



BUDGET MEETING OF CITY COUNCIL REVISED AGENDA

Tuesday, March 22, 2016

4:30 p.m.

Council Chambers
Civic Centre

Pages

1. APPROVE AGENDA AS PRESENTED

Mover Councillor M. Shoemaker
Seconder Councillor R. Niro

Resolved that the Agenda for 2016 03 22 as presented be approved.

2. MINUTES OF BUDGET MEETINGS

6 - 21

Mover Councillor M. Shoemaker
Seconder Councillor L. Turco

Resolved that the Minutes of the Budget Meetings for 2016 02 29, 2016 03 01, 2016 03 07 and 2016 03 08 be approved.

3. DECLARATIONS OF PECUNIARY INTEREST

4. CONSENT AGENDA

Mover Councillor J. Hupponen
Seconder Councillor L. Turco

Resolved that all items listed under date 2016 03 22 Consent Agenda be approved as recommended.

4.1 Summary of Requested Reports – Budget 2016

22 - 23

A report of the Deputy City Clerk is attached for the information of Council.

Mover Councillor J. Hupponen
Seconder Councillor L. Turco

Resolved that the report of the Deputy City Clerk dated 2016 03 22 regarding Summary of Requested Reports be received as information.

4.2 Impact of Freezing Non Union Wages 24 - 25

A report of the Commissioner of Human Resources is attached for the information of Council.

Mover Councillor M. Shoemaker

Seconder Councillor L. Turco

Resolved that the report of the Commissioner of Human Resources dated 2016 03 22 concerning Impact of Freezing Non-Union Wages be received as information.

4.3 Clerk's Department – Budget Information 26 - 29

A report of the Deputy City Clerk is attached for the information of Council.

Mover Councillor M. Shoemaker

Seconder Councillor L. Turco

Resolved that the report of the Deputy City Clerk dated 2016 03 22 concerning Clerk's Department Budget Information be received as information.

4.4 Sault Ste. Marie Public Library – Budget Information 30 - 34

Reports of the Director of Public Libraries concerning demographics; hours of operation and staffing; volume counts and energy costs are attached for the information of Council.

Mover Councillor J. Hupponen

Seconder Councillor L. Turco

Resolved that the reports of the Director of Public Libraries concerning Sault Ste. Marie Public Library – Budget Information be received as information.

4.5 Long Term Debt to Reduce Capital Allocation 35 - 39

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

Mover Councillor J. Hupponen

Seconder Councillor R. Niro

Resolved that the report of the Commissioner of Finance and Treasurer dated 2016 03 22 concerning the use of long term debt to reduce the annual operating

budget capital allocation be received as information and that the recommendation not to proceed with either long term debt funding option be approved.

4.6 Ontario Regulation 284/09 40 - 42

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

Mover Councillor M. Shoemaker
Seconder Councillor R. Niro

Resolved that the report of the Commissioner of Finance and Treasurer dated 2016 03 22 concerning Ontario Regulation 284/09 be approved for the budget year 2016.

5. 2016 OPERATING BUDGET: LEVY BOARDS, LOCAL BOARDS and OUTSIDE AGENCY GRANTS 43 - 48

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

Mover Councillor J. Hupponen
Seconder Councillor R. Niro

Resolved that the report of the Commissioner of Finance and Treasurer dated March 22, 2016 concerning the 2016 Final Budget Levy Board, Local Boards and Outside Agency Grants be received and that the amounts included in the 2016 Final Operating Budget as presented be approved.

6. CAPITAL BUDGET AND LONG TERM DEBT 49 - 112

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

Mover Councillor M. Shoemaker
Seconder Councillor L. Turco

Resolved that the report of the Manager of Audits and Capital Planning, dated March 22, 2016, concerning 2016 Capital Budget be received and the following be approved:

1. The recommended Capital from Current projects totalling \$600,000 be approved.
2. The recommended Sanitary Sewer Surcharge – Capital Portion totalling \$4,672,891 be approved.
3. The recommended Engineering Dept. Miscellaneous Construction projects totalling \$1,300,000 be approved.

4. The Asset Management Plan – Acceleration projects be approved as follows:
 - a. The repair/replacement of 5 roofs totalling \$1,500,000,
 - b. Consulting work for the Civic Centre windows and metal cladding project totalling \$350,000,
 - c. The repair/replacement of the window joint sealant on various City facilities,
 - d. An allotment of \$300,000 be set aside for potential emergency repairs of facilities arising in 2016,
 - e. Consulting work surrounding the potential relocation of the transit building totaling approximately \$250,000, and
 - f. The remainder of the available asset management funding be allocated towards the Civic Centre windows and metal cladding project in 2017.
5. Allocate \$40,000 from any savings realized in the 2015 Capital Works program towards the Huron Street Welcome Feature project.

6.1	<i>PowerPoint Presentation – Capital Budget</i>	113 - 121
7.	FINAL 2016 OPERATING BUDGET	122 - 134

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 March 22, 2016 be received and the following be approved:

1. The budget adjustments as contained in Appendix A be added to the Final Budget, resulting in a 2016 tax levy of \$106,963,376, before levy reduction recommendations ;
2. The Tax Stabilization Reserve in the amount of \$708,000 and the Working Fund Reserve in the amount of \$1,081,000 be applied to reduce the 2016 levy;
3. The estimated 2015 estimated surplus of \$550,000 be applied to reduce the 2016 levy;
4. Changes to the 2015 estimated surplus of \$550,000 as a result of the year end audit be transferred to/from the Contingency Reserve;
5. 2015 year end reserve transfers as presented.;
6. Revenue Neutral tax ratios be used for calculating the 2016 tax rates; and
7. Business property tax capping be maintained at 5%.

7.1	<i>PowerPoint Presentation – Final Budget</i>	135 - 140
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8. ADJOURNMENT

Mover Councillor J. Hupponen
Seconder Councillor R. Niro

Resolved that this Council shall now adjourn.



BUDGET MEETING OF CITY COUNCIL MINUTES

Monday, February 29, 2016

4:30 p.m.

Council Chambers

Civic Centre

Present:

Mayor C. Provenzano, Councillor S. Butland, Councillor P. Christian, Councillor S. Hollingsworth, Councillor J. Hupponen, Councillor M. Shoemaker, Councillor R. Niro, Councillor M. Bruni, Councillor F. Fata, Councillor J. Krmpotich, Councillor R. Romano

Absent:

Councillor S. Myers, Councillor L. Turco

Officials:

A. Horsman, M. White, N. Kenny, L. Girardi, N. Apostle, S. Schell, J. Dolcetti, , M. Figliola, M. Nadeau, P. Niro, R. Rushworth, P. Johnson, P. Milosevich, J. St. Jules, L. McMillan, V. McLeod, N. Fera, R. Santa Maria, S. Parr

1. APPROVE AGENDA AS PRESENTED

Moved by: Councillor S. Hollingsworth

Seconded by: Councillor F. Fata

Resolved that the Agenda for 2016 02 29 Budget Meeting as presented be approved.

Carried

2. CURRENT BUDGET

2.1 Summary of Departmental Service Options

Minutes of February 29, 2016 Budget Meeting

A summary illustrating the levy impact of recommended departmental service options was provided by the Commissioner of Finance and Treasurer.

2.2 Budget Input

The report of the Commissioner of Finance and Treasurer was received.

Moved by: Councillor S. Hollingsworth

Seconded by: Councillor M. Bruni

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.

Carried

2.3 Fire Services

The Fire Chief presented an overview of the proposed 2016 Fire Department budget and recommended service options.

2.4 Community Services Department

The Commissioner of Community Services presented an overview of the proposed 2016 Community Services Department budget and recommended service options.

3. RISE AND REPORT

Moved by: Councillor S. Hollingsworth

Seconded by: Councillor F. Fata

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

Carried

Moved by: Councillor S. Hollingsworth

Seconded by: Councillor M. Bruni

Resolved that the report of the Commissioner of Finance and Treasurer dated February 29, 2016 regarding 2016 budget input be received as information.

Carried

Moved by: Councillor P. Christian

Seconded by: Councillor M. Shoemaker

Resolved that the Committee of the Whole Council recommend that:

Whereas major industries in Sault Ste. Marie have suffered as a result of low oil prices and illegal steel dumping; and

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Whereas the result has been several hundred layoffs in Sault Ste. Marie over the last calendar year; and

Whereas Council expects all departments within the City to operate in the most effective way possible; and

Whereas the Corporation of the City of Sault Ste. Marie and its Council cannot be immune from the economic hardships our municipality is facing; and

Whereas the Corporation of the City of Sault Ste. Marie must lead by example in tightening its financial belt in solidarity with our residents who are experiencing economic hardship

Now Therefore Be It Resolved that the Corporation of the City of Sault Ste. Marie freeze the Mayor and Council honouraria, Mayor and Council car allowance and Mayor and Council cell phone allowance at the 2016 rate for the 2016 and 2017 calendar years.

Carried

Moved by: Councillor M. Shoemaker

Seconded by: Councillor P. Christian

Resolved that the Committee of the Whole Council recommend that:

The Department of Public Works and Transportation be authorized, in conjunction with the Department of Community Services to report to Council the following:

1. How many city-owned parks exist in the City of Sault Ste. Marie;
2. How many parks per ward exist in the City of Sault Ste. Marie;
3. Comparisons between the number of parks in the City of Sault Ste. Marie and the number of parks in like-sized municipalities in Ontario and/or across Canada;
4. A recommendation on the number of parks that should exist in the City of Sault Ste. Marie;
5. An estimate on the ongoing savings from declaring the recommended number of parks as surplus property; and
6. An estimate on the revenue that could be generated by the sale of any parks declared surplus.

Carried

Moved by: Councillor S. Hollingsworth

Seconded by: Councillor M. Bruni

Resolved that the Committee of the Whole Council recommend approval of the Fire Services and Community Services Department budgets to the final budget deliberation meeting.

Carried

4. ADJOURNMENT

Moved by: Councillor S. Hollingsworth

Seconded by: Councillor F. Fata

Resolved that this Council shall now adjourn.

Carried

Minutes of February 29, 2016 Budget Meeting

Mayor

City Clerk



BUDGET MEETING OF CITY COUNCIL MINUTES

Tuesday, March 1, 2016

4:30 p.m.

Council Chambers
Civic Centre

Present: Mayor C. Provenzano, Councillor S. Butland, Councillor P. Christian, Councillor S. Hollingsworth, Councillor J. Hupponen, Councillor M. Shoemaker, Councillor R. Niro, Councillor M. Bruni, Councillor J. Krmpotich, Councillor R. Romano

Absent: Councillor S. Myers, Councillor L. Turco, Councillor F. Fata

Officials: A. Horsman, R. Tyczinski, N. Apostle, S. Schell, J. Dolcetti, M. Figliola, L. Girardi, N. Kenny, M. Nadeau, P. Niro, D. McConnell, S. Hamilton Beach, D. Elliott, R. Pihlaja, F. Pozzebon, A. Starzomski, R. Nenonen, M. Blanchard, M. Lebel, K. Stanghetta, J. Pinder, D. Scott, T. Reid

1. APPROVE AGENDA AS PRESENTED

Moved by: Councillor J. Hupponen

Seconded by: Councillor M. Bruni

Resolved that the Agenda for 2016 03 01 Budget Meeting as presented be approved.

Carried

2. CURRENT BUDGET

Moved by: Councillor M. Shoemaker

Seconded by: Councillor M. Bruni

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.

Carried

2.1 Engineering and Planning

The Commissioner of Engineering and Planning presented an overview of the proposed 2016 Engineering and Planning Department budget and recommended service options.

2.2 Public Works and Transportation

The Commissioner of Public Works and Transportation presented an overview of the proposed 2016 Public Works and Transportation budget and recommended service options.

3. RISE AND REPORT

Reports of the Commissioner of Finance and Treasurer and the Manager of Finance and Budgets were received.

Moved by: Councillor J. Hupponen

Seconded by: Councillor J. Krmpotich

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

Carried

Moved by: Councillor M. Shoemaker

Seconded by: Councillor R. Niro

Resolved that the Committee of the Whole Council recommend approval of the Engineering and Planning and Public Works and Transportation budgets to the final budget deliberation meeting.

Carried

Moved by: Councillor M. Shoemaker

Seconded by: Councillor R. Romano

Resolved that the Committee of the Whole Council recommend that landfill hours be reduced by one hour per day, reducing labour and overtime costs.

Carried

Minutes of March 1, 2016 Budget Meeting

Moved by: Councillor R. Romano

Seconded by: Councillor S. Butland

Resolved that the Committee of the Whole Council recommend that Sunday Transit service be reduced from 18 hours per day to 12 hours of service (7 a.m. to 7:15 p.m.).

Carried

Moved by: Councillor M. Shoemaker

Seconded by: Councillor J. Hupponen

Resolved that the Committee of the Whole Council recommend that the Public Works and Transportation Department be authorized to remove five (5) non-warranted traffic signals in the City of Sault Ste. Marie at an estimated savings for 2016 of \$8,375 and an ongoing savings of \$4,125 annually (Albert and Gore Streets; Albert and Andrew Streets; Conmee Avenue and Wellington Street; Korah Road and Douglas Street; Wellington and Simpson Streets).

Carried

4. CLOSED SESSION

Moved by: Councillor M. Shoemaker

Seconded by: Councillor R. Niro

Resolved that this Council proceed into closed session to review potential budget items having have labour relations and/or personal information implications.

Further Be It Resolved that should the said closed session be adjourned, the Committee may reconvene in closed session to continue to discuss the same matter without the need for a further authorizing resolution.

(personal matters about an identifiable individual, including municipal or local board employees; Labour relations or employee relations – section 239(2)(b and d)).

Carried

5. ADJOURNMENT

Moved by: Councillor J. Hupponen

Seconded by: Councillor L. Turco

Resolved that this Council shall now adjourn.

Carried

Minutes of March 1, 2016 Budget Meeting

Mayor

Deputy City Clerk



BUDGET MEETING OF CITY COUNCIL MINUTES

Monday, March 7, 2016

6:00 p.m.

Council Chambers
Civic Centre

Present:

Mayor C. Provenzano, Councillor S. Butland, Councillor P. Christian, Councillor S. Hollingsworth, Councillor J. Huppenen, Councillor M. Shoemaker, Councillor L. Turco, Councillor R. Niro, Councillor M. Bruni, Councillor F. Fata, Councillor J. Krmpotich, Councillor R. Romano

Absent:

Councillor S. Myers

Officials:

A. Horsman, R. Tyczinski, N. Apostle, S. Schell, J. Dolcetti, M. Figliola, L. Girardi, N. Kenny, P. Niro, F. Coccimiglio, A. Iacoe, I. Bruno, B. Madonna, L. Buffone, E. Pereira, T. Fleming, T. Gowans, C. Pascall, P. Liepa, L. Ballstadt, M. Foggia

1. APPROVE AGENDA AS PRESENTED

Moved by: Councillor M. Shoemaker

Seconded by: Councillor L. Turco

Resolved that the Agenda for 2016 03 07 Budget Meeting as presented be approved.

Carried

2. CURRENT BUDGET

Moved by: Councillor M. Shoemaker

Seconded by: 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.

Carried

2.1 Mayor and Council

The Mayor presented an overview of the proposed 2016 Mayor and Council Budget.

2.2 Chief Administrative Officer

The Chief Administrative Officer presented an overview of the proposed 2016 Chief Administrative Office budget.

2.3 Human Resources

The Commissioner of Human Resources presented an overview of the proposed 2016 Resources Department budget and recommended service options.

2.4 Clerks

The Deputy City Clerk presented an overview of the proposed 2016 Clerks Department budget and recommended service options.

2.5 Finance

The Commissioner of Finance and Treasurer presented an overview of the proposed 2016 Finance Budget and recommended service options.

2.6 Legal

The City Solicitor presented a review of the proposed 2016 Legal Department budget and recommended service options.

3. RISE AND REPORT

Moved by: Councillor J. Hupponen

Seconded by: 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.

Carried

Minutes of March 7, 2016 Budget Meeting

Moved by: Councillor J. Hupponen

Seconded by: Councillor L. Turco

Resolved that the Committee of the Whole Council recommend approval of the Mayor and Council, Chief Administrative Officer, Human Resources Department, City Clerk's Department, Finance Department and Legal Department budgets to the final budget deliberation meeting.

Carried

Moved by: Councillor M. Shoemaker

Seconded by: Councillor R. Niro

Resolved that the Committee of the Whole Council recommend that a reduced level of dinners for Council meetings be provided.

Carried

Moved by: Councillor M. Shoemaker

Seconded by: Councillor L. Turco

Resolved that the Committee of the Whole Council recommend that the City cease incurring the costs for prospective employees to have medical assessments completed prior to commencement of their employment with the City of Sault Ste. Marie.

Carried

Moved by: Councillor M. Shoemaker

Seconded by: Councillor R. Niro

Resolved that the Committee of the Whole Council recommend that the Finance Department recover fees and administration for title searches for properties in tax arrears.

Carried

4. ADJOURNMENT

Moved by: Councillor J. Hupponen

Seconded by: Councillor R. Niro

Resolved that this Council shall now adjourn.

Carried

Mayor

Deputy City Clerk

Minutes of March 7, 2016 Budget Meeting



BUDGET MEETING OF CITY COUNCIL MINUTES

Tuesday, March 8, 2016

4:30 p.m.

Council Chambers

Civic Centre

Present:

Mayor C. Provenzano, Councillor S. Butland, Councillor P. Christian, Councillor S. Hollingsworth, Councillor J. Hupponen, Councillor M. Shoemaker, Councillor L. Turco, Councillor R. Niro, Councillor M. Bruni, Councillor F. Fata, Councillor R. Romano

Absent:

Councillor S. Myers, Councillor J. Krmpotich

Officials:

A. Horsman, R. Tyczinski, N. Kenny, L. Girardi, N. Apostle, S. Schell, J. Dolcetti, M. Figliola, M. Nadeau, P. Niro, F. Coccimiglio, R. Toth-Rissanen, R. Keetch, S. Sparling, A. Koppens, M. Ward, J. Bruzas, P. Liepa

1. APPROVE AGENDA AS PRESENTED

Moved by: Councillor J. Hupponen

Seconded by: Councillor R. Niro

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

Carried

Declaration of Pecuniary Interest

Councillor L. Turco – Police

Spouse employed by Police Services

Councillor R. Romano – Art Gallery of Algoma

Spouse member board of directors, Art Gallery of Algoma

2. CURRENT BUDGET

2.1 Levy Impact Update

The Commissioner of Finance and Treasurer provided an overview of the levy impact of the 2016 Operating Budget.

2.2 Additional Service Options – 2016 Budget

The report of the Commissioner of Finance and Treasurer concerning Additional Service Options – 2016 Budget was received.

Moved by: Councillor M. Shoemaker

Seconded by: Councillor R. Romano

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 except reduction to Economic Diversification Fund.

Carried

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

The report of the Manager of Audits and Capital Planning was received.

Moved by: Councillor J. Hupponen

Seconded by: 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.

Carried

Moved by: Councillor M. Shoemaker

Seconded by: 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.

Carried

2.4 Correspondence

The document "Comparative Taxation and Tax Competitiveness" authored by M. Ward, Communication and Policy Advisor, Office of the Mayor, was received.

2.5 Preliminary Budget – Outside Agencies and Grants to Others

2.6 Library

2.7 Police

Councillor L. Turco declared a conflict on this item. (Spouse employed by Police Service.)

The Chief of Police presented an overview of the proposed 2016 Police Department budget.

2.8 Art Gallery of Algoma

Councillor R. Romano declared a conflict on this item. (Spouse is a member of the board of directors of the Art Gallery of Algoma.)

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

2.9 Sault Ste. Marie Museum

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

2.10 Canadian Bushplane Heritage Centre

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

2.11 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 were present.

3. RISE AND REPORT

Moved by: Councillor M. Shoemaker

Seconded by: 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.

Carried

Minutes of March 8, 2016 Budget Meeting

Moved by: Councillor M. Shoemaker

Seconded by: Councillor L. Turco

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

Carried

Moved by: Councillor J. Hupponen

Seconded by: Councillor R. Niro

Resolved that the Committee of the Whole Council recommend approval of the Sault Ste. Marie Police Service to the final budget deliberation meeting.

Carried

4. ADJOURNMENT

Moved by: Councillor M. Shoemaker

Seconded by: Councillor R. Niro

Resolved that this Council shall now adjourn.

Carried

Mayor

Deputy City Clerk



COUNCIL REPORT

March 22, 2016

TO: Mayor Christian Provenzano and Members of City Council
AUTHOR: Rachel Tyczinski, Deputy City Clerk
DEPARTMENT: City Clerk's Department
RE: Summary of Requested Reports – Budget 2016

PURPOSE

The purpose of this report is to provide Council with a summary of reports requested during the 2016 budget deliberation process.

BACKGROUND

City Council held 2016 budget meetings on February 29, March 1, March 7 and March 8, 2016. During the course of budget deliberations several staff reports were requested.

The following reports appear on this Agenda:

- 4.2 Human Resources – Impact of Freezing Non-Union Wages
- 4.3 Clerk's – Agenda Photocopying and Retirement Receptions
- 4.4 Sault Ste. Marie Public Library – Demographics by library location; hours of operation and staffing at each location; volume counts; energy costs
- 4.5 Long Term Debt to Reduce Capital Allocation

The following requested reports will appear on future Council Agendas:

- Policy on the use of surplus funds and tax policy
- Analysis of number of parks
- Analysis – elimination of outdoor rinks
- Study of fire vehicle requirements
- Review of fire dispatch
- Review of fire station locations

Summary of Requested Reports

2016 03 21

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- Request for quotation – energy audit to quantify energy and cost savings for LED lighting within City buildings
- Analysis of contributions by outlying communities to the Sault Ste. Marie Public Library vis-a-vis circulation to citizens of those communities

The following presentations will be scheduled for future Council meetings:

- Sault Ste. Marie Public Library regarding ADSB partnership
- Sault Ste. Marie Police Service regarding youth initiatives

The following motions are expected to be re-introduced by members of Council:

- Request for update of vacancy policy specific to gapping
- Request for policy capping expenditures commensurate with the yearly targeted rate of inflation

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Deputy City Clerk dated 2016 03 22 regarding Summary of Requested Reports be received as information.

Respectfully submitted,



Rachel Tyczinski
Deputy City Clerk



COUNCIL REPORT

March 22, 2016

TO: Mayor Christian Provenzano and Members of City Council
AUTHOR: Peter Niro, Commissioner
DEPARTMENT: Human Resources Department
RE: Impact of Freezing Non Union Wages

PURPOSE

This report is in response to City Council's request for information on the impact of freezing Non-Union wages.

BACKGROUND

During the February 29th, 2016 budget deliberation meeting, City Council requested that staff provide an information report regarding a Non-Union salary freeze as a cost saving option.

ANALYSIS (if applicable)

There are several considerations to address:

- A Non-Union salary freeze requires Council to repeal By-Law 2000-147 (Non Union Salary Administration).

A portion of the By-Law outlines how Non Union increases are calculated and when they are implemented. Repealing the by-law removes the legislated requirement for Pay Equity maintenance and therefore requires Council to pass an applicable by-law in this regard. Alternatively, they could opt only to repeal the section referring directly to the *annual* increases.
- If Council did proceed the 2016 Non Union salary grid would be “frozen” for 2017 but those employees not at their respective maximum step of the grid would continue to progress based on the wording of our Offers of Employment (contractual obligations).
- Repealing the by-law reduces morale and causes uncertainty for future increases. Further a wage freeze will negatively impact the Corporation’s ability to attract and retain talent.

Non Union Salary Freeze

March 22, 2016

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- Fire Management staff are currently experiencing wage compression in the department and a wage freeze would magnify the inability to promote from within. Similarly, a non-union salary freeze generates compression throughout the Corporation between high-earning union employees and lower-paid Non-Union staff.
- There is a risk that the Non-Union group could apply for official recognition as an association under the Ontario Labour Relations Act as was the case with the City of Sarnia.
- The City of Thunder Bay and City of Toronto at one time did freeze Non Union wages resulting in subsequent adjustments to increase competitive edge in attracting, promoting and retaining management employees.

IMPACT

A Non Union salary freeze would reduce 2017 budget by \$180,000.

STRATEGIC PLAN

This is not currently directly linked to an item in the Strategic Plan

RECOMMENDATION

It is therefore recommended that Council take the following action:

It is recommended that Council take the following action:

Resolved that the report of the Commissioner of Human Resources dated 2016 03 07 be received as information.

Respectfully submitted,



Peter Niro
Commissioner, Human Resources



COUNCIL REPORT

March 22, 2016

TO: Mayor Christian Provenzano and Members of City Council
AUTHOR: Rachel Tyczinski, Deputy City Clerk
DEPARTMENT: City Clerk's Department
RE: Clerk's Department – Budget Information

PURPOSE

The purpose of this report is to provide Council with additional information requested at the March 7, 2016 Budget Meeting.

BACKGROUND

Budget information concerning the City Clerk's Department operations was presented to Council on March 7, 2016. Questions were posed by Councillors as to how much could be saved if no paper agendas were produced and requesting details of the retirement receptions account.

ANALYSIS

Agenda Photocopying

The number of Agendas photocopied has been diminishing since implementation of the eScribe system. Should all photocopying of Agendas cease, a savings of approximately \$4,000 could be realized in 2016.

Retirement Receptions

The retirement reception budget is \$27,000. This cost centre is charged for the following expenditures: retirement event subsidies (\$600); retirement gifts (ordered through Human Resources); 25-year service clocks for part-time employees; 25-year recognition watches for full-time employees.

In 2015 approximately 28 retirement events were held. This included the retirement of the Chief Administrative Officer and two members of the Senior Management Team.

A copy of the Retirement Functions for City Employees policy is attached for information.

IMPACT

Agenda Photocopying

While the goal is to reduce paper copies of Agendas, it is not realistic to expect that this could be completely eliminated and therefore is not recommended. It is hoped that the numbers of paper Agendas will continue to diminish over time.

Retirement Receptions

The retirement reception budget (and policy) may be an area Council wishes to review for 2017. A review of the policy is recommended.

STRATEGIC PLAN

Not applicable.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Deputy City Clerk dated 2016 03 22 concerning Clerk's Department Budget Information be received as information.

Respectfully submitted,



Rachel Tyczinski
Deputy City Clerk



Subject:	RETIREMENT FUNCTIONS FOR CITY EMPLOYEES
Department/Division:	Chief Administrative Officer
Source:	Chief Administrative Officer
Date:	1993 02 09 revised 2011 10 01

Page: 1 of 2

PURPOSE	To implement a consistent policy to ensure that all employees are treated in the same manner regardless of area of employment, giving appropriate recognition to the level of responsibility from which the employee is retiring.
GROUPS	All Civic Departments. For the purposes of this policy this includes: union and non-union employees of Fire, PWT (all divisions), Social Services, CSD (all divisions), Civic Centre; union and non-union employees of Police, Library, Conservation Authority; members of the Senior Management Team
DEFINITION OF RETIREMENT	Retirement is defined as the act of leaving the employment of the City (regardless of the number of years of service) and commencing to receive an OMERS retirement pension.
LONG TERM DISABILITY AND WSIB	Employees absent for 36 consecutive months (or less) on LTD or WSIB at the commencement of their OMERS pension will be included in this policy.
RETIREMENT FUNCTION	<p>The City will provide a subsidy of up to \$600 per retiree to offset the cost of a retirement function (reception or ticketed event). The subsidy may be used to offset the cost of food, decorations, flowers, etc. The subsidy is not intended to be applied to the cost of a gift or to alcoholic beverages.</p> <p>In order to be eligible for the subsidy, the retirement function must be open to all City employees.</p>
APPLYING FOR THE SUBSIDY	<p>The retiree's Department submits a request to the CAO in writing advising:</p> <ol style="list-style-type: none">1) The name of the retiree2) The date of the retirement function3) Details of the retirement function (i.e. civic reception, ticketed event, etc.) <p>The CAO will respond to the request and, if approved, forward details to the Corporate Affairs Officer.</p> <p>The Corporate Affairs Officer will provide general support in organizing the event.</p>
INVITATIONS	The retiree's Department is responsible to prepare and send



Subject:	RETIREMENT FUNCTIONS FOR CITY EMPLOYEES
Department/Division:	Chief Administrative Officer
Source:	Chief Administrative Officer
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invitations. Those invited to the event include: the retiree, members of the retiree's immediate family, members of City Council, all employees and appropriate third parties who interact regularly with the retiree.

PUBLIC WORKS	The Public Works and Transportation Department hosts a coffee and donut function between 7:30 and 9 a.m. on the employee's last day of work. All City employees are invited. A barbecue is held annually in June to honour all those PWT employees who have retired in the preceding twelve months. The \$600 retirement subsidy per retiree is applied to the cost of this event. All PWT employees, members of City Council and members of the Senior Management Team are invited to this function, as well as members of the retirees' families.
DEPARTMENTAL EVENTS	Departmental events or dinners are not eligible for subsidy (with the exception of PWT practice as described in this policy).
SENIOR MANAGEMENT	In addition to a reception or ticketed event, the City sponsors a dinner for retiring members of the Senior Management Team. In consultation with the retiree, those invited to the dinner include: the retiree, members of the retiree's immediate family, members of City Council, members of the Senior Management Team and appropriate departmental staff.
GIFT	All retiring City employees select an official retirement gift through the Human Resources Department.
DISCRETION/EXCEPTIONS	The Chief Administrative Officer has the authority to approve exceptions to this policy. In the event of the CAO's retirement, the Mayor has that authority.
REVIEW	A periodic review of this policy will be conducted with respect to subsidy amount and adjustments for inflation.

Demographics by Library Location

Library Location	Membership Description	Number of Card Holders
Centennial Library		
	Grade 6 and Under	2,021
	Online Grade 6 and Under	3
	Grade 7 through 12	891
	Online Grade 7 through 12	30
	Non-Resident Student	9
	Adult	6,655
	Online Adult Resident	90
	Non-Resident Adult	52
	Senior	3,425
	Online Senior Resident	6
	Non-Resident Senior	47
	Outreach, Support Services and Adult Literacy Client	857
	Total	14,086
Churchill Branch Library		
	Grade 6 and Under Library Card Holders	287
	Grade 7 through 12	135
	Non-Resident Student	8
	Adult	1,093
	Non-Resident Adult	12
	Senior	871
	Non-Resident Senior	6
	Outreach, Support Services and Adult Literacy Client	75
	Total	2,487
Korah Branch Library		
	Grade 6 and Under Library Card Holders	592
	Grade 7 through 12	241
	Non-Resident Student	1
	Adult	954
	Non-Resident Adult	5
	Senior	438
	Non-Resident Senior	5
	Outreach, Support Services and Adult Literacy Client	110

	Total	2,346

Report by Library Location on Hours of Operation and Staffing

Library	Number of Staff	Weekly Hours of Operation during School Year	Weekly Hours of Operation during Summer Months	Yearly Total
Centennial Library	24 Full Time 38 Part-Time	68	55	3,432
Churchill Branch Library	2 Full Time 6 Part-Time	40	33	2,024
Korah Branch Library	2 Full Time 6 Part-Time	43	33	2,156
Totals	28 Full Time 50 Part-Time	151	121	7,612

2015 VOLUME COUNTS BY LIBRARY LOCATION

Library Location	Physical Volumes	Digital Volumes
Centennial Library	107,928	74,207
Churchill Branch Library	28,196	
Korah Branch Library	18,659	
Total	154,783	74,207

Note: The Library's digital volumes include the Historical Photo Index, the Newspaper Index as well as the eBooks and audio Books the library has purchased.

Through the Southern Ontario Library Association and the Ontario Library Services – North, the Sault Ste. Marie Public Library has access to 19,200 eBooks and audio Books through our OverDrive subscription. In addition the library purchased 372 eBook titles for use by our library card members.

2015 Energy Costs Breakdown by Library Location

Utilities	Water and Electric	Natural Gas
Library Location		
Centennial Library	\$63,715.40	\$15,698.16
Churchill Branch Library	\$8,462.85	\$5,229.61
Total	\$72,178.25	\$20,927.77



COUNCIL REPORT

March 22, 2016

TO: Mayor Christian Provenzano and Members of City Council
AUTHOR: Shelley J. Schell, CPA, CA Commissioner of Finance and Treasurer
DEPARTMENT: Finance Department
RE: Long Term Debt to Reduce Capital Allocation

PURPOSE

This report is in response to a question raised by Council during the March 1, 2016 Committee of the Whole budget deliberation meeting regarding using long term debt to reduce the annual capital allocation included in the operating budget. Staff is seeking Council's approval of their recommendation regarding the use of long term debt.

BACKGROUND

The annual capital roads budget averages approximately \$11.4 million each year, of which \$6.2 million is included in the operating levy. The remaining funding includes Federal Gas Tax (\$4.4 million) and Sanitary Sewer Revenue (\$0.8 to \$1.5 million). No long term debt is used to finance capital road works as per the policy of the previous administration.

The City's Asset Management Plan dated February 23, 2015 reports an annual funding deficit between \$30 million and \$72 million per year to 2024. The Plan also states staffs' opinion that there are construction capacity issues in the City that limit its ability to significantly reduce the infrastructure deficit.

ANALYSIS

If long term debt were used to finance a capital roads project in 2016 to reduce the operating levy portion of the funding to less than \$6.2 million, two options are available.

Report to Council – Long Term Debt to Reduce Capital Allocation

2016 03 22

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Option 1 Maintaining Current Operating Levy with One Road Per Year Debt Financed

	2016	2017	2018	2019	2020
Debt Financed Roads	2,000	2,000	2,000	2,000	2,000
Levy Financed Roads	9,400	9,400	9,400	9,400	9,400
Incremental Debt Servicing Cost (5 yr repayment)	414	414	414	414	414
Previous Year debt Servicing Cost		414	828	1,242	1,656
Revised Operating Allocation (Capital/Debt)	9,814	10,228	10,642	11,056	11,470
Incremental change to operating levy	(1,586)	414	414	414	414

This option shows a one-time operating savings of \$1.6 million in the year of implementation, but over the repayment term the operating levy has to be increased for the long term debt repayment. At the end of the repayment term there is no net savings to the levy. The other downside to this option is that the City will have to continue to debt finance \$2 million annually after the repayment term with no additional savings, unless \$2 million is put back into the operating budget. This will be difficult to accomplish given the current budgetary climate and would thus increase the infrastructure deficit.

Report to Council – Long Term Debt to Reduce Capital Allocation

2016 03 22

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Option 2 Same as Option 1 With Annual Reduction of Debt Financing

	2016	2017	2018	2019	2020
Debt Financed Roads	2,000	1,500	1,000	500	0
Levy Financed Roads	9,400	9,900	10,400	10,900	11,400
Incremental Debt Servicing Cost (5 yr repayment)	414	310	207	104	0
Previous Year debt Servicing Cost		414	724	931	1,035
Revised Operating Allocation (Capital/Debt)	9,814	10,624	11,331	11,935	12,435
Incremental change to operating levy	(1,587)	810	707	604	500

This option shows a one-time operating savings of \$1.6 million in the year of implementation, but over the repayment term the operating levy has to be increased for the long term debt repayment and an additional \$500,000 to eliminate long term debt financing.. The current levy of \$11.4 million is exceeded in Years 4 and 5 and thus over the repayment term, actually increases the levy.

Option 3 Reduce Current Operating for Debt Financing in 2016

	2016	2017- 2020
Capital Roads Budget	11,400	9,419
Reduction for Debt Financed Road-2016	(1,981)	
Debt Servicing Cost (5 yr repayment)	414	414
Revised Operating Allocation	9,833	9,833
Savings	1,567	0
Permanent Decrease in Capital Budget	(1,981)	

This option will show a savings in the levy for 2016, but will permanently reduce the funding available for capital road work, thus further increasing the funding deficit of the assets.

IMPACT

All options presented provide a levy saving in 2016, but none provide an ongoing savings without sacrificing the effective funding of the capital road works budget or risking an increase to the infrastructure deficit. The options, if implemented could have a negative effect on the City's credit rating as the strategy could be seen as using debt to finance operations, indicating possible financial problems and risk. Staff does not recommend any of options presented.

STRATEGIC PLAN

Not applicable.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Commissioner of Finance and Treasurer dated March 22, 2016 regarding the use of long term debt to reduce the annual operating budget capital allocation be accepted as information and that the recommendation not to proceed with either long term debt funding option be approved.

Respectfully submitted,



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



COUNCIL REPORT

March 22, 2016

TO: Mayor Christian Provenzano and Members of City Council
AUTHOR: Shelley J Schell, CPA, CA Commissioner of Finance and Treasurer
DEPARTMENT: Finance Department
RE: Ontario Regulation 284/09

PURPOSE

This report is presented in accordance with Ontario Regulation 284/09 and as information to Council.

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 \$16.4 million. Asset additions, which would increase accumulated surplus, are estimated at \$26.7 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 \$12.0 million for these expenses as of December 31, 2015.
- 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 our workers.

IMPACT

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

STRATEGIC PLAN

Not applicable.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Commissioner of Finance and Treasurer, dated March 22, 2016, concerning Ontario Regulation 284/09 be approved for the budget year 2016.

Respectfully submitted,



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

attachment

THE CORPORATION OF THE CITY OF SAULT STE. MARIE

Ontario Regulation 284/09: Budget Restatement
Year ended December 31, 2016

Capital Assets and Amortization:

Estimated Acquisition of Tangible Capital Assets Net of Dispositions	26,860
Amortization estimate for 2016	<u>(16,355)</u>
Increase to 2016 accumulated net revenue	<u><u>10,505</u></u>

Landfill Closure/Post Closure Expenses:

Increase to Landfill Closure Liability	\$ (1,340)
Reserve transfer included in budget	435
Increase to 2016 accumulated net revenue	<u><u>(905)</u></u>

Post Employment Benefits Expense:

Decrease to 2016 accumulated net revenue	<u><u>(1,275)</u></u>
--	-----------------------

Debenture Principle Repayments

Net Reserve/Capital Fund Transfers	(1,285)
	1,160

Total increase/(decrease) to accumulated net revenue

8,200



COUNCIL REPORT

March 22, 2016

TO: Mayor Christian Provenzano and Members of City Council
AUTHOR: Shelley J. Schell, CPA, CA Commissioner of Finance & Treasurer
DEPARTMENT: Finance Department
RE: 2016 Operating Budget: Levy Boards, Local Boards and Outside Agency Grants

PURPOSE

This report is to provide clarification to the different levies and grants included in the 2016 Budget for levy boards, local boards and other outside agency grants. Staff is seeking Council approval of the same.

BACKGROUND

The 2016 Preliminary Budget includes various amounts for levy boards, local boards and outside agency grants. Each type levy or grant is approved in a different manner.

Levy Boards have the legislative ability to provide an amount to a municipality in which it provides services to be added to the municipal tax levy. The legislation that allows the levy may or may not provide an appeal process to the municipality if it disagrees with the amount being levied.

Local Boards are similar to City departments, but are governed by a separate Board. Like Levy Boards, they have the legislative ability to set their budget to be included in a municipal tax levy. The difference between levy and local boards is in the appeal process. In some cases, the municipality has a greater say in the service level that the Local Board provides.

Other Outside agency grants are amounts that Council has approved either in way of a corporate policy or as a one-time or ongoing funding request.

Report to Council – 2016 Final Operating Budget Levy Boards, Local Boards and

Outside Agency Grants

2016 03 22

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ANALYSIS

Levy Boards

Levy Board submissions for 2016 are shown in Appendix A. The legislation for each is as follows:

Algoma Public Health

Public health units are governed by the Health Protection and Promotion Act. Section 72(1)(a) states the obligating municipality must pay for the expenses incurred by the health unit in its performance of its functions and duties set out by the Act. Section 72(8) of the Act states that obligating municipalities will pay the amounts set out in the notice from the health unit at the times specified.

Sault Ste. Marie Conservation Authority

Conservation Authorities are governed by the Conservation Authorities Act. Section 27 sets out the apportionment of costs based upon the benefit derived by each participating municipality. The ability to enforce the payment is set out in 27(7). A municipality may appeal the levy to the Mining and Lands Commissioner appointed under the Ministry of Natural Resources Act. The appeal must commence within 30 days after the notice of the levy is received from the authority. For 2016 the appeal deadline has been surpassed.

Sault Ste. Marie District Social Services Administration Board (SSMDSSAB)

The SSMDSSAB is governed by the District Social Services Administration Board Act. Section 6 sets out the "... municipality shall pay the amounts required to be provided by it for its share of the costs of social services to the board for its district, on demand." The Act also allows for penalties to be imposed for non-payment.

Local Boards

Local Board submissions for 2016 are shown in Appendix B. The appeal process for each is as follows:

Police Services Board

The Police Services is governed by the Police Services Act. Section 39(5) of the Act states that the board can appeal to the Ontario Civilian Police Commission who will determine if the proposed estimates provide for adequate and effective police services that meet the needs of the community for the fiscal year in question. The budget submitted by Police Services is based upon meeting their requirements under the Act.

Report to Council – 2016 Final Operating Budget Levy Boards, Local Boards and

Outside Agency Grants

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Library Board

A public library board is governed by the Ontario Libraries Act. The Act requires the library board to submit to Council annually an estimate required by the board for the fiscal year. Under the Act, Council can approve or amend and approve the estimates.

Other Outside Agency Grants

Other Outside agency grants for 2016 are governed by various policies and previous Council ongoing funding approvals and are shown in Appendix C. Note that Council approved the Financial Policy for Sustaining and Other Grants at the March 8, 2016 Budget Meeting and these grants do not require further approval.

IMPACT

All of the Levy Board, Local Board and Outside Agency Grants for 2016, as adjusted as reflected in the appendices, are included in the 2016 Final Operating Budget.

STRATEGIC PLAN

Not applicable.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Commissioner of Finance and Treasurer dated March 22, 2016 concerning the 2016 Final Budget Levy Board, Local Boards and Outside Agency Grants be received and that the amounts included in the 2016 Final Operating Budget as presented be approved.

Respectfully submitted,



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

attachments

LEVY BOARDS

2016 FINAL OPERATING
BUDGET

	2015	2016	\$	%
	BUDGET	BUDGET	Change (2015 to 2016)	Change (2015 to 2016)
Algoma Public Health	2,301,477	2,405,045	103,568	4.5%
Conservation Authority	329,925	475,065	145,140	44.0%
Sault Ste Marie District Social Services Board	16,361,434	17,287,198	925,764	5.7%
	18,992,836	20,167,308	1,174,472	6.2%

LOCAL BOARDS

2016 FINAL OPERATING BUDGET

	2015	2016	\$	%
	BUDGET	BUDGET	Change (2015 to 2016)	Change (2015 to 2016)
POLICE SERVICES BOARD	23,716,705	23,852,153	135,448	0.57%
LIBRARY BOARD-as presented March 8, 2016	2,840,770	2,811,035	(29,735)	-1.05%
	<u>26,557,475</u>	<u>26,663,188</u>	<u>105,713</u>	<u>0.40%</u>
TRANSFER TO OWN FUNDS	80,000	80,000		

The Preliminary Budget as presented includes \$80,000 annually that the City transfers to the City reserve (Library Reserve) for future capital requirements which is not reflected in the Library Board budget.

OUTSIDE AGENCIES & GRANTS TO OTHERS

2016 OPERATING BUDGET

	2015	2016	\$	%
	BUDGET	BUDGET	Change (2015 to 2016)	Change (2015 to 2016)
Ongoing Grants approved by Council in previous years:				
PHYSICIAN RECRUITMENT	300,000	300,000	-	
Funding				
Sault Area Hospital	(100,000)	(100,000)	-	
Group Health Centre	(100,000)	(100,000)	-	
City: Hospital Reserve Fund interest transferred	(100,000)	(100,000)	-	
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	-	
MEMORIAL EXEMPT	17,000	17,000	-	
PEE WEE ARENA	21,000	12,750	(8,250)	-39.29%
RED CROSS GRANT	50,000	50,000	-	
YOUTH PARTNERSHIP	9,000	-	(9,000)	-100.00%
Grants Governed by Separate Policies				
CULTURAL GRANT (Cultural Financial Assistance Policy)	53,900	53,900	-	
MISC GRANT - OTHER SPORTS (Financial Assistance Policy for National/International Sports Competitions)	10,000	10,000	-	
CULTURAL RECOGNITION (Cultural Advisory Board awards)	1,500	1,500	-	
ECONOMIC DEVELOPMENT CORPORATION (Memorandum of Agreement)	1,641,620	1,648,820	7,200	0.44%
INNOVATION CENTER (Memorandum of Agreement)	277,890	277,890	-	
EDF BUDGET (EDF Criteria)	500,000	500,000	-	
Grants approved March 8, 2016				
SAFE COMMUNITIES (Financial Policy for Sustaining & Other Grants)	40,000	40,000	-	
CRIME STOPPERS (Financial Policy for Sustaining & Other Grants)	-	25,000	25,000	
ALGOMA UNIVERSITY (Financial Policy for Sustaining & Other Grants)	40,000	40,000	-	
Total Grants to others	<hr/> <hr/> 3,122,975	<hr/> <hr/> 3,145,185	<hr/> <hr/> 22,210	<hr/> <hr/> 0.71%



COUNCIL REPORT

March 22, 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 Capital Budget

PURPOSE

The purpose of this report is to provide the 2016 capital budget and recommended acceleration projects. Staff is seeking Council approval of the recommendations.

BACKGROUND

Major projects will be presented individually to Council for approval. The City of Sault Ste. Marie's capital budget is presented in the following section. The capital equipment budgets of various departments will be presented to Council separately during the course of the year.

ANALYSIS

1. Capital from Current

A budget allocation of \$600,000 is recommended for 2016 which is a decrease of \$500,000 as compared to 2015. Staff recommends an increase of \$175,000 each year beginning in 2017 until the annual budget of \$1,100,000 is re-instated. See Appendix A for recommended Capital from Current projects for 2016.

2. Sanitary Sewer Surcharge – Capital Portion

Attached in Appendix B is the budget for capital portion of the 2016 sanitary sewer surcharge.

The Engineering Department has budgeted a total of \$5,117,891 for sanitary sewer surcharge capital for 2016.

Aside from Capital Road Works, major projects over the next 5 years include the addition of a Biosolids Management Facility and West End Plant and pump station upgrades.

3. 2016 Road Construction Program

Council approved the 2016 Capital Road Construction Plan on June 22, 2015 (Appendix C) and it will be financed by the following allocations in the 2016 budget.

City Financing –

2016 Federal Gas Tax – estimated	\$ 4,569,051
2016 Capital Levy – overall	4,500,000
2016 Capital Levy – urban only	<u>1,652,769</u>
2016 Sanitary Sewer	<u>1,054,680</u>
Total 2016 Construction Program	\$ <u>11,776,500</u>

At the March 7, 2016 council meeting, Council approved the re-allocation of \$1,700,000 from the Bay Street reconstruction project originally budgeted in the 2015 Capital Road Construction program to the Gore Street project. See Appendix D for the original council report.

4. Miscellaneous Construction

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

Refer to Appendix E for the recommended projects for 2016.

Asset Management Plan – Acceleration

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. The Asset Management Plan is a long term strategy to address upgrades to existing buildings and infrastructure.

As part of the 2016 budget process, staff was asked to look into projects identified in the asset management plan that were slated to take place in future years but could potentially be accelerated to 2016 in an attempt to stimulate the local economy while at the same time realizing efficiencies.

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 accelerated and completed in 2016 so as to realize efficiencies.

The projects that the Facility Asset Management Staff Committee recommends include the following:

- The repair/replacement of 5 roofs:
 - Civic Centre
 - Firehall #4
 - SSM Museum
 - PWT Storage Garage
 - PWT Admin Building – washroom roof
- Consulting design work for the Civic Centre windows and metal cladding project
- The repair/replacement of the window joint sealant on various City facilities as identified in Morrison Hershfield's report; and
- Emergency repairs – an allotment of \$300,000 to be set aside for potential emergency repairs of facilities arising in 2016.

No debt issue is required for the above noted 2016 projects as they will be funded through previously approved Asset Management funding.

The remainder of the funding allocated for Asset Management, including the carry forward from 2015, is recommended to be committed to the Civic Centre windows and cladding project anticipated to begin in 2017.

The Civic Centre windows and cladding project is identified in the Asset Management Plan with an estimated total cost of \$7,000,000. The Facilities Condition Assessment project consultant Morrison Hershfield indicated that the windows and cladding on the Civic Centre are due to be replaced/repaired no later than 2018.

Staff is recommending engaging a consultant in 2016 to begin design work on the Civic Centre project in anticipation of actual repair/replacement in 2017, one year ahead of the 2018 schedule.

Although no debt issue is required for the consulting work, it is likely that staff will recommend obtaining financing for the actual construction in 2017.

Transit Relocation

In addition to the recommendations of the FAMSC, staff recommends allocating \$250,000 for consulting work surrounding the potential relocation of the transit building from its current downtown location to a location on or near the Public Works site on Sackville Road. The relocation is listed as a potential project in the City's Asset Management Plan.

It is intended that the \$250,000 will get the project "shovel-ready" in anticipation of potential funding programs announced by upper levels of government.

The preliminary estimated total cost of the project is \$14,000,000.

The Public Works Department has provided the following advantages of relocating transit to the Public Works site:

1. Administration – the administration staff at Transit and PWT fall under CUPE Local 67 so there would not be any issues with relocation. Both areas have accounting departments which include payroll, accounts payable, accounts receivable so there are certainly synergies between the two administration groups along with office equipment and supplies.
2. Operations – System software for GPS/AVL can be shared between the two areas along with opportunities in the training.
Also janitorial services along with operating costs would all be shared and evolve around one facility.
3. Fleet – This area would see substantial improvements such as:
 - Central Lubrication
 - Central Fueling
 - Central body shop which the Sackville site does not presently have
 - Central Stores Department
 - Wash Facility for both buses and heavy equipment

Attached in Appendix F is the financial breakdown of the above Asset Management Plan recommendations.

Requests Referred to 2016 Budget Deliberations

Attached to this report, you will find a report from the Engineering and Planning Department regarding the Former Sault Area Hospital Waterfront Walkway. In the report, staff is suggesting that City Council consider repairing the original gabions where required; and replacing the former asphalt parking lot with trees, grass and benches at an estimated costs of \$250,000.

Given that there is no identified source of funding for this project, staff is recommending to refer this project to the 2017 budget deliberations.

Also attached to this report, you will find a report from the Engineering and Planning Department regarding the Huron Street Welcome Feature project. In this report staff is requesting an additional \$40,000 in funding to complete the project. The additional \$40,000 is to implement a number of improvements and protection measures due to the feature's proximity to a PUC substation.

Staff is recommending funding the \$40,000 additional request from any savings realized in the 2015 Capital Works program. Note that it will not be known if there are any savings available to be used from the 2015 Capital Works program until such time that the City's external audit is complete.

On February 22, 2016, the Engineering and Planning Department submitted two reports to Council (Appendices G & H). The first report spoke to a Queen Street tree replacement strategy, including the replacement of all the trees on Queen Street and the installation of pedestrian scale lights. The estimated cost of replacing the remaining trees along the entire stretch of Queen Street is \$2,000,000; while the estimated cost of the lighting strategy is \$1,200,000.

The second report concerned preliminary steps for the Gateway Signature Park. The request was for funding of \$150,000 to conduct a Phase One and Phase Two environmental assessment, as well as an overall park design.

Given that there is no identified source of funding for the two above-noted projects presented to Council on February 22, 2016, it is staff's recommendation that these projects not be approved during the 2016 Budget deliberations.

Long Term Debt

2015 Net Long Term Liabilities	\$ 8,994,008
2014 Net Long Term Liabilities	<u>10,205,146</u>
Net Decrease in Long Term Liabilities	\$ <u>1,211,138</u>

Total Year End Debt

2015	8,994,008
2014	10,205,146
2013	12,466,343
2012	14,569,474
2011	16,718,442
2010	17,936,258
2009	20,440,876
2008	23,376,288
2007	26,586,752
2006	18,329,293
2005	23,031,325
2004	26,446,776
2003	28,492,740
2002	21,075,992
2001	23,327,226
2000	25,901,858
1999	16,175,994
1998	16,955,181
1997	19,711,034
1996	22,159,369

New Debt Requirements

It is anticipated that the City will need to obtain financing in 2017 for the Civic Centre windows and cladding project. The estimated total cost of the project is \$7,000,000; however, the City is estimating that it will have some monies set aside from the \$2,292,210 annual allocation for the Asset Management Plan to contribute towards the financing of the project. At this time, the total estimated third party financing required for 2017 is \$4,500,000.

In addition, as stated earlier in this report, staff is recommending allocating \$250,000 for consulting work surrounding the potential relocation of the transit building from its current downtown location to a location on or near the Public Works site on Sackville Road. The total estimated cost of this project is \$14,000,000.

As with other similar projects of such magnitude, in order for the City to proceed with this development, funding of at least 2/3rds needs to be obtained from other sources. The City will consider funding the remaining 1/3rd primarily through issuance of debt, so as not to take away funding from the strategy for the capital repair and maintenance of the existing facilities. As with previously issued City debt, the servicing of this debt will likely be added to the tax levy.

Staff will report back to Council upon completion of the feasibility 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 I.

IMPACT

The recommended 2016 capital plan is funded through the existing 2016 tax levy.

STRATEGIC PLAN

Not applicable.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Manager of Audits and Capital Planning, dated March 22, 2016, concerning 2016 Capital Budget be received and the following be approved:

- 1) The recommended Capital from Current projects totalling \$600,000 be approved.
- 2) The recommended Sanitary Sewer Surcharge – Capital Portion totalling \$4,672,891 be approved.
- 3) The recommended Engineering Dept. Miscellaneous Construction projects totalling \$1,300,000 be approved.

- 4) The Asset Management Plan – Acceleration projects be approved as follows:
 - a. The repair/replacement of 5 roofs totalling \$1,500,000,
 - b. Consulting work for the Civic Centre windows and metal cladding project totalling \$350,000,
 - c. The repair/replacement of the window joint sealant on various City facilities,
 - d. An allotment of \$300,000 be set aside for potential emergency repairs of facilities arising in 2016,
 - e. Consulting work surrounding the potential relocation of the transit building totaling approximately \$250,000, and
 - f. The remainder of the available asset management funding be allocated towards the Civic Centre windows and metal cladding project in 2017.
- 5) Allocate \$40,000 from any savings realized in the 2015 Capital Works program towards the Huron Street Welcome Feature project.

Respectfully submitted,



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

JB/kl

attachments



Corporation of the City of Sault Ste. Marie
Capital from Current Budget
2015

Appendix A

Department / Description	Ranking	Request	RECOMMEND	Cap Cur - Alloc	Other Sources	Dept Comments	Notes
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Ranking Definitions:

Critical: Cannot continue to provide critical services without funding or Health & Safety concern.
Important: Will enhance the capabilities of department to deliver efficient services and/or decrease costs
Desirable: Significant improvements, but not time sensitive and/or can be deferred without disruption of service

FINANCE

IT Systems Upgrade---Financial, Procurement, Work Tech, Payroll	Critical	75,000	Yes	75,000		Upgrades required as systems are reaching "end-of-support"	
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COMMUNITY SERVICES DEPARTMENT

Recreation & Culture Division:

Accessible route at South Lot of Seniors Drop in Centre	important	74,500	No			Ramp was identified for replacement in an accessibility report on the Centre by EPOH in 2009. Costs based on 4% increase/year plus 15% for design/construction fees.	Look for potential funding in Accessibility Reserve; FAMSC?
Roberta Bondar Marina - two sections of dock (main entrance)	Critical	27,500	Yes	27,500		Pontoons have reached end of life and now a health and safety concern	Norgoma decision needs to be made first
Roberta Bondar Marina - two sections of dock (Fueling dock)	Critical	60,000	Yes	60,000		Pontoons have reached end of life and now a health and safety concern. The fueling portion is estimated to be \$120,000 with \$60,000 per year.	Norgoma decision needs to be made first
Continuous leak monitoring system	Critical	55,000	Yes	55,000		In order to sell fuel this system is required by spring of 2016, as per TSSA inspection	TSSA requirement to sell fuel in 2016
Pavement surface replacement from Shore Dr. to boat launch	important	17,000	No			Shore drive resurfacing is included in the 2016 Surface treatment program. It would be wise to include the roadway leading to the launch.	Should be covered off through Capital Works program
Improvements to SSM Sports Hall of Fame	Desirable	35,000	No			The PRAC have identified the upgrades as necessary to improve public profile	
Report on condition of docks at both marinas	Desirable	10,000	No			The marinas were not covered in the Asset Management Assessment in 2013. A report from a consultant on the condition of the present structures would be helpful as replacement of docks at Bellevue are anticipated within the next 3-5 years. This amount includes non refundable HST.	Norgoma decision needs to be made first

Community Centre Division:

60 hp Frick Refrigeration plant compressor	important	50,000	No			Compressor is beyond its run time	Refer to Facilities Asset Management Staff Committee and Green Committee
100 hp Frick Refrigeration plant compressor	important	56,000	No			Compressor is beyond its run time	Refer to Facilities Asset Management Staff Committee and Green Committee
Greco pool filter system replacement	Critical	20,000	No			Beyond its useful life and needs to be replaced	
Manzo pool Sun Shelter	important	10,000	No			For the Best for Kids program and general public to proved a shaded area	
John Rhodes Storage Garage	important	26,000	No			There is limited space on site for storing equip. and materials required to operate	Refer to Facilities Asset Management Staff Committee
Replace McMeeken Centre Score Clock	important	16,500	No			The clock has required regular costly maintenance in order to keep it working	Can be transferred to different facility
Pool Climbing wall	important	18,000	No			The addition of a wall will spark renewed interest and increase revenues through admissions, would be the first of its kind in the SSM area	
Scissor lift - John Rhodes Centre	Critical	16,800	No			Safe work practices state not to work on a ladder over 10ft. As a result a lift must be rented each time this type of work is required. A house lift would provide for timely repairs and safety.	\$89,700 approved in 2015 Capital from Current
Memorial Tower Renovations	Critical	20,000	No			As identified in Sep 28, 2015 Council resolutions	
Essar							
JRCC dehumidification	important	150,000	No			Unit is beyond its useful life and should be replaced. Otherwise this will result in corrosion	For Ice Pad 2. Replaced for Ice Pad 1 in 2014. Seek funding from Green Committee. Refer to Facilities Asset Management Staff Committee and Green Committee

662,300

Department / Description	Ranking	Request	RECOMMEND	Cap Cur - Alloc	Other Sources	Dept Comments	Notes
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ENGINEERING & PLANNING

Building Services							
Civic Centre service elevator	important	100,000	No			Included in Asset Mngmt plan 2015, cab modernization not required	Refer to Facilities Asset Management Staff Committee and Green Committee
Carpeting within offices	Critical	75,000	Yes	42,500		Civic Centre requires upgrades within the offices @ cost of \$75,000/year over 3 years	
Council chambers public seating area	important	25,000	No			Theatre style would last a lifetime compared to re-upholstering existing @\$16,000	
Upgrades to concrete, stairs and associated waterproofing surrounding building	Critical	30,000	No			AMP 2023	Refer to Facilities Asset Management Staff Committee
Upgrade flooring in reception area in social services	Critical	30,000	No			Due to changes in reception area health and safety concerns have been addressed	OW Building
		260,000					

PUBLIC WORKS & TRANSPORTATION

Transit Division:							
Transit Equipment Reserve							
Electronic pre boarding announcement system	Critical	60,000	Yes	60,000		Legislated requirement of the Accessibility for Ontarians to be met by Jan 1 2017	Already Approved
On going maintenance of above preboarding announcement system	important	25,000	No				To operating budget
Community bus	important	170,000	No			Currently using 2 buses for 3 routes	Federal Funding Program expected in 2017
2 Para buses	important	160,000	Yes		160,000	To meet needs of growing list of registered clients.	Federal Funding Program expected in 2017
							Transit Equipment Reserve

Buildings & Equipment:

Cost to re-purpose the hazardous waste site to Carpenter Shop	important	140,000	No				Refer to Facilities Asset Management Staff Committee
Public Works Centre facility---- Watermain	Critical	200,000	No			replacement of the existing 8" water main, this request is in addition to the \$175,000 accumulated	2014 Capital from Current Allocated \$175,000, half of the estimated cost of the project

Parks Division:

Replace Esposito outdoor rink shack	important	50,000	No			Building condition assessment conducted by private firm with recommendation to the replaced.	
Upgrade existing Merrifield Tennis court	important	20,000	See Below			New fencing, new resurfacing of asphalt and line painting	
Replace Merrifield outdoor rink shack	important	50,000	See Below			Approved as Critical below	
Upgrade rink shack and tennis courts	Critical	100,000	Yes	100,000		Resolution passes December 7, 2015	Already Approved Dec 7, 2015

Traffic Division:

PWT Equipment Reserve							
The Opticom system used by Fire Services to be replaced	Critical	250,000	No		50,000	Most components are over 20 years old. Should be funded over a five year period. (\$50,000 per year is the ask)	\$50,000 approved in 2015
Hands free radios	Critical	225,000	Yes			Distracted driving legislation requirement \$25 k to date. Remaining \$225 k over 2016-2018. (Applies to all PWT)	PWT Equipment Reserve
Replace overhead red flashers with Solar power	important	150,000	No			This will allow flashers to remain active during power outages and save on power consumption. 5 year program, \$30k /year is the ask	Refer to Green Committee
UPS (Uninterrupted Power Supply)	Critical	125,000	No			To enhance safety and reliability of our signals during power interruptions. Project to last up to ten years	Approximately \$350K allocated from Capital from Current to UPS over the past 4 years. Still have approx \$60K carried over to 2016. For Budget 2016/2017
Traffic control software	Critical	100,000	No			Support end soon for current software, purchase is for software and 25 intersection licenses. Funding could extend over a 2 or 3 year period.	Server and Licenses \$10K
Traffic safety analysis for intersections	Critical	50,000	No			Ongoing safety improvement program, allowing for comprehensive reports being completed with recommendations for improvements to top 5 intersections identified	\$50K for a Traffic Engineering Firm to evaluate 3-5 intersections. \$50K received from Capital from Current in 2013 for Traffic Analysis Software.
Fisheye camera	Desirable	50,000	No			This provides the ability to view all four legs of an intersection while collecting various data.	
Safety Performance Function (SPF)	important	30,000	No			This assists in the safety rating of intersections	
Continuation of replacement of unsupported traffic controllers	Critical	25,000	No			Updated controllers are required to move forward with UPS installations	Still have carry over to use in 2016. For Budget 2016/2017

<i>Department / Description</i>	<i>Ranking</i>	<i>Request</i>	<i>RECOMMEND</i>	<i>Cap Cur - Alloc</i>	<i>Other Sources</i>	<i>Dept Comments</i>	<i>Notes</i>
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Waste Management:

Relocate the household Waste Facility to the Landfill Site	Important	180,000	Yes	180,000		Funds to be used for building & grounds upgrades to meet criteria for MOE certificate of Approval	
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Cemeteries:

Fence replacement	Desirable	10,000	No			From Reserves. Impacts appearance of cemetery	
Replace chapel doors	Important	8,500	No			From Reserves, doors in rough condition replace with insulated doors and improved accessibility with punch-button	
Improve venting of crematorium room	Critical	7,500	Yes		7,500	Worker complaints are ongoing - raised in Joint Health and Safety meetings	
Replace covers on chapel seats	Important	3,000	No			Fabric color is bleeding onto guests clothing. Damage from UV rays.	Operations
Supply and install UV protective film on chapel windows	Important	2,000	No			This will assist with the life of the chapel seats	Operations

2,191,000

TOTAL CAPITAL & ONE TIME

3,188,300	600,000	217,500	817,500
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Approved Funding: **600,000**

Diff 0

Critical	1,551,800
Important	1,531,500
Desirable	105,000
	3,188,300

THE CORPORATION OF THE CITY OF SAULT STE MARIE
SEWER SURCHARGE CAPITAL BUDGET 2016

Appendix B

	2016
Engineering Capital Budget	
Wastewater Treatment Plan - capital maintenance and repairs	1,224,000
Emergency Repairs	510,000
Small Pump Station and FM upgrades	102,000
Infiltration Elimination/Flow Monitoring	102,000
	1,940,016
Asset Management	
Infrastructure-Large Wastewater:	
West End Plant and MPS	1,666,875
Pumping Stations	32,000
Infrastructure-Roads:	
2016 Road Construction Program - Original	1,054,680
2016 Road Construction Program - Addition	424,320
	3,177,875
	5,117,891
	TOTAL

Appendix C – 1

2016 CAPITAL WORKS PROGRAM

Year	Street	From	To	Cost	Comments
2016	Francis Street	Wellington Street E	Railroad Avenue		Reconstruction
2016	Second Avenue	Wallace Terrace	Second Line West		Reconstruction
2016	Coulson Avenue	Queen Street	Manor Road		Reconstruction
2016	Manor Road	McGregor Avenue	Pine Street		Reconstruction
2016	Connecting Link	Black Rd widening	Second to McNabb		Estimated City 1/3 share - requires Connecting Link funding Allowance
2016	Bridges & Aqueducts				
2016	Various Roads				Road resurfacing allowance
Total				\$ 11,776,500	

From: eAGENDA Notification <DoNotReply@cityssm.on.ca>
Sent: Friday, June 26, 2015 9:25 AM
To:
Subject: Agenda Notification for Regular Council Meeting_Jun22_2015

This is an automated message from eSCRIBE.

Agenda Item: 2016 Capital Road Reconstruction Plan and Update on 2015 Plan

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

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

Resolution(s): Resolution: Resolved that all the items listed under date 2015 06 22 – Part One – Consent Agenda, save and except 6.9 and 6.10 be approved.

Moved By: Councillor J. Krmpotich

Seconded By: Councillor S. Butland

Vote Type: Majority

Result: Carried

:

Resolution: Resolved that the report of the Director of Engineering Services dated 2015 06 22 concerning the 2016 capital construction program be received, and that the following be approved:

The attached 2016 capital works program;

The Engineering Department proceed with any remaining local improvement rolls and notices for 2016 works;

The Engineering Division report back to Council with a recommendation for retaining consulting engineers for the projects that will not be completed in house in order to ensure a timely construction start;

The Engineering Division report back to Council when more information is known about the Bay Street resurfacing project, and Gore Street reconstruction.

Moved By: Councillor J. Krmpotich

Seconded By: Councillor S. Butland

Vote Type: Majority

Result: Carried

Task(s):



COUNCIL REPORT

June 22, 2015

TO: Mayor Christian Provenzano and Members of City Council
AUTHOR: Don Elliott, Director of Engineering Services
DEPARTMENT: Engineering and Planning Department
RE: 2016 Capital Road Reconstruction Plan
and Update on 2015 Plan

PURPOSE

The purpose of this report is to provide an update on the 2015 capital works reconstruction program, and obtain Council approval for the 2016 program. Approval of the 2016 program will permit pre-engineering and the local improvement process to be well underway in the fall of this year in preparation for the 2016 construction season.

BACKGROUND

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.

Funding for capital reconstruction comes from our **\$6,200,000** annual budget; **\$1,700,000** of which comes from the urban only levy for storm sewers and sidewalks, and **\$4,500,000** from the general levy for capital roadwork. A portion of the general levy is used as the City's share in leveraging the annual MTO Connecting Link funds – a program which was cancelled in 2013 but reinstated recently for the 2016 season. Sanitary sewer costs in the capital works program are funded from the sewer surcharge.

The capital works funding in the levy has not been increased in many years. Fortunately the gas tax rebate has increased the capital budget for the last several years. This plan assumes that the AMO approved gas tax amount of **\$4,569,000** will be allocated in full to the capital program for 2016. When the

estimated \$1,054,000 from the sewer surcharge is added in, the total available funding is \$11,823,000. There is an additional \$435,000 in formula based grant funding under the Ontario Community Infrastructure Fund (OCIF) which will be discussed below.

ANALYSIS

In the preparation of this capital plan, the priority is to complete the roads listed in the 2015-2019 five-year capital plan approved by Council at the 2014 06 09 meeting. That plan mixes arterial/collector and local streets. The 2016 capital plan places considerable emphasis on local streets, but it should be understood however, that arterial/collectors are usually emphasized due to the fact that they have the greatest need and their reconstruction benefits the most people. All roads are evaluated and scored based on many factors, including but not limited to road surface condition, road structure, drainage, condition of sanitary and storm sewers, level of required maintenance and traffic volume.

Update on 2015 Capital Program

The 2015 capital program is well underway and tracking slightly over budget. At the 2015 05 25 meeting, Council agreed with the staff recommendation to defer the resurfacing of Bay Street for one year to ensure the capital works program is not overspent. The following project specific comments are provided for Council's information.

Fort Creek Aqueduct

A portion of the second of seven phases of the replacement of the Fort Creek Aqueduct system is underway. It involves the construction of a second aqueduct through Esposito Park over to John Street for additional capacity. The City submitted an application for funding from the Small Communities Fund portion of the Build Canada Fund. Recipients of these funds have yet to be announced, and staff remains hopeful that our application was successful.

Capital Road Projects

Other current projects include the reconstruction of Elizabeth Street and McMeeken Street from Queen to Churchill, Upton Road from Queen to Wellington, and Huron Street from Queen to Cathcart. The third and final phase of the widening of Second Line to Black Road is underway with the help of an Ontario Communities Infrastructure (OCIF) grant. The miscellaneous resurfacing and surface treatment contracts were awarded at the 2015 06 08 meeting of Council.

Bay Street Resurfacing

Some of the funds allocated for the resurfacing of Bay Street will be used to cover the cost of the higher priced tenders we have received this year. There remains approximately \$1M of funds for Bay Street that can be carried forward to

2016. Staff notes that there is usually unspent contingencies from the other capital road projects that can also be applied to Bay Street in 2016.

Council is aware that Bay Street is the subject of an environmental assessment to be converted down to three lanes. This EA is incomplete at this time but it will no doubt be completed well ahead of the 2016 construction season. In summary, except for the Bay Street resurfacing deferral, the 2015 projects are currently on schedule for completion in the fall.

Recommended 2016 Program

The attached recommended 2016 program is identical to that approved in the 2015-2019 five-year capital plan.

The following are comments on specific projects recommended for 2016:

- 1) Francis Street – Wellington Street to Railroad Avenue**
This project was scheduled in the five-year plan for 2016. The road and all services are in urgent need of replacement. Francis St. requires full reconstruction to a class A urban standard cross section.
- 2) Second Avenue – Wallace Terrace to Second Line**
This project was scheduled in the 5-year plan for 2016. It has a road structure in particular that is in urgent need of replacement. Second Avenue will receive full reconstruction of services to a class A urban standard cross section.
- 3) Coulson Avenue and Manor Road**
Coulson Avenue and Manor Road are overdue to be reconstructed. They meet at a tee intersection so they will be designed and tendered together as one project. They will be reconstructed to a class A urban standard cross section. Both were approved in the five-year capital plan for 2016.
- 4) Connecting Link Allowance**
It has been an annual routine to allocate the City's share of the MTO Connecting Link project; however, the Province cancelled the Connecting Link Program in 2013. This allowance was used as the City's portion of projects funds for phases II and III of the Second Line widening. OCIF grants in 2014 and 2015 essentially filled the gap left by the cancelled Connecting Link program. Now that the Connecting Link program has been reinstated, MTO has been advised that the City's priority is the widening of Black Road between Second Line and McNabb. That will be the request to MTO for the 2016 funds, based on the assumed outcome of the environmental assessment currently underway.

5) Bridges and Aqueducts

Council is aware that considerable capital spending has had to be diverted to bridges and aqueducts over the past several years. While some of the funding was provided by grants from senior levels of government, unfortunately it has become necessary to divert capital road reconstruction dollars to bridges and aqueducts.

Biennial inspections of aqueducts are carried out in odd numbered years, and bridge inspections in even numbered years. In order to better forecast major capital expenditures to this infrastructure, the Engineering Division developed 10 year capital forecasts for asset management of bridges and aqueducts.

Bridges: There are no significant capital improvements to bridges anticipated in 2016. There may be some bridge rehabilitation required on the Wellington Street underpass. Council will be advised at a later date.

Aqueducts: The 2016 allowance for aqueducts and bridges is planned to be used on the next phase of the Fort Creek Aqueduct replacement. This is planned whether or not the Build Canada Funding application is approved.

8) Resurfacing Various Roads

A portion of the 2016 capital budget is allocated to road resurfacing, as the miscellaneous budget for resurfacing is insufficient to meet the demand. A separate report will be brought to Council for approval of the resurfacing program in early 2016.

Potential additional Project – Gore Street, Queen to Wellington

The City received a grant from NOHFC for upgrading streetscape, **\$600,000** of which is to be applied to Gore Street between Queen and Wellington. Our records show that the sanitary sewer on Gore is over 100 years old, and is in need of replacement, and PUC advises that the streetlights must also be replaced in the near future. Engineering staff are evaluating the feasibility of reconstruction now, to ensure longevity of the surface works covered by the grant.

Gore Street reconstruction is estimated to cost **\$1.86M**. There is no money in the 2016 capital plan for Gore Street, however, all work related to the sanitary sewer can be covered by the sewer surcharge, and the **\$435,000** formula based OCIF grant noted above can be applied to this project. After the NOHFC and OCIF grants and sewer surcharge funds are subtracted, the shortfall is approximately **\$0.5M**. Gore Street could be the subject of our 2016 submission for the application-based OCIF

funding. Staff will report back to Council on the status of this project at a future meeting.

IMPACT

The 2016 capital program is recommended in accordance with the anticipated budget levels, and predesign estimates are based on current prices with an allowance for inflation. Each project will be brought back to Council individually for approval prior to construction.

Summary of Funding Sources for 2016:

General levy for capital works	\$ 4,500,000
Urban-only levy	\$ 1,700,000
Gas Tax	\$ 4,569,000
Sewer surcharge	<u>\$ 1,054,000</u>
Subtotal	\$11,823,000

STRATEGIC PLAN

Reconstruction of city roads is related to Objective 1B, Transportation Network Improvements under the Developing Solid Infrastructure strategic direction.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Director of Engineering Services dated 2015 06 22 concerning the 2016 capital construction program be received, and that the following be approved:

- The attached 2016 capital works program
- The Engineering Department proceed with any remaining local improvement rolls and notices for 2016 works.
- The Engineering Division report back to Council with a recommendation for retaining consulting engineers for the projects that will not be completed in house in order to ensure a timely construction start.
- The Engineering Division report back to Council when more information is known about the Bay Street resurfacing project, and Gore Street reconstruction.

Respectfully submitted,

Don Elliott, P. Eng.,
Director of Engineering Services

Recommended for approval

Jerry Dolcetti, RPP
Commissioner

2016 CAPITAL WORKS PROGRAM					
Year	Street	From	To	Cost	Comments
2016	Francis Street	Wellington Street E	Railroad Avenue		Reconstruction
2016	Second Avenue	Wallace Terrace	Second Line West		Reconstruction
2016	Coulson Avenue	Queen Street	Manor Road		Reconstruction
2016	Manor Road	McGregor Avenue	Pine Street		Reconstruction
2016	Connecting Link	Black Rd widening	Second to McNabb		Estimated City 1/3 share - requires Connecting Link funding
2016	Bridges & Aqueducts				Allowance
2016	Various Roads				Road resurfacing allowance
				Subtotal \$ 11,776,500	
2017	McNabb/McDonald SWM - Phase 1				
2017	Seawall Reconstruction	711 Bay Street	719 Bay Street		Prelim Budget for Stormwater Improvements - Pending EA
2017	Franklin Street	Henrietta Avenue	Laura Street		Reconstruction
2017	Grace Street	Bruce Street	Elgin Street		Reconstruction
2017	Sackville	North Limit	Third Line		Reconstruction
2017	Connecting Link	Black Road resurface	McNabb to Trunk		Potential candidate for funding program
2017	Bridges & Aqueducts				Estimated City 1/3 share - requires provincial funding
2017	Various Roads				Allowance
				Subtotal \$ 11,405,871	Road resurfacing allowance
2018	McNabb/McDonald SWM Phase 2				
2018	Simpson Street	Queen Street East	Wellington Street East		Prelim Budget for Stormwater Improvements - Pending EA
2018	Bruce Street	Queen Street East	Wellington Street East		Reconstruction
2018	Black Road	Second Line	Third Line		Reconstruction
2018	Connecting Link	Second Line resurface	North St to Carmen		Improvements - pending EA
2018	Bridges & Aqueducts				City Share - requires provincial funding
2018	Various Roads				Allowance
				Subtotal \$ 11,464,820	Road resurfacing allowance
2019	Leo Avenue	Queen Street East	Victoria Avenue		Reconstruction
2019	Ruth Street	Franklin Street	East Limit		Reconstruction
2019	Third Line	Hospital entrance	Black Road		Improvements - pending EA
2019	Connecting Link	Trunk Road resurface	At east City limit		City Share - requires provincial funding
2019	Bridges & Aqueducts				Allowance
2019	Various Roads				Road resurfacing allowance
				Subtotal \$ 11,344,282	
Notes:	- Estimated costs are very preliminary and could differ considerably from detailed design cost estimates, consequently the timing of some projects may have to change once accurate estimates are available.				

Class A Urban Roads Resurfacing short list		
The following roads will be resurfaced using recycled asphalt techniques. Asphalt from urban roads is donated to rural roads.		
Funding will come from the annual capital reconstruction program surplus, if any, and the miscellaneous construction budget.		
Street	From	To
Northern Avenue	Reid Street	Pine Street
Queen Street	Pim Street	Andrew Street
Wallace Terrace	Korah Road	Goulais Avenue
McNabb Street	Pim Street	Lake Street

Class B Rural Roads Resurfacing short list		
The following roads will be resurfaced using recycled asphalt techniques. Asphalt from rural roads is donated to urban roads.		
Street	From	To
Fourth Line West	Allen's Side Road	Goulais Avenue
Base Line Road	Carpin Beach Road	Airport Road
Allen's Side Road	Base Line	Second Line
Allen's Side Road	Second Line	Third Line
Old Garden River Road	Second Line	Terrance
Queen Street East	Lorna Drive	Kerr Drive

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

This is an automated message from eSCRIBE.

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

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

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

Resolution(s): :

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

Moved By: Councillor J. Krmpotich

Seconded By: Councillor S. Butland

Vote Type: Majority

Result:

Task(s):



COUNCIL REPORT

June 9, 2014

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

PURPOSE

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

BACKGROUND

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

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

ANALYSIS

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

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

Bridges and Aqueducts

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

Hub Trail and Future Spokes

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

Updated 2014 Program

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

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

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

Recommended 2015 Program

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

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

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

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

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

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

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

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

2016-2019 Programs

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

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

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

Special Projects

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

Former Connecting Links

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

IMPACT

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

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

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

STRATEGIC PLAN

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

RECOMMENDATION

It is therefore recommended that Council take the following action:

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

Respectfully submitted,



Don Elliott, P. Eng.
Director of Engineering Services

Recommended for approval,



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

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

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



CITY COUNCIL RESOLUTION

Agenda Number: 6.4

Title: Gore Street Reconstruction

Date: Monday, March 7, 2016

Moved by: Councillor J. Hupponen

Seconded by: Councillor L. Turco

Resolved that the report of the Director of Engineering Services dated 2016 03 07 concerning Gore Street Reconstruction be received and the recommendation to defer Bay Street and add Gore Street to the 2016 capital plan be approved.

Carried

Postponed

Defeated

**Officially Read and Not
Dealt With**

Christian Provenzano



COUNCIL REPORT

March 7, 2016

TO: Mayor Christian Provenzano and Members of City Council
AUTHOR: Don Elliott, Director of Engineering Services
DEPARTMENT: Engineering and Planning Department
RE: Gore Street Reconstruction

PURPOSE

The purpose of this report is to obtain Council approval to include Gore Street in the 2016 Capital Road Reconstruction Plan.

BACKGROUND

Council is aware that the Planning Division secured grant funding for streetscape improvements to Gore Street between Queen and Wellington. Council approved the hiring of an engineering consultant for design services, in order that the aging buried utilities be replaced before streetscape improvements.

ANALYSIS

Gore Street was not included in the five year capital plan in June 2014. Occasionally Engineering staff seek approval to defer a project in the plan and replace it with another project as priorities can change. Staff are seeking approval this evening to defer the remaining funds for resurfacing of Bay Street and divert them to the Gore Street project. Some of the Bay Street funds had to be diverted to other projects in 2015 due to higher than anticipated tender prices. The Gore Street project has become a higher priority and the NOHFC grant for streetscape improvements must be spent in 2016. The Gore Street project design is nearing completion and approval is required to tender the works.

The Bay Street project Environmental Assessment has been completed, and there were no requests for a Part II Order. The City can proceed at any time with the resurfacing of Bay Street, and the conversion from four lanes to three between Gore Street and Pim. The project will be included in a future capital works report to Council when the funding can be identified.

IMPACT

Staff recommends that all sanitary sewer cost be funded through sanitary sewer revenue, and storm sewers through the urban only levy. All other costs can be covered by the NOHFC grant, the Ontario Community Infrastructure Fund (OCIF) formula based funding, and the remaining \$1.7M in the 2015 Bay Street allocation.

STRATEGIC PLAN

Reconstruction of Gore Street is linked to Objective 1B, Transportation Network Improvements under the Developing Solid Infrastructure strategic direction.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Director of Engineering Services dated 2016 03 07 be received and the recommendation to defer Bay Street and add Gore Street to the 2016 capital plan, be approved.

Respectfully submitted,



Don Elliott, P. Eng.
Director of Engineering Services

Recommended for approval



Jerry Dolcetti, RPP
Commissioner of Engineering and Planning

/bb

Appendix E

Miscellaneous Construction Budget - 2016 Engineering

Cost Centre	2016 Budget Request	Comments
Asphalt Resurfacing	\$ 645,000	Excludes PWT \$300k for surface treatment as of 2013
Surface Treatment	\$ 300,000	Brought in from PWT Budget in 2013
Rear Yard Drainage	\$ 60,000	Annual
Bridge Inspection (Biennial)	\$ 50,000	done in 2014, do again in 2016
Bridge/Aqueduct Rehabilitation	\$ 125,000	Allowance for repairs - minor capital repairs to aqueducts and bridges based on biennial inspections - Base Line (32) 2015, underpass (30) in 2016 - Asked for CN's 50%
EA - Northern Ave Ext to Black	\$ 30,000	Started in 2015 - budget remaining \$30k in 2016 for \$55k budget.
Orthophotography/Contours for GIS	\$ 40,000	City share for flood mapping
Unforeseen/Emergency Projects	\$ 50,000	Used \$21k in 2015 for bridge 32 overrun
Totals	\$ 1,300,000	

Appendix F

Asset Management Reserve

As at December 31, 2015

Balance Dec 31, 2015	2,605,611
Outstanding Commitments:	(125,000)
2016 Funding:	2,292,210
Total of 2016 Recommendations:	
Roofs	1,500,000
Civic Centre Consulting	350,000
Window Sealants	100,000
Transit Relocation	250,000
Emergency Repairs	<u>300,000</u>
	<u>(2,500,000)</u>
Civic Centre Windows and Cladding 2017	<u>2,272,821</u>

From: eAGENDA Notification <DoNotReply@cityssm.on.ca>
Sent: Tuesday, February 23, 2016 10:48 AM
To:
Subject: Agenda Notification for Regular Council Meeting_Feb22_2016

This is an automated message from eSCRIBE.

Agenda Item: Queen Street Tree Replacement Strategy

Description: A report of the Planning Division is attached for the consideration of Council.

Minutes: The report of the Planning Division was received by Council..

Resolution(s): Resolution: Resolved that all the items listed under date 2016 02 22 – Part One – Consent Agenda save and except Agenda item 6.4 be approved as recommended.

Moved By: Councillor S. Hollingsworth

Seconded By: Councillor F. Fata

Vote Type: Majority

Result: Carried

:

Resolution: Resolved that the report of the Planning Division dated 2016 02 22 concerning a Queen Street tree replacement strategy be received and that Council refer the recommendation to replace all the trees on Queen Street (\$2 million) and the installation of pedestrian scale lights (\$1.2 million) to the 2016 budget deliberations.

Moved By: Councillor S. Hollingsworth

Seconded By: Councillor M. Bruni

Vote Type: Majority

Result: Carried

Task(s):



COUNCIL REPORT

February 22, 2016

TO: Mayor Christian Provenzano and Members of City Council
AUTHOR: Stephen Turco, MCIP, RPP, Planner
DEPARTMENT: Engineering and Planning Department
RE: Queen Street Tree Replacement Strategy

PURPOSE

The purpose of this report is to advise Council on the process and potential costs to replace the trees along the Queen Street commercial corridor.

BACKGROUND

The majority of trees along the Queen Street commercial corridor, between Bruce and East Street, have been devastated by the Emerald Ash Borer. Over the next two years (or sooner), all of the ash trees will need to be removed as once the tree is infested, they are susceptible to a catastrophic failure (while they may appear healthy, they are structurally weak and may break up in a weather event).

In addition, for the blocks between Gore and Dennis Streets, and between East and Pim Streets, these sections contain a variety of different species; however, these trees have not thrived and should be replaced.

ANALYSIS

It is commonly agreed that the loss of trees along Queen Street will have a detrimental impact on the character of this area. In an effort to address the eventual loss of the Ash trees, City staff, as part of the City's Downtown Development Initiative, undertook a project to replace the trees along Queen Street between Dennis and Bruce Streets. The existing trees were replaced by a variety of trees that could tolerate urban growing conditions, and were planted in root trenches, which will allow the tree roots to spread within an area of uncompacted soil.

This planting exercise was valuable in that it allowed staff to explore different planting strategies that could be applied to other areas of Queen Street, and

determined a number of adequate tree species that could thrive within a streetscape environment.

In addition, as part of this exercise, discussions with both Public Works and Transportation staff as well as the Downtown Association has shed light on the fact that the existing planter boxes are not an appropriate method for tree planting. From a maintenance perspective, they are a major obstruction for service vehicles, and from business owner perspective, it reduces the amount of "spill out" space where the sidewalk can be used for outdoor displays or patio space.

It is recommended that the future blocks implement either a root trenching system (see attached photo), or where limited space exists to achieve proper soil volumes for tree growth, utilizing tree grates with a soil structure system (see attached photo). The soil structure system allows for adequate soil volumes to be achieved, while at the same time, provides a structural base that can support service vehicles.

IMPACT

Given the level of tree removal anticipated over the next two years, staff is recommending that Council consider funding to replace trees, as well as implement a series of street furnishings that would enhance the character and function of Queen Street.

Based on costs to implement the tree replacement strategy between Dennis and Bruce Streets, replacing the remaining trees along the entire stretch of Queen Street will cost approximately \$2 million. This estimate includes an allowance for street furnishings.

It should also be noted that for budget reasons, pedestrian scale lighting was removed from the Dennis-Bruce tree replacement project. Should Council wish to proceed with a lighting strategy for all of Queen Street, it is estimated to cost approximately \$1.2 million (see attached photo of potential pedestrian scale lighting).

In an effort to replace the trees in a timely fashion so that the character of the street can be maintained, staff is recommending that the tree replacement strategy be implemented over the next three years. Should Council approve, funding for this project will need to be considered as part of the 2016 Budget deliberations.

STRATEGIC PLAN

The City's Downtown Development Initiative has been identified as a priority under Strategic Direction 1: Developing Solid Infrastructure.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Planning Division, dated February 22, 2016 regarding a Queen Street tree replacement strategy be accepted, and that Council refer the recommendation to replace all the trees on Queen Street (\$2 million) and the installation of pedestrian scale lights (\$1.2 million) to the 2016 budget deliberations.

Respectfully submitted,



Stephen Turco, MCIP, RPP
Planner

Recommended for approval,



Donald B. McConnell, MCIP, RPP
Planning Director

Recommended for approval,



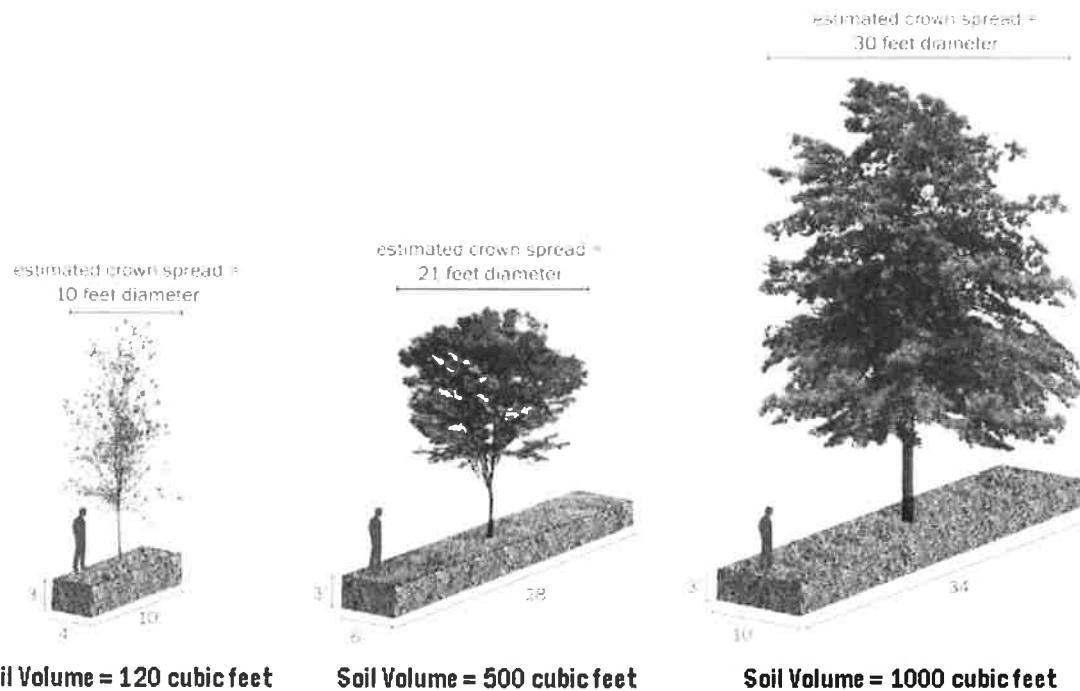
Jerry Dolcetti, RPP
Commissioner Engineering & Planning

ST:ps

Attachment(s)



Root Trench System Implemented between Dennis Street and Bruce Street



The greater amount of soil volume, the greater potential for the tree to grow larger.



Alternative approach for boulevard tree planting. Trees are planted within a soil structure (called soil cells) which allows trees to be planted in confined areas or where hard surfaces are planned, such as a boulevard sidewalk.



Soil structure within an urban boulevard. The use of soil structures allows for adequate soil volumes to be achieved to support tree growth, and provides the structural support for paving stones and maintenance vehicles



Pedestrian Scale Lighting. Lighting can be used to accentuate pedestrian areas or public spaces, and would compliment a comprehensive tree planting program.

From: eAGENDA Notification <DoNotReply@cityssm.on.ca>
Sent: Tuesday, February 23, 2016 10:49 AM
To:
Subject: Agenda Notification for Regular Council Meeting_Feb22_2016

This is an automated message from eSCRIBE.

Agenda Item: Gateway Signature Park – Preliminary Steps

Description: A report of the Planning Division is attached for the consideration of Council.

Minutes: The report of the Planning Division was received by Council.

Resolution(s): Resolution: Resolved that all the items listed under date 2016 02 22 – Part One – Consent Agenda save and except Agenda item 6.4 be approved as recommended.

Moved By: Councillor S. Hollingsworth

Seconded By: Councillor F. Fata

Vote Type: Majority

Result: Carried

:

Resolution: Resolved that the report of the Planning Division dated 2016 02 22 concerning the preliminary steps required to investigate the redevelopment of the easterly section of the Gateway site for the purposes of a signature park be received and that Council refer the recommendation to conduct a Phase One and Phase Two environmental assessment, as well as an overall park design, at an estimated cost of \$150,000, to the 2016 budget deliberations.

Moved By: Councillor S. Hollingsworth

Seconded By: Councillor M. Bruni

Vote Type: Majority

Result: Carried

Task(s):



COUNCIL REPORT

February 22, 2016

TO: Mayor Christian Provenzano and Members of City Council
AUTHOR: Stephen Turco, MCIP, RPP, Planner
DEPARTMENT: Engineering and Planning Department
RE: Gateway Signature Park – Preliminary Steps

PURPOSE

The purpose of this report is to respond to a Council resolution, dated September 8, 2014, which states:

Moved by: Councillor P. Mick, Seconded by: Councillor R. Niro: Whereas a small easterly portion of the Gateway site has been identified as potential parkland; and Whereas there is possible brownfields restoration funding available should this site require remediation; and Whereas there is a need for parkland that is accessible; and Whereas this initiative could be started cost effectively with little more than an accessible pathway; and Whereas organizations such as Children's Rehabilitation Algoma and the Accessibility Advisory Committee could provide valuable input; Therefore Be It Resolved that Council request appropriate staff to review and report back to Council concerning possible timelines and funding for such development.

BACKGROUND

In July 2014, City Council approved the Canal District Neighbourhood Plan, which provided a framework for development in the westerly portion of the Downtown. As part of that plan, it was identified that the portion of the Gateway site, east of the Fort Creek, would be ideal for a signature park.

Developing the easterly portion of the Gateway site as a park would serve a number of positive benefits. First, it would initiate development on an underutilized, but strategic Downtown waterfront site. Second, a signature park at this location will establish an important link between the Downtown waterfront walkway, the Casino and the Gore Street commercial corridor. Finally, the development of a park could be a catalyst that sparks additional development on the remainder of the Gateway site.

As part of the Canal District Neighbourhood Plan, a preliminary concept of the park was presented. This plan will need to be refined based on stakeholder consultation and public engagement strategy. Although conceptual, it is recommended that the final plan should include a number of design recommendations, including: flexible public spaces, multi-use paths, the re-naturalization and stabilization of the Fort Creek banks, as well as opportunities for public art (see section 3.5 of the Canal District Neighbourhood Plan, attached to this report). However, the final design will largely be dependent on the level, and process of environmental remediation required on the site.

In the past, there were a number of significant industrial uses that occurred on or around the Gateway site. West of the Fort Creek, the site was used as the settling basins for Algoma Steel. North of the site (now, the Casino property) was the former Trader's Metal operation, as well as a chromium plant. The portion of the site east of the creek has been vacant since at least the 1930's.

Although all buildings and activities associated with these uses have been removed, the entire Gateway site is considered contaminated, and will need to be remediated prior to the development of a park or any other sensitive land use (e.g. residential).

ANALYSIS

In repurposing the easterly portion of the Gateway site, the first step would be to do an environmental assessment for the purpose of filing a Record of Site Condition with the Ministry of the Environment and Climate Change (MOECC). City Planning staff met with a local environmental engineering consultant to provide insight on the process of filing a Record of Site Condition.

Given the level of industrial activity in and around the site, it is expected that a comprehensive analysis, known as an Environmental site assessment, would be required. There are two levels of assessment; a Phase One and a Phase Two Environmental site assessment. A Phase One assessment will identify areas of potential environment concern on the site. This typically involves a review of historical land uses and aerial photography, as well as an assessment of any previous studies for the site. If a certain concern is identified, a Phase Two assessment will be required.

The Phase Two assessment will determine the location and concentration of contaminants, and will determine what standards the site should be cleaned to, if required, based on the intended use.

If the property does not meet the applicable site condition standards, the site will need to be remediated before a Record of Site Condition can be filed with the Ministry. If contaminants need to be removed, this will involve the development of a remediation plan, which would be done in conjunction with the overall design of the future park. Based on the overall park design, there may be two options for remediation: first, a site specific risk assessment where contaminants can be

managed on site (i.e. capping the contaminants via a hard surface like asphalt or concrete); or, the removal of soil for off-site disposal (i.e. excavating the soil for disposal at an approved landfill).

IMPACT

At this time, staff is recommending Council's approval to conduct both a Phase One and Phase Two environmental assessment. Staff is also recommending proceeding with the overall design of the signature park. It is estimated that the costs associated with design and environmental assessment will be approximately \$150,000. Funds for this project have not been identified and will be considered as part of the 2016 budget deliberations.

This analysis will inform staff and Council on the level of clean up required, establish estimated costs to conduct any required remediation and assist in determining an overall budget for the eventual development of the park. Developing a design for the park will also allow staff to begin consultation with other City staff, stakeholders and the public.

Should Council approve this funding, the City may be eligible for up to 50% matching funding through the Federation of Municipalities' Green Municipal Fund.

STRATEGIC PLAN

The Gateway site is identified as a priority Under Strategic Direction 3: Enhancing Quality of Life Objective 3B – Planning for the Future.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Planning Division, dated February 22, 2016, regarding the preliminary steps required to investigate the redevelopment of the easterly section of the Gateway site for the purposes of a signature park be accepted, and that Council refer the recommendation to conduct a Phase One and Phase Two environmental assessment, as well as an overall park design, at an estimated cost of \$150,000, to the 2016 budget deliberations.

Respectfully submitted,

Stephen Turco, MCIP, RPP
Planner

Recommended for approval,

Donald B. McConnell, MCIP, RPP
Planning Director

Gateway Signature Park – Preliminary Steps
2016 02 22
Page 4.

Recommended for approval,



Jerry Dolcetti, RPP
Commissioner Engineering & Planning

ST:ps

Attachment(s)

Priority Project 4

3.5 Signature Park Design and Construction

Description

The east side of the Gateway offers a tremendous opportunity for establishing a signature greenspace that will provide a new attraction and destination on the Sault Ste. Marie waterfront and act as an important piece that links several areas to the downtown. Furthermore the site offers important interfaces with the primary road, the St. Mary's River, Fort Creek Conservation Area, and the John Rowswell HUB Trail.

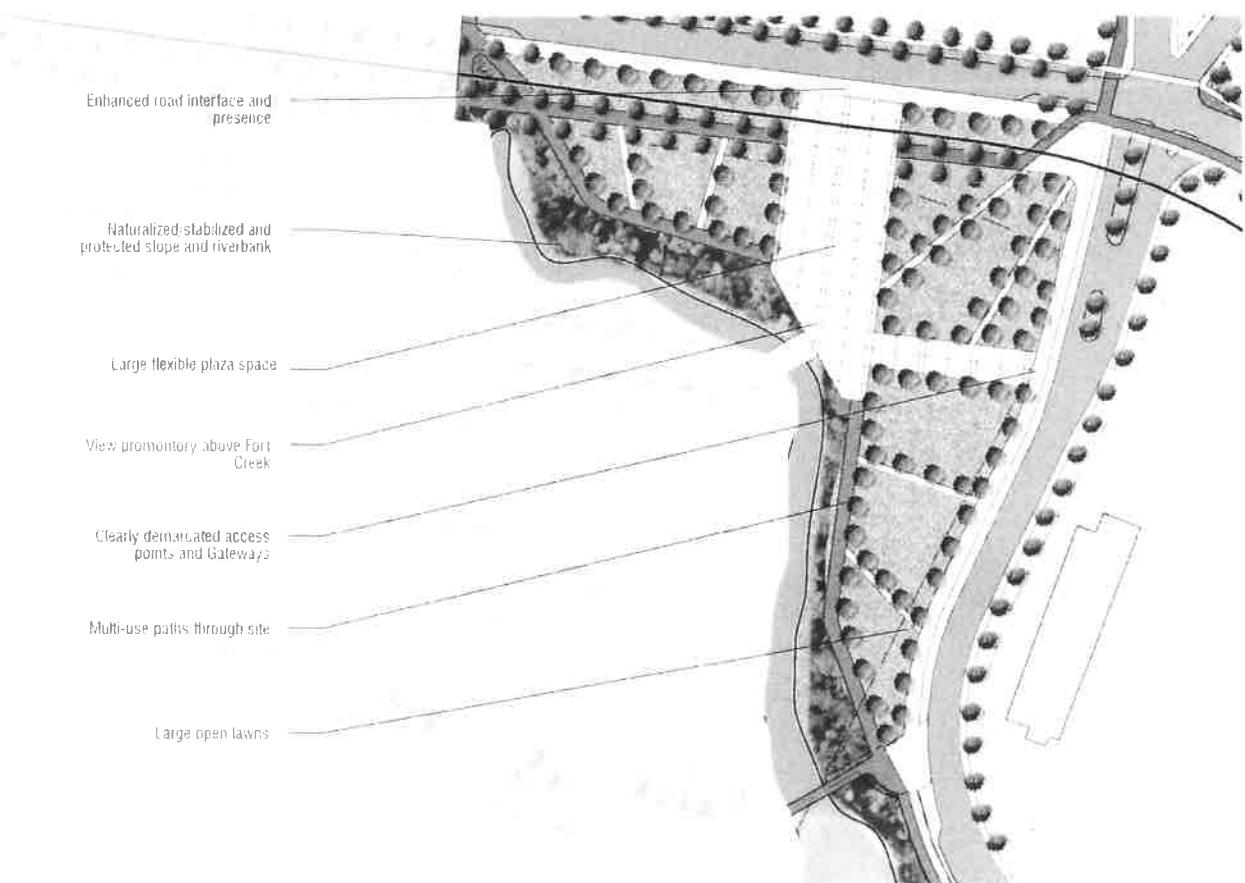
Character

This new important park space should be developed as a flexible space, accommodating a range of uses, user groups and seasonal activities. The design should incorporate several landscape types, including but not limited to open meadow and/or lawn for recreation areas of dense canopy cover, a series of trails and interconnected paths, hardscape or plaza areas able to accommodate seasonal markets, events, demonstrations, etc.

New Defining Design Characteristics

- Ensure points of access are at grade, have appropriate and clear signage, and emphasize the character and prominence of this park space as a signature park space within the downtown;
- Account for the sensitivity of the Fort Creek tributary, and include measures to guide and control access points to control erosion and other detrimental effects;
- Ensure interface with Bay Street and St. Mary's River Drive is properly buffered while still being inviting and fully accessible;

- Require that adjacent built form have primary and active frontages facing the Park, where appropriate;
- Provide sculptural elements and/or feature plantings at important view termini;
- Provide promontory points along Fort Creek for observing the creek as well as add distinct architectural elements and shade structures that can be multifunctional
- Incorporate soft surfaced design with limited hard surface elements,
- Include seating and a full furniture program, including lighting, opportunities for outdoor cafes and restaurants, facilities that promote a passive, relaxing atmosphere, water features and public art.
- Resolve contamination issues as part of the design process



③

Signature Park cont'd



Rugged natural terrain incorporated into the urban environment - New York City, NY



Montreal PQ



A mix of rough and manicured public space - Grant Park, Chicago IL



View perspective sculpture park element - Houtan China



Improved access to the water with integrated seating, lighting, paths - New York City NY



Integration of public art - Seattle WA



A mix of hard and soft spaces for a range of uses - New York City NY



Flexible plaza spaces for festivals, markets and events - Don Mills ON

City of Sault Ste Marie

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Appendix I

	Note	As at December 31								1/3 Estimated total cost of \$14M
		2015	2016	2017	2018	2019	2020	2021	2022	
Maintain Current Debt Level		8,994,008	7,711,972	6,354,666	4,917,430	3,395,306	1,783,009	1,146,673	1,123,145	
Civic Centre Windows and Cladding Project	A			4,500,000	4,095,444	3,681,406	3,257,666	2,823,994	2,380,159	
Transit Relocation Project	A			4,666,667	4,247,127	3,817,755	3,378,320	2,928,587		
With new Debt Issues		8,994,008	7,711,972	10,854,666	13,679,540	11,323,840	8,858,430	7,348,987	6,431,892	
Interest and Principal payments	Total Loan Servicing	1,724,707	1,724,707	2,231,770	2,757,614	2,757,614	2,757,614	1,685,849	1,103,968	

Note A Assume 2.33%, 10 years, semi-annual payments, amortizing



COUNCIL REPORT

March 22, 2016

TO: Mayor Christian Provenzano and Members of City Council
AUTHOR: Stephen Turco, MCIP, RPP, Planner
DEPARTMENT: Engineering and Planning Department
RE: Huron Street Welcome Feature

PURPOSE

The purpose of this report is to advise City Council on a proposed community welcome feature that would greet visitors entering into Sault Ste. Marie from the International Bridge Plaza.

BACKGROUND

In the Canal District Neighbourhood Plan, approved by Council in July, 2014, a welcome feature was recommended on the northeast corner of Huron and Queen Street.

ANALYSIS

To foster a sense of arrival into the City and the country, the Canal District Neighbourhood Plan recommended a welcome feature and plaza on the northeast corner of Huron Street and Queen Street. Currently, the site is home to a PUC substation (see attached photo).

The site is in a strategic location. It is accessible by the re-aligned John Rowswell Hub Trail, currently being implemented as part of the Huron Street reconstruction, and is situated within close proximity to a number of important destinations, including Ontario Travel, the casino, Mill Market, the Greco Pool, as well as Etienne Brule School. The school site itself is slated for a number of community and recreational improvements, including a Hub Trail spoke that will be constructed this summer.

In planning the feature, the overall concept was to establish an important civic space balanced with the desire to create a national gateway. The welcome feature has been designed as a plaza with the SAULT STE. MARIE spelled out in large, concrete letters. The rationale is that the space can become a destination where residents and tourists can interact with the sign, transforming

Huron Street Welcome Feature

2016 03 07

Page 2.

the space into a prominent “post card” image of the City (a series of renderings is attached for Council’s review). A lighting strategy is also proposed so that the letters can be lit at night, as well as programmed so that different colour lights can be used for seasonal or special events (see examples other letter signs attached in to this report).

The space is proposed to be called “Canada Square”, and in addition to the local reference letters, there will be more subtle national references, including maple leaf outlines in the surface treatment, a trilingual greeting sign, as well as a variety of iconic tree species such as White Pine and Sugar Maples.

IMPACT

The City recently received funds from both the Federal and Provincial governments to implement a series of initiatives throughout the Downtown. Given this funding, the City has approximately \$160,000 to construct the proposed welcome feature. However, given the feature’s location within such close proximity to the PUC substation, a series of improvements and protection measures are required to ensure the underground infrastructure will not be compromised.

These measures include doing a detailed locate of underground infrastructure, relocating an access gate from Huron Street to Queen Street, as well as engineering analysis to determine the ability of placing the welcome feature over top of buried infrastructure. These additional costs are estimated at \$40,000, and are requested for consideration as part of the 2016 Budget deliberations.

STRATEGIC PLAN

Both the Canal District Neighbourhood Plan, and the Downtown Development Initiative were outlined in the City’s Corporate Strategic Plan.

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Planning Division, dated March 22, 2016, regarding the proposed Huron Street Welcome Feature be accepted, and that Council refer the request for an additional \$40,000, to implement a number of improvements and protection measures due to the feature’s proximity to the PUC substation, to the 2016 budget deliberations.

Respectfully submitted,



Stephen Turco, MCIP, RPP
Planner

Recommended for approval,



Donald B. McConnell, MCIP, RPP
Planning Director

Huron Street Welcome Feature

2016 03 07

Page 3.

Recommended for approval,



Jerry Dolcetti, RPP
Commissioner Engineering & Planning

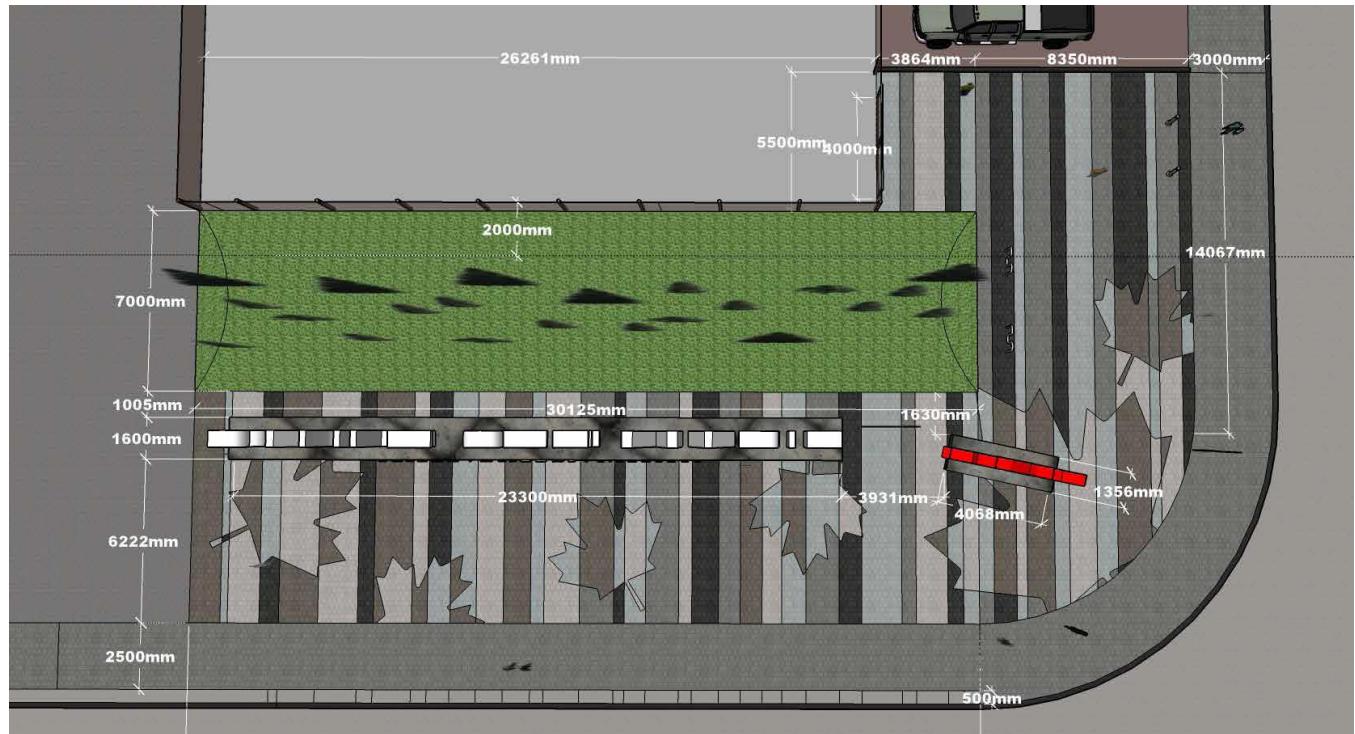
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Attachment(s)

SAULT STE MARIE WELCOME FEATURE

2016.02.08

Welcome Feature Concept

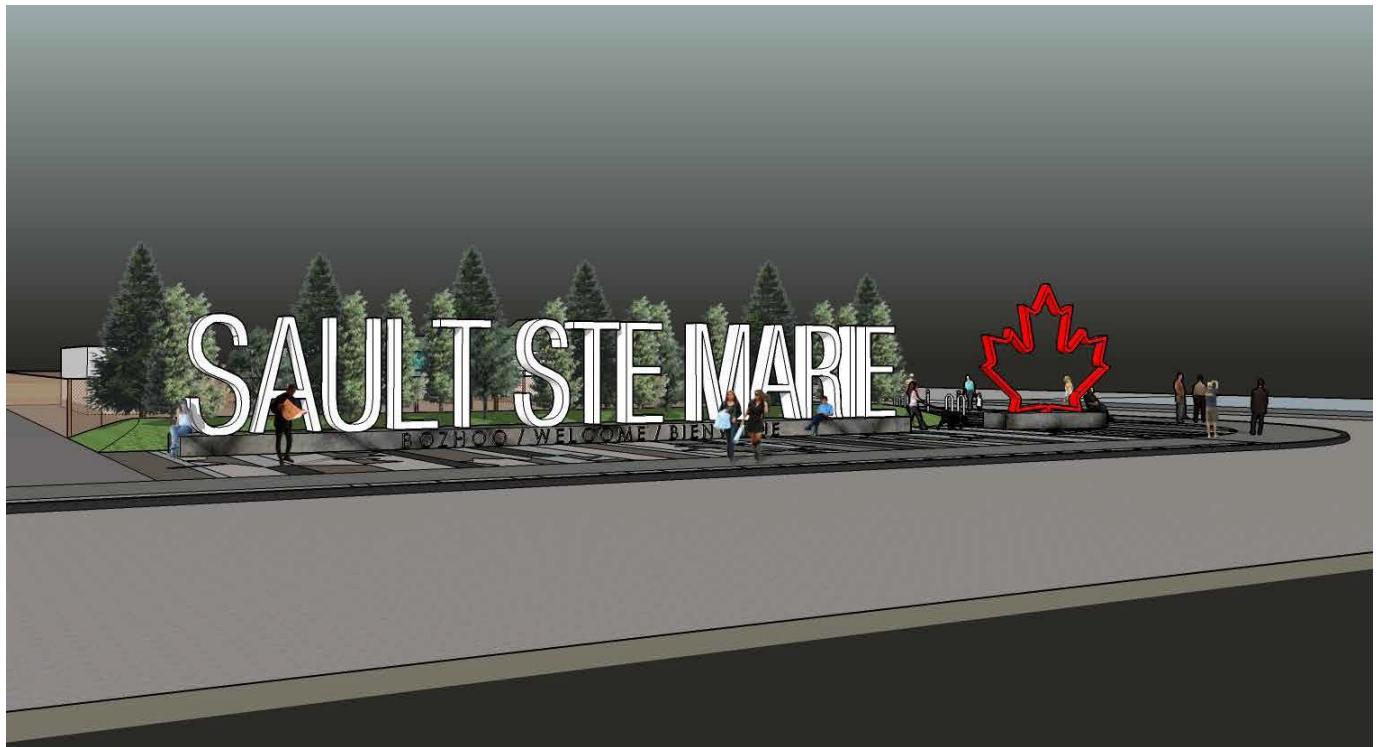


Welcome Feature Site



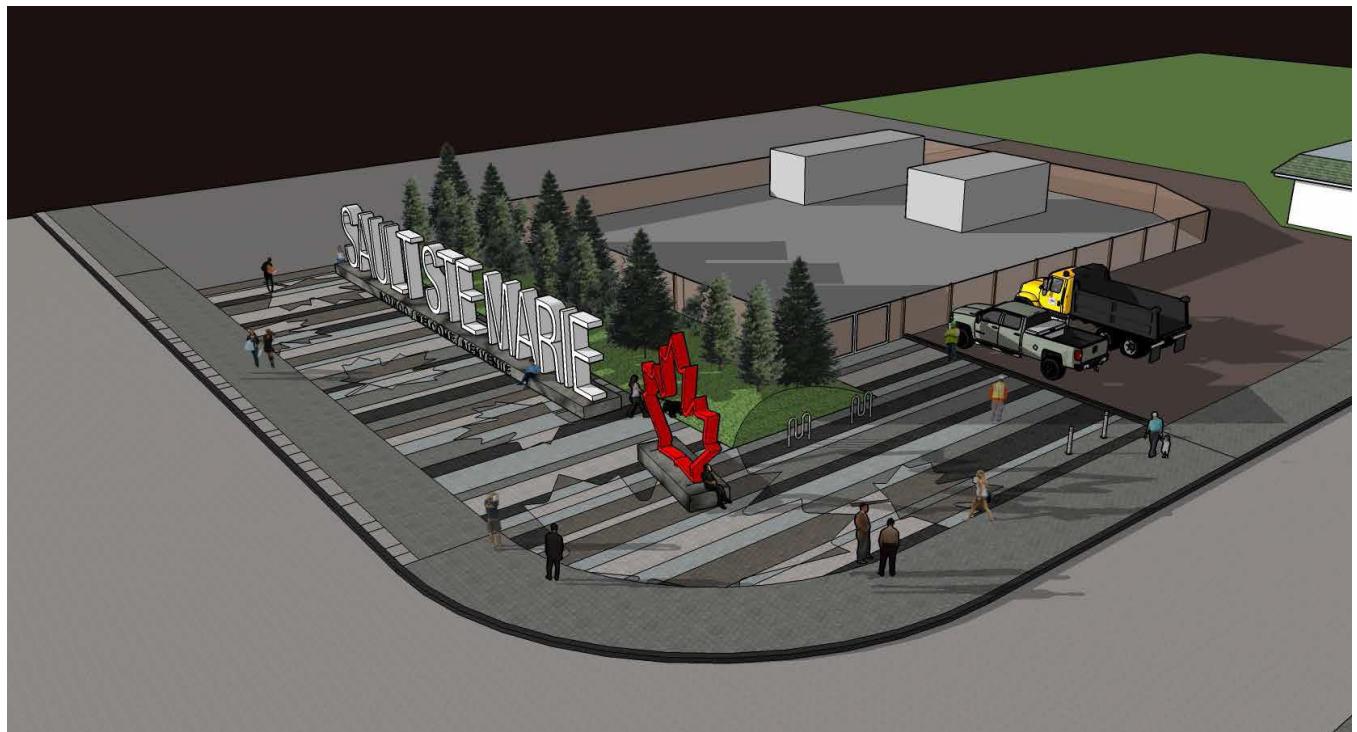
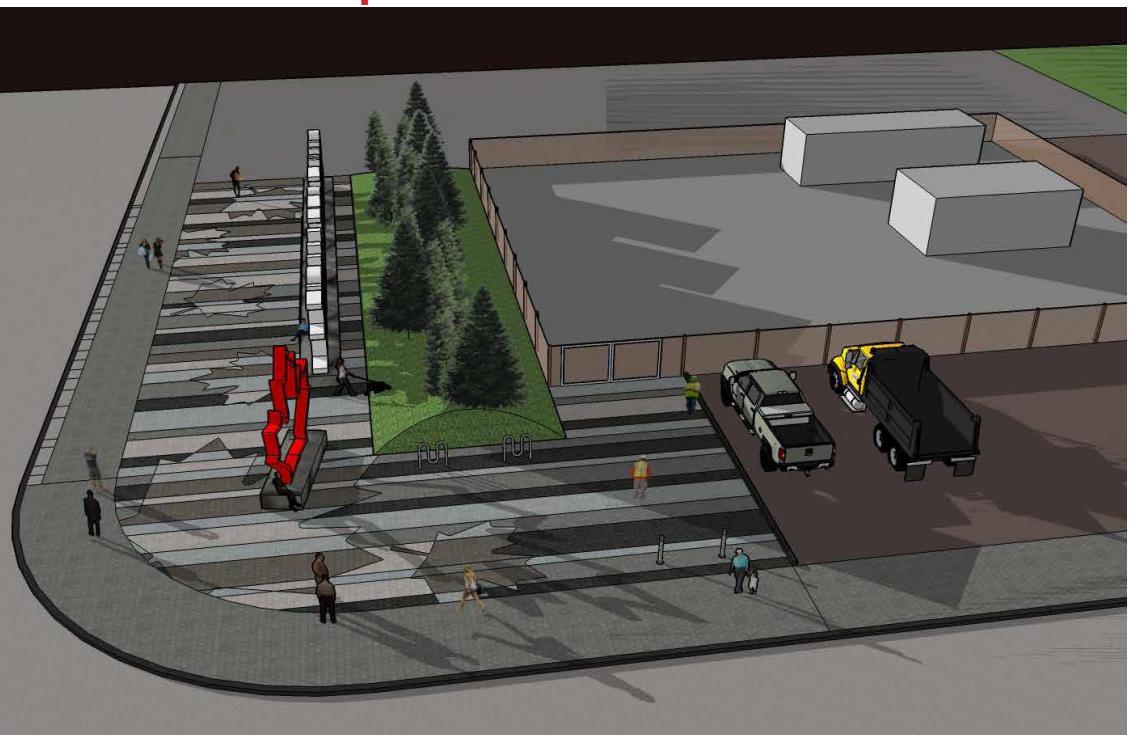
Welcome Feature Site: Northeast Corner of Huron Street and Queen Street West, currently a PUC Substation

Welcome Feature Concept



Proposed Welcome Feature Plaza and Sign

Welcome Feature Concept



Welcome Feature Precedents



Example of Concrete Letters proposed for Huron Street Welcome Feature



Utilizing Concrete will ensure the Welcome Feature is robust and allow visitors to the site to interact with the feature.

Welcome Feature Precedents



Example of program lighting that could be used for the proposed for Huron Street Welcome Feature



COUNCIL REPORT

March 21, 2016

TO: Mayor Christian Provenzano and Members of City Council
AUTHOR: Donald B. McConnell MCIP, RPP, Planning Director
DEPARTMENT: Engineering and Planning Department
RE: Former Sault Area Hospital Waterfront Walkway

PURPOSE

The purpose of this report is to advise City Council on the estimated costs and options to improve the waterfront walkway adjacent to the former Sault Area Hospital utilizing the property donated by the new property owner.

BACKGROUND

On September 29, 2014 City Council entered into an agreement with TVM Sault Inc., the new owner of the former Sault Area Hospital properties. TVM made a significant parkland contribution to the City as compensation for any required parkland donations required as a result of future development on site. This contribution included a 6 m wide strip of land along the entire length of the waterfront walkway through the property and additional lands adjacent to the waterfront at the southeast corner. As part of the agreement, the City agreed to complete the redevelopment of the donated lands within two years. The transfer of the donated lands along with various easements was completed on May 14, 2015.

ANALYSIS

As the donated property is quite large (more than 5000 m² or 54,000 ft.²) and a major component of the overall Hub Trail, the City retained the services of Design Environment, a local landscape architecture firm to assist with the conceptual design and cost estimates. This firm worked with staff from Community Services, Engineering & Planning and Public Works & Transportation Departments to develop the plan and implementation options.

To simply remove and replace the asphalt parking area adjacent to the waterfront walkway with trees, grass and benches would meet the minimum requirements of the agreement. Staff is also recommending that additional work be undertaken at

Former Sault Area Hospital Waterfront Walkway

2016 03 07

Page 2.

the same time to stabilize the shoreline where the original gabions require replacement. The estimated cost to complete this work is \$250,000.

The recommended design also includes a number of other interesting features consisting of an urban beach at the southeast corner of the property complete with beach umbrellas; a landscaped rock theatre seating area to replace the rubble adjacent to the pier; entry features with orientation signage; and a major outdoor sculpture. To complete the project as designed will require an additional \$640,000 and would create an attractive waterfront destination.

The conceptual plan and a detailed cost estimate are attached.

IMPACT

There is currently no funding approved for this project. Staff is suggesting that City Council consider repairing the original gabions where required; and replacing the former asphalt parking lot with trees, grass and benches at an estimated cost of \$250,000. The other design elements can be developed at a later time depending on funding availability.

STRATEGIC PLAN

While not specifically referenced, this project is consistent with the Downtown Development, Hub Trail and Cycling Master Plan activities of the City's Strategic Plan.

RECOMMENDATION

It is therefore recommended that Council take the following action:

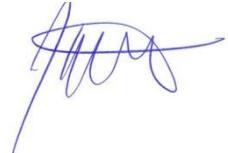
Resolved that the report of the Planning Director dated 2016 03 07 be received and that the funding requirements for the proposed improvements to the waterfront walkway adjacent to the former Sault Area Hospital be referred to the 2016 budget deliberations.

Recommended for approval,



Donald B. McConnell, MCIP, RPP
Planning Director

Recommended for approval,



Jerry Dolcetti, RPP
Commissioner Engineering & Planning

DBM:ps

Attachment(s)

CONCEPT STRATEGY ACTION PLAN



HUB Trail - Historic District Master Plan Concept Strategy

Church Street to Riverwalk Condominium

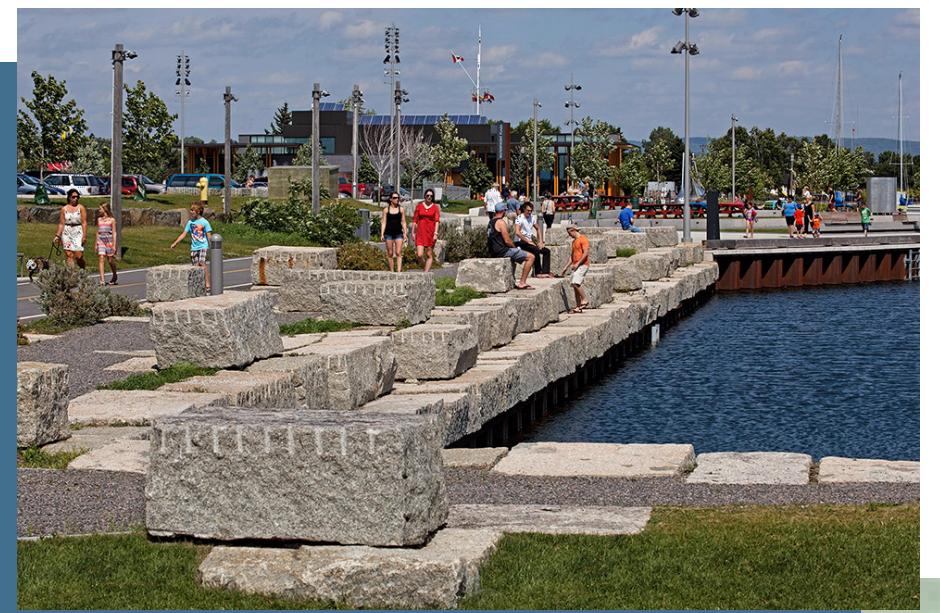
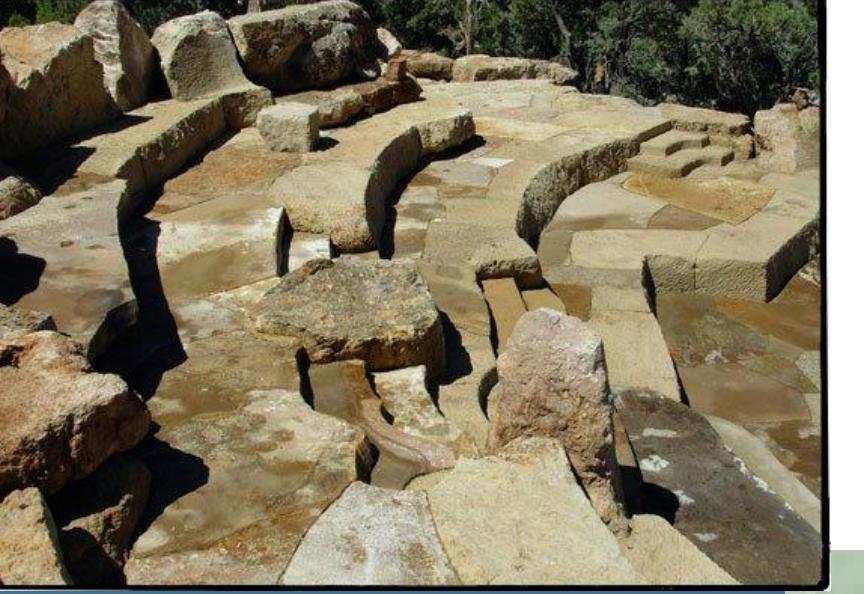
FINAL: Concept :
Historic D

DESIGN ENVIRONMENT ■ Landscape Architect Incorporated

1. Sept. 21, 2015, Issued for concept review.

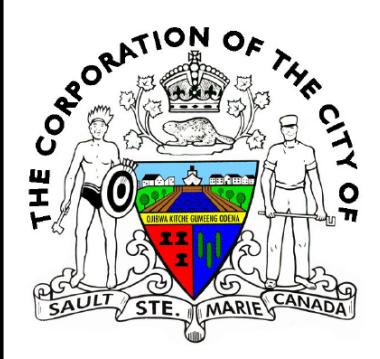
2. Feb. 24, 2016, Issued Final Master Plan.

FINAL:	Concept Strategy Action Plan Historic District
date	February 24, 2016.
checked by	e. kreps
number drawn by	1515 e. kreps
L2.0	



Hub Trail - Historic District Master Plan Concept Strategy

Church Street to Riverwalk Condominium



Detailed Primary Destinations L2.1	scale 1:250	date February. 24, 2016.	checked by e. kreps	number 1515	drawn by e. kreps
			revisions 1. Sept. 21, 2015, Issued for concept review. 2. Feb. 24, 2016, Issued Final Master Plan.		
All measurements to be confirmed in field by Contractor. Errors & omissions to be reported to Architect or Engineer prior to proceeding with work. Responsibility for coordination of all work remains with the General Contractor. This work is copyrighted to Design Environment Inc.. Not to be reproduced without written permission.					

AQUA THEATRE & BEACON POINT

URBAN BEACH



98 Havilland Shores Drive, Goulais River, Ontario P0S 1E0
 Ph. (705) 649-5576 E-mail: ErnstKreps@outlook.com

Landscape Class C Estimate

Project: Hub Trail Historic District Concept Strategy Master Plan

Date: Feb. 24, 2016.

Part 1.0: Existing Asphalt Removal & Topsoil / Sod Rehabilitation					
Code	Item	Quantity	Units	Unit Cost	Total Cost
1.1	Asphalt Removal	5000	m2	\$ 7.75	\$ 38,750.00
1.2	Sod w/ 100mm topsoil	5000	m2	\$ 12.00	\$ 60,000.00
	TOTAL PART 1.0				\$ 98,750.00

Part 2.0: Soft Landscaping - Trees & Benches					
Code	Item	Quantity	Units	Unit Cost	Total Cost
2.1	Decid. & Conif. Trees	100	each	\$ 550.00	\$ 55,000.00
2.2	Benches	10	each	\$ 1,000.00	\$ 10,000.00
	TOTAL PART 2				\$ 65,000.00

Part 3.0: Queen Str. Entry Plaza & Directional Feature					
Code	Item	Quantity	Units	Unit Cost	Total Cost
3.1	Grubbing	1	allow	\$ 1,500.00	\$ 1,500.00
3.2	Unit Pavers	150	m2	\$ 135.00	\$ 20,250.00
3.3	Three Sided Directional Feature	1	allow	\$15,000.00	\$ 15,000.00
3.4	Benches	2	each	\$ 1,000.00	\$ 2,000.00
	TOTAL PART 3				\$ 38,750.00

Part 4.0: Urban Beach					
Code	Item	Quantity	Units	Unit Cost	Total Cost
4.1	Remove Portion of Asphalt Hub Trail	450	m2	\$ 7.75	\$ 3,487.50
4.2	Install New Re-aligned Asphalt Hub Trail	375	m2	\$ 75.00	\$ 28,125.00
4.3	Concrete Surround for Beach - 1.2m wide	180	m2	\$ 125.00	\$ 22,500.00
4.4	Beach Sand 600mm depth w/ Sub-Drains	450	m3	\$ 85.00	\$ 38,250.00
4.5	Wood Boardwalk	360	m2	\$ 70.00	\$ 25,200.00
4.6	Unit Paver Accent Plaza	180	m2	\$ 125.00	\$ 22,500.00
4.7	Polygon Shade Structure	1	allow	\$35,000.00	\$ 35,000.00
4.8	Beach Amenities/Metal Parisols	10	each	\$ 2,500.00	\$ 25,000.00
	TOTAL PART 4				\$ 200,062.50

Part 5.0: Beacon Point					
Code	Item	Quantity	Units	Unit Cost	Total Cost
5.1	Focal Feature - Public Art	1	allow	\$25,000.00	\$ 25,000.00
	TOTAL PART 5				\$ 25,000.00

Part 6.0: Aqua Theatre					
Code	Item	Quantity	Units	Unit Cost	Total Cost
6.1	Remove Portion of Asphalt Hub Trail	282	m2	\$ 7.75	\$ 2,185.50
6.2	Install New Re-aligned Asphalt Hub Trail	450	m2	\$ 75.00	\$ 33,750.00
6.3	SSMRCA Permit	1	each	\$ 450.00	\$ 450.00
6.4	Removal & Re-use of Exit Conc. Rip Rap	1	allow	\$ 5,000.00	\$ 5,000.00
6.5	Limestone Block 300x600x1200	500	lin.m	\$ 225.00	\$ 112,500.00
6.6	Labour	1	allow	\$75,000.00	\$ 75,000.00
6.7	Accent Lighting	1	allow	\$35,000.00	\$ 35,000.00
	TOTAL PART 6				\$ 263,885.50

Part 7.0:Shoreline Stabilization - Gabion Reconstruction					
Code	Item	Quantity	Units	Unit Cost	Total Cost
7.1	SSMRCA Permit	1	each	\$ 450.00	\$ 450.00
7.2	Gabions Phase 1 Replacement- Immediate	80	lin.m	\$ 250.00	\$ 20,000.00
7.3	Gabions Phase 2- Replacement	85	lin.m	\$ 250.00	\$ 21,250.00
	TOTAL PART 7				\$ 41,700.00

SYNOPSIS :					
Part					
1.0	Existing Asphalt Removals & Reparations			\$	98,750.00
2.0	Decid. & Conifer. Tree Planting & Benches			\$	65,000.00
3.0	Queen Street Entry Plaza & Directional Feature			\$	38,750.00
4.0	Urban Beach			\$	200,062.50
5.0	Beacon Point			\$	25,000.00
6.0	Aqua Theatre			\$	263,885.50
7.0	Shoreline Stabilization - Gabion Reparation			\$	41,700.00
	TOTAL CLASS 'C' ESTIMATE (Parts 1 thru 7)			\$	733,148.00
	10% Contingency Allowance			\$	73,314.80
	SUB-TOTAL			\$	806,462.80
	Professional Fees			\$	80,646.28
	TOTAL PROJECT CAPITAL COST			\$	887,109.08

* 2016 CAPITAL
BUDGET

CITY OF SAULT STE MARIE
2016 CAPITAL BUDGET
MARCH 22, 2016

*Capital from Current

- * Recommended budget allocation:
\$600,000
 - * Staff recommends an increase of \$175,000 each year beginning in 2017 until the annual budget of \$1,100,000 is re-instated.
- * Recommended projects include:
 - * Relocation of Household Hazardous Waste Depot -\$180,000
 - * Dock repairs - Bondar Marina - \$142,500
 - * IT systems upgrade - \$75,000
 - * Merrifield rink and tennis court - \$100,000 (Council approved Dec 7, 2015)
 - * Transit pre boarding announcement - \$60,000 (Council approved in prior year's budget)
 - * Civic Centre carpeting - \$42,500

*Capital from Current - Projects funded out of Reserves

- * Recommended projects include:
 - * Transit Para buses (2) -\$160,000 (Transit Equipment Reserve)
 - * PWT hands free radios- \$50,000 (PWT Equipment Reserve)
 - * Cemetery - Crematorium Ventilation - \$7,500 (Cemetery Reserve Fund)

*Annual Allocations

*Sanitary Sewer Capital

* \$5.1 million

*Miscellaneous Construction

* \$1.3 million

*2016 Capital Road Works as approved by Council June 22, 2015: \$11.8 million

* Annual Operating Budget	\$6.2 million
* Federal Gas Tax	\$4.6 million
* Sanitary Sewer Charge	\$1.0 million

*Approved Capital Road Projects

- *Francis Street: from Wellington Street East to Railroad Avenue
- *Second Avenue: from Wallace Terrace to Second Line West
- *Coulson Avenue: from Queen Street to Manor Road
- *Black Road Widening: from Second Line to McNabb
- *Fort Creek Aqueduct Project
- *Various road resurfacing

*Asset Management Plan : Facilities

*Annual Allocation : \$2,292,210

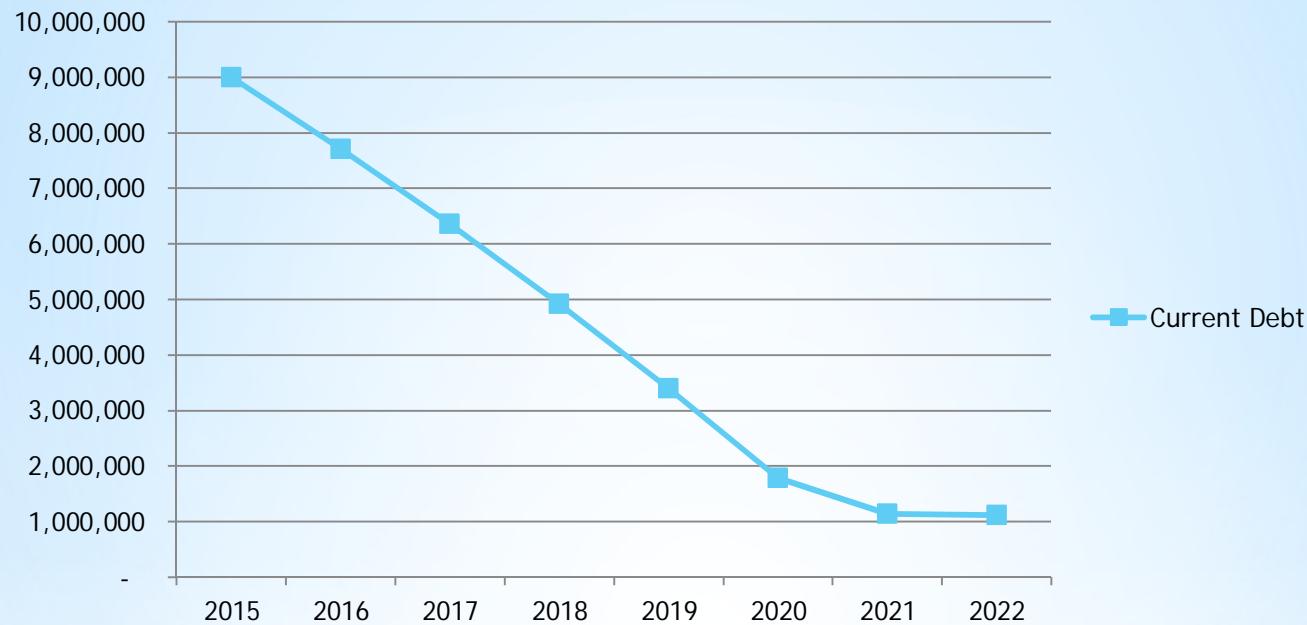
*Facilities Asset Management Staff
Committee Recommendations:

- * Repair/replacement of five roofs
- * Consulting design work for the Civic Centre windows and metal cladding project
- * Window joint sealant repair/replacement on various City facilities; and
- * Emergency repair allocation

*Transit Relocation Project

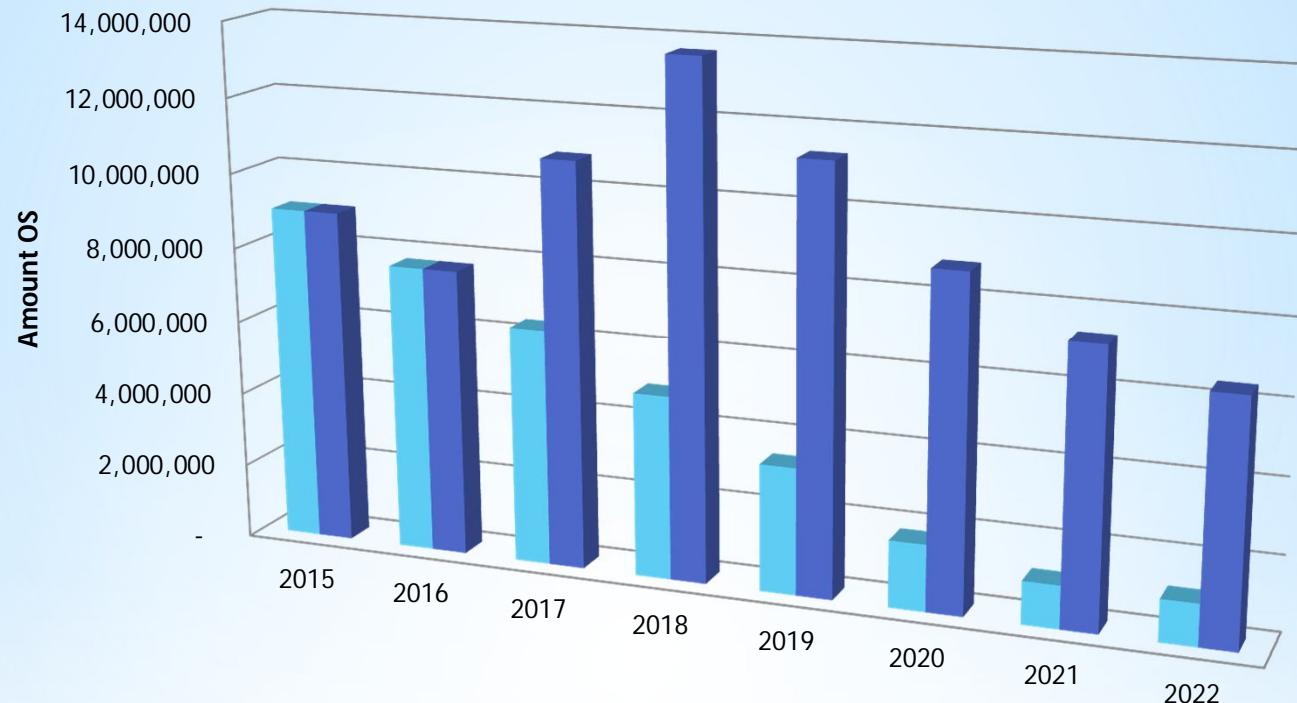
- * Allocate \$250,000 of Asset Management Funding for consulting work surrounding the potential relocation of the transit building
 - * Study the potential for significant synergies for PWT
- * The preliminary estimated total cost of the project is \$14 million
 - * This project is a potential candidate for federal/provincial infrastructure funding
 - * Once details of funding programs released, staff will report back to Council with a recommendation

Outstanding Debt



*Current LONG TERM DEBT

Outstanding Debt



	2015	2016	2017	2018	2019	2020	2021	2022
■ Current Debt	8,994,008	7,711,972	6,354,666	4,917,430	3,395,306	1,783,009	1,146,673	1,123,145
■ Revised Debt	8,994,008	7,711,972	10,854,666	13,679,540	11,323,840	8,858,430	7,348,987	6,431,892

* Revised Long Term Debt Forecast



COUNCIL REPORT

March 22, 2016

TO: Mayor Christian Provenzano and Members of City Council
AUTHOR: Shelley J. Schell, CPA, CA Commissioner of Finance and Treasurer
DEPARTMENT: Finance Department
RE: 2016 Final Budget

PURPOSE

The purpose of this report is to provide Council with the 2016 Final Budget report, including changes from the 2016 Preliminary Budget, Reserve and Reserve Fund balances and use for 2016, estimated surplus for 2015, year end transfers requiring Council approval and tax ratio options. Staff is seeking Council approval of their recommendations relating thereto.

BACKGROUND

The 2016 Preliminary Budget was presented to Council on February 8, 2016. Committee of the Whole budget deliberation meetings were held on February 29, March 1, and March 7-8, 2016. Department presentations and service level options were presented and various motions were recommended by Council. The 2016 Final Budget reflects these changes.

Reserve and Reserve Fund balances provide operational liquidity to the City. The current balance and staff recommendations for use are included in this report.

Surplus for 2015 is included as part of the 2016 Final Budget recommendations. Note that it is an estimate only as the year end audit has not been finalized. Various 2015 year end transfers requiring Council approval are also included.

Tax ratio options will be presented for the 2016 budget year only. Staff will be presenting a long term tax policy to Council as requested during the 2016 Committee of the Whole budget deliberations, addressing various options available for all classes for 2017 and future years.

ANALYSIS

Final Budget Changes

The 2016 Preliminary Budget as presented February 8, 2016 reflected a municipal tax levy of \$107.3 million, which represented a 5.23% increase over the 2015 levy (after surplus/reserves were applied for levy reduction). Appendix A provides a summary of all staff service level options recommended and approved in principle by Council and motions recommended by Council in the Committee of the Whole budget deliberations (decrease of \$1.2 million). The Levy Board and Local Board estimate changes are an increase of \$0.9 million. The 2016 Final Budget municipal tax levy as presented is \$107 million, representing a 4.93% increase.

Reserve and Reserve Funds

The summary of uncommitted reserve and reserve funds as of December 31, 2015 is included in Appendix B. Staff does not recommend using reserves for levy reduction on an ongoing basis, but due to the current economics of the City and Council's desire for a lower levy, staff is recommending the following reserves to be used to reduce the 2016 levy:

- Tax Stabilization Reserve \$708,000
- Working Fund Reserve \$1,081 000

2015 Estimated Surplus

The estimated surplus for 2015 is \$550,000. The final year end audit is not complete and it should be cautioned that this number could change. Staff continues to recommend that surplus be used for one-time items and not levy reduction in order to stabilize the levy. As with reserves, for 2016 staff is cognizant of the economic climate and Council's desire for a lower levy, and is thus recommending that the estimated 2015 surplus be used to lower the 2016 levy. Staff is also recommending that any variation of the estimated surplus as the result of the year end audit be transferred to/from the Contingency Reserve.

2015 Year End Transfers

Year end transfers to/from reserves for 2015 requiring Council approval are included in Appendix C.

Tax Ratios

The tax ratio options available include Starting Ratios or Revenue Neutral Ratios. Council may also adopt ratios that move towards the Range of Fairness, as set by the Ministry.

Option 1: Starting Ratios

Starting ratios are the same ratios as were used the previous year. When there is a shift in assessment between classes, such as when a class experiences a significant decrease due to reassessment, using the starting ratio will shift the tax burden to the other classes.

Option 2: Revenue Neutral Ratios

Revenue neutral tax ratios are the tax ratios that if adopted would ensure that each property class generates the same proportionate share of tax revenue as in the previous year.

After review with City staff and MTE Consultants in 2009, staff recommended revenue neutral tax ratios to maximize the benefit to the residential tax class. This policy began in 2009 and has been used each year since to mitigate decreases in assessment in other classes.

To protect tax classes other than residential, the province has set a Provincial Threshold for tax ratios that once they exceed an amount, a levy restriction is imposed and only a maximum of 50% of the increased tax levy can be passed onto the class, transferring this tax burden to all other classes. For 2016, a levy restriction will apply to the commercial and industrial tax classes.

Option 3: Set Ratios to Remove Levy Restriction

By reducing the ratios in the commercial and industrial tax classes, there will be a tax shift to the residential and other classes.

The effect of each option and the historical percentage of tax by class are reflected in Appendix D.

A motion was passed during the Committee of the Whole budget deliberations requesting that staff prepare a long term tax policy for Council approval, which addresses various options for all classes. The policy will be in place for the 2017 budget year. For the 2016 budget year, staff is recommending the continued use of revenue neutral ratios described in Option 2, thus protecting the residential class from a tax shift.

Tax Capping

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

Tax capping reduces the impacts of assessment related tax increases by limiting the assessment related property tax increase. The range of tax capping is from 5% to 10%. Tax capping does not apply to municipal levy increases. Beginning in 2016, municipalities are able to increase the annual cap from its current levy of 5% of previous year's CVA level taxes up to a new maximum of 10%. In addition, municipalities would be provided the flexibility to move properties directly to CVA level taxes if they are within \$500 of CVA level taxes – up from the previous \$250.

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

Staff recommends the 2016 tax capping rate for capped classes remain at 5% to reduce the tax levy impact on the classes, recognizing the current economic environment and Council's desire to keep the levy change minimal. Staff will review the tax capping policy for 2017 along with the new reassessment effective in that year.

IMPACT

The 2016 tax levy after the use of surplus and reserves is a 2.63% increase over 2015. This will translate into approximately a 2.3% increase for the 2017 levy, before the effect of any contractual increases. It is unlikely that surplus will return to its previous high levels and current reserve balances are lower with the 2016 levy reduction.

The 2016 levy and recommended tax rates are for the municipal share only. Education rates are not included as the City is required to add for collection purposes only and have no influence over the amount.

STRATEGIC PLAN

Not applicable

RECOMMENDATION

It is therefore recommended that Council take the following action:

Resolved that the report of the Commissioner of Finance and Treasurer dated March 22, 2016 be received and the following be approved:

- 1) The budget adjustments as contained in Appendix A be added to the Final Budget, resulting in a 2016 tax levy of \$106,963,376, before levy reduction recommendations ;
- 2) The Tax Stabilization Reserve in the amount of \$708,000 and the Working Fund Reserve in the amount of \$1,081,000 be applied to reduce the 2016 levy;
- 3) The estimated 2015 estimated surplus of \$550,000 be applied to reduce the 2016 levy;

Report to Council – 2016 Final Budget

2016 03 22

Page 5.

- 4) Changes to the 2015 estimated surplus of \$550,000 as a result of the year end audit be transferred to/from the Contingency Reserve;
- 5) 2015 year end reserve transfers as presented.;
- 6) Revenue Neutral tax ratios be used for calculating the 2016 tax rates; and
- 7) Business property tax capping be maintained at 5%.

Respectfully submitted,



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

APPENDIX A

City of Sault Ste Marie
2016 OPERATING BUDGET

	2015 BUDGET	2016 BUDGET	\$ <u>Change</u> (2015 to 2016)	% <u>Change</u> (2015 to 2016)
Preliminary Budget as presented February 8, 2016	101,939,967	107,274,312	5,334,345	5.23%
RECOMMENDATIONS & MOTIONS				
<u>February 29, 2016</u>				
<u>Fire Services</u>				
Remove boats from service, one which is not sea worthy in 2016 and the second in 2017 prior to capital expenditures in the range of \$150,000-\$200,000 required		(2,500)	5,875	
Diagnostic troubleshooting software for fire trucks/ambulances		16,000		
Draeger Fire Trailer for real time live fire training in a controlled environment to ensure proper, safe and effective fire fighting. Training requires annual certification		6,075		
Entry saws and mechanical small tools replacement for obsolete equipment not currently allowed for in budget		5,450		
Fire gear required to be replaced on a 10 year cycle, not currently allowed for in budget		7,055		
Porta Count lease for annual face fit testing of N95 masks and SCBA face pieces		31,475		
Fire ground tactical training and live fire trianing evolutions. Required to ensure safe and knowledgeable officers.				
Increase burn permit fees to \$50 to \$75 application. Renewal extend years but fee per year is same. -Councillor Shoemaker		(41,250)		
Freeze Mayor & Council honorarium, car allowance and cell phone allowance-Councillor Christian (Feb 29) Roll back to 2015 rate for 2016/2017 effective next pay		(6,500)		

March 1, 2016

Engineering:

The Construction Division currently completes the design, along with all resurfacing contracts and on-site inspection for one in-house road reconstruction project per year. divert funds (\$120,000) for other uses. It is recommended the funds be used for additional construction work (ie: paving).

PWT:

Reduce Landfill hours of operation by 1 hour per day, reducing labour and overtime costs	(53,600)
Eliminate free weeks at the Landfill site approved at Feb 22/16 Council meeting	(61,000)
Reduce Sunday Transit Service from 18 hrs per day to 12 hr daily service. Sunday service proposed: 7:00am to 7:15pm.	(164,150)
Removal of 5 non-warranted traffic lights	(8,375)
Sidewalk Program - Reduce overtime costs-already passed at Feb 22/16 meeting	(26,800)
Railway Crossings Repairs	33,500

March 7, 2016

Corporate Services:

Finance: Recovery of fees and administration for title searches for property in tax arrears (\$50/search)	(11,000)
Clerks: Reduced level - Council meeting dinners	(3,350)
Human Resources: Candidates pay full cost of pre-employments	(6,700)

March 8, 2016

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	(500,000)
Daycare complement change from supervisor position to lead daycare teacher	(107,775)
Reduction to PWT Equipment Reserve annual allocation	(200,000)
Reduction to Engineering Equipment Reserve annual allocation	(35,650)
Reduction to Unforeseen account	(50,000)
Reduction to CAO budget for Community Projects	(2,500)

Outside Agency grant increase - Crime Stoppers	25,000		
Local Board-Library adjustment to budget presented	(85,980)		
Estimated SSMDSSAB levy change	925,764		
FINAL ADJUSTED BUDGET	106,963,376	5,023,409	4.93%

Reserve	Purpose of the Fund	Balance December 31, 2015	Commitments	Uncommitted Balance December 31, 2015
RESERVES				
Tax Stabilization	Established with 2012 surplus. To stabilize tax rate impacts.	708,356	-	708,356
Working Fund	Provides working funds for operations in event they are required.	1,081,007	-	1,081,007
Contingency	Provides for contingent liability for possible tax refunds or assessment appeals pending against the City and fund for legal and hearing fees related to major appeals. Also provides monies for unforeseen or uncertain liabilities and contingencies.	2,816,323	437,610	2,378,713
Experience Refund	Provides for general operational contingencies. No ongoing transfers to reserve.	-	-	-
Council Communication	Remaining funds from 2007 Capital from Current allocation to provide Councillors with computers and other communication devices or tools.	31,717	-	31,717
Community Development Fund	Provided funds in 2008 for a Safety Village.	20,000	20,000	-
Conferences & Special Events	Unexpended budget transferred annually for future year use.	6,936	-	6,936
OMERS Premium Reduction	Provides for employee related expenses. Established when OMERS announced a suspension of premiums during 1998.	146,323	15,000	131,323
Self Insurance- LT Disability	Previous years' long term disability premium refunds transferred to reserve to cover future sudden unexpected increases in claims to the City's self insured long term disability program.	650,000	-	650,000
Election	Provides for cost of holding elections. Annual contribution.	60,000	-	60,000
Asbestos Abatement	Provides funds for potential asbestos abatement requirements. Annual unused budget transferred.	165,976	43,767	122,208
Facilities Maintenance	Provides funds for facilities maintenance projects in excess of operating budget. Provided annually from excess OW building rent over expenses	485,978	28,899	457,079
Arenas Improvement	Provides for capital additions and/or equipment. No ongoing transfers into reserve.	9,390	-	-
Bondar Park Improvement	Provides for capital additions and/or equipment. No ongoing transfers into reserve.	237,913	134,963	9,390
Parks & Recreation	a) Resol. 5(l) Feb 23/09 transferred all profits for future capital development of Strathclair Park b) Municipal Heritage Committee Book sales transferred for us by Historic Sites Board c) Resol. 5(j) Feb 23/09 allocates 10% of athletic field fees for future capital requirements			102,950
Heritage Property Grant	Unexpended budget transferred annually for future year use.	44,802	6,383	38,420
Heritage Discovery Centre	Provides for construction of Heritage Discovery Centre. Resol. 5(t) Jan 11, 2010 approved financing from the City of \$200,000 for the Heritage Discovery Centre.			-
Walk of Fame	Provides stabilization of Walk of Fame costs. Annual net revenue/(deficit) transferred.	1,860	-	1,860
Winter Control	Provides funds for stabilizing the City's Winter Maintenance Program. Operating surplus monies from the program may be placed in the reserve.	900,000	-	900,000
Fire Special Training	Provides for Fire Training. Annual revenue from fire extinguisher training transferred.	8,088	-	8,088
Barrier Removal	Provides funds for barrier removal projects. Annual allocation to reserve if not used.	96,826	25,500	71,326
Daycare Grants	Unexpended grants transferred for future equipment or maintenance requirements	16,535	16,428	106
Economic Development Funds	Provides for economic development projects. Annual budget provision.	2,113,161	1,889,622	223,539
Hub Trail	Provides for capital and maintenance of Hub Trail. No ongoing transfers into fund.	61,961	41,539	20,423
Green Committee	Provides for Green Committee projects. Unexpended budget transferred annually for future year use.	126,955	23,000	103,955
Best for Kids Committee-Social Services	Provides for semi-annual conference expenses. Operating surplus/deficit annually transferred.	12,559	-	12,559
Best For Kids Program-CSD	Provides for operating costs for CSD's Best for Kids program. Donations in excess of costs transferred for future programs.	1,707	-	1,707
Celebrate 100	Provided for Celebrate 100 program in 2012. Remaining unexpended funds.	5,000	-	5,000
Healthy Kids CC	Funds budgeted and received in 2015 for Healthy Kids Community Challenge program were not fully spent. Transferred to reserve for use in 2016.	65,736	65,736	-

Reserve	Purpose of the Fund	Balance	Uncommitted Balance
	<i>Capital Reserves</i>		
Computer Software	Software budgeted in 2014 for expenditure in 2015	28,000	28,000
Asset Management	Provides for future capital requirements for asset management plan for buildings.	2,605,611	2,605,611
Arena Equipment	Provides for capital requirements of arenas. No ongoing transfers into reserve.	-	-
Essar Centre Capital	Provides for capital requirements of Essar Centre. Annual capital surcharge on ticket sales transferred.	93,950	38,286
Bondar Park Equipment	Provides for equipment for Bondar Park concession from net annual profits (no trsf for several years)	56,072	56,072
	Provides for future capital improvements from donations received. No ongoing transfers into reserve.	12,828	12,828
Skateboard Park	-	-	-
Engineering Equipment	Provides for the replacement of Engineering vehicles and equipment. Annual budget allocation and also any vehicle lease savings transferred.	462,470	30,000
Connecting Links	Provides for capital improvements for roads no longer considered connecting link. One time provincial grant received when revoked. Balance relates to Wellington Street.	242,999	242,999
PWT Equipment	Provides for Public Works equipment requirements (excludes transit). Annual budget allocation	1,647,923	421,647
Waste Disposal Site	Provides for capital improvements and expansion of landfill site. Annual allocation based upon excess revenue over expenses.	12,460,716	237,155
Transit Equipment	Provides for transit equipment. Annual budget allocation.	453,714	272,883
Fire Capital Equipment	Provides funds for the replacement of Fire vehicles and equipment. Annual budget allocation and also revenue from air bottle fees, fire services fees and vehicle lease savings transferred.	333,519	180,831
Police Capital	Provides for police capital equipment. Annual budget allocation	667,960	667,960
Police Traffic School	-	-	22,047
Library Expansion	Provides for capital and maintenance of libraries. Annual budget allocation	133,799	133,799
Serviced Industrial Land	Provides for expansion of industrial land.	492,908	-
Leighs Bay Rail	Provides for future maintenance of Leigh's Bay rail line.	64,900	64,900
Miscellaneous Construction Carryover	Provides for miscellaneous construction projects.	58,387	58,387
		29,712,911	6,440,416
			23,272,495

RESERVE FUNDS

Reserve fund assets are segregated and restricted to meet the purpose of the reserve fund.

Normally established with by-law

Obligatory reserve fund created whenever a statute requires revenue received for a special purpose be segregated from original revenues.

Discretionary Reserve Funds are created under section 417(1) of the Municipal Act. Established whenever a municipal council, local board or other entity wishes to earmark revenues to finance a future expenditures for which it has authority to spend money, and physically set aside as portion of any year's revenues so that funds are available as required.

* denotes obligatory fund

5% SUBDIVIDERS *	Pursuant to The Planning Act 1990 section 42(1) and 51.1(1) payment in lieu of conveyance as a condition of development or agreement of subdivision and must be used for park or other public recreational purposes, including the erection, improvement or repair of buildings and the acquisition of machinery for park or other public recreational purposes. Sections 42(15) and 51.1(5) states funds to be paid into a special account and the money may be invested as permitted under the Municipal Act and the earnings paid into the special account.	629,202	308,533	320,669
CEMETERY	Provides for the capital expansion and equipment of municipal cemeteries. Annual net revenue from cemetery operations transferred to fund.	825,953	825,953	-
INDUSTRIAL PARK	Provides for purchase of lands and property for industrial park development.	46,138	46,138	
HOSPITAL	Remaining balance to provide for City share of Physician Recruitment Program.	414,521	414,521	
DEVELOPMENT CHARGES *		378,236	378,236	

Reserve	Purpose of the Fund	Balance	Uncommitted Balance
PROPERTY PURCHASE	Proceeds from the sale of property to be used for property acquisitions of lands as authorized by Council.	1,211,112	1,211,112
POLICE OMERS	Council Resolution dated February 2,1976 authorized that a reserve account for the Police Supplementary Pension Plan be set up in the amount of \$100,000.00. In 1974, an arbitrator awarded a Type 1 agreement with 1 3/4% formula and credited service for past and future for the Police Department. For the past service costs they had an option of payment: 1) Lump Sum \$370,795.00. 2) 15 annual payments of \$38,177.00 commencing in 1975. The arbitrators award was much greater than anticipated, therefore, the City chose to take the second option. The City had budgeted \$140,000.00 in 1975 for the estimated costs of prior years service. The 1975 payment was taken out of the amount and the balance of \$100,000.00 was put into a reserve fund per Council resolution of February 2,1976. O.M.E.R.S. reevaluated the Police Plan in 1988 and a surplus was in the plan. The reserve fund is to be used if the City is required to contribute extra to the plan.	10,463	10,463
SEWAGE PLANTS	This reserve fund was held by the OWRC and OCWA until 1996 at which time the City requested that the funds be returned as part of a new operating agreement with OCWA. The funds were returned in early 1996 but it was arranged that the balance of debt still owing on one project be deducted from the reserve fund, which is now complete. Funds to provide for sewage plant capital improvements.	522,606	522,606
CONNECTING LINK	Remaining funds from pre-2000 Connection Link projects	96,485	96,485
PROVINCIAL GAS TAX *	Unspent provincial gas tax grants to be used in future years for municipal public transportation services.	20,508	20,508
FEDERAL GAS TAX *	Unspent federal gas tax grants to be used in future years for municipal roads, bridges, storm water systems and other capital as specified in agreement	14,980	14,980
WEB PORTAL	Unspent immigration web portal grants to be used in future years.	74,213	74,213
BLDG PERMIT *	Provides for sufficient funds to continue operational and capital needs of the building permits process that are affected by fluctuation development.	443,128	443,128
		4,687,544	1,169,975
			3,517,569

CORPORATION OF THE CITY OF SAULT STE. MARIE
 RESERVE TRANSFERS TO BE APPROVED BY COUNCIL
 DECEMBER 31, 2015

APPENDIX C

<u>Details</u>	<u>From Reserve</u>	<u>To Reserve</u>
	\$	\$
Healthy Kids Community Challenge		65,736.11
Funds budgeted and received in 2015 for Healthy Kids Community Challenge program were not fully spent. Requested to be transferred to reserve for use in 2016.		
PUC Dividend		610,080.00
The annual PUC dividend was not declared until 2016. As this is a budgeted item, the request is to transfer money out of the contingency reserve to make up for the delay in funding in 2015. The money will be returned in full in 2016 when the actual receipt of the 2015 PUC dividend occurs.		
Total	610,080.00	65,736.11
net		<u>- 544,343.89</u>

THE CORPORATION OF THE CITY OF SAULT STE MARIE
 TAX RATIO OPTION
 2016 BUDGET

APPENDIX D

OPTION 1: STARTING RATIOS

PROPERTY TAX CLASS	2015-AS APPROVED		2016		\$ CHANGE	% CHANGE
	TAX LEVY \$	% SHARE	TAX LEVY \$	% SHARE		
Residential	63,927,875	62.71%	66,555,501	63.61%	2,627,626	4.1%
Multi-Residential	4,673,906	4.58%	4,915,016	4.70%	241,110	5.2%
Commercial	23,301,056	22.86%	23,391,535	22.36%	90,479	0.4%
Industrial	9,410,880	9.23%	9,128,667	8.73%	(282,213)	-3.0%
Other	626,250	0.61%	633,657	0.61%	7,407	1.2%
	101,939,967	100.00%	104,624,376	100.00%	2,684,409	

OPTION 2: REVENUE NEUTRAL RATIOS

PROPERTY TAX CLASS	2016 - STARTING RATIOS		2016- REVENUE NEUTRAL RATIOS		\$ CHANGE	% CHANGE
	TAX LEVY \$	% SHARE	TAX LEVY \$	% SHARE		
Residential	66,555,501	63.61%	65,804,544	62.90%	-750,957	-1.1%
Multi-Residential	4,915,016	4.70%	4,898,690	4.68%	-16,326	-0.3%
Commercial	23,391,535	22.36%	23,816,476	22.76%	424,941	1.8%
Industrial	9,128,667	8.73%	9,453,470	9.04%	324,803	3.6%
Other	633,657	0.61%	651,196	0.62%	17,539	2.8%
	104,624,376	100.00%	104,624,376	100.00%	0	

OPTION 3: ELIMINATE LEVY RESTRICTION TO COMMERCIAL AND INDUSTRIAL

BROAD PROPERTY TAX CLASS	2016 - STARTING RATIOS		2016-ELIMINATION OF LEVY RESTRICTION		\$ CHANGE	% CHANGE
	TAX LEVY \$	% SHARE	TAX LEVY \$	% SHARE		
Residential	66,555,501	63.61%	70,538,341	67.42%	3,982,840	6.0%
Multi-Residential	4,915,016	4.70%	5,251,342	5.02%	336,326	6.8%
Commercial	23,391,535	22.36%	22,528,106	21.53%	-863,429	-3.7%
Industrial	9,128,667	8.73%	5,608,767	5.36%	-3,519,900	-38.6%
Other	633,657	0.61%	697,820	0.67%	64,163	10.1%
	104,624,376	100.00%	104,624,376	100.00%	0	

* 2016 OPERATING BUDGET

CITY OF SAULT STE MARIE
FINAL 2016 OPERATING BUDGET

MARCH 22, 2016

	Preliminary Budget	Recommended Options	Revised Budget
City Departments:			
MAINTAINING SERVICES	1.80%	(1.15%)	0.65%
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)%	2.93%
After effect of 2015 levy reduction from surplus/reserves	5.23		4.93%

*2016 FINAL BUDGET

* Estimated 2015 Surplus \$550,000

* 2015 audit not complete, estimate may change

* Recommendations:

* Apply 2015 estimated surplus for levy reduction

* Variation from estimate to be transferred to/from Contingency Reserve

* 2015 Estimated Surplus

- * The Final Budget be approved, resulting in a 2016 tax levy, before applying surplus/reserves of \$106,963,376
- * Recognizing the current economic environment and Council's desire to keep the levy change minimal, levy reduction measures recommended:
 - * Estimated 2015 surplus of \$550,000
 - * Tax Stabilization Reserve \$708,000
 - * Working Fund Reserve \$1,081,000
- * Final Budget, after levy reduction measures
 - * \$104,624,376
- * 2.63% increase over 2015

* **Summary of Recommendations**

- * Staff is recommending Revenue Neutral Ratios for 2016, as in previous years to protect the residential class from a tax shift
 - * Long term tax policy will be prepared for Council approval during 2016, which will address various options for all tax classes
 - * 2017 will be first year of new reassessment 4 year phase-in
- * Total tax change by broad class:
 - * Residential 2.12%
 - * Commercial 1.13%
 - * Industrial 1.12%
- * Individual property increases will vary depending on assessment change relative to total broad class change and in the case of Commercial/Industrial-tax capping

***TAX RATIOS**

AVERAGE ASSESSMENT FOR RESIDENTIAL CLASS



2015 \$165,700

Assessment increase of 5.9%

2016 \$175,500

2015 \$2,346

Tax increase of \$51 (2.18%)

2016 \$2,397