





Type of Decision							
Meeting Date	November 3, 2020			Report Date	October 30, 2020		
Decision Requested	X	Yes	No	Priority	High	Low	
	Direction Only			Type of Meeting	X	Open	Closed

Report Title
2021 Budget Direction Report

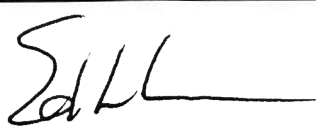
Resolution	Relationship to the Strategic Plan/Health Impact Assessment
See pages 3-4.	This report is informed by all of the Strategic Objectives outlined in the 2019-2027 City of Greater Sudbury Strategic Plan,
Resolution Continued	Background Attached

Report Summary	Financial Implications
<p>This report provides an overview of the recommended tax increase as well as recommendations for directions to guide staff in the preparation of the 2021 Business Plan. In addition, budget pressures for 2021 have also been identified.</p>	<p>There are no direct financial implications associated with this report. Budget directions provide staff with Council approved guidelines for producing service plans that drive the City's operating, capital and rate supported budgets. The 2021 Budget is subject to City Council review and approval, which is anticipated to be provided in the first quarter of 2021.</p>

Report Prepared By	Division Review
 Name: Steve Facey Title: Manager of Financial Planning & Budgeting	 Name: Ed Stankiewicz Title: Executive Director of Finance, Assets & Fleet

Recommended by the Department	Financial Implications
 Name: Kevin Fowke Title: General Manager of Corporate Services	 Name: Steve Facey Title: Manager of Financial Planning & Budgeting

Recommended by the C.A.O.


Ed Archer
Chief Administrative Officer

Resolutions

Resolution One:

THAT staff prepare a 2021 Business Plan that includes an operating budget for all tax supported services and considers:

- a. The cost of providing provincially mandated and cost shared programs;
- b. The cost associated with growth in infrastructure that is operated and maintained by the City;
- c. An estimate in assessment growth;
- d. Recommendations for changes to service levels and/or non-tax revenues so that the level of taxation in 2021 produces no more than a 3.9% property tax increase over 2020 taxation levels, in accordance with the Long-Term Financial Plan.
- e. Recommendations for changes to service levels to adapt to a pandemic environment in order to meet the target of a 3.9% property tax increase over 2020 taxation levels.

Resolution Two:

THAT staff develop the 2021 Capital Budget based on an assessment of the community's highest priority needs consistent with the application of prioritization criteria described in this report and that considers:

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

Resolution Three:

THAT staff prepare a Business Plan for user fee supported Water and Wastewater Services that includes:

- a. The cost of maintaining current approved programs at current service levels based on anticipated production volumes;
- b. The cost associated with legislative changes and requirements;
- c. The cost associated with growth in infrastructure operated and maintained by the City;

- d. A reasonable estimate of water consumption;
- e. A rate increase not to exceed 4.8%, consistent with the Water and Wastewater Long-Range Financial Plan approved by the Finance and Administration Committee on June 4, 2019.

Resolution Four:

THAT staff provide recommendations for changes to user fees (non Water/Wastewater) that reflect:

- a. The full cost of providing the program or services including capital assets, net of any subsidy approved by Council;
- b. Increased reliance on non-tax revenue;
- c. Development of new fees for municipal services currently on the tax levy;
- d. A multi-year user fee schedule for years 2021 and 2022.

Resolution Five:

THAT staff are directed to include the business cases referred to in 'Appendix 3' of the report titled '2021 Budget Direction' presented on November 3rd from the General Manager of Corporate Services.

Resolution Six:

THAT the City of Greater Sudbury requests its Service Partners (Greater Sudbury Police Services, Nickel District Conservation Authority (Conservation Sudbury), Greater Sudbury Public Library Board, Public Health Sudbury & Districts) to follow the directions in resolution one of the report entitled '2021 Budget Direction' presented November 3, 2020 from the General Manager of Corporate Services when preparing their 2021 municipal funding requests.

Resolution Seven:

THAT the City of Greater Sudbury approves the proposed 2021 Budget Schedule in Appendix 4 of the report entitled "2021 Budget Direction" presented November 3, 2020 from the General Manager of Corporate Services.

Executive Summary

This report is the subsequent to the Budget Direction report presented to the Finance and Administration Committee on August 11, 2020. The purpose of this report is to obtain directions from City Council that will guide the development of the 2021 Budget.

Recommended directions address:

- a) Process steps to produce the Budget (that includes a tax-supported operating budget, a capital budget and a user-rate supported budget) and a schedule that anticipates final Council approval by March 2021
- b) Forecasted tax increase for 2021, which is consistent with the 2020 Long-term Financial Plan Update.
- c) Criteria for adjusting services and service levels, if required, for 2021 operating and user rate budgets, and for prioritizing new projects recommended in the 2021 capital budget.

Background

Throughout September and October, staff have been meeting with Councillors and providing highlights of conversations to the Finance and Administration Committee. These meetings have resulted in the following direction help guide staff (along with anticipated action items) when preparing the 2021 Budget:

1. That staff present an analysis of options for capital planning that anticipates additional debt financing, including recommendations for capital projects that would be appropriate to debt finance as part of the 2021 budget process for Council consideration.

A report to Council will be presented in December 2020 with a recommendation based on the prioritized list of capital projects. This report will present financing alternatives, such as debt financing, and a recommendation from staff.

2. That staff develop a business case for adjustments to user fees that, among other details, reflects the following features:
 - a. Includes allowances/offsets to allow for continued support to low income citizens that such fees do not become a barrier to access
 - b. Provides estimates, where applicable, of projected usage rates to identify both maximum and most likely revenue levels

A business case analyzing user fees will be presented within the 2021 Budget.

3. That staff develop a business case for rationalizing facilities to improve utilization levels.

A business case analyzing facilities (which includes buildings, playgrounds, play fields,

trails etc.) will be presented in the 2021 Budget.

4. That where there are plans to use one-time funds in 2021 to cover COVID-19 related shortfalls, such as Safe Restart Agreement Funding, the 2020 Special Capital Levy or similar funding sources, staff ensure that:
 - a. Ongoing service expectations are supported by ongoing revenue sources, and
 - b. The use of non-recurring or "one-time funds is limited to funding "one-time" or temporary expenditures

An additional report will be presented to Council analyzing one-time 2021 Budget increases. This report will include a recommendation of the level of funding to be used from one-time funding sources.

5. Whereas the capital budget is intended to address the community's significant infrastructure renewal needs and those investments to help minimize operating expenditures for repair and maintenance, the 2021 capital budget should include sufficient funds to fulfil multi-year projects approved in prior periods and new support projects that reflect Council's Strategic Plan priorities.

There are no immediate action items from this direction. Staff's understanding is that the motion is to ensure the capital program is not to be reduced to lower the tax levy.

Budget Update

The 2021 Budget process has proven to be a challenge as information and data may change on weekly or even daily basis. Staff utilizes the best information possible, at the time, and incorporates this when forecasting financial implications.

As part of the 2021 /22 Forecast, the Finance and Administration committee was highlighted a requirement of approximately \$13.1 million of levy savings in order to achieve the direction of a 3.9% property tax increase. This amount included pressures due to lost revenues as a result of COVID-19 as well as additional expenditures (such as salaries and benefits and contractual obligations). The deferred 2021 Budget Direction and Two Year Financial Forecast report is included in **Appendix 1**.

Since the forecasting exercise, staff have developed a base budget assuming no changes to 2020 service levels. Revised estimates, based on departmental submissions, amounted to approximately \$16 million in net levy savings required to reach a 3.9% property tax increase. This estimate utilized the best information at the time which reflected additional lost revenues for Transit and Leisure Services in the amount of \$2.7 million.

Staff are also anticipating updated benefit rates based on meetings with Mercer Marsh Benefits (Mercer). The original proposal by Canada Life (the organization's benefits provider) included estimated benefit increases. Mercer conducted a comprehensive review and analysis of the renewal proposal. This analysis included claim trends, the insurance industry, identifying risks and to recommend appropriate mitigation strategies. Based on this analysis, the cost of providing benefits is expected to be a lower than increase originally anticipated. The anticipated rates reflect a reduction of approximately \$1.3 million, which brings the budget shortfall to approximately \$14.7 million.

The chart below highlights updated figures since the budget direction report provided in August, 2020. A more detailed explanation of these changes are found in **Appendix 2**.

Category	Forecast 20-21 Change	2021 Budget
General Inflation	\$1.4 million	\$0
Transit Revenue	\$1.6 million	\$3.9 million
Leisure Revenue	\$2.3 million	\$2.7 million
Hydro ^{Note 1}	\$270,000	(\$1.3 million)
Contribution to Reserve ^{Note 1}	\$0	\$1.0 million
Salaries & Benefits	\$6.4 million	\$5.4 million
WSIB (including W/WW)	\$585,000	\$585,000
Contribution to Capital	\$1.2 million	\$1.2 million
Service Partners ^{Note 2}	\$4.9 million	\$4.0 million
Large Projects	\$2.4 million	\$2.4 million
Insurance	\$600,000	\$600,000
New Software	\$440,000	\$545,000
Roads Contractual Obligations	\$1.2 million	\$1.2 million
Housing Funding	\$550,000	\$550,000
Waste Collection Contract	(\$950,000)	(\$1.3 million)
COVID Expenditures	\$0	\$2.2 million
Fire Overtime	\$0	\$200,000

Total Significant Increases	\$22.9 million	\$23.9 million
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Note 1 – Hydro expenditures have decreased by \$1 million dollars due to the implementation of the Streetlight project. These savings will be contributed to reserve until the project is repaid. Based on an analysis of all hydro accounts, this estimate has reduced by a further \$600,000.

Note 2 – The amounts for Service Partners are subject to change as the boards has not presented the approved budget. The amounts included in this report represent the most current information available.

Business Cases

Similar to previous years, staff have prepared business cases for ELT's consideration to include in the budget document. Through the budget debrief process, staff heard support for business cases to be presented to Council prior to being included in the budget document.

A summary has been included in **Appendix 3** along with one page documents supporting each service enhancement. Once the Committee approves the business cases to move forward, a more fulsome business case will be developed and included in the budget document. The fifth resolution of this report requests direction from staff to include these business cases in the budget document.

Mitigation Alternatives / COVID-19

As mentioned in the previous Budget Direction report, service adjustments will be required to achieve the recommended taxation level identified in Recommended Motion #1. In order to achieve the revised target, approximately \$14.7 million of net levy savings is required. To confirm the adjustments as part of the budget development process, staff will prepare further analysis that builds on reports previously presented to Council about services and service levels.

Included in the 2021 budget figures is an anticipated \$9.3 million one-time implications due to COVID-19. This estimate is primarily driven by lost revenues for Leisure and Transit Services. If these implications are funded from one-time funding sources (i.e. Safe Restart Agreement, Special Capital Levy, Cancelled Capital etc.), the shortfall is approximately \$5.4 million.

Staff has also been directed to prepare two business cases for the 2021 Budget. The two business cases include recommendations and alternatives for facility rationalization and potential user fee adjustments.

Throughout 2020, with the support and direction of Council and ELT, the organization has been able to mitigate a significant amount of a potential deficit. These mitigation strategies included the following items:

1. Not hiring summer students
 - a. This has impacted service levels in a number of areas such as Leisure Services, Engineering Services, Museums among a number of others. This mitigation effort was a trade-off of service levels and deficit mitigation.
2. Casual and seasonal part-time layoffs
 - a. Much like the decision to not hire summer students, this has impacted a number of services which has resulted in longer response times.
3. Increasing the salary gapping target from \$1 million to \$2.5 million
 - a. This strategy has had a positive impact on the 2020 year-end position, however, it has resulted in a reduction in service levels. This mitigation strategy includes the risk of overworking staff and potential turnover.
4. Leisure and Transit Service adaptations
 - a. These service level changes have a significant financial implication. For example, Leisure Services is currently projecting a slight deficit in an area with approximately \$4.3 million in lost user fee revenues.
5. Redeployment of staff
 - a. Although this mitigation strategy does not reflect budgetary savings, it does mitigate the requirement of hiring additional staff.
6. Further examination of Core Service Review recommendations
 - a. If the base budget, along with directed business cases, is not within the recommended direction, alternate service level changes found within the Core Service Review may be suggested.

The majority of mitigation strategies listed above were successful to mitigate year-end position for 2020. Based on the requirement for 2021, these strategies may be required to be revisited and continue in 2021 in order to achieve the recommended budget direction.

General Managers, in concert with their directors, are reviewing a number of services and service levels for potential recommendations to adapt or cancel existing services. These potential service level adaptations will be identified in the December 8th report presented to the Finance and Administration Committee.

Assessment Growth

Based on recent information provided by MPAC, the assessment growth forecast remains at 0.5%. It is difficult to project assessment growth as new construction is offset by demolitions and other tax write-offs. To maximize the potential for assessment

growth, staff are providing building plans electronically to assist MPAC in assessing new properties, but the timing of their addition to tax rolls is not within staff's full control.

To put the estimated growth into perspective, the value of 0.5% growth each year would have to generate an increased weighted assessment of approximately \$113 million over the current assessment of over \$22.5 billion. This is net of all tax write-offs, which reduces the assessment growth. The majority of the City's growth over the last few years has come from the residential class. The 2021 budget document will include an estimated assessment growth based on the most up to date information.

Water/Wastewater

In June 2019, the Finance and Administration Committee approved the Water and Wastewater Long-Range Financial Plan. The timeframe of the Plan is 20 years, until 2039, with an annual rate increase of 4.8% each year during this period to achieve financial sustainability. Staff anticipate rates will increase by 4.8%, as planned.

Service Partners

Once the Committee provides budget direction to staff, a letter will be sent requesting the city's service partners (i.e. Greater Sudbury Police Services, Nickel District Conservation Authority, Greater Sudbury Public Library Board and Public Health Sudbury & Districts) to present their budgets to the Finance and Administration Committee. Staff will be requesting their approved budgets in advance of the draft budget being distributed to the Committee. If the approved budget is not available, staff will be requesting an estimate of their budgets. Recommended Resolution Seven, if approved, requests the service partners follow the same guidance staff are using to set the 2021 municipal budget so that the total financial impact is no more than a 3.9% change in taxation.

Summary

Staff recommends the 2021 Budget include a 3.9% property tax increase, consistent with the forecast presented in the Long-term Financial Plan. This will require service adjustments that will be subject to further review by Council as part of the budget development process. Staff also recommend a 4.8% Water and Wastewater rate increase, consistent with the financial plan adopted by Council in 2019. Further, staff recommend the City's Service Partners follow the same directions presented in this report to facilitate Council's desired level of taxation, services and service levels.

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

be presented in January 2021, based on the schedule included in **Appendix 4**.

References

Core Services Review -

<https://agendasonline.greatersudbury.ca/index.cfm?pg=feed&action=file&agenda=report&itemid=25&id=1462>

Long-term Financial Plan (2019 Update) –

<https://agendasonline.greatersudbury.ca/index.cfm?pg=feed&action=file&attachment=27551.pdf>

2020 Budget Process Evaluation –

<https://agendasonline.greatersudbury.ca/index.cfm?pg=feed&action=file&agenda=report&itemid=6&id=1558>

2021 Budget Direction and Two Year Financial Forecast –

<https://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=1513&itemid=17794&lang=en>

2021 Budget Update –

<https://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=1514&itemid=17839&lang=en>

2021 Budget Update – Seeking Consensus on Budget Direction –

<https://agendasonline.greatersudbury.ca/?pg=agenda&action=navigator&id=1563&lang=en>



Request for Decision

2021 Budget Direction and Two Year Financial Forecast

Presented To: Finance and Administration Committee

Presented: Tuesday, Aug 11, 2020

Report Date Thursday, Jul 30, 2020

Type: Presentations

Resolution

Resolution One:

THAT the City of Greater Sudbury directs staff to prepare a 2021 Business Plan, as outlined in the report entitled "2021 Budget Direction and Two Year Financial Forecast", from the General Manager of Corporate Services presented at the Finance and Administration Committee meeting on August 11, 2020, that includes an operating budget for all tax supported services and considers:

- a. The cost of providing provincially mandated and cost shared programs;
- b. The cost associated with growth in infrastructure that is operated and maintained by the City;
- c. An estimate in assessment growth;
- d. Recommendations for changes to service levels and/or non-tax revenues so that the level of taxation in 2021 produces no more than a 3.9% property tax increase over 2020 taxation levels, in accordance with the Long-Term Financial Plan.

Resolution Two:

THAT the City of Greater Sudbury directs staff to develop the 2021 Capital Budget as outlined in the report entitled "2021 Budget Direction and Two Year Financial Forecast", from the General Manager of Corporate Services presented at the Finance and Administration Committee meeting on August 11, 2020, based on an assessment of the community's highest priority needs consistent with the application of prioritization criteria described in this report and that considers:

- a. Financial affordability;
- b. Financial commitments and workload requirements in subsequent years for multi-year projects;
- c. The impact on operating costs associated with new projects;

Signed By

Report Prepared By

Steve Facey
Manager of Financial Planning & Budgeting
Digitally Signed Jul 30, 20

Division Review

Ed Stankiewicz
Executive Director of Finance, Assets and Fleet
Digitally Signed Jul 30, 20

Financial Implications

Steve Facey
Manager of Financial Planning & Budgeting
Digitally Signed Jul 30, 20

Recommended by the Department

Kevin Fowke
General Manager of Corporate Services
Digitally Signed Jul 30, 20

Recommended by the C.A.O.

Ed Archer
Chief Administrative Officer
Digitally Signed Jul 30, 20

- d. The probability and potential consequences of asset failure if a project is not undertaken;
- e. The financial cost of deferring projects.

Resolution Three:

THAT the City of Greater Sudbury directs staff to prepare a Business Plan for Water and Wastewater Services as outlined in the report entitled "2021 Budget Direction and Two Year Financial Forecast", from the General Manager of Corporate Services presented at the Finance and Administration Committee meeting on August 11, 2020, that includes:

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

Resolution Four:

THAT the City of Greater Sudbury directs staff to provide recommendations for changes to user fees as outlined in the report entitled "2021 Budget Direction and Two Year Financial Forecast", from the General Manager of Corporate Services presented at the Finance and Administration Committee meeting on August 11, 2020, that reflect:

- a. The full cost of providing the program or services including capital assets, net of any subsidy approved by Council;
- b. Increased reliance on non-tax revenue;
- c. Development of new fees for municipal services currently on the tax levy;
- d. A multi-year user fee schedule for years 2021 and 2022.

Resolution Five:

THAT the City of Greater Sudbury directs staff to present any service enhancements, changes in services, or new service proposals as Business Cases for consideration by City Council on a case-by-case basis, as outlined in the report entitled "2021 Budget Direction and Two Year Financial Forecast", from the General Manager of Corporate Services presented at the Finance and Administration Committee meeting on August 11, 2020, subject to the following conditions;

- a. All businesses cases must be approved by resolution of Council or Committee to be incorporated into the 2021 Budget Document;
- b. Any business case with a value of \$100,000 or less be incorporated into the base budget where the Executive Leadership Team supports the change, with a summary of such changes disclosed to Council;

Resolution Six:

THAT the City of Greater Sudbury requests its Service Partners (Greater Sudbury Police Services, Nickel District Conservation Authority, and Public Health Sudbury & Districts) to follow the directions in resolution

as outlined in the report entitled "2021 Budget Direction and Two Year Financial Forecast", from the General Manager of Corporate Services presented at the Finance and Administration Committee meeting on August 11, 2020, when preparing their 2021 municipal funding requests.

Resolution Seven:

THAT the City of Greater Sudbury approves the proposed 2021 Budget Schedule in Appendix A as outlined in the report entitled "2021 Budget Direction and Two Year Financial Forecast", from the General Manager of Corporate Services presented at the Finance and Administration Committee meeting on August 11, 2020.

Relationship to the Strategic Plan / Health Impact Assessment

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

Report Summary

This report provides an overview of the recommended tax increase as well as recommendations for directions to guide staff in the preparation of the 2021 Business Plan. In addition, budget pressures for 2021 have also been identified.

Financial Implications

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

Executive Summary

The purpose of this report is to obtain directions from City Council that will guide the development of the 2021 Budget. Recommended directions address:

- a) Process steps to produce the Budget (that includes a tax-supported operating budget, a capital budget and a user-rate supported budget) and a schedule that anticipates final Council approval by March 2021
- b) Forecasted tax increases for 2021 and 2022 are consistent with the 2020 Long-term Financial Plan Update.
- c) Criteria for adjusting services and service levels, if required, for 2021 operating and user rate budgets, and for prioritizing new projects recommended in the 2021 capital budget.

The continued presence of the COVID-19 virus presents several ongoing risks and cost drivers that influence 2021 budget planning.

Consistent with budget presentations over the past four years, the 2021 operating budget will reflect Council's Strategic Plan, key planning documents such as Master Plans, the Asset Management plan, the Customer Service Strategy, the Population Health Calls to Action and the Community Energy and Emissions Plan (CEEP). It will emphasize the relationship between services, service levels and expected costs.

Business plans for each Service, supported by key performance indicators derived from our benchmarking network and other internal measures of service performance, will serve as the foundation for decisions and demonstrate accountability for results. While reduced revenue forecasts and preliminary cost projections indicate a higher tax increase would be needed to support existing service levels, staff recommend a direction that reflects the guidance provided by the Long-term Financial Plan (LTFP). The LTFP anticipated a 3.9% property tax change in 2021.

This means capital investment and service adjustments or alternate means of financing will need to be considered to maintain a balanced budget. Staff will develop broad categories of adjustments for Council's review. There are several considerations required to assess the balance between appropriate taxation levels and service adjustments. As the community continues to adjust and recover from the effects of the COVID-19 virus, the corporation will need to be ready to play a key role in facilitating development opportunities, supporting local businesses, advancing infrastructure projects and continuing to deliver services to residents. For a complete picture of the City's service plans and related financial commitments, all Outside Boards are requested to submit their board-approved budgets for 2021 no later than September 30, 2020 so that the Finance and Administration Committee can consider these along with the City's budget during deliberations in early 2021.

The revenue and expenditure projections described in this report reflect several inputs. They include decisions approved in the 2020 budget process, anticipated revenues and costs associated with maintaining current service levels, larger service contracts that are subject to renewal/renegotiation, projected workload volumes and the financial implications of changes in legislation. These forecasts help provide context, but will be adjusted throughout the budget development process as new/more information becomes available.

Planned Outcomes and Key Deliverables

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

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

The Strategic Plan shapes other enterprise planning efforts such as the Community Energy and Emissions Plan, the Customer Service Strategy, advancing the Population Health agenda and the Information Technology Strategy, among many others. The 2021 workplan contains a number of important milestones that support Council's Strategic Plan and accomplish specific outcomes included in various enterprise plans including, but not limited to:

- Deliver the community-wide Automated Water Meter Project
- Introduce a new Land Management Information System
- Continue to achieve goals of the Customer Service Strategy, including completing Customer Service Training for all staff, continue development of the new Customer Relationship Management System, and improve one-stop-shop customer service centre at Tom Davies Square.
- Produce of a community safety and wellness plan.
- Implement recommendations of the Communications Review, including the development of a community engagement strategy.
- Deliver the first phase of detailed Asset Management plans for core

infrastructure.

- Continued implementation of actions associated with the Community Energy and Emissions Plan.
- Continued progress on the four Large Projects.

Factors Influencing the 2021 Operating Budget

The following forecasts anticipate the same services and level of service approved in the 2020 Budget. **Appendix A** provides additional details:

Category	Forecast 20-21 Change
General Inflation	\$1.4 million
Transit Revenue	\$1.6 million
Leisure Revenue	\$2.3 million
Hydro	\$270,000
Salaries & Benefits	\$6.4 million
WSIB	\$585,000
Contribution to Capital	\$1.2 million
Service Partners	\$4.9 million
Large Projects	\$2.4 million
Insurance	\$600,000
New Software	\$440,000
Roads Contractual Obligations	\$1.2 million
Housing Funding	\$550,000
Waste Collection Contract	(\$950,000)
Total Significant Increases	\$22.9 million

In order to reach the recommended direction of 3.9%, Municipal Services can only increase by 1% net of assessment growth. The following table summarizes the forecast changes:

	2021 Forecast %	2022 Forecast %
Tax Levy Increase (As forecast by the Long Range Financial Plan)	4.4	4.9
Less: Impact of Assessment Growth	(0.5)	(1.0)
Projected Municipal Tax Increase	3.9	3.9
Tax Increase Consists of:		
Service Partners	1.8	1.0
Provincially Mandated Services	0.8	0.5
Capital Projects	0.3	0.3
Municipal Services (net of assessment growth)	1.0	2.1
Forecasted Municipal Tax Increase	3.9	3.9

Including an estimated assessment growth of 0.5%, the directed tax increase is 3.9% which is consistent with the 2019 Long-term Financial Plan.

Plans for service level changes or service enhancements will be presented separately and supported by a business case so that the Finance and Administration Committee can consider them on their individual merits and decide whether to include them in the 2021 Budget.

As more information becomes known, staff will provide further report(s) on the implications of changes to provincial funding. Changes in funding for services provided directly by the municipality could prompt a further review of service levels. Nevertheless, at this point staff do not anticipate such changes should alter the recommended budget directions presented in this report.

In February 2020, staff presented a revised Reserves, Reserve Funds and Trust Funds By-law report. Included in this report were minimum reserve and reserve fund balances. In order to achieve these minimum levels, staff recommended a plan that increased annual contributions to reserves starting in 2021. Due to the pressures of lost revenues because of COVID-19, along with increasing contractual obligations, staff have not incorporated these increases. Staff anticipate increased reserve contributions will be included in the 2022 Budget Direction report and budget process.

Continuous Improvement & Service Adjustments

Greater Sudbury has maintained its low-cost position relative to other municipalities while continuing to deliver Council approved service levels. This has included

enhancing some services, all with tax increases consistent with the approved Long-term Financial Plan. Achieving these results has been possible, in part, by ongoing efforts to identify process improvements and service changes.

Greater Sudbury has for many years identified savings and reallocated resources to priority areas to address program pressures and service levels without exceeding Council's budget directions. Many of these savings and efficiencies have been identified in the budget book, with approximately \$15.4 million in cost avoidance or cost adjustments identified between 2016 and 2020 for the Tax and Rate Supported budgets. Continuing this practice through the 2021 budget development process, staff will continue to work to identify savings and opportunities for reallocation of resources to address pressures.

Mitigation Strategies to Achieve Budget Direction

Service adjustments will be required to achieve the recommended taxation level identified in Recommended Motion #1. In order to achieve the target, approximately \$13.1 million of net levy savings is required. To confirm the adjustments as part of the budget development process, staff will prepare further analysis that builds on reports previously presented to Council about services and service levels.

The purpose of this analysis will be to support further review by Council that identifies acceptable approaches to service adjustments and maintains the required balance between services, service levels and cost. Adjustment options will include:

- Further review of discretionary services (from the Core Services Review)
- Changes to existing service levels that reduce net costs, which could include fee increases that offset subsidy requirements
- Maintaining current service suspensions/reductions that reflect reduced service demand prompted by the ongoing presence of the COVID-19 virus
- Reducing the size of the capital plan
- Potential reallocation of the Special Capital Levy

It should also be noted that the Core Service Review reflected approximately \$4 million in total potential financial benefits. Included in the analysis performed by KPMG were potential improvements to some of the City's services. Detailed service reviews were prepared for the following:

- Community grants
- Roadways – operations and maintenance
- Facilities management

- Arenas
- Parks
- Long-term care

Also included in the review were service profiles, which outlined both qualitative and quantitative information for each of the corporation's 58 lines of service. The service profiles also highlight the net levy impact. For the 2021 Budget, each 1% is worth approximately \$2.9 million. This information is a good starting point for conversations impacting tax levies. The recommendations within that report may help reduce future tax levies.

Risk

In collaboration with the Auditor General, the Executive Leadership Team has developed an enterprise-wide risk assessment to identify key corporate risks and their potential consequences if the risks become real. "Risk" is defined as anything that can impair the achievement of the corporation's objectives. The corporation has a variety of risks that could influence its ability to achieve results. These include:

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

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

Property Taxes and Household Income

The 2019 BMA Municipal Study provides information regarding the percentage of household income required to pay for total property taxes of a typical bungalow. For the City of Greater Sudbury, 3.8% of household income is required to support payment

of property taxes. The BMA average and median is also 3.8%.

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

2022 Forecast

The 2022 forecast was developed using the same assumptions as 2021 with adjustments for known contractual increases, and decisions made by Council in the 2020 budget process. The cost to provide the same level of service represents a 4.9% taxation levy increase before the estimated assessment growth of 1.0%. This results in a net tax impact of 3.9%. These projections are based on current information and are not final. These estimates will change as more information becomes available, and the 2021 budget submissions are completed.

Assessment Growth

The current assessment growth forecast is 0.5%. It is difficult to project assessment growth as new construction is offset by demolitions and other tax write-offs. To maximize the potential for assessment growth, staff are providing building plans electronically to assist MPAC in assessing new properties, but the timing of their addition to tax rolls is not within staff's full control.

To put the estimated growth into perspective, the value of 0.5% growth each year would have to generate an increased weighted assessment of approximately \$113 million over the current assessment of over \$22.5 billion. This is net of all tax write-offs, which reduces the assessment growth. The majority of the City's growth over the last few years has come from the residential class. The Finance and Administration Committee will receive updated assessment information through the budget process.

Factors Influencing the 2021 Capital Budget

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

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

Identifying capital budget priorities incorporates data about the serviceability of assets, their state of repair, impact on emissions and expected service levels. An enterprise-wide prioritization process is used for determining the greatest service needs and

reflects the expertise of a cross-functional staff team from across the corporation. With these priorities in place, potential financing sources are identified to fund the work in a fiscally sustainable manner.

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

The 2021 capital prioritization process (similar to 2020) will include the following criteria and the corresponding weights:

1. Strategic Priority	13
Link to the Strategic Plan	7
Project Integration	2
Shared Vision with Community Partners	1
Societal/Qualitative ROI	3
2. Financial Considerations	6
External Funding Opportunities	4
Return on Investment	2
3. Risk Management	22
Legislative Requirements	8
Health and Safety Impact	4
Probability and Consequence of Failure	10
4. Asset Renewal/Restoration	9
Link to Asset Renewal Life Cycle Costing	3
Impact on Service Level	3
Overall City Asset Footprint	1
Environmental ROI	2
Total	50

Water/Wastewater

In June 2019, the Finance and Administration Committee approved the Water and Wastewater Long-Range Financial Plan. The timeframe of the Plan is 20 years, until 2039, with an annual rate increase of 4.8% each year during this period to achieve financial sustainability. Staff anticipate rates will increase by 4.8%, as planned.

Service Partners

Once the Committee provides budget direction to staff, a letter will be sent requesting the city's service partners (i.e. Greater Sudbury Police Services, Nickel District Conservation Authority, Greater Sudbury Public Library Board and Public Health Sudbury

& Districts) to present their budgets to the Finance and Administration Committee. Staff will be requesting their approved budgets in advance of the draft budget being distributed to the Committee. If the approved budget is not available, staff will be requesting an estimate of their budgets. Recommended Resolution Seven, if approved, requests the service partners follow the same guidance staff are using to set the 2021 municipal budget so that the total financial impact is no more than a 3.9% change in taxation.

2020 Budget – Debrief

Staff conducted debrief meetings with members of the Finance and Administration Committee to discuss the 2020 budget process. Suggestions or recommendations from these meetings have been considered for the 2021 budget process.

2021 Budget Schedule

The 2021 budget schedule has been attached for the Committee's review in **Appendix B**. The budget schedule reflects a similar process as prior budgets and requires the committee's approval to reschedule existing meeting dates to accommodate time for budget deliberations. Public input into the municipal budget is fundamental to strategic goals to encourage meaningful resident engagement. Given the uncertainties in the annual projections for 2021 and 2022, the continued global pandemic response underway, and in alignment with feedback from the 2020 budget process, staff will begin engagement activities in the coming days. Although more formal opportunities for engagement are scheduled for November and December of this year, online engagement will begin as soon as possible to ensure a fulsome opportunity to engage in feedback and expectations for the 2021 budget.

Summary

Staff recommends the 2021 Budget include a 3.9% property tax increase, consistent with the forecast presented in the Long-term Financial Plan. This will require service adjustments that will be subject to further review by Council as part of the budget development process. Staff also recommend a 4.8% Water and Wastewater rate increase, consistent with the financial plan adopted by Council in 2019. Further, staff recommend the City's Service Partners follow the same directions presented in this report to facilitate Council's desired level of taxation, services and service levels.

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

References

Core Services Review -

<https://agendasonline.greatersudbury.ca/index.cfm?pg=feed&action=file&agenda=report&itemid=25&id=1462>

Long-term Financial Plan (2019 Update) –

<https://agendasonline.greatersudbury.ca/index.cfm?pg=feed&action=file&attachment=27551.pdf>

Council Strategic Plan –

<https://agendasonline.greatersudbury.ca/index.cfm?pg=feed&action=file&agenda=report&itemid=2&id=1434>

2020 Budget Process Evaluation –

<https://agendasonline.greatersudbury.ca/index.cfm?pg=feed&action=file&agenda=report&itemid=6&id=1558>

Greater Sudbury Community Energy and Emissions Plan (CEEP) –

<https://agendasonline.greatersudbury.ca/index.cfm?pg=feed&action=file&agenda=report&itemid=9&id=1332>

Appendix A: Additional Information about Economic Assumptions Influencing the 2021 Budget

The following economic assumptions influence the figures included in the 2021 operating budget, the cumulative effect would produce an unacceptably high tax increase:

1. General inflation factors applied to costs, unless otherwise noted are based on the Bank of Canada inflationary control target of 2.0%. Inflation projections from three of the major banks that have inflation forecasts for 2021 ranging from 1.1 to 1.9%. A 2.0% inflationary increase is worth approximately \$1.4 million.
2. The lasting effects of COVID-19 and the organization's response may continue into 2021 and beyond. Staff anticipate lost revenues, such as Transit user fees, as a result of a decline in ridership. Increased expenditures are also expected, which include cleaning and safety supplies.

Transit User Fees are forecasted to decrease by approximately \$1.6 million.

The Government of Canada, through Provincial allocations, will contribute up to \$2 billion to support municipalities with COVID-19 operating costs. In addition, the Government will cost-match approximately \$1.8 billion to support public transit. This funding will help local governments maintain the critical services people rely on every day, including public transit, over the next six to eight months. This funding is part of the province's made-in-Ontario plan for renewal, growth and economic recovery. If the mitigation strategies in place by the corporation result in a surplus, some funds may be used to offset 2021 lost revenues.

3. Leisure Services are also forecasting decreased revenue for pools and arenas. These amounts total \$2.3 million.
4. Staff are forecasting a 5% increase in natural gas costs as well as an increase of 2% for hydro costs. The financial impact for natural gas is \$100,000 and \$270,000 for hydro.
5. Overall, salaries and benefits reflect the effects of negotiated collective bargaining agreements as well as additional personnel approved through previous budgets.

The anticipated premium increase for the LTD benefit starting January 1, 2021 is approximately 49%.

Overall, salaries and benefits account for a \$6.4 million (excluding Police) increase over the 2020 budget.

6. In addition WSIB premiums have significantly increased. The total impact is forecasted to be an additional \$585,000 in 2021.

7. Contributions for capital have been increased by 2.9% for 2021 in accordance with the Capital Budget Policy, which calls for the greater of 2.0% or the first quarter increase in the Non-Residential Building Construction Price Index (Ottawa) (NRBCPI Ottawa), or the most current NRBCPI Ottawa available at the time of developing the forecast. As of the fourth quarter of 2019, this index was 2.9%. This increases capital spending on the tax levy by approximately \$1.2 million.
8. Preliminary estimates from the outside Boards includes Nickel District Conservation Authority (2% increase to the operating grant and 14% increase to the capital grant), and Greater Sudbury Police Service (GSPS). It also includes staff's estimate of a change in Public Health Sudbury & Districts' budget (10% to remain consistent with the Provincial cap) resulting in an increase to the 2020 budget by \$4.9 million. The GSPS preliminary budget includes staffing in accordance with the Strategic Staffing Plan and NG911 needs, significant WSIB and Long Term Disability premium hikes as noted and an additional contribution to the facilities improvement plan. There are also substantial revenue reductions particularly in Paid Duty Fees and Police Clearance letters, all of which have been impacted by COVID-19. The Police Board has not yet been engaged in budget discussions and will commence this activity once the budget direction has been set.
9. As approved in the 2017-2020 budgets, funding for the large projects including Place des arts and the Kingsway Arena and Event Centre, as well as The Junction have been included in the 2021 forecast resulting in an increase of \$2.4 million on the tax levy.
10. Insurance – an increase of approximately 18%.
11. Software Expenses – an increase of 54% due to the LPMS, CRM and Modern Employee Tools being finalized.
12. A number of contractual increases such as the operation of snow plowing equipment, street sweeping and a contract for various linear maintenance activities.
13. Social housing provincial funding allocations for 2021 are decreasing by approximately \$550,000. The allocations will be phased out entirely by 2031.
14. The organization will be collecting garbage and leaf and yard trimmings every two weeks starting in February, 2021. Due to this change and renewal of contract, the organization is anticipating an estimated savings of \$950,000 for 2021.

2021 Budget Schedule

2021 Budget Update	October 13, 2020
Community Consultation Session <ul style="list-style-type: none">• On-Line Submissions	November, December 2020
Table Budget Document 2021 Operating and Capital Budget Overview Presentation (CAO & CFO) Presentation from Outside Boards (tentative)	Early January 2021
Budget Meeting <ul style="list-style-type: none">• Review and approve Operating and Capital Budgets and Water/Wastewater Rates• Three consecutive meetings have been scheduled	February/March 2021 – 6 Meetings
City Council Approval of 2021 Operating and Capital Budget	March 2021
Approval of 2021 Property Tax Policy	May 2021

Appendix 2 - Detailed Explanations of Budget Increases

Category	Forecast 20-21 Change	2021 Budget	Explanation
General Inflation	\$1.4 million	\$0	General inflation factors (2%) were applied when completing the forecast exercise. These are then removed when preparing the base budget and operating departments enter the budgetary requirement based on historical trends or contractual obligations.
Transit Revenue	\$1.6 million	\$3.9 million	Transit user fees are now anticipating a further decrease as a result of revised ridership estimates.
Leisure Revenue	\$2.3 million	\$2.7 million	Leisure services are also anticipating additional lost revenues. When preparing the forecast, only pools and arenas were anticipating lost revenues.
Hydro ^{Note 1}	\$270,000	(\$1.3 million)	As a result of the Streetlight Project, hydro expenditures are anticipated to be \$1 million less than 2020 levels. Further analysis, the estimate has been reduced further by \$600,000.
Contribution to Reserve ^{Note 1}	\$0	\$1.0 million	The hydro savings as a result of the Streetlight Project will be contributed to the reserve until the project is repaid.
Salaries & Benefits	\$6.4 million	\$5.4 million	The increase to salaries and benefits reflect negotiated collective bargaining agreements and additional personnel approved through previous budgets. In the previous budget direction report, LTD was highlighted at a 49% increase. This has since been reduced to 30% after receiving updated benefit rates from Mercer. Other benefits such as W.I., Dental, Health etc. have also decreased from forecast estimates.

WSIB (including W/WW)	\$585,000	\$585,000	WSIB premiums have significantly increased.
Contribution to Capital	\$1.2 million	\$1.2 million	Contributions for capital have been increased by 2.9% for 2021 in accordance with the Capital Budget Policy, which calls for the greater of 2.0% or the first quarter increase in the Non-Residential Building Construction Price Index (Ottawa) (NRBCPI Ottawa).
Service Partners Note 2	\$4.9 million	\$4.0 million	<p>Preliminary estimates from the outside Boards includes Nickel District Conservation Authority (2% increase to the operating grant and 14% increase to the capital grant), and Greater Sudbury Police Service (GSPS). It also includes staff's estimate of a change in Public Health Sudbury & Districts' budget (10% to remain consistent with the Provincial cap).</p> <p>The GSPS preliminary budget includes staffing in accordance with the Strategic Staffing Plan and NG911 needs, significant WSIB and Long Term Disability premium hikes as noted and an additional contribution to the facilities improvement plan. There are also substantial revenue reductions particularly in Paid Duty Fees and Police Clearance letters, all of which have been impacted by COVID-19. The Police Board has not yet been engaged in budget discussions and will commence this activity once the budget direction has been set.</p>
Large Projects	\$2.4 million	\$2.4 million	This increase is a result of projects including Place des Arts and the Kingsway Arena and Event Centre, as well as the Junction. The increase for 2021 is primarily driven by the requirement to fund the \$200 million in debt.
Insurance	\$600,000	\$600,000	Insurance expense has increased approximately 18%.

New Software	\$440,000	\$545,000	These increases include the impacts of CRM, Modern Employee Tools and Meeting Management softwares.
Roads Contractual Obligations	\$1.2 million	\$1.2 million	A number of contractual increases such as the operation of snow plowing equipment, street sweeping and a contract for various linear maintenance activities.
Housing Funding	\$550,000	\$550,000	Social housing provincial funding allocations for 2021 are decreasing by approximately \$550,000. The allocations will be phased out entirely by 2031.
Waste Collection Contract	(\$950,000)	(\$1.3 million)	The organization will be collecting garbage and leaf and yard trimmings every two weeks starting in February, 2021. Due to this change and renewal of contract, the organization is anticipating an estimated savings of \$1.3 million for 2021.
COVID Expenditures	\$0	\$2.2 million	As a result of COVID-19, staff are anticipating significant increases in expenditures. This includes costs required to maintain social distancing and adapting the delivery of certain services.
Fire Overtime	\$0	\$200,000	Historically, Fire Services experienced over expenditures in salaries and benefits due to absences as a result of retirements and WSIB claims. The anticipated increase in the 2021 Budget is a result of these over expenditures.
Total Significant Increases	\$22.9 million	\$23.9 million	

Appendix 3 - Business Case Summary and Detail

Council Directed		Resolution	Department	Division	Revenue	Expenses	2021 Impact
1	Enhanced Catch Basin Cleaning	OP2020-17	Growth and Infrastructure	Linear Infrastructure Services	-	590,000	590,000
2	Pot Hole Patching Equipment	OP2020-18	Growth and Infrastructure	Linear Infrastructure Services	(10,500)	400,000	389,500
3	Circles Sudbury: Community Driven Poverty Reduction	CC2020-56	Community Development	Social Services	-	213,250	213,250
4	Electric Vehicle Charging Stations	FA2020-45	Corporate Services	Asset Services	(25,000)	50,000	25,000
5	Bus Pass Subsidy - Children's Aid Society	CS2020-19	Community Development	Transit Services	-	-	Pending
6	Nodes and Corridors Land Use Study Phase 2	PL2020-41	Growth and Infrastructure	Planning	-	-	Pending
7	Recurring Grant for Kivi Park Property Taxes	FA2020-50	Corporate Services	Finance	-	-	Pending
8	Adjustments to User Fees	FA2020-54	Corporate Services	Corporate Services	-	-	Pending
9	Rationalizing Facilities to Improve Utilization Levels	FA2020-55	Community Development/Corpor	Leisure Services/Asset Services	-	-	Pending
10	Community Improvement Plan 2020 Intake	Pending	Growth and Infrastructure	Planning	-	-	Pending
11	Plan to Electrify Transit Fleet by 2035	Directed - No resolution	Community Development	Transit Services	-	200,000	200,000
12	Used Syringe Recover Services	Directed - No resolution	Community Development	Social Services	-	25,000	25,000
13	Increase Resources for the Regreening Program	Directed - No resolution	Community Development	Planning	-	-	Pending
Staff Initiative							
1	COMPASS - Comprehensive Organization Management, Productivity, Activity and Service System		Corporate Services	Information Technology		1,625,000	1,625,000
2	Pioneer Manor Bed Redevelopment		Community Development	Long-Term Care	-	1,158,000	1,158,000
3	Civic Cemetery Mausoleum Expansion		Community Development	Leisure Services	-	1,000,000	1,000,000
4	Transit Action Plan - One Year Extension to Service Increase Options and Fare Incentive Programs (Pilot)		Community Development	Transit Services	(110,000)	760,000	650,000
5	Municipal Easement Database		Growth and Infrastructure	Planning	-	500,000	500,000
6	Increase in Personal Support Workers (PSW)		Community Development	Long-Term Care	-	475,009	475,009
7	Increase Registered Practical Nurse (RPN) - Infection Prevention and Control (IPAC) Nurses		Community Development	Long-Term Care	-	161,500	161,500
8	Roads and Transportation Studies		Growth and Infrastructure	Infrastructure Capital Planning		150,000	150,000
9	Tree Stumping Service Improvement		Growth and Infrastructure	Linear Infrastructure Services	-	97,300	97,300
10	Strategic Planning for Greater Sudbury Museums		Community Development	Leisure Services	-	60,000	60,000
11	Development of a Film Office for Greater Sudbury with One FTE		Economic Development	Economic Development	-	58,430	58,430
12	Fee Reduction for Broadband Projects for Underserved Areas		Corporate Services	Information Technology	-	50,000	50,000
13	Animal Shelter Relocation - Feasibility Study		Corporate Services	By-Law/Security	-	25,000	25,000
14	Solid Waste Management Planning		Growth and Infrastructure	Environmental Services	-	25,000	25,000
15	Software Licensing to Support Work from Home Initiatives		Corporate Services	Information Technology	-	14,000	14,000
16	Data Digitalization and Migration Project		Growth and Infrastructure	Building Services	(56,881)	56,881	-
17	Increase in Part Time Hours for Engineering Services		Growth and Infrastructure	Engineering Services	(490,000)	490,000	-
18	NWSC Boardroom Rentals - User Fees		Community Development	Leisure Services	(690)	-	(690)
19	Walking Group Fee at Capreol Millennium Centre - User Fees		Community Development	Leisure Services	(2,358)	-	(2,358)
20	Return of Ariel Mapping Program to 5 Year Cycle		Growth and Infrastructure	Planning	-	(16,141)	(16,141)
21	Category Separation of User Fees and Increase in Fee for ICI Requests - User Fees		Growth and Infrastructure	Building Services	-	-	-
22	Gymnasium Drop In Punch Card - User Fees		Community Development	Leisure Services	-	-	-
23	Fitness Room Punch Card (Capreol Millennium Centre & Falconbridge Wellness Centre) -		Community Development	Leisure Services	-	-	-
					(695,429)	8,168,229	7,472,800

Staff Initiative Business Case Template

Prepared by: Brad Thom, Director of Linear Infrastructure Services

Title:

Enhanced Catch Basin Cleaning

Brief Description:

City storm water services are critical to manage typical rainfall events, the risk of flooding and improve the quality of water reaching the environment for the community. Council presented and passed a motion at the May 11, 2020 City Council Meeting requesting a business case for enhanced catch basin cleaning, with an option for enhanced cleaning only in sensitive areas around the Ramsey Lake Watershed.

Catch basin cleaning is currently funded at \$435k annually (2020 budget). This is a 1 in 7 year cycle with some assets seeing maintenance more frequently in problem areas and some seeing less frequent cleaning.

The first year of a program like this would require double the effort due to the amount of debris in the catch basins.

Financial Impact:

All catch basins

2021: \$590,000

2022+: \$295,000

Ramsey Lake Watershed only

2021: \$288,000

2022+: \$144,000

Staff Initiative Business Case Template

Prepared by: Brad Thom, Director of Linear Infrastructure Services

Title:

Pot Hole Patching Equipment (Python 5000 or Equivalent)

Brief Description:

The project objective includes the purchase of a one-person asphalt patching machine (such as a Python 5000 or equivalent). The intent of the project is too fill more potholes with less staff in a day. We anticipate an increase of 50% in the amount of asphalt used in a day.

Financial Impact:

\$400,000 capital cost

Approximate annual savings of \$10,500

Staff Initiative Business Case Template

Prepared by: Tyler Campbell, Director of Social Services

Title:

Circles Sudbury: Community Driven Poverty Reduction

Brief Description:

The Circles Initiative started in 2017 after Public Health Sudbury Districts (PHSD) received one of Ontario's Local Poverty Reduction Fund grants totaling \$217,000. The Circles Program is the first all-inclusive inter-sectoral community partnership (16 agencies in Greater Sudbury that form the End Poverty Steering Committee including the City of Greater Sudbury) to focus on poverty reduction in the City of Greater Sudbury.

The Circles Initiative consists of three associated programs - Bridges out of Poverty (which is not directly funded through the grant), Circles Leader Training, and Circles, (which provides a new perspective to reducing poverty established on the principles of social mobility, social inclusion and social capital).

The Public Health Sudbury & Districts' Ontario Local Poverty Reduction Fund grant ended in June 2020. City Council directed staff on March 10, 2020 to work with PHSD to develop a business case for consideration in the 2021 budget process in order to continue the program.

The following financial impact is based on the costs incurred by the PHSD for staffing the program. The recommendation to Council would be for another community partner to take on the delivery of the program using these costs as a baseline. It is not recommended that the City directly deliver the program.

Financial Impact:

Estimate	4 weeks (\$)	Annual (\$)	Description
Staffing Salary	11,280	135,360	Staffing costs calculated based on 2 staff @ 35 hrs/week, @ \$30/hr + 33% fringe, 1 staff @ 14 hrs/week @ \$30/hr + 4% vacation, 3 Early Child Educators (for childminding) at 6 hrs/month, ea @ \$20/hr no fringe
Staffing benefits	3,076	36,910	Fringe calculated at 20%
Meals	2,100	18,900	Average weekly meal cost for 65 people with accommodated dietary restrictions = \$700, 3 meals are required per month and program runs 9 months out of the year (no program over summer, March Break or Christmas holidays)
Venue	160	2,080	Current Circles venue is provided free of charge however must hold current insurance policy, venue if required to rent could be an additional \$40/use (3 usages per month + Insurance), annual estimate is based on x 12 months of \$40/month of insurance and 3x \$40/month for 10 months for venue use
Misc	1,000	12,000	Under Circles license agreement, host must conduct 1 Big View per year. It is estimated that this event will be approximately \$10,000/year but could vary based on the nature and type of event that is decided on. Additional funds have been budgeted for misc expenses (binders, pens, printing, etc)
Coach training		2,000	NB: this is not an annual expense but rather a one time fee of \$500/person for virtual Coach Training. Costs are normally \$800 plus travel expenses for in-person training in Sarnia.
License	500	6,000	It is anticipated that licensing fees will be approximately \$6,000/year for the year (\$5,537.00 base fee + data charges for HomeTrak)
Total	18,116	213,250	

Staff Initiative Business Case Template

Prepared by: Sajeev Shivshankaran, Energy and Facilities Engineer

Title:

Electric Vehicle Charging Stations

Brief Description:

The Ministry of Natural Resources supports the purchase and installation of electric vehicle (EV) charging stations with a 50% financial contribution through the Zero Emissions Vehicle Infrastructure Program (ZEVIP). The intent is to purchase and install level 2 E.V. charging stations at some City facilities so as to support the future purchase of E.V.'s by the City. Locations will be determined based on the suitability of electric vehicles in the respective departments.

Financial Impact:

The total cost for this project would be \$50,000. 50% of the project costs or \$25,000 would be covered by the ZEVIP.

Staff Initiative Business Case Template

Prepared by: Ed Landry, Senior Planner, Community & Strategic Planning

Title:

Community Improvement Plans – 2020 Intake Period

Brief Description:

The Downtown Sudbury Community Improvement plan (DSCIP), Town Centre Community Improvement Plan (TCCIP), and the Brownfield Strategy and Community Improvement Plan (BSCIP) came into effect in 2017, 2012, and 2011 respectively. These CIPs have a number of financial incentive programs designed to revitalize and redevelop Downtown Sudbury, the Town Centres and Brownfields. CIPs are managed by the Planning Services Division.

This business case includes the total amount of applications received under the three CIPs in 2020 and proposes to cash flow them over a 10 year period. A detailed report on the results of the intake period will be taken to Finance and Administration Committee in November.

Financial Impact:

This is a place holder pending Council direction to include a business case for the 2020 CIP intake period as part of the 2021 budget process. Based on the eligible applications received to date, it includes \$2.37M invested over 10 years to fund the 5 Downtown Sudbury Community Improvement Plan (CIP) applications, \$2.86M invested over 10 years to fund 1 Brownfield Strategy and CIP application, and \$496,000 over 5 years to fund 7 applications received as part of the Town Centre CIP. Cash flowing these amounts over 10 years would see a \$621,000 budget impact in 2021, a \$625,000 impact in 2022, 2023 and 2024, with an additional \$3.2M beyond that.

Staff Initiative Business Case Template

Prepared by: Michelle Ferrigan, Director of Transit Services

Title:

Plan to Electrify Transit Fleet by 2035

Brief Description:

On September 22, 2020 Council approved the Community Energy & Emissions Plan (CEEP). Among the goals stated in this plan to reach net zero emissions by 2050, two specific goals relate to GOVA Transit Services as follows: Goal 7- Enhance transit service to increase transit mode share to 25% by 2050; and Goal 9 – Electrify 100% of transit and City fleet by 2035. As per Councillor McIntosh’s request, this business case is brought forward to request Capital funds to develop a Plan that will guide the City to reaching these goals.

Financial Impact:

1. Consultant Costs (2 year)

Est. \$250,000

2. Salaries & Benefits (2 year) – Project Manager/Coordinator (Internal Hire/Assignment)

Based on 0.5 FTE

Est. \$66,000/year x 2 years = \$132,000

3. Change Orders/Additional Materials/Supplies Etc.

Est. \$18,000

Total for two years = \$400,000, or \$200,000 for 2020

Staff Initiative Business Case Template

Prepared by: Nicole MacMillan, Program Manager, Social Services

Title:

Used Syringe Recovery Services

Brief Description:

Since November 2017, the Sudbury Action Centre for Youth (SACY) has provided outreach, education, and used syringe recovery services for the City of Greater Sudbury. Due to the growing opioid crisis, there has been an increased pressure on the contract between SACY and CGS to provide services. In addition, due to the high amount of discarded syringes, a need was identified to install an additional syringe recovery bin in the community. This business case will outline the cost of installing an additional syringe recovery bin and the cost of increasing the current SACY contract allotment to convert a part time position (14 hours weekly) to a full time position (35 hours weekly) in order to respond to an identified service gap in the community.

Financial Impact:

The anticipated one time capital cost for purchasing one syringe recovery bin is \$4,000. The operating costs of pick-up and disposal of this bin will be covered under the current budget.

The current agreement with SACY is \$96,500 yearly for services rendered which includes syringe pick up, education, and outreach activities to users in the community. This includes funding for SACY staff and administration costs for the program. In order to increase hours from 14 to 35 weekly for the part time staff person, the estimated increase to the current contract would be \$21,000.

Total requested is \$25,000, \$21,000 for staffing, plus an additional \$4,000 for a one-time cost for purchasing one syringe recovery bin and installation.

Staff Initiative Business Case Template

Prepared by: Richard Gauthier, Database/System Administrator & Peter Taylor, Director – Information Technology

Title: (provide a one line title for your business case)

COMPASS (Comprehensive Organizational Management, Productivity, Activity and Service System)

Brief Description: (this should be maximum 3-4 sentences and should provide the reader with a high level description of your proposal)

The solution to further support data driven decisions and activity reporting to enhance service efficiency and to ensure limited staff resources are most effectively applied to City priorities is called COMPASS (Comprehensive Organizational Management, Productivity, Activity and Service System). COMPASS refers to setting focused directions and then reporting on the actual effort applied to these directions. This data is particularly valuable to City Council, executives and the managers of services or sub-services in order to facilitate a service based budget, make decisions regarding service levels and forecast future costs.

This project proposes expanding upon our current use of PeopleSoft to implement the PeopleSoft Project Costing module (to strategically plan and report) and the Time and Labor self-service portal (to operationally schedule and record time). This project also proposes tight integration with Cityworks so that the time recorded in Cityworks, to maintain assets, flows to PeopleSoft with no additional data input. In addition to achieving the vision listed above, the project will improve internal efficiency by replacing the variety of different manual and semi-manual processes for planning, and recording time occurring across the Corporation, to create a solution where time is entered once and used for multiple purposes

Financial Impact: (please include an estimate of the anticipated cost associated with the business case. If the intent is that it is funded from other sources, please provide the funding source. If you require assistance with this section, budget staff will be available to help).

	<u>2021</u>	<u>2022</u>
Internal Resourcing -	\$658,000	\$220,000
Consultants -	\$931,000	\$277,000
Training -	\$36,000	\$24,000
	<u>\$1,625,000</u>	<u>\$521,000</u>
Total =	\$2,146,000	

This project anticipates a 4 year payback as a result of timekeeper efficiencies and reductions in data entry errors valued at approximately \$580,000 per year.

Staff Initiative Business Case Template

Prepared by: Aaron Archibald, Director of Long Term Care Services

Title:

Pioneer Manor, Capital Redevelopment – Construction of 160 LTC beds

Brief Description:

This project involves the redevelopment of 149 class “B & C” beds designated by the Ontario Ministry of Long-Term Care (MLTC) and the possible addition of 11 new beds pending approval from the MLTC for a grand total of 160 class “A” beds. This will be achieved with the construction of a new 5 story wing attached to the existing building. The new wing will receive services from existing environmental services; laundry, housekeeping services support, maintenance service support and main dietary service support at Pioneer Manor.

Financial Impact:

The total construction cost for 160 beds (including schematic design estimate and HST) is \$59,153,500.

Total Cost	\$59,153,500
Revenue	\$1,840,000
Total Mortgage (25 yrs. at 2.75%)	\$2,998,000
Municipal Cost – Annual Levy Impact (25 yrs.)	\$1,158,000

*The construction-funding subsidy is paid on a monthly basis for a period of 25 consecutive years, utilizing a 25-year financing window for 100% of the construction cost less the 10% development grant.

**Pioneer Manor is contesting the MLTC mid-size market segment classification and should the City be reclassified as an urban market, which would increase the development grant by \$3.7M, thereby reducing the annual levy impact by \$200,000

***The total cost to build 149 beds is \$57.9M which amounts to an annual net levy impact of \$1,343,000 due to the potentially lost revenue from not developing the additional beds. In developing the additional 11 beds, the annual net levy will decrease by \$185,000.

****The values noted are for project costs and include construction costs, associated site development, associated hazardous materials abatement, signage and wayfinding, professional design and consulting fees, project scope contingency, FF & E/new equipment allowance of \$750,000 and an 8% escalation to an expected fall 2021 tender period. The noted escalation cost is significant and represents the expected increases related to the post pandemic labour and material cost escalations, as well as delivery

Staff Initiative Business Case Template

Prepared by: Jeff Pafford

Title:

Civic Cemetery Mausoleum Expansion

Brief Description:

The mausoleum located at Civic Memorial Cemetery was originally constructed in 2001 and has been expanded over five phases. The most recent expansion of an additional 120 crypts was approved in 2012 at an actual cost of \$810,748.00, bringing total crypt spaces to 788.

As of December 2019, there are no crypt spaces available at the mausoleum. The cost to further expand the mausoleum to add an additional 120 crypts is estimated at more than \$1 million. Perry & Perry have been engaged to provide conceptual drawing and costing. Given the industry trend toward cremations and the significant costs relating to constructing a new phase, the project has not been advanced through capital prioritization. There is a current waiting list for 23 crypts.

A previous memo to Council via the CAO indicated that a business case will be brought forward as part of the next budget process for the potential expansion of the mausoleum.

Financial Impact:

The cost to further expand the mausoleum to add an additional 120 crypts is estimated at more than \$1 million. Perry & Perry have been engaged to provide conceptual drawing and costing. Based on previous expansions, the payback on investment is estimated at 10 years.

Staff Initiative Business Case Template

Prepared by: Michelle Ferrigan, Director of Transit Services

Title:

Transit Action Plan – One year extension to Service Increase Options and Fare Incentive Programs (Pilot)

Brief Description: (this should be maximum 3-4 sentences and should provide the reader with a high level description of your proposal)

During the 2019 budget deliberation, Council approved two Service Increase Options presented in the Transit Action Plan, and two Fare Incentive Programs. The service level increases were showing promising results between August 2019 and February 2020. Staff were directed to prepare a Report for Council's consideration to make these programs permanent prior to the 2021 budget deliberations. Staff would like to extend the programs for one year on a Pilot basis, to allow for better data collection of the service level increase impacts on ridership and revenues, prior to presenting the options for a permanent budget increase.

Financial Impact:

Bus Operator Salaries and Benefits	\$760,000
Expected Increase in Fare Revenues (monthly, farebox) <u>(\$110,000)</u>	
Net Levy Increase =	\$650,000

Staff Initiative Business Case Template

Prepared by: Kris Longston, Manager of Community and Strategic Planning

Title:

Municipal Easement Database

Brief Description:

This project would involve the purchase of a complete, centralized GIS database of City easement data related to municipal infrastructure from Teranet. The data set would allow City staff to view, search and access all municipal easement information from their desk top and remotely. Having this information centrally located and available online would reduce permit processing times, eliminate the need to search for and locate paper copies of easements, and reduce risk and liability.

Financial Impact:

Staff has received a quote from Teranet of \$459,619 plus tax for the project. This would be a one time cost as staff would maintain the easement data set post development. Staff would recommend a budget of \$500,000 to cover potential contingencies.

The creation of the easement data base would create efficiencies in several departments such as Building Services and Engineering Services where the business process currently requires a manual, paper based easement search. For example Building Services currently conducts a search for easements as part of processing permits. This amounts to approximately 2,100 searches annually at ½ to 1 hour per search.

This data set would also eliminate costs associated with staff searching individual easements, which is approximately \$30 per search.

Staff Initiative Business Case Template

Prepared by: Aaron Archibald, Director of Long Term Care Services

Title:

Increase in Personal Support Workers (PSW)

Brief Description:

Pioneer Manor is proposing to hire 2 FTE and 4 PT (8,736 hours/6 hour shifts) PSWs in order to address the increase acuity of health conditions of residents at Pioneer Manor and the added work load in relation to COVID-19. With increase in acuity, residents require more assistance with all activities of daily living (eating, bathing, toileting and dressing) and experiencing responsive behaviours.

The 2 FTE's will be placed on a Home Area where there are currently 2 PSWs per 32 residents and the second floor where there are currently 3 PSWs per 36 residents. The part-time shifts will be placed in areas targeting Home Areas with heavy care and higher number of resident falls. At present Pioneer Manor provides 2.92 direct paid hours of care per resident per day, which is below the 2018-reported provincial average of 3.73. This increase in PSW staffing will increase Pioneer Manor's direct paid hours to 3.2 hours of care per resident per day, thereby improving the quality of resident care provided, decrease risk of staff injuries and complaints from Residents/Families while helping reduce risk of noncompliance with the *Long-Term Care Homes Act, 2007* and other legislative requirements the Home must meet.

Financial Impact:

Total cost is \$475,009. This is broken down to \$194,304 for the 2 FTEs and \$280,705 for the part time hours.

Any future funding from the province will used to offset the local levy impact.

Staff Initiative Business Case Template

Prepared by: Aaron Archibald, Director of Long Term Care Services

Title:

Increase Registered Practical Nurse (RPN) – Infection Prevention and Control (IPAC) Nurses

Brief Description:

Pioneer Manor is proposing to hire 2 RPN's to assist with ongoing and emerging IPAC responsibilities and ensuring Substitute Decision Makers (SDMs) are notified when there is a change in a resident's condition. COVID-19 has highlighted the importance of IPAC within Long-Term Care Homes. Currently, Pioneer Manor does not have any dedicated staff overseeing our IPAC program.

The addition of these two RPNs will ensure Pioneer Manor has dedicated nurses overseeing our infection control and prevention program (i.e. outbreak management, staff/resident/visitor education, compliance, prevention, audits, vaccine management, and tracking) within the Home. The second function of the position is to improve communication flow between the medical staff and the resident/SDM, specifically on informing and/or communicating with a SDM when a resident has a change in condition.

This will help decrease the risk of noncompliance with the *Long-Term Care Homes Act, 2007* and other legislative requirements specifically around informing SDM's of changes in condition.

Financial Impact:

Total cost is \$161,500.

Any future funding from the province will used to offset the local levy impact.

Staff Initiative Business Case Template

Prepared by: Stephen Holmes, Road Engineer

Title: (provide a one line title for your business case)

Road and Transportation Studies

Brief Description: (this should be maximum 3-4 sentences and should provide the reader with a high level description of your proposal)

This business case proposes funding from 2021 to 2025 for transportation studies recommended in the Transportation Master Plan, including an update to the Transportation Master Plan, South End Transportation Study, Maley Drive EA Amendment, Downtown Sudbury Transportation Study, MR80 Class EA (Kathleen to MR15), and Barry Downe Extension Class EA.

These studies are required as part of the long term planning process for the major road projects identified in the Transportation Master Plan. These projects cannot proceed without the studies as they are an integral part of the environmental and public consultation process. If the studies were postponed, projects that are proposed to be constructed in the roads construction plan will be deferred until such time these studies are complete.

Financial Impact: (please include an estimate of the anticipated cost associated with the business case. If the intent is that it is funded from other sources, please provide the funding source. If you require assistance with this section, budget staff will be available to help).

2021 - \$150,000

2022 - \$850,000

2023 - \$800,000

2024 - \$500,000

2025 - \$600,000

\$2,900,000

Staff Initiative Business Case Template

Prepared by: Brad Thom, Director of Linear Infrastructure Services

Title:

Tree Stumping Service Improvement

Brief Description:

The current council approved service level identifies 364 trees removed annually. The corresponding service level for tree stumping is 50 stumps removed annually. As these activities do not correlate in their production rates, it creates a lengthy wait for residents from the time a tree is removed to when a new tree is planted. By correlating the two activities, the service level would be improved.

Financial Impact:

278 Stumps at \$350/stump

\$97,300 annually

Staff Initiative Business Case Template

Prepared by: Ian Wood, Executive Director of Strategic Initiatives, Communications and Citizen Services

Title:

Strategic Planning for Greater Sudbury Museums

Brief Description:

One time funding to cover the cost of a consultant to undertake a comprehensive review of museums operation and assist staff and the museums advisory board to develop a strategic plan for museum services. Greater Sudbury Museums have never completed a full analysis and planning exercise. Work will include detailed review of museum collections, facilities, current resources, community expectations, current resources and comparisons with similar municipalities. Community and Council engagement will form part of the project.

Financial Impact:

One time funding of \$60,000.

Staff Initiative Business Case Template

Prepared by: Dana Jennings, Acting Manager Tourism & Culture

Title:

Development of a Film Office for Greater Sudbury with One FTE

Brief Description:

The film industry in Greater Sudbury has grown exponentially in recent years and requires the investment of adequate staffing levels to meet the demand of industry needs and municipal services. Since 2012 Greater Sudbury has seen an average of 14 films each year that generate an average \$19M of local spending and support over 300 crew in Sudbury. There are currently insufficient staffing resources to support the day-to-day logistical support of filming (film permitting, interdepartmental and resident communications, policy development, etc.) while also pursuing business development and investment attraction opportunities. As a result productions may decide to film or set up support businesses elsewhere in the North, including centres such as North Bay and Sault Ste. Marie that have invested in a film office. By making this investment in Greater Sudbury, the City will be following the Council directive of prioritizing work in this growing sector, leveraging regional, provincial and federal incentives and taking its place as the film destination of the North. The proposal involves hiring a dedicated Film Officer and dedicating budget to implement the film strategy, which would involve presence at industry tradeshows, marketing materials, sector development activities, etc.

Financial Impact:

Film Officer: \$58,430

Additional support for this role such as marketing dollars would be sourced from existing operational budgets in Arts & Culture and Tourism/Conference Development.

Staff Initiative Business Case Template

Prepared by: Peter Taylor, Director of Information Technology

Title:

Fee Reductions for Broadband Projects for Underserved Areas

Brief Description:

The City validly charges fees to cover the cost of City infrastructure that telecommunication service providers (TSPs) use to provide broadband services. City staff is leading a committee, guided by Council's strategic direction to improve broadband across the community. One obstacle to TSPs is that the lower number of subscribers in rural underserved can make providing service financially unviable because of the City fees. This business case provides funds to lessen these fees in these areas.

Financial Impact:

\$50,000

Staff Initiative Business Case Template

Prepared by: Brendan Adair, Manager – Corporate Security & By-Law Services

Title: (provide a one line title for your business case)

Animal Shelter Relocation – Feasibility Study

Brief Description: (this should be maximum 3-4 sentences and should provide the reader with a high level description of your proposal)

This project will provide funding for the City of Greater Sudbury to perform a feasibility study and needs assessment of the current leased facility that is used for the City of Greater Sudbury Animal Shelter. The results of this study will provide options for relocation of Animal Shelter services, whether to an existing facility with retrofit, or to a location with a purpose built facility.

Currently within a one (1) year extension period of a lease, any occupancy beyond September 30, 2021 will require a renegotiated lease agreement. Since the City of Greater Sudbury took Animal Shelter (and control) services in house in October 2016, the City leases a private facility at 39 Kari Road for \$4,120 per month/\$49,440 per year. When considering issues related to the structural integrity of the facility, limitations on operations and employee space and significant distance to travel (27 km/30 minutes from Tom Davies Square), it is recommended that alternative locations for service be examined.

Financial Impact: (please include an estimate of the anticipated cost associated with the business case. If the intent is that it is funded from other sources, please provide the funding source. If you require assistance with this section, budget staff will be available to help).

Feasibility Study - \$25,000

Staff Initiative Business Case Template

Prepared by: Chantal Mathieu, Director – Environmental Services

Title: (provide a one line title for your business case)

Solid Waste Management Planning

Brief Description: (this should be maximum 3-4 sentences and should provide the reader with a high level description of your proposal)

The updated Solid Waste Management plan once finalized will provide the City, citizens, businesses and other stakeholders with a clear direction on how to achieve shared solid waste management goals for the next ten years. The overarching goal of the plan will be to develop a sustainable waste management system that minimizes the quantity of waste requiring handling and disposal and maximizes waste diversion opportunities. An extensive public consultation process will be incorporated in the project.

Financial Impact: (please include an estimate of the anticipated cost associated with the business case. If the intent is that it is funded from other sources, please provide the funding source. If you require assistance with this section, budget staff will be available to help).

Hire consultant following RFP – Winter 2021	\$25,000
Phase 1 & 2 including public consultation – 2022	\$250,000
Phase 3 & 4 including public consultation – 2023	<u>\$250,000</u>
Total	\$525,000

Staff Initiative Business Case Template

Prepared by: Ron St-Onge, Manager – Technical Infrastructure Services – Information Technology

Title:

Software Licensing to Support Work from Home Initiatives

Brief Description:

COVID-19 required additional software licensing for encryption and VPN to allow staff to work from home. Temporary licensing was implemented to allow for this surge in licensing costs to implement work from home. With the planned work from home initiative, some permanent licensing should be accounted for to allow the City to support this initiative and budget for future growth in upcoming years.

Financial Impact:

To support 100 users: One time capital costs of \$4,500, annual operating costs of \$9,500 plus taxes.

Staff Initiative Business Case Template

Prepared by: Denise Clement, Manager of Permits & Approvals Integration

Title:

Data Digitization and Migration Project

Brief Description:

This proposal serves to rationalize the need for an FTE for Building Services to complete digitization of all paper based records and migration of digital records for the following projects:

- 1) Updating Centralized Permit Records to the Municipal Property Assessment Corporation in favour of the Finance Department in order to increase the tax base on a consistent go-forward basis.
- 2) Digitizing paper-based permit and property search records for data migration to the Land Management Information System.
- 3) Re-Evaluation & Extension of the Routine Disclosure Policy to include the release of plans outside the FOI process.

Financial Impact:

FTE Salary: \$46,880.82 Annualized 70 Hours Biweekly or \$43,939.35 70 Hours Biweekly funded by Building Services with a 30% contribution from Finance for work completed relating to updating MPAC records.

Equipment: No additional equipment required for the commencement of the project.

Additional Routine Disclosure Revenue to be recognized by the project is forecast at \$8,500 - \$10,000 in year one.

Staff Initiative Business Case Template

Prepared by: David Shelsted, Director of Engineering Services.

Title:

Increase in Part Time Hours for Engineering Services

Brief Description:

Continual increase in capital investment requires additional resources for management, design, engineering, field inspection, quality assurance, utility locates and administration to ensure City infrastructure is sustainable and supports economic growth. Other drivers include: revised the Construction Act (i.e. Prompt Payment), increased participation in operational activities (i.e. sweeping program, capital maintenance programs).

In addition, community and stakeholder expectations are requiring higher level of communication and public engagement over the entire life-cycle of a project and not just during the construction stage which aligns with the corporate strategy of customer service. Therefore, there is a need to increase the part-time (PT) hours for Engineering Services to ensure the required level of engagement is sustainable during the construction season.

Recent years have seen an increase in Capital expenditures and number of projects delivered through the Engineering Services Division. The resources that are required to support the project management, design, and inspection have not kept pace and additional part-time hours are required during the construction season to ensure sustainability.

From Construction Services the average expenditure in part-time hours has been \$590,000 from 2015 to 2019, and it is budgeted at \$103,821. The expected expenditure for 2020 is similar however a one-time allocation of capital budget for \$341,700 was approved by business case.

It is recommended to increase budgeted part-time hours by \$490,000 to reflect the actual number of part-time hours that are used for project delivery.

Financial Impact:

The recommendation is an increase to part time wages and benefits at an estimate of \$490,000 with portions recovered from Water/Wastewater. The remaining amount will be funded from the capital budget without affecting the future identified projects by directing funding allocated to external consultants to internal resources.

Staff Initiative Business Case Template

Prepared by: Cindy Dent, Manager, Recreation

Title:

NWSC Boardroom Rental User Fee

Brief Description:

The Northern Water Sports Centre is a highly visible, central and aesthetically pleasing facility that has gained a high level of usage since opening. While the main hall is the focal point, Leisure Services has begun to receive many requests to rent the boardroom separate of the main hall as a stand alone rental. This proposal will create new revenue and maximize use of the facility.

Financial Impact

There are minimal anticipated costs associated with this business case, as the only expenses are related to cleaning the facility which can be covered through existing operating budget. Suggested fee to align with meeting room at Howard Armstrong Recreation Centre. Estimated annual revenue 20 bookings annually X \$34.50 (pre-tax) = \$690

Staff Initiative Business Case Template

Prepared by: Kevin Joblin, Recreation Coordinator

Title:

Walking Group User Fee at Capreol Millennium Centre

Brief Description:

CGS staff have identified a need to have a monthly fee for user groups interested in using the gymnasiums at Capreol Millennium Center for walking. (This new user fee would not replace the existing daily drop in fee of \$3). The new fee is required to provide a more affordable option for individuals who regularly take part in the drop in walking times. We are requesting a new fee be added to the user fee by-law of \$32.75 pre-tax for an exclusive three month walking membership.

Financial Impact:

This new fee will generate approximately \$2,358 annually. (Individuals will likely need to purchase 3 memberships per year: $24 \text{ persons} \times \$32.75 \times 3 = \$2,358$)

Staff Initiative Business Case Template

Prepared by: Kris Longston, Manager of Community and Strategic Planning

Title:

Return of Aerial Mapping Program to a 5 Year Cycle

Brief Description:

This business case would see the City's aerial mapping program return to a 5 year cycle in order to maintain current and accurate GIS data sets and to support the City's As Built Gap project. It would also continue the implementation of the Land Survey Services Review by eliminating the Coordinator of Survey and Mapping position (vacant) and repurposing a vacant GIS Editor position into a Geodesy and Geomatics Technologist.

Financial Impact:

The Financial Impacts of this business case would be as follows:

1. Reduce the annual Salaries and Benefits in the GIS department by \$136,941 which would represent the elimination of the Coordinator of Surveys and Mapping position as per the Land Survey Services Review.
2. Increase the annual Salaries and Benefits in the GIS department by \$20,800 to represent the cost difference to repurpose a vacant GIS Editor position into a Geodesy and Geomatics Technologist position.
3. Increase the annual Aerial Mapping Budget (currently \$45,000) by \$80,000 to \$125,000 (reflects resumption of the annual flying cycle with additional data needed to support the As Built Gap Project and map other CGS assets).
4. Increase the Mapping Budget in the GIS department by \$20,000 in 2021 only, which represents the City's contribution to the 2021 Central Ontario Orthophotography Project run by the Province.

The business case would result in a net **decrease** in the GIS department by \$16,141 in 2021 and \$36,141 in 2022.

Staff Initiative Business Case Template

Prepared by: Denise Clement, Manager of Permits & Approvals Integration

Title:

Category Separation of User Fees and Increase in Fee for ICI Requests

Brief Description:

This proposal serves to rationalize the need for a separation of Routine Disclosure and Property Search Request Fees currently noted under the User Fees Bylaw:

Current Fees for legal search requests are based on the level of resources required to review residential records for which the fees structure was based upon when created. However an increase in ICI search requests consume more resources and FTE time than would be rationalized by the current fees.

At current, ICI requests require roughly two times the required resources and FTE time to process and release information to the Public, CGS Business Partners or External Agencies.

Re-Evaluation & Extension of the Routine Disclosure Policy to include the release of plans outside the FOI process will further extend the resource requirements for ICI requests.

Current Fees

ICI Routine Disclosure requests are \$78.00 per application, plus copy fees per page of requested information as Per User Fee By-law

ICI Property Search requests are \$135.00 per application, plus copy fees per page of requested information as per User Fee By-law.

Proposed Fee

ICI Routine Disclosure requests is \$120.00 per application plus copy fees per page of requested information as per User Fee By-law

ICI Property Search requests is \$250.00 per application plus copy fees if required per page of requested information.

Financial Impact:

Separation of the fee structures between Residential and ICI legal search requests would see an increase in revenue to Building Services that would also play a role in the cost offset for our FTE request.

Equipment: No additional equipment required for the commencement of the project.

Additional Routine Disclosure Revenue to be recognized by the project is forecast at \$8,500 - \$10,000 in year one.

Staff Initiative Business Case Template

Prepared by: Kevin Joblin, Recreation Coordinator

Title:

10 Visit Gymnasium Drop In Punch Card User Fee (for Dowling, Capreol and Falconbridge Gymnasium drop in times).

Brief Description:

CGS staff have identified a need to have a fee for user groups interested in using our gymnasiums on a regular basis. This new user fee would not replace the existing daily fee of \$3. The new fee is required to provide a more affordable option for individuals who would like to use our gymnasium during drop in times. We are requesting a new fee be added to the user fee by-law of \$17.70 pre-tax for a 10 visit punch card.

Financial Impact:

There would be no additional staffing costs as the scheduled times for drop ins take place during our regular business hours. There are no incremental revenues associate with this fee.

Staff Initiative Business Case Template

Prepared by: Kevin Joblin, Recreation Coordinator

Title:

10 Visit Fitness Room Punch Card for Capreol Millennium Center and Falconbridge Wellness Center

Brief Description:

CGS staff have identified a need for a 10 visit punch card for the Capreol Millennium Center and the Falconbridge Wellness Center. The new fee is required to provide a more affordable option for individuals who would not be able to make full use of a monthly membership (due to shift work or out of town travel) The existing monthly membership fee of \$32.75 pre-tax for adult and \$30 pre-tax for student and seniors could be shared.

Financial Impact:

The only additional costs would be the Perfect Mind Cards. There are no incremental revenues associated with this fee.

Appendix 4 - 2021 Budget Schedule

2021 Budget Update Reports	December 8, 2020
Community Consultation Session <ul style="list-style-type: none"> • On-Line Submissions 	November, December 2020
Table Budget Document 2021 Operating and Capital Budget Overview Presentation (CAO & CFO) Presentation from Outside Boards (tentative)	January 19, 2021
Budget Meeting <ul style="list-style-type: none"> • Review and approve Operating and Capital Budgets and Water/Wastewater Rates • Three consecutive meetings have been scheduled 	February 24, 2021 March 2-4, 2021 March 10-11, 2021
City Council Approval of 2021 Operating and Capital Budget	March 2021
Approval of 2021 Property Tax Policy	May 2021