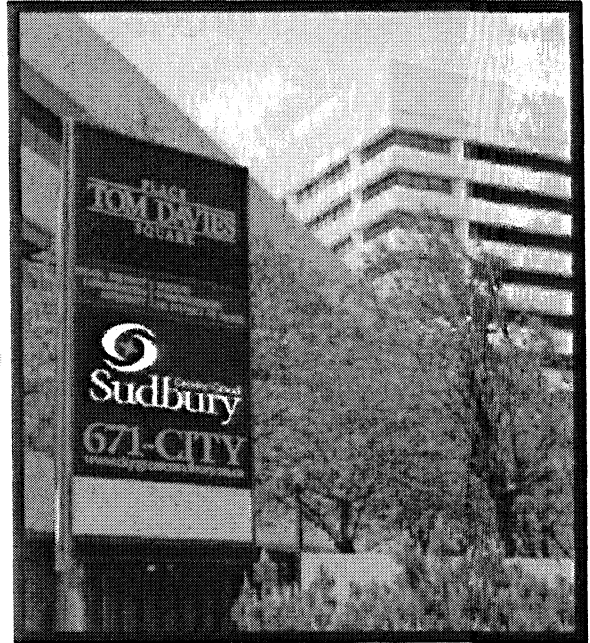


Agenda

Ordre du Jour

Councillor/Conseiller
Ted Callaghan
Chair/Présidente

Councillor/Conseiller
Russ Thompson
Vice-Chair/Vice-Président



For the
Finance Committee
Meeting to be held

Monday, November 16, 2009

at 4:30 p.m

Council Chamber
Tom Davies Square

Pour la réunion du
Comité des finances
qui aura lieu

lundi le 16 novembre 2009

à 16 h 30

dans la Salle du Conseil
Place Tom Davies

Finance Committee AGENDA

**FORTIETH MEETING OF THE FINANCE COMMITTEE
TO BE HELD ON MONDAY, NOVEMBER 16, 2009 AT 4:30 P.M.
IN THE COUNCIL CHAMBER, TOM DAVIES SQUARE**

COUNCILLOR CALLAGHAN, CHAIR

(PLEASE ENSURE CELL PHONES AND PAGERS ARE TURNED OFF)

The Council Chamber of Tom Davies Square is accessible to persons with disabilities. Please speak to the City Clerk prior to the meeting if you require a hearing amplification device. Persons requiring assistance are requested to contact the City Clerk's Office at least 24 hours in advance of the meeting if special arrangements are required. Please call (705) 674-4455, extension 2471. Telecommunications Device for the Deaf (TTY) (705) 688-3919. Copies of Agendas can be viewed on the City's web site at www.greatersudbury.ca.

DECLARATIONS OF PECUNIARY INTEREST AND THE GENERAL NATURE THEREOF

1. OUTSIDE BOARDS PRESENTATIONS

PAGE NO.

- i) Greater Sudbury Police Services (GSPS) Board
(ELECTRONIC PRESENTATION) (FOR INFORMATION ONLY)
 - Dr. Rayudu Koka, Chair, GSPS Board
 - Frank Elsner, Chief of Police, GSPS

- ii) Nickel District Conservation Authority (NDCA) Board
(ELECTRONIC PRESENTATION) (FOR INFORMATION ONLY)
(NDCA BUDGET DOCUMENT CIRCULATED UNDER SEPARATE COVER)
 - Bob Rogers, Chair, NDCA Board
 - Paul Sajatovic, General Manager/Secretary-Treasurer, NDCA

2. PRESENTATIONS

- i) Report dated November 12, 2009 from the Chief Financial Officer/Treasurer regarding Water/Wastewater Rate Structure Review. **1 - 13**
(ELECTRONIC PRESENTATION)
(COPY OF ELECTRONIC PRESENTATION UNDER SEPARATE COVER)
 - Oscar Poloni, KPMG

- ii) Report dated November 12, 2009 from the Chief Financial Officer/Treasurer regarding 2010 Water/Wastewater Rates and Charges. **14 - 20**
(ELECTRONIC PRESENTATION)
 - Nick Benkovich, Director of Water/Wastewater Services
 - Lorella Hayes, Chief Financial Officer/Treasurer

3. 2010 PARKING LOT REVIEW

The Chair of the Finance Committee will review each of the items placed in the Parking Lot. The consensus of Council will be required for each item listed in the Parking Lot.

4. FOLLOW UP REPORTS TO PARKING LOT ITEMS

- i) Report dated November 10, 2009 from the General Manager of Infrastructure Services regarding 2009 Road Projects List. **21 - 23**
(FOR INFORMATION ONLY)

(This report lists the location of 31 road projects, for which tender specifications and construction drawings have been prepared; and, also lists the shovel ready projects.)

4. **FOLLOW UP REPORTS TO PARKING LOT ITEMS** (continued) **PAGE NO.**
- ii) Report dated November 4, 2009 from the General Manager of Growth & Development regarding Community Hall Groups and Lottery Licencing. **25 - 48**
(FOR INFORMATION ONLY)

(This report outlines the reason Community Hall Groups are not eligible for Lottery Licences and contains an attachment regarding Lottery Licencing Policy and Procedures as regulated by the Province.)

ADJOURNMENT

(RESOLUTION PREPARED)

**COUNCILLOR TED CALLAGHAN
CHAIR, FINANCE COMMITTEE**

**FRANCA BORTOLUSSI
COUNCIL SECRETARY**

Request for Recommendation Finance Committee




Type of Decision									
Meeting Date	November 16, 2009			Report Date	November 12, 2009				
Decision Requested	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	Priority	X	High	<input type="checkbox"/>	Low
	Direction Only		<input checked="" type="checkbox"/>	X	Type of Meeting	X	Open	<input type="checkbox"/>	Closed

Report Title
Water Wastewater Rate Structure Review


Budget Impact/Policy Implication	Recommendation
<input checked="" type="checkbox"/> This report has been reviewed by the Finance Division and the funding source has been identified.	

	<p>For Direction.</p>
<input checked="" type="checkbox"/> Background Attached	Recommendation Continued

Recommended by the Department


 Lorella Hayes
 Chief Financial Officer / Treasurer

Recommended by the C.A.O.


 Doug Nadorozny
 Chief Administrative Officer

Report Prepared By	Division Review
Lorella Hayes Chief Financial Officer / Treasurer	

Background

During the 2009 budget deliberations, the Finance committee requested that staff conduct a review of the City's Water and Wastewater (WWW) rate structure, and provide options for Council's consideration. In particular, Council request that staff evaluate the fixed charge component of the WWW bill.

The City engaged the firm of KPMG to assist staff in the following:

- 1) Analysis of historical water and wastewater operating costs with the view of determining fixed and variable costs, cost trends, and other factors that may affect the choice of the preferred water and wastewater rates
- 2) Analysis of the WWW rate structure employed by other municipalities
- 3) Analysis of potential rate structures available to the City, and the potential benefits and risks associated with each alternative

Please find attached a copy of the report and slide deck.

WWW Rate Structure

In 2001, the City of Greater Sudbury's water/wastewater rate structure was extensively reviewed and amended. The City's rate structure consists of three parts:

- Uniform water rate which is charged per cubic meter used.
- Fixed monthly service charge based on the size of the meter.
- Wastewater charge as a percentage of the total water bill (fixed and variable).

There are no standard procedures in Ontario regarding municipal WWW rate structures. As a result, there are a variety of rate structure formats. Municipalities have different objectives in setting rates.

KPMG Report and Analysis

The following is a summary of the KPMG's analysis and recommendations:

Fixed Rate Charge

As outlined in the report, KPMG does not recommend any reduction to the City of Greater Sudbury's WWW fixed rate charge. Over 65% of the WWW costs have been estimated to be fixed in nature, and a fixed charge is required to cover the cost of the producing and maintaining the WWW system 24 hours a day. Also, in light of recent sharp declines in consumption levels over the past years, a reduction in fixed rate charges, may increase revenue instability.

Consumption Charge

As outlined in the report, there are various WWW rate structure options available to Council. The selection of Council's preferred option may be evaluated against the following set of rate setting criteria, including but not limited to:

- Conservation
- Revenue stability
- Fairness
- Economic development
- Financial sufficiency
- Rate stability
- Ease of implementation
- Ease of understanding

KPMG and Staff Recommendation:

The status quo rate structure, maintaining the fixed rate monthly charge and the uniform variable rate is recommended at this time.

In the long term, staff will conduct a detailed review of the WWW costs and determine if there are any differences in the cost drivers with respect to different users – primarily residential and business (ICI) sectors or meter size. Also, a detailed analysis of the water consumption data – by primary classes of users – residential and non-residential will be performed.



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 Internet www.kpmg.ca

PRIVATE AND CONFIDENTIAL

Ms. Lorella Hayes
Chief Financial Officer and City Treasurer
City of Greater Sudbury
 Tom Davies Square
 200 Brady Street
 Sudbury, Ontario P3A 5P3

November 11, 2009

Dear Ms. Hayes

**Review of Alternative Water
 and Wastewater Rate Structures**

Pursuant to our engagement letter dated September 16, 2009, KPMG LLP is pleased to provide our final report concerning alternative water and wastewater rate structures for the City of Greater Sudbury (the "City").

1.0 OVERVIEW OF THE CITY'S CURRENT RATE STRUCTURE

The City's current water rate structure involves a combination of a fixed monthly service charge (which varies based on the size of the water service) and a variable consumption charge. For 2009, the fixed monthly service charge for a typical residential customer (5/8" water service) is \$14.37, with the variable consumption charge amounting to \$0.989 per cubic metre of water consumed.

Given the absence of reliable information concerning the volume of wastewater produced by customers and consistent with the practice of other municipalities, the City calculates wastewater billings based on water billings. For 2009, wastewater billings are calculated as 112.3% of water billings, which results in a fixed charge of \$16.14 per month and a variable charge of \$1.111 per cubic meter of water consumed.

The cost of water and wastewater services for residential customers ultimately depends on the level of water consumed, with significant variations existing between the City's customer base. We have presented below the amount of annual billings for water and wastewater services under a range of consumption levels.

	20 m ³ per month	30 m ³ per month	40 m ³ per month
Fixed service charge	\$366.09	\$366.09	\$366.09
Variable consumption charge	\$503.92	\$755.87	\$1,007.83
Total	\$870.01	\$1,121.96	\$1,373.92



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2.0 OVERVIEW OF OUR ENGAGEMENT

In connection with the development of the City's financial budget for 2010, we have been requested to provide our comments on the City's current water and wastewater rate structure, as well as potential alternative structures that may be considered.

3.0 COMMENTS CONCERNING THE CURRENT WATER AND WASTEWATER RATE STRUCTURE

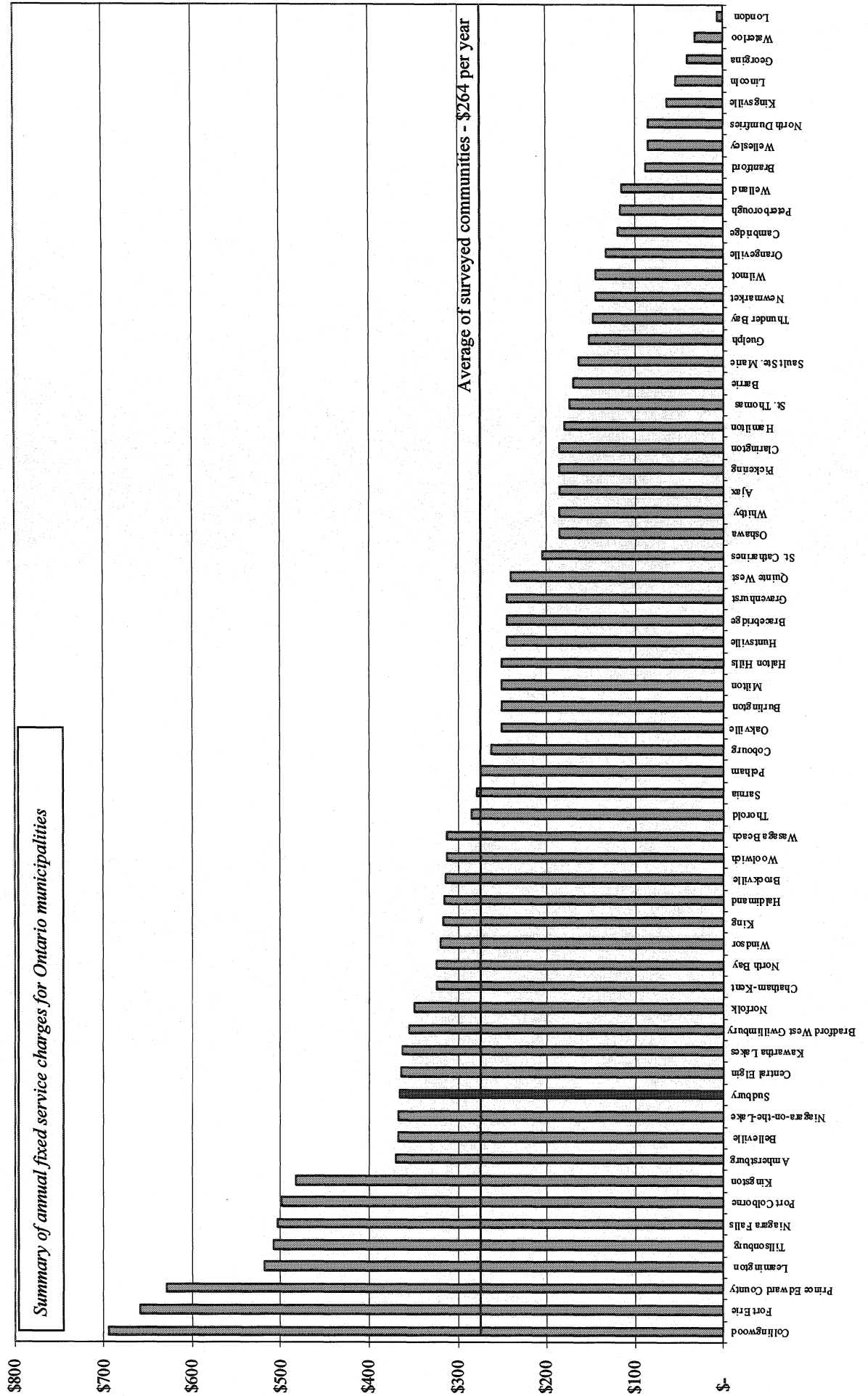
3.1 *Fixed service charge*

At the present time, the City's fixed service charge accounts for approximately 35% of the City's total user fee revenues, with variable consumption charges accounting for the remaining 65% of user fee revenue. As part of our review, we have been requested by the City to review the appropriateness of the distribution of user fee revenues between the fixed and variable charges with the view of determining whether a change in the distribution should be made (e.g. should the monthly service charge be reduced in favour of an increased variable consumption charge).

Currently, approximately three-quarters of all Ontario municipalities incorporate a fixed monthly rate into their water and wastewater billing structures, although larger centres in the Greater Toronto Area and the City of Ottawa rely exclusively on variable consumption charges (i.e. do not charge fixed monthly rates), presumably due to the high consumption levels and customer densities. The City's current annual fixed charges of \$366.09, while higher than the average of selected Ontario communities, are not the highest in the Province (see graph on the next page).



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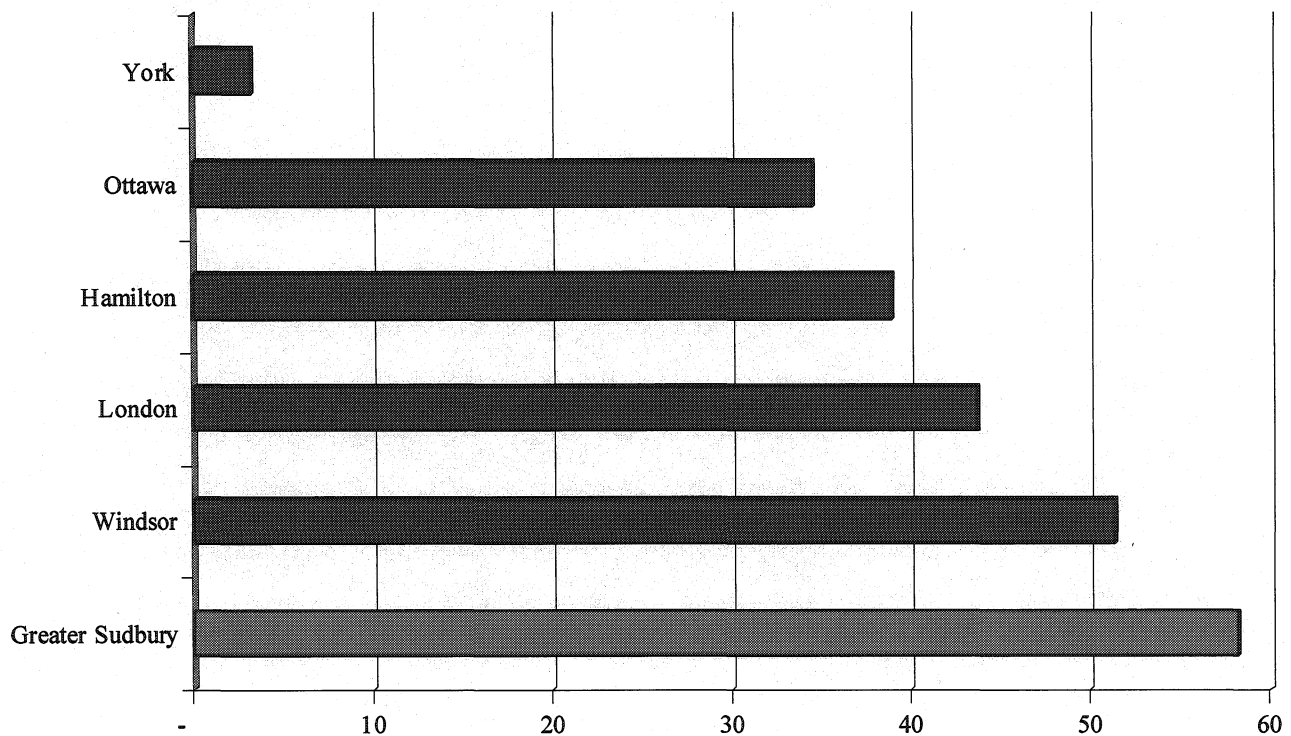


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To a large extent, the fixed service charge reflects the nature of the City's water and wastewater operations. Currently, approximately two-thirds of the City's costs associated with water and wastewater services are fixed in nature and do not vary directly with the level of water consumed by local residents and commercial customers. The relatively high proportion of fixed costs reflects two factors:

- The nature of water and wastewater systems in generally, which typically have a high proportion of fixed costs; and
- The large geographic region serviced by the City, which requires a level of infrastructure that is disproportion to the population base. Accordingly, the City has a higher investment in capital infrastructure (which gives rise to fixed costs) than other communities that smaller geographic service areas and higher population densities. As noted below, the City is required to maintain a more extensive water distribution network (measured in terms of kilometers of water mains per 10,000 residents) than larger centres, resulting in higher costs on a per customer basis.

Kilometers of water mains per 10,000 residents

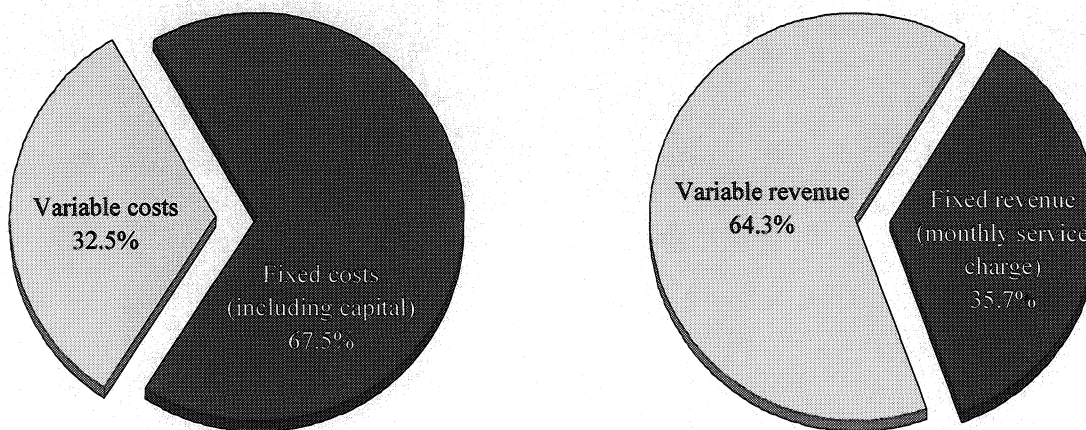




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While approximately two-thirds of the City's cost of water and wastewater services are fixed in nature, funding for these costs relies heavily on variable consumption charges (which account for approximately 65% of total revenues).

Summary of water and wastewater revenues and costs by type (fixed vs. variable)



This inconsistency between the type of user fee revenue charged (primarily variable) and the nature of the costs incurred (primarily fixed) has the potential for adverse financial impacts if consumption levels are lower than anticipated, as the City will be faced with lower user fee revenues without a corresponding decrease in operating costs.

3.2 Uniform consumption charge

Currently, the City utilizes a uniform consumption charge, whereby all customers pay the same rate per cubic metre of water consumed, regardless of the level of consumption. Uniform rate structures lack the complexity of varying rates and as such, are easy to administer and understand from a customer perspective.

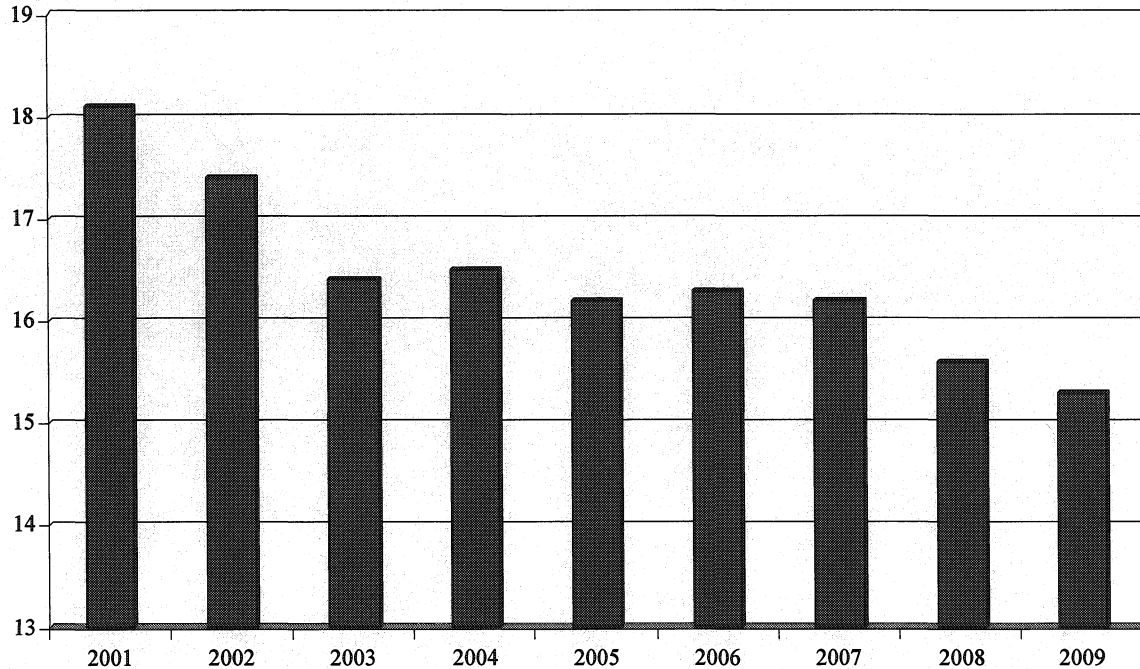
While uniform rate structures are appropriate where customers exhibit similarities in usage characteristics, they may preclude municipalities from realizing certain public policy objectives. For example, as all customers pay the same rate regardless of consumption, there is reduced incentive for conservation as a financial "penalty" for excessive consumption does not exist.

As noted on the following page, the level of water consumption by City customers has decreased in recent years, a trend that may be attributed to overall increases in the cost of water as well as increased use of water saving technologies. While this reflects the achievement of conservation from an overall perspective, it can be argued that it also reflects price elasticity – the tendency for all water customers (regardless of consumption) to reduce demand in response to price increases. As a result, it may be possible to achieve greater reductions in consumption from high demand users.



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Annual water consumption levels (in millions of cubic meters)



From a public policy standpoint, it is also argued that uniform rates can be viewed as not supporting economic development as competitive rates are not available to high volume industrial and commercial customers. For example, the current rate structure for the City of Sault Ste. Marie includes a reduction in water rates for high volume non-residential customers as a means of reducing overall operating costs and enhancing the investment attractiveness of the community.

4.0 WATER RATE ALTERNATIVES

In the event that the City chooses to introduce a varying rate structure for water and wastewater consumption charges, the following potential alternatives are available:

- 1. Declining block rate structure** – Under a declining block rate structure, the per unit price of water decreases as water consumption increases, based on blocks of water consumption established by the City. The use of a declining block rate structure is supported by the view that the cost of producing water decreases as the volume increases, due to cost allocations and economies of scale. In addition, declining block rate structures are often employed as a means of providing incentives to large water consumers to use public water services as opposed to private water systems. However, declining block rate structures are sometimes viewed as inconsistent with the goals of water conservation as they do not provide a disincentive for increased water consumption. In addition, declining block rate structures are sometimes perceived as unfair by residential and other low volume users, who are required to pay more on average for water than larger water consumers.



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2. **Increasing block rate structure** – As the opposite of a declining block rate structure, an increasing block rate structure has the effect of increasing the per unit price of water as consumption increases. Generally speaking, increasing block rate structures are more complicated than uniform rate structures and require higher levels of detail with respect to water costs and consumption levels. As a result, this rate structure is used primarily by communities:
 - That have a sufficient number of different customer classes to support an effective increasing block rate structure;
 - Are interested in conservation and are willing to accept lower consumption levels due to price elasticity;
 - That possess the information and data necessary to design a block rate structure;
 - That are facing capacity constraints and/or the need to expand the existing infrastructure and where an increasing block rate structure would be suitable to finance these increased costs or reduce water consumption levels; and
 - That are not subject to significant fluctuations or volatility in water consumption levels that would increase the complexity of and risk associated with the use of an increasing block rate.
3. **Seasonal rates** – When a water system is designed, a certain amount of excess capacity is built into the system to account for peak demand. In most cases, peak demand occurs during the summer months, primarily as a result of lawn watering. A seasonal rate structure can take two forms:
 - The establishment of two separate rates – one for the peak demand season and one for the remainder of the year. The peak demand season rate is typically the higher of the two in order to encourage conservation and recover the costs associated with the higher levels of water production; or
 - The use of an excess-use rate, whereby customers exceeding a predetermined level of water consumption are charged a high rate for the excess consumption during the peak demand season.

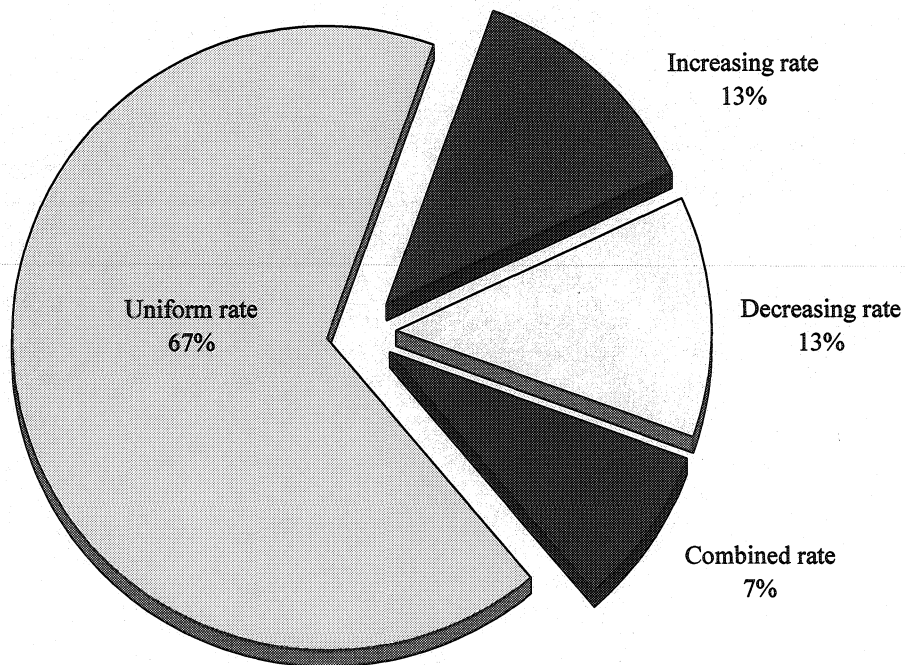
Given the need for relatively timely meter readings (generally monthly), the costs of implementing a seasonal demand rate structure can outweigh the benefits. As a result, seasonal rate structures are generally used by municipalities with:

- Significant variations in water consumption between peak and off-peak periods;
- Capacity constraints during peak periods; or
- Seasonal fluctuations in the number of water customers.

4. **Combined increasing and decreasing block rate structure** – The use of a combination of the increasing and declining block rate structure, whereby variable charges for water initially increase as consumption increases, then decreases as consumption continues to increase, represents a hybrid alternative. We understand that this type of rate structure is seen as being supportive of two important public policy issues:
- The increasing rate component of this structure is viewed as a means of encouraging conservation by motivating residential customers to reduce their water consumption. Generally, the increasing rate component comes into effect near or slightly below the average consumption level for residential customers (15 to 20 m³ per month), thereby motivating customers to reducing their water billings by decreasing their consumption.
 - While this type of rate structure provides an initial increase in the cost of water consumed, the decreasing component of this structure reduces the cost of water consumed by large consumers, primarily industrial and commercial customers. As a result, this rate structure, while seen as a method of encouraging conservation, is also viewed as contributing towards the economic competitiveness of a community by reducing average water costs for large customers.

As noted below, the majority of Ontario communities with populations of more than 100,000 residents utilized a uniform variable water rate.

Summary of municipal water rate structures – communities over 100,000 residents





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5.0 CONCLUSIONS AND POTENTIAL COURSES OF ACTION

In considering any changes to the City's current water and wastewater rate structure, it should be noted that the total amount of revenue to be raised by the City through user fees will not be affected by the use of different rate structures (given that the City is on a full-cost recovery basis). Rather, changes to rate structures will have the effect of shifting the burden for water and wastewater costs amongst the City's various types of water and wastewater customers (which can be broadly classified as low demand residential, high demand residential and non-residential customers). As a result, any changes in the current water rate structure will ultimately involve "winners" and "losers", regardless of the nature of the changes.

5.1 *Monthly service charge*

At the present time, we do not believe that the City should consider a reduction in its monthly service charge for water services. While the City's monthly service charge has been perceived as being too high, we note that it is comparable to (and in some cases lower than) service charges in a number of Ontario municipalities.

As a result of the move towards a full cost recovery structure for water and wastewater services, any decreases in the monthly service charge would necessarily be accompanied by an increase in the variable consumption rate. In our view, this would increase the City's exposure to financial risk as the City would be placing increasing reliance on variable revenues to fund fixed costs despite the historical trend of continuing consumption decreases.

5.2 *Variable consumption charge*

Based on our analysis, we suggest that the City continue with its current use of a uniform variable consumption charge for water and wastewater customers. In our view, the current rate structure represents the optimal strategy as it is:

- Easily understood by City residents;
- Simple to administer;
- Consistent with common/best practices for Ontario municipalities;
- Fair in that all customers pay the same rate for water consumed, thereby avoiding concerns over subsidization of one customer base by another; and
- Reflective of the relatively uniform nature of the City's customer base.

In addition, the use of a uniform rate mitigates the City's exposure to financial loss in the event that forecasted water rates do not materialize. In the event that the City adopts a block rate structure (increasing, decreasing or combined), the accuracy of forecasted consumption increases in importance as the impact of lower than expected consumption levels will likely be greater than if a uniform rate would be used. Given the historical decreasing trend in consumption levels, we anticipate that forecasting projected water consumption will become increasingly difficult for the City and the use of a uniform water rate reduces the potential for adverse financial impacts.



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Notwithstanding our recommendation to maintain the current system, we encourage the City to reassess its water rate structure on an ongoing basis. In the event that a change to an alternative rate structure is considered warranted, we suggest that the new rate structure consider:

- The classification of costs incurred by the City for water and wastewater services (fixed and variable);
- The method of allocating costs to the various types of customers within the City (low demand residential, high demand residential, commercial, industrial and institutional)
- The type of variable consumption charge;
- The thresholds for block rates; and
- The impact of the proposed changes on residential and commercial customers.

We trust the above is satisfactory for your purposes and appreciate the opportunity to be of continued assistance to the City. Should you have any questions concerning this or any other matter, please do not hesitate to contact us at your convenience.

Yours very truly

Oscar Poloni, CA, CBV

Request for Recommendation Finance Committee



Type of Decision									
Meeting Date	November 16, 2009			Report Date	November 12, 2009				
Decision Requested	X	Yes		No	Priority	X	High		Low
	Direction Only				Type of Meeting	X	Open		Closed


Report Title
2010 Water and Wastewater Rates and Charges

Budget Impact / Policy Implication	Recommendation
X This report has been reviewed by the Finance Division and the funding source has been identified.	

	<p>THAT the Finance Committee approve the Water and Wastewater reductions in the amount of \$ _____, which results in an overall increase of _____% in the Water/Wastewater User Fees; and</p> <p>THAT the necessary by-law be prepared.</p>
--	--

X	Background Attached		Recommendation Continued
---	----------------------------	--	---------------------------------

Recommended by the Department	Recommended by the C.A.O.
 Lorella Hayes Chief Financial Officer / Treasurer	 Doug Nadorozny Chief Administrative Officer

Report Prepared By	Division Review
 Dion Dumontelle Co-Ordinator of Accounting	

BACKGROUND

Under By-law 2001-138F (updated by By-law 2009-3), Council established a rate structure policy that provides for the full recovery of both water and wastewater costs and allows for a Sustainable Capital Asset Management Plan (SCAMP). The established policy is in accordance with the Sustainable Water and Systems Act which came into effect in 2002. The main objective of this legislation is to ensure that water and wastewater systems are sustainable over the long term, thereby continuing to protect the health of citizens and the environment. Although the regulations are not yet available, it is generally understood that the financial plans which are required by the Act are to employ concepts of full cost pricing and user pay.

In accordance with this policy and by-law, the water and wastewater rates for 2010 are projected to be as follows:

Water rates	-	per cubic metre	\$1.07 representing a 8.2% increase (2009 – 5.8% increase)
		fixed service charge	various rates, depending on meter size but all reflecting a 8.2% increase (2008 – 5.8% increase)
		miscellaneous	various charges (e.g. sprinkler, hydrant charges) all reflecting inflationary increases over budgeted revenues for 2010.

Wastewater rate 112.7% (112.3% in 2009) of the water bill (variable and fixed)

Overall, the increase in a water/wastewater bill is forecasted at 8.4% for 2010 (2009 overall increase – 5.2%), which translates to an increase of \$94 for the typical residential property owner with an average usage of 360 cubic metres. The calculations to reach these new rates are attached as well as a chart showing the impact to the average household. . Also, see pages 138 to 154 in the binder for 2010 Budget details.

The increase of 8.4% is attributed to decreased consumption (4.4%), increase in capital spending and SCAMP (2.6%) and inflationary increases on expenditures (salaries and benefits, energy, materials and repair costs) (1.4%).

For 2010, it is necessary to raise \$25.6 million through water user fees. This represents an increase of approximately \$900,000 over 2009. The key contributors to this increase are the Sustainable Capital Assets Management Plan (SCAMP) annual contribution of \$400,000, and inflationary increases.

The expenses related to compliance with the onerous regulations passed by the Province after the Walkerton Inquiry, with regard to water treatment, remain a key factor in the costs of water production.

Wastewater revenues are budgeted to be \$27.7 million in 2010. This represents an increase of approximately \$1.1 million over the 2009 budget. The key contributors to this increase are the Sustainable Capital Assets Management Plan (SCAMP) annual contribution of \$440,000, and the balance due to inflationary increases.

The wastewater rate will be 112.7% of total water charges, which represents an 8.6% increase in wastewater charges.

Consistent with Council policy, 100% of Water and Wastewater costs are to be recovered through the Water/Wastewater rates, with the exception of \$2.9 million of water costs, related to the provision of fire protection which remain on the municipal levy.

Sustainable Capital Asset Management Program (SCAMP)

In 2001, Council adopted a 10 year plan (SCAMP) with a goal of ensuring that sufficient financing is available to fund the ongoing need to continually maintain the water and wastewater infrastructure.

Council approved annual additions of \$400,000 and \$440,000 to the water and wastewater capital envelopes, respectively. These amounts were based upon increasing capital spending on water and wastewater infrastructure to the industry standard of 2% of the replacement value. In 2001, the estimated value of the infrastructure was approximately \$1 Billion which has since been estimated at \$2.0 Billion, as of December 2007, as part of the Tangible Capital Asset exercise. This updated replacement value would warrant capital spending of approximately \$40 Million, while the 2010 capital spending is projected to be \$23.2 Million, indicating that the funding gap still exists. A more accurate value of the replacement value of the infrastructure will be determined once Tangible Capital Asset valuations are finalized. Council may consider extending the SCAMP beyond the 10 year period which is set to expire in 2011, once the replacement value of water/wastewater infrastructure has been verified.

Since 2001, the water and wastewater capital envelopes have increased from \$6.5 Million to \$23.2 Million in 2010. This significant increase in capital investment is due to the SCAMP and the capital policy of transferring debt payments to capital when the debt is retired. By the end of 2010, SCAMP will have contributed close to \$39.9 Million in additional capital spending since its inception and it is projected that this amount will be approximately \$49.0 Million when the current program expires in 2011.

Sudbury has been recognized by Provincial agencies in its efforts to address infrastructure gaps. Many municipalities have not addressed the infrastructure gap and therefore, have not been allocating additional capital to ensure future sustainability. As PSAB studies are being undertaken, huge infrastructure gaps for water and wastewater are being identified for many municipalities.

Although the City of Greater Sudbury has an infrastructure gap in this area, the SCAMP has mitigated this shortfall. Since 2002 to 2010, the City of Greater Sudbury has added approximately a 16% increase in the water/wastewater charge to the municipal bill as a result of additional capital allocation under SCAMP. If this 16% was discounted from the charge the City of Greater Sudbury charge would only be 3% above the BMA study average for residential users, instead of 21%.

Consumption

Consumption of water has decreased dramatically since amalgamation. (See the KPMG report and slide deck for further details) This can be attributed to many factors, including but not limited to:

- Wet summers (particularly 2008 and 2009), leading to less outdoor watering
- Conservation of water through education and technology
- Customers using less water in response to increased prices
- Decrease in commercial consumption levels

Staff will be investigating these and any other factors in an effort to better forecast and monitor consumption levels. For 2010 we are projecting conservative consumption levels, consistent with the 2009 projected consumption level of 15,200,000 cubic metres. This represents a decline in the budgeted consumption of 1,000,000 cubic metres or 6%.

Reduction Options

In response to Council's request to look for savings and efficiencies in the base budget, staff has prepared three budget reduction options for Council's consideration that will effectively reduce the overall water/wastewater rates. The options would not affect operations, but are reductions to the proposed capital envelopes that would involve foregoing the 2% inflation to the envelopes and a partial or full deferral of the SCAMP contribution for 2010.

The following chart illustrates the impact on the Water/Wastewater operating budgets and overall water/wastewater rates:

	OPTION 1	OPTION 2	OPTION 3
	Forego 2% inflation on capital envelopes	Defer 50% of SCAMP	Defer remaining 50% of SCAMP
Water	\$212,535	\$200,000	\$200,000
Wastewater	\$213,014	\$220,000	\$220,000
Total Decrease	\$425,549	\$420,000	\$420,000
Overall Rate reduction	.86%	.85%	.85%

Miscellaneous Charges

During the March 25th meeting, Council directed staff to review the by-laws that relate to water meter tampering with a view to make them stricter on offenders. Staff has completed this work and will be recommending changes to the by-laws in December that will allow the City to recover administrative costs of \$150 associated with investigating and rectifying water meter tampering incidents. Once these changes have been implemented, offenders will incur a total fee of \$310 on their next utility bill and, where appropriate, will be billed for the water that was consumed but not metered.

SUMMARY

The proposed overall water/wastewater rate increase is 8.4%. The options range from \$425,549 or 0.86% reduction to 2.56% or \$1,265,549 reduction in capital expenditures.

If Council approved the three capital reduction options, the Water/Wastewater capital budget would be frozen at the 2009 level of spending. This would result in a Water/Wastewater overall increase for 2010 of 5.8%.

Based on the direction received from Council, the water and wastewater rate by-law will be prepared for Council's approval.

CITY OF GREATER SUDBURY
Draft
Water and Wastewater Rates
2010
Water

	\$
Budgeted 2010 Water Costs	30,384,263
Sub Total	<u>30,384,263</u>
Less: Fire protection charges financed through municipal levy	<u>2,882,992</u>
Total water costs to be financed	27,501,271
Less: Other revenues sources not subject to water rates	<u>(1,894,072)</u>
Required Water Revenue	25,607,199
Estimated Revenue to be collected through fixed water charge after increase	<u>9,348,242</u>
Water Revenue to be collected through variable consumption charge	16,258,957
2010 Projected Consumption (in cubic metres)	<u>15,200,000</u>
2010 Draft Water Rate	1.070
2009 Rate	0.989
Percentage Increase	8.2%

CITY OF GREATER SUDBURY
Draft
Water and Wastewater Rates
2010
Wastewater

	\$
Budgeted 2010 Wastewater Costs	27,988,804
Less: Other Revenue Sources	
Frontage Charges	<u>(275,099)</u>
Required Wastewater Revenue	<u>27,713,705</u>
Total Water Revenue	25,607,199
Less:	
Portion not receiving Wastewater Services (4.0%)	<u>1,024,288</u>
	<u>24,582,911</u>
Required Wastewater Surcharge as a percentage of Water Revenue	<u>112.7%</u>

**City of Greater Sudbury
Draft
Water and Wastewater Rates
Impact on Residential Homeowners**

Estimated Water and Wastewater Costs - Typical Residential Property Owner - 360 cubic metres of Water Consumed

	2009 \$	2010 \$	Annual Increase \$	Annual Increase %
Variable water consumption charges	356.04	385.20	29.16	8.2
Monthly fixed charges	172.44	186.60	14.16	8.2
Wastewater charges	<u>593.48</u>	<u>644.42</u>	<u>50.94</u>	<u>8.6</u>
Total water and wastewater costs	<u>1,121.96</u>	<u>1,216.22</u>	<u>94.26</u>	<u>8.4</u>

Potential Reductions based on Options

1. Forego 2% inflation on capital envelopes	(9.69)	(0.86)
2. Defer 50% of SCAMP contribution	(9.68)	(0.85)
3. Defer remaining 50% of SCAMP contribution	<u>(9.68)</u>	<u>(0.85)</u>

Total water and wastewater costs (net of reductions)	<u>65.21</u>	<u>5.84</u>
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Request for Recommendation Finance Committee



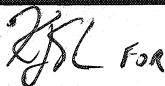
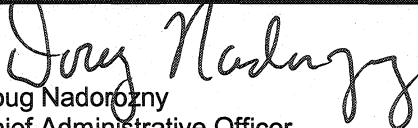
Type of Decision									
Meeting Date	November 16, 2009			Report Date	November 10, 2009				
Decision Requested	<input type="checkbox"/>	Yes	X	No	Priority	X	High	<input type="checkbox"/>	Low
	Direction Only			Type of Meeting	X	Open	<input type="checkbox"/>	Closed	


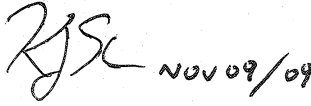
Report Title

2009 Road Projects List

Budget Impact/Policy Implication	Recommendation
<input type="checkbox"/> This report has been reviewed by the Finance Division and the funding source has been identified.	

There is no financial implication.	For information only.
X Background Attached	Recommendation Continued

Recommended by the Department	Recommended by the C.A.O.
 FOR NOV 09/09 R. G. (Greg) Clausen, P. Eng. General Manager of Infrastructure Services	 Doug Nadorny Chief Administrative Officer

Report Prepared By	Division Review
 Peter Chiesa, P. Eng. Manager of Project Engineering	 Kevin Shaw, B. Comm., P. Eng. Director of Engineering Services

Background:

Further to Councillor Dutrisac's request at the Finance Committee meeting of October 26, 2009, this report provides the location of the 31 road projects, for which tender specifications and construction drawings have been prepared; and also lists the shovel ready projects.

A copy of the 2009 Road Projects list is attached.

→ G.C. REQUESTED
 AS REQUESTED
 RJK
 OCT 27/09

2009 PROJECTS		
NUMBER	CONTRACT # ENG	DESCRIPTION
1	09-16	MR8 CULVERT REPLACEMENT - 200m NORTH OF SERVICE RD
2	09-17	PRECAST CULVERT INSTALLATION - GRAHAM RD, JUMBO RD, 6TH AVE & LANDRY ST
3	09-18	MR55 HMA OVERLAY & COLD IN-PLACE RECYCLING WITH EXPANDED ASPHALT
4	09-19	PARIS ST (MR80) ROAD WIDENING & STM SEWER - WALFORD RD TO YORK ST
5	09-20	MADISON AVE RECONSTRUCTION - MANHATTAN CRT TO LANSING AVE
6	09-21	MINTO ST BRIDGE REHABILITATION
7	09-22	SOUTHVIEW DR - TRAFFIC CALMING MEASURES
8	09-23	PRECAST CULVERT INSTALLATIONS NORMA, CKSO, WEST BAY, GORDON LAKE, LORNE FALLS
9 (1)	09-24	VERMILLION RIVER BRIDGE - DESMARAIS RD (MR96)
10	09-25	CONCRETE CURB & SIDEWALK - REPLACEMENT & ROAD UPGRADING - VARIOUS LOCATIONS
11	09-26	GRAN 'A' OVERBUILDING & SURFACE TREATMENT - VARIOUS LOCATIONS
12	09-27	CRACK SEALING - VARIOUS LOCATIONS
13	09-28	ASPHALT/CONCRETE REINSTATEMENT - SOUTH SECTION
14	09-29	ASPHALT/CONCRETE REINSTATEMENT - S/E SECTION
15	09-30	ASPHALT/CONCRETE REINSTATEMENT - N/E, N/W, S/W SECTION
16	09-31	HMA SPREADER LAID PATCHES - VARIOUS LOCATIONS
17	09-32	LAKE NEPAHWIN STORMWATER QUALITY CONTROL-SITE #1 BETWEEN 1690 & 1720 PARIS ST
18	09-33	LAKE NEPAHWIN STORMWATER QUALITY CONTROL-SITE #2 PARKING LOT @ 1770 PARIS ST
19	09-34	LAKE NEPAHWIN STORMWATER QUALITY CONTROL-SITE #3 1920 PARIS ST
20	09-35	LAKE NEPAHWIN STORMWATER QUALITY CONTROL-SITE #4 LADY ASHLEY CRT
21	09-36	LAKE NEPAHWIN STORMWATER QUALITY CONTROL-SITE #5 LOACH'S RD & ORIOLE DR
22	09-37	LAKE NEPAHWIN STORMWATER QUALITY CONTROL-SITE #6 NEPAHWIN AVE & WALFORD RD
23	09-38	VAL CARON DRAIN-CONTRACT #1 INDUSTRIAL SUBDIVISION & 400m UPSTREAM DRAIN A
24	09-39	VAL CARON DRAIN-CONTRACT #2 400m EAST OF BELISLE DR TO MR80
25	09-40	VAL CARON DRAIN-CONTRACT #6 CLEARING & GRUBBING
26	09-59	VAL CARON DRAIN - CONTRACT 3 MR 80 CROSSING AND WORK UP TO SWM OUTLET
27	09-63	STE ANNE RD - PEDESTRIAN TRAFFIC SIGNALS
28	ISD09-2	INSTALLATION PRECAST BOX CULVERTS LASALLE EAST
29	ISF09-1	FALCONBRIDGE HWY (MR86)
30 (2)	ISF09-2	LORNE/BRADY/KINGSWAY (MR55) - TENDERED, NOT FUNDED, CANCELLED.
31	ISF09-3	PARIS/NOTRE DAME (MR80)
32	ISF09-4	LASALLE (MR71)
33 (3)	ISF09-5	MAIN (MR15) - TENDERED, TENDER CLOSED, NOT FUNDED, CANCELLED.

NOTES:

- 1) CONTRACT SPECIFICATION / DRAWINGS WERE READY FOR TENDERING. ESTIMATE FOR REHABILITATION WAS HIGH AND CONTRACT WAS NOT TENDERED. RETENDERING IN 2010 FOR A NEW BRIDGE.
- 2) CONTRACT WAS TENDERED, BUT CANCELLED BEFORE AWARD. INFRASTRUCTURE STIMULUS FUNDING ANNOUNCEMENT DID NOT INCLUDE THIS PROJECT.
- 3) CONTRACT WAS AWARDED, BUT CANCELLED. INFRASTRUCTURE STIMULUS FUNDING ANNOUNCEMENT DID NOT INCLUDE THIS PROJECT.



Request for Recommendation Finance Committee



Type of Decision							
Meeting Date	November 16, 2009			Report Date	November 4, 2009		
Decision Requested	Yes	x	No	Priority	High	x	Low
	Direction Only			Type of Meeting	x	Open	Closed

Report Title
Community Hall Groups and Lottery Licensing

Budget Impact/Policy Implication
This report has been reviewed by the Finance Division and the funding source has been identified.

There is no financial impact on the 2010 budget


FOR INFORMATION ONLY

Background Attached

Recommendation Continued

Recommended by the Department
 Bill Lautenbach *Bill Lautenbach*
 General Manager of Growth & Development

Recommended by the C.A.O.
 Doug Nadorczyn *Doug Nadorczyn*
 Chief Administrative Officer

Report Prepared By	Division Review
 Bryan Gutjahr Manager of Compliance & Enforcement	

BACKGROUND

At the Finance Committee meeting of October 19, 2009, a question was raised as to whether or not community halls and their groups could obtain lottery licences to supplement their fundraising activities. In particular the following groups were mentioned:

- ◆ Wahnapiatae Community Centre,
- ◆ Skead Community Centre,
- ◆ Penage Road Playground Association,
- ◆ Beaver Lake Community Centre,
- ◆ Carol Richard Park Community Centre
- ◆ Kukagami Campers' Association .

In order to be eligible to obtain a lottery license, a group must fall into one of several categories. These include: Registered Charitable or Non-Profit Groups and/or Organizations who's main object is a charitable benefit to the community or a public benefit to the community, and operated on a non-profit basis.

For administrative purposes, eligible organizations with other purposes beneficial to the community must fall within the following six categories:

- 1) Culture and the Arts
- 2) Health and Welfare
- 3) Amateur Sports Groups
- 4) Enhancement of Youth
- 5) Enhancement of Public Safety and;
- 6) Community service organization, i.e. Lions' Club, Legion, etc

As such, the listed groups may apply for a lottery license, however, they must fall within the listed categories to be eligible. Failing this, these groups could look to alternative fundraising activities such as bake sales and public dinners.

Attached is a report requested by Councillor Callaghan regarding Lottery Licensing Policies and Procedures as well the Power Point Presentation delivered to Council by the Solicitor for the Alcohol and Gaming Commission of Ontario (AGCO)

Request for Recommendation Priorities Committee



Type of Decision									
Meeting	May 16, 2007			Report Date	April 18, 2007				
Decision Requested		Yes	✓	No	Priority	✓	High		Low
	Direction Only				Type of Meeting	✓	Open		Closed

Report Title
Charitable Gaming and the Role of the Municipality

Budget Impact / Policy Implication	Recommendation
This report has been reviewed by the Finance Division and the funding source has been identified.	

There is no budget impact
Background Attached

FOR INFORMATION ONLY
Recommendation Continued

Recommended by the Department
Doug Nadorozny General Manager of Growth & Development

Recommended by the C.A.O.
Mark Mieto Chief Administrative Officer

Report Prepared By	Division Review
Bryan Gutjahr Manager of Compliance & Enforcement Services	

BACKGROUND:

As part of the Constellation Report, staff have been requested to review licencing procedures in particular, options to make regulations simpler and less onerous.

As a result, staff have prepared this report outlining policies and procedures that are required by Provincial and Federal Legislation. Staff have also been in contract with the Alcohol and Gaming Commission of Ontario (AGCO) and made them aware of concerns brought forward by both Council and special interest groups.

GAMING AND LOTTERIES

In order to better understand the policies and procedures regarding lottery licencing, staff offers the following synopsis:

CHARITABLE LOTTERY LICENCING

The Alcohol and Gaming Commission of Ontario (AGCO) is responsible for administration of lottery licencing programs in the Province. Municipalities and the AGCO are responsible for issuing lottery licences to eligible charitable and religious organizations. Eligible charitable and religious organizations may raise funds through provincially or municipally licenced lottery events

Lotteries should be viewed as a supplement or alternative to the organizations other fundraising ventures such as membership fees and grants and donations.

There are five key elements that form the framework for charitable gaming in Ontario:

- i) The Criminal Code of Canada
 - ii) The Gaming Control Act of Ontario
 - iii) The Order in Council
 - iv) The Terms and Conditions and
 - v) The Lottery Licencing Policy Manual (LLPM)
-
- i) Criminal Code of Canada
The Criminal Code actually defines what types of gaming are illegal and it assigns to the Provinces the responsibility to regulate legal gaming.
 - ii) Gaming Control Act of Ontario
This Act requires registration of suppliers of gaming equipment and materials, bingo hall operators and ticket sellers

-
- iii) Order-In-Council
Is an Order of the Lieutenant Governor in Council of Ontario that sets out the authority and procedures for licencing of charitable organizations and also sets the limits of municipal licencing.
 - iv) Terms and Conditions
Are the terms and conditions that may be attached to a licence issued by the Municipality that are in addition to terms and conditions set by the Province.
 - v) Lottery Licence Policy Manual
Is the manual issued by the Province which is used by the Municipality's Licencing Officers to determine eligibility and use of proceeds.

THE ROLE OF THE REGISTRAR OF ALCOHOL AND GAMING

The Registrar has authority in three main areas:

1. To administer and enforce the Gaming Control Act
2. To administer lottery licencing framework that governs all charitable lottery licencing in the Province, including:
 - Determining the eligibility criteria for organizations to conduct and manage lottery events
 - Setting policies and terms and conditions
 - Setting licencing fees
 - Prescribing the form of an application, a licence and a licence report
 - Develop financial reporting requirements
 - Providing education and support to municipal licencing officials
3. To issue lottery licences for events including:
 - Bingo events, prize board exceeds \$5,500
 - Super Jackpot bingos
 - Raffle events - prize board exceeds \$50,000
 - Provincial break open tickets
 - All social gaming events

THE ROLE OF MUNICIPALITIES

The Order-In-Council gives municipal council the authority to issue licences for most lottery events within their community, these include:

- Bingo events - prize board up to \$5,500
- Raffles - prizes up to \$50,000
- Break Open tickets - sold within municipality
- Bazaar Gaming events and
- Media Bingos

Municipal Councils may also develop additional criteria through by-laws and policies for making

licencing decision and administering lottery licencing however this criteria cannot contravene criteria established by the registrar.

THE ROLE OF LOTTERY LICENCING OFFICER ✓

Municipal Licencing Officials must:

- Determine whether or not an organization is eligible for lottery licencing, according to the guidelines as set out in the Lottery Licence Policy Manual (LLPM)
- Issue and administer licences in a fair and equitable manner, consistent with policies set out in the LLPM
- Ensure the licences meet the requirements of the Criminal Code, Order-In-Council and Terms and Conditions

What is Eligible?

The Licencing Officer must review all documentation submitted to determine eligibility of the applicant.

The decision to licence is based on what is considered eligible.

Eligible Organizations

Fall within two categories

- 1) Charitable organizations: the organization's purposes and objects are all charitable
- 2) Non-Profit Organizations with charitable objects: this organization was a mixture of charitable and not charitable purposes.

It's charitable mandate must fall within one of the four charitable classifications.

"Charitable" refers to organizations which provide programs for:

1. **The Relief of Poverty**
i.e. food banks, soup kitchens, provide clothing, furniture
2. **The Advancement of Education**
significant training, development of mental faculties, teaching institutions or schools
3. **The Advancement of Religion**
places of worship, churches, mosques, temples and religious congregations
4. **Other Charitable Purposes Beneficial to the Community**
 - Must provide a public not a private benefit
 - Include activities that benefit the whole community
 - Promotion of arts and culture
 - Culture, Ethnic, native, historic or heritage
 - Youth sporting activities

Ineligible Organizations

These include but not limited to:

- Professional Associations
- Government Agencies or Bodies
- Political Groups
- Political Parties
- Adult Hobby Groups
- For Profit, Members Only or Private Sports Clubs and for Profit Adult Sport Teams and Leagues

Eligible use of proceeds must:

Once a Licencing Official has determined an applicant is eligible to receive a licence, then the Official must examine the intended use of lottery funds

- Used to advance the charitable purposes of the group
- Used for the direct delivery of those purposes
- Used towards the organizations stated mandate

Ineligible Use of Proceeds:

Organizations may not use lottery proceeds for:

- Fundraising activities
- Legal fees
- Volunteer recognition
- Foreign aid
- Out of pocket expenses for volunteers
- Academic and sports awards
- Out of Province travel (unless written approval given by Municipality)

Summary:

Within this report, staff have attempted to show Council and the public the enormous role the municipality plays when determining eligibility for a lottery license. As can be seen there are many procedures and policies set out by the Province that must be adhered to.

The Alcohol and Gaming Commission understands some of the difficulties encountered by the Licencing Offices when determining eligibility. They have made themselves available to us for interpretation and support. Municipal staff also recognize the misunderstanding and frustration experienced by some groups and attempt to assist them anyway we can. However, as can be seen there are many rules and policies that must be followed.

Staff have listened to the applicant groups concerns, one of which is the lengthy and somewhat complicated eligibility application. Staff have reviewed this application and we now offer a much shorter, more user friendly application for eligibility. This new application is now available at the Citizen Service Centers and we have already received positive feedback. (sample attached)

City staff have also been in constant contact with the AGCO making them aware of the concerns brought forward from Council and the public regarding accessibility to lottery licences for seniors groups.

Just last December, Don Bourgeois, Solicitor for the AGCO, held a meeting in Valley East with several seniors' groups and Shelley Martel, M.P.P. As a result of this meeting Mr. Bourgeois advised that he would bring this matter to the attention of the AGCO for a possible review of the lottery licence policy manual. It is hoped that by summer 2007 the AGCO would have completed the review and that we might see some positive changes.

AGCO – Lottery Licensing

Presentation to Council for the
City of Greater Sudbury

May 16, 2007

- Gambling in Canada is illegal unless the activities fall within exemptions provided for in the *Criminal Code (Canada)*
- The *Criminal Code* is federal legislation
- Ontario cannot “amend” the *Criminal Code*
 - criminal law is exclusively within the constitutional jurisdiction of the Parliament of Canada
- The Lottery Licensing program is administered within the *Criminal Code*

- *Criminal Code of Canada*
 - General prohibition against “gambling” unless activities fall within exemptions set out in *Criminal Code*
 - Although exclusive federal jurisdiction to legislate, provinces may regulate gaming – if the regulation is with respect to an exemption from the general prohibition
 - Paragraph 207(1)(b) of the *Criminal Code* sets out exemption for charitable or religious organizations conducting and managing a lottery scheme

- Order in Council 2688/93, as amended
 - designates the Registrar and municipal councils to issue licences pursuant to para. 207(1)(b)
 - OIC sets out certain terms and conditions to all licences issued by Registrar or municipal councils
 - OIC authorizes Registrar and municipal councils to impose additional terms and conditions
 - failure to comply with terms and conditions results in violation of *Criminal Code* as activities no longer fall within the exemption – see also subsections 207(2) and (3)

- **Policy Manual**
 - assists in assessing eligibility for a licence under the *Criminal Code* and with respect to policy objectives
 - use of proceeds generally
 - use of proceeds in specific circumstances
 - Modernization of Lottery Licensing Policy Manual – May 2005 and regular updates

- *Gaming Control Act, 1992*
 - provides for the registration of gaming suppliers – businesses and employees
 - applies to charitable gaming, casinos, charity casinos and slot facilities
 - terms and conditions to licences and GCA require licensees to use services of registered gaming supplier, i.e., bingo hall operator
 - standards established for certain supplies and services, i.e., Standards for Suppliers of Goods and Services - Bingo

- **Modernization of Charitable Gaming**
 - initiative started in late 2004
 - broad consultation within the sector, including municipalities, suppliers, and charities
 - professional advice on revenue models for bingo halls and break open tickets
 - substantial changes based on balance of flexibility and accountability
 - Bingo Revenue Model has been focus of substantial work by AGCO and the sector, including municipalities, suppliers and charities

- Lottery Licensing Policy Manual deals with eligibility to assist municipal licensing officers
- Eligibility assessment requires a detailed analysis to ensure that an organization is “eligible” and that its proposed use of proceeds are “eligible”
- The law of charities is not “easy”
- But compliance is needed to ensure that the activities fall within the exemption provided for in 207(1)(b)

- **Law of Charities**
 1. **Relief of Poverty**
 2. **Advancement of Religion**
 3. **Advancement of Education**
 4. **Other Purposes Beneficial to the Public –
that is charitable in nature**

- Senior Citizen Centres and Programs for Senior Citizens
 - Courts have recognized support to “the aged” may be charitable
 - Falls under either “relief of poverty” or “other purposes beneficial to the public” depending upon activity
 - Lottery Licensing Policy Manual provides assistance in analysis under “Other Purposes Beneficial to the Community” within the Health and Welfare category

- Majority of members is 60 years of age or older
- Provide social and recreational programs to seniors *if* to assist remain active in community and available to all seniors
- Benefit is not limited to exclusive group
- Facility may be eligible if all seniors in the community have reasonable access

- **Senior Citizens Centres**
 - Establish, operate and maintain a senior citizens centre to provide recreation, education, cultural activities and other programs for senior citizens
 - Must be independent of government as provided for in Lottery Licensing Policy Manual
- **Social Clubs – to alleviate loneliness and isolation**

- **Questions and Answers**

January 18, 2008

To Whom it May Concern:

The City of Greater Sudbury recognizes that seniors groups play an integral part within the Community by offering programs and activities that benefit all seniors and that lotteries, bingos, raffles, bazaars and nevasdas are important sources of funding for these activities and programs.

All gaming activities including lotteries, bingos, raffles, bazaars and nevasdas are regulated by the Provincial Government through the Alcohol and Gaming Commission and the Gaming Control Act of Ontario. The City of Greater Sudbury, in particular, the Licencing Section has been mandated by the Province to accept and review applications for local gaming activities and to issue licences when satisfied that all requirements for the licence have been met.

In the Fall of 2006, the Province of Ontario recognized concerns brought forward regarding seniors issues and the eligibility of seniors' groups in obtaining licences for gaming activities.

As such, in April of 2007, the Province introduced new legislation that would clarify what constitutes a seniors group and what activities and programs would be considered acceptable for licencing purposes. (attached)

The City, through its Licencing Section, can assist seniors' groups in determining if they are eligible for a lottery licence and ensuring that proceeds from the lottery are disbursed in accordance to the provisions of the Province's Lottery Licencing Policy Manual.

By way of this letter, the City of Greater Sudbury would like to reinforce that if your seniors' group has any questions regarding eligibility, please feel free to contact the City Licencing Section in particular, Pat Faulkner, Licencing Officer, by dialing 311, extension 2469.



April, 2007

Avril 2007

IMPORTANT NOTICE

AVIS IMPORTANT

**SENIOR CITIZEN CENTRES AND PROGRAMS
FOR SENIOR CITIZENS**

**LES CENTRES POUR PERSONNES AGEES ET
LES PROGRAMMES A L'INTENTION DES
PERSONNES AGEES**

Senior Citizen Centres and Senior Citizen Clubs may be eligible for lottery licences under "Other Purposes Beneficial to the Community", within the Health and Welfare category. Eligibility is to be determined based on the organization, proposed use of funds and the types of programs that are provided.

Les centres pour personnes âgées et les clubs pour personnes âgées peuvent être admissibles à l'octroi de licences de loterie en vertu d'« autres motifs avantageux pour la communauté », au sein de la catégorie de la santé et du bien-être. L'admissibilité est déterminée en fonction de l'organisme, de l'usage proposé des fonds et des types de programmes offerts.

The courts have recognized that support to the aged through programs that improve physical and mental health is sufficient by itself to be considered charitable. The types of programs that are eligible include, for example, those that provide relief from loneliness and isolation of the aged, and improve their mobility and fitness. An organization that is established to operate and maintain a senior citizens centre to provide recreation, cultural activities and other programs for senior citizens may be eligible for licensing.

Les tribunaux ont reconnu que l'appui accordé aux personnes âgées par l'entremise de programmes qui améliorent la santé physique et mentale est suffisant en soi pour être considéré comme une œuvre de bienfaisance. Les types de programmes admissibles incluent, par exemple, ceux qui allègent la solitude et l'isolement des personnes âgées et qui améliorent leur mobilité et leur santé physique. Un organisme qui est fondé pour gérer et entretenir un centre pour personnes âgées afin d'offrir des activités récréatives et culturelles ainsi que d'autres programmes aux personnes âgées peut être admissible à l'octroi d'une licence.

Senior Groups that provide the following programs and services to benefit the majority of seniors in the community may be eligible for licensing:

Les groupes pour personnes âgées qui offrent les programmes et les services suivants à l'avantage de la plupart des personnes âgées de la communauté peuvent être admissibles à l'octroi d'une licence :

1. A senior citizen group is one in which a majority of its members is sixty (60) years of age or older.
2. Groups that provide social and recreational programs to seniors so they remain active in the community may be eligible for lottery licensing. These programs must be available to all seniors in the community who wish to participate.

1. Un groupe de personnes âgées est considéré comme tel lorsque la majorité de ses membres sont âgés d'au moins soixante (60) ans.
2. Les groupes qui proposent des programmes sociaux et récréatifs aux personnes âgées afin qu'elles demeurent actives au sein de la communauté peuvent être admissibles à l'octroi d'une licence de loterie. Ces programmes doivent être accessibles à toutes les personnes âgées qui souhaitent y participer.

3. Benefit shall not be restricted to an exclusive group.
4. A seniors group that operates a facility in which all seniors in the community have reasonable access may be considered eligible.
5. To establish, operate and maintain a senior citizens centre to provide recreation, education, cultural activities and other programs for senior citizens.
6. Activities directed towards the alleviation of loneliness and isolation, such as social clubs.

3. Les avantages ne doivent pas être restreints à un groupe en particulier.
4. Un groupe de personnes âgées qui dirige une installation dans laquelle toutes les personnes âgées au sein de la communauté ont un accès raisonnable peut être considéré comme admissible.
5. Afin de mettre sur pied, de diriger et d'entretenir un centre pour personnes âgées dans le but d'offrir des activités récréatives, éducatives et culturelles ainsi que d'autres programmes à l'intention des personnes âgées.
6. Les activités qui visent à l'allégement de la solitude et de l'isolement, comme les clubs sociaux.

Lottery Licensing Officers shall review the group's eligibility documents to determine the programs and services being provided, and whether or not the majority of its membership is 60 years of age or older. The programs they provide must benefit a majority of its membership.

Les agents de délivrance des licences de loterie doivent examiner les documents d'admissibilité du groupe afin de déterminer les programmes et les services qui sont offerts et si la majorité de ses membres sont ou non âgés d'au moins soixante (60) ans. Les programmes qu'ils offrent doivent profiter à la majorité de ses membres.

In regards to using lottery proceeds for maintenance of their buildings, Lottery Licensing Officers must determine whether the expenses are reasonable and necessary in carrying out their programs and services. Maintenance cost may include utilities, property taxes, liability insurance on the building, cleaning and maintenance.

En ce qui concerne l'utilisation des recettes de la loterie pour l'entretien de leurs bâtiments, les agents de délivrance des licences de loterie doivent déterminer si les dépenses sont raisonnables et nécessaires à la mise en œuvre de leurs programmes et services. Les frais d'entretien peuvent inclure les services publics, les impôts fonciers, l'assurance de responsabilité civile sur le bâtiment, le nettoyage et l'entretien.