

BUDGET MEETING OF CITY COUNCIL AGENDA

Tuesday, March 8, 2016

4:30 p.m.

Council Chambers

Civic Centre

Pages

1. APPROVE AGENDA AS PRESENTED

Mover Councillor J. Hupponen

Seconder Councillor R. Niro

Resolved that the Agenda for 2016 03 08 Budget Meeting as presented be approved.

2. CURRENT BUDGET

2.1 Levy Impact Update

4 - 4

2.2 Additional Service Options – 2016 Budget

5 - 7

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

Mover Councillor M. Shoemaker

Seconder Councillor R. Niro

Resolved that the report of the Commissioner of Finance and Treasurer dated 2016 03 08 concerning additional service options in the amount of \$1,045,925 be approved.

2.3 2016 Applications for Financial Assistance through the City's Financial Assistance Policy for Sustaining and Other Grants

8 - 10

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

consideration of Council.

Mover Councillor J. Hupponen

Seconder Councillor L. Turco

Resolved that the report of the Manager of Audits and Capital Planning dated 2016 03 08 concerning 2016 applications for financial assistance through the City's Financial Assistance Policy for Sustaining and Other Grants be received and the recommendations on the supporting attachment be approved.

Mover Councillor M. Shoemaker

Seconder Councillor R. Niro

Resolved that City Council now proceed into the Committee of the Whole to consider the following matter referred to it for consideration – 2016 Budget Deliberations.

2.4 Correspondence 11 - 25

Comparative Taxation and Tax Competitiveness document authored by Mike Ward, Communication and Policy Advisor, Office of the Mayor

2.5 Preliminary Budget – Outside Agencies and Grants to Others 26 - 26

2.6 Library 27 - 44

2.7 Police 45 - 53

2.8 Art Gallery of Algoma

Jasmina Jovanovic, Director and Mark Lepore, President, Art Gallery of Algoma Board will be present to answer questions.

2.9 Sault Ste. Marie Museum

Les Weeks, Past President, and Ric Datson, Assistant Curator, Sault Ste. Marie Museum will be present to answer questions.

2.1 Canadian Bushplane Heritage Centre 54 - 61

Michael Delfre, Executive Director, Canadian Bushplane Heritage Centre will be present to answer questions.

2.1 Sault Ste. Marie Safe Communities Partnership

Cathy Denommee, President; Kristy Harper, Vice President; Don Swystun,

Treasurer; and Deanna Rector, Co-ordinator, Sault Ste. Marie Safe Communities will be present to answer questions.

3. RISE AND REPORT

Mover Councillor M. Shoemaker
Seconder Councillor L. Turco

Resolved that the Committee of the Whole Council now rise and report on the matter referred to it by City Council – 2016 Budget Deliberations.

Mover Councillor M. Shoemaker
Seconder Councillor L. Turco

Resolved that the Committee of the Whole Council recommend approval of the Library, Police, Art Gallery of Algoma, Sault Ste. Marie Museum, Canadian Bushplane Heritage Centre and agencies requesting grants budgets to the final budget deliberation meeting.

4. ADJOURNMENT

Mover Councillor M. Shoemaker
Seconder Councillor R. Niro

Resolved that this Council shall now adjourn.

2016 OPERATING BUDGET LEVY IMPACT

	Preliminary Budget	Recommended Options	Revised Budget
City Departments:			
MAINTAINING SERVICES	1.80%	(1.29%)	0.51%
Other budget items not controllable by City Departments			
Decrease in Ontario Municipal Partnership Fund	0.89%		0.89%
Increase in Levy and Outside Boards and Agencies	0.54%		0.54%
Total before surplus/reserves applied for levy reduction	3.23%		1.93%
After effect of 2015 levy reduction from surplus/reserves	5.23		3.94%



COUNCIL REPORT

March 8, 2016

TO: Mayor Christian Provenzano and Members of City Council

AUTHOR: Shelley J. Schell, CPA, CA Commissioner of Finance & Treasurer

DEPARTMENT: Finance Department

RE: Additional Service Options – 2016 Budget

PURPOSE

This report is to present to Council additional recommended service options. Staff is seeking Council approval of the service options.

BACKGROUND

The 2016 Preliminary Budget was presented maintaining service levels at the same level as that of 2015, resulting in a levy increase of 5.23%. As part of budget deliberations, staff recommended various service level options, which if all approved by Council, will bring the levy increase down to 4.51%. Additional service options are being presented which will provide a further decrease to the levy resulting in revised levy increase of 3.94%. Note that the Sault Ste. Marie District Social Services Administration Board (DSSAB) levy has not been received and any change over the 2015 levy is not reflected.

ANALYSIS

The original service level options presented by staff included a \$500,000 decrease to the Capital from Current annual allocation for 2016. Staff is recommending that starting in 2017, this amount be increased by \$175,000 each year until the annual budget of \$1.1 million is re-instated.

Additional service level options totalling \$545,925 are being recommended as per the summary included in Appendix A.

IMPACT

If Council approves all the staff recommendations presented previously along with the additional \$545,925 included in this report, the resulting levy increase will be 3.94%.

STRATEGIC PLAN

Not applicable.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Commissioner of Finance & Treasurer dated March 8, 2016 recommending additional service options in the amount of \$1,045,925 be approved.

Respectfully submitted,

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

Shelley J. Schell, CPA, CA
Commissioner of Finance & Treasurer

THE CITY OF SAULT STE. MARIE
2016 OPERATING BUDGET
SERVICE OPTIONS

OPTION DESCRIPTION	2016 OPERATING BUDGET MAY 1-DECEMBER 31 (67%)	2017 OPERATING BUDGET FULL YEAR ADD'L (33%)
RECOMMENDED Temporary reduction of the annual capital from current allocation from \$1.1 million to \$600,000. Increase \$175,000 per year starting in 2017 to re-establish *Note: already included in original staff service level recommendations	Savings: \$500,000	Increase \$175,000
RECOMMENDED Daycare complement change from supervisor position to lead daycare teacher	Savings: \$107,775	
RECOMMENDED Reduction to PWT Equipment Reserve annual allocation	Savings: \$200,000	
RECOMMENDED Reduction to Engineering Equipment Reserve annual allocation	Savings: \$35,650	
RECOMMENDED Reduction to EDF Fund annual allocation based upon historical annual utilization	Savings: \$150,000	
RECOMMENDED Reduction to Unforeseen account	Savings: \$50,000	
RECOMMENDED Reduction to CAO budget for Community Projects	Savings: \$2,500	
Total	LEVY DECREASE \$1,045,925	Levy Increase \$175,000



COUNCIL REPORT

March 7, 2016

TO: Mayor Christian Provenzano and Members of City Council

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

DEPARTMENT: Finance Department

RE: 2016 Applications for Financial Assistance through the City's Financial Assistance Policy for Sustaining and Other Grants

PURPOSE

Applications for Financial Assistance for Sustaining and Other Grants for 2016 have been received and reviewed by the Finance Department. Staff is seeking Council approval of the recommended applications that meet criteria.

BACKGROUND

Each year, the Finance Department receives requests for Financial Assistance through the City's Financial Assistance Policy for Sustaining and Other Grants. The requests can be for monetary contributions and/or in-kind services. The Finance Department has reviewed the requests to ensure that all financial information is complete, that the eligibility criteria is met, and the assessment criteria has been applied in accordance with the Financial Assistance Policy for Sustaining and Other Grants.

The attachment provides a summary of applications received on time and the Finance Department's recommendations.

ANALYSIS

Those applications that do not meet the eligibility criteria of the Financial Assistance Policy for Sustaining and Other Grants yet have been provided assistance from Council in the past through this policy, will be grandfathered in as per direction of previous Council.

Those new applications that do not meet the eligibility criteria of the Financial Assistance Policy for Sustaining and Other Grants will be recommended to Council that they be denied.

In 2015 Council approved one-time funding for Crime Stoppers, outside of the Financial Assistance Policy. An application from Crime Stoppers was received in 2016 under the Financial Assistance Policy and was deemed to meet the eligibility criteria. The request is to provide funding for tips/rewards. It is deemed that the provision of tips/rewards would provide an economic benefit to the City by helping to reduce policing costs. The total budgeted tips/rewards cost for 2016 is \$25,000. Staff is recommending providing financial assistance up to \$25,000, to be used specifically for tips/rewards. The funds will be forwarded to Crime Stoppers upon proof of payment of the tips/rewards.

IMPACT

Not applicable.

STRATEGIC PLAN

Not applicable.

RECOMMENDATION

It is therefore recommended that Council take the following action:

That the report of the Manager of Audits and Capital Planning concerning 2016 applications for financial assistance through the City's Financial Assistance Policy for Sustaining and Other Grants be received and the recommendations on the supporting attachment be approved.

Respectfully submitted,



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

JB/kl

attachment

Event:	2015 Amount Received	Event or Grant	Summary	Request	Meets Eligibility Criteria?	Finance Dept. Recommendation	
PRIOR GRANTS							
Rotary Club of Sault Ste. Marie:							
1) Rotaryfest	\$ 31,614	In-Kind	Event	In kind services to present the Sault Summer Festival in July 2016.	In kind	No	Approve--- Grandfathered In
2) Santa Claus Parade	\$ 5,403	In-Kind	Event	In kind services to present the Sault Rotary Santa Claus Parade 2016.	In kind	No	Approve--- Grandfathered In
Canadian Cancer Society Relay for Life	\$ 4,589	In-Kind	Event	In kind request for Relay for life to honour cancer survivors	In kind	No	Approve--- Grandfathered In
Bon Soo Winter Carnival Inc.	\$ 17,846	In-Kind	Event	This year Bon Soo is requesting In-Kind and \$20,000 cash. With the loss of their main source of revenue they have begun to have trouble covering costs. This is a one time request to be used to help stabilize.	In Kind and \$20,000	Yes	Approve In-Kind Services; Council to decide on \$20,000 grant request. ***Note that \$20,000 Grant Request is for the 2016 event that recently took place. It is anticipated that budget deliberations will be held earlier next year and thus any future similar requests for Bon Soo will be dealt with prior to the event occurring.
Algoma University	\$ 40,000	\$	Grant	Annual grant of \$40,000 grandfathered in	\$40,000	No	Approve--- Grandfathered In
Safe Communities Partnership SSM	\$ 40,000	\$	Grant	Since 1999 the city has provided \$40,000. Specifically this money will be used to cover the shortfall between projected revenue and projected expenses	\$40,000	No	Approve--- Grandfathered In
Crime Stoppers	\$ 27,895	\$	Grant	To assist with reducing the cost of policing for SSM. Requesting \$27,895 for 2016. (Per Capita share of costs)	\$27,895	Yes	The request is to provide funding for tips/rewards. It is deemed that the provision of tips/rewards would provide an economic benefit to the City by helping to reduce policing costs. The total budgeted tips/rewards for 2016 are \$25,000. City Staff recommends providing up to \$25,000 in financial support to Crime Stoppers for 2016.
NEW REQUESTS 2016							
Heart & Stroke Foundation	N/A	N/A	Event	First time event for local youth to promote Health. Will also raise funds for local Heart and Stroke. Requesting free use of NCC turf valued at \$508.50.	In kind/ valued at \$508.50	No	Application does not meet the eligibility criteria. Application is for a fundraising event.
Kilometers for Kenya	N/A	N/A	Event	Request for In-kind services valued at \$200 to wave the rental fee of the Roberta Bondar Pavilion	In kind / valued at \$200	No	Eligibility criteria not met, application missing key components
Sault College	N/A	N/A	Event	Request for \$5,000 and in-kind to host the Canadian Collegiate Athletics Association National Cross Country Championships November 12, 2016	In kind (transit free use) and \$5,000	No	Referred to be considered for the Conference and Special Events Fund

March 2nd, 2016

MEMORANDUM

To: Mayor Provenzano

Re: Comparative Taxation and Tax Competitiveness of Sault Ste. Marie

EXECUTIVE SUMMARY

Mayor Provenzano, as you have requested, heretofore is my analysis of Sault Ste. Marie's municipal taxation situation and its relative competitiveness. My chief conclusions can be summarized as follows:

Across most major property types, Sault Ste. Marie's municipal taxes are competitive as compared to other Northern Ontario cities, peer cities and Ontario averages. However, some commercial and industrial property types face a higher tax burden in Sault Ste. Marie compared to elsewhere. There is also evidence of a developing imbalance between taxes levied on residential and non-residential classes.

Other key findings are as follows:

- Sault Ste. Marie trends below provincial averages in 8 of 12 property categories, according to the BMA 2015 Study's section on comparative taxation.
- Sault Ste. Marie has the lowest taxes paid for 7 of 12 property types amongst the five major Northern Ontario urban centres (Greater Sudbury, Thunder Bay, Sault Ste. Marie, North Bay and Timmins).
- Across the 12 types, BMA assesses Sault Ste. Marie as having a low tax burden in seven types, a mid-range burden in one, and a high burden in the remaining four.
- Sault Ste. Marie's tax treatment of multi-residential properties is highly-equitable and compares favourably against most other Ontario municipalities.
- Sault Ste. Marie has among the highest tax ratios for commercial and industrial property classes of any municipality in the province. Continued increases in these ratios suggest that commercial and industrial properties are absorbing a growing share of overall increases in the tax burden.

I will provide background as to how I approached these questions, followed by an overview of Sault Ste. Marie's tax competitiveness against several comparison groups.

I will then discuss additional specifics about municipal taxation across several major property types—residential, multi-residential, and commercial and industrial—with particular emphasis placed on the commercial and industrial classes.

BACKGROUND AND METHODS

Ontario has evolved an extremely complex system of property taxation. As such, attempting to compare municipal taxation between Ontario municipalities is an inherently complicated task. Even trained economists concede that is difficult to make definitive conclusions and they caution that, “No one measure will capture everything.”

In the course of my inquiries, I have been fortunate enough to receive some guidance from several experts in municipal finance and Ontario’s property tax system. I acknowledge the help of Professor Livio Di Matteo (Lakehead University) and Dr. Enid Slack (Munk School of Global Affairs – University of Toronto) for taking time to consider my questions and providing me with their insights.

Information Sources and Metrics Examined

I will compare Sault Ste. Marie’s municipal taxes against Northern Ontario, peer city and provincial averages. I have relied upon the 2015 BMA Comparative Municipal Study (“BMA Study” hereafter) as my principal data source. The 2015 BMA Study had 104 participating municipalities, including all of the major urban centres in Northern Ontario and many large single-tier municipalities. The BMA Study provides a solid representative cross-section of Ontario municipalities by both population and geographic distribution.

The BMA Study compares municipal taxation across 12 representative property types—three residential, two multi-residential, four commercial, and three industrial. The characteristics used by BMA to define each property type are described in **Appendix A**.

The BMA Study also provides information on tax rates and tax ratios (for property classes other than residential) from participating municipalities. As people and businesses ultimately are responsible for paying taxes, I have put most of the focus on tax amounts paid for typical properties. For property classes other than residential, I have also examined Sault Ste. Marie’s tax ratios, as the ratios are indicative of how the tax burden is being distributed amongst the classes. I have also tried to consider how Sault Ste. Marie’s municipal taxes compare in light of prevailing socio-economic conditions in the community.

Tax rates as a comparative measure

Under Ontario’s present Current Value Assessment (CVA) system, tax rates alone are of limited use as a comparative measure between municipalities. Tax rates have to be understood within the context of the relative differences in assessment values between municipalities and also the changes in assessment values over time within a municipality.

In absolute terms, the effective taxation rate (combined municipal and educational rates) has declined for many classes in Sault Ste. Marie over the last seven or eight years—in some cases relatively substantially. However, as many properties have also increased in value over that span, the amount of tax levied for many ratepayers will have either increased or at least remained relatively constant.

That being said, changes to tax rates can provide a useful picture of the trend over time and a way to gauge for possible shifts within a municipality's assessment base. **Appendix B** examines the change in Sault Ste. Marie's tax rates between the 2008 to 2015 tax years. You will note that there is a marked disparity in tax rate changes between the residential and non-residential classes in that time. I would suggest that this is consistent with the finding that the residential base has been growing while the commercial and industrial assessment bases have been stagnant or even declining in recent years. The use of a revenue neutral approach to tax ratios (explained further on) is pushing a larger share of annual tax increases on to these slow-growing and shrinking classes.

Property classes omitted from this analysis

I have deliberately left aside several classes of property when preparing this analysis. These include parking lots, farmlands, pipelines, and managed forests. With the exception of parking lots, the property tax treatment of these classes is heavily determined by provincial regulations. Combined, these classes represented less than 0.7% of the 2015 municipal tax levy, the majority of that coming from pipelines.

COMPARATIVE OVERVIEW

For some it may seem surprising, but the data shows that the property tax burden for many typical properties in Sault Ste. Marie is hardly extraordinary—and is in some cases low relative to other municipalities. However, there is also a degree of bifurcation evident as most property types tend to either trend low or high.

Drawing on the BMA Study, I have developed four sets of comparators against which to compare Sault Ste. Marie's municipal taxes. These are:

- The five major Northern Ontario Cities;
- Averages from all Northern Ontario municipalities that participated in the study;
- Averages from peer municipalities – as defined by BMA, these are municipalities with a population range of 30,000 to 99,999 and,
- Ontario-wide averages

Comparison to Major Northern Ontario Cities

I will begin with the five major Northern Ontario cities, as the other four cities in the group are among Sault Ste. Marie closest comparators. The chart in Figure 1 shows taxes paid for the twelve property types. The lowest amount for each category is highlighted in **bold** typeface.

Figure 1 – Comparison of Municipal Taxes Paid in Major Northern Ontario Cities

Property Type	SSM	SUD	NBAY	THU	TIM	Average
Detached Bungalow	\$2,789	\$2,934	\$3,586	\$3,530	\$3,586	\$3,285
Two-Storey Home	\$4,801	\$4,825	\$4,804	\$5,604	\$6,142	\$5,235
Senior Executive Home	\$4,854	\$5,816	\$5,294	\$7,595	\$9,001	\$6,512
Multi-Res: Walk Up Apartment	\$926	\$1,391	\$1,510	\$1,872	\$1,329	\$1,406
Multi-Res: High-Rise Apartment	\$1,091	\$1,611	\$1,586	\$2,321	\$1,257	\$1,573
Office Buildings	\$2.47*	\$3.24*	\$2.49*	\$4.56*	\$1.89*	\$2.93*
Neighbourhood Shopping	\$4.01*	\$4.06*	\$3.02*	\$4.65*	\$2.20*	\$3.59*
Hotels (Per Suite)	\$1,728	\$1,903	\$1,717	\$1,912	\$1,549	\$1,762
Motels (Per Suite)	\$890	\$1,590	\$1,162	\$1,201	\$1,947	\$1,358
Standard Industrial	\$1.92*	\$2.49*	\$1.01*	\$1.90*	\$1.95*	\$1.85*
Large Industrial	\$0.87*	\$2.04*	\$0.45*	\$1.59*	N/A	\$1.24*
Vacant Industrial Land	\$1,550‡	\$2,267‡	\$1,625‡	\$3,478‡	\$1,624‡	\$2,109‡

*Per square foot

‡Per acre

- For the five major urban Northern Ontario urban centres, Sault Ste. Marie is ranked the lowest for taxes paid in seven of the 12 property categories considered by the BMA Study.
- Sault Ste. Marie is below the group average in 10 of 12 categories.
- Sault Ste. Marie trends high for Neighbourhood Shopping and Standard Industrial properties amongst this group.
- On a comparative basis, North Bay and Sault Ste. Marie are in some ways inversions of each other, with Sault Ste. Marie having lower residential taxes and North Bay lower commercial and industrial taxes.

Comparison to all participating Northern Ontario municipalities

The 2015 BMA Study also includes participation from a number of smaller Northern Ontario municipalities, such as Kenora, Parry Sound, Greenstone and several others.

Figure 2—Northern Ontario-wide comparison of taxes paid, ranks and average differentials

Property Type	Taxes Paid SSM	Rank/Total	Group Average	% Differential from Avg.
Detached Bungalow	\$2,789	5/10	\$2,772	+0.61%
Two-Storey Home	\$4,801	3/8	\$4,760	+0.86%
Senior Executive Home	\$4,854	1/6	\$6,556	-25.96%
Multi-Res: Walk Up Apartment	\$926	4/9	\$1,214	-23.72%
Multi-Res: High-Rise Apartment	\$1,091	1/5	\$1,573	-30.64%
Office Buildings	\$2.47	4/9	\$2.65	-7.23%
Neighbourhood Shopping	\$4.01	7/9	\$2.91	+40.15%
Hotels	\$1,728	5/7	\$1,655	+4.25%
Motels	\$890	2/9	\$1,214	-27.88%
Standard Industrial	\$1.92	7/9	\$1.70	+12.94%
Large Industrial	\$0.87	2/4	\$1.24	-29.84%
Vacant Industrial Land	\$1,550	2/8	\$1,898	-18.34%

Comparison to Peer Municipalities (Population 30,000 – 99,999)

Figure 3—Peer City Comparison of Taxes Paid, Ranks, and Average Differentials

Property Type	Taxes Paid SSM	Rank/Total	Group Average	% Differential from Avg.
Detached Bungalow	\$2,789	4/24	\$3,222	-13.44%
Two-Storey Home	\$4,801	18/24	\$4,483	+7.09%
Senior Executive Home	\$4,854	2/21	\$5,735	-15.36%
Multi-Res: Walk Up Apartment	\$926	2/23	\$1,470	-37.01%
Multi-Res: High-Rise Apartment	\$1,091	4/21	\$1,739	-37.26%
Office Buildings	\$2.47	8/23	\$2.82	-12.41%
Neighbourhood Shopping	\$4.01	16/24	\$3.63	+10.47%
Hotels	\$1,728	13/17	\$1,471	+17.47%
Motels	\$890	4/18	\$1,197	-25.65%
Standard Industrial	\$1.92	17/24	\$1.62	+18.52%
Large Industrial	\$0.87	7/19	\$1.10	-20.91%
Vacant Industrial Land	\$1,550	9/24	\$2,897	-46.50%

Comparisons to All of Ontario (Survey-Wide)

The BMA Study includes its own assessments of how taxes paid rank comparatively for participating municipalities, assigning them a grade of one of “low,” “mid,” or “high.”

I have included these evaluations as well as information on the quartile Sault Ste. Marie's taxes rank in across the survey for each property type.

Figure 4 – Province-wide comparison of taxes paid and average differentials

Property Type	Taxes Paid SSM	BMA Assessment	Rank/Total	Quartile	Average	% Differential from Avg.
Detached Bungalow	\$2,789	Low	31/105*	2 nd	\$3,121	-10.63 %
Two-Storey Home	\$4,801	High	76/98	4 th	\$4,318	+11.18%
Senior Executive Home	\$4,854	Low	7/82	1 st	\$5,937	-18.24%
Multi-Res: Walk Up Apartment	\$926	Low	17/95	1 st	\$1,329	-33.52%
Multi-Res: High-Rise Apartment	\$1,091	Low	8/66	1 st	\$1,737	-37.19%
Office Buildings	\$2.47	Low	21/71	2 nd	\$2.94	-15.99%
Neighbourhood Shopping	\$4.01	High	77/100	4 th	\$3.28	+22.26%
Hotels	\$1,728	High	37/54	3 rd	\$1,595	+8.34%
Motels	\$890	Low	18/72	1 st	\$1,171	-24.00%
Standard Industrial	\$1.92	High	70/98	3 rd	\$1.65	+16.36%
Large Industrial	\$0.87	Low	13/61	1 st	\$1.21	-28.10%
Vacant Industrial Land	\$1,550	Mid	33/90	2 nd	\$3,269	-52.58%

*- While 104 municipalities participated, there are 105 entrants for these measures because BMA subdivided the City of Toronto into four quadrants. Several other municipalities did not have bungalow tax data available.

The sections that follow will examine the residential, multi-residential, and commercial and industrial property types in further detail.

RESIDENTIAL TAX COMPETITIVENESS

Of the three residential property types considered by the BMA Study, Sault Ste. Marie generally trends significantly below average for two and somewhat above average for the other one. The two-storey home is the property type that trends higher, though the amount paid is more in line with Northern Ontario averages.

Figure 5—SSM Residential Types: Differentials from Survey Averages

Property Type	All Northern Ontario	Major N. Ontario Cities	Peer Cities (30,000 – 99,999)	Ontario Average
Detached Bungalow	+0.61%	-15.10%	-13.44%	-10.63%
Two-Storey Home	+0.86%	-8.29%	+7.09%	+11.18%
Senior Executive Home	-25.96%	-25.46%	-15.36%	-18.24%

The “All Northern Ontario” figures for the detached bungalow and two-storey homes are skewed somewhat by the inclusion of Greenstone and Smooth Rock Falls in the comparisons. Both are small communities with unusually low residential taxes.

Average Residential Taxes and Municipal Burden as Percentage of Income

The BMA Study also provides comparisons based on the average residential taxes paid, water/wastewater costs and the municipal tax burden as a percentage of household income. As shown in Figure 6, when compared to Northern Ontario and provincial averages, the evidence shows that on balance Sault Ste. Marie’s residential burden ranges from around average to lower than average, depending on the comparison:

Figure 6—Average Residential Taxes, W/WW Costs, Municipal Burden, Burden as % of Income

	2015 Average Residential Taxes	2015 Water/Wastewater Costs (200 m3)	2015 Total Municipal Tax Burden	Burden as % of Household Income
Sault Ste. Marie	\$2,830	\$839	\$3,669	4.6%
Northern Ontario Average	\$2,633	\$1,033	\$3,792	4.9%
Ontario Average	\$3,444	\$920	\$4,327	4.7%

Residential tax burden in light of socio-economic considerations

Based on the figures, it's difficult to suggest that residential property owners in Sault Ste. Marie are paying unusual amounts of municipal taxes as compared to elsewhere. However, there are factors that suggest that the “ability to pay” of residential property owners is likely considerably more limited compared to other places.

Among the factors noted by the BMA Study:

- Sault Ste. Marie's estimated average household income was \$79,125 in 2014. This is substantially below the provincial average of \$94,793, though slightly higher than the peer cities of North Bay and Thunder Bay which have somewhat higher residential taxes.
- The median weighted value dwelling in Sault Ste. Marie (figures from MPAC) was \$175,650 in 2015. This is well below the survey average of \$291,497.
- Sault Ste. Marie's unweighted assessment per capita was \$75,651 in 2015—7th lowest in the survey and almost 50 percent lower than the survey average of \$139,315

Additionally, it is also suggested by demographic trends in Sault Ste. Marie, including a higher median age and lower labour force participation rate, that the citizenry's ability to pay is more constrained than in other like municipalities.

In light of these factors, I would suggest that maintaining Sault Ste. Marie's residential taxes at a level below the survey averages should remain an ongoing objective.

MULTI-RESIDENTIAL TAX COMPETITIVENESS

The multi-residential class appears to be the segment of Sault Ste. Marie's tax spectrum where the news is unambiguously positive. Tax amounts for the two property categories considered by the BMA Study are markedly below average and amongst the lowest in the survey.

Fig. 6 – SSM Multi-Residential Property Types: Differentials from Survey Averages

Property Type	All Northern Ontario	Major N. Ontario Cities	Peer Cities (30,000 - 99,999)	Ontario Average
Multi-Res: Walk Up Apartment	-23.72%	-30.65%	-37.01%	-33.52%
Multi-Res: High-Rise Apartment	-30.64%	-15.70%	-37.26%	-37.19%

At 1.29, Sault Ste. Marie's 2015 tax ratio for the multi-residential class is the 6th lowest in the survey and not that far removed from the province's recommended range of fairness (1.0-1.1). It is also lower than the survey average of 1.92 and considerably under the provincial threshold of 2.74.

The relative equitability of Sault Ste. Marie's tax treatment of multi-residential properties is positive. As property taxes are embedded (and thus rarely visible) within the rent payments that tenants make, many Ontario municipalities traditionally taxed multi-residential properties at a significantly higher rate than single detached homes. This has the effect of imposing a higher proportional tax burden on citizens living in multi-residential properties, as tenants tend to have lower household incomes than homeowners do. At present, Sault Ste. Marie appears to be largely avoiding this situation.

As there has been an identified need for more rental and low-income housing in Sault Ste. Marie, keeping taxes competitive for multi-residential units remains a desirable objective.

COMMERCIAL AND INDUSTRIAL TAX COMPETITIVENESS

While residential and multi-residential properties mostly trend low for taxes paid, the picture is decidedly more mixed for commercial and industrial properties. Several types trend consistently high, with neighbourhood shopping and standard industrial properties being of particular concern:

Figure 7 –SSM Commercial and Industrial Types: Differentials from Survey Averages

Property Type	All Northern Ontario	Major N. Ontario Cities	Peer Cities (30,000 – 99,999)	Ontario Average
Office Buildings	-7.23%	-15.70%	-12.41%	-15.99%
Neighbourhood Shopping	+40.15%	+11.76%	+10.47%	+22.26%
Hotels	+4.25%	-1.92%	+17.47%	+8.34%
Motels	-27.88%	-34.46%	-25.65%	-24.00%
Standard Industrial	+12.94%	+3.56%	+18.52%	+16.36%
Large Industrial	-29.84%	-29.70%	-20.91%	-28.10%
Vacant Industrial Land	-18.34%	-26.50%	-46.50%	-52.58%

To understand why some property types are trending high, it is necessary to examine the tax ratios being applied to the commercial and industrial classes.

Examination of Sault Ste. Marie's Tax Ratios

For classes other than residential, tax ratios are multipliers that determine the municipal tax rate paid by each class. The formula works as follows:

$$(\text{Residential Rate}) \times (\text{Tax Ratio}) = \text{Municipal tax rate}$$

For 2015, the BMA Study shows the following about Sault Ste. Marie's tax ratios:

- Sault Ste. Marie's ratios are among the very highest in the study for both the commercial (2nd highest) and industrial (5th highest) property classes.
- The survey average for commercial ratios is 1.67 and for industrial it is 2.18. Sault Ste. Marie's respective ratios exceed these by significant margins.
- Sault Ste. Marie is one of six municipalities exceeding the provincial threshold (1.98) for the commercial property class and one of seven exceeding the provincial threshold (2.63) for the industrial class.
- Sault Ste. Marie increased its commercial and industrial ratios further away from the range of fairness between 2014 and 2015. Several other municipalities decreased their ratios in that same span.

Figure 8—Tax Ratios (Residential Class = 1.0)

Property Class	Range of Fairness [^]	Provincial Threshold	SSM 2015 Ratio [*]
Multi-Residential	1.0-1.1	2.74	1.29
Residual Commercial	0.6-1.1	1.98	2.16
Office Buildings	0.6-1.1	1.98	3.15
Shopping Centres	0.6-1.1	1.98	2.29
Residual Industrial	0.6-1.1	2.63	2.98
Large Industrial	0.6-1.1	2.63	5.31

[^] – Ontario Regulation 386/98 under the *Municipal Act, 2001*

^{*}Per City of Sault Ste. Marie By-law 2015-83

What is of particular concern is that Sault Ste. Marie is continuing to increase its ratios while other municipalities take steps to decrease or at least maintain them where they are. The continuing upward motion of Sault Ste. Marie's commercial and industrial ratios is attributable to its consistent use of a revenue neutral policy towards tax ratios. The use of the revenue neutral provision allows the City to spread the tax burden across the different classes in roughly the same proportions from year-to-year.

To give an over-simplified example, if in 2015 the property tax mix was 60 per cent residential, 10 per cent multi-residential, 20 per cent commercial and 10 per cent industrial, using the revenue neutral approach would result in adjustments to the non-residential ratios so that those percentages were maintained for the 2016 tax year—regardless of how assessments might have increased or decreased within the classes.

As recent trends have seen assessment growth in the residential class and assessment declines in the commercial and industrial classes, it can be inferred that over the past several years the revenue neutral approach has been causing a greater share of annual tax increases to be shifted on to commercial and industrial properties

Context and perspective on tax ratios

Heavier taxation levels on non-residential property are a historical inequity that has long been the case in Ontario. It should be noted that since the major property tax reforms of 1998 that few municipalities have succeeded in bringing their ratios for non-residential properties into the range of fairness and that many others have only slightly decreased the relative burden.

Despite the higher ratios, there are some commercial and industrial properties that still appear to be competitive on a taxes-paid basis. Also, by virtue of being above the provincial thresholds, the commercial and industrial classes now have some protection from further levy

increases, as their increases are now capped at 50 per cent of the increase applied to the residential class.

However, notwithstanding the above-noted facts, from a tax competitiveness standpoint it is not desirable for Sault Ste. Marie to remain in the upper echelon for commercial and industrial tax ratios. The more Sault Ste. Marie's commercial and industrial ratios drift upwards, the longer and more difficult it will be to decrease them back towards the provincial thresholds and ranges of fairness.

Unfortunately, the experience of many other Ontario municipalities indicates that decreasing non-residential tax ratios is usually a difficult undertaking. Addressing an imbalance generally requires a municipality to shift more of the tax burden to the residential class, which most municipal councils find unpalatable. Substantial new assessment growth or the identification of significant economies within the municipal budget could also help reduce the ratios. However, these outcomes tend to be rare or difficult to achieve in practice.

That noted there can be reason for optimism. Because the total amounts being levied from many commercial and industrial classes are relatively small, modest redistributions of the tax burden amongst the various classes—or growth amongst the classes—would have a measurably beneficial impact for those afflicted with higher ratios. If such adjustments were consistently made over several years the cumulative benefit would eventually become substantial.

Sincerely,



Mike Ward
Communications and Policy Advisor
Office of the Mayor

/mw

Appendix A – Property Characteristics

Below are descriptions for the 12 property types the BMA study uses for its comparisons.

Residential – Single Family Detached Home: A detached three-bedroom single storey home with 1.5 bathrooms and a one car garage. Total area of the house is approximately 1,200 square feet and the property is situated on a lot that is approximately 5,500 square feet. Comparison of taxes on a per household basis.

Residential – Two Storey Home: A two-storey, three bedroom home with 2.5 bathrooms and two car garage. Total area of the house is approximately 2,000 square feet on a lot approximately 4,000-5,000 square feet. Comparison of taxes on a per household basis.

Residential – Senior Executive: A two-storey, for our five bedroom home with three bathrooms, main floor family room plus atrium or library. A full unfinished basement and attached two-car garage. The house is approximately 3,000 square feet on an approximate lot size of 6,700 square feet. Comparison of taxes on a per household basis.

Multi-Residential – Walk-Up Apartment: Multi-residential, more than six self-contained units but does not include row housing. Typically this property is older construction, two to four storeys high. Comparison of taxes on a per unit basis.

Multi-Residential – Mid/High-Rise Apartment: Multi-residential, more than six self-contained units and four or more storeys but does not include row housing. Comparison of taxes on a per unit basis.

Commercial – Neighbourhood Shopping Centre: A neighbourhood shopping centre is typically the smallest type of centre comprised of retail tenants that cater to everyday needs such as drugstores, convenience stores and hardware stores. Size varies from 4,000 to 100,000 square feet. Comparison of taxes on a per square foot of floor area basis.

Commercial – Office Building Class: Selection was focused on buildings in prime locations within the municipality. Comparison of taxes on a per square foot of gross leasable area basis.

Commercial – Hotel: Typically over 100 rooms. Comparison of taxes on a per suite basis.

Commercial – Motel: Typically newer construction, franchised. Comparison of taxes on a per suite basis.

Industrial – Standard Industrial: Under 125,000 square feet in size, typically characterized by newer construction and flexible design. Comparison of taxes on a per square foot of floor area basis.

Industrial – Large Industrial: Greater than 125,000 square feet. Comparison of taxes on a per square foot of floor area basis.

Industrial – Vacant Land: Selection of properties were based on serviced land under five acres. Comparison of taxes on a per acre basis.

Appendix B – Changes in Sault Ste. Marie Tax Rates from 2008 to 2015

The first chart tracks changes in the municipal portion of the tax rate only from 2008 to 2015:

Class	2008 Municipal Only Rate	2015 Municipal Only Rate	Change	% Change
Residential	0.01915246	0.01416000	-0.00499246	-26.07%
Multi-Residential	0.0245707	0.01832786	-0.00624284	-25.41%
Residual Commercial	0.03204206	0.03031999	-0.00172207	-5.37%
Shopping Centres	0.03401476	0.03218665	-0.00182811	-5.37%
Office Buildings	0.04679903	0.04428381	-0.00251522	-5.37%
Residual Industrial	0.0368704	0.04196436	0.00509396	+13.82%
Large Industrial	0.05253738	0.07452978	0.0219924	+41.86%

The second shows the changes in the effective rate (combined municipal and education rates):

Class	2008 Effective Rate	2015 Effective Rate	Change	% Change
Residential	0.02179246	0.01611000	-0.00568246	-26.08%
Multi-Residential	0.0272107	0.02027786	-0.00693284	-25.48%
Residual Commercial	0.05233242	0.04221999	-0.01011243	-19.32%
Shopping Centres	0.05555431	0.04408665	-0.01146766	-20.64%
Office Buildings	0.07643411	0.05618381	-0.0202503	-26.49%
Residual Industrial	0.05737568	0.05386436	-0.00351132	-6.12%
Large Industrial	0.08175577	0.08642978	0.00467401	+5.72%

The numbers indicate that the decline in effective rates for commercial and industrial classes has principally come from decreases to the provincial education tax rate. Without the decrease in education, the effective rate for large industrial would have increased substantially. These trends suggest that the residential classes have experienced assessment growth over the span, commercial classes may have remained somewhat constant, while industrial assessment (particularly large industrial) has dropped.

OUTSIDE AGENCIES & GRANTS TO OTHERS

2016 OPERATING BUDGET

	2015	2016	\$	%
	BUDGET	BUDGET	Change (2015 to 2016)	Change (2015 to 2016)
REVENUE				
Fees and user charges	200,000	200,000	-	
Contribution from own funds	100,000	100,000	-	
	300,000	300,000	-	
EXPENDITURES				
Grants to others:				
POLICE SERVICES BOARD	23,716,705	23,852,153	135,448	0.57%
PHYSICIAN RECRUITMENT	300,000	300,000	-	
LIBRARY BOARD	2,920,770	2,977,015	56,245	1.93%
ART GALLERY OF ALGOMA	175,925	180,785	4,860	2.76%
SSM MUSEUM	175,140	177,540	2,400	1.37%
BUSH PLANE MUSEUM	110,000	110,000	-	
CULTURAL RECOGNITION	1,500	1,500	-	
SAFE COMMUNITIES	40,000	40,000	-	
MISC GRANT - ALGOMA UNIVERSITY	40,000	40,000	-	
MISC GRANT - MEMORIAL EXEMPT	17,000	17,000	-	
MISC GRANT - PEE WEE ARENA	21,000	12,750	(8,250)	-39.29%
MISC GRANT - OTHER SPORTS	10,000	10,000	-	
RED CROSS GRANT	50,000	50,000	-	
MISC GRANT-YOUTH PARTNERSHIP	9,000	-	(9,000)	-100.00%
CULTURAL GRANT-BUDGET	53,900	53,900	-	
ECONOMIC DEVELOPMENT CORPORATION	1,196,965	1,204,165	7,200	0.60%
DESTINY SSM	30,000	30,000	-	
DEVELOPMENT SSM	246,000	246,000	-	
INNOVATION CENTRE	277,890	277,890	-	
TOURIST PROMOTION	168,655	168,656		
EDF BUDGET	500,000	500,000		
Total Grants to others	30,060,450	30,249,354	188,903	0.63%
TAX LEVY	29,760,450	29,949,354	188,903	0.63%

**Sault Ste. Marie
Public Library**

2016 Budget Presentation

Budget Summary

	2015	2016	\$ Change (2015 to 2016)	% Change (2015 to 2016)
	Budget	Budget		
Revenue				
Municipal Grant	\$2,811,035.00	\$2,811,035.00	\$0	0
Operating Grants	\$368,069.00	\$368,069.00	\$0	0
Summer Experience Grant	\$7,510.00	\$7,510.00	\$0	0
Contracting Communities	\$22,965.00	\$22,965.00	\$0	0
Other Grants	\$25,000.00	\$3,104.00	(\$21,896.00)	-87
Library Fines	\$32,050.00	\$32,050.00	\$0	0
Library Bag Sales	\$275.00	\$275.00	\$0	0
Book Sales	\$4,805.00	\$4,805.00	\$0	0
Photocopy Prints	\$7,225.00	\$7,425.00	\$200.00	2.8
Non-Resident Library Memberships	\$1,625.00	\$1,625.00	\$0	0
Program Room Rentals	\$1,250.00	\$1,250.00	\$0	0
Donations	\$7,300.00	\$7,300.00	\$0	0
Total	\$3,289,109.00	\$3,267,413.00	(\$21,696.00)	-.6
Expenditures				
Salaries	\$2,086,304.90	\$2,069,108.00	(\$17,196.00)	-.8
Benefits	\$428,002.00	\$473,250.00	\$45,248.00	10
Books and Periodicals	\$230,965.00	\$203,114.00	(\$27,851)	-12
Office Expenses	\$139,774.10	\$135,000.00	(\$4,774.10)	-3
Operating Expenses	\$308,738.00	\$316,490.00	\$7,752.00	3
Equipment Purchases	\$81,750.00	\$50,450.00	(\$31,300.00)	-38
Travel and Training	\$13,575.00	\$20,000.00	\$6,425.00	38
Total	\$3,289,109.00	\$3,267,413.00	(\$21,696.00)	-.6

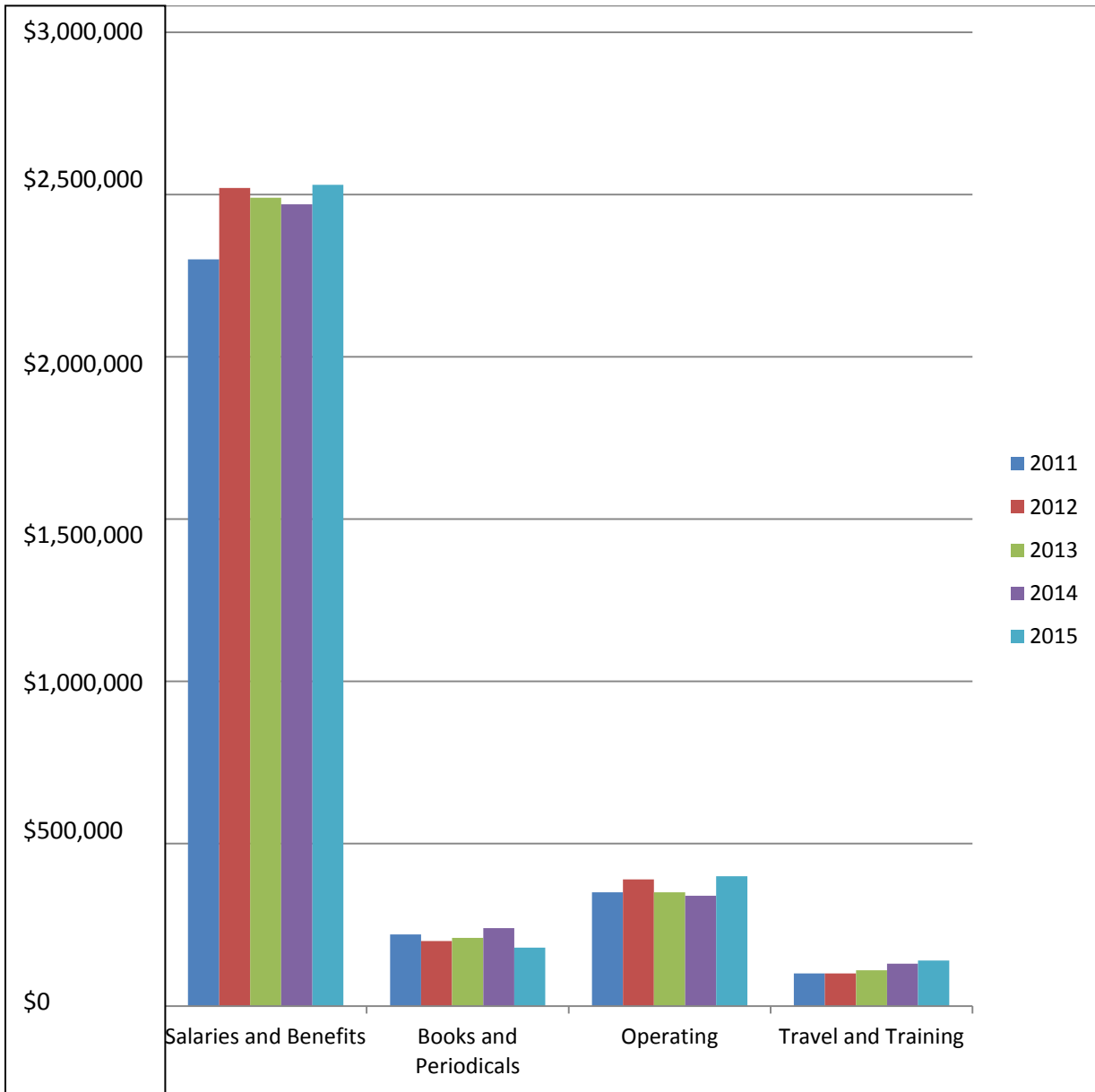


Sault Ste. Marie Public Library

"One stop....endless possibilities"

Public Library

Five Year Expenditure Trend



Sault Ste. Marie Public Library
"One stop...endless possibilities"

EFFICIENCIES

In 2015 there was a restructuring of the management team to enable the library to make improvements to the library environment and ability to offer programs when retirements to occur.

The library has developed a line of programs called Signature Programs that will allow the library to raise funds in keeping with the Public Libraries Act. The first program was offered in the fall of 2015 and raised \$450.00.

In 2015 the library developed the Adopt a Magazine donation program. In total the library received just over \$2,300.00 with 51 magazines being adopted by members of our community.

In 2015 the Centennial Library's chiller replacement project was completed. With the installation of a new, more energy efficient chiller system the library will be able to realize some energy savings.



Sault Ste. Marie Public Library

"One stop....endless possibilities"

SERVICE LEVEL OPTIONS



Sault Ste. Marie Public Library

"One stop....endless possibilities"

PUBLIC LIBRARY

2016 OPERATING BUDGET

Cost Centres 720-7201 Administration

REVENUE	2015 BUDGET	2016 BUDGET	\$ Change	% Change
Municipal Grant	\$2,811,035.00	\$2,811,035.00	\$0	0
Operating Grants	\$368,069.00	\$368,069.00	\$0	0
Summer Experience Grant	\$7,510.00	\$7,510.00	\$0	0
Contracting Communities	\$22,965.00	\$22,965.00	\$0	0
Other Grants	\$25,000.00	\$3,104.00	\$21,896.00	-87
Book Sales	\$23,000.00	\$23,000.00	\$0	0
Donations	\$7,300.00	\$7,300.00	\$0	0

EXPENDITURES	2015 BUDGET	2016 BUDGET	\$ Change	% Change
Salaries	\$615,003.90	\$612,524.93	(\$2,478.97)	-.4
Benefits	\$142,565.00	\$171,500.00	\$28,935.00	20
Office Expenses	\$80,070.00	\$80,070.00	\$0	0
Operating Expenses	\$28,000.00	\$23,750.00	(\$4,250.00)	-15
Equipment Purchases	\$38,250.00	\$35,500.00	(\$2,750.00)	-7
Training	\$13,575.00	\$20,000.00	\$6,425.00	47

Full Time Positions	8
Total Part-Time Hours	0



Sault Ste. Marie Public Library
"One stop...endless possibilities"

PUBLIC LIBRARY

2016 OPERATING BUDGET

Cost Centres 720-7202 Centennial Library

REVENUE	2015 BUDGET	2016 BUDGET	\$ Change	% Change
Library Fines	\$25,750.00	\$25,750.00	\$0	0
Library Bag Sales	\$225.00	\$225.00	\$0	0
Book Sales	\$4,500.00	\$4,500.00	\$0	0
Photocopy Sales	\$5,250.00	\$5,250.00	\$0	0
Non-Resident Library Memberships	\$1,625.00	\$1,625.00	\$0	0
Program Room Rentals	\$1,000.00	\$1,000.00	\$0	0

EXPENDITURES	2015 BUDGET	2016 BUDGET	\$ Change	% Change
Salaries	\$1,113,281.00	\$1,093,084.00	(\$20,197.00)	-2
Benefits	\$213,905.00	\$227,100.00	\$13,195.00	6
Books and Periodicals	\$177,825.00	\$158,257.00	(\$19,568.00)	-11
Office Expenses	\$55,829.10	\$51,264.00	(\$4,565.10)	-8
Operating Expenses	\$136,075.00	\$121,625.00	(\$14,450.00)	-11
Equipment Purchases	\$42,500.00	\$8,750.00	(\$33,750.00)	-71

Full Time Positions	16
Part-Time Hours	
Reference Department	4,174
Children's Department	2,959
Circulation Department	8,478
Total Part-Time Hours	15,611



Sault Ste. Marie Public Library
"One stop...endless possibilities"

PUBLIC LIBRARY

2016 OPERATING BUDGET

Cost Centres 720-7203 Korah Branch Library

REVENUE	2015 BUDGET	2016 BUDGET	\$ Change	% Change
Library Fines	\$2,300.00	\$2,300.00	\$0	0
Library Bag Sales	\$25.00	\$25.00	\$0	0
Book Sales	\$155.00	\$155.00	\$0	0
Photocopy Sales	\$675.00	\$875.00	\$0	0
Program Room Rentals	\$250.00	\$250.00	\$0	0

EXPENDITURES	2015 BUDGET	2016 BUDGET	\$ Change	% Change
Salaries	\$183,600.00	\$185,500.00	\$1,900.00	1
Benefits	\$35,400.00	\$37,040.00	\$1,640.00	4
Books and Periodicals	\$25,905.00	\$22,428.00	(\$3,477)	-6
Office Expenses	\$2,375.00	\$2,170.00	(\$205.00)	-8
Operating Expenses	\$15,575.00	\$15,382.00	(\$193.00)	-1
Equipment Purchases	\$0	\$0	\$0	0

Full Time Positions	2
Total Part-Time Hours	3,373



Sault Ste. Marie Public Library

"One stop....endless possibilities"

PUBLIC LIBRARY

2016 OPERATING BUDGET

Cost Centres 720-7204 Churchill Branch Library

REVENUE	2015 BUDGET	2016 BUDGET	\$ Change	% Change
Library Fines	\$4,000.00	\$4,000.00	\$0	0
Library Bag Sales	\$25.00	\$25.00	\$0	0
Book Sales	\$150.00	\$150.00	\$0	0
Photocopy Sales	\$1,300.00	\$1,300.00	\$0	0

EXPENDITURES	2015 BUDGET	2016 BUDGET	\$ Change	% Change
Salaries	\$174,420.00	\$178,000.00	\$3,500.00	2
Benefits	\$36,132.00	\$37,610.00	\$1,478.00	2
Books and Periodicals	\$27,235.00	\$22,428.00	(\$4,807.00)	-17
Office Expenses	\$1,500.00	\$1,500.00	\$0	0
Operating Expenses	\$104,550.00	\$124,060.00	\$19,510.00	18
Equipment Purchases	\$1,000.00	\$1,200.00	\$200.00	20

Full Time Positions	2
Total Part-Time Hours	3,212



Sault Ste. Marie Public Library

"One stop....endless possibilities"

PUBLIC LIBRARY

2016 OPERATING BUDGET

Cost Centres 720-7206 Concession

REVENUE	2015 BUDGET	2016 BUDGET	\$ Change	% Change
Concession Food	\$3,500.00	\$3,500.00	\$0	0

EXPENDITURES	2015 BUDGET	2016 BUDGET	\$ Change	% Change
Resale Food	\$2,000.00	\$2,000.00	\$0	0



Sault Ste. Marie Public Library

"One stop....endless possibilities"

SERVICE LEVEL OPTIONS

AGENDA

- INTRODUCTIONS – Christopher Rous
- HUBS – Toni Nanne-Little
- BENEFITS - ADSB
- BUSINESS CASE – Luke Dufour
- ARCHIVES – Frances Ryan
- OPPORTUNITY – Roxanne Toth-Rissanen
- SUMMARY – Wayne Greco



SERVICE LEVEL OPTIONS

INTRODUCTIONS

- BOARD MEMBERS AND DIRECTOR
- HISTORY



SERVICE LEVEL OPTIONS

COMMUNITY HUBS

- VALUE OF COMMUNITY HUBS
- DISCIPLINED FOCUS ON MORE EFFECTIVE WAYS TO DELIVER SERVICES
- VIBRANT CENTRES OF COMMUNITY LIFE
- BUILT WITH COMMUNITY NEEDS
- FOCUSED ON LOCAL PLANNING



SERVICE LEVEL OPTIONS

BENEFITS

- ECONOMIC REALITY
- BENEFITS
- MODERNIZATION
- VISION
- We are all part of the same community ... same children....same parents



SERVICE LEVEL OPTIONS

BUSINESS CASE

- ECONOMIC BENEFITS REALIZED THROUGH ADJUSTMENTS TO STAFFING LEVELS
- EFFICIENT USE OF RESOURCES
- SHARING SPACE AND COSTS TO MEET COMMUNITY NEEDS
- MODERNIZED FACILITY
- ENHANCED QUALITY OF LIFE
- OPPORTUNITIES FOR ADDITIONAL PARTNERSHIPS



SERVICE LEVEL OPTIONS

OPPORTUNITY

- BUILD ON ESTABLISHED AND CONTINUED EQUITY OF ACCESS
- GROWTH IS OCCURING NORTH OF THE CITY
- PROGRAMMING SPACE
- ARCHIVES
- INCREASE IN PROGRAMMING SPACE AT CENTENNIAL LIBRARY



SERVICE LEVEL OPTIONS

ARCHIVES

- PRESERVING THE RICH HISTORY
- PROVIDE ENVIRONMENT FOR INVALUABLE RESOURCES
- ENCOURAGE DISCOVERABILITY

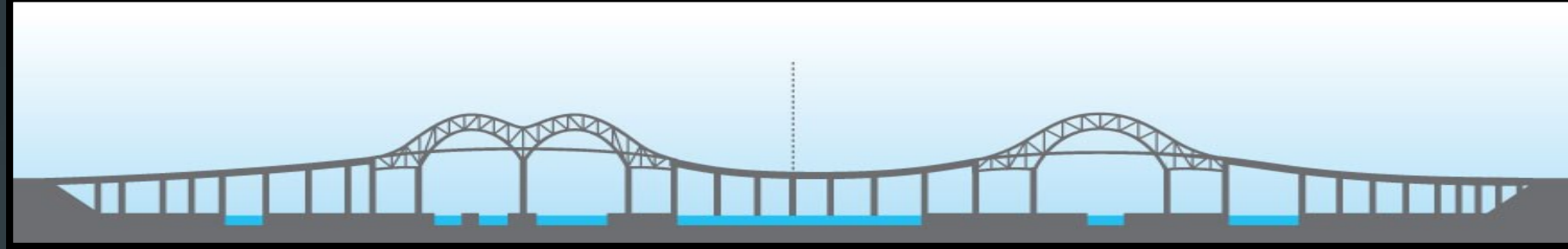


SERVICE LEVEL OPTIONS

SUMMARY

We are asking for approval from Council to relocate the Churchill Branch Library which is currently on a month to month rental agreement and maintain our current level of funding to take advantage of this opportunity to create a hub with the Algoma District School Board.





2016 Police Services Budget

Presentation to City Council



Factors Impacting Policing Costs

- ▶ Technology
- ▶ Aging Infrastructure
- ▶ Contractual Obligations
- ▶ Downloading of Services - Mental Health (+40.7%)
Court Security (\$330,000)
- ▶ Court Requirements (Charter and Case Law)
- ▶ Adequacy Standards/Regulations
- ▶ Complexity of Police Investigations (Specialized Units/Court)
- ▶ Training



Background

Considerable discussions surrounding the perceived increased costs of policing

- 2012 Police Budget was 13.3 % of total city budget
- 2013 Police Budget was 13.6 % of total city budget
- 2014 Police Budget was 13.9 % of total city budget
- 2015 Police Budget was 13.7 % of total city budget



2015 Budget

Cost Savings Initiatives

- Overall Overtime reduced by \$363,000 from 2014
- Minimum Manpower Overtime (included above) reduced by \$199,000 from 2014
- Legal Fees reduced by \$129,000
- Senior Staff reduced from 5 Inspectors to 3 Inspectors (civilianization)
- Vehicles not replaced as early as previously (6 months)
- Delayed hiring's
- Provincial Grants - Seconded Officer Agreements
- Hiring experienced officers
- 2015 - 185 full time employees - 2016 - 182 full time employees
- Shared space agreements i.e. OPP forensic facility



2016 Budget Components

Salaries & Benefits - \$21,825,951

0.70% decrease

Operating Expenditures - \$3,261,240

2.9% increase

Capital Expenditures - \$678,932

72% increase

OVERALL IMPACT - Increase 0.9%

Page 49 of 61



Capital Expenditures

UNAVOIDABLE	CRITICAL	CONTRACTED
Carbine Implementation \$72,000	Security camera upgrade \$15,000	Legal fee increase (start to deplete the undervalue) \$20,000
DEU (Drug) Office/Forensic office \$40,000 (internet fibre lines)	Interview room upgrade \$15,000	
Software and Server Upgrades \$60,000		
Vehicle leases cost increase \$118,000		



2016 Budget Factors

- 83 % of annual police budget is salaries/benefits
- Collective agreement 2015 - 2016 is still outstanding and will impact budget
- Reportable Calls Down 11.5%
- Non-reportable Calls Up 11.9 %
- No Overall Increase in Calls for Service



Strategies for the Future

- Scheduling of resources to meet calls for service demands
- Civilianization of non-operational positions
- Evolution from incident-driven/reactive to a risk-focused/pro-active model
- Multi-sectoral collaboration
- Access provincial grants and secondment agreements



Questions?





4 March 2016

TO: Mayor and Council

RE: 2016 supplementary budget request

Dear Mayor and Council,

The Canadian Bushplane Heritage Centre requests an increase in financial support from the City of Sault Ste Marie in 2016 that will achieve parity with the other cultural attractions that receive financial support from the City. This level of support will enable the bushplane centre to maintain the 7.5 FTE jobs we currently employ plus possibly create 1-1.5 new positions . It will also help to eliminate our annual operating deficit. We will also be able to continue to work towards financial sustainability and support the business growth we have been able to achieve in the past 5 years.

	<u>Admissions</u>		<u># Rental Events</u>		<u>Rental Attendance</u>		<u>Bushplane Events</u>	
	<u>Monthly</u>	<u>YTD</u>	<u>Monthly</u>	<u>YTD</u>	<u>Monthly</u>	<u>YTD</u>	<u>Monthly</u>	<u>YTD</u>
2015	577	16721	0	36	1121	7045	0	6604
2014	311	15123	0	38	1054	16203*	0	4494
2013	269	14858	0	40	365	7841	0	3807
2012	314	14206	0	27	650	6834	0	3089
2011	467	11989	0	18	450	5686	0	2915

* CARHA tournament

The bushplane centre has succeeded in becoming one of the premiere event venues in Sault Ste Marie with recent successful events such as the Northern Ontario Tourism Summit reception. The annual Festival of Beer, Bridal Showcase and Holiday Gift and Craft show draw thousands of local residents and support local businesses and artists.

Funding Disparity

We wish to draw your attention to the funding disparity among cultural attractions in Sault Ste Marie that receive operating funds from the city:

- Sault Ste Marie Museum	\$173,000 + pay no realty taxes
- Art Gallery of Algoma	\$172,358 + pay no realty taxes
- Canadian Bushplane Heritage Centre	\$110,000 + pays \$72,000 in realty taxes
- MS Norgoma-	\$15,000 (0\$ in 2015)
- Ermatinger Clergue National Historic Site	?

The bushplane centre attracts the largest number of tourists and local residents among all cultural attractions in Sault Ste Marie yet we receive substantially less financial support.

Request to Province of Ontario

We also request a resolution by City Council that supports the bushplane centre efforts to convince the Province of Ontario to increase it's financial support under the Community Museum Operating Grant (CMOG) program. We have informed Council on previous occasions that Sault Ste Marie receives the smallest amount of operating funding from Ontario for cultural attractions of all Northern Ontario cities.

The Canadian Bushplane Heritage Centre appreciates the funding support we receive from the City of Sault Ste Marie. Arts and cultural organizations such as ours support the tourism, hospitality and retail sectors of the community directly by offering tourists and residents opportunities to visit, spend and enjoy the aviation heritage we preserve and present.

Yours Respectfully,

Michael A. Delfre

Executive Director

CBHC 2016 DRAFT Budget - February 22, 2016

	<i>Accounting Description</i>	<i>Ledger Account Number</i>	<i>Annual Budget</i>	<div>Commentary</div> <div>PRELIMINARY</div>
1	REVENUE			For Discussion Only
2	FUNDRAISING REVENUE			
3	Miscellaneous Events	4010	14,436	prepared by Staff
4	Bushplane Days	4015	20,500	prepared by Staff
5	Raffle Sales	4020	9,843	Income goes to Trust Fund not operating
6	Nevada Tickets	4030	2,250	Income goes to Trust Fund not operating
7	Campaign Donations	4060	600	experience including 2015
8	TOTAL FUNDRAISING		47,629	
9				
10	SALES REVENUE			
11	Gift Shop	4310	78,000	approx 5% increase over 2015
12	Admissions	4320	130,500	approx 5% increase over 2015
13	Rentals - External Activities	4325	8,155	same as 2015 plus \$1500 Humphries 4th bay
14	Rentals- Indoor Activities	4330	47,423	prepared by Staff
15	Services to Others	4333	1,840	does not include AWIC prepay of \$1500 recorded as revenue in 2015
16	Library Revenue	4335	0	
17	Donations - Special	4337	2,000	experience including 2015
18	Donations - General	4340	30,000	Includes Bridal Expo \$15,700
19	TOTAL SALES		297,918	
20				
21	GOVERNMENT REVENUE			
22	Federal (HRDC Human Resources)	4422	0	summer students budgeted as Revenue and wages as zero (100% offset)
23	Employ Pr and Min of Training	4226	0	account not expected to be in use in 2016
24	MNO Training initiative/GRFN	4429	0	summer students budgeted as Revenue and Expense (wages) as zero
25	MUSEUM OP GRANT (Ont)	4430	46,542	
26	Special Assistance Op Grant SSM	4437	110,000	assumes no change in current Operating Grant
27	TOTAL GOVERNMENT REVENUE		156,542	
28				
29	OTHER REVENUE			
30	Membership Dues	4520	9,225	
31	Municipal Tax Rebate - Charity	4645	31,891	

CBHC 2016 DRAFT Budget - February 22, 2016

	<i>Accounting Description</i>	<i>Ledger Account Number</i>	<i>Annual Budget</i>	<div>Commentary</div> <div>PRELIMINARY</div>
32	School Tours	4650	2,630	experience including 2015
33	Ontario March of Dimes	4656	0	budgeted as Revenue and Expense (wages) as zero (100% offset)
34	Ontario Works	4657	237,775	Contract
35	GRFN -MNO Training	4658	0	budgeted as Revenue and Expense (wages) as zero (100% offset)
36	Superior Brewery Lease	4659	27,400	Lease \$22,400 plus utility recovery \$5000
37	Miscellaneous Revenue	4660	25,900	vending machine \$900 plus \$25,000 Tourism Sault Ste. Marie
38	TOTAL OTHER REVENUE		334,821	
39				
40	TOTAL REVENUE		836,910	
41				
42	EXPENSE			
43				
44	DISPLAY EXPENSE			
45	Acquisitions & Restorations	5005	15,250	prepared by Staff
46	Exhibits & Displays	5010	10,000	expected that 100% costs covered by Trust fund - not operating
47	Archives/Library	5015	1,500	prepared by Staff
48	Work shop	5030	0	
49	Miscellaneous		0	
50	TOTAL DISPLAY EXPENSE		26,750	
51				
52	FUNDRAISING EXPENSE			
53	Raffle Expense	5110	3,927	prepared by Staff
54	Nevada	5120	1,035	Includes License, Tickets and Admin Fees - all Trust Fund costs
55	Consultant Fee	5140	0	
56	Event Expense	5160	2,568	prepared by Staff
57	Bushplane Days Expense	5170	11,000	prepared by Staff
58	Campaign Expense	5190	0	
59	TOTAL FUNDRAISING EXPENSE		18,530	
60				
61	SALES EXPENSE			
62	Gift Shop	5220	37,000	prepared by Staff

CBHC 2016 DRAFT Budget - February 22, 2016

	<i>Accounting Description</i>	<i>Ledger Account Number</i>	<i>Annual Budget</i>	<div>Commentary</div> <div>PRELIMINARY</div>
63	Store Supplies	5270	500	prepared by Staff
64	Store Equipment	5275	2,047	prepared by Staff
65	School Bus Tours/Education	5280	5,000	new school tour program - from Tourism Sault Ste. Marie grant
66	Interior Rental Expense	5290	2,894	cost of staff security is part of wages
67	Services to Others	5295	1,575	two contracts AWIC and CRCA
68	TOTAL SALES EXPENSE		49,016	
69				
70	PAY ROLL			
71	Wages_	5310	210,000	status quo - based on 2015 and 2014 - amount adjusted for GRFN/March of Dimes/HRDC
72	EI Expense	5320	5,407	experience including 2015
73	CPP Expense	5330	5,831	experience including 2015
74	WSIB Expense	5340	886	experience including 2015
75	TOTAL PAYROLL EXPENSE		222,124	
76				
77	MARKETING EXPENSE			
78	Marketing	5410	27,000	prepared by Staff
79	Marketing - Web Site	5415	850	prepared by Staff
80	Brochures	5410	0	experience including 2015
81	TOTAL MARKETING EXPENSE		27,850	
82				
83	GENERAL ADMIN EXPENSE			
84	Professional Fees	5510	6,000	estimate not a quote
85	Membership Fees	5520	2,020	experience including 2015
86	Insurance	5530	19,140	experience including 2015
87	Bank Charges	5540	390	experience including 2015
88	Interest Expense/Service Charges	5550	136	experience including 2015
89	Credit Card Charges	5560	3,437	experience including 2015
90	Cash O/S	5560	432	experience including 2015
91	US O/S	5560	909	experience including 2015
92	Office Equipment	5620	5,400	experience including 2015

CBHC 2016 DRAFT Budget - February 22, 2016

	<i>Accounting Description</i>	<i>Ledger Account Number</i>	<i>Annual Budget</i>	<div>Commentary</div> <div>PRELIMINARY</div>
93	Office Supplies	5630	4,000	experience including 2015
94	Postage/Courier	5635	1,200	experience including 2015
95	Telephone & Fax	5640	4,000	experience including 2015
96	Internet Expense	5642	1,200	experience including 2015
97	Telephone equipment expense	5645	0	experience including 2015
98	Fundraising	5680	0	experience including 2015
99	Vehicle	5690	800	experience including 2015
100	Professional Dev Expense	5765	2,000	prepared by Staff
101	Membership Activities	5770	2,200	prepared by Staff
102	Safety/Training	5780	1,000	experience including 2015
103	Computer expense	5788	200	experience including 2015
104	Miscellaneous and extraordinary	5790	1,000	experience including 2015
105	TOTAL ADMIN EXPENSE		55,464	
106				
107	BUILDINGS & GROUNDS			
108	Taxes	5805	79,727	assumed 5% increase over 2015 (40% recovered in account 4645)
109	Utilities - Landlord	5810	60,900	assumed 5% increase from 2015
110	Utilities - Gas	5820	40,275	assumed same as 2015 - energy down/costs up due to Brewery
111	Snow Removal	5830	3,500	experience including 2015
112	Grounds Maintenance	5840	1,600	experience including 2015
113	Equipment safety expense	5845	2,400	experience including 2015
114	Repair & Maintenance	5850	8,000	experience including 2015
115	Cleaning & Janitorial Supplies	5860	10,200	experience including 2015
116	Ontario Works	5865	227,575	Contract
117	Brewery Sub-Lease	5866	0	
118	TOTAL BUILDING & GROUNDS EXPENSE		434,177	
119				
120	TOTAL EXPENSE		833,911	
121				
122	NET INCOME (LOSS)		2,999	

PRELIMINARY
For Discussion