

Report to KPMG re:  
Core Services Review

June 2015



- “You have a taxpayer’s association. Somebody is going to be watching.”
- “Your taxpayers are not bank machines. You just can’t keep going back to them year after year without demonstrating value.”



# “Tax levels are just right for now”



- What about the working poor, seniors on fixed incomes?
- Other factors to consider:
  - Cost of heating a home (based on degree days)
  - Vehicle fuel costs
  - Higher construction costs (by 10%)
  - Hydro (4 sisters have own utility)
- Our ‘four sisters’ have more federal and provincial investment in education, medical services, government offices and in turn, a more stable employment base.
- The costs of CDSSAB to Timmins Taxpayers
- Skilled workers living in Timmins, working elsewhere

## Why are we concerned?

- Discrepancies in assessments: 63% of homes valued under \$150K
- Home assessments average increase of 7% over the last 5 years
- Tax rate has ranged from 1.96-2.19% over the last 6 years
- What does the future hold? Look back to 2012 and Met site closing:

Year	Tax Levy
2011	70,216,363.00
2012	70,377,305.00
2013	71,861,314.00

## *Residential Comparisons - Summary*

LOW	LOW-MID	MID	MID-HIGH	HIGH
Brant	Barrie	Brampton	Aurora	Ajax
Central Huron	Bracebridge	Caledon	Belleville	Hamilton
Elliot Lake	Cambridge	Georgina	Brock	Oakville
Gravenhurst	Clarington	Greater Sudbury	Brockville	Orangeville
Greenstone	Cornwall	Guelph	Burlington	Oshawa
Grey Highlands	East Gwillimbury	Ingersoll	Central Elgin	Owen Sound
Huntsville	Fort Erie	London	Collingwood	Pickering
Kingsville	Halton Hills	Meaford	Grimsby	Port Hope
Lakeshore	Hanover	 North Bay	King	St. Catharines
Lambton Shores	Innisfil	Pelham	Kingston	Thunder Bay
Penetanguishene	Kenora	Sault Ste. Marie	Lincoln	 Timmins
Quinte West	Kitchener	Wainfleet	Markham	Toronto (North)
Saugeen Shores	Middlesex Centre	West Lincoln	Mississauga	Toronto (South)
South Frontenac	Milton		Newmarket	Whitchurch-Stouffville
Springwater	Niagara Falls		Ottawa	
Strathroy-Caradoc	Niagara-on-the-Lake		Port Colborne	
The Blue Mountains	North Dumfries		Richmond Hill	
Toronto (East)	Orillia		Scugog	
Woolwich	Peterborough		Stratford	
	Prince Edward County		Thorold	

# Agenda Items

- The costs of employees
- The Role of the Municipality in LTC
- OPP Costing or Municipal police savings
- Alternative Service Delivery & potential user fees
- Other concerns
- Transparency of information

# Learning from the past....

- Late 1990s: significant staff reductions (approx 15%)
- Today: 578.8 (Not all departments are included)

(Full-Time Equivalent)

Department	Total 2013	Total 2012	Total 2011	Total 2010	Total 2009	Total 2008
Administration / HR & HS	14.3	15.7	10.4	9.8	9.4	9.4
Airport	16.2	16.1	15.4	16.1	17.8	17.1
Clerk's Department	21.6	20.0	21.7	23.8	25.4	46.9
Community & Development	103.3	101.3	106.0	114.2	132.3	102.1
Financial Services	20.7	20.0	20.8	21.0	20.7	20.4
Fire Department	34.3	35.3	36.5	35.3	35.6	36.6
Golden Manor	175.0	161.2	171.3	172.1	162.3	170.1
Information Technology	7.0	7.0	7.0	7.0	7.0	7.0
Public Works & Engineering	161.2	170.0	162.7	164.0	172.8	169.2
<b>TOTAL</b>	<b>553.6</b>	<b>546.6</b>	<b>551.8</b>	<b>563.3</b>	<b>583.3</b>	<b>578.8</b>

# Number of City Employees

- Police not municipal employees? City approves their budgets, issues their paychecks, includes them in their benefits packages (Ontario MUNICIPAL employees retirement system), conducts collective agreement negotiations on their behalf, OMERS
- How many employees does the City have?



# Long Term Care in Timmins

- Taxpayers subsidize the Golden Manor by \$3.365M annually (2014)
- 2015 budget indicates 5% of all municipal taxes collected and at least 10% of discretionary funds go towards LTC
- Timmins contributed a one time amount of \$2.5M or in kind to Extendicare for additional LTC beds in 2008
- City will realize annual property taxes to recoup the investment taxes in 5 years we will benefit from these property taxes

**Coming of Age: The Municipal Role in Caring for Ontario's Seniors An AMO Report, June 2011**



# Assistance to the Aged

	Net costs per capita excl. amort.	Net costs per \$100K CVA excl. amort.
Timmins	70	104
North Bay	45	50
Average	21	23

# Options....

1. Continue operation as is, but look for efficiencies
2. Outsource Operations but Keep Governance
3. Outsource Operations and Governance but Maintain Ownership of the Home
4. Return the beds to the Ministry of Health and divest all responsibility to a Non-profit (Three Northern Municipalities have done this)

## Many examples to learn from...

- Muskoka: Contracted Extendicare, eliminated operating subsidy within 4 years then increased # of beds
- Sault Ste Marie: Two homes needed to be replaced, moved to not-for-profit and agreed to make one time contribution of \$9.8M and released from any future financial obligations
- Thunder Bay: City divested to not-for-profit and province has funded an extra \$12M
- London: Reduced costs by over \$300K by some staff reduction, reduced supply costs, increased private room revenue and contracted Extendicare for management

## More Comparisons...

- Pioneer Manor-Greater Sudbury- 433 beds, operating subsidy for 2014 was \$3.7M, 1.5% net municipal taxes
- Teck Pioneer-Kirkland Lake-81 beds, no operational subsidy, contribute \$547,817 for yearly mortgage.
- Fair Haven-Peterborough-256 beds, no operational subsidy, municipality pays \$679,054 mortgage until 2021
- Golden Manor–177 beds, operational subsidy of \$3.365M, 5% of municipal taxes collected

# Opportunities

- Look at ways to reduce the yearly operational subsidy
- Divest to not-for-profit
- Look to other communities and AMO Report for help

# OPP Costing or savings within TPS

- 2014 Budget Highlights: policing costs \$686.24 per household (19,543 households)
- New cost recovery model for OPP costing could save us \$3.6M annually
- Timmins already 'double policed'
- What is the cost to the municipality to maintain the call center for the region?
- 2015 TPS budget
- Concerns about lack of training (training budget cut), equipment maintenance, forensic lab update, etc.

# Municipal Police vs OPP

Current situation in Timmins:

- Ratio of Sergeants to Officers is 5(staff Sergeants) + 8(Sergeants) : 68 (constables)
- 19% of staff are Sergeants
- Are we over-staffed or properly staffed compared to other municipalities?



## TPS legal fees

Expenditure	Budget	Actual	Variance
TPS-LGL fees 2012	\$ 21,000	\$ 63,547	(\$ 42,547)
TPS-LGL fees 2013	\$ 35,000	\$191,383	(\$156,383)
TPS-LGL fees 2014	\$100,000	\$356,900	(\$256,900)
total	\$156,000	\$611,830	(\$455,830)

**\*Timmins Police budget for legal fees.**

# Alternative Service Delivery

What opportunities exist for increased efficiency?

- **Recycle**
- **Garbage**
- **Snow Removal**
- **Landscaping**

Other areas

- Arena Maintenance
- Mechanical Maintenance
- Fleet Maintenance
- Cemetery Maintenance
- Street/curb/sidewalk maintenance
- IT services

# Waste Collection

	Operating collection costs per tonne	Operating collection costs per hshld	Net costs per capita excl. amort.	Net costs per \$100K CVA excl. amort.
Timmins		86	38	56
North Bay	69		20	22
Average	114	51	10	10

- Potential user fee? Reduce disparity in taxes
- Savings with new garbage trucks? Or are we still contracting out often?

# Poor workmanship – a result of no accountability?



# Building in Timmins

- No (or very few) building permits (private homes) issued in 2015
- Land severance fees are not encouraging construction in rural areas
- Concerns about the future and how this affects the tax levy (we will need something to offset the decrease in 2021)



# Transparency of information to taxpayers

- Breakdown of where our tax money is going on our tax bill
- Other online city budgets contain detailed information and, in many cases, an appendix referring to financial information over several years
- Information on LTC in Timmins is very difficult to obtain compared to other municipalities
- Board meeting minutes online
- FOIs required for basic public information
- An example of what happens when information appears to be hidden: TPS Legal Fees over-expenditures

# Final Remarks....

- Open Discussion/Comment from other Members

Thank you for  
your time.

