

Questions from November 25 Report, Previously not answered

Questions from Councillor Kirwan

11. Question

Please provide the total amount of money that has been saved as a result of tenders coming in under the estimated amounts that were anticipated. From what I have seen over the previous two years is that many tenders come in with bids that are quite a bit lower than what was budgeted. It would seem to me that the savings from those low bids should be significant and should allow for the acceleration of the purchase without the need to take funds from the tax rate stabilization fund, which should be used only in exceptional circumstances.

Answer:

Consistent with the Capital Budget Policy surplus funds in a tender are either transferred to the appropriate Capital Financing Reserve Fund or are applied to projects that have actual or anticipated over-expenditures.

13. Question:

With respect to the Proposal regarding the swimming lesson fees, I would like to know why you used the family membership fee of \$960 rather than the fee of \$750.

The Family Membership Fee of \$960 is a "Squash Membership Fee". It includes two adults and two children mainly because of the capacity of the squash courts. Swimming lessons are only applicable to children 12 and under. For most families interested in swimming lessons, this is not the membership that is purchased.

Most families with children who are interested in swimming purchase the General Membership for Families at \$750. With this membership the entire "immediate family" is included, so there is no limit on the number of children who can be on this membership. This is the one that parents purchase if their children are interested in participating in five sessions during the year and only if they have two or more children who also want to go to public swimming from time to time. This is the membership which encourages adults to make use of the facility since the "adults" are basically included free of charge, and not the other way around.

So, using your example of \$790 for two children enrolled in five sessions each, the general family membership is less expensive and offers a discount of \$40, but has the added advantage of the fact that the parents have paid in advance for the swimming lessons so it is guaranteed income for the facility. It was an incentive for parents to pay in advance so that the facility knew they would have enough revenue to pay for the swimming programs.

Keep in mind also, that there are many people purchasing general family memberships who have less than two children, but purchase the membership so that the adults have use of the facility.

So "every" family membership includes a portion that is for the swimming program. If you decide to eliminate the swimming lessons from the membership fee, then you "must" reduce "all" family memberships by an amount that is determined to be allocated to supporting the swimming lessons. None of the family memberships can remain if you remove that element, and if you reduce the family membership you will have to reduce all other memberships.

This is historically how the membership rates were established back in the 1980's when the facility was built. The cost of providing children and young families along with older adults would be spread across all membership fees, but they would be kept low enough to encourage participation and make these programs affordable for everyone. You cannot expect to make an extra \$22,000 in 2017 and \$67,500 in 2018. Parents will not purchase a family membership that is set to include five sessions. They may just enroll their children in two or three sessions or they may also just take them to public swimming. The loss of revenue will be catastrophic from the decline in general family memberships; the decline in the number of children enrolling in swimming lessons; and from the reduction in family memberships that no longer contain what you have determined to be a potential \$790 value.

So, please let us know how you came up with increased revenue of \$22,000 in 2017 and \$67,500 in 2018 and also let us know what the new membership levels are anticipated to be.

The answer to the above question is critical before we can make a decision on your proposal because the consequences of a futile attempt at increasing revenue may turn out to be worse than you could ever anticipate.

Answer:

The 2017 revenue forecast is based on the new fee applying for the equivalent of $\frac{1}{4}$ of the year, while the 2018 revenue forecast reflects a full year of revenues. Staff believe the forecasts are reasonable. Fees are designed according to anticipated cost recovery levels and Council's judgment regarding the appropriate balance between individual and community benefit associated with a user's access to a public facility/program. An alternative location is the YMCA, which would charge \$1,640 for equivalent access. Staff used the HARC membership fee of \$960 for illustrative purposes only to show the gap between proposed prices and a reasonable market alternative like the YMCA. Even at the recommended prices, the charge is still lower. Other municipal facilities charge separately for swimming lessons. If Council chooses to include swimming lessons in the HARC membership, staff would recommend adjusting the membership fees.

Questions from Councillor Reynolds

18. Question:

Why do I have two lists of widely varying tax rates?

Answer:

Please refer to the attached file "Q18. Tax Rates" provided by Councillor Reynolds. The first page shows the 2016 municipal portion of the final tax rates for CGS.

The second page reflects the 2015 total tax rates for CGS by area. This includes both the municipal and education tax.

19. Question:

Why should we be increasing infrastructure budget to historical highs when there is such a backlog of Council-approved projects that have not yet seen design engineering or land-taking activities, that are not shovel-ready nor prepared for submission for funding from other levels of government?

Answer:

Although Council generally is made aware of a specific infrastructure project, and approves that project, in one budget year, the implementation of any specific capital project can require multiple years to complete. This is particularly necessary where a number of engineering or planning studies are required before construction can commence. Generally speaking, most of the City's Infrastructure projects are designed, tendered and implemented in a single budget year cycle. As a rule of thumb, the greater the complexity and the larger the project, the greater the possibility that a project or program will require multiple years to implement.

It should also be noted that all available studies on the condition of our existing infrastructure and all available master plans describing the long term growth needs of our community, point to a shortfall in available capital resources. As Council approves additional resources to build, repair or replace infrastructure, staff will develop business plans to ensure the infrastructure gets constructed according to a reasonable schedule. One such business plan has been prepared within this budget cycle to address engineering resources necessary to ensure the effective delivery of the capital program over the next few years.

21. Question:

Why is Infrastructure proposing to buy 8 new plows this year? Would six do?

Answer:

Acquiring the 8 snow plows is a capital purchase designed to reduce the risk that service levels will not be met due to equipment failure. The equipment to be replaced has exceeded its useful life and is unreliable. Replacing the plows is the lowest-cost approach to reliably meet service expectations

The new plows will be more reliable and available to public works operations staff to perform snow plowing activities. If fewer plows are purchased to replace the existing older vehicles, then the fleet of plows will be less reliable and the newer equipment will be used at a higher rate, leading to a faster depletion of its useful life. When conventional City-owned plows are not available the operation uses contractor vehicles and other vehicles that may not be ideally suited for winter operations. The consequence is an operation that may take additional time to meet desired service levels, or additional costs to use less efficient City vehicles or Contractor vehicles.

The proposed purchase of new snow plows is intended to reduce the risk of over expenditures to meet Council approved service levels and increase the probability that public works staff will achieve desired service levels. Purchasing fewer plows will result in a higher risk of over expenditures in operating and fleet services budgets and a higher risk that service levels will not be maintained.

23. Question:

In Council's Strategic Plan, downtown development was the number one stated objective. Why has funding for the CIP been cut back so drastically?

Answer:

Funding for the CIP has not been cut back. To date, Council has only approved the Downtown CIP and has not allocated any funds. Similarly, there has been no approved funding to date for any of the other CIP's.

The business plan in the proposed budget establishes an operating budget that can apply to all of the approved CIPs that exist at this time. Until we receive applications for projects within an approved CIP, it is not known if the funds in this business case will be adequate. If the total value of applications exceeds available funds, staff would seek direction from Council for alternative funding arrangements.

25. Question:

How can we ensure that what we are already paying for in winter maintenance is done in a better way that meets citizens' expectations i.e. sidewalk maintenance, fire hydrants marked, bus shelters cleared, cul-de-sac snow clearing, centre turning lanes cleared?

Answer:

Winter Control Operations are monitored closely to ensure compliance with minimum maintenance standards and Council approved service levels. Although weather conditions are extremely variable and result in varying response times, there are few exceptions to our compliance with the approved service levels. These few exceptions are normally due to extreme weather conditions that exceed the capacity of our operational systems and resources.

27. Question:

Why are we holding some of our big projects to such intense scrutiny and diligence (i.e. event/entertainment centre), but not others i.e. Place des Arts?

Answer:

Staff have been undertaking due diligence on each of the four projects in a similar manner. The Place des arts project is not a direct municipal project but detailed information has been requested of the proponent and provided to Council in a series of reports, along with additional information provided in the Business Case that is included in the 2017 Budget document.

The other large projects are at earlier stages of development. Page 231-232 of the 2017 Budget provides an update about each project.

Generally the information required to support Council's decision about any capital investment reflects judgment regarding the level of risk and anticipated benefits associated with each funding request. Large scale projects with relatively large investment requirements that are anticipated to have long-term consequences on either (or both) the community's quality of life and financial condition are subject to due diligence steps that help Council have confidence its decision is based on sufficient, appropriate information.

28. Question:

Why can't we set the water/wastewater rates for 5 years, instead of one painful year at a time?

Answer:

It is certainly feasible and advantageous to establish a water/wastewater rate increases for 5 years. Ideally this would include consideration of a long term financial plan and review of capital investments. Where utilized by other municipalities, this process has closely followed consideration of a long term Master Plan, an up to date Asset Management Plan, and a long term financial plan. All of these activities are scheduled for 2017, and it would be appropriate to consider this model of establishing water rates once these details are available.

29. Question:

Why are we proposing to give the Police Dept. \$18.8M with no real business case? What benefit will taxpayers derive here? How soon before they outgrow this facility? Why not go a bit more long-term and give them a proper facility that will serve all their needs for many years to come? Why not work with Fire and Paramedic Services for a shared location? Where is the business case? How do we vote on this matter?

Answer:

See attached response from Police Services - Q29,61. Police Board Budget

Questions received after November 25

Additional Questions from Councillor Kirwan

30. Question:

With respect to the Winter Sidewalk Maintenance, we mentioned that it might be necessary to begin clearing sidewalks in areas that are used by older adults when the snowfall reaches 4 cm. We need to clean some of the sidewalks much faster because of the number of older adults using walkers and scooters. What would the cost of this amount to?

Answer:

It is difficult to calculate the cost for this service level without extensive analysis or further direction / clarification from Council. Some of the factors to consider can be summarized as follows. Sidewalk maintenance follows specific beats in a specific pattern. If it becomes necessary to perform maintenance in designated areas prior to completing the balance of the conventional beat, this might result in additional equipment and resources. Alternatively, Council may consider a lower service level in areas that are a lower priority. Another consideration is the time of response - service levels for sidewalk maintenance are currently similar to approved levels for Class 4 to 6 roadways, and this results in sidewalks being completed with first pass approximately 24 hours following the end of a storm with at least 8 cm of snow. Changing sidewalk maintenance response times to a shorter return period will require significantly more equipment and resources to meet these service levels. Another consideration is determining which sidewalks are actually a priority for older adults. It would be difficult to know what areas of the City require priority maintenance, and whether these priority areas might change from year to year. There may be an opportunity to develop a priority system that is not based entirely on the presence of older adults. Developing a priority system is a scheduled activity for 2017.

31. Question:

How are we going to address the business cases?

Will we be discussing them one at a time and voting on them individually? Or will we be voting on them en masse?

Answer:

There is a separate motion presented in the staff report on the budget that recommends approval of the business cases. Where a councilor believes a particular business case should be considered on its own, staff recommend that the motion be amended to exclude/adjust the subject business case.

32. Question:

With respect to the reduction of \$50,000 in funding provided to the Social Planning Council, please explain what tasks the staff plan on performing in house that the Social Planning Council is currently performing and explain why staff feels that they would be able to leverage any more value for money towards social inclusion and poverty reduction initiatives than is currently being provided through the Social Planning Council? In other words, by reducing the ability of the Social Planning Council to continue with their own programs in the areas of social inclusion and poverty reduction, which often requires time during the evenings and on weekends, how does staff expect to be able to take on these initiatives and generate the kind of volunteer commitment, leverage community sponsorships/funding/support, and also help community organizations seek their own funding from various levels of government. Reducing \$50,000 from the budget of the SPC will have a tremendous impact on the capacity of the SPC to work with the community, and so please tell us what staff intends to do internally that will replace what the SPC will "not" be able to do as a result. The SPC does not just fill out applications for funding. The SPC actually goes out into the community to take action on social inclusion and poverty reduction. I look forward to seeing what staff feel they can do internally that the SPC is currently doing.

Answer:

The original \$50,000 allocated to the SPC was for the organization's administrative costs. The intention was to support efforts in the area of social planning advocacy and arms length social mobilization. The second contribution of \$50,000 became permanent in 2009 and was intended to support the social inclusion of the Healthy Community initiative.

The CGS internal divisions, such as Planning , Community Development, as well as other community partners will work collaboratively to identify community priorities, and collect baseline data that will assist in the Healthy Community , Quality of Life and Place. Redirection of SPC funds is not required by the City to perform this work as it can be done in house.

The intent is to reinvest the \$50,000 from SPC into direct client programming that focuses on programs in the areas of social inclusion, poverty reduction. As such, the funds can be matched with provincial dollars so there is no loss of funding to the City overall. By example, a program can be introduced in a neighbourhood that would benefit from a poverty reduction initiative. I.e. Children's programming,

33. Question:

I would like the Auditor General, Mr. Ron Foster, to provide his opinion on the Community Improvement Plan proposal that is listed under the Business Plan section of the Budget. Based on my growing understanding of "bonussing", the Ontario Municipal Act prohibits the giving or lending of any municipal property, including money, guaranteeing borrowing, leasing or selling any municipal property, or giving a total or partial exemption from any levy, charge, etc. I know that we have had a Community Improvement Plan in place for a while, but as I examine what we are doing, it does appear to be giving a special benefit to some commercial entities that are not available to other commercial entities that are in direct competition with those favoured entities. Please respond to this concern.

Answer:

Community Improvement Plans fall under section 28 (6), (7) or (7.2) of the Planning Act and are specifically exempted from the section 106 restrictions of the Municipal Act that prohibit a municipality from assisting directly or indirectly any manufacturing business or other industrial or commercial enterprise through the granting of bonuses for that purpose.

The Auditor General's Office obtained input from Legal Services and Planning Services when preparing this response.

34. Question:

Whereas the Finance & Administration Committee directed staff to receive and evaluate all grant applications, reporting back to Council with their recommendations, shouldn't we wait for the report from staff in January 2017 before we consider reducing the budget of the Social Planning Council since their grant application is expected to be for \$100,000?

Answer:

Council could elect to take this approach, although staff believe the recommended Business Case is reasonable. However, it is accurate to note that the Social Planning Council is included with the organizations that will be applying for the grant evaluation.

35. Question:

I don't see where we will be provided time to question the overall budget during the Finance meeting on December 6, 2016.

There are a lot of motions that we are being asked to approve as part of the Report, but what is the process for Councillors bringing matters to the floor for discussion? If we pass the motions during the Finance meeting, does this mean we will not be discussing them on December 13?

Do I assume that for each suggested change we want to make to the budget we will have to introduce an "amendment" and vote on them individually?

Are we "pulling" various sections of the budget that we want to address, or will the Chair be going page by page or section by section and asking if anyone has any questions or amendments to propose?

Do we each come in with our own list of pages and items that we want pulled for individual consideration?

When will we be voting on the Business Case items?

Anything you can provide that will clarify this will be helpful

Answer:

Council provided direction to staff in August regarding its expectations for the 2017 budget. It received an update from staff in October regarding the status of work then underway to fulfill the budget directions and sought feedback regarding additional, or changed, directions. Staff presented a recommended budget at the November 15 Finance & Administration Committee meeting that fulfills the directions Council provided.

Councillors were encouraged to review the budget over the past three weeks and use a special email address to make inquiries of staff regarding the budget and, especially, to advise staff if there are amendments that could be introduced. To date, staff have received over 80 questions.

Amendments can be introduced at the meeting regarding any aspect of the recommended motions. It is not anticipated that there will be a "page by page" review. The motions in the recommended staff report were written in contemplation of the committee considering sections of the budget with each motion and that where committee members would like to introduce an amendment about that section of the budget, they will do so when that motion is on the floor for consideration.

36. Question:

Please refer to the answer to Question 5 from the first document that was provided last Friday. You have shown how much was taken from the Tax Rate Stabilization Reserve to cover the deficit in 2013 to 2016. What I would like to know is how the money ended up in the Tax Rate Stabilization Reserve? In other words, how does money get placed in the Tax Rate Stabilization Reserve? I would like to see a complete accounting list of the deposits and withdrawals to that fund for the past four years. It seems as if we must have a significant amount in the TRS Reserve now since we are being asked to move out \$1 million to fund a capital purchase.

Answer:

In accordance with the Reserve and Reserve Fund By-Law the Tax Rate Stabilization Reserve provides for year to year variances in the operating budget. Half of any annual surplus shall be credited to this Reserve and half of any annual deficit shall be charged to this Reserve. This Reserve can also be used to fund one-time expenditures that would otherwise be funded by the taxation levy, as approved by Council.

Appendix Q36,39. Tax Rate Stabilization summarizes the activity in this reserve over the last four years.

37. Question:

With respect to Question #6, I do not see any budget line for Court Services. I see other revenues, but the amount is greater than the net for the Provincial Offenses revenue and it is not enough for the total POA Revenue. Please explain the breakdown of other revenue and also explain what is contributed to reserves in on Page 72.

Answer:

The revenue from POA fines net of total disbursements as shown in the response to Question #6 above are recorded in the "Other Revenues" category in Administrative Services. Additional revenues in this category are as follows.

- Marriage Solemnization
- Costs recovered for Legal Services
- Fees recovered from the Airport for services provided by CGS

Contributions to Reserve and Capital within Administrative services are as follows:

- Provision to the Election Reserve
- Contributions to Capital envelopes

38. Question:

With respect to Question #8, please let me know where we add the DC revenue to the budget summary. Where is it included in the operation budget or the capital budget? My understanding is that it is not included anywhere in the budget but is allocated to the capital amounts during the year as it is collected. Please confirm or explain.

Answer:

Further to the response to question #8, DC revenues are included in the 2017 Capital and Operating budget.

- South Branch Library – page 242, 254, and 258 (see note 1 on the respective pages)
- Gerry McCrory Countryside Arena – page 242, 254, and 258 (see note 1 on the respective pages)
- Transit Garage at 1160 Lorne St – page 87 (DC amount within the Contribution from Reserve and Capital amount)

DC revenues are used to fund prior, current, and future year growth related costs, which may not be included in the current year's capital budget. These revenues are not shown as a funding source for current year capital projects as the amount collected in any given year is based on development which varies year to year. Also, revenues collected are only earned when growth-related costs are incurred. Therefore, when the Capital Budget is developed, projects with a growth component are originally funded from either the tax levy or W/WW user fees. When the expenses are incurred, and the DC revenue is earned, these funds offset the original funding source which is then contributed to the reserve funds to be used towards new capital projects as approved by Council.

39. Question:

With respect to Question #12, you mention year end surplus from operating funds being transferred into reserves for future years. It would be important for us to know the amount of the reserves for the past four years. Our budget is based on a year-over-year budget, without taking into consideration surplus amounts in operations. If we have a lot of surplus in any year, then perhaps the initial budget amount is too high to begin with. Please provide some information on this.

Answer:

The response to question #6 shows that the City has been in a deficit year end position for the past few years, and is projecting a year end deficit for 2016. In accordance with the Reserve and Reserve Fund By-Law, any year end surplus will be contributed to the reserves at year end, and any year end deficit will be funded from the same reserve at year end.

Appendix Q36,39. Tax Rate Stabilization summarizes the activity in the Tax Rate Stabilization Reserve over the last four years.

40. Question:

In the Business Case for funding for the Place des Arts, there are some comments that I do not feel are appropriate and I would like an explanation.

In order for Place des arts to be eligible for capital project funding from the provincial and federal governments, a commitment is needed from the City in the form of land and capital support. It is my understanding that City Council has already made the commitment and that advancing the funding and land transfer is conditional upon the group securing funding from the other two levels of government.

Why is staff recommending that we increase the 2017 municipal tax levy to generate the first \$2 million of funding. Why would we consider transferring the ownership of the land prematurely without knowing if the organization is going to receive funding from the other two levels of government? We have sufficient reserve funds to provide as security to back our commitment. Why would staff imply that if we decline this request it would be difficult for the project to proceed, or that the City may also risk reputational damage in declining the request, and the project may be viewed as a missed opportunity for the community if it did not proceed? We have moved a motion to commit to the project, but only if funding comes from the other two levels of government. Do you not think that by putting it to Council in the business plan the way it is written, you are putting a gun to the head of Councillors?

Answer:

At present, the Place des arts has not received a formal commitment of funding or land from the City of Greater Sudbury. Council endorsed the project in April and, in September, Council reviewed a business case and agreed to consider a formal financial commitment as part of the 2017 Budget.

Should Council make a formal financial commitment this month, it would be conditional and would not be advanced until all funding is in place. The September report incorporated the following language around this point: that the project scope must remain as presented, and reductions to the City's contributions will be prompted if changes occur in the scope of project of greater than \$2 million.

It is at Council's discretion to determine a funding source for the \$5 million. Funds could be raised through the taxation levy which would require an additional 0.8% increase in 2017 to generate the \$2 million required. Additionally, external debt may also be used to generate these funds.

41. Question:

On Page 235, with respect to the Four-laning of Municipal Road 35: Estimated cost: \$33.2 million. This proposed project is to four-lane the remainder of MR35, which connects Sudbury with Chelmsford, Dowling, Levack and Onaping. The City will complete detailed engineering for this project during 2017 with the funds previously approved in the 2016 Capital Budget in order for this project to be eligible and shovel ready for construction in the next round of federal infrastructure funding application intake. According to the Budget document Construction is proposed to begin during 2018, with assumed funding from senior levels of government and the City obtaining external debt financing to fund its portion of the project. At this point, what is the amount that the City would need to debt finance to fund our portion?

Answer:

This response is under development and will be provided in the next edition of the Q&A document.

42. Question:

On Page 235, with respect to the Reconstruction of Lorne Street: Estimated cost: \$24.9 million. This project will reconstruct the remaining part of Lorne Street in 2018. The City will complete the

initial portion during 2017 based on the funds identified in the 2016 Capital Budget. Funds identified in the 2017 Capital Budget is to complete detailed design engineering so that this project is shovel ready for the next proposed round of federal infrastructure funding application intake. Construction is proposed to commence during 2018, as shown in the 2018 Capital Outlook, with assumed funding from senior levels of government and the City obtaining external debt financing to fund its portion of the project. At this point, what is the amount that the City would need to debt finance our portion?

Answer:

This response is under development and will be provided in the next edition of the Q&A document.

43. Question:

The resolution #6 being put forward on December 6 is "That a special capital levy of 1.5% be used as an investment towards the City's aging infrastructure to fund the projects described on page 239 of the 2017 budget document." The wording on page 239 makes reference to an annual increase in capital funding or an additional capital levy that could be used to fund specific projects in 2017, or be used as debt repayment to obtain up to \$50 million of external debt. As the motion is currently worded, this special capital levy appears to be a permanent increase in capital that will remain as part of the base budget moving forward. Could you explain if that is the intent? In other words, if we do nothing in addressing the budget in 2018, this amount will remain available for specific projects in 2018 or as a debt payment? Or, is this a "one time" levy that will disappear after 2017?

Answer:

The additional capital levy is at the discretion of the Committee to be permanent or one-time funding.

If the Committee approves the levy as one-time funding, then the \$3.6 million will be used towards the projects listed on page 239 of the budget document. This will result in a \$3.6 million tax levy increase in the capital envelopes for 2017 with a corresponding decrease of \$3.6 million in the 2018 capital envelopes as it is for one year only.

If the Committee approves the levy as permanent funding of \$3.6 million to the capital envelopes, this amount will still be used towards the projects listed on page 239 of the budget document in 2017. As this is a permanent increase, the funds will remain in the capital envelopes for future capital budgets to address the infrastructure deficit. This will be an addition to the base budget in 2017, therefore, it will not require tax levy increases in future budget years.

Alternatively, if the Committee uses the \$3.6 million to obtain external debt financing, the additional levy will be a permanent increase as the funds will be required for the annual debt repayments.

44. Question:

The Budget 2016 document contained a section on Reserves and Reserve Funds that included descriptions and projected balances of all of our reserves and reserve fund envelopes. Could you explain why this was not included in the 2017 budget document? It was a valuable source of information.

Answer:

The budget document has changed from versions presented in prior years. This document emphasizes strategy and provides more information to illustrate the relationship between services, service levels

and costs. The descriptions and most recent audited reserve fund balances have been presented to City Council with the most recent report in June 2016 that included balances as of December 31, 2015. The actual 2016 balances will be presented in June 2017 at an Audit Committee meeting.

Questions from Councillor Sizer

45. Question:

In several instances throughout the budget document I notice increases/decreases in line accounts. The differences are calculated using budgeted amounts from 2016 not projected actuals, are used in determining the budget change. Why do we use this method?

Answer:

The change in budgeted amounts reflects the increased amount to be funded from the taxation levy as seen on page 48 of the budget document. This is how the proposed tax rate increase is determined.

It is important to note that directions to staff called for 2017 budgets to be based on projected 2016 actual expenditures, adjusted for anticipated workload volumes.

46. Question:

Fleet services has been over budget in the last 2 years. We (Council) have seen our fleet costs identified as comparators for validating additional cost to a recent contract let.

Part of the deficit for fleet is the fact that beyond regular maintenance to our internal customers, if vehicles had damage incurred due operator or Dept. negligence, the costs of extraneous damages were absorbed by Fleet.

It is my understanding operating depts. will now be responsible for the cost of these additional repairs. Do we have a breakdown of what the total cost of these types of repairs were in 2015 and projected for 2016?

Answer:

Fleet does track what it considers to be preventable damage. (i.e damage beyond normal repairs and maintenance). In 2015 and 2016 these costs were roughly \$200,000 per year. Given the amount of mileage and work under extreme conditions that City crews perform, it would be challenging to eliminate these costs in their entirety.

These costs continue to be absorbed by Fleet and form part of the Fleet operating deficit. Transferring these costs to the operating department responsible enhances accountability reporting but does not necessarily eliminate the costs.

Questions from Councillor McIntosh

47. Question:

What is the proposed 2017 deficit/surplus planned for the Sudbury Community Arena?

Answer:

The 2017 proposed budget for Sudbury Arena is a subsidy of \$386,029 net of revenues.

48. Question:

Greater Sudbury Winter Carnival

Why can't these funds be found in the collective HCI funding? (Other city wide initiatives have come from this funding source) OR as part of the proposed application process for Community Partnership Grants? Something like this is a great idea but the municipality should be partnering with a community group on events like this.

Answer:

Council direction would be required to use the HCI dollars on an annualized basis. Currently the by-law does not speak to annualized funding, but the by-law quotes the following:

Granting of assistance in any one year is not to be interpreted as a commitment to future years' funding

Funding the Winter Carnival as an equal allocation of \$1,250 from each ward could be accomplished with Council approval. There is no current process, nor budget for new grant applications.

49. Question:

"New Tax User Fees"

What is a Farm Debt Letter? (pg 145)

Answer:

The Farm Debt letter is sent to comply with Federal legislation.

Federal legislation dictates that anyone in Canada who has an interest in any farm property anywhere in the country, is entitled to credit counseling when in financial difficulty. As such, municipalities in Ontario are obligated to notify debtors within their municipality of this counseling availability regardless of whether or not the property that is subject to tax arrears in the municipality is a farm or not. For example, a person who has serious tax arrears on a home in Sudbury is entitled to credit counseling if they have a part ownership in a family farm in Saskatchewan. The farm debt letter must be sent prior to a municipality registering a lien on a property for tax arrears. Failing to do so, could negate or delay the municipality's ability to recover the tax arrears during a public tax sale.

50. Question:

"HARC Swimming Lesson Fees"

How much is the Howard Armstrong Centre currently being subsidized? 2014, 2015 budgeted for 2016? (pg 147)

Answer:

Actual subsidy is the net tax levy cost:

- 2014 was \$759,392
- 2015 was \$676,432.
- 2016 (projected) is \$607,089
- 2017 proposed budget is \$662,607 without consideration of the budget option

51. Question:

"Increase in Recreation Summer Program User Fees"

The plan speaks to “achieving 86% net operational cost recovery” What costs are being recovered? Beyond salaries to deliver the programs, does this recovery include a portion of the cost of maintaining the facilities used? (pg150)

Answer:

The 86% cost recovery target for the summer program was approved by Council without consideration of the facility costs. Therefore to remain consistent only direct program costs such as wages, busing and program supplies were used in this calculation. Capital costs for replacement and maintenance of municipal facilities have never been considered in user fees, although this should be considered in future user fee bylaws.

52. Question:

“Accelerate the Purchase of 4 Multi-Function Plows”

2015 had a significantly lower deficit than previous years. What is forecasted for 2016 or where are we to date? (pg 173)

Answer:

The estimated deficit for Fleet in 2016 is \$280,000. The deficit was significantly lower in 2015 as Fleet management did an excellent job in achieving efficiencies in parts procurement and taking advantage of manufacturers warranties.

53. Question:

“Add a Dock at Laurentian Beach: Val Caron”

Can we have a map indicating where the existing dock is located and where the proposed dock is to be installed? (pg 182)

Answer:

Please see attached Q53. Dock location map

54. Question:

“Capital Project Delivery Resources”

The Recommendation speaks of “capital allocations to retain additional staff for a limited period of five years” yet the “Operating Revenue/Expenditure speaks to a duration of “one time” for \$406,325 in 2017. What happens in 2018-2021? (pg188)

Answer:

The budget enhancement option will draw from uncommitted capital reserves for 2017, split between water/wastewater, and roads. For 2018 and subsequent years the financial requirements would be identified within the normal capital envelope for each of roads and water/wastewater.

55. Question:

“Enhanced Winter Sidewalk Maintenance”

Recently, On Oct 4, 2016 Finance and Admin Committee discussed this topic. (pg197)

From the Minutes:

“Report dated July 21, 2016 from the General Manager of Infrastructure Services regarding Sidewalk Winter Maintenance Report. Councillor Jakubo moved that item R-1 be deferred to budget discussions, with a request for a business case analysis which includes the themes discussed, to be presented at that time”.

We’ve been told that the sidewalk plowing routes remain same from pre-amalgamation. The conversation at the meeting of Oct 4th led us toward developing a “Sidewalk Priority Index” which could inform us as to where we could/should commit our sidewalk snow plowing resources and that we could see an index that we could work with in 2017.

Why is there no mention of this in the business plan?

Answer:

Prioritizing sidewalk maintenance in accordance with the Sidewalk Priority Index for constructing new sidewalks was discussed at the previous Council meeting. It was agreed that the Sidewalk Priority Index would be presented to Council in early 2017, once the Active Transportation Coordinator has begun work and has had a chance to review the work completed to date.

56. Question:

Can we see a/the Business Plan for the Elgin Greenway?

Answer:

This response is under development and will be provided in the next edition of the Q&A document.

57. Question:

Questions from Sustainable Mobility Panel Members:

They see the 2017 increase for Cycling Infrastructure and are asking if the previous year’s funding is still in the "pot" and what previous year's money has been spent on.

Could we get an accounting of the budgeted amounts from 2015: \$500k, 2016: \$800K?

Can we also have the current capital remaining balance of the Cycling Infrastructure Capital?

Have the balance of funds from 2015 & 2016 been allocated to specific projects?

Answer:

The balances in these two years remain with the exception of approximately \$60,000 of committed funding for an engineering study to review the Paris/Notre Dame corridor for cycling infrastructure study. Therefore, approximately \$1.24M remains in these accounts.

58. Question:

Capital Roads Detail: “Intelligent Transportation System”

What is this? (pg 246)

Answer:

As part of the PTIF Funding program the City is proposing to undertake an intelligent transportation system study to monitor and proactively facilitate the movement of people, vehicles, and goods throughout the transportation network. This will provide active accurate, up-to-date and timely information to transit to plan and schedule their operations based on travel time and provide the opportunity to install transit priority signals at key locations in the transportation network.

59. Question:

Health and Social Services: "Pioneer Manor: Paving and lining of Parking Lot \$100,000. Note 1: parking lot redevelopment is required so that bed redevelopment construction can occur on existing parking lot."

At the May 31, 2016 meeting of City Council we received a report "Pioneer Manor Bed Redevelopment" for Information Only. We have not made the decision to redevelop the B and C beds to A beds. Furthermore the following motion was passed at the same meeting:

"Councillor McIntosh requested a report regarding Pioneer Manor and the obligations of the Municipality in regard to long term care".

To date no report has been received by Council.

Question: Why are we budgeting for a parking lot prior to the requested report coming back to Council or a Council decision to move forward with Bed Redevelopment?

Answer:

The 2017 Capital Budget allocation for paving and lining of parking lot has a dual purpose. The Home has, over the past few years, been experiencing pressures as it relates to the amount of parking spaces. The current lot is not keeping up with the demand from staff, visitor or collocated tenants on the campus. The addition of a new lot on the south end of the property is required whether or not the bed redevelopment project is approved. If bed redevelopment is not approved, the existing lot will need to be paved and lined and the new lot will continue to move forward to accommodate the current shortages. If the bed redevelopment is approved, the new 122 bed wing is slated to be built on the existing parking lot. The phased approach of the new lot takes the build into consideration and will be sized in accordance.

60. Question:

Watermain Priority Projects:

Recently, CGS received \$10.5M from the Federal and Provincial Governments for Water and Wastewater infrastructure. I don't see the main water line on First Ave in Coniston in the Watermain Priority Projects. Where is it, or did the funding announcement come too late to include in the budget book?

Answer:

The Capital Projects that include funding from the Clean Water Wastewater Fund are listed on page 297 (Water projects) and page 303 (Wastewater projects). The list on page 297 includes watermain work at Balsam and First Avenue in Coniston in the amount of \$3.87 million.

61. Question:

The Police Board is requesting a new building and in effect more space. What will be the impact on the Police Board operating budget once the proposed new building becomes operational?

Answer:

See attached response from Police Services - Q29,61. Police Board Budget

62. Question:

With regard to the capital budget request for a new aerial truck for the fire department.

- a. How many calls does the fire department respond to annually?
- b. How many of these annual calls are building fires?
- c. How many of the building calls in #2 above require the resources of an aerial truck? I understand that all calls are not equal so, if possible and to provide context, if you could attach a dollar value to the calls that the aerial truck attended, that would be great.
- d. Can we have the 2016 report on the aerial truck resent to us?

Answer:

- a. The 2015 Response numbers for the GSFS was 4,327 incidents. The 2016 numbers Jan to Oct are 3,312, with a projection for the final numbers to be 4,252.
- b. In 2015, we responded to 205 structure fires with a dollar loss estimate of \$4.5 Million, and in 2016 we have attended 236 with a dollar loss estimate of \$10.9 Million to date. Note that the dollar loss figures represent a dollar loss, and not the total MPAC valuation of the properties attended. For example, the Gardewine (20 Duhamel Rd. in the Walden Industrial Park) fire had a reported estimated dollar loss of \$1.0 Million (including the vehicles, equipment and chattels) , which is a fraction of the current MPAC valuation of \$2,254,000 for the building alone.
- c. It is advisable to have an aerial truck at all of the fires identified. Both the National Fire Protection Association (NFPA), and the Fire Underwriter's Survey (FUS) mandate an aerial truck response to all working structure fires. Based on the community risk profile, the recent FUS report on the Greater Sudbury Fire Service recommends a single 100' aerial for the city core in front line service, with an additional 100' aerial in reserve, available for response if necessary. In addition, NFPA and FUS mandate a 20 year service life for aerial devices in a Major city (Sudbury is considered a Major city by the FUS criteria), with no more than 15 years in front-line service. The one currently in front-line service was purchased in 2003. The Establishing and Regulating Bylaw also commits the city to providing the services of a 100' aerial device. Attached is the FUS Grade Update Letter, which includes their expectations for our aerial response capability to maintain and/or improve our ratings.
- d. Attached is the report from May 2016, which identified an estimated purchase price for the aerial to be approximately \$1.0-1.2 Million. We have been notified by the major manufacturers of an estimated 3% price increase for 2017 which, combined with fluctuations in the US dollar exchange rate, have increased the expected purchase price as identified in the 2017 budget submission.

63. Question:

Can we have an accounting of the three additional staff members proposed in the Police budget?

Answer:

The addition of three staff is broken down as follows:

- Two business analysts
- One youth/diversity coordinator

Questions from Councillor Vagnini

64. Question:

How much did it cost to print the Budget report book?

Answer:

The cost to print and bind the 2017 Budget document was \$3,323, compared to the cost to print and bind the 2016 Budget at \$3,997. The document was printed externally as the current equipment does not produce high quality complex and colour documents.

Additional questions from Councillor Dutrisac

65. Question:

On page 133 Organic Collection indicates that we will review policy to allow organic collection services to multi unit residential properties, to the industrial, commercial and institutional sectors and to special events. Organic collection is very important to mitigate the uses and life span to our landfill sites. Do we have a plan that could be implemented in 2017. Could we do pilot projects in all these sectors that could start the process. The department has already been working with different schools to implement organic collections. I believe that the organic collection is just as beneficial as the 2 bag policy. I would really appreciate a plan.

Answer:

Pilot projects for these sectors have been completed and staff will prepare and present an implementation plan for a permanent program in 2017. Financial implications that affect the levy will be presented as part of future budget deliberations, and are anticipated for discussion for the 2018 budget.

66. Question:

On page 243 Roads and Drainage Summary

I would appreciate more clarification on the following items:

- **\$1,276,000 on Surface treated roads Where are we going to be spending these funds. How many local roads can be done for this amount of money. Is the City going to be investing more funds in this method of repairing roads.**
- **Other Road Programs/Projects. Clarification on what these Programs and Projects are going to be.**
- **Municipal Drainage and Stormwater Management Clarification on these projects**

Answer:

- a. Page 247 of the budget document lists the projects under "Surface Treatment". The funding level is similar to 2016
- b. Page 247 of the budget document lists the projects under "Other Road Programs/Projects"
- c. Page 249 of the budget document lists the projects under "Municipal Drainage & Stormwater Management"

67. Question:

Municipal Road 35 p235

The proposed project is to four lane the remainder of MR 35. In this section it indicates that this project also includes the rehabilitation of the existing two lanes. I would appreciate a clarification of this statement. I would also appreciate the detailed time line for the four laning of Municipal Road 35 what work will be undertaken and when this will happen. As indicated at a Council meeting Mr. Cecutti also indicated that roadwork would be done on Municipal Road 15. I would also appreciate a timeline for the work to be done in 2017.

Answer:

This response is under development and will be provided in the next edition of the Q&A document.

68. Question:

On page 150 Increase in Recreation Summer Program user fees.

These programs are greatly used by the families of the City. I question the impact of the increase. Will the families be able to continue to utilize these services. Has Staff studied the impact of the increase. For example we have increased the age of our Older Adults. Are we maintaining our registrations for older adults services? Will the City be able to maintain or increase the membership levels by increasing user fees?

Answer:

In order to meet the previous Council approved cost recovery target of 86%, Staff are proposing to increase the summer playground 8 weeks registration fee by \$50 dollars (\$6.25 per week) for each participant. The increase in fees is not expected to affect demand for the service.

The impact on changes in demand for programming as a result of the policy change relating to age is being reviewed

It is important to note as well, that there are local funding agencies that provide financial assistance for the purposes of recreation programming.

Questions from Councillor Signoretti

69. Question:

Dock at Laurentian Beach- is the current dock in need of repair or not sufficient for the output needed. (question is, is this a need or a want?) There should be other means to address?

Answer:

The current dock at Kalmo Beach on Whitson Lake will require replacement in the next two years. Repairs occurred to it in 2016 and further repairs or potential replacement may be needed in 2017. A demand analysis has not been completed.

70. Question:

Large Spreader Laid Patches - If we purchase this machine to do the work what would the cost be? Has there been an analysis on this? Purchasing/leasing this machine versus contracting this work out? \$2 million dollars funding request - how many kms of road patching could be completed?

Answer:

A business case to complete this work has not been completed. A significant outlay for equipment and labour would be required, and typically is not cost effective when similar comparisons have been made.

Approximately, 40,000 square metres or 8.9 kms (assuming a 4.5 m lane width by 40mm thick).

71. Question:

Enhanced Forestry Services - \$81,600 per year - roughly how much pruning/removals/stumping would this work out to for the amount being requested?

Answer:

The requested funds would result in 190 pruning, 70 removals, and 30 stumping requests.

72. Question:

Infrastructure Services - \$406,325.00 - how many staff position would be created by this investment?

Answer:

This budget options represents four additional staff for a period of five years to work in the engineering services division.

73. Question:

Place Des Arts

Point of clarification

- **Funding request \$2 million this year - total of \$5 million once completed**
- **Operating funding - ongoing of \$200,000 per year for how many years?**
- **Loss of revenue - \$55,000 per year (parking spaces)**
- **ROCS (Arts and Culture Grant) - \$224,000 already given**
- **Total operating per year would be \$479,000?**

Please confirm if my calculations are correct.

Answer:

The Place des arts project includes a request for a capital contribution of \$5 million over three years, beginning with a contribution of \$2 million in 2017. This is inclusive of any consideration under development incentive programs.

Regarding the \$200,000 per year in operating funding, Place des arts has requested annual City support in this amount to subsidize the centre's operations in order to make it available for community use at affordable rates as recommended in the Place des arts feasibility study. This request would be brought forward to a future Council and, if approved, operational funding would not commence until the centre begins operations in 2020. The number of years or length of time that this operational funding would be requested has not been determined at this point.

The seven founding members of Place des arts receive funding through the Arts & Culture Grant Program. In 2016 they received a combined \$224,152 through this program. This funding assists with programming and activities in addition to providing some operational support, and the final amount is determined each year based on the reporting and results of each applicant.

The loss of parking revenue of \$55,000 is based on the average net revenue of the parking lot at that location.

While these totals do add up to \$479,000, this funding is not strictly limited to "operational" dollars since the Arts & Culture grant contribution includes programming and other initiatives for ROCS members as well as some operational funding.

74. Question:

I have another questions about the additional funding request of \$1million dollars for Multi function plow trucks.

I would like to see the business case for leasing this unit versus outright purchase of them.

I am in favor of acquiring these assets but don't feel we have to tie up 1 million dollars on depreciating assets.

Answer:

This response is under development and will be provided in the next edition of the Q&A document.

Questions from Mayor Bigger

75. Question:

Please explain when the next status report for our Greater Together -Strategic Implementation Plan will be presented to council.

Answer:

An update will be included on the December 13th Council meeting.

76. Question:

Please explain how the 2017 requested budget maps and aligns with initiatives and projects identified in our Greater Together - Strategic Implementation Plan.

Answer:

The 2017 Budget is designed to complement Council's Strategic Plan by illustrating expected progress on Council's desired outcomes. It is important to note that the majority of the City's resources are applied to delivering day-to-day services, while the actions planned to support the Strategic Plan consume, proportionately, a relatively small amount.

Nonetheless, because those resources are applied to fulfilling Council's change agenda, the 2017 Budget highlights, in several ways, how staff are taking action on the Strategic Plan. Overall, the budget document itself reflects Council's goal to "Lead in Public Service Excellence" as its design and content demonstrate best practices in municipal budgeting and accountability reporting.

There are also specific features throughout the document that show alignment with the Strategic Plan:

- A "Budget Highlights" section (p.7-11) offers a brief, outcome-oriented description of the 2017 budget. The outcomes described here align with the "Quality of Life and Place" and "Sustainable Infrastructure" priorities
- Summary information presented on p. 29-31 support the reader's understanding of how service efforts align with the "Quality of Life and Place", "Responsive, Fiscally Prudent, Open Governance" and "Sustainable Infrastructure" priorities
- The "Budget Summary" section offers a line-by-line explanation of changes between 2016-2017 revenues, expenditures and staffing levels to support the "Responsive, Fiscally Prudent, Open Governance" priority

- Every Division Business Plan included in the Operating Budget includes a section entitled "Key Deliverables in 2017" that include, where applicable, actions that align with or are directly related to the Strategic Plan's desired outcomes
- Each Business Case recommending service level changes (p. 143-226) explicitly describes how it helps address Council's Strategic Priorities
- The status of the four Large Projects (p. 231-232) and the Business Case for Place des arts (p. 219-226) support understanding of the expected progress on Council's "Growth and Economic Development" priority
- The Capital Budget (p. 233-278, but especially p. 233-241) offers details that illustrate progress on Council's "Quality of Life and Place" and "Sustainable Infrastructure" priorities

77. Question:

Page 31: Annual O.C.I.F. (Ontario Community Infrastructure Funding) will increase significantly. Please clarify permissible uses of these funds in 2017 and future years.

Year	OCIF Annual Funding	Increase Over 2016 Amount
2016	\$2.2 mil	-
2017	\$4.3 mil	\$2.1 mil
2018	\$6.0 mil	\$3.8 mil
2019	\$9.3 mil	\$7.1 mil

Answer:

O.C.I.F. funds are to be used on core infrastructure capital expenditures (roads, bridges, water and wastewater, including sanitary and stormwater facilities) that are part of an asset management plan. These include capital construction of new core infrastructure that addresses existing health or safety issues, capital projects for renewal, rehabilitation or replacement of core infrastructure and/or debt financing charges associated with the above commencing January 1, 2017.

Additionally, they can be used for the development and updating of asset management plans for any asset type. Expenditures such as software, consultant costs, training for asset management and third party assessments are all eligible expenditures.

As well, up to \$80,000 or 40% of the recipients allocation, whichever is less may be allocated to staff time spent on asset management planning or a composite correction program (optimization techniques) for water and wastewater services

Funds are permitted to be "banked" or accumulated for up to 5 years. For example, the 2017 allocation must be spent by December 31, 2021.

78. Question:

Page 36, 37: Financial Condition - For further clarity, please extend the tables and provide the indicator values for the 2016 projected actual, and the 2017 requested base budget in the charts relating to Sustainability, Flexibility and Vulnerability.

Answer:

This response is under development and will be provided in the next edition of the Q&A document.

79. Question:

Page 40: Reserves and Reserve Funds. "The City has a low debt to reserve ratio in comparison to the median of 0.7 and the average of 1.1."

- a) What year of debt to reserve ratio is this chart referencing?
- b) What will our debt to reserve ratio be if the requested base budget is approved?

Answer:

This response is under development and will be provided in the next edition of the Q&A document.

80. Question:

Page 41: External Debt Capacity. "The City has an approved debt limit of 5 % of the City's own purpose revenue. Based on the City's current external debt, there is approximately \$140 million in debt capacity within the current 5 % debt repayment limit."

- a) What term and interest rate is this estimate based on?
- b) What would our debt to reserve ratio look like if debt was approved to the debt policy limit of 5%?

Answer:

This response is under development and will be provided in the next edition of the Q&A document.

81. Question:

Page 235: MR35 and Lorne ST Capital Requests

- "Four-laning of Municipal Road 35: Estimated cost: \$33.2 million
- Reconstruction of Lorne Street: Estimated cost: \$24.9 million"

How do the quoted amounts of these requests relate to the total project costs, and amounts quoted in business cases previously prepared by staff?

Answer:

The plan for MR35 is to complete the full design during 2017 for a complete four laning of MR 35 between Azilda and Chelmsford. The construction will commence in 2018 subject to the receipt of available funding. The work would generally include the rehabilitation of the existing two lanes, and widening on both sides to create the required four lanes; however, construction could generally involve construction of two lanes on one side for the full length and then completion of the other side, which is typically less disruptive to motorists during construction. To minimize impact in this area of the City it is proposed to perform extensive surface rehabilitation on MR 15 during the 2017 construction season. This will allow work on MR35 to be completed while MR15 is in full service.

82. Question:

Page 236: Capital Envelopes

"Insufficient funding is available for the repair and maintenance of these facilities and it is recommended that the potential additional capital levy of 1.5 %, or \$3.6 million, be allocated to the capital needs of various facilities used directly by citizens and to provide services to residents."

As the 2017 requested capital budget includes \$230 million of capital spending, sufficient funding is available. However, capital project prioritization and funding is in silos, and may be sub-optimal.

What is staff's recommended solution on how to optimize capital project prioritization and funding outside of a capital levy?

Answer:

This response is under development and will be provided in the next edition of the Q&A document.

83. Question:

Page 239: "The City's Long-Term Financial Plan recommends an annual increase in capital funding of 2.3 % of the previous year's property tax increase be adopted by Council to address the infrastructure deficit."

For further clarity, please explain how the annual increase of 2.0% to capital envelopes (that has already been built into the 2017 base budget), and the requested special 1.5% capital levy (that has not yet been approved by council), relate to the LTFP recommended 2.3% increase in capital funding.

Answer:

This response is under development and will be provided in the next edition of the Q&A document.

84. Question:

Please provide in chart format: accountable project lead, funds required, funds approved as of If these projects will not be completed in 2017, please specify what resources or funding staff needs to complete these projects, timing of expected completion, staff recommended funding sources for completion.

- Elgin Greenway
- Brady Green Stair
- Tom Davies Square Retrofit
- Paris Street planting
- Elm Street calming (landscape and on-street parking)
- Residential incentive program
- Riverside Pedestrian Tunnel Upgrade
- Ste. Anne extension with cycle route
- Memorial Park expansion

Answer:

This response is under development and will be provided in the next edition of the Q&A document.

85. Question:

What resources of funding does staff need to ensure that specific projects similar to the projects on the following list are advanced towards council evaluation, approval, and funding options during 2017?

- Event Centre
- Synergy Centre
- Franklin Carmichael Art Gallery / Main Library

- **MR 35**
- **Lorne St.**
- **Capreol CIP**
- **Therapeutic Pool**
- **Emergency Services Optimization**

Answer:

- **Event Centre:** Sufficient resources to advance the project are included in the 2017 budget.
- **Synergy Centre:** Sufficient resources to advance the project are included in the 2017 budget. Staff do not anticipate any material expenditures in 2017.
- **Franklin Carmichael Art Gallery / Main Library:** Sufficient resources to advance the project are included in the 2017 budget. Staff do not anticipate any material expenditures in 2017.
- **MR 35:** A funding plan has been included in the budget. The plan assume senior levels of government will participate in the project;
- **Lorne St.:** A funding plan has been included in the budget. The plan assume senior levels of government will participate in the project;
- **Capreol CIP:** A funding plan has been included in the budget; The allocation of funds is for all CIP's throughout the City. The 2017 allocation may not be sufficient to meet the needs of all CIP's for 2017, and may require further discussion with Council to prioritize and/or establish a funding / financing mechanism following receipt of all applications.
- **Therapeutic Pool:** Resources associated with this work are subject to further deliberations by City Council regarding the level, extent and timing of any changes.
- **Emergency Services Optimization:** Resources associated with this work are subject to further deliberations by City Council regarding the level, extent and timing of any changes. This will be considered further in the first quarter of 2017.

86. Question:

Please provide a business case that demonstrates alignment with the City's overall facilities asset management plan, the City's building rationalization plan, and the Emergency Services Optimization Report for the GSPS Board request for renovations to CGS facilities at TDS and LEL.

Answer:

The primary objective of the Asset Management Plan is to provide an indication of the City's investment in infrastructure and its current condition (based on estimated useful life). As well, it provides an outline of total financial requirements associated with the management of this infrastructure investment and presents a financial strategy to meet its infrastructure requirements.

The facility rationalization study identified surplus buildings and the need to perform renovations and replacement of some of the City's existing depot facilities. Staff has commenced a study to establish conceptual plans and preliminary cost estimates for the anticipated capital construction. This work is scheduled to be completed early in 2017, and staff will provide Council with an update in 2017, with recommendations for financial options to address capital requirements.

Work on the requested business case is ongoing and is not, and was not intended to be, complete in time for the 2017 budget deliberations. The Emergency Services optimization work is anticipated to be presented for Council's approval in the first quarter of 2017. A facilities management plan requires further condition assessment work to be undertaken for a more detailed understanding of how best to make use of limited funds, but work recently completed in collaboration with KPMG offers some guidance about the level of investment needed to sustain our facilities in a state of good repair. GSPS has recently discussed its facility needs with its Board and presented some information to Council regarding its facilities needs.

Staff incorporate all available details when preparing plans and policy advice for Council that, in our collective judgment, make the most effective use of limited public resources. As they relate to the various elements described in this question, these details continue to evolve through dialogue between CGS and GSPS staff and further analysis that clarifies the policy advice we anticipate providing to Council regarding Emergency Services optimization. We recognize the potential synergies available from considering these issues together.

The plans mentioned above each have their own specific objectives and although there may be some overlap, they each have their own unique goals.

87. Question:

Page 188 Capital Project Delivery Resources

As much of the increased capital work is based on one time funding investments, with expected completion of many of the projects by March of 2018, please explain the rationale behind “retaining additional staff for a period of 5 years”. Is \$406,325 the annual cost or the total 5 year cost of this request?

Answer:

The City's capital budget is increasing at a greater pace than the budget for engineering services. Resources for executing capital projects is relatively low as a percentage of size of the capital program. With known funding programs, this disproportionate service level is anticipated to continue for a number of years. Some of the funding that is known to be available across multiple years include Maley Drive, OCIF, and the Subwatershed Study Program. The budget option is proposed as \$406,325 per year for 5 years. This length of time will also allow the City to generate greater interest in prospective candidates that might not be interested in a shorter term employment opportunity.

88. Question:

Page 194 Community Improvement Plan Funding

Please clarify the rationale behind an upset limit of \$350,000 for Community Improvement Plan Funding. Is this in addition to existing C.I.P. funding? How will funding requests be handled if demand exceeds the above requested budget amount?

Answer:

There are currently no allocation of funds for any of the Council Approved Downtwon CIP's. Should applications for subsidy exceed the available funds, staff would approach Council for consideration of the requests with options for addressing any short comings.

89. Question:

Page 197 Sidewalk Clearing

Please provide lease / financing options related to sidewalk clearing equipment. It is not clear that staff has considered this in their business case and recommendation.

Answer:

This response is under development and will be provided in the next edition of the Q&A document.

90. Question:

Water / Wastewater Page 283:

- a. What are the ratios of fixed and volume based charges for water and wastewater, for municipalities over 100,000 population in Ontario?**
- b. Is our City's billing structure more heavily weighted to fixed water and wastewater charges than comparators?**
- c. At what stage in the budget process is there an opportunity to consider adjusting the ratios of fixed and volume based charges for water and wastewater?**

Answer:

- a. The BMA Management Consulting Inc. survey of the aforementioned 103 municipalities did not segregate by population, so we do not have that information readily available.

However, the City's billing structure is comparable to other Ontario municipalities concerning the split between fixed and volume based charges. In their annual study, BMA Management Consulting Inc. surveyed 103 municipalities. Of those 103, 93 charge a monthly fixed charge to their customers to recover fixed costs. In 2016, 43% of the bill for a residential customer using 200 Cubic metres of water in Greater Sudbury is fixed. Both the average and median of the municipalities surveyed is 42%, putting Greater Sudbury close to the average and midpoint of the 103 municipalities surveyed.

It should be noted that the percentage of fixed will increase if consumption is below 200 cubic metres and will decrease if annual consumption is greater than 200 cubic metres.

- b. The City's billing structure is comparable to other Ontario municipalities concerning the split between fixed and volume based charges. In their annual study, BMA Management Consulting Inc. surveyed 103 municipalities. Of those 103, 93 charge a monthly fixed charge to their customers to recover fixed costs. In 2016, 43% of the bill for a residential customer using 200 Cubic metres of water in Greater Sudbury is fixed. Both the average and median of the municipalities surveyed is 42%, putting Greater Sudbury close to the average and midpoint of the 103 municipalities surveyed.

It should be noted that the percentage of fixed will increase if consumption is below 200 cubic metres and will decrease if annual consumption is greater than 200 cubic metres.

- c. This discussion can happen at any time in the budget process, but may be better suited in co-ordination with a full rate structure review. The following comments are offered for consideration. The current billing formula is heavily weighted to a variable billing formula and

relatively lower fixed costs or fixed rate. If a different formula with heavier weighting to fixed rates were to be prepared, the advantage would be a more predictable revenue formula. There are a number of disadvantages including less flexibility for customers to affect their monthly bills, probable increase in consumption of water, probable decrease in production capacity of water plants relative to demand for water resulting in earlier need to increase plant capacity, greater demand on limited natural resources and, greater discharge of wastewater resulting in increased impact to the environment, greater risk of increases on the cost side of the operation with less ability to receive corresponding increased revenue to address costs.