

Message From the CAO

Mayor Bigger and Members of Council,

I am pleased to present the 2017 City of Greater Sudbury Budget for your review. It not only reflects service efforts designed to achieve Council's strategic priorities, but it also describes financing approaches intended to strengthen the City's financial condition, address infrastructure renewal needs and improve services that residents use on a daily basis.

The budget development process incorporated a number of new community engagement initiatives that included web-based, print and social media outreach along with personal meetings attended by senior staff. It reflects the first of a multi-year change effort in municipal business planning and budgeting.

It emphasizes strategy and provides more information to illustrate the relationship between services, service levels and costs. There are also benchmarks to facilitate comparisons of Greater Sudbury's performance with other communities. While these features reflect best practices in municipal budgeting, they will evolve in future periods in response to your feedback and as our experience grows.

The financial decisions we make today are critical for our community's long-term sustainability. While developing this budget, staff's recommendations were guided by Council's Strategic Plan, which serves as the community's change agenda:

- Grow the economy and attract investment
- Strengthen the high quality of life we already know and love
- Lead in public service excellence
- Prioritize, build and rebuild our community's foundation

In August, City Council provided a number of directions to staff regarding its expectations for the 2017 budget. They included requirements for staff to build a plan that maintains existing service levels, produce a business case for Council's approval for any service level changes, increase reliance on non-tax revenues and results in no more than a 3.6 % property tax increase for residents. Direction was also provided to include a 7.4 % user rate increase for water and wastewater services, consistent with the utility's long-range financial plan. Additionally, Council directed staff to investigate the potential for applying a special capital levy dedicated to infrastructure renewal work. These directions remained unchanged following the budget update Council received in October.

The 2017 operating budget expenditures total \$537 million, an increase of \$16.6 million, or 3.2 %, from 2016. The effect of this budget, including recommended service level changes, is a 3.6 % property tax increase. For a typical home with an assessed value of \$230,000, this is equivalent to an increase of approximately \$100 over 2016 taxes.

The 2017 capital budget is \$229.7 million, compared to \$106.9 million in 2016, mainly due to an influx of funding from senior levels of government for roads, transit, water/wastewater and other projects. The effect of this capital budget is to make a variety of infrastructure improvements that not only improve service to the community, but also reduce the risk of service interruptions caused by the failure of assets that have reached the end of, or have exceeded, their useful service lives. If approved, the special capital levy of 1.5 % will further strengthen the quality and reliability of the City's infrastructure.

Highlights of the 2017 Budget include:

- Maintaining service levels.
- Fixing roads, including detailed design for Lorne Street and Municipal Road 35 so they are shovel ready.
- Building the City's transportation network with the First Phase of the Maley Drive Extension.
- Improving transit with the addition of six new buses to the fleet.
- Continuing with Bridge Rehabilitation Program projects.
- Investing in water and wastewater infrastructure to replace aging water and sewer mains.

This document, and the new budget process as a whole, is part of a series of actions designed to strengthen the community's trust in the organization and to build confidence in our ability to produce results. It provides a basis for demonstrating accountability.

I am confident that, as we put the plans described here into action, staff will demonstrate our focus on service and performance so that residents will readily see positive effects in their daily lives and throughout the whole community. The process of assembling this budget required significant effort by a number of staff across the organization, and I thank them for their good work. I feel fortunate to lead this talented group.

There are a number of budget recommendations found in the Business Cases section of this document. Please submit questions regarding the plans and budgets described here in advance of the December 6 Finance and Administration meeting. Staff will provide responses and make them available to all Members of Council.

Service partners will be presenting their budgets at special meetings concluding with the December 6 Finance and Administration meeting. Subject to the results of the December 6 meeting, City Council will be asked to provide final approval of the budget at its meeting on December 13, 2016.

Sincerely,



Ed Archer
Chief Administrative Officer
City of Greater Sudbury





2017 Budget Highlights

PLACE
TOM DAVIES
FOURTEEN



Budget Highlights

The 2017 budget focuses on services and performance. The details found throughout this document aim to clearly illustrate the relationship between services, service levels and costs. The financial decisions we make today are critical to the long-term sustainability of our city.

This budget reflects Council priorities, corporate strategic plans and the needs of the community. During this year's process, staff have worked diligently on budget numbers, and have also clearly demonstrated the municipal services residents receive for their tax dollars.

Consistent, reliable services are what residents expect from their municipality. From clean drinking water, to the roads you drive on and the playgrounds your children enjoy, your day-to-day and quality of life is reliant on these services. The municipal budget presented here is the way City Council assigns resources to services.

The 2017 budget prioritizes goals established by way of Council's Strategic Plan, Greater Together, and its associated implementation plan.

The City of Greater Sudbury's 2017 Capital Budget includes funds of \$229.7 million to address the City's most critical capital needs in support of strategic priorities, aging infrastructure and investment in the future of our community. The 2017 Capital Budget is more than in 2016 mainly due to an influx of funds received by senior levels of government, especially for Roads, Water and Wastewater, and Transit projects.

City staff was directed by Council to build a plan with no more than a 3.6 % property tax increase for 2017, along with recommendations in moving key capital projects forward. Council also asked staff to investigate an additional 1.5 % tax levy investment in capital assets.

What a 3.6% + 1.5% investment represents for taxpayers:

Current Value of Your Home	\$230,000	\$350,000	\$450,000
Annual			
2017 Property Tax Increase - 3.6%	\$100	\$152	\$196
Special Capital Levy - 1.5%	\$41	\$62	\$80
Total Annual Cost	\$141	\$214	\$276
Monthly			
2017 Property Tax Increase - 3.6%	\$8.28	\$12.60	\$16.20
Special Capital Levy - 1.5%	\$3.45	\$5.25	\$6.75
Total Monthly Cost	\$11.73	\$17.85	\$22.95

What does this mean for residents?

Your tax dollars pay for numerous programs and services that keep the City running every day:

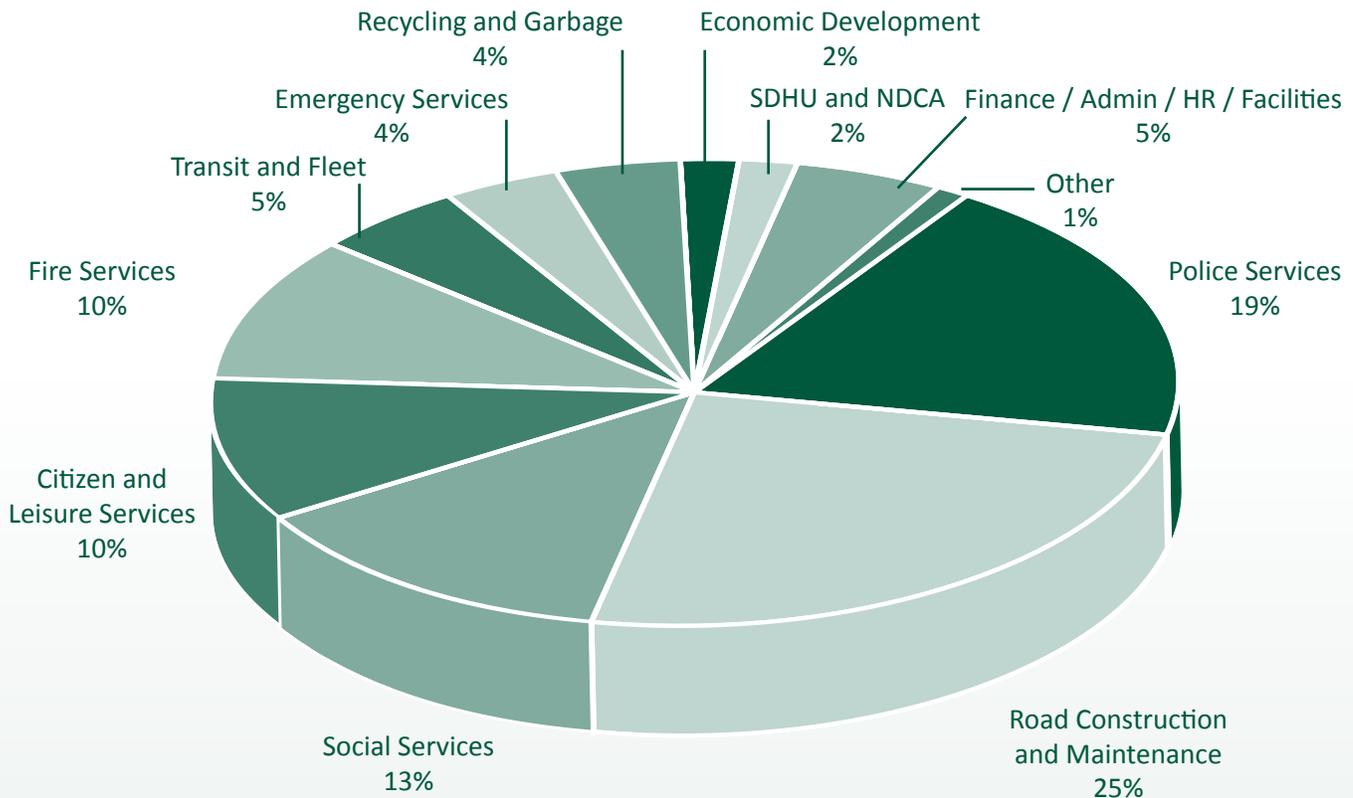
- Road construction and maintenance
- Greater Sudbury Police Service
- Emergency Services (Fire, Emergency Medical Services and Emergency Management)
- Children, Housing and Social Services, and Pioneer Manor
- Citizen and Leisure Services, Libraries and Museums
- Corporate Services
- Transit and Fleet
- Environmental Services (recycling, garbage, landfills and more)
- Economic Development
- Planning Services
- Conservation Sudbury (Nickel District Conservation Authority)
- The Sudbury & District Health Unit

Did you know?

About 46 % of the operating budget comes from property taxes. Without these revenues, it would not be possible for the City to provide the services residents rely on every day.

In 2016, the City of Greater Sudbury implemented the results of a special initiative that reduced costs by \$6 million.

Where Your Property Taxes Go



Key Investments in 2017

Your roads:

2017 will see a \$133.6 million investment in road construction and repair to improve the City's transportation network.

The first phase of the Maley Drive Extension is presently underway and is estimated to be 36 % complete by the end of 2017.

An investment of \$10.6 million will result in the completion of several bridge and culvert rehabilitation projects.

The four-laning of Municipal Road 35 and re-construction of Lorne Street will commence in 2017 with engineering design, so they are shovel ready. Construction is expected to begin in 2018, assuming senior levels of government also provide funding.

Your winter road maintenance:

This year, \$16.8 million has been allocated to winter road maintenance. In addition, the City will replace four snow plows which will maintain service levels for snow removal in our community.

Your community safety:

This year, the City will purchase a new aerial fire truck, three ambulances and two paramedic response vehicles, in order to keep reliability sufficient.

Your community:

Investments in recreation include a ski lift replacement at Adanac Ski Hill, the redevelopment of the former St. Joseph's Hospital parking lot, and various facility improvements such as roof and HVAC related replacements, for residents to enjoy key recreation assets.

The purchase of six new, fully accessible transit buses reduces the average fleet age to 13 years. This coupled with plans to begin several transit and road projects through funding from the Public Transit Infrastructure Fund, will mean significant service improvements for riders.

Your environment:

The City will complete various subwatershed planning studies, which are already underway, with funding announced from the Province during 2016.

The 2017 Capital Budget includes funding from the Clean Water and Wastewater Fund which will assist in the completion of various culvert replacements, improvements to stormwater, and various watermain replacements and wastewater lining projects.

These investments will replace aging infrastructure and improve quality of service in relation to water distribution and wastewater collection, as well as protect our natural ecological functions.

Get involved in the process

The proposed 2017 budget documents are available to the public on the City of Greater Sudbury website.

On Tuesday December 6, 2016, the Finance and Administration Committee of Council will review and approve the capital and operating budgets, and Water/Wastewater rates. City Council will then approve the budgets at their December 13 Council meeting. These meetings are open to the public and are livestreamed on the Greater Sudbury website homepage. Residents are encouraged to attend or tune in to get involved in this very important municipal process.

Visit www.greatersudbury.ca/budget for more information.

2017 Water/Wastewater User Fee Increases

The chart below demonstrates how a 7.4 % increase in Water/Wastewater user rates affects the average homeowner who uses 200 cubic metres of water per year. The cost increase for 2017 is about \$6.38 per month.

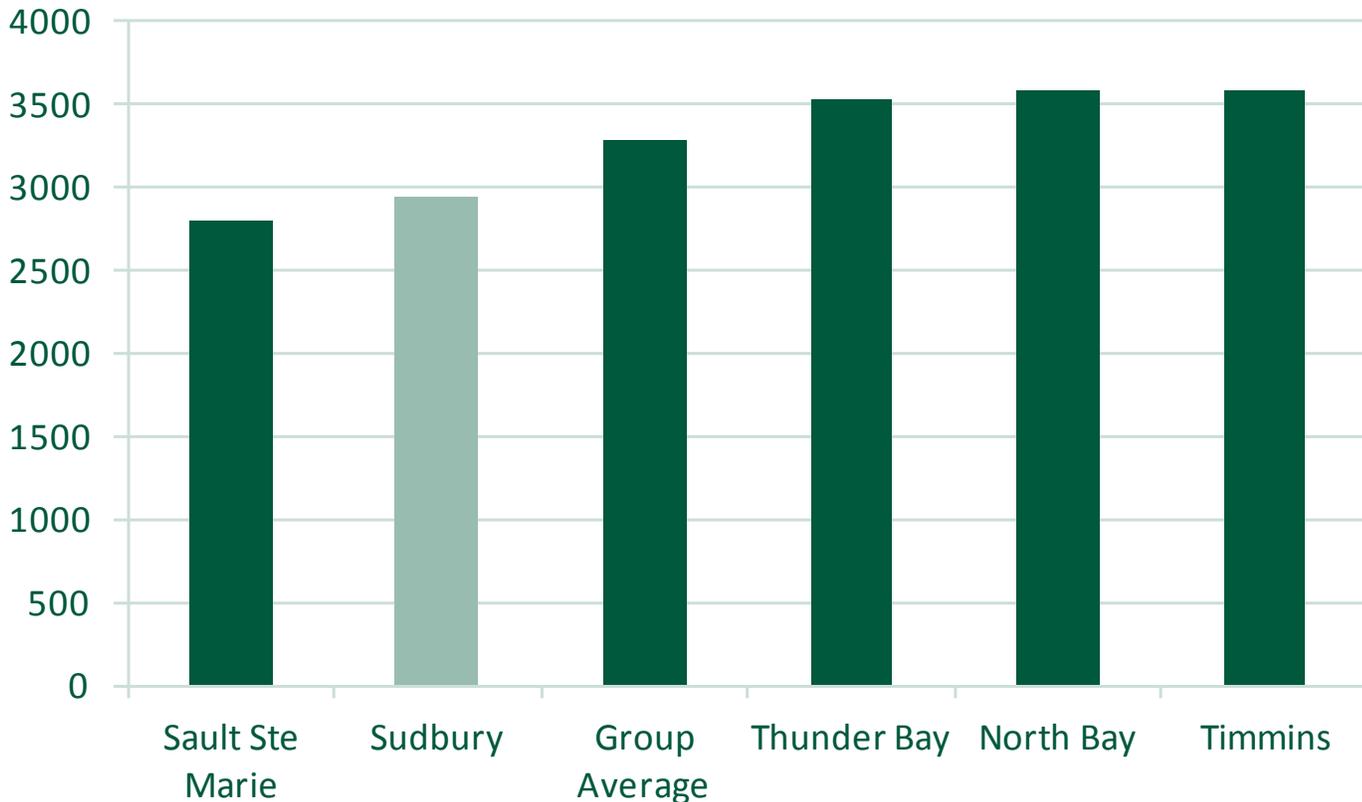
2017 Water/Wastewater Rate Impact				
Monthly				
		2016	2017	\$ Change
Water				
Monthly Usage Charge	1	22.73	24.73	2.00
Monthly Fixed Service Charge	2	17.12	18.64	1.52
Total Monthly Water		39.85	43.37	3.52
Wastewater				
Monthly Usage Surcharge	3	26.28	27.90	1.62
Monthly Fixed Service Surcharge	3	19.79	21.03	1.24
Total Monthly Wastewater		46.07	48.93	2.86
Total Monthly Water/Wastewater Charges		\$85.92	\$92.30	\$6.38

1. The water usage charge is equal to the water usage (in cubic metres) multiplied by the water rate of \$1.484 per cubic metre.
2. The fixed service charge is to provide water service to a property. This fee does not include any charges for water use and this amount varies depending upon your meter size.
3. The wastewater surcharge is applied to total water charges (usage and fixed service) as there are no meters to measure outflows of wastewater. For 2017 the surcharge is 112.8% of water charges.

How Greater Sudbury’s property taxes compare to other northern municipalities

Greater Sudbury’s taxes are among the lowest for a typical bungalow when compared to other cities with over 100,000 population, and our northern neighbours.

2015 Tax Comparison for a Detached Bungalow - Northern Ontario



* 2015 BMA Data