

# COMMITTEE AGENDA

**Consolidated as of July 4, 2014**



TO Corporate Administration, Finance and Enterprise Committee

DATE July 7, 2014

LOCATION Council Chambers, Guelph City Hall, 1 Carden Street

TIME 5:30 p.m.

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## **DISCLOSURE OF PECUNIARY INTEREST AND GENERAL NATURE THEREOF**

### **CLOSED MEETING**

THAT the Corporate Administration, Finance & Enterprise Committee now hold a meeting that is closed to the public with respect to:

**CAFE-C-2014.2 Proposed or pending acquisition or disposition of land**  
S. 239 (2) (c) proposed or pending acquisition or disposition of land

**CAFE-C-2014.3 Advice that is subject to solicitor-client privilege**  
S. 239 (2) (f) Advice that is subject to solicitor-client privilege

### **OPEN MEETING**

**CONFIRMATION OF MINUTES-** June 10, 2014 open meeting minutes

### **PRESENTATIONS** (Items with no accompanying report)

- a) Heather Millman presentation of the petition for the removal of anti-abortion ads from City buses.

### **CONSENT AGENDA**

*The following resolutions have been prepared to facilitate the Committee's consideration of the various matters and are suggested for consideration. If the Committee wishes to address a specific report in isolation of the Consent Agenda, please identify the item. The item will be extracted and dealt with separately. The balance of the Corporate Administration, Finance & Enterprise Committee Consent Agenda will be approved in one resolution.*

ITEM	CITY PRESENTATION	DELEGATIONS	TO BE EXTRACTED
CAFE-2014.31 Guelph Police Services Headquarters – Business Case			
CAFE-2014.32 Corporate Advertising Policy		<ul style="list-style-type: none"> <li>• Jakki Jeffs, President, Guelph &amp; Area Right to Life</li> <li>• Jessica Brandon- Jepp</li> <li>• Elizabeth Quintanar</li> <li>• Emma Brown</li> <li>• Asia Barclay</li> </ul> <p>Correspondence:</p> <ul style="list-style-type: none"> <li>- Jakki Jeffs, Guelph &amp; Area Right to Life / Alliance for Life</li> <li>- Denis Farr</li> <li>- Morris Haley</li> <li>- Andre Schutten, Association for Reformed Political Action</li> </ul>	✓
CAFE-2014.33 Legal Representation Audit – Update on Outstanding Recommendations			

Resolution to adopt the balance of the Corporate Administration, Finance & Enterprise Committee Consent Agenda.

### ITEMS EXTRACTED FROM CONSENT AGENDA

Once extracted items are identified, they will be dealt with in the following order:

- 1) delegations (may include presentations)
- 2) staff presentations only
- 3) all others.

### STAFF UPDATES AND ANNOUNCEMENTS

### ADJOURN

**NEXT MEETING** – August 12, 2014

**CORPORATE ADMINISTRATION, FINANCE & ENTERPRISE COMMITTEE  
CONSENT AGENDA**

**July 7, 2014**

Members of the Corporate Administration, Finance & Enterprise Committee.

**SUMMARY OF REPORTS:**

The following resolutions have been prepared to facilitate the Committee's consideration of the various matters and are suggested for consideration. If the Committee wishes to address a specific report in isolation of the Consent Agenda, please identify the item. The item will be extracted and dealt with immediately. The balance of the Corporate Administration, Finance & Enterprise Committee Consent Agenda will be approved in one resolution.

**A Reports from Administrative Staff**

REPORT	DIRECTION
<p><b>CAFE-2014.31 GUELPH POLICE SERVICES HEADQUARTERS – BUSINESS CASE</b></p> <p>1. That the Finance and Enterprise Services report FIN-14-35, entitled "Guelph Police Services Headquarters – Business Case", be received.</p> <p>2. That the Guelph Police Services Headquarters project (PS0033) proceed as described in the 2014 Tax Supported Budget at a cost of up to \$34 million.</p> <p>3. That staff review options respecting consolidation of Emergency Services Communications (police and fire dispatch) in a central location and report back in Q1 2015 regarding a recommended approach for consideration as part of the 2015 Tax Supported Operating and Capital Budgets.</p> <p>4. That staff in the Emergency Services Department, Guelph Police Services and Finance and Enterprise Services continue to explore potential savings available through synergies created in joint emergency services operations.</p>	Approve
<p><b>CAFE-2104.32 CORPORATE ADVERTISING POLICY</b></p> <p>1. That the Corporate Administration, Finance &amp; Enterprise Committee staff report regarding advertising on city assets #OTES071431, dated July 7, 2014 be received.</p> <p>2. That staff be directed to create a corporate policy regulating advertisements on city assets consistent with current applicable</p>	Approve

provincial and federal legislation, and in line with the *Canadian Code of Advertising Standards* as created and administered by Advertising Standards Canada.

**CAFE-2104.33      LEGAL REPRESENTATION AUDIT – UPDATE ON  
OUTSTANDING RECOMMENDATIONS**

Receive

1. That the Corporate Administration, Finance and Enterprise Committee receive Report CHR-2014-51 entitled 'Legal Representation Audit – Update on Outstanding Recommendations' dated July 7, 2014, for information.

attach.

# STAFF REPORT



TO Corporate Administration, Finance and Enterprise Committee

SERVICE AREA Finance & Enterprise Services

DATE July 7, 2014

**SUBJECT Guelph Police Services Headquarters – Business Case**

REPORT NUMBER FIN-14-35

## EXECUTIVE SUMMARY

### PURPOSE OF REPORT

To respond to the request of the Guelph Police Services (GPS) Board dated May 7, 2014 (**Attachment 3**) and provide recommendations to: a) proceed with the Guelph Police Headquarters renovation and expansion project as found in the 2014 Tax Supported Capital Budget for an amount of up to \$34 million; b) continue further work on seeking synergies between the emergency services; and c) report back on potential centralization of communications (police and fire dispatch).

### KEY FINDINGS

The KPMG third party business case review determined that the most viable option to meet the administration requirements of the Guelph Police Services within City and community interests is renovation and expansion of the existing Guelph Police Services Headquarters at its current location. A request to proceed with the project has been made of the City by the GPS Board.

### FINANCIAL IMPLICATIONS

The Council approved 2014 Tax Supported Capital Budget includes \$34 million for the Guelph Police Services (GPS) Headquarters (HQ) facilities project (PS0033) subject to a Business Case being provided. Of this, approximately \$14.8 million can now be financed through Development Charges as described in the Council approved 2013 Background Study and financing reconciliation report CAFE 2014.16 '2013 DC Background Study Update: Capital Budget Funding Reallocation' approved by Council at its meeting of April 28, 2014. As part of the project terms, GPS plans to relocate personnel from their current location at the Clair Road Emergency Services Centre (CRESC) to the renovated GPS HQ facility. The resulting vacant space at CRESC would be populated by City of Guelph Emergency Services personnel transferred from the Fire HQ location on Wyndham. The respective 2015 base budgets for GPS and Emergency Services will be realigned to recognize facilities maintenance and operating costs at CRESC such that the GPS 2015 Budget will be reduced by \$180,000 for these

# STAFF REPORT

activities with a corresponding increase in the OTES Emergency Services 2015 Budget for a net zero budget impact on the total City of Guelph 2015 Tax Supported Operating Budget. Other operating impacts will be brought forward for Council consideration in the 2015 and future year tax supported budgets as required.

Development Charges are collected as development occurs and placed against the specific DC Reserves identified in the 2013 Background Study. Where DC's have not yet been collected, the City debentures for DC funded projects and pays back principle and interest for the loan through DC collections as they occur. Currently, the Development Charges Reserve Fund for Police is in a deficit position due to funding pressures resulting from the construction of CRESC and based on the latest DC charge projections will continue to be so in the long term given the inclusion of the GPS HQ project. The 10 year debt continuity schedules found in the 2015 and future year budgets consider the City's debt limit and financial policies including the GPS HQ initiative that poses some pressure for 2017.

## **ACTION REQUIRED**

Receive the staff report, approve proceeding with GPS HQ renovation project within the Council approved 2014 Tax Supported Capital cost of \$34 million and direct staff to report back on options for a centralized emergency services Communications Centre as well as potential savings related to other emergency services synergies.

## **RECOMMENDATION**

That Finance and Enterprise Services report FIN-14-35 entitled, "Guelph Police Services Headquarters – Business Case" be received,

That the GPS Headquarters project (PS0033) proceed as described in the 2014 Tax Supported Budget at a cost of up to \$34 million;

That staff review options respecting consolidation of Emergency Services Communications (police and fire dispatch) in a central location and report back in Q1 2015 regarding a recommended approach for consideration as part of the 2015 Tax Supported Operating and Capital Budgets; and

That staff in the Emergency Services Department, GPS Police Service and Finance and Enterprise Services continue to explore potential savings available through synergies created in joint emergency services operations.

## **BACKGROUND**

The Council approved 2013 Tax Supported Capital Budget included a total of \$13.6 million for the GPS Headquarters renovation and expansion project (PS0033). The

# STAFF REPORT

financing for this initiative was almost entirely debt – i.e. did not include Development Charges. In review of the architectural drawings and project scope related to the \$13.6 million project, the Guelph Police Service and engineering staff at the City determined that the project inadequately addressed the actual requirements of a renovated headquarters. Specifically, it did not redress all safety issues under various legislative acts nor did it include appropriate space for current and future needs (e.g. cell blocks, prisoner transfer, vehicle requirements, etc). The GPS Board therefore submitted a revised capital budget estimate of \$34 million (\$20.4 million above the original project estimate) to the City of Guelph for consideration as part of the 2014 Tax Supported Capital Budget. At its meeting of November 27, 2013 City of Guelph Council received a presentation from GPS officials (**Attachment 1**) outlining the revised project scope and details.

At its meeting of December 5, 2014 Council approved the \$34 million GPS HQ project as part of the 2014 Tax Supported Capital Budget subject to staff reporting back on a business case for this initiative that included consideration beyond the existing location of the HQ as well as exploration of other potential enterprise solutions. The specific recommendation as found in the Council approved minutes for its meeting of December 5, 2014 is found below:

*"18. Moved by Councillor Dennis  
Seconded by Councillor Findlay*

*1. That Guelph City Council approves in principle the \$20,407,708 additional capital allocation for the Guelph Police Services (GPS) Headquarters project (PS0033) in the City's recommended 2014 Capital Budget for a total project budget allocation of \$34 million conditional upon a business case being completed to the satisfaction of the GPS Board and for ultimate approval of council before the project proceeds.*

*2. That the business case be completed in a manner that ensures that this significant capital project has been analysed to deliver the highest long-term community benefit as well as to leverage the best return on the City's investment.*

*3. That following additional considerations be explored as part of the business case analysis on the project, including but not limited to:*

- net operating impact,*
- new construction vs. renovation,*
- tax assessment impacts for building or renovating within Downtown vs. building on sites outside of downtown,*
- impacts of consolidating operations vs. continuing satellite functions at Clair Road,*
- any potential for long-term efficiencies between Emergency Services and GPS,*
- and*
- additional value statements with regard to enhanced GPS operations due to investment in headquarters.*

*4. That the additional project analysis is provided by Q2 2014."*

# STAFF REPORT

Through a competitive procurement process, GPS secured the services of KPMG to conduct the required business case review using the clauses described in the December 5, 2013 resolution as terms of reference for this assessment. KPMG's work was completed in April 2014 and a final report was presented (see **Attachment 2**) to the GPS Board at its Special Meeting of May 7, 2014. The GPS Board received the report and passed a motion requesting that the City be asked to proceed with the project.

The City's staff report FIN 14-35 'Guelph Police Headquarters – Business Case' responds to the request of the GPS Board dated May 7, 2014 (**Attachment 3**) and provides recommendations to: a) proceed with the renovation and expansion project as found in the 2014 Tax Supported Capital Budget for an amount of up to \$34 million; b) continue further work on seeking synergies between the emergency services; and c) report back on potential centralization of communications (police and fire dispatch).

## REPORT

To satisfy the Council approved motion of December 5, 2013 requiring a business case being completed to the satisfaction of the GPS Board and for ultimate approval of council before the GPS HQ renovation and expansion project proceeding, the GPS Board tendered the business case review in February, 2014. KPMG was the successful proponent under the procurement process and began its work to develop a business case analysis in March 2014 using the motions described in the December 5, 2013, resolution as its terms of reference. In addition to financial analyses, the process followed included interviews of several key parties including City staff and community stakeholders; specifically, commercial / industrial real estate brokers in Guelph as well as Finance & Enterprise Services and Emergency Services personnel.

The work of KPMG was completed in late April, 2014 and a presentation on the business case highlights and findings was made to the GPS Board at its Special Meeting of May 7, 2014 (**Attachment 2**). A final report was also submitted to the GPS Board at that time. In summary, KPMG reviewed several factors to determine which of three options provided the best investment return and highest long-term community benefit. The factors examined included but were not limited to the long term benefits, operating impacts, capital costs, new construction versus renovation, impacts on property assessment, property tax potential, implications of consolidating emergency services functions at Clair Road (CRESC) and synergies between emergency services and GPS. The options explored included:

1. Option 1 : Renovating and Expanding the current facility (**recommended**)
2. Option 2 : Building a new facility in the downtown at Fountain Street
3. Option 3 : Building a new Facility at a non-downtown location



# STAFF REPORT

In its consideration of the options, KPMG worked with the private sector as well as realty and enterprise services staff at the City to derive financial, land value and other estimates (e.g. tax revenue) for various property locations. The sites chosen under options 1 and 2 were selected through a screening process that considered availability of lands as well as other factors such as remediation costs, etc. At the conclusion of its work, KPMG recommended that Option 1 Renovation and Expansion at the current site remained the best return on investment from a business case perspective. KPMG further noted in its report and presentation to the GPS Board at its Special Meeting of May 7, 2014 that it felt the cost estimates of \$34 million for the initiative were low especially given the delay in start date that could represent increased escalation and other costs of up to an additional \$5 million. However, upon deliberation the GPS Board moved that the project still be recommended to the City as a project of \$34 million in total. This resolution was approved by the Board and a formal transmittal was sent to the City Clerk dated May 7, 2014 (**Attachment 3**) indicating the GPS Board's belief that the business case requirement had been fulfilled and providing its request to have the project proceed.

Staff at the City were involved in the full review conducted by KPMG as part of the GPS led RFP work. However, in review of the final report felt some further diligence was required to better understand the recommendations made by the consultant. Meetings were therefore held in early June during which time staff's questions were answered satisfactorily and agreement was landed that although further review was necessary to examine emergency services synergies as well as potential centralization of communications that this continued analysis would not impact on the project scope so work could commence on the GPS HQ renovation and expansion initiative. Staff therefore recommend that GPS Headquarters project (PS0033) proceed as described in the 2014 Tax Supported Budget at a cost of up to \$34 million.

Regarding further work related to emergency services, KPMG identified the potential economies and service improvement that might result from developing a joint communication (police and fire dispatch) centre for the GPS and Emergency Services, but noted there are many barriers to implementation as evidenced in other jurisdictions and in analysis completed by the province. The question therefore posed was should centralization be deemed appropriate whether the Joint Communications Centre would be located in the GPS or at the Clair Road Emergency Services Centre (CRESC). In its review, KPMG indicated that the proposed Police HQ is large enough to accommodate a joint communications centre, either by shifting some of the uses near the Police communications centre in the current design or by moving the expanded communications centre to a different location and using some of the space currently assigned to accommodate future growth.

In summary, KPMG agreed to facilitate a meeting of the emergency services to further explore the centralized communications options in the short and long term,

# STAFF REPORT

and how the options might influence the Police HQ and CRESC re-use plans. It would take more study to identify the best location(s) for a joint communications centre, and this workshop should help determine what further analysis need take place. The GPS Board concurred with this requirement and passed a motion directing the Chief GPS to explore it directly with City staff. It is therefore recommended that staff review options respecting consolidation of Emergency Services Communications (police and fire dispatch) in a central location and report back in Q1 2015 regarding a recommended approach for consideration as part of the 2015 Tax Supported Operating and Capital Budgets.

In addition to the specific consideration of a centralized communications, further analysis of potential emergency services synergies is important. To date, some savings have already been realized by shared services (e.g. fuel) between the three emergency services of fire, EMS and police. It is hoped that further opportunities could be realized. In the meantime, the recommendation to proceed with the GPS HQ renovation and expansion project includes transfer of police personnel from CRESC to the downtown site freeing up space that emergency services staff would utilize. As part of this relocation, GPS would save approximately \$180k in costs related to building maintenance, etc. However, these expenditures would be necessary to accommodate emergency services staff at CRESC. It is therefore recommended that staff review options respecting consolidation of Emergency Services Communications in a central location and report back in Q1 2015 regarding a recommended approach for consideration as part of the 2015 Tax Supported Operating and Capital Budgets. It is further recommended that staff in the Emergency Services Department, GPS Police Service and Finance and Enterprise Services continue to explore potential savings available through synergies created in joint emergency services operations.

As a final consideration for recommending approval of the GPS Board requests, City staff also gave consideration to new financing available for the project. As background, the 2014 Tax Supported Capital Budget was approved by Council at its meeting of December 5, 2013. At that time, the City's 2014 Development Charges (DC) By-Law was still being considered and therefore did not include development charges profile based on the proposed 2013 Background Study. As such, the GPS HQ renovation and expansion project was considered as fully financed through debt. At its meeting of January 27, 2014 Council approved the 2014 DC By-Law and supporting 2013 Background Study as amended. Based on the approval of the By-Law a subsequent capital financing reconciliation report was tabled to realign the new DC charges estimates to projects found in the Council approved 2014 Tax Supported Capital Budget. This CAFE 2014.16 report entitled '*2013 DC Background Study Update: Capital Budget Funding Reallocation*' was approved by Council at its meeting of April 28, 2014 and provided for approximately \$14.8 million in DC's to be applied to the GPS HQ renovation and expansion project.

# STAFF REPORT

The resulting financing is found below in Table A, GPS HQ Renovation and Expansion Project Financing.

Council Approval	Expenditure (\$million)	DC Applicable (\$million)	Debt Financing (\$million)
2013 Budget (Dec 5 / 2012)	\$13.6	\$0.0	\$13.6
2014 Budget (Dec 5 / 2013)	\$34.0	\$0.0	\$34.0
2014 Budget (April 28 / 14)	\$34.0	\$14.8	\$19.2

In consideration of the KPMG report and presentation as well as other information made available relating to financing, staff is recommending that the Guelph Police Services (GPS) Headquarters (HQ) facilities project (PS0033) be approved to proceed for an upset limit of \$34 million.

## **CORPORATE STRATEGIC PLAN**

- 1.2 Develop collaborative work teams and apply whole systems thinking to deliver creative solutions.
- 2.1 Build an adaptive environment for government innovation to ensure fiscal and service sustainability.
- 2.3 Ensure accountability, transparency and engagement.
- 3.1 Ensure a well-designed, safe, inclusive, appealing and sustainable city.
- 3.2 Be economically viable, resilient, diverse and attractive for business.

## **DEPARTMENTAL CONSULTATION**

Operations, Transit & Emergency Services  
Community & Social Services  
CAO Office  
Chief's Office, Guelph Police Services  
CHR Legal Realty Services  
Finance & Enterprise Services  
Planning Building Services Engineering & Environment  
Executive Team

## **FINANCIAL IMPLICATIONS**

The Council approved 2014 Tax Supported Capital Budget includes \$34 million for the Guelph Police Services (GPS) Headquarters (HQ) facilities project (PS0033) subject to a Business Case being provided. Of this, approximately \$14.8 million can now be financed through Development Charges as described in the Council approved 2013 Background Study and financing reconciliation report CAFE 2014.16 '2013 DC Background Study Update: Capital Budget Funding Reallocation' approved by Council at its meeting of April 28, 2014. As part of the project terms, GPS plans

# STAFF REPORT



to relocate personnel from their current location at the Clair Road Emergency Services Centre (CRESC) to the renovated GPS HQ facility. The resulting vacant space at CRESC would be populated by City of Guelph Emergency Services personnel transferred from the Fire HQ location on Wyndham. The respective 2015 base budgets for GPS and Emergency Services will be realigned to recognize facilities maintenance and operating costs at CRESC such that the GPS 2015 Budget will be reduced by \$180,000 for these activities with a corresponding increase in the OTES Emergency Services 2015 Budget for a net zero impact on the total City of Guelph 2015 Tax Supported Operating Budget. Other operating impacts will be brought forward for Council consideration in the 2015 and future year tax supported budgets as required.

Development Charges are collected as development occurs and placed against the specific DC Reserves identified in the 2013 Background Study. Where DC's have not yet been collected, the City debentures for DC funded projects and pays back principle and interest for the loan through DC collections as they occur. Currently, the Development Charges Reserve Fund for Police is in a deficit position due to funding pressures resulting from the construction of CRESC and based on the latest DC charge projections will continue to be so in the long term given the inclusion of the GPS HQ project. The 10 year debt continuity schedules found in the 2015 and future year budgets consider the City's debt limit and financial policies including the GPS HQ initiative that poses some pressure for 2017.

## **COMMUNICATIONS**

The GPS Board and the City of Guelph will continue to work together to keep the community informed of project process.

## **ATTACHMENTS**

ATT-1 GPS HQ Renovation & Expansion Project Presentation November 27, 2014  
ATT-2 KPMG Summary Report – GPS HQ Business Case  
ATT-3 GPS Board Memo dated May 7, 2014

“original signed by Al Horsman”

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### **Approved and Recommended By**

Al Horsman  
Executive Director and CFO  
Finance and Enterprise Services  
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# GPS HQ Renovation & Expansion

**Policing for the Future  
More than Bricks and Mortar**





# 54 Years on Wyndham Street

- 1959 Official Opening of GPS Headquarters and Court House;
- 1988 Addition of West Wing;
- **Present Conditions:** The available area of the existing facility is inadequate for the present GPS operations and their projected growth;
- Many of the existing departmental facilities do not conform to the standards of modern policing and the requirement that this be a post-disaster facility. Most notable of these are:
  - Measures for controlled access and facility/ department security
  - The detention and prisoner intake/ release, processing and detention areas
  - The evidence intake, processing and storage areas
  - The front desk and associated community/ public interaction facilities
  - The communications/ emergency call center
  - Staff amenities such as staff lockers areas
  - Exposed and unprotected fleet parking facilities



# 54 Years on Wyndham Street

- The existing physical conditions of the building and its mechanical and electrical components are approaching or have passed their service life and require upgrading or replacement.
- Last renovated in 1988, the most notable of these are:
  - The roof membrane
  - The power distribution system
  - The emergency generator and uninterruptable power supply (UPS)
  - The Heating, Venting and Air-Conditioning (HVAC) systems



# Development of HQ Project

- \$13.6M approved during the 2011 and 2012 budget process;
- Architects awarded contract in 2012 and a space programming and organizational schematics diagram was presented along with cost estimates;
- Cost Estimate significantly exceeded budget available – *Project is paused for full program review.*
- Options developed and presented to the Police Services Board.
- Recommended option is to renovate and expand the current GPS Headquarters facility → \$34 million





# Understanding \$ Change

- **HQ Expansion and Renovations driven by:**
  - Space requirements increased by 47,000 square feet based on detailed, accurate program and space needs;
  - Original architectural concept did not provide for any future growth opportunities;
  - New costs include all project fees;
  - The scope of the renovation in original design was quite limited while the second design is more intensive and future focused;
  - Increased parking spaces from 45 to 82 in the new proposed design;
  - New East and West Wing addition;
  - Original architectural design provided for minimal mechanical, electrical and structural upgrades. Upgrades in the new plan will bring a much greater energy efficiency and longer life expectancy of the building mechanics;



# Understanding \$ Change

- Disposition of Gym reversed and correctly identified as space required for mandated training, use of force training and employee wellness;
  - Forensic Identification area deficiencies addressed; and
  - Front entrance moved to Wyndham Street to ensure appropriate security phasing
  - Inflation due to Project delay.
- Police Facilities are a critical infrastructure and construction takes into account a facility that is use 24/7 with specialized areas and increased security requirements.



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# Investing in our Future

- **The HQ Project is based on operational needs to ensure adequate and effective police services:**
  - Overall Aging of the Facility (HVAC, UPS, Generator, Roof)
  - Prisoner Care and Detention Center
  - Forensic Identification Lab
  - Prisoner Security and Transportation
  - Facility Security
  - Privacy of Victims of Crime
  - Front Entrance Reception
  - Storage Capacity (Property, Equipment, Firearms)
  - Locker Room capacity
  - Vendor delivery
  - IT infrastructure
  - Investigative Interviewing Capacity



# Proposed GPS HQ – Civic Asset

## Footprint for next 20 years and beyond:

	Existing	Proposed	Difference
Square Footage excluding parking garage	66,747	117,599	50,852
Square Footage – Parking Garage (Operational)	0	32,615	32,615
Parking spots (Operational)	44	82	38
Prisoner Care Cells	16	27	11

- Includes the addition of an East and West, wing addition;
- Aligned with Downtown Plan – Front Entrance moved to Wyndham Street includes Community Room.



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# Questions ? – Thank You







*cutting through complexity*

# The Guelph Police Service A Business Case for Police Facility Renewal

April 29, 2014



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# Understanding This Document

The purpose of this document is to outline certain matters that came to our attention during our limited procedures and to offer our observations relating to the Guelph Police Headquarters project.

This document has been prepared by KPMG LLP (“KPMG”) for the Guelph Police Service (“Client”) pursuant to the terms of our proposal dated February 24, 2014 (the “Engagement Agreement”). KPMG neither warrants nor represents that the information contained in this report is accurate, complete, sufficient or appropriate for use by any person or entity other than Client or for any purpose other than set out in the Engagement Agreement. This report may not be relied upon by any person or entity other than Client, and KPMG hereby expressly disclaims any and all responsibility or liability to any person or entity other than Client in connection with their use of this report.

Readers are cautioned that the actual results will be based on future events, full engineering studies, the actual design implemented, the results of the procurement process, the time required to complete the project, GPS decisions and implementation strategies and other factors. As such, the actual results for the period covered will vary from the information presented and these variations may be material.

Our procedures consisted of enquiry (i.e., GPS selected stakeholders listed on page 4), observation, comparison, analysis of GPS-provided information (i.e., technical and environmental studies, data, projected costs, hypotheses and assumptions) and limited review of publicly available information. Our work relied on the GPS-provided cost estimates prepared by Turner & Townsend cm2r and third party-provided information. Such work does not constitute an audit. Accordingly we express no opinion on the financial or other information.

Through normal GPS processes, GPS is responsible for:

- The assessment of our observations
- The decisions to implement any findings and/or recommendations, and
- Considering their impact



# Approach

KPMG was engaged by the GPS under our proposal dated February 24, 2014, to perform the following:

We met with the Project Steering Committee to launch the project.

We collected and reviewed a wide range of documents related to the existing Police Headquarters (HQ) proposal and potential alternative approaches.

We conducted interviews with GPS and City of Guelph staff and the architect that developed the design, including:

- Chief Bryan Larkin, Guelph Police Services
- Deputy Chief Jeff DeRuyter, Guelph Police Services
- Inspector Harry Schnurr, Administrative Support Services, Guelph Police Services
- Kirsten Hand, Financial Services Manager, Guelph Police Services
- Rob Broughton, Project Manager, City of Guelph
- Peter Cartwright, General Manager, Economic Development and Tourism, City of Guelph
- Karol Murillo, Downtown Renewal Office, City of Guelph
- Al Horsman, Chief Financial Officer, Finance & Enterprise, City of Guelph
- Donna Jacques, General Manager of Legal Services, City of Guelph
- Greg Bernard, Realty and Planning Specialist, City of Guelph
- Todd Salter, General Manager, Planning Services, City of Guelph
- Shawn Armstrong, General Manager of Emergency Services, City of Guelph
- Stephen Dewar, Chief of Guelph-Wellington Emergency Medical Service (EMS)
- Ian Panabaker, General Manager of Downtown Renewal, City of Guelph
- Prasoon Adhikari, Environmental Engineer, City of Guelph
- Peter Ortved, CS&P Architects Inc
- Jeff Matteis, Vice President, Matteis Realty Inc.
- Infrastructure Ontario.

## Approach (continued)

AECOM, an engineering firm, was engaged to provide expert opinion on the potential costs of each approach.

We analyzed the existing plan.

We developed a series of options, alternative approaches to resolving the Police HQ deficiencies consistent with the Council motion.

The options were defined and confirmed with stakeholders.

The options were analyzed and compared to the current plan.

This document was prepared in draft and reviewed with the stakeholders.

The final report was prepared and will be presented to Council.



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# Background

# Background

In December 2013 the Guelph City Council considered a report from the Guelph Police Service (GPS) concerning the renovation and expansion of the Guelph Police Headquarters (the HQ) and adopted the following motion:

1. That Guelph City Council approves in principle the \$20,407,708 additional capital allocation for the Guelph Police Services (GPS) Headquarters project (PS0033) in the City's recommended 2014 Capital Budget for a total project budget allocation of \$34 million conditional upon a business case being completed to the satisfaction of the GPS Board and for ultimate approval of council before the project proceeds.
2. That the business case be completed in a manner that ensures that this significant capital project has been analysed to deliver the highest long-term community benefit as well as to leverage the best return on the City's investment.
3. That following additional considerations be explored as part of the business case analysis on the project, including but not limited to:
  - • net operating impacts,
  - • new construction vs. renovation,
  - • tax assessment impacts for building or renovating within Downtown vs. building on sites outside of downtown,
  - • impacts of consolidating operations vs. continuing satellite functions at Clair Road,
  - • efficiencies between Emergency Services and GPS, and
  - • additional value statements with regard to enhanced GPS operations due to investment in headquarters.
4. That the additional project analysis is provided by Q2 2014.

# Background

The current project responds to a number of deficiencies in the current GPS HQ and related facilities identified by the interviewees that include:

- The reception/public area is not secure, and the building layout as a whole is not secure
- The roof leaks, exposing personnel and electronics to water, and damaging finishes and equipment
- The forensic lab is undersized, exposed to the leaks and does not meet current investigative standards
- The cells do not provide enough capacity and do not provide for detention of male and female youth in separate areas
- Prisoner transfers to court or other facilities cannot be conducted indoors presenting a security risk
- Some police functions have been relocated to alternative sites due to lack of space (see next page), creating operating inefficiencies
- Interview rooms are removed from the cell area, requiring prisoners to be moved through the HQ building, including areas holding victims of crime

We understand that these inadequacies have been acknowledged and accepted. The current issue is whether the proposed renovation and addition plan is the better approach to resolving the deficiencies.

# Background

In addition to the current HQ facility, the GPS also operates from the Clair Road Emergency Service Centre (CRESC), a joint site with Police/Fire/EMS on Clair Road. It contains these police activities:

- Reception area
- Collision reporting centre
- Traffic section
- Drugs and Intel section
- Tech crimes section
- Community room

The GPS indicates that operating from two locations increases the costs of GPS in several ways:

- Communications / courier costs between sites
- Security must be maintained at two sites
- Management of the workforce is more complex
- Extra vehicles are maintained at the site as staff do not have access to the main pool of vehicles
- Staff meetings often require driving back and forth between the two sites

# Background

The current plan for renovation of the GPS HQ as outlined in reports to Council provides for:

- Renovation of the existing 66,747 square foot building
  - The gym and firing range will remain essentially as is
  - All other space and uses will be reconfigured and the infrastructure replaced, resulting in a building in “as new” condition
- An addition to the west of the building (existing parking lot) with 82 enclosed parking spaces, and 29,073 sq. ft. of finished space on the first, second and third floors,
- An addition to the east of the building with a new entrance and public access area off Wyndham Street
- Unfinished storeys with a total of 21,779 sq. ft. above the additions to the east and west.
- The plan provides for all identified current needs, with the opportunity to consolidate operations at the HQ and provide for future expansion as required
- This project has been budgeted by GPS at \$34M.



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# Identifying Alternatives



# Identifying Alternative Solutions

Through the interviews, enquiries and analysis, we examined potential alternatives involving construction of a new facility that responded to the issues raised in the Council motion

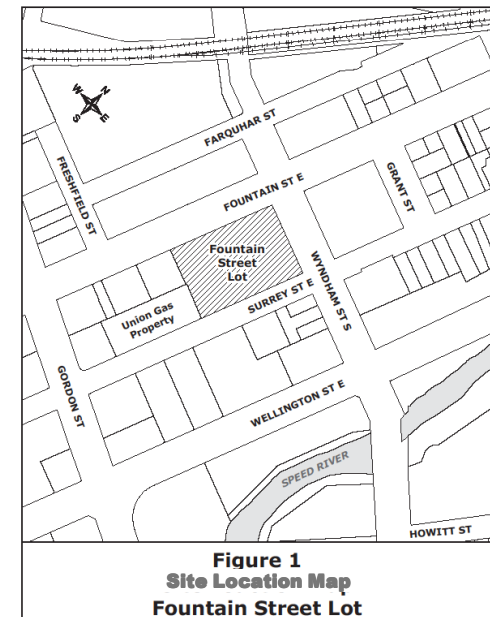
A number of downtown sites were considered:

- The City's Baker Street parking lot is one of the largest sites in the downtown. However it is currently subject of a large proposal involving the City, the Library Board, University of Guelph and Conestoga College. Attempting to include the Police HQ would make the project even more complex and draw out an already challenging process. Terminating the project in favour of police building would alienate important partners
- The current Fire HQ site is too small for the police HQ, much too small for combined police and fire facility, and located on a flood plain, not ideal for an emergency service
- The Wilson Street parking lot is too small and has limited access
- The Neeve Street parking lot is small, and has limited access
- The larger land assemblies east of the river are privately owned and slated for development
- The Fountain Street parking lot is considered the site for a future parkade, but there is no funding for that project, the low rates of parking revenue, and the "brownfields" status make this a long-term prospect, and if the police HQ were built on this site, the parkade could be built on the current police HQ site.

# Downtown Site

The Fountain Street parking lot is the only readily available downtown site

- The site formerly housed a gas works facility, and it has significant soil and some ground water contamination that will impact the cost of redevelopment of the site.
- Studies are currently underway to determine the appropriate approach to remediating the site, however it is likely that using the site for a new building, like a police headquarters, would require the removal of essentially all the material above the bedrock and its disposal in an appropriate facility, a cost which the environmental studies will estimate in more detail, but which could exceed \$5 million. Further remediation of the site may add to these costs considerably
- However these may be costs that the City will have to bear in any case, depending upon the position the Ministry of the Environment (MOE) takes at the conclusion of the current study.
- The costs of remediating the site itself are costs the City (or whomever builds on the site) would encounter in any development on the site, such as the parking structure that has been discussed. In other words, the only way to avoid the on-site costs would be to leave the site as a parking lot for the foreseeable future, and even in that case, the MOE may still require some or all of the remediation actions.
- The site is large enough to accommodate the Police HQ, and is just as well located as the current site.



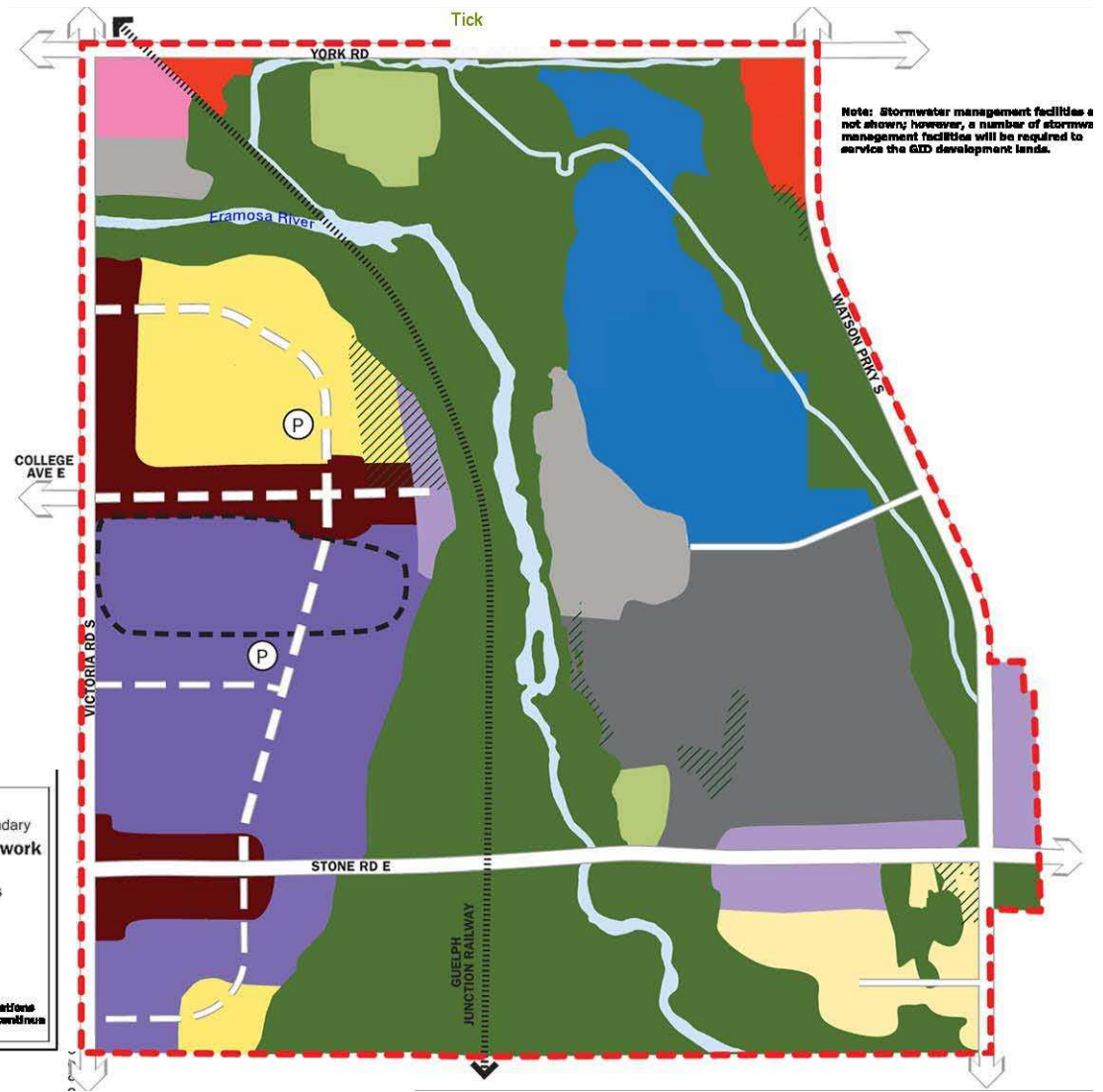
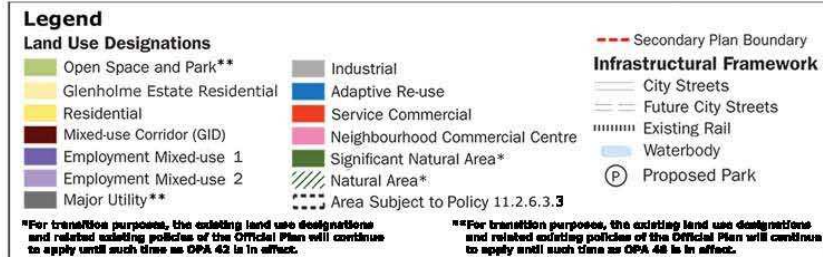
# Guelph Innovation District

The Guelph Innovation District (GID) is a very large area relatively close to the downtown which contains significant lands owned by the provincial government that are expected to redevelop or be re-used in coming years. An Official Plan Amendment has been prepared to guide development and is currently being considered for adoption. The map on the next page gives an overview of the plan. There are three general ways that the GPS HQ could be included in the GID:

- a) It could be developed incorporating the former reformatory facility. The facility is about 600,000 square feet, more than large enough for the HQ – so all elements of the buildings would not need to be re-used. It does include about 23,000 sq feet that was formerly office use. It has a large gym and change room areas that could be re-used. It is possible that the cell blocks could be adapted for new uses. Apparently the walls between cells can be removed to create larger spaces. Some cells could be adapted for the cells required in the Police HQ, however current standards are dramatically different, and significant changes would be required. Meeting health and safety requirements for forensic labs could be challenging. Reuse of the penitentiary would be ideal from a provincial perspective as it will be difficult to find appropriate uses for the facility that respect the heritage characteristics. Some examination of the facility for other purposes suggests the admin building (23,000 sq ft ) could be adopted to another use for slightly less than the cost of new construction, but that repurposing the correctional facility would likely be more expensive than a new building. However the risks of exceeding these costs would be high, considering past experience with heritage building conversions. Developing a concrete plan and firmer cost estimates would delay the project by at least a year with no certainty that it would prove feasible.
- b) A second option would focus on the land north of Dunlop Drive in the area behind the main penitentiary building which currently contains a mix of specialty accessory buildings. Some of these might be incorporated into a new project, however it would largely be a new construction project. This approach would also likely meet some provincial objectives by providing investment that would kick start development in an area that will not be easy to launch.
- c) The third option would be development of a new building in the section along Victoria Road in the College Avenue to Stone Road area. This would be a greenfield development of land currently used for agricultural research. It could be built at a location with good access to arterial roads and relatively close to the centre of town geographically (particularly as growth in the south continues) and close to the university. The site would be preferable from an operational and public profile point of view to options a and b above.

# Guelph Innovation District

## CITY OF GUELPH OFFICIAL PLAN SCHEDULE B: GUELPH INNOVATION DISTRICT SECONDARY PLAN LAND USE



## Other Non-Downtown Sites

There are two other readily identifiable non-downtown sites with very different characteristics

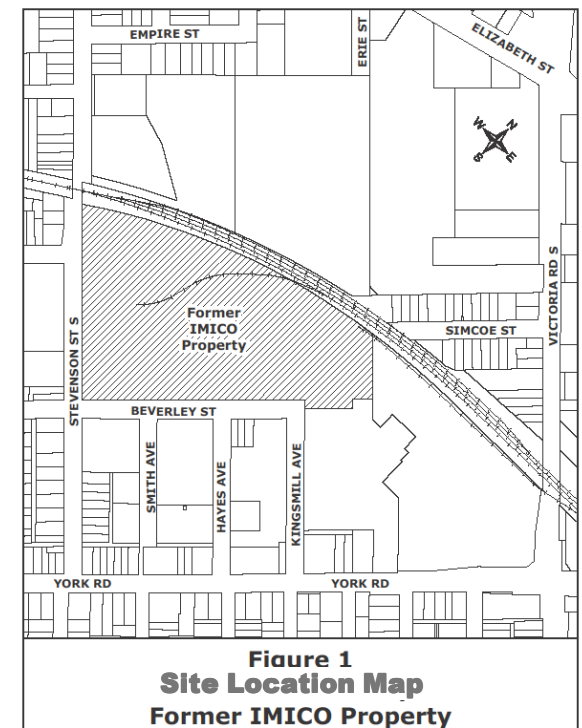
- The IMICO site on Beverley is relatively close to downtown, large enough for the Police HQ, owned by the City, but it is a brownfield site with significant known contamination. The City is currently planning to market the property, but recognizes there may be a requirement for a municipal investment in resolving the contamination issues. There is an expectation that future tax revenues from a new user of the site will offset the restoration costs. The site is examined further on the next page
- The Hanlon Creek Business Park or other industrial lands south of Clair Road. There are sites available, some with good access to major roads, but they are at the far south end of the city, and would be inconvenient for public access and for shift changes and reporting to the various patrol beats.

A discussion with a real estate agent and interviews with stakeholders did not identify any other sites currently on the market that would be well suited to the HQ use. There are occasionally suitable sites available, but real estate agents indicate this occurs relatively infrequently

# IMICO Site

The IMICO site is relatively close to downtown and would be better for operations than the Hanlon Creek Business Park and would be somewhat better than the GID sites

- The site is about 13 acres and was acquired by the City
- The City has spent about \$2.7M since acquiring the property, for environmental assessments and monitoring, remediating some particular “hot spots” of environmental contamination and securing the site
- A further environmental assessment is underway, however preliminary indications from that project team are that a future development like a police headquarters would be viable, likely with costs of \$1M to \$2M for further remediation, monitoring, risk assessment and mitigating measures. Further will be known when the current studies are completed
- The concept would be to locate the surface parking over areas with some remaining issues, and build the building where site conditions are of less concern
- The City has been planning to sell the site for redevelopment and the current environmental assessments are an important part of that process, however no specific development proposals have been made and the market for the property is uncertain. The selling price would at least need to be reduced by the amount of the remediation required



**Figure 1**  
**Site Location Map**  
**Former IMICO Property**



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# Option Analysis

# Options for Analysis

Based on this review of possible sites, we identified three options for analysis:

1. Current proposal for renovation and expansion of existing building
2. New construction downtown, using the Fountain Street parking lot as a site
3. New construction on non-downtown site site, which could be accommodated on any of these sites:
  - a) Part of the IMICO site
  - b) GID lands, using greenfield lands in the Victoria and College area
  - c) Industrial lands south of Clair Road

All of these are realistic possibilities, but the various sites bring different advantages and disadvantages that are explored later in this document.



# Estimated Construction Costs

AECOM has provided a report that compares the cost of construction of the three alternatives, determined on a consistent basis. The estimates are shown in the table below: The assumptions and rationale for the estimation process are provided in the AECOM report, and include a limitation to the market prices as of Q2, 2014 and the ability of the project to attract four to six bids for all trades..

Estimated Construction Costs	Option 1 Renovation	Option 2 Downtown	Options 3 Suburban
Space (sq ft)			
Existing Space	66,747	-	-
New Space	32,672	90,513	90,513
Unfinished	18,180	21,767	21,767
Parking	32,615	40,372	40,372
Total Space	150,214	152,652	152,652
Construction Costs	\$ 29,172,000	\$ 33,841,000	\$ 33,062,000
Phasing Costs (2.5%)	729,000		
Contingency Costs			
Design Allowance (8% / 10%)	2,334,000	3,384,000	3,306,000
Construction Contingency (5% New)	874,000	1,861,000	1,818,000
Construction Contingency (8% Renovation)	935,000		
Escalation to April 2014 Rates (3%)	1,021,000		
Total Construction Cost	\$ 35,065,000	\$ 39,086,000	\$ 38,186,000

# Changes to Renovation Costs

The cost of the renovation project as identified by AECOM is higher than the cost identified in the project budget. Of the \$5M difference:

- about \$2M relates to higher estimates of certain of the renovation costs (primarily HVAC systems),
- about \$1.5M relates to reductions in the contingencies carried over from the architect's budget to the project budget,
- about \$1 M relates to allowances for cost escalation as a result of the passage of time (inflation in construction costs) and
- about \$.5M relates to the reduced allowances for the phasing costs (costs of carrying out the renovations in phases).

It should be noted that cost escalation continues and construction costs will be higher than estimated if the project does not proceed now.

# Estimated Land Values and Considerations

Land values in the downtown are difficult to estimate based on the absence of recent transactions of comparable parcels. City staff have indicated they understand land values have begun to exceed \$2M per acre for development parcels. The existing building on the current site could add some value, but major components of the building, the gym, the locker rooms, the cells, the shooting range, would be of use to very few possible purchasers, the roof needs replacement and the building requires renovation throughout, so it is unlikely to add much value. The property is designated for mixed commercial and industrial uses. Therefore both the existing building and the Fountain Street site have been valued at \$2M per acre. Note that \$550,000 will be required to remediate the current site. If it is sold on the market the sale price will have to be reduced by this amount, giving a net value of \$1.75M

The Fountain Street Parking Lot is worth \$3M based on the \$2M/acre estimate, however environmental conditions on the site would need to be resolved before a sale. With these costs estimated to be at least \$5M, it is unlikely the site could be sold without some support for the remediation costs. Therefore the site may have no value and the cost of using the site is really the cost of remediating the site. The City has a program to support development of brownfield sites like this, however all the funds available have already been allocated to other sites.

The table below gives the estimated land values for all five sites, and the explanation for the values on the three sites outside the downtown is provided on the following page.

Estimated Land Values	Option 1	Option 2	Option 3a	Option 3b	Options 3c
	Current Site	Fountain Street	IMICO*	GID	South
Size (sq ft)	49,000	62,000	174,240	174,240	174,240
Approximate Land Value**	\$2.3M	\$3M	\$1.4M	\$1.6M	\$1.1 M
Land Remediation Costs ***	\$550K	\$5M plus	\$2M plus		
Net Cost of Land****	\$1.75M	\$5M plus	\$2M plus	\$1.6M	\$1.1 M

\* For IMICO site, only includes the part of the site required for Police HQ

\*\* Land value ignores any discount required for estimated land remediation costs

\*\*\* Land remediation costs are currently under review, and actual costs may vary widely from estimate

\*\*\*\* Net cost of land assumes land value is reduced by cost of remediation. If cost of remediation exceeds land value, then "net cost" is the cost of remediation

# Estimated Land Values and Considerations

The three sites outside the downtown have been estimated as follows:

- Both City staff and a real estate contact have indicated that land values are generally in the range of \$250,000 to \$275,000 per acre for industrial lands and \$400,000 to \$750,000 for commercial lands, depending upon location, access, visibility and other factors.
- The IMICO site could be considered to have a value as industrial land, which would place it in the \$225-275,000 range but the City has been open to discussing commercial and institutional uses as well. The site has therefore been estimated at \$350,000 per acre, between the industrial and commercial ranges. For the 4 acres required, that would be about \$1.4M. However the cost of environmental clean-up will also have to be considered in the sale price. The most recent estimates suggested a \$4.4 M cost for the site as a whole. We have shown the cost for the Police HQ, occupying less than half the site, at \$2M, however there are further studies being conducted on the site which may well indicate a higher cost. As the cost of remediation exceeds the value of the land, the cost of remediation is shown as the net cost of the land.
- The province indicated that provincial lands are generally sold at market prices. The province also indicated that there has not been a final decision when any of the lands in the GID could be sold and such a decision would be required before a project could proceed. Therefore the GID site was estimated at the low end of the commercial sites, at \$400,000 per acre.
- Recent sales of city industrial lands in the south end of the City have been at \$266,000 per acre, so the four acre requirement for the Police HQ has been shown at \$1.1M.

# Estimated Soft Costs

The table below shows the estimated soft costs for each of the proposals. The Option 1 costs are based on the budget as presented to Council. The other options are estimated based on industry norms where available, and on the budget estimates where not available. The Furniture, Fixtures and Equipment budget for the new construction options is higher to allow for the costs of outfitting the shooting range. Note that soil remediation issues are discussed under land value, and are excluded from this estimate.

Soft Costs	Option 1 Renovation	Option 2 Downtown	Options 3 Suburban
Design Fees	\$ 1,594,000	\$ 3,909,000	\$ 3,819,000
Project Management	254,000	782,000	764,000
Permit Fees	127,000	included	included
Site Preparation	132,000	excluded	excluded
Furniture, Fixtures & Equipment	529,000	3,029,000	3,029,000
Other	26,000	100,000	100,000
Lab Equipment and contingency	774,000	774,000	774,000
Total Soft Costs	\$ 3,436,000	\$ 8,594,000	\$ 8,486,000

# Consideration of Estimated Maintenance and Lifecycle Costs

Building operating, maintenance and lifecycle costs for the HQ will increase substantially with the completion of the new facility as the enclosed space will increase significantly (excludes current facility costs of the CRESC facility which are considered in another section). AECOM estimates the costs will more than double. The estimates provide the average annual costs for replacing or upgrading building elements as they reach the end of their lifecycle. It is possible to postpone some of these costs, however the result is large expenditures when the items fail.

The difference in costs between the various options is modest. The renovation option is slightly higher reflecting that parts of the building are still older, and the suburban location is slightly cheaper based on the industry trends that suburban buildings tend to be a little less expensive to operate. Our calculations of the net present value of expenses over the next twenty years have assumed a general inflation rate of 2%, a construction / building operations escalation rate of 5%, and a discount rate (cost of capital) of 5%.

Annual Estimated Maintenance and Lifecycle Costs	Current Facility	Option 1 Renovation	Option 2 Downtown	Options 3 Suburban
Operating Costs				
Utilities	\$ 199,000	\$ 331,000	\$ 338,000	\$ 305,000
Operating Costs	19,000	69,000	62,000	56,000
Repairs and Maintenance	102,000	396,000	378,000	394,000
Annual Cost in 2014 \$	320,000	796,000	778,000	755,000
Net Present Value of 20 years' operation	\$ 6,095,000	\$ 15,162,000	\$ 14,819,000	\$ 14,381,000

Note: - Excludes current costs of CRESC facility

## Other Estimated Financial Impacts

Consolidation of police operations at the new HQ and leaving the CRESC facility will remove a direct facility cost and will provide savings in the form of improved efficiency. In the short term some functions will remain at CRESC due to the secure nature of their operations, or the investment in infrastructure at CRESC (e.g. IT network set up) however all but the undercover operations will be relocated over the mid term. The GPS currently pays \$190,000 per year to support the CRESC facility, without considering the value or cost of building the facility. The police occupy 14,726 sq ft. at the facility, which could be reduced to 4,000 sq ft at CRESC or another location. The savings would be about \$138,000 per year in operating costs and \$104,000 per year in rental value. The NPV of the savings is \$3.5M. If the City continues paying these costs to meet the needs of other departments, it will still be saving the cost of meeting those needs at other facilities, such as the leased GWEMS depot.

A location outside the downtown will have some impact on operating costs by increasing the time required to deploy officers for each shift. There are generally 3 bicycle or foot patrols in the downtown each day that would need to be transported, or use a vehicle to deploy. Many officers are required in court each day. Today they simply walk across the street, and they are close enough that they can often work at the HQ until they are called when their case comes up. Outside the downtown they would tend to drive to the court, pay for parking, and wait at the court house for their case. 68 officers were involved in a busy week in January.

The City of Guelph provides some services, like Finance and Human Resource support, which results in considerable visiting between the HQ and City Hall. These trips would be less convenient with a move outside the downtown.

The table at right quantifies these factors. The NPV for 20 year ranges from \$1.2M to \$2.8M depending upon the location.

Estimated Incremental Costs Outside Downtown	Option 3a IMICO	Option 3b GIS	Options 3c South
Daily Foot/Bike Patrol deployments	3	3	3
Daily Court attendances	10	10	10
Daily City Hall visits	2	2	2
Annual trips (based on 250 days)	3,750	3,750	3,750
Distance each way	2	2.5	7.5
Additional Travel Time (minutes) each way	4	4	12
Average lost wait time (mins.) for court appearances	10	10	10
Total Kms	15,000	18,750	56,250
Total lost time (hours)	917	917	1,917
Annual Vehicle Cost (\$.70/km)	\$ 10,500	\$ 13,125	\$ 39,375
Annual Lost Wages	72,282	72,282	151,135
Net Present Value	\$ 1,214,000	\$ 1,252,000	\$ 2,794,000

## Other Estimated Financial Impacts

The current Police HQ does not have any employee parking. Given the shifts officers work and the need to respond when extra officers are required, the GPS purchases some employee parking off-site, and the City of Guelph allows officers to park on the Fountain Street lot for no charge. The current out of pocket expenses to the GPS are \$10,267 for the purchased monthly spaces. We have estimated the cost to the City of the foregone parking revenues at the Fountain Street lot. Monthly spots at the Fountain Street parking lot cost \$49.61 per month, so the annual value of 125 spots would be \$84,000, giving a net present value of \$1,242,000 for the parking paid by the GPS and the revenues foregone by the City.

This cost will continue with either downtown location, but would be eliminated by on-site employee parking at a non-downtown location.



# Summary of Project Financial Analysis

The table below provides a summary of the Financial Analysis of costs resulting from the project. Each line carries forward an item dealt with on the previous pages. It shows that the Renovation project as proposed has the lowest capital cost and has the lowest total project costs, including the net present value of the related costs over the next twenty years. Building in the GID would be the second choice, based on project costs, although the differences in cost between the three non-downtown options are fairly small. The new construction option in the downtown, using the Fountain Street parking lot, would be more expensive, largely because of the high cost of remediating the site.

Summary of Business Case Estimated Financial Factors	Option 1 Renovation	Option 2 Downtown	Option 3a IMICO	Option 3b GID	Options 3c South
Total Capital Costs	\$ 35,065,000	\$ 39,086,000	\$ 38,186,000	\$ 38,186,000	\$ 38,186,000
Soft Costs	3,436,000	8,594,000	8,486,000	8,486,000	8,486,000
Net Cost of Land	1,750,000	5,000,000	2,000,000	1,600,000	1,100,000
Total Capital Costs*	40,251,000	52,680,000	48,672,000	48,272,000	47,772,000
Net Present Value of					
Maintenance/Building Lifecycle Cost Increase	9,067,000	8,724,000	8,286,000	8,286,000	8,286,000
CRESC Operating Costs Avoided	(2,024,000)	(2,024,000)	(2,024,000)	(2,024,000)	(2,024,000)
CRESC Rental Value	(1,525,000)	(1,525,000)	(1,525,000)	(1,525,000)	(1,525,000)
Vehicle and Wage Costs for Extra Travel	-	-	1,214,000	1,252,000	2,794,000
Off-site employee parking	1,242,000	1,242,000	-	-	-
Total Operating Cost Implications	6,760,000	6,417,000	5,951,000	5,989,000	7,531,000
Total Project NPV	\$ 47,011,000	\$ 59,097,000	\$ 54,623,000	\$ 54,261,000	\$ 55,303,000

Note: The actual costs will be based on future events and decisions. As such, the actual results will vary and the variance may be material

# Estimated Property Tax Implications

The table below shows the theoretically potential tax revenue available from each of the sites examined, assuming it was developed immediately, at the density assumed. The current site is assumed to be built as a mixed use site with 50,000 sq. ft. of office space and 120 apartments. The Fountain Street parking lot site is assumed to be developed for 285 apartments, with 20,000 sq. ft. of commercial space on the ground floor.

The IMICO site is assumed to develop for commercial uses, the GID site for offices and the southern industrial site for industrial uses. The tax rates per sq. ft. and per apartment are from a study published by BMA, using 2012 data.

The GID lands have the greatest potential tax revenues, given the higher rate of taxation on office space, and the expected density of development, which is higher than for the IMICO site. The Fountain Street property has the second highest revenue potential as it is larger than the current site, while the potential tax revenues from the industrial property and the IMICO property are lower.

Note however that this analysis assumes the properties are developed as shown now, and that the development is something that would not occur on another site if the site discussed is not available. However some of the sites cannot be developed immediately (GID), and for some of the sites, particularly the GID site and the south end industrial site, there is plenty of land available that could be used for any projects seeking a site, so the tax revenue would not likely be lost, just derived from another site.

Estimated Property Tax Implications	Option 1 Current Site	Option 2 Fountain Street	Option 3a IMICO*	Option 3b GID	Options 3c South
Size (sq ft)	49,000	62,000	174,240	174,240	174,240
Assumed Development	Mixed use	Mixed Use	Commercial	Office	Industrial
Commercial/Industrial Size (sq ft)	50,000	20,000	87,120	261,360	87,120
Apartments	120	285			
Tax Rate per sq. ft. *****	\$ 2.04		\$ 2.04	\$ 2.04	\$ 0.90
Tax Rate per Apartment *****	\$ 1,581	\$ 1,581			
Potential Tax Revenue	\$ 291,720	\$ 450,585	\$ 177,725	\$ 533,174	\$ 78,408
20 Year NPV	\$ 5,668,000	\$ 8,754,000	\$ 3,453,000	\$ 10,359,000	\$ 1,523,000

\*\*\*\*\* Tax rate as reported in BMA Municipal Study 2012

# Estimated Financial Summary

The table below adds the tax impact to the Total Project NPV to show the possible total impact on the City of Guelph. Note that the Renovation option remains the lowest cost solution even when the foregone property taxes are considered. The GID and Fountain Street lot options appear even more expensive.

Summary of Business Case Estimated Financial Factors	Option 1 Renovation	Option 2 Downtown	Option 3a IMICO	Option 3b GID	Options 3c South
Total Capital Costs	\$ 35,065,000	\$ 39,086,000	\$ 38,186,000	\$ 38,186,000	\$ 38,186,000
Soft Costs	3,436,000	8,594,000	8,486,000	8,486,000	8,486,000
Net Cost of Land	1,750,000	5,000,000	2,000,000	1,600,000	1,100,000
Total Capital Costs*	40,251,000	52,680,000	48,672,000	48,272,000	47,772,000
Net Present Value of					
Maintenance/Building Lifecycle Cost Increase	9,067,000	8,724,000	8,286,000	8,286,000	8,286,000
CRESC Operating Costs Avoided	(2,024,000)	(2,024,000)	(2,024,000)	(2,024,000)	(2,024,000)
CRESC Rental Value	(1,525,000)	(1,525,000)	(1,525,000)	(1,525,000)	(1,525,000)
Vehicle and Wage Costs for Extra Travel	-	-	1,214,000	1,252,000	2,794,000
Off-site employee parking	1,242,000	1,242,000	-	-	-
Total Operating Cost Implications	6,760,000	6,417,000	5,951,000	5,989,000	7,531,000
Total Project NPV	\$ 47,011,000	\$ 59,097,000	\$ 54,623,000	\$ 54,261,000	\$ 55,303,000
NPV of Foregone Property Taxes*	5,668,000	8,754,000	3,453,000	10,359,000	1,523,000
Total	\$ 52,679,000	\$ 67,851,000	\$ 58,076,000	\$ 64,620,000	\$ 56,826,000

Note: The actual costs will be based on future events and decisions. As such, the actual results will vary and the variance may be material

\*Assumes the alternate development is constructed now



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# Other Considerations

## Other Considerations

There are a number of factors which cannot easily be converted to dollar amounts in a business case, but which nevertheless require careful consideration. Some of the key issues in selecting a Police HQ solution are:

- New construction would be quicker with no need to phase work. This advantage could be lost, however, if site selection takes time and/or the selected site is not available for immediate development (e.g. the GID lands). Any delay in the project runs the risk of incurring major expenditures now that may not be part of the final solution. For example, the roof of the existing building will likely need to be replaced (\$1M) or at least patched significantly even with a decision to start work on a new building right away, as the move in date would likely be at least four or five years away.
- There is also a substantial risk GPS will be forced by regulators and/or labour relations to act now to resolve one or more of the following issues if the project appears delayed or stalled:
  - Out of date, non-compliant cells with inadequate capacity
  - Inadequate forensic labs
  - Mixing prisoners and public/victims
  - Security at the front desk, resulting in changes that would make public access and interface more difficult
- Accessibility to the public for Criminal Record Checks, finger prints, interviews/statements, child custody exchanges, victim services, reporting crimes, seeking advice, turning themselves in. The downtown location provides excellent access to members of the public, and all employees, by transit, walking, or by car. A suburban location would not be as accessible to some members of the public
- City goals for development and growth of the city can be reinforced by the appropriate approach. The most significant goal today appears to be strengthening and intensifying the downtown, and maintaining this major centre of employment in the downtown would support that goal. However development of the IMICO site is also a City goal, and development of GID is both a City and provincial goal, though not as immediate.

## Other Considerations

- The image of the GPS will be influenced by the appearance and location of its HQ. While the impact is subjective, the GPS has indicated that it believes being in the downtown reinforces its role and significance within the community.
- While deployment costs were considered in the financial analysis, some factors, such as deployment of the tactical unit, are operational considerations as well. From the downtown it can reach anywhere in the city quickly.
- New construction would have some advantages as well. The construction process would be less disruptive to operations. GPS could continue operations uninterrupted until the final move in. In the renovation scenario, almost all functions will have to relocate twice, and policing activities will be disrupted by the construction over a 3 years period
- A new building could be configured more optimally, with no need to conform to the existing building or site. However no particular compromises have been identified in the current design.
- New construction could be designed to accept future additions more easily, although the inclusion of the shell space in the current proposal should meet expansion requirements for many years.



*cutting through complexity*

# Emergency Service Integration

# Police, Fire and EMS integration

The mandate asked for a specific consideration of the potential to integrate the emergency services.

## Current Circumstances

- The fire headquarters building at Wellington and Wyndham is an older structure and will need replacement or substantial renovation in the mid term.
- The site is located within the flood plain, which is not ideal for any emergency service
- The existing Fire HQ site is too small for a Police HQ
- The EMS HQ is at the CRESC facility, which includes elements of Fire, Police and EMS, although very little of the facility is actually shared space. The EMS HQ needs more space and is currently “borrowing” from the police space.
- EMS is seeking an alternative to the station it rents at the Northwest strip plaza, which is not well located. The downtown would be a better location



# Police, Fire and EMS integration

The potential of consolidating the Police, Fire and/or EMS downtown operations in the new police HQ was considered

- An emergency response fire station requires considerable ground floor space to accommodate the vehicles and the large driveway area required in front of the parking area to accommodate turning and backing into the garage space. Accommodating this requirement as part of the proposed renovation (e.g. including the fire station in the project) would not be possible, as the requirement would fill more than the existing parking lot, requiring demolition of part of the existing building, and relocating the police parking above or below the fire station and the planned additional office space above that. It would force a new construction solution rather than a renovation
- Accommodating the fire station as part of a new facility on the Fountain Street parking lot would be very challenging but might be possible. It would take up much of the ground floor but would leave room for the public reception area. It would require additional work to determine if the prisoner transfer and cells could be accommodated at ground, or whether they would have to be underground or above ground along with most police parking
- Accommodating an EMS station in the downtown projects would be possible, though challenging in the renovation project.
- The Fire and EMS headquarters functions could be accommodated by adding to the height of the office area in the west end of the building, although that would leave the CRESC facility essentially vacant, and create some challenges to provide visibility and direct access to the Fire and EMS HQs, particularly in the renovation model.
- A combined facility would be more feasible if the Police HQ moved outside the downtown. The IMICO site or a site in the industrial parks or at GIC could be expanded to accommodate the headquarters of all three emergency services, and a Fire Hall and an EMS base.
- The value in having a Fire Hall or EMS base at the Police HQ would depend upon its location and whether that area is already served by Fire and EMS stations. This could be examined if there is a decision to build a new Police HQ outside the downtown.

# Police, Fire and EMS Integration

Potential Synergies - The potential synergies between Police, Fire and EMS integration relate to

- Combining/integrating dispatch has the most potential to improve service levels and reduce costs
  - Integrated dispatch can improve service by having larger staffing at a combined centre during major emergencies than the stand alone dispatches can justify, and by reducing total staffing, particularly during slower periods, generally over-night and weekend days
  - The major barrier to an effective integrated dispatch is the provincial control of EMS dispatching, making a common centralized dispatch impossible at present. The different boundaries of the various dispatches would need to be resolved. The desire for control by each service, reinforced by the individual unions is the other major barrier.
  - The need to have a back-up capacity in the event a dispatch centre goes down for any reason also reduces the potential for savings in facility budgets (though not in operating budgets).
  - All options for the new police facility can be designed to accommodate an integrated dispatch should the organizational barriers be overcome over time.
- Staff Facilities
  - There is little room to actually share staff facilities required in the Police HQ. Police change rooms and staging areas require security and generally provide access to firearms. Fire facilities require kitchens, waiting/standby areas and sleeping facilities, while police tend to spend standby time on patrol or otherwise in the field. The police gym facility could be used by firefighters and paramedics, but only when group training sessions are not underway, which is not always planned in advance.

# Police, Fire and EMS Integration

## Potential Synergies

The potential synergies between Police, Fire and EMS integration relate to

- Support Services
  - Finance and HR services can be shared by the three groups, and generally are at present, using common support services provided by the City. Maintaining a Police HQ in the downtown helps this arrangement work well.
  - Fleet services are mentioned as an area of potential synergies. Police and EMS already use the City Fleet Services. Fire has its own mechanic but any change in that situation would not impact the Police HQ requirements.
  - IT services. There may be some opportunities to share IT services and facilities between the three groups. Like Fleet, some of these opportunities are better integrated with the City-wide process (e.g. establishing networks). However the unique security aspects and requirements of police IT applications would limit the extent of cooperation that is possible
  - Note that shared services between police forces appears to be coming as well, but the concept is unlikely to mature in the short run in a way that would impact the facility requirements. Notwithstanding the short term likelihood of this taking place the organization should be mindful in developing its police headquarters of this strategic opportunity

## Suggested Direction

- Wherever it is built, the Police HQ should include the capacity to accommodate a consolidated dispatch service and an emergency operations centre for all three emergency services (recognizing that duplicate facilities will be required as well)
- If the Police HQ is moved out of downtown, the potential to integrate Fire and/or EMS response units into the site development be considered, based on the needs in the area selected.
- If the police HQ remains downtown, no further Fire or EMS functions should be included
- The HQ and operational requirements of the Fire and EMS services be resolved using the capacity at CRESC and the current Fire HQ
  - This could involve using the CRESC facilities the Police will be leaving to meet the needs of Fire and EMS. For example, if Fire were to relocate its HQ personnel (Fire Prevention, Training and administrative staff) and some specialized equipment from the Wellington site to CRESC, that would provide space on Wellington that EMS could use to meet its requirements replacing the current rented EMS base, eliminating the need for the leased facilities, estimated to cost \$100,000 per year.
  - While this approach seems workable, some additional review will be necessary to ensure viability.



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# Summary and Conclusion

# Evaluation Summary

The table below summarizes the key factors in evaluating the best solution for the Police HQ needs. The size of the circles indicates the relative importance of the criteria with capital and ongoing operating costs being the most important criteria, but not the only ones to consider. The number of circles indicates how positive the evaluation is, so an option with three circles beside a criteria scores better than an option with two circles. The yellow and red circles indicate some risk that the evaluation may be overstated. For example, Option 2 runs a real risk that costs will be significantly higher than shown, given the soil conditions. Under the potential property taxes foregone criteria, the circles show how much property tax might be implicated, but the yellow circles indicate any “loss” of tax revenue would occur well into the future given the quantity of land in those categories, and the red circle reflects the risk the land may not be available in the short to mid term in order to produce tax revenues.

Summary	Option 1 Renovation	Option 2 Downtown	Option 3a IMICO	Option 3b GIS	Options 3c South
Financial Criteria					
Capital Cost	● ● ●	● ●	● ●	● ●	● ●
Future Operating Costs	● ●	● ● ●	● ● ●	● ●	●
Potential Property Taxes Foregone	● ●	●	● ●	●	● ● ●
Timing and risk of delay causing upgrades	● ● ●	● ●	● ●	●	● ●
Other Factors					
Access to Public	● ● ●	● ● ●	● ●	● ●	●
Consistency with Planning and Economic	● ● ●	● ● ●	● ● ●	● ● ●	●
Development Goals	● ● ●	● ● ●	● ● ●	● ● ●	●
GPS public image	● ●	● ● ●	● ●	● ●	●
Transition Implications	● ●	● ● ●	● ● ●	● ● ●	● ● ●
Police, Fire, EMS Integration	● ●	● ●	● ●	● ●	● ●

# Conclusion

Option 1, the Renovation option , is the superior option.

- It has the lowest cost
- It can proceed now, while all other options except the south end industrial site face significant delays that will require expenditures on interim solutions at the current HQ
- It will support police operations as well as any option, and better than the options outside the downtown
- It is as accessible to the public as any option, and better than the options outside the downtown

Option 2, the new building downtown, would be much more expensive, and faces significant risk of delays and cost over-runs given the soil conditions

Option 3a at the IMICO site is more expensive, would require a planning review that may well identify neighbourhood concerns, and has a risk environmental remediation will be more complex and expensive than expected.

Option 3b in the GID is more expensive and cannot proceed until the planning process is concluded, the experimental / educational farming uses are relocated and the province determines the lands can be sold

Option 3c in the south end industrial park is a little more expensive and does not meet the police operations requirements well, is not easily accessible to the public, and does not support the police image and presence in the community.



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#### Disclaimer

This document has been prepared by KPMG LLP ("KPMG") for the Guelph Police Service ("Client") pursuant to the terms of our proposal dated February 24, 2014 (the "Engagement Agreement"). KPMG neither warrants nor represents that the information contained in this report is accurate, complete, sufficient or appropriate for use by any person or entity other than Client or for any purpose other than set out in the Engagement Agreement. This report may not be relied upon by any person or entity other than Client, and KPMG hereby expressly disclaims any and all responsibility or liability to any person or entity other than Client in connection with their use of this report.

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## Guelph Police Services Board

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Telephone: (519) 824-1212 # 213 Fax: (519) 824-8360

TTY (519) 824-1466 Email: board@police.guelph.on.ca

May 7, 2014

Mayor Karen Farbridge  
Guelph City Hall  
1 Carden Street  
Guelph, ON N1H 3A1

Dear Mayor Farbridge:

At the Special Public meeting of the Guelph Police Services Board today, KPMG presented the Business Case for Police Facility Renewal. The following motion was made and unanimously carried by the Guelph Police Services Board:

**THAT** the Guelph Police Services Board approve the recommendation to continue with the renovation and expansion of the Police Headquarters at 15 Wyndham Street South; and

**THAT** the Guelph Police Services Board support the total allocation of \$34M; and

**THAT** the Guelph Police Services Board forward the Business Case for Police Facility Renewal Report from KPMG to City of Guelph Council.

**- CARRIED -**

Sincerely,

A handwritten signature in black ink, appearing to read "J. Sorbara".

Judy Sorbara  
Chair

Copy: B. Larkin, Chief of Police





26 Norfolk Street, Guelph, Ontario, N1H 4H8

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Ph. 519-836-6311 Fax. 519-836-2716 email: facts@guelphforlife.com www.guelphforlife.com

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To: Corporate Administration, Finance & Enterprise Committee

Subject Corporate Advertising Policy

Date July 7<sup>th</sup> 2014

### **Executive Summary**

**Purpose:** This is a response i) to the CAFE Committee having officially recognised an online petition, *calling for a limitation* of the Guelph and Area Right to Life's freedom of expression under the Charter of Rights and Freedoms and 2) also for providing an official forum for this document to be presented.

### **Key Points**

#### **a) Petition:**

- i) There is no right to abortion in Canada
- ii) When Does Human Life Begin?
- iii) Definition of "child" in the Criminal Code
- iv) There is no right to have individual moral choices approved
- v) Tantamount to succumbing to a "Heckler's Veto"
- vi) To what extent shall the actions of a hostile audience be allowed to interfere with the exercise of Constitutional rights?
- vii) *"biased and offensive ads"*

#### **b) Staff Report:**

- i) "a corporate policy....allowing for consistency across the corporation"
- ii) Corporate Strategic Plan 3.1 "Be economically viable, resilient, diverse and attractive for business"

#### **c) Advertising Guidelines:**

- i) **Prior Approval (3)** *The City may, in its sole discretion, refuse its approval of proposed advertising for any reason, including that it does not comply with*

*the provisions of this agreement, is likely to cause a hazardous or dangerous situation or is otherwise objectionable.*

**ii) Reconsideration (1)** *Notwithstanding that the City has not refused approval of advertising prior to display of the advertising, the City may subsequently, after display of the advertising has begun, require immediate (within 24 hours) removal of the advertising for any reason, including that it does not comply with the provisions of this agreement, is causing or is likely to cause a hazardous or dangerous situation or is otherwise objectionable.*

**iii) Complaint (1)** *If the City receives a complaint about advertising during its display period, and if the City decides that the advertising does not comply with the provisions of this agreement, is causing or is likely to cause a hazardous or dangerous situation or is otherwise objectionable, the City may notify the Contractor of the existence and nature of the complaint, and may give notice to the Contractor requiring the Contractor to remove the advertising from display immediately (within 24 hours).*

**iv) Particulars of Content (1) a** *Is aesthetically pleasing*

**d) Financial Implications** *If, as is proposed, our advertising costs are inflated as a result of these new advertising guidelines then our costs will rise from \$1,300 per month to approximately \$2,200 which is an inordinate amount and may in fact be an indirect censoring of our ability to present our message.*



26 Norfolk Street, Guelph, Ontario, N1H 4H8

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---

To: Corporate Administration, Finance & Enterprise Committee

Subject Corporate Advertising Policy

Date July 7<sup>th</sup> 2014

## **Report**

**Purpose:** This is a response i) to the CAFE Committee having officially recognised an online petition, *calling for a limitation* of the Guelph and Area Right to Life's freedom of expression under the Charter of Rights and Freedoms and 2) also for providing an official forum for this document to be presented.

### **Key Points**

#### **a) Petition:**

##### **i) There is no right to abortion in Canada**

*"...The majority of the Court did not rule that women had an unconditional right to abortion under the Charter. On the contrary, it merely concluded that the existing provisions on abortions were such as to impair a pregnant woman's section 7 rights.."<sup>iii</sup>*

*"None of the seven judges held that there was a constitutional right to abortion on demand"*

Gerard Mitchell, Charlottetown, is a former provincial court judge (1975-77), P.E.I. Supreme Court Justice (1981-1987) and Chief Justice from 1987 until 2008<sup>iii</sup>

##### **ii) When Does Human Life begin?<sup>iv</sup>**

*The question as to when the physical material dimension of a human being begins is strictly a scientific question, and fundamentally should be answered by human embryologists, not by philosophers, bioethicists, theologians, politicians, x-ray technicians, movie stars, or obstetricians and gynecologists. The question as to when a human person begins is a*

philosophical question. Current discussions on abortion, human embryo research (including cloning, stem cell research, and the formation of mixed-species chimeras), and the use of abortifacients involve specific claims as to when the life of every human being begins. If the "science" used to ground these various discussions is incorrect, then any conclusions will be rendered groundless and invalid. The purpose of this article is to focus primarily on a sampling of the "scientific" myths, and on the objective scientific facts that ought to ground these discussions. At least it will clarify what the actual international consensus of human embryologists is with regard to this relatively simple scientific question. In the final section, I will also address some "scientific" myths that have caused much confusion within the philosophical discussions on "personhood"....

### **Basic human embryological facts**

To begin with, scientifically something very radical occurs between the processes of gametogenesis and fertilization, the change from a simple part of one human being (i.e., a sperm) and a simple part of another human being (i.e., an oocyte usually referred to as an "ovum" or "egg"), which simply possess "human life", to a new, genetically unique, newly existing, individual, whole living human being (a single-cell embryonic human zygote). That is, upon fertilization, parts of human beings have actually been transformed into something very different from what they were before; they have been changed into a single, whole human being. During the process of fertilization, the sperm and the oocyte cease to exist as such, and a new human being is produced.<sup>v</sup>

#### **iii) Definition of "child" in the Criminal Code**

##### **223. When *child* becomes human being**

223. (1) A child becomes a human being within the meaning of this Act when it has completely proceeded, in a living state, from the body of its mother, whether or not

- (a) it has breathed;
- (b) it has an independent circulation; or
- (c) the navel string is severed.

##### **Killing child**

(2) A person commits homicide when he causes injury to a child before or during its birth as a result of which the child dies after becoming a human being.<sup>vi</sup>

#### **iv) There is no right to have individual moral choices approved (Chamberlain versus Surrey School District No 36 Supreme Court Chief Justice Beverley McLachlin – paragraph 66**

*"Exposure to some cognitive dissonance is arguably necessary if children are to be taught what tolerance itself involves. As my colleague points out, the demand*

*for tolerance cannot be interpreted as the demand to approve of another person's beliefs or practices. When we ask people to be tolerant of others, we do not ask them to abandon their personal convictions. We merely ask them to respect the rights, values and ways of being of those who may not share those convictions. The belief that others are entitled to equal respect depends, not on the belief that their values are right, but on the belief that they have a claim to equal respect regardless of whether they are right. Learning about tolerance is therefore learning that other people's entitlement to respect from us does not depend on whether their views accord with our own. Children cannot learn this unless they are exposed to views that differ from those they are taught at home."*<sup>vii</sup>

v) **Tantamount to succumbing to a "Heckler's Veto"**

**Heckler's Veto Legal Definition:**

(USA) A controversial legal position taken by law enforcement officers based on an alleged right to restrict freedom of speech where such expression may create disorder or provoke violence.<sup>viii</sup>

"If there is a bedrock principle underlying the [First Amendment](#), it is that the government may not prohibit the expression of an idea simply because society finds the idea itself offensive or disagreeable. In public debate our own citizens must tolerate insulting, and even outrageous, [speech](#) in order to provide adequate breathing space to the freedoms protected by the First Amendment.

"A heckler's veto is an impermissible content-based restriction on [speech](#) where the speech is prohibit To what extent shall the actions of a hostile audience be allowed to interfere with the exercise of constitutional rights?

vi) **To what extent shall the actions of a hostile audience be allowed to interfere with the exercise of constitutional rights?** <sup>ix</sup>

The Young America's Foundation has been tracking the ideological imbalance of college commencement speakers for two decades. It hasn't released its findings for 2014 yet, but last year's survey found that of 79 ideologically identifiable speakers at the nation's top 100 universities, 62 were liberal and 17 were conservatives. That was an improvement from 2012, but not much, when the ratio was 71 liberals to just 10 conservatives. That's not education. That's indoctrination.<sup>x</sup>

"A wise lawyer friend introduced me to the term "The Heckler's Veto". There is a strict legal meaning to this phrase and there is also its use outside of the legal context.

*Briefly, the legal framework is based on a court case Hill v. Colorado 530 US 703, 735 where the US Supreme Court found that the government can not grant power to a private actor, the heckler, to unilaterally silence a speaker because of a concern for the violent reaction by the heckler. The excuse of the local government during the civil rights movement in the U.S. for not giving permits to civil rights marchers to protest segregation was that the marches would create a public danger or put participants in danger because of the violence that might ensue. The Supreme Court found this unacceptable and a deprivation of the First Amendment rights of the marchers.*

*Outside of legal parlance, it has come to mean that the heckler himself creates the veto and suppresses the speech by creating the violent reaction or the threat of violent reaction. The end result of this is usually that the individual who is potentially being heckled will self-censor for fear of the reaction it might create.”<sup>xi</sup>*

Campus pro-life clubs have had events and displays closed down across Canada, by abortion advocates. Events have been ended because of students shouting or acting wildly while a speaker has been trying to express his or her views<sup>xii</sup>

vii) ***“biased and offensive ads”***

This is a child not a choice” and “Simply Human” These ads depict human beings (children) developing in the womb before birth. How is it possible to describe these images and wording as “biased and offensive”? There are ultrasound facilities which make a living showing these beautiful images to parents in the tens of thousands every year in Canada! These pictures are now the first that parents have of their sons and daughters – we no longer have to wait for our children to be born before we see them.

**b) Staff Report:**

- i) “a corporate policy....allowing for consistency across the corporation”
- ii) Corporate Strategic Plan 3.1 “Be economically viable, resilient, diverse and attractive for business”

We are assuming that this means that charities like ours will no longer have the benefit of the not for profit prices that we have enjoyed for 14 years while supporting Guelph Transit with our advertising dollars.

**c) Advertising Guidelines:**

**Prior Approval (3)** *The City may, in its sole discretion, refuse its approval of proposed advertising for any reason, including that it does not comply with the provisions of this agreement, is likely to cause a hazardous or dangerous situation or is otherwise objectionable.*

- We are a little concerned at the broad language of this section and would request clarification of what would constitute “any reason” or “a dangerous situation or is otherwise objectionable”
- We would also question how removing the not for profit rate could possibly have much impact on assisting with economic viability as the not for profit sector of paid advertising is extremely small.

i) **Reconsideration (1)** *Notwithstanding that the City has not refused approval of advertising prior to display of the advertising, the City may subsequently, after display of the advertising has begun, require immediate (within 24 hours) removal of the advertising for any reason, including that it does not comply with the provisions of this agreement, is causing or is likely to cause a hazardous or dangerous situation or is otherwise objectionable.*

- The same language is again a concern for our association and we would request clarification of “any reason” or “a dangerous situation or is otherwise objectionable”

**Complaint (1)** *If the City receives a complaint about advertising during its display period, and if the City decides that the advertising does not comply with the provisions of this agreement, is causing or is likely to cause a hazardous or dangerous situation or is otherwise objectionable, the City may notify the Contractor of the existence and nature of the complaint, and may give notice to the Contractor requiring the Contractor to remove the advertising from display immediately (within 24 hours).*

- We would again appreciate clarification “is likely to cause a hazardous or dangerous situation or is otherwise objectionable”,

ii) **Particulars of Content (1) a** *Is aesthetically pleasing*

- Our question here would be, aesthetically pleasing to whom? Since these beautiful images of developing children have been called “offensive” “graphic” “disgusting” and “not gentle enough” by those who oppose our message already.

d) **Financial Implications** If, as is proposed, our advertising costs are inflated as a result of these new advertising guidelines then our costs will rise from \$1,300 per month to approximately \$2,200 which is an inordinate amount and may in fact be an indirect censoring of our ability to present our message.

Respectfully submitted,

Mrs Jakki Jeffs  
President

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<sup>i</sup> Abortion: Legal Aspects, Library of Parliament Research Branch Monique Herbert Law and Government Division Revised 18<sup>th</sup> September 1989

<sup>ii</sup> <http://www.theguardian.pe.ca/Opinion/Letter-to-editor/2014-05-22/article-3734432/Clarifying-facts-on-Canada%26rsquo%3bs-abortion-law%2c-or-lack-of/1>

<sup>iv</sup> <https://www.princeton.edu/~prolife/articles/wdhbb.html> When Does Human Life begin? Dr Dianne Irving

<sup>v</sup> <https://www.princeton.edu/~prolife/articles/wdhbb.html>

<sup>vi</sup> <http://yourlaws.ca/criminal-code-canada/223-when-child-becomes-human-being>

<sup>vii</sup> <http://scc-csc.lexum.com/scc-csc/scc-csc/en/item/2030/index.do>

<http://www.duhaime.org/LegalDictionary/H/HecklersVeto.aspx>

<sup>viii</sup> Ruth McCaffey, The Heckler's veto A re-examination 1973

<http://scholarship.law.marquette.edu/cgi/viewcontent.cgi?article=2280&context=mulr>

<sup>ix</sup>

<sup>x</sup> Read more: <http://www.washingtontimes.com/news/2014/may/8/editorial-the-hecklers-veto/#ixzz36QD4s6Rp>

Follow us: [@washtimes](#) on Twitter

<sup>xi</sup> [http://www.huffingtonpost.com/laura-liswood/the-hecklers-veto\\_b\\_731476.html](http://www.huffingtonpost.com/laura-liswood/the-hecklers-veto_b_731476.html)

<sup>xii</sup> <http://wewantthedebate.ca/promote-abortion-as-a-morally-acceptable-choice-or-be-denied-club-status-or-you-lose-it/>





*The Provincial Organization for Educational Pro-Life Groups Across Ontario*

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Alliance for Life (Ontario) Submission in Response to:

- (a) The Petition of Heather Millman; and
- (b) The City's Staff Report on a proposed revised Advertising Policy.

### The Petition

Heather Millman's petition demonstrates that even very old, shop-worn, dishonest propaganda can sometimes still work on people not interested in the truth. We acknowledge that we are morally opposed to the practice of abortion. But what we oppose is not a "legal right" and our opposition is not "subjective". City Council has no legal authority to discriminate against citizens who wish to exercise their constitutional right to express themselves on this issue in a civil manner and on a rational basis, in favour of other citizens who want that expression to be censored.

In the 1988 *Morgentaler* decision of the Supreme Court of Canada, Mr. Justice Willard Estey summed up accurately the legal reality of the matter when he bluntly said: **"There is no right to abortion in Canadian law."**

So, women do not go currently jail in Canada for killing their innocent unborn children, not because they have a "right" to do so, but because of a de facto government policy of tolerance towards the practice. The only abortion law we had was struck down as null and void, and the politicians have not replaced it. The idea that women have a "legal right" to kill their children is an American concept that has no relevance in Canada. Even so, it is considered a "constitutional right" in that country only because five of nine judges created it out of thin air in 1973, finding an implied right to abortion in the "penumbra" of an implied right to privacy in the U.S. Constitution, even though the text of document is completely silent on the topic and at the time it was written, having or performing an abortion was a criminal offence in every colony in the union.

Our opposition to the practice of abortion is hardly "subjective". Until the early 20<sup>th</sup> century, courts in England, Canada and the United States recoiled in horror at even the suggestion by legal counsel that "necessity" could be a valid defence to a charge of the murder of an innocent human being. In other words, among people who considered themselves civilized, the killing of innocent human beings, for any reason, was universally viewed as morally repugnant. Even today, Canadian law does not recognize the defence of "necessity" in the case of a murder of an innocent *born* human being.

That western cultures have moved towards creating an "exception" for the killing of unborn children is a testament to the influence of pro-abortion propaganda in "separating the idea of



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abortion from killing human beings.” We refuse to be misled by this propaganda because it attempts to mask the simple scientific truth that human life begins at fertilization.

In the famous editorial that appeared in *California Medicine*, the official journal of the California Medical Association (Sept., 1970; Volume 113, No. 3), an association of trained experts in the science of medicine, the editors of the journal spoke of the necessity of using euphemistic language to “separate the idea of abortion from killing”, if pro-abortion activists were ever to succeed in their goal of gaining wide societal acceptance of the practice. They said:

“The process of eroding the old ethic and substituting the new has already begun. It may be seen most clearly in changing attitudes toward human abortion. In defiance of the long held Western ethic of intrinsic and equal value for every human life regardless of its stage, condition, or status, abortion is becoming accepted by society as moral, right, and even necessary. It is worth noting that this shift in public attitude has affected the churches, the laws, and public policy rather than the reverse. Since the old ethic has not yet been fully displaced it has been necessary to separate the idea of abortion from the idea of killing, which continues to be socially abhorrent. The result has been a curious avoidance of the scientific fact, which everyone really knows, that human life begins at conception and is continuous whether intra- or extra-uterine until death. The very considerable semantic gymnastics which are required to rationalize abortion as anything but taking a human life would be ludicrous if they were not often put forth under socially impeccable auspices. It is suggested that this schizophrenic sort of subterfuge is necessary because while a new ethic is being accepted the old one has not yet been rejected.”

### The Staff Report

#### The City’s Proposed Advertising Guidelines

The Staff Report states that the City has to date hesitated to refuse any proposed advertising because of concerns that it would be found to have infringed the *Charter* right to freedom of expression of the proposer. In our view, this has been a prudent policy.

We have sought and obtained legal advice on the proposed policy. That advice has confirmed our early impression that if the City attempted to refuse Guelph’s request to display the same two ads that are referred to in the Staff Report, the Guelph organization would be easily able to have that decision struck down in an application for judicial review and/or persuade a court in a *Charter* challenge to award us appropriate relief, including, perhaps, damages. Based on the Supreme Court of Canada decisions in *Irwin Toys* and *Slaight Communications*, the City would have no choice but to exercise its discretionary power to accept or refuse advertising on a “reasonable” basis, no matter how profusely it may claim that its discretion is so unfettered that it may refuse the advertising “for any reason” (or no reason) (see subsection 1(3)).



*The Provincial Organization for Educational Pro-Life Groups Across Ontario*

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A statutory body exercising a discretionary power is not exercising that power “reasonably” and is exceeding its lawful jurisdiction if it does so in a way that infringes upon the *Charter* rights of a citizen adversely affected by its decision.

Moreover, no matter how profusely the City may declare in a policy (see 1(4)) or in a contract with the advertiser, that the City will not be liable for the consequences of its refusal, the City has no lawful jurisdiction to prevent a Court of law from ordering that it pay damage whenever it decides that it is appropriate remedy for a breach of *Charter*, and the right to freedom of expression is arguably a right that Canadians cannot waive and that a government body cannot compel Canadians to waive, by way of contract or otherwise (see *Amselem* SCC).

It seems to us that no reasonable person would be able to come up with any reasonable grounds for rejecting the two advertisements referred to in the Staff Report. There is no “legal right” to abortion in Canada. The proposition that it is morally wrong to kill an innocent human being, regardless of the reasons the killer might have for doing so, has been a fundamental moral precept of civilized western nations for millennia. It is a scientific fact that human begins at fertilization. Finally, the suggestion that women who make certain life choices have a right to call upon the awesome power of the state to prevent others from saying anything that might possibly be interpreted as disapproval of those choices is beyond the pale. There is nothing in Canadian law that would justify the City making a choice to accept the Petitioner’s appointment as her proverbial schoolyard bully, against our organization.

In *Dallaire*, [*Dallaire v. Les Chevaliers de Colomb – Conseil* 6452, 2011 HRT0 639 (CanLII)], an Ontario Human Rights Code Tribunal held, referring to the s. 2(a) *Charter* protection of freedom of religion, that the manifestation of religious belief in an inscription displayed on church property is not a “service” or “facility” within the meaning of s. 1 of the *Code*. A Catholic parishioner had alleged that a pro-life monument on her Church’s lawn “discriminated” against her as a woman. The Tribunal noted that it is not an appropriate use of the *Code* to challenge a religion’s belief system or teachings and that the meaning of “service” or “facility” is subject to the right of others to exercise their freedom of religion. [emphasis added]

In the 2002 Supreme Court of Canada decision in *Chamberlain*, Chief Justice McLaughlin and Justice Gonthier refuted the notion that homosexuals (a perfectly analogous case) had a similar alleged right to state censorship of citizens who morally disapproved of their conduct.

Justice Gonthier said, in his dissent:

“... [N]othing in *Vriend v. Alberta*, [1998] 1 S.C.R. 493, or the existing s. 15 case law speaks to a constitutionally enforced inability of Canadian citizens to morally disapprove of homosexual



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behaviour or relationships: it is a feeble notion of pluralism that transforms ‘tolerance’ into ‘mandated approval or acceptance’. In my view, the inherent dignity of the individual not only

survives such moral disapproval, but to insist on the alternative risks treating another person in a manner inconsistent with their human dignity: there is a potential for a collision of dignities.

Surely a person’s s. 2(a) or s. 2(b) Charter right to hold beliefs which disapprove of the conduct of others cannot be obliterated by another person’s s. 15 rights, just as a person’s s. 15 rights cannot be trumped by s. 2(a) or 2(b) rights”[para. 132].

Speaking for the majority in *Chamberlain*, McLachlin, C.J. said: “As my colleague [Gonthier, J.] points out, the demand for tolerance cannot be interpreted as the demand to approve of another person’s beliefs or practices. When we ask people to be tolerant of others, we do not ask them to abandon their personal convictions. We merely ask them to respect the rights, values and ways of being of those who may not share those convictions. The belief that others are entitled to equal respect depends, not on the belief that their values are right, but on the belief they have a claim to equal respect regardless of whether or not they are right.” [65]

Respectfully submitted

Dear Council and Staff:

RE: Remove and ban controversial ads on city assets/public property (CAFÉ, July 7, 2014.32)

As a resident and taxpayer in Guelph, I do not support the city's decision—whether it be through a third party contractor—to allow controversial ads such as the Guelph Area Right to Life anti-abortion messages on transit buses.

The issue here is not the abortion debate but rather the optics and municipality's potential position on an issue where it should remain neutral. By placing these ads on municipal transportation, a statement is made. It is my belief that ethical arguments and political ads should not have a place on publicly funded property.

Although a third-party vendor may manage this ad space, it is important to note that the city is still responsible given that it owns and subcontracts the space. Further, while it may be true that this organization pays \$13,000 annually for the space (at a "discounted rate"), the City of Guelph is ultimately accountable to its residents: the tax payers who support programs, services and infrastructure such as city buses.

Please review and consider implementing an advertising policy that restricts ads of controversial nature on public property (i.e. city assets), even if it requires a staff direction to have the city's legal department review the freedom of expression clause and to report back on the matter.

This will be a big win for all residents to see these ads (and all other controversial ads) banned and removed from public property.

Respectfully submitted,  
Denis Farr

**Date:** July 3, 2014

**To:** Corporate Administration, Finance & Enterprise Committee Meeting July 7, 2014  
Mayor Farbridge and Members of Guelph City Council

**From:** Morris Haley; Guelph, Ontario

**RE: Report Number OTES071431: Corporate Advertising policy – Petition to Remove Right to Lift Bus Ads**

I wish to provide my comments to Agenda Item – ``2014.32 Corporate Advertising Policy.``

City Staff has prepared a Report recommending a `` city corporate policy regulating advertisements on city assets`` be created that is consistent with current provincial and federal legislation.

To summarize, it's not necessary to create an City advertising policy and the Right To Life Ads should be allowed to continue on a non-profit cost basis. My detailed comments are provided below.

The reason held up to justify such a policy is the current Right to Life campaign that has run on city buses for several years. This Report states the campaign has `` garnered significant community.... attention due to the controversial nature of the message.`` The significant community attention later is summarized as receiving nine formal complaints and receiving a petition of approximately 3,000 signatures. Furthermore, it's noted that an unspecified number of petitioners are non-Guelph residents.

The Right To Lift campaign is not causing `significant community attention.` Nine formal complaints out of a City population of 110,000 is meaningless. A 3,000 person petition (maybe an internet petition) consisting of an unknown number of Guelph non-residents is also meaningless in number. If organized, Guelph places of worship of all religions and denominations alone could provide a supportive petition of 10,000 signatures for the Right to Lift campaign in one weekend.

This issue was dealt with in January 2014 when Mayor Farbridge reportedly advised similar petitioners `that to prevent advertising would limit freedom of expression under the Charter of rights and Freedoms.`` In addition Mayor Farbridge further noted `` the ad does not contravene the advertising policy and there is no record that it is in violation of the Canadian Code of advertising Standards.``

Since January 2014 nothing has changed. Therefore it is not necessary to even consider creating an advertising policy. Simply because individuals disagree with a advertising message is no reason to restrict that same advertising.

To prevent this advertising or similar advertising the City would be venturing into a territory beyond its jurisdiction. This is a Federal matter.

Sincerely,

Morris Haley

To: Her Worship, Mayor Farbridge and the Councillors on the Corporate Administration, Finance and Enterprise Committee,

Dear Mayor and Councillors,

Please find attached a PDF copy of a letter I've mailed to your attention. In it, I give my legal opinion as to why your current position on freedom of expression and the ads on the Transit buses is the correct position. I hope that you will have time to review my letter before your Committee meeting on Monday evening. If there is anything more I can do for you in this matter, please don't hesitate to contact me at my coordinates below.

Respectfully submitted and sincerely yours,

André Schutten, HonB.A., LL.B., LL.M.  
General Legal Counsel  
Association for Reformed Political Action  
613-297-5172 | [Andre@ARPACanada.ca](mailto:Andre@ARPACanada.ca)



July 2, 2014

Corporate Administration, Finance and Enterprise Committee  
1 Carden Street  
Guelph, Ontario  
N1H 3A1

**RE: Legal Opinion re Petition Against Anti-Abortion Ads on Guelph Transit to be discussed at CAFE Comm Meeting July 7, 2014**

Dear Councillors,

I am general legal counsel with the national grassroots organization, the Association for Reformed Political Action (ARPA) Canada. We are a national not-for-profit corporation with over twenty local "satellite" chapters across the country, including one in the city of Guelph, Ontario. These local chapters do incredible work on the ground on a volunteer basis, bringing awareness to their communities of various political issues that we should all be concerned about.

It has come to my attention that the City of Guelph's Corporate Administration, Finance and Enterprise Committee will be meeting on Monday, July 7<sup>th</sup> to discuss, *inter alia*, a petition of some 3,000 signatures. This particular petition is pleading that the Committee remove anti-abortion ads from City buses.

I have had the opportunity to read two media reports on this issue published in the Guelph Mercury. I have been very impressed with the statements of Her Worship, Mayor Farbridge as well as the statement by the city. Both are legally and constitutionally accurate.

In a January 14, 2014 article by Chris Herhalt, the mayor is quoted as saying,  
*"I appreciate that the Guelph & Area Right to Life advertisement may be seen as controversial, but refusing to post it could be seen as limiting freedom of expression under the Charter of Rights and Freedoms... The ad does not contravene the advertising policy and there is no record that it is in violation of the Canadian Code of Advertising Standards."*

In a subsequent article (June 29, 2014) by Joanne Shuttleworth, a city statement is quoted:  
*"[I]t has been the position of the city that although the Guelph and Area Right to Life advertisement may be seen as controversial, refusing to post it could be seen as limiting freedom of expression under the Charter of Rights and Freedoms."*

I wish to applaud the City of Guelph and its leadership in being willing to defend the right of its citizens to voice their opinions through advertisements on public space, even opinions that the City leadership themselves might disagree with. Allow me to share my legal opinion on why I agree with the mayor's position and the City's position to date.

After completing my law degree at the University of Ottawa Faculty of Law, I continued my studies by undertaking a Master of Laws degree in Constitutional Law at Osgoode Hall. My focus was on the Fundamental Freedoms in section 2 of the *Canadian Charter of Rights and Freedoms*. It is my legal opinion that the mayor and the City are correct on the law, and I urge the councillors on this committee to maintain their current position.

The *Charter* has been vigorously applied to protect freedom of expression. In fact, just five years ago, our Supreme Court ruled against the Vancouver Transit Authority (*Greater Vancouver Transportation Authority v. Canadian Federation of Students — British Columbia Component*, 2009 SCC 31, [2009] 2 S.C.R. 295), stating that Vancouver bureaucrats had no grounds to refuse to publish political messages on their advertising space. Such a refusal was a violation of the *Charter*. This case is remarkably similar to the situation before you.

A number of other lower court cases are also worth mentioning. In *Pridgen v. University of Calgary*, the Alberta Court of Queen's Bench ruled that the University was subject to the *Charter* in disciplining students. This decision was upheld upon appeal. In *R. v. Booyink*, 2013 ABPC 185, the *Charter* right to freedom of expression at airports was re-affirmed. The Court in *Booyink* upheld the right to peaceful yet controversial protests at Calgary International Airport.

If a university and an airport are considered government entities subject to the *Charter*, so too would be a government owned and operated transit authority. And if controversial literature can be distributed on a university campus and disturbing images can be displayed in an airport, then surely a simple, truthful and non-graphic question can be posed and put to the public through a transit advertisement.

Freedom of expression is a broad right, including the right to communicate controversial messages. In *R. v. Zundel*, [1992] 2 SCR 731, Justice McLachlin (as she then was) stated that the purpose of protection for freedom of expression extends to protecting “beliefs which the majority regard as wrong or false”, frequently involving “a contest between the majoritarian view of what is true or right and an unpopular minority view”. She also said that “the view of the majority has no need of constitutional protection; it is tolerated in any event”.

Canadian courts understand that freedom of expression is expected to be especially robust when it applies to controversial or disturbing speech. Guelph Transit, as a public, government-run entity, does not have the right to refuse to post an advertisement due to its controversial nature, or because someone does not like the questions posed by certain ads or the implications of the questions asked.

I should also note that if the sponsor of the advertisements in question was dealing directly with a private billboard group (e.g. Pattison billboards) and the sponsors were denied the ability to place an ad on a private billboard, the sponsors would have no *Charter* claim (though possibly a *Human Rights Code* claim). Guelph and Area Right to Life would have to respect the private company's right, as a private entity, to only publish whatever they are comfortable publishing.

But Guelph Transit is a government entity. As such, it may not censor the expression of views it doesn't like. Section 2(b) of the *Charter* protects every Canadian from unreasonable interference by the government in the expression of their opinions, even – no, especially – controversial opinions.

I would be remiss to not acknowledge that there are exceptions to the rule that speech should be vigorously protected. Speech that threatens violence, public incitement of hatred or genocide and any speech that qualifies as obscenity is prohibited under the *Criminal Code*. I am confident that Guelph and Area Right to Life would never even contemplate submitting posters of that ilk, nor would they be justified in demanding they be published if they did. However, the billboard in question is in no way violent, hateful or obscene and is clearly not in the prohibited speech category.

Finally, I note that the *Ontario Human Rights Code* does not exempt Guelph Transit from the purview of the *Charter*. The Ontario Code does not have a hate speech provision but even if it did, the ads in question do not even compare to the standard for hate speech established by the Supreme Court in *Saskatchewan (Human Rights Commission) v. Whatcott*, 2013 SCC 11.

Dear mayor and councillors, I thank you for your current stand for freedom and respectfully request that you maintain your policy to protect the free expression of ideas for all individuals and groups in the City of Guelph. Not only is the *Charter* right to freedom of expression one that protects the ability of some to share their message; it is also a right that protects the ability of others to hear, consider, engage with or reject those messages. The proper response in a free and democratic society to controversial ideas is counter-speech, not censorship.

I thank you for taking the time to consider my submission.  
Yours truly,



André Schutten, HonB.A., LL.B., LL.M.  
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*All that is necessary for the triumph of evil is that good men do nothing.*

cc: Her Worship, Mayor Karen Farbridge  
1 Carden Street, Guelph, Ontario N1H 3A1

Councillor Maggie Laidlaw  
61 Tiffany Street West, Guelph, Ontario N1H 1Y3

Councillor Lise Burcher  
1 Carden Street, Guelph, Ontario N1H 3A1

Councillor Gloria Kovach  
1 Carden Street, Guelph, Ontario N1H 3A1

Councillor June Hofland  
14 St. Arnaud Street, Guelph, Ontario N1H 5V4

Mr. Phil Meagher, General Manager, Guelph Transit  
170 Watson Road S, Guelph Ontario N1H 3A1

Mrs. Jakki Jeffs, President, Guelph and Area Right to Life  
26 Norfolk Street, Guelph, Ontario N1H 4H8