

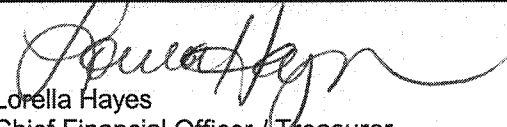
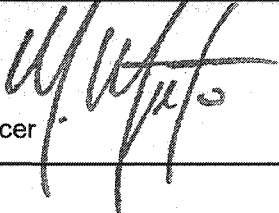
Request for Decision City Council



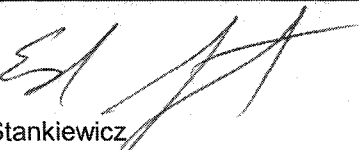
Type of Decision									
Meeting Date	September 12, 2007				Report Date	September 5, 2007			
Decision Requested		Yes	X	No	Priority	X	High		Low
	Direction Only				Type of Meeting	X	Open		Closed

Report Title
2007 Operating Budget Variance Report - June

Budget Impact / Policy Implication	Recommendation
<div>This report has been reviewed by the Finance</div> <div></div>	<div></div> <div>FOR INFORMATION ONLY.</div> <div></div>
<div>X</div> <div>Background Attached</div>	<div></div> <div>Recommendation Continued</div>

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

Date: September 5, 2007

Report Prepared By	Division Review
 Ed Stankiewicz Manager of Financial Planning and Policy	

EXECUTIVE SUMMARY

This report provides Council with a year-end projection based on the expenditures and revenues for the period ending June 30, 2007.

A summary of material variances is as follows:

	Net Under-Expenditure / (Net Over-Expenditure)
Taxation Levy	\$1,000,000
Grants & Subsidies	\$600,000
Administrative Services	\$200,000
Human Resources	(\$300,000)
Handi Transit	(\$200,000)
Housing Services	\$300,000
Pioneer Manor	\$400,000
Strategic Support Services	(\$300,000)
Solid Waste Management	\$400,000
Emergency Medical Services	\$200,000
Total	\$2,300,000

BACKGROUND

In the March variance report, some potential variances were identified. Since then, there have been a number of additional areas that are anticipating budget variances.

Based on revenues and expenditures to the end of June the corporate year-end projection is a \$2.3 million positive variance. This forecast only takes into account the major variances identified in this report. There are other minor variances that will not materially affect the corporate projection.

Date: September 5, 2007

In accordance with policy, any surplus would be contributed equally to the tax rate stabilization reserve and capital financing general.

For the September variance report, this projection will be updated to include the departmental projections for each account in their cost centres.

Attached are tables summarizing the cost centre reports which reflect annual budgets and year to date actuals.

For this report, potential year-end variances of greater than \$200,000 have been identified and are detailed as follows:

1) Taxation Levy

As a result of continued strong building activity, the City's supplementary taxation is expected to exceed budget by approximately \$1 million.

In the area of tax writeoffs, it is still too early to project year-end positions as there are still a number of large appeals outstanding. However, it is anticipated that the allowance is sufficient to handle successful appeals undertaken by taxpayers.

Overall this section is projected to experience a \$1 million net under-expenditure.

2) Grants and Subsidies

As was the case last year, the Ontario Municipal Partnership Fund (OMPF) is anticipated to be adjusted to conform to the current formula.

Through the OMPF the City receives funding through four grants, two of which are based on social program expenditures and as those expenditures increase or decrease so does the grants.

Currently, the social programs related to the OMPF grant are \$1,300,000 under the 2007 budgeted amounts, therefore the grant would be reduced by the corresponding amount. This adjustment will be reflected in the Community Development section of the budget. However, as a result of the provincial commitment to fund the OMPF to a minimum level, a one-time positive adjustment of approximately \$600,000 will be reflected in this section.

3) Administrative Services

The Provincial Offences Act Section has been processing more tickets than in a typical year, as the Greater Sudbury Police Service has issued 35% more tickets by the end of July as compared to the same period last year. This is due to the on-going implementation of initiatives and strategies with community partners intended to proactively enhance road safety in the community. These efforts include public awareness and education, as well as increased enforcement to specifically address aggressive driving in Greater Sudbury. This has resulted in year to date revenues exceeding budget. At year-end the projected net under-expenditure for this section is approximately \$200,000.

Other sections within the Administrative Services Division are close to budget.

Date: September 5, 2007

4) Human Resources

As a result of job evaluation reviews, specifically in the inside bargaining unit, this section is anticipated to experience a net over expenditure of approximately \$300,000 by year end.

5) Building Services

The exceptional building activity continues in 2007, and due to the increased revenue generated from this activity, it is anticipated that Building Services will experience a net under-expenditure of approximately \$250,000 by year-end. However, in accordance with of Provincial legislation (Bill 124), all net under-expenditures must be contributed to a reserve to ensure future viability.

6) Handi-Transit

Higher demand for this service has resulted in additional expenditures. To the end of July the number of requests were 60,000 compared to 54,000 during the same period last year. The year-end net over-expenditure is projected to be approximately \$200,000.

7) Housing Services

Two major factors are contributing to reduce the rent-geared-to-income (RGI) subsidy levels. First, increased employment opportunities in the community have provided RGI tenants with higher incomes. Second, the low vacancy rate in the community has not allowed some tenants to move to the private sector even though their incomes have increased. Should these market conditions persist, we anticipate a year-end net under-expenditure of approximately \$300,000.

8) Pioneer Manor

As a result of increases to funding envelopes from the Ministry of Health and Long Term Care related to both permanent and interim beds, this section is anticipating a year-end net under-expenditure of approximately \$400,000. A report will be brought to Council for review and approval on September 26th to contribute this variance to the Pioneer Manor Reserve Fund.

9) Ontario Works

As a result of reduced caseloads and based on Ministry of Community and Social Services projections for social program costs, this section is anticipating a year-end net under-expenditure of approximately \$1.3 million. However, based on the OMPF funding formula, the social programs portion of the grant would be reduced correspondingly, therefore providing no variance.

10) Water and Wastewater Maintenance

Currently revenues from these utilities are close to budget. Given the excessive rainfall in the first part of the summer, revenues may be affected. Staff will continue to monitor this section on both the revenue and expenditure side.

As Council is aware, policy dictates that net under-expenditures and net over-expenditures for both water and wastewater are contributed to or funded from the respective reserve funds, resulting in no impact on the corporate year-end position.

Date: September 5, 2007

11) Roads Maintenance

Favourable weather conditions in the first part of 2007 has left the winter control in a positive position to date. Given normal winter conditions for November and December, this will result in a net under-expenditure of approximately \$1 million in winter control. As per policy, this will be contributed to the Winter Control Reserve Fund, resulting in no impact to the corporate position.

The summer roads maintenance program is currently under budget, but is anticipated to be close to budget by year-end.

12) Strategic Support Services

Mechanical materials required in the garage is the major reason that this section may experience in an approximate \$300,000 net over-expenditure by year-end. This is a result of the aging fleet requiring more repairs.

13) Solid Waste Management

Due to higher than expected tipping fee revenues and revenues from the sale of recyclables results in this section reflecting a net under-expenditure of approximately \$400,000 by year-end. The strong building activity the City has been experiencing is assisting in the increased tipping fee revenue.

14) Emergency Medical Services

The service is operating under the approved authorized staff compliment due to various absences. These absences are being backfilled with temporary/part time employees and it is anticipated that by year-end this area will reflect a net under-expenditure of approximately \$200,000.

Summary

This forecast only takes into account the major variances identified in this report. There are additional minor variances, both positive and negative that will not materially affect the corporate projection.

The September Variance Report will provide more detail as it will reflect the departments involvement in providing estimates for every account in the general ledger.

COST CENTRE REPORT

Period Ending June 30, 2007

(\$000)

SUMMARY			
	Annual Budget	Y-T-D Actual	%
GENERAL REVENUES	216,272	194,746	90
EXECUTIVE, ADMIN, HR & FINANCE	12,011	3,704	31
GROWTH & DEVELOPMENT SERVICES	16,967	7,760	46
COMMUNITY DEVELOPMENT SERVICES	48,272	20,814	43
INFRASTRUCTURE	68,811	21,174	31
EMERGENCY SERVICES	26,097	11,997	46
OUTSIDE BOARDS	44,114	22,186	50
EXPENDITURES	216,272	87,635	41
NET BUDGET	-	(107,111)	

COST CENTRE REPORT

Period Ending June 30, 2007

(\$000)

GENERAL REVENUES				
		Annual Budget	Y-T-D Actual	%
(1)	TAXATION LEVY	171,251	173,358	101
(2)	GRANTS & SUBSIDIES	33,372	16,477	49
	OTHER REVENUES	11,649	4,911	42
GENERAL REVENUES		216,272	194,746	90

COST CENTRE REPORT

Period Ending June 30, 2007

(\$000)

EXECUTIVE & ADMIN, HR & FINANCE			
	Annual Budget	Y-T-D Actual	%
EXECUTIVE AND LEGISLATIVE	1,278	577	45
OFFICE OF THE CAO	427	223	52
(3) ADMINISTRATIVE SERVICES	2,801	572	20
(4) HUMAN RESOURCES	-	112	
FINANCE	7,505	2,220	30
EXECUTIVE & ADMIN, HR & FINANCE	12,011	3,704	31

COST CENTRE REPORT

Period Ending June 30, 2007

(\$000)

GROWTH & DEVELOPMENT SERVICES				
		Annual Budget	Y-T-D Actual	%
	GENERAL MANAGER'S OFFICE	540	244	45
	ECONOMIC DEVELOPMENT	3,112	792	25
	PLANNING AND DEVELOPMENT SERVICES	3,677	1,810	49
(5)	BUILDING, ENFORCEMENT, COMPLIANCE	782	(119)	(15)
	TRANSIT SERVICES & PARKING	6,721	4,010	60
(6)	HANDI-TRANSIT	1,859	879	47
	CROSSING GUARDS	276	144	52
GROWTH & DEVELOPMENT SERVICES		16,967	7,760	46

COST CENTRE REPORT

Period Ending June 30, 2007

(\$000)

COMMUNITY DEVELOPMENT SERVICES			
	Annual Budget	Y-T-D Actual	%
GENERAL MANAGER'S OFFICE	2,228	155	7
OMPF - SOCIAL PROGRAMS GRANT	(26,069)	(12,873)	49
ADMINISTRATIVE & FINANCIAL SERVICES	287	145	51
(7) HOUSING SERVICES	17,415	6,186	36
(8) LONG TERM CARE & SENIOR SERVICES	2,053	481	23
(9) ONTARIO WORKS	26,273	11,518	44
PUBLIC LIBRARIES & CITIZENS SERVICES	7,587	4,064	54
CHILDREN SERVICES	3,818	4,078	107
CEMETERY SERVICES	-	-	
LEISURE & RECREATION SERVICES	14,680	7,060	48
COMMUNITY DEVELOPMENT SERVICES	48,272	20,814	43

COST CENTRE REPORT

Period Ending June 30, 2007

(\$000)

INFRASTRUCTURE				
		Annual Budget	Y-T-D Actual	%
	GENERAL MANAGER'S OFFICE	(1)	-	
	ENGINEERING SERVICES	318	31	10
	ASSET MANAGEMENT	4,743	1,424	30
(10)	WATER MAINTENANCE	2,557	1,340	52
(10)	WASTE WATER MAINTENANCE	(14)	-	
(11)	ROADS MAINTENANCE	50,980	13,788	27
(12)	STRATEGIC SUPPORT	(4)	332	
(13)	SOLID WASTE MANAGEMENT	10,232	4,259	42
INFRASTRUCTURE		68,811	21,174	31

COST CENTRE REPORT

Period Ending June 30, 2007

(\$000)

EMERGENCY SERVICES			
	Annual Budget	Y-T-D Actual	%
EMERGENCY MANAGEMENT	713	240	34
FIRE SERVICES	17,246	8,027	47
(14) EMERGENCY MEDICAL SERVICES	8,138	3,730	46
EMERGENCY SERVICES	26,097	11,997	46

COST CENTRE REPORT

Period Ending June 30, 2007

(\$000)

OUTSIDE BOARDS			
	Annual Budget	Y-T-D Actual	%
N.D.C.A.	403	139	35
PUBLIC HEALTH (HEALTH UNIT)	4,898	2,449	50
POLICE SERVICES	38,813	19,598	51
OUTSIDE BOARDS	44,114	22,186	50

Request for Decision City Council




Type of Decision									
Meeting Date	September 12, 2007				Report Date	September 5, 2007			
Decision Requested		Yes	X	No	Priority	X	High		Low
	Direction Only				Type of Meeting	X	Open		Closed

Report Title
Public Sale for Tax Arrears under the Municipal Act

Budget Impact / Policy Implication	Recommendation
<div> <div>This report has been reviewed by the Finance Division and the funding source has been identified.</div> <div>N/A</div> </div>	<div>FOR INFORMATION ONLY</div>
<div> <div>X</div> <div>Background Attached</div> </div>	<div> <div></div> <div>Recommendation Continued</div> </div>

Recommended by the Department	Recommended by the C.A.O.
<div> <div>Lorella Hayes Chief Financial Officer / Treasurer</div> </div>	<div> <div>Mark Mieto Chief Administrative Officer</div> </div>

Date: September 5, 2007

Report Prepared By	Division Review
 Tony Derro Supervisor of Tax / Chief Tax Collector	

EXECUTIVE SUMMARY

Part XI of the Municipal Act provides the authority for a municipality to collect property tax arrears through tax registration and public sale. On Thursday, September 27, 2007, the City of Greater Sudbury will conduct a public tax sale in accordance with this legislation. Approximately ten (10) properties will be offered for sale. Tenders will be accepted until 3:00 pm on the day of the sale and tenders will be opened at 3:30 pm.

BACKGROUND

On September 27, 2007, the City of Greater Sudbury will conduct a Public Sale for properties with tax arrears, under the authority of the Municipal Act. The Finance Division will be co-ordinating the Public Sale in accordance with the Rules and Procedures as outlined in Provincial Legislation.

Approximately ten (10) properties will be offered for sale on September 27, 2007 and full payment in certified funds by the current property owner will be accepted up until 3:00 pm, after which tenders will be opened at 3:30 pm the same day and a successful bidder declared.

The following outlines the procedures undertaken with respect to the collection of tax arrears:

- ▶ Regularly throughout each year, arrears notices are sent to the assessed owners of all properties on which realty taxes remain unpaid.
- ▶ Under the authority of the Municipal Act, for those properties which are three (3) years in arrears, a notice of upcoming legal action is sent to the owner.
- ▶ If payment is not received or if satisfactory repayment arrangements are not made, a tax arrears certificate representing a lien against the property is registered on title in accordance with the Municipal Act. Notices are sent by registered mail to the assessed owner and all parties having an interest in the property. An administration charge representing costs of collection is levied on the property.
- ▶ The property owner has one (1) year from the date of registration to pay the taxes and administration fee in full or enter into a tax extension agreement with the municipality.
- ▶ A final notice is sent by registered mail to the assessed owner and all interested parties 280 days after the lien has been registered.
- ▶ If taxes still remain unpaid after the redemption period (one year), the Municipal Act authorizes the Treasurer of the municipality to offer the property for public sale. For all of the properties proceeding to tax sale, the one year redemption period has expired.
- ▶ A notice is sent to the assessed owner by registered mail advising of pending tax sale action.
- ▶ All affected properties are advertised for sale in accordance with procedures outlined in the Municipal Act.