

BUDGET MEETING OF CITY COUNCIL AGENDA

Monday, April 20, 2015

4:30 p.m.

Council Chambers

Civic Centre

Pages

1. APPROVE AGENDA AS PRESENTED

Mover Councillor L. Turco

Seconder Councillor M. Shoemaker

Resolved that the Agenda for 2015 04 20 as presented be approved.

2. SUPPLEMENTARY OPERATING INCREASE REQUESTS

5 - 43

A report of the Manager of Finance and Budgets is attached for the consideration of Council.

Mover Councillor R. Niro

Seconder Councillor M. Shoemaker

Resolved that the report of the Manager of Finance and Budgets dated 2015 04 20 concerning Supplementary Operating Increases be accepted as information.

3. CURRENT BUDGET

44 - 158

The report of the Commissioner of Finance and Treasurer is attached for the consideration of Council.

Mover Councillor R. Niro

Seconder Councillor J. Hupponen

That City Council now proceed into Committee of the Whole to consider the following matter referred to it for consideration – 2015 Budget Deliberations.

That the Committee of the Whole Council now rise and report on the matter referred to to it by City Council – 2015 Budget Deliberations.

- 3.1 Mayor and Council
- 3.2 Chief Administrative Officer
- 3.3 City Clerk's Department
- 3.4 Finance Department
- 3.5 Human Resources Department
- 3.6 Community Services Department
- 3.7 Engineering and Planning Department
- 3.8 Fire Services
- 3.9 Police Service
- 3.1₀ Legal Department
- 3.1₁ Public Works and Transportation Department
- 3.1₂ Social Services Department
- 3.1₃ Outside Agencies & Grants
- 3.1₄ Corporate Financials
- 3.1₅ Capital from Current
- 4. MS NORGOMA

Mover Councillor S. Myers
Seconder Councillor J. Hupponen

Whereas until the mid-20th century, the M.S. Norgoma transported passengers and goods to and from remote communities of the Upper Great Lakes and was critical in the development of the region, including the building of the Canadian Pacific Railway; and

Whereas the M.S. Norgoma was a key part of Canada's first transcontinental transportation system; and

Whereas Sault Ste. Marie is a critical port along the Great Lakes waterway still today and the M.S. Norgoma tells that heritage story; and

Whereas in 1960's, the City Council of the day purchased the M.S. Norgoma from the province of Ontario recognizing the heritage value with a view to develop a waterfront marine based park, which today stands as Roberta Bondar Park named for another voyageur in Canadian history; and

Whereas on September 16, 2011 the government of Canada erected a plaque adjacent to the M.S. Norgoma in Roberta Bondar Park to commemorate the national historic significance of the M.S. Norgoma in her role as a passenger and packet freighter on the Upper Great Lakes; and

Whereas the volunteer Board of the M.S. Norgoma has invested hundreds of hours and remains committed to refurbishing and operating the ship on a seasonal basis to promote tourism and present this important part of our community's history; and

Whereas the Board has provided City Council with a report of the 2014 performance and outlook for the 2015 season indicating an increase in demand, visitation and community value having been used as a set for movie shoots, weddings and soon to be open as a bed and breakfast; and

Whereas the Board is asking City Council to reinstate annual funding of \$15,000 to support the continuation of the M.S. Norgoma along with other funding partners and revenue generation activities; and

Whereas City Council did receive a staff report in 2014 indicating that should Council opt to cease funding and direct staff to commence dismantling and removal of the vessel the cost would be in the hundreds of thousands of dollars; and

Whereas City Council has not made the decision to commence dismantling and removal of the M.S. Norgoma nor budgeted any amount of monies to do so; and

Whereas while the volunteer Board remains active in donating their time to preserve and maintain some activity at the M.S. Norgoma each summer season it provides one more option for local citizens and visitors to visit and learn about our heritage and prevents severe decay and detracting to the vessel;

Now Therefore Be It Resolved that City Council reinstate the annual funding in the amount of \$15,000 for the operation of the M.S. Norgoma until such time as City Council establishes a plan with funds to remove the vessel.

5. ONTARIO REGULATION 284/09 159 - 161

A report of the Manager of Audits and Capital Planning is attached for the consideration of Council.

Mover Councillor F. Fata

Seconder Councillor M. Shoemaker

That the report of the Manager of Audits and Capital Planning dated 2015 04 20 concerning Ontario Regulation 284/09 be received as information.

6. 2014 YEAR-END RESERVE TRANSFERS 162 - 163

A report of the Manager of Audits and Capital Planning is attached for the consideration of Council.

Mover Councillor R. Niro

Seconder Councillor J. Hupponen

Resolved that the report of the Commissioner of Finance and Treasurer dated 2015 04 20 concerning year-end transfers to reserves be accepted and recommendations contained therein be approved.

7. ADJOURNMENT

Mover Councillor R. Niro

Seconder Councillor J. Hupponen

That this Council shall now adjourn.



COUNCIL REPORT

April 20, 2015

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Shelley Schell, Manager of Finance and Budgets

DEPARTMENT: Finance Department

RE: 2015 Budget – Supplementary Operating Increase Requests

PURPOSE

The purpose of this report is to provide Council a list of department budget requests for operating increases.

BACKGROUND

Various department Council reports requesting an increase to their operating budgets were referred to the 2015 budget. A summary of the requests and the reports are attached.

ANALYSIS

Not applicable.

IMPACT

The budget as presented does not include the requested operating increases. Any recommendation to approve by Council will require an increase to the tax levy. One time cost items may also be funded through reserves or reserve funds.

STRATEGIC PLAN

Not applicable.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Manager of Finance and Budgets, dated April 20, 2015, be accepted as information.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Shelley Schell".

Shelley Schell, CPA, CA
Manager of Finance & Budgets

Recommended for approval

A handwritten signature in cursive script, appearing to read "W. Freiburger".

W. Freiburger, CPA, CMA
Commissioner of Finance & Treasurer

THE CORPORATION OF THE CITY OF SAULT STE MARIE
OPERATING INCREASE REQUESTS
2015

DEPARTMENT:	Resolution	ONE TIME COST	ON-GOING COST	
<u>Public Works and Transportation:</u>				
Snow removal on John Rowswell Hub Trail	8.1 Sept 29, 2014	182,050	64,510	Incremental cost. One time equipment cost plus ongoing labour/benefit increase
Emerald Ash program	6.18 June 23, 2014		30,000	
<u>Engineering & Planning:</u>				
Official Plan major public consultation program	6.16 February 9, 2015	30,000		
Environmental Initiative Committee budget increase	6.6 February 23, 2015		50,000	
<u>Community Services Department:</u>				
Northern Community Centre-Golf Netting	6.7 January 12, 2015	40,000		
Splash Park	6.10 January 26, 2015	25,000		
<u>Corporate:</u>				
Municipal support request -Crime Stoppers	6.16 January 12, 2015		27,895	4 year commitment 2015-2018
Healthy Kids Community Challenge	6.12 January 12, 2015		50,000	
		277,050	222,405	

Sept. 29/14

8.1

John Rowswell Hub Trail Snow Removal

Mover : Councillor S. Myers

Seconder : Councillor T. Sheehan

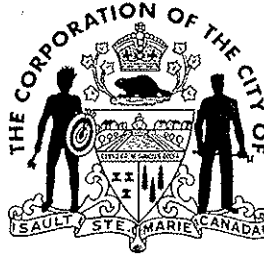
Whereas the current Public Works and Transportation snow removal operation takes place along the downtown portion of the John Rowswell Hub Trail from the Mill Market to the Centennial Library; and

Whereas the winter use of the John Rowswell Hub Trail by the public has proven to be a welcome service; and

Whereas many requests have been received for additional snow removal on the John Rowswell Hub Trail in the downtown area going farther east past the Centennial Library to the Bushplane Museum; and

Whereas in late fall 2015 the new Riverwalk Condominium Development will open with forty new homes located adjacent to the John Rowswell Hub Trail;

Now Therefore Be It Resolved that snow removal operations on the downtown portion of the John Rowswell Hub Trail be extended east, stopping at Queen Street at the bottom of Simpson Street; and further that this request be referred to the 2015 budget.



COUNCIL REPORT

June 23, 2014

TO: Mayor Debbie Amaroso and Members of City Council
AUTHOR: Susan Hamilton Beach, P. Eng.
DEPARTMENT: Public Works and Transportation Department
RE: Emerald Ash Borer Program

PURPOSE

The purpose of this report is to inform Council of the status of the Emerald Ash Borer Program for 2014.

BACKGROUND

Emerald Ash Borer (EAB) was discovered in Sault Ste. Marie in 2008. This wood boring beetle kills all affected ash trees. The City began treating ash trees in 2009, starting with the downtown core along Queen Street consisting of 136 ash trees and expanding in 2010 to treating approximately 230 additional public park ash trees.

ANALYSIS

The recommended treatment for EAB control is TreeAzin and this injection treatment is effective for two (2) years. We have treated City owned ash trees in the past. We have also removed a number of City owned dead trees affected by EAB.

There will be many private trees affected by EAB throughout the City, however, homeowners are responsible for the treatment of their own trees as well as their removal.

IMPACT

PWT – Parks Divisions supplemental request has included \$30,000 for EAB treatment in 2012, in addition to \$30,000 that was rolled over from the 2011 budget. Staff has worked with Bio-Forest Technologies Inc. to maximize the treatment program with the \$60,000 allotted.

2014 is the recommended year of treatment for EAB control and the lack of application could put our City ash trees at risk. Please see attached supplemental request of \$65,000 which was not approved by Council in the budgetary process.

STRATEGIC PLAN

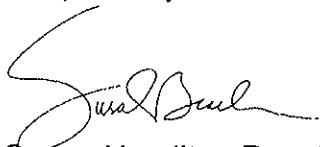
The subject of this report is not found within the Corporate Strategic Plan.

RECOMMENDATION

It is therefore recommended that Council take the following action:

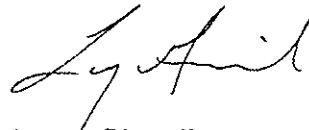
That the report of the Deputy Commissioner, PWT be received as information.

Respectfully submitted,



Susan Hamilton Beach, P. Eng.
Deputy Commissioner, PWT

Recommended for approval,



Larry Girardi
Commissioner, PWT

CORPORATION OF THE CITY OF SAULT STE. MARIE

Supplementary Items Request Form – 2014 Current Budget

Department : PWT – Parks Department

Cost Centre : Parks

Description of Request : This is a bi-annual treatment of the Ash Trees along Queen Street and throughout the City Parks, to protect against the Emerald Ash Borer Beetle.

Impact of not Funding this Request : Potential loss of the Queenstown Ash Trees and all Ash Trees in our City Parks.

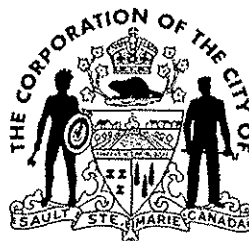
One Time or On-going Cost : On-Going

Priority : HIGH

Estimated Net Cost of Request : \$65,000

Prepared by : Travis Reid- Area Coordinator of Parks

Approved by : Larry Girardi – Commissioner PWT



COUNCIL REPORT

February 9, 2015

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Peter Tonazzo, MCIP, RPP, Planner

DEPARTMENT: Engineering and Planning Department

RE: Comprehensive Official Plan Review: Funding Request
\$30,000

PURPOSE

The Planning Division is requesting a one-time funding of \$30,000 to assist in the Comprehensive Review of the City's Official Plan (OP).

\$10,000 would be utilized towards developing and implementing a comprehensive public consultation strategy. \$20,000 would be utilized to hire a consultant to conduct a land use/traffic impact study of Second Line East, between Great Northern Road and Black Road.

Planning staff is also requesting that Council direct the Planning Advisory Committee to take the lead in the Comprehensive Official Plan Review exercise.

BACKGROUND

The Official Plan is a statutory document containing policies that shape how land in the community should be developed.

The City's current Official Plan was adopted in 1996. While there have been amendments to the Rural Area, Transportation and Archaeological Policies, the OP text remains largely unchanged.

Official Plan policies are intended to form the basis of all land use decisions in the community. Although it is impossible to draft policies that will provide appropriate direction in all situations, Official Plan Amendments should not be taken lightly. OP policies are intended to take a comprehensive, long term view of development, which may conflict with current planning applications. Ideally, Official Plan amendments will include a thoughtful review and public consultation, similar to recent Rural Area amendments which included a public open house, a

review of other Rural Area policies throughout the Province, and a comprehensive report to Council.

For the Official Plan to be effective, development policies must have broad public and Council support.

ANALYSIS

Municipalities are required to conduct a Comprehensive Official Plan Review at least every five (5) years. As many Councillors may be aware, this comprehensive review has been underway for some time; however, due to several recent development proposals and the municipal election, Planning Staff decided it would be most appropriate to rethink, revise and reintroduce a comprehensive Official Plan review program.

In many respects, Sault Ste. Marie is at a crossroads. Recent developments at the old hospital and St. Mary's Paper sites, the potential of the Port of Algoma, planned expansion at Essar Steel, continued growth at Algoma University and Sault College, continued Downtown Revitalization projects and the recently released Land Use and Master Plan for the Sault Airport, could potentially result in a level of growth and development not seen locally in decades. A sound Official Plan, with broad public support is paramount in guiding the land use decisions required to appropriately facilitate this potential growth, in a manner that is supported by the community.

A preliminary review of local population demographics indicates that future population stability depends upon the community's ability to attract and retain workers. Based on the Sault's aging population, there are not enough local workers available to replace retirees, even if not all jobs are replaced. Sault Ste. Marie is not alone in experiencing the overwhelming retirement of baby boomers. We will be competing with many other communities to attract and retain migrants. Consequently, quality of life becomes vital. The Official Plan can play an important role in creating the framework for integrating the social, economic and environmental factors that create a quality, healthy, resilient community.

IMPACT

Public Consultation Strategy - \$10,000

Planning staff is requesting up to \$10,000 to implement a comprehensive public consultation strategy. Traditionally, public consultation has consisted of inviting the public to an open house, through ads in local media and on the City's website, as well as a mail-out to local stakeholders. In many cases, few members of the public attend, and the attendees tend to be the same few each time.

Planning staff has recently undertaken different approaches to public consultation including the use of an online survey, which has been very

successful. The funds would be utilized for a major consultation program, including the creation of a summary document, online survey and public outreach presentation. The overall goal is to re-brand the comprehensive OP review process, utilizing more current marketing tools and social media to create a 'buzz' and engage many more residents of our community.

Second Line East Land Use Study - \$20,000

With the imminent relocation of St. Mary's College, the extension of Pine Street and the recent extension of services, Second Line East between Great Northern Road to Black Road is, and will continue to experience development pressures, mainly commercial in nature.

While roadway capacity is not a major concern, the increased number of access points may create difficulties with turning movements and a possible increase in accidents. In addition, the City has received numerous complaints concerning the Old Garden River Road – Second Line East intersection. This appears to be mainly due to the geometry of the intersection. The City has also received complaints regarding the difficulties in making a left turn when exiting from the 'Wal-Mart' access onto Second Line. One possible solution may be to re-align Old Garden River Road south of Second Line to a new signalized intersection opposite the Wal-Mart entrance.

Up to \$20,000 is being requested to retain the services of a traffic consultant to evaluate possible options including roadway realignment, land-use controls and site-specific controls to ensure that development can occur in a manner that avoids major traffic problems.

STRATEGIC PLAN

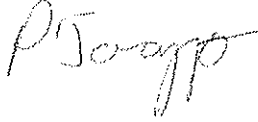
The City's Official Plan and Corporate Strategic Plan are inextricably linked. So too is the process by which the Official Plan is developed.

Specifically, Objective 3B – Planning For the Future, identifies the five (5) year Comprehensive Official Plan review project.

RECOMMENDATION

Resolved that the Report of the Planner dated 2015 02 09 concerning a funding request of up to \$10,000 for implementing a comprehensive public engagement strategy, and up to \$20,000 to hire a consultant to conduct a land use/traffic impact study of Second Line East, between Great Northern Road and Black Road be referred to the 2015 Budget, and that Council direct the Planning Advisory Committee to take the lead on the Comprehensive Official Plan Review.

Respectfully submitted,



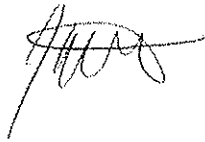
Peter Tonazzo, MCIP, RPP
Planner

Recommended for approval,



Donald B. McConnell, MCIP, RPP
Planning Director

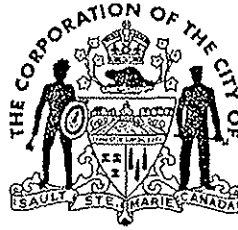
Recommended for approval,



Jerry Dolcetti, RPP
Commissioner Engineering & Planning

PT:ps

Attachment(s)



COUNCIL REPORT

February 23, 2015

TO: Mayor Christian Provenzano and Members of City Council
AUTHOR: Madison Zuppa, Environmental Initiatives Coordinator
DEPARTMENT: Engineering and Planning Department
RE: Municipal Environmental Initiatives Committee – Operating Increase Request

PURPOSE

The purpose of this report is to request Council's consideration for an increase of \$50,000 to the Municipal Environmental Initiatives Committee annual operating budget.

BACKGROUND

The Municipal Environmental Initiatives (Green) Committee was established by Council resolution in September 2007 in an effort to reduce the City of Sault Ste. Marie's corporate carbon footprint. A Terms of Reference was established for the Green Committee that focused primarily on greenhouse gas emission reduction, and subsequent operating costs, related to municipal operations, waste management practices, fleet management, and public/staff awareness.

In 2009, a permanent full-time employee was hired, the Environmental Initiatives Coordinator, to implement the proposed corporate programs and strategies envisioned by the Committee. Given this position was new to the City, a small portion of the budget was dedicated to travel and training to ensure the Environmental Initiatives Coordinator was well informed about new technologies, programs, services and best practices from across the province.

The cost centre has also supported an NOHFC intern and one summer student to provide young people of Sault Ste. Marie a unique opportunity to gain valuable transferable skills for their transition into the workforce. This student assists in the implementation of the annual "Green Days event", which is a corporate environmental education and awareness campaign led by summer students from various Departments across the Corporation.

Seven municipal facilities have been audited through the Green Committee, including Civic Centre, Public Works and Transportation, Fire Hall #1, Fire Hall #2, John Rhodes Community Centre, Bellevue Park Greenhouse, and Bellevue Park Canteen. Many recommendations that resulted from these assessments have been implemented either through the individual facility budgets, the Green Committee budgets or a combination of contributions. Many projects qualify for external funding, including the audits themselves, through Union Gas enerSmart and Ontario Power Authority saveONenergy programs. Projects have included:

- major infrastructure retrofits (i.e. Civic Centre lighting retrofit);
- minor retrofits (i.e. programmable thermostats, aerators and low flow shower heads);
- educational programs that have resulted in policy change, lowered operating costs (i.e. Idle Free Sault Ste. Marie);
- contributed to community beautification (i.e. 20-Minute Makeover);
- improved recycling at city facilities (i.e. super sorter 3-in-1 bins);
- brought in a number of experts on various environmentally related topics (i.e. Gord Miller, Environmental Commissioner of Ontario);
- explore pilot projects to determine if technologies and best practices are locally feasible (i.e. solar powered lights, Paverdeck).

Over the past six years the Green Committee has experienced a great deal of success and many accomplishments with the limited resources available. This includes winning a Community Conservation Award in 2013 for the City's energy conservation initiatives, particularly the environmental initiatives map. The City's Green Committee has been open to developing community partnerships with private, public and non-profit organizations. Sponsorship for events has been sought to reduce costs.

City staff have participated and attended local and regional conferences and tradeshows to showcase the success that has been achieved. In the formative years of the Green Committee much of the focus was on energy management; however, there have been several other endeavours that have been given to the Green Committee and Environmental Initiatives Coordinator to explore and implement, including water conservation and pollution prevention, local food and community gardens, graffiti, and climate change adaptation.

ANALYSIS

In 2014, the City of Sault Ste. Marie was required to complete an Energy Conservation and Demand Management Plan for corporate facilities. Several of these items have been included in the City's Asset Management Plan. To continue to implement these projects, leverage external funding, and maintain the added priorities additional operating funds would realize cost savings. Energy efficient technology and equipment often have higher capital cost; however result in cost savings over the life of the project (i.e. LED wall packs).

IMPACT

The initial budget allocated to the Municipal Environmental Initiatives Committee in 2008 was \$150,000, which includes staff salary and benefits. In 2015, with salary and benefit increases, the budget is \$179,395. City staff is requesting an increase of \$50,000 to the annual operating budget.

Although the priority areas would change from year to year, the additional funding in 2015 would focus on upgrades to municipal parking lot lighting from high pressure sodium fixtures to LED. If the operating increase request is declined then the proposed energy efficiency project would have to be deferred. With the rising cost of electricity, energy efficiency projects provide an opportunity to avoid increased operating cost and in some instances result in reductions.

As an alternative, Council may want to consider this particular request for LED parking lot lighting under the Capital from Current in 2016 to fund a portion of the project. This would allow staff to commence the project and complete the remainder as funds become available.

STRATEGIC PLAN

Environmental initiatives were included in the 2011-2014 Corporate Strategic Plan under Strategic Directive 3: Enhancing Quality of Life and Objective 3B Planning for the Future.

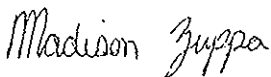
RECOMMENDATION

It is therefore recommended that Council take the following action:

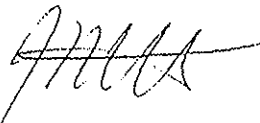
Resolved that the report of the Environmental Initiatives Coordinator dated 2015 02 23 concerning the Municipal Environmental Initiatives Committee Operating Increase Request be received and that the request be referred to the 2015 budget for consideration.

Respectfully submitted,

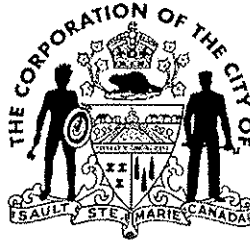
Recommended for approval



Madison Zuppa, MES
Environmental Initiatives Coordinator



Jerry Dolcetti, RPP
Commissioner, Engineering & Planning



COUNCIL REPORT

January 12, 2015

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Nicholas J. Apostle, Commissioner of Community Services

DEPARTMENT: Community Services Department

RE: Northern Community Centre – Golf Netting - Update on Request for Proposals

PURPOSE

The purpose of this report is to update Council on the Request for Proposal (RFP) process for the supply and installation of golf netting at the Northern Community Centre (NCC).

BACKGROUND

In 2013 a total project budget of \$40,000 was determined from information supplied by industry specialists. This amount included costs for professional fees and ancillary items such as golf balls and mats.

As part of the 2014 budget process, \$40,000 was approved for the project. The funds were allocated from the 5% Sub-dividers Reserve Fund.

The RFP was issued on October 21, 2014 and closed on November 19, 2014.

Six (6) proposals were received. They were evaluated by staff from the Purchasing Division and the Community Services Department.

ANALYSIS

All of the proposals exceeded the budgeted amount for the project. The proposal that met the criteria and that also had the lowest cost was approximately \$26,000 (65%) over budget. This amount did not include professional fees and ancillary items.

IMPACT

Given the results of the RFP, it is estimated that a further \$40,000 is required to complete the project, bringing the total project budget to \$80,000. If Council still wishes to proceed with this project then staff recommends the additional \$40,000 be referred to the 2015 budget for consideration. Although there is approximately \$45,000 currently in the 5% Sub-dividers Reserve Fund, staff recommends referring this matter to budget so that all of the requests for funding can be considered at the same time and not in isolation.

STRATEGIC PLAN

This project is not specifically addressed in the Corporate Strategic Plan.

RECOMMENDATION

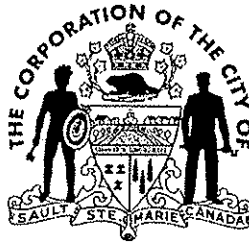
It is therefore recommended that Council take the following action:

Resolved that the report of the Commissioner of Community Services concerning the Northern Community Centre Golf Netting Project be received and the recommendation to request an additional \$40,000, for a total project budget of \$80,000, be referred to the 2015 budget process be approved.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'N. Apostle'.

Nicholas J. Apostle
Commissioner Community Services



COUNCIL REPORT

January 26, 2015

TO: Mayor Christian Provenzano and Members of City Council
AUTHOR: Nicholas J. Apostle, Commissioner Community Services
DEPARTMENT: Community Services Department
RE: Splash Park

PURPOSE

This report is in response to the following resolution which was passed on January 6, 2014,

Resolved that further research be undertaken with respect to a Municipal Splash Park, specifically:

- 1. How other Municipalities have funded splash parks and the costs associated to construct and maintain.*
- 2. What other swimming facilities exist in these communities.*
- 3. Opportunities for partnerships.*

BACKGROUND

A report (attached) was presented to Council on January 6, 2014. Council subsequently passed the above resolution which directed staff to provide additional information for Council's consideration.

Several municipalities were contacted and the information gathered is appended to this report.

The Rotary Club of Sault Ste. Marie was recently contacted regarding any interest they might have in a partnership concerning the implementation of a splash park.

ANALYSIS

Often, splash parks/pads are located in close proximity to other recreation facilities as this generally leads to reduced costs associated with construction and the ongoing maintenance. As an example, the cost of constructing a splash park at Bellevue Park would be expected to be much less than one located at John Rowswell Park. Areas of Bellevue Park are in close proximity to storm and sanitary sewers and utilities (electrical and water) as well, other amenities are already in place such as washrooms, a concession and playground equipment. John Rowswell Park would require long runs for sanitary sewer, storm sewer and utilities (water and power), and in addition there are no washrooms, concession or playground in close proximity.

Attached is the information gathered on splash parks in the following Ontario communities: Kapuskasing, Thunder Bay, Callander, Timmins, Kirkland Lake, Sudbury, and Barrie.

Construction and maintenance costs vary between communities and are typically related to the size of the splash pad, proximity to other recreation facilities, and the number of features. Therefore, it would be important to analyse these factors to determine the associated costs.

The Rotary Club of Sault Ste. Marie previously (in 2011) approached the City with the concept of the Club building a splash pad at John Rowswell Park and having the City operate it. However, the overall cost on their concept became prohibitive. I recently met with Mr. Derek Walz, President, Rotary Club of Sault Ste. Marie, and he stated that the Club is very interested in partnering with the City to develop a splash park in the community.

IMPACT

A consultant should be engaged to analyse the various aspects of the project. EPOH Inc. has provided such services to the City in the past and was the lead consultant on the John Rhodes Community Centre Pool project. They have provided a letter outlining the scope of work they would perform which includes programming and design concept development, site identification and evaluation, financial analysis, and final report. Based on the preliminary information provided to them their estimated cost for this work is \$23,375. This amount would be adjusted once the scope of the project is better defined. Therefore \$25,000 is recommended to be referred to the 2015 budget to engage the consultant.

If this project receives funding at budget time then it is recommended that a Steering Committee be struck consisting of two members of Council and staff

from Finance, Planning Division/Engineering and Planning Department, CSD, and Parks Division/Public Works and Transportation.

STRATEGIC PLAN

This item is not specifically identified in the Corporate Strategic Plan.

RECOMMENDATION

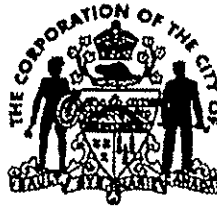
It is therefore recommended that Council take the following action:

Resolved that the report of the Commissioner of Community Services concerning a municipal splash park be received and that the cost of engaging a consultant to evaluate potential sites and estimate costs for various splash pad designs be referred to the 2015 Budget.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "N. Apostle". The signature is fluid and cursive, with the first letter of the last name being a large capital 'A'.

Nicholas J. Apostle
Commissioner Community Services



January 6, 2014

ATTACHMENT

Mayor Debbie Amaroso and
Members of City Council

FEASIBILITY OF CREATING AND OPERATING A SPLASH PARK

PURPOSE

This report is in response to the City Council resolution dated October 7, 2013:

Whereas the City of Sault Ste. Marie once operated wading pools in parks throughout the City; and
Whereas many communities in Ontario currently offer splash parks which provide a safe and enjoyable environment for children; and
Whereas City staff have confirmed that no organization in Sault Ste. Marie is currently pursuing this project; and
Whereas there are no outdoor water related activities of this type available for young families to enjoy within the City;
Now Therefore Be It Resolved that City Council ask the appropriate staff to prepare a preliminary report on the feasibility of creating and operating a splash park in one of our City parks.

BACKGROUND

In 2011 the Rotary Club of Sault Ste. Marie was pursuing a partnership with the City to have a Splash Park constructed at John Rowswell Park. The Club and staff researched implementing the splash park and reviewed all of the aspects and costs.

Recently I spoke with the Rotary Club member that was spearheading this project. The Club has decided not pursue it any further at this time for several reasons, one of which is the cost has grown beyond their original expectations.

Staff has attended conferences that include topics on Splash Parks and have developed a feeling for the estimated costs and the requirements that need to be considered. In addition, there is a level of expertise in operating aquatic facilities both indoor and outdoor.

ATTACHMENT

ANALYSIS

The following Northern Ontario cities have at least one splash park:

- Sudbury
- Timmins
- Kapuskasing
- Kirkland Lake
- Thunder Bay
- Sturgeon Falls
- North Bay is currently looking into constructing a splash park.

There are a variety of splash parks that can be implemented and they revolve around how the water is dealt with. The options are:

- Drain to waste – water is used and then goes directly to the sanitary sewer
- Recirculation – reuses the water through a means of filtration
- Re-use for irrigation – reuses the water for irrigation of the surrounding area
- Holding tank to ground – holds the water and releases it back to the ground

Other factors affecting the cost of a splash park:

- Size and number of features
- Utilities - the proximity to utilities and services has a substantial effect on the cost of installing a splash park, specifically, sanitary sewer, storm sewer, water supply, and electrical supply
- The addition of washrooms/changerooms would also affect the cost

Recommended next steps would be to engage a consultant to evaluate potential sites and provide estimated costs for various splash pad designs.

IMPACT

The Financial aspects that need to be addressed are:

1. Capital – estimated to cost \$300,000 to \$500,000 including professional fees. The cost could easily increase as decisions on the type of splash pad and location are determined.
2. Operation – dependent upon the type of splash park, there would be operational costs such as chemicals, cleaning supplies, water and sewage, and staffing.
3. Maintenance – there will be costs for the daily and annual maintenance of equipment as well as the features.
4. Insurance – The City's insurance company has confirmed that the addition of a splash park will not affect the cost of the City's insurance.

The Rotary Club may be interested in being a partner in a splash park development depending on the location. Contact would need to be made to determine this.

ATTACHMENT

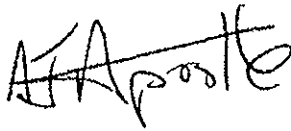
STRATEGIC PLAN

This item is not specifically identified in the Corporate Strategic Plan.

RECOMMENDATION

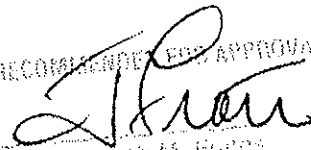
That the report of the Commissioner of Community Services concerning the feasibility of creating and operating a splash park in one of the City parks be received as information.

Respectfully submitted,



Nicholas J. Apostle
Commissioner Community Services

fb/council/2014/splash park feasibility

RECOMMENDED FOR APPROVAL

Joseph M. Flores
Chief Administrative Officer

Kapuskasing Splash Park

- NOHFC grant
- There is a small building with washrooms for changing
 - o It is big
 - o All equipment and pumps are also housed here
- Was built in 1999 so unsure about the cost to build
- Maintenance cost is minimal
- 1 indoor swimming facility also in the town
 - o A few kilometres from the park
- Donat Brousseau Pool
 - o 25 yards
 - o Divided into deep and shallow ends
 - o Equipped with slide and aquatic toys and supplies
 - o Wheelchair accessible



Photo of Kapuskasing splash park

[Services A-Z](#) | [Departments](#) | [Links](#) | [Contact Us](#) | [Images & Text](#)

LIVING VISITING DOING BUSINESS CITY GOVERNMENT

> [Home](#) > [Living](#) > [Recreation & Parks](#) > [Facilities](#) > [Pools, Splash Pads, Beaches](#) > Seasonal Swimming Facilities

SEASONAL SWIMMING FACILITIES

OUTDOOR POOLS, SUPERVISED BEACHES & SPLASH PADS

- [Art Widnall Pool](#)
820 Minnesota St., 623-1480
- [Boulevard Lake](#)
400 Lyon Blvd. W., 345-7261
- [Chippewa Park Beaches](#)
Chippewa Park, 625-2941
- [County Park Splash Pad](#)
Off County Park Blvd, 625-2351
- [Dease Street Pool](#)
370 Vickers St. N, 623-6013
- [Franklin Street Splash Pad](#)
215 Franklin St. N, at Miles Street, 625-2351
- [Heath Park Pool](#)
1251 Heath St., 475-0522
- [Marina Park Splash Pad](#)
Water Garden Pavilion, foot of Red River Road, 625-2351

ADMISSION STANDARD

As part of our commitment to providing safe and enjoyable aquatic programs for swimmers of all ages, we enforce the admission standards provided to us by the Ministry of Health. Please keep the following in mind when visiting our pools:

- There must be one supervising caregiver for every 2 children under the age of 6.
- There must be one supervising caregiver for every 4 non-swimming children aged 6 to 9.
- In both cases, the supervising caregiver must be able to give immediate assistance.

If you have any questions please call your local pool.

WITHIN ARMS REACH

WHY? - Drownings are preventable.

- Drownings involving toddlers can be prevented if parents or caregivers are within arms' reach of their children when they are near water. Designate a backyard pool lifeguard. An adult should always supervise whenever children are using a pool – in-ground, above ground or wading pool. If you must be absent for a moment, designate another adult to replace you or close the pool until someone can assume supervisory duties.
- Stay tub-side until all the water is drained and you have removed your children from the tub. Most bathtub drownings occur because youngsters were left alone for "just a moment".
- Drain bathtubs when they are not in use. Empty unattended wading pools and buckets of water and turn them over.

Callander Splash Park

- Built this summer
- Cost \$200,000
- Splash park is located at a municipal park on the beach
- There are 2 accessible change rooms
- Grants from FedDer and FedNor
- Funding incorporated
- There was a municipal contribution for the construction of the park

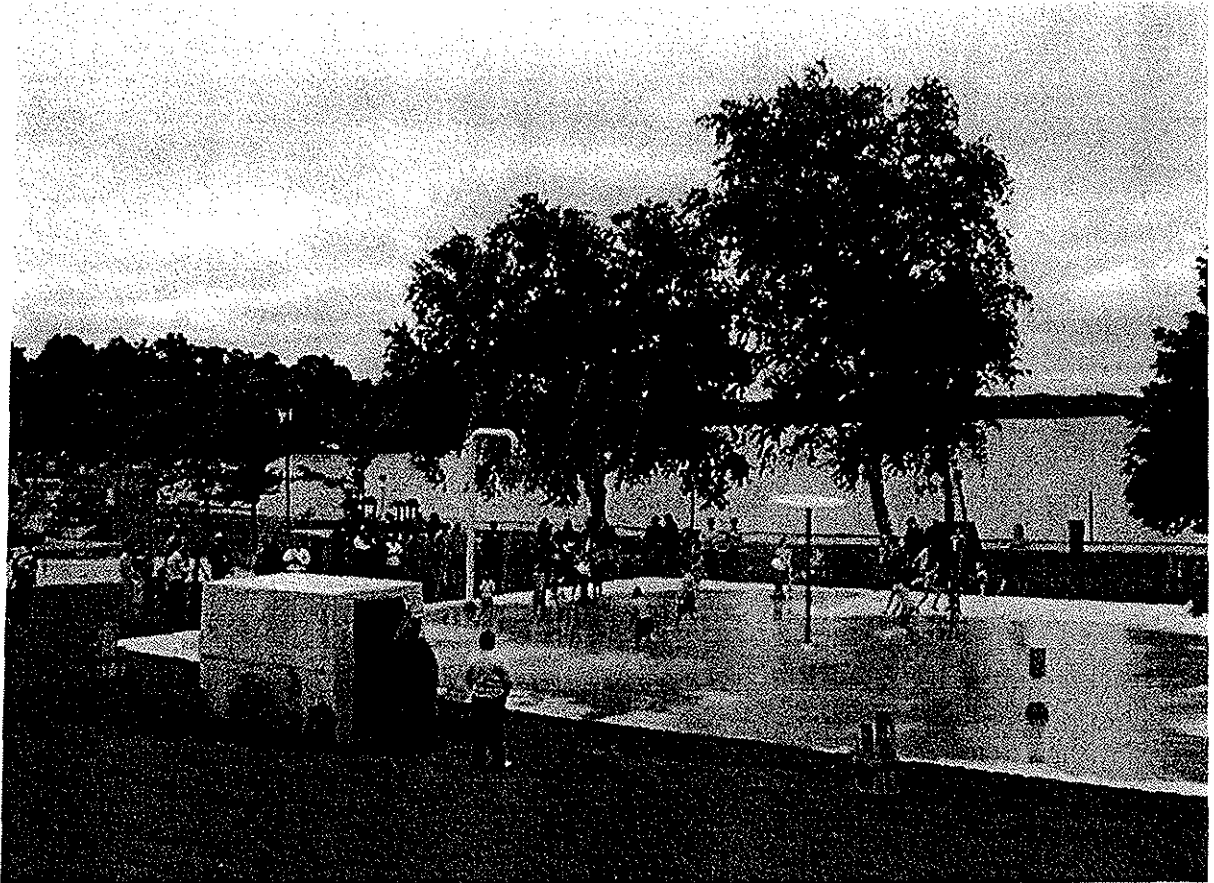


Photo of Callander splash park on ribbon cutting day

Timmins Splash Park

- Constructed in 1999
- LA Waterplay System
- Cost \$45,584
 - o Cost for supply and installation without interlockings, etc.
- Probably additional \$25,000-30,000 for total cost
 - o Ex. Landscaping
- Maintenance includes replacing controllers, etc.
 - o Total cost about \$500/year
- There is an indoor pool and an unsupervised beach for additional swimming facilities in the city
- Splash park is about ½ mile from the beach, a few miles from the pool
- There are washroom facilities at the park that are used as changerooms
- Archie Dillon Sportsplex Pool
 - o Diving board, water slide, pulling gear, lane lines
 - o Diving tank with 1m and 3m diving board
 - o 17 meter therapeutic leisure pool

Kirkland Lake Splash Park

- Construction cost of about \$400,000
- 1 staff member for maintenance 1 hour per day
 - o During open months of May – September
 - o Following Ministry of Health Guidelines
- Electrical bill \$650
- \$2,500 for replacing parts, ex. valves, and shutdown
 - o \$3,000 annually
- Additional \$2,00 for wages
- Community has 1 indoor pool facility
- Funding through grants and community fundraising group
 - o Fundraising about \$70,000
 - o Grants: Trillium, Community Development Corporation, Hydro 1, Social Services Agency, Friends of Environment – TD Bank, Enabling Accessibility Fund
 - o No tax money used to build park
- Opened August 17, 2011
- Joe Mavrinac Community Complex
 - o 25 meter pool with whirlpool





Splash Pads



Splash Pads are unsupervised water play areas. Parents are reminded to supervise their child(ren) at all times while visiting the Splash Pad.

Splash Pads Open

May 20th (weather permitting)

Splash Pads Close

September 30th (weather permitting)

Operational Times

10:00 am to 9:00 pm

Locations

- Cote Park - Chelmsford
- Memorial Park - Sudbury
- O'Connor Playground - Sudbury
- Howard Armstrong Recreation Centre - Valley East
- Kinsmen Sports Complex - Walden
- Westmount Playground- Sudbury (New for 2014)
- Ridegecrest Playground- Sudbury (Opening July 3)

If you have any questions or concerns regarding splash pads, please contact us at (705) 674-4455 ext. 4570.

BARRIE

LAMPMAN LANE PARK

information regarding the Lampman Lane Splash Pad:

- Constructed last year and open for the summer of 2014
- Of the 2.9 million-dollar budget for the park improvements, \$380,000.00 was used to construct the Splash Pad
 - o Also the construction of a mechanical room to house to electrical and water supplies
- A flow through system that empties into storm drains
- Open 8am – 8pm during the summer
- Washroom/change room facilities in the Community Centre in the park
 - o This centre houses a gym but no pools
- No indoor or outdoor community pools in the area
- Some funding provided by the CIIF – Community Infrastructure Improvement Fund
 - o \$800,000.00
- Construction done by Gateman Milloy Inc.



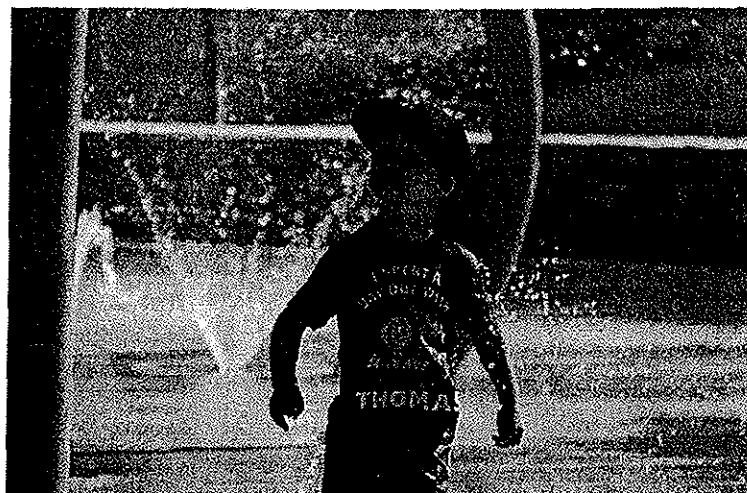
NEWS LOCAL

Barrie's Lampman Lane Park makeover unveiled

Thursday, June 26, 2014 5:11:51 EDT PM



Image: 1 of 3



Clayton DeGroot, 3, checks out the new splash pad at the opening of the Lampman Lane Park Thursday in Barrie. The park also has a skateboard park, playground and shaded pavilion. CHERYL BROWNE /BARRIE EXAMINER

Lampman Lane Park is back in business.

As part of the Government's Economic Action Plan 2012, Barrie MP Patrick Brown, along with members of city council, announced the re-opening of park Thursday morning, with some help from local students from neighbouring Andrew Hunter Elementary School.

The Government of Canada provided \$844,000 to The City of Barrie for the 'Lampman Lane Park Makeover'.

The total cost for the project was \$2.8 million. The upgrades include a new splash pad, improved tennis courts, skateboard park, new playground equipment, climbing rock and sandbox, basketball court, benches and landscaping, and revamped washroom facilities.

"Together, we have been able to renovate a community centre and build new facilities for families in Letitia Heights and northwest Barrie. I'm very pleased that we have been able to make this joint investment that will be enjoyed by many," said Mayor Jeff Lehman.

"By improving facilities such as this one, we are helping to boost economic activity and maintain a high quality of life for residents of all ages," said Brown.

A community celebration will take place at the park on Saturday from noon to 4 p.m. and all are welcome to attend. For information, visit barrie.ca/lampmanproject.

Commercial Park
Real Estate
Business Real Estate
and more

Reader's comments »

If you already have an account on this newspaper, you can login to the newspaper to add your comments.



#PICTUREBARRIE CREDIT: ROB FOSTER

Barrie Splash Pad

Algoma District Municipal Association

September 26, 2014

**Mr. Tom Burnmaster, Vice-President
Crimestoppers of Sault Ste. Marie
And Algoma District
580 Second Line East
Sault Ste. Marie, ON P6B 4K1**

Dear Mr. Burnmaster:

Thank you for attending the Fall meeting of the Algoma District Municipal Association (ADMA) held on Saturday, September 20, 2014 in Sault Ste. Marie.

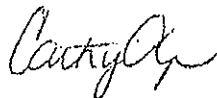
The Members of the Association appreciated the information provided regarding the mandate and activities of Crimestoppers in the Algoma District. As you may recall, the members passed a resolution to support, in principle, Crimestoppers, and requested member communities to financially support the program in the amount of \$40,000.00 per annum, calculated on a per capita basis between the member communities. I have attached a copy of the resolution, and an estimated calculation for breakdown of costs.

Each community would bring the matter to the attention of their respective councils. As you know, each community is in the midst of a Municipal election, and any financial decision may be postponed until 2015.

I will follow-up with the member communities in early 2015 to determine the status of the matter.

In the meantime, should you have any questions with respect to this matter, please feel free to contact me at your convenience.

Sincerely,



**Cathy Cyr
Executive Director**

cc ADMA members

P.O. Box 500, 40 Broadway Avenue, Wawa, Ontario, P0S 1K0
Telephone: (705) 856-2244 Facsimile: (705) 856-2120

Algoma District Municipal Association

REGULAR BUSINESS MEETING

RESOLUTION

Saturday, September 20, 2014

Resolution # 2014-	Meeting Order:
Moved by: <i>Lynn Orchard</i>	Seconded by: <i>Rick Niro</i>

R. Niro
K. Weber

RESOLVED THAT The ADMA supports, ^{in principle} crime stoppers and requests member com. to financially support program in the amount of \$40,000 calculated on a per capita basis between the member communities.

☒	CARRIED	MEMBER LIST - SEE LIST	YES	NO
☐	DEFEATED			
☐	TABLED			
☐	RECORDED VOTE (SEE RIGHT)			
☐	PECUNIARY INTEREST DECLARED			
☐	WITHDRAWN			

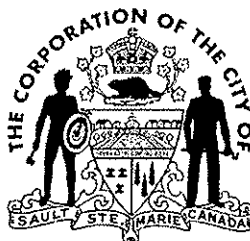
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**Crimestoppers
Financial Support Estimation 2014**

Community	Population	Population %	Per Capita Rate	Rate per Community
Blind River	3,651	3.39%	\$ 0.37	\$ 1,355.40
Bruce Mines	588	0.55%	\$ 0.37	\$ 218.29
Dubreuilville	635	0.59%	\$ 0.37	\$ 235.74
Elliot Lake	11,348	10.53%	\$ 0.37	\$ 4,212.83
Hilton Beach	173	0.16%	\$ 0.37	\$ 64.22
Hilton Twp	261	0.24%	\$ 0.37	\$ 96.89
Hornepayne	1,049	0.97%	\$ 0.37	\$ 389.43
Huron Shores	1,723	1.60%	\$ 0.37	\$ 639.65
Jocelyn	246	0.23%	\$ 0.37	\$ 91.33
Johnson	583	0.54%	\$ 0.37	\$ 216.43
Laird	1,109	1.03%	\$ 0.37	\$ 411.71
MacDonald, Meredith &	1,464	1.36%	\$ 0.37	\$ 543.50
North Shore	554	0.51%	\$ 0.37	\$ 205.67
Plummer Add'l	650	0.60%	\$ 0.37	\$ 241.31
Prince	1,031	0.96%	\$ 0.37	\$ 382.75
Sault Ste Marie	75,140	69.74%	\$ 0.37	\$ 27,894.97
Spanish	740	0.69%	\$ 0.37	\$ 274.72
St Joseph	1,201	1.11%	\$ 0.37	\$ 445.86
Tarbutt & Tarbutt	445	0.41%	\$ 0.37	\$ 165.20
Thessalon	1,299	1.21%	\$ 0.37	\$ 482.24
Wawa	2,968	2.75%	\$ 0.37	\$ 1,101.84
White River	889	0.83%	\$ 0.37	\$ 330.03
Total	107,747	100%	\$	40,000.00

Note: Population obtained in the AMCTO 2014 Directory

Estimation Only



COUNCIL REPORT

January 12, 2015

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Mike Nadeau, Commissioner of Social Services

DEPARTMENT: Social Services Department

RE: Healthy Kids Community Challenge

PURPOSE

To secure funding and a commitment from Council in order to be one of 45 selected communities across Ontario to participate in The Healthy Kids Community Challenge.

BACKGROUND

In late February 2013, the Ministry of Health and Long Term Care (MOHLTC) announced it was accepting applications from municipalities to participate in a Healthy Kids Community Challenge. Provincial funding for these programs is only available to municipalities and not to Health Units throughout the Province.

Ontario's Healthy Kids Community Challenge (The Challenge) is a community-led program where partners from different sectors (i.e., public health, education, recreation and local businesses) work together to implement activities to promote healthy bodyweight for kids in the community. Under the leadership of selected municipalities, communities will receive funding and supports from the MOHLTC and will implement local activities based on one specific theme, every 9 months, which is related to healthy eating, physical activity and adequate sleep. Themes selected will address the risks or protective factors that are known to lead to or prevent childhood overweight and obesity (e.g. eat a healthy breakfast).

The Challenge combines a community-led approach with centralized provincial coordination to help communities develop and implement evidence-based policies, programs and environmental supports (e.g. posters promoting eating a healthy breakfast) that encourage healthy weights.

Sault Ste. Marie's application is supported by over 25 community partners. The application was made through the Social Services' Department as childhood obesity and poverty affects social determinants of health.

ANALYSIS

There has been a discussion at a staff level as to whether or not the delivery of the services that will be provided under this program is truly a municipal responsibility (Social Services) or whether they are a Provincial responsibility (Health) that generally are delivered by Health Units throughout the Province. There is some concern that the City participating in this program could lead to further "downloading" of Provincial responsibilities in the future. However, there is little doubt that the program will benefit our community and that the appropriate agency should step forward to take advantage of available Provincial funding. Unfortunately, Algoma Public Health is not an eligible applicant as only municipalities are able to apply.

Having said that, there is much data available that supports Sault Ste. Marie participating in The Challenge. The following information is contained in Appendix A2 of the application:

- The Early Development Instrument (EDI) has identified that nearly 25% SK children in SSM are vulnerable in Physical Health and Well-Being domain in SSM as compared to 10% in Ontario.
- The rate of SSM SK children regularly coming to school tired, late, hungry, or dressed inappropriately (9.3%) was triple that of Ontario (3.1%)
- In 2012, the rate of births to teenage mothers in SSM (10.4%) was more than triple that of Ontario (3.0%).
- In 2010, SSM had a greater share of low birth weight babies (8%) than that of Ontario
- Breastfeeding duration rates in Algoma are lower than provincial rates. (Algoma Public Health)
- In 2012, over 2,000 children were fed at SSM soup kitchens, food banks and crisis shelters and over 7,311 through the Student Nutrition Program provided through local school boards.
- In 2013, the SSM Indian Friendship Centre fed approximately 80 families (with 140 children) at its weekly lunch program from September to June. During the summer months, the program feeds more than 150 families (with more than 250 children).
- In 2010 and 2011, three of the North Shore Tribal Council communities screened elementary school aged children during Back to School events

by collecting height and weight and calculated BMI. In 2010 273 children were screened, 65 of whom were overweight or obese (24%). In 2011, 279 children were screened, 149 of whom were overweight or obese (53%).

- Downtown SSM (and several other areas) have been identified as areas of very high socio-economic risk and also have a very high percentage of youth living in low income situations
- In 2010, 29.2% of SSM families with young children were headed by a lone-parent in comparison to 18.3% in Ontario and these families are considerably less well-off financially than lone-parent families elsewhere in Ontario.
- In 2011, nearly 25% of the adults (age 25-64) living in the downtown SSM area did not possess a high-school diploma in comparison to 10.9% in Ontario.
- In 2011, the unemployment rate in SSM (10.5%) was higher than that of Ontario (8.9%).
- Smoking rates and overweight, obesity, asthma, and diabetes prevalence rates are much higher in Algoma than Ontario (Algoma Public Health)

IMPACT

To enter into the Health Kids Community Challenge the City of Sault Ste. Marie is required to cost share 50% of the administrative portion of the challenge. The City is required to provide up to \$50,000 annually (up to \$200,000 total) over four (4) years in order to secure Healthy Kids Community Challenge program delivery funds. This will secure up to \$175,000 annually (\$700,000 total) from the MOHLTC and to address childhood obesity and promote healthy bodyweight for kids. The \$50,000 annual contribution by the City would be new spending and therefore would affect our total levy. Whether this is a desirable course of action, should be determined in the context of budget discussions when Council discusses all "Supplementary" items.

STRATEGIC PLAN

Not applicable.

RECOMMENDATION

Notwithstanding the concerns expressed above, it is recommended that Council take the following action:

Resolved that the report of the Commissioner of Social Services dated 2015 01 12 concerning Healthy Kids Community Challenge be received and that annual funding of up to \$50,000 (based on 50% of actual total administration costs) for

Report to Council – Healthy Kids Community Challenge
2015 01 12
Page 4.

four (4) years to participate in Ontario's Healthy Kids Community Challenge, once MOHLTC provides a funding agreement be referred to 2015 budget.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Mike Nadeau', with a stylized flourish at the end.

Mike Nadeau
Commissioner of Social Services

DEBBIE AMAROSO
MAYOR



CORPORATION OF THE
CITY OF SAULT STE. MARIE

March 14, 2014

RE: Healthy Kids Community Challenge

To Whom It May Concern:

It is my pleasure to submit the City of Sault Ste. Marie's application to the Healthy Kids Community Challenge.

We believe that by leveraging what is occurring and planned at the community level and by linking various community organizations, business and stakeholders through the Challenge we can yield amazing results in our community. Through leadership, increased partnership and initiatives such as this I am confident that we can make a difference and improve the health of our most valued resource; our children. Thank you for considering our application.

Sincerely,

Debbie Amaroso
Mayor

2015 FINAL
APRIL 20, 2015



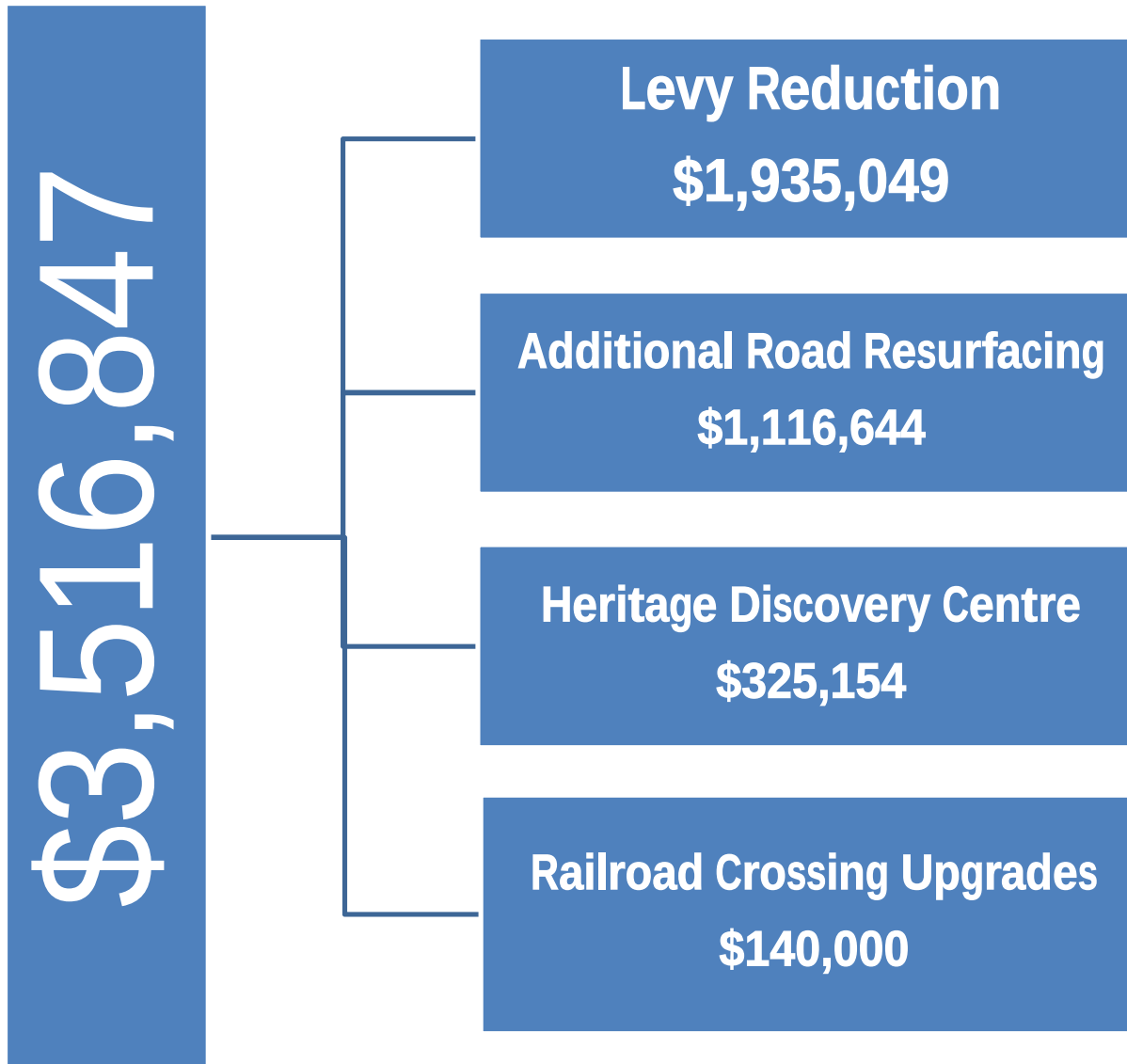
2015 FINAL BUDGET AGENDA

- 2014 Surplus and Recommendations
- 2015 Final Budget Levy Recommendation
- 2015 Assessment Changes and Tax Rates
 - Assessment Growth
 - Average Residential Property Assessment
 - Recommended Final Budget Tax Rate
 - BMA Study Comparisons
- Treasurer's Report Highlights
- 2015 Supplementary Items-Approval

2014 SURPLUS

Corporate-Interest & Penalties on taxes		1,880,580
Corporate-supplementary taxes		271,510
Long Term Disability Self Insurance Refund Current year and net previous year		1,020,800
PWT-Winter Control		(1,541,100)
PWT-Roadways and other spring/summer work		818,720
CSD-Fee Revenue		323,720
Other		742,617
Total Surplus		3,516,847

2014 SURPLUS ALLOCATION



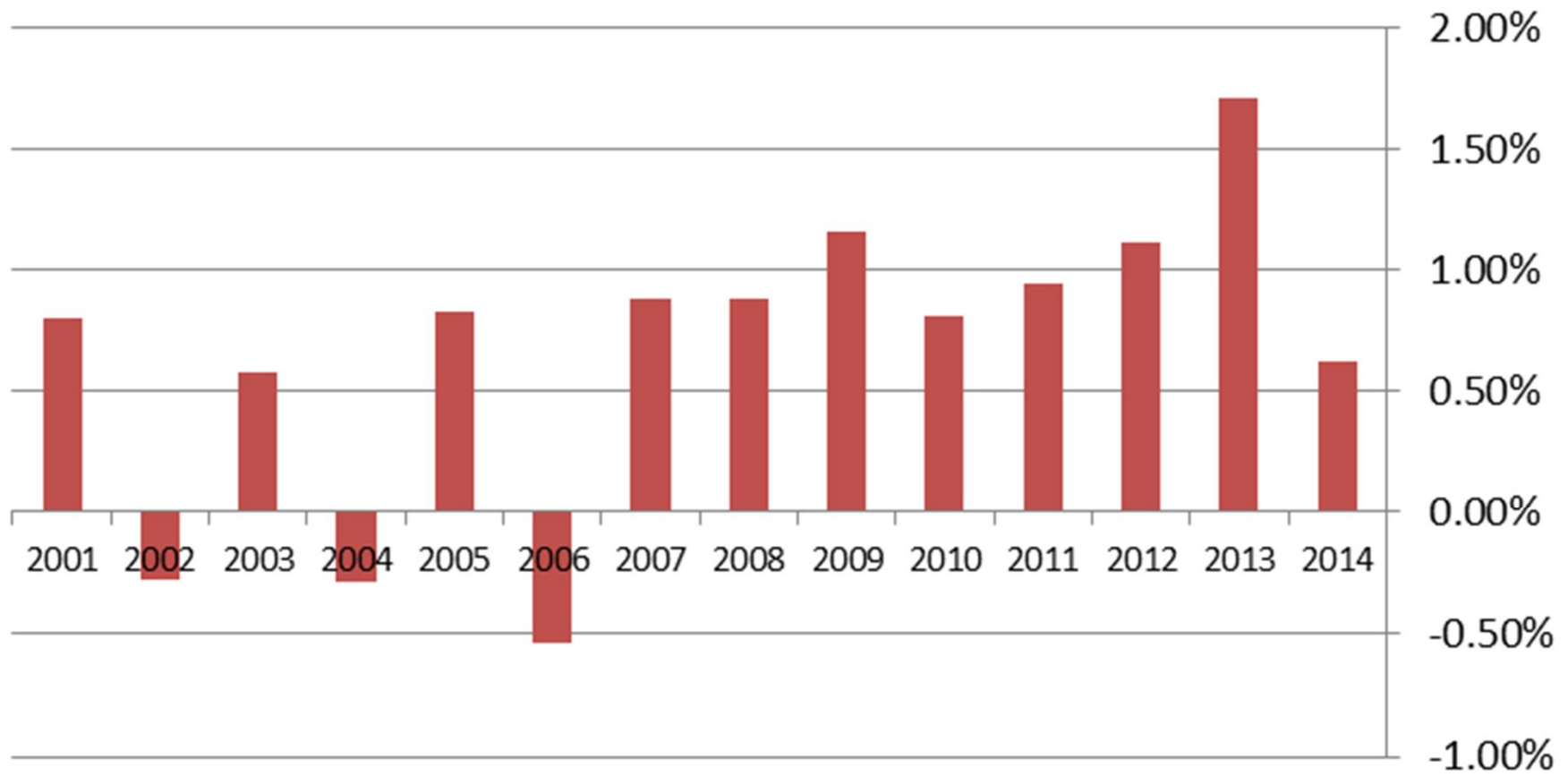
2014 FINAL BUDGET

	2014	2015	\$ Change	% Change
	BUDGET	BUDGET	(2014 to 2015)	(2014 to 2015)
TAX LEVY -PRELIMINARY BUDGET AS PRESENTED JANUARY 26, 2015	99,720,850	104,309,618	4,588,768	4.6%
Algoma Public Health Levy Change		102,707	102,707	
DSSAB Levy		(264,091)	(264,091)	
Recommended Tax Levy		104,148,234	4,427,384	4.4%
Surplus - 2014		(1,935,049)		(1.9)%
FINAL TAX LEVY		102,213,185	2,492,335	2.5%

2014 ASSESSMENT GROWTH \$(000)

PROPERTY CLASS	2014 <u>Phase-In</u>	2014 <u>Year End</u>	Change in <u>Value</u>	% Change in <u>Value</u>
RESIDENTIAL	4,237,345	4,273,657	36,312	0.9%
MULTI-RESIDENTIAL	242,742	242,612	(130)	(0.1)%
COMMERCIAL	587,004	587,999	995	0.2%
SHOPPING CENTRES	135,549	137,484	1,935	1.4%
OFFICE BUILDINGS	12,853	12,853	0	0.0%
INDUSTRIAL	42,057	41,907	(150)	(0.3)%
LARGE INDUSTRIAL	103,606	103,606	0	0.0%
OTHER	24,992	25,356	364	1.5%
TOTAL TAXABLE	5,386,148	5,425,474	39,326	0.7%

Assessment Growth



2015 ASSESSMENT \$(000)

PROPERTY CLASS	2014 <u>Year End</u>	2015 <u>Phase-In</u>	Change in <u>Value</u>	% Change in <u>Value</u>
RESIDENTIAL	4,273,657	4,539,929	266,272	6.2%
MULTI-RESIDENTIAL	242,612	255,026	12,414	5.1%
COMMERCIAL	587,999	607,976	19,977	3.4%
SHOPPING CENTRES	137,484	139,325	1,841	1.3%
OFFICE BUILDINGS	12,853	13,374	521	4.0%
INDUSTRIAL	41,907	43,705	1,798	4.3%
LARGE INDUSTRIAL	103,606	104,057	451	0.4%
OTHER	25,356	25,891	535	2.1%
TOTAL TAXABLE	5,425,474	5,729,283	303,809	5.6%

AVERAGE ASSESSMENT FOR RESIDENTIAL CLASS



2014 \$156,000

Increase of 6.2%

2015 \$165,700

How Tax Rate Is Calculated

Step 1:



Step 2:



EFFECT ON AVERAGE RESIDENTIAL TAXPAYER (Municipal Levy Only)
FINAL BUDGET

No Surplus :
\$104,148,234
Levy

• **4.5% increase**
(\$103)

Surplus for Levy
Reduction
\$1,935,049 :
\$102,213,185
Levy

• **2.2% increase**
(\$51)

(Revenue Neutral Ratios)

Education Tax

Property Tax Class	Tax Levy 2014		Tax Levy 2015		Change
	\$	Share	\$	Share	
Residential	8,601,871	42.9%	8,852,891	43.5%	251,020
Multi-Residential	492,766	2.5%	497,301	2.3%	4,535
Commercial	7,121,129	35.5%	7,194,605	35.4%	73,476
Shopping Centres	1,653,702	8.3%	1,657,959	8.2%	4,257
Office Buildings	156,804	0.8%	159,150	0.8%	2,346
Industrial	492,645	2.5%	498,070	2.5%	5,425
Large Industrial	1,250,408	6.2%	1,224,772	6.0%	(25,636)
Other	<u>267,650</u>	<u>1.3%</u>	<u>270,368</u>	<u>1.3%</u>	<u>2,718</u>
	20,036,975	100.0%	20,355,116	100.0%	318,141

BMA Study Comparisons - 2014

	<u>Taxes-Detached Bungalow (\$)</u>	<u>Tax Burden % of Income</u>
Sault Ste Marie	2,733	3.8%
North Bay	3,512	4.7%
Sudbury	2,864	4.0%
Thunder Bay	3,393	4.2%
Timmins	3,496	3.8%

2015 ROAD CONSTRUCTION PROGRAM

- Second Line Widening – Phase 3
- Bay Street – Andrew to Pim
- Huron Street – Bridge Plaza to Cathcart
- McMeeken Street – Churchill to Elizabeth
- Upton Road – Queen to Wellington
- Bridges & Aqueducts – allocation for Fort Creek
- Road Resurfacing
 - Approximately \$1.3 million from Miscellaneous Construction and Capital Roads budget

LONG TERM DEBT

- Total Long Term Debt as of December 31, 2014
\$10,205,146
 - Decrease of \$2.3 million from 2013
 - Lowest debt level since before 1996
- Maintaining our strategy of a Pay As You Go program to finance capital road reconstruction.
- Credit rating revised from A+(stable) to A+(positive) by Standard and Poor's
- 2015 debt issue of \$8.0 million for Sault Ste. Marie Public Utilities Commission to finance upgrade of the water distribution system (municipal responsibility)

LONG TERM DEBT – FUTURE CONSIDERATIONS

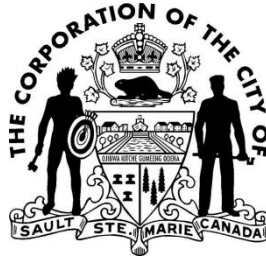
- Previously proposed debt requirements recommended for financing from current allocations
 - Northern Community Centre: Remaining balance to be funded \$1,985,206. Funding from net annual debt allocation in operating budget \$628,939 (2015-2018)
 - Heritage Discovery Centre: Remaining balance to be funded \$325,154. Funding recommended from 2014 surplus.
- No provision has been made at this time for the \$1.8 million unfunded for the Gateway Site property as financial plan was to fund from sale

FUTURE OUTLOOK

- Asset Management Plan
 - Facilities Asset Management Staff Committee to be created to re-assess the buildings capital work plan annually with final recommendations to be submitted to Council based upon available funding
 - Civic Centre window and cladding estimated costs significantly higher than plan estimate. Funding model will require review.
- Low value of building permits anticipated for 2015, thus low growth expected.

BUDGET INCREASE REQUESTS

DEPARTMENT:	Resolution	ONE TIME COST	ON-GOING COST	
<u>Public Works and Transportation:</u>				
Snow removal on John Rowswell Hub Trail	8.1 Sept 29, 2014	182,050	64,510	Incremental cost. One time equipment cost plus ongoing labour/benefit increase
Emerald Ash program	6.18 June 23, 2014		30,000	
<u>Engineering & Planning:</u>				
Official Plan major public consultation program	6.16 February 9, 2015	30,000		
Environmental Initiative Committee budget increase	6.6 February 23, 2015		50,000	
<u>Community Services Department:</u>				
Northern Community Centre-Golf Netting	6.7 January 12, 2015	40,000		
Northern Community Centre-additional components	6.16 April 13, 2015	615,680		
Splash Park	6.10 January 26, 2015	25,000		
<u>Corporate:</u>				
Municipal support request -Crime Stoppers	6.16 January 12, 2015		27,895	4 year commitment 2015-2018
Healthy Kids Community Challenge	6.12 January 12, 2015		50,000	
M.S. Norgoma annual funding	8.6 April 13, 2015		15,000	
		892,730	237,405	



COUNCIL REPORT

April 20, 2015

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: William Freiburger, Commissioner of Finance and Treasurer

DEPARTMENT: Finance Department

RE: 2015 Budget

PURPOSE

The purpose of this report is to highlight 2015 budget issues.

BACKGROUND

Sault Ste. Marie District Social Services Administration Board

The Sault Ste. Marie District Social Services Administration Board (DSSAB) was created in 1999 to administer Social Services, Child Care and Social Housing. The cost of Land Ambulance was added in 2001. The geographic area for the DSSAB consists of the City of Sault Ste. Marie, the Township of Prince and the area included in the Sault North Planning Board.

The City of Sault Ste. Marie will pay 88.81% of the total DSSAB levy in 2015 as compared to 88.98% in 2014 based on the annual returned property assessment roll. The City provides administrative services to the DSSAB on a contractual basis.

Municipalities had been responsible for 20% of the benefit costs under the Ontario Disability Support Program (ODSP). In 2010, one-half of the municipal share of ODSP or 10% was uploaded to the Province and in 2011 the remaining 10% was uploaded. Also, between 2010 and 2018 the municipal share of the Ontario Works Benefits program will be gradually reduced from 20% to 0%. For 2015, the municipal share of Ontario Works will be reduced from 11.4% to 8.6%.

Comparison of the 2014 and 2015 City DSSAB Levy

	<u>2014</u>	<u>2015</u>	<u>Increase (Decrease)</u>
Ontario Works	5,315,597	4,820,945	(494,652)
Housing Programs	8,703,469	8,845,912	142,443
Community Childcare	1,385,752	1,369,935	(15,817)
Land Ambulance	1,999,175	2,048,843	49,668
DSSAB Executive	<u>218,157</u>	<u>124,454</u>	<u>(93,703)</u>
Subtotal	17,622,150	17,210,089	(412,061)
Surplus	<u>(902,220)</u>	<u>(848,655)</u>	<u>53,565</u>
Total City DSSAB Levy	<u>16,719,930</u>	<u>16,361,434</u>	<u>(358,496)</u>

	<u>2014</u>	<u>2015</u>	<u>Increase (Decrease)</u>
DSSAB Levy Based on Property Assessment			
City Share of the DSSAB Levy	88.98%	88.81%	(.17%)
Prince Township	1.80	1.82	.02%
Townships without Municipal Organization	<u>9.22</u>	<u>9.37</u>	.15%
Total	<u>100.00%</u>	<u>100.00%</u>	

The 2015 City DSSAB levy benefitted from the Provincial upload of Ontario Works costs and was offset by higher costs for housing programs.

Ontario Municipal Partnership Fund (OMPF)

On March 31, 2005 the Province announced a new support program for municipalities entitled the Ontario Municipal Partnership Fund (OMPF). This program replaced the Community Reinvestment Fund (CRF).

The OMPF grant was a support program based on property assessment values and social service costs. The OMPF grant formula was an improvement over the CRF program for Sault Ste. Marie since it compensated municipalities with lower and static assessment values.

The City received a grant increase of \$4,081,651 to \$25,529,651 in 2005 under the new OMPF formula as compared to the 2004 grant of \$21,448,000 under the CRF.

Historical Comparison of Ontario Municipal Partnership Funding

<u>Year</u>	<u>Grant</u>	<u>Increase/ (Decrease)</u>
2004	21,448,000	
2005	25,529,651	4,081,651
2006	25,941,091	411,440
2007	26,403,830	462,739
2008	28,835,600	2,431,770
2009	27,883,300	(952,300)
2010	23,813,600	(4,069,700)
2011	19,603,400	(4,210,200)
2012	18,431,700	(1,171,700)
2013	18,229,000	(202,700)
2014	17,244,700	(984,700)
2015	16,244,600	(1,000,100)

The City had benefited from low property assessments as the OMPF grant provided relief for municipalities with lower than average assessment bases. This trend changed in 2009 with the 2008 reassessment that became the base for the 2009 tax year. The above reductions from 2009 to 2012 reflect the uploading of Provincial social service costs and reduced equalization grants.

A detailed OMPF 2015 grant calculation is listed below for information.

<u>OMPF Programs</u>	<u>2014</u>	<u>2015</u>	<u>Increase Decrease)</u>
Assessment Equalization Grant	\$ 6,022,200	\$ 4,929,900	\$ (1,092,300)
Northern and Rural Fiscal Circumstances Grant	1,950,900	2,111,000	160,100
Northern Communities Grant	7,397,600	7,398,600	1,000
Transitional Assistance Grant	<u>1,874,000</u>	<u>1,805,100</u>	<u>(68,900)</u>
Total	\$ <u>17,244,700</u>	\$ <u>16,244,600</u>	\$ <u>(1,000,100)</u>

In 2013, the OMPF formula was changed and the Ministry of Finance introduced a new funding concept known as the Municipal Fiscal Circumstances Index (MFCI) that was developed to measure the relative fiscal circumstances of municipalities. The MFCI measures such factors as weighted assessment per household, median household income and employment rates.

For 2015, Northern Ontario municipalities received 90% of their 2014 OMPF allocation, plus the MFCI calculation for their community. For our 2015 grant, Sault Ste. Marie will receive 94.2% of the 2014 allocation resulting in a grant of \$16,244,600 comprised of a base funding of 90% plus an additional 4.2% resulting from the MFCI calculation.

Attached in Appendix A is the 2015 Provincial Allocation OMPF Grant notice.

The 2015 OMPF grant program allocated \$515 million to municipalities and for 2016 the program will be allocated \$500 million.

The Province announced the results of the Provincial – Municipal Fiscal Service Delivery Review in 2008. The following social service uploads will occur over the next 10 years.

- 2009 – Upload administration costs for the Ontario Disability Support Program. This upload has been estimated at \$1,191,200 by the Province and will be offset against other changes in the OMPF grant.
- 2010 – Upload 10% of the total cost for the Ontario Disability Support Program. Previously, municipalities paid 20% of ODSP program costs. In 2010, the City share was reduced to 10%.
- 2010 – Began a 9 year phase in process to upload Ontario Works benefit costs. Prior to 2010, municipalities funded 20% of the cost of Ontario Works benefits. The phase-in schedule of municipal costs being uploaded by year is listed below:

2011 – 6%
2012 – 14%
2013 – 29%
2014 – 43%
2015 – 57%
2016 – 71%
2017 – 86%
2018 – 100%

2011 – Ontario Disability Support Program – upload remaining 10% of the total cost.

2012 – Court Security – begin 7 year phase in process to upload costs.

2015 Budget Process

The City has utilized a global budget allocation system. Departments were asked to submit a 2015 budget based on the approved 2014 allocation. Additional requests are included in a list of supplementary items.

The City website was open for public input for the 2015 Budget along with three public meetings.

Surplus included in the Budget as Revenue

We have cautioned Council on using surplus as revenue in the budget. If a surplus is not generated then cost reductions or revenue increases are required to offset the loss of this revenue the following year.

<u>Year</u>	<u>Surplus included as Revenue in the Budget</u>
1998	1,215,000
1999	1,000,000
2000	750,000
2001	500,000
2002	250,000
2003	250,000
2004	200,000
2005	0
2006	432,013
2007	530,000
2008	0
2009	500,000
2010	500,000
2011	500,000
2012	1,000,000
2013	1,500,000
2014	2,150,155

Our goal has been to phase out the use of surplus as a revenue source in the budget. If a surplus does occur it should be utilized for one-time expenditures such as capital projects or a contribution to reserves.

Long Term Debt

2014 Net Long Term Liabilities	\$ 10,205,146
2013 Net Long Term Liabilities	<u>12,466,343</u>
Net Decrease in Long Term Liabilities	\$ <u>2,261,197</u>

Total Year End Debt

2014	10,205,146
2013	12,466,343
2012	14,569,474
2011	16,718,442
2010	17,936,258
2009	20,440,876
2008	23,376,288
2007	26,586,752
2006	18,329,293
2005	23,031,325
2004	26,446,776
2003	28,492,740
2002	21,075,992
2001	23,327,226
2000	25,901,858
1999	16,175,994
1998	16,955,181
1997	19,711,034
1996	22,159,369

A Long Term Debt Projection Schedule is attached as Appendix B.

Debt Strategy

We are maintaining our strategy of a Pay As You Go program to finance capital road reconstruction. The 2015 capital roadway construction program will be financed by the capital levy.

Credit Rating

On September 7, 2011 the City's credit rating was revised from an "A" (stable) rating to an "A" (positive) rating.

On November 5, 2012, the City's credit rating was upgraded to "A+" (stable) from "A" (positive).

On November 1, 2013 The City's credit rating was reviewed by Standard and Poor's and was maintained at the rating of "A+" (stable).

On October 30, 2014 the City's credit rating was reviewed and revised to the rating of "A+" (positive).

The City's credit rating from Standard & Poor's is attached as Appendix C.

Total Debt Requirements in 2015

Northern Community Centre

On February 22, 2010 Council approved the construction of the Northern Community Centre (formerly West End Community Centre). The financing plan was revised on January 10, 2011 which included approval for an annual allocation of \$700,000 to finance the net City share of \$5,850,000.

Beginning in 2011, \$700,000 was allocated annually to finance the net City share of \$5,100,000 for the cost of the Northern Community Centre along with an annual debt payment of \$71,061 to the Province for the repayment of a \$500,000 loan over 8 years.

At December 31, 2014, there remains \$1,985,206 to be financed along with the annual payments for a \$500,000 loan from the Northern Ontario Heritage Fund.

Council approved the use of \$5,850,000 debt under by-law 2011-19 for this project.

The attached Appendix D indicates a net annual allocation of \$628,939 will be used to finance the remaining City share of \$1,985,206 over the 4 years (2015 to 2018). The 4 years of funding equals \$2,515,756 (\$628,939 x 4) and if the net City share of \$1,985,206 is deducted, a remaining balance of \$530,550 is generated.

Staff is recommending no debt be issued for the project and the balance of \$530,550 that remains after the project is fully funded be allocated to finance additional upgrades to the Northern Community Centre as presented by the Commissioner of Community Services on 2015 04 13.

PUC Water Upgrades

The Sault Ste. Marie Public Utilities Commission has indicated that they will require approximately \$8.0 million of debt financing to upgrade the water distribution system which is a municipal responsibility. The Sault Ste. Marie Public Utilities Commission had been before Council to explain system upgrades and they will request approval for this project from Council in the near future.

Heritage Discovery Centre

At the 2014 budget it was determined the City would borrow the municipal share of the Heritage Discovery Centre which was estimated to be \$750,000. The final costs have been determined and the net City cost is \$325,154 as per Appendix E. Due to the reduced amount of the net City cost, staff now recommend surplus be used to fund this balance to eliminate the need to debt finance this project.

Gateway Site

No debt provisions have been made at this time for the \$1.8 million owing for the purchase of the Gateway Site property. Our financial plan has been to sell the property to a developer and recover our land purchase costs.

Reserves

Reserves provide liquidity for operations along with a form of security for long term debt.

Reserve Funds – 2014 Total	\$ 5,603,575
Reserve Funds – 2013 Total	<u>6,482,494</u>
Decrease in 2014	\$ <u>(878,919)</u>
Reserves – 2014 Total without commitments	\$ 26,721,286
Reserves – 2013 Total without commitments	<u>26,132,811</u>
Increase in 2014	\$ <u>588,475</u>

A summary of reserves and reserve funds was provided to City Council at the April 13, 2015 Council meeting.

The attached Appendix F is a statement listing the balances of our Development Charges Reserve. The City does not currently charge Development Charges but has balances from previous years.

Capital Budget

Major projects will be presented individually to Council for approval. The City of Sault Ste. Marie's capital budget is composed of the following components.

1. Capital from Current

A budget allocation of \$1,200,000 was included in 2015 which is an increase of \$100,000 as compared to 2014. Staff recommends an increase each year to fund equipment and facility maintenance.

2. Sanitary Sewer Surcharge

Attached in Appendix G is the budget for the 2015 sanitary sewer surcharge.

The Engineering Department is currently studying two major capital projects which include major upgrades to the West End Sewage Treatment Plant and a Biosolids Management Plan to dispose of sewage sludge. We are allocating funds in the sewer surcharge budget to finance these future projects and they are included in our Asset Management Plan.

3. 2015 Road Construction Program

Council approved the 2015 Capital Road Construction Plan on June 9, 2014 (Appendix H) and it will be financed by the following allocations in the 2015 budget.

City Financing –

2015 Federal Gas Tax- Estimated		\$ 4,351,477
2015 Capital Levy – Overall	4,500,000	
2015 Capital Levy – Urban only	<u>1,769,279</u>	6,269,279
2015 Sewer – Financed by Sewer Surcharge		1,014,250
Adjustment		<u>8,544</u>
Subtotal		11,643,550
Ontario Community Infrastructure Fund – Second Line		<u>2,435,343</u>
Total 2015 Construction Program		\$ <u>14,078,893</u>

There are additional funds available for future capital projects as a result of savings from previous capital programs. Recommendations for these funds will be provided to Council by the Engineering Department at a future date.

At December 31, 2014, the overall levy had an unallocated balance of \$466,086 and the urban only levy had an unallocated balance of \$896,466.

Engineering will bring a future report forward to complete four small storm sewer improvement projects that were problematic during the September 2013 flooding. The projects total approximately \$450,000 and the most critical two projects total \$325,000, one of which is the subject of a Council resolution relating to Summit and Ontario streets. These projects will be funded from the urban only unallocated levy.

4. Miscellaneous Construction

A total of \$1.3 million is allocated annually for Miscellaneous Construction projects.

The following allocation is recommended for 2015.

Asphalt Resurfacing	\$ 590,000
Surface Treatment	300,000
Rear Yard Drainage	60,000
Aqueduct Inspection (Biannual)	50,000
Bridge/Aqueduct Rehabilitation	100,000
Slope Stabilization	100,000
EA – Northern Ave Ext to Black	25,000
Sea Wall 711/719 Bay St.	25,000
Unforeseen/Emergency Projects	<u>50,000</u>
Total 2015 Miscellaneous Construction	\$ <u>1,300,000</u>

Additional resurfacing is recommended by allocating the balance of \$58,387 from the Miscellaneous Construction Carryover Reserve and an unallocated balance of \$162,613 from the Miscellaneous Construction program for a combined total of \$221,000.

Federal Gas Tax

The following is the Federal Gas Tax program allocation for the next 4 years.

2015	\$ 4,351,477.49
2016	\$ 4,569,051.37
2017	\$ 4,569,051.37
2018	\$ 4,786,625.24

The staff recommendation will be to continue to use gas tax funding towards road construction and aqueducts unless otherwise directed by Council.

Casino Revenue – Hospital Contribution

The City approved an agreement with the Ontario Lottery and Gaming Corporation for a revised revenue sharing plan on August 12, 2013.

The City now receives 5.25% of the gross slot revenues from the Sault Ste. Marie Charity Casino along with 4% of Live Table Game Revenue.

A Council resolution passed on March 8, 1999 committed casino revenues to fund six additional Police Officers and one new Fire Prevention Officer.

On September 11, 2000, Council passed a resolution to annually contribute \$1,000,000 from casino revenue and \$1,100,000 from an additional tax levy for the construction of a new hospital facility based on the estimated cost of \$175 million. The funds were held in a Hospital Reserve Fund.

On July 7, 2003, Council passed a resolution to increase the City commitment to \$29.5 million with funding completed in 2014.

Summary of Casino Revenues

<u>Revenue</u>	<u>Police and Fire Costs</u>	<u>Doctor Recruitment</u>	<u>Hospital</u>	<u>Other</u>	<u>Total Revenue</u>
1999	234,563		509,101	39,568	783,232
2000	292,709		1,000,000		1,292,709
2001	258,015	353,220	1,000,000		1,611,235
2002	278,456	631,731	1,000,000	15,956	1,926,143
2003	304,774	611,161	1,000,000		1,915,935
2004	314,436	555,915	1,000,000		1,870,351
2005	334,167	242,911	1,000,000		1,577,078
2006	355,020	100,899	1,000,000		1,455,919
2007	383,643	146,564	1,000,000		1,530,207
2008	403,527	113,513	1,000,000		1,517,040
2009	423,554	48,745	1,000,000		1,472,299
2010	441,500	21,585	1,000,000		1,463,085
2011	406,507	0	1,000,000		1,406,507
2012	339,332	0	1,000,000		1,339,332
2013	311,039	0	1,000,000		1,311,039
2014	<u>350,000</u>	<u>0</u>	<u>0</u>	<u>960,944</u>	<u>1,310,944</u>
Total	\$ <u>5,431,242</u>	\$ <u>2,826,244</u>	\$ <u>14,509,101</u>	\$ <u>1,016,468</u>	\$ <u>23,783,055</u>

Hospital Levy

2001	\$ 1,100,000
2002	1,100,000
2003	1,100,000
2004	1,100,000
2005	1,100,000
2006	1,100,000
2007	1,100,000
2008	1,100,000
2009	1,100,000
2010	1,100,000
2011	1,100,000
2012	1,100,000
2013	1,100,000
2014	<u>693,000</u>

Total Hospital Levy \$ 14,993,000

Total Casino and Hospital Levy \$ 29,502,101

Application of Hospital Donation

SAH access road 2005	(15,556)	
SAH access road 2006	(458,523)	
SAH access road 2007	(674,389)	
SAH access road 2008	(38,398)	
SAH access road 2008	<u>(10,073)</u>	
Total SAH access road	\$ (1,196,939)	
SAH Building Permit	\$ <u>(1,627,210)</u>	\$ (2,824,149)
Cash Paid to Sault Area Hospital – October 2010	(19,684,952)	
2011 Hospital Contribution	(2,100,000)	
2012 Hospital Contribution	(2,100,000)	
2013 Hospital Contribution	(2,100,000)	
2014 Hospital Contribution	<u>(693,000)</u>	

Balance December 31, 2014 \$ 0

Interest in Reserve

Interest earned on Reserve to 2008	\$ 2,636,930
Interest earned in 2009	125,926
Interest earned in 2010	60,677
Interest earned in 2011	18,146
Interest earned in 2012	15,509
Interest earned in 2013	17,050
Interest earned in 2014	<u>19,896</u>
 Total Interest Earned	 \$ 2,894,134
Allocated to 2008 Doctor Recruiting	(430,000)
Allocated to 2009 Doctor Recruiting	(56,265)
Allocated to 2010 Doctor Recruiting	(452,689)
Allocated to 2011 Doctor Recruiting	(372,123)
Allocated to 2012 Doctor Recruiting	(419,207)
Allocated to 2013 Doctor Recruiting	(599,579)
Allocated to 2014 Doctor Recruiting	(109,209)
Estimate of Additional Costs	(<u>50,000</u>)
Reserve Total December 31, 2014	\$ <u>405,062</u>

The 2015 Doctor Recruitment budget of \$100,000 was approved on 2015 02 23 with funding from the Hospital Reserve Fund.

On September 25, 2006, City Council approved a contract with Mid Canada Construction for the construction of an access road. On April 30, 2007 City Council approved the payment from the hospital reserve for the hospital building permit.

Structure of City Hospital Contribution

Casino Revenue of \$1,000,000 to the end of 2013	\$ 14,509,101
Hospital levy of \$1,100,000 to 2013 with partial payment of \$693,000 in 2014	<u>14,993,000</u>
Total Hospital Contribution	\$ <u>29,502,101</u>

The City contribution of \$29,502,101 to the Sault Area Hospital was completed in 2014.

Tax Capping

Municipalities rely on the On-line Property Tax Analysis System (OPTA) for tax billing calculations and tax analysis that was developed by the Ministry of Finance and Ministry of Municipal Affairs and Housing.

In accordance with the Province's tax reform legislation, municipalities are required to provide tax capping protection to properties in the commercial, industrial and multi-residential tax classes.

Tax capping reduces the impacts of assessment related tax increases by limiting the assessment related property tax increase to a minimum increase of 5%. The range of tax capping is from 5% to 10%. Tax capping does not apply to municipal levy increases. A minimum 5% tax capping policy is legislated by the Province.

The tax capping program can be funded by those taxpayers who experience tax decreases within each tax class, which is assigned a claw-back percentage to fund the cap. This claw-back is calculated through the provincially sponsored On-line Property Tax Analysis (OPTA) interactive internet database.

The goal of these policies is to reduce the impact of the 2012 reassessment on the commercial, industrial and multi-residential tax classes.

Staff recommends the 2015 tax capping rate for capped classes be set at 5%, which is the same policy as approved in 2014.

Assessment

The Province of Ontario implemented a property reassessment in 2013 based on a valuation date of January 1, 2012. The assessment increases will be phased in over four years (2013 – 2016) based on a 25% phase in per year.

Appendix I is an Assessment Change Summary comparing 2014 and 2015 assessments including growth.

2011 – 2014 Assessment Growth (taxable only)

<u>Property Class</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Residential	43,583,773	41,437,591	30,577,349	36,311,921
Multi-Residential	3,029,694	2,125,540	712,425	(130,308)
Commercial	1,791,437	5,940,427	36,893,552	2,929,743
Industrial	645,913	3,226,392	(132,794)	(149,785)
Other	<u>(10,706)</u>	<u>417,900</u>	<u>(56,313)</u>	<u>363,961</u>
Total	<u>49,040,111</u>	<u>53,147,850</u>	<u>67,994,219</u>	<u>39,325,532</u>

Based on 2014 tax rates, the growth assessment generated approximately \$622,696 of revenue (2013 – \$1,678,582) as listed in Appendix J.

Assessments

A long standing assessment appeal by Great Lakes Power for the power generating station is still active for the years 1995 – 2002. Tax issues relating to this appeal are expected to be before the Assessment Review Board in 2015.

Tax Policy Options – Revenue Neutral Tax Ratios

Revenue neutral tax ratios are the tax ratios that if adopted would ensure that each property class generates the same amount of tax revenue after a reassessment as it did before the reassessment.

In the 2012 reassessment, the residential class increased by 28.04%, commercial increased by 13.09% and the large industrial class decreased by 22.91%. Under reassessment, increases are phased in over 4 years while decreases are applied immediately.

While the City's assessment base has increased due to reassessment, this does not result in an increase in the overall property tax revenue received.

A tax shift occurs when a property tax class experiences overall valuation increases more than another property tax class, this reallocates a greater burden of taxes from one class to another.

Municipalities are allowed to protect residential taxpayers from shifts in the tax burden by adopting revenue neutral tax ratios.

Tax ratios represent the amount of taxation to be borne by each property class in relation to the residential class. The ratios reflect how the tax rate of a property class compares to the residential tax rate, with the residential class tax ratio being equal to one.

A tax ratio adjustment is required to mitigate shifts in taxation resulting from the reassessment of properties in order to restore the relative proportion of taxes collected from each property class to the level prior to reassessment.

As listed below, revenue neutral ratios from 2009 – 2015 have maintained the relative proportion of the tax levy for each tax class and the adoption for 2015 would continue that direction.

Summary of 2009 – 2015 % of City Taxes Levied Using Revenue Neutral Ratios

<u>Tax Class</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Residential	62.83	62.74	62.66	62.84	62.98	62.54	62.74
Multi- Residential	4.83	4.69	4.64	4.66	4.67	4.61	4.59
Commercial	21.60	21.81	22.07	21.95	22.21	22.93	22.83
Industrial/Large Industrial	10.12	10.13	10.01	9.93	9.53	9.31	9.23
Other Classes	<u>.62</u>	<u>.63</u>	<u>.62</u>	<u>.62</u>	<u>.61</u>	<u>.61</u>	<u>.61</u>
Total	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

Attached in Appendix K are the revenue neutral tax ratios to achieve the same proportional weighting of the tax levy. Revenue neutral tax ratios are based on the total tax class. The net impact of utilizing revenue neutral tax ratios is illustrated in Appendix L.

To protect tax classes other than residential, the province has set a Provincial Threshold for tax ratios that once they exceed an amount, a levy restriction is imposed and only a maximum of 50% of the increased tax levy can be passed onto the class, transferring this tax burden to all other classes. For 2015, a levy restriction will apply to the commercial and industrial tax classes.

After review with City staff and MTE Consultants in 2009, we recommended the revenue neutral tax ratios for all classes to maximize the benefit to the residential tax class. This policy began in 2009 and we recommend that tax neutral ratios be continued for 2015.

Education Tax Rates

The residential education tax rates as set by the Province were reduced from the 2014 level of .00203 to the 2015 rate of .00195. Appendix M lists the education tax rates.

Investment Policy

The attached Appendix N is a list of investments held at yearend 2014 as required by the City's investment policy. The investments relate to funds held in the Perpetual Care Trust Fund.

Financial Assistance Policy

Attached in Appendix O is a list of In-Kind services the City will provide for events.

Economic Diversification Fund

A summary of the 2014 Economic Development Fund appears in Appendix P along with commitments on the 2015 EDF fund.

The 2015 budget includes an allocation of \$500,000 of which \$28,325 has been allocated, resulting in a remaining balance of \$471,675 to be allocated by Council.

There still remains \$101,864 to be allocated from past years EDF funds and staff will review the status of EDF projects.

P.U.C. Interest Payment

The City receives \$2,545,000 of interest and dividend payments annually from the PUC.

Doctor Recruitment

The Sault Ste. Marie Physician Recruitment & Retention Program (SSMRRP) made a presentation to City Council on December 2, 2013. SSMRRP recommended the City contribute only \$100,000 per year to be matched by Group Health Centre and Sault Area Hospital.

Since 2011, no Casino proceeds have been allocated to Doctor Recruitment. Staff will continue to recommend the interest on the Hospital Reserve Fund be used to fund Doctor Recruitment.

On February 23, 2015 Council approved a contribution of \$100,000 for the 2015 program. The estimated balance of the Hospital Reserve Fund after deducting the 2015 commitment is \$325,000.

Staff recommends the interest from the Hospital Reserve Fund be dedicated to the Doctor Recruitment Program.

Casino Revenue

The 2015 budget for casino revenue is \$1.3 million.

In the 2014 budget Council approved an allocation of \$431,580 of casino proceeds to fund an Asset Management Plan.

Staff again recommends that \$431,680 of casino proceeds be transferred to an Asset Management Reserve to fund the Asset Management Plan.

Self Insurance – Long Term Disability Costs

The City is self insured for long term disability costs and funds the full estimated life cost of a claim when it occurs which can be significant depending on the age and salary of the employee.

Included in the transfers to reserve is an amount of \$650,000 for a self insurance reserve for long term disability costs. Previously, we have retained excess premium funds with our insurance company as a reserve for potential future long term disability claims that could be in excess of our annual premiums. We are now going to transfer all excess premium funds to the City and maintain a City reserve.

The Commissioner of Human Resources has recommended a reserve of \$650,000 to fund potential future claims. Although these funds may be seen as discretionary as to their future use, city staff strongly recommends that these only be used for long term disability costs which could easily fluctuate in the future.

Asset Management Plan

An Asset Management Plan report was presented to City Council on February 23, 2015 and is attached in Appendix Q. The Asset Management Plan is a long term strategy to address upgrades to existing buildings and infrastructure.

To maintain our current municipal buildings, it is estimated that \$27 million will be required over the next 10 years. The plan is to allocate \$2.7 million annually to fund this project.

Staff are recommending the following sources of funding for this plan.

1. Retired debenture debt charges – \$ 1,167,630

The debt charges for the contribution to the F. J. Davey home expired at the end of 2014. Recommend these funds be reallocated to asset management in 2015

NO IMPACT IN 2015 TAX LEVY AS COMPARED TO 2014

2. Retired Sault Area Hospital levy – \$ 693,000

The remaining levy in the 2014 budget to complete the contribution be reallocated to asset management in 2015.

NO IMPACT IN 2015 TAX LEVY AS COMPARED TO 2014

3. Continued allocation of Casino revenue (2014 budget) – \$ 431,580

Approved in 2014 budget from casino revenue. Originally requested \$1 million in 2014 to asset management but was adjusted to \$431,580 after \$568,420 of proceeds were allocated for a tax levy reduction.

NO IMPACT IN 2015 LEVY – INCLUDED IN 2014 BUDGET

4. Additional budget allocation –

To reach the \$2.7 million total, add \$407,790 to the tax levy. Staff time is required to implement the Asset Management Plan so refer final allocation to the 2016 budget.

REFER TO THE 2016 BUDGET \$ 407,790

TOTAL ANNUAL ALLOCATION \$ 2,700,000

If Council approves the above recommendation (items 1, 2 and 3), a total of \$2,292,210 will be transferred to the Asset Management Reserve and this allocation will be included in the current and future tax levies to fund upgrades to buildings.

2014 Surplus

The surplus for 2014 is \$3,516,847 subject to the completion of our external audit. A comparison of budget and actual results for 2014 as prepared by Shelley Schell, Manager of Finance and Budgets is included in Appendix R.

Recommendations

Listed below is a summary of staff budget recommendations.

1. Staff recommends the following allocation of the 2014 surplus of \$3,516,847;

- i) Surplus from 2014 as 2015 Revenue 1,935,049**

In the 2014 budget, \$2,150,055 of surplus was used as revenue. Staff is recommending a 10% reduction in the amount of surplus used as revenue for 2015 to begin a process of reducing the amount of surplus used as revenue in the budget.

This recommendation is to recognize that staff continues to provide a caution that surpluses may not occur in future years and should be used for one time funding.

- ii) Additional Resurfacing 1,116,644**
Recommended 2015 resurfacing program to follow.

- iii) Heritage Discovery Centre net City cost 325,154**
As detailed on page 7.

- iv) Railroad Crossing Costs as requested in the 140,000**
Council report of April 13, 2015.

Total Surplus	<u>\$ 3,516,847</u>
----------------------	----------------------------

2. Staff recommends the tax capping percentage of 5% for multi-residential, commercial and industrial tax classes.

3. Staff recommends that \$431,580 from casino proceeds be allocated to the Asset Management Reserve.

4. **Staff recommends that \$1,167,630 from reduced Long Term Debt costs in 2015 be transferred to the Asset Management Reserve.**
5. **Staff recommends that \$693,000 from the reduced hospital contribution listed as Grants to Others be transferred to the Asset Management Reserve.**
6. **Staff is recommending no debt be issued for the Northern Community Centre and the balance of \$530,550 that remains after the project is fully funded from the current annual budget allocation be used to finance additional upgrades to the Northern Community Centre as presented by the Commissioner of Community Services on 2015 04 13.**
7. **Additional resurfacing is recommended by allocating the balance of \$58,387 from the Miscellaneous Construction Carryover Reserve and the unallocated balance of \$162,613 from the Miscellaneous Construction program for a combined total of \$221,000.**

Respectfully submitted,



W. Freiburger, CPA, CMA
Commissioner of Finance & Treasurer

WF/kl

attachments

Ontario Municipal Partnership Fund (OMPF) 2015 Allocation Notice



City of Sault Ste Marie

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2015 Highlights for the City of Sault Ste Marie

- The City of Sault Ste Marie's combined benefit of the 2015 OMPF and provincial uploads totals \$31,863,200 which is the equivalent of 32% of the City's municipal property tax revenue.
- The City's combined benefit includes:
 - \$16,244,600 through the OMPF
 - \$15,618,600 benefit resulting from the provincial uploads
- This exceeds the City's 2014 combined benefit by \$247,600 and payments received in 2004 by \$10,415,200.

A	Total 2015 OMPF	\$16,244,600
----------	------------------------	---------------------

1. Assessment Equalization Grant	\$4,929,900
2. Northern Communities Grant	\$7,398,600
3. Rural Communities Grant	-
4. Northern and Rural Fiscal Circumstances Grant	\$2,111,000
5. Transitional Assistance	\$1,805,100

B	2015 Combined Benefit of OMPF and Provincial Uploads (Line B1 + Line B2)	\$31,863,200
----------	---	---------------------

1. Total OMPF (Equal to Line A)	\$16,244,600
2. Provincial Uploads (see 2015 Upload Notice Insert)	\$15,618,600

C	Other Ongoing Provincial Support	\$4,770,700
----------	---	--------------------

1. Public Health	\$2,885,600
2. Land Ambulance	\$750,000
3. Provincial Gas Tax Program	\$1,135,100

D Key OMPF Data Inputs

1. Households	34,492
2. Total Weighted Assessment per Household	\$216,407
3. Rural and Small Community Measure	10.0%
4. Northern and Rural Municipal Fiscal Circumstances Index	6.1
5. 2015 Guaranteed Level of Support	94.2%
6. 2014 OMPF (Line A from 2014 Allocation Notice)	\$17,244,700

Issued: November 2014

Ontario Municipal Partnership Fund (OMPF) 2015 Allocation Notice



City of Sault Ste Marie

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2015 OMPF Allocation Notice - Line Item Descriptions

A The OMPF grants are described in detail in the OMPF Technical Guide – this document can be found on the Ministry of Finance's website at: <http://www.fin.gov.on.ca/en/budget/ompf/2015>

A5 If applicable, reflects the amount of transitional support provided to assist the municipality in adjusting to the redesigned OMPF program. See the enclosed Transitional Assistance Calculation Insert for further details.

B1 Sum of 2015 OMPF grants. (Equal to Line A)

B2 Estimated 2015 benefit of the Province's upload of social assistance benefit program as well as court security and prisoner transportation costs. For further details see the 2015 Upload Benefit Report.

C1 The estimated 2015 municipal benefit of the Province's 75 per cent share of public health funding relative to its 50 per cent share in 2004. In two-tier systems, this benefit is identified at the upper-tier level. Actual municipal savings may not correspond with the Allocation Notice due to budget approvals made by the local Boards of Health. Municipalities may provide additional funding beyond their obligated cost share. Any additional municipal funding is not included in the calculation of the public health figure.

C2 The estimated 2015 municipal benefit of the Province's 50 per cent share of land ambulance funding is relative to its share in 2005. This incremental increase in land ambulance funding delivers on the Province's commitment to strengthen land ambulance services and maintain the 50:50 sharing of land ambulance costs. In two-tier systems, this benefit is identified at the upper-tier level.

C3 Funding provided to the municipality through the 2014-15 provincial gas tax program.

D2 Refers to the total assessment for a municipality weighted by the tax ratio for each class of property (including payments in lieu of property taxes retained by the municipality) divided by the total number of households.

D3 Represents the proportion of a municipality's population that resides in rural areas or small communities. For additional information see the 2015 OMPF Technical Guide.

D4 The northern and rural Municipal Fiscal Circumstances Index (MFCI) measures a municipality's fiscal circumstances relative to other northern and rural municipalities in the province, and ranges from 0 to 10. A lower MFCI corresponds to relatively positive fiscal circumstances, whereas a higher MFCI corresponds to more challenging fiscal circumstances. For additional information see the 2015 OMPF Technical Guide.

D5 Represents the guaranteed level of support the municipality will receive from the Province through the 2015 OMPF. For additional information see the 2015 OMPF Technical Guide.

D6 2014 OMPF allocation.

Note: Provincial funding and other ongoing provincial support initiatives rounded to multiples of \$100.

**Ontario Municipal Partnership Fund (OMPF)
2015 Transitional Assistance Calculation Insert**



City of Sault Ste Marie

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A 2015 OMPF Transitional Assistance (Line B2 - Line B1 if positive)

\$1,805,100

B Supporting Details

1. Sum of 2015 OMPF Grants, Excluding Transitional Assistance

\$14,439,500

2. 2015 Guaranteed Support (Line B2a x Line B2b)

\$16,244,600

a. 2014 OMPF (Line A from 2014 Allocation Notice)

\$17,244,700

b. 2015 Guaranteed Level of Support (Line C)

94.2%

C 2015 Guaranteed Level of Support (Line C1 + Line C2)

94.2%

1. 2015 OMPF Minimum Guarantee

90.0%

2. Enhancement Based on Northern and Rural Municipal Fiscal Circumstances Index

4.2%

Ontario Municipal Partnership Fund (OMPF) 2015 Transitional Assistance Calculation Insert



City of Sault Ste Marie

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2015 Transitional Assistance Calculation Insert - Line Item Descriptions

A Represents the total Transitional Assistance the municipality will receive in 2015.

B1 Sum of 2015 Assessment Equalization, Northern Communities, Rural Communities, and Northern and Rural Fiscal Circumstances Grants.

B2 Guaranteed amount of funding through the 2015 OMPF.

B2a 2014 OMPF allocation.

B2b Represents the guaranteed level of support the municipality will receive from the Province through the 2015 OMPF. For additional information see the 2015 OMPF Technical Guide.

C1 Reflects the minimum level of support for northern municipalities.

C2 Reflects the enhancement to the minimum level of support based on the municipality's northern and rural MFCI.

Note: Provincial funding and other ongoing provincial support initiatives rounded to multiples of \$100.

Ontario Municipal Partnership Fund (OMPF)

2015 Northern and Rural Municipal Fiscal Circumstances Index



City of Sault Ste Marie

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A Northern and Rural MFCI - City of Sault Ste Marie

6.1

The northern and rural Municipal Fiscal Circumstances Index (MFCI) measures a municipality's fiscal circumstances relative to other northern and rural municipalities in the province on a scale of 0 to 10. A lower MFCI corresponds to relatively positive fiscal circumstances, whereas a higher MFCI corresponds to more challenging fiscal circumstances.

The northern and rural MFCI is determined by six indicators that are classified as either primary or secondary, to reflect their relative importance in determining a municipality's fiscal circumstances.

The table below provides a comparison of the indicator values for the City and the median for northern and rural municipalities.

B Northern and Rural MFCI - Indicators

	Sault Ste Marie C	Median
Primary Indicators		
1. Weighted Assessment per Household	\$216,407	\$240,000
2. Median Household Income	\$56,051	\$61,000
Secondary Indicators		
3. Average Annual Change in Assessment (New Construction)	1.1%	1.1%
4. Employment Rate	53.1%	58.0%
5. Ratio of Working Age to Dependent Population	194.7%	194.0%
6. Per cent of Population Above Low Income Threshold	84.8%	87.0%

Note: A value that is higher than the median corresponds to relatively positive fiscal circumstances, while a value below the median corresponds to more challenging fiscal circumstances.

Additional details regarding the calculation of the northern and rural MFCI are provided in the 2015 OMPF Technical Guide, as well as in the customized municipal 2015 Northern and Rural MFCI Workbook.

Issued: November 2014

Ontario Municipal Partnership Fund (OMPF)

2015 Northern and Rural Municipal Fiscal Circumstances Index



City of Sault Ste Marie

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2015 Northern and Rural Municipal Fiscal Circumstances Index - Line Item Descriptions

- | | |
|-----------|---|
| A | The municipality's 2015 northern and rural MFCI. Additional details are provided in the municipality's customized 2015 Northern and Rural MFCI Workbook. |
| B1 | Refers to the total assessment for a municipality weighted by the tax ratio for each class of property (including payments in lieu of property taxes retained by the municipality) divided by the total number of households. |
| B2 | Statistics Canada measure of median income for all private households. |
| B3 | Measures the five-year (2009 - 2014) average annual change in a municipality's assessment, for example as a result of new construction, excluding the impact of reassessment. |
| B4 | Statistics Canada measure of number of employed persons, divided by persons aged 15 and over. |
| B5 | Statistics Canada measure of working age population, divided by youth (aged 14 and under) and senior population (aged 65 and over). |
| B6 | Reflects the Statistics Canada measure of the population in private households above the low income threshold for Ontario, compared to the total population in private households. |

7.

Ontario Municipal Partnership Fund (OMPF)
2015 Upload Notice



City of Sault Ste Marie

80101

A	Estimated 2015 Provincial Uploads	\$15,618,600
	1. Ontario Drug Benefits	\$1,897,300
	2. Ontario Disability Support Program - Administration Component	\$1,079,100
	3. Ontario Disability Support Program - Benefits Component	\$8,632,400
	4. Ontario Works - Benefits Component	\$1,778,000
	5. Ontario Works - Administration Component (Additional Support)	\$1,713,300
	6. Court Security and Prisoner Transportation	\$518,500
B	2014 Provincial Uploads	\$14,370,900
C	Increase in Provincial Uploads Compared to 2014 (Line A - Line B)	\$1,247,700

Issued: November 2014

Ontario Municipal Partnership Fund (OMPF)
2015 Upload Notice



City of Sault Ste Marie

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2015 Upload Notice - Line Item Descriptions

A Estimated 2015 municipal benefit resulting from the provincial upload of social assistance benefit programs and court security and prisoner transportation (CSPT) costs.

B Equal to Line A of the 2014 Upload Notice.

Note: Provincial funding and other ongoing provincial support initiatives rounded to multiples of \$100.

Summary of Debt By Function

March 31, 2015

		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Roadways		0	0	0	0	0	0	0	0	0	0
Recreation - John Rhodes Centre		3,276,685	3,051,257	2,807,636	2,544,351	2,259,818	1,952,320	1,620,005	1,260,869	873,748	453,302
Industrial Land Development - NOHFC		1,123,145	1,123,145	1,123,145	1,123,145	1,123,145	1,123,145	1,123,145	1,123,145	1,123,145	1,123,145
Davey Home		4,190,000	3,225,000	2,210,000	1,135,000	0	0	0	0	0	0
Essar Centre		9,346,428	8,655,593	7,928,693	7,163,847	6,359,072	5,512,285	4,621,292	3,683,785	2,697,337	1,659,392
West End Community Centre - NOHFC			663,447	500,000	500,000	463,111	406,260	347,533	286,868	224,203	159,470
Total City Debt Issued to Date		17,936,258	16,718,442	14,569,474	12,466,343	10,205,146	8,994,010	7,711,974	6,354,667	4,918,433	3,395,309
Water Distribution - estimated	A						8,000,000	7,273,088	6,530,832	5,772,905	4,998,979
Northern Community Centre - ice pad	B									5,000,000	4,545,680
Total Debt		17,936,258	16,718,442	14,569,474	12,466,343	10,205,146	16,994,010	14,985,062	12,885,499	15,691,338	12,939,968
Per Capital based on a population of	75141	239	222	194	166	136	226	199	171	209	172

Note - A

Debt of \$8,000,000 to be issued in 2015 and fully funded by the water rates.

Assume 2.1%, 10 years, semi- annual payments

Note - B

Budget \$5 million to renovate an existing facility or leverage with senior levels of government for a \$15 million project to attach arena to existing soccer facility with additional community meeting rooms.

Assume 10 years, semi- annual payments

PUC Water Operations has a line of credit of \$6,200,000.

Other Possible Debt Issues

The City has not funded the \$1.8 million purchase of the Gateway property. A debenture issue is an option.

The City is currently undertaking a Environmental Assessment relating to the future disposal of waste at the landfill site due to the site limitations.

The City is considering LED streetlighting and is working with the PUC on a financing plan.

From: eAGENDA Notification <DoNotReply@cityssm.on.ca>
Sent: Friday, November 14, 2014 4:00 PM
To:
Subject: Agenda Notification for Regular Council Meeting_Nov10_2014

This is an automated message from eSCRIBE.

Agenda Item: The City of Sault Ste. Marie Credit Rating

Description: A report of the Commissioner of Finance and Treasurer is attached for the consideration of Council.

Minutes: The report of the Commissioner of Finance and Treasurer was received by Council.

Resolution(s): :

Resolution: Resolved that the report of the Commissioner of Finance and Treasurer dated 2014 11 10 concerning City of Sault Ste. Marie Credit Rating be received as information.

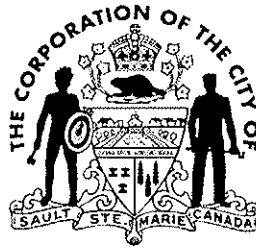
Moved By: Councillor F. Fata

Seconded
By: Councillor S. Myers

Vote Type: Majority

Result: Carried

Task(s):



COUNCIL REPORT

November 10, 2014

TO: Mayor Debbie Amaroso and Members of City Council
AUTHOR: W. Freiburger, Commissioner of Finance and Treasurer
DEPARTMENT: Finance Department
RE: The City of Sault Ste. Marie Credit Rating

PURPOSE

The purpose of this report is to provide information on the City's credit rating.

BACKGROUND

Each year the City has a credit review by the Standard and Poor's Rating Service. The credit rating for the City of Sault Ste. Marie has been ungraded to "A+" (positive) from "A+" (stable).

ANALYSIS

Not applicable.

IMPACT

The outlook revision reflects their opinion that, in the next two years, the City will continue to have a very low debt burden and exceptional liquidity, and that its budgetary performance will remain fairly stable such that the overall credit profile would be consistent with a higher rating.

STRATEGIC PLAN

Not applicable.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Commissioner of Finance and Treasurer dated 2014 11 10 concerning City of Sault Ste. Marie Credit Rating be received as information.

Respectfully submitted,

W. Freiburger, CPA, CMA
Commissioner of Finance and Treasurer

WF/kl
attachment

RatingsDirect®

Research Update:

City of Sault Ste. Marie Outlook Revised To Positive On Expected Very Low Debt Burden And Exceptional Liquidity

Primary Credit Analyst:

Adam J Gillespie, Toronto 416-507-2565; adam.gillespie@standardandpoors.com

Secondary Contact:

Bhavini Patel, CFA, Toronto (1) 416-507-2558; bhavini.patel@standardandpoors.com

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Research Update:

City of Sault Ste. Marie Outlook Revised To Positive On Expected Very Low Debt Burden And Exceptional Liquidity

Overview

- We are revising our outlook on the City of Sault Ste. Marie to positive from stable.
- We are also affirming our 'A+' long-term issuer credit and senior unsecured debt ratings on Sault Ste. Marie.
- The outlook revision reflects our opinion that, in the next two years, the city will continue to have a very low debt burden and exceptional liquidity, and that its budgetary performance will remain fairly stable such that the overall credit profile would be consistent with a higher rating.

Rating Action

On Oct. 30, 2014, Standard & Poor's Ratings Services revised its outlook on the City of Sault Ste. Marie, in the Province of Ontario, to positive from stable. At the same time, Standard & Poor's affirmed its 'A+' long-term issuer credit and senior unsecured debt ratings on Sault Ste. Marie.

Rationale

The outlook revision reflects our opinion that, in the next two years, the city will continue to have a very low debt burden and exceptional liquidity, and that its budgetary performance will remain fairly stable such that the overall credit profile would be consistent with a higher rating.

The ratings on Sault Ste. Marie reflect Standard & Poor's view of the city's very low debt burden, which is lower than that of many of its similarly rated international and domestic peers, and its exceptional liquidity position. The ratings also reflect our view of the "very predictable and well-balanced" institutional framework for Canadian municipalities, and the city's satisfactory financial management and low level of contingent liabilities. We believe that partially mitigating credit factors include Sault Ste. Marie's slow population growth and lower household income, which constrain its average economy; its average but somewhat volatile budgetary performance; and average budgetary flexibility, which is constrained on the expenditure side.

We believe Canadian municipalities benefit from a very predictable and well-balanced local and regional government framework that has demonstrated a

Research Update: City of Sault Ste. Marie Outlook Revised To Positive On Expected Very Low Debt Burden And Exceptional Liquidity

high degree of institutional stability. Although provincial governments mandate a significant proportion of municipal spending, they also provide operating fund transfers and impose fiscal restraint through legislative requirements to pass balanced operating budgets. Municipalities generally have the ability to match expenditures well with revenues, except for capital spending, which can be intensive. Any operating surpluses typically fund capital expenditures and future liabilities.

In our view, a very low debt burden relative to that of its peers continues to support the city's credit profile. Total tax-supported debt at the end of 2013 was C\$12.5 million, equal to 6.4% of consolidated operating revenue (all figures Standard & Poor's-adjusted). This is down from 17.7% in 2005 and we do not believe that this ratio will exceed 30% during the next two years, even under our more conservative base-case scenario, which includes a higher level of debt issuance than the city has indicated it expects is required in this time. We also believe that the city's interest costs will remain fairly stable, at less than 1% of operating revenues.

In our opinion, Sault Ste. Marie's contingent liabilities are low. They include debt at self-supporting city-owned public utility companies (equal to about 35% of operating revenue in 2013), standard employee benefits, and landfill postclosure liabilities (which net of reserves totaled almost 16% of operating revenue). We believe these liabilities do not have a significant impact on the city's credit profile.

In our view, Sault Ste. Marie demonstrates satisfactory financial management. Disclosure and transparency are what we characterize as good, annual financial statements are audited and unqualified, and the city prepares annual operating and capital budgets. However, Sault Ste. Marie is still developing its long-term capital plan in conjunction with its asset management plan, which results in less visibility regarding both its spending and related borrowing plans.

We believe the city's economy is average but its prospects remain constrained by slow population growth and low GDP per capita and household income levels. City-sourced data estimate that real GDP has been fairly stable, averaging slightly more than C\$35,000 per capita in 2011-2013, which is materially less than the provincial average of more than C\$51,000 in that period. Although Sault Ste. Marie continues to gradually diversify away from its traditional resource-based roots, we believe that medium-term economic and related GDP growth will remain muted relative to some of its peers.

The city's budgetary performance is average, in our view. Volatile operating revenue growth, partially due to declining provincial grants, and rising operating expenses have resulted in operating surpluses declining to an average of about 9% of operating revenues in 2011-2013 from more than 15% before. Our base-case scenario expects that these trends will continue during the next several years but that operating balances on average will remain healthy, at greater than 5% of adjusted operating revenues, while increasing capital expenditures could push after-capital deficits to more than 5% of

Research Update: City of Sault Ste. Marie Outlook Revised To Positive On Expected Very Low Debt Burden And Exceptional Liquidity

total revenues by 2015. Our upside scenario forecasts marginally stronger operating balances as well as a small capital deferral rate, which will result in the after-capital deficit not exceeding 5% of total revenues within the two-year outlook horizon.

We view Sault Ste. Marie's budgetary flexibility as average. Like most Canadian municipalities, the city has somewhat limited budgetary flexibility on the expenditure side given provincially mandated service levels, labor contracts, inflation, and political pressures. The ability to set property taxes, utility rates, and user fees grants the city significant revenue-raising capabilities (modifiable revenues accounted for about 85% of its operating revenue in 2013) and helps limit revenue volatility; however, political and economic pressures can constrain the degree to which it uses these. Higher levels of capital expenditures can provide some flexibility, assuming there are discretionary or noncritical projects, and although Sault Ste. Marie's capital spending in 2013 was a low 10.4% of total expenditures, our base-case scenario (which assumes full spending under the city's current plan) and upside scenarios forecast capital expenditures increasing to about 15% of total expenditures in the next several years.

Liquidity

Sault Ste. Marie has maintained what we view as an exceptional liquidity position, similar to that of most Canadian municipalities, and has been a net creditor since 2006. Free cash and liquid assets of almost C\$50 million at year-end 2013 covered more than 17x the estimated debt service for 2014. We believe that Sault Ste. Marie will maintain its solid liquidity and net creditor positions during our two-year outlook horizon.

In our view, the city has satisfactory access to external liquidity given its proven ability to issue into public debt markets and the presence of a secondary market for Canadian municipal debt instruments.

Outlook

The positive outlook reflects Standard & Poor's expectations that we could raise the rating in the next two years if Sault Ste. Marie meets the conditions under our upside scenario. Specifically, if its tax-supported debt burden does not increase materially as a proportion of consolidated operating revenue, or that budgetary performance remains fairly stable with operating balances more than 5% of operating revenues and modest after-capital deficits not exceeding 5% of total revenues, an upgrade is possible. We could revise the outlook to stable if budgetary performance were to weaken through continued revenue volatility, affecting operating balances, high capital expenditures resulting in after-capital deficits greater than 5% of total revenues, and if Sault Ste. Marie were to issue considerably more debt than expected.

Key Statistics

Table 1

City of Sault Ste. Marie -- Economic Statistics					
	--Fiscal year ended Dec. 31--				
(%)	2009	2010	2011	2012	2013
Population (total)	75,064	75,103	75,141	75,216	75,291
Population growth	0.05	0.05	0.05	0.10	0.10
National GDP (nominal) per capita (US\$)	40,764	47,465	51,791	52,409	51,958
National GDP (real) growth	(2.71)	3.37	2.53	1.71	2.02
Unemployment rate	9.50	10.00	8.90	7.50	7.00

Note: The data and ratios above result in part from Standard & Poor's own calculations, drawing on national as well as international sources, reflecting Standard & Poor's independent view on the timeliness, coverage, accuracy, credibility, and usability of available information. Sources typically include Statistics Canada.

Table 2

City of Sault Ste. Marie -- Financial Statistics								
	--Fiscal year ended Dec. 31--							
(Mil. C\$)	2012	2013	2014bc	2015bc	2016bc	2014uc	2015uc	2016uc
Operating revenues	187	195	199	202	206	199	203	207
Operating expenditures	170	176	182	188	193	182	187	191
Operating balance	17	18	16	15	13	17	16	16
Operating balance (% of operating revenues)	9.10	9.44	8.19	7.29	6.27	8.44	7.92	7.53
Capital revenues	6	7	8	10	11	8	9	10
Capital expenditures (capex)	24	20	32	38	43	29	34	37
Balance after capital accounts	(1)	5	(7)	(13)	(19)	(4)	(8)	(11)
Balance after capital accounts (% of total revenues)	(0.40)	2.65	(3.53)	(6.15)	(8.82)	(1.90)	(3.93)	(4.99)
Debt repaid	3	2	2	2	3	2	2	2
Balance after debt repayment and onlending	(4)	3	(10)	(15)	(22)	(6)	(10)	(13)
Balance after debt repayment and onlending (% of total revenues)	(1.93)	1.61	(4.61)	(6.93)	(10.03)	(2.98)	(4.71)	(6.01)
Gross borrowings	0	0	0	10	9	0	10	0
Balance after borrowings	(4)	3	(10)	(4)	(13)	(6)	0	(13)
Operating revenue growth (%)	4.53	3.96	1.98	1.82	1.78	1.98	1.97	2.05
Operating expenditure growth (%)	4.43	3.56	3.38	2.82	2.90	3.11	2.27	2.49
Modifiable revenues (% of operating revenues)	84.18	84.91	85.23	86.03	86.77	85.23	86.05	86.83
Capital expenditures (% of total expenditures)	12.21	10.35	14.89	16.71	18.36	13.64	15.36	16.09
Direct debt (outstanding at year-end)	15	12	10	19	25	10	19	17
Direct debt (% of operating revenues)	7.77	6.40	5.15	9.40	12.18	5.15	9.39	8.13
Tax-supported debt (% of consolidated operating revenues)	7.77	6.40	5.15	9.40	12.18	5.15	9.39	8.13

Research Update: City of Sault Ste. Marie Outlook Revised To Positive On Expected Very Low Debt Burden And Exceptional Liquidity

Table 2

City of Sault Ste. Marie -- Financial Statistics (cont.)								
Interest (% of operating revenues)	0.45	0.43	0.31	0.37	0.49	0.31	0.37	0.36
Debt service (% of operating revenues)	2.03	1.51	1.43	1.19	1.77	1.43	1.19	1.43

Note: The data and ratios above result in part from Standard & Poor's own calculations, drawing on national as well as international sources, reflecting Standard & Poor's independent view on the timeliness, coverage, accuracy, credibility, and usability of available information. The main sources are the financial statements and budgets, as provided by the issuer. Base case reflects Standard & Poor's expectations of the most likely scenario. Downside case represents some but not all aspects of Standard & Poor's scenarios that could be consistent with a downgrade. Upside case represents some but not all aspects of Standard & Poor's scenarios that could be consistent with an upgrade. bc--Base case. uc--Upside case.

Ratings Score Snapshot

Table 3

City of Sault Ste. Marie -- Ratings Score Snapshot	
Key rating factors	Assessment
Institutional Framework	Very predictable and well balanced
Economy	Average
Financial Management	Satisfactory
Budgetary Flexibility	Average
Budgetary Performance	Average
Liquidity	Exceptional
Debt Burden	Very low
Contingent Liabilities	Low

*Standard & Poor's ratings on local and regional governments are based on eight main rating factors listed in the table above. Section A of Standard & Poor's "Methodology For Rating Non-U.S. Local And Regional Governments," published on June 30, 2014, summarizes how the eight factors are combined to derive the foreign currency rating on the government.

Key Sovereign Statistics

Sovereign Risk Indicators, Sept. 22, 2014. Interactive version available at <http://www.spratings.com/sri>

Related Criteria And Research

Related Criteria

- Methodology For Rating Non-U.S. Local And Regional Governments, June 30, 2014

Related Research

- Institutional Framework Assessments For Non-U.S. Local And Regional Governments, June 30, 2014
- International Local And Regional Governments Default And Transition Study: 2012 Saw Defaults Spike, March 28, 2013

In accordance with our relevant policies and procedures, the Rating Committee was composed of analysts that are qualified to vote in the committee, with sufficient experience to convey the appropriate level of knowledge and

Research Update: City of Sault Ste. Marie Outlook Revised To Positive On Expected Very Low Debt Burden And Exceptional Liquidity

understanding of the methodology applicable (see 'Related Criteria And Research'). At the onset of the committee, the chair confirmed that the information provided to the Rating Committee by the primary analyst had been distributed in a timely manner and was sufficient for Committee members to make an informed decision.

After the primary analyst gave opening remarks and explained the recommendation, the Committee discussed key rating factors and critical issues in accordance with the relevant criteria. Qualitative and quantitative risk factors were considered and discussed, looking at track-record and forecasts.

The committee's assessment of the key rating factors is reflected in the Ratings Score Snapshot above.

The chair ensured every voting member was given the opportunity to articulate his/her opinion. The chair or designee reviewed the draft report to ensure consistency with the Committee decision. The views and the decision of the rating committee are summarized in the above rationale and outlook. The weighting of all rating factors is described in the methodology used in this rating action (see 'Related Criteria And Research').

Ratings List

Outlook Revised To Positive

	To	From
Sault Ste. Marie (City of)		
Issuer credit rating	A+/Positive/--	A+/Stable/--

Rating Affirmed

Sault Ste. Marie (City of)	
Senior unsecured debt	A+

Complete ratings information is available to subscribers of RatingsDirect at www.globalcreditportal.com and at www.spcapitaliq.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column.

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Northern Community Centre

As At December 31, 2014

<u>Funding</u>	<u>Budget</u>	<u>Total Costs To Dec 2014</u>	<u>Variance from budget</u>
Invest in Ontario	7,100,000	7,131,173	31,173
Hub Trail	(1,700,000)	(1,564,733)	135,267
RINC	(700,000)	(624,034)	75,966
Net Invest in Ontario Contribution	4,700,000	4,942,406	242,406
NOHFC Grant	750,000	1,000,000	250,000
Municipal Financing Required	5,100,000	4,946,353	(153,647)
NOHFC Loan	750,000	500,000	(250,000)
Total Financing	5,850,000	5,446,353	(403,647)
Net Cost	11,300,000	11,388,759	88,759

Financing

Total financing required	4,946,353
2011 Capital Allocation	(700,000)
2012 Capital Allocation	(700,000)
2013 Capital Allocation	(700,000)
2014 Capital Allocation less NOHFC debt payment	(652,626)
Net allocation for canopies	(42,676)
SASA Contribution from past years	(165,845)
	(2,961,147)
Total City Financed Required at December 31, 2014	1,985,206
NOHFC Loan Balance December 31, 2014	463,111
Remaining Financing Required at December 31, 2014	2,448,317

Financing Plan

Annual Budget Allocation	700,000
Less NOHFC annual repayment for \$500,000 loan	(71,061)
Net budget allocation 2015	628,939
Net budget allocation 2016	628,939
Net budget allocation 2017	628,939
Net budget allocation 2018	628,939
Total funding available between 2015 to 2018	2,515,756
City Financing required December 31, 2014	1,985,206
Optional additional funds available between 2015 to 2018	530,550

Ermatinger Historic Site Visitor Centre**Cost/Funding Analysis**

31-Dec-14

	<u>Approved Budget</u>	<u>Actual/ Projected</u>	<u>Over/ (Under)</u>
Expenditures:			
Total Projected Expenditures:	\$ 4,397,827	\$ 4,008,018	\$ (389,809)
Revenues:			
Funded to Date:	\$ 337,827	\$ 337,827	
Federal:			
Cdn Heritage-Cultural Spaces	\$ 1,778,000	\$ 1,778,000	
Cdn Heritage-1812 Fund	\$ 140,000	\$ 140,000	
Provincial:			
NOHFC	\$ 1,000,000	\$ 902,960	
City:			
Accessibility Committee	\$ 30,000	\$ 30,000	
City Engineering Department (Sewer Surcharge)	\$ 132,000	\$ 186,025	
City Engineering Department (Urban Only)		\$ 56,509	
Other:			
Union Gas		\$ 1,600	
Archival Storage		\$ 5,900	
Previous City Reserve for this project		\$ 88,487	
Historic Sites and Heritage SSM Trusts	\$ 130,000	\$ 155,556	
Total Funding:	\$ 3,547,827	\$ 3,682,864	\$ 135,037
Debenture:	\$ 850,000	\$ 325,154	\$ (524,846)

CORPORATION OF THE CITY OF SAULT STE. MARIE
Development Charges

December 31, 2014

	<u>Sewer Charge</u>	<u>Parkland Charge</u>	<u>Lot Severance Charge</u>	<u>Total</u>
Balance January 1, 2013	332,503.54	0.00	5,121.08	337,624.62
Development charges received	0.00	0.00	0.00	0.00
Development charges refunded or allocated to other services	0.00	0.00	0.00	0.00
Interest	33,778.61	0.00	520.24	34,298.85
Balance December 31, 2014	366,282.15	0.00	5,641.32	371,923.47

The Corporation of the City of Sault Ste. Marie
Sewer Surcharge Budget 2015

		2015 Budget
Sewer Surcharge Revenue		17,800,000
<u>Operating Expenses</u>		
Operating costs of Sewage Treatment Plants	4,950,000	
PWT sewage operating costs	1,565,820	
Flow Monitoring Operations - Infiltration elimination	6,000	
GIS funding for sewage system data	145,015	6,666,835
Balance of Revenue for Capital Expenditures		11,133,165
2015 Capital Expenditures		
Capital and maintenance Sewage Plants	1,200,000	
Capital road construction costs	1,014,250	
Haviland Cres main and services	300,000	
Emergency repairs	500,000	
Small pump station & FM upgrades	100,000	
Infiltration Elimination/Flow monitoring	100,000	
Designated Substance Survey - in Wastewater		
Building Facilities	150,000	
Westend Plant Capital Plant Predesign	200,000	
Capital Reserve for the Westend Sewage Plant and Biosolids Management	7,568,915	11,133,165
Total Unallocated sewer surcharge		-
<u>Summary of 2014 Sewer Surcharge Yearend Balance</u>		
Outstanding Commitments		
2014 capital maintenance and repairs treatment plants	150,000	
Fermenter Recycle Project	297,000	
SCADA	150,000	
Clark Creek SPS valves	200,000	
Forcemain Inspection Study	76,300	
Biosolids Management	500,000	
2014 capital road works	94,840	1,468,140
Capital Reserve for West End Plant Upgrades And Biosolids Management Plant		
2010	500,000	
2011	1,848,275	
2012	3,956,180	
2013	2,813,460	
2012/2013	2,253,818	
2014	5,327,540	
OSTAR additional funding received in 2011 from the East End Sewage Treatment Plant from Canada to be allocated to the West End Sewage Treatment Plant	4,821,858	21,521,131
Sewage Surcharge Balance Decembe 31, 2014		22,989,271

From: eAGENDA Notification <DoNotReply@cityssm.on.ca>
Sent: Friday, June 13, 2014 4:19 PM
To:
Subject: Agenda Notification for Regular Council Meeting_Jun09_2014

This is an automated message from eSCRIBE.

Agenda Item: Five Year Capital Road Reconstruction Plan (2015-2019)

Description: A report of the Director of Engineering Services is attached for the consideration of Council.

Minutes: The report of the Director of Engineering Services was received by Council.

Resolution(s): :

Resolution: Resolved that the report of the Director of Engineering Services dated 2014 06 09 concerning the 2015-2019 capital road works plan be accepted as information; and that Council approve the 2015 program and the 2016-2019 programs in principle; that the remaining balance in the revoked connecting link reserve be applied to the 2015 capital budget; that the Engineering Division proceed with any local improvement notices for 2015 works; and that a separate report be brought back to Council with a recommendation for consulting engineering assignments for projects not being completed by in-house staff.

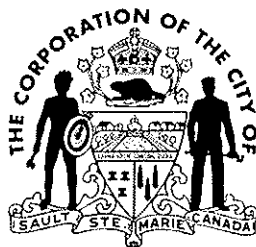
Moved By: Councillor J. Krmpotich

Seconded By: Councillor S. Butland

Vote Type: Majority

Result:

Task(s):



COUNCIL REPORT

June 9, 2014

TO: Mayor Debbie Amaroso and Members of City Council
AUTHOR: Don Elliott, P. Eng., Director of Engineering Services
DEPARTMENT: Engineering and Planning Department
RE: Five Year Capital Road Reconstruction Plan (2015-2019)

PURPOSE

The purpose of this report is to obtain Council approval of the 2015 Capital Road Reconstruction Plan and approval in principle of the 2016-2019 plans.

BACKGROUND

Road improvements for the City of Sault Ste. Marie are carried out under a number of programs including capital road construction, infrastructure improvement programs, and miscellaneous construction. The capital road construction plan emphasizes the reconstruction of arterial and collector streets, which are critical to the city's movement of traffic while at the same time attempting to address some of the many needs of local/residential streets.

Unfortunately the cancellation of the Connecting Link Program by the Province has had a detrimental effect on capital works related to the movement of provincial traffic on our major arteries. The City should continue to exert pressure on the Province to fulfill its responsibility for heavy vehicles which pass through our City even though it is not their destination.

ANALYSIS

Roads are added to the capital program based primarily on scores tabulated in our Road Management System. All roads are evaluated and scored based on many factors, including but not limited to road surface condition, road structure, drainage, condition of water mains, sanitary and storm sewers, level of maintenance and traffic volume. An attempt is made to keep the mix between arterial/collector and local streets. It should be understood, however, that arterial/collectors are emphasized as they have the greatest need and their reconstruction benefits the most people. Major new road projects such as the extension of Sackville road to Third Line are included in the plan. They may be

recommended as candidates for potential funding programs from senior levels of government.

Bridges and Aqueducts

Considerable capital funds have necessarily been diverted to bridges and aqueducts over the past several years. The East Davignon Creek aqueduct on Farwell Terrace required major rehabilitation, and the Fort Creek aqueduct rebuild is underway. Several bridges have had to be replaced. While some of the funding was provided by grants from senior levels of government in the past, a significant allowance should be carried in the 2015-2019 capital programs for aqueducts. Asset management and capital forecasts suggest the aqueducts will require the range of \$30 million over the next 10 to 12 years; however, staff can only recommend \$2 million per year in this plan. Bridges, however, are forecasted to require less as there are no bridge replacements recommended in the next five years. The only forecasted bridge replacement within the next 10 years is Bridge number 18 on Herkimer Road.

Hub Trail and Future Spokes

In recent years, several segments of the Hub Trail have been constructed under capital roads budgets. The intention is to include the construction of trail spokes in tenders for capital projects if they are in the near vicinity of a project.

Updated 2014 Program

The following projects are either underway, or are scheduled to begin soon:

- Queen Street East - Pine to Gravelle, resurfacing
- Forest Avenue - The Crescent to Simpson
- St. Andrews Terrace - John to North
- March Street - Queen to Wellington
- Second Line Widening – 300m east of Pine to 800 m east of Pine
- Aqueducts and Bridges - Damage repairs to bridges (September 13 flooding)
- Bridge Replacement - Base Line and Town Line (4 structures)
- Resurfacing of Various Streets

While it is noted that prices have increased significantly, the overall program costs for 2014 are very close to budget, except that a \$900,000 overrun is projected in the sanitary sewer surcharge budget in 2014. There are sufficient funds to cover this overrun as we are accumulating a surplus to address future upgrades at the West End Wastewater Treatment Plant, and the Biosolids disposal problem.

Recommended 2015 Program

The attached five year plan represents the 2015-2019 plan. Approval is sought for the 2015 plan, and the 2016 to 2019 years are included for planning purposes. Council will be presented with detailed programs for each of those years in due course. The 2015 program is the same plan approved in 2011 under the 2011-2015 five year program. The list also includes a group of class B rural streets which require resurfacing. If funds permit in any given year, it is recommended that they be directed towards rehabilitating these roads using asphalt recycling techniques. Program costs are based on very preliminary estimates. Detailed road design may reveal additional expenditures or cost savings that are not possible to identify at this preliminary stage.

Bay Street - Andrew to Pim: Bay Street is due for resurfacing in 2015. An environmental assessment is underway to determine if it is a candidate for a reduced cross-section from four to fewer lanes.

Huron Street - Queen to Cathcart: Huron Street is overdue for full reconstruction. It will be reconstructed to its existing cross-section with full replacement of underground services.

McMeeken Street - Churchill to Elizabeth: This section of McMeeken Street requires full replacement of underground services and road structure.

Upton Road - Queen to Wellington: This road section requires full replacement of underground services and road structure.

Former Connecting Link Allowance: Even in the absence of the provincial Connecting Link Program funds, it is still prudent to set aside some funds for the improvements to former connecting links. These funds will be used to leverage any available grant funding that is available. The priority project in 2015 would be the third phase of the widening of Second Line to Black Road. The amount included in the budget is only the City's assumed 1/3 share.

Bridges and Aqueducts: These funds will be used for the next phase of the rehabilitation of Fort Creek and/or Central Creek aqueducts.

Various Road Resurfacing: An allowance will be set aside to assist in the resurfacing program. There are insufficient funds in the miscellaneous construction budget to keep up with the resurfacing needs of the City.

2016-2019 Programs

The 2016 through 2019 programs are shown on the attached plan based on needs identified through field evaluation and the Road Management System

Report to Council – Five Year Capital Road Reconstruction Plan (2015-2019)
 2014 06 09
 Page 4.

scoring protocol. The final approved program will be updated for each year and brought to Council for approval.

Allowances for bridges and aqueducts included are less than those recommended in the 10 year forecasts and asset management plans. Biennial inspections may alter the forecasts and they will be reviewed annually.

Special Projects

Budget allowances are included for special projects, including the extension of Sackville Road to Third Line, storm water management improvements for flood prone areas on McNabb and MacDonald, a seawall replacement in front of 711/719 Bay Street, and for improvements to the Third Line and Black Road corridor from the hospital entrance to Second Line. These are budget allotments only and are not based on any preliminary designs. They should be recognized as priorities which should be addressed within the next five years. The environmental assessment is complete for the Sackville extension, and EA's are underway for the others.

Former Connecting Links

Allowances shown in the five year plan for former connecting links are 1/3 or less than the preliminary estimates. These funds should be used to leverage any grant money that comes available for these roads. As stated above, the City will continue to apply pressure to senior levels of government to assist the City with the cost of widening, resurfacing and maintaining the former connecting links.

IMPACT

Funding for capital reconstruction comes from the capital and urban only levies in the annual approved budget. Sanitary sewer costs are covered by the sewer surcharge budget. The capital budget has not been increased for many years. Fortunately the gas tax rebate has effectively increased the capital budget but it has plateaued for several years. Given the increased cost of construction, Council is advised that it is rapidly becoming necessary to provide additional base funding for roadworks and storm drainage. The sanitary sewer surcharge is providing sufficient funds to keep pace with reconstruction of sanitary sewers.

The sum of \$240,000 is available in a reserve from past negotiated agreements when MTO revoked connecting links. Both Huron Street and Bay Street are revoked connecting links, and both are in the 2015 plan. It is recommended that these funds be applied to the 2015 capital construction budget.

Should Council approve the plan, the Engineering Division will continue its past practice of preparing local improvement roles and pre-engineering surveys in preparation for design. A separate report will be brought to Council for the assignment of projects to consultants for those that are not done in-house.

Report to Council – Five Year Capital Road Reconstruction Plan (2015-2019)
2014 06 09
Page 5.

STRATEGIC PLAN

Road reconstruction is linked to the Transportation Improvements objective under the Developing Solid Infrastructure strategic direction.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Director of Engineering Services dated 2014 06 09 concerning the 2015-2019 capital road works plan be accepted as information and that Council approve the 2015 program and the 2016-2019 programs in principle, that the remaining balance in the revoked connecting link reserve be applied to the 2015 capital budget, that the Engineering Division proceed with any local improvement notices for 2015 works, and that a separate report be brought back to Council with a recommendation for consulting engineering assignments for projects not to be completed by in-house staff.

Respectfully submitted,



Don Elliott, P. Eng.
Director of Engineering Services

Recommended for approval,



Jerry Dolcetti, R.P.P.
Commissioner
Engineering and Planning

2015/19 FIVE YEAR CAPITAL WORKS PROGRAM			for Open Council		
Year	Street	From	To	Cost	Comments
2015	Bay Street	Andrew Street	Pim Street		Resurface - reduce lanes EA underway
2015	Huron Street	Bridge Plaza	Cathcart		Reconstruction
2015	McMeeken Street	Churchill Boulevard	Elizabeth Street		Reconstruction
2015	Upton Road	Queen Street	Wellington Street		Reconstruction
2015	Former Connecting Lk	Second Line	bottom of hill to Black		Estimated City 1/3 share - requires provincial funding
2015	Bridges & Aqueducts				Allowance
2015	Various Roads				Road resurfacing allowance
			Subtotal	\$ 11,643,550	(\$11,667,000 estimated budget*)
2016	Francis Street	Wellington Street East	Railroad Avenue		Reconstruction
2016	Second Avenue	Wallace Terrace	Second Line West		Reconstruction
2016	Coulson Avenue	Queen Street	Manor Road		Reconstruction
2016	Manor Road	McGregor Avenue	Pine Street		Reconstruction
2016	Former Connecting Lk	Black Road widening	Second to McNabb		Estimated City 1/3 share - requires provincial funding
2016	Bridges & Aqueducts				Allowance
2016	Various Roads				Road resurfacing allowance
			Subtotal	\$ 11,776,500	(\$11,805,000 estimated budget*)
2017	McNabb/McDonald SWM - Phase 1				Prelim Budget for Stormwater Improvements - Pending EA
2017	Seawall Reconstructio	711 Bay Street	719 Bay Street		Reconstruction
2017	Franklin Street	Henrietta Avenue	Laura Street		Reconstruction
2017	Grace Street	Bruce Street	Elgin Street		Reconstruction
2017	Sackville	North Limit	Third Line		Potential candidate for funding program
2017	Former Connecting Lk	Black Road resurface	McNabb to Trunk		Estimated City 1/3 share - requires provincial funding
2017	Bridges & Aqueducts				Allowance
2017	Various Roads				Road resurfacing allowance
			Subtotal	\$ 11,405,871	(\$11,447,000 estimated budget*)
2018	McNabb/McDonald SWM Phase 2				Prelim Budget for Stormwater Improvements - Pending EA
2018	Simpson Street	Queen Street East	Wellington Street East		Reconstruction
2018	Bruce Street	Queen Street East	Wellington Street East		Reconstruction
2018	Black Road	Second Line	Third Line		Improvements - pending EA
2018	Former Connecting Lk	Second Line resurface	North St to Carmen		City Share - requires provincial funding
2018	Bridges & Aqueducts				Allowance
2018	Various Roads				Road resurfacing allowance
			Subtotal	\$ 11,464,820	(\$11,486,000 estimated budget*)

2019	Leo Avenue	Queen Street East	Victoria Avenue		Reconstruction
2019	Ruth Street	Franklin Street	East Limit		Reconstruction
2019	Third Line	Hospital entrance	Black Road		Improvements - pending EA
2019	Former Connecting Lk	Trunk Road resurface	At east City limit		City Share - requires provincial funding
2019	Bridges & Aqueducts				Allowance
2019	Various Roads				Road resurfacing allowance
				Subtotal \$ 11,344,283	(\$11,367,000 estimated budget*)
Notes:					
- Estimated costs are very preliminary and could differ considerably from detailed design cost estimates, consequently the timing of some projects may have to change once accurate estimates are available.					
Class A Urban Roads Resurfacing short list					
The following roads will be resurfaced using recycled asphalt techniques. Asphalt from urban roads is donated to rural roads.					
Funding will come from the annual capital reconstruction program surplus, if any, and the miscellaneous reconstruction budget.					
	Street	From	To		Comments
	Pine Street	McNabb Street	Willoughby		Resurface
	Queen Street	Pim Street	Andrew Street		Resurface
	Northern Avenue	Reid Street	Pine Street		Resurface
	Wallace Terrace	Korah Road	Goulais Avenue		Resurface
	McNabb Street	Pim Street	Lake Street		Resurface
Class B Rural Roads Resurfacing short list					
	Street	From	To		Comments
	Fourth Line West	Allen's Side Road	Goulais Avenue		Resurface
	Allen's Side Road	Fourth Line West	Third Line West		Resurface
	Base Line Road	Carpin Beach Road	Airport Road		Resurface
	Allen's Side Road	Second Line	Base Line Road		Resurface

**CITY OF SAULT STE MARIE
ASSESSMENT CHANGE SUMMARY**

Column Calculations

Column 1
1

Column 2
2

Column 3
3

Column 4
2 - 1

Column 5
3 - 2

Column 6
3 - 1

Column 7
4 / 1

Column 8
5 / 2

PROPERTY CLASS	Total 2014 Returned Roll	Total 2014 Year End Roll	Total 2015 Phased In Assessment	\$ Change 2014 Returned Roll vs 2014 YE Roll (Growth)	\$ Change 2014 YE Roll vs 2015 Phased In Assessment	\$ Change 2014 Returned Roll vs 2015 Phased In Assessment	% Change (Growth)	% Change 2014 YE 2015 PI
TAXABLE								
RESIDENTIAL	4,237,345,310	4,273,657,231	4,539,928,820	36,311,921	266,271,589	302,583,510	0.86%	6.23%
MULTI-RESIDENTIAL	242,741,865	242,611,557	255,025,929	(130,308)	12,414,372	12,284,064	-0.05%	5.12%
COMMERCIAL	587,004,179	587,999,108	607,976,179	994,929	19,977,071	20,972,000	0.17%	3.40%
SHOPPING CENTRES	135,549,315	137,484,129	139,324,293	1,934,814	1,840,164	3,774,978	1.43%	1.34%
OFFICE BUILDINGS	12,852,748	12,852,748	13,373,981	-	521,233	521,233	0.00%	4.06%
INDUSTRIAL	42,056,566	41,906,781	43,705,840	(149,785)	1,799,059	1,649,274	-0.36%	4.29%
LARGE INDUSTRIAL	103,605,756	103,605,756	104,056,688	-	450,932	450,932	0.00%	0.44%
OTHER	24,992,292	25,356,253	25,890,477	363,961	534,224	898,185	1.46%	2.11%
TOTAL TAXABLE	5,386,148,031	5,425,473,563	5,729,282,207	39,325,532	303,808,644	343,134,176	0.73%	5.60%

2014 Additional Revenue from 2014 Assessment Growth Sault Ste Marie City, 5761

	2014 Total Taxation Based on Returned Roll		2014 Total Year End Taxation (1)		Difference Between Returned Roll and Year End			
Class	CVA	Municipal	CVA	Municipal	CVA		Municipal	
					\$	%	\$	%
Taxable								
Residential	4,237,345,310	62,223,145	4,273,657,231	62,748,438	36,311,921	0.86%	525,294	0.84%
Multi-residential	242,741,865	4,590,011	242,611,557	4,587,547	-130,308	-0.05%	-2,464	-0.05%
Com. Occupied	566,541,158	17,487,513	567,772,625	17,526,427	1,231,467	0.22%	38,914	0.22%
Com. Exc. Land	6,078,718	131,089	5,458,980	117,679	-619,738	-10.20%	-13,409	-10.23%
Shopping Occ.	135,549,315	4,447,780	137,484,129	4,511,267	1,934,814	1.43%	63,487	1.43%
Office Occupied	12,852,748	580,245	12,852,748	580,245	0	0.00%	0	0.00%
Parking/Vac. Land	14,384,303	328,393	14,767,503	337,150	383,200	2.66%	8,757	2.67%
Ind. Occupied	37,268,398	1,550,757	37,018,298	1,539,927	-250,100	-0.67%	-10,831	-0.70%
Ind. Exc. Land	728,718	19,828	749,826	20,371	21,108	2.90%	542	2.74%
Ind. Vac. Land	4,059,450	110,570	4,138,657	112,817	79,207	1.95%	2,246	2.03%
Large Ind. Occ.	100,424,818	7,492,478	100,424,818	7,492,478	0	0.00%	0	0.00%
Large Ind. Exc.	3,180,938	154,260	3,180,938	154,260	0	0.00%	0	0.00%
Pipelines	21,806,000	593,444	22,181,312	603,650	375,312	1.72%	10,206	1.72%
Farm	1,518,742	5,405	1,507,191	5,358	-11,551	-0.76%	-47	-0.86%
Managed Forests	1,667,550	5,933	1,667,750	5,934	200	0.01%	1	0.01%
Commercial Total Tax	735,406,242	22,975,019	738,335,985	23,072,768	2,929,743	0.40%	97,749	0.43%
Industrial Total Taxat	145,662,322	9,327,894	145,512,537	9,319,852	-149,785	-0.10%	-8,042	-0.09%
Total Taxable	5,386,148,031	99,720,851	5,425,473,563	100,343,546	39,325,532	0.73%	622,696	0.62%

1. The Year-End Total Taxation columns include the additional revenue from in-year assessment changes and the year-end changes that were returned on the following year assessment roll.

City of Sault Ste. Marie

2015 Comparison of Starting and Revenue Neutral Ratios

Property Class	2014 Unadjusted Tax Ratios	Revenue Neutral Ratios	Change Percentage	Provincial Threshold
Residential	1.000000	1.000000	0.00%	
Farm	0.250000	0.250000	0.00%	
Managed Forests	0.250000	0.250000	0.00%	
Specified Res. Classes - Total	1.000000	1.000000	0.00%	
Multi-residential	1.280777	1.294340	1.06%	2.74
Com. Occupied	2.093572	2.160294	3.19%	
Com. Exc. Land	1.465500	1.512206	3.19%	
Shopping Occ.	2.222463	2.293293	3.19%	
Shopping Exc.	1.555724	1.605305	3.19%	
Office Occupied	3.057763	3.155213	3.19%	
Office Exc. Land	2.140343	2.208649	3.19%	
Parking/Vac. Land	1.547842	1.597171	3.19%	
Commercial Classes - Total	2.154016	2.222664	3.19%	1.98
Ind. Occupied	2.845272	2.989953	5.08%	
Ind. Exc. Land	1.849427	1.943469	5.08%	
Ind. Vac. Land	1.849427	1.943469	5.08%	
Large Ind. Occ.	5.053276	5.310233	5.08%	
Large Ind. Exc.	3.284629	3.451651	5.08%	
Industrial Classes - Total	4.414110	4.638566	5.08%	2.63
Pipelines	1.922295	2.005587	4.33%	

Summary

Residential - Total	1.000000	1.000000	0.00%	
Multi-residential	1.280777	1.294340	1.06%	2.74
Commercial Classes - Total	2.154016	2.222664	3.19%	1.98
Industrial Classes - Total	4.414110	4.638566	5.08%	2.63
Pipelines	1.922295	2.005587	4.33%	

Provincial Thresholds

Since the Commercial and Industrial ratios as listed above are above the Provincial Threshold, only 50% of the municipal tax levy increase can be allocated to those tax classes.

CITY OF SAULT STE MARIE

**2015 STARTING TAX RATIO'S COMPARED
TO REVENUE NEUTRAL TAX RATIO'S**

PROPERTY CLASS	2015 STARTING TAX RATIOS	2015 REVENUE NEUTRAL TAX RATIOS	\$ CHANGE STARTING VS REV. NEUTRAL
<i>TAXABLE</i>			
RESIDENTIAL	64,804,479	64,007,379	797,100
MULTI-RESIDENTIAL	4,662,446	4,653,865	8,581
COMMERCIAL	22,990,865	23,431,779	- 440,914
INDUSTRIAL	9,123,887	9,469,900	- 346,013
OTHER	631,508	650,262	- 18,754
TOTAL TAXABLE	102,213,185	102,213,185	-

2014 Education Tax Rates			
vs			
2015 Education Tax Rates			
Tax Class	2014 Education Rate	2015 Education Rate	Percentage Change
Residential	0.00203000	0.00195000	-3.94%
Multi-Residential	0.00203000	0.00195000	-3.94%
Commercial	0.01220000	0.01190000	-2.46%
Commercial-Excess Land	0.00854000	0.00833000	-2.46%
Commercial-Vacant land	0.01220000	0.01190000	-2.46%
New Commercial -Excess Land	0.00854000	0.00833000	-2.46%
New Commercial Construction	0.01220000	0.01190000	-2.46%
Shopping Centres	0.01220000	0.01190000	-2.46%
Office Buildings	0.01220000	0.01190000	-2.46%
Parking Lots	0.01220000	0.01190000	-2.46%
Industrial	0.01220000	0.01190000	-2.46%
New Industrial Construction	0.01220000	0.01190000	-2.46%
Industrial Vacant and Excess Land	0.00793000	0.00773500	-2.46%
New Construction Industrial-Excess Land	0.00793000	0.00773500	-2.46%
Large Industrial	0.01220000	0.01190000	-2.46%
Large Industrial Vacant and Excess Land	0.00793000	0.00773500	-2.46%
Pipelines	0.01220000	0.01190000	-2.46%
Farm	0.00050800	0.00048750	-4.04%
Managed Forest	0.00050800	0.00048750	-4.04%

RBC Dominion Securities Inc.
CANADIAN DOLLAR
ACCOUNT STATEMENT

Appendix N
DEC. 31
2014

Your Account Number:

ASSET REVIEW

(Exchange rate 1USD = 1.1617 CAD as of DEC. 31, 2014)

SECURITY SYMBOL	QUANTITY/ SEGREGATED	MKT. PRICE	BOOK VALUE	MARKET VALUE
--------------------	-------------------------	---------------	---------------	-----------------

FIXED INCOME

ONTARIO SAVINGS BOND STEP UP ANNUAL SER 2010 1%,2.3%,3.75%,4.25% DUE 06/21/2015 4.250%	256,000 256,000	101.000	258,823.60	\$264,312.99 ¹
FARM CREDIT CANADA DUE 10/15/2015 4.100% AO 15	30,000 30,000	101.940	32,628.00	\$30,841.48 ¹
GOVERNMENT OF CANADA PKG 5.25% S/A 06/01/03-12/1/15 DUE 12/01/2015 5.250% JD 01	62,000 62,000	103.635	70,410.30	\$64,521.23 ¹
CANADA HOUSING TRUST NO.1 CMBS SERIES 37 144A DUE 12/15/2015 2.450% JD 15	100,000 100,000	101.322	104,364.00	\$101,429.40 ¹
CPN PROVINCE OF ONTARIO GLOBAL BOOK ENTRY DUE 08/07/2016 YTM AT PURCHASE DATE 4.030%	132,399 132,399	97.890	100,000.96	\$129,605.38
ONTARIO SAVINGS BOND STEP-UP SER 2012 ANNUAL 1.25% 1.50%, 1.75 %,2.00%, 2.25% DUE 06/21/2017 1.750%	889,600 889,600	100.000	893,097.60	\$897,831.84 ¹
ONTARIO SAVINGS BOND STEP-UP COMPOUND INT SER 2013 1.25%, 1.50%, 1.75%, 2%,2.25% DUE 06/21/2018 1.500%	362,300 362,300	101.970	362,300.00	\$369,437.31
CPN PROVINCE OF ONTARIO BOOK ENTRY ONLY DUE 12/02/2018 YTM AT PURCHASE DATE 3.700%	211,215 211,215	93.210	160,164.33	\$196,873.50
TORONTO DOMINION BANK DEP NT DUE 04/02/2019 2.447% AO 02	234,000 234,000	101.328	236,824.32	\$238,519.41 ¹
ONTARIO SAVINGS BOND STEP-UP SER 2014 ANNUAL 1.25%,1.50%,2.00%,2.25%,2.50% DUE 06/21/2019 1.250%	21,200 21,200	100.000	21,200.00	\$21,340.12 ¹
ONTARIO SAVINGS BOND STEP-UP SER 2014 COMPOUND 1.25%,1.50%,2.00%,2.25%,2.50% DUE 06/21/2019 1.250%	500,000 500,000	100.480	500,000.00	\$502,400.00
REGIONAL MUNICIPALITY OF OTTAWA-CARLETON DUE 09/10/2019 6.200% MS 10	137,000 137,000	119.085	170,845.85	\$165,752.83 ¹

- CONTINUED ON NEXT PAGE -



RBC Dominion Securities Inc.
CANADIAN DOLLAR
ACCOUNT STATEMENT

DEC. 31 2.
2014

Your Account Number:

ASSET REVIEW

(Exchange rate 1USD = 1.1617 CAD as of DEC. 31, 2014)

SECURITY SYMBOL	QUANTITY/ SEGREGATED	MKT. PRICE	BOOK VALUE	MARKET VALUE
CITY OF VANCOUVER SINKING FUND DEBS DUE 12/02/2019 4.900% JD 02	61,000 61,000	113.920	70,723.40	\$69,728.68 ¹
ONTARIO SAVINGS BOND 10YR ANNUAL FIXED SER 2010 DUE 06/21/2020 4.250%	139,500 139,500	100.000	139,500.00	\$142,634.93 ¹
YORK REGIONAL MUNICIPALITY ONTARIO DUE 06/30/2020 4.500% JD 30	132,000 132,000	112.511	147,624.84	\$148,530.79 ¹
CPN PROVINCE OF BRITISH COLUMBIA BOOK ENTRY ONLY DUE 08/23/2020 YTM AT PURCHASE DATE 4.480%	219,344 219,344	88.750	138,778.94	\$194,667.80
CITY OF TORONTO DUE 07/26/2021 6.800% JJ 26	90,000 90,000	127.156	113,981.36	\$117,089.61 ¹
Total Value of Fixed Income			3,521,267.50	\$3,655,517.30



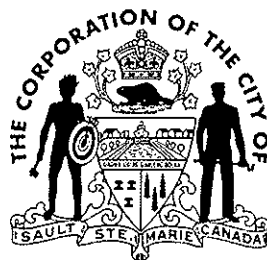
Financial Assistance Policy
IN-KIND REQUESTS
2015

	2014 Actual Costs				2015 Request/Budget			
	CSD	PWT	Police	2014 Total	CSD	PWT	Police	2015 Total
Event:								
Rotary Club of Sault Ste. Marie:								
1) Rotaryfest		26,503	4,190	30,693		27,298	4,316	31,614
2) Santa Claus Parade	1,500	425	3,320	5,245	1,545	438	3,420	5,403
The Great Tugboat Race	243	375	-	618	445	380		825
Canadian Cancer Society Relay for Life		2,950	1,505	4,455		3,038	1,550	4,589
Bon Soo Winter Carnival Inc.	3,100	14,226	-	17,326	3,193	14,653	-	17,846
SSM International Youth Assoc.: Buskerfest		500	-	500		515		515
	4,843	44,980	9,015	58,838	5,183	46,323	9,285	60,791

CORPORATION OF THE CITY OF SAULT STE. MARIE
ECONOMIC DIVERSIFICATION FUND 2014 (RESERVE ACCT 10-000-0000-3714)
Actual to Dec 31, 2014

	Date	Allocation	Projection
Total Economic Diversification Fund	2014 Budget	500,000.00	500,000.00
SSM Airport Development Corp hangar expansion (\$200,000 over 4yrs)	18-Jul-11	25,000.00	25,000.00
CN Rail - Cancellation of Passenger Service	Feb 18, 2014 6.23	25,000.00	25,000.00
\$50,000 allocated in total - \$25,000 to 2013 - \$25,000 to 2014			
Water and Woods Destination North	June 9, 2014 7.8	27,939.25	27,939.25
Invest in Sault Ste. Marie agenda item 7.8.1	September 8, 2014	100,000.00	100,000.00
Sault Ste. Martie Harbour agenda item 6.16	September 29, 2014	300,000.00	300,000.00
		<u>477,939.25</u>	<u>477,939.25</u>
	Total	22,060.75	22,060.75
			↗ ↘ available funds

2015 Economic Development Fund Allocation		500,000.00
FUTURE EDF COMMITMENTS:		
Hub Trail Animation	agenda item 7.8.2	9-Mar-15
		28,325.00
	2015 Unallocated	<u>471,675.00</u>



COUNCIL REPORT

February 23, 2015

TO: Mayor Christian Provenzano and Members of City Council
AUTHOR: William Freiburger, Commissioner of Finance and Treasurer
DEPARTMENT: Finance Department
RE: Asset Management Plan

PURPOSE

The purpose of this report is to provide City Council with the attached Asset Management Plan.

BACKGROUND

The Province of Ontario **now requires** municipalities that request provincial infrastructure funding to show how proposed projects fit within a comprehensive asset management plan.

Asset management helps municipalities make the best possible decisions about building, operating, maintaining, renewing and replacing infrastructure over the long-term.

The Province wants municipalities to review all infrastructure needs when recommending new projects. Also, in the future, there may be less grants for programs available from senior levels of governments to fund major infrastructure.

The City's asset management plan covers a 10 year period that includes such items as;

- What the City owns (Inventory);
- What it's worth (Valuation---Historical/Replacement cost);
- The level of operation (Desired Levels of Service);
- The condition of the assets (State of Local Infrastructure),
- What needs to be done (Asset Management Strategy); and
- How much it will cost and how it will be funded? (Financing Strategy).

ANALYSIS

The asset management plan was developed under the direction of Mr. Jacob Bruzas, Manager of Audits & Capital Planning.

The analysis of municipal buildings was undertaken by the firm Morrison Hershfield and was provided to City Council on April 7, 2014.

The City's Engineering Department provided information relating to roads and engaged third party consultants to assist with the valuation and assessment of bridges, storm sewers, sanitary sewers, sewage treatment plants and sewage pumping stations.

The plan is a developing and fluid document. The plan should be updated regularly and we plan a review every three years.

IMPACT

For the 2015 budget, staff recommends the allocation of funds within the current tax levy to fund an asset management plan for our buildings.

The asset management plan identified expenditures of \$26.7 million over a ten year period and we are planning to spend \$2.7 million per year.

Staff are recommending the following sources of funding for this plan.

1. Retired debenture debt charges – \$1,167,630

The debt charges for the contribution to the F. J. Davey home expired at the end of 2014.

NO IMPACT IN 2015 TAX LEVY

2. Retired Sault Area Hospital levy – \$ 693,000

The original levy was \$1,100,000 and was reduced in 2014 to \$693,000 for the final payment. No funds are required in 2015.

NO IMPACT IN 2015 TAX LEVY

3. Continued allocation of Casino revenue (2014 budget) – \$ 431,580

Approved in 2014 budget from casino revenue. Originally requested \$1 million in 2014 to asset management but was adjusted to \$431,580 after \$568,420 of proceeds were allocated for a tax levy reduction.

NO IMPACT IN 2015 LEVY – APPROVED IN 2014

4. Additional budget allocation –

To reach the \$2.7 million total, add \$407,790 to the tax levy. Staff time is required to implement the asset management plan so refer final allocation to the 2016 budget.

REFER TO THE 2016 BUDGET

\$ 407,790

TOTAL ANNUAL ALLOCATION

\$2,700,000

Also Staff recommends creating a Facilities Asset Management Staff Committee (FAMSC) that will report to the Senior Management Team on the building asset management plan.

The Committee will be chaired by Mr. Jacob Bruzas, Manager of Audits & Capital Planning, and will consist of senior personnel (department heads with responsibility for buildings) and other senior support staff as required.

The primary objective of the Committee will be to re-assess the building asset management work plan annually as outlined in the Morrison Hershfield reports.

The Committee will take into consideration concerns brought forth to the City through our various Joint Health and Safety committees.

The Facilities Asset Management Staff Committee will take its recommendations to the Senior Management Team and provide a recommendation to City Council based on available funding approved during the annual budget process.

Currently, there are no other recommendations relating to the asset management plan. The City currently budgets approximately \$12 million annually for our road construction program.

STRATEGIC PLAN

The development of an asset management plan is listed under Strategic Direction 1: Developing Solid Infrastructure Objective 1C – Property Management and Development.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Commissioner of Finance and Treasurer dated 2015 02 23 be received and the recommendation that the Asset Management Plan as attached be approved;

And Further that the 2015 budget recommendations of allocating \$1,167,630 of retired debt charges and \$693,000 of the expired hospital levy be allocated to a building asset management plan in 2015 be referred to the 2015 Budget deliberations.

Respectfully submitted,



W. Freiburger, CPA, CMA
Commissioner of Finance & Treasurer

WF/kl

attachment

INTRODUCTION

BACKGROUND

The Province of Ontario requires municipalities to have long term detailed asset management plans in place in order to be eligible to obtain any future capital funding.

The City had completed a full asset inventory as required under the financial reporting requirement of PSAB (Public Sector Accounting Board) 3150, mandatory for all Ontario municipalities.

DEFINITION

Asset management is defined as the process of making the best possible decisions regarding the building, operating, maintaining, renewing, replacing and disposing of assets.

The plan describes the characteristics and condition of assets, the levels of service expected from them, planned actions to ensure the assets are providing the expected level of service, and financing strategies to implement the planned actions.

GOALS

- Provides consistent levels of service in accordance with the public's expectations, while mitigating costs.
- Provide guidance for infrastructure investment decisions.
- Demonstrate that projects seeking provincial infrastructure funding were reviewed and included in the asset management plan.

HOW THE PLAN WAS DEVELOPED

The plan was developed under the direction of Mr. Jake Bruzas, Manager of Capital Planning and Audit along with other senior City staff.

For certain parts of the plan, the City engaged third party consultants to assist with the valuation and assessment of asset condition.



LENGTH OF PLAN

The asset management plan will include financial projections for a minimum of 10 years. The plan should be updated regularly and we plan a review every three years.

Certain assets, like our facilities assessment, reviewed properties over a 25 year period.

The asset management plan will be reviewed every 3 years

SCOPE

The Asset Management Plan applies to all physical assets of the City, under the following categories:

- Buildings
- Sewage Treatment Plants and Pumping Stations
- Bridges
- Roads, Storm and Sanitary Sewers
- Fleet and Equipment – In Progress

FORMAT OF THE PLAN

The City's Asset Management Plan describes:

- What the City owns (Inventory);
- What it's worth (Valuation--- Historical/Replacement cost);
- The level of operation (Desired Levels of Service);
- The condition of the assets (State of Local Infrastructure),
- What needs to be done (Asset Management Strategy); and
- How much it will cost and how it will be funded? (Financing Strategy).

BUILDINGS

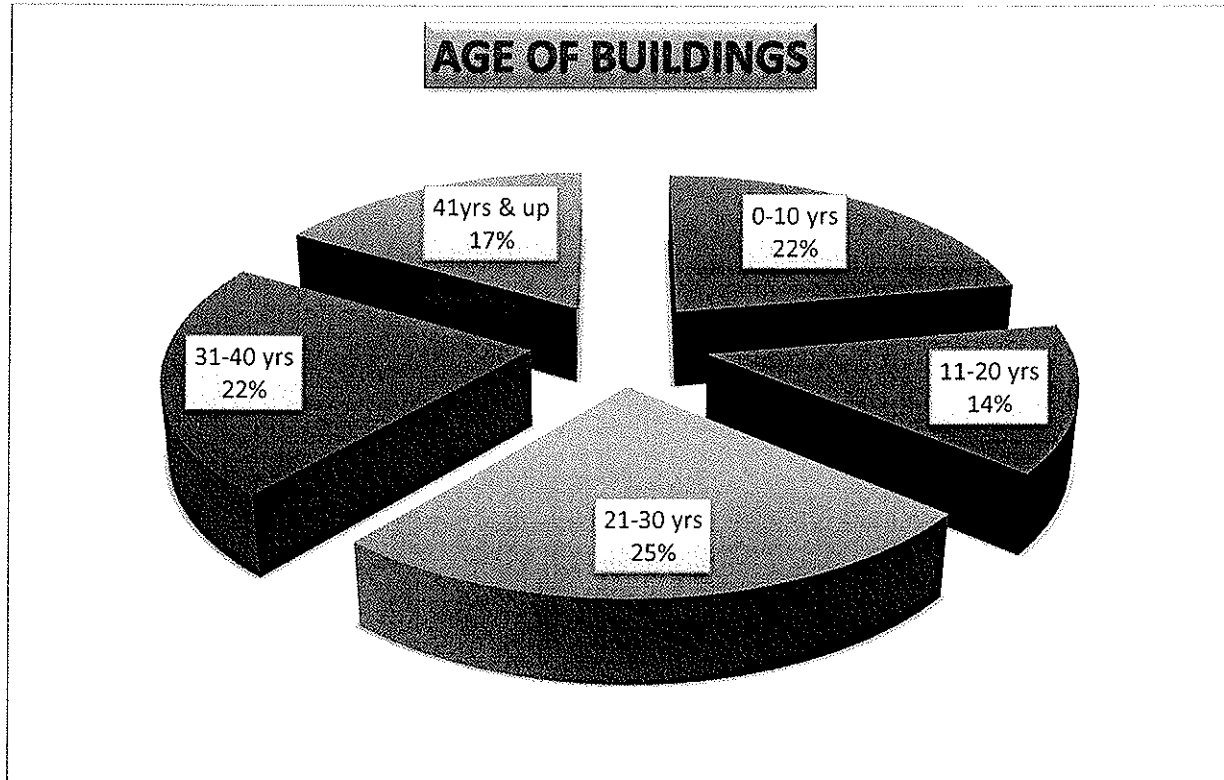
The City of Sault Ste. Marie owns and operates a variety of buildings providing various services to the residents;

The policy sets a capitalization threshold of \$100,000, meaning that any building acquired for less than \$100,000 will not be included as part of the Asset Management Plan. .

As of December 31, 2013, the City owned and operated 36 buildings that met the criteria of a capital asset.

Asset	Historical Cost	Accumulated Amortization	Net Book Value, Dec 31, 2013
Buildings	\$ 81,280,848	\$ (25,901,501)	\$ 55,379,348



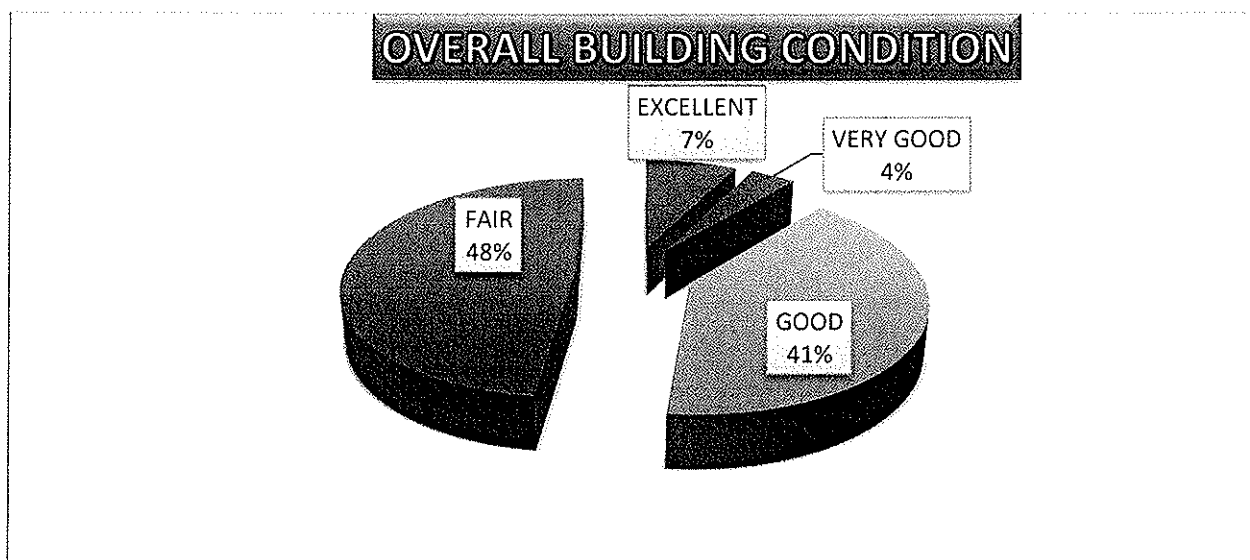


Age of Building	Building Description
0-10 yrs	PWT Equipment Storage Facility (Pre Fab) *
(8)	Northern Community Centre
	CCTV Building: Laboratory Building (Test)
	Fire Hall #4 / EMS Complex
	Scale House *
	Salt Storage *
	James Elliot Park Building *
	Sault Event Centre (Essar Centre) Building
11-20 yrs	Household Special Waste Depot (F) *
(5)	Ontario Works Office Building
	John Rhodes Pool Building
	John Rhodes Arena Building
	Roberta Bondar Park
21-30 yrs	Fire Station #2
(9)	Fire Station #3
	Laboratory Building: Public Works (H)
	Police Headquarters
	Equipment Storage Garage Building: Public Works (G)
	Public Works Administration Building
	Central Fire Station #1
	Transit Centre, Bus Depot
	Transit Terminal Building
31-40 yrs	Fish Hatchery *
(8)	Police Storage Building *
	Jesse Irving Children's Centre
	Public Works Garage, Building A
	Carpentry Shop Building 'B'
	Concrete Plant (J) *
	Civic Centre
	Senior Citizens Drop-in Centre
41 & older	Steelton Senior Citizens Centre
(6)	Ermatinger Old Stone House
	SSM Museum
	Cemetery Chapel & Office Building
	McMeeken Arena *
	Main Branch Library Building

Note: Those 9 buildings above marked with a "*" were not included as part of Morrison Hershfield's assessment.

In 2013, the City engaged a consultant, Morrison Hershfield Ltd., to conduct Building Condition Assessments of 27 buildings located on 22 different City sites¹.

For each major building component and system, the consultant documented description, age and history and identified condition, typical life expectancy, estimated remaining useful life and recommendation for capital repairs and replacements over 25 years.



Excellent (2)	Northern Community Centre, 556 Goulais Avenue CCTV Building, Public Works Yard, 128 Sackville Road
Very Good (1)	Sault Event Centre (Essar Centre), 269 Queen Street East
Good (11)	Main Branch Public Library, 50 East Street Steelton Senior Citizens Centre, 235 Wellington Street West Senior Citizens Drop-in Centre, 619 Bay Street Roberta Bondar Park, 65 Foster Drive Lab Building, Public Works Yard, 128 Sackville Road Fire Station #2, 363 Second Line West Fire Station #3, 100 Bennett Blvd. Fire Hall #4 / EMS Complex, 65 Old Garden River Road John Rhodes Community Centre, 280 Elizabeth Street Ermatinger Old Stone House, 831 Queen Street East SSM Museum, 690 Queen Street East
Fair	Jesse Irving Children's Centre, 84 Ruth Street

¹ A full copy of the Morrison Hershfield Ltd. report is available for viewing at the City Finance Department



(13)

Maycourt Children's Centre, 13 Salisbury Avenue
Civic Centre, 99 Foster Drive
Public Works Administration Building, 128 Sackville Road
Public Works Garage, Building A, 128 Sackville Road
Carpentry Shop Building 'B', 128 Sackville Road
Central Fire Station #1, 72 Tancred Street
Transit Bus Depot, 111 Huron Street
Transit Terminal Building, 160 Queen Street East
Police Headquarters, 580 Second Line
Ontario Works Building, 540 Albert Street East
Cemetery Chapel & Office Building, 27 Fourth Line East
Equipment Storage Garage, Public Works Yard, 128 Sackville Rd

The top priority building identified in terms of significant capital outlays required in the next 10 years was the Civic Centre, a building that is 40 years old.



As shown in the following chart, over the next 20 years, approximately \$44M is recommended by Morrison Hershfield for the capital repair and maintenance of the City's facilities.

Figure 1.5: Twenty Year Capital Plan- Facilities

ESTIMATED REQUIRED CAPITAL OUTLAY BY YEAR

	2015 to 2024	2025 TO 2029	2030 TO 2035	TOTAL
Main Branch Public Library, 50 East Street	1,115,000	554,000	294,000	1,963,000
Steeleton Senior Citizens Centre, 235 Wellington Street West	423,000	247,000	610,000	1,280,000
Senior Citizens Drop-in Centre, 619 Bay Street	235,000	210,000	324,000	769,000
Jesse Irving Children's Centre, 84 Ruth Street	204,000	140,000	150,000	494,000
Maycourt Children's Centre, 13 Salisbury Avenue	219,000	164,000	58,000	441,000
Roberta Bondar Park, 65 Foster Drive	652,000	185,000	1,755,000	2,592,000
Civic Centre, 99 Foster Drive	5,764,000	377,000	1,635,200	7,776,200
Public Works Administration Building, 128 Sackville Road	629,000	8,000	63,000	700,000
Public Works Garage, Building A, 128 Sackville Road	2,458,000	60,000	128,000	2,646,000
Carpentry Shop Building 'B', 128 Sackville Road	87,000	-	-	87,000
Lab Building, Public Works Yard, 128 Sackville Road	17,000	8,000	-	25,000
Central Fire Station #1, 72 Tancred Street	832,000	175,000	346,000	1,353,000
Fire Station #2, 363 Second Line West	59,000	84,000	59,000	202,000
Fire Station #3, 100 Bennett Blvd.	93,000	74,000	48,000	215,000
Fire Hall #4 / EMS Complex, 65 Old Garden River Road	1,653,000	978,000	522,000	3,153,000
Transit Bus Depot, 111 Huron Street	1,573,000	189,000	376,667	2,138,667
Transit Terminal Building, 160 Queen Street East	272,000	-	60,000	332,000
Police Headquarters, 580 Second Line	1,650,500	85,500	703,000	2,439,000
Ontario Works Building, 540 Albert Street East	1,442,000	148,000	321,000	1,911,000
Sault Event Centre (Essar Centre), 269 Queen Street East	2,262,000	263,000	988,000	3,513,000
John Rhodes Community Centre, 280 Elizabeth Street	3,470,000	1,751,000	878,000	6,099,000
Northern Community Centre, 556 Goulais Avenue	85,000	4,000	1,631,000	1,720,000
Ernstinger Old Stone House, 831 Queen Street East	257,000	82,000	112,000	451,000
SSM Museum, 690 Queen Street East	597,000	49,000	37,000	683,000
Cemetery Chapel & Office Building, 27 Fourth Line East	177,000	10,000	12,000	199,000
CCTV Building, Public Works Yard, 128 Sackville Road	-	-	8,000	8,000
Equipment Storage Garage, Public Works Yard, 128 Sackville Rd	493,000	12,000	163,000	668,000
TOTAL	26,718,500	5,857,500	11,281,867	43,857,867



CREATION OF A FACILITIES ASSET MANAGEMENT STAFF COMMITTEE

Staff recommends creating a Facilities Asset Management Staff Committee (FAMSC) that will report to the Senior Management Team on building conditions.

The Committee will be chaired by Mr. Jacob Bruzas, Manager of Audits and Capital Planning, and will consist of senior personnel (department heads with responsibility for facilities) and other senior support staff as required.

The primary objective of the Committee will be to re-assess the buildings capital work plan annually as outlined in the Morrison Hershfield reports.

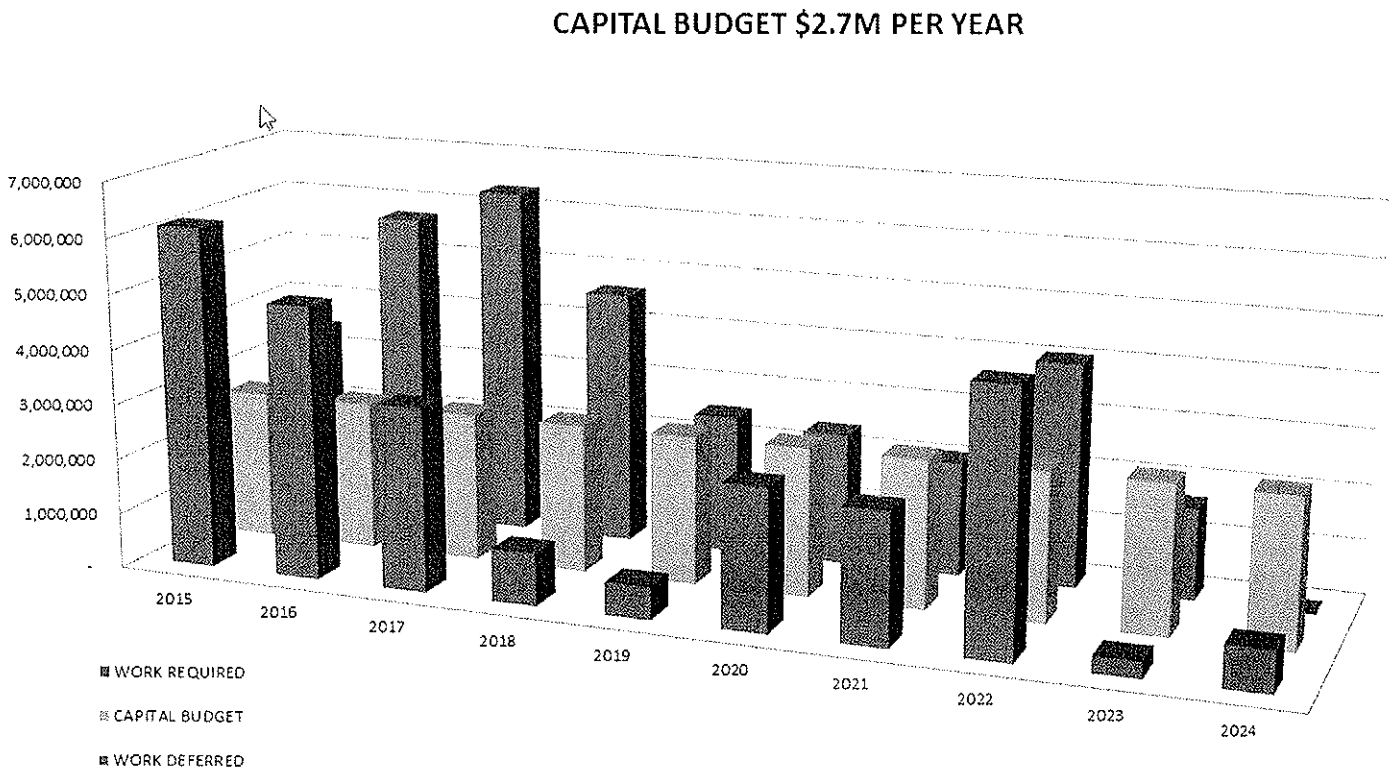
The Committee will take into consideration concerns brought forth to the Corporation through the City's various Joint Health and Safety committees.

The FAMSC will take its recommendations to the City's Senior Management Team and provide a recommendation to City Council based on available funding for the program approved in the annual budget process.



Financing Plan for Building

In order to fund eliminate this infrastructure gap within 10 years, the annual funding allocation to capital repair and maintenance of facilities needs to be increased to at least \$2.7M per year. See Figure 1.9. Any allocation less than this will lead to deferral of work and thus increase the risks associated with projects deferred, as previously described.



It is the Finance Department's opinion that the increase of capital funding for City buildings to \$2.7M can be accommodated within the existing budget.

Beginning in 2015, it is proposed that the \$2.7M in required funding will come from tax revenues previously allocated to the following:

• Retired debenture debt charges -	\$1,163,760
• Retired Sault Area Hospital levy -	\$693,000
• Continued allocation of Casino revenue (2014 budget) –	\$431,580
• Additional allocation of Casino revenue -	<u>\$411,660</u>
	\$2,700,000

TRANSIT BUS DEPOT

The City is also considering a relocation of the main Transit building from its current downtown location to a location on or near the Public Works site. This is in the very preliminary stages with no cost estimates currently available.

NORTHERN COMMUNITY CENTRE

The City has included the proposal of a new arena at the Northern Community Centre to be completed in 2018 at a cost of \$15M in this asset management plan as an upgrade/new asset. In order for the City to proceed with this development, funding of at least 2/3rds needs to be obtained from other sources. The City will consider funding the remaining 1/3rd primarily through issuance of debt, so as not to not take away funding from the strategy for the capital repair and maintenance of the existing facilities. As with previously issued City debt, the servicing of this debt will be added to the tax levy.



CITY OF SAULT STE MARIE OPERATING FUND

**2014 - FOURTH QUARTER ENDED
DECEMBER 31**

	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem	2013 Actual Year
FISCAL YEAR REMAINING% :				0	
REVENUE					
Taxation	(\$102,652,835.98)	(102,381,325.00)	271,510.98	(0.27%)	(102,063,300.12)
Payment in Lieu of taxes	(4,345,785.80)	(\$4,430,690.00)	(\$84,904.20)	1.92%	(\$4,432,019.53)
Fees and user charges	(45,644,470.48)	(\$46,713,825.00)	(\$1,069,354.52)	2.29%	(\$45,124,834.51)
Government grants	(21,214,914.15)	(\$20,629,625.00)	\$585,289.15	(2.84%)	(\$22,404,717.26)
Investment income	(6,198,718.05)	(\$4,305,000.00)	\$1,893,718.05	(43.99%)	(\$5,484,368.26)
Contribution from own funds	(2,092,229.36)	(\$625,315.00)	\$1,466,914.36	(234.59%)	(\$1,640,385.56)
Other income	(2,640,318.71)	(\$1,481,205.00)	\$1,159,113.71	(78.25%)	(\$1,804,772.07)
Prior year surplus	(3,620,054.00)	(\$3,620,054.00)	\$0.00		(\$3,158,356.00)
	(188,409,326.53)	(\$184,187,039.00)	\$4,222,287.53	(2.29%)	(\$186,112,753.31)
	=====	=====	=====	=====	=====
EXPENDITURES					
Salaries	70,642,180.65	\$71,269,352.00	\$627,171.35	0.88%	\$69,298,371.41
Benefits	17,902,397.14	\$19,416,407.00	\$1,514,009.86	7.80%	\$18,765,244.52
Total Salaries and Benefits	88,544,577.79	\$90,685,759.00	\$2,141,181.21	2.36%	\$88,063,615.93
	=====	=====	=====	=====	=====
Travel and training	532,948.51	\$850,385.00	\$317,436.49	37.33%	\$527,759.46
Election	13,110.94	\$15,000.00	\$1,889.06	12.59%	\$0.00
Vehicle allowance, maintenance and repairs	4,392,509.63	\$3,953,345.00	(\$439,164.63)	(11.11%)	\$3,984,383.73
Utilities and Fuel	10,675,236.89	\$8,355,280.00	(\$2,319,956.89)	(27.77%)	\$8,757,744.04
Materials and supplies	7,430,666.17	\$6,874,140.00	(\$556,526.17)	(8.10%)	\$8,190,266.84
Maintenance and repairs	2,408,670.15	\$2,301,265.00	(\$107,405.15)	(4.67%)	\$2,457,140.85
Program expenses	198,443.00	\$140,950.00	(\$57,493.00)	(40.79%)	\$104,478.45
Goods for resale	576,442.75	\$639,495.00	\$63,052.25	9.86%	\$640,440.22
Rents and leases	477,370.43	\$589,390.00	\$112,019.57	19.01%	\$516,807.68
Taxes and licenses	2,241,178.54	\$2,179,135.00	(\$62,043.54)	(2.85%)	\$2,062,852.95
Financial expenses	2,764,984.12	\$2,593,250.00	(\$171,734.12)	(6.62%)	\$2,552,976.31
Purchased and contracted services	9,159,294.06	\$10,500,270.00	\$1,340,975.94	12.77%	\$10,000,324.28
Grants to others	26,328,163.97	\$26,051,115.00	(\$277,048.97)	(1.06%)	\$27,742,429.40
Long term debt	2,877,272.81	\$3,529,895.00	\$652,622.19	18.49%	\$2,832,898.97
Transfer to own funds	25,899,538.99	\$24,503,705.00	(\$1,395,833.99)	(5.70%)	\$23,819,727.40
Capital expense	963,582.98	\$762,715.00	(\$200,867.98)	(26.34%)	\$799,272.51
Clearing accounts		\$0.00	\$0.00		\$0.00
Less: recoverable costs	(591,511.80)	(\$338,055.00)	\$253,456.80	(74.98%)	(\$560,419.71)
Total Other Expenses	96,347,902.14	\$93,501,280.00	(\$2,846,622.14)	(3.04%)	\$94,429,083.38
	=====	=====	=====	=====	=====
	184,892,479.93	\$184,187,039.00	(\$705,440.93)	(0.38%)	\$182,492,699.31
	=====	=====	=====	=====	=====
NET (REVENUE)/EXPENDITURE	(3,516,846.60)	\$0.00	\$3,516,846.60		(\$3,620,054.00)

DRAFT
Appendix R

The Corporation of the City of Sault Ste. Marie
2014 Budget Variance
Net (Revenue) Expense
For the Year Ending December 31, 2014

	YTD Actual	YTD Budget	Variance
Mayor and Council	\$665,585.20	\$739,405.00	\$73,819.80
Chief Administrative Officer	\$354,443.42	\$379,740.00	\$25,296.58
Human Resources	\$1,576,931.64	\$1,541,875.00	(\$35,056.64)
Clerks	\$1,013,158.80	\$1,014,830.00	\$1,671.20
Finance	\$6,851,280.60	\$7,004,665.00	\$153,384.40
Legal	\$1,295,589.71	\$1,173,720.00	(\$121,869.71)
Fire Services	\$13,045,054.70	\$13,148,700.00	\$103,645.30
Police Services	\$24,098,117.16	\$24,085,859.00	(\$12,258.16)
Engineering and Planning	\$13,465,250.11	\$13,553,630.00	\$88,379.89
Public Works and Transportation	\$32,629,825.70	\$32,387,330.00	(\$242,495.70)
Community Services Department	\$4,631,376.34	\$5,495,795.00	\$864,418.66
Social Services	\$16,150,153.52	\$16,192,135.00	\$41,981.48
Levy Board	\$2,198,770.00	\$2,198,770.00	\$0.00
Outside Agencies	\$4,359,750.49	\$4,408,535.00	\$48,784.51
Outside Agencies - Other	\$2,068,104.81	\$2,067,470.00	(\$634.81)
Economic Diversification	\$500,000.00	\$500,000.00	\$0.00
Corporate	(\$137,826,046.37)	(\$135,295,539.00)	\$2,530,507.37
Capital and Debt	\$9,405,807.57	\$9,403,080.00	(\$2,727.57)
	<u>(\$3,516,846.60)</u>	<u>\$0.00</u>	<u>\$3,516,846.60</u>

MAYOR & COUNCIL

2014 - FOURTH QUARTER ENDED
DECEMBER 31

	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem	2013 Actual Year
FISCAL YEAR REMAINING% :				0	
REVENUE					
Government grants	(\$4,475.00)	\$0.00	\$4,475.00		(\$7,538.01)
Contribution from own funds	(5,564.00)	\$0.00	\$5,564.00		\$0.00
	(10,039.00)	\$0.00	\$10,039.00		(\$7,538.01)
EXPENDITURES					
Salaries	479,326.29	\$477,540.00	(\$1,786.29)	(0.37%)	\$465,013.83
Benefits	54,993.08	\$60,130.00	\$5,136.92	8.54%	\$57,901.65
Total Salaries and Benefits	534,319.37	\$537,670.00	\$3,350.63	0.62%	\$522,915.48
Travel and training	18,004.00	\$68,710.00	\$50,706.00	73.80%	\$29,219.73
Vehicle allowance, maintenance and repairs	33,450.75	\$36,030.00	\$2,579.25	7.16%	\$31,213.85
Materials and supplies	51,732.59	\$65,645.00	\$13,912.41	21.19%	\$52,793.35
Maintenance and repairs		\$250.00	\$250.00	100.00%	\$0.00
Purchased and contracted services	12,553.49	\$6,100.00	(\$6,453.49)	(105.79%)	\$7,437.70
Grants to others	25,564.00	\$25,000.00	(\$564.00)	(2.26%)	\$20,000.00
Total Other Expenses	141,304.83	\$201,735.00	\$60,430.17	29.96%	\$140,664.63
	675,624.20	\$739,405.00	\$63,780.80	8.63%	\$663,580.11
NET (REVENUE)/EXPENDITURE	665,585.20	\$739,405.00	\$73,819.80	9.98%	\$656,042.10

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CHIEF ADMINISTRATIVE OFFICER

2014 - FOURTH QUARTER ENDED

	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem	2013 Actual Year
FISCAL YEAR REMAINING% :				0	
REVENUE					
Government grants		\$0.00	\$0.00		(\$4,845.87)
Other income	(1,071.00)	\$0.00	\$1,071.00		(\$473.00)
	(1,071.00)	\$0.00	\$1,071.00		(\$5,318.87)
EXPENDITURES					
Salaries	281,602.73	\$284,265.00	\$2,662.27	0.94%	\$277,074.14
Benefits	62,423.39	\$67,915.00	\$5,491.61	8.09%	\$68,356.66
Total Salaries and Benefits	344,026.12	\$352,180.00	\$8,153.88	2.32%	\$345,430.80
Travel and training	125.00	\$10,215.00	\$10,090.00	98.78%	\$710.65
Vehicle allowance, maintenance and repairs	4,089.40	\$4,480.00	\$390.60	8.72%	\$4,055.19
Materials and supplies	7,100.91	\$12,365.00	\$5,264.09	42.57%	\$8,973.12
Maintenance and repairs		\$150.00	\$150.00	100.00%	\$0.00
Purchased and contracted services	172.99	\$150.00	(\$22.99)	(15.33%)	\$0.00
Capital expense		\$200.00	\$200.00	100.00%	\$569.09
Total Other Expenses	11,488.30	\$27,560.00	\$16,071.70	58.32%	\$14,308.05
	355,514.42	\$379,740.00	\$24,225.58	6.38%	\$359,738.85
NET (REVENUE)/EXPENDITURE	354,443.42	\$379,740.00	\$25,296.58	6.66%	\$354,419.98

HUMAN RESOURCES

2014 - FOURTH QUARTER ENDED

	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem	2013 Actual Year
FISCAL YEAR REMAINING% :				0	
REVENUE					
EXPENDITURES					
Salaries	\$605,358.40	\$659,405.00	\$54,046.60	8.20%	\$629,310.67
Benefits	545,897.77	\$497,925.00	(\$47,972.77)	(9.63%)	\$536,495.29
Total Salaries and Benefits	1,151,256.17	\$1,157,330.00	\$6,073.83	0.52%	\$1,165,805.96
Travel and training	48,167.25	\$56,685.00	\$8,517.75	15.03%	\$38,192.68
Vehicle allowance, maintenance and repairs	203.80	\$1,000.00	\$796.20	79.62%	\$488.03
Materials and supplies	37,060.70	\$37,085.00	\$24.30	0.07%	\$71,375.42
Maintenance and repairs	2,050.43	\$4,500.00	\$2,449.57	54.43%	\$2,324.43
Purchased and contracted services	292,970.59	\$273,775.00	(\$19,195.59)	(7.01%)	\$223,426.15
Transfer to own funds	37,459.41	\$0.00	(\$37,459.41)		\$37,829.50
Capital expense	7,763.29	\$11,500.00	\$3,736.71	32.49%	\$9,321.33
Total Other Expenses	425,675.47	\$384,545.00	(\$41,130.47)	(10.70%)	\$382,957.54
	1,576,931.64	\$1,541,875.00	(\$35,056.64)	(2.27%)	\$1,548,763.50
NET (REVENUE)/EXPENDITURE	1,576,931.64	\$1,541,875.00	(\$35,056.64)	(2.27%)	\$1,548,763.50

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CLERK'S DEPARTMENT

2014 - FOURTH QUARTER ENDED

	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem	2013 Actual Year
FISCAL YEAR REMAINING% :				0	
REVENUE					
Fees and user charges	(\$184,803.31)	(\$50,000.00)	\$134,803.31	(269.61%)	(\$46,920.00)
Government grants		\$0.00	\$0.00		(\$27,500.00)
Contribution from own funds	(189,400.00)	(\$180,000.00)	\$9,400.00	(5.22%)	(\$5,500.00)
Other income	(21,500.25)	(\$1,800.00)	\$19,700.25	(1,094.46%)	(\$11,737.50)
	(395,703.56)	(\$231,800.00)	\$163,903.56	(70.71%)	(\$91,657.50)
EXPENDITURES					
Salaries	782,875.24	\$728,350.00	(\$54,525.24)	(7.49%)	\$589,392.09
Benefits	149,567.97	\$150,210.00	\$642.03	0.43%	\$148,608.81
Total Salaries and Benefits	932,443.21	\$878,560.00	(\$53,883.21)	(6.13%)	\$738,000.90
Travel and training	3,535.24	\$6,595.00	\$3,059.76	46.40%	\$6,680.75
Election	13,110.94	\$15,000.00	\$1,889.06	12.59%	\$0.00
Vehicle allowance, maintenance and repairs	890.79	\$850.00	(\$40.79)	(4.80%)	\$699.20
Materials and supplies	306,714.40	\$153,380.00	(\$153,334.40)	(99.97%)	\$105,519.17
Maintenance and repairs	348.02	\$3,550.00	\$3,201.98	90.20%	\$2,013.94
Goods for resale	19,200.00	\$19,200.00	\$0.00		\$19,200.00
Rents and leases	5,129.61	\$15,625.00	\$10,495.39	67.17%	\$2,770.79
Financial expenses	293.78	\$0.00	(\$293.78)		\$415.68
Purchased and contracted services	120,056.45	\$144,870.00	\$24,813.55	17.13%	\$80,324.39
Grants to others	1,963.59	\$2,000.00	\$36.41	1.82%	\$1,889.10
Transfer to own funds	2,531.80	\$0.00	(\$2,531.80)		\$82,891.59
Capital expense	2,644.53	\$7,000.00	\$4,355.47	62.22%	\$563.91
Total Other Expenses	476,419.15	\$368,070.00	(\$108,349.15)	(29.44%)	\$302,968.52
	1,408,862.36	\$1,246,630.00	(\$162,232.36)	(13.01%)	\$1,040,969.42
NET (REVENUE)/EXPENDITURE	1,013,158.80	\$1,014,830.00	\$1,671.20	0.16%	\$949,311.92

FINANCE DEPARTMENT

2014 - FOURTH QUARTER ENDED

	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem	2013 Actual Year
FISCAL YEAR REMAINING% :				0	
REVENUE					
Fees and user charges	(\$262,278.26)	(\$279,025.00)	(\$16,746.74)	6.00%	(\$273,025.60)
Government grants	(127,160.00)	\$0.00	\$127,160.00		(\$16,536.00)
Contribution from own funds	(39,921.73)	\$0.00	\$39,921.73		(\$61,859.66)
Other income	(97,229.88)	(\$93,085.00)	\$4,144.88	(4.45%)	(\$94,987.38)
	(526,589.87)	(\$372,110.00)	\$154,479.87	(41.51%)	(\$446,408.64)
EXPENDITURES					
Salaries	2,747,387.61	\$2,867,050.00	\$119,662.39	4.17%	\$2,766,889.77
Benefits	684,727.22	\$767,105.00	\$82,377.78	10.74%	\$719,574.28
Total Salaries and Benefits	3,432,114.83	\$3,634,155.00	\$202,040.17	5.56%	\$3,486,464.05
Travel and training	11,505.20	\$12,600.00	\$1,094.80	8.69%	\$14,678.41
Vehicle allowance, maintenance and repairs	389.68	\$1,450.00	\$1,060.32	73.13%	\$618.97
Materials and supplies	(3,019.39)	\$18,435.00	\$21,454.39	116.38%	(\$36,791.87)
Maintenance and repairs	485,278.50	\$533,935.00	\$48,656.50	9.11%	\$513,777.10
Financial expenses	2,647,536.88	\$2,538,070.00	(\$109,466.88)	(4.31%)	\$2,479,680.58
Purchased and contracted services	551,807.84	\$551,920.00	\$112.16	0.02%	\$590,483.93
Transfer to own funds	149,383.49	\$0.00	(\$149,383.49)		\$0.00
Capital expense	102,873.44	\$86,210.00	(\$16,663.44)	(19.33%)	\$102,147.25
Total Other Expenses	3,945,755.64	\$3,742,620.00	(\$203,135.64)	(5.43%)	\$3,664,594.37
	7,377,870.47	\$7,376,775.00	(\$1,095.47)	(0.01%)	\$7,151,058.42
NET (REVENUE)/EXPENDITURE	6,851,280.60	\$7,004,665.00	\$153,384.40	2.19%	\$6,704,649.78

LEGAL DEPARTMENT

2014 - FOURTH QUARTER ENDED

	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem	2013 Actual Year
FISCAL YEAR REMAINING% :				0	
REVENUE					
Fees and user charges	(\$2,106,755.63)	(\$2,192,965.00)	(\$86,209.37)	3.93%	(\$2,194,431.59)
Investment income	(13,136.34)	\$0.00	\$13,136.34		(\$13,360.32)
Other income		\$0.00	\$0.00		(\$50.00)
	(2,119,891.97)	(\$2,192,965.00)	(\$73,073.03)	3.33%	(\$2,207,841.91)
EXPENDITURES					
Salaries	804,977.61	\$831,040.00	\$26,062.39	3.14%	\$793,813.68
Benefits	193,093.38	\$221,825.00	\$28,731.62	12.95%	\$207,152.88
Total Salaries and Benefits	998,070.99	\$1,052,865.00	\$54,794.01	5.20%	\$1,000,966.56
Travel and training	10,804.98	\$15,855.00	\$5,050.02	31.85%	\$10,531.40
Vehicle allowance, maintenance and repairs		\$250.00	\$250.00	100.00%	\$0.00
Materials and supplies	65,852.13	\$77,815.00	\$11,962.87	15.37%	\$66,363.05
Maintenance and repairs		\$4,000.00	\$4,000.00	100.00%	\$0.00
Rents and leases	72,389.13	\$73,275.00	\$885.87	1.21%	\$72,324.64
Taxes and licenses	1,843,616.72	\$1,691,000.00	(\$152,616.72)	(9.03%)	\$1,660,188.97
Purchased and contracted services	244,675.66	\$252,000.00	\$7,324.34	2.91%	\$195,928.80
Transfer to own funds	177,054.01	\$190,625.00	\$13,570.99	7.12%	\$305,962.52
Capital expense	3,018.06	\$9,000.00	\$5,981.94	66.47%	\$4,045.75
Total Other Expenses	2,417,410.69	\$2,313,820.00	(\$103,590.69)	(4.48%)	\$2,315,345.13
	3,415,481.68	\$3,366,685.00	(\$48,796.68)	(1.45%)	\$3,316,311.69
NET (REVENUE)/EXPENDITURE	1,295,589.71	\$1,173,720.00	(\$121,869.71)	(10.38%)	\$1,108,469.78

FIRE SERVICES

2014 - FOURTH QUARTER ENDED

	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem	2013 Actual Year
FISCAL YEAR REMAINING% :				0	
REVENUE					
Fees and user charges	(\$4,576,241.31)	(\$4,832,620.00)	(\$256,378.69)	5.31%	(\$4,665,042.44)
Government grants	(1,060.35)	\$0.00	\$1,060.35		\$0.00
Other income	(447.03)	\$0.00	\$447.03		(\$301.42)
	(4,577,748.69)	(\$4,832,620.00)	(\$254,871.31)	5.27%	(\$4,665,343.86)
EXPENDITURES					
Salaries	12,818,545.44	\$13,064,470.00	\$245,924.56	1.88%	\$12,720,875.43
Benefits	3,324,502.09	\$3,378,130.00	\$53,627.91	1.59%	\$3,413,035.28
Total Salaries and Benefits	16,143,047.53	\$16,442,600.00	\$299,552.47	1.82%	\$16,133,910.71
Travel and training	34,365.42	\$42,535.00	\$8,169.58	19.21%	\$33,766.39
Vehicle allowance, maintenance and repairs	152,857.61	\$175,095.00	\$22,237.39	12.70%	\$176,686.61
Utilities and Fuel	308,492.05	\$309,180.00	\$687.95	0.22%	\$299,028.97
Materials and supplies	328,067.97	\$391,365.00	\$63,297.03	16.17%	\$332,459.07
Maintenance and repairs	187,257.19	\$139,295.00	(\$47,962.19)	(34.43%)	\$155,091.04
Rents and leases	2,429.04	\$2,500.00	\$70.96	2.84%	\$2,429.04
Taxes and licenses	39,224.00	\$58,200.00	\$18,976.00	32.60%	\$47,662.30
Financial expenses	2,285.95	\$1,800.00	(\$485.95)	(27.00%)	\$2,307.36
Purchased and contracted services	134,218.19	\$133,700.00	(\$518.19)	(0.39%)	\$108,377.29
Transfer to own funds	322,780.68	\$252,500.00	(\$70,280.68)	(27.83%)	\$316,728.95
Capital expense	21,118.62	\$32,550.00	\$11,431.38	35.12%	\$26,141.58
Less: recoverable costs	(53,340.86)	\$0.00	\$53,340.86		\$0.00
Total Other Expenses	1,479,755.86	\$1,538,720.00	\$58,964.14	3.83%	\$1,500,678.60
	17,622,803.39	\$17,981,320.00	\$358,516.61	1.99%	\$17,634,589.31
NET (REVENUE)/EXPENDITURE	13,045,054.70	\$13,148,700.00	\$103,645.30	0.79%	\$12,969,245.45

POLICE SERVICES

2014 - FOURTH QUARTER ENDED

	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem	2013 Actual Year
FISCAL YEAR REMAINING% :				0	
REVENUE					
Fees and user charges	(\$471,420.02)	(\$293,505.00)	\$177,915.02	(60.62%)	(\$447,044.05)
Government grants	(1,255,471.23)	(\$1,244,500.00)	\$10,971.23	(0.88%)	(\$1,244,188.21)
Contribution from own funds	(277,299.28)	\$0.00	\$277,299.28		\$0.00
Other income	(94,050.12)	\$0.00	\$94,050.12		(\$94,992.19)
	(2,098,240.65)	(\$1,538,005.00)	\$560,235.65	(36.43%)	(\$1,786,224.45)
EXPENDITURES					
Salaries	18,115,816.93	\$17,570,080.00	(\$545,736.93)	(3.11%)	\$17,587,399.85
Benefits	4,167,933.34	\$4,547,809.00	\$379,875.66	8.35%	\$4,246,932.02
Total Salaries and Benefits	22,283,750.27	\$22,117,889.00	(\$165,861.27)	(0.75%)	\$21,834,331.87
Travel and training	280,334.92	\$392,770.00	\$112,435.08	28.63%	\$231,252.27
Vehicle allowance, maintenance and repairs	542,651.84	\$494,545.00	(\$48,106.84)	(9.73%)	\$504,990.61
Utilities and Fuel	404,675.59	\$383,840.00	(\$20,835.59)	(5.43%)	\$374,351.93
Materials and supplies	757,903.87	\$674,150.00	(\$83,753.87)	(12.42%)	\$537,555.99
Maintenance and repairs	297,921.43	\$323,335.00	\$25,413.57	7.86%	\$367,522.79
Rents and leases	81,784.09	\$117,700.00	\$35,915.91	30.51%	\$101,307.78
Taxes and licenses	97,659.63	\$88,000.00	(\$9,659.63)	(10.98%)	\$100,449.16
Financial expenses	1,555.48	\$0.00	(\$1,555.48)		\$1,480.65
Purchased and contracted services	588,953.68	\$492,780.00	(\$96,173.68)	(19.52%)	\$514,459.52
Transfer to own funds	165,000.00	\$165,000.00	\$0.00		\$165,000.00
Capital expense	694,167.01	\$373,855.00	(\$320,312.01)	(85.68%)	\$479,079.17
Total Other Expenses	3,912,607.54	\$3,505,975.00	(\$406,632.54)	(11.60%)	\$3,377,449.87
	26,196,357.81	\$25,623,864.00	(\$572,493.81)	(2.23%)	\$25,211,781.74
NET (REVENUE)/EXPENDITURE	24,098,117.16	\$24,085,859.00	(\$12,258.16)	(0.05%)	\$23,425,557.29

ENGINEERING AND PLANNING

2014 - FOURTH QUARTER ENDED

	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem	2013 Actual Year
FISCAL YEAR REMAINING% :				0	
REVENUE					
Fees and user charges	(\$879,239.59)	(\$1,062,350.00)	(\$183,110.41)	17.24%	(\$1,288,500.26)
Government grants	(46,381.50)	(\$35,000.00)	\$11,381.50	(32.52%)	(\$43,173.78)
Contribution from own funds	(424,894.61)	(\$184,100.00)	\$240,794.61	(130.80%)	(\$37,491.12)
Other income	(8,365.30)	\$0.00	\$8,365.30		(\$13,407.96)
	(1,358,881.00)	(\$1,281,450.00)	\$77,431.00	(6.04%)	(\$1,382,573.12)
EXPENDITURES					
Salaries	3,461,885.27	\$3,503,105.00	\$41,219.73	1.18%	\$3,301,523.45
Benefits	789,238.91	\$888,375.00	\$99,136.09	11.16%	\$785,223.54
Total Salaries and Benefits	4,251,124.18	\$4,391,480.00	\$140,355.82	3.20%	\$4,086,746.99
Travel and training	31,249.66	\$48,430.00	\$17,180.34	35.47%	\$33,156.87
Vehicle allowance, maintenance and repairs	14,263.94	\$59,150.00	\$44,886.06	75.89%	\$127,192.78
Utilities and Fuel	5,001,857.43	\$3,378,490.00	(\$1,623,367.43)	(48.05%)	\$3,404,464.55
Materials and supplies	308,731.01	\$288,980.00	(\$19,751.01)	(6.83%)	\$245,997.38
Maintenance and repairs	220,551.49	\$220,000.00	(\$551.49)	(0.25%)	\$201,527.01
Rents and leases	100,000.00	\$100,000.00	\$0.00		\$100,000.00
Financial expenses	(48.84)	\$0.00	\$48.84		\$546.43
Purchased and contracted services	3,462,193.47	\$4,957,850.00	\$1,495,656.53	30.17%	\$4,851,366.11
Transfer to own funds	1,416,494.14	\$1,340,000.00	(\$76,494.14)	(5.71%)	\$1,368,438.81
Capital expense	17,714.63	\$50,700.00	\$32,985.37	65.06%	\$28,024.33
Total Other Expenses	10,573,006.93	\$10,443,600.00	(\$129,406.93)	(1.24%)	\$10,360,714.27
	14,824,131.11	\$14,835,080.00	\$10,948.89	0.07%	\$14,447,461.26
NET (REVENUE)/EXPENDITURE	13,465,250.11	\$13,553,630.00	\$88,379.89	0.65%	\$13,064,888.14

PUBLIC WORKS AND TRANSPORTATION

2014 - FOURTH QUARTER ENDED

	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem	2013 Actual Year
FISCAL YEAR REMAINING%:				0	
REVENUE					
Fees and user charges	(\$7,106,378.25)	(\$7,298,600.00)	(\$192,221.75)	2.63%	(\$7,367,481.51)
Government grants	(1,841,847.70)	(\$1,723,805.00)	\$118,042.70	(6.85%)	(\$1,862,771.63)
Contribution from own funds	(292,066.44)	(\$70,000.00)	\$222,066.44	(317.24%)	(\$199,235.80)
Other income	(149,681.08)	(\$1,000.00)	\$148,681.08	(14,868.11%)	(\$153,747.23)
	(9,389,973.47)	(\$9,093,405.00)	\$296,568.47	(3.26%)	(\$9,583,236.17)
EXPENDITURES					
Salaries	19,371,947.66	\$19,387,945.00	\$15,997.34	0.08%	\$19,031,834.39
Benefits	5,407,015.21	\$6,044,665.00	\$637,649.79	10.55%	\$5,695,358.07
Total Salaries and Benefits	24,778,962.87	\$25,432,610.00	\$653,647.13	2.57%	\$24,727,192.46
Travel and training	49,858.31	\$99,255.00	\$49,396.69	49.77%	\$60,415.10
Vehicle allowance, maintenance and repairs	3,630,980.01	\$3,143,460.00	(\$487,520.01)	(15.51%)	\$3,104,685.52
Utilities and Fuel	3,544,872.26	\$2,932,960.00	(\$611,912.26)	(20.86%)	\$3,280,692.97
Materials and supplies	3,703,654.01	\$3,650,075.00	(\$53,579.01)	(1.47%)	\$4,397,008.07
Maintenance and repairs	356,768.11	\$367,150.00	\$10,381.89	2.83%	\$371,440.42
Taxes and licenses	259,071.95	\$340,575.00	\$81,503.05	23.93%	\$254,076.52
Financial expenses	8,783.39	\$4,000.00	(\$4,783.39)	(119.58%)	\$7,321.25
Purchased and contracted services	3,400,827.56	\$3,277,230.00	(\$123,597.56)	(3.77%)	\$3,086,781.12
Transfer to own funds	2,724,576.58	\$2,547,580.00	(\$176,996.58)	(6.95%)	\$2,931,408.88
Capital expense	4,390.64	\$23,895.00	\$19,504.36	81.63%	\$20,484.76
Less: recoverable costs	(442,946.52)	(\$338,055.00)	\$104,891.52	(31.03%)	(\$560,419.71)
Total Other Expenses	17,240,836.30	\$16,048,125.00	(\$1,192,711.30)	(7.43%)	\$16,953,894.90
	42,019,799.17	\$41,480,735.00	(\$539,064.17)	(1.30%)	\$41,681,087.36
NET (REVENUE)/EXPENDITURE	32,629,825.70	\$32,387,330.00	(\$242,495.70)	(0.75%)	\$32,097,851.19
Operations					
Winter Control: Roadways and Sidewalks	7,920,027.00	6,379,000.00	(1,541,027.00)	(24.16%)	
Sanitary Sewers	1,629,992.65	1,550,860.00	(79,132.65)	(5.10%)	
Storm Sewers	579,034.87	541,770.00	(37,264.87)	(6.88%)	
Roadways and Sidewalks	2,695,815.37	3,277,735.00	581,919.63	17.75%	
Supervision and Overhead	2,827,465.27	3,013,995.00	186,529.73	6.19%	
Traffic & Communications	1,615,534.30	1,690,530.00	74,995.70	4.44%	
Carpentry	600,136.29	529,520.00	(70,616.29)	(13.34%)	
Administration	1,611,975.88	1,685,125.00	73,149.12	4.34%	
Buildings & Equipment	1,849,415.93	1,974,055.00	124,639.07	6.31%	
Waste Management	2,393,101.03	2,426,105.00	33,003.97	1.36%	
Parks	2,776,897.03	2,960,375.00	183,477.97	6.20%	
Cemetery	0.00	0.00	0.00	.00%	
School Guards	247,484.80	281,790.00	34,305.20	12.17%	
Transit	5,689,827.45	5,847,420.00	157,592.55	2.70%	
Parking	193,117.83	229,050.00	35,932.17	15.69%	
	32,629,825.70	32,387,330.00	(242,495.70)		

COMMUNITY SERVICES DEPARTMENT

2014 - FOURTH QUARTER ENDED

	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem	2013 Actual Year
FISCAL YEAR REMAINING%:				0	
REVENUE					
Fees and user charges	(\$5,204,172.53)	(\$4,834,655.00)	\$369,517.53	(7.64%)	(\$5,135,468.82)
Government grants	(192,234.01)	(\$104,180.00)	\$88,054.01	(84.52%)	(\$198,575.76)
Contribution from own funds	(3,879.44)	\$0.00	\$3,879.44		(\$7,479.21)
Other income	(60,652.17)	(\$35,320.00)	\$25,332.17	(71.72%)	(\$61,189.66)
	(5,460,938.15)	(\$4,974,155.00)	\$486,783.15	(9.79%)	(\$5,402,713.45)
EXPENDITURES					
Salaries	5,303,020.24	\$5,716,932.00	\$413,911.76	7.24%	\$5,342,127.01
Benefits	994,951.11	\$1,152,358.00	\$157,406.89	13.66%	\$1,099,045.75
Total Salaries and Benefits	6,297,971.35	\$6,869,290.00	\$571,318.65	8.32%	\$6,441,172.76
Travel and training	9,618.03	\$11,935.00	\$2,316.97	19.41%	\$8,570.70
Vehicle allowance, maintenance and repairs	3,171.84	\$8,185.00	\$5,013.16	61.25%	\$4,744.73
Utilities and Fuel	1,387,785.10	\$1,322,650.00	(\$65,135.10)	(4.92%)	\$1,374,803.48
Materials and supplies	317,927.76	\$395,295.00	\$77,367.24	19.57%	\$310,004.53
Maintenance and repairs	847,022.66	\$686,500.00	(\$160,522.66)	(23.38%)	\$839,651.36
Program expenses	198,443.00	\$140,950.00	(\$57,493.00)	(40.79%)	\$104,478.45
Goods for resale	557,242.75	\$620,295.00	\$63,052.25	10.16%	\$621,240.22
Rents and leases	10,118.58	\$10,250.00	\$131.42	1.28%	\$8,326.08
Taxes and licenses	1,606.24	\$1,360.00	(\$246.24)	(18.11%)	\$476.00
Financial expenses	87,261.35	\$49,380.00	(\$37,881.35)	(76.71%)	\$38,479.17
Purchased and contracted services	194,965.60	\$213,555.00	\$18,589.40	8.70%	\$206,219.31
Grants to others	12,066.09	\$15,510.00	\$3,443.91	22.20%	\$13,314.86
Transfer to own funds	116,953.78	\$84,490.00	(\$32,463.78)	(38.42%)	\$111,860.29
Capital expense	50,160.36	\$40,305.00	(\$9,855.36)	(24.45%)	\$25,689.66
Total Other Expenses	3,794,343.14	\$3,600,660.00	(\$193,683.14)	(5.38%)	\$3,667,858.84
	10,092,314.49	\$10,469,950.00	\$377,635.51	3.61%	\$10,109,031.60
NET (REVENUE)/EXPENDITURE	4,631,376.34	\$5,495,795.00	\$864,418.66	15.73%	\$4,706,318.15
Recreation & Culture	1,240,205.00	1,386,045.00	145,840.00	10.52%	
Community Centres					
John Rhodes Community Centre	1,273,454.95	1,338,475.00	65,020.05	4.86%	
McMeeken Centre	127,102.44	126,670.00	(432.44)	(0.34%)	
Essar Centre	345,923.03	522,455.00	176,531.97	33.79%	
Northern Community Centre	(102,026.58)	32,135.00	134,161.58	417.49%	
Outdoor Pools/Concessions	132,180.50	116,540.00	(15,640.50)	(13.42%)	
Administration	803,062.76	928,937.00	125,874.24	13.55%	
Daycare	350,791.11	555,540.00	204,748.89	36.86%	
Administration	460,682.86	488,998.00	28,315.14	5.79%	
	4,631,376.07	5,495,795.00	864,418.93		

W

SOCIAL SERVICES DEPARTMENT

2014 - FOURTH QUARTER ENDED

	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem	2013 Actual
FISCAL YEAR REMAINING%:				0	Year
REVENUE					
Fees and user charges	(\$8,405,807.81)	(\$9,120,105.00)	(\$714,297.19)	7.83%	(\$8,665,762.80)
Government grants	(401,494.00)	(\$277,440.00)	\$124,054.00	(44.71%)	(\$313,467.00)
Contribution from own funds	(1,253.52)	\$0.00	\$1,253.52		\$0.00
Other income	(2,275.00)	\$0.00	\$2,275.00		(\$16,318.49)
	(8,810,830.33)	(\$9,397,545.00)	(\$586,714.67)	6.24%	(\$8,995,548.29)
EXPENDITURES					
Salaries	5,869,437.23	\$6,179,170.00	\$309,732.77	5.01%	\$5,793,117.10
Benefits	1,496,053.67	\$1,619,960.00	\$123,906.33	7.65%	\$1,639,341.32
Total Salaries and Benefits	7,365,490.90	\$7,799,130.00	\$433,639.10	5.56%	\$7,432,458.42
Travel and training	35,380.50	\$84,800.00	\$49,419.50	58.28%	\$60,584.51
Vehicle allowance, maintenance and repairs	9,559.97	\$28,850.00	\$19,290.03	66.86%	\$29,008.24
Utilities and Fuel	27,554.46	\$28,160.00	\$605.54	2.15%	\$24,402.14
Materials and supplies	240,318.72	\$347,330.00	\$107,011.28	30.81%	\$230,686.74
Maintenance and repairs	11,472.32	\$18,600.00	\$7,127.68	38.32%	\$3,792.76
Rents and leases	205,519.98	\$270,040.00	\$64,520.02	23.89%	\$229,649.35
Purchased and contracted services	114,596.52	\$165,340.00	\$50,743.48	30.69%	\$105,022.96
Grants to others	16,850,380.50	\$16,719,930.00	(\$130,450.50)	(0.78%)	\$17,206,627.01
Transfer to own funds	40,977.58	\$0.00	(\$40,977.58)		\$22,555.57
Capital expense	59,732.40	\$127,500.00	\$67,767.60	53.15%	\$103,205.68
Total Other Expenses	17,595,492.95	\$17,790,550.00	\$195,057.05	1.10%	\$18,015,534.96
	24,960,983.85	\$25,589,680.00	\$628,696.15	2.46%	\$25,447,993.38
NET (REVENUE)/EXPENDITURE	16,150,153.52	\$16,192,135.00	\$41,981.48	0.26%	\$16,452,445.09

LEVY BOARDS - ALGOMA PUBLIC HEALTH

2014 - FOURTH QUARTER ENDED

	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem	2013 Actual Year
FISCAL YEAR REMAINING% :				0	
REVENUE					
EXPENDITURES					
Grants to others	\$2,198,770.00	\$2,198,770.00	\$0.00		\$2,145,038.00
Total Other Expenses	2,198,770.00	\$2,198,770.00	\$0.00		\$2,145,038.00
	2,198,770.00	\$2,198,770.00	\$0.00		\$2,145,038.00
NET (REVENUE)/EXPENDITURE	2,198,770.00	\$2,198,770.00	\$0.00		\$2,145,038.00

Algoma Public Health annual levy

OUTSIDE AGENCIES

2014 - FOURTH QUARTER ENDED

	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem	2013 Actual Year
FISCAL YEAR REMAINING% :				0	
REVENUE					
Fees and user charges	(\$2,386.00)	\$0.00	\$2,386.00		(\$2,240.00)
Government grants	(100,090.36)	\$0.00	\$100,090.36		\$0.00
	(102,476.36)	\$0.00	\$102,476.36		(\$2,240.00)
EXPENDITURES					
Grants to others	4,477,451.27	\$4,328,535.00	(\$148,916.27)	(3.44%)	\$4,221,332.20
Transfer to own funds	80,000.00	\$80,000.00	\$0.00		\$80,000.00
Less: recoverable costs	(95,224.42)	\$0.00	\$95,224.42		\$0.00
Total Other Expenses	4,462,226.85	\$4,408,535.00	(\$53,691.85)	(1.22%)	\$4,301,332.20
	4,462,226.85	\$4,408,535.00	(\$53,691.85)	(1.22%)	\$4,301,332.20
NET (REVENUE)/EXPENDITURE	4,359,750.49	\$4,408,535.00	\$48,784.51	1.11%	\$4,299,092.20

OUTSIDE AGENCIES-OTHER

2014 - FOURTH QUARTER ENDED

	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem	2013 Actual
FISCAL YEAR REMAINING% :				0	
REVENUE					
Fees and user charges	(\$191,945.18)	(\$200,000.00)	(\$8,054.82)	4.03%	(\$200,000.00)
Contribution from own funds	(107,755.05)	(\$191,215.00)	(\$83,459.95)	43.65%	(\$599,578.69)
Other income	(563.34)	\$0.00	\$563.34		\$0.00
	(300,263.57)	(\$391,215.00)	(\$90,951.43)	23.25%	(\$799,578.69)
EXPENDITURES					
Materials and supplies	288,481.12	\$391,215.00	\$102,733.88	26.26%	\$799,578.69
Grants to others	2,068,104.80	\$2,067,470.00	(\$634.80)	(0.03%)	\$2,033,364.51
Transfer to own funds	11,782.46	\$0.00	(\$11,782.46)		\$0.00
Total Other Expenses	2,368,368.38	\$2,458,685.00	\$90,316.62	3.67%	\$2,832,943.20
	2,368,368.38	\$2,458,685.00	\$90,316.62	3.67%	\$2,832,943.20
NET (REVENUE)/EXPENDITURE	2,068,104.81	\$2,067,470.00	(\$634.81)	(0.03%)	\$2,033,364.51

Includes Queenstown Business Improvement Area, Economic Development Corporation and Physician Recruitment

ECONOMIC DIVERSIFICATION PROJECTS

2014 - FOURTH QUARTER ENDED

	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem	2013 Actual Year
FISCAL YEAR REMAINING% :				0	
REVENUE					
Government grants		\$0.00	\$0.00		(\$34,521.00)
Contribution from own funds	(735,064.45)	\$0.00	\$735,064.45		(\$714,263.40)
Other income	(5,000.00)	\$0.00	\$5,000.00		(\$10,000.00)
	(740,064.45)	\$0.00	\$740,064.45		(\$758,784.40)
EXPENDITURES					
Materials and supplies	740,064.45	\$0.00	(\$740,064.45)		\$758,784.40
Transfer to own funds	500,000.00	\$500,000.00	\$0.00		\$500,000.00
Total Other Expenses	1,240,064.45	\$500,000.00	(\$740,064.45)	(148.01%)	\$1,258,784.40
	1,240,064.45	\$500,000.00	(\$740,064.45)	(148.01%)	\$1,258,784.40
NET (REVENUE)/EXPENDITURE	500,000.00	\$500,000.00	\$0.00		\$500,000.00

Includes all approved Economic Diversification Projects approved by Council and the annual \$500,000 allocation to the EDF.

CORPORATE FINANCIAL

2014 - FOURTH QUARTER ENDED

	YTD	YTD		Percentage	2013
	Actual	Budget	Variance	Budget-Rem	Actual
FISCAL YEAR REMAINING% :				0	Year
REVENUE					
Taxation	(\$102,652,835.98)	(102,381,325.00)	271,510.98	(0.27%)	(102,063,300.12)
Payment in Lieu of taxes	(4,345,785.80)	(\$4,430,690.00)	(\$84,904.20)	1.92%	(\$4,432,019.53)
Fees and user charges	(15,880,086.19)	(\$16,200,000.00)	(\$319,913.81)	1.97%	(\$14,455,762.16)
Government grants	(17,244,700.00)	(\$17,244,700.00)	\$0.00		(\$18,651,600.00)
Investment income	(6,185,581.71)	(\$4,305,000.00)	\$1,880,581.71	(43.68%)	(\$5,471,007.94)
Contribution from own funds	(15,130.84)	\$0.00	\$15,130.84		(\$14,977.68)
Other income	(2,199,483.54)	(\$1,350,000.00)	\$849,483.54	(62.92%)	(\$1,347,567.24)
Prior year surplus	(3,620,054.00)	(\$3,620,054.00)	\$0.00		(\$3,158,356.00)
	(152,143,658.06)	(\$149,531,769.00)	\$2,611,889.06	(1.75%)	(\$149,594,590.67)
EXPENDITURES					
Benefits	32,000.00	\$20,000.00	(\$12,000.00)	(60.00%)	\$148,218.97
Total Salaries and Benefits	32,000.00	\$20,000.00	(\$12,000.00)	(60.00%)	\$148,218.97
Materials and supplies	280,075.92	\$371,005.00	\$90,929.08	24.51%	\$309,959.73
Financial expenses	17,316.13	\$0.00	(\$17,316.13)		\$22,745.19
Purchased and contracted services	41,302.02	\$31,000.00	(\$10,302.02)	(33.23%)	\$30,497.00
Grants to others	693,863.72	\$693,900.00	\$36.28	0.01%	\$2,100,863.72
Transfer to own funds	13,253,053.90	\$13,120,325.00	(\$132,728.90)	(1.01%)	\$10,907,901.29
Total Other Expenses	14,285,611.69	\$14,216,230.00	(\$69,381.69)	(0.49%)	\$13,371,966.93
	14,317,611.69	\$14,236,230.00	(\$81,381.69)	(0.57%)	\$13,520,185.90
NET (REVENUE)/EXPENDITURE	(137,826,046.37)	(\$135,295,539.00)	\$2,530,507.37	(1.87%)	(\$136,074,404.77)

Summary of major variances:

Taxation: Positive variance for budget estimate for growth and previous year supplementaries	\$ 271,510
Payment in lieu of taxes: Budget estimate higher than actual, mainly for PILT-Canada	(84,904)
Fees and user charges: Sewer surcharge revenue less than budget estimate	(319,914)
Interest and investment income: Interest on Taxes Receivable is higher than budget	1,880,582
Other Income LTD Self Insurance refund, previous year	828,400
Materials and supplies: Contingency for Unforeseen not utilized	154,795
Transfer to own funds: Transfer to capital for sewer surcharge positive variance due to lower fees collected	379,515
Unspent Capital from Current allocation	42,532
Transfer to LTD self insurance reserve	(650,000)

2,502,516

CAPITAL LEVY AND LONG TERM DEBT

2014 - FOURTH QUARTER ENDED

	YTD Actual	YTD Budget	Variance	Percentage Budget-Rem	2013 Actual Year
FISCAL YEAR REMAINING% :				0	
REVENUE					
Fees and user charges	(\$372,956.40)	(\$350,000.00)	\$22,956.40	(6.56%)	(\$383,155.28)
	(372,956.40)	(\$350,000.00)	\$22,956.40	(6.56%)	(\$383,155.28)
EXPENDITURES					
Long term debt	2,877,272.81	\$3,529,895.00	\$652,622.19	18.49%	\$2,832,898.97
Transfer to own funds	6,901,491.16	\$6,223,185.00	(\$678,306.16)	(10.90%)	\$6,989,150.00
Total Other Expenses	9,778,763.97	\$9,753,080.00	(\$25,683.97)	(0.26%)	\$9,822,048.97
	9,778,763.97	\$9,753,080.00	(\$25,683.97)	(0.26%)	\$9,822,048.97
NET (REVENUE)/EXPENDITURE	9,405,807.57	\$9,403,080.00	(\$2,727.57)	(0.03%)	\$9,438,893.69



COUNCIL REPORT

April 20, 2015

TO: Mayor Christian Provenzano and Members of City Council
AUTHOR: Shelley Schell, Manager of Finance and Budgets
DEPARTMENT: Finance Department
RE: 2015 Tax Levy Budget Increase Scenarios Report

PURPOSE

The purpose of this report is to respond to a Council resolution passed on 2015 03 23 concerning the 2015 budget.

BACKGROUND

The following resolution was passed on 2015 03 23.

Moved By: Councillor T. Sheehan
Seconded By: Councillor S. Myers

Whereas City Council will be receiving the 2015 City budget from staff on April 20; and

Whereas City Council wants the budget set with the lowest possible levy or no increase at all;

Now Therefore Be It Resolved that staff be requested to provide a report to Council with three tax levy increase scenarios: 0%, 1% and 1.75%, outlining the spending and/or revenue implications that would be required to deliver each scenario.

Carried

ANALYSIS

Attached is a 2015 Budget Summary with the requesting three scenarios listed on the report.

IMPACT

Not applicable.

STRATEGIC PLAN

Not applicable.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Manager of Finance and Budgets dated 2015 04 20 concerning 2015 Tax Levy Budget Increase Scenarios be received as information.

Respectfully submitted,



Shelley J. Schell, CPA, CA
Manager of Finance & Budgets

Recommended for approval,



W. Freiburger, CPA, CMA
Commissioner of Finance & Treasurer

SJS/kl

attachment

City of Sault Ste Marie
CURRENT FUND
Budget Summary

	2014	2015	\$	%	Average Residential Property Tax Change	
	BUDGET	BUDGET	Change (2014 to 2015)	Change (2014 to 2015)	Municipal Only	With Education
REVENUE						
Taxation (excluding levy)	2,660,475	2,538,400	(122,075)	-4.59%		
Payment in Lieu of taxes	4,430,690	4,325,515	(105,175)	-2.37%		
Fees and user charges	46,713,825	48,247,337	1,533,512	3.28%		
Government grants (including OMPF)	20,629,625	19,774,255	(855,370)	-4.15%		
Investment income	4,305,000	4,305,000	0			
Contribution from own funds	625,315	611,975	(13,340)	-2.13%		
Other income	1,481,205	1,437,205	(44,000)	-2.97%		
Prior year surplus	3,620,054	0	(3,620,054)	-100.00%		
	84,466,189	81,239,687	(3,226,502)	-3.82%		
EXPENDITURES						
Salaries	71,269,352	70,536,494	(732,858)	-1.03%		
Benefits	19,416,407	18,920,860	(495,547)	-2.55%		
	90,685,759	89,457,355	(1,228,404)	-1.35%		
Travel and training	850,385	873,495	23,110	2.72%		
Election	15,000	0	(15,000)	-100.00%		
Vehicle allowance, maintenance and repairs	3,953,345	3,748,308	(205,037)	-5.19%		
Utilities and Fuel	8,355,280	10,694,934	2,339,654	28.00%		
Materials and supplies	6,874,140	6,919,573	45,433	0.66%		
Maintenance and repairs	2,301,265	2,472,665	171,400	7.45%		
Program expenses	140,950	121,200	(19,750)	-14.01%		
Goods for resale	639,495	637,375	(2,120)	-0.33%		
Rents and leases	589,390	499,386	(90,004)	-15.27%		
Taxes and licenses	2,179,135	2,277,820	98,685	4.53%		
Financial expenses	2,593,250	2,612,815	19,565	0.75%		
Purchased and contracted services	10,500,270	9,111,960	(1,388,310)	-13.22%		
Grants to others	26,051,115	25,266,875	(784,240)	-3.01%		
Long term debt	3,529,895	2,362,965	(1,166,930)	-33.06%		
Transfer to own funds	24,503,705	27,966,400	3,462,695	14.13%		
Capital expense	762,715	816,310	53,595	7.03%		
Less: recoverable costs	(338,055)	(290,131)	47,924	-14.18%		
	93,501,280	96,091,950	2,590,670	2.77%		
	184,187,039	185,549,305	1,362,266	0.74%		
MUNICIPAL LEVY						
	99,720,850	104,309,618	4,588,768	4.60%		
Algoma Public Health levy change		102,707	102,707			
Sault Ste Marie DSSAB levy/administration change		(264,091)	(264,091)			
Budget reallocation PWT from Buildings & Waste to Carpentry		0	0			
Renewal of GIS Contract (resol. 6.6 Jan. 26/15)		184,380	184,380			
Funding from Sewer Surcharge		(145,016)	(145,016)			
Funding from Building Inspections		(39,364)	(39,364)			
		104,148,234	4,427,384	4.44%	4.5%	4.2%
2014 Surplus for levy reduction		1,935,049				
Net Final Levy - Recommended		102,213,185	2,492,335	2.50%	2.2%	2.2%
Other Levy Options:						
	Levy	Total Reduction Required	Levy Increase	Property Tax Change		
Reduction required from budget levy	99,720,850	4,427,384	0.00%	Municipal Only	With Education	
before application of surplus	100,718,059	3,430,175	1.00%	-0.6%	0.6%	-0.3%
	101,465,965	2,682,269	1.75%	1.3%	1.4%	



COUNCIL REPORT

April 20, 2015

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Shelley J. Schell, CPA, CA, Manager of Finance and Budgets

DEPARTMENT: Finance Department

RE: Ontario Regulation 284/09

PURPOSE

This report is presented in accordance with Ontario Regulation 284/09.

BACKGROUND

Ontario Regulation 284/09 allows municipalities to exclude amortization expenses, post-employment benefit expenses, solid waste landfill closure and post-closure expenses from the annual budget. If municipalities do not budget for these expenses a report is to be submitted to Council with respect to the exclusions.

ANALYSIS

The effect of the excluded expenses from the City's budget is as follows:

- 1) Amortization is the asset cost allocated to the periods in which it is used. Under PSAB reporting guidelines, the City's accumulated surplus would be decreased by \$15.4 million. Asset additions, which would increase accumulated surplus, are estimated at \$31.8 million. Asset additions are funded in the operating budget by capital allocations as set out in the Asset Management Plan.
- 2) The landfill closure and post closure costs are being partially funded through a reserve transfer included in the levy. Future costs will be levied as required. The City has a net reserve of \$11.9 million available for these expenses as of December 31, 2014.
- 3) Post employment benefits are based upon an actuarial valuation. The City budgets for the current year actual cost in the operating budget. These costs will fluctuate based upon the average age of our workers.

IMPACT

The effect of excluding these items in the budget is an increase in the City's accumulated net revenue. The attached schedule sets out the effect of each.

STRATEGIC PLAN

Not applicable.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Manager of Finance and Budgets, dated April 20, 2015, be approved for the budget year 2015.

Respectfully submitted,



Shelley J. Schell, CPA, CA
Manager of Finance & Budgets

Recommended for approval,



W. Freiburger, CPA, CMA
Commissioner of Finance &
Treasurer

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Ontario Regulation 284/09: Budget Restatement
Year ended December 31, 2015

Capital Assets and Amortization:

Estimated Acquisition of Tangible Capital Assets Net of Dispositions	31,816,935
Amortization estimate for 2015	\$ (16,769,280)
Increase to 2014 accumulated net revenue	<u>15,047,655</u>

Landfill Closure/Post Closure Expenses:

Increase to Landfill Closure Liability	\$ (1,338,359)
Reserve transfer included in budget	882,471
Increase to 2014 accumulated net revenue	<u>(455,888)</u>

Post Employment Benefits Expense:

Decrease to 2015 accumulated net revenue	<u>(1,154,675)</u>
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Debenture Principle Repayments

2,261,197

Net Reserve/Capital Fund Transfers

141,916

Total increase/(decrease) to accumulated net revenue	<u><u>15,840,205</u></u>
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COUNCIL REPORT

April 20, 2015

TO: Mayor Christian Provenzano and Members of City Council
AUTHOR: Jacob Bruzas, Manager of Audits and Capital Planning
DEPARTMENT: Finance Department
RE: 2014 Yearend Reserve Transfers

PURPOSE

The purpose of this report is to provide a list of recommended 2014 yearend transfers to reserves as prepared by Jacob Bruzas, Manager of Audits and Capital Planning.

BACKGROUND

Not applicable.

ANALYSIS

Not applicable.

IMPACT

The following transfer is included in the final 2014 year end results.

STRATEGIC PLAN

Not applicable.

RECOMMENDATION

It is therefore recommended that Council take the following action:

That the report of the Manager of Audits and Capital Planning dated 2015 04 20 concerning 2014 yearend transfers to reserves be received and the recommendation contained therein be approved.

Respectfully submitted,

Jacob Bruzas, CPA, CA
Manager of Audits & Capital Planning

Recommended for approval,

W. Freiburger, CPA, CMA
Commissioner of Finance & Treasurer

JB/kl

attachment

CORPORATION OF THE CITY OF SAULT STE. MARIE
 RESERVE TRANSFERS TO BE APPROVED BY COUNCIL
 DECEMBER 31, 2014

<u>Details</u>	<u>From Reserve</u>	<u>To Reserve</u>
	\$	\$
Computer Software Reserve		
Funds budgeted in 2014 for new CSD registration software but not spent requested to be transferred to reserve for use in 2015.		28,000.00
Total	-	28,000.00
net		<u>28,000.00</u>