

Proposed 2021 City of Greater Sudbury Budget

Questions as of March 29, 2021

- 1. Assessment Growth for CGS is .5% or ½%. Would it be possible to provide assessment growth rates for our comparator municipalities?**

Response:

Of the 19 members of the Ontario Regional and Single Tier Treasurers, the assessment growth ranges from 0.3% to 2.0%.

Assessment growth is the

- 2. Pg 69: Reports \$600k reduction in social housing transfers from the province and “that this funding will be reduced over time until 2032”.**
 - a. What happens in 2032? Will it be reduced to zero?**
 - b. The costs of social housing in 2032 will be funded how?**

Response:

The federal funding will decline to zero from 2021 to 2032. This reflects the ending of federal funding for social housing. These funds are flowed to the City by the provincial government.

The decline in federal funding is significant and impacts the ability to deliver much needed social housing. Senior levels of government continue to work closely as the National Housing Strategy is developed. Correspondence highlights options that are currently being considered, such as reinvesting baseline federal social housing savings.

These grants and subsidies fund approximately 17% of the Housing Services budget for 2020. The reduction of this funding is approximately \$600,000 for 2021 and an additional \$550,000 for 2022.

If the service levels remain in the current state, which is legislated by the Province, the cost of social housing will be funded by mainly property taxes in 2032.

- 3. Pg 8: The Chart on this page indicates 5% of property taxes goes to “Other”.**
 - a. What is included in “Other”**
 - b. What has caused the increase in “Other”/ (2020 ‘Other’ = 2%)?**

Response:

Included in the other category is the Executive & Legislative department. This section includes revenues and expenditures for the Office of the Mayor, Council, Auditor General and the Office of the CAO. The

increase from 2020 is due to restructuring. Citizen Services, which was previously reported under Community Development, is now reflected within the Executive & Legislative node.

- 4. Pg195: The report states that the “provincial cost formula for cost sharing of administration funding (in Children’s Services) will be changing to 50 percent in 2021”**
 - a. What was the percent in previous years?
 - b. What is the dollar value of this change?
 - c. What were the total dollar transfers in 2020 and expected in 2021?

Response:

The City’s historical cost sharing contribution for Administration was frozen at \$355,388 for many years, with the balance of the administration costs being 100% provincially-funded up to 2020.

Due to several mitigating efforts to reduce administration costs, the projected impact of this change is \$283,000 for 2021. However, the province has announced one-time transitional funding of \$691,835 for 2021 to help support the transition to cost-sharing administrative costs. This announcement is acknowledging the significant administrative burden placed on municipalities as a result of the pandemic.

With the one-time transitional funding, the allocations remain the same for both years.

- 5. Pg 195: How much do ppl get on ODSP and Ontario Works? With provincial policy changes to the definition of disability what is the expected shift in numbers of people who will be impacted?**

Response:

Rates for Singles with no dependents are:

ODSP: Basic Needs - \$672 plus shelter allowance of \$497 = \$1,169

OW: Basic Needs - \$343 plus shelter allowance of \$390 = \$733

The Province has not proceeded with any changes to the definition of disability at this time. Staff will continue to keep Council aware of any changes.

- 6. Business Case pg 304: “All in One Automated Pothole Patching Machine”.**
 - a. What is the expected life span of this piece of equipment?

Response:

Staff have estimated an expected life span of 15 years for this type of equipment. According to the manufacturer, there isn’t a fixed design lifespan for the engine as it varies on several factors, such as actual usage and annual maintenance.

- 7. Business Case pg 310: Municipal Easement Data Base. The case makes reference to current delays and time taken in lengthy searches;**
- a. What are the potential cost savings should we implement this data base?**
 - b. Can some of this cost be covered through user fees through Building Services Dept as some of the aforementioned delays are in issuing building permits?**

Response:

At this time, the potential savings are difficult to quantify. Approval of this business case would create efficiencies and reduce the risk of development impacting the organization's infrastructure. The City currently has incomplete and paper based information for municipal easements. The business case would see the City purchase a complete, electronic and GIS based municipal easement database that can be consumed by various enterprise systems such as CityWorks and LMIS. The database would identify where City infrastructure is or is not secured by easements and where additional easements are required. The resulting mapped easement data improves efficiencies by providing self-service access to all City departments thereby reducing time and costs related to easement searches.

The implementation of a complete GIS based municipal easement database would help to reduce risk and liability (and related costs) for municipality as it would:

- Protect City infrastructure from potential damage, and
- Reduce risk and liability for the City associated with construction intersecting our municipal infrastructure

There is not a direct user fee that could be applied to this database as municipal easements information is required by the City as part of the building permit review process. Currently, the City has an incomplete data base for municipal easements, which creates risk for the City in terms of potential damage to our infrastructure as a result of new development, it also creates delays for permit processing due to the fact that staff need to check multiple sources for easement information or are required to conduct a legal search. The development of a complete municipal easement database would have indirect benefits to the development community in terms of identifying potential infrastructure conflicts early in the design process and also through a more efficient permit review process.

- 8. Business Case pg 319: Community Improvement Plans**
- a. If the full private sector investment of \$48m is realized, what would be the net assessment value increase and increase in property taxes collected? In other words, what is the pay back for the city's investment and how long would it take to realize the payback?**

Response:

Upon completion, the projected increase in assessment value would be approximately \$26M based on MPAC property reassessment reports as per CIP application requirements. As a result, the amount of taxes levied would increase from \$55k annually to approximately \$670k.

Under the incentive programs, the increase in the municipal portion of the taxes is granted back to the developer over a period of 5 or 10 years (depending on the grant) on a sliding scale. During this 5 or 10 year period the grant is funded from the tax levy. After the 5 or 10 year period, the grant would no longer be on the property tax levy.

9. Business Case pg 355: Regreening Program:

- a. **The case asks for an annual increase to the budget of \$50k/yr. What is the current budget?**
- b. **Is there not a federal grant program currently available for tree planting?**

Response:

The 2020 net budget for the Regreening Program was \$240,970.

The federal government announced on December 14, 2020, an investment of \$3.16 billion for planting two billion trees over 10 years. Staff await the announcement of implementation programs to determine if the Regreening Program would be eligible to apply for funding. Please note that the Regreening Program has been working with Tree Canada for decades, which has permitted the local planting of 3 million of our Program's 10 million tree seedlings planted.

10. Business Cases pages 313 & 332: Increase in staffing at Pioneer Manor. Are there any allowances to permit increasing fees to cover, in part, the increased cost of increased care? Or is this regulated by the province?

Response:

Long-term Care homes are not permitted to change the co-payment amounts that are established by the Ministry of Long-term Care.

These positions are not mandatory to implement, however, the province has indicated in their new staffing plan *A better place to live, a better place to work: Ontario's long-term care staffing plan*, future funding will be allocated during the next 4 years (2021-2025). It is believed that funding may become available for these positions. At present, the province has not signaled when the funding will begin.

11. Pg 391: "Bridges capital investment is \$14.6m is this a separate capital item or does it form a part of the total capital investment attributable to Roads at \$57.3m?"

Response:

The amount of \$14.6 million for bridges capital investment is included in the \$57.3 million for roads.

12. Pg 393: There is a reference to Phase 5 of the Civic Mausoleum Project. How does this relate to the Business Case on page 322, if at all?

Response:

The reference on page 393 represents funds previously approved by Council towards the construction of Phase 5 of the Mausoleum at Civic Cemetery. The term of the funding commitment is from 2013-2022. Details can be found on page 424 of the budget document.

The business case presented considers a new phase of expansion of the mausoleum facility. As of December 2019, there are no crypt spaces available and the inventory for niche spaces will require replenishment by 2023 based on historic sales.

13. Pg 400: Debt Financing of \$10m at 3% for roads. What would be the pros and cons of borrowing from ourselves in the short term from the Large project money (bond issue) currently not being used?

Response:

In order to utilize the debt previously secured for large projects, Council is required to remove one or more projects from the list identified in the debenture by-law and replace it with the \$10 million of roads projects. A resolution from Council would be required to make this modification.

The funds from the debt issuance is available for the projects approved when required. In the interim, these funds are being invested in short and medium term investments.

14. Pg 401: 2021 Capital Project Funding Summary by Year. Does this chart represent a summary of multiple year capital commitments of the capital project we are approving in the 2021 budget?

Response:

The Capital Project Funding Summary by Year represents the commitment of previous budgets as well as what is being recommended within the 2021 Capital Budget.

15. Pg 435: Land Management Info System. Is there any connection of this work to the business case found on page 310: "Implement Municipal Easement Database Acquisition"

Response:

There is an indirect relationship between the LMIS project and the Municipal Easement Database business case. The Easement Data base would be an enterprise GIS layer that could be consumed by a number of existing enterprise systems, including the existing CityWorks System and the upcoming LMIS system.

16. Pg 438: BCA & DSS Reports: It says, "All city facilities are required to have a DSS completed" Required by whom?

Response:

The Occupational Health and Safety Act R.S.O. 1990, c.0.1, s. 30 (1) requires: "Before beginning a project, the owner shall determine whether any Designated Substances are present at the project site and shall prepare a list of all Designated Substances that are present at the site." The list of Designated Substances is to be provided to prospective contractors and subcontractors working on site.

O. Reg. 490/09: Designated Substances under the Occupational Health and Safety Act, R.S.O. 1990, c0.1, provides details of designated substances and acceptable limits. "An employer shall carry out an assessment of the exposure or likelihood of exposure of a worker to a designated substance in the workplace and record it in writing. O. Reg. 490/09, s. 19 (1).

17. Do we know what the average and median ages of all our buildings are? And can you share that information?

Response:

The average and median age of City buildings are 39 and 36 years respectively. This does not include Water/Wastewater or the site itself. The data source is from Ameresco Building Condition Assessment data and facility insurance working documents.

18. What is the share/percentage of the total capital budget of \$132.4m attributable to Police Services? How does this compare to other municipalities?

Response:

Approximately 4% of the organization's capital budget is attributable to Police Services, which includes Communications Infrastructure and other Police projects. The details of these projects are located on pages 442-446 of the budget document.

19. The answer to this may be in the binder somewhere, but what percentage of our capital budget in 2021 comes from other levels of government?

Response:

Approximately 19% of the 2021 capital budget comes from senior levels of government. The funding sources for the capital program is found on page 389.

20. Pg 447: 2022-2025 Capital Outlook. Earlier in the document it stated with regard to Capital projects: "Team of experienced staff collaborate to access all capital budget requests against standard criteria." Have the projects listed on this chart been screened through this process?

Response:

The prioritization process has been in place for three budget cycles and the projects that are recommended represent current priorities and projects. The projects included in the Capital Outlook are provided by departments and includes projects that have been screened, but not yet recommended for funding as well as upcoming projects that have not yet gone through the prioritization process.

21. Water Rates: Are we permitted to develop water rates on a tier approach based on usage?

Response:

There are several volumetric rate structures (uniform, inclining, declining, humpback and flat) used by the municipalities that participate in the BMA Study.

Below is a link to the 2020 BMA Study. Please refer to page 395 of the study which identifies and briefly explains the volumetric rate structures used in the province and the respective percentages employed. The vast majority of municipalities (70%+) employ a uniform rate structure, similar to CGS.

<https://www.greatersudbury.ca/city-hall/budget-and-finance/performance-measurement/2020-bma-report/>

The City underwent a rate structure review in 2009 and the consultant, KPMG, recommended that we maintain the structure of a uniform volumetric rate combined with a fixed service charge. In 2017, KPMG was engaged to update that report and the current rate structure was again supported.

22. I would more like information concerning the museums cut to staff and implications, including:

- a. Timelines
- b. What staff is affected?
- c. What happens to the FM museum project?
- d. What happens to the artifacts and cataloguing?
- e. How long will this be in effect?

Response:

As identified in previous reports and outlined by the General Manager of Corporate Services at the Closed Meeting of January 12, the reduction included in the draft budget eliminates the full amount of salaries and benefits for the Museums Section effective April 1, 2021.

Should this be approved in the final 2021 Budget, the Curator position will be eliminated. The incumbent in this position does have bumping rights based on seniority and discussions in this regard have been initiated both with the affected employee and with union representatives. Part-time hours for summer students will also be eliminated.

Staff are working on a closure plan for the three main museum facilities. Buildings and artifacts will be secured and maintained pending future discussion and direction from Council. No CGS-led Museum programming, including cataloguing and curation, will take place after April 1. Maintenance and utilities budgets are not reduced in the draft budget and staff will continue operations other than museum public access and museum programming.

Staff have met with the board of the Anderson Farm Museum and Heritage Committee and indicated that the City will continue to work with them, the Walden Seniors Woodworkers and other users of the site to support their activities and provide access where necessary. Staff will also continue to liaise with these groups to understand and support planned projects as and where necessary.

In terms of the Flour Mill Museum capital project, following the finalizing of the 2021 Budget, staff will work to finalize the securing of the site through permanent fencing and determine which landscaping features will be required and can be completed. Council can expect an update on this project by the end of Q2.

It be noted the intention behind revising museum operations is to develop and present a plan for Council's consideration that would make the service appropriately funded and occupy a more prominent place in our service mix. It's been neglected for so long, continuing the current model just makes change harder.

Regardless of the decisions in the final budget, staff will be bringing a detailed report on the future of museums during 2021.

23. Facilities Rationalization didn't have a lot to offer on Fitness Centres, but there was a lot more info in the User Fee Study. I wanted to ask a few questions:

- a. Are the numbers in the User Fee Study from 2019?**
- b. The Capreol Fitness Centre appears to include the revenue from the rental of the Millenium centre. Is it possible to factor that revenue out?**
- c. It appears as if the Howard Armstrong Centre has all of the revenue from the facility listed. Is it possible to factor out the revenue that is for other use of the facility?**
- d. I think it is quite clear from the numbers in the report that 786% and 884% user fee increases are unlikely to be viable for fitness centres. Why then are we not recommending some facility rationalization of our fitness centres at this time, and instead delaying changes pending further user fee analysis in 2022? What more information do you hope to discover? Is there any information missing to make that determination?**

Response:

The figures included in the User Fee Business Case are based on 2020 budgeted revenues and expenditures.

Annual revenues relating to fitness centre operations at the Capreol Millenium Centre is approximately \$15,000.

Separating revenues associated with fitness centre operations is more challenging for the Howard Armstrong Recreation Centre due to the membership structure in place which provides access to multiple amenities and services. For the purposes of the Core Services Review, it was estimated that approximately 35% of revenues were attributed to fitness centre operations.

As the Facility Rationalization Business case indicates, fitness centres are spaces within larger recreation complexes or community centres, not stand alone facilities. The closure of spaces associated with fitness centres would not necessarily eliminate all operational costs or capital requirements for the facilities in question.

The User Fee Business Case information provided a framework that highlighted a budgeted recovery rate and potential increase based on the level of benefit to users. This analysis is ongoing and will be applied to all user fees within the Miscellaneous User Fee By-law. Staff are also analyzing delivery alternatives for services where the data highlights where changes may be necessary, such as third party operations of City services.

With respect to Fitness Centres, staff continue working on:

- Separating operating costs by service in multi-use facilities
- Identifying capital requirements by service
- Asset management plans for fitness equipment
- Researching alternatives that repurpose space within City facilities

Staff will return throughout 2021 with recommendations and alternatives for Council's consideration.

24. For the Civic Memorial Cemetery Mausoleum Expansion business case, is it possible to fund the \$2 million from reserves, considering the expected 5-6 payback period of the investment? Is the business case strong enough to warrant that investment when considering amortized capital costs? Can we not defer payments until the building is able to generate revenue?

Response:

Currently, there are insufficient funds in the Cemetery Reserve to fund this project. It is possible to fund this capital with other reserves, such as the Capital Financing General Fund which could be repaid by future revenues.

This business case expects a 5-6 year payback for the construction costs. Approval of this business case reflects an expansion of the building inventory. This expansion would result in ongoing operating costs and future capital replacement costs. The revenue generated is a one-time funding source, whereas the municipality would realize additional expenses in perpetuity.

25. Business Case Pages 335-338: What is our current budgeted and actual annual expenditures on bus fleet maintenance?

Response:

The budgeted annual expenditures for bus fleet maintenance is \$2,966,072 with year-end actuals of \$3,803,397. For 2021, the budget was increased to \$3,299,042 to better align with historical actuals.

26. How many studies like the South End Transportation Study (Page 339-341) are contemplated in the Transportation Master Plan? Are they all expected to cost \$150,000-\$500,000?

Response:

The proposed business case for the South End Transportation Study requests funding of \$150,000 in 2021 to initiate the work. Future funds will be requested as part of the 2022 budget when project costs can be more accurately determined. A preliminary estimate of \$350,000 additional funding would be required to complete the work. If the funding is approved we would split the RFP into 2 phases and award the first phase only and continue to Phase 2 if funding is approved.

Other Roads and Transportation Studies identified in the TMP that we anticipate requesting funding for over the next 5 years include (in no particular order) Kingsway Realignment EA and Design, Transportation Master Plan Update, MR80 Class EA (Kathleen to MR15), Barry Downe Extension Class EA and Maley Drive EA Addendum. The total preliminary estimated costs for these studies is \$2.6 million.

27. As there is currently a facilities rationalization business case before F&A Committee that contemplates the suspension of a pool facility in Greater Sudbury, will we be holding off on awarding the Tender CPS21-122 – HVAC Replacement and Upgrades at the Gatchell Pool until after budget deliberations have been completed?

Response:

The contract is closing the week of March 8th. The contract will not be awarded before budget deliberations are completed.

28. The 2021 budget includes \$2,057,000 for GSHC capital renewal. For context, how much was normally invested in the annual capital program for GSHC before integrated into CGS operations?

Response:

The 2019 capital envelope was \$2,831,478.

It should be noted that \$696,651 was transferred from the capital program to operating due to the nature of the expenditures. This means that the capital program for 2019 is better represented at \$2,134,827.

29. Looking at the Capital Reserves and the Annual Contribution to Capital, it appears that our needs outweigh the annual contributions from each department. For example, Fire Services has significant upcoming needs for station renewal, yet it is only expected to contribute \$173,797 to capital each year from 2021-2025. Would it make sense for each department to make annual contributions to capital/reserves that are similar to the amortization of their estimated capital needs?

Response:

City Council adopted a revised Capital Budget Policy in January 2019 that outlined the decision to consolidate all capital funding corporately. All capital budget requests are now prioritized and the highest priority projects are recommended for funding. Each department has greater needs that are beyond available funding. This has resulted in the need to prioritize and recommend funding for highest priority projects. Council has the ability to change the capital projects for approval in the final capital budget.

30. The Capital Project for Arterial/Collector Roads Rehabilitation (Page 406) shows Long Lake Road from 500m north of Sunnyside to Birch Hill at a cost of \$4,500,000. It appears that this is for 2km of two-lane resurfacing and adding paved shoulders. Is that correct? Is it possible to have the budgeted cost/lane km of work or some other standardized approximation of the cost of each road construction for comparison purposes? Is it possible to see that budgeted comparison rate for the different items on Pages 405-407 and 412-414?

Response:

The budget estimates in the budget document are not based on a "per lane km" preliminary estimates. There are actual detailed budget estimates we carry out to generate these. For Long Lake Rd for example, the cost not only includes pavement rehabilitation and addition of paved shoulders, but it also includes localized rock hazard removal, culvert replacements, pavement markings, guiderail installation, utility relocations, quality assurance costs, etc.

For the Long Lake Rd example, the total length is around 1.9km, and at \$4.5M budget for the project, you could calculate that this project would cost approximately \$900,000 per lane km.

The cost per lane km would vary depending on the scope of work for each road and pavement treatment option.

31. Has the project "Tom Davies Square – Electrical Service Gear" on page 439 included any consultation with our partners at GSU?

Response:

GSU is aware of the project, however the City is replacing like for like facility dedicated equipment and so there will be no effect on GSU's systems or capacity.

32. Have any wireless alarm solutions (page 439) been considered for the fire alarm system replacement?

Response:

Consideration was given to wireless solutions but due to the increased lifecycle costs and maintenance requirements, the decision was made to replace with a hard wired system.

33. Are we considering an electric ice resurfacer in the 2021 Fleet Replacement Program (page 441)?

Response:

Staff are interested in transitioning to an electric ice resurfacing fleet. A request for proposal (RFP) was issued in 2020 for the supply of ice resurfaces. Optional pricing was requested for both propane and electric powered models. The results were that the electric model is approximately 55% higher than the propane model.

In addition to the higher capital cost, there is concern regarding the reliability and longevity of the battery. Staff would like to be able to touch, feel and get a better understanding of the unit that can be gained via physical interaction with the machine. The battery life is of particular concern during tournaments or other times of very full and active bookings at an arena. As this RFP was issued in 2020 during the COVID pandemic, staff were unable have the vendor offer a demonstration/trial of such a unit.

Staff will continue to evaluate electric ice resurfacers with an aim to trial before purchase and look to other municipal colleagues who may have ventured into this space for their experiences. Staff are hopeful, that a better understanding and a trial of an electric resurfacer can be attained, and result in a purchase in 2022.

Staff have also been involved in bringing in new and efficient technologies such as laser levels that assist in mitigating the amount of water required to flood the ice through an enhanced level of precision during the shaving process. Additionally, staff have incorporated electric powered edgers that have reduced greenhouse gas emissions.

34. Can the full Capital Prioritization List that includes unfunded capital projects be shared with all of Council?

Response:

The 2021 Capital Prioritization List is included in Appendix A.

35. On page 56 of the budget document it mentions continued funding for the second ice pad at Gerry McCrory Countryside Arena. Could you please elaborate?

Response:

The funding for the second ice pad at Gerry McCrory Countryside Arena is the continued repayment as this project was funded from reserves. The funding commitment is from 2011 through to 2035. The details of this project can be found on page 425.

36. Is there a possibility to Finance any of the fleet purchases for 2021? When a fleet asset is decommissioned, where do the proceeds go? How do we determine that we are getting the best resale value when decommissioning assets?

Response:

There is opportunity to finance any asset class. Some projects may be better suited for financing than vehicles and would have the same effect of reducing the capital outlay in the current year. However, it should be noted that these financings ultimately reduce the capital available in future years for fleet purchases as the funding for the payments are taken from the Fleet Capital budget. The effect over the financing period is that the Fleet capital budget is funding interest expenses and is not available for capital acquisitions. If the Committee decided to finance Fleet assets, we could identify some units that could be financed.

Proceeds from the sales of used fleet and equipment are returned to the Fleet Reserve Fund to be used in subsequent years for the purchase of fleet and equipment.

Used Fleet assets are sold on an online auction platform that is focused on selling assets from all levels of government. Many City departments utilize this online auction platform as it expands the audience considerably and has resulted in higher sales values versus the prior avenue of selling via local live auctions.

We utilize the online auction as it reaches a larger audience than via negotiating with one vendor and as a result receive better compensation.

37. The budget direction was to prepare a plan that did not exceed a property tax levy increase of 3.9% with alternatives to reach targets of 3.0% and 2.2%. Where can we find those options?

Response:

The alternatives to reduce the property tax levy are found in Appendix A of the Finalization of the 2021 Budget report presented to the Finance and Administration Committee on February 24th, 2021.

A link to the report is located below.

38. Is it possible to defer debt repayments for the Kingsway Entertainment District?

Response:

Debt payments on the \$200 million bond issue cannot be deferred. The City has an obligation to pay bond holders their interest payment semi-annually.

In addition, the City has an obligation to provide funding to the sinking fund in order to repay the bonds, in full, in 30 years.

Council does have the ability to substitute projects and would require a resolution of Council in order to do so.

39. Do Police, Fire and EMS use the City's Communications department or do they each have their own?

Response:

Police is completely separate from City operations, including their Communications function. If you need additional information on their model, you would need to contact them directly.

The City communications section supports all 58 service areas and all sub services of the City, under a centralized model, and this includes Fire and Paramedic Services. There are five communications advisors, a web and copy editor, a manager, and two creative and design positions, for a total of nine full-time permanent staff. Under the centralized model, this section leads and supports all communications and engagement activities for the municipality including:

- Accountability and oversight for day-to-day and strategic planning and coordination for all 58 services areas plus organizational projects
- Media relations, including media training of staff, for the organization, media events, corporate event planning
- Community engagement planning and implementation for all 58 service areas, including liaising with all Community Action Networks
- Internal communications
- Accountability and oversight of all City online platforms, including the website, Over to You and social media, CityLinks and other online tools and resources, as well as all print/online and marketing and promotional materials
- Enforcement of the French Language Services Policy of Council, as well as francophone stakeholder relations

40. Please elaborate on the increase in positions for Information Technology and Communications Services.

Response:

In response to the increase in 2 FTE's for the information Technology Division:

These 2 positions were approved by Council in 2019 as part of capital projects; the business cases defined capital funds to build two new solutions (CRM and LIMIS) and then ongoing license costs and FTE's to maintain and advance ongoing improvements using the solution. Without the ongoing FTE's we not achieve the benefits expressed in the business case.

Additionally, adding a sophisticated CRM and LMIS represent significant service changes for the IT Division. Each of these systems is large and will require skilled dedicated assigned staff to support, maintain and enhance them. As a comparison other large systems such as PeopleSoft for Finance and HR, Cityworks, and each GIS required dedicated IT staff to support them.

Without these staff additions we would need to spread our existing IT staff across more systems, this would impact our current systems of PeopleSoft, Cityworks and GIS as well as LMIS and CRM. Basically we should be able to maintain these systems as they are today, with little ability to move forward on our IT Strategic Plan of leveraging digital service delivery.

Further, per the last MBN Canada comparison, in 2019, IT resources at CGS were 1.6% of supported FTE versus an MBN Canada median of 2.1%. With additions noted in the 2021 budget we will be at 1.9%.

Our IT Strategic Plan identified gaps in our digital services as compared to other municipalities such as an inadequate CRM to support citizens and no LMIS to support development, we are progressing on closing that gap. Once this is complete the increased efficiency through smooth work flows and digital service delivery promises, as per the business cases, to more than offset these costs.

In response to the increase in Communications staff:

In 2018, City Council approved a business case for the new Customer Relationship Management system. The position you see in the 2021 budget under the Communications and Engagement division is under the 311 and Customer Service section. This is a transition from a current capital project resource (CRM administrator) to a permanent operational staff resource as we come to the end of the implementation of this project and into its full operation. It has been a contract position throughout the life of the CRM project. The CRM is a very large, complex organizational system that requires permanent staff resources to ensure it is being properly maintained and improved:

The CRM administrator is critical to the overall success of the CRM and in the onboarding of new service areas, by performing the following core duties:

- Act as System Administrator for the Customer Relationship Management (CRM) and Knowledgebase system.
- Liaise with all CGS departments to collect information in order to build databases for use in CRM and/or the Knowledgebase system.
- Maintain the Knowledge base system and its associated articles, which are available to the general public on the new CRM portal, ensuring all required information is in the database and up-to-date on a day-to-day basis. Notify and coordinate with department staff when new information or updates are required.
- Identify problems with the CRM software and liaise with the Information Technology Section and/or the external CRM software vendor to resolve them.
- Develop and deliver training programs for the CRM system.
- Act as the first point of contact for all CRM issues or questions, and provide functional support to CGS staff using the CRM software.
- Develop and maintain a thorough understanding of department systems (e.g. Roads, Tax, Leisure) associated with the CRM.
- Identify and recommend measurable indicators and performance standards in order to develop reports within CRM
- Liaise with the 311 Quality Assurance and Training Co-ordinator to develop the relationship between the CRM system and the telephone system.
- Liaise with the 311 Process Improvement Officer to ensure that all case types reflect process changes and recommended improvements.

41. Is it possible to finance the purchase of the Pothole Patching equipment (Page 304) over the life expectancy?

Response:

Please see the response to Question #36.

42. Could you please provide a summary of the Mausoleum Expansion (page 325) and the Valley East Twin Paid (page 307) business cases?

Response:

Civic Memorial Cemetery Mausoleum Expansion

This project would see the expansion of the Civic Memorial Cemetery Mausoleum to add inventory of 120 crypt spaces and 700 interior niches. Currently there are no crypt spaces available and it is anticipated that there will be limited niche space capacity by 2022 based on historical sales.

The project has an estimated construction cost of \$2.05 million including 20% contingency.

Total estimated borrowing cost is \$329,081 at 2.8% borrowing rate for 10 years loan term.

Payback period of this investment is 5-6 years.

Increase in operating budget of \$13,360. (Should be covered by interest income from C&M reserve).

Other project benefits:

- Satisfies current waiting list of 25 crypts
- City continue to provide crypt and interior niche inventory for the community
- Interest revenue from the C&M Trust will cover the ongoing operating costs

Valley East Twin Pad Multipurpose Sports Complex Business Case

The business case recommends the construction of a twin pad arena and multi-purpose sports complex on the property of the Howard Armstrong Recreation Centre, and decommissioning three older ice pads in the Valley East area (Centennial, Raymond Plourde and Capreol #1).

Total estimated project cost is \$28.4 million broken down as follows:

- Estimated construction cost \$22.8 million
- Design & contract administration \$2.1 million
- Contingency of \$3.5 million for design, tender escalation & change orders

Financing costs associated with the project are estimated to be \$14.75M based on 3% borrowing rate over 30 year term for \$27.8M principle.

Cost avoidance associated with capital work required for the three decommissioned facilities estimated at \$9.3 million

Project would realize ongoing net operating savings of \$318,365 annually.

Other project benefits:

- the project represents needed investment in recreation infrastructure while retiring aged, inefficient facilities
- the project reduces the supply of ice pads in Greater Sudbury to match existing and future demands
- multi-purpose facilities allow for efficient use of resources for facility operation through the economies of scale.

43. On December 21st, staff were asked to provide an estimate for a non-union wage freeze. Could you please remind Council of the amount as well as the number of non-union staff that would be impacted?

Response:

Staff provided an estimate of approximately \$555,000 worth of potential savings if a non-union wage freeze was included in the draft budget. This would impact approximately 359 non-union staff which includes the Mayor & Council as well as all other non-union staff employed by the City.

44. On page 448 of the Budget, the capital investment in Gatchell Pool in the next 2 years is listed as \$2,408,000 (not including any of the “Various Pools” investments), but in the Facilities Rationalization business case, the 1-5 year capital costs for Gatchell Pool are only estimated to be \$840,590 and 6-10 year capital costs are estimated as \$213,050 (for a total of \$1,053,640). Could this discrepancy please be explained?

Response:

The figures associated with the Facility Rationalization business case reflect the requirements provided for in the 2018 building condition assessment reports. The capital budget outlook takes into account the building condition assessments and also a current condition review by the Capital projects section. This additional review will result in timing differences as a result of decisions made to either advance a project due to quicker condition deterioration, delay a project due to slower condition deterioration or introduction of a new project due to a condition that has occurred since the receipt of the building condition assessment.

In the case of Gatchell pool, the Capital projects section have identified repairs to the pool tank as an item that was not identified in the Building Condition Assessment. The high level estimate for this is approximately \$1,000,000. A more detailed costing will be undertaken when the project is proposed to be submitted to the annual capital prioritization process.

The City has invested in Ameresco asset management software that will house Building Condition Assessments electronically and will be updated based on staff condition review as noted above. This will mitigate any future discrepancies as their will be one source of data for all facility conditions and forecasted capital projects.

45. For the Capital project on Pg. 415 - Subdivision Surface Asphalt - The project speaks to funding surface asphalt in new subdivisions, along with additional costs exceeding the deposit amounts that developers pay for the surface asphalt in their subdivisions. What is the historical actual cost for this item (2-5 years or whatever is possible)? It's my understanding that from an infrastructure lifecycle perspective, subdivisions do not normally generate enough taxes to cover the replacement cost of the infrastructure that is created alongside them. It is also my understanding that normally new subdivisions are required to cover the costs of all associated infrastructure required for their creation. With that in mind, are we normally subsidizing the cost of asphalt in new subdivisions, and if so, why?

Response:

The historical cost for subdivision asphalt is as follows:

- 2020 Budget - \$1,000,000 with expenditures of \$900,000

- 2019 Budget - \$1,000,000 with expenditures of \$700,000
- 2018 Budget - \$1,000,000 with expenditures of \$300,000
- 2017 Budget - \$1,000,000 with expenditures of \$900,000
- 2016 Budget - \$1,000,000 with expenditures of \$220,000

The City collects a deposit from the Developer for completing the final structure adjustments and surface paving for a subdivision. Once the subdivision has been sufficiently completed by the Developer, the deposits are used to complete the final paving work under a capital construction contract. The reason for the City subsidizing some of the cost would be to address repairs to the road (i.e. curb, structures) that are determined during construction and were not captured in the scope of work for which the estimate the deposits were based upon. An example would be replacing curb that was damaged by snow clearing activities. This would not be captured in the estimate for the deposit, but is work the City must complete prior to placing surface asphalt. There are also instances where the deposits are not sufficient to cover the expenses. For example, often the material cost of asphalt is higher than estimated.

46. If subwatershed planning is an ongoing expense, should it not appear in the operational budget? If this isn't an ongoing expense, but something we need to do one-time to complete our plans, how long do these plans last? If they would last 30 years, would it be possible to lump them together, outsource them, and finance the work so that we get all of our plans sorted and can make accurate decisions based upon them in coming years?

Response:

The budget line is to hire consultants to complete the 17 identified subwatershed studies from the 2006 Stormwater Background Study. Staff are nearing completion of these studies.

47. Would it be possible to share the current reserve balances for each reserve across our operations, along with their recommended minimum balance, with all of Council?

Response:

This information is included within Appendix C.

48. Please provide an update to the previous summary of costs related to Winter Control for 2021 as well as projected Reserve Fund Balances.

Response:

This information is included within Appendix D.