

THE FORTIETH MEETING OF THE FINANCE COMMITTEE OF THE CITY OF GREATER SUDBURY

**Council Chamber
Tom Davies Square**

**Monday, November 16, 2009
Commencement: 4:37 p.m.**

Chair

COUNCILLOR TED CALLAGHAN, IN THE CHAIR

Present

Councillors Cimino; Barbeau; Berthiaume; Dutrisac; Dupuis; Rivest (A4:40pm); Thompson (A5:06pm); Craig (D5:50pm); Caldarelli; Gasparini (D9:15pm), Landry-Altmann; Mayor Rodriguez (D5:10pm)

City Officials

Doug Nadorozny, Chief Administrative Officer; Greg Clausen, General Manager of Infrastructure Services; Catherine Matheson, General Manager of Community Development; Lorella Hayes, Chief Financial Officer/Treasurer; Frank Elsner, Chief of Police; Nick Benkovich, Director of Water/Wastewater Services; Bryan Gutjahr, Manager of Compliance and Enforcement Services; Ed Stankiewicz, Manager of Financial Planning & Policy; Dion Dumontelle, Co-ordinator of Accounting; Lorraine Larose, Senior Budget Analyst; Allan Lekun, Deputy Chief of Police; Sharon Baiden, Director of Corporate Services, Police Services; Melissa Bamberger, Manager of Budget & Materials – Resource, Police Services; Lucia Taskinen, Materials – Resource Co-ordinator, Police Services; Akli Ben-Anteur, Project Engineer, Water/Wasterwater Services; Martin Lajeunesse, Executive Assistant to the Mayor; Brian Bigger, Auditor General; Angie Haché, City Clerk; Lesley Bottrell, Audio-Visual Operator; Franca Bortolussi, Council Secretary

News Media

Le Voyageur; EastLink News; Sudbury Star

Declarations of
Pecuniary Interest

None declared.

OUTSIDE BOARDS PRESENTATIONS

Greater Sudbury Police
Services (GSPS) Board

GSPS Operating Budget 2010 and Capital Plan 2010 to 2012 Document was distributed to Committee Members at the meeting.

Frank Elsner, Chief of Police, and Dr. Rayudu Koka, Chair, GSPS Board, made an electronic presentation regarding the GSPS 2010 Operating Budget and 2010 – 2012 Capital Plan.

Chief Elsner outlined in detail the challenges faced by Police Services including changes in the past five years having impacts on compliance and service delivery, major events and labour

OUTSIDE BOARDS PRESENTATIONS (continued)

Greater Sudbury Police Services (GSPS) Board (continued)

unrest. He listed a number of priorities and strategic directions which have been identified. He provided calls for service data information on the following from 2004 to 2008: total crime code offences including crimes of violence, crimes against property, drugs and organized crime, and youth crime; and traffic management including motor vehicle collisions, the R.I.D.E program and the 'Think Before You Drink' video. He listed service priorities including youth, seniors, mental health and computer crime. He explained the 2010 Business Improvements in rural and community based initiatives including use of volunteers, on-line crime reporting system and mobile data field functionality.

Dr. Koka advised that the 2010 Budget is a responsible budget guided by short and long term priorities set out in their Business Plan and is accountable to and serves citizens of the City. The Budget meets regulatory requirements, considers service levels, maintains costs and is responsive to needs. He indicated that the 2010 Operating Budget is \$43,802,984 which is an increase of 3.2% over the 2009 budget. He advised that the key cost drivers are labour, inflation and the amount of provincial grants. He outlined the 2010 expenditure allocation stating that salaries and benefits are 88.6% of the budget and the 2010 Provincial Grants. He advised that in 2008 Greater Sudbury had 151 police officers per 100,000 residents compared to 199 nationally and 194 provincially. He outlined the Capital Plan 2010 – 2012 providing information on capital funding sources, spending categories, capital summary and public safety envelope.

The Chair of the Finance Committee requested the following from Police Services:

- Updated information regarding the number of City of Greater Sudbury police officers compared to the Provincial average;
- Breakdown of existing salary costs; i.e. what is currently funded by the Municipality, the Province and what will be funded by the Municipality in the future as a result of the discontinuance of Provincial funding programs;
- Analysis on the escalation in the number of calls, types of calls and strategies to divert calls.

Nickel District Conservation Authority (NDCA) Board

NDCA 2010 Budget Document was distributed to Committee Members at the meeting.

Bob Rogers, Chair of the Nickel District Conservation Authority (NDCA) Board, and Paul Sajatovic, General Manager/Secretary-Treasurer, made an electronic presentation regarding the NDCA's 2010 Budget.

OUTSIDE BOARDS PRESENTATIONS (continued)

Nickel District
Conservation Authority
(NDCA) Board
(continued)

Bob Rogers listed the NDCA board members and staff and provided information on the NDCA watershed area.

Paul Sajatovic outlined the 2009 program highlights and Drinking Water Source Protection activities. He explained the 2010 NDCA budget goals including a financially responsible budget, focus on public safety and human health, transition to Integrated Watershed Management Vision and completion of Strategic Plan to guide renewed vision. He also outlined the 2010 Program Priorities.

Bob Rogers outlined NDCA's vision for Integrated Watershed Management as part of the new Strategic Plan and a multi faceted watershed stewardship. He explained the Greater Sudbury Climate Change Consortium and their needs.

Paul Sajatovic listed the 2010 operating budget pressures including provincial grant deficits with flat lined allocations, general insurance cost increases, revenue decreases, property tax increases and wage and benefit costs. He concluded by stating the NDCA is requesting a three percent increase from the 2009 levy which represents less than one-half of one percent of the City's total budget and the annual permanent capital funding of \$250,000.

Recess

At 6:10 p.m., the Committee recessed.

Reconvene

At 6:43 p.m., the Committee reconvened.

OUTSIDE BOARDS PRESENTATIONS (continued)

The Committee reviewed the Police Services and Nickel District Conservation Authority's budget documents.

PRESENTATIONS

Water/Wastewater Rate
Structure Review

Report dated November 12, 2009 was received from the Chief Financial Officer/Treasurer regarding Water/Wastewater Rate Structure Review.

Copy of the electronic presentation was distributed to Committee Members under separate cover.

Oscar Poloni, KPMG, made an electronic presentation reviewing water and wastewater rates in the City of Greater Sudbury. He advised the presentation would provide an historical overview of water and wastewater rates, municipal comparisons, key risk

PRESENTATIONS (continued)

Water/Wastewater Rate Structure Review (continued)

areas and recommendations for consideration. With respect to the historical overview, he provided actual and forecasted costs and variable and fixed charges from 2001 to 2009. With respect to municipal comparisons, he compared annual residential billings for communities over 50,000; annual residential billings for the water and wastewater component and for variable and fixed components; and rate structure characteristics. With respect to key risk areas, he outlined discrepancy between types of expenditures and revenues, consumption risk and lack of public policy flexibility. He provided information on hypothetical water rates under alternative increasing block rate structures and assessment of alternative rate structures. He concluded by outlining the rate setting recommendations being no reduction in the fixed monthly service charge and no change to the current use of uniform rate structure.

The Committee agreed that the rate structure remain as is with the caveat that it will be reviewed next year.

Parking Lot #1 Converting Water/ Wastewater Services to Greater Sudbury Utilities

Councillors Gasparini and Dupuis requested a report on the advantages of converting water/wastewater services to Greater Sudbury Utilities. The Committee agreed the report would be prepared following the 2010 budget process.

Parking Lot #2 Industrial Water Users

Councillors Gasparini requested a report investigating costs to large industrial water users.

2010 Water/Wastewater Rates and Changes

Report dated November 12, 2009 was received from the Chief Financial Officer/Treasurer regarding the proposed 2010 Water/Wastewater Budget.

Nick Benkovich, Director of Water/Wastewater Services, and Lorella Hayes, Chief Financial Officer/Treasurer, made an electronic presentation regarding the proposed 2010 Water/Wastewater Budget.

The Director of Water/Wastewater Services advised of revenue needs and customer needs. He outlined performance highlights including sewer and water main cleaning, meter tampering incidents, wild lines and production from 2000 to 2008. He also provided comparisons of age of pipes and population density with other municipalities. He advised of post Walkerton compliance costs. He outlined the rate increase history since 2001, the allocation of the proposed budget of \$58.4M, capital budget and envelopes from 2001 to 2010 and the impact of the proposed increase on a typical residence per cubic metre.

PRESENTATIONS (continued)

2010 Water/Wastewater Rates and Changes (continued)

The Chief Financial Officer/Treasurer, explained the proposed increases for water and wastewater and their effect on the average residence. She detailed the breakdown of the proposed increase and outlined the reduction options and the impact on a typical residence if all reduction options are accepted.

Parking Lot #3 Capital Allocation Water/Wastewater

Councillors Berthiaume requested a report on budget actual and estimated costs for Water/Wastewater Infrastructure Master Plan, Work Management System, Data Mgmt. Initiative GIS Integration and Communication System Upgrade.

Parking Lot #4 Cost of Fluoride

Councillors Berthiaume requested a report on the cost of fluoride.

PARKING LOT REVIEW

November 16, 2009

The Committee reviewed the November 16, 2009 Parking Lot and voted on the items. (See attached)

CORRESPONDENCE FOR INFORMATION ONLY

The following reports will be reviewed at the Finance Committee meeting of November 23, 2009

2009 Road Projects List

Report dated November 10, 2009 was received from the General Manager of Infrastructure Services regarding 2009 Road Projects List for information only.

Community Hall Groups and Lottery Licencing

Report dated November 4, 2009 was received from the General Manager of Growth & Development regarding Community Hall Groups and Lottery Licencing for information only.

Application for Licencing Eligibility and Review Questionnaire was distributed to Committee Members at the meeting.

Adjournment

The meeting adjourned at 9:17 p.m.

CARRIED

Councillor Ted Callaghan, Chair

Angie Haché, City Clerk

2010 BUDGET PARKING LOT					
REQUEST #	COUNCILLOR/ MAYOR	DEPT.	INFORMATION REQUEST (November 16, 2009)	APPROVED	
				YES	NO
1	Gasparini/Dupuis	Finance	Advantages of converting water/wastewater service to GSU (at later date following 2010 budget process)	✓	
2	Gasparini	Finance	Investigate costs to large industrial water users	✓	
3	Berthiaume	Infrastructure	Report on budget actual and estimated costs for Water/Wastewater Infrastructure Master Plan, Work Management System, Data Mgmt. Initiative GIS Integration and Communication System Upgrade	✓	
4	Berthiaume	Infrastructure	Cost of Fluoride	✓	