

Questions from the December 2 Report, Previously not answered

41. Question: Councillor Kirwan

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:

The City's total share of the project is \$13.6 million contingent of 2/3 funding from the Federal and Provincial Governments. Of this, the City has previously approved \$6.2 million in the 2016 budget with an allocation of \$500,000 identified in the 2018 forecasted budget, leaving \$6.9 million to be debt financed. This can be seen on page 244 of the budget document.

42. Question: Councillor Kirwan

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:

The City's estimated total share of the project is \$20.6 million. A total of \$8.5 million has been previously approved in 2015 and 2016 along with funds in the 2017 capital budget of \$1.3 million in Roads (page 244 of the budget document) and \$470,000 in Water (page 295 of the budget document). The remaining \$10.3 million is contingent on 2/3 funding from the Federal and Provincial Governments and has been forecasted in the 2018 budget with debt financing over a 20 year period.

56. Question: Councillor McIntosh

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

Answer:

See Attached Q56. Elgin Greenway Business Case, the draft business plan for the Elgin Greenway project, which identifies estimated costs and benefits of the project. The additional required funding sources have not been secured at this time other than approximately \$1,000,000 which was set aside in previous budget allocations.

*Note: subsequent to the receipt of this question, an amendment was drafted that describes a timeline and financing plan for this project.

67. Question: Councillor Dutrisac

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:

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 approval of funding from senior levels of government. 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.

MR15 Schedule

Year	Limits	Length	Budget
2017	400 m W of Belisle Drive to 1.8 km W of Martin Road	2.9 km	\$4,350,000
2017	Whitson River Bridges (2)	N/A	\$2,230,000
2020	Belisle Street to 2.2 km West	2.2 km	\$2,170,000
2020	5.2 km W of Martin Road to 7.6 km West of Martin Road	2.4 km	\$2,530,000
		TOTAL	\$11,280,000

74. Question: Councillor Signoretti

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:

If Council approves the business case to purchase the additional four snow plows, staff will bring forward a report prior to purchase detailing a buy vs. lease analysis.

78. Question: Mayor Bigger

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:

These figures are typically produced following the completion of the year-end financial statement audit and rely on data that is typically only produced after year-end transactions are processed. Staff did not have sufficient time during the budget Q&A to produce the required forecasts of assets and liabilities. Considering how close we are to completing year-end transactions and having actual results, staff viewed these forecasts as relatively lower priority because the actual data will be available relatively soon. Staff could, of course, prepare such forecasts if the committee would like them.

79. Question: Mayor Bigger

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:

- a. This statement reflects the data from the 2015 BMA Study, which is based on 2014 amounts and was the latest available information at the time the budget document was prepared.
- b. Based on 2017 Budget tabled on November 15, 2016, the estimated debt balance is in the range of \$106.3 million to \$161.3 million (which includes all debt liabilities of \$91.5 million) along with the possible debt amounts in 2017 as shown on page 241 of the budget document.
The debt to reserve ratio is calculated in the range of 0.9 to 1.4 based on this estimated debt along with the estimated reserve fund balance for 2017 of \$115 million. Please note that the ratio based on the 2015 audited financial statements is 0.5.

80. Question: Mayor Bigger

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:

- a. The debt capacity of \$140 million is based on a 20 year term with an estimated interest rate of 3.5%.
- b. If the external debt is 5% of the City’s own purpose revenue, it would result in external debt of \$231 million. The estimated reserve fund balance for 2017 is \$115 million, so therefore the debt to reserve ratio would be 2.0.

82. Question: Mayor Bigger

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:

In 2017 staff will review capital budgeting policies and processes. The goal will be to develop a prioritization approach that examines enterprise-wide needs using a common evaluation method. Overall, we will examine the potential to consolidate financing sources so that there is greater assurance we are making the highest and best use of available funds. This will also increase the potential to address the city's highest priority needs and simplify choices about how to fund capital projects.

83. Question: Mayor Bigger

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:

The 2002 Long Term Financial Plan identified the need for a capital levy of 2.27% of the previous years' taxation levy. The 2% increase in capital envelopes is in accordance with the capital budget policy which calls for increasing the capital envelopes annually by the greater of the Non Residential Building Construction Price Index and 2%. Since this index is less than 2% for 2016 the capital envelopes were inflated by 2%. The proposed capital levy in the Long Term Financial Plan was to be over and above this amount. The 1.5% capital levy proposed in the 2017 budget is calculated based on the 2016 taxation levy and if approved will generate \$3.6 million.

84. Question: Mayor Bigger

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:

Please see attached Q84. Capital Projects

89. Question: Mayor Bigger

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:

If Council chooses to enhance winter sidewalk clearing, a report will be presented recommending the financing of the sidewalk clearing equipment based on a lease vs. buy analysis.

Questions received after December 2

91. Question: Councillor McIntosh

Follow up to the answer to Question #59.

When can Council expect to receive the report requested regarding Pioneer Manor?

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

Answer:

The report re obligations of the LTC Facility is going to the Management Committee for Pioneer Manor for direction/discussion on December 14th, 2016. As well, there is an operational review under way which is scheduled for completion December 31, 2016. Following review of the operational review recommendations and direction from the management committee on the Pioneer Manor obligations, the full report will go to council for March 2017.

92. Question: Councillor McIntosh

Follow up to the answer to Question # 54

What will happen in 2022 with regard to the \$406,325? How can we be guaranteed that this amount will be reduced from the 2022 operating budget? How can we flag it for a future council?

Answer:

As a part of the budget preparation, budget staff tracks all temporary budget options/business cases and remove the value of the options as they expire unless it has been approved by Council to extend. The adjustment is seen in the analysis of the staffing level changes. A similar example of this can be seen on page 52 of the budget document under CAO and Communications.

93. Question: Councillor McIntosh

With regard to the \$18.1M for a new police building. Does this price tag include all the office furnishings and equipment or will there be a further capital request at the time of building completion?

Answer:

The \$18.1 million is a total project cost estimate inclusive of furnishings and equipment.

94. Question: Councillor Landry-Altmann

Kingsway sidewalks

I have rethought this initiative. While I understand 50¢ dollars, I would also like a reassurance that the sidewalks & boulevards that we anticipate installing will be wide enough to provide a cycling lane. From Kitchener to almost Laking Toyota there are sidewalks (originals I think) with blvds (not wide)- although not in great condition due to heaving etc.. we have had issues -, after that it is comprised of driveways, some sidewalks -[paid for by the bus. owner (Hyundai) -and Biancos- How will we deal with that? And asphalt all the way to Silver hills -there are instances of rock, ditches etc breaking up the connection.

This may be the only opportunity to install a bicycle lane -or at least a wide blvd to facilitate cycling -- in the near future on this main artery which is also an entrance into our city- and that is maybe what you had in mind with this funding - permitting cyclists to load off load their bikes on buses etc.. I still do not understand why we would not only do a wide asphalt blvd to permit cyclists, -as they do in Ottawa- sharing asphalt -because cycling on sidewalks is against the bylaw, and perhaps allow to do some on the south side especially around 589 Kingsway- sidewalks are narrow asphalt almost non-existent and could clean up the area.. however I will support this initiative given the parameters of wide boulevards. Please advise. I presume it would be maintained in the winter?

Answer:

For the sidewalk on the Kingsway there is a number of variable costs that are difficult to estimate without a detailed design. The approach used is to include the bottom end of the estimate to ensure that all of the funding is used. If there is a gap in the sidewalk network remaining, then it can be addressed through the capital envelope in future years.

95. Question: Councillor Kirwan

I would like to see the Transit and Fleet operating budget separated into Transit alone and Fleet alone. It is important for us to know what our transit services are costing and how much the city is subsidizing the service. It is also important for us to know how successful our initiatives have been for increasing revenues.

Would we be able to see the breakdown of these two segments?

Answer:

Please see the following attachments:

- Q 95. Transit
- Q 95. Fleet