

2021 Budget Directions

Finance & Administration Committee

August 11, 2020

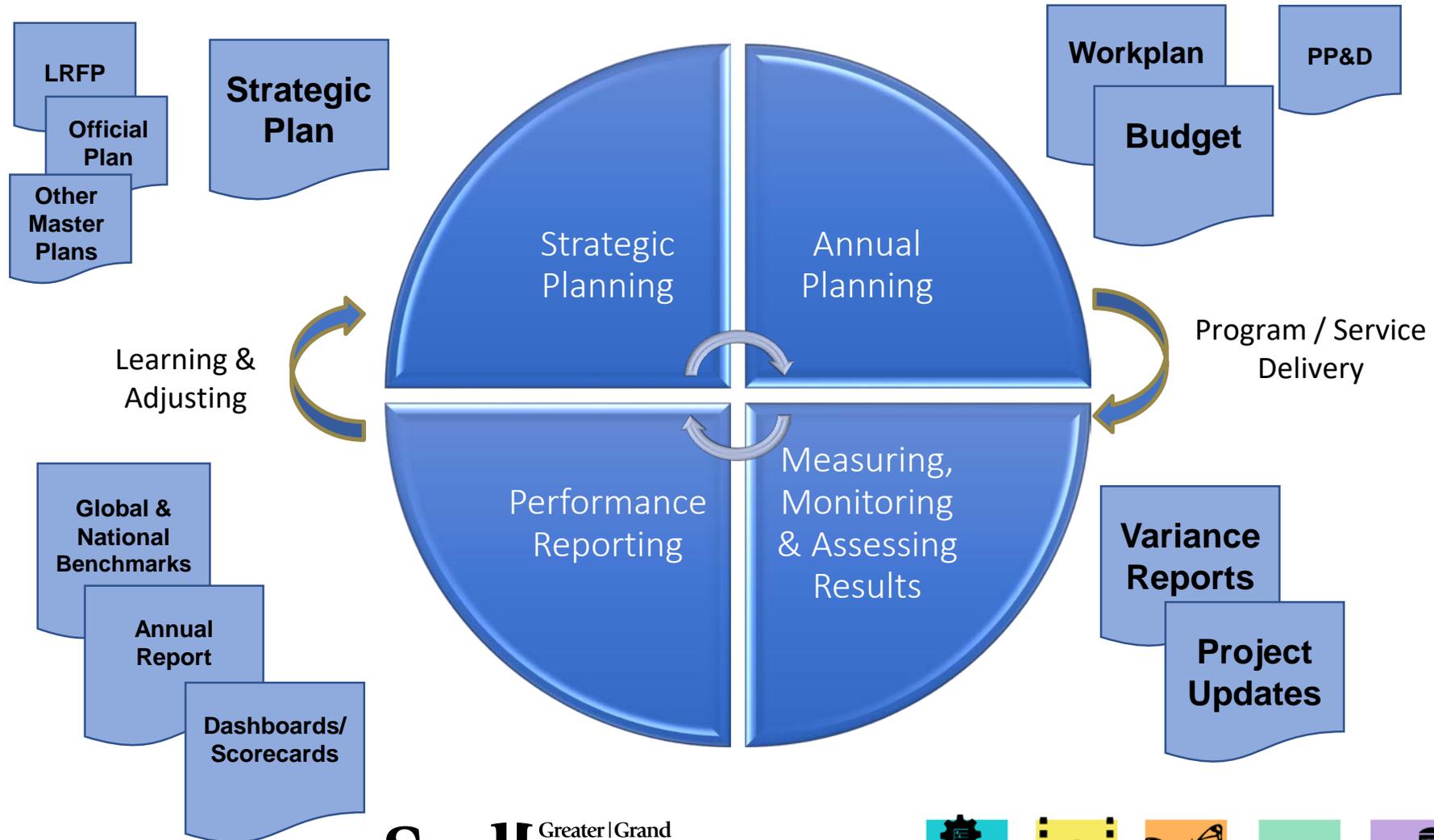
Ed Archer, Chief Administrative Officer

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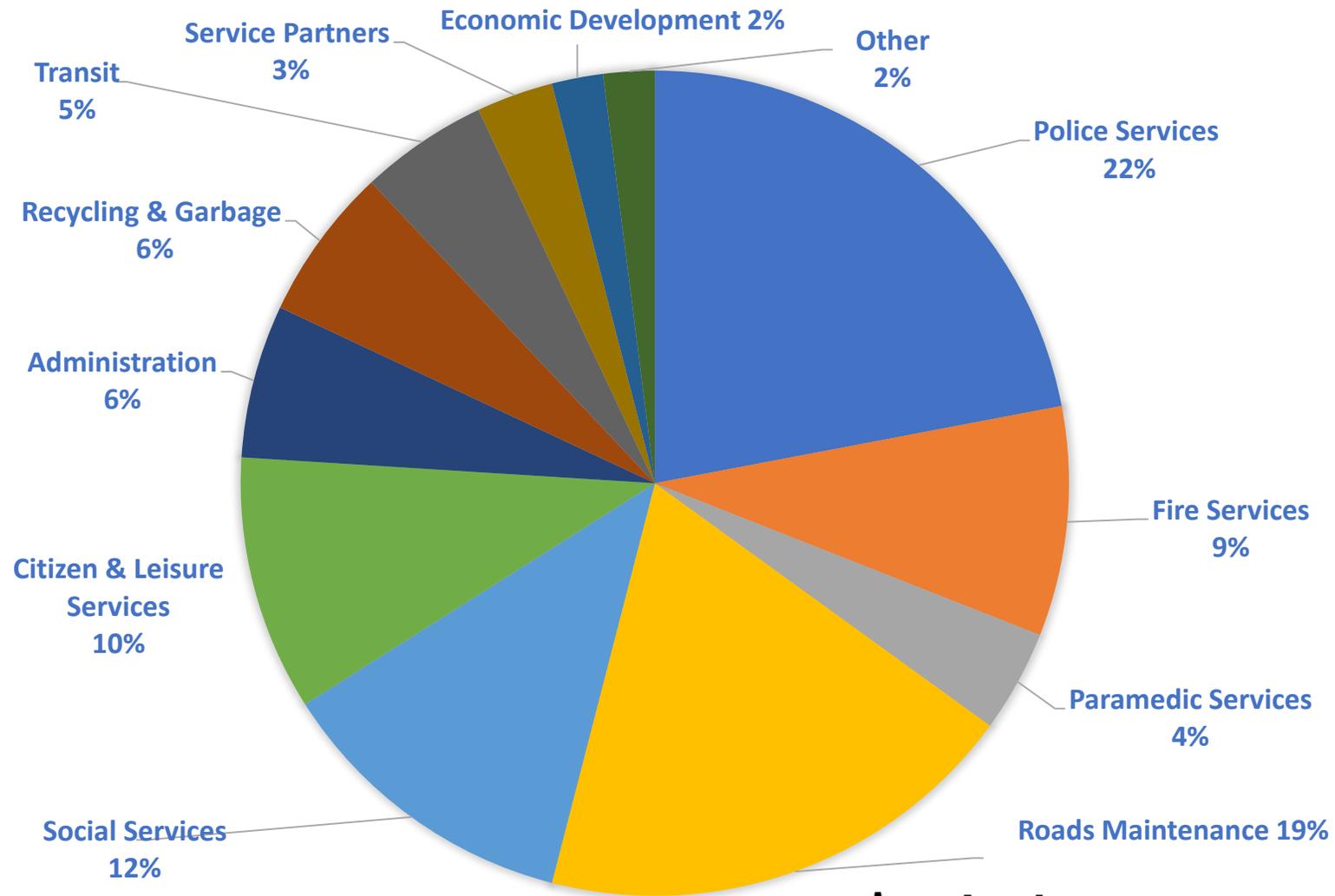
2019-2027 Strategic Plan Priorities



Continuous Management Cycle



Property Tax Levy Breakdown



Key Principles

- We are managing services, not just costs
- We consider both current and long-term implications of our decisions
- We match service expectations with appropriate resources
- We plan our work and deliver planned results



Context for Service Planning

- Only city in northern Ontario with continued population and property assessment growth
- Strong credit rating
- Asset renewal needs exist across all asset classes
- Taxation levels among the lowest in the province



Context for Service Planning

- Second-most affordable city in Ontario.
- Benchmarking data consistently shows Greater Sudbury to be a low-cost service provider.
- Solid track record of producing planned outcomes and delivering major service changes.



Key Risks

- Ongoing effects of COVID-19
- Usage levels for user fee-based services
- Asset failure
- Senior government funding support
- Climate change



Budget Projections Include Service Partners

- Service Partners include:
 - Conservation Sudbury
 - Greater Sudbury Police Service
 - Public Health Sudbury and Districts
 - Greater Sudbury Public Library Board



Factors Influencing 2021 Budget Planning

- \$629 million operating budget (\$302 million levy)
- Budget Changes
 - Lower Revenue Forecasts
 - Transit – down \$1.6 Million
 - Leisure Services – down \$2.3 Million
 - New COVID-19 mitigation costs
 - Service Partners - \$4.9 Million

Service adjustments will be required to meet recommended budget directions



What Drives the Recommended Tax Levy?

	2021	2022
Tax Levy Change	4.4%	4.9%
Less: Value of Assessment Growth	(0.5)	(1.0)
Tax Levy After Assessment Growth	3.9%	3.9%
Consisting of:		
Service Partners	1.8	1.0
Provincial Mandated Services	0.8	0.5
Capital Projects	0.3	0.3
Municipal Services (net of assessment growth)	1.0	2.1
1% Taxation Change = \$2.9 million		



Physical Asset Renewal and Investments

- Capital project proposals will be reviewed according to common evaluation criteria
 - Strategic priority
 - Financial implications
 - Risk Management
 - Asset Renewal/Restoration
- Financing plan will be developed based on prioritized project list



Water and Wastewater Budgets

- Water and wastewater services are 100% User-pay
 - No relationship to property tax
 - Users pay for what they consume
- Services must be sustainable
 - A long term financial plan exists to support timely asset renewal and appropriate system maintenance
 - Rate increase of 4.8% anticipated in 2021
- Greater Sudbury's water and wastewater services are relatively less efficient than MBNCanada peers



Budget Schedule



2021 Recommended Direction

- Service Plans that anticipate a 3.9% Property Tax increase
 - Requires service adjustments
 - Reflects Long Range Financial Plan forecast
 - Individual business cases for service level changes
- Capital projects prioritized according to defined criteria
- Water & Wastewater Rate increase of 4.8%, consistent with the Long Term Financial Plan



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