



The Corporation of the City of Sault Ste. Marie
Budget Meeting of City Council
Agenda

Monday, December 4, 2017

4:30 pm

Council Chambers

Civic Centre

Pages

1. Approve Agenda as Presented

Mover Councillor J. Krmpotich
Seconder Councillor S. Butland

That the Agenda for 2017 12 04 Budget Meeting as presented be approved.

2. Declaration of Pecuniary Interest

3. 2018 Capital Budget

5 - 36

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

Mover Councillor J. Krmpotich
Seconder Councillor P. Christian

Resolved that City Council now proceed into Committee of the Whole to consider the following matter referred to it for consideration – 2018 Capital Budget

Mover Councillor O. Grandinetti
Seconder Councillor S. Butland

Resolved that the Committee of the Whole Council now rise and report on the matter referred to to it by City Council – 2018 Capital Budget.

Mover Councillor O. Grandinetti
Seconder Councillor P. Christian

Resolved that the report of the Manager of Audits and Capital Planning dated December 4, 2017 concerning the 2018–2022 Capital Budget and Forecast be received and that the 2018 capital budget and financing sources as summarized in Appendix B be approved.

4. Operating Budget

Mover Councillor J. Krmpotich
Seconded Councillor S. Butland

That City Council now proceed into the Committee of the Whole to consider the following matter referred to it for consideration – 2018 Operating Budget.

Mover Councillor J. Krmpotich
Seconded Councillor P. Christian

Resolved that the Committee of the Whole Council now rise and report on the matter referred to to it by City Council – 2018 Operating Budget.

4.1	Corporate Services	37 - 43
4.2	Community Development and Enterprise Services	44 - 51
4.3	Public Works and Engineering Services	52 - 64
4.4	Legal Department	65 - 70
4.5	Fire Services	71 - 83
4.6	Revised Supplementary List	84 - 84
4.7	Budget 2018 Cost Reductions	85 - 95

A report of the Chief Administrative Officer is attached for the information of Council.

Mover Councillor J. Krmpotich
Seconded Councillor S. Butland

Resolved that the report of the Chief Administrative Officer dated 2017 12 04 regarding Budget 2018 cost reductions be received as information.

4.8	2018 Corporate Membership Fees	96 - 97
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A report of the Deputy City Clerk is attached for the information of Council.

Mover Councillor J. Krmpotich
Seconder Councillor P. Christian

Resolved that the report of the Deputy City Clerk dated 2017 12 04 concerning 2018 corporate membership fees be received as information.

4.9 By-Law Enforcement Inspector 98 - 101

A report of the Chief Building Official is attached for the information of Council.

Mover Councillor O. Grandinetti
Seconder Councillor S. Butland

Resolved that the report of the Chief Building Official dated 2017 12 04 concerning options for creating another By-law Enforcement Inspector position for the City be received as information.

4.10 Waste and Recycling Collection – Bi-Weekly Consideration 102 - 107

A report of the Director of Public Works is attached for the information of Council.

Mover Councillor O. Grandinetti
Seconder Councillor P. Christian

Resolved that the report of the Director of Public Works dated 2017 12 04 be received as information.

4.11 Bon Soo Winter Carnival In-Kind Services Request 108 - 110

A report of the Manager of Recreation and Culture is attached for the information of Council.

Mover Councillor J. Krmpotich
Seconder Councillor S. Butland

Resolved that the report of the Manager of Recreation and Culture dated 2017 12 04 concerning the Bon Soo Winter Carnival Request for In-Kind Services be received as information.

5. Ontario Regulation 284/09 111 - 113

A report of the Chief Financial Officer and Treasurer is attached for the consideration of Council.

Mover Councillor J. Krmpotich

Seconder Councillor S. Butland

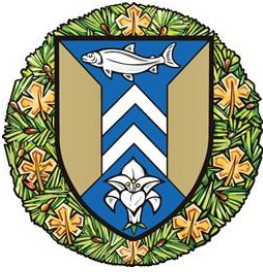
Resolved that the report of the Chief Financial Officer and Treasurer dated 2017 12 04 concerning Ontario Regulation 284/09 be approved for the budget year 2018.

6. Adjournment

Mover Councillor J. Krmpotich

Seconder Councillor P. Christian

That this Council shall now adjourn.



**The Corporation of the
City of Sault Ste. Marie**

COUNCIL REPORT

December 4, 2017

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Jacob Bruzas, CPA, CA Manager of Audits and Capital Planning

DEPARTMENT: Corporate Services

RE: 2018 Capital Budget

PURPOSE

The purpose of this report is to seek Council approval of the 2018 Capital Budget and to provide as information the forecast for the 2019 to 2022 Capital Budgets.

BACKGROUND

In prior years, major projects and capital equipment budgets of various departments were presented to Council for approval separately during the course of the year. For 2018 and future years, all Capital projects are presented to Council at the same time during budget deliberations.

A corporate capital prioritization process was implemented for the 2018 Capital program. As part of the new process, a ranking of the corporate priorities was undertaken by senior management to assist in allocating the City's limited financial resources to the highest priority projects. The City's annual Capital Budget funding allocations are not enough to cover all of the capital requests submitted.

The requests were ranked based on the following general prioritization:

- 1) Legislated, mandated or required by law. This category is the highest priority. It includes health and safety items. These projects are not considered discretionary.
- 2) Maintenance of Assets. The consequence of failure and preservation or extension of the asset life are considered.
- 3) Service Enhancement/Growth: Considers the need to increase infrastructure capacity to meet deficiencies in service, attraction of new economies and improving quality of life.

The recommendations from this new process (not including funding) were presented to Council at the September 11, 2017 Council meeting. Input from Council on the recommended projects was sought, with one addition being made to the listing (Electronic Voting – Council Meetings).

ANALYSIS

2018 Capital Budget Summary

The 2018–2022 Capital Budget and Forecast is included in Appendix A. The 2018 Capital Budget seeks approval of a total of \$52.2 million of investment.

Roads/Bridges/Storm Sewers	\$ 25,209,750
Sanitary Sewer	\$ 16,715,000
Building Capital Maintenance	\$ 2,720,000
Landfill Upgrades	\$ 272,500
Community Services Projects	\$ 550,000
Planning Projects	\$ 3,062,500
Public Works Fleet & Equipment	\$ 1,080,500
Transit Fleet & Equipment	\$ 1,435,000
Fire Fleet & Equipment	\$ 735,000
Misc Fleet & Equipment	\$ 397,500
	<u>\$ 52,177,750</u>

Funding sources for the above projects are as follows:

Operating Levy	\$ 7,540,000
Capital fr Current	\$ 950,000
City Capital Funds-Carryover	\$ 6,424,322
Sanitary Sewer Revenue	\$ 17,065,000
Reserves / Reserve Funds	\$ 4,701,000
Grants	\$ 15,012,428
Other	\$ 485,000
Long Term Debt	\$ -
	<u>\$ 52,177,750</u>

Grants estimated from other levels of government fund 29% of the capital budget, most of which fund the Roads/Bridges/Storm Sewers and leverages the City's funding dollars. Sanitary Sewer projects represent 32% of the 2018

Capital Budget, and are fully funded by Sanitary Sewer Revenue. Major Sanitary Sewer projects over the next 3 years include the addition of a Biosolids Management Facility and West End Plant and pump station upgrades.

Details of individual projects and the funding of each are included in Appendix B.

2018 Capital Prioritization Projects

The recommended projects and related funding are presented in Appendix C.

In summary, the City's available Capital Budget funding allocations are not sufficient to cover all of the projects recommended to Council at the September 11th, 2017 Council meeting. Senior management met subsequent to this meeting, where they were presented with various funding options.

The option recommended to Council includes the deferral of the Simpson Street reconstruction and Snow Dump projects to allow for the inclusion of streetscaping for the Bruce Street reconstruction and Bay Street resurfacing projects.

Asset Management Plan - Facilities

In the 2015 budget, Council approved an annual allocation of \$2,292,210 to fund upgrades to City owned facilities as identified in the City's Asset Management Plan report that was presented to City Council on February 23, 2015. During the 2017 Capital Budget deliberations, Council redirected \$425,000 from the annual allocation towards the debt repayment on the Civic Centre Windows and Cladding project.

The Facilities Asset Management Staff Committee (FAMSC), a staff committee approved by Council in 2015 with a primary focus of re-assessing the building asset management work plan annually, has identified a number of projects that it recommends being completed in 2018 (see Appendix D).

Capital from Current

The 2018 Operating Budget includes an annual allocation for miscellaneous capital requests, called Capital from Current. The annual allocation in 2015 was \$1.1 million. The 2016 budget temporarily reduced the allocation to \$600,000 with the recommendation of annual increases of \$175,000 per year until the \$1.1 million allocation is once again reached. The 2018 Capital from Current allocation is set at \$950,000 (2017 - \$775,000).

The 2018 Capital from Current funding is allocated to the recommended Capital Prioritization Projects as presented in Appendix C.

2018 Road Construction Program

Council was provided with the proposed 2018 Capital Road Construction Plan on September 11, 2017 (Appendix E).

As indicated, the City's available Capital Budget funding allocations are not sufficient to cover all of the prioritized capital projects, and staff is recommending the deferral of the Simpson Street reconstruction to allow for the inclusion of streetscaping for the Bruce Street reconstruction and Bay Street resurfacing projects.

The proposed Roads program as recommended is contingent upon the receipt of certain government grants. Staff will report back to Council upon confirmation of the grant funding.

Long Term Debt

The McMeeken Centre arena replacement has not been included in the Capital Budget forecast. A utilization study is currently being completed to verify the requirement and funding source for potential replacement.

As with other similar projects of such magnitude, in order for the City to proceed with this development, funding needs to be obtained from other sources. The City will consider funding the remaining amount 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 most previously issued City debt, the servicing of this debt will likely be added to the tax levy.

Staff will report back to Council upon completion of the utilization study and when more information becomes available regarding potential funding programs available for projects of this nature.

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

FINANCIAL IMPLICATIONS

The Capital Funding allocations in the 2018 levy are consistent with the previous year.

Due to limited resource availability, the 2018 Capital Budget currently only addresses the maintenance of current assets and regulatory requirements. The 2019–2022 Capital Forecast currently reflects unfinanced requirements of approximately \$22 million required for asset maintenance. Future capital budgets will require additional funding through the levy to address this shortfall, or projects will continue to be deferred.

STRATEGIC PLAN / POLICY IMPACT

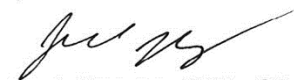
The Capital Budget addresses the Strategic Plan Focus Area: Infrastructure: Asset Management and Maintaining Our Existing Infrastructure.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Manager of Audits and Capital Planning dated December 4, 2017 concerning the 2018–2022 Capital Budget and Forecast be received and that the 2018 Capital Budget and Financing Sources as summarized in Appendix B be approved.

Respectfully submitted,



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

attachments

THE CORPORATION OF THE CITY OF SAULT STE MARIE
CAPITAL BUDGET SUMMARY
YEARS: 2018 TO 2022

APPENDIX "A"

	2018	2019	2020	2021	2022	Total
Community Development & Enterprise Services	6,997,500	2,971,882	3,003,148	2,355,788	4,684,449	20,012,768
Fire Services	855,000	1,095,000	637,000	117,000	331,500	3,035,500
Public Works & Engineering Services	43,467,750	46,089,830	43,361,530	27,172,800	41,671,950	201,763,860
Corporate Services	660,500	858,000	250,000	250,000	373,000	2,391,500
Outside Agencies	197,000	811,000	27,000	491,000	70,000	1,596,000
Total Capital Requirements	52,177,750	51,825,712	47,278,678	30,386,588	47,130,899	228,799,628
check	-	-	-	-	-	-
Funding:						
Capital Levy Overall	8,787,822	4,500,000	4,500,000	4,500,000	4,500,000	26,787,822
Capital Levy Urban Only	3,439,000	1,740,000	1,740,000	1,740,000	1,740,000	10,399,000
Capital Levy Miscellaneous Construction	1,550,000	1,300,000	1,300,000	1,300,000	1,300,000	6,750,000
Sewer Surcharge	17,065,000	22,168,475	4,691,000	5,776,000	19,070,810	68,771,285
Federal Gas Tax	5,572,908	4,786,625	4,786,626	4,786,626	4,786,626	24,719,411
Reserves	2,396,000	2,626,830	7,209,830	1,401,800	1,337,380	14,971,840
Reserve Funds	458,000	200,000	200,000	-	-	858,000
Build Canada Fund (2/3)	3,000,000	4,000,000	1,840,000	-	-	8,840,000
OCIF Funding-formula based funding	1,254,520	1,980,400	2,015,467	-	-	5,250,387
Connecting Link (90%)	3,000,000	3,000,000	-	-	-	6,000,000
Government Grants	2,372,500	900,000	900,000	-	-	4,172,500
Long Term Debt	-	-	-	-	-	-
Short Term Debt	-	-	11,000,000	-	-	11,000,000
Capital from Current	950,000					950,000
Other	235,000	-	-	2,000,000	2,000,000	4,235,000
						-
Infrastructure Maintenance Requirements from reserve	1,847,000	1,869,000	1,822,000	2,299,000	4,531,000	12,368,000
Funding Available	1,847,210	1,847,420	1,825,630	1,850,840	1,399,050	8,770,150
Funding Shortfall/(excess)	(210)	21,580	(3,630)	448,160	3,131,950	3,597,850
Other unfinanced	250,000	2,754,382	5,273,755	6,583,162	7,865,083	22,726,383
Total Capital Funding	52,177,750	51,825,712	47,278,678	30,386,588	47,130,899	228,799,628
check	-	-	-	-	-	-

THE CORPORATION OF THE CITY OF SAULT STE MARIE
CAPITAL BUDGET SUMMARY
YEARS: 2018 TO 2022

FUNDING AVAILABILITY

	2018	2019	2020	2021	2022	Total
Infrastructure						
Casino Revenue	431,580	431,580	431,580	431,580	431,580	2,157,900
LTD-debt reduction	1,167,630	1,167,630	1,167,630	1,167,630	1,167,630	5,838,150
SAH levy	693,000	693,000	693,000	693,000	693,000	3,465,000
Available funding	2,292,210	2,292,210	2,292,210	2,292,210	2,292,210	11,461,050
Estimated Reserve Balance Jan 1	-	210	(21,580)	3,630	(448,160)	
Allocated to LTD repayment	445,000	445,000	445,000	445,000	445,000	
Net Available	1,847,210	1,847,420	1,825,630	1,850,840	1,399,050	
Capital from Current						
Available funding	950,000	1,100,000	1,100,000	1,100,000	1,100,000	5,350,000
Capital Works-Road/Bridges/Sewers						
Overall Capital	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000	22,500,000
Urban Only Capital	1,740,000	1,740,000	1,740,000	1,740,000	1,740,000	8,700,000
Sewer Surcharge	17,065,000	22,168,475	4,691,000	5,776,000	19,070,810	68,771,285
Miscellaneous Construction	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	6,500,000
Build Canada Fund (75%) (note 3)	3,000,000	4,000,000	1,840,000			8,840,000
OCIF Funding	1,254,523	1,980,400	2,015,467			5,250,390
Connecting Link (90%) (note 4)	3,000,000	3,000,000				6,000,000
Federal Gas Tax	4,786,625	4,786,625	4,786,625	4,786,625	4,786,625	23,933,125
Public Transit Infrastructure Fund (note 5)	1,472,500					1,472,500
Active Transportation Infrastructure Plan	250,000	250,000	250,000			750,000
Uncommitted Capital Overall	4,053,628					4,053,628
Uncommitted Federal Gas Tax	786,283					786,283
Uncommitted Capital Urban	2,191,061					2,191,061
Uncommitted Misc Construction	250,000					250,000
Available funding	45,649,620	43,725,500	21,123,092	18,102,625	31,397,435	159,998,272
Reserves (annual allocation)						
Fire	303,000	303,000	303,000	303,000	303,000	1,515,000
Police	165,000	165,000	165,000	165,000	165,000	825,000
Public Works and Transportation-Works	1,134,834	1,134,834	1,134,834	1,134,834	1,134,834	5,674,170
Public Works and Transportation-Transit	130,000	130,000	130,000	130,000	130,000	650,000
Engineering Equipment	40,000	40,000	40,000	40,000	40,000	200,000
Landfill (note 1)	-	-	-	-	-	-
Library (note 2)	80,000	80,000	80,000	80,000	80,000	400,000
	1,852,834	1,852,834	1,852,834	1,852,834	1,852,834	9,264,170
Total Funding	50,744,664	48,970,544	26,368,136	23,347,669	36,642,479	186,073,492

Notes:

1) AECOM is currently updating the business case. As commercial tonnage has been diverted to USA landfills, the City tipping fees have decreased significantly. New fees to be included in the business case to address future capital requirements. At this time the annual capital allocation in the budget is \$0

2) The Centennial Branch of the library is a City-owned building. Annual allocation for maintenance

3) Fort Creek Aqueduct project funding approved from Build Canada

4) Connecting Link funding for Black Road not yet approved.

5) Public Transit Infrastructure Funds were announced August 2016. The City's eligible allocation is \$3,279,873, of which the City must match. Approx. \$300,000 was used in 2017. The 2018 Capital Budget allocates \$1,472,500 of City funding towards eligible Transit projects for 2018.

THE CORPORATION OF THE CITY OF SAULT STE MARIE
CAPITAL BUDGET SUMMARY
YEARS: 2018 TO 2022

ENGINEERING

	2018	2019	2020	2021	2022	Total
Infrastructure-Large Wastewater:						
West End Plant and MPS	3,100,000	10,000,000	11,240,000	2,455,000	14,204,250	40,999,250
East End Plant	-	-	-	-	1,550,000	1,550,000
Miscellaneous Capital	440,000	225,000	230,000	235,000	240,000	1,370,000
Primary Clarifier Covers	500,000	-	-	-	-	500,000
Emergency Repairs	600,000	600,000	600,000	600,000	600,000	3,000,000
Pumping Stations	900,000	275,000	1,076,000	91,000	-	2,342,000
Biosolids Management Facility	9,000,000	9,000,000	-	-	-	18,000,000
SCADA	300,000	-	-	-	-	300,000
Waste Water Treatment Plant Capital Maintenance	1,500,000	1,545,000	1,595,000	1,645,000	1,695,000	7,980,000
						-
Infrastructure- Aqueducts (Note 1)	4,500,000	6,000,000	2,760,000	2,250,000	6,200,000	21,710,000
Infrastructure-Bridges	-	-	-	1,440,000	-	1,440,000
Infrastructure-Roads (Note 2)	18,909,750	14,443,000	16,731,700	15,602,000	13,283,260	78,969,710
Infrastructure-Miscellaneous Construction	1,550,000	1,300,000	1,300,000	1,300,000	1,300,000	6,750,000
Infrastructure-Culvert Replacement	250,000	-	-	-	-	250,000
Fleet & Equipment						
Sanitary Sewer	375,000	25,000	200,000	-	31,560	631,560
Engineering Capital Equipment	-	-	-	65,970	67,050	133,020
Total	41,924,750	43,413,000	35,732,700	25,683,970	39,171,120	185,925,540
Designated Funding:						
Capital Levy Overall	6,800,322	4,437,500	4,437,500	4,500,000	4,500,000	24,675,322
Capital Levy Urban Only	3,439,000	1,740,000	1,740,000	1,740,000	1,740,000	10,399,000
Capital Levy Miscellaneous Construction	1,550,000	1,300,000	1,300,000	1,300,000	1,300,000	6,750,000
Sewer Surcharge	17,065,000	22,168,475	4,691,000	5,776,000	19,070,810	68,771,285
Federal Gas Tax	5,572,908	4,786,625	4,786,626	4,786,626	4,786,626	24,719,411
Reserves	243,000	-	-	65,970	67,050	376,020
Reserve Funds	-	-	-	-	-	-
Build Canada Fund (2/3)	3,000,000	4,000,000	1,840,000	-	-	8,840,000
OCIF Funding-formula based funding	1,254,520	1,980,400	2,015,467	-	-	5,250,387
Connecting Link (90%) (Note 3)	3,000,000	3,000,000	-	-	-	6,000,000
Clean Water & Wastewater Fund	-	-	-	-	-	-
Short Term Debt	-	-	11,000,000	-	-	11,000,000
Long Term Debt	-	-	-	-	-	-
Other Govt Grants	-	-	-	2,000,000	2,000,000	4,000,000
Infrastructure Funding Required	-	-	-	-	-	-
Total	41,924,750	43,413,000	31,810,593	20,168,596	33,464,486	170,781,425

THE CORPORATION OF THE CITY OF SAULT STE MARIE
CAPITAL BUDGET SUMMARY
YEARS: 2018 TO 2022

ENGINEERING

	2018	2019	2020	2021	2022	Total
Unfinanced	-	-	3,922,107	5,515,374	5,706,634	15,144,115

Notes:

1) SCF-New Building Canada Fund-Small funding approved in 2015. Project June 19, 2015 to October 31, 2021

	10,420,000	6,000,000	2015
	10,420,000	6,000,000	2016
(approx. \$2 million/year 2015 to 2020-capital works f	<u>10,420,000</u>	6,000,000	2017
	<u>31,260,000</u>	4,500,000	2018
		6,000,000	2019
		<u>2,760,000</u>	2020
		<u>31,260,000</u>	

2) Capital budget for roads is based upon current funding levels and not road assessment requirements. The City currently does not have the funding resources to address all roads that are assessed as immediate priority repair.

3) Connecting Link funding for Black Road not yet approved.

THE CORPORATION OF THE CITY OF SAULT STE MARIE
CAPITAL BUDGET SUMMARY
YEARS: 2018 TO 2022

PUBLIC WORKS

	2018	2019	2020	2021	2022	Total
<u>Infrastructure Maintenance</u>						
Administration Building						-
Garage Building A	75,000	15,000	-	132,000	-	222,000
Carpentry Shop Building B				222,000	1,354,000	1,576,000
Equipment Storage Garage		211,000	444,000	-	12,000	667,000
Storage Garage G		66,000	-			66,000
Water Main at Sackville Complex			175,000			175,000
Landfill	10,000					10,000
	85,000	292,000	619,000	354,000	1,366,000	2,716,000
Snow Dump		650,000	-			650,000
						-
Landfill Upgrade/Replacement (Note 1)	250,000	600,000	5,875,000	-	-	6,725,000
						-
PWT Works-Fleet/Equipment	1,208,000	1,134,830	1,134,830	1,134,830	1,134,830	5,747,320
Total	1,543,000	2,676,830	7,628,830	1,488,830	2,500,830	15,838,320
<u>Designated Funding:</u>						
Capital Levy Overall						-
Capital Levy Urban Only						-
Sewer Surcharge						-
Federal Gas Tax						-
Reserves	1,353,000	1,734,830	7,009,830	1,134,830	1,134,830	12,367,320
Reserve Funds						-
Capital from Current	115,000					115,000
Government Grants						-
Long Term Debt						-
Other						-
Infrastructure Funding Required	75,000	292,000	619,000	354,000	1,366,000	2,706,000
Total	1,543,000	2,026,830	7,628,830	1,488,830	2,500,830	15,188,320
Unfinanced	-	650,000	-	-	-	650,000

Notes

1) The Landfill cost projections for operations, capital and revenues are currently being updated by the City's consultant. Future budgets will address ongoing funding requirements based upon this update.

THE CORPORATION OF THE CITY OF SAULT STE MARIE
CAPITAL BUDGET SUMMARY
YEARS: 2018 TO 2022

COMMUNITY DEVELOPMENT & ENTERPRISE SERVICES

	2018	2019	2020	2021	2022	Total
Infrastructure Maintenance						
<u>Community Services</u>						
Roberta Bondar Park			156,000	56,000	138,000	350,000
Essar Centre				-	2,225,000	2,225,000
John Rhodes Community Centre	-		26,000	1,124,000	-	1,150,000
Northern Community Centre	-	5,000	-	-	-	5,000
Ermatinger Old Stone House		200,000		-	17,000	217,000
McMeeken Centre	-		73,000			73,000
	-	205,000	255,000	1,180,000	2,380,000	4,020,000
<u>Transit</u>						-
Transit Bus Depot	1,710,000					1,710,000
Transit Terminal Building				8,000	15,000	23,000
	1,710,000	-	-	8,000	15,000	1,733,000
<u>Cemetery</u>						
Cemetery Chapel & Office Building	18,000			-	31,000	49,000
Cemetery Roadways			134,000			134,000
	18,000	-	134,000	-	31,000	183,000
<u>Planning</u>						
Downtown Development Initiative	850,000	850,000	850,000			2,550,000
Roads-Streetscaping	1,900,000	600,000	1,000,000	1,000,000	1,000,000	5,500,000
	2,750,000	1,450,000	1,850,000	1,000,000	1,000,000	8,050,000
Infrastructure Development:						
Active Transportation Plan	312,500	312,500	312,500			937,500
McMeeken Centre replacement(note 1)						-
Splash Pad (note 3)	550,000					550,000
	862,500	312,500	312,500	-	-	1,487,500
Fleet & Equipment						
Transit-Fleet/Equipment (note 2)	1,235,000	912,482	325,648	167,788	1,240,449	3,881,368
Community Centres	222,000	91,900	126,000		18,000	457,900
Pay and Display- Parking	200,000					200,000
	1,657,000	1,004,382	451,648	167,788	1,258,449	2,661,382

**THE CORPORATION OF THE CITY OF SAULT STE MARIE
CAPITAL BUDGET SUMMARY
YEARS: 2018 TO 2022**

COMMUNITY DEVELOPMENT & ENTERPRISE SERVICES

	2018	2019	2020	2021	2022	Total
Total	6,997,500	2,971,882	3,003,148	2,355,788	4,684,449	18,134,882
Designated Funding:						
Capital Levy Overall	1,987,500	62,500	62,500			2,112,500
Capital Levy Urban Only						-
Sewer Surcharge						-
Federal Gas Tax						-
Reserves-Other	110,000	100,000	100,000	100,000	100,000	510,000
Reserve Funds	458,000	200,000	200,000			858,000
Capital from Current	729,500					729,500
Government Grants	2,372,500	900,000	900,000			4,172,500
Long Term Debt						-
Other - Operations	235,000					235,000
Asset Management Reserve	855,000	205,000	389,000	1,188,000	2,426,000	5,063,000
Total	6,747,500	1,467,500	1,651,500	1,288,000	2,526,000	13,680,500
Unfinanced	250,000	1,504,382	1,351,648	1,067,788	2,158,449	3,106,030

Notes:

1) The McMeeken Centre arena replacement has not been included in the forecast. Utilization study currently being completed to verify requirement and funding source for potential replacement

2) Public Transit Infrastructure Funds were announced August 2016. The City's eligible allocation is \$3,279,873, of which the City must match. Approx. \$300,000 was used in 2017. The 2018 Capital Budget allocates \$1,472,500 of City funding towards eligible Transit projects for 2018.

3) Approved funding to date:	25,000	2017 City Capital
	35,000	Private Contributions
	240,000	5% Subdivider Reserve Fund
	<u>300,000</u>	Total Funding to Date
	550,000	Est Project Cost
	<u>(250,000)</u>	Remaining Funding Needed

**The remaining funding is currently being pursued through grant programs and private donations.

THE CORPORATION OF THE CITY OF SAULT STE MARIE
CAPITAL BUDGET SUMMARY
YEARS: 2018 TO 2022

FIRE SERVICES

	2018	2019	2020	2021	2022	Total
Infrastructure Maintenance:						
Central Fire Station #1	20,000	291,000	-	10,000	296,000	617,000
Fire Station #2		6,000	-	-	-	6,000
Fire Station #3		6,000	-	6,000	-	12,000
Fire Hall #4/EMS Complex	100,000		537,000			637,000
	120,000	303,000	537,000	16,000	296,000	1,272,000
Fleet/Equipment:						
	735,000	792,000	100,000	101,000	35,500	1,763,500
	735,000	792,000	100,000	101,000	35,500	1,763,500
Total	855,000	1,095,000	637,000	117,000	331,500	3,035,500
Designated Funding:						
Capital Levy Overall						-
Capital Levy Urban Only						-
Sewer Surcharge						-
Federal Gas Tax						-
Reserves	690,000	792,000	100,000	101,000	35,500	1,718,500
Reserve Funds						-
Capital from Current	45,000					45,000
Government Grants						-
Long Term Debt						-
Other						-
Infrastructure Funding Required	120,000	303,000	537,000	16,000	296,000	1,272,000
						-
Unfinanced						-
Total	855,000	1,095,000	637,000	117,000	331,500	3,035,500
Unfinanced	-	-	-	-	-	-

THE CORPORATION OF THE CITY OF SAULT STE MARIE
CAPITAL BUDGET SUMMARY
YEARS: 2018 TO 2022

CORPORATE ADMINISTRATION

	2018	2019	2020	2021	2022	Total
Infrastructure Maintenance:						
Civic Centre Membrane/Concrete Waterproofing	300,000		-	-	123,000	423,000
Emergency Repairs-all buildings allocation	300,000	250,000	250,000	250,000	250,000	1,300,000
OW Building		8,000				8,000
						-
Equipment:						
Corporate Telephone System		600,000				600,000
Corporate Data Server Replacement	50,000					50,000
Electronic Voting at Council Meetings	10,500					10,500
Total	660,500	858,000	250,000	250,000	373,000	2,391,500

<u>Designated Funding:</u>						
Capital Levy Overall						-
Capital Levy Urban Only						-
Sewer Surcharge						-
Federal Gas Tax						-
Reserves						-
Reserve Funds						-
Capital from Current	60,500					60,500
Government Grants						-
Long Term Debt						-
Other						-
Infrastructure Funding Required	600,000	258,000	250,000	250,000	373,000	1,731,000
Total	660,500	258,000	250,000	250,000	373,000	1,791,500

Unfinanced	-	600,000	-	-	-	600,000
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THE CORPORATION OF THE CITY OF SAULT STE MARIE
CAPITAL BUDGET SUMMARY
YEARS: 2018 TO 2022

OUTSIDE AGENCIES

	2018	2019	2020	2021	2022	Total
<u>Infrastructure Maintenance-Library</u>						
Main Branch		312,000		186,000	70,000	568,000
<u>Infrastructure Maintenance -Sault Ste. Marie Museum</u>						
Museum Building	17,000	39,000	27,000	199,000	-	282,000
<u>Infrastructure Maintenance-Police Services Board</u>						
Police Building	180,000	460,000	-	106,000		746,000
Total	197,000	811,000	27,000	491,000	70,000	1,596,000

Designated Funding:

Capital Levy Overall						-
Capital Levy Urban Only						-
Sewer Surcharge						-
Federal Gas Tax						-
Reserves						-
Reserve Funds						-
Capital from Current						-
Government Grants						-
Long Term Debt						-
Other						-
Infrastructure Funding Required	197,000	811,000	27,000	491,000	70,000	1,596,000
Unfinanced						-
Total	197,000	811,000	27,000	491,000	70,000	1,596,000

Unfinanced	-	-	-	-	-	-
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THE CORPORATION OF THE CITY OF SAULT STE MARIE
2018 CAPITAL BUDGET
SUMMARY OF PROJECTS

APPENDIX "B"

SUMMARY OF PROJECTS		Funding Source							
Project Cost	Current Levy	Capital fr Current	City Capital Funds-Carryover	Sanitary Sewer	Reserves	Grants	Other	Long Term Debt	
PUBLIC WORKS AND ENGINEERING SERVICES									
Roads/Bridges/Storm Sewer									
McNabb/Pim St Sewer - Ph II Poplar Park North of McNabb									
Bruce Street - Queen Street East to Wellington Street E									
Black Road - Second Line to Third Line									
C- Link Black Rd Widening- McNabb Street - Second Line									
Bridges & Aqueducts									
Bay Street - Andrew Street to Pim Street									
Engineering - 2019	\$ 23,409,750	\$ 6,240,000	\$ 3,749,322	\$ 350,000	\$ 243,000	\$ 12,827,428			
					Connecting Link Reserve				
Miscellaneous Construction									
Asphalt/Surface Treatment	\$ 1,220,000								
Rear Yard Drainage	\$ 60,000								
Bridge/Aqueduct Rehabilitation	\$ 150,000								
Fort Creek Dam Study	\$ 50,000								
Environmental Assessments for future road projects	\$ 20,000								
Emergency Repairs	\$ 50,000								
	\$ 1,550,000	\$ 1,300,000	\$ 250,000	\$ -	\$ -	\$ -		\$ -	
Sanitary Sewer									
West End Plant and MPS	\$ 3,100,000								
Miscellaneous Capital	\$ 440,000								
Primary Clarifier Covers	\$ 500,000								
Emergency Repairs	\$ 600,000								
Pumping Stations	\$ 900,000								
Biosolids Management Facility	\$ 9,000,000								
SCADA	\$ 300,000								
Waste Water Treatment Plant Capital Maintenance	\$ 1,500,000								
Fleet	\$ 375,000								
	\$ 16,715,000			\$ 16,715,000					
Landfill									
Upgrade/Replacement/Equipment	\$ 272,500				\$ 272,500				
					Waste Disposal Site Reserve				
Public Works Fleet									
Plow Truck									
Used CATERPILLAR Backhoe (2016 - rental)									
Municipal Sidewalk Tractor c/w attachments									
Sidewalk Sanders									
4x4 Standard Cab (2 Door) Pickup Truck									
Wheeled Loader (621E) c/w 4 in 1 bucket									
Detachable Loader Mounted Snow Blower									
3 ton chassis to mount steamer	\$ 985,000				\$ 985,000				
					PWT Equipment Reserve				
Parks Fleet									
3/4 Ton Crew Cab Truck									
Two 60" Riding Mowers									
20' Grass Trailer									
Front Boom Attachment with Bucket	\$ 95,500				\$ 95,500				
					PWT Equipment Reserve				
Other									
Hands Free Radios	\$ 115,000	\$ 115,000							
Culvert Replacements	\$ 250,000		\$ 250,000						
Garage A Building Repairs	\$ 75,000				\$ 75,000				
					Asset Management Reserve				
	\$ 1,520,500	\$ -	\$ 115,000	\$ 250,000	\$ -	\$ 1,155,500	\$ -	\$ -	
Total	\$ 43,467,750	\$ 7,540,000	\$ 115,000	\$ 4,249,322	\$ 17,065,000	\$ 1,671,000	\$ 12,827,428	\$ -	

SUMMARY OF PROJECTS

		Funding Source								
		Project Cost	Current Levy	Capital fr Current	City Capital Funds-Carryover	Sanitary Sewer	Reserves	Grants	Other	Long Term Debt
COMMUNITY DEVELOPMENT AND ENTERPRISE SERVICES										
Transit										
Bus Depot building capital repairs	\$	1,710,000								
Pay & Display- Parking	\$	200,000								
Fleet & Equipment	\$	1,235,000								
	\$	3,145,000		\$ 517,500			\$ 955,000	\$ 1,472,500	\$ 200,000	
Asset Mgmt & Transit Equipment Reserve										
Community Services										
Fleet & Equipment	\$	222,000		\$ 212,000			\$ 10,000			
Splash Pad	\$	550,000			\$ 25,000		\$ 240,000		\$ 285,000	
	\$	772,000	\$ -	\$ 212,000	\$ 25,000	\$ -	\$ 250,000	\$ -	\$ 285,000	
Cemetery										
Building Capital Repairs	\$	18,000					\$ 18,000			
Cemetery Reserve Fund										
Planning										
Roads-Streetscaping	\$	1,900,000			\$ 1,900,000					
Downtown Development Initiative	\$	850,000					\$ 200,000	\$ 650,000		
Active Transportation Plan	\$	312,500			\$ 250,000			\$ 62,500		
	\$	3,062,500	\$ -		\$ 2,150,000	\$ -	\$ 200,000	\$ 712,500		\$ -
Total	\$	6,997,500	\$ -	\$ 729,500	\$ 2,175,000	\$ -	\$ 1,423,000	\$ 2,185,000	\$ 485,000	\$ -
FIRE SERVICES										
Fleet & Equipment										
SCBA Fire	\$	500,000								
Crisys Fire Dispatch Upgrade	\$	45,000								
Structural Bunker Gear -Fire	\$	190,000								
	\$	735,000	\$ -	\$ 45,000	\$ -	\$ -	\$ 690,000	\$ -	\$ -	\$ -
Fire Equipment Reserve										
Building Capital Maintenance										
Central Fire Station #1	\$	20,000								
Fire Hall #4/EMS Complex	\$	100,000								
	\$	120,000	\$ -		\$ -	\$ -	\$ 120,000	\$ -	\$ -	\$ -
Asset Management Reserve										
Total	\$	855,000	\$ -	\$ 45,000	\$ -	\$ -	\$ 810,000	\$ -	\$ -	\$ -
CORPORATE/OUTSIDE AGENCIES										
Building Capital Maintenance										
Civic Centre Membrane/Concrete Waterproofing	\$	300,000								
Emergency Repairs-all buildings allocation	\$	300,000								
Museum Building	\$	17,000								
Police Building	\$	180,000								
	\$	797,000	\$ -		\$ -	\$ -	\$ 797,000	\$ -	\$ -	\$ -
Asset Management Reserve										
Equipment										
Corporate Data Server Replacement	\$	50,000								
Electronic Voting at Council Meetings	\$	10,500								
	\$	60,500	\$ -	\$ 60,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$	857,500	\$ -	\$ 60,500	\$ -	\$ -	\$ 797,000	\$ -	\$ -	\$ -
TOTAL 2017 CAPITAL BUDGET	\$	52,177,750	\$ 7,540,000	\$ 950,000	\$ 6,424,322	\$ 17,065,000	\$ 4,701,000	\$ 15,012,428	\$ 485,000	\$ -

Defer Simpson Reconstruction; \$1.9M Streetscaping for Bay and Bruce St; No Snow Dump

			Funding Source							
Rank #	Description	Cost	Reserve	Cap fr Curr	Grants	Urban Only	Sanitary	"City Capital Funds"	Total Funding	Unfunded
1	SCBA Fire	\$ 500,000	\$ 500,000	Fire Equipment					\$ 500,000	\$ -
2	Structural Bunker Gear -Fire	\$ 190,000	\$ 190,000	Fire Equipment					\$ 190,000	\$ -
3	John Rhodes and McMeeken CO Monitors	\$ 35,000			\$ 35,000				\$ 35,000	\$ -
4	PWES Traffic - Hands Free Radios	\$ 115,000			\$ 115,000				\$ 115,000	\$ -
5	Replacement of Ice Resurfacer - McMeeken	\$ 112,000			\$ 112,000				\$ 112,000	\$ -
6a	PWES - 2018 Capital Roadworks	\$ 25,781,750	\$ 243,000	Connecting Link	\$ 7,254,523	\$ 3,189,000	\$ 350,000	\$ 12,173,227	\$ 23,209,750	\$ 2,572,000
6b	PWES - 2018 Streetscaping	\$ 2,100,000						\$ 1,900,000	\$ 1,900,000	\$ 200,000
7	Bus Purchase(s)	\$ 1,235,000	\$ 100,000	Transit Equipment	\$ 517,500	\$ 617,500			\$ 1,235,000	\$ -
8	PWES Landfill - Fire Alarm & Auto. Vent System	\$ 12,500	\$ 12,500	Landfill					\$ 12,500	\$ -
9	Active Transportation Infrastructure Plan	\$ 312,500			\$ 250,000			\$ 62,500	\$ 312,500	\$ -
10	PWES - 2019 Capital Roads - Engineering ONLY	\$ 200,000						\$ 200,000	\$ 200,000	\$ -
11	PWES Engineering - Culvert Replacement	\$ 250,000				\$ 250,000			\$ 250,000	\$ -
12	PWES PWT - Snow Dump Property	\$ 650,000							\$ -	\$ 650,000
13	Crisys Fire Dispatch Upgrade	\$ 45,000			\$ 45,000				\$ 45,000	\$ -
14	Community Centres - 2 Plow Trucks	\$ 65,000			\$ 65,000				\$ 65,000	\$ -
15	Corporate Data Server Replacement	\$ 50,000			\$ 50,000				\$ 50,000	\$ -
16	Event Upgrade Essar Centre	\$ 10,000	\$ 10,000	Essar Capital					\$ 10,000	\$ -
COUNCIL ADDITIONS										
17	Electronic Voting at Council Meetings	\$ 10,500			\$ 10,500				\$ 10,500	\$ -
			\$ 31,674,250	\$ 1,055,500	\$ 950,000	\$ 8,122,023	\$ 3,439,000	\$ 350,000	\$ 14,335,727	\$ 28,252,250
									\$ 3,422,000	

Defer Simpson

Bruce & Bay St Streetscaping included; however at \$1.9m not the \$2.1m requested

No snow Dump

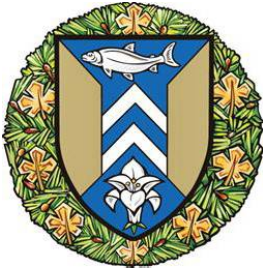
Estimated 2018 Approved Budget:	2,292,210
Less: LTD Repayment	<u>445,000</u>
Available Funding	<u><u>1,847,210</u></u>

Recommended Projects:

Emergency Repairs	300,000
Transit Capital Repairs	855,000
Museum Brickwork	17,000
Fire Boilers	100,000
Fire Brickwork	20,000
Police Electrical	180,000
PWT Boilers	75,000
Civic Centre Membrane/Concrete Waterproofing	<u>300,000</u>
	<u><u>1,847,000</u></u>

Other Funding Recommended:

Cemetery Chapel Door Replacement & Paving work	18,000	Cemetery Reserve Fund
Landfill Gas Heater Replacements	10,000	Landfill Reserve



**The Corporation of the
City of Sault Ste. Marie**

COUNCIL REPORT

September 11, 2017

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Don Elliott, Director of Engineering

DEPARTMENT: Public Works and Engineering Services

RE: 2018 Capital Road Reconstruction Plan

PURPOSE

The purpose of this report is to provide an update on the 2017 capital works reconstruction program, and provide for Council's information the proposed 2018 program. Approval for the 2018 capital works program will be sought in December during the budget deliberations.

BACKGROUND

Capital road improvements for the City of Sault Ste. Marie are carried out under a number of programs. These programs include capital road construction, infrastructure improvement programs, connecting links, 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 needs of local/residential streets.

Base funding for capital reconstruction comes from the general levy and the urban only levy for storm sewers and sidewalks. The capital works funding in the levy has not been increased in nearly two decades. A portion of the general levy is used as the City's share for leveraging the annual MTO connecting link funds. Sanitary sewer revenue costs in the capital works program are funded from the sanitary sewer revenue.

Other monies available for capital works include Ontario Community Infrastructure Funds (OCIF), and Small Communities (SCF) funding for the Fort Creek aqueduct.

ANALYSIS

In the preparation of this capital plan, the priority was to complete the roads listed in the 2015-2019 five-year capital forecast approved by Council at the 2014 06 09 meeting. That plan mixes arterial/collector and local streets. All roads are evaluated and scored biennially based on many factors, including but not limited

to: road surface condition, road structure, drainage, condition of watermain, sanitary and storm sewers, and the level of required maintenance and traffic volume. This plan also includes some major storm sewer and aqueduct replacement works.

Update on 2017 Capital Program:

The 2017 capital program is well underway and is tracking on budget. The following project specific comments are provided for Council's information:

Connecting Link – Second Line Resurfacing: The resurfacing of Second Line between Carmen and North, and between Great Northern and Old Garden River Road is underway.

Fort Creek Aqueduct: Phase 3 of the Fort Creek aqueduct replacement is underway on John Street between Cathcart and Edinburgh. Two-thirds of the funding for this is provided by the SCF fund. This multiphase project is proceeding on schedule and on budget.

McNabb/Pim Stormwater Improvements: The contract for the first phase of storm sewer replacement and storm water management works in the Pim and McNabb area was awarded by Council conditional upon the provision of grant funding through the Clean Water and Wastewater Fund (CWWF). The funding has been approved and the project is underway.

Sackville Road: The extension of Sackville Road from Mary Street to Third Line was deferred by Council from the 2017 capital program to a future program.

Other Projects: Other projects under the 2017 capital budget underway include the reconstruction of Grace Street between Elgin and Bruce, Franklin between Henrietta and Laura, reconstruction of the seawall at 711 Bay Street, and resurfacing programs.

2018 Program

The attached 2018 program is based primarily on the 2015-2019 five year capital plan. The following comments are specific to each recommended project:

McNabb/Pim Stormwater Improvements – Phase II: It is recommended that the storm sewer replacement begun under Phase I in 2017 be completed in 2018. Phase II involves replacement and up-sizing of a trunk storm sewer from Poplar Park northerly through easements to a point on the north side of McNabb Street.

Simpson Street – Queen to Wellington: The five year capital plan identified Simpson Street for full reconstruction. It is in need of full replacement of underground services and road structure. It is recommended that Simpson Street between Queen and Wellington be completely reconstructed to a class A urban standard cross-section.

Bruce Street - Queen to Wellington: This project was identified in the five-year capital plan. This portion of Bruce Street is in need of full reconstruction including new underground services. It is recommended this portion of Bruce Street be reconstructed to a class A urban standard cross-section.

Bruce Street is a major gateway and creates a first impression of the downtown. The planned reconstruction is a significant opportunity to build a high quality public space and improve the downtown image. To streetscape the Queen Street to Wellington Street section of Bruce Street in a similar design as the recently completed Gore Street, will require an additional budget of \$600,000.

Connecting Link: An allowance is included in the 2018 capital plan for the City's share of the 2018 connecting link project. It is anticipated that the intake for 2018 applications will be provided soon, with an application deadline in the fall. It is likely that staff will be recommending the widening of Black Road between McNabb and Second Line as the candidate project. A separate report will be brought to Council at a later date with a recommendation.

Black Road – Second Line to Third Line: The Black Road and Third Line corridor from McNabb to the hospital entrance is the subject of an environmental assessment which is anticipated to be complete in the near future. The five-year plan identified the reconstruction of this portion of Black Road in 2018. The road surface and pavement sub-structure has failed. The EA recommends the road be reconstructed to a two-lane class B standard with a wider platform, roadside ditches, and wide paved shoulders for active transportation.

Fort Creek Aqueduct – Phases 6&7: It is recommended that phases 6 and 7 of the Fort Creek aqueduct replacement be completed in 2018. This includes replacement of the aqueduct along Wellington Street from John to Carmen, and northerly along Carmen to the open channel portion of Fort Creek. Construction of the Fort Creek aqueduct phase 3 on John Street will be completed this year. Remaining phases 4 and 5 to replace the original aqueduct in the laneway east of John Street between Edinburgh and Albert Street are scheduled to be completed in 2019 and 2020. This program is two thirds funded by the Small Communities portion of the Build Canada program.

Bay Street – Andrew to Pim Street: Bay Street is in serious need of resurfacing. Council is aware that an environmental assessment was completed and the preferred alternative included a conversion down to three lanes with a multiuse trail on the south side. The project was originally scheduled in the five year capital plan for 2015. Available funds for Bay Street were diverted to the reconstruction of Gore Street. It is recommended that a priority be placed on Bay Street improvements in 2018, if two items are resolved: 1) the downtown traffic study recommends that it remain one way, and 2) sufficient funding is identified in the 2018 capital budget.

Development of the multi-use path (Hub Trail spoke), landscaping and street furniture of the 1.5 km section from Andrew Street to East Street is an additional \$1,500,000 of which up to \$1,000,000 may be eligible for a grant from the Federation of Canadian Municipalities (FCM).

Various Road Resurfacing: Funds for the resurfacing of City streets in the miscellaneous construction program are inadequate to meet the demand. Budget permitting, any unallocated capital funds should be designated to resurfacing other streets. The Engineering Division annually brings a resurfacing program to Council for approval in the spring.

Engineering staff will undertake the design and contract administration for a portion of the 2018 capital program. Procurement of engineering services for other projects is underway based on approval provided by Council at the 2017 07 17 meeting. Some of the projects listed above have already had consultants assigned.

2019 Capital Reconstruction and beyond: The attached summary shows a preliminary list of projects for 2019. Council should recognize that while Bay Street resurfacing is a priority for 2018, McNabb Street between Pim and Lake is also rapidly deteriorating and is in need of a new surface. Class A and B priority resurfacing lists are also provided.

FINANCIAL IMPLICATIONS

This capital plan aligns with anticipated budget levels (based on same level of historical funding), and pre-design estimates are based on current prices with an allowance for inflation. The following is a summary of potential funding sources for 2018:

Connecting Link Grant:	\$ 3,000,000
BCF Grant:	\$ 3,000,000
OCIF Grant:	\$ 1,254,523
Urban Only Levy - 2018:	\$ 1,700,000
Urban Only Carry forward:	\$ 2,000,000
Sanitary Revenue	\$ 800,000

City Capital Funds	<u>\$14,227,227</u>
Total	\$25,981,750

The preliminary budget does not include the \$1.5M for streetscaping on Bay Street, or the \$600,000 for Bruce Street. If the FCM application is successful, it may be prudent to defer Bruce Street reconstruction to 2019, and commit to completing Bay Street in 2018.

The recommended 2018 Capital Budget including financing will be brought forward on the schedule previously approved by Council. Comments and input on the proposed 2018 capital works program are sought from Mayor and Council through their consideration of this report and through other forums including 2018 Budget deliberations.

STRATEGIC PLAN / POLICY IMPACT

Constructing new and maintaining existing roads, bridges and aqueducts is linked to the infrastructure component of the strategic plan.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Director of Engineering dated 2017 09 11 concerning the 2018 capital works program be received as information.

Respectfully submitted,



Don Elliott, P. Eng.,
Director of Engineering
705.759.5329
d.elliott@cityssm.on.ca

Attach.

2018 CAPITAL WORKS PROGRAM					
Year	Street	From	To	Cost	Comments
2018	McNabb/Pim St Sewer Ph II	Poplar Park	North of McNabb		2017 work carried over to 2018
2018	Simpson Street	Queen Street East	Wellington Street E		Reconstruction
2018	Bruce Street	Queen Street East	Wellington Street E		Reconstruction
2018	Black Road	Second Line	Third Line		Improvements - pending EA
2018	C- Link Black Rd Widening	McNabb Street	Second Line		Assumes \$3M CL grant (Could be done in two phases)
2018	Bridges & Aqueducts				Fort Creek Aqueduct Ph 6&7- City 1/3 share; BCF funding 2/3
2018	Bay Street	Andrew Street	Pim Street		Resurface, reduce to three lanes (East to Pim \$650k of total)
2018	Engineering - 2019				Engineering for next year capital
2018	Various Roads				Road resurfacing allowance
			Subtotal	\$ 25,981,750	
2019	Leo Avenue	Queen Street East	Victoria Avenue		Reconstruction
2019	Ruth Street	Franklin Street	East Limit		Reconstruction
2019	Second Ave	Connaught	Second Line		Complete last block deferred in 2016
2019	Third Line	Hospital entrance	Black Road		Improvements - pending EA
2019	McNabb/St Georges Improve.	Cameron	Grand		Intersection improvements, convert from 4 to 3 lanes, PXO, \$500,000 is resurfacing
2019	Connecting Link	Trunk Road resurface	At east City limit		Assumes \$3M CL grant
2019	Bridges & Aqueducts				Fort Creek Aqueduct Ph 4- City 1/3 share; BCF funding 2/3
2019	Engineering - 2020				Engineering for next year capital
2019	Various Roads				Road resurfacing allowance - possibly McNabb
			Subtotal	\$ 20,443,000	
	For consideration:				
	McDonald Ave. SWM	Near O'Brien	Ravine E of Alworth		Pre-design budget for stormwater improvements
	Sackville	North Limit	Third Line		New construction (early works ravine crossing \$1.4M of total)
Notes:					
- Estimated costs are very preliminary and could differ considerably from detailed design cost estimates,					
consequently, project timing may change					
Class A Urban Roads Resurfacing short list					
The following roads will be resurfaced using recycled asphalt techniques.					
Funding will come from the annual capital reconstruction program surplus, if any, and the miscellaneous construction budget.					
	Street	From	To		Comments
	McNabb Street	Pim Street	Willow Avenue		Resurface
	McNabb Street	Willow Avenue	Pine Street		Resurface
	McNabb Street	Pine Street	Lake Street		Resurface
	Northern Avenue	Reid Street	Pine Street		Resurface - Pending EA for possible lane reduction
	Queen Street	Pim Street	Andrew Street		Resurface
	Pim Street	Summit Avenue	MacDonald Avenue		Resurface
	Wallace Terrace	Korah Road	Goulais Avenue		Resurface - Requires EA for possible lane reduction
Class B Rural Roads Resurfacing short list					
	Street	From	To		Comments
	Allen's Side Road	Base Line	Second Line		Resurface
	Allen's Side Road	Second Line	Third Line		Resurface
	Old Garden River Road	Second Line	Terrance		Resurface
	Queen Street East	Lorna Drive	Kerr Drive		Resurface
	Base Line Road	Town Line Road	Walls Road		Resurface

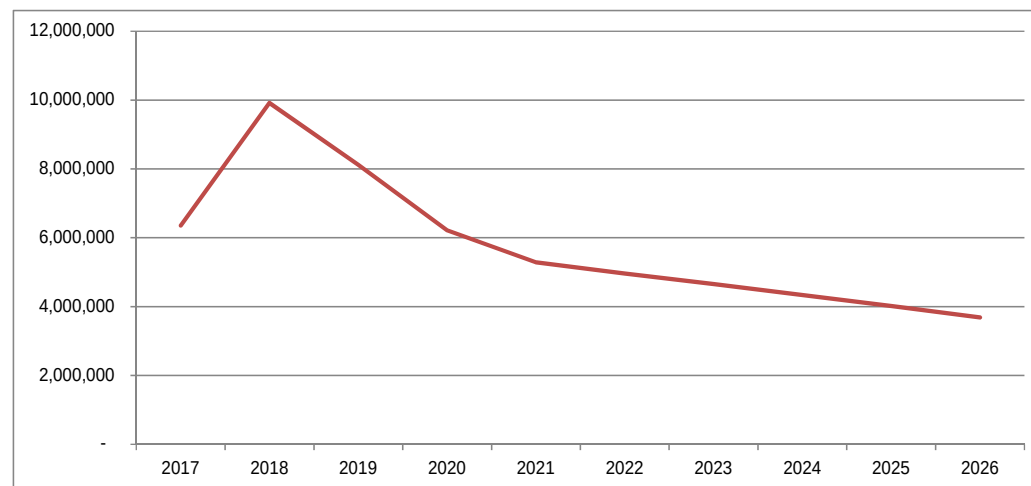
THE CORPORATION OF THE CITY OF SAULT STE MARIE
LONG TERM DEBT PROJECTION

APPENDIX "F"

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Maintain Current Debt Level	6,354,666	4,917,430	3,395,306	1,783,009	1,146,673	1,123,145	1,123,145	1,123,145	1,123,145	1,123,145	1,123,145
Civic Centre Windows and Cladding Project		5,000,000	4,720,560	4,434,215	4,140,800	3,840,135	3,532,045	3,216,345	2,892,845	2,561,360	2,221,680
With new Debt Issues	6,354,666	9,917,430	8,115,866	6,217,224	5,287,473	4,963,280	4,655,190	4,339,490	4,015,990	3,684,505	3,344,825
Debt Servicing Costs:											
Included in levy	1,724,707	1,724,707	1,724,707	1,724,707	652,942	71,061					
Asset Mgmt Reserve (allocation included in levy)		445,000	445,000	445,000	445,000	445,000	445,000	445,000	445,000	445,000	445,000
	1,724,707	2,169,707	2,169,707	2,169,707	1,097,942	516,061	445,000	445,000	445,000	445,000	445,000

Note A Assume 2.47%, 15 years, annual payments, amortizing

LONG TERM DEBT OUTSTANDING





City of
Sault Ste. Marie

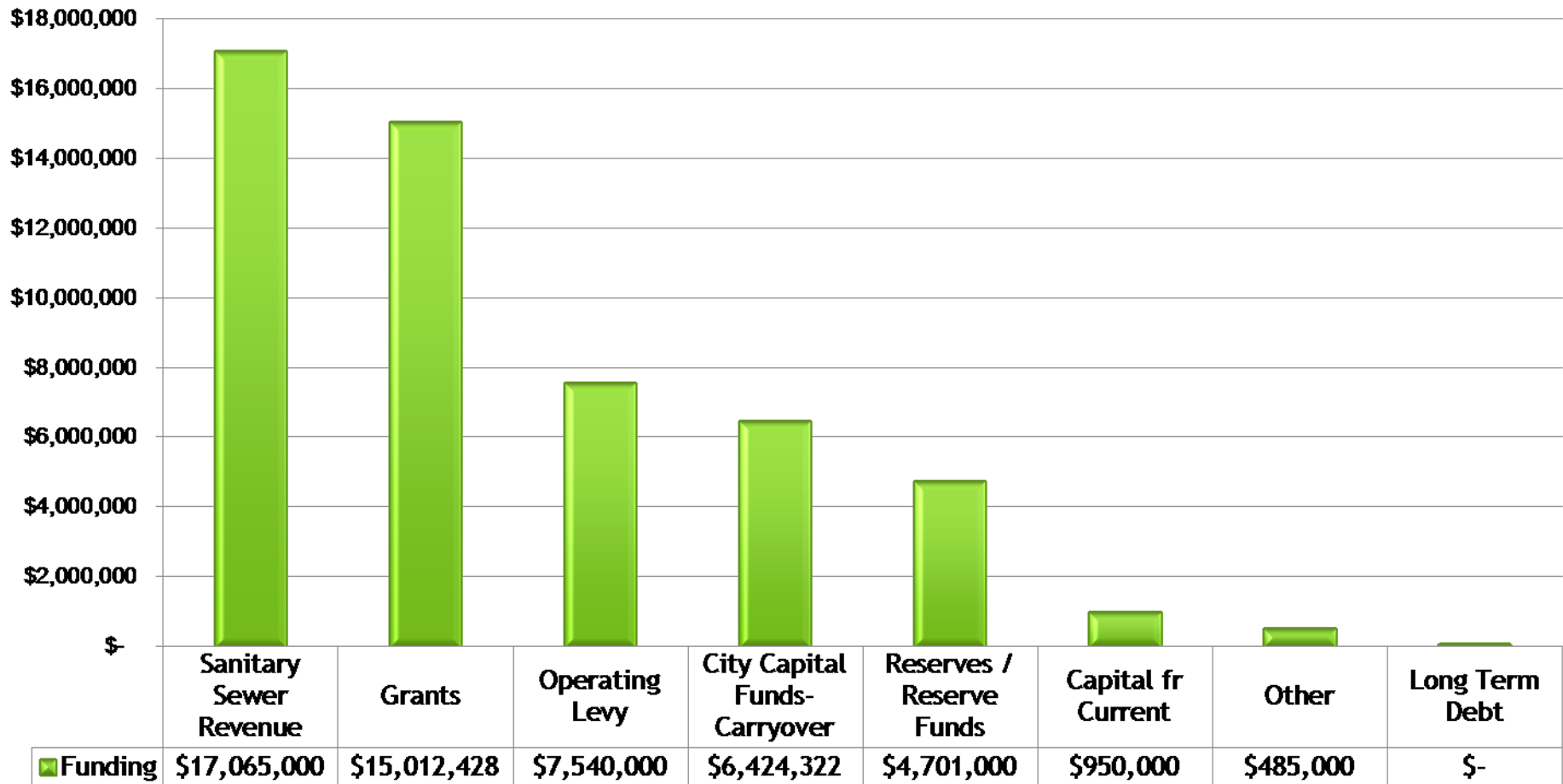
2018 Capital Budget & 2019 to 2022 Forecast

2018 Capital Budget



Roads/Bridges/Storm Sewers	\$ 25,209,750	48.3%
Sanitary Sewer	\$ 16,715,000	32.0%
Planning Projects	\$ 3,062,500	5.9%
Building Capital Maintenance	\$ 2,720,000	5.2%
Transit Fleet & Equipment	\$ 1,435,000	2.8%
Public Works Fleet & Equipment	\$ 1,080,500	2.1%
Fire Fleet & Equipment	\$ 735,000	1.4%
Community Services Projects	\$ 550,000	1.1%
Misc Fleet & Equipment	\$ 397,500	0.8%
Landfill Upgrades	\$ 272,500	0.5%
TOTAL:	<u>\$ 52,177,750</u>	

2018 Capital Budget – Funding Sources





Capital Prioritization Projects

Description	Cost
SCBA Fire	\$ 500,000
Structural Bunker Gear -Fire	\$ 190,000
John Rhodes and McMeeken CO Monitors	\$ 35,000
PWES Traffic - Hands Free Radios	\$ 115,000
Replacement of Ice Resurfacer - McMeeken	\$ 112,000
PWES - 2018 Capital Roadworks	\$ 23,209,750
PWES - 2018 Streetscaping	\$ 1,900,000
Bus Purchase(s)	\$ 1,235,000
PWES Landfill - Fire Alarm & Auto. Vent System	\$ 12,500
Active Transportation Infrastructure Plan	\$ 312,500
PWES - 2019 Capital Roads - Engineering ONLY	\$ 200,000
PWES Engineering - Culvert Replacement	\$ 250,000
Crisys Fire Dispatch Upgrade	\$ 45,000
Community Centres - 2 Plow Trucks	\$ 65,000
Corporate Data Server Replacement	\$ 50,000
Event Upgrade Essar Centre	\$ 10,000
Electronic Voting at Council Meetings (Council Addition)	\$ 10,500



2018 Road Construction Program

- ▶ Bruce Street - Queen Street East to Wellington Street E
- ▶ Black Road - Second Line to Third Line
- ▶ Connecting Link Black Rd Widening- McNabb Street to Second Line
- ▶ Bay Street - Andrew Street to Pim Street
- ▶ Fort Creek Aqueduct
- ▶ McNabb/Pim St Sewer – Phase II



2019-2022 Capital Forecast

	2019	2020	2021	2022
Community Development & Enterprise Services	2,971,882	3,003,148	2,355,788	4,684,449
Fire Services	1,095,000	637,000	117,000	331,500
Public Works & Engineering Services	46,089,830	43,361,530	27,172,800	41,671,950
Corporate Services	858,000	250,000	250,000	373,000
Outside Agencies	811,000	27,000	491,000	70,000
Total Capital Requirements	51,825,712	47,278,678	30,386,588	47,130,899
Funding:				
Capital Levy Overall	4,500,000	4,500,000	4,500,000	4,500,000
Capital Levy Urban Only	1,740,000	1,740,000	1,740,000	1,740,000
Capital Levy Miscellaneous Construction	1,300,000	1,300,000	1,300,000	1,300,000
Sewer Surcharge	22,168,475	4,691,000	5,776,000	19,070,810
Federal Gas Tax	4,786,625	4,786,626	4,786,626	4,786,626
Reserves	2,626,830	7,209,830	1,401,800	1,337,380
Reserve Funds	200,000	200,000	-	-
Build Canada Fund (2/3)	4,000,000	1,840,000	-	-
OCIF Funding-formula based funding	1,980,400	2,015,467	-	-
Connecting Link (90%)	3,000,000	-	-	-
Government Grants	900,000	900,000	-	-
Short Term Debt	-	11,000,000	-	-
Other	-	-	2,000,000	2,000,000
Infrastructure Maintenance Requirements from reserve	1,869,000	1,822,000	2,299,000	4,531,000
Funding Available	1,847,420	1,825,630	1,850,840	1,399,050
Funding Shortfall/(excess)	21,580	(3,630)	448,160	3,131,950
Total Capital Funding Requirements	51,825,712	47,278,678	30,386,588	47,130,899



City of
Sault Ste. Marie

2018 Operating Budget

Corporate Services

Corporate Services



CLERK'S

- Administration
- Offices Services
- Corporate Communications
- Licensing

FINANCE

- Administration
- Information Technology
- Accounting
- Tax

HUMAN RESOURCES

- Administration
- Return to Work Management
- Health & Safety

2018 Operating Budget Summary (\$000) – including Mayor / Council and CAO



	2017	2018	\$ Change	% Change
Revenue	\$ 510.4	\$ 682.2	\$ 171.8	34.0%
Salaries & Benefits	\$ 6,721.2	\$ 7,096.7	\$ 375.4	5.6%
Other Expenses	\$ 4,967.9	\$ 4,890.6	\$ (77.3)	(1.6)%
Tax Levy	\$11,178.8	\$11,305.1	\$ 126.3	1.1%



Changes 2017 to 2018

- **2017 budget included reductions of \$297,871(Phase 1- \$218,931, Phase 2 - \$78,940)**
- **Retiree Benefits \$175,000 - (*Staff review underway*)**
- **Operating level increases – \$20,000 (*Election, Integrity Officer*)**
- **Vacancy Rebate Policy Change – (\$135,000)**
- **MPAC Fee Increase (estimated at CPI) - \$15,520**
- **Tax Increment Grant Increase-\$18,825**

Mandatory Services



Service	Legislative Authority	Budget (\$000)
Finance - Administration, Accounting, Payroll, Property Tax, Purchasing	• Municipal Act • O.Reg 586/06 • By-law 2016-143	\$ 5,224.4
Clerks – Administration, Election	• Municipal Act • Municipal Elections Act	\$ 1,146.4
Human Resources – Employee Relations, Pension and Benefits,	• Municipal Act • Ontario Labour Relations Act • Employment Standards Act • Pay Equity Act	\$ 1,671.3



Discretionary Services

Service	Ramification of Decrease	Budget (\$000)
Finance-Information Technology	• All corporate service areas are dependent upon information technology services. Level of service dependent upon level of corporate service delivery	\$ 2,161.4
Clerks – Corporate Communications, Office Services, Quality Improvement, Receptions/Council Meeting Expenses	• Impacts civic engagement, quality and effectiveness of service delivery	\$ 252.6

Discretionary Services



Service	Ramification of Decrease	Budget (\$000)
Human Resources – Training, EAP, Claims Management	Impacts skill development, recruitment and retention, attendance and WSIB management	\$165.8



City of
Sault Ste. Marie

2018 Operating Budget

Community Development and Enterprise Services

Community Development and Enterprise Services



PLANNING

- Zoning & O.P.
- Developer Support
- Downtown Dev't
- Accessibility Office

BUILDING

- Building Inspections
- By-Law Enforcement
- Plans Examination

TRANSIT & PARKING

- Bus Operations
- Parabus Services
- Downtown Parking
- Crossing Guards

CEMETERIES

- Four cemeteries
- Mausoleums
- Columbaria
- Cremation Facility

ARENAS

- Essar Centre
- John Rhodes
- McMeeken Centre

RECREATION & CULTURE

- Northern Community Centre
- Ermatinger Clergue N.H.S.
- Aquatics, Playgrounds, Sports Fields
- Seniors Drop-In Centre
- Marinas
- Committees (Parks & Rec, Cultural Advisory Board, Best for Kids, Mayor's Youth Advisory Council)

2018 Operating Budget Summary (\$000)



	2017	2018	\$ Change	% Change
Revenue	\$ 11,026	\$ 10,612	\$ (413)	-3.75%
Salaries & Benefits	\$ 15,602	\$ 15,522	\$ (80)	-0.51%
Other Expenses*	\$ 7,927	\$ 8,275	\$ 348	4.4%
Tax Levy	\$12,503	\$13,185	\$ 682	5.45%

*Note – includes \$444,656 allocated towards community development implementation

Changes 2017 to 2018



- ▶ Reminder for the 2017 budget CDES reduced expenses \$653,305 (Phase I \$219, 305; Phase II \$434,000 of organizational realignment)
- ▶ Discontinuation of daycare services
- ▶ Community Adjustment Committee report finalized and now moving to implementation

Mandatory Services



Service	Legislative Authority	Budget (\$000)
Building Inspection & Permits – Enforcement of building code act and by-law enforcement	Building Code Act, 1992 City By-laws Planning Act Sec. 16	\$1,243,620
Planning – Official plan, zoning, community improvement plans, site control	Planning Act, sec. 24(1), 28(2), 36(2), 37(2), 41(2), 41(9.1), 41(9), 42(4), 51.1(2)	\$790,295
School Crossing Guards	Ontario Traffic Council	\$299,290



Discretionary Services

Service	Ramification of Decrease	Budget (\$)
Parking	• Parking enforcement ensures fair opportunity for businesses, patrons and employees to access downtown parking	\$475,160
Cemetery Operations	• Impact operations for burial and aesthetic of cemetery grounds	\$1,072,670
Transit Services	• Ability of residents to navigate the city; accessible transportation	\$9,484,815



Discretionary Services

Service	Ramification of Decrease	Budget (\$)
Locks	Operation of pleasure and tour boat lock/tourism impact	\$44,050
Rec & Culture (General)	Services for rec & culture, MYAC, Canada Day, various community programs	\$778,470
Roberta Bondar Park	Events for citizens and maintenance of waterfront assets	\$181,065
Marinas	Tourism Impact	\$282,325
Senior Facilities & Programming	Quality of Life for senior population	\$619,275

Discretionary Services



Service	Ramification of Decrease	Budget (\$)
Heritage Property and Services (Includes Northern Discovery Centre/Ermatinger Old Stone House)	Education and preservation of culture and heritage	\$400,550
Accessibility	Accessible infrastructure	\$218,770
Community Centres	Impacts quality of life	\$6,743,955
Outdoor pools	Impacts quality of life	\$83,180
Community Services Admin	Administrative support of all departmental operations	\$636,375
Community Adjustment Committee	Implementation of recommendations 2018	\$444,655
Total Mandatory		\$2,333,205
Total Discretionary		\$21,465,315
Total 2018 Preliminary Operating Budget		\$23,798,520



City of
Sault Ste. Marie

2018 Operating Budget

Public Works and Engineering Services

Public Works



Administration – Public Works

- Dispatch
- Health & Safety
- Accounting

Operations

- Road and Sidewalk Maintenance
- Winter Control
- Sewers

Parks

- 6 Major Parks and 75 Neighbourhood Parks
- Forestry
- Horticulture
- Outdoor Rinks

Public Works



Waste Management

- Landfill Operations
- Recycling
- Residential Waste Collection
- HHW Depot
- Environmental Initiatives

Buildings & Equipment

- Maintenance of Public Works Facilities and Equipment

Traffic and Communication

- Traffic Signals Operations and Maintenance
- Line Painting
- Carpentry Division

Engineering Services



Engineering

- Capital Works, Connecting Links and Misc. Construction Programs
- Subdivision and Land Development
- Environmental Engineering, Wastewater and Solid Waste
- Survey and Inspection
- Record and Plan Keeping
- Design Work
- GIS
- Traffic

Building Services

- Building and property maintenance for Civic Centre and Ontario Works buildings. This includes HVAC systems, security, caretaking, janitorial services, and office renovations

2018 Operating Budget Summary



Public Works

	2017 (\$000's)	2018 (\$000's)	\$ Change (\$000's)	% Change
Revenue	\$ 3,227.47	\$ 3,024.05	\$ (203.42)	(6.30)%
Salaries & Benefits	\$ 18,756.85	\$ 19,012.78	\$ 255.93	1.36%
Other Expenses	\$ 11,904.32	\$ 12,259.58	\$ 355.25	2.98%
Tax Levy	\$ 27,433.71	\$ 28,248.31	\$ 814.60	2.97%

Changes 2017 to 2018



Public Works

► REVENUE

- Landfill Fees decrease of \$(374,000)
- Recycling Fees decrease of \$(34,000)
- Sanitary and Storm Fees/User Charges transfer of \$62,583
- Government funding for Recycling increase of \$142,000

► SALARIES AND BENEFITS

- Increase based on negotiated collective agreements
- Combination of Waste Diversion Supervisor and Environmental Initiatives Coordinator positions has resulted in a global reduction of one staff for our Department

Changes 2017 to 2018



Public Works (continued)

▶ OTHER EXPENSES

- Contractual increases for the following:
 - Buildings/Equipment: Fuel \$197,287
 - Traffic: Utilities \$50,000 and Radio Licensing \$13,000
 - Waste Management: Utilities \$12,700 and Transfer to Landfill Reserve \$54,742
 - Roadways: Winter Salt \$18,525 and Culverts \$9,000

2018 Operating Budget Summary



Engineering Services

	2017 (\$000's)	2018 (\$000's)	\$ Change (\$000's)	% Change
Revenue	\$ 53.15	\$ 49.80	\$ (3.35)	(6.30)%
Salaries & Benefits	\$ 2,526.33	\$ 2,605.13	\$ 78.80	3.12%
Other Expenses	\$ 9,612.64	\$ 10,643.86	\$ 1,031.22	10.73%
Tax Levy	\$ 12,085.82	\$ 13,199.19	\$ 1,113.37	9.21%

Changes 2017 to 2018



Engineering Services

▶ REVENUE

- Misc. revenue from MOECC Transfer of Review Program;
- Grant from MNR for Aggregate Resources

▶ SALARIES AND BENEFITS

- Increase based on negotiated Collective Agreements;
- Traffic Engineering is now done in the Engineering Division;
- Transfer of Traffic Analyst/Students to Engineering from Public Works. This adds one F/T complement to Engineering Technical Staff. Corresponding reduction at Public Works.

▶ OTHER EXPENSES

- The increase of 9.2% in the levy is reinstatement of \$820,000 cut from the 2017 Misc. Construction budget for Resurfacing

Mandatory Services



Service	Legislative Authority	Budget (\$000)
Public Works and Engineering Services • Administration including Health and Safety • Traffic Division • Landfill • Winter Control Operations • Summer/Construction • Building and Equipment ** • Engineering – Design Work • Building Services • Fire Hydrants • Street Lights • Sewage Disposal	• Ministry of Labour • Highway Traffic Act • Environmental Protection Act • Grade Crossing Regulations (Railways) • Minimum Maintenance Standards (O.Reg. 239/02) • City's Waste Management Plan/ECAs • Drainage Act • CVOR License ** • Infrastructure for Jobs and Prosperity Act • Building Code/Fire Code • Safe Drinking Water Act	38,262



Discretionary Services

Service	Ramification of Decrease	Budget (\$000)
Public Works • Carpentry • Parks • Landfill Division (MF waste collection, HHW, Wood Chipping Contract, Environmental Initiatives) • Winter Control (Sidewalk plowing, sanding and sweeping)	• Signatory to the Carpenters and Labourer's Union • Budget reflects current requirements to meet standards; • Operating under ECA approvals (landfill) contracts in place • Public expectation of level of service • Service level for sidewalks maintenance based on City policy	4,959

Public Works and Engineering Services



2017 Efficiencies

- ❑ Asphalt Recycler – Estimated Savings \$ 55,000
- ❑ Recycled Asphalt By-Product – Granular Material \$ 15,000
- ❑ Layoff – 2017 Savings \$150,000
- ❑ Operations Division - PUC Emergency Repairs (Revenue) \$ 10,000
- ❑ Gapping – 2017 Savings \$270,000

Total Savings by Efficiencies

\$500,000

Public Works and Engineering Services



Summary of Savings

❑ 2018 Complement Reduction	\$92,000
❑ Savings from Efficiencies (Previous Page)	\$500,000
❑ Total	\$592,000
❑ PW Annual Average In-Kind Service	\$45,000



City of
Sault Ste. Marie

2018 Operating Budget

Legal Department

Legal Department



LEGAL

- Administration
- Risk Management/Insurance
- Provincial Offences

2018 Operating Budget Summary



	2017	2018	\$ Change	% Change
Revenue	\$884,651	\$ 799,651	\$ 85,000	(9.61)%
Salaries & Benefits	\$ 603,275	\$ 614,810	\$11,535	1.91%
Other Expenses	\$ 199,465	\$ 199,465	\$ 0	0%
Tax Levy	\$73,156	\$172,505	\$ 99,349	135.8%

Changes 2017 to 2018



- ▶ Annual insurance premium reduced by \$130,000.00 represents 10% reduction
- ▶ Average cost of claims processing reduced \$200.00 per claim as result of in-house risk management
- ▶ Currently in RFP process- expect greater reductions in all insurance related costs

Mandatory Services



Service	Legislative Authority	Budget
Vehicular Insurance	Compulsory Automobile Insurance Act	\$430,000
FOI Processing	MFIPPA	
By-law Preparation	Municipal Act	

Discretionary Services



Service	Ramification of Decrease	Budget
POA	Function to another party – lost revenue	\$400,000
Purchase, sale & rental City property	Property will stay status quo, no revenue from sale, no growth	\$880,000
Legal advice, representation, preparation of agreements, purchase and sale of land	Exposure to litigation and costs	\$976,000



City of
Sault Ste. Marie

2018 Operating Budget

Fire Services



Vision and Mission

Vision Statement

- Committed to providing effective and efficient emergency services in a caring manner to create a safe community.

Mission Statement

- A proud partner within our community that provides exceptional service through education, prevention, protection and wellness.

Fire Services



Administration

- Fire Chief
- Deputy Fire Chief
- Office Supervisor
- Clerical

Fire Operations

- Platoon Chiefs, Captains & Firefighters
- Communications Operators
- 24/7 Response to Municipality
- Fire Suppression/Tiered Medical Response

Fire Prevention and Public Education

- Deputy Chief , Fire Prevention Officers
- Public Education Officer
- Enforcement of Fire Prevention & Protection Act and the Ontario Fire Code

Fire Services



Support Services

- Assistant Chief
- Mechanical Officer, Mechanics
- Service all apparatus – Fire & EMS
- Logistics and Asset Management

Emergency Management

- Emergency Management Coordinator
- Research & Planning
- Prevention, Preparedness, Response, Recovery
- Develop & Maintain Municipal Emergency Plan

Fire Services



Emergency Medical Service (Ems)

-
- Deputy Chief EMS - Operations
 - Deputy Chief EMS - Quality Assurance & Training
 - Primary Care Paramedics
 - EMS Commanders
 - Work Group Leaders

-City of Sault Ste. Marie is the contract service provider for Land Ambulance Service.

-The EMS is 100% funded through the District of Sault Ste Marie Social Services Administrative Board (DSSMSSAB)

-EMS service level is set by the DSSMSSAB and operated with Certification under the Ambulance Act and the Ministry of Health and Long Term Care (MOHLTC).

- There is no impact on the Fire Service Budget

2018 Fire & Emergency Management Operating Budget Summary



	2017	2018	\$ Change	% Change
Revenue	\$228,550	\$227,217	\$ 1,333	(-0.58%)
Salaries & Benefits	\$12,151,267	\$12,396,183	\$244,916	2.02%
Other Expenses	\$ 1,078,588	\$1,078,588	\$ 0	0%
	\$13,229,855	\$13,474,771	\$244,916	1.85%
Salaries & Benefits compared to Budget	91.8%	91.9%		

Mandatory Services

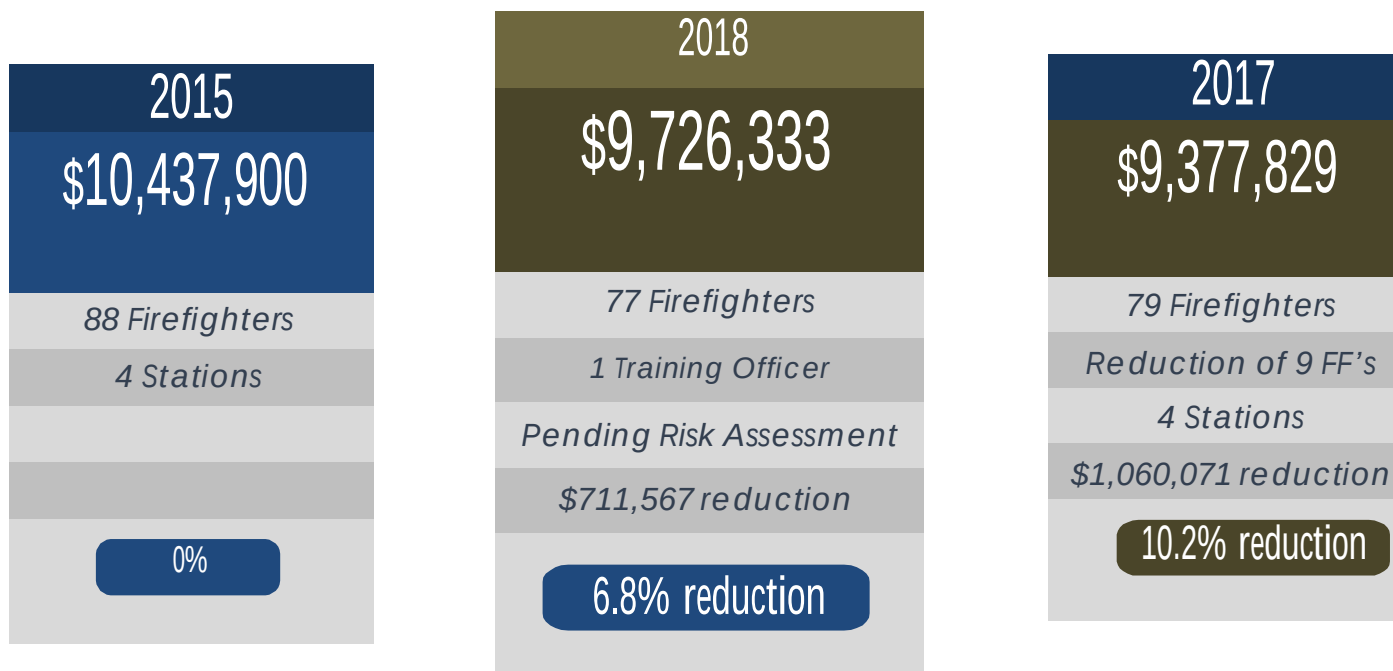


Service	Legislative Authority	Budget (\$13,474,771)
Fire Protection and Prevention (Suppression)	•Fire Protection & Prevention Act •Occupational Health & Safety Act •Ministry of Labour •Emergency Management & Civil Protection Act	\$ 13,474,771



Fire Suppression

Salaries / Benefits / Budget



Fire Prevention & Public Education

Salaries / Benefits / Budget



2017
\$981,345
<i>Deputy Chief</i>
<i>4 Prevention Officers</i>
<i>2 Public Education Officers</i>
<i>1 Clerical</i>
-

2018
\$862,318
<i>Deputy Chief</i>
<i>4 Prevention Officers</i>
<i>1 Public Education Officers</i>
<i>1 Clerical</i>
-12.13% \$119,027



Support Services

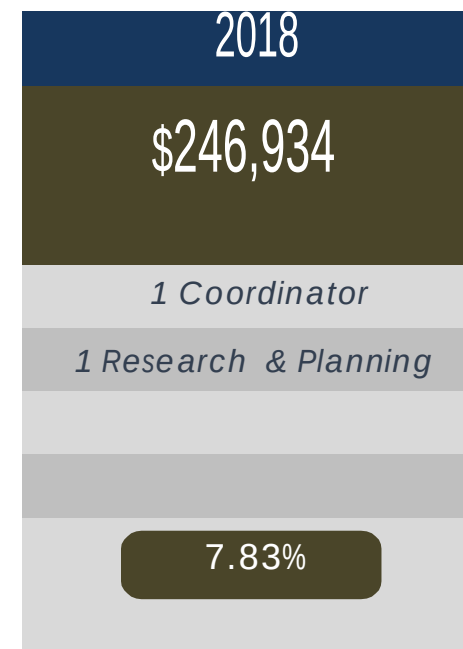
Salaries / Benefits / Budget

2017
\$500,882
Assistant Chief
1 Mechanical Officer
2 Mechanics
-

2018
\$487,896
Assistant Chief
1 Mechanical Officer
2 Mechanics
-2.59%

Emergency Management

Salaries / Benefits / Budget



Changes 2017 to 2018



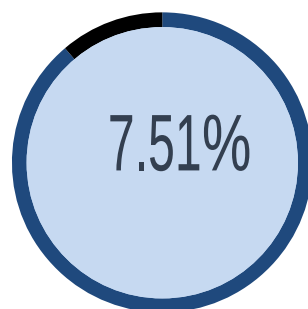
- ▶ 2% Increase to Overtime budget for Fire Suppression.
- ▶ Factors Impacting Overtime Increase: Sick Time, Staff Complement, Vacation Allotment
- ▶ Addition of Training Officer to Fire Operations.
- ▶ Contractual Obligations to Fire Operations to supply safety gear (boots).
- ▶ Salary adjustments for promotions and experience pay.
- ▶ Note- No increase to the 2018 “Operating Budget” remains the same as 2017.



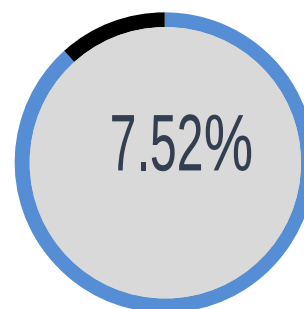
FIRE SERVICES

Global Corporate vs. Fire Services Budget

Fire Services is responsible for the 24 hour a day, 7 days a week emergency response for fire suppression, medical tiered response, auto extrication, alarm response, and public assistance. Emergency Management has the responsibility of the coordination, development and implementation of prevention, mitigation, preparedness, response and recovery strategies to maximize the safety of our residents. Fire Prevention and Public Education follows the Provincial mandate describe as the “ three lines of defense”, Public Education, Fire Safety Standards/Enforcement and Emergency Response. When compared to the global corporate budget for the City of Sault Ste. Marie, Fire Services represents only 7.52% of the entire budget.



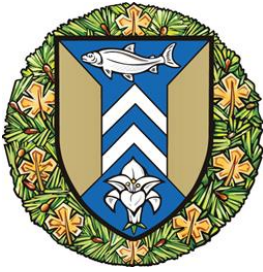
2017



2018

THE CORPORATION OF THE CITY OF SAULT STE MARIE
 Supplementary Items for Council Deliberation and Approval
 2018

DEPARTMENT:	ONE TIME COST	ON-GOING COST	IN-KIND SERVICES
Mayor & Council			
Increase to Council Special Funds for Community Development		5,000	
Federation of Canadian Municipalities membership-reinstate		11,050	
Community Development & Enterprise Services			
Planning: Addition of one junior planner to assist with work load and succession planning		75,000	
Downtown Strategy (resolution November 20, 2017)	150,000		
Public Works & Engineering			
Reinstating Leaf & Yard Waste Collection in July & August (resolution October 23, 2017)		60,000	
Fire Services			
Fire Prevention & Public Education: Social Media/Contest costs to increase followers	3,000		
Outside Agencies			
Art Gallery		70,000	
Sault Ste. Marie Museum		68,909	
Bushplane Museum		65,000	
Sault Ste. Marie Public Library Board-budget amendment requested		100,000	
Financial Assistance Policy for Sustaining and Other Grants (new or additional requests)			
Fringe Festival	25,000		
Women in Crisis			585
Bon Soo (December 4, 2018 Council report)		-	10,000
	178,000	454,959	10,585



The Corporation of the
City of Sault Ste. Marie
COUNCIL REPORT

December 4, 2017

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Al Horsman, CAO

DEPARTMENT: Chief Administrative Officer

RE: Budget 2018 Cost Reductions

PURPOSE

To present further details on 2018 Budget cost saving items for City Departments (only) through mandatory and discretionary net expenditures in the preliminary 2018 Budget as presented to Council for its consideration at its meeting of November 20, 2017.

BACKGROUND

On May 8, 2017 City Council passed the following resolution:

Moved: Councillor M. Shoemaker

Seconded: Councillor R. Niro

Result: Carried

Whereas the community is facing extreme economic anxiety due to non-payment of taxes by the City's largest employer; and

Whereas the community has recently learned that continued non-payment of taxes by our largest employer could result in either a dramatic increase in taxes or significant layoffs; and

Whereas Council will need to avoid measures that would exacerbate the pain the community is already feeling; and

Whereas it is prudent to mitigate some of those measures to the greatest extent possible;

Now Therefore Be It Resolved that the five City departments, being: Public Works and Engineering, Emergency Services, Legal, Corporate Services

and Community Development and Enterprise Services be directed to present to City Council 2018 preliminary budgets with a 0% increase over their 2017 approved budgets, including a list of cost saving options for Council to consider in achieving that 0% budget change; and Further Be It Resolved that each City department provide a further list of cost saving options for Council's consideration to achieve a 1% overall reduction from their respective 2017 approved budgets.

As part of the new budget process, Council deliberated the 2016 Budget over several meetings in early 2016. The 2016 Preliminary Budget was presented to Council at its meeting of February 8, 2016 and identified a 5.23% tax levy increase over 2015 to maintain 2015 services levels in 2016. Subsequent to the preliminary budget presentation, Committee of the Whole met on March 1, 7 and 8, 2016 to consider service level options and other adjustments to reduce the 2016 net tax levy. The final 2016 Budget was considered and approved by Council at its meeting of March 22, 2016 and represented a 2.39% tax levy increase. The reductions applied included 1.40% in City departments to maintain services. The final departmental net expenditures approved in the 2016 Budget amounted to 0.40% over 2015 (excluding Ontario Municipal Partnership Fund or OMPF). See *Appendix A 2016 Final Budget* from the March 22, 2016 Council Report on the Final 2016 Budget.

At its meeting of December 5, 2016 Council approved a 2017 tax levy increase of 4.34% which included an increase of \$0.8 million or 0.73% in departmental net expenditures in 2017 over 2016. The departmental cost savings were achieved through a number of program and service adjustments of \$3.2 million comprised of \$0.8 million in net reductions relating to the 2017 Preliminary Budgets for maintaining services as recommended by staff as well as further adjustments of \$2.4 million directed by Council. As with 2016, the less than 1% final net expenditure 2017 budget for departments of 0.73% was accomplished despite significant cost pressures relating to inflation, negotiated and arbitrated wage and benefit settlements and unanticipated provincial legislation (WSIB increases). See *Appendix B 2017 Final Budget*, *Appendix C 2017 Budget Reductions* and *Appendix D Final Budget Adjustments* approved at the 2017 Budget Meeting held on December 5, 2016.

Notwithstanding the departmental cost saving options provided Council for its consideration during the 2016 and 2017 Budget cycles, continuous improvement and efficiency approaches to delivery of municipal services is ongoing. Examples more recently of formal practices include but are not limited to the Employee Innovation Program, Vacancy Management process, and organizational assessment. Specific to 2017, administration was provided an organizational realignment target of \$0.6 million as part of the 2017 Budget approval. As forecasted in the 2017 Q3 Variance Report, 2017 actual expenditures will be on budget for year end. Less formally, but as important, are regular discussions

within the organization from the front line to the senior management level regarding operations and opportunities for improvement. These have resulted in program realignments, adjusted business practices and other changes (e.g. Insurance deductibles) that resulted in efficiencies and cost savings/avoidance.

At the Council meeting of November 20, 2017 the 2018 Preliminary Budget presented outlined the Mandatory and Discretionary items for Council review. This list identified the discretionary items for 2018 that could be eliminated or adjusted to reduce the 2018 net levy up to 20%. Many of the items have been previously considered but not adjusted by Council in their 2016 and 2017 Budget deliberations. During her presentation, the Chief Financial Officer & Treasurer indicated that Council could consider these programs and activities to reduce departmental net expenditures to 0% or minus 1% over 2017. Concern was raised subsequent to the November 20, 2017 meeting that further information on the items was required to satisfy the May 8, 2017 resolution and provide more detailed options to Council to reduce the recommended 2018 Budget. This report is provided to address this feedback.

ANALYSIS

The May 8, 2017 resolution requests cost savings in 2018 over 2017 that has been assumed to be reductions to previous year's net departmental expenditures (not levy). The preliminary 2018 Budget currently identifies a net levy increase of 2.02%, which is \$34,000 or 0.03% above the amount presented to Council at its meeting of November 20, 2017. City departments represent 1.75% of this as reflecting net expenditure increases of \$1.9 million in 2018 (\$75.2 million) over 2017 (\$73.3 million).

To achieve the identified target of 0% and a further 1%, net departmental expenditure reductions of approximately \$1.9 million and \$3.8 million respectively would be required. The expanded listings provided in this report offer additional details on discretionary items that total \$34.8 million from which Council can choose from should it wish to meet the proposed target identified in the May 8, 2017 motion. Council has also been provided with the reduction lists considered in its meeting of March 7, 2016 and December 5, 2016 respectively that can further assist Council with its deliberations. The majority of these adjustments relate to City Departments only. Outside agencies and boards were not required to undertake this analysis although many did conduct like exercises when developing their 2016, 2017 and (draft) 2018 budgets.

The preliminary 2018 Budget presented to Council at its meeting of November 20, 2017 includes ongoing cost savings and continuous improvement initiatives adopted in previous and current year budgets. It further includes user fee (revenue) increases consistent with those proposed by 3rd party consultants Hemson Consulting Ltd. in its report received by Council at its meeting of July 17, 2017. To effectively adjust net expenditures 3rd party analyses such as that performed on user fees should equally be undertaken for expenditure items.

By adopting past years' net expenditure reductions and with User Fee changes, Council has accepted all expenditures decreases that staff would recommend. If further adjustments are sought, they would impact service levels. City administration does not recommend any reductions to the current recommended net levy for departments (only) of 1.03% (including OMPF and outside agencies). A list was provided to Council at its meeting of November 20, 2017 to outline where cost savings would be possible. This list has been expanded upon in *Appendix E Discretionary Expenditures Expanded* to outline the program and other service impacts that exist to reduce costs through service elimination or adjustments. These are not recommended and have not been provided in any prioritized order. Council can direct staff to take some or all of the items to meet a 1% reduction or beyond in 2018 over 2017.

FINANCIAL IMPLICATIONS

The preliminary 2018 Budget identifies a net levy increase of \$2.202 million or 2.02% over 2017 including all items. Departmental budgets of \$75.2 million are included in this total and would need be reduced by approximately \$1.9 – \$3.8 million to achieve the department target of 0% over 2017 net expenditures and a further 1.0% below 2017 net expenditures, which is not recommended.

STRATEGIC PLAN / POLICY IMPACT

The Budget addresses the Strategic Plan Focus Area; Infrastructure: Asset Management and Maintaining our Existing Infrastructure.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Chief Administrative Officer dated December 4, 2017 regarding Budget 2018 cost reductions, be received as information.

Respectfully submitted,



Al Horsman
Chief Administrative Officer
cao.horsman@cityssm.on.ca

Appendix A - 2016 Operating Budget Levy Impact

	Preliminary Budget	Recommended Options	Revised Budget
City Departments:			
MAINTAINING SERVICES	1.80%	(1.40%)	0.40%
Other budget items not controllable by City Departments			
Decrease in Ontario Municipal Partnership Fund	0.89%		0.89%
Increase in Levy Boards, Local Boards and Outside Agencies	0.54%	0.85%	1.39%
Total before surplus/reserves applied for levy reduction	3.23%	(0.3)%	2.39%
After effect of 2015 levy reduction from surplus/reserves	5.23		

Appendix B - 2017 Operating Budget Levy Impact

	Preliminary Budget	Recommended Options	Revised Budget
City Departments:			
MAINTAINING SERVICES	3.02%	(2.29%)	0.73%
Other budget items not controllable by City Departments			
Decrease in Ontario Municipal Partnership Fund	0.00%		0.00%
Increase in Levy Boards, Local Boards and Outside Agencies	1.37%		1.37%
Total before surplus/reserves applied for levy reduction	4.39%		2.24%
After effect of 2016 levy reduction from surplus/reserves	6.63%		4.34%

APPENDIX C - 2017 BUDGET REDUCTIONS

THE CORPORATION OF THE CITY OF SAULT STE MARIE BUDGET REDUCTIONS

Description	Division	DR / (CR) Amount	
COMMUNITY DEVELOPMENT & ENTERPRISE SERVICES			
Employee complement change	CSD Admin	(129,760)	
Reduction of summer students (3)	Cemetery	(24,060)	
Crematorium Fuel	Cemetery	(15,000)	
Facility Part time reduction 600 hours	Rec & Culture Admin	(11,762)	
Summer Rec Part time reduction		(4,153)	
Summer student reduction in weeks worked		(3,265)	
Security reduction	Roberta Bondar Park	(6,000)	
Contracted Services-events		(1,000)	
Summer student reduction		(2,175)	
Instructor reduction	Seniors Drop In Centre	(4,000)	
Furnishings reduction		(6,000)	
Furnishings reduction	Steelton Seniors Centre	(1,500)	
Part time reduction	Switchboard	(1,630)	
Material reduction	Switchboard	(500)	
Reduction in travel	Planning	(2,500)	
Reduction in planning advisory committee budget	Planning	(500)	
Hockey Hall of Fame	Community Centres	(2,500)	
Maintenance Office Equipment		(1,500)	
Equipment Maintenance		(1,500)	
			(219,305)
PUBLIC WORKS & ENGINEERING SERVICES			
Elimination of Test Lab	Engineering	(88,987)	
Reduction of Operators (2) - Operations	Public Works	(61,835)	
		(72,590)	
Equipment decrease with service reduction	Public Works-Winter	(54,375)	
	Public Works-Waste Mgmt	(20,000)	
			(297,787)
CORPORATE SERVICES			
Reduce Office Services Clerk position to 0.5 FTE	Clerk's - Office Services	(30,110)	
Reduction of summer students	Clerk's (1)	(8,020)	
	HR (1)	(8,020)	
Reduction of printed agendas to 2/meeting	Clerk's	(7,000)	
Decrease Council communication allocation	Clerk's	(3,000)	
Decrease corporate advertising allocation	Clerk's	(5,000)	
	HR	(2,000)	
Decrease quality management allocation	Clerk's	(5,000)	
Decrease office services machine mtce	Clerk's - Office Services	(5,000)	
EAP reduction (based on reduced complement)	HR	(3,800)	
Reduce employee orientation expense	HR	(2,000)	
Reduce leadership performance	HR	(2,450)	
SBCI WSIB Management reduction	HR	(5,000)	
Retiree benefit rationalization	HR	(26,000)	
Reduce IT complement - 1 FTE	Finance	(55,327)	
Finance 0.5 FTE reduction	Finance	(51,205)	
			(218,932)

LEGAL

Decrease summer student (1)	Admin	(8,020)
Expense reduction		(23,980)

FIRE SERVICES

Realignment escalation not recommended at this time		-
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(768,024)

Appendix D - 2017 Final Budget Adjustments

THE CORPORATION OF THE CITY OF SAULT STE MARIE

FINAL BUDGET ADJUSTMENTS

Description	Division	Amount	
PRELIMINARY BUDGET ADJUSTMENTS			
Corporate realignment		(314,015)	
Contingency Estimate		(750,000)	
Increase to MPAC annual fee		20,220	
FINAL BUDGET ADJUSTMENTS			
Corporate realignment	PW & E :	(68,300)	
Close Household Hazardous Waste & Landfill Saturday for winter months		(24,700)	
Permanent removal of fountain in St. Marys River		(23,000)	
Temporaty reduction to Misc Construction		(820,000)	
Reinstitute reduction in Phase 1 to Winter Control		100,000	
			(836,000)
	CD &ES:		
Corporate realignment		(433,745)	(433,745)
	LEGAL		
Corporate realignment		(7,980)	(7,980)
	CAO		
Corporate realignment		(7,980)	(7,980)
	MAYORS OFFICE		
Corporate realignment		(7,980)	(7,980)
	CORPORATE SERVICES		
Corporate realignment		(55,000)	(55,000)
	OUTSIDE AGENCIES		
Supplementary Request-SSM Museum		3,551	
Supplementary Request-Art Gallery		100,000	
Library Budget amended and approved		(100,000)	3,551
		(2,388,929)	

Appendix E - Discretionary Breakdown (Page 1 of 2)
CITY OF SAULT STE MARIE
COMMUNITY SERVICES AND ECONOMIC DEVELOPMENT

Parking:	\$	475,160
Administration	\$	125,335
Meters	\$	110,175
Lots	\$	239,650

Cemetery Operations: \$ 1,072,670

Transit:	\$	9,484,815
Administration	\$	716,749
Parabus	\$	1,489,558
Community bus	\$	159,891
Regular transit and operations	\$	7,118,617

Lock Operations \$ 44,050

Recreation & Culture: General	\$	778,470
Healthy Kids	\$	225,000
Canada Day	\$	20,000
Mayor's Youth Advisory Committee	\$	27,500
Administration	\$	467,395
Miscellaneous Programs	\$	36,110
Parks & Recreation Advisory Committee	\$	2,465

(offset by \$175,000 grant)

Roberta Bondar Park \$ 181,065

Marinas	\$	282,325
Bellevue Marina	\$	161,700
Bondar Marina	\$	120,625

Senior Facilities and Programming	\$	619,275
Seniors Drop In Centre	\$	424,030
Steelton Senior Centre	\$	195,245

Heritage Property and Services (includes Northern Discovery Centre/Ermatinger Old Stone House) \$ 400,550

Accessibility \$ 218,770

Community Centres	\$	6,743,955
John Rhodes Community Centre	\$	2,670,680
McMeeken	\$	284,210
Northern Community Centre	\$	191,860
Essar Centre	\$	2,351,815
Miscellaneous Concessions	\$	145,001
Administration	\$	1,100,389

Outdoor Pools	\$	83,180
Greco Pool	\$	56,216
Manzo Pool	\$	26,964

Community Services Administration \$ 636,375

Community Adjustment Committee \$ 444,655

Appendix E - Discretionary Breakdown (Page 2 of 2)
2018 PARKS BUDGET - PUBLIC WORKS & ENGINEERING SERVICES

OVERHEAD	\$	633,483
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SUMMER	\$	667,635	FOOTBALL, SOCCER, SLOWPITCH, TRACK & FIELD, COMPLEXES, GROUND MAINTENANCE, SKATEBOARD PARK
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GRASS CUTTING	\$	308,499
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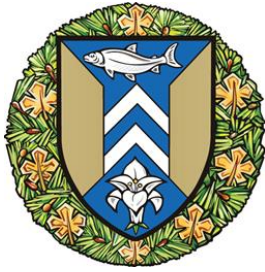
HUBTRAIL	\$	47,896
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PARKS	\$	501,687	PASSIVE PARKS AND PLAYGROUND AND STRUCTURE MAINTENANCE
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FORESTRY/HORTICULTURE	\$	745,481
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WINTER MAINTENANCE	\$	308,719
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TOTAL PARKS BUDGET	\$	3,213,400
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The Corporation of the
City of Sault Ste. Marie
COUNCIL REPORT

December 4, 2017

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Rachel Tyczinski, Deputy City Clerk

DEPARTMENT: Corporate Services

RE: 2018 Corporate Membership Fees

PURPOSE

The purpose of this report is to request approval of 2018 corporate memberships from City Council.

BACKGROUND

The following memberships will be due in 2018:

	2018 Renewal	2017 Fees
Algoma District Municipal Association	*300	300
Algoma Veterinary Committee	*864	864
Association of Municipalities of Ontario	*12,700	12,680
Chamber of Commerce	*406	406
Federation of Northern Ontario Municipalities	*3150	3150
Great Lakes and St. Lawrence Cities Initiative	*5,000	5,000
Ontario Good Roads Association	*2,228	2,228
Ontario Traffic Conference	*630	630
	25,278	25,258

- projected amount – invoice not yet received

ANALYSIS

Council will recall that the City has not renewed its Federation of Canadian Municipalities (FCM) membership since 2014. The 2018 FCM membership fee estimated at \$11,050 has been included as a 2018 supplementary budget item for consideration.

FINANCIAL IMPLICATIONS

The 2018 budget projects corporate memberships at \$25,980.

STRATEGIC PLAN / POLICY IMPACT

This is an operational activity not specifically linked to the corporate Strategic Plan.

RECOMMENDATION

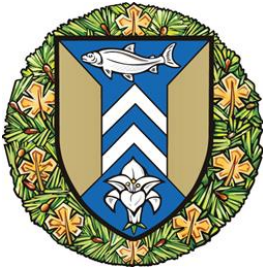
It is therefore recommended that Council take the following action:

Resolved that the report of the Deputy City Clerk dated 2017 12 04 concerning 2018 corporate membership fees be received and that payment of 2018 memberships be approved.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Rachel Tyczinski', followed by a horizontal line.

Rachel Tyczinski
Deputy City Clerk
705.759.5392
r.tyczinski@cityssm.on.ca



The Corporation of the
City of Sault Ste. Marie
COUNCIL REPORT

December 4, 2017

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Freddie Pozzebon Chief Building Official / Property Standards Officer

DEPARTMENT: Community Development and Enterprise Services

RE: By-Law Enforcement Inspector

PURPOSE

The purpose of this report is to provide Council with options to create an additional By-law Enforcement Inspector position for the City, without increasing the full-time-equivalent staff contingent

BACKGROUND

On March 6, 2017 City Council passed the following resolution:

Moved: Councillor M. Shoemaker

Seconded: Councillor M. Bruni

Result: Carried

Whereas there has been concern expressed by Council for a number of years over the limited availability of the requisite by-law enforcement officers in Sault Ste. Marie; and

Whereas many of the issues dealt with on a daily basis by the City and by Council are by-law enforcement issues;

Now Therefore Be It Resolved that staff report to Council on possible options for creating another by-law enforcement officer position for the City of Sault Ste. Marie without increasing the municipal full-time-equivalent staff contingent.

From a historical perspective, the City has approached by-law enforcement through different methods. At one time (prior to 1992) there was a Development

Division with two staff dedicated to property standards. Then these duties were shared amongst building inspectors from the Building Division. In 2008, a dedicated by-law enforcement officer was created.

It is important to note the current turnaround time for follow-up on complaints and the required process to address the complaints. It may be that some of the frustration with timelines is due to the process required to address issues.

- Currently complaints are reviewed the day received for the following day, with 2 day turn around.
- Infraction Letters (Order to Comply) are completed by the office clerk within a day of being received but no later than 3 days
- The Order to Comply is followed up 10 days from the notice sent.
- Failure to comply with an order sets in motion a tendering process to deal with the order and gain compliance; this process requires 14 days.

In most cases, forgoing any problems, staff have managed the 29-day process in 24 days.

An Order to Remedy is a longer process that usually takes about 50 days. The additional time is necessary to allow for appeals and or charges being laid. Please note that that time lines are tied to the legislative requirements necessary to fulfill appropriate requirements under Municipal Property Standards.

Total call out inspections in 2016 was 1163, and to the end of October 2017 there have been 997 inspections. We now have in place a Complaint Tracking System that logs the complaints and subsequent follow-up.

The office is currently working with our Legal Department towards developing set fines and short form wording under the Provincial Offences Act as an additional method of enforcement. The process for a request of set fines will be required through the Ministry of the Attorney General Office and therefore it is anticipated that completion of a bylaw for set fines requiring Council's approval and a submission and review by the Attorney's General office may be enacted by late 2018 or early 2019.

ANALYSIS

Council's resolution requested possible options for creating another by-law enforcement officer position for the City of Sault Ste. Marie without increasing the municipal full-time-equivalent staff contingent.

Option # 1

With this option, Building Inspectors would be scheduled to allocate one day a week to cover calls associated with property standards & by-law enforcement

resulting in 253 days of coverage. This would be in addition to the fulltime efforts of the existing By-law Enforcement Inspector.

- Implementation of this option would require the cost come from the city levy. Please note that the Ontario Building Code infers that permit fees cannot be used to fund activities such as costs associated with by-law or property standards. Permit fees collected can only be used to administer and enforce the requirements of the Ontario Building Code.
- The current By-law Enforcement Inspector is a Job Class JC 10, while the Building Inspectors currently range from JC 12 to JC 17. The indirect cost to cover enforcement would fluctuate in order to cover the cost of this JC range and will reach approximately \$ 95,000.00.
- The time lines that the By-law Enforcement Inspector currently follow would be increased when Building Inspectors are faced with pressing building issues from permit fee users.
- Overlapping inspections between the building inspections staff doing their reviews in their designated wards and Bylaw Enforcement Inspector would prove to be inefficient use of resources and time resulting in scheduling difficulties.
- Adding this additional role to Building Inspectors is not an efficient use of resources considering the municipality invests a cost of \$20,000 for Building Inspectors training and qualifications.
- With more involvement under this option each Building Inspector would require additional training in order to support the more involved issues that they would be faced with when dealing with by-law/ property standards matters.

Option # 2

This option would revert the Building Division operations back to what was described in the history above, with six (6) inspectors doing all the inspections by-law/ property standards and building matters throughout the city.

- The current By-Law Enforcement Inspector job class would need to be increase to at least JC 12.
- Since permit fees could not cover property standards / by-law activities, cost would again be indirect from the municipal levy, in the amount mentioned in option #1.
- Our service level and operations would require re-organization which may be considered as a move backwards, as described prior to 2008. This could potentially have a negative impact to the construction industry.

Given neither of the options above are recommended, a third option exists which would not achieve the goal of the resolution (to add a by-law officer without increasing the municipal full-time-equivalent staff contingent).

Option # 3

This option requires hiring an additional Bylaw / Property Inspector as previously requested in 2016 at an approximate cost of \$ 75,000.00

- Two inspectors would produce quicker results as they would split the city in half based on density.
- The office philosophy could then move towards a proactive approach as opposed to reactive in addressing poorly kept properties and repeat offenders resulting in less incoming calls.
- The Building Division would develop strategies to target problem areas of the city, (such as drainage concerns) assign weekly routes to By-law Inspectors and initiate investigations without the need of an initial complaint.

FINANCIAL IMPLICATIONS

Regardless of the option, it is expected the financial implication to the municipality would be approximately \$75,000 to \$95,000.

STRATEGIC PLAN / POLICY IMPACT

This is an operational matter and not articulated in the corporate strategic plan

RECOMMENDATION

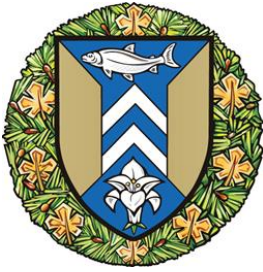
It is therefore recommended that Council take the following action:

Resolved that the report of the Chief Building Official / Property Standards Officer dated 2017 12 04 concerning options for creating another By-law Enforcement Inspector position for the City be received as information

Respectfully submitted,

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

Freddie P. Pozzebon
Chief Building Official / Property
Standards Officer
705.541.7151
f.pozzebon@cityssm.on.ca



**The Corporation of the
City of Sault Ste. Marie**

COUNCIL REPORT

December 4, 2017

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Susan Hamilton Beach, P. Eng. Director of Public Works

DEPARTMENT: Public Works and Engineering Services

RE: Waste and Recycling Collection – Bi-Weekly Consideration

PURPOSE

This report is in response to the Council resolution dated November 6, 2017 which reads:

“Resolved that the report of the Chief Financial Officer and Treasurer, on behalf of the Finance Committee, be received and that the Finance Committee motion requesting appropriate City staff to report back to Council on the provision of current service and alternative service suggestions, including costs and positive and negative factors on the following:

- Garbage collection schedule on statutory holidays, including alternatives and the current cost of overtime, if applicable
- Garbage and recycling collection schedule moving from weekly to biweekly, including the option of bi-weekly collection during the winter months

be approved.”

BACKGROUND

Historically, in the City of Sault Ste. Marie, waste and recycling have been collected weekly, year round. When a statutory holiday occurs, the collection schedule is often disrupted and offset to maintain a fifth collection day in a week. As Council is well aware, City staff are subject to a collective agreement, which outlines remuneration for our workers.

The calendar year includes 12 statutory holidays, and the provision of our waste management services involves anywhere from 9 – 12 staff – depending on if the Household Hazardous Waste Depot is open and if other seasonal services are being offered the week of the holiday. The cost of the associated overtime is approximately \$50,000 annually.

ANALYSIS

It is most critical to understand that the City's Waste Management System should be examined as a whole with three (3) categories of material potentially collected at the curb – waste, recycling and organics. Currently, the City collects waste and recycling weekly with potential future regulation requiring the collection of organic waste.

It is anticipated early in 2018, staff will be presenting a waste collection request for proposal ('RFP') for Council's approval and it is the intention to request proposals for automated collection and cart service for those building currently serviced by curbside collection. It is expected that this change in service provision will allow for schedule modifications (ie. potential four (4) day schedule, involving ten (10) hour shifts). If this is approved, weeks involving one (1) statutory holiday will no longer be an issue, as the remaining four (4) days will be utilized. Savings are therefore anticipated with this potential change, although, capital investment (ie. carts and collection trucks with arms) will be required to implement this service.

In order to address the option of bi-weekly collection service, the challenges were contemplated with many issues raised by concerned members of the public that are not in support of this consideration. Appendix A of this report includes a list of those challenges with several critical points listed here:

- Space is a concern for single family, multi-family residential and the downtown business properties;
- If a resident is on vacation on collection day, waste may not be collected for one month;
- Rats, vermin, seagulls may be an increased issue;
- Bags may be heavier, with manual collection – potential for greater number of worker injuries;
- Recycling contract is set up on a per tonne fee basis – Stewardship Ontario (Provincial funding) bases their funding on greater volumes and there is potential to have reduced funding if bi-weekly recycling program is implemented;
- Excess waste – not able to be managed bi-weekly – may end up in the recycling carts. The City would then be paying recycling rates for waste; and
- Processing plant and collection vehicle issues are possible with greater daily volumes being collected.

The full list of challenges in Appendix A should all be considered. From a cost perspective, there are no immediate savings that can be estimated with opting for a bi-weekly waste and recycling collection. It is expected that with the current waste collection vehicles, and the same volume of waste being generated at each household – staff will be at each stop for a longer period of time and the equipment will be handling twice as much waste each week. Bag limits would

need to be examined with a two (2) bag bi-weekly limit considered. Municipalities that have implemented bi-weekly service are generally also providing an organics collection service. If the organics or food scraps were eliminated from the garbage many of the challenges presented could be addressed. An estimate has been prepared to provide an organics program to the City of Sault Ste. Marie and it has been proven to be too costly to implement. However, the province is currently working to address organics waste and we may be regulated to implement an organics collection and processing program. Preliminary indication is that this may be required within a five (5) year timeframe.

Recycling collection would also not result in any savings to the municipality. Our City's recycling contract is based on a per tonne rate. The province mandates diversion for a municipality of our size and our funding level is based on the volume of recyclables collected and the implementation of best practices which includes **weekly** collection of recyclables. We also receive a 50/50 share of revenue from the sale of the recyclable materials at market from our contractor. Studies have shown that bi-weekly collection of recyclables reduces the volume collected which is contrary to the direction of the province and may have implications to the City when seeking future approvals for our landfill expansion.

FINANCIAL IMPLICATIONS

Although there will be anticipated savings related to overtime if a four (4) day week is implemented the proposal call will result in anticipated increase in overall contract collection costs as well as require modifications or new purchases of City equipment in order to provide automated collection. The full assessment – advantages and disadvantages of an automated program will be presented to Council, as stated earlier in this report, in the new year.

Currently, with manual collection and a two (2) container limit, there are no identified savings to present in relation to waste and recycling collection. Also, to note are the potential funding implications to the recycling program should bi-weekly be considered.

STRATEGIC PLAN / POLICY IMPACT

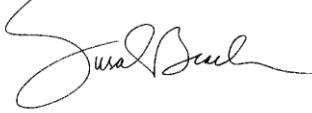
This is an operational issue that relates to the category of Service Delivery within the Corporate Strategic Plan.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Director of Public Works dated 2017 12 04 be received as information.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Susan Hamilton Beach". The signature is fluid and cursive, with the first name "Susan" being more prominent.

Susan Hamilton Beach, P. Eng.

Director, Public Works

705.759.5207

s.hamiltonbeach@cityssm.on.ca

Challenges

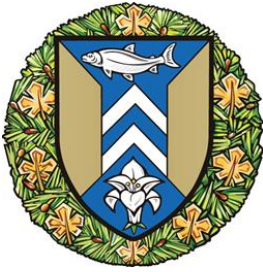
Waste

- Increase in rodents and vermin – rats, mice, raccoons and other animals;
- Increase in odour complaints and property management issues;
- Diapers and organics an issue
- Storage for properties with no garages an issue
- Residents will generate same amount of waste – bags will now be heavier and greater in number - currently manually collected;
- Potential increase in collection worker injuries;
- If garbage collection day is missed (this occurs regularly) – resident will now have 1 month of waste to manage;
- Increase in administration issues – approximately 600 complaints managed annually (oversized bags, missed pick-ups, too many bags at the curb, etc.)
- No real savings as part of the City would be collected each day – collectors would be faced with more waste at each stop, heavier bags, etc.
- Potential increase in amount of equipment required – double the amount of waste collected each day – more trips to the landfill for disposal.
- Multi-family collection at curb (5 units or less) is included as a City service. Multi-family sites would require double storage capacity or require contractor service;
- Downtown business area will have difficulties and limitations storing waste for 2 weeks; and
- Snow removal may be impacted by refuse on top of or buried in snow banks.

Recycling

- Recycling carts may not be large enough to handle 2 weeks worth of material for some residents;
- Recycling collection vehicles currently working 8 – 9 hour days – may require additional equipment operating longer hours
- Potential for increased contamination in the carts as people will use these as an option for handling their garbage;
- MOECC approvals of Material Recovery Facility (GFL) are based on current operation with storage limits and volumes specified – all would need to be addressed;
- Outbound material schedules would be impacted as GFL plant has storage limits;

- If recycling volumes increase substantially (waste collected in carts) – as our contract is based on a per tonne rate – our recycling costs may in fact INCREASE not result in savings and we may be paying for waste not recycling;
- Stewardship Ontario does not support a bi-weekly recycling program and this negatively impacts funding of the program
- Studies have shown bi-weekly collection negatively impacts recycling as once cart is full – remaining recyclable material ends up in waste.
- Currently, pick-up rate is at the determination of the resident – the cart may be placed out bi-weekly, once monthly etc. – again, we pay by the tonne not the number of stops; and
- Multi-family buildings would have storage issues for 2 weeks of recycling product.



**The Corporation of the
City of Sault Ste. Marie**

COUNCIL REPORT

December 4, 2017

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Virginia McLeod, Manager of Recreation and Culture

DEPARTMENT: Community Development and Enterprise Services

RE: Bon Soo Winter Carnival In-Kind Services Request

PURPOSE

The purpose of this report is to seek Council's approval to provide additional in-kind services to support the 2018 Bon Soo Winter Carnival.

BACKGROUND

The Bon Soo Winter Carnival is incorporated and governed by a Board of Directors. The carnival provides over 50 activities for guests of all ages and interests. The primary purpose was to add excitement to the long winter season. Early organizers also recognized this great opportunity to boost tourism and business during the historically slower first quarter of the year. Many events can be attended with the \$7.00 Bon Soo Souvenir Button. Community Events remain a vital part of Bon Soo, including several planned for 2018. The overall attendance of the 10 day event is estimated at over 75,000 which include many repeat guests attending more than one event.

The City of Sault Ste Marie has provided service in-kind to support the carnival based on that year's events, activities and home base location. In-kind services that the City of Sault Ste. Marie provides includes; use of equipment, staff assistance to deliver equipment and materials to service the carnival site and site preparation at Bellevue Park for the polar bear swim. This support enables Bon Soo to provide the 10 days of activities to residents and visitors in Sault Ste. Marie at a reasonable cost. If Bon Soo was required to pay for these services it would put an incredible strain on their operating costs, and render many of their activities financially prohibitive.

ANALYSIS

The Corporation of the City of Sault Ste. Marie has provided service in-kind support Bon Soo Winter Carnival since its inception in 1964. The success of Bon

Soo is dependent upon two major factors; sponsorship and weather. Financial restraints have caused the carnival office to adjust overhead costs and events to work within these limitations as they plan carnival 2018.

Bon Soo Winter Carnival submitted an application for Financial Assistance. City staff met with Bon Soo representatives to clarify the 2018 application.

Bon Soo has experienced a transition and change of programming over the last several years. This has resulted in a need to adjust the municipal support of services in-kind. In addition to traditional service in-kind support provided by the City of Sault Ste. Marie, Bon Soo requires the following assistance;

1. Supply and pile the snow at the Machine Shop parking lot from which the Bum Slides will be designed and created by Bon Soo.
2. Assist with the installation of the prefabricated stairs for the bum slides.
3. Remove the snow pile once the event is completed.
4. The sign shop will assist with updating signs for Bon Soo as time allows.
5. Assist with printing of event posters and fliers.

The bum slides are the most popular event draw offering ten days of outdoor winter activities to all who visit. The decrease in volunteer labour force and financial cost for equipment, labour and material for the construction of the bum slides has created a challenge for Carnival 2018. It is evident through attendance and usage that the bum slides are a highlight of the carnival and would be missed by the community should this feature not be offered.

FINANCIAL IMPLICATIONS

Through the City of Sault Ste. Marie Parks Division in-kind support over the years has ranged from \$20,000 to \$35,000 annually based on events and programs the carnival was hosting. These expenses were absorbed within the Public Works and Engineering Services existing budgets. In 2017 the approximate value of in-kind services was \$20,000. In addition to the services provided in 2017 the request for additional services in 2018 would add approximately \$10,000 for a total request of \$30,000. The additional amount can be accommodated within the departments operating budgets.

STRATEGIC PLAN / POLICY IMPACT

Focus Area: Quality of Life – Promote and Support Arts and Culture.

RECOMMENDATION

It is therefore recommended that Council take the following action:

“Resolved that the report of the Manager of Recreation and Culture dated December 4, 2017 concerning the Bon Soo Winter Carnival Request for In-Kind Services be received and that the recommendation to provide the additional services as outlined for the 2018 Winter Carnival be received.”

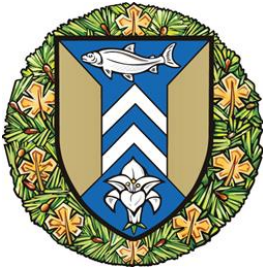
Respectfully submitted,

Virginia McLeod

Manager of Recreation and Culture

705.759-5311

v.mcleod@cityssm.on.ca



**The Corporation of the
City of Sault Ste. Marie**

COUNCIL REPORT

December 4, 2017

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Shelley J Schell, CPA, CA Chief Financial Officer & Treasurer

DEPARTMENT: Corporate Services

RE: Ontario Regulation 284/09

PURPOSE

This report is presented in accordance with Ontario Regulation 284/09. Staff is seeking Council approval of the report as required by the Regulation.

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 \$17.5 million. Asset additions, which would increase accumulated net revenue, are estimated at \$52.2 million.
- 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 approximately \$12.0 million for these expenses.
- 3) Post employment benefits are based upon an actuarial valuation. The City budget for the current year actual cost in the operating budget. These costs will fluctuate based upon the average age of city workers.

FINANCIAL IMPLICATIONS

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 / POLICY IMPACT

This is an operational matter not articulated in the Strategic Plan.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Chief Financial Officer and Treasurer, dated December 4, 2018, concerning Ontario Regulation 284/09 be approved for the budget year 2018.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read 'Shelley Schell', written in dark ink.

Shelley J. Schell, CPA, CA
Chief Financial Officer & Treasurer

attachment

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Ontario Regulation 284/09: Budget Restatement
Year ended December 31, 2018

	<u>\$(000)</u>
Capital Assets and Amortization:	
Estimated Acquisition of Tangible Capital Assets Net of Dispositions	52,178
Amortization estimate for 2018	<u>\$ (17,475)</u>
Increase to 2018 accumulated net revenue	<u>34,703</u>
Landfill Closure/Post Closure Expenses:	
Increase to Landfill Closure Liability	\$ (967)
Reserve transfer included in budget	<u>392</u>
Increase to 2018 accumulated net revenue	<u>(575)</u>
Post Employment Benefits Expense:	
Increase to 2018 accumulated net revenue	<u>1,757</u>
Debenture Principle Repayments	(1,437)
Net Reserve/Capital Fund Transfers	1,031
Total increase/(decrease) to accumulated net revenue	<u><u>35,479</u></u>