

SAULT STE. MARIE

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## Second night needed to sharpen council's budget pencil

*Levy and local boards present budgets and justify need for whopping levy increases to city council.*

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Exterior of Civic Centre on Wednesday, March 24, 2021 in Sault Ste. Marie, Ont. (BRIAN KELLY/THE SAULT STAR/POSTMEDIA NETWORK)

The bulk of the 2022 municipal tax levy increase is expected to be a result of rising costs, increased salaries and the need for additional staff created from the pandemic and borne by levy and local boards, city council heard.

The COVID-19 pandemic includes the majority of the reasoning behind Algoma Public Health's required increase and an increase in services and salaries required by both city police and the District Social Services Administration Board (DSSAB).

Each of the three service areas presented their budget and answered numerous questions from city council Monday during the budget deliberations.

After five hours of presentations from levy and local boards and the city's department heads, council adjourned until Tuesday night to dive into the deliberation portion of their meeting.

Capital requests, both recommended and unfunded will be debated and shuffled along with a list of supplementary items, about half of which received council's attention throughout the past year and the other half which didn't make the staff prioritization list.

On Tuesday, it's expected that senior city staff will return with more information that may help council better swallow the large police services budget increase that was approved by that local board.

The aging building, owned by the city, should fall under the city's asset management plan instead of having repairs fall to the levy, noted Ward 3 Coun. Matthew Shoemaker.

Council also pointed out that the plan to maintain the current complement of front-line officers – five of which are expected to retire this year – shouldn't result in a levy increase since rookie officers begin at a lower pay scale than more senior, experienced officers.

The Sault Ste. Marie Police Service finds itself strapped for cash.

The board-approved 2022 budget sees a 4.96 per cent increase over its previous year's budget and a further 5.2 per cent increase to accommodate wages, benefits, WSIB charge back and insurance premiums.

The increase will see it replace five confirmed retirements, add two part-time special constables and three part-time FTE civilians to assist in the emergency communications centre and other areas as required.

Additional costs have seen vehicle leases increase by \$377,000, or 52.5 per cent, along with rising costs for legal fees, computer equipment and other capital equipment needs.

Contract settlements and staff increases represent the remaining additional 5.2 per cent of the increased budget required, including retiree benefits, WSIB charge back and increased insurance premiums, all of which are in the double digits ranging from 10 per cent to 23.6 per cent increases.

Chief Hugh Stevenson the three main issues are three years of collective agreement coming into play all at once, soaring vehicle leasing costs and a backlog of training required that was paused during COVID.

Stevenson said other items like replacement of the building were deferred to keep costs down but other factors, like vehicle replacement are required, along with health and safety requirements that resulted in building improvements for an aging building he agreed was “a money pit.” Capital expenditures are required, many for health and safety purposes, including repairing outside sidewalk portions, mold in portions of the building and an aging HVAC system.

While the local board provided its bleak financial picture, the city’s two levy boards painted similar pictures, albeit for a few different reasons.

APH said its 2022 budget is \$19.6 million, an increase of 2.45 per cent over 2021, or \$470,197. About 82 per cent of the budget increase is due to salaries, wages and benefits and 18 per cent due to an increase in operating costs.

Algoma’s Medical Officer of Health Dr. Jennifer Loo wants to see 15 new full-time equivalents hired to sustain COVID-19 response and restore public health programs which were paused or cancelled during the pandemic in order to use existing resources elsewhere. Those costs were incorporated into the budget presented to city council.

The budget increase means individuals will pay about 46 cents per person per day for public health, or \$13.88 per month per person and is comparable to other health units, Loo told council.

Public health units are funded 70 per cent by the province and the remaining 30 per cent from the municipalities they serve, with unorganized territories funded 100 per cent by the province.

The pandemic saw resources dedicated to administering vaccines, completing contact tracing of individuals who tested positive with COVID-19 and administered site inspections and liaison services to ensure congregate care settings, institutions, businesses, organizations and First Nation communities continued to meet provincial requirements and protocols.

The response has required around-the-clock, seven-days-a-week operation at APH, she said.

Provincial funding available has been maximized but the costs must be incurred first then submitted for reimbursement, never guaranteeing that they will be paid, she said.

Keeping the community safe and reducing the burden on the health care system has taken its toll on other programming which has now resulted in a backlog.

Increases of vaccine preventable diseases like chickenpox and sexually transmitted diseases have resulted from the pandemic focus, Loo said.

More than 100 people are on a wait list for smoking cessation support, prenatal classes, including those held virtually, have been suspended and routine food safety and safe water inspections have not been completed.

School-based immunizations, infant and childhood vaccines, school dental screenings and other services are also backlogged.

Loo said staff have worked extra hours with call outs, overtime and lieu time, cancelled vacations and dedicated much time to dealing with the needs required during the pandemic. Meanwhile, a further 16 positions remain unfilled due to recruitment challenges, a report to council states.

Loo said Algoma Public Health has been lobbying, with others, for more sustainable base funding and COVID funding support, from the provincial government.

Ward 5 Coun. Corey Gardi said the health unit finds itself in the position because it has been underfunded by the provincial government for a number of years and the pandemic and opioid crisis have only worsened the situation. “The province has not been as responsible as it should have been.

I’m supportive of the ask and recognize all the hard work APH has done to keep our community safe and healthy over the past two years.”

The District Social Services Administration Board has approved a budget increase of 3.11 per cent.

The majority of the increase is as a result of increased calls for service for paramedics and land ambulance calls, creating an 18 per cent increase.

Calls for service are projected to reach 17,000 calls this year, a 10 per cent annual “unprecedented” increase, said DSSAB CEO Mike Nadeau.

The board accepted a recommendation that the cost of a new ambulance, \$250,000 be used from reserves instead of adding to the levy, he said.

Helping to reduce the impact is the DSSAB’s purchase of 140 full market price rental units, which generate revenue of \$300,000 which was used to decrease the operating budget of housing services, leaving only a 0.13 per cent increase for that service, he said.

Without the surge of ambulance and EMS calls, the budget would have only increased 0.32 per cent, Nadeau noted.

The province has agreed to fund several community paramedics which will help with calls to the elderly and those dealing with the opioid crisis with a hope that those costs will help with the issues, he said. The lobby efforts began in 2016 for this.

DSSAB’s municipal levy is \$21,491,283.

City council did make two quick decisions Monday, the results of what won't be known to taxpayers until all the final numbers are calculated.

Council accepted a staff recommendation, which saw an initial reduction in the levy by using \$944,700 from the tax stabilization fund to handle the impact of COVID-19 pressures, reducing its share of the levy increase to 1.12 per cent.

Council also allocated an additional \$2 million provided to the municipality in each of five years, to be used on core infrastructure needs.

A further additional funding envelope of \$400,000 from the Northern Ontario Research Development Support (NORDS) fund will also be used for additional infrastructure needs.

It's expected that city staff will prioritize projects the \$2.4 million windfall could be used for, with a report expected to council in January. Those projects would require council approval before proceeding.

The budget deliberations will continue Tuesday, beginning at 4:30 p.m.