## Corporate Services

Corporate Services leads enterprise-wide service and support functions that build confidence in the City's direction and services among employees and citizens.

### 2018 Accomplishments

#### Legal and Clerk's Services

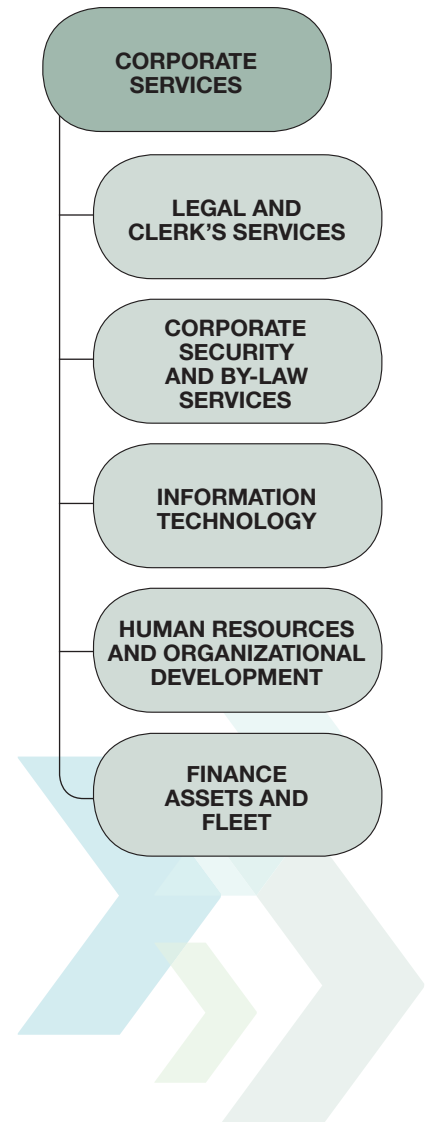
- Delivered the City's 2018 Municipal and School Board Election with increased communication efforts for voter engagement and electronic voting as the exclusive method of vote.
- Implemented or recommended numerous changes stemming from Bill 68, Modernizing Ontario's Municipal Legislation Act, 2017, including the appointment of an integrity commissioner, the development of a Code of Conduct and Complaint Protocol for Members of Council, and a new Council Procedure By-law.

#### Corporate Security and By-law Services

- Finalized a regulatory review that saw the implementation of a consolidated Noise By-law for the City of Greater Sudbury.
- Completed a review of the Vehicle for Hire By-law to ensure a regulatory model that aligns with the needs of owners and residents, ensuring a safe, accessible and adequately priced taxi service in the community.
- Completed a review of security services at Transit, resulting in a service level increase for security services at the Transit Terminal.
- Completed a review of municipal on-street and off-street parking services, and implemented signage and lighting improvements for municipal lots.

#### Information Technology

- Developed a new Corporate Information Technology Strategic Plan.
- Upgraded the software infrastructure of the corporate budget system, the building automation systems at 199 Larch St., and GIS infrastructure and software for the City.
- Launched an upgraded child care registry management system including a public portal.
- Completed the City's application to the Canada Smart City Project.
- Added important core servers to Disaster Recovery (DR) replication for faster recovery to DR site.
- Migrated workstations at libraries to the new Chromebooks solution as part of an ongoing pilot project.
- Completed improved redundancy for Water/Wastewater Treatment SCADA systems through virtualization and application of Artificial Intelligence cyber defense.
- Implemented new copiers and infrastructure with load balancing servers (increasing reliability) and secure print (increasing privacy).



### Human Resources and Organizational Development

- Provided greater access to key corporate employment related resources and policies.
- Competitively procured and transitioned to a new benefits provider.
- Developed a Psychological Health and Safety policy and a plan to implement a Psychological Health and Safety Standards.
- Completed the rollout of the new performance planning and development process for all non-union employees.
- Delivered training to all employees on the Workplace Violence, Harassment Prevention Policy.
- Created a Substance Use and Fitness for Duty in the Workplace Policy to address the legislative change related to cannabis.

### Finance

- Provided first annual update to Long-Term Financial Plan.
- Completed implementation of efficiency projects in both PeopleSoft Human Capital Management and Finance.
- Led the inaugural capital prioritization process for inclusion in the 2019 Budget.
- Led participation in the Municipal Benchmarking Network Canada (MBNCan).
- Amended Purchasing By-law 2014-1 to address two trade agreements, Canadian Free Trade Agreement (CFTA) and the Canadian European Comprehensive Agreement (CETA) requirements, and increase tendering thresholds.
- Adopted and implemented new policy relating to the collection of tax arrears that allows the City to take action after the second year of arrears.
- Adopted and implemented new policies that eliminated commercial and industrial subclasses and phased-out the vacant unit rebate on commercial and industrial properties.
- Implemented the Municipal Accommodation Tax (MAT) effective September 1, 2018.

### Asset and Fleet Services

- Agreement to provide fleet services to Manitoulin Sudbury District Services Board, resulting in operational flexibility.
- Installed new wayfinding signage at City-owned parking lots.
- Made significant investments in and progress on Tom Davies Square projects including courtyard redesign, elevator replacement, skylight replacement and generator projects.
- Completed assessments of 70 City-owned facilities relating to building condition and designated substances which are to be used in the creation of asset management plans.
- Centralized facility maintenance at libraries, Lionel E. Lalonde Centre and other buildings.



## Community Development

Community Development includes departments that are responsible for services that impact the daily lives and activities of citizens.

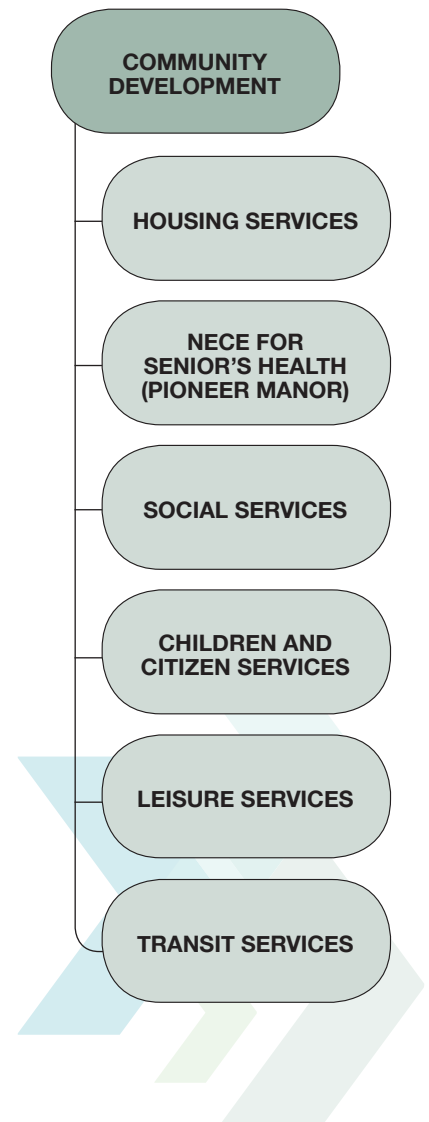
### 2018 Accomplishments

#### Housing Services

- Housed 574 households through the City's centralized wait-list registry.
- Assisted 25 households through the Housing Allowance Program, and assisted 653 households through the Rent Supplement Program.
- Awarded 82 households with \$20,000 forgivable loans through the 2016 Social Infrastructure Funding Investment in Affordable Housing (SIF IAH) Ontario Renovates, IAH-E 2014 Ontario Renovates and SIF Year 3 Ontario Renovates Programs.
- Ongoing energy efficient retrofits on infrastructure work on 12 social housing projects and Greater Sudbury Housing Corporation (GSHC) through the Investment in Affordable Housing for Ontario Program – Social Housing Improvement Program
- Completed Phase 1 of the social housing portfolio revitalization plan, intended to guide the City in decisions regarding revitalization, repurposing, replacement or disposal of local housing corporation assets with financing options to bring forward to City Council.
- Assisted 57 households through the Investment in Affordable Housing for Ontario – Housing Allowance Program, a shared delivery program with the Ministry of Finance. Awarded Social Housing Apartment Improvement Plan (SHAIP) funding to the GSHC for energy retrofits and emission reduction for 1960 Paris St.

#### Northeastern Centre of Excellence for Seniors' Health (Pioneer Manor)

- Hired permanent in-house physiotherapists.
- Moved to electronic records of activity attendance and resident performance, through the purchase of Activity Pro software package, aimed at improving efficiency, identifying successes and allowing for improved analysis of program effectiveness.
- Established Activity Worker – Resident Care Assistant positions to support Personal Support Worker staff.
- Initiated environmental enhancements in Lodge 1 Dementia Care area, with murals painted strategically on corner doors to reduce responsive behaviours.
- Upgraded flooring in two serveries to reduce slip and fall incidents.
- Installed a Franco Ontario flag and Ontario flags permanently as part of the I AM Francophone initiative.
- Continued conversion of lighting fixtures to LED, for lower energy consumption and bulb usage.
- Hired new Coordinator of Volunteerism and Recruitment with a focus on expanding the volunteer base.



### Social Services

- Implemented policy changes in line with the provincial Social Services Modernization Strategy which aims to reduce administrative burdens in order to focus more on client outcomes.
- Made policy changes to increase direct client supports to prevent homelessness and support clients to become housed through the Community Homelessness Prevention Initiative (CHPI).
- Implementation of provincially-funded Home for Good Program which includes:
  - Transition of 200 Larch St. to Canadian Mental Health Association (CMHA) for the development of a 15-bed Managed Alcohol Program and permanent Emergency Shelter location.
  - Funding for 20 monthly housing allowances to participants of the Housing First Program.
  - Approval of the transfer of the City owned building located at 291 Lourdes St. to the CMHA for the development of a 3-unit affordable housing apartment complex.
  - Implemented a used syringe collection strategy for the community.
  - Initiated a full review and evaluation of the emergency shelter system.
  - Increased development and financial support to the Housing First Program resulting in housing stability for people previously experiencing chronic homelessness.
  - Implemented training opportunities for clients through Ontario Works Employment Programs in the areas of culinary arts, carpentry fundamentals and personal support worker.

### Children and Citizen Services

- Completed implementation of new child care registry software and trained all child care providers.
- Transitioned the EarlyON Child and Family Centres with service providers across the city.
- Completed the first three phases of the development of the Early Years Service System Plan for the Ministry of Education in collaboration with community partners.
- Integrated Stone Orchard cemetery software with PeopleSoft resulting in process efficiencies.
- Partnered with a Copper Cliff community group and the Community Action Network (CAN) to exhibit the second exterior mural celebrating the history of the community at the Copper Cliff Library.
- Launched Greater Sudbury Heritage database, a platform of historical newspapers.
- Installed Smart TVs and Capital Networks Black Boxes at each library and Citizen Service Centre location, providing an accessible format that displays and promotes City services, community events and library programming.

### Leisure Services

- Began Phase 1 of the Playground Revitalization Strategy in partnership with United Way Centraide North East Ontario, to renew 12 municipal playgrounds. New play structures were installed at five playgrounds with the remaining seven to be complete in early 2019.
- Completed the St. Joseph's Parking Lot redevelopment resulting in additional green space, improved stormwater management, parking and enhanced access to the waterfront at Bell Park.
- Initiated the implementation of the PerfectMind platform to replace the City's leisure program registration and facility booking software.
- Completed a review of children and youth direct programming.

### Transit Services

- Presented a draft of the Transit Action Plan report to Council, completed the second public engagement process and refined the recommendations based on information gathered.
- Presented the Affordable Fare Strategy to Council.
- Issued and awarded a request for proposal for specialized transit services (Handi-Transit).
- Purchased and installed a transit planning scheduling system to improve efficiency and eliminate manual processes.
- Evaluated and updated internal safety practices and training requirements.
- Completed a bus rebuild program, accelerating the mid-life rebuild of 25 buses in collaboration with Assets and Fleet Services staff.
- Installed bike racks on all buses and purchased three 40-foot buses.
- Initiated the procurement process to replace the existing fare box system with Smart Card Technology.



**GROWTH AND  
INFRASTRUCTURE****ENGINEERING  
SERVICES****INFRASTRUCTURE  
CAPITAL PLANNING****LINEAR  
INFRASTRUCTURE  
MAINTENANCE****ENVIRONMENTAL  
SERVICES****PLANNING AND  
DEVELOPMENT****BUILDING SERVICES****WATER/WASTEWATER  
TREATMENT AND  
COMPLIANCE**

## Growth and Infrastructure

Growth and Infrastructure includes the departments within the City that support growth and public works projects.

### 2018 Accomplishments

#### Engineering

- Executed and delivered the largest capital construction program in the history of the City with the construction of the following capital projects:
  - Notre Dame realignment and interchange structures for the Maley Drive Extension project
  - Seventeen capital projects that were funded by the Clean Water and Wastewater Funding program (CWWF)
  - Second Avenue reconstruction and active transportation project
  - Kingsway Boulevard active transportation project
  - Bi-annual bridge inspection and evaluation program
  - Upgrade to the Elgin/Riverside pedestrian tunnel
  - Integrated the Copper Cliff wastewater system with the Sudbury system
  - Minnow Lake and Bell Park Main Beach Outfall Stormwater Management Facilities
  - Phase 1 of Countryside Stormwater Management Facility
- Awarded the last two Maley Drive Extension contracts to initiate work between Froid Road and Falconbridge Highway, totaling \$48 million.
- Completed the engineering for the four laning of Municipal Road 35 from Azilda to Chelmsford.
- Detailed engineering of the Municipal Road 55/Lorne Street infrastructure improvement project.
- Initiated the Kelly Lake Road reconstruction and active transportation project.
- Detailed design for the Gatchell Outflow Sewer Project.

#### Infrastructure Capital Planning Services

- Completed the Transportation Demand Management Plan.
- Finalized the Water and Wastewater Master Plan.
- Completed the Ramsey Lake, Junction Creek and Whitewater Lake Subwatershed studies and Stormwater Master Plans.
- Completed the Stormwater Asset Management Plan.
- Completed the bi-annual bridge inspection and evaluation program.
- Prepared a Complete Streets Policy for Council adoption.
- Received a Bronze Bicycle Friendly Community Award.
- Developed the Accessible On-Street Parking Program.

### Linear Infrastructure Services

- Lined 4.3 kilometres of watermain and 6 kilometres of sewer main to reduce risk of underground failures and extend the life of infrastructure. Using this approach, minimized impact to traffic during construction.
- Delivered winter control services, including roadway plowing, sanding, salting and sidewalk plowing and sanding from November 2017 to April 2018, including 12 general call-outs of all city crews and contractors.
- Completed implementation of required organizational changes to better align the operation and maintenance of linear systems within the right-of-way.
- Provided emergency forestry services to areas impacted by the July 9, 2018 storm.

### Environmental Services

- Upgraded the diversion drop-off pads at the Hanmer and Azilda Landfill and Waste Diversion Sites.
- Upgraded the organic receiving pad at the Sudbury Landfill and Waste Diversion Site.
- Completed major repairs to the Recycling Centre, including wall cladding, loading bays, storm water management.
- Completed the custom integrated software for the Automated Vehicle Locator AVL/GPS technology on City-owned waste collection vehicles.
- Procured a new contract for the operation and maintenance of the Household Hazardous Waste Program.
- Procured a new contract for sample collection and analysis reporting for divisional facilities/sites.
- Implemented additional safety measures to deal with the increase in syringe/needle deposits.
- Re-assigned approximately 875 households from contract crews to City crews.
- Conducted a mattress and box spring recycling trial and reported results.
- Developed additional educational programs for waste reduction, reuse and composting.
- Initiated a long-term processing system review for organic materials.

### Planning Services

- Updated the population, housing and employment projections for the city.
- Completed Phase 1 and initiated Phase 2 of the Official Plan review program.
- Completed Phase 1 and initiated Phase 2 of the Nodes and Corridors Strategy.
- Created an Affordable Housing Community Improvement Plan.
- Celebrated the 40th Anniversary of the Regreening Program by presenting a proclamation in the spring, hosting four scheduled trail tours, and participating in the Garden Festival and Glencore's Open House.





- Initiated the Community Energy and Emissions Plan project.
- Created a Lake Water Quality Strategic Plan.
- Developed environmental impact study guidelines.

#### **Building Services**

- Continued consultation with development stakeholders to identify and recommend policy and procedural changes to address industry concerns related to department processes through the Development Liaison Advisory Committee (DLAC) of Council.
- Finalized and launched the secondary unit online registry, which provides a public portal listing of all legal secondary dwelling units to ensure apartments meet minimum fire and life safety requirements for occupants.
- Continued review of the upgrade to and rationalization of the existing Sign By-law, including a public survey, stakeholder consultation and public meetings.
- Participated in the Ministry of Natural Resources and Forestry production of the Ontario Tall Wood Building Reference, a technical resource.
- Participated in joint provincial working group focused on consistent administration and enforcement of the Building Code Act across the province.

#### **Water/Wastewater Treatment and Compliance**

- Achieved significant gains in energy savings through partnerships with the Independent Electricity System Operator of Ontario (IESO).
- Established the Business Improvement and Data Integration Section.
- Established real-time metering of water received from Vale.



## Community Safety

Community Safety includes the departments that work to keep our community a safe place to live.

### 2018 Accomplishments

#### Emergency Management

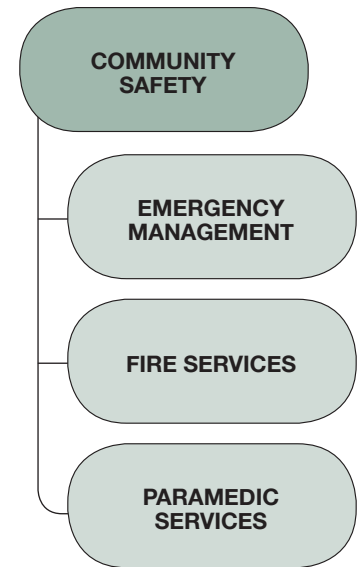
- Transitioned emergency notifications for activation of Community Control Group (CCG) and Emergency Operations Centre (EOC) support staff to the Sudbury Alerts platform.
- Conducted annual compliance training and exercise with CCG members and their alternates.
- Building on the first test of Sudbury Alerts, actioned recommendations and ran a successful second test within the community during Emergency Preparedness week in May.
- Hosted a first ever emergency preparedness summer camp named Master of Disaster for children aged nine to 12 in partnership with Leisure Services and a diverse assortment of community stakeholders.
- Supported the activation of the EOC for the July 9, 2018 event, which allowed for the first real-time use of Sudbury Alerts in the activation of City members.

#### Fire Services

- Implemented a Tactical Pre-Plan Risk Assessment Inspection Program to assess and review the risks present in the community.
- Implemented Mobile Data Terminals (MDT) in frontline vehicles to assist in the Tactical Pre-Plan process, and to provide real-time data to responding firefighters.
- Recruited 53 new volunteer firefighters to support the delivery of fire services across the community and to address ongoing attrition rates.
- Implemented Confined Space Technical Rescue and developed a Trench Rescue Plan for program implementation in 2019.
- Trained Growth and Infrastructure Department staff in confined space rescue to a standard required by their governing bodies.
- Reset the Water and Ice Rescue Programs with a complete recertification of the program, including training and equipment.

#### Paramedic Services

- Completed the triennial land ambulance recertification with the Ministry of Health and Long-Term Care Emergency Health Services Branch, ensuring compliance with the Land and Air Ambulance Certification Standards including all provisions of the Ambulance Act, regulations and standards.
- Successfully implemented the largest recent change in legislative standards including: Basic Life Support, Patient Care Standards, Advanced Life Support Patient Care Standards, Equipment Standards, and Documentation Standards.



- Expanded outreach and public education using various social media platforms including active messaging on Twitter and updated website content to allow better engagement and collaboration.
- Developed a comprehensive Post Traumatic Stress Disorder (PTSD) strategy in consultation with the Canadian Mental Health Association to meet the growing needs of First Responders.
- Expanded PTSD prevention and intervention programs aimed at increasing resiliency and literacy and reducing the stigma associated with mental illness, delivered PTSD Awareness Training, including the Road to Mental Readiness (R2MR) Family program to families of first responders for the first time in 2018.
- Replaced traditional stair chair patient extrication devices with powered stair chairs to reduce falls and associated injuries improving safety to both patients and staff.
- Secured funding for the continuation of our two Community Paramedicine Programs into 2019.



## OUTSIDE BOARDS

### Sudbury Airport Community Development Corporation [SACDC]

The SACDC is a community development corporation. Their mandate is to promote community economic development in the City of Greater Sudbury with the cooperation and participation of the community by encouraging, facilitating, and supporting community strategic planning, and increasing self-reliance, investment, and job creation, through the development and enhancement of the Greater Sudbury Airport. The City recovers 100 % of associated costs and there is no impact to the tax levy. Their focus is to position the Greater Sudbury Airport as the preeminent aviation hub and the key engine for the economic growth of Greater Sudbury and the surrounding region.

#### Services:

- Provides commercial scheduled and charter airline operations.
- Has two Fixed Based Operators (Fuel and Ground Services).
- Has Private Charter Operators and Cargo Operations.
- Has a flight school, aircraft maintenance and fire services.
- Houses the Ministry of Natural Resources and Forestry (MNRF) Base.
- Houses Ornge, Ontario Provincial Police and Transport Canada.
- Has private aircraft hangars.
- Has land available for development.



## Conservation Sudbury [Nickel District Conservation Authority]

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Conservation Sudbury uses an integrated approach in carrying out its mandate in the Vermilion, Wahnapeitei and Whitefish watersheds, an area of approximately 9,150 square kilometres. Established under the Conservation Authorities Act of Ontario, Conservation Sudbury's objective is to ensure the conservation, restoration and responsible management of waters, land and natural habitats through programs that balance human, environmental and economic needs.

Ontario's 36 conservation authorities are unique to our province and are funded by municipal and provincial sources that are supplemented considerably by revenue from grants, delivery of programs and cost-recovery review fees. In 2018, Conservation Sudbury's budgeted revenues of \$1.7 million came from the municipal tax levy (51 %), provincial grants (24 %) and a variety of self-generated sources (25 %). Major undertakings by the authority are often funded through a combination of capital reserves/levy, special municipal allocations and partial matching from upper levels of government.

With the looming impacts of our changing climate, Conservation Sudbury must ready the community for the inevitable impacts on our water systems, water resources and land based resources valued by all the communities in our watersheds.

### Services:

- Flood control,
- Hazard land management,
- Environmental education,
- Drinking water source protection,
- Watershed stewardship and much more.





## Public Health Sudbury & Districts

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Public Health Sudbury & Districts is a progressive public health agency that is part of a provincial network of 35 non-profit public health agencies. It is committed to improving health and reducing social inequities in health through evidence-informed practice.

As part of the province's health system, Public Health Sudbury & Districts works "upstream" to promote and protect health and prevent disease. The agency works with many partners, such as municipalities, schools, health-care providers, social services, and community agencies, to keep people healthy and reduce their needs for health-care services. Its culture of enriched public health practice fosters research, ongoing education, and the development of innovative programs and services.

Public Health Sudbury & Districts' head office is in Greater Sudbury. Five office sites are located throughout its service area of Greater Sudbury and the districts of Sudbury and Manitoulin. Over 250 staff deliver provincially legislated public health programs and services. The agency is committed to establishing relationships based on respect, trust, and humility with area First Nation and Métis Peoples.

Public Health Sudbury & Districts is governed by an autonomous Board of Health and is led by the Medical Officer of Health who is responsible to the Board for the management of the organization's public health programs and services as required by law.

### Services:

- Clinical services
- Health promotions
- Environmental health



## Greater Sudbury Police Service (GSPS)

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A special purpose body reporting directly to the Police Services Board, the Greater Sudbury Police Service works collaboratively with our community and in accordance with the Police Services Act of Ontario. GSPS provides a range of services to ensure the safety and well-being of our community including, but not limited to, crime prevention, law enforcement, assistance to victims of crime, public order maintenance, and emergency response, including answering 911 calls. Working with citizens and business partners, GSPS embraces a community policing approach, which means the police work with residents and their communities to prevent crime and to address safety issues to protect the lives and property of citizens.

### Services:

The Service is divided into six business operating units providing the following services:

#### Patrol Operations

- Provides patrol response to calls for service in the city proper as well as in outlying communities.
- Provides alternative response options to calls for service through the Police Community Response Centre.

#### Criminal Investigation Division

- Provides specialized investigative services and support including intelligence analytics, fraud, missing persons, cybercrime, forensics, drugs, intelligence, human trafficking, major crimes, and break enter and robbery, biker enforcement unit, gang and vice, sex offence registry/high risk offenders and technical support.

#### Operational Support

- Provides emergency management, tactical, canine hostage rescue team, major incident commanders, crisis negotiators, police explosive forced entry technicians, explosive disposal technicians, police community response centre, alternate response, traffic management, collision reporting centre, special event planning, and security and auxiliary officers.

#### Administrative Support

- Provides communication dispatch services, 911 emergency response call line, court services, prisoner transportation and property and evidence management control.



### Executive Services

- Provides business planning support, corporate communications, audit, risk management, service delivery research, development and analytics, diversity, inclusion, Aboriginal liaison, special projects, professional standards bureau, paid duty, community support including community mobilization unit, integrated community response unit, crime prevention, youth coordinator, senior liaison, crime stoppers, victim services and youth referrals, volunteers Lions' Eye in the Sky monitoring program, and community safety and well-being.

### Corporate Services

- Provides core business services including records, customer service, release of information, professional development and training, payroll, benefits, health and safety, wellness, labour relations and contract administration, fleet, facilities, human resources, financial services, and information and communications technology management.
- In addition to the full range of police services provided in accordance with the Adequacy and Effectiveness Standards, the Service provides 911 services for Police, Fire and Paramedic Services and direct dispatch services for police and fire through the P25 radio system, which is also shared by transit. Police work closely with a number of City divisions including Finance, Human Resources, Purchasing, Legal Services and more recently, Information Technology with an aim to pursue additional partnerships in the area of Fleet Services specifically.



## Greater Sudbury Utilities

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Greater Sudbury Utilities is an investment holding company with its wholly owned subsidiaries involved in the distribution of electricity, provision of broadband telecommunications services and competitive rental and customer support services.

### Services:

- Greater Sudbury Hydro provides electricity to over 47,400 customers within the City of Greater Sudbury and the Municipality of West Nipissing.
- @home Energy rents and maintains water heaters to customers within the City of Greater Sudbury and parts of Northern Ontario.
- Agilis provides fiber-optic networks and reliable telecommunication services.
- ConverGen is a landfill gas facility that converts and stores energy from gas that would otherwise simply be flared.



**FINANCIAL  
INFORMATION**  
**2018**

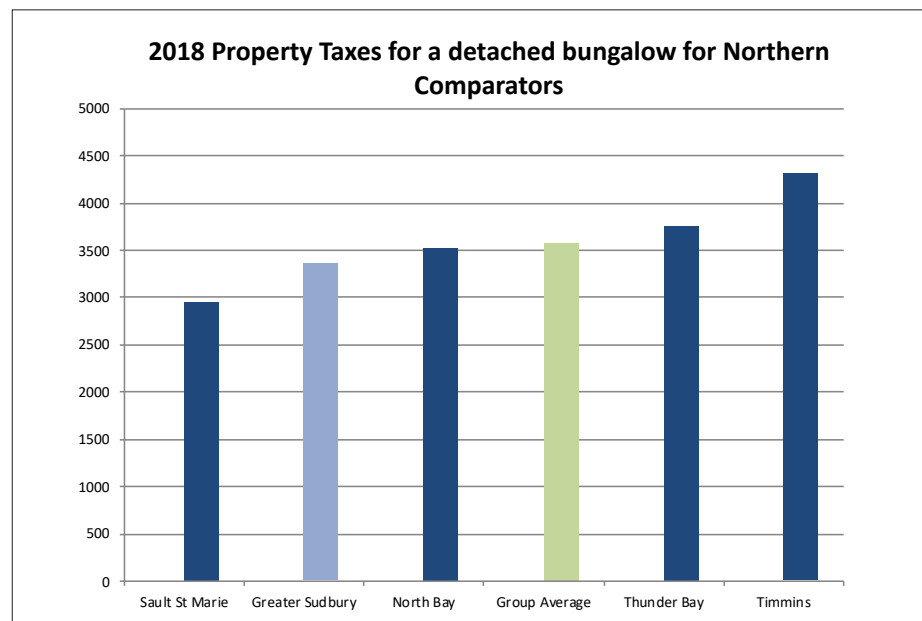
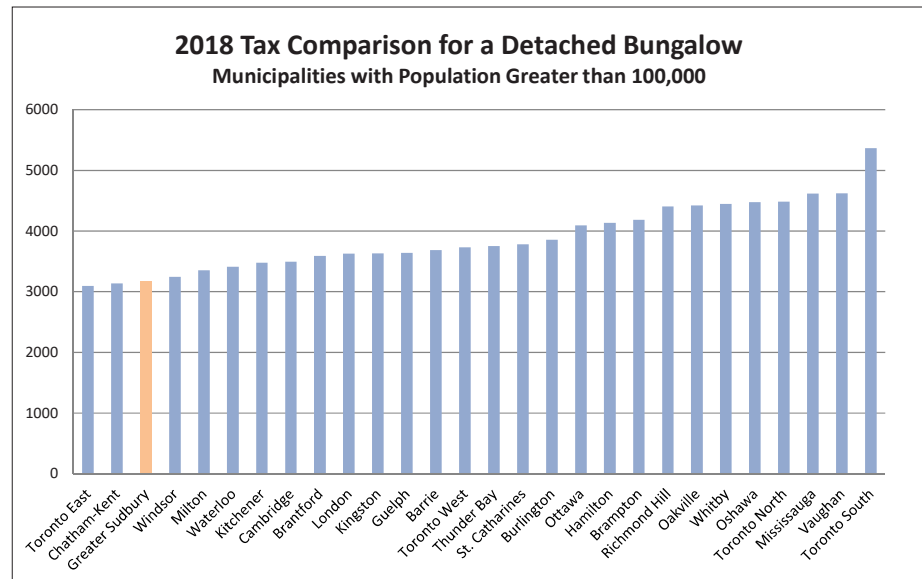
FOR THE YEAR ENDING DECEMBER 31, 2018





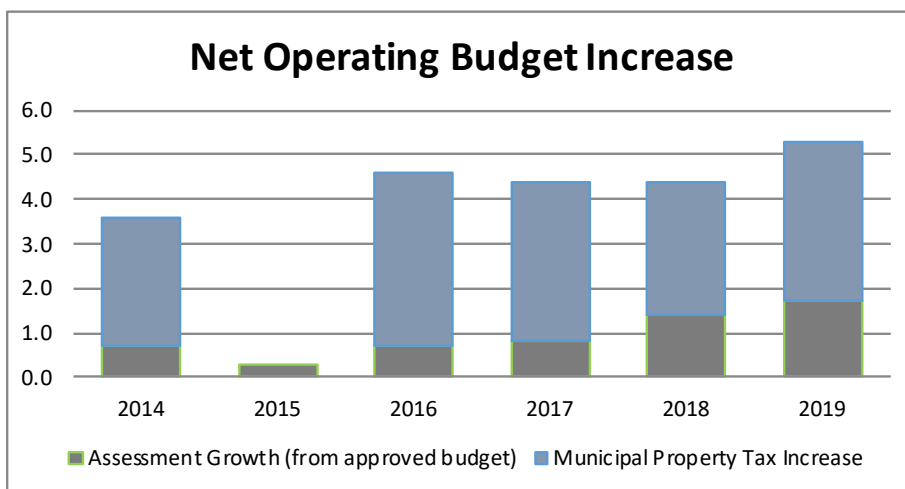
## TAXATION

Greater Sudbury's property taxes are among the lowest for a typical bungalow when compared to other cities with over 100,000 population and our northern neighbours.



Assessment growth for any given year is based on the total assessed value of all new properties built, less the value of properties demolished in a given year. This information is received from the Municipal Property Assessment Corporation (MPAC) in December of the prior year and is used in the setting of tax rates at time of budget approval.

The last four years have reflected somewhat muted assessment growth in the city, although Greater Sudbury remains the only large population centre in northern Ontario that is seeing any growth. 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.



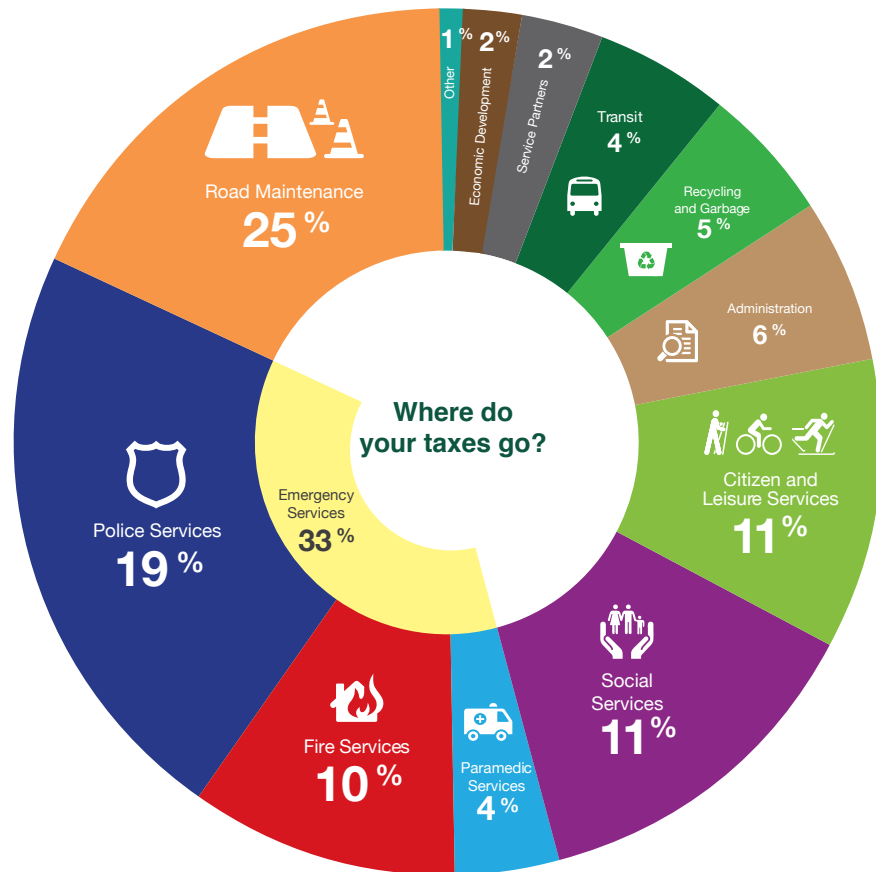
### Did You Know?

The cost of providing the numerous services residents rely on every day is over half a billion dollars. About 46 % of the cost to provide these services comes from property taxes.

Some of these services include:

- Collect waste from 60,000 homes weekly
- Respond to more than 45,000 calls to police, 27,000 calls to paramedic services and 4,500 calls to fire services annually
- Transport 21,000 patients annually through paramedic services
- Conduct 600 fire prevention inspections and 100 fire education visits annually
- Maintain about 3,560 lane kilometres of road
- Maintain and operate 255 sports fields and courts, 16 beaches, 14 arenas and five pools
- Provide long-term care to 433 residents at Pioneer Manor

### Where Your Property Taxes Go



### What does this mean for residents?

Your individual contribution through property taxes pays for numerous programs and services that keep the City running every day, and benefit the entire community, as reflected in the chart above.

## 2018 BUDGET

The annual operating budget provides the money needed for the City to perform routine operations and provide daily services. Approximately 46 % of the operating budget comes from property taxes while the remainder of the budget comes from provincial and federal government, grant and subsidies, user fees and other revenues.

The 2018 Budget described the City's business plans for the year, along with the related costs and revenues and associated with delivering municipal services. These plans reflected the actions and goals established in Council's Strategic Plan, summary budget information and business plans.

The City approved a 3 % operating budget increase and a 7.4 % increase in water/wastewater user rates. The water/wastewater user rate increase was in accordance with the financial plan for Water/Wastewater and will ensure long-term sustainability of the service.

Council approved several service level changes presented in the form of business cases. Some of these service level changes included:

- Additional funding to continue the used needle recovery services
- Continuation of the Primary Healthcare Provider Recruitment and Retention program.

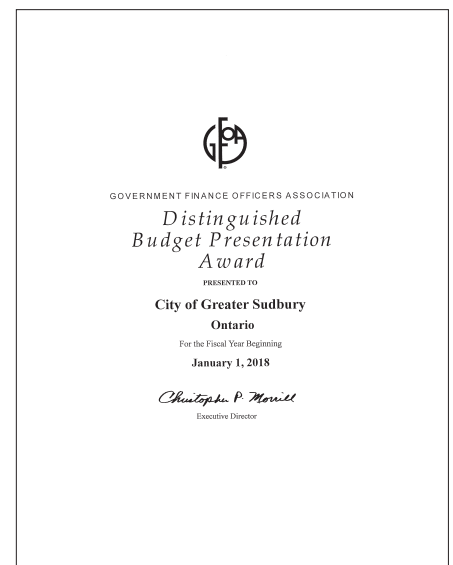
Council also made the following changes to the 2018 Capital Budget:

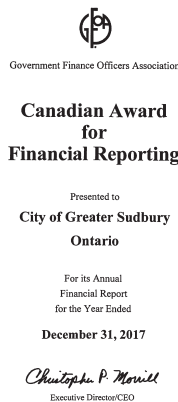
- Approved the \$100 million Arena/Events Centre project on the Kingsway
- Approved the Playground Revitalization program of \$2.3 million that will be funded from Healthy Community Initiatives (HCI) funds of \$150,000 per year
- Reallocated capital funding towards the Downtown as well as Town Centre Community Improvement Plans for a total of \$700,000
- Reallocated capital funds for Water and Wastewater of \$1.4 million to operating to fund approved business cases including: position for hydraulic modeler/analyst and project manager II; W/WW master plan and asset management plan implementation/staffing; and increased hydrant painting.

## BUDGET AWARD

The Government Finance Officers Association (GFOA) recognized the City of Greater Sudbury with a Distinguished Budget Presentation Award for its 2018 Annual Budget. This is the second Distinguished Budget Presentation Award for the City.

The GFOA is a professional association that recognizes government efforts to make information available to the public and encourages process improvements in the areas of financial reporting, accounting or budgeting. There are more than 1,600 participants in the GFOA's Budget awards program in the United States and Canada.





## FINANCIAL REPORTING

### Financial Reporting Achievement

The Government Finance Officers Association (GFOA) established an award program to encourage municipal governments throughout the United States and Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

To be awarded a Canadian Award for Financial Reporting Achievement, a municipal government must publish an easily readable and efficiently organized annual report whose contents conform to program standards. Such reports go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance the understanding of financial reporting by municipal governments and address user needs.

The City of Greater Sudbury has published an annual report since 2012 and has earned this award annually since its initial publication.

### Annual Report and Consolidated Financial Statement

The City of Greater Sudbury's (CGS) management is responsible for all information contained in the Annual Report. This report provides the annual consolidated financial statement for CGS for the year ended December 31, 2018 prepared in accordance with legislation and in accordance with generally accepted accounting principles for public sector entities as defined in the Public Sector Accounting Handbook.

The Consolidated Financial Statements include all organizations that are owned or controlled by the City. Some entities are fully consolidated, which means the financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. Government business enterprises are recorded using the modified equity method which means that the entity's accounting principles are not adjusted to conform to those of the City and inter-entity transactions and balances are not eliminated.

The budget presented in the 2018 audited financial statements has been restated to conform to the Public Sector Accounting Standards. The standards require that all interfund transfers, capital expenditures, and debt principal repayments be removed and amortization, employee future benefits and landfill closure and post closure costs be included. Note 19 to the financial statements reconciles the 2018 operating and capital budgets, as approved by Council, adding the approved consolidated board budgets, in year budget adjustments in accordance with the Operating Budget Policy and adjusted for the items noted above.

### External Auditors

The City's external auditors are KPMG LLP, Chartered Accountants. The role of the external auditor is to express an opinion on the annual Consolidated Financial Statements based on their audit. The auditors express their opinion in their Independent Auditor's Report that is attached to the Consolidated Financial Statements. Their opinion confirms that the statements are free from material misstatement. The external auditors



are also responsible to advise management and Council of any control or operational issues identified during their audit.

### Audit Committee

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The Audit Committee is mandated to provide oversight to the Auditor General and to the external auditors. The Committee's responsibilities are to review internal and external reports including reviewing the Auditor General's reports and work plans, to approve the external auditors annual audit plan, and review the annual audited consolidated financial statements and external audit finding reports.

## FINANCIAL MANAGEMENT

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The City of Greater Sudbury maintains appropriate systems of internal controls to ensure effective financial management, reliable and relevant financial information, and the safeguarding of assets. Management systems, policies and by-laws are in place for financial management, accounting and budgeting to ensure transactions are appropriately authorized and recorded, and the integrity and completeness of financial records are assured. Key policies and by-laws include the Purchasing By-Law, Operating Budget Policy, Capital Budget Policy, Reserve and Reserve Fund By-Law and Investment Policy.

### Long-Term Financial Plan

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The Long-Term Financial Plan (LTFP) was implemented to better understand the long-term impact of financial decisions and helps manage resources over the long-term. The LTFP provides flexibility to meet infrastructure renewal requirements while maintaining a manageable level of debt to support ongoing services and fiscal sustainability. The plan covers 10 years, 2018 to 2027, and incorporates projected funding requirements, tax levy increases, and reserve balances under the current financial model.

One of the principles in the Long-Term Financial Plan states that debt financing should be used where appropriate. More specifically, debt financing should only be considered for new, non-recurring infrastructure requirements or programs and facilities which are self-supporting or projects where the cost of deferring expenses exceeds debt servicing costs.

The following additional financial strategies were highlighted:

1. Implementation of stormwater management fees.
  - Work will continue with the stormwater sustainable funding study in 2019 toward the implementation of fees targeted for 2021.
2. Use of alternative tax classes and adjusting property tax ratios.
  - The commercial and industrial subclass discounts were eliminated in 2018.
  - The commercial and industrial vacancy rebate program will continue to be phased out over 2019 and 2020.
3. Capital financing: using debt to fund the infrastructure renewal/replacement requirement.
  - The use of debt was approved in 2018 for reconstruction of Lorne



Street, improvements to Municipal Road 35 and the new Arena/Event Centre project.

- Debt is proposed to be used in 2019 for the refurbishment of a number of bridges in the Capital Budget.
- 4. Introduction of a capital levy to fund the infrastructure renewal/replacement requirement.
  - For 2019 staff recommended a 1.5 % special capital levy in the form of increased property taxes to be used on the roads infrastructure renewal requirement. This recommendation is consistent with prior years.
- 5. Infrastructure and service rationalizations: analyzing current service levels of arenas, community centres, playgrounds, roads, municipal fleet and others.
  - The City continued in 2018 to successfully sell properties deemed to be surplus.
  - The municipal fleet continues to be reviewed and vehicles were removed from the 2019 Budget.

The Long-Term Financial Plan incorporates key goals and objectives while being fiscally responsible and sustainable.

### Reserve and Reserve Funds

The City maintains reserve and reserve funds in accordance with the Reserve and Reserve Fund By-law. They are a critical component of a municipality's long-term financing plan. The purpose of maintaining reserves is to:

- Provide stability of tax rates in the face of variable and uncontrollable factors, including water consumption, interest rates, unemployment rates and changes in subsidies from other levels of government.
- Provide financing for one-time or short-term requirements without permanently impacting property tax and utility rates.
- Make provisions for replacements and acquisitions of assets and infrastructure currently being consumed and depreciated.
- Avoid spikes in funding requirements of the capital budget by reducing reliance on long-term debt borrowings.
- Provide a source of internal financing.
- Ensure adequate cash flows.
- Provide flexibility to manage debt levels and protect the municipality's financial position.
- Provide for liabilities incurred in the current year, but paid for in the future.

In 2019 the City will update the Reserve and Reserve Fund and Trust Fund by-laws to better align with the Long-Term Financial Plan.



## Development Charges

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Development Charges (DCs) are established by municipalities in accordance with the Development Charges Act. These charges are collected before a building permit is issued for new development, redevelopment or expansions for residential and non-residential buildings or structures.

Most municipalities in Ontario use DCs to ensure the cost of providing the infrastructure to service new development is not carried by existing residents and businesses in the form of higher property taxes. The principle behind DCs is that growth pays for growth, meaning development pays a portion of capital costs associated with new growth and development, while taxpayers fund capital infrastructure which benefits the existing population. Development charges provide municipalities with a tool to help fund the infrastructure needed to serve new growth.

Growth related capital costs are costs that result from the expansion of services to meet the needs to new development and overall increase in the population, households and employment. These capital costs are reduced by an allowance for provincial and federal grants and other sources of funding as well as other deductions required by the DC Act to determine the net capital cost for DC recovery.

Currently, DCs are levied on the following municipal services: Water/Wastewater, Roads, Police, General Government, Libraries, Fire, Recreation, Cemeteries, Emergency Services and Transit.

Generally, the City finances the growth-related portion of capital projects. At the end of each year, the capital projects are reviewed, and the growth-related portion of the capital costs are identified. Actual DC collected during the year are then applied to fund any growth-related portion of the project as identified in the current DC Background Study.

The current by-law expires on June 30, 2019, as the by-law has a maximum life of five years. In order to continue collecting DC, the 2019 background study and by-law, which includes the DC rates, must be approved by Council before June 30, 2019.

The background study will illustrate the City's existing service levels, the growth-related short and long-term capital program on a 10-year planning period from 2019 to 2028 for soft services (includes Recreation, Police, Fire, Transit, and more) and 2019 to 2041 for engineered services (includes Roads, Water/Wastewater and drains/stormwater) and the proposed DC rates.

## Risks

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

### Asset Condition

Although the Asset Management Plan has been presented, the absence of thorough asset condition information on the majority of the City's assets still exists. There is a risk that one or more assets could deteriorate or even fail, resulting in a reduction of service to citizens. The development of good asset condition information and plans to address asset weaknesses is a priority for the next few years.



### Assessment Growth and Economic Development

The last four years have reflected somewhat muted assessment growth in the city, although Greater Sudbury remains the only large population centre in northern Ontario that is seeing any growth. 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. Due to some assessment adjustments in the industrial sector, the City is experiencing higher than anticipated assessment growth for 2019. This is not expected to continue in future years. Economic growth through new private sector investments is needed to help sustain the City's very affordable taxation levels.

### Ontario Municipal Partnership Fund (OMPF)

In the last four years, the City of Greater Sudbury has seen a reduction in its OMPF annual funding of \$7 million. Based on the current formula, the City's 2019 allocation was marginally higher than 2018. However, recent correspondence from the Ministry of Finance suggests that this funding may be reduced in 2019.

The City is at risk of receiving a reduced OMPF allocation over the next few years, which may result in more pressure on payers. To offset this reduction, service adjustments or increased revenues from other sources may be needed.

### Project Delivery

The scale of the capital plan is significant and continues to fluctuate. The available staffing resources to deliver the capital plan has seen minimal change year over year. Additional costs may be incurred if projects are not completed based on the timelines estimated in the capital plan, due to pressure on existing staff.

### Interest Rates

The City has approved significant projects to be funded through the use of debt, including the Kingsway Entertainment District and Arena/Event Centre and the commitment to Place des Arts, among others. As interest rates fluctuate, this creates uncertainty. Staff continue to monitor interest rates and are waiting for the appropriate time to secure debt to reduce the risk of market fluctuations.

### Provincial Funding

Staff has monitored the changes in funding that have been announced by the new Ontario Government due to the concerns about the size of the forecasted provincial deficit. The 2019 Budget does include funding that is based on the best information at the time of the preparation of the budget document, however, the Provincial Government continues to review programs and any changes to funding may have an impact on the budget.

## Asset Management Plan

The City presented an Asset Management Plan to Council in December 2017. It highlighted the infrastructure requirement plans for areas including roads, water/wastewater, facilities, transit, landfills, fleet and more, along with a proposed financial strategy. Further to this, the City developed an enterprise-wide approach to prioritizing capital investment with the 2019 Budget. The Asset Management Plan involves a strategic planning approach, changes to certain financial policies, in particular the capital budget policy, and a new process for describing and deciding which investments will be made in any given budget year.

The City will develop a formal asset management framework that will work on items relating to planning for capital assets that include:

- Clearly defined levels of service
- Condition assessments
- Growth projections
- Master plans
- City-wide asset management plans
- Long-Term Financial Plan

In 2018 Corporate Asset Management plan policies, data gathering and formal plan production began.

## Credit Rating

On June 18, 2018 Standard and Poor's (S&P) Global Ratings issued the City a AA credit rating with a "stable outlook". This rating influences the interest rate paid on any debt the City takes on.

The credit rating is a professional opinion based on in-depth analysis of the corporation's historical financial performance, policies and long-term plans. The rating is attributed to the City's diverse economy and effective financial management and based on the view that the City's debt burden will remain manageable during the coming years, even with the City's robust capital plan. The City's role as the central location for a variety of public and private sector activities in northern Ontario was also noted as a strength that favourably influenced its assessment.

The "stable outlook" reflects the company's expectation that the City of Greater Sudbury's economy will continue to grow throughout the next two years and it will continue to follow its Long-Term Financial Plan.

Obtaining a credit rating reflects the City's prudent financial policies and helps the corporation secure the best available interest rates for our debt financing requirements.

Having a debt rating can provide the City with more control over the rates that will be paid in the future by securing rates up to one year into the future.

The full report from S&P is available on the City's website at [greatersudbury.ca/creditrating](http://greatersudbury.ca/creditrating).





## Debt Financing

The Debt Management Policy, approved by City Council in 2013, was revised in 2017 to increase the amount of debt the City can obtain. The limit on annual debt repayment increased from 5 % to 10 % of the City's net revenues. The limit provides more flexibility for the City, but remains below the provincial limit of 25 % of net revenues. The main principles of the Debt Management Policy state that debt should be affordable, sustainable, and structured in a way that those who benefit from the asset pay for the debt. The policy also sets out the principles that debt financing should only be considered for:

- new, non-reoccurring infrastructure renewal requirements,
- self-supporting programs and facilities,
- projects where the cost of deferring expenditures exceeds debt servicing costs,
- debt with terms no longer than the anticipated life of the funded asset.

The City's current reliance on its own source of funding for capital investment has also impacted debt levels. While the issuance of debt can provide increased capital funding, the amount owing, plus the related interest must be paid off in future years from operating funds. Debt is a trade-off between increased fiscal flexibility in the short-term, versus reduced fiscal flexibility over the term of the repayment.

While interest will add to the total cost, the rapid escalation of construction costs over the past few years indicates debt financing could lower overall costs in certain circumstances. Although interest rates have increased recently, they remain near historic lows and the City will access debt markets while rates remain low.

The chart below details the current outstanding external debt and long-term financing commitments of the City. These obligations total \$70.2 million and require repayments of \$8.5 million per year.

Project Name	Term (Start Date – End Date)	Total Principal Amount Borrowed/ Committed	Total Outstanding as of Dec 31, 2018	2019 External Debt Payment
External Debt (000's)				
199 Larch St	2003-2023	17,261	5,479	1,456
Pioneer Manor	2004-2024	10,000	4,185	818
Purchase of Falconbridge wells from Glencore (Xstrata)	2009-2025	2,000	937	181
Purchase of Onaping wells from Glencore (Xstrata)	2010-2029	2,175	1,388	173
1160 Lorne St	2015-2035	14,000	12,084	940
Biosolids Plant	2015-2035	46,781	40,898	3,456
<b>Total External Debt</b>		<b>92,217</b>	<b>64,971</b>	<b>7,024</b>
Long-Term Financing Commitments (000's)				
Health Sciences North	2001-2023	26,700	4,700	1,000
Northern Ontario School of Architecture	2009-2019	10,000	500	500
<b>Total Long-Term Financing Commitments</b>		<b>36,700</b>	<b>5,200</b>	<b>1,500</b>
<b>Total</b>		<b>128,917</b>	<b>70,171</b>	<b>8,524</b>

Over the past two years, Council has approved a number of projects that will be paid for using external debt financing. The approved amount and forecasted annual payment follow:

Project	Long-Term Borrowing	Annual Payment	Budget Year Approved
Place des Arts	\$5.0 million	\$350,000	2017
Arena/Event Centre	\$90.0 million	\$5.2 million	2018
Municipal Road 35	\$30.8 million	\$1.9 million	2018
Lorne Street	\$7.7 million	\$560,000	2018
Playground Revitalization	\$2.3 million	\$150,000	2018
<b>Total</b>	<b>\$135.8 million</b>	<b>\$8.2 million</b>	

The 2019 Budget includes debt to be issued for bridge renewal. The Library/ Art Gallery and Convention and Performance Centre business case was approved to use debt financing. These projects total \$75 million and would require \$7.4 million of debt repayments per-year when complete. Under current debt limits, the City's borrowing capacity will still be in the range of \$300 to \$400 million after funding for these projects has been obtained.

The City's debt per capita is currently much lower than those of other municipalities with a population over 100,000. Based on the current Council approved limit of 10 % of net revenues and taking into account debt currently incurred, prior year approvals, and projects to be approved, the City does have the capacity to incur more debt. Any new debt incurred will move the debt per capita ratio higher but the current conservative debt limit ceiling should limit the potential impact as noted by S&P in their rating analysis.

### Budget Process

The municipal operating and capital budgets are prepared annually. City Council is also responsible for funding its share of three outside boards' budgets: Greater Sudbury Police Service, Public Health Sudbury & District, and Conservation Sudbury (Nickel District Conservation Authority).

The first stage of the budget process includes receiving directions from Council regarding its expectations for service levels and the level of taxation it is willing to consider. An analysis of workload requirements and anticipated service levels for each division, in accordance with Council's budget directions, identifies resource requirements. Financial information is prepared in accordance with the Base Budget Preparation Policy to support preliminary reviews that identify inflationary pressures, such as wage adjustments in accordance with collective bargaining agreements, contract cost changes and material price increases.

A review of provincially-mandated programs and service contracts, costs to service growth, and prior year Council decisions and commitments is also conducted. In order to propose service level changes, operating departments prepare comprehensive business cases.

Council provides final approval of the operating and capital budgets. Budgets are monitored by departments in accordance with the Operating Budget and Capital Budget policies. These policies provide fiscal control



and accountability. On a quarterly basis, the Finance and Administration Committee of Council reviews variance reports including a year-end projection of operating revenues and expenditures. Furthermore, the Finance and Administration Committee reviews a Capital Variance Report for completed projects.

### Capital Prioritization Process

The objective of the capital budgeting process is to recommend a plan that addresses the City's highest priority needs based on a rational, enterprise-wide review of risk, service priorities, spending choices and financing options. Capital budget priorities are identified based on an understanding of service priorities and reflect our best available, and still evolving, data about asset condition, service performance, strategic objectives and financing choices. The end result is a capital plan that is reliable (we deliver on the service promises in the projects) and executable (we have the resources to deliver the projects on time and on budget).

In order to achieve this principle, an enterprise-wide tool was created to rate capital projects with the following criteria, in line with the principles in the Enterprise Asset Management Policy:

1. Strategic Priority (including link to strategic plan, integration and qualitative return on investment)
2. Leveraging Funding Opportunities (estimated certainty of funding)
3. Risk Management (including legislative requirements and health and safety)
4. Asset Renewal/Restoration (including life cycle costing and environmental return on investment)

A multi-disciplinary team was created to review capital budget project proposals and recommend relative priority rankings for all projects to the Executive Leadership Team (ELT). The members of the team took an enterprise-wide view of the recommended projects. The team presented the results to ELT, and with ELT's guidance a finalized listing with a financing plan now forms the basis of the 2019 Capital Budget.

Several areas did not use the tool for preparation of the 2019 Capital Budget due to their current funding model these areas include Fleet, Water/Wastewater, Paramedic Services, Parking, Parks Equipment and the outside boards. It is possible that some of these areas will be included in future enterprise-wide capital prioritization. For example, recently transitioned housing assets under the care of the Greater Sudbury Housing Corporation will be integrated into this approach in subsequent budgets. Some of these areas must be kept separate but staff is developing a method to report on the state of all asset classes from one enterprise viewpoint in line with our principles and the need to make choices across areas and regulations in the best long-term interest of the community.



## Water/Wastewater Budget

Unlike the municipal tax levy, which is applied to all properties in the City to support a variety of services provided to the community, Water/Wastewater Services are paid for by roughly 48,000 residential and non-residential customers.

In 2011, a 10-year water/wastewater financial plan was approved by Council and recommended an annual rate increase of 7.4 % to achieve financial sustainability. Council approved the 7.4 % rate increase for the years 2016 through 2019 inclusive.

The current Water/Wastewater Long-Term Financial Plan covers the period 2012 to 2020. In accordance with legislation, the plan must be updated prior to the City applying for renewals to its drinking water licences in the fall of 2019. The plan is currently being updated and will be presented to Council during the spring of 2019. The plan includes updated capital requirements based on the recently completed water/wastewater master and asset management plans. The City has three main components to the water/wastewater billing structure that fund expenditures:

### Variable Water Rate

The City establishes a rate per cubic metre of water used. All water customers pay the same amount for every cubic metre (1,000 litres of water). Since a customer only pays for the volume of water they use, this portion of the rate is referred to as the variable water rate.

### Fixed Water Charge

Water budgets contain fixed costs that do not change in direct proportion to water consumption. The cost to treat and distribute municipal water remains relatively constant, regardless of the volume actually consumed by residents. The fixed water charge provides the City with a stable source of annual funding to offset these fixed costs. The fixed water charge is set for a residential meter (5/8 and 3/4 inch meter) and is increased for each larger size meter in accordance with the ratios established by the American Water Works Association.

### Wastewater Surcharge

The wastewater surcharge is a charge applied to offset the cost associated with the water discharged as it leaves your home or business. Costs include the operation and maintenance of wastewater infrastructure such as the sewer system and treatment plants that handle wastewater outflow from properties. Wastewater outflow is directly related to the amount of water discharged into the sewer system and treatment plants, which is why the surcharge is calculated as a percentage of the total water rate charged. This rate structure is consistent with most Ontario municipalities.



## User Fees

User fees are fees charged by municipalities to recover direct costs for services provided to a specific user or group of users, including tourists and non-residents. These include recreation program fees, facility rental fees and more. They reflect unit prices for a service that is deemed to be unique to a given user group and are not appropriate for recovery solely from the municipal tax levy. User fees are about ensuring tax fairness and equity based on an understanding of who benefits from services being delivered. Therefore the cost to provide these services is partially recovered from the user. To fully fund the services through the tax levy would result in a significant increase to property taxes for individuals who may never enjoy certain services.

## FINANCIAL CONDITION

The Public Sector Accounting Board has a Statement of Recommended Practice, which offers guidance to public sector entities to support discussions about their financial condition. These practices reflect the overall economic and financial environment, the City's ability to meet service commitments to the public, as well as financial obligations to creditors, employees and others.


The financial condition of the City is determined using three elements:

- Sustainability
- Flexibility
- Vulnerability.

## Sustainability

Sustainability is the ability to maintain existing service levels and meet existing creditor requirements without significantly increasing debt or property taxes.

To the extent that the level of debt or tax burden grows at a rate that exceeds the growth in the City's assessment base, there is an increased risk that the City's current spending levels and ability to meet creditor obligations cannot be maintained.



		2018	2017	2016	2015	2014
<b>Sustainability Indicators</b>	<b>Target</b>					
Financial assets to financial liabilities	0.75 to 1.50	<b>1.66</b>	1.66	1.67	1.62	1.54
Total reserves and reserve funds per household	\$2,000 to \$3,500	<b>\$1,981</b>	\$1,931	\$2,132	\$2,209	\$2,101
Total operating expenses as a percentage of taxable assessment	2.0 % to 3.5 %	<b>2.3 %</b>	2.3 %	2.2 %	2.2 %	2.3 %
Capital additions as a percentage of amortization expense	150 % to 250 %	<b>111.4%</b>	133.2 %	95.2 %	225.0 %	161.3 %
Taxes receivable as a percentage of taxes levied	n/a	<b>2.7%</b>	3.0 %	2.4 %	2.3 %	2.3 %



### Financial assets to financial liabilities

This financial indicator provides an assessment of the City's solvency by comparing financial assets (including cash, investments and accounts receivable) to financial liabilities (accounts payable, deferred revenue and long-term debt). Low levels of financial assets to financial liabilities indicate limited financial resources available to meet cost increases or revenue losses.

The City is currently higher than the recommended range however based on the Long-Term Financial Plan, with debt to be issued in the near future for various capital projects, the City will end up in the target range in the next few years.

### Total reserves and reserve funds per household

This financial indicator provides an assessment of the City's ability to absorb incremental expenses or revenue losses through the use of reserves and reserve funds as opposed to property taxes, user fees or debt. 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.

### Total operating expenses as a percentage of taxable assessment

This financial indicator provides an assessment of the City's solvency by determining the extent to which increases in operating expenses correspond with increases in taxable assessment. If increases correspond, the City can fund any increases in operating costs without raising taxation rates.

### Capital additions as a percentage of amortization expense

This financial indicator provides an assessment of the City's solvency by assessing the extent to which it is sustaining its tangible capital assets. In the absence of meaningful reinvestment in tangible capital assets, the City's ability to continue to deliver services at the current levels may be compromised. This indicator considers amortization expense, which is based on historical as opposed to replacement cost. As a result, the City's capital reinvestment requirement will be higher than its reported amortization expense due to the effects of inflation.

### Taxes receivable as a percentage of taxes levied

This financial indicator provides an assessment of taxpayers' ability to pay taxes in support of municipal services. Any significant deterioration in the rate could signal a lessening ability or willingness to pay.

### Summary

The City overall is in a good position regarding sustainability.



## Flexibility

Flexibility is the ability the City has to increase its financial resources to address additional commitments and service levels. This may be done by increasing property tax revenues or by taking on additional debt. Increasing debt and taxation reduces flexibility and the City's ability to respond to changing circumstances.

Municipalities with relatively high flexibility have the potential to absorb cost increases without adversely impacting on affordability for local residents and other ratepayers.

		2018	2017	2016	2015	2014
Flexibility Indicators	Typical Range					
Residential taxes per household	\$3,000 to \$5,000	<b>\$2,258</b>	\$2,176	\$2,072	\$1,978	\$1,966
Debt per household	\$2,000 to \$3,500	<b>\$1,012</b>	\$1,027	\$1,096	\$1,178	\$434
Residential taxes as a percentage of household income	3.0 % to 5.0 %	<b>3.83 %</b>	3.85 %	3.63 %	3.76 %	4.01 %
Total taxation as a percentage of total assessment	1.0 % to 2.5 %	<b>1.24 %</b>	1.22 %	1.17 %	1.18 %	1.24 %
Debt servicing costs (interest and principal) as a percentage of net revenues	2.0 % to 3.0 %	<b>2.32 %</b>	2.19 %	2.28 %	1.90 %	1.45 %
Net book value of tangible capital assets as a percentage of historical cost of tangible capital assets	40 % to 60 %	<b>48.8 %</b>	49.7 %	50.3 %	51.4 %	50.7 %

### Residential taxes per household

This financial indicator provides an assessment of the City's ability to increase taxes as a means of funding incremental operating and capital expenditures.

### Total long-term debt per household

This financial indicator provides an assessment of the City's ability to issue more debt by considering the existing debt loan on a per household basis. High debt levels per household may preclude the issuance of additional debt.

### Residential taxation as a percentage of household income

This financial indicator provides an indication of potential affordability concerns by calculating the percentage of total household income used to pay municipal property taxes.

### Total taxation as a percentage of total assessment

This financial indicator provides an indication of potential affordability concerns by calculating the City's overall rate of taxation. Relatively high tax rate percentages may limit the City's ability to generate incremental revenues in the future.

### Debt servicing costs (interest and principal) as a percentage of total revenues

This financial indicator provides an indication as to the City's overall indebtedness by calculating the percentage of revenues used to fund long-term debt servicing costs. The City's ability to issue additional debt may be limited if debt servicing costs on existing debt are excessively high.

### Net book value of tangible capital assets as a percentage of historical cost of tangible capital assets

This financial indicator provides an indication of the extent to which the City is reinvesting in its capital assets as they reach the end of their useful lives. An indicator of 50 % shows that the City is, on average, investing in capital assets as they reach the end of useful life. Indicators of less than 50 % show that the City's reinvestment is not keeping pace with the aging of its assets.

### Summary

The flexibility results indicate the City is well positioned to use debt as an option for capital asset renewal.

### Vulnerability

Vulnerability is the degree to which the City is susceptible to changes in funding sources outside of the City's control. There is a risk in relying too heavily on funding sources which can be reduced or eliminated without notice.

The City receives several grants from senior levels of government, including federal and provincial gas taxes and the Ontario Municipal Partnership Fund, to name a few.

Federal and provincial funding to the City has fluctuated over the past few years, while revenues from our own sources, such as taxation revenue and user fees have been stable with slight increases. This demonstrates the City has the ability to maintain existing services while not relying heavily on other sources of government funding.



		2018	2017	2016	2015	2014
<b>Vulnerability Indicators</b>	<b>Typical Range</b>					
Ratio of government transfers to total revenue	n/a	<b>0.28</b>	0.30	0.25	0.27	0.26
Operating grants as a percentage of total revenues	10 % to 25 %	<b>23.2 %</b>	22.6 %	22.9 %	22.8 %	23.0 %
Capital grants as a percentage of total capital expenditures	10 % to 25 %	<b>40.2 %</b>	45.3 %	14.1 %	14.8 %	13.6 %

### Ratio of government transfers to total revenue

The ratio of government transfers to total revenue was higher in 2017 and 2018 due to additional funding received for social housing initiatives and large capital projects such as Maley Drive and improvements to water/wastewater and storm water systems.

### Operating grants as a percentage of total revenues

This financial indicator illustrates the City's degree of reliance on senior government grants for the purposes of funding operating expenses. The level of operating grants as a percentage of total revenues is directly proportionate with the severity of the impact of a decrease in operating grants.

### Capital grants as a percentage of total capital expenditures

This financial indicator reveals the City's degree of reliance on senior government grants for the purposes of funding capital expenditures. The level of capital grants as a percentage of total capital expenditures is directly proportionate with the severity of the impact of a decrease in capital grants.

### Summary

The City, like many municipalities is vulnerable to changes in the amount and timing of funding from senior levels of government due to policy shifts.

### Financial Condition Summary

The City of Greater Sudbury's financial condition has been relatively stable over the last three years with many areas showing improvement. Many of the financial ratios compare favourably to other municipalities, when considering taxation and debt.

Costs for maintaining existing services and service levels exceed the rate of general inflation. Coupled with the need to address long-term asset renewals/replacements, there will be continued upward pressure on the tax levy and user fees. The City is embarking upon a robust asset planning methodology to minimize long-term costs as assets are rehabilitated or replaced. The City will be using its Asset Management Plan and Long-Term Financial Plan as tools to address the infrastructure renewal requirement, and has significant debt capacity to address these challenges.



## 2018 FINANCIAL RESULTS

### Introduction

The Annual Report includes the Consolidated Financial Statements of the City of Greater Sudbury for the year ended December 31, 2018. These financial statements have been prepared by Finance in accordance with Generally Accepted Accounting Principles as established by the Public Sector Accounting Board and have been audited by KPMG, LLP. The Independent Auditor's Report expresses an unqualified audit opinion.

### Highlights

The Consolidated Financial Statements include the following entities which are owned or controlled by the City.

Fully consolidated entities include:

- Greater Sudbury Housing Corporation
- Greater Sudbury Police Services Board
- Downtown Sudbury Business Improvement Area
- Flour Mill Business Improvement Area
- Greater Sudbury Public Library Board

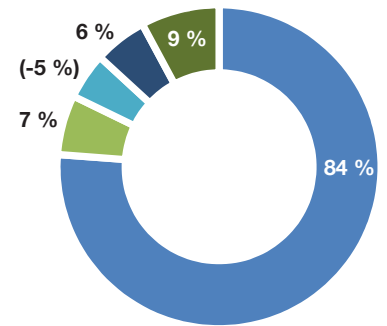
In addition, the City invests in two Government Business Enterprises (GBEs):

- Greater Sudbury Airport Community Development Corporation
- Greater Sudbury Utilities Inc.

Key financial highlights for 2018 are as follows:

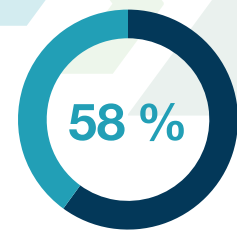
- The 2018 Consolidated Statement of Financial Position reports net financial assets of \$203 million, an increase of \$7 million from \$196 million in 2017.
- The City's accumulated surplus increased from \$1.693 billion in 2017 to \$1.733 billion at December 31, 2018. Over 80 % of the accumulated surplus is comprised of equity in tangible capital assets which represents the service capacity available for future periods.
- The City's reserves and reserve funds (which are included in the accumulated surplus) increased by \$5 million from \$145 million in 2017 to \$150 million in 2018 mainly due to the timing of capital projects.
- The 2018 Consolidated Statement of Operations and Accumulated Surplus indicates an annual surplus of \$40 million compared to \$47 million in 2017.
- Revenues increased by \$17 million from 2017. Council approved a property tax increase of 3 %, a water rate increase of 7.4 % and 3 % increase to user fees which is reflective in the increase in taxation and user revenues for 2018.
- Expenses increased by \$23 million from 2017. Of this amount, \$11 million related to social and family services, \$7 million for recreation and cultural services and \$6 million related to protection services.

### Accumulated surplus

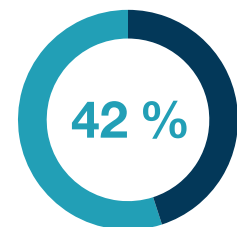


- Invested in TCA
- Invested in GBE
- Unfunded Liabilities
- Committed Capital
- Reserves & Reserve Funds

### Reserve and Reserve Funds 2018



Committed Reserves



Uncommitted Reserves



## Focus on Infrastructure Renewal

The capital budget and spending represents investments in infrastructure assets owned by the City. These assets include roads, buildings, water and wastewater pipes, equipment and vehicles used by staff to provide services to residents, and facilities used by residents to enjoy the services provided by the municipality.

Below are the key infrastructure renewal projects approved in the 2018 Capital Budget:

2018 Capital Investment	Budget
Kingsway Entertainment District (Arena/Event Centre)	\$100 M
Municipal Road 35	\$33.2 M
Lorne Street	\$24.9 M
Watermain Replacement/Rehabilitation and Lining	\$11.2 M
Bridge and Culvert Improvements	\$10.0 M
Various Local Roads Improvements	\$4.6 M
Water Treatment Plants and Well Upgrades	\$4.0 M
Sanitary Sewer Replacement/Rehabilitation and Lining	\$3.9 M
Fleet Vehicles and Equipment Replacements	\$2.8 M
Various Building Improvements to Facilities	\$2.5 M
Lift Station Upgrades	\$2.5 M
Playground Revitalization	\$2.3 M
Green Avenue Stormwater Conveyance Improvements	\$2.1 M

During 2018, there continued to be infrastructure renewal on projects approved in budgets prior to 2018 such as:

2018 Capital Investment	Spend
Maley Drive	\$31.6 M
Copper Cliff Wastewater Treatment Plant Upgrades	\$5.2 M
Tom Davies Square Parking Roof and Courtyard Replacement	\$3.6 M
Countryside Stormwater Pond	\$2.5 M
Lively/Walden Sewer System Upgrades	\$2.7 M
Countryside Stormwater Pond	\$2.5 M
Fleet Vehicles and Equipment Replacements (including snowplows)	\$2.1 M

## Consolidated Statement of Financial Position

The Consolidated Statement of Financial Position is the municipal equivalent of the private sector's Balance Sheet. Among other details, it reports on two key indicators – net financial assets and accumulated surplus.

### Financial assets summary

Public Sector Accounting Board standards for reporting require the City to distinguish between financial and non-financial assets. Financial assets are assets on hand, which could be used to discharge liabilities or finance future operations. The difference between financial assets and liabilities, or net financial assets, is an indicator of the City's ability to finance future activities and to meet its liabilities and commitments. Non-financial assets represent economic resources that will be employed by the City to deliver programs and provide services in the future.

The City's financial assets are mostly comprised of cash, accounts receivable, investments in Government Business Enterprises (GBE) and investments. Financial assets increased by \$17 million in 2018 to \$511 million compared to \$494 million in 2017.

Investment in GBEs is the City's investment in the Greater Sudbury Airport Community Development Corporation and Greater Sudbury Utilities Inc. The investment has increased from \$108 million in 2017 to \$114 million in 2018 due to a combined annual surplus of \$6 million for 2018.

The City's investments have increased by \$7 million from \$298 million to \$305 million. Fluctuations in investments are mostly due to the timing of expenditures compared to the timing of funding payments received resulting in additional cash available to be invested.

## Financial Assets 2018

 **60 %**

Investments

 **22 %**

Investment in GBE

 **14 %**

Accounts receivable

 **2 %**

Cash

 **2 %**

Taxes receivable

Financial results	2018	2017	2016	2015	2014
<b>Financial assets (\$000's)</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash	8,174	6,188	7,044	6,136	17,217
Taxes receivable	8,532	9,360	7,122	7,355	6,569
Accounts receivable	73,993	69,426	48,252	51,650	44,495
Inventory held for resale	1,802	2,474	3,044	1,335	3,182
Investment in GBE	114,145	108,150	105,986	95,217	92,940
Investments	304,800	298,357	323,144	290,917	262,931
<b>TOTAL ASSETS</b>	<b>511,446</b>	<b>493,955</b>	<b>494,592</b>	<b>452,610</b>	<b>427,334</b>

## Financial Liabilities 2018



Accounts payable and accrued liabilities



Long-term liabilities



Employee benefit obligations



Deferred revenue - obligatory reserve funds and other



Solid waste management facility liability

### Financial liabilities summary

The City's financial liabilities are mostly comprised of accounts payable, employee benefit obligations and long-term liabilities. Financial liabilities have increased by \$11 million from \$298 million in 2017 to \$309 million in 2018.

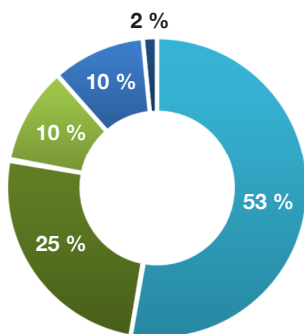
Accounts payable and accrued liabilities decreased by \$1.5 million and fluctuates year to year based on the receipt of invoices and timing of payment and the number and size of projects in the year.

The City receives funds for specific purposes under legislation, regulation or agreements that are internally recorded as Obligatory Reserve Funds. These restricted funds are included in liabilities as "Deferred Revenue" on the Statement of Financial Position. Obligatory Reserve Funds have increased by \$10 million in 2018 from \$40 million in 2017 to \$50 million in 2018. The increase relates to funds received relating to capital projects for which spending has not yet occurred such as the Federal Gas Tax, Ontario Community Infrastructure Fund, Ontario Municipal Commuter Cycling amongst others.

Employee benefit obligations have increased by \$3 million from 2017. The largest portion of the increase relates to the Workplace Safety Insurance Board (WSIB) liability as there are more cases of Post-Traumatic Stress Disorder (PTSD), chronic stress and presumptive cancer claims that result in additional costs.

Long-term liabilities for 2018 total \$77 million which approximates the balance in 2017. The net change is mostly due to the addition in 2018 of \$5 million for Place des Arts offset by debt principal repayments of \$4.2 million.

### Employee benefit obligations



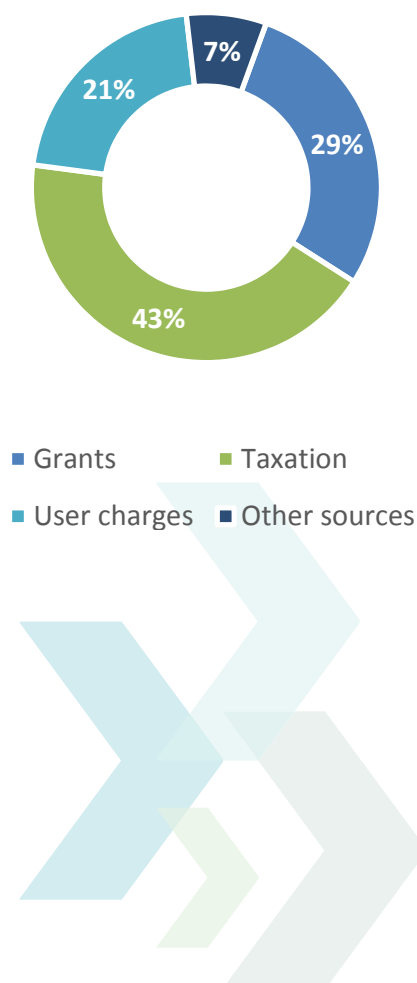
- WSIB
- Sick leave benefits
- Other post-employment benefits
- Stop Loss Insurance
- Vacation

## Financial results

	2018	2017	2016	2015	2014
Financial liabilities (\$000's)	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities	97,656	99,200	93,650	80,635	133,618
Deferred revenue – obligatory reserve funds	50,418	40,489	43,463	36,644	37,961
Deferred revenue – other	4,641	3,590	3,366	2,802	4,000
Employee benefit obligations	65,209	62,523	59,075	56,458	55,758
Solid waste management facility liability	14,316	14,944	14,429	14,222	13,263
Long-term liabilities	76,530	77,472	82,597	88,531	32,519
<b>TOTAL LIABILITIES</b>	<b>308,770</b>	<b>298,218</b>	<b>296,580</b>	<b>279,292</b>	<b>277,119</b>



2018



## Consolidated Statement of Operations and Accumulated Surplus

The Consolidated Statement of Operations and Accumulated Surplus is the municipal equivalent of the private sector's Statement of Income and Retained Earnings. It provides a summary of the revenues, expenses, and surplus for the reporting period and outlines the changes in accumulated surplus.

It is important to note that a surplus does not indicate there is extra cash to spend. Please refer to the Statement of Cash Flows for additional information regarding changes in the cash balance of the City.

### Revenues

The City's revenues are used to provide and maintain existing service levels and sustain infrastructure. Revenues are comprised of government transfers, taxation, user charges, investment income, fines and penalties, other revenues and net earnings from Government Business Enterprises (GBE).

Revenues increased by \$18 million from \$605 million in 2017 to \$623 million in 2018.

Taxation for 2018 was \$10 million higher than 2017 primarily due to a tax increase of 3 % as approved by Council through the annual budget process.

User charges increased by \$7 million from 2017 mostly due to an increase of 3 % in accordance with the Miscellaneous User Fee By-law and to the water/wastewater rate of 7.4 % as approved by Council through the annual budget process.

GBE contributed \$6 million to the 2018 annual surplus. Greater Sudbury Utilities had a surplus of \$4.9 million and the Sudbury Airport Community Development Corporate had a surplus of \$1.1 million.

Note that 64 % (63 % in 2017) of the City's revenue is attributed to taxation and user fees which are determined and approved through the annual budget process.

Financial results	2018	2017	2016	2015	2014
<b>Revenues (\$000's)</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Government Transfers, Provincial	156,171	148,686	132,062	129,582	123,459
Government Transfers, Federal	21,170	31,557	4,592	21,573	14,752
Taxation	267,956	257,561	246,972	237,142	238,467
User Charges	131,251	124,053	119,971	113,823	116,141
Investment Income	11,444	10,150	10,063	12,454	11,385
Fines and Penalties	6,321	7,501	6,012	6,099	5,802
Other	22,307	23,762	25,440	27,336	25,016
GBE net earnings	5,995	2,164	10,769	2,277	3,185
<b>TOTAL REVENUES</b>	<b>622,615</b>	<b>605,434</b>	<b>555,881</b>	<b>550,286</b>	<b>538,207</b>



## Expenses

Expenses represent the City's costs to provide a wide range of services to more than 161,000 citizens.

Expenses increased in 2018 by \$24 million from \$559 in 2017 to \$583 million in 2018 to maintain existing service levels.

### Expenses by function

City services are provided by departments and their activities are reported by function in the financial statements as determined by the Ministry of Municipal Affairs.

Protection Services increased by \$6 million from \$98 million to \$104 million of which \$4.5 million related to police services salary, wages and employee benefits and materials.

Transportation Services decreased by \$6 million from \$114 million to \$108 million due in part to a \$4.3 million decrease in roads paved materials and contracted services and a \$1 million decrease in transit-conventional, materials expenses.

Social and Family Services increased by \$11 million from \$105 million to \$116 million due to a \$1.5 million increase in Ontario general assistance (Ontario Works) external transfers (payments to recipients), a \$2.4 million increase in assistance to aged persons (Pioneer Manor) relating to salary, wages and employee benefits, and a \$7.2 million increase in child care contracted services which represents payments to child care providers (daycares).

Recreation and Cultural Services increased by \$8 million from \$43 million to \$51 million, due in part by a \$5 million grant to Place des Arts.

### Expenses by category

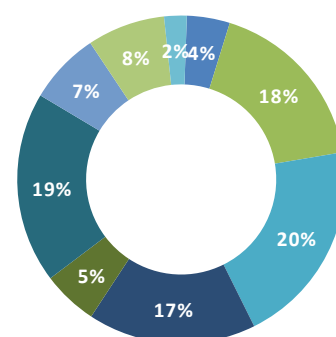
Expenses are also broken down by major expense categories: salaries, wages and benefits, materials, contract services, grants and transfer payments, amortization and other.

Salaries, wages and benefits have increased \$12 million due to employee benefit obligation adjustments, labour pay adjustments and increased benefit costs.

Grants and transfer payments increased by \$5 million due in part to the \$5 million grant for Place des Arts and an increase in affordable housing program grants which was offset by decreases in other areas.

Contract services increased by \$9 million due to child care grants in 2018.

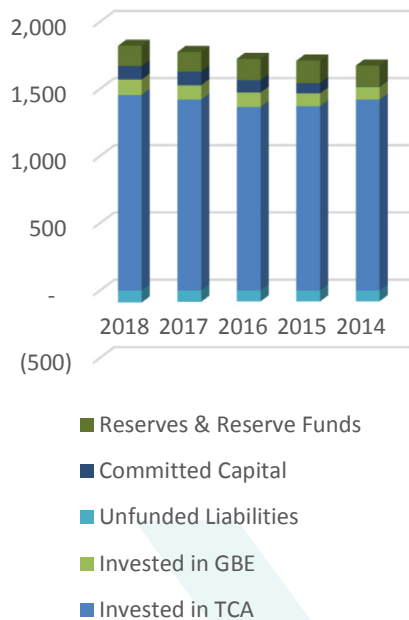
### Expenses by Function



- General Government
- Protection Services
- Transportation Services
- Environmental Services
- Health Services
- Social and Family Services
- Social Housing
- Recreation and Cultural Services
- Planning and Development

Financial results	2018	2017	2016	2015	2014
<b>Expenses by Category (\$000's)</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Salaries wages & employee benefits	255,511	243,678	240,816	231,338	229,598
Materials	99,398	101,445	81,597	77,462	82,332
Contract Services	94,830	86,957	98,348	91,006	88,895
Grants and Transfer Payments	55,507	50,589	43,392	43,647	40,760
Amortization	73,200	72,028	70,905	69,707	66,228
Other	4,143	4,179	4,058	3,588	2,360
<b>TOTAL EXPENSES</b>	<b>582,589</b>	<b>558,876</b>	<b>539,116</b>	<b>516,748</b>	<b>510,174</b>

## Accumulated Surplus



## Accumulated surplus

The accumulated surplus is the amount by which all assets, including tangible capital assets, exceed liabilities. An accumulated surplus indicates a government has net resources to provide services in future reporting periods.

The City has an accumulated surplus of \$1.733 billion which is an increase of \$40 million from 2017.

This increase can be attributed to an increased investment in tangible capital assets of approximately \$34 million.

Reserves and reserve funds total \$149 million compared to \$146 million in 2017. It's important to note that a portion of the reserve funds are committed to previous Council approved capital budget and other projects until spent on the related project. Approximately \$91 million of the total reserve funds are committed.

## Consolidated Statement of Change in Net Financial Assets

The Consolidated Statement of Change in Net Financial Assets summarizes the change in net financial assets as a result of annual operations, tangible capital asset transactions and changes in other non-financial assets.

The City's net financial asset position is positive indicating that it has the financial resources available to meet cost increases or revenue losses.

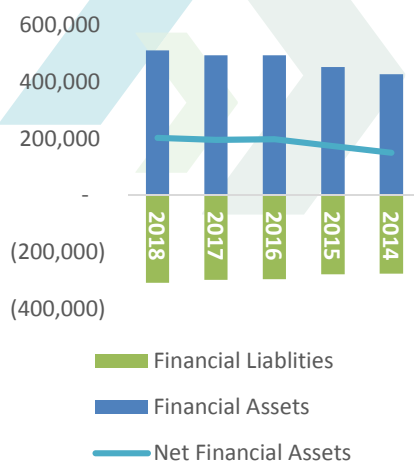
## Consolidated Statement of Cash Flow

The Consolidated Statement of Cash Flow summarizes the City's cash position and changes during the year by describing the source and uses of cash categorized by operating, capital, investing and financing transactions.

The Consolidated Statement of Cash Flow describes how activities were financed during the reporting period and the effect of activities on the cash balance. The City used its cash during the year to acquire tangible capital assets and repay its debt. The City was required to sell investments during the year to meet the cash requirements due to an increase in accounts receivables.

This statement helps inform readers about whether future cash resources are sufficient for sustaining the City's activities.

## Net Financial Assets



**CONSOLIDATED  
FINANCIAL  
STATEMENTS**

**2018**

FOR THE YEAR ENDING DECEMBER 31, 2018



Consolidated Financial Statements of

# **CITY OF GREATER SUDBURY**

Year ended December 31, 2018

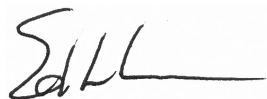
## Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the City of Greater Sudbury (the "City") are the responsibility of the City's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of Chartered Professional Accountants of Canada. A summary of the significant accounting policies is described in Note 1 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The City's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by Management.

Council meets with Management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by KPMG LLP, independent external auditors appointed by the City. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the City's consolidated financial statements.




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Ed Archer  
Chief Administrative Officer




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Ed Stankiewicz  
Executive Director of Finance, Assets  
and Fleet





KPMG LLP  
 Claridge Executive Centre  
 144 Pine Street  
 Sudbury Ontario P3C 1X3  
 Canada  
 Telephone (705) 675-8500  
 Fax (705) 675-7586

## INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of the City of  
 Greater Sudbury

### **Opinion**

We have audited the accompanying consolidated financial statements of the City of Greater Sudbury, "The City", which comprise:

- the consolidated statement of financial position as at December 31, 2018
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements")

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the City as at December 31, 2018, and its consolidated results of operations and accumulated surplus, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the City's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the City or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the City's financial reporting process.

### ***Auditors' Responsibility for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Chartered Professional Accountants, Licensed Public Accountants  
Sudbury, Canada  
June 11, 2019

# CITY OF GREATER SUDBURY

Consolidated Statement of Financial Position

(in thousands of dollars)

December 31, 2018, with comparative information for 2017

	2018	2017
<b>Financial assets</b>		
Cash	\$ 8,174	\$ 6,188
Taxes receivable (note 3)	8,532	9,360
Accounts receivable (note 4)	73,993	69,426
Inventory held for resale	1,802	2,474
Investment in Government Business Enterprises (note 5 (a))	114,145	108,150
Investments (note 6)	304,800	298,357
	511,446	493,955
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities (note 7)	97,656	99,200
Deferred revenue - obligatory reserve funds (note 9)	50,418	40,489
Deferred revenue - other (note 10)	4,641	3,590
Employee benefit obligations (note 11)	65,209	62,523
Solid waste management facility liability (note 12)	14,316	14,944
Long-term liabilities (note 13)	76,530	77,472
	308,770	298,218
<b>Net financial assets</b>	202,676	195,737
<b>Non-financial assets</b>		
Tangible capital assets (note 14)	1,521,076	1,488,881
Inventory of supplies	4,523	3,976
Prepaid expenses	5,065	4,720
	1,530,664	1,497,577
Contractual rights and contingent assets (note 16)		
Contractual obligations and commitments (note 17)		
<b>Accumulated Surplus</b> (note 18)	\$ 1,733,340	\$ 1,693,313

The accompanying notes are an integral part of these consolidated financial statements.

# CITY OF GREATER SUDBURY

Consolidated Statement of Operations and Accumulated Surplus  
(in thousands of dollars)  
December 31, 2018, with comparative information for 2017

	2018 Budget	2018 Actual	2017 Actual
	(note 19)		
<b>Revenues</b>			
Government transfers - Provincial	\$ 147,529	156,171	\$ 148,686
- Federal	21,217	21,170	31,557
Taxation (note 20)	268,808	267,956	257,561
User charges	131,972	131,252	124,053
Investment income	10,652	11,444	10,150
Fines and penalties	6,521	6,321	7,501
Other revenues (note 21)	20,333	22,307	23,762
Government Business Enterprises net earnings (note 5 (b))	2,565	5,995	2,164
	609,597	622,616	605,434
<b>Expenses</b>			
General government	25,821	25,343	23,700
Protection services	101,962	104,245	98,041
Transportation services	105,763	108,320	113,519
Environmental services	97,207	92,411	92,760
Health services	30,898	31,941	30,493
Social and family services	112,560	116,550	105,405
Social housing	37,140	40,747	39,599
Recreation and cultural services	44,916	50,705	42,911
Planning and development	12,780	12,327	12,448
	569,047	582,589	558,876
<b>Annual Surplus</b>	40,550	40,027	46,558
<b>Accumulated surplus, beginning of the year</b>	1,693,313	1,693,313	1,646,755
<b>Accumulated surplus, end of the year</b>	\$ 1,733,863	1,733,340	\$ 1,693,313

The accompanying notes are an integral part of these consolidated financial statements.



# CITY OF GREATER SUDBURY

Consolidated Statement of Change in Net Financial Assets  
(in thousands of dollars)  
December 31, 2018, with comparative information for 2017

	2018 Budget (note 19)	2018 Actual	2017 Actual
<b>Annual Surplus</b>	\$ 40,550	40,027	\$ 46,558
Acquisition of tangible capital assets	(266,087)	(106,977)	(124,678)
Amortization of tangible capital assets	70,992	73,200	72,028
Loss on sale of tangible capital assets	-	1,566	2,652
Proceeds on sale of tangible capital assets	-	17	353
	(154,545)	7,833	(3,087)
Inventory of supplies	-	(549)	809
Prepaid expenses	-	(345)	3
<b>Change in net financial assets</b>	(154,545)	6,939	(2,275)
<b>Net financial assets, beginning of the year</b>	195,737	195,737	198,012
<b>Net financial assets, end of the year</b>	\$ 41,192	202,676	\$ 195,737

The accompanying notes are an integral part of these consolidated financial statements.

# CITY OF GREATER SUDBURY

## Consolidated Statement of Cash Flow

(in thousands of dollars)

December 31, 2018, with comparative information for 2017

	2018	2017
<b>Cash flows from operating activities</b>		
Annual Surplus	\$ 40,027	\$ 46,558
Items not involving cash:		
Amortization of tangible capital assets	73,200	72,028
Loss on sale of tangible capital assets	1,566	2,652
Developer contributions of tangible capital assets	(2,124)	(5,329)
Change in employee benefit obligations	2,686	3,448
Change in solid waste management facility liability	(628)	515
Equity income in Government Business Enterprises	(5,995)	(2,164)
<b>Change in non-cash working capital:</b>		
(Increase) in accounts and taxes receivable	(3,739)	(23,404)
Decrease in inventory held for resale	671	570
(Increase) decrease in inventory of supplies	(549)	809
(Increase) decrease in prepaid expenses	(345)	3
(Decrease) increase in accounts payable and accrued liabilities	(1,544)	5,542
Increase (decrease) in deferred revenue - obligatory reserve funds	9,929	(2,973)
Increase in deferred revenue - other	1,052	223
	114,207	98,478
<b>Cash flows from financing activities</b>		
Long-term debt issued	5,760	1,000
Debt principal repayments	(4,171)	(3,985)
Financial obligations payments	(3,050)	(2,130)
Capital lease issued	625	-
Capital lease payments	(107)	(10)
	(943)	(5,125)
<b>Cash flows from capital activities</b>		
Proceeds on sale of tangible capital assets	17	353
Cash used to acquire tangible capital assets	(104,853)	(119,349)
	(104,836)	(118,996)
<b>Cash flows from investing activities</b>		
(Purchase) sale of investments	(6,442)	24,787
<b>Net increase (decrease) in cash</b>	1,986	(856)
<b>Cash, beginning of the year</b>	6,188	7,044
<b>Cash, end of the year</b>	\$ 8,174	\$ 6,188
<b>Supplementary Information</b>		
Interest received	\$ 6,822	\$ 6,214
Interest paid	\$ 2,835	\$ 3,022

The accompanying notes are an integral part of these consolidated financial statements.

# CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
(in thousands of dollars)  
Year ended December 31, 2018

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The City of Greater Sudbury is a municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes including the Municipal Act, 2001, Provincial Offences Act and other legislation.

## 1. Significant accounting policies

The consolidated financial statements of the City of Greater Sudbury (the "City") are prepared by management in accordance with Canadian generally accepted accounting principles established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

### (a) Reporting entity

#### (i) Consolidated entities

These consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the City and which are owned or controlled by the City. These boards, organizations and entities include:

Greater Sudbury Housing Corporation  
Greater Sudbury Police Services Board  
Downtown Sudbury  
Flour Mill Business Improvement Area  
Greater Sudbury Public Library Board

All interdepartmental and inter-organizational assets and liabilities and revenue and expenses have been eliminated.

#### (ii) Related entities

These consolidated financial statements do not reflect the assets, liabilities, sources of financing, expenses and the activities of the following boards, organizations and entities which are not under the control of Council:

Nickel District Conservation Authority  
Board of Health for the Sudbury & District Health Unit  
The City of Greater Sudbury Community Development Corporation

# CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
(in thousands of dollars)  
Year ended December 31, 2018

## 1. Significant accounting policies (continued)

### (a) Reporting entity (continued)

#### (ii) Related entities (continued)

The following contributions were made by the City to these entities:

	2018	2017
Nickel District Conservation Authority	\$ 867	\$ 683
Board of Health for the Sudbury & District Health Unit	6,136	6,029
The City of Greater Sudbury Community Development Corporation	1,564	1,542
	\$ 8,567	\$ 8,254

#### (iii) Investment in Government Business Enterprises

Government Business Enterprises (GBE) include the Greater Sudbury Utilities Inc./Services Publics du Grand Sudbury Inc. (GSU), and the Sudbury Airport Community Development Corporation (SACDC), and are accounted for by the modified equity method.

Under the modified equity method, the business enterprise's accounting principles are not adjusted to conform with those of the City and inter-organization transactions and balances are not eliminated.

#### (iv) Accounting for school board transactions

The taxation, other revenues, expenses, assets and liabilities of Le Conseil Scolaire de District Catholique du Nouvel-Ontario, Sudbury Catholic District School Board, Rainbow District School Board and Conseil Scolaire Du District Du Grand Nord De L'Ontario are not reflected in these consolidated financial statements.

### (b) Revenue recognition

#### Government transfers

Government transfers are transfers from senior levels of government that are not the result of an exchange transaction and are not expected to be repaid in the future. Government transfers without eligibility criteria or stipulations are recognized as revenue when the transfer is authorized. A transfer with eligibility criteria is recognized as revenue when the transfer is authorized and all eligibility criteria have been met. A transfer with or without eligibility criteria but with stipulations is recognized as revenue in the period the transfer is authorized and all eligibility criteria have been met, except where and to the extent that the transfer gives rise to an obligation that meets the definition of a liability for the City.

# CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
(in thousands of dollars)  
Year ended December 31, 2018

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## 1. Significant accounting policies (continued)

### (b) Revenue recognition (continued)

#### Taxation and related revenues

Annually, the City bills and collects property tax revenues for municipal purposes as well as provincial education taxes on behalf of the Province of Ontario (the "Province") for education purposes. The authority to levy and collect property taxes is established under the Municipal Act, 2001, the Assessment Act, the Education Act, and other legislation.

The amount of the total annual municipal property tax levy is determined each year through Council's approval of the annual operating budget. Municipal tax rates are set annually by Council for each class or type of property, in accordance with legislation and Council approved policies, in order to raise the revenues required to meet operating budget requirements. Education tax rates are established by the Province each year in order to fund the cost of education on a Province wide basis.

Property assessments, on which property taxes are based, are established by the Municipal Property Assessment Corporation (MPAC), a not-for-profit corporation funded by all of Ontario's Municipalities. The current value assessment (CVA) of a property represents an estimated market value of a property as of a fixed date. Assessed values for all properties within the municipality are provided to the City in the returned assessment roll in December of each year.

The amount of property tax levied on an individual property is the product of the CVA of the property (assessed by MPAC), the municipal tax rate for the class (approved by Council) and the education rates (approved by the Province), together with any adjustments that reflect Council approved mitigation or other tax policy measures, rebate programs, etc.

Property taxes are billed by the City twice annually. The interim billing, issued in February is based on approximately 50% of the total property taxes in the previous year, and provides for the cash requirements of the City for the initial part of the year. Final bills are issued in June.

Taxation revenues are recorded at the time tax billings are issued. Additional property tax revenue can be added throughout the year, related to new properties that become occupied, or that become subject to property tax, after the return of the annual assessment roll used for billing purposes. The City may receive supplementary assessment rolls over the course of the year from MPAC, identifying new or omitted assessments. Property taxes for these supplementary and/or omitted amounts are then billed according to the approved tax rate for the property class and on the supplementary/omitted due dates approved by Council.



# CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
(in thousands of dollars)  
Year ended December 31, 2018

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## 1. Significant accounting policies (continued)

### (b) Revenue recognition (continued)

#### Taxation and related revenues (continued)

Taxation revenues in any year may also be reduced by reductions in assessment values resulting from assessment and/or property tax appeals. Each year, an amount is identified within the annual operating budget and accrued in the consolidated financial statements to cover the estimated amount of revenue loss attributable to assessment appeals, tax appeals or other deficiencies in tax revenues (i.e. uncollectible amounts, write offs, etc.).

In the City of Greater Sudbury, annual property tax increases for properties within the commercial, industrial and multi-residential tax classes have been subject to limitations on the maximum allowable year-over-year increase since 1998, in order to mitigate dramatic tax increases due to changes in assessed values.

#### User charges

User charges relate to various programs, and fees imposed based on specific activities, such as: transit fees, leisure services, water, wastewater and solid waste. Revenue is recognized when the activity is performed or when the services are rendered.

#### Fines and penalties

Fines and penalties revenue is primarily generated from the Provincial Offences Administration (POA) office.

The POA is a procedural law for administering and prosecuting provincial offences, including those committed under the Highway Traffic Act, Compulsory Automobile Insurance Act, Trespass to Property Act, Liquor License Act, Municipal By-Laws and minor federal offences. The POA governs all aspects of legal process from serving notice to a defendant, to conducting trials, including sentencing and appeals.

Balances arising from operation of the POA office have been consolidated with these consolidated financial statements. The City cannot reliably estimate the collections of this revenue, accordingly, revenue is recognized on the cash basis.

#### Other revenue

Other revenues are recognized in the year that the events giving rise to the revenues occur and the revenues are earned. Amounts received which relate to revenues that will be earned in a subsequent year, are deferred and reported as liabilities.

# CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
(in thousands of dollars)  
Year ended December 31, 2018

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## 1. Significant accounting policies (continued)

### (c) Investments and investment income

Investments are recorded at cost less any amounts written off to reflect a permanent decline in value.

Investment income is reported as revenue in the period earned. Investment income earned on reserve funds that are set aside for specific purposes by legislation, regulation or agreement, is added to the fund balance and forms part of the respective deferred revenue balances.

### (d) Inventory held for resale

Inventory held for resale consisting of surplus land and cemetery plots, is recorded at the lower of cost and net realizable value. Cost includes amounts for improvements to prepare the land for sale or servicing.

### (e) Pensions and employee benefits

The City makes contributions to the Ontario Municipal Employees' Retirement System plan (OMERS), a multi-employer pension plan, on behalf of most of its employees. The plan is a defined benefit plan that specifies the amount of the retirement benefit to be received by the employees based on length of service and rates of pay. Employees and employers contribute jointly to the plan.

Because OMERS is a multi-employer pension plan, the City does not recognize any share of the pension plan deficit, as this is a joint responsibility of all Ontario municipalities and their employees. Employer's contributions for current and past service are included as an expense on the consolidated statement of operations and accumulated surplus.

The amount contributed to OMERS and expensed in 2018 was \$16,830 (2017 - \$16,686). As of December 31, 2018 the OMERS plan, with approximately 496,000 members, has a funding deficit of \$2,790,000 (2017 – surplus \$605,000).

Vacation entitlements are accrued for as entitlements are earned.

Sick leave benefits are accrued when they are vested and subject to pay out when an eligible employee leaves the City's employ.

Other post-employment benefits are accrued in accordance with the projected benefit method prorated on service and management's best estimate of salary escalation and retirement ages of employees. The discount rate used to determine the accrued benefit obligation was determined with reference to the City's cost of borrowing at the measurement date taking into account the cash flows that match the timing and amount of expected benefit payments.

Actuarial gains (losses) on the accrued benefit obligation arise from the difference between actual and expected experiences and from changes in actuarial assumptions used to determine the accrued benefit obligation. These gains (losses) are amortized over the average remaining service period of active employees.

# CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
(in thousands of dollars)  
Year ended December 31, 2018

## 1. Significant accounting policies (continued)

### (f) Deferred revenue - obligatory reserve funds

The City receives certain sub-divider contributions and other revenues under the authority of federal and provincial legislation and City by-laws. These funds, by their nature, are restricted in their use and, until applied to specific expenses, are recorded as deferred revenue. Amounts applied to qualifying expenses are recorded as revenue in the fiscal period they are expended.

### (g) Deferred revenue – other

The City receives certain amounts pursuant to funding agreements that may only be used in the conduct of certain programs or in the delivery of specific services and transactions. These amounts are recorded as deferred revenue and are recognized as revenue in the fiscal year the eligibility criteria has been met (i.e. related expenses are incurred, services are performed) except when stipulations are present and to the extent that the transfer give rise to an obligation that meets the definition of a liability.

### (h) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

### (i) Tangible capital assets

Tangible capital assets (TCA) are recorded at cost which includes amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land and landfill sites, are amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Useful Life - Years
General Capital	
Landfill and land improvements	15 - 75 years
Buildings	15 - 60 years
Machinery, furniture and equipment	2 - 50 years
Vehicles	2 - 20 years
Infrastructure	
Land improvements	25 - 100 years
Plants and facilities	5 - 80 years
Roads infrastructure	10 - 75 years
Water and wastewater infrastructure	15 - 100 years

Landfill sites are amortized using the units of production method based upon the capacity used during the year.

Half of the annual amortization is recorded as amortization expense in the year of acquisition or construction and in the year of disposal. Assets under construction are not amortized until the asset is put into service.

# CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
(in thousands of dollars)  
Year ended December 31, 2018

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## 1. Significant accounting policies (continued)

### (h) Non financial assets (continued)

#### (i) Tangible capital assets (continued)

##### (i) Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

##### (ii) Capital interest

Interest is capitalized whenever external debt is issued to finance the construction of tangible capital assets.

##### (iii) Leased tangible capital assets

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

##### (iv) Inventory

Inventories of supplies held for consumption are recorded at the lower of cost and replacement cost.

##### (v) Tangible capital assets disclosed at nominal values

Where an estimate of fair value could not be made or where there was no future benefit related to the asset, the tangible capital asset was recognized at a nominal value. Land, buildings and machinery, furniture and equipment are the categories where nominal values were assigned.

##### (vi) Works of art and historical treasures

The City manages and controls various works of art and non-operational historical cultural assets including buildings, artifacts, paintings and sculptures located at City sites and public display areas. These assets are not recorded as tangible capital assets and are not amortized.

#### (i) Landfill closure and post closure liability

The costs to close existing landfill sites and to maintain closed solid waste landfill sites are based on estimated future expenditures in perpetuity in current dollars, adjusted for estimated inflation. The estimated liability for active sites is recognized as the landfills site capacity is used. These costs are reported as a liability on the consolidated statement of financial position.

# CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
(in thousands of dollars)  
Year ended December 31, 2018

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## 1. Significant accounting policies (continued)

### (j) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods.

Significant items subject to such estimates and assumptions include valuation allowances for taxes receivable, accounts receivable and post-employment benefits. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

Actual results could differ from these estimates.

### (k) Adoption of new accounting standards

The Public Sector Accounting Board (PSAB) issued new accounting standards effective for fiscal years beginning on or after April 1, 2017. As a result, the City adopted the following new accounting standards: Related Party Disclosures (PS 2200), Assets (PS 3210), Contingent Assets (PS 3320), Contractual Rights (PS 3380), and Inter-Entity Transactions (PS 3420). The adoption of these accounting standards did not result in an accounting policy change for the City, nor did it result in any adjustments to the Financial Statements. These new accounting standards only impact note disclosures.

## 2. Accounting standards issued but not yet adopted

Section PS 3430, Restructuring Transactions is effective for fiscal years beginning on or after April 1, 2018. Earlier adoption is permitted. This Section establishes standards on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities, together with related program or operating responsibilities. Restructurings can be initiated by the entities involved or imposed by a higher level of government through legislation or by the controlling government. The City has not yet adopted this standard or determined the effect on the consolidated financial statements.

Section PS 1201, Financial Statement Presentation, PS 3041, Portfolio Investments, PS 3280, Asset Retirement Obligations, PS 3450, Financial Instruments, are effective for fiscal years beginning on or after April 1, 2021. While early adoption is permitted, all four of the standards must be adopted in the same year except for PS 3280. PS 1201 Financial Statement Presentation includes the addition of a new statement outlining re-measurement gains and losses. PS 3041, Portfolio Investments provides guidance on how to account for and report portfolio investments. PS 3280 Asset Retirement Obligations addresses the reporting of legal obligations associated with the retirement of tangible capital assets. PS 3450, Financial Instruments provides guidance on the recognition, measurement, presentation and disclosure of financial instruments including derivative instruments. The City has not yet adopted these standards or determined the effect on the consolidated financial statements.

Section PS 2601 Foreign Currency Translation is effective for fiscal years beginning on or after April 1, 2021. This section includes guidance on deferral and amortization of unrealized gains and losses, hedge accounting and separation of realized and unrealized foreign exchange gains and losses. The City has not yet adopted these standards or determined the effect on the consolidated financial statements.



# CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
(in thousands of dollars)  
Year ended December 31, 2018

## 2. Accounting standards issued but not yet adopted (continued)

Section PS 3400, Revenue is effective for fiscal years beginning on or after April 1, 2022, early adoption is permitted. This section establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations. The City has not yet adopted this standard or determined the effect on the consolidated financial statements.

## 3. Taxes receivable

	2018	2017
Current taxes and grants in lieu of taxes	\$ 7,642	\$ 7,351
Taxes in arrears	7,575	8,109
	15,217	15,460
Less: allowance for doubtful accounts	(6,685)	(6,100)
Net taxes receivable	\$ 8,532	\$ 9,360

## 4. Accounts receivable

Accounts receivable consists of the following:

	2018	2017
Government of Canada	\$ 19,130	\$ 21,813
Province of Ontario	13,166	12,778
Other municipalities	167	69
School boards	41	134
Other receivables	42,286	35,245
	74,790	70,039
Less: allowance for doubtful accounts	(797)	(613)
Net accounts receivable	\$ 73,993	\$ 69,426

# CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
(in thousands of dollars)  
Year ended December 31, 2018

## 5. Investment in Government Business Enterprises

The SACDC and GSU are owned and controlled by the City. These corporations are business enterprises of the City and are accounted for on a modified equity basis in these consolidated financial statements.

(a) The investment in Government Business Enterprises consists of the following:

	SACDC	GSU	2018 Total	2017 Total
Balance, beginning of year	\$ 13,666	94,484	108,150	\$ 105,986
City's share of operating income for the year	1,095	4,900	5,995	2,164
Balance, end of year	\$ 14,761	99,384	114,145	\$ 108,150

The investment of \$99,384 in GSU includes a promissory note receivable of \$52,340 (2017 - \$52,340) which is unsecured and bears interest at a rate of 7.25% per annum. The note is repayable in full upon six months written notice from the City.

(b) Supplementary Information

The following tables provide condensed supplementary financial information for the year ended December 31, 2018:

Financial Position				
	SACDC	GSU	2018 Total	2017 Total
Current assets	\$ 2,488	23,180	25,668	\$ 27,732
Capital assets	28,956	115,608	144,564	134,983
Other assets	-	14,794	14,794	13,774
Total assets	31,444	153,582	185,026	176,489
Current liabilities	414	12,288	12,702	16,308
Note payable to the City of Greater Sudbury	4,992	52,340	57,332	53,187
Long term liabilities	11,276	41,911	53,187	51,185
Total liabilities	16,682	106,539	123,221	120,680
Net assets	\$ 14,762	47,043	61,805	\$ 55,809

The \$4,992 (2017 -\$847) note payable to the City from SACDC accrues interest at the City's average monthly rate of return on investments plus 1% and has no specified terms of repayment.

# CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
(in thousands of dollars)  
Year ended December 31, 2018

## 5. Investment in Government Business Enterprises (continued)

### b) Supplementary Information (continued)

By-Law 2017-16 authorized an increased loan to the Sudbury Airport Community Development Corporation to \$7,500. The By-Law provides flexibility to temporarily exceed the \$7,500 limit for bridge financing in order to complete subsidized projects. As at December 31, 2018, the City is in compliance with the requirements of By-Law 2017-16.

	SACDC	GSU	2018 Total	2017 Total
Revenue	\$ 9,556	141,048	150,604	\$ 151,923
Expenses	(8,401)	(132,620)	(141,021)	(144,280)
Interest paid to the City of Greater Sudbury	(58)	(3,795)	(3,853)	(3,835)
Other	-	(926)	(926)	(553)
Other comprehensive income	(2)	1,193	1,191	(1,091)
Net income	\$ 1,095	4,900	5,995	\$ 2,164
Budgeted net income	\$ 1,306	1,259	2,565	1,605

### (c) Related Party Transactions

Related party transactions between the City and its government business enterprises are as follows:

- (i) At December 31, 2018, the City has the following amounts included in the consolidated statement of financial position:

A receivable of \$683 (2017 - \$749) for water billings collected by GSU on behalf of the City.

A payable of \$29 (2017 - \$33) for electricity and water bill payments collected by the City on behalf of GSU.

- (ii) Revenues included in the Consolidated Statement of Operations and Accumulated Surplus of the City are:

	2018	2017
Property taxes	\$ 466	\$ 425
Interest on promissory note receivable	3,853	3,835
	\$ 4,319	\$ 4,260

# CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
(in thousands of dollars)  
Year ended December 31, 2018

## 5. Investment in Government Business Enterprises (continued)

### c) Related Party Transactions (continued)

(iii) Expenses included in the Consolidated Statement of Operations and Accumulated Surplus of the City are:

	2018	2017
Billing and collection services for water and wastewater	\$ 1,467	\$ 1,565
Streetlighting maintenance services	448	524
Streetlighting infrastructure	213	298
Electricity	6,782	7,789
Telecommunications	601	487
	\$ 9,511	\$ 10,663

Transactions with related parties are in the normal course of operations and are recorded at the exchange amount, which is the amount agreed to by the related parties. It is management's opinion that the exchange amount represents fair market value for these services.

## 6. Investments

	2018 Interest Rates	Market	2018 Cost	Market	2017 Cost
Short term investments	(1.50% to 4.59%)	\$ 172,054	171,564	\$ 170,310	168,825
Long term investments	(0.00% to 3.97%)	134,410	133,236	130,420	129,532
		\$ 306,464	304,800	\$ 300,730	298,357

The investments consisting of term deposits, treasury bills, high interest savings accounts and bonds earn rates of return ranging from 0.00% to 4.60% per annum and are recorded at cost adjusted for amortization of discounts and premiums. Maturity dates on long term investments range from 2020 to 2035 (2017 – 2019 to 2035).

By-Law 2013-179 adopted the Investment Policy which allows up to \$150,000 to be invested in long-term instruments (greater than one year). The remainder of the portfolio is restricted to short-term investments (one year and shorter). At December 31, 2018, the City is in compliance with the requirements of By-Law 2013-179.

# CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
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Year ended December 31, 2018

## 7. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consist of the following:

	2018	2017
Government of Canada	\$ 2,779	\$ 2,619
Province of Ontario	2,827	5,832
Other municipalities	-	44
School boards	18	11
Other payables	92,032	90,694
<b>Total accounts payable and accrued liabilities</b>	<b>\$ 97,656</b>	<b>\$ 99,200</b>

## 8. Bank indebtedness

The City has an unsecured demand revolving credit facility in the amount of \$10,000 (2017 - \$10,000) bearing interest at the bank's prime rate less 0.5% for Bankers' Acceptance and 0.9% on loans with an effective rate of 3.45% (2017 - 2.95%) per annum. No amounts were drawn against the facility as at December 31, 2018 and 2017.

## 9. Deferred revenue - obligatory reserve funds

Deferred revenue - obligatory reserve funds consist of the following:

	December 31, 2017	Externally restricted inflows	Revenue earned	December 31, 2018
Gasoline Tax - Federal	\$ 13,314	10,545	(6,938)	\$ 16,921
Gasoline Tax - Provincial	-	2,650	(2,650)	-
Ontario Community Infrastructure Fund	372	6,114	(75)	6,411
Social Housing Apartment Retrofit Program	990	366	(1,356)	-
Children's Services - Transition Mitigation Funding	6,296	-	-	6,296
Development Charges Act	1,780	4,571	(4,286)	2,065
Recreational Land (Planning Act)	899	77	(143)	833
Subwatershed Provincial Fund	638	117	(755)	-
Sub-Divider Contributions	8,822	700	(555)	8,967
Building Permit Revenues (Bill 124)	7,378	166	(586)	6,958
Ontario Municipal Commuter Cycling Provincial Grant	-	1,146	(96)	1,050
Social Housing Apartment Improvement Program (SHAIP)	-	461	(80)	381
Municipal Accommodation Tax (MAT)	-	363	-	363
Ontario's Main Street Revitalization Initiatives	-	173	-	173
	<b>\$ 40,489</b>	<b>27,449</b>	<b>(17,520)</b>	<b>\$ 50,418</b>

# CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
(in thousands of dollars)  
Year ended December 31, 2018

## 10. Deferred revenue – other

Deferred revenue - other consist of the following:

	December 31, 2017	Externally restricted inflows	Revenue earned	December 31, 2018
Federal government	\$ 24	229	(49)	\$ 204
Provincial government	2,714	10,565	(9,687)	3,592
Other	664	955	(1,007)	612
Consolidated entities	188	233	(188)	233
	\$ 3,590	11,982	(10,931)	\$ 4,641

## 11. Employee benefit obligations

Employee benefit obligations consist of the following:

	2018	2017
Future payments required for:		
WSIB obligations	\$ 6,508	\$ 5,189
Accumulated sick leave benefits	6,818	6,760
Other post-employment benefits	34,445	33,545
Liability for Stop Loss Insurance	1,005	1,305
Vacation pay	16,433	15,724
	\$ 65,209	\$ 62,523

The City has established reserve funds in the amount of \$13,963 (2017 - \$15,149) to mitigate the future impact of these obligations.

The City is a Schedule 2 employer under the provisions of the Workplace Safety and Insurance Board Act (WSIB), and as such, remits payments to the WSIB as required to fund disability payments.

Accumulated sick leave benefits accrue to certain employees of the City and are paid out either on approved retirement or upon termination or death.

Other post-employment benefits represent the City's share of the cost to provide certain employees with extended benefits upon early retirement.

Liability for stop loss insurance represents future payments for claims relating to catastrophic losses that occurred during the insured period and has exceeded or will exceed the City's deductible.



# CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
(in thousands of dollars)  
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## 11. Employee benefit obligations (continued)

The following table sets out the results as determined by the actuarial valuations completed for the year ended December 31, 2018 for each of the plans.

	WSIB	Sick leave	Other Post-Employment Benefits	2018 Total	2017 Total
Accrued benefit liability, beginning of year	\$ 10,114	6,639	35,866	52,619	\$ 51,874
Benefit cost	2,481	350	1,623	4,454	2,931
Interest cost	402	237	1,274	1,913	1,830
Benefit payments	(2,836)	(479)	(2,514)	(5,829)	(4,016)
Actuarial gain (loss)	3,125	(435)	221	2,911	-
Accrued benefit liability, end of year	13,286	6,312	36,470	56,068	52,619
Unamortized actuarial gain (loss)	(6,778)	506	(2,025)	(8,297)	(7,125)
	\$ 6,508	6,818	34,445	47,771	\$ 45,494

The total employee benefits expense include the following components:

	WSIB	Sick Leave	Other Post-Employment Benefits	2018 Total	2017 Total
Current period benefit cost	\$ 3,486	350	1,623	5,459	\$ 4,236
Amortization of actuarial gain (loss)	1,272	(50)	517	1,739	2,192
Interest expense	402	237	1,274	1,913	1,830
Total employee benefit expense	\$ 5,160	537	3,414	9,111	\$ 8,258

The actuarial valuations of the plans were based upon a number of assumptions about future events, which reflect management's best estimates. The following represents the more significant assumptions made:

	WSIB	Sick Leave	Other Post-Employment Benefits
Expected inflation rate	2.0%	2.0%	2.0%
Expected level of salary increases	N/A	3.1%	3.1%
Discount rate	3.75%	3.75%	3.75%

For other post employment benefits, as at December 31, 2018, the initial health care trend rate is 7.6% (2017 – 7.6 %) and the ultimate trend rate is 4.5% (2017 – 4.5%) which is expected to be reached in 2029 (2017 – 2029).

# CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
(in thousands of dollars)  
Year ended December 31, 2018

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## 12. Solid waste management facility liability

The Environmental Protection Act sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites. This requirement is to be provided for over the estimated remaining life of the landfill site based on usage.

Solid waste closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance. The reported liability, which is prepared by an engineering firm, is based on estimates and assumptions with respect to events extending over a twenty-five year period using the best information available to management. Future events may result in significant changes to the estimated total expenses; capacity used or total capacity, useful life and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

The City has three active and three inactive landfill sites. Estimated total expenses for these six sites represent the sum of the discounted future cash flows for closure and post-closure care activities discounted using an average borrowing rate of 4.0% (2017 – 3.85%) minus an inflation rate of 2.34% (2017 - 2.17%) (10-year average of CPI from 2008 to 2018). The estimated total landfill closure and post-closure care expenses are calculated to be \$23,265 (2017 - \$24,738). The estimated liability for the active sites is recognized as the landfill site's capacity is used. At December 31, 2018, an amount of \$14,316 (2017 - \$14,944) with respect to landfill closure and post-closure liabilities has been accrued.

### Active sites

The estimated remaining capacity of the Sudbury landfill site is 45% (3,472,763 cubic meters) (2017 - 46%) of its total estimated capacity and its estimated remaining life is 34 years (2017 - 32 years), after which the period for post-closure care is estimated to be 25 years.

The estimated remaining capacity of the Valley East landfill site is 35% (584,097 cubic meters) (2017 - 36%) of its total estimated capacity and its estimated remaining life is 25 years (2017 - 21 years), after which the period for post-closure care is estimated to be 25 years.

The estimated remaining capacity of the Rayside-Balfour landfill site is 46% (685,689 cubic meters) (2017 - 48%) of its total estimated capacity and its estimated remaining life is 32 years (2017 - 31 years), after which the period for post-closure care is estimated to be 25 years.

### Inactive sites

The City has identified three (2017 – three) inactive landfill sites for which it retains responsibility for all costs relating to closure and post-closure care.

Post-closure care activities for landfill sites are expected to occur in perpetuity and will involve surface and ground water monitoring, maintenance of drainage structures, monitoring leachate and landfill gas, and maintenance of the landfill cover.

The estimated liability for the care of inactive landfill sites is the present value of future cash flows associated with closure and post-closure costs discounted using the City's average long-term borrowing rate of 4.0% (2017 – 3.85%). The estimated present value of future expenditures for post-closure care is \$2,157 (2017 - \$2,225).

## CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
(in thousands of dollars)  
Year ended December 31, 2018

### 13. Long-term liabilities

(a) Long-term liabilities consist of the following:

	2018	2017
Debentures (i)	\$ 48,506	\$ 51,975
Other loans (ii)	16,466	17,167
Capital lease obligations (iii)	548	30
Accrued financial obligations (iv)	11,010	8,300
	<b>\$ 76,530</b>	<b>\$ 77,472</b>

- (i) The debentures bear interest at rates of 3.10% to 5.734%, repayable in aggregate blended monthly payments of \$441, maturing from March 2023 to May 2035.
- (ii) The other loans bear interest at rates of 5.47% to 6.162%, repayable in aggregate blended annual payments of \$354 and an aggregated blended monthly payment of \$116, maturing from March 2025 to May 2035.
- (iii) The capital lease obligations bear interest at a rate of 0%, repayable in aggregate blended monthly payments of \$13, maturing from April 2021 to April 2023.
- (iv) Accrued financial obligations consist of the following:

	Last Year of Obligation	2018	2017
Advanced Medical Research Institute of Canada	2018	\$ -	\$ 100
Physician Service Agreements	2019	10	-
Laurentian University (School of Architecture)	2019	500	1,500
Health Sciences North (PET Scanner)	2021	700	1,000
Maison McCulloch Hospice	2022	600	-
Place des Arts	2022	4,500	-
Northeastern Ontario Regional Cancer Centre	2023	1,414	1,715
Health Sciences North	2023	3,286	3,985
		<b>\$ 11,010</b>	<b>\$ 8,300</b>

## CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
(in thousands of dollars)  
Year ended December 31, 2018

### 13. Long-term liabilities (continued)

(b) The principal payments on long-term liabilities are due as follows:

2019	\$	7,266
2020		7,462
2021		8,068
2022		6,795
2023		4,852
Thereafter		42,087
	\$	76,530

(c) The City's long-term liabilities are to be recovered from the following sources:

General municipal revenues	\$	33,306
Water/wastewater user fees		43,224
	\$	76,530

(d) The City expensed \$2,835 in 2018 (2017 - \$ 3,022) in interest on these borrowings.

# CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
(in thousands of dollars)  
Year ended December 31, 2018

## 14. Tangible capital assets

Cost	Balance December 31, 2017	Additions	Disposals / Transfers	Balance at December 31, 2018
General Capital:				
Land	\$ 76,323	1,902	(1)	\$ 78,224
Landfill and land improvements	40,338	2,176	-	42,514
Buildings	344,280	5,366	(392)	349,254
Machinery, furniture and equipment	117,517	8,478	(4,060)	121,935
Vehicles	76,142	6,453	(2,858)	79,737
Infrastructure:				
Land improvements	22,956	8,597	-	31,553
Plants and facilities	426,201	3,129	(691)	428,639
Roads infrastructure	1,235,342	29,599	(4,307)	1,260,634
Water and sewer infrastructure	524,053	15,836	(391)	539,498
Assets under construction	64,690	50,842	(25,399)	90,133
Total	\$ 2,927,842	132,378	(38,099)	\$ 3,022,121

Accumulated amortization	Balance December 31, 2017	Amortization expense	Disposals / Transfers	Balance at December 31, 2018
General Capital:				
Land	\$ -	-	-	\$ -
Landfill and land improvements	18,796	1,326	-	20,122
Buildings	170,019	10,199	(327)	179,891
Machinery, furniture and equipment	71,487	8,177	(3,709)	75,955
Vehicles	42,010	5,277	(2,850)	44,437
Infrastructure:				
Land improvements	3,613	485	-	4,098
Plants and facilities	211,202	10,231	(566)	220,867
Roads infrastructure	750,413	30,235	(3,324)	777,324
Water and sewer infrastructure	171,421	7,271	(341)	178,351
Assets under construction	-	-	-	-
Total	\$ 1,438,961	73,200	(11,117)	\$ 1,501,045

	Net book value December 31, 2017	Net book value December 31, 2018
General Capital:		
Land	\$ 76,323	\$ 78,224
Landfill and land improvements	21,542	22,392
Buildings	174,261	169,363
Machinery, furniture and equipment	46,030	45,980
Vehicles	34,132	35,300
Infrastructure:		
Land improvements	19,343	27,455
Plants and facilities	214,999	207,772
Roads infrastructure	484,929	483,310
Water and sewer infrastructure	352,632	361,147
Assets under construction	64,690	90,133
Total	\$ 1,488,881	\$ 1,521,076

## CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
(in thousands of dollars)  
Year ended December 31, 2018

## 14. Tangible capital assets (continued)

Cost	Balance December 31, 2016	Additions	Disposals / Transfers	Balance at December 31, 2017
General Capital:				
Land	\$ 74,114	2,273	(64)	\$ 76,323
Landfill and land improvements	39,236	1,102	-	40,338
Buildings	336,672	9,615	(2,007)	344,280
Machinery, furniture and equipment	114,094	5,672	(2,249)	117,517
Vehicles	75,945	5,681	(5,484)	76,142
Infrastructure:				
Land improvements	22,811	145	-	22,956
Plants and facilities	423,908	3,443	(1,150)	426,201
Roads infrastructure	1,195,806	50,765	(11,229)	1,235,342
Water and sewer infrastructure	507,291	17,277	(515)	524,053
Assets under construction	35,983	50,135	(21,428)	64,690
Total	\$ 2,825,860	146,108	(44,126)	\$ 2,927,842

Accumulated amortization	Balance December 31, 2016	Amortization expense	Disposals / Transfers	Balance at December 31, 2017
General Capital:				
Land	\$ -	-	-	\$ -
Landfill and land improvements	17,274	1,522	-	18,796
Buildings	161,100	9,969	(1,050)	170,019
Machinery, furniture and equipment	65,441	8,174	(2,128)	71,487
Vehicles	42,333	4,910	(5,233)	42,010
Infrastructure:				
Land improvements	3,294	319	-	3,613
Plants and facilities	202,208	10,141	(1,147)	211,202
Roads infrastructure	730,142	29,921	(9,650)	750,413
Water and sewer infrastructure	164,834	7,073	(486)	171,421
Assets under construction	-	-	-	-
Total	\$ 1,386,626	72,028	(19,694)	\$ 1,438,961

	Net book value December 31, 2016	Net book value December 31, 2017
General Capital:		
Land	\$ 74,114	\$ 76,323
Landfill and land improvements	21,962	21,542
Buildings	175,572	174,261
Machinery, furniture and equipment	48,654	46,030
Vehicles	33,613	34,132
Infrastructure:		
Land improvements	19,517	19,343
Plants and facilities	221,700	214,999
Roads infrastructure	465,664	484,929
Water and sewer infrastructure	342,455	352,632
Assets under construction	35,983	64,690
Total	\$ 1,439,234	\$ 1,488,881



## CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
(in thousands of dollars)  
Year ended December 31, 2018

### 14. Tangible capital assets (continued)

#### a) Assets under construction

Assets under construction having a value of \$90,132 (2017- \$64,690) have not been amortized. Amortization of these assets will commence when the asset is put into service.

During the year, the City added \$50,841 (2017 - \$50,135) to assets under construction and transferred \$24,804 (2017 - \$21,428) from assets under construction to tangible capital assets.

#### b) Developer contributions of tangible capital assets

Contributed capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$2,124 (2017 - \$5,329) comprised of the following:

	2018	2017
General Capital		
Land	\$ 107	\$ 426
Machinery and equipment	319	298
Land improvements	217	33
Infrastructure		
Land improvements	35	234
Roads network	983	1,484
Water and wastewater network	463	2,854
Total	\$ 2,124	\$ 5,329

### 15. Operations of school boards

Further to note 1(a) (iv), taxation and other revenues generated from the operations of the school board excluded from reported revenues are comprised of the following:

	2018	2017
Taxation	\$ 52,508	\$ 51,623
Payments in lieu of taxes	139	139
	\$ 52,647	\$ 51,762

# CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
(in thousands of dollars)  
Year ended December 31, 2018

## 16. Contractual rights and contingent assets

- (a) Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. The City's contractual rights arise because of contracts entered into for lease agreements. The following table summarizes the contractual rights of the City:

2019	\$ 3,950
2020	3,160
2021	3,158
2022	3,160
2023 and onwards	794
	<u>\$ 14,222</u>

- (b) Contingent assets

As of December 31, 2018, certain legal actions are pending in favour to the City. An estimate of the contingency cannot be made since the outcome of these matters is interminable. Should any gain result from the resolution of these matters, such gain would be realized to operations in the year of disposition.

## 17. Contractual obligations and commitments

- (a) Contracts for capital projects

The balance of capital works uncompleted under contracts in progress at December 31, 2018 amounts to approximately \$47,184 (2017 - \$68,519). The proposed financing of these obligations is \$28,715 (2017 - \$37,175) from surplus funds and \$18,469 (2017 - \$31,344) from external sources.

- (b) Contracts for services

The City has entered into contracts with third parties to provide various services to the City. The minimum anticipated payments under these contracts are as follows:

2019	\$ 33,832
2020	26,973
2021	12,376
2022	9,372
2023 and onwards	47,687
	<u>\$ 130,240</u>

- (c) Contingent liabilities

As at December 31, 2018, certain legal actions are pending against the City. An estimate of the contingency cannot be made since the outcome of these matters is indeterminable. Should any loss result from the resolution of these matters, such loss would be charged to operations in the year of disposition.

# CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
(in thousands of dollars)  
Year ended December 31, 2018

## 17. Contractual obligations and commitments (continued)

### (d) Liability for contaminated sites

A contaminated site is an unproductive site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. A liability for remediation of contaminated sites is recognized when the City is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate for the amount can be made. As at December 31, 2018 there is no liability recorded in the consolidated financial statements. The City will continue to review contaminated sites on an annual basis and when the criteria for recognition have been met, a liability will be recorded.

## 18. Accumulated surplus

Accumulated surplus consists of the following:

	2018	2017
<b>Surplus</b>		
Invested in tangible capital assets	\$ 1,455,357	\$ 1,419,491
Invested in government business enterprises	114,145	108,150
Other	2,225	2,828
Committed capital:		
Capital projects not completed	120,446	122,619
Unfinanced capital projects to be recovered through taxation or user charges	(19,355)	(21,304)
Unfunded:		
Landfill closure costs	(14,316)	(14,944)
Employee benefits	(64,113)	(61,127)
Accrued financial obligations	(10,800)	(8,100)
	1,583,589	1,547,613
<b>Reserves</b>	6,519	9,417
<b>Reserve funds</b>	143,232	136,283
	\$ 1,733,340	\$ 1,693,313

# CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
(in thousands of dollars)  
Year ended December 31, 2018

## 19. Budget data

Budget data presented in these consolidated financial statements are based on the 2018 operating and capital budgets approved by Council and Local Boards. The chart below reconciles the approved budget with the budget figures as presented in these consolidated financial statements.

	2018
<b>Revenues</b>	
Approved budget:	
Operating	\$ 551,539
Capital	263,357
Consolidated Boards	21,056
	835,952
Adjustments:	
Transfer from reserves to operating	(8,890)
Recognize revenues from obligatory reserve funds	(8,549)
In year budget adjustments - operating	3,833
Operating transfer to capital and future years funding	(209,840)
Reclass between revenues and expenses	(969)
Reclassification of taxation bad debt expense	(1,940)
<b>Total revenues</b>	<b>\$ 609,597</b>
<b>Expenses</b>	
Approved budget:	
Operating	\$ 551,539
Capital	263,357
Consolidated Boards (A)	18,491
	833,387
Adjustments:	
Amortization of tangible capital assets	70,992
Transfer to reserves and capital	(81,713)
Reduction due to tangible capital assets	(266,088)
Post employment benefit expense	6,065
Landfill closure and post closure expense	722
In year budget adjustments - operating	3,833
In year budget adjustments - capital	160
Reclassification of taxation bad debt expense	(1,940)
Debt principal repayments	(7,811)
Reclass between revenues and expenses	(969)
Operating expenses budgeted in capital expensed in current year	12,409
<b>Total expenses</b>	<b>\$ 569,047</b>
<b>Annual surplus</b>	<b>\$ 40,550</b>

Budget figures have been reclassified for purposes of these consolidated financial statements to comply with Public Sector Accounting Board reporting requirements and are not audited.

(A) The approved budgets of the Consolidated Boards include amortization. Their budgets also provide figures for the acquisition of tangible capital assets.

# CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
(in thousands of dollars)  
Year ended December 31, 2018

## 20. Taxation

Taxation consists of:

	2018 Budget	2018 Actual	2017 Actual
Municipal tax levy	\$ 260,673	260,764	\$ 249,701
Supplementary taxation	2,200	2,463	3,039
Payment in lieu of property taxes	7,833	7,744	7,656
Local improvements	42	42	59
	270,748	271,013	260,455
Rebates and tax concessions	(1,940)	(3,057)	(2,894)
Net municipal taxation	\$ 268,808	267,956	\$ 257,561

## 21. Other revenues

Other revenues consist of:

	2018 Budget	2018 Actual	2017 Actual
Gaming and casino revenues	\$ 2,175	2,153	\$ 2,255
Loss on sale of land and tangible capital assets	-	(1,566)	(2,588)
Donated tangible capital assets	-	2,124	5,329
Donations	169	101	86
Development Charges earned	-	4,286	3,689
Sub-divider contributions	1,142	1,142	2,049
Miscellaneous recoveries/revenues	16,847	14,067	12,942
	\$ 20,333	22,307	\$ 23,762

## 22. Trust funds

Trust funds amounting to \$17,553 (2017 - \$15,912) administered by the City are not included in the consolidated financial statement of financial position nor have their operations been included in the consolidated statement of operations and accumulated surplus.

## 23. Comparative figures

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year. These changes have no effect on the annual surplus previously reported in the prior year.

# CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
(in thousands of dollars)  
Year ended December 31, 2018

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## 24. Segmented disclosure

The City is a diversified municipal government institution that provides a wide range of services to more than 161,000 citizens. Services include water, roads, fire, police, emergency medical services, waste management, public transit, recreation programs, economic development, land use planning and health and social services. For management reporting purposes the Government's operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

City services are provided by departments and their activities are reported in these funds. Certain departments have been separately disclosed in the segmented information, along with the services they provide, and are as follows:

### General Government

General Government consists of Office of the Mayor, Council expenses, Administrative Services (including Clerks, Elections, Communications, Legal and Information Technology Services), Human Resources, Auditor General and Finance Departments. Areas within the General Government respond to the needs of external and internal clients by providing high quality, supportive and responsive services. This area supports the operating departments in implementing priorities of Council and provides strategic leadership on issues, relating to governance, strategic planning and service delivery.

### Transportation Services

This area is responsible for management of Roadways including traffic and winter control, Transit services, and the administration and operation of City-owned parking lots. This section also provides employee services to the SACDC.

### Protection Services

This section consists of Fire, Police, contribution to the Nickel District Conservation Authority, Animal Control, Building Services, Emergency measures and management of Provincial Offences Act. Police Services ensures the safety of the lives and property of citizens; preserves peace and order; prevents crimes from occurring; detect offenders and enforce the law. Fire Services is responsible to provide fire suppression service; fire prevention programs; training and education related to prevention, detection and extinguishment of fires. The Building Services Division processes permit applications and ensure compliance with the Ontario Building Code and with By-Laws enacted by Council.

### Environmental Services

In addition to the management of Waterworks, Sanitary and Storm Sewer systems, this area is responsible for Waste Collection, Waste Disposal and Recycling facilities and programs. This section is responsible for providing clean, potable water meeting all regulatory requirements and responsible for repairing breaks and leaks in the water and sewer system. This section produces quality effluents meeting regulatory requirements and minimizing environmental degradation.



## CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
(in thousands of dollars)  
Year ended December 31, 2018

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### 24. Segmented disclosure (continued)

#### Health and Social Services

This section consists of Ambulance Services, Social Services including Housing Services, Childcare, Assistance to Aged Persons, Cemetery Services as well as the City's contribution to the Health Unit and Hospital. The Social Services division is responsible for the administration and delivery of the Ontario Works Act. Ontario Works is an employment based, provincially mandated program, cost-shared with the Ministry of Community and Social Services. To enable low-income families to pursue employment and educational opportunities, Children Services deliver child care services and assist with costs of child care via the provision of subsidies. Pioneer Manor is a Long-Term Care facility providing 24-hour care and services to 433 residents. Housing Services reflects the cost of administering and delivering social housing programs downloaded from the Province.

#### Recreation and Cultural Services

This section provides public services that contribute to neighbourhood development and sustainability through the provision of recreation and leisure services such as fitness and aquatic programs and provides management of arenas and leisure facilities. This section also contributes to the information needs of the City's citizens through the provision of library and cultural services and by preserving local history and managing archived data.

#### Planning and Development Services

The goal of this section is to offer coordinated development services in order to maximize economic development opportunities. The Planning and Development Division ensures that the City of Greater Sudbury is planned and developed in accordance with the Ontario Planning Act, Provincial policies and good planning principles so that Sudbury is an enjoyable and beautiful community to live, work, play and shop. This section also provides leadership in matters relating to landscape restoration, ecosystem health, biological integrity, energy conservation, air and lake water quality.

Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation, certain government grants and other revenue are apportioned to services based on a percentage of operations.

## CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
(in thousands of dollars)  
Year ended December 31, 2018

## 24. Segmented Disclosure (continued)

December 31, 2018	General Government	Protection Services	Transportation Services	Environmental Services	Health and Social Services	Recreation and Cultural Services	Planning and Development	Government Business Enterprises	Total
<b>Revenues</b>									
Transfer Payments	\$ 21,708	4,322	33,480	1,193	114,974	641	1,023		\$ 177,341
Taxation	(15,403)	86,279	81,501	20,845	54,620	29,009	11,105		267,956
User Charges	5,624	5,807	10,607	80,246	19,440	8,771	757		131,252
Other	16,562	4,035	6,189	6,430	1,956	1,772	3,128	5,995	46,067
	28,491	100,443	131,777	108,714	190,990	40,193	16,013	5,995	622,616
<b>Expenses</b>									
Salaries, Wages and Benefits	27,802	82,467	33,067	19,905	63,170	21,770	7,330	-	255,511
Materials	8,063	9,888	24,423	19,003	23,013	12,793	2,215	-	99,398
Contract Services	5,000	1,795	12,471	30,207	43,459	1,395	503	-	94,830
Grants and Transfer Payments	130	879	52	52	46,379	6,589	1,426	-	55,507
Amortization	1,102	4,742	35,396	19,219	7,233	5,114	394	-	73,200
Other	720	339	480	1,966	297	287	54	-	4,143
Allocation of shared expenses	(17,474)	4,135	2,431	2,059	5,687	2,757	405	-	-
	25,343	104,245	108,320	92,411	189,238	50,705	12,327	-	582,589
<b>Annual Surplus (Deficit)</b>	\$ 3,148	(3,802)	23,457	16,303	1,752	(10,512)	3,686	5,995	\$ 40,027

# CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
(in thousands of dollars)  
Year ended December 31, 2018

## 24. Segmented Disclosure (continued)

December 31, 2017	General Government	Protection Services	Transportation Services	Environmental Services	Health and Social Services	Recreation and Cultural Services	Planning and Development	Government Business Enterprises	Total
<b>Revenues</b>									
Transfer Payments	\$ 23,799	3,808	39,097	6,174	105,269	713	1,383	-	\$ 180,243
Taxation	(20,119)	83,344	81,530	20,024	54,252	27,481	11,050	-	257,561
User Charges	5,401	5,718	10,017	74,713	18,733	8,639	831	-	124,053
Other	15,576	5,565	7,047	7,954	2,270	1,477	1,523	2,164	43,577
	24,656	98,435	137,692	108,865	180,524	38,310	14,788	2,164	605,434
<b>Expenses</b>									
Salaries, Wages and Benefits	25,323	78,486	32,173	19,546	59,960	20,908	7,283	-	243,678
Materials	7,569	8,460	29,605	21,497	20,382	11,697	2,234	-	101,444
Contract Services	4,040	1,470	14,019	29,020	36,482	1,388	538	-	86,957
Grants and Transfer Payments	520	694	48	54	46,227	1,411	1,635	-	50,589
Amortization	1,060	4,755	34,917	18,793	7,165	5,005	334	-	72,028
Other	770	327	441	2,096	303	189	54	-	4,179
Allocation of shared expenses	(15,581)	3,849	2,317	1,754	4,978	2,313	370	-	-
	23,700	98,041	113,519	92,760	175,497	42,911	12,448	-	558,876
<b>Annual Surplus (Deficit)</b>	\$ 956	394	24,173	16,105	5,027	(4,602)	2,340	2,164	\$ 46,558

# CITY OF GREATER SUDBURY

Notes to Consolidated Financial Statements  
(in thousands of dollars)  
Year ended December 31, 2018

## 25. Supplementary financial information

### Schedule of Revenues and Expenses - Library

	2018	2017
<b>Revenues</b>		
Government transfers (note 1)	\$ 443	\$ 403
Fines and fees	143	147
Other	41	20
	627	570
<b>Expenses</b>		
Salaries, wages and benefits	\$ 4,768	\$ 4,670
Materials and contract services	1,710	1,698
	6,478	6,368
<b>Excess of expenses over revenues</b>	\$ (5,851)	\$ (5,798)

1. The government transfers are comprised of the following:

#### Provincial

Ministry of Tourism and Culture - Operating	\$ 438	\$ 403
Ministry of Community & Social Services	5	-
	\$ 443	\$ 403

Financial Statements of

# **CITY OF GREATER SUDBURY TRUST FUNDS**

Year ended December 31, 2018

DRAFT



KPMG LLP  
 Claridge Executive Centre  
 144 Pine Street  
 Sudbury Ontario P3C 1X3  
 Telephone (705) 675-8500  
 Fax (705) 675-7586

## INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of the  
 City of Greater Sudbury

### *Opinion*

We have audited the financial statements of The City of Greater Sudbury Trust Funds (the Entity), which comprise:

- the statement of financial position as at December 31, 2018
- the statement of changes in fund balances for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements")

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The City of Greater Sudbury Trust Funds as at December 31, 2018, and its results of operations for the year then ended in accordance with Canadian public sector accounting standards.

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.





### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

### ***Auditors' Responsibility for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada  
June 4, 2019

# CITY OF GREATER SUDBURY TRUST FUNDS

Statement of Financial Position

December 31, 2018, with comparative information for 2017  
(in thousands of dollars)

	Home for The Aged Residents' Fund	Subdividers' Deposits	Miscellaneous	Fednor Project - Business Planning Initiative (note 3)	Cemetery Pre-Need	Cemetery Care and Maintenance	Total 2018	Total 2017
<b>Assets</b>								
Cash	\$ 194	1,132	-	-	-	-	1,326	1,305
Due from City of Greater Sudbury (note 2)	-	6,230	98	-	1,395	8,504	16,227	14,607
Loans receivable	-	-	-	117	-	-	117	117
Allowance for doubtful loans	-	-	-	(117)	-	-	(117)	(117)
	\$ 194	7,362	98	-	1,395	8,504	17,553	15,912
<b>Liabilities and Fund Balances</b>								
Accounts payable	\$ 82	-	-	-	-	-	82	72
Fund balances	112	7,362	98	-	1,395	8,504	17,471	15,840
	\$ 194	7,362	98	-	1,395	8,504	17,553	15,912

See accompanying notes to financial statements.

# CITY OF GREATER SUDBURY

## TRUST FUNDS

Statement of Changes in Fund Balances

Year ended December 31, 2018, with comparative information for 2017  
(in thousands of dollars)

	Home for The Aged Residents' Fund	Subdividers' Deposits	Miscellaneous	Fednor Project - Business Planning Initiative (note 3)	Cemetery Pre-Need	Cemetery Care and Maintenance	Total 2018	Total 2017
<b>Revenue:</b>								
Plot sales	\$ -	-	-	-	129	305	434	365
Receipts from or on behalf of others	1,288	-	48	-	-	-	1,336	1,251
Interest earned	-	20	-	-	32	317	369	311
Subdividers' deposits	-	1,677	-	-	-	-	1,677	1,054
	1,288	1,697	48	-	161	622	3,816	2,981
<b>Expenses:</b>								
Disbursements to or on behalf of residents	1,288	-	-	-	-	-	1,288	1,257
Refunds	-	509	-	-	-	-	509	806
Transfer to City of Greater Sudbury	-	-	-	-	71	317	388	347
	1,288	509	-	-	71	317	2,185	2,410
Change in fund balance in year	-	1,188	48	-	90	305	1,631	571
Fund balance, beginning of year	112	6,174	50	-	1,305	8,199	15,840	15,269
Fund balance, end of year	\$ 112	7,362	98	-	1,395	8,504	17,471	15,840

See accompanying notes to financial statements.

# THE CITY OF GREATER SUDBURY

## TRUST FUNDS

Notes to Financial Statements

Year ended December 31, 2018  
(in thousands of dollars)

The City of Greater Sudbury Trust Funds (the "Funds") consists of various trust funds administered by the City of Greater Sudbury (the "City").

The Funds are not subject to income taxes under Section 149 (1) of the Income Tax Act (Canada).

### 1. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

These financial statements include trust funds administered by the City as well as those within organizations that are accountable for the administration of their financial affairs and resources to City Council and are owned or controlled by the City. The Fund's financial statements are the responsibility of management and have been prepared in accordance with the accounting policy set out below.

### 2. Due from the City of Greater Sudbury:

At December 31, 2018, the Funds have amounts due from the City of \$16,227 (2017 - \$14,607) that arose as a result of investment and banking transactions due to the City maintaining bank accounts or holding investments on behalf of the Funds. These amounts are non-interest bearing other than \$1,395 and \$8,504 which bear interest at the rates of 2.31% and 3.81% respectively (2017 - 1.88% and 3.38%) and are due on demand.

### 3. Fednor Project Business Planning Initiative:

Fednor has advanced \$117 to be used by the Regional Business Centre, a division of the City, to aid small businesses. The advance is non-interest bearing. The funds were subsequently loaned to small businesses. The loans are non-interest bearing and have been fully provided for. The Regional Business Centre may be asked by Fednor to repay its advance or the advance may be forgiven. To date, Fednor has not asked for repayment or forgiven the advance.





# ADDITIONAL INFORMATION 2018

FOR THE YEAR ENDING DECEMBER 31, 2018



Consolidated Statement of Financial Position  
(In thousands of dollars)

	2018	2017	2016	2015	2014
	\$	\$	\$	\$	\$
<b>Financial assets</b>					
Cash	8,174	6,188	7,044	6,136	17,217
Taxes receivable	8,532	9,360	7,122	7,355	6,569
Accounts receivable	73,993	69,426	48,252	51,650	44,495
Inventory held for resale	1,802	2,474	3,044	1,335	3,182
Investment in GBE	114,145	108,150	105,986	95,217	92,940
Investments	304,800	298,357	323,144	290,917	262,931
	511,446	493,955	494,592	452,610	427,334
<b>Financial liabilities</b>					
Accounts payable and accrued liabilities	97,656	99,200	93,650	80,635	133,618
Deferred revenue – obligatory reserve funds	50,418	40,489	43,463	36,644	37,961
Deferred revenue – other	4,641	3,590	3,366	2,802	4,000
Employee benefit obligations	65,209	62,523	59,075	56,458	55,758
Solid waste management facility liability	14,316	14,944	14,429	14,222	13,263
Long-term liabilities	76,530	77,472	82,597	88,531	32,519
	308,770	298,218	296,580	279,292	277,119
<b>Net financial assets</b>	<b>202,676</b>	<b>195,737</b>	<b>198,012</b>	<b>173,318</b>	<b>150,215</b>
<b>Non-financial assets</b>					
Tangible capital assets	1,521,076	1,488,881	1,439,235	1,447,939	1,439,124
Other	9,589	8,696	9,508	8,734	7,113
	1,530,665	1,497,577	1,448,743	1,456,673	1,446,237
<b>Accumulated Surplus</b>	<b>1,733,340</b>	<b>1,693,313</b>	<b>1,646,755</b>	<b>1,629,990</b>	<b>1,596,452</b>

Consolidated Statement of Operations and Accumulated Surplus  
(in thousands of dollars)

	2018	2017	2016	2015	2014
Revenues	\$	\$	\$	\$	\$
Government Transfers, Provincial	156,171	148,686	132,062	129,582	123,459
Government Transfers, Federal	21,170	31,557	4,592	21,573	14,752
Taxation	267,956	257,561	246,972	237,142	238,467
User Charges	131,252	124,053	119,971	113,823	116,141
Investment Income	11,444	10,150	10,063	12,454	11,385
Fines and Penalties	6,321	7,501	6,012	6,099	5,802
Other	22,307	23,762	25,440	27,336	25,016
GBE net earnings	5,995	2,164	10,769	2,277	3,185
<b>TOTAL REVENUES</b>	<b>622,616</b>	<b>605,434</b>	<b>555,881</b>	<b>550,286</b>	<b>538,207</b>
<b>Expenses by Object</b>					
Salaries wages & employee benefits	255,511	243,678	240,816	231,338	229,598
Materials	99,398	101,445	81,597	77,462	82,332
Contract Services	94,830	86,957	98,348	91,006	88,895
Grants and Transfer Payments	55,507	50,589	43,392	43,647	40,760
Amortization	73,200	72,028	70,905	69,707	66,228
Other	4,143	4,179	4,058	3,588	2,360
<b>TOTAL EXPENSES</b>	<b>582,589</b>	<b>558,876</b>	<b>539,116</b>	<b>516,748</b>	<b>510,174</b>
<b>ANNUAL SURPLUS</b>	<b>40,027</b>	<b>46,558</b>	<b>16,765</b>	<b>33,538</b>	<b>28,033</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>1,693,313</b>	<b>1,646,755</b>	<b>1,629,990</b>	<b>1,596,452</b>	<b>1,568,418</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b>1,733,340</b>	<b>1,693,313</b>	<b>1,646,755</b>	<b>1,629,990</b>	<b>1,596,452</b>

Analysis of Expenses by Function  
(in thousands of dollars)

	2018	2017	2016	2015	2014
General Government	25,343	23,700	25,269	23,895	23,544
Protection Services	104,245	98,041	94,588	89,388	87,293
Transportation Services	108,320	113,519	110,610	99,526	101,352
Environmental Services	92,411	92,760	87,338	88,107	84,165
Health Services	31,941	30,493	28,713	28,492	27,566
Social and Family Services	116,550	105,405	103,845	99,894	97,347
Social Housing	40,747	39,599	33,912	33,912	34,793
Recreation and Cultural Services	50,705	42,911	42,112	40,685	41,103
Planning and Development	12,327	12,448	12,729	12,849	13,011
<b>TOTAL EXPENSES</b>	<b>582,589</b>	<b>558,876</b>	<b>539,116</b>	<b>516,748</b>	<b>510,174</b>

### Reserves and Reserve Funds

(In thousands of dollars)

	2018	2017	2016	2015	2014
<b>Reserves</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Working funds	338	625	629	642	1,726
Tax rate stabilization	2,233	4,072	4,884	5,544	2,661
General government	786	742	433	762	875
Health, social services and housing	2,648	3,442	1,706	1,537	659
Planning and development	514	536	855	773	701
<b>TOTAL RESERVES</b>	<b>6,519</b>	<b>9,417</b>	<b>8,507</b>	<b>9,258</b>	<b>6,622</b>
<b>Reserve Funds</b>					
Equipment Replacement	4,968	5,359	6,076	5,351	5,708
Employee benefit obligations	13,963	15,150	15,715	15,817	14,737
Insurance	839	1,714	1,610	1,650	1,791
General government	22,847	21,890	21,711	27,236	26,312
Protection services	6,837	7,423	6,834	6,476	5,865
Transportation services	18,049	24,034	37,630	40,981	38,973
Environmental Services	46,051	32,508	34,057	31,813	30,085
Health, social services and housing	12,335	11,836	11,394	11,515	11,930
Recreation and cultural services	2,262	2,765	3,288	3,610	4,684
Planning and development	15,072	13,604	13,814	12,298	10,589
Other	9	–	–	–	–
<b>TOTAL RESERVE FUNDS</b>	<b>143,232</b>	<b>136,283</b>	<b>152,129</b>	<b>156,747</b>	<b>150,674</b>
<b>TOTAL RESERVE AND RESERVE FUNDS</b>	<b>149,751</b>	<b>145,700</b>	<b>160,636</b>	<b>166,005</b>	<b>157,296</b>

### Additional Information

(In thousands of dollars)

	2018	2017	2016	2015	2014
<b>NET FINANCIAL ASSETS</b>	<b>202,676</b>	<b>195,737</b>	<b>198,012</b>	<b>173,318</b>	<b>150,215</b>
<b>NET DEBT PER CAPITA</b>	<b>474</b>	<b>479</b>	<b>510</b>	<b>–</b>	<b>–</b>
<b>LONG-TERM LIABILITIES</b>					
Supported by					
Property taxation	35,632	32,315	35,587	39,740	29,401
Water/wastewater user fees	40,898	45,157	47,010	48,791	3,118
	<b>76,530</b>	<b>77,472</b>	<b>82,597</b>	<b>88,531</b>	<b>32,519</b>

## Additional Information (continued)

Municipal Statistics	2018	2017	2016	2015	2014
Population	161,500	161,500	161,500	161,900	161,900
Households	75,612	75,434	75,337	75,158	74,851
Employees					
Full time employees	2,012	1,993	1,990	2,021	2,011
Part time hours	855,580	859,209	830,619	853,720	851,670
Crew hours	150,614	149,762	149,601	180,575	183,583
Service Information					
Building Permit Values (in 000's)	291,624	384,024	254,506	237,362	344,303
Average monthly social assistance case load	3,486	3,474	3,523	3,706	3,703
Lane Kilometers of roads	3,536	3,535	3,625	3,623	3,619
Annual volume of treated wastewater (megalitres)	24,803	30,766	30,368	32,506	36,715
Annual volume of treated drinking water (megalitres)	20,056	18,339	18,766	21,553	20,804
Annual disposal of solid waste (tonnes)	95,825	97,283	101,884	100,723	102,725
Annual diversion of solid waste (tonnes)	31,497	32,223	31,675	33,740	35,345
Regular service passenger Transit trips	4,432,000	4,063,000	4,171,000	4,262,000	4,458,000
Tax collection rate	2.8 %	3.1 %	2.4 %	2.6 %	2.3 %
Property Tax Collection (in 000's)	\$307,611	\$295,671	\$289,203	\$276,665	\$278,246
Taxable Assessment (\$ millions)					
Residential assessment	\$14,835	\$14,419	\$14,368	13,695	12,863
Commercial assessment	\$2,101	\$1,983	\$1,937	1,833	1,737
Industrial assessment	\$408	\$706	\$513	490	473
Benchmark Information					
% of paved lane km where condition is rated good to very good	39.0 %	39.0 %	39.0 %	51.0 %	51.0 %
# of conventional transit passenger trips per person in service area per year	29.6	27.1	27.9	30.9	32.3
# of wastewater main backups per 100 km of waste water main per year	2.8	2.5	4.4	5.1	6.7
% of wastewater estimated to have bypassed treatment	0.5 %	0.7 %	1.1 %	0.9 %	2.1 %
# of water main breaks per 100 km of water distribution pipe per year	9.8	9.3	9.0	19.4	14.7
% of residential solid waste diverted for recycling	45.0 %	44.5 %	43.3 %	44.0 %	45.0 %
Top Employers					
Health Sciences North	3,900				
Vale	3,800				
Government of Canada – Tax Services	2,500				
City of Greater Sudbury	2,500				
Rainbow District School Board	1,600				

## Major Property Taxpayers in 2018

Registered Owner	Total Taxable Assessment	% of Total Taxable Assessment
Vale Canada Limited	\$238,708,410	1.38%
HOOP Realty Inc	\$184,826,351	1.07%
Glencore Canada Corporation	\$73,354,984	0.42%
Zulich Enterprises Limited	\$69,650,801	0.40%
Dalron Leasing Limited	\$60,927,270	0.35%
Union Gas Limited	\$59,316,859	0.34%
Panoramic Properties Inc	\$49,109,902	0.28%
Calloway Reit (Sudbury) Inc	\$42,858,000	0.25%
2046735 Ontario Limited	\$40,893,000	0.24%
Riocan Holdings Ontario Inc	\$37,046,500	0.21%
Choice Prop Ltd Partnership	\$36,657,145	0.21%
Sudbury Finnish Rest Home	\$32,806,500	0.19%
Dalron Construction Limited	\$28,754,897	0.17%
Vista Sudbury Hotel Inc	\$28,210,930	0.16%
1721169 Ontario Inc	\$27,603,850	0.16%
<b>Total</b>	<b>\$1,010,725,399</b>	<b>5.83%</b>
<b>Total Taxable Assessment for 2018</b>	<b>\$17,346,348,172</b>	<b>100%</b>

The list of major taxpayers does not include properties where grant or payments in lieu of property tax are paid.

## REVENUE AND EXPENSE CATEGORIES

The following refer to the revenue and expense categories used in the statement of operations, accumulated surplus and related notes.

### Revenues

#### Municipal Tax Levy:

This category consists of supplementary taxation and payments-in-lieu of taxation received from government agencies.

#### Government Transfer-Provincial:

This category consists of grants received from the Province of Ontario for specific functions such as Ontario Works, Housing Services, Children Services, Emergency Medical Services, and the Ontario Municipal Partnership Fund.

#### Government Transfer-Federal:

This category consists of grants received from the Federal government for specific functions funded through agencies such as FedNor and Human Resources Development Canada.

#### User Charges:

This category consists of fees for use of services including, but not limited to, ice and hall rentals, leisure activities, cemetery fees, library fees, applications for building permits, water/wastewater, and transit.

#### Investment Income:

This category accounts for all investment income, interest on Greater Sudbury Utility note, interest on tax arrears, and interest earned on internal capital financing.

#### Other Revenues:

This category includes revenues such as the Ontario Lottery and Gaming Corporation and Provincial Offences Act fines collected.

### Expenses

#### Salaries, Wages and Benefits:

This category consists of compensation for all employees such as salaries, benefits, service pay, overtime, car allowance, and boot and tool allowance.

#### Materials:

This category includes items such as office supplies, salt and sand, asphalt, gravel and shop supplies, tax writeoffs, insurance costs, telephone costs, property taxes, and other general expenses.

#### Contract Services:

This category consists of items that are outsourced, such as, but not limited to, Housing Services providers, Children Services providers, Ontario Works, roads maintenance contracts, vehicle repairs, hired or rental equipment, and professional services.

#### Grants and Transfer Payments:

This category consists of any grants given to community groups and outside boards such as Conservation Sudbury (Nickel District Conservation Authority), Sudbury and District Health Unit, Arts and Culture grants, grants to playgrounds, and transfer payments to Ontario Works recipients.



## GLOSSARY

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### **Accruals:**

Revenues or expenditures that have been recognized for that fiscal year, but not received or disbursed until a subsequent fiscal year.

### **Assessment:**

This is the property value determined by Municipal Property Assessment Corporation (MPAC).

### **Assessment Growth:**

The total assessed value of all new properties built, less the value of properties demolished in a given year. An increase in assessment growth allows the municipality to collect the total property tax amount over more properties.

### **Assets:**

Resources owned or held by the City which have monetary value.

### **Base Budget:**

Cost of continuing the existing levels of service in the current budget year.

### **Benchmarking:**

An exercise whereby one organization's results are compared to those of another comparable organization providing the same or similar services based on similar methods or accounting for costs.

### **Budget Document:**

The compilation of the spending plans for the various funds, along with supporting schedules, tables and charts which, in total, comprises the annual revenue and expenditure plan.

### **Capital Budget:**

The annual Council approved plan of the City for expenditures and revenues to acquire, construct or rehabilitate capital assets.

### **Capital (Debt) Financing:**

Portion of the operating budget required to service the debt assumed by the City from capital expenditures of the current and previous years.

### **Capital Improvement Project:**

Non-routine capital expenditures that generally cost more than \$50,000 resulting in the purchase of equipment, construction, renovation or acquisition of land, infrastructure and/ or buildings with an expected useful life of at least five years. Capital improvement projects are designed to prevent the deterioration of the city's existing infrastructure, and respond to and anticipate the future growth of the city.

### **Commitments:**

Projected cash flow expenditures beyond the Council approved budget year that require future year cash flow to complete the approved project. In essence, it allows a project tender to be executed in the current year that requires future year cash flows to complete.

### **Current Value Assessment:**

A valuation placed upon real estate or other property by the Municipal Property Assessment Corporation as a basis for levying taxes.

### **Debt:**

The amount of all obligations for the payment of interest and principal due by certain agreements and by-laws as incurred such as debentures, promissory notes, leases, letters of credit and other financial commitments and guarantees.

### **Debt Ratio:**

Total debt divided by total assets. Used by finance and budget staff to assess fiscal health of the organization.

### **Encumbrance:**

The formal accounting recognition of commitments to expend resources in the future.

### **External Financing:**

Financing from sources external to the City such as provincial or federal funding and grant subsidies.

### **Fiscal Year:**

The period designated by the City for the beginning and ending of financial transactions. The fiscal year for the City of Greater Sudbury begins January 1 and ends December 31.

### **Infrastructure:**

Facilities that support the continuance and growth of a community. Examples include roads, water lines, sewers, public buildings, parks.

**Infrastructure Renewal requirement:**

The need for capital investment/infusion to sustain, replace and/or renew aging infrastructure.

**Operating Budget:**

The annual Council approved plan of the City for expenditures, revenues, staffing levels and service levels for operations of the City taking place from January 1 to December 31 of each year.

**Performance Measures:**

Measurement of service performance indicators that reflect the amount of money spent on services and the resulting outcomes at a specific level of services provided.

**Program Support:**

The allocation of indirect costs such as financial services, human resources and information technology, etc. to departments.

**Property Tax:**

An individual property assessment multiplied by the property tax rate in a given year.

**Reserves and Reserve Funds:**

Funds generally set aside for significant future purchases, to replace major capital infrastructure, are accumulated to meet growing liability, or to provide a buffer for significant unanticipated expenditures beyond the control of Council.

**Revenue:**

Financial resources received from taxes, user fees and other levels of government.

**Special Capital Levy:**

An amount collected from property taxation that is above the amount currently allocated to fund capital expenditures.

**Taxation Levy:**

The total property tax levied by a municipality.

**Tax Rate:**

A rate used to determine the amount of property tax payable. Taxes on individual properties are calculated by multiplying a property's current value assessment (CVA) by the applicable tax rate.

Financial Indicators

**Net Financial Position:**

Difference between liabilities and assets.

**Own Source Revenue:**

Revenues generated directly by the City of Greater Sudbury.

Sustainability

**Financial Position per Capita:**

Net Financial Position divided by the population.

**Net Financial Liability:**

Net Financial Position divided by the City's own source revenues.

**Asset Consumption Ratio:**

Accumulated amortization expenses over the total gross cost of capital assets. A higher ratio indicates a higher need for replacement.

**Ratio of Financial Assets to Liabilities:**

Total amount of financial assets divided by the total amount of liabilities

**Ratio of Debt to Revenue:**

Total amount of debt divided by the total amount of revenue

**Debt per Household:**

Total amount of debt divided by the total number of households

Flexibility

**Tax Discretionary Reserves as a % of Taxation:**

Total amount of tax reserves divided by the total amount of tax revenue collected.

**Discretionary Reserves as a % of Own Source Revenues:**

Total value of reserves divided by the amount of own source revenue.

**Total Reserves per Capita:**

Total reserves in relation to population.

Vulnerability

**Taxes Receivable as a per cent of Tax Levied:**

Total amount of taxes receivable divided by the amount of taxes levied.

**Tax Debt Interest as a % of Own Source Revenues:**

Total amount of tax debt interest divided by the City's own source revenue.

**Debt to Reserve Ratio:**

Total amount of outstanding debt over the total reserve and reserve fund balances (excluding obligatory reserve funds).

**Total Debt Charges as a per cent of Own Source Revenues:**

Total amount of debt principal and interest payments divided by the City's own source revenue.

**Total Debt Outstanding per Capita:**

Total amount of debt divided by population.

**Debt Outstanding as a per cent of Own Source Revenues:**

Total amount of outstanding debt divided by the City's own source revenues.

**Ratio of Debt Charges to Total Revenue:**

Total amount of debt charges divided by the total amount of revenue

**Municipal Taxes as a % of Household Income:**

Average residential taxes divided by the average household income

**Rates Covered Ratio:**

Measure of the City's own source revenue divided by the total expenditures.

**Ratio of Government Transfers to Total Revenue:**

Total amount of Federal and Provincial transfers divided by the total amount of revenue.

