

Business Cases for Service Level Reductions - 3.5% to 2.5%**2018 Budget
Impact**

Reduction in Summer Asphalt Patching	(200,000)
Reduction to Roads Fleet (One Grader)	(53,563)
Increase Parking Meter Rates	(400,000)
Adjust the NDCA Budget to 3.5% increase	(169,131)
Adjust the Police Budget to 3.5% increase	(213,370)
Adjust the GSHC Budget to 3.5% increase	(520,133)
Business Process Analysis	(500,000)
Salary Gapping	(500,000)
	<u>(2,556,197)</u>

Business Case for Service Level Change

Request/Project Name: Large Spreader Laid Patches

Department: Growth & Infrastructure

Division: Roads and Transportation

I. Executive Summary

Overview of Proposal

The contracted portion of the mill & pave program (Large Spreader Laid Patches) is utilized to remove dips, cracks and potholed areas on paved roads throughout the City. Together with the severity of a given winter season, this program is indirectly proportional to winter pothole patching costs. That is, the more money spent to mill & pave poor sections of pavement in the summer results in less pothole patching, at that location, during the winter months. In 2017, one time funding was approved in the amount of \$2,000,000 to improve the mill & pave program. This 2018 business case proposes a \$200,000 reduction to the current base service level.

Service Level Impact

Depending in the severity of a given winter season, a small mill & pave budget will yield a larger pothole patching cost. This is typically coupled with an inevitably high overall annual maintenance cost and weaker public opinion on the state of our roads. Reducing the service level may further worsen public opinion on the state of our roads. There may also be an increase in pothole related claims.

II. Background

Current Service Level (Describe the existing level of service provided)

Service Name	Service Description (What is the current level of service)
Large Spreader Laid Patches	The operating budget for mill & pave is presently \$702,090. This budget is utilized to contract Large Spreader Laid Patches that cannot be completed by City Crews.

Drivers for Proposed Course of Action

III. Recommendation

Categorize your specific request (mark an 'X' for all that apply):

<input checked="" type="checkbox"/>	Change to base operating budget	<input type="checkbox"/>	Change to base FTE allocation
<input type="checkbox"/>	Change to fees (unit price)	<input type="checkbox"/>	Change to revenues (volume change)
<input type="checkbox"/>	Investment in Project	<input type="checkbox"/>	

Recommendation (How/Why)

A decrease to the service level is not recommended due to the potential negative financial impacts from pothole patching during winter, an increase in pothole related claims, and the decline of public opinion on the subject.

Urgency

As outlined in the 2012 KPMG Roads Financial Plan, the City is already currently underfunding roads' operations.

How does this align with Council's Strategic Plan?

The decrease in service level would oppose two of the performance metrics identified in the 2015-2018 strategic plan; to have better roads and increased Citizen satisfaction.

IV. Impact Analysis**Qualitative Implications**

As a result of this decreased service level, traffic interruptions and poor ride quality could increase.

Quantifiable Implications - Revenue & Expenditures

The reduction in service levels would result in a savings of \$200,000 that would directly impact the tax levy.

Operating Revenues - Incremental**Detail**

Description	Duration	Revenue Source	2018 \$	2019 \$	2020 \$	2021 \$	2022 \$
	On-Going		\$ -	\$ -	\$ -	\$ -	\$ -
	One-Time		\$ -	\$ -	\$ -	\$ -	\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

Operating Expenditures - Incremental**Detail**

Description	Duration	Funding Source	2018 \$	2019 \$	2020 \$	2021 \$	2022 \$
Asphalt Patching Contracts	On-Going	Tax Levy	\$ (200,000)				
	On-Going		\$ (200,000)	\$ -	\$ -	\$ -	\$ -
	One-Time		\$ -	\$ -	\$ -	\$ -	\$ -
Total			\$ (200,000)	\$ -	\$ -	\$ -	\$ -

FTE Table**Detail**

Position	Bargaining Unit	Duration	Full Time / Part Time	2018 (FTE)	2019 (FTE)	2020 (FTE)	2021 (FTE)	2022 (FTE)
		Full Time		-	-	-	-	-
		Part Time		-	-	-	-	-

Net Impact	2018 \$	2019 \$	2020 \$	2021 \$	2022 \$
On-Going	\$ (200,000)	\$ -	\$ -	\$ -	\$ -
One-Time	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ (200,000)	\$ -	\$ -	\$ -	\$ -

Implementation (*Likelihood; list any assumptions, constraints*)

The Large Spreader Laid Patches contract is a well established program at the City. The contract is tendered annually for summer work. The scope of the contract can be reduced to reflect the approved service level.

Consequences (*What would be the negative results or drawbacks*)

The potential results of lowering the service level for this program would be decreased ride quality and lowered public opinion of roads, increase in winter pothole patching program, increase in pothole related claims, and an increase in overall life cycle costs of the road asset.

Dependencies/Synergies (*Does the proposal depend on any other projects*)

The service level decrease of this program may result in a corresponding increase on the winter pothole patching program.

Capacity Impacts (*Is there enough capacity? Are other departments impacted?*)

There are no capacity impacts related to this option as the scope of contracted work would decrease a portion of the contract.

V. Alternatives**Alternatives Considered**

Solution Options	Operating Changes	Revenue Changes	Advantages/ Disadvantages

VI. Risks**Risks** (*What are the risks of not implementing this change?*)

Continued deterioration of the arterial road network is expected if the Large Spreader Laid Patches program is decreased.

Business Case for Service Level Change

Request/Project Name: Reduction to Roads Fleet (One Grader)

Department: Growth & Infrastructure

Division: Roads and Transportation

I. Executive Summary

Overview of Proposal

The Roads' graders perform multiple tasks including gravel grading and resurfacing activities for gravel roads and gravel shoulders, as well as snow plowing with a wing attachment. The current grader fleet is comprised of six units including unit S355, a 1989 Champion grader. The proposed business case recommends retiring this unit and maintaining current service levels using the existing fleet.

Service Level Impact

The current service levels will not be affected as there is capacity with the remaining five units to perform the current council approved service levels.

II. Background

Current Service Level (Describe the existing level of service provided)

Service Name	Service Description (What is the current level of service)
Hard Top Surface Maintenance	Surface treatment preparation, gravel grading - shoulders, gravel shouldering
Loose Top Surface Maintenance	Gravel resurfacing, gravel grading
Snow Plowing	Grader mounted plowing

Drivers for Proposed Course of Action

The recommended course of action would realize a cost savings to the City while maintaining the current service level.

III. Recommendation

Categorize your specific request (mark an 'X' for all that apply):

<input checked="" type="checkbox"/>	Change to base operating budget	<input type="checkbox"/>	Change to base FTE allocation
<input type="checkbox"/>	Change to fees (unit price)	<input type="checkbox"/>	Change to revenues (volume change)
<input type="checkbox"/>	Investment in Project	<input type="checkbox"/>	

Recommendation (How/Why)

It is recommended to reduce the Roads' grader fleet and retire unit S355 (1989 Champion grader).

Urgency

The grader is currently in a state of requiring repairs. It is recommended to retire the unit prior to repairing.

How does this align with Council's Strategic Plan?

Reducing the current service level will assist with enhancing two of the four council approved priorities; being Fiscally Prudent and while maintaining Sustainable Infrastructure.

IV. Impact Analysis**Qualitative Implications**

As a result of this decreased service level, traffic interruptions and poor ride quality could increase.

Quantifiable Implications - Revenue & Expenditures

The reduction in fleet would realize savings of approximately \$54,000 from maintenance and fuel.

Operating Revenues - Incremental**Detail**

Description	Duration	Revenue Source	2018 \$	2019 \$	2020 \$	2021 \$	2022 \$
	On-Going		\$ -	\$ -	\$ -	\$ -	\$ -
	One-Time		\$ -	\$ -	\$ -	\$ -	\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

Operating Expenditures - Incremental**Detail**

Description	Duration	Funding Source	2018 \$	2019 \$	2020 \$	2021 \$	2022 \$
Equip Credits - Direct	On-Going	Tax Levy	\$ 53,384				
Contribution to Reserve	On-Going	Tax Levy	\$ (13,346)				
Fleet Parts	On-Going	Tax Levy	\$ (40,038)				
Surface Treatment Perparation	On-Going	Tax Levy	\$ (759)				
Gravel Resurfacing	On-Going	Tax Levy	\$ (1,688)				
Gravel Grading - Shoulders	On-Going	Tax Levy	\$ (9,553)				
Gravel Grading	On-Going	Tax Levy	\$ (20,076)				
Gravel Shouldering	On-Going	Tax Levy	\$ (5,473)				
Grader Mounted Plow	On-Going	Tax Levy	\$ (16,014)				
Fuel Costs	On-Going	Tax Levy	\$ (179)				
Fleet Charge - Summer	On-Going	Tax Levy	\$ (37,549)				
Fleet Charge - Winter	On-Going	Tax Levy	\$ (16,014)				
Roads Summer Fleet	On-Going	Tax Levy	\$ 37,728				
Roads Winter Fleet	On-Going	Tax Levy	\$ 16,014				
	On-Going		\$ (53,563)	\$ -	\$ -	\$ -	\$ -
	One-Time		\$ -	\$ -	\$ -	\$ -	\$ -
Total			\$ (53,563)	\$ -	\$ -	\$ -	\$ -

FTE Table**Detail**

Position	Bargaining Unit	Duration	Full Time / Part Time	2018 (FTE)	2019 (FTE)	2020 (FTE)	2021 (FTE)	2022 (FTE)
		Full Time		-	-	-	-	-
		Part Time		-	-	-	-	-

Net Impact	2018 \$	2019 \$	2020 \$	2021 \$	2022 \$
On-Going	\$ (53,563)	\$ -	\$ -	\$ -	\$ -
One-Time	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ (53,563)	\$ -	\$ -	\$ -	\$ -

Implementation *(Likelihood; list any assumptions, constraints)*

With approval of this business case, the unit would be sold at auction and if unsuccessful, would be sold as scrap.

Consequences *(What would be the negative results or drawbacks)*

Retiring one grader would increase reliance on existing equipment which could result in additional servicing and potentially a more frequent replacement cycle. Furthermore, should another unit require repairs there would be limited opportunity to use a spare.

Dependencies/Synergies *(Does the proposal depend on any other projects)*

N/A

Capacity Impacts *(Is there enough capacity? Are other departments impacted?)*

Should council approve this business case, the reduction of fleet would lessen the impact on all support services departments such as the Finance, Assets and Fleet Department.

V. Alternatives**Alternatives Considered**

Solution Options	Operating Changes	Revenue Changes	Advantages/ Disadvantages

VI. Risks**Risks** *(What are the risks of not implementing this change?)*

Should the unit not be retired, there would be less burden on existing equipment and more opportunity for a spare should an existing grader break down.

Business Case for Service Level Change

Request/Project Name: Increase Parking Meter Rates

Department: Corporate Services

Division: Parking

I. Executive Summary

Overview of Proposal

The City has 438 single space meters in the downtown core. The on-street meters are intended to service short stay hourly customers. The cost of hourly parking is \$1.30 per hour, 2-hour maximum with the exception of Elm Street at \$2.00 per hour with a 1-hour maximum. While it is difficult to monitor and obtain accurate data, there are concerns that the time allotted maximums are being exceeded and some on street parking is being used for all day parking. All day parking is more suited to a monthly pass in an off-street lot and on-street parking left available for short stay customers. Parking rates for private sector lots are comparable for monthly stays. However, private sector parking is approximately 50% higher than public lots on an hourly basis. This option seeks to price on street parking at a rate that reflects its convenience relative to alternatives and to assist in diverting demand for these spaces from long-term use to a emphasis on shorter stays.

Service Level Impact

N/A

II. Background

Current Service Level (Describe the existing level of service provided)

Service Name	Service Description (What is the current level of service)

Drivers for Proposed Course of Action

Reduce the parking subsidy that currently exists relative to the private sector and to divert demand for long-term stays from metered parking to parking lots. This will avail parking to more short-term stays.

III. Recommendation

Categorize your specific request (mark an 'X' for all that apply):

	Change to base operating budget		Change to base FTE allocation
X	Change to fees (unit price)		Change to revenues (volume change)
	Investment in Project		

Recommendation (How/Why)

Reduce the parking subsidy that currently exists relative to the private sector and to divert demand for long-term stays from metered parking to parking lots. The proposed fee for parking will increase from \$1.30 to \$2.50. This will avail parking to more short-term stays.

Urgency**How does this align with Council's Strategic Plan?**

It is fiscally prudent to have users of a service, pay for that service as opposed to being subsidized by the taxpayer.

IV. Impact Analysis**Qualitative Implications****Quantifiable Implications - Revenue & Expenditures**

Increase in revenues of approximately \$400,000 annually.

Operating Revenues - Incremental**Detail**

Description	Duration	Revenue Source	2018 \$	2019 \$	2020 \$	2021 \$	2022 \$
Parking Meter Collections	On-Going	User Fees	\$ (400,000)				
	On-Going		\$ (400,000)	\$ -	\$ -	\$ -	\$ -
	One-Time		\$ -	\$ -	\$ -	\$ -	\$ -
Total			\$ (400,000)	\$ -	\$ -	\$ -	\$ -

Operating Expenditures - Incremental**Detail**

Description	Duration	Funding Source	2018 \$	2019 \$	2020 \$	2021 \$	2022 \$
	On-Going		\$ -	\$ -	\$ -	\$ -	\$ -
	One-Time		\$ -	\$ -	\$ -	\$ -	\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

FTE Table**Detail**

Position	Bargaining Unit	Duration	Full Time / Part Time	2018 (FTE)	2019 (FTE)	2020 (FTE)	2021 (FTE)	2022 (FTE)
		Full Time		-	-	-	-	-
		Part Time		-	-	-	-	-

Net Impact	2018 \$	2019 \$	2020 \$	2021 \$	2022 \$
On-Going	\$ (400,000)	\$ -	\$ -	\$ -	\$ -
One-Time	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ (400,000)	\$ -	\$ -	\$ -	\$ -

Implementation *(Likelihood; list any assumptions, constraints)*

N/A

Consequences *(What would be the negative results or drawbacks)*

There may be public dismay and concern from the Councillors.

Dependencies/Synergies *(Does the proposal depend on any other projects)*

N/A

Capacity Impacts *(Is there enough capacity? Are other departments impacted?)*

N/A

V. Alternatives**Alternatives Considered**

Solution Options	Operating Changes	Revenue Changes	Advantages/ Disadvantages

VI. Risks**Risks** *(What are the risks of not implementing this change?)*

Risk is that Council decides against it and that the City continues to subsidize parking.

Business Case for Service Level Change

Request/Project Name: Request NDCA to modify budget to a 3.5% increase

Department:

Division:

I. Executive Summary

Overview of Proposal

Based on the Finance and Administration Committees direction to request that Service Partners consider the budget direction given to staff, this business case proposes that a request is presented to Nickel District Conservation Authority (NDCA) limiting their annual allocation to a 3.5% increase over the 2017 approved allocation.

Service Level Impact

The NDCA has requested an increase of 27% to their budget allocation in order to take on new initiatives. NDCA has requested this increase to right-size their core capacity and address deficiencies identified in their Strategic Plan for 2017-2021.

II. Background

Current Service Level (Describe the existing level of service provided)

Service Name	Service Description (What is the current level of service)
Funding for NDCA	The current level of service is a proposed 2018 allocation of \$867,000, an increase of \$184,000 from the 2017 allocation.

Drivers for Proposed Course of Action

The driver for the proposed course of action is the Finance and Administration Committee's direction to provide service level changes to reduce the budget to a 2.5% taxation levy increase for 2018.

III. Recommendation

Categorize your specific request (mark an 'X' for all that apply):

<input checked="" type="checkbox"/>	Change to base operating budget	<input type="checkbox"/>	Change to base FTE allocation
<input type="checkbox"/>	Change to fees (unit price)	<input type="checkbox"/>	Change to revenues (volume change)
<input type="checkbox"/>	Investment in Project	<input type="checkbox"/>	

Recommendation (How/Why)

If approved, it is recommended that Council request the change to NDCA.

Urgency

The proposed option is in response to the request for a reduced taxation levy.

How does this align with Council's Strategic Plan?

This aligns with Councils direction for a responsive, fiscally prudent, open governance.

IV. Impact Analysis**Qualitative Implications**

By limiting the proposed increase, the Committee is ensuring that the Municipal budget along with the service partners are remaining consistent and fiscally prudent.

Quantifiable Implications - Revenue & Expenditures

The impact of limiting the allocation to the NDCA to a 3.5% increase over the 2017 operating budget allocation is a reduction in the 2018 base budget of \$169,131 which represents a 0.07% tax levy impact.

Operating Revenues - Incremental**Detail**

Description	Duration	Revenue Source	2018 \$	2019 \$	2020 \$	2021 \$	2022 \$
	On-Going		\$ -	\$ -	\$ -	\$ -	\$ -
	One-Time		\$ -	\$ -	\$ -	\$ -	\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

Operating Expenditures - Incremental**Detail**

Description	Duration	Funding Source	2018 \$	2019 \$	2020 \$	2021 \$	2022 \$
NDCA Allocation	On-Going		\$ (169,131)				
	On-Going		\$ (169,131)	\$ -	\$ -	\$ -	\$ -
	One-Time		\$ -	\$ -	\$ -	\$ -	\$ -
Total			\$ (169,131)	\$ -	\$ -	\$ -	\$ -

FTE Table**Detail**

Position	Bargaining Unit	Duration	Full Time / Part Time	2018 (FTE)	2019 (FTE)	2020 (FTE)	2021 (FTE)	2022 (FTE)
		Full Time		-	-	-	-	-
		Part Time		-	-	-	-	-

Net Impact	2018 \$	2019 \$	2020 \$	2021 \$	2022 \$
On-Going	\$ (169,131)	\$ -	\$ -	\$ -	\$ -
One-Time	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ (169,131)	\$ -	\$ -	\$ -	\$ -

Implementation *(Likelihood; list any assumptions, constraints)*

If approved, there are no constraints to the implementation of this business case.

Consequences *(What would be the negative results or drawbacks)*

The consequences are that the NDCA will not have the ability to address deficiencies or provide needed services to residents of the watershed.

Dependencies/Synergies *(Does the proposal depend on any other projects)*

N/A

Capacity Impacts *(Is there enough capacity? Are other departments impacted?)*

N/A

V. Alternatives**Alternatives Considered**

Solution Options	Operating Changes	Revenue Changes	Advantages/ Disadvantages

VI. Risks**Risks** *(What are the risks of not implementing this change?)*

The risk of not approving the business case is a taxation levy above 2.5%.

Business Case for Service Level Change

Request/Project Name: Request GSPS to modify budget to a 3.5% increase

Department:

Division:

I. Executive Summary

Overview of Proposal

Based on the Finance and Administration Committees direction to request that Service Partners consider the budget direction given to staff, this business case proposes that that a request is presented to Greater Sudbury Police Services (GSPS) limiting their annual allocation to a 3.5% increase over the 2017 approved allocation.

Service Level Impact

The GSPS has requested a 3.9% increase to their budget allocation for maintaining operations.

II. Background

Current Service Level (Describe the existing level of service provided)

Service Name	Service Description (What is the current level of service)
Funding for GSPS	The current level of service is a proposed 2018 allocation of \$57.8 Million, an increase of approximately \$2.2 million from the 2017 allocation.

Drivers for Proposed Course of Action

The driver for the proposed course of action is the Finance and Administration Committee's direction to provide service level changes to reduce the budget to a 2.5% taxation levy increase for 2018.

III. Recommendation

Categorize your specific request (mark an 'X' for all that apply):

<input checked="" type="checkbox"/>	Change to base operating budget	<input type="checkbox"/>	Change to base FTE allocation
<input type="checkbox"/>	Change to fees (unit price)	<input type="checkbox"/>	Change to revenues (volume change)
<input type="checkbox"/>	Investment in Project	<input type="checkbox"/>	

Recommendation (How/Why)

If approved, it is recommended that Council request the change to GSPS.

Urgency

The proposed option is in response to the request for a reduced taxation levy.

How does this align with Council's Strategic Plan?

This aligns with Councils direction for a responsive, fiscally prudent, open governance.

IV. Impact Analysis**Qualitative Implications**

By limiting the proposed increase, the Committee is ensuring that the Municipal budget along with the service partners are remaining consistent and fiscally prudent.

Quantifiable Implications - Revenue & Expenditures

The impact of limiting the allocation to the GSPS to a 3.5% increase over the 2017 operating budget allocation is a reduction in the 2018 base budget of \$213,370 which represents a 0.09% tax levy impact.

Operating Revenues - Incremental**Detail**

Description	Duration	Revenue Source	2018 \$	2019 \$	2020 \$	2021 \$	2022 \$
	On-Going		\$ -	\$ -	\$ -	\$ -	\$ -
	One-Time		\$ -	\$ -	\$ -	\$ -	\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

Operating Expenditures - Incremental**Detail**

Description	Duration	Funding Source	2018 \$	2019 \$	2020 \$	2021 \$	2022 \$
GSPS Allocation	On-Going		\$ (213,370)				
	On-Going		\$ (213,370)	\$ -	\$ -	\$ -	\$ -
	One-Time		\$ -	\$ -	\$ -	\$ -	\$ -
Total			\$ (213,370)	\$ -	\$ -	\$ -	\$ -

FTE Table**Detail**

Position	Bargaining Unit	Duration	Full Time / Part Time	2018 (FTE)	2019 (FTE)	2020 (FTE)	2021 (FTE)	2022 (FTE)
		Full Time		-	-	-	-	-
		Part Time		-	-	-	-	-

Net Impact	2018 \$	2019 \$	2020 \$	2021 \$	2022 \$
On-Going	\$ (213,370)	\$ -	\$ -	\$ -	\$ -
One-Time	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ (213,370)	\$ -	\$ -	\$ -	\$ -

Implementation (*Likelihood; list any assumptions, constraints*)

If approved, there are no constraints to the implementation of this business case.

Consequences (*What would be the negative results or drawbacks*)

The consequences are that the GSPS must review their proposed budget for potential reductions.

Dependencies/Synergies (*Does the proposal depend on any other projects*)

N/A

Capacity Impacts (*Is there enough capacity? Are other departments impacted?*)

N/A

V. Alternatives**Alternatives Considered**

Solution Options	Operating Changes	Revenue Changes	Advantages/ Disadvantages

VI. Risks**Risks** (*What are the risks of not implementing this change?*)

The risk of not approving the business case is a taxation levy above 2.5%.

Business Case for Service Level Change

Request/Project Name: Request GSHC to modify budget to a 3.5% increase

Department:

Division:

I. Executive Summary

Overview of Proposal

Based on the Finance and Administration Committees direction to request that Service Partners consider the budget direction given to staff, this business case proposes that that a request is presented to Greater Sudbury Housing Corporation (GSHC) limiting their annual allocation to a 3.5% increase over the 2017 approved allocation.

Service Level Impact

The GSHC budget to the City represents a 9.6% increase over the 2017 actuals to their budget allocation for maintaining operations.

II. Background

Current Service Level (Describe the existing level of service provided)

Service Name	Service Description (What is the current level of service)
Funding for GSHC	The current level of service is a proposed 2018 allocation of \$9.4 Million, an increase of approximately \$0.8 million from the 2017 allocation.

Drivers for Proposed Course of Action

The driver for the proposed course of action is the Finance and Administration Committee's direction to provide service level changes to reduce the budget to a 2.5% taxation levy increase for 2018.

III. Recommendation

Categorize your specific request (mark an 'X' for all that apply):

<input checked="" type="checkbox"/>	Change to base operating budget	<input type="checkbox"/>	Change to base FTE allocation
<input type="checkbox"/>	Change to fees (unit price)	<input type="checkbox"/>	Change to revenues (volume change)
<input type="checkbox"/>	Investment in Project	<input type="checkbox"/>	

Recommendation (How/Why)

If approved, it is recommended that the Committee request the change to GSHC.

Urgency

The proposed option is in response to the request for a reduced taxation levy.

How does this align with Council's Strategic Plan?

This aligns with Councils direction for a responsive, fiscally prudent, open governance.

IV. Impact Analysis**Qualitative Implications**

By limiting the proposed increase, the Committee is ensuring that the Municipal budget along with the service partners are remaining consistent and fiscally prudent.

Quantifiable Implications - Revenue & Expenditures

The impact of limiting the allocation to the GSHC to a 3.5% increase over the 2017 operating budget allocation is a reduction in the 2018 base budget of \$520,133 which represents a 0.2% tax levy impact.

Operating Revenues - Incremental**Detail**

Description	Duration	Revenue Source	2018 \$	2019 \$	2020 \$	2021 \$	2022 \$
	On-Going		\$ -	\$ -	\$ -	\$ -	\$ -
	One-Time		\$ -	\$ -	\$ -	\$ -	\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

Operating Expenditures - Incremental**Detail**

Description	Duration	Funding Source	2018 \$	2019 \$	2020 \$	2021 \$	2022 \$
GHSC Allocation	On-Going		\$ (520,133)				
	On-Going		\$ (520,133)	\$ -	\$ -	\$ -	\$ -
	One-Time		\$ -	\$ -	\$ -	\$ -	\$ -
Total			\$ (520,133)	\$ -	\$ -	\$ -	\$ -

FTE Table**Detail**

Position	Bargaining Unit	Duration	Full Time / Part Time	2018 (FTE)	2019 (FTE)	2020 (FTE)	2021 (FTE)	2022 (FTE)
		Full Time		-	-	-	-	-
		Part Time		-	-	-	-	-

Net Impact	2018 \$	2019 \$	2020 \$	2021 \$	2022 \$
On-Going	\$ (520,133)	\$ -	\$ -	\$ -	\$ -
One-Time	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ (520,133)	\$ -	\$ -	\$ -	\$ -

Implementation *(Likelihood; list any assumptions, constraints)*

If approved, there are no constraints to the implementation of this business case.

Consequences *(What would be the negative results or drawbacks)*

The consequences are that the GSHC must review their proposed budget for potential reductions.

Dependencies/Synergies *(Does the proposal depend on any other projects)*

N/A

Capacity Impacts *(Is there enough capacity? Are other departments impacted?)*

N/A

V. Alternatives**Alternatives Considered**

Solution Options	Operating Changes	Revenue Changes	Advantages/ Disadvantages

VI. Risks**Risks** *(What are the risks of not implementing this change?)*

The risk of not approving the business case is a taxation levy above 2.5%.

Business Case for Service Level Change

Request/Project Name: Business Process Analysis

Department: Office of the CAO

Division:

I. Executive Summary

Overview of Proposal

Through the secondment of up to five staff who possess appropriate training and organizational experience, conduct analysis and develop plans for changes to policies and/or work processes that reduce the corporation's net 2018 costs by \$500,000. The focus of the analysis would be on changes to Winter Control services and Arena services.

Service Level Impact

Staff selected for undertaking this work normally perform routine analytical tasks and business support functions. Assigning them to complete this work involves up to three months per person of dedicated time within the first two quarters, followed by implementation timelines to produce the required net cost reductions through the remainder of 2018. This means regular work associated with business support would be put on hold or significantly reduced and other projects that do not produce net cost reductions in 2018 would be delayed. The effect of these assignments could be noticed through increased cycle times for responding to requests for information that involve more complex analysis, or reduced levels of information for decision support on other matters that are not related to this work.

II. Background

Current Service Level (Describe the existing level of service provided)

Service Name	Service Description (What is the current level of service)
	There is not currently a systematic approach for analyzing policies and work processes that lead to net cost reductions. This proposal anticipates, on a temporary basis, creating a new systematic approach for identifying such opportunities.

Drivers for Proposed Course of Action

Despite its place among the lowest-cost cities in the province, the City of Greater Sudbury has an annual challenge when preparing its budget. It is difficult to properly match projected revenues, service level expectations and the cost of providing service. All services seem valuable to some segment of our community, so reductions in any particular area are met with resistance. Opportunities to review the approach for delivering service, adjust the policies that drive service levels or the way work gets done have always been something that managers want to find but the resources to undertake the work have generally not been available. Changes to Winter Control services and Arena services have been discussed for several years. Staff believe the analysis required to develop net cost savings in 2018 could be produced if the work focused on these two service areas.

III. Recommendation

Categorize your specific request (mark an 'X' for all that apply):

<input checked="" type="checkbox"/>	Change to base operating budget	<input type="checkbox"/>	Change to base FTE allocation
<input type="checkbox"/>	Change to fees (unit price)	<input type="checkbox"/>	Change to revenues (volume change)
<input type="checkbox"/>	Investment in Project	<input type="checkbox"/>	

Recommendation (How/Why)

This proposal supports Council's goal of achieving a 2.5% change in taxation over 2017 levels. It anticipates reassigning available staff resources, taking them away from their regular work, for a limited period in 2018. Both proposed service areas (ie Winter Control and Arenas) have been previously studied and consume significant resources in their current form. Focused, dedicated analytical effort by staff could produce changes that lead to service level changes and cost reductions in 2018.

Urgency

Staff do not recommend approval of this business case unless it is Council's wish to achieve a 2.5% change in taxation over 2017 levels.

How does this align with Council's Strategic Plan?

This is an operational matter with no direct relationship to the Strategic Plan.

IV. Impact Analysis**Qualitative Implications**

There will be a disruption to normal business processes while the assigned staff complete this project. The specific types and extent of the disruptions cannot be identified at this time, but will generally take the form of longer cycle times to respond to inquiries where more complex analysis is required, delays in projects that do not produce net cost reductions in 2018 and reduced levels of information for decision support. Conversely, if successful, the results of the project will reduce net costs by \$500,000.

Quantifiable Implications - Revenue & Expenditures

The project will reduce net costs by \$500,000. This can be either new revenues, cost reductions, or some combination of revenues and cost reductions.

Operating Revenues - Incremental**Detail**

Description	Duration	Revenue Source	2018 \$	2019 \$	2020 \$	2021 \$	2022 \$
	On-Going		\$ -	\$ -	\$ -	\$ -	\$ -
	One-Time		\$ -	\$ -	\$ -	\$ -	\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

Operating Expenditures - Incremental**Detail**

Description	Duration	Funding Source	2018 \$	2019 \$	2020 \$	2021 \$	2022 \$
Business Process			\$ (500,000)				
	On-Going		\$ -	\$ -	\$ -	\$ -	\$ -
	One-Time		\$ -	\$ -	\$ -	\$ -	\$ -
Total			\$ (500,000)	\$ -	\$ -	\$ -	\$ -

FTE Table**Detail**

Position	Bargaining Unit	Duration	Full Time / Part Time	2018 (FTE)	2019 (FTE)	2020 (FTE)	2021 (FTE)	2022 (FTE)
		Full Time		-	-	-	-	-
		Part Time		-	-	-	-	-

Net Impact	2018 \$	2019 \$	2020 \$	2021 \$	2022 \$
On-Going	\$ -	\$ -	\$ -	\$ -	\$ -
One-Time	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ -	\$ -

Implementation (*Likelihood; list any assumptions, constraints*)

This is a new approach for conducting business process reviews and there is a higher than average risk it will not achieve the \$500,000 net cost reduction goal. Since the changes in process or policy that will produce the cost reductions are unknown until the reviews are complete, there is also a risk that these changes are unacceptable to some stakeholder group and therefore cannot be implemented as intended. It requires clear and regular communication with ELT and updates to Council so that a "no surprises" environment is maintained and the analysis achieves its intended outcomes.

Consequences (*What would be the negative results or drawbacks*)

Current, routine decision support services will be significantly delayed or curtailed while this project is underway.

Dependencies/Synergies (*Does the proposal depend on any other projects*)

This project does not depend on any other projects.

Capacity Impacts (*Is there enough capacity? Are other departments impacted?*)

It appears the corporation has staff with the required skills to perform the work. Some training may be required to ensure recommendations are supported by sufficient, appropriate analysis.

V. Alternatives**Alternatives Considered**

Solution Options	Operating Changes	Revenue Changes	Advantages/ Disadvantages

VI. Risks**Risks** (*What are the risks of not implementing this change?*)

This is a unique approach for conducting business process reviews and there is a higher than average risk it will not achieve the \$500,000 net cost reduction goal. Since the changes in process or policy that will produce the cost reductions are unknown until the reviews are complete, there is also a risk that these changes are unacceptable to some stakeholder group and therefore cannot be implemented as intended.

Business Case for Service Level Change

Request/Project Name: Salary Gapping

Department: Corporate Services

Division: Human Resources

I. Executive Summary

Overview of Proposal

Salary gapping is the unspent dollars resulting from position vacancies (e.g. the time a position is unfilled after resignations, retirements, unpaid leaves, etc.). This proposal would require the creation of a budget line in a central department to house the salary gapping total. As long as vacancies go unfilled any dollar amounts gapped would be tracked against the salary gapping total. Positions not funded by the levy would not be gapped to continue to maximize funding. Similarly operations that require 24/7 services or programs that must maintain regulated staffing would not be gapped.

Service Level Impact

Gapping currently occurs in operating departments and management has flexibility in the Operating Budget Policy to use gapped funds for personnel from temporary agencies and for unforeseen expenses in their department. By enforcing a period of gapping, service to the public may be impacted negatively or work may be delayed. Such a gapping approach would reduce existing flexibility to deal with unexpected absence/retirements. These funds could not be used to take advantage of temporary or relieving situations to support workload as is the case under the Operating Budget Policy.

II. Background

Current Service Level (Describe the existing level of service provided)

Service Name	Service Description (What is the current level of service)

Drivers for Proposed Course of Action

The driver for the proposed course of action is the Finance and Administration Committee's direction to provide service level changes to reduce the budget to a 2.5% taxation levy increase for 2018.

III. Recommendation

Categorize your specific request (mark an 'X' for all that apply):

<input checked="" type="checkbox"/>	Change to base operating budget	<input type="checkbox"/>	Change to base FTE allocation
<input type="checkbox"/>	Change to fees (unit price)	<input type="checkbox"/>	Change to revenues (volume change)
<input type="checkbox"/>	Investment in Project	<input type="checkbox"/>	

Recommendation (How/Why)

This proposal supports Council's goal of achieving a 2.5% change in taxation over 2017 levels.

Urgency

Staff do not recommend approval of this business case unless it is Council's wish to achieve a 2.5% change in taxation over 2017 levels.

How does this align with Council's Strategic Plan?

This is an operational matter with no direct relationship to the Strategic Plan.

IV. Impact Analysis**Qualitative Implications**

The flexibility lost by operating departments to manage to their net operating budget would be lost and more time would be required to report to Council on operational matters. Some planned work may not be achievable and/or delayed.

Quantifiable Implications - Revenue & Expenditures

There would be a potential increase in our current under expenditure on labour (as an example the current 2017 projection is \$1.1 million of labour dollars not spent on this expense category) as this process is formalized. We have estimated it to be \$500,000.

Operating Revenues - Incremental**Detail**

Description	Duration	Revenue Source	2018 \$	2019 \$	2020 \$	2021 \$	2022 \$
	On-Going		\$ -	\$ -	\$ -	\$ -	\$ -
	One-Time		\$ -	\$ -	\$ -	\$ -	\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

Operating Expenditures - Incremental**Detail**

Description	Duration	Funding Source	2018 \$	2019 \$	2020 \$	2021 \$	2022 \$
Salary Gapping	On-Going		\$ (500,000)				
	On-Going		\$ (500,000)	\$ -	\$ -	\$ -	\$ -
	One-Time		\$ -	\$ -	\$ -	\$ -	\$ -
Total			\$ (500,000)	\$ -	\$ -	\$ -	\$ -

FTE Table**Detail**

Position	Bargaining Unit	Duration	Full Time / Part Time	2018 (FTE)	2019 (FTE)	2020 (FTE)	2021 (FTE)	2022 (FTE)
		Full Time		-	-	-	-	-
		Part Time		-	-	-	-	-
Net Impact				2018 \$	2019 \$	2020 \$	2021 \$	2022 \$
On-Going				\$ (500,000)	\$ -	\$ -	\$ -	\$ -
One-Time				\$ -	\$ -	\$ -	\$ -	\$ -
Total				\$ (500,000)	\$ -	\$ -	\$ -	\$ -

Implementation *(Likelihood; list any assumptions, constraints)*

The new process for tracking salary gapping would require a change in recording vacant positions that has not been performed before. The process would require assistance from the operating department, Human Resources, Payroll, Accounting and Budgets to ensure an appropriate level of accuracy and ensure support from the operating department. There would be also a learning curve as to the process was implemented and business plans developed for minor operational matters.

Consequences *(What would be the negative results or drawbacks)*

There would be the potential impact on service levels as staff would be required to write business plans for approval that in the past could be performed at the department level.

Dependencies/Synergies *(Does the proposal depend on any other projects)*

This would require a change to our current Operating Budget Policy. CBA requirements related to vacancies and minimum staffing levels will also need to be adhered to. This will reduce flexibility in certain areas disproportionately to other, more highly regulated areas.

Capacity Impacts *(Is there enough capacity? Are other departments impacted?)***V. Alternatives****Alternatives Considered**

Solution Options	Operating Changes	Revenue Changes	Advantages/ Disadvantages

VI. Risks**Risks** *(What are the risks of not implementing this change?)*

With our current projected under expenditure on labour (\$1.1 Million projected under expenditure for 2017) the City is still projecting a deficit so there is no certainty of a positive result in this program.