

COMMITTEE AGENDA

TO **Corporate Administration, Finance and Enterprise Committee**

DATE June 11, 2012

LOCATION Council Chambers

TIME 4 p.m.

DISCLOSURE OF PECUNIARY INTEREST AND GENERAL NATURE THEREOF

CONFIRMATION OF MINUTES – MAY 14, 2012

PRESENTATIONS (Items with no accompanying report)

a)

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-26 2011 Court Services Annual Report	Brad Coutts, Manager of Court Services		√
CAFE-27 Implementing the Corporate Strategic Plan: 2012 Funding Requirements for Six Initiatives	Consolidated Presentation by Staff on CAFE-27 to CAFE-30		√
CAFE-28 2011 Year End Variance Report and Operating Surplus Allocation	Consolidated Presentation by Staff on CAFE-27 to CAFE-30		√
CAFE-29 Employee Compensation Reserve Review	Consolidated Presentation by Staff on CAFE-27 to CAFE-30		√

CAFE-30	2011 Operating Reserve Review and Reallocation	Consolidated Presentation by Staff on CAFE-27 to CAFE-30		√
CAFE-31	Recommendation for Financing New Public Health Facilities			
CAFE-32	Advancement of the Wellington-Dufferin-Guelph Public Health 2012 Fourth Quarter Levy Payment			
CAFE-33	72 Macdonell Street (The Diplomat Hotel) – Downtown Guelph Community Improvement Plan (DGCIP) – Major Downtown Activation Grant (DAG)			

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.

NEXT MEETING – July 9, 2012

**The Corporation of the City of Guelph
Corporate Administration, Finance, and Enterprise Committee
Monday May 14, 2012, 5:00 p.m.**

A meeting of the Corporate Administration, Finance and Enterprise Committee was held on May 14, 2012 in the Council Chambers at 5:00 p.m.

Present: Councillors Hofland, Kovach, Laidlaw, Wettstein and Mayor Farbridge

Also Present: Councillors Bell, Furfaro, Guthrie and Van Hellemond

Staff Present: Mr. M. Amorosi, Executive Director of Corporate & Human Resources; Mr. D. McCaughan, Executive Director of Operations, Transit & Emergency Services; Ms. S. Aram, Acting Treasurer; Ms. T. Agnello, Deputy Clerk; and Ms. J. Sweeney, Council Committee Co-ordinator

There was no disclosure of pecuniary interest.

1. Moved by Councillor Laidlaw
Seconded by Mayor Farbridge

THAT the minutes of the Corporate Administration, Finance and Enterprise Committee meeting held on April 10, 2012 be confirmed as recorded and without being read.

VOTING IN FAVOUR: Councillors Hofland, Kovach, Laidlaw, Wettstein and Mayor Farbridge (5)

VOTING AGAINST: (0)

Carried

2. Moved by Mayor Farbridge
Seconded by Councillor Wettstein

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

Sale of City Land

S. 239 (2) (c) of the *Municipal Act* – proposed or pending acquisition or disposition of land.

Carried

3. Moved by Mayor Farbridge
Seconded by Councillor Wettstein

Staff were given direction relating to a proposed or pending acquisition or disposition of land.

Carried

May 14, 2012

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The Corporate Administration, Finance & Enterprise Committee reconvened in open session at 5:18 p.m.

Consent Agenda

The Chair advised that the report "Sale of City Land – Beaumont Crescent" (CAFE-2012 A.20) has been withdrawn.

The following items were extracted from Corporate Administration, Finance & Enterprise Committee May 14, 2012 Consent Agenda:

- CAFE-2012 A.17 3-7 Gordon Street – Downtown Guelph Community Improvement Plan (DGCIP) – Major Downtown Activation Grant (DAG) Request and Development Charge (DC) Deferral Agreement
- CAFE-2012 A.18 Information Technology Annual Report
- CAFE-2012 A.19 Legal and Realty Services 2011 Annual Report
- CAFE-2012 A.21 2013 Budget Process
- CAFE-2012 A.23 2011 Development Charge Reserve Fund Statement
- CAFE-2012 A.24 Capital Budget Monitoring, Q1, 2012
- CAFE-2012 A.25 March 2012 Operating Variance Report

4. Moved by Mayor Farbridge
Seconded by Councillor Laidlaw

THAT the balance of the Corporate Administration, Finance & Enterprise Committee May 14, 2012 Consent Agenda, as identified below, be adopted:

a) 2011 Investment Performance Report

Ms. S. Aram

THAT report FIN 12-21 dated May 14, 2012 with respect to the 2011 Investment portfolio performance and holdings be received for information.

VOTING IN FAVOUR: Councillors Hofland, Kovach, Laidlaw, Wettstein and Mayor Farbridge (5)

VOTING AGAINST: (0)

Carried

3 – 7 Gordon Street – Downtown Guelph Community Improvement Plan (DGCIP) – Major Downtown Activation Grant (DAG) Request and Development Charge (DC) Deferral Agreement

Mr. John Farley of Creating Homes Inc. was present on behalf of Gordon Street Co-operative Development Corporation with respect to

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REPORT

the development of 3 – 7 Gordon Street. Mr. Farley provided an overview of the history of the property and the proposed development of the land. He requested that Council approve the financial tools for the development of this project.

5. Moved by Mayor Farbridge
Seconded by Councillor Laidlaw

THAT Downtown Renewal Report 12-03 dated May 14, 2012 regarding a Major DAG application for the property municipally known as 3-7 Gordon Street pursuant to the DGCIP, be received;

AND THAT the application by Creating Homes Inc. on behalf of Gordon Street Co-operative Development Corporation for the Major Downtown Activation Grant to an upset total limit of \$1,506,822 be approved;

AND THAT staff be directed to proceed with the finalization of the Major DAG agreement between Gordon Street Co-operative Development Corporation and the City of Guelph, subject to the satisfaction of the Corporate Manager of Downtown Renewal and the General Manager of Legal and Realty Services/City Solicitor, and that the Mayor and Clerk be authorized to sign the Major DAG Agreement;

AND THAT staff be directed to proceed with the finalization of a DC Late Payment agreement between Home Ownership Alternatives Non-Profit Corporation and the City of Guelph, subject to the satisfaction of the General Manager of Finance and the General Manager of Legal and Realty Services/City Solicitor, and that the Mayor and Clerk be authorized to sign the DC Late Payment agreement.

VOTING IN FAVOUR: Councillors Hofland, Laidlaw, Wettstein and Mayor Farbridge (4)

VOTING AGAINST: Councillor Kovach (1)

Carried

Information Technology Annual Report

The Executive Director of Corporate & Human Resources introduced the Information Technology Annual Report as contained in the agenda.

Mr. Gilles Dupuis, Manager of Information Technology reviewed the division's 2011 annual report and highlighted the information technology dashboard.

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Mr. M. Amorosi
Mr. G. Dupuis

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6. Moved by Councillor Kovach
Seconded by Councillor Wettstein

THAT the 2011 Information Technology Annual Report be received for information.

VOTING IN FAVOUR: Councillors Hofland, Kovach, Laidlaw, Wettstein and Mayor Farbridge (5)

VOTING AGAINST: (0)

Carried

Legal and Realty Services 2011 Annual Report

The Executive Director of Corporate & Human Resources introduced the Legal and Realty Services 2011 Annual Report as contained in the agenda.

Ms. Donna Jaques, City Solicitor/General Manager of Legal & Realty Services reviewed the division's 2011 annual report and highlighted the Legal and Realty Services dashboard.

7. Moved by Mayor Farbridge
Seconded by Councillor Wettstein

THAT the Legal and Realty Services 2011 Annual Report be received for information.

VOTING IN FAVOUR: Councillors Hofland, Kovach, Wettstein and Mayor Farbridge (4)

VOTING AGAINST: (0)

Councillor Laidlaw was not in the Council Chambers during the vote.

Carried

2013 Budget Process

8. Moved by Councillor Kovach
Seconded by Mayor Farbridge

THAT Finance Report FIN 12-17 "2013 Budget Process" dated May 14, 2012 be received for information.

VOTING IN FAVOUR: Councillors Hofland, Kovach, Laidlaw, Wettstein and Mayor Farbridge (5)

VOTING AGAINST: (0)

Carried

Ms. S. Aram

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2011 Development Charge Reserve Fund Statement

Ms. S. Aram

9. Moved by Councillor Laidlaw
 Seconded by Councillor Wettstein
 THAT report FIN 12-22 dated May 14, 2012, with respect to the 2011 development charge reserve fund statement be received for information.

VOTING IN FAVOUR: Councillors Hofland, Laidlaw, Wettstein and Mayor Farbridge (4)

VOTING AGAINST: (0)
 Councillor Kovach was not in the Council Chambers during the vote.

Carried

Capital Budget Monitoring, Q1, 2012

Ms. S. Aram

10. Moved by Councillor Wettstein
 Seconded by Councillor Kovach
 THAT the Finance report dated May 14, 2012 entitled "Capital Budget Monitoring, Q1 2012" be approved.

VOTING IN FAVOUR: Councillors Hofland, Kovach, Laidlaw, Wettstein and Mayor Farbridge (5)

VOTING AGAINST: (0)

Carried

March 2012 Operating Variance Report

Mr. Rod Keller, General Manager of Public Works provided information on the increased fuel costs.

Ms. S. Aram

11. Moved by Councillor Laidlaw
 Seconded by Mayor Farbridge
 THAT the Finance report dated May 14, 2012 entitled "March 2012 Operating Variance Report" be received for information purposes.

VOTING IN FAVOUR: Councillors Hofland, Kovach, Laidlaw, Wettstein and Mayor Farbridge (5)

VOTING AGAINST: (0)

Carried

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11. Moved by Mayor Farbridge

Seconded by Councillor Kovach

That the meeting of the Corporate Administration, Finance & Enterprise Committee of May 14, 2012 be adjourned.

Carried

The meeting adjourned at 7:40 p.m.

.....
Chairperson

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

June 11, 2012

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>CAFE-2012 A.26) 2011 COURT SERVICES ANNUAL REPORT</p> <p>That the 2011 Court Services Annual Report be received for information.</p>	Receive
<p>CAFE-2012 A.27) IMPLEMENTING THE CORPORATE STRATEGIC PLAN: 2012 FUNDING REQUIREMENTS FOR SIX INITIATIVES</p> <p>THAT Council approve the funding of six strategic initiatives in 2012 that will act as a foundation for moving forward with the Corporate Strategic Plan, subject to the approval of the "2011 Operating Reserves Review and Reallocation" – FIN-12-32;</p> <p>AND THAT subject to the approval of a Strategic Initiatives Reserve, Council approve implementation of the six strategic initiatives.</p>	Approve
<p>CAFE-2012 A.28) 2011 YEAR END VARIANCE REPORT AND OPERATING SURPLUS ALLOCATION</p> <p>THAT the report FIN-12-25 dated June 11, 2012 entitled "2011 Year End Variance Report and Operating Surplus Allocation" be received;</p> <p>AND THAT the recommended allocation of the 2011 year end operating surplus in the amounts of \$2,571,000 in the Tax Supported Budget and \$4,304,000 in the User Pay Supported Budget as outlined in Finance report FIN-12-25 dated June 11, 2012 entitled "2011 Year End Variance Report and Operating Surplus Allocation" be approved.</p>	Approve

CAFE-2012 A.29) EMPLOYEE COMPENSATION RESERVE REVIEW

Approve

THAT the Employee Compensation Reserve Review report FIN-12-25 dated June 11, 2012 be received;

AND THAT the Employee Compensation Reserve Policy be approved;

AND THAT a new reserve called "Early Retiree Benefits Reserve" be created as per section 4.4 of the Employee Compensation Reserve Policy;

AND THAT \$1,600,000 be transferred from the "Accrued Vacation Reserve #209" to the "Early Retiree Benefits Reserve";

AND THAT \$3,522,596 be transferred from the "Accrued Vacation Reserve #209 to the "Operating Contingency Reserve #198;

AND THAT the "Accrued Vacation Reserve #209 be decommissioned as per section 4.6 of the Employee Compensation Reserve Policy;

AND THAT the current "HR Contingency Reserve #207" be decommissioned and the balance totaling \$147,500 in this reserve be consolidated into the "HR Salary Gapping Reserve #191" as per section 4.7 of the Employee Compensation Reserve Policy.

CAFE-2012 A.30) 2011 OPERATING RESERVE REVIEW AND REALLOCATION

Approve

THAT the report dated June 11, 2012 entitled "2011 Operating Reserve Review and Reallocation" be received;

AND THAT the recommended allocation of \$4,516,362 of the Operating Reserves contained in the report FIN-12-32 dated June 11, 2012 entitled "2011 Operating Reserve Review and Reallocation" be approved.

AND THAT Council approve the creation of the Strategic Initiatives Reserve to be used for initiatives identified in the Corporate Strategic Implementation Plan and as approved by Council.

CAFE-2012 A.31) RECOMMENDATION FOR FINANCING NEW PUBLIC HEALTH FACILITIES

Approve

THAT report FIN-12-30 dated June 11, 2012, with respect to a recommendation for financing new public health facilities in Guelph and Orangeville be received;

AND THAT Council approve the funding of the City's portion of the capital financing related to the construction of the new Public Health facilities in Guelph and Orangeville through a City debt issuance conditional upon the

three municipal partners entering into a Loan Agreement and Construction Oversight Agreement with Wellington-Dufferin-Guelph Public Health;

AND THAT Council approve an RFP be issued jointly by the three municipal partners for external construction oversight.

CAFE-2012 A.32) ADVANCEMENT OF THE WELLINGTON-DUFFERIN-GUELPH PUBLIC HEALTH 2012 FOURTH QUARTER LEVY PAYMENT

Approve

THAT report FIN-12-30 dated June 11, 2012, with respect to advancement of the fourth quarter levy payment to Wellington-Dufferin-Guelph Public Health be received;

AND THAT the request from Wellington-Dufferin-Guelph Public Health to advance the 2012 fourth quarter levy payment from October to July be approved.

CAFE-2012 A.33) 72 MACDONELL STREET (THE DIPLOMAT HOTEL) – DOWNTOWN GUELPH COMMUNITY IMPROVEMENT PLAN (DGCIP) – MAJOR DOWNTOWN ACTIVATION GRANT (DAG)

Approve

THAT Downtown Renewal Report FIN-DR-12-04 dated June 11, 2012 regarding a Major DAG application for the property municipally known as 72 Macdonell Street pursuant to the DGCIP, be received;

AND THAT Council approve the Major DAG for 72 Macdonell Street and that the Mayor and Clerk be authorized to execute the Major DAG Agreement between 536357 Ontario Limited and the City of Guelph, subject to the satisfaction of the Corporate Manager of Downtown Renewal and the General Manager of Legal and Realty Services/City Solicitor.

attach.

COMMITTEE REPORT



TO Corporate Administration, Finance and Emergency
Services Committee

SERVICE AREA Corporate and Human Resources
DATE June 11, 2012

SUBJECT 2011 Court Services Annual Report
REPORT NUMBER CHR-2012-37

SUMMARY

Purpose of Report:

To present the first edition of the Court Services Annual Report.

Committee Action:

To receive the 2011 Court Services Annual Report for information.

RECOMMENDATION

That the 2011 Court Services Annual Report be received for information.

BACKGROUND

The Court Services Department was established in May 2000 in response to the download of the Province's Provincial Offences Court operations to municipalities. Since that time, the Department has provided Council with statistical and budgetary information through the annual budget process.

The 2011 Court Services Annual Report is intended to provide: (1) an illustration of the success of this Shared Service program over the last 10 years; (2) information regarding court operations and the Transfer of Provincial Offences Court operations to municipalities; and (3) baselines and targets for performance measurement moving forward based on historical trends analyses, provincial standards and available data comparing Guelph to other municipal court operations.

REPORT

This first report addresses court operations in four Key Performance Areas:

-
- **Public Access to Justice** – the public’s access to justice reflected in facility, administrative and prosecutorial services that continuously improve public access.
 - **Community Impact** – the Court’s decisions regarding compliance with societal expectations and standards of behavior and the effectiveness of court administration in ensuring compliance with sentences imposed.
 - **Local Justice System** – streamlined processes, operational innovations and efficiencies that illustrate system improvements in the areas of final case disposition and effective management of court time and case loads.
 - **Business & Service Excellence** – the use of effective technology, innovative systems and procedural solutions towards continuous improvement of operations and cost controls.

The City’s court operations show positive successes in the following areas:

- **Time to Trial** is less than the provincial average and less than the average of comparator municipalities.
- **Defaulted Fine Balance** is decreasing compared to the average of increase being experienced by comparator municipalities.
- **Final Case Dispositions** are increasing resulting in more cases being completed each year than are coming into the system.

Improvement is occurring in the following areas:

- **Tickets Paid** volumes have increased from 54% (2009) to approximately 59% (2011).
- **Tickets Disputed** remains within acceptable operational parameters at 22% of tickets issued.
- **Early Resolutions** (of trial matters) continue to assist in managing the case load with 46% of people charged electing the resolution process in 2011. This is an increase in participation over the previous 10-year average.
- **Adjournments** (of trial matters) remain at 20%, which is an acceptable range in controlling time to trial and final case disposition rates.
- **Costs/Revenues** remain relatively consistent with a 10-year average of annual operating costs at 44% of gross revenue, and average annual gross revenue of approximately \$3.5M.

Areas of caution include:

- **Transcript Production** is increasing. Although currently within the maximum target range, trending shows transcript requests on the rise. Court Services staff will continue to look for efficiencies in transcript production to maintain time to trial targets and control the resources required in transcript production.

-
- **Public Access to Justice** – the public’s access to justice reflected in facility, administrative and prosecutorial services that continuously improve public access.
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-
- **Employee/Case Ratio** resources are currently at the upper limit of the acceptable provincial standard. Although the case load has remained

relatively stable over the past few years, if the case load rises then the staff resource base will need to be assessed to meet the standard.

The **Court Services Scorecard** provides areas of measurement, target ranges and initiatives intended to monitor and achieve greater success in the Key Performance Areas. Annual departmental work plans, informed by the City's Strategic Plan, will serve to implement efficiency measures towards achieving performance targets.

CORPORATE STRATEGIC PLAN

Goal 5 – A community-focused, responsive and accountable government.

FINANCIAL IMPLICATIONS

N/A

DEPARTMENTAL CONSULTATION

N/A

COMMUNICATIONS

The 2011 Court Services Annual Report will be provided to the County of Wellington.

ATTACHMENTS

2011 Court Services Annual Report



Prepared By:

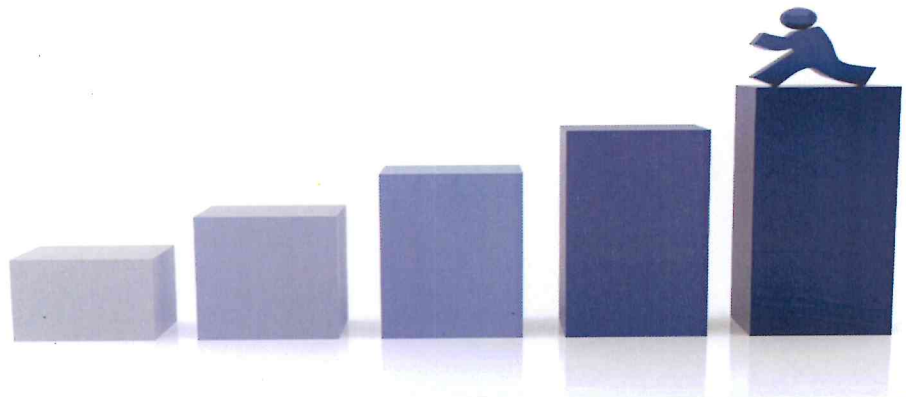
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2011

Court Services Annual Report



CITY OF
Guelph
Making a Difference

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Executive Summary

The 2011 Court Services Annual Report provides a summary and analysis of the operations of the City's Court Services Department which operates the Ontario Court of Justice – Provincial Offences ("POA Court") for Guelph-Wellington as a shared service under agreement with the Province of Ontario. This is the first annual report since the responsibilities of administering the Court were transferred to the City from the Province in May 2000. As such, this report contains background information in Appendix "A" about the Ontario court system, a brief historical review of the download of courts to municipalities and an explanation of the various agreements in effect governing the POA Court operations.

The substance of the main portion of the Report relates to operational trends, analyses, accomplishments and initiatives occurring within the court operations since Transfer. Subsequent annual reports will focus primarily on the annual court operations and forecasts, less the background information provided in this initial report.



The Court Services Department is trending positively towards benchmarks, or meets or exceeds standards and trends, on most areas on this Dashboard. Public Access to Justice initiatives have resulted in streamlined processes and reduced time to trial. With respect to Community Impact, fine enforcement efforts have turned the tide towards reducing the outstanding defaulted fine balance. Many internal initiatives have resulted in Local Justice System improvements, particularly in the area of Final Case Dispositions with more cases being completed each year than are coming into the system. Finally, in terms of Business and Service Excellence, the costs/revenues situation for the Guelph POA Court operation continues in a sustainable position with a 10-year average cost factor (costs against gross revenue) of 44% and a 10-year average of annual net revenue to each the City of Guelph and the County of Wellington of just under \$1M.

There are, however, some cautionary signals within the Dashboard. Areas of concern include: (1) The increase in the number of transcripts being requested each year; and (2) The employee/case ratio is currently at the upper limit of the provincial standard (also adopted by the Ontario Municipal Benchmark Initiative ["OMBI"]).

Court Services Scorecard 2011

The following Scorecard has been designed to support the objectives of the Court Services operations.

	In Support of...	Measure	Target	Initiatives
Value Creation	Public Access to Justice	Public Access (service transactions)	(-5%) In-person contact (+5%) Remote transactions	<ul style="list-style-type: none"> Patron reception initiative Phone, email and fax payments Upgrade speed of financial transaction hardware On-line court application processes Additional counter service station dedicated to defaulted fine transactions
		Transcript Production	80 maximum	<ul style="list-style-type: none"> Use of on-line audio for judiciary Revised staff scheduling to maintain production
		Time to Trial	195 days (provincial average)	<ul style="list-style-type: none"> New summons procedures for certain offences Revised resolution process Expedited disclosure from enforcement agencies
	Community Impact	Charges Filed	30,000 per year	
		Tickets Paid (within 90 days)	55-65% 2012 (+ 1%)	<ul style="list-style-type: none"> Increase payment opportunities and methods
		Tickets Disputed	20%	<ul style="list-style-type: none"> Increase participation in early resolution meetings
		Defaulted Fines (Sentences Enforced)	15% (max)	<ul style="list-style-type: none"> 14% in 2011 Enhance collection measures
	Local Justice System	Final Case Dispositions	Increase volume by 100 cases/yr	<ul style="list-style-type: none"> 91 in 2011 Reduce adjournments Increase payments of defaulted fines
		Early Resolutions	45-50% Participation	<ul style="list-style-type: none"> 46% participation rate in 2011. Enhance use of technology for meetings remotely by audio/video
		Adjournments	20% maximum	<ul style="list-style-type: none"> Maintain case management of trial courts Ensure efficiencies in other areas to reduce adjournments
Cost Control	Business & Service Excellence	Employee/Case Ratio	Provincial Standard 1:5,000-6,000 cases	<ul style="list-style-type: none"> Ensure staff resources Enhance use of technology to reduce workload
		Costs	Max. 50% of Gross Revenue	<ul style="list-style-type: none"> Continue to investigate cost efficiencies through use of technology and process streamlining
		Revenue	At least \$3.5M/yr	<ul style="list-style-type: none"> Enforcement of defaulted fines

Reading this Report....

This report reviews key performance comparisons wherever possible to relevant benchmark data or provincial averages, standards, or local year-over-year trends. The Report has been organized into four sections: Public Access to Justice, Community Impact, the Local Justice System and Business and Service Excellence.

Most sections have been organized to provide a summary of activity in 2011 with a self-comparison to previous years' trends. There are challenges in comparing court services to others court operations since many functions of the court are structured in public interest perspectives for which provincial benchmarks do not exist or apply. However, this Report will serve to establish baselines and provide comparisons to some existing benchmark data (where possible) and to set the stage for future comparisons with other municipal court operations as benchmarks come into place.

Where comparisons are made to other municipalities, the comparators are/will be limited to those municipalities (in Guelph's comparator listing) that operate POA Courts. (Appendix B)

Throughout this report, the following icons will be used to highlight the various areas (i.e. Public Access, Community Impact, Local Justice System and Business and Service Excellence).



Indicates initiatives that support **Public Access to Justice**



Indicates initiatives that support the **Local Justice System**



Indicates initiatives that support **Community Impact**



Indicates initiatives that support **Business and Service Excellence**

Key Performance Areas:

Driven by the focus areas of the corporate strategic plan and provincial and legislative mandates and policies, the four key performance areas illustrate successes and areas for improvement with respect to access to justice, the court's impact on the community, improvements to the local justice system and business and service excellence:

<p>Public Access to Justice</p> <p>The public's access to justice, guaranteed by the <i>Canadian Charter of Rights and Freedoms</i>, should be reflected in facility, administrative and prosecutorial services that continuously improve public access.</p>	<p>Community Impact</p> <p>Community impact includes the Court's decisions regarding compliance with societal expectations and standards of behaviour and its effectiveness in ensuring compliance with sentences imposed.</p>	<p>Local Justice System</p> <p>Streamlined processes, operational innovations and efficiency initiatives should reflect system improvements in areas of final case disposition rates and effective management of court time and case loads.</p>	<p>Business & Service Excellence</p> <p>Providing best in class business and service excellence through effective use of technology and the implementation of innovative systems and procedural solutions towards continuous improvement of court operations and cost controls.</p>
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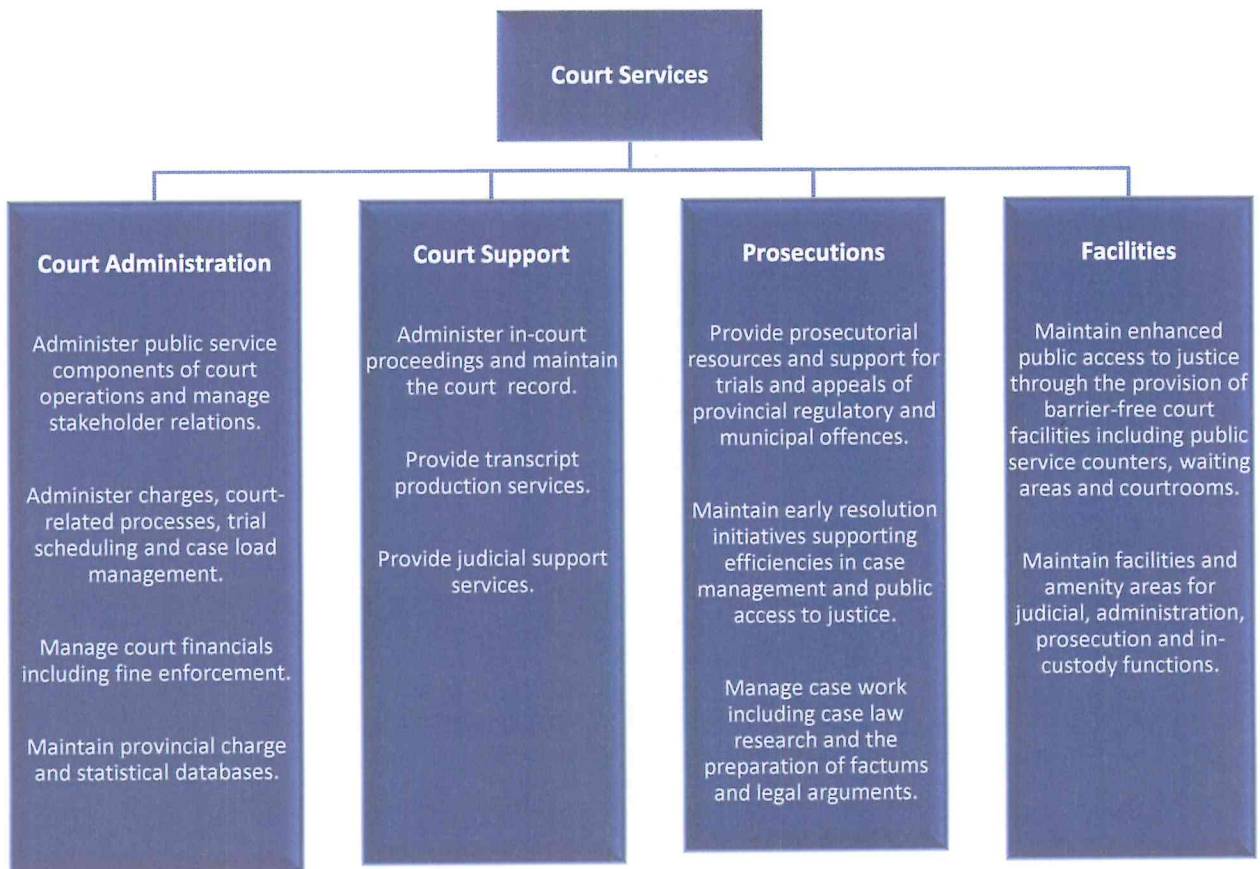
Court Services Department Mandate

Court Services is a shared service with the City as Service Provider and the county municipalities as Served Municipalities. The Department exists to operate the POA Court in the Guelph Court Service Area (encompassing the geographic limits of the City of Guelph and Wellington County) under agreement with the Province of Ontario through the provincial Ministry of the Attorney General.

Court Services provides all facilities, services and amenities within provincial policy and legislated frameworks and consistent with the broader principles of justice in Canada including the preservation of individual rights guaranteed by the *Canadian Charter of Rights and Freedoms* (“the Charter”). The Department blends corporate City values and strategic directions with provincial mandates and policies to provide justice services that are responsive to the local community and the broader provincial justice system:

- Promoting public access to justice through accessible facilities and services,
- Promoting public confidence in the justice system by ensuring the independence of the judiciary, providing a system that is fair and timely and ensuring the court operates independent and free from political intervention,
- Implementing improvements to the justice system towards a more efficient, streamlined and cost effective local system of justice, and
- Ensuring the fundamental tenets of procedural fairness and natural justice are affirmed and upheld.

The following illustration represents the organizational structure of the Court Services Department in service module format:



In its role, the City performs both administrative court processing functions and acts as the “State” in its role of prosecutor.

The administrative function is a highly regulated procedural environment where the City provides the appropriate mandated service in the most efficient manner possible within policy and legislative requirements. The very nature of this function is neutral and has no influence or impact in the areas of decisions of the Court or the determination of whether or not a case is prosecuted.

The prosecution function, however, is very different in that it is not a “regulated” or “procedural” environment per se, but rather is a discretionary function exercised by the “State” founded in principles of fairness, rights preservation, public interest and the interests of justice. In essence, prosecutors are to be “ministers of justice” and balance these principles in making prosecutorial decisions in each case.

The Court (the judicial officer presiding) is independent of administration, prosecution and enforcement. Justices of the Peace and Judges, who preside in POA Courts are appointed by the Province and are judicially independent to adjudicate cases without influence or favour, but within the confines of the law and the statutory powers afforded them.

Public Access to Justice



The public’s access to justice is to be assured in preserving an individual’s right to justice services as guaranteed by *the Charter*. As other systems of government are to be open, transparent and accessible to those accessing them, the broadest measures are to be incorporated in the justice system in ensuring such access. From facilities to services to procedural fairness, the POA Court is required to provide comprehensive public access and to strive to continuously improve access by:

- Providing accessible facilities and systems to accommodate all people;
- Providing service systems that ensure a variety of methods for people to access the court system, obtain information and address court issues in the exercise of their respective rights; and
- Ensuring that court processes preserve and enhance procedural fairness in ways that best facilitate and expedite court matters to the benefit of the people.

Public Access (Service Transactions)

Access to court administrative services is a component of rights guaranteed by *the Charter*. Service transactions include the primary functions provided in administration including financial transactions, requests for trial, payment extension applications, case re-openings, appeals and informational inquiries. These transactions occur in a variety of ways (e.g. in-person, phone, e-mail, fax).


Total in-person counter visits and telephone service transactions from 2005-2011 are outlined below:

Year	Total In-person (Service Counter) transactions	Daily Average In-person transactions	Total Remote (Telephone Service) transactions	Daily Average Remote transactions	Total transactions	Daily Average Total transactions
2005	43,097	173	10,980	44	54,077	217
2006	36,208	145	9,938	40	46,146	185
2007	38,837	155	10,085	40	48,922	195
2008	37,290	149	11,765	47	49,055	196
2009	31,878	128	10,483	42	42,361	170
2010	37,123	150	12,824	52	49,947	202
2011	38,763	156	13,325	54	52,088	210
7 year average	37,599	151	11,343	46	48,942	196

The goal is to meet public access objectives in a way that is beneficial and expedient to the public as well as efficient and cost-effective for court operations. In other words, to find ways for people to access the services with the least amount of inconvenience to them and in the most expedient manner, and to reduce the burden on facility and staff resources.

The objectives are to shift in-person transactions to remote transactions (shift 5% in 2012) and to streamline in-person visits as much as possible. The following past accomplishments and future initiatives will serve to provide this desired shift:

Past Accomplishments and Future Initiatives.....

	Public Access (Service Transactions)	
	Prior to 2011	<ul style="list-style-type: none"> Expanded Court Services website to provide easily accessible information regarding court processes, FAQs, etc. Establishment of Court Services e-mail bank allowing the public to address issues directly with court administration. Implemented court forms on-line for easy download by the public. Implemented main entrance reception to provide information and direction to court patrons utilizing the facility.
	In 2011	<ul style="list-style-type: none"> Implemented a secondary service wicket dedicated to defaulted fine issues, payments, inquiries, etc. Improved debit transaction hardware to reduce wait times at service wickets.


2012 forward	<ul style="list-style-type: none"> Province to implement "how to" informational pamphlets in all courts (presently under development). Investigate successes of on-line payment systems being used in some courts. Expand the use of remote case resolution meetings (telephone, on-line [i.e. skype], etc.).
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Transcript Production

The production of court case transcripts are a mandatory service included in the preservation of public access to justice. The primary reasons for transcripts are for appeals of cases (appellants are required to obtain and submit trial transcripts on appeal) and for judicial decisions of trial cases (where a trial transcript is required by the presiding trial Justice to review in formulating judgement in the case). In addition, transcripts are also requested for civil proceedings and insurance purposes.

Transcripts are time-sensitive in order to meet appeal time requirements and to avoid issues of “delay” in the court system. Transcript production is a priority function, however, the court has no control over the volume of requests for transcripts in any given year. As such, targets are set as a baseline to recognize the upper limit of the number of transcripts that can be achieved with existing resources. The following past accomplishments and future initiatives assist in this regard:

Past Accomplishments and Future Initiatives.....

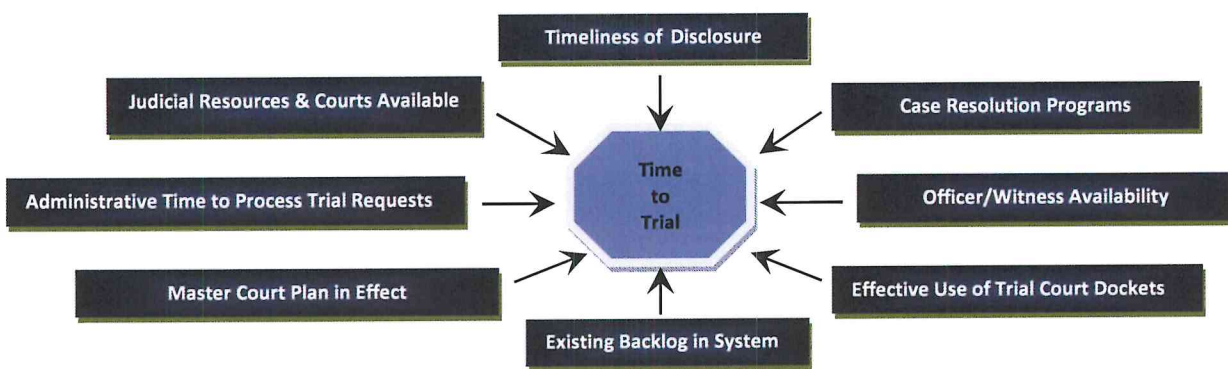
Transcript Production	
	<p>Prior to 2011</p> <ul style="list-style-type: none"> Revised staff schedule to increase dedicated time to transcript preparation.
	<p>2011</p> <ul style="list-style-type: none"> Upgraded digital recording software to provide for creation of audio files of trial proceedings for judicial officers to use in considering judgement rather than typed transcripts.
	<p>2012 forward</p> <ul style="list-style-type: none"> Audio files will be expanded to more Justices in 2012 and beyond. Cost control is anticipated to be achieved by expanding this service to the judiciary.

Time to Trial

People have a right to trial without unreasonable delay. Court systems, case management protocols (timely disclosure of cases to defendants, case resolutions meetings, etc.) and court scheduling are the types of factors that need to be effectively managed towards the preservation and enhancement of procedural fairness in terms of trial delays.

The primary objective is to ensure that cases proceed to trial at the earliest opportunity and well within the established jurisprudence governing *Charter* issues surrounding “delay”. Within the objective are initiatives designed to reduce the number of court appearances overall, which in turn reduces the time lag between date of charge and trial. Effective time to trial supports individual rights and procedural fairness, improves public perception of the justice system, reduces the potential for “delay” arguments, and assists in effectively managing court resources.

Several factors affect time to trial as illustrated below:



Master Court Plan (“MCP”) – The MCP is established by the Regional Senior Justice’s office in consultation with court’s management across the Region. The Plan establishes the number of POA Courts operating in each jurisdiction on any given day, sitting times of those Courts and the function of each Court (i.e. trial, assignment court, etc.), all of which is influenced by the regional judicial complement and the historic case load trends in each Court jurisdiction. Alterations to the MCP to better address case load trends, implement new programs (e.g. establishment of plea courts), create efficiencies and to address public access to justice issues are accommodated through business case submission to the Regional Judiciary from POA Court management.

Administrative Time to Process Trial Requests – The timeliness of this function is affected by the volume of trial requests received and the staff resources dedicated on a daily basis to this process.

Judicial Resources & Courts Available – The daily availability of judicial resources in keeping with the MCP schedule of court sittings is an essential factor to maintaining appropriate time to trial. Closures of POA trial Courts can occur due to judicial officer illness or reassignment to other Courts where last minute shortages occur. In addition, the number of courtroom facilities available can impact time to trial (i.e. POA Court facilities with only one courtroom cannot benefit from additional judicial resources).

Timeliness of Disclosure – Police provide their case file to the Prosecution for disclosure to the defendant. Expedient disclosure systems and agreements between police and the prosecution are essential to maintaining timeliness to trial.

Case Resolution Programs – Varying in form and process depending on jurisdiction, these are meetings that occur between the prosecution and defendants ahead of their trial date to discuss possible resolution of the charge to a plea or other non-trial outcome. The timing of such meetings and the effectiveness of case resolution programs directly impact case loads and, by association, time to trial.

Officer/Witness Availability – Police agencies and Prosecutions need to work together to establish court scheduling systems to ensure that officers are available for trial on a frequent basis to avoid delay. In addition, independent witnesses are often required to attend court and, as such, their availability can affect the timeliness of a trial.

Effective Use of Trial Dockets – Trends analyses are required to determine the number of matters that can be placed on a docket in any given day. Although this may correctly result in dockets containing the appropriate number of cases, how the court list is managed within the courtroom also has an impact on the effectiveness of trial dockets.

Existing Backlog in the System – How far forward is the first available date for trial based on the number of dockets already full?

How Are We Doing in Time to Trial?


Court Services has managed these factors over the years through negotiating with the Regional Judiciary an effective MCP that takes into account an appropriate balance between efficient use of judicial resources and trial court time and prosecutorial resources and early resolution programs. In addition, timely disclosure and officer scheduling protocols have been negotiated with enforcement agencies to ensure an effective resolution system and that officer availability is not an impediment to timely trials. Finally, the Early Resolution Program remains flexible and is revised as necessary to ensure the most effective use of court time and to preserve people’s rights to a speedy trial.

Guelph’s average number of days to trial is well below the provincial average and the average of the comparator municipalities.

Municipality	Average # of Days to Trial
Guelph	129
Average of Comparator Municipalities	141
Provincial Average (all POA Courts)	195

The following is an illustration of past accomplishments and future initiatives that has led to the success we see in maintaining an effective time to trial:

Past Accomplishments and Future Initiatives.....



Time to Trial

Prior to 2011	<ul style="list-style-type: none"> Implementation of Early Resolution Program (defendants who elect trial meet with the prosecutor prior to trial to discuss possible resolution of the case). Negotiated MCP adjustments and provision of judicial resources to increase trial courts per week to five from four. Negotiated court officer scheduling protocols with major enforcement agencies. Established timelines for case disclosure for enforcement agencies. Negotiated “blitz” court protocols with Regional Judiciary to add additional courts where required if time to trial nears established threshold.
2011	<ul style="list-style-type: none"> Revised operations to provide for daily dedicated resources to schedule trials and produce trial documents. Revised prosecutorial resources to enhance pre-court discussions with defendants regarding case issues or possible resolution (reduced need for frequent recesses of the trial court to address matters with defendants). Implemented changes (with police) in how certain charges are issued (from tickets to summons procedure) to retain more serious charges within an administrative stream until ready for trial.
2012 forward	<ul style="list-style-type: none"> Investigate potential MCP revisions to include administrative/plea courts to reduce pressures on trial courts and resulting time to trial. Enhance maintenance of statistical database to continue analysis of trends to effectively make adjustments to maintain an appropriate time to trial.

Community Impact

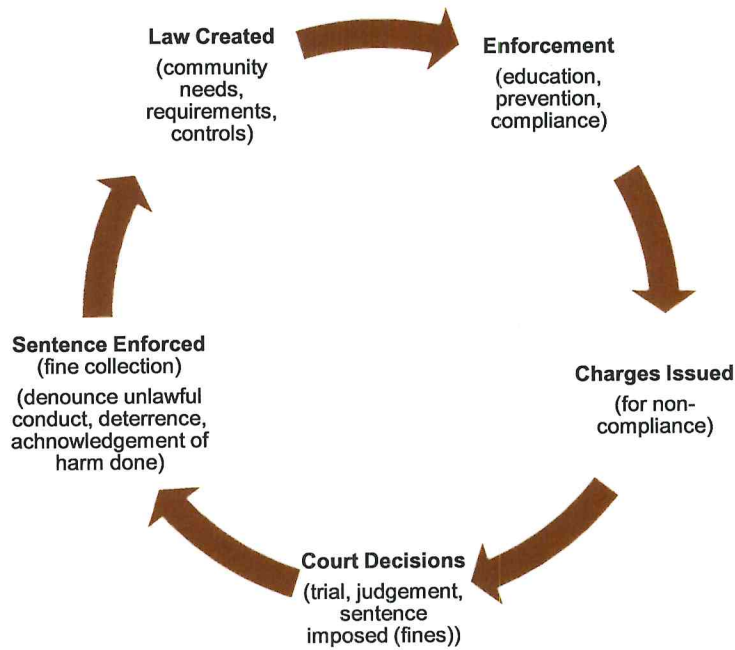


The Court ensures independent decisions between the “State’s” regulations and the public’s behaviour in respect of those regulations. The independence and authority of Court decisions is essential towards a positive perception of the Court by all members of the community (those who are charged with offences, those who are not and the governments that create the laws). Although sometimes only viewed as the place where punishment is meted out for violations of law, the Court’s purpose, function and impact on the community is much more significant. It is this system in a free society that holds governments accountable for fairness in law, enforcing agencies for proper enforcement of those laws and the public accountable for compliance with those laws. The Court exists to balance the rights of the citizenry against the laws of the land and to ensure that, where violations are found to have occurred, appropriate sanctions (i.e. sentences) are imposed. Compliance with Court-imposed sentences is essential to:

- Preserving the authority of the Court;
- Maintaining the authority and purpose of law in the community;
- Confirming community expectations with respect to compliance with law; and
- Maintaining the objectives of court-ordered sentences including denouncing unlawful conduct, individual and general deterrence, promoting a sense of responsibility in offenders and acknowledgement of the harm done to victims and the community.

Impact Model

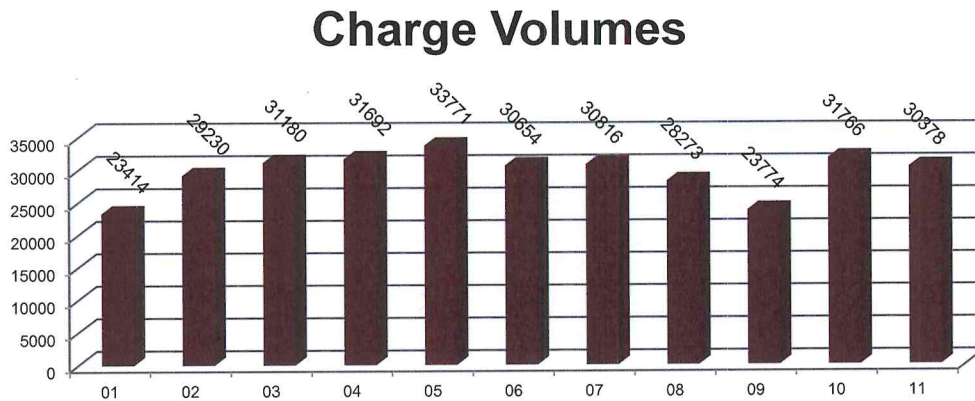
Community impact involves the creation of law by government to meet the needs for a peaceful, safe and liveable community, the enforcement of those laws, compliance with charges issued and/or court-ordered sentences and the enforcement of sentences to ensure sentencing objectives. As a reminder, one of the two objectives in the Province transferring POA Courts to municipalities was to “Give local communities more responsibility for justice with matters that have local community impact.”



Charges Filed

The number of charges issued is the primary driver of the POA Court system. The court has no influence in the number of charges issued. Charges are issued by enforcement agencies based on offences that occur and enforcement resources available to address those offences by way of the charge process. The POA Court is the system that is required to administer those charges regardless of how many are issued.

At Transfer of the Courts to Guelph in May 2000, the average annual volume of charges issued in Guelph-Wellington was 19,800. That volume has increased over the years and is trending at approximately 30,000 charges per year. The following chart illustrates the charge volumes from 2001-2011 inclusive.



There are essentially two forms of Provincial Offence charges (excluding parking tickets): (1) Ticket (known as a Part 1 charge) – where a person is issued a ticket with an associated fine amount and the person can pay the fine in full satisfaction of the offence or dispute the charge and elect a trial on the matter; and (2) Information (known as a Part 3 charge) – where a person is charged with an offence (with no fine that they can pay out of court) and the person is required to answer to the charge in trial court. Approximately 93% of all charges are Tickets and 7% are Informations.

Since ticket charges are the vast majority of the business of the POA Court, we are able to utilize data associated with tickets to assess the overall picture of what’s happening locally with respect to first instance compliance rates (i.e. paying a ticket within 90 days of receiving it), trial rates (i.e. tickets that are disputed) and defaulted fine rates (i.e. tickets that go unpaid).

Category	2011 Actual (based on ticket load of 93%)	Target
Tickets Paid	58.9%	55-65%
Tickets Disputed	20.1%	15-20%
Defaulted Fines	14%	15% (max)


Tickets Paid

Tickets paid (called “Pre-paid” fines) are those charges that are paid within 90 days. Thereafter, the matter becomes a “Defaulted Fine”. This payment rate provides some indication of compliance with enforcement of law and a general level of acceptance of society in complying with sentences imposed for violations.

In 2011, 58.9% of tickets were pre-paid. This figure has shown slight increases per year since 2009 that had a 54% pre-paid rate. This payment rate is in keeping with rates experienced by most other municipalities operating courts. Based on the rate of increase in the past few years, Court Services has established a pre-paid target range of 55-65%, with the goal in 2012 to increase local payments to 60% (+1% over 2011).

There are a variety of possible factors that may affect if a person pays their fine in the first instance such as economic times and people’s ability to pay fines, pressures surrounding traffic violations including the demerit point system and insurance rates, the level of societal compliance with law, demographics of particular court jurisdictions, and employment and debt levels. Clearly, greater pre-paid rates results in positive community impact including societal compliance, reduced resources required to address matters and increased revenues. However, Court Services’ ability to influence pre-paid rates is really limited to providing effective methods and systems for persons to pay fines. Guelph, along with other Municipal Partners operating courts, continually seek out and expand payment methods and provide greater education of demerit implications to allow for greater first-instance payments.

Past Accomplishments and Future Initiatives.....

Tickets Paid	
	<p>Prior to 2011</p> <ul style="list-style-type: none"> Expanded processes to allow for the public to make fine payments by credit card by phone, email and fax.
	<p>In 2011</p> <ul style="list-style-type: none"> Acceptance of post-dated cheques and credit card information for fine payment plans (established tracking system to allow for this to occur).
	<p>2012 forward</p> <ul style="list-style-type: none"> Educating the public towards dispelling certain myths about the effects of demerit points associated with charges.

Tickets Disputed

The ten-year average (2002-2011) of tickets disputed for Guelph-Wellington is 20.9% of the total tickets issued. The provincial range of disputed tickets (at the time of Transfer of courts to municipalities in the late 1990s) was 15-20%. In the intervening years, it does not appear that this trend has changed much across the province. Accurate figures are not available on a comparator basis because compilation of such data is a local issue and few, if any, municipal court operations track this data. Locally, dispute percentages have remained relatively stable (with a low of 15% in 2002 and highs of 26% in 2005 and 24% in 2007). The dispute rate in 2011 was 22%. As such, court processes, case management systems and staff resources have been managed to accommodate dispute rates upwards of 25% (the established maximum target baseline).

Of particular challenge is that Court Services has little control over this rate because disputing a charge is an individually guaranteed right. As such, reasons for dispute are not, and cannot be, tracked. Anecdotally, however, it appears that the primary reasons for dispute are demerit point and insurance ramifications associated with being convicted of a charge (Note: Since 2010, novice drivers can be suspended if convicted of an offence that carries with it 4 or more demerit points). Since 80% of all tickets issued relate to driving offences, such reasons for disputing charges is not surprising.

Defaulted Fines

Although for this segment of the Report we have utilized only data associated with tickets for illustrative and analysis purposes regarding overall volumes, etc, actual dollar values of defaulted fines is comprised of all fines that are unpaid after 90 days including in-court ordered fines for Tickets and Information trial matters. With that in mind, this section of the Report is a comprehensive picture of local defaulted fines.

At Transfer, the City inherited from the Province approximately \$5.6M of uncollected defaulted fines (“accounts receivable”). The default balance was on the rise pre-Transfer and has continued post-Transfer province-wide. By


2009, total defaulted fines across the province were increasing by approximately \$1M per week and by July of 2010 outstanding fines had reached \$1B provincially.

Municipal partners across the province have implemented various fine collection strategies in an attempt to enforce these sentences. Many out-source collections to collection agencies in some form with some opting for full in-house collections in recent years. Many municipalities developed or purchased collection management systems to carry out the collection process. Some offered their in-house systems to other municipalities free of charge with only nominal annual costs to maintain the systems. Guelph is using such a system developed and maintained by Niagara Region.

Fine Collection – All POA Courts are required to make every effort to maintain the public’s confidence in the justice system with respect to steps taken to enforce and collect all fines imposed by the Court. Local strategies are designed to enforce fine payments on an escalating basis of tools used:

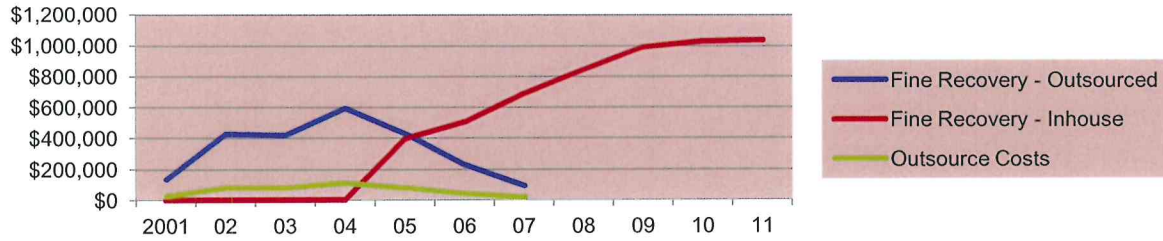
- written notice to a defendant;
- suspension of a defendant’s driver’s licence (where applicable);
- filing of a judgment against a defendant in Small Claims Court;
- issuance of a Writ of Seizure and Sale against property in which the defendant has an interest;
- and
- garnishment of the defendant’s wages and/or bank accounts.

Past Accomplishments and Future Initiatives.....

	Defaulted Fines (Collections)	
	Prior to 2011	<ul style="list-style-type: none"> • Implemented written notice to defendants of pending driver’s licence suspension – increase in fine payments resulted. • Enhanced investigative tools to locate and contact persons with defaulted fines.
	2012 forward	<ul style="list-style-type: none"> • Interception of Federal tax returns and HST rebates (provincial discussions underway). • Expanding the plate denial process for unpaid fines (provincial discussions underway). • Fines being added to municipal tax rolls and collected as taxes (internal discussions required). • Automated call systems to remind persons of outstanding fines with the ability to immediately satisfy the fine (Q3 of Court Services 2012 Work Plan). • Educating the public towards dispelling certain myths about the effects of demerit points associated with charges.

Fine Collection Progress - Locally, Guelph out-sourced collections from 2001-2007. However, beginning in 2004, the Department commenced in-house collection efforts in addition to collection agency efforts. In 2005, Guelph secured the Court Administration Management System from Niagara Region (as previously mentioned) and the system has been in effect since that time. From 2007 forward collection efforts have been solely in-house within Court Services. The percentage of annual gross revenue attributable to fine collections efforts has increased from 22% in 2005 to 29.3% in 2011.

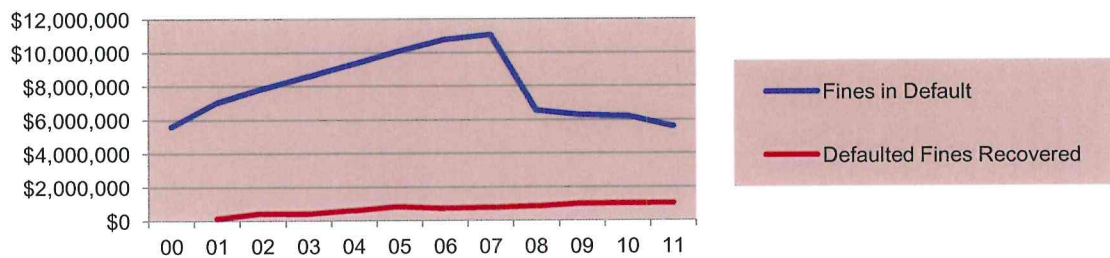
The following chart illustrates fines recovered before, during and after the transition from outsourced to in-house collections.



Decreasing Default Fine Balance – Although the fine balance shows a continuous increase from 2000-2008, collection efforts during that period served to reduce the percentage increase year-over-year from an 11.9% (2000-2001) to a 2.6% increase (2006-2007).

In 2008, in preparation for the implementation of Public Sector Accounting Board (“PSAB”) principles of accounting and asset management, Guelph undertook to write off \$5.1M in uncollectable assets. Each year, doubtful accounts are determined pursuant to the Write Off Policy established for Court Services, and those accounts proceed to write off. Although written off accounts remain as fines outstanding in perpetuity, from an asset accounting perspective, written off fines no longer show as assets in the ledger.

The following chart illustrates the rates of fines going into default against the fines recovered.



The defaulted fines balance has been decreasing since 2008, while the recovery rate has increased over the same period. With continued fine enforcement efforts, it is projected that recovery will begin to exceed default rates within the next five years.

The following table is a snapshot illustration of the 2010 and 2011 increase/decrease in defaulted fine balances for Guelph and the average of all municipal comparators. Also included is the total value of the defaulted fine increase of all POA Courts province-wide.

Municipality	2010 Increase/Decrease	2011 Increase/Decrease
Guelph	-\$298,251	-\$108,947
Average of Comparator Municipalities	\$2,498,103	\$2,509,163
Province (all courts)	\$145,675,344	\$104,968,463

*from provincial Integrated Court Offences Network database.

Although the significant increases in other jurisdictions may be attributable to the absence of write off procedures in those locations, the local situation remains that the rate of increase per year is declining (including a decline in doubtful account volumes each year). The result is that Guelph's outstanding fine balance at the end of 2011 is \$6.87M. With the anticipated write off for 2011, the outstanding balance moving into 2012 is \$6.09M, slightly more (\$490,000) than the total accounts receivable inherited from the Province at Transfer in May 2000.

Local Justice System

The local justice system reflects the broader system in Ontario with all justice principles, authority, integrity and objectives intact. However, each local system presents its own unique abilities to create efficiencies, streamline processes, manage case loads and enhance public access, depending on the particular situations faced by the local court (i.e. charge volumes, trial loads, staff and judicial resource complements, etc.).

The three broad indicators (final case dispositions, early resolutions and adjournments) help us to ascertain the effectiveness of the local justice system and whether or not the system is moving forward in a positive way. 2011 figures show a positive position and will establish the baseline for self-comparison in future years.

Final Case Dispositions

Final case disposition is the number of cases each year that come to a close whether that is by the fine being paid in full in the first instance, a court-ordered sentence being complied with or the case being quashed, withdrawn or otherwise disposed of in a final way. A positive signal is when the total cases reaching final disposition outnumbers the total cases coming into the system during the same year. Conversely, disposition rates lower than incoming case volumes serve as a signal to review the programs and systems towards making adjustments where possible to improve the disposition rate.

Locally, the average number of final case dispositions per year (2005-2011) exceeded the incoming caseload by 8 cases. 2011 was the most successful year, with dispositions exceeding incoming cases by 91, which illustrates a positive progression.

Early Resolutions

The Early Resolution Program (ERP) allows for defendants who have elected trial to meet with the prosecutor ahead of their trial date to determine if the case can be resolved to a lesser offence. If so, the matter does not proceed to trial, but instead the defendant enters a guilty plea in court to the amended lesser offence.


The ERP was first implemented in 2001 and has undergone some revisions over the years (when meetings are held, number of prosecutors assigned to meetings, etc.) to accommodate the increasing trial load and to enhance the public's access to justice.

The ERP has the following benefits to the local justice system:

- Reduction in trial loads;
- Maintains the principles of sentencing;
- Increases the final disposition rate; and
- Effective utilization of prosecutorial resources.

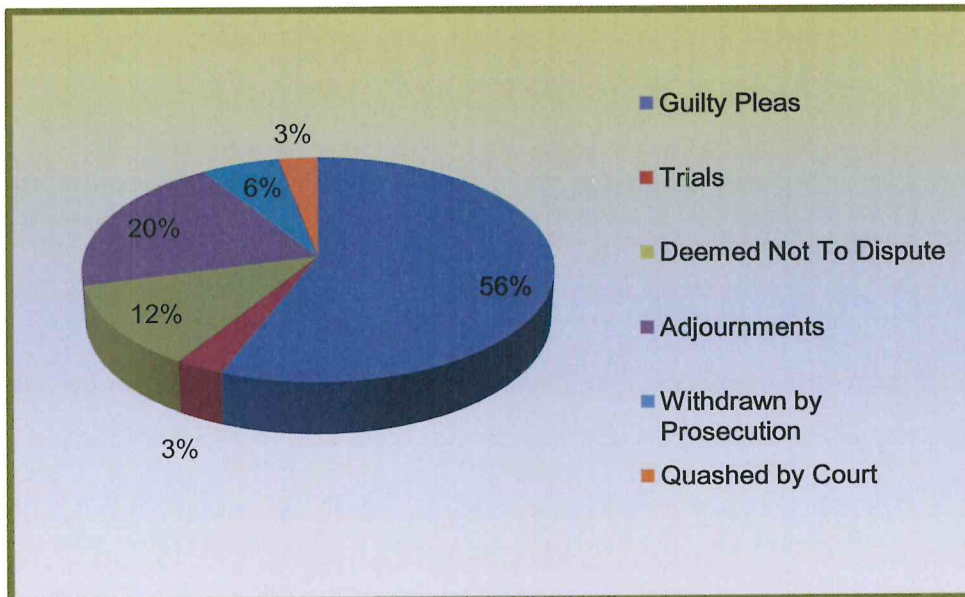
On average (2005-2011) 44% of people who request a trial elect an ERP meeting. Of those matters, 72% result in pleas. 2011 saw 46% of people attend meetings. Court Services has established a target range of 45-50% in order to effectively manage in-court case loads.

Past Accomplishments and Future Initiatives.....

Early Resolution Program	
	<p>Prior to 2011</p> <ul style="list-style-type: none"> • Increased number of days of ERPs. • Replaced individual appointment meetings with set daily times. • Issued invitation to ERP with Notice of Trial.
	<p>2011</p> <ul style="list-style-type: none"> • Revised prosecutorial schedule to assign more resources to ERPs. • Accommodated ERPs for trial matters on actual trial days. • Negotiated (with police agencies) to use Part I summons procedures for serious offences – maintains charge in administrative stream to allow for resolution discussions.
	<p>2012 forward</p> <ul style="list-style-type: none"> • Investigate potential ERP efficiencies that may be gained by adjusting the MCP to allow for full court days dedicated to pleas.

Adjournments

The volume of adjournments is reflective of issues such as readiness for trial, the effectiveness of in-court time in being able to address all matters on a docket, and the effectiveness of the disclosure and ERP processes. Adjournments can potentially cause increases in delay arguments, create backlog in the court system and thereby negatively impact time to trial, impede increases in final case dispositions and negatively affect public perception of the integrity of the court process. The following chart illustrates the percentage distribution of the various results of the cases on a typical court docket.



% Distribution of Case Results - Typical Court Day

Given the POA Court’s positive position with respect to time to trial and final case disposition rates, an adjournment rate of 20% acceptable. This rate serves as a benchmark indicator for monitoring the effectiveness of efficiencies created or difficulties experienced in other areas of court operations.

Business & Service Excellence



Business and service excellence in POA Court operations is reflected in the ability for the court to meet legislated, mandated and policy requirements, provide all required services in a manner that enhances the use of the court by the public and other court stakeholders, be cost-effective and ensure a revenue source. This section of this Report focuses on mandated staff resource levels, operational costs as a percentage of gross revenue and revenue received and the distribution of that revenue to serviced municipalities pursuant to the City’s operating agreements.

It is essential that concerns surrounding costs and revenues do not impede the appropriate operation of the POA Court in maintaining the principles of justice and the integrity of the Court. The preserving of public rights and access and the integrity of court stakeholder separation, independence and individual operating mandates must not be compromised by costs or a desire to increase revenue. As such, the Court Services operations have been positioned within the City’s budgeting process as an Enterprise Budget in which the POA Court operates as a self-funded enterprise with revenues being reallocated to reserves and contingency funds to ensure long-term financial sustainability of the court. This approach ensures a separation between government and the justice system and costs and demonstrates to all stakeholders that balancing the City’s budget and revenue from court fines are independent of each other.

Employee/Case Ratio

Provincial standards are in effect with respect to the staffing levels associated with working the charge load. It is a benchmark used to ensure that the primary basis of the court’s work (processing charges and all of the primary administrative functions associated with those charges) is accomplished within legislative, mandated and policy frameworks.

The provincial standard is one employee for every 5,000-6,000 charges received. Guelph has averaged 30,000 charges per year since 2002 (growing from 19,800 in 2000 at Transfer). Ideally there should be six employees dedicated to the work processes comprising the benchmark, which would put Guelph at a ratio of 1:5,000. The current staff/case ratio is 1:6,000, at the top end of the standard, which has resulted in the cautionary signal indicated in the dashboard. The impact of charge volume pressures are being mitigated through systems innovations and revisions to processing functions.

Past Accomplishments and Future Initiatives.....

Employee/Case Ratio	
	<p>Prior to 2011</p> <ul style="list-style-type: none"> • Efficiencies through case management software, payment processing, data systems input and revisions to trial scheduling processes.
	<p>2012 forward</p> <ul style="list-style-type: none"> • Move to case data input by vendor (Q2 of Court Services 2012 Work Plan). • Electronic ticketing systems (automated uploads to provincial database) under development by enforcement agencies.

Costs/Revenues

The primary drivers of court costs are facilities, trial load, charge volumes, public activity with respect to charges (i.e. trials, motions, appeals, transcripts, payments, fines going into default, extension applications, etc.) and the staff resources required to maintain court operations and address the workload caused by those drivers. Such costs can fluctuate significantly in any given year based on a variety of factors that are not within the POA Court’s control such as enforcement activity, legislative, procedural and policy changes, the state of the economy and the ability and willingness of the public to pay fines, the litigious nature of society, vehicle insurance rates, decisions of the Court, utility increases, and internal cross charges for other City services such as Information Technology. Costs are projected based on trends analyses and any known factors (i.e. compensation, supplies, existing contract service costs).

The vast majority of revenue is from the payment of fines with small portions of revenue received from transcript production and courtroom rental to other levels of courts. Like costs, revenue is uncertain with Court Services having little control over the amount received in any given year. As such, revenue projections are based on trends analyses as well.


Over the last 10 years (2002-2011), the total costs and revenue figures are as follows:

Gross Revenue	Expenditures	Net Revenue for Distribution	County Portion of Net Revenue	City Portion of Net Revenue	City Bylaw Fine Revenue	Total City Revenue from POA Court
\$35,045,224	\$15,482,624	\$19,562,600	\$9,970,334	\$9,592,266	\$708,791	\$10,301,057

On average, the cost to operate the POA Court is approximately 44% of the total gross revenue received. This rate can fluctuate significantly in any given year depending on the charge and trial volumes, facility costs, required staff resources and the revenue received.

Continuous efforts are made to find cost reductions and operational efficiencies in addition to enhancing collection efforts of outstanding fines. In addition to the local initiatives and accomplishments set out in other areas of this Report, Guelph works with the other 52 Municipal Partners operating courts in Ontario to achieve cost/revenue efficiencies:

Past Accomplishments and Future Initiatives.....

Costs/Revenues	
	<p>Prior to 2011</p> <ul style="list-style-type: none"> • Joint purchasing contract for court forms, tickets and the issuance of legislated notices. • Negotiated with the Province an increase to regulated court costs. • Use of Court Administration Management System software developed by one Municipal Partner and made available to all others at low annual cost.
	<p>2012 forward</p> <ul style="list-style-type: none"> • Work with the Province to provide for enhanced and varied interfaces with the provincial database such as court scheduling systems, automated ticket issuance systems, etc.

Appendix “A”

Background Information - Transfer of POA Courts to Municipalities

POA Courts within the Ontario Court System

Broadly defined, Ontario’s court system comprises Criminal Courts, Civil and Family Courts, Provincial Offences Courts (quasi-criminal) and Appeal Courts. POA Courts are within the framework of the “Ontario Court of Justice” and deal with regulatory offences against provincial statutes and municipal bylaws including the Highway Traffic Act, Liquor Licence Act, Compulsory Automobile Insurance Act, Building Code Act, Fire Protection and Prevention Act, Environmental Protection Act, Occupational Health and Safety Act, Municipal Elections Act, Trespass to Property Act and municipal by-laws.

The Provincial Ministry of the Attorney General has responsibility for the court system in Ontario with the POA Courts being administered by certain municipalities across Ontario under agreement with the Province.

POA Courts as a Shared Service

Transfer of POA Courts to Municipalities: On the heels of municipal amalgamation that occurred in Ontario in the mid-1990s, the provincial government commenced its Local Services Realignment initiative in 1998 resulting in the Transfer (downloading) to municipalities of certain services that were historically operated by the Province. These services (“Shared Services”) include Land Ambulance, Social Services and the administration of POA Courts.

The two primary tenets of the Transfer of POA Courts were to: (1) Give local communities more responsibility for justice with matters that have local community impact; and (2) To add significant revenue to the municipal revenue stream. This revenue was, in part, to offset the provincial claw back of the Community Reinvestment Fund, which had been a provincial funding mechanism to municipalities for some time prior.

POA Court Transfers commenced in 1998 with seven demonstration (pilot) sites: North Bay, Caledon, Brampton, Mississauga, York Region, Barrie and the District of Muskoka. Thereafter, municipalities across Ontario were invited to make formal submissions to the Province to become a “Municipal Partner” and undertake the service provisions of POA Courts in the remaining court service areas in Ontario. Some municipalities ended up taking on more than one court service area (e.g. Halton Region took on Milton, Burlington and Oakville court service areas, Barrie took on Barrie and Orillia, Waterloo Region took on Kitchener and Cambridge, York Region took on Newmarket and Richmond Hill, and Caledon took on Orangeville and Caledon East). In total, the 64 court service areas were transferred to 52 Municipal Partners with the Transfer initiative being completed with the final transfer to Toronto in 2002.

The Guelph Court Service Area encompasses the geographic limits of Wellington County and Guelph. After discussions with county municipalities, Guelph submitted its Letter of Intent to the Province in August of 1999 and the Transfer of the Guelph Court Service Area to the City occurred in May 2000.

All Municipal Partners were required to enter into the following agreements:

Memorandum of Understanding (“MOU”) – This is the Transfer agreement between the Provincial Ministry of the Attorney General (“MAG”) and each municipality (a standard agreement with the same terms and conditions for each municipality).

The MOU governs the principles of the Transfer including requirements to maintain the integrity of the justice system, the independence of the judiciary and fair hearings, the roles and responsibilities of the parties, how costs and revenues are to be addressed, access and ownership of records, accounting and audit requirements, operational and quality assurance reporting requirements, conflict of interest protocols, prosecutorial standards, operational standards, and compliance and performance measures.

Local Side Agreement (“LSA”) – This agreement is between MAG and each municipality and addresses certain terms and conditions specific to the court service area transferred. It establishes the court service area, the effective date of Transfer, exit audit requirements, the transition phase of court operations, facility arrangements, records transfer, adjudication costs, Crown Attorney prosecution costs, and the transfer of fine revenue to the municipality (fines paid to the province during the transfer project from 1998 to the date the specific court was transferred).

Inter-Municipal Service Agreement (“IMSA”) – This is the agreement between the Municipal Partner acting as the service provider and the serviced municipalities within the respective court service area. The Province is not a party to this agreement, but is a required agreement as part of the Transfer. The IMSA sets operating principles including the authority of the Municipal Partner in operating the court, conflict of interest requirements and the cost/revenue distribution arrangements between municipalities.

In addition to these agreements, Guelph entered into a **Court Services Agreement** with Waterloo Region to address the specific inter-jurisdictional issue of enforcement of provincial regulatory offences along Highway 401 where it passes through Wellington County. The OPP (Cambridge detachment) enforces this portion of the 401, the charges are filed and administered in the Waterloo Region POA Court and Guelph receives the fine revenue from those charges, less the costs set out in the Agreement.

Role of Municipal Partners: Within this venture, Municipal Partners have assumed responsibilities and accountability for this level of the justice system in Ontario – how effective it is, how the public is accommodated within it, how the independence of the Court is assured separate from government influence, and how the public’s individual rights guaranteed by *the Charter* are preserved. The very nature of the justice system has drawn municipalities, through the Transfer, into the broader spectrum of justice in Ontario. Each municipal partner is to operate the court in accordance with the principles of justice, within the parameters of legislative requirements and provincial operating policies, and to work with all local court stakeholders to ensure an effective and efficient local system of justice. In addition, Municipal Partners are to work with the Province to address province-wide justice initiatives, broader POA Court issues and legislative improvements.

Municipal Court Managers’ Association of Ontario: As a result of the Transfer of POA Courts, Municipal Partners established the Municipal Court Managers’ Association of Ontario to address operational concerns across jurisdictions, to ensure a collaborative approach to province-wide POA Court operations and to provide a collective representative body to address matters with the Province. Each municipal partner holds membership within this association and is represented in the Association by their respective court managers.

Although each municipal partner retains its individual party status with the Province pursuant to their respective MOU, the Association provides the collective voice of Municipal Partners when addressing operational and legislative issues with the Province. Members of the Association participate on various working groups and sit at the POA Policy Table, which is the group that addresses operational, policy and legislative concerns and improvements through the Ministry of the Attorney General’s Court Services and Criminal Law Policy Divisions.

Appendix "B"

Comparator Municipalities Operating POA Courts

Brantford
Brampton
Chatham-Kent
Halton Region
Hamilton
Kingston
London
Mississauga
Ottawa
Sudbury
Thunder Bay
Waterloo Region
Windsor

COMMITTEE REPORT



TO **CAFES Committee**

SERVICE AREA Corporate Administration
DATE June 11, 2012

**SUBJECT Implementing the Corporate Strategic Plan: 2012
Funding Requirements for Six Initiatives.**

REPORT NUMBER

SUMMARY

Purpose of Report: To recommended funding of six 2012 strategic initiatives to support implementation of the Corporate Strategic Plan Framework subject to Council approval of the creation of a Strategic Initiatives Reserve.

Committee Action: To recommend Council approval.

RECOMMENDATION

THAT Council approve the funding of six strategic initiatives in 2012 that will act as a foundation for moving forward with the Corporate Strategic Plan, subject to the approval of the "2011 Operating Reserves Review and Reallocation" - FIN-12-32; and

THAT subject to the approval of a Strategic Initiatives Reserve, Council approve implementation of the six strategic initiatives.

BACKGROUND

On January 25, 2012, Council approved plans to develop a Corporate Strategic Plan Framework that would effectively respond to critical issues facing the City. At that time Council also confirmed support for identified next steps which included determining 2012 initiatives, both new and ongoing, to implement the strategy.

To that end, the Executive Team began a detailed process to identify new project requirements and assess existing strategic efforts. The discussions resulted in a list of fifty strategic initiatives which are attached with descriptions in Appendix 1. The majority of the initiatives are Council approved or are ongoing administrative efforts while others include initiatives to be further assessed in 2012 for potential future resource requirements. Of the fifty initiatives, six require funding in 2012.

Subject to the creation of a Strategic Initiatives Reserve, outlined in Finance and Enterprise Report, "2011 Operating Reserves Review and Reallocation" - FIN-12-32, the six initiatives can commence. Funding for three of the initiatives will be for the period 2012-2014.

REPORT

Managing Change to Manage the Future – Six Key Initiatives to Begin CSP Implementation

Of all the 2012 strategic initiatives related to the Corporate Strategic Plan, there are six that require a funding source, to activate the Corporate Strategic Plan. Each of these initiatives has a detailed project scope included in Attachment #2. It is important to note that in two cases, a) Business Case Tools and Capacity Building and d) Community Wellbeing Initiatives that the requested in 2012 will cover full resource requirements over the 2012-2014 time period, while c) Records and Information Management program seeks funding for a two year period i.e. 2012-2013.

Taken together, these six initiatives will build further capacity in the organization and will position the City well to achieve organizational excellence, innovation in local government and City building.

a) Business Case Tools and Capacity Building

An investment of \$250,000 is required to facilitate implementation of a Business Development Framework. Specifically, the funding will support corporate training to develop and analyze business plans and cases which may also include the need to develop specialized software relating to the financial, fiscal and economic impact elements of business planning and to educate staff on its use through training seminars and communication programs. This investment will improve collaboration and coordination between municipal service areas and, where appropriate, external stakeholders. It will also improve the scoping and assessment of initiatives for funding purposes and improve the implementation of municipal plans and programs through better business planning. Overall, greater efficiencies between service areas is anticipated in addition to improved use of available resources enabling the delivery of better public service to the community.

b) Employee Engagement Survey Results Implementation

An investment of \$50,000 is required to support employee engagement implementation efforts to follow the planned engagement survey that will be issued

in June, 2012. The survey will establish a baseline for measurement and provide great focus for developing our human resource practices along with the right data to more effectively plan and deliver work to improve employee engagement. The implementation response is critical to ensure data is representative of the bulk of employees. High levels of staff engagement are positively correlated to excellent service delivery, higher productivity, lower absenteeism and decreased recruitment costs from lower employee turnover. Improved employee engagement will enable staff to continue striving to deliver outstanding service and value and work further towards the mission statement goal of becoming an exceptional City. Examples of implementation initiatives may include, but not be limited to, practice or system audits, coaching for leaders, team development training and targeted support, tools, resources and technology to continue to enhance employee effectiveness.

c) Records and Information Management Program (EDRMS – Phase 1)

An investment of \$200,000 is required to develop and administer an effective organization-wide Records and Information Management Program. Currently there is no central, standardized classification structure or system to manage corporate information in either physical or electronic form. One of the key goals of such a program will be to ensure that records are not only managed in compliance with statutory requirements but also in relation to industry best practices. This will include the eventual implementation of an Electronic Document Management and Records Management System (EDRMS) designed to support user-based access and control of corporate information. A fully sustainable and supported RIM program is essential to the successful implementation of an EDRMS. It will enable the fluid exchange, control and management of information strengthening the City's ability to share information across the corporation and better support and engage staff, stakeholders and the public. It will position the City well for open government opportunities and advancements.

d) Community Wellbeing Initiatives – Phase 2

The Community Wellbeing Initiative has already received Council approval. An additional investment of \$440,000 is required for Community Wellbeing Initiatives detailed in Appendix 2 for future phases of this initiative.

As a whole, this work complements both the Corporate Strategic Plan and the Official Plan. It will result in an overall improvement to our community's wellbeing, a stronger relationship between the City and the community developed through a new civic engagement model and deliver a tool for proactive advocacy with the Provincial and Federal governments. This effort will also enable new partnerships to achieve positive results through innovation centered on partnerships with the public, private and community benefit sectors. Already we are seeing partnerships develop with community members and stakeholders as a result of this work i.e. change labs.

Change labs, or “Collaboratory”, the Guelph change lab is an emerging partnership led by Innovation Guelph, supported with Trillium funding. It currently involves, the LHIN’s catalyst group, the University of Guelph, Research Shop, the City and supported by EYE Social Products Studio. This group is in the early stage of project definition and scoping and intends to build from the public engagement findings of the Community Wellbeing Initiative.

e) Economic Development Summit

A \$100,000 investment in is required in 2012 to support an economic development summit that will promote the attractiveness of Guelph for new businesses, innovation and entrepreneurial partnerships. It will help to move the Prosperity 2020 plans to the next phase of implementation. It will better position Guelph as a prosperity hub regionally and provincially. The program will explore new trends in the changing economy of the province and globally, successful business models and potential partnerships.

f) Guelph Innovation District – Joint University/College Campus Proposal

A \$60,000 investment is required to ignite development on innovation in Guelph Innovation District (GID). Once funded, this initiative will help to assess and demonstrate the viability of a new campus within the City of Guelph, the manner in which a new campus will benefit the overall community well being, and how a new campus will benefit the Provincial economic development, growth management, research and innovation, education and training policies, programs and agendas. This foundational initiative reflects multiple sphere of interests and will help to increase the local skills base and, by extension, support the City’s emerging agri-food, environmental, information technology and clear tech sectors.

Next Steps

Implementation of the Corporate Strategic Plan will require ongoing effort including the development of a communications strategy and the determination of actions required throughout the 2013-2016 time period. This work will be achieved with the collaborative engagement of employees. Results will be provided to Council for approval in September, 2012 along with recommended indicators, baselines and targets to track progress and success.

Element	Timeframe
Communications strategy	July, 2012
2013-2016 actions	September, 2012
Indicators, baselines, targets	September, 2012

CORPORATE STRATEGIC PLAN

This report supports all strategic directions in the Corporate Strategic Plan Framework.

FINANCIAL IMPLICATIONS

In the list of fifty 2012 initiatives there are six that require funding in 2012:

- Business Case Tools and Capacity Building
- Employee Engagement Survey Results Implementation
- Records and Information Management Program (EDRMS – Phase 1)
- Community Wellbeing Initiatives
- Economic Development Summit
- Guelph Innovation District – Joint University/College Campus Proposal

These six projects represent those identified collaboratively by the Executive Team that will trigger tangible action and results in relation to the directions of the new Corporate Strategic Plan.

It is important to note that that these initiatives include both new and ongoing efforts and that the funding of three of the efforts (Community Wellbeing Initiatives, Business Case Tools and Capacity Building and Records and Information Management) will be multi-year funding.

Taken together, the funding of these initiatives represents an expenditure that is recommended to be resourced from a reallocation of reserve funds as detailed in the report "2011 Operating Reserves Review and Reallocation" FIN-12-32.

	FOCUS AREAS						Total (2012-2014)
	Organizational Excellence	\$	Innovation in Local Government	\$	City Building	\$	
6 Strategic Initiatives	*Business Case Tools and Capacity Building 2012 – \$100,000 2013 –\$150,000	250K	*Records and Information Management Program (EDRMS – Phase 1)	200K	*Community Wellbeing Initiatives – Phase 2 2012 – \$204,400 2013 – \$137,800 2014 – \$97,800	440K	
	Employee Engagement Survey Results Implementation	50K			Economic Development Summit	100K	
					Guelph Innovation District – Joint University/College Campus Proposal	60K	
Total Reqm't (2012-2014)		\$300K		\$200K		\$600K	\$1.1M

*Multi-year funding strategy

DEPARTMENTAL CONSULTATION

Internal consultation included the Executive Team, Economic Development, Finance, Human Resources, Clerks, Community Engagement, Corporate Communications and Planning and Development.

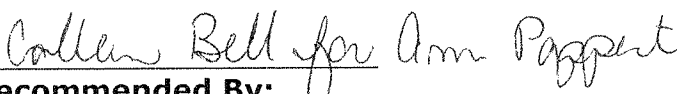
COMMUNICATIONS

An Executive Team approved communications strategy will support Corporate Strategic Plan implementation efforts.

ATTACHMENTS

- #1 - Proposed 2012 Strategic Initiatives
- #2 - Project Scopes for 2012 Initiatives with Funding Requirements

Prepared By: Brenda Boisvert, Corporate Manager, Strategic Planning and Corporate Initiatives


Recommended By:
Ann Pappert, Chief Administrative Officer

TO BE APPROVED BY COUNCIL

2012 STRATEGIC INITIATIVES

2012 INITIATIVES	1. Organizational Excellence			2. Innovation in Local Government		3. City Building		2012 Funding Requirement		Amount	Management/ Administrative Work	Projects approved by Council	Projects being framed to determine future costs/ approach	Description
	SD	SD	SD	SD	SD	SD	SD	SD						

Business Case Tools and Capacity Building	X	1.3			X			X	250K total 2012 - \$100,000; 2013 - \$150,000					Exploration of an optimal approach to business case development to support more informed decision making and delivering better public service.
Employee Engagement Survey Results Implementation	X	1.1			X			50K						A key element of an overall framework to support employee engagement and talent management efforts.
Records and Information Management Program (EDRMS - Phase 1)			X	2.1				\$200K						To develop, implement and administer an effective organization-wide Records and Information Management (RIM) program. A fully supported and sustainable RIM program is essential to the successful implementation of an Electronic Document and Records Management System. This initiative is linked to internal innovation and capacity building efforts.
Community Wellbeing Initiatives - Phase 2			X				3.3	\$440K 2012 - 204,400; 2013 - 137,800; 2014 - 97,800						Community Facing: A comprehensive community plan built on the Canadian Wellbeing Index to enhance services to citizens through engagement, service integration and innovation.
Economic Development Summit					X		3.3	100K						Corporate Facing: Community Engagement Framework to guide the work of City staff; includes principles, implementation and monitoring tools.
Guelph Innovation District Development Strategy							3.2	60K						Opportunities for input, engagement and partnership building with respect to the local economy.
														Development of a strategy for the GID in partnership with the Province of Ontario.

Direct Report Leadership Team and Executive Team Development	X	1.2									X			To elevate the skill sets of these leadership groups at the individual, group and inter group level.
Strategic Plan Implementation Planning 2013-16	X	1.3									X			Determination of strategic initiatives for the 2013-16 time period with employee input.
Organizational Roles & Expectations	X	1.3									X			To develop accountability matrices for Council/ Committees/ Executive Team, Executive Team and Direct Reports Leadership Team, Executive Team and Sub-Committees of the Direct Report Leadership Team.
Performance Measurement and Tracking Scorecards	X	1.3									X			Introduction of annual performance/accountability reporting to City Council.
Integrated Performance Reporting Format	X	1.3									X			Consistent approach to annual departmental performance reporting.
Information Flow Systems	X	1.3									X			Alignment of knowledge, information and capacity building.

STRATEGIC FOCUS AREAS and STRATEGIC DIRECTIONS LINK

2012 STRATEGIC INITIATIVES

2012 INITIATIVES

1. Organizational Excellence

2. Innovation in Local Government

3. City Building

TO BE APPROVED BY COUNCIL

Projects approved by Council

Management/Administrative Work

Projects being framed to determine future costs/approach

Description

1. Organizational Excellence	2. Innovation in Local Government	3. City Building	2012 Funding Requirement	Amount	Management/Administrative Work	Projects approved by Council	Projects being framed to determine future costs/approach	Description
X	1.3				X			To better manage and co-ordinate the presentation of information to Council.
	X	2.1			X			Undertake efforts to ensure good working relationships between the two governments.
	X	2.1			X			Meetings with employees to investigate opportunities for improvement across the corporation.

Emergency Management Preparedness	X	1.3				X		To elevate the organization's ability to respond to emergency situations.
Phase 2 Operational Review business Services	X	1.3	2.1			X		Joint operational review of Economic Development, Planning, Building & Engineering Services for the purpose of providing better delivery of services to the public and business community.
Information Technology Strategic Plan			2.1			X		A strategic plan focused on the Information Technology Services function within the corporation.
District Heating Proposal			2.1			X		The development of District Heating systems with a focus on serving the McDonnell and Woolwich area and Hanlon Creek Business Park.
South End Community Centre Business Plan			2.1			X		Participation in the model of 'Doing Business Differently' to explore shared funding arrangements and leveraging opportunities to acquire additional support and funding sources .
Framework for Doing Business Differently			2.1			X		Clarified framework to support ongoing efforts to deliver public service better.
Older Adult Strategy			2.2			X		A comprehensive and innovative strategy for Guelph to be "Age friendly" through proactively planning for the impact of an increasing older adult population on municipal services.
Guelph Community Investment Strategy			2.2			X		A strategy for the way the City funds and support non profit groups to achieve shared community goals.
Parks Model - use, role of neighbourhoods in place			2.2			X		An exploration of innovative recreational, cultural and educational programs to create parks as living community centres.
Guelph Municipal Holding company Strategic Plan			2.2			X		Guelph Municipal Holdings Inc. (GMHI) has been formed to provide the framework to identify and develop innovative and enterprise-based approaches to community services.

2012 INITIATIVES	1. Organizational Excellence			2. Innovation in Local Government		3. City Building		2012 Funding Requirement	Amount	Management/ Administrative Work	Projects approved by Council	Projects being framed to determine future costs/ approach	Description
	SD	SD	SD	SD	SD	SD	SD						
2012 Service and Operational Reviews			X	2.2							X		To undertake Service and Operational reviews fulfilling a primary duty of Council. The goal is to determine whether services should be offered, if so, how best to offer them, at what level, and to evaluate whether they are offered in an effective and efficient manner.
Community Energy Initiative			X	2.2							X		The Community Energy Initiative (CEI), approved by Council in 2007, sets out to reduce the City's energy and greenhouse gas emissions by 2031 by initiating actions in four areas: conservation/efficiency, distribution, generation and urban design. It also establishes the goal of positioning the City as a community leader in corporate energy strategy and implementation.
Service Review Framework			X	2.3							X		The number of services provided by the organization cannot be reviewed in a one year period with existing resources. It is necessary to select which services should be reviewed that will deliver the greatest benefit to the organization and community.
Land Ambulance Agreement			X	2.3							X		To ensure accountability and transparency of governance roles, an agreement is desired between the City and the County of Wellington.
Public Health Strategy			X	2.3							X		A strategy to positively reset the relationship with the Board of Health.
Community Improvement plans						X					X		Community has adopted GPs for Brownfield remediation and Downtown redevelopment.
Baker Street Plan/Library Project						X					X		City-initiated land development in Downtown Guelph including library and public parking components.
Downtown Secondary Plan and Implementation						X					X		Incorporation of a Secondary Plan for the downtown into the Official Plan, providing a comprehensive vision, principles and policy framework to manage land use change in the downtown to the year 2031.
Official Plan						X					X		Implementation of the Downtown Secondary Plan.
Downtown Business Plan						X					X		Completion of the Official Plan Update (OPA 48) "Envision Guelph".
Local Immigration strategy						X					X		Implementation strategy for Downtown Secondary Plan.
											X		A partnership lead by a Council of community members and agencies to increase the social and economic inclusion of immigrants.

STRATEGIC FOCUS AREAS and STRATEGIC DIRECTIONS LINK

2012 STRATEGIC INITIATIVES

TO BE APPROVED BY COUNCIL

2012 INITIATIVES

Description

Projects being framed to determine future costs/approach

Projects approved by Council

Management/Administrative Work

Amount

2012 Funding Requirement

3. City Building

2. Innovation in Local Government

1. Organizational Excellence

2012 INITIATIVES	Description	Projects being framed to determine future costs/approach	Projects approved by Council	Management/Administrative Work	Amount	2012 Funding Requirement	3. City Building	2. Innovation in Local Government	1. Organizational Excellence
Guelph Innovation District (GID) - Development Strategy	In partnership with the Province of Ontario create a development strategy for the GID.		X				X	3.2	X
Sustainable Neighbourhood Engagement Strategy	A strategy for supporting neighbourhood groups in a sustainable and effective way in the future. It articulates the way in which the City will fund and support these groups.		X				X	3.3	X

Leadership and Development Training for Council and Employees	In partnership with the Province of Ontario create a development strategy for the GID.	X							1.1	
Decision Making Excellence - Accountability and Delegated Authority	Strengthening our stewardship and risk management; creating a framework for accountability.	X							1.1	
Project Planning Framing and Management	Development and a more comprehensive approach to project management which emphasizes client involvement, representation and satisfaction.	X							1.3	
Aligned Administrative Capacity and Efficiency	Optimization of the organization's capacity to undertake work. An assurance that limited resources are focused on established strategic and operational priorities.	X							1.3	
Intergovernmental Service coordination	A strategy to better coordinate services and communications with other municipalities, provincial government and provincial crown agencies.	X							1.3	
Intergovernmental Relations Focus	A strategy to build a positive relationship with the provincial government for purpose of advocacy and promotion of the City.	X						X	2.1	
Development Charges Background Study	Reframing and implementation of the background study.	X						X	2.2	
Compliance Reporting	Introduction of community reporting concept. Making relevant, at the community level, the various services provided by the organization.	X						X	2.3	
Financial Reporting and Communication Framework	A framework to support clarity of communications with respect to municipal financial information for both internal and external audiences.	X						X	2.3	
Guelph Identity and Image	To set a strategy to build our reputation in Guelph with provincial partners and associations.	X					X			3.3
Canada 150th Anniversary	To co-ordinate a series of events in celebration of Canada's 150th anniversary with an emphasis on youth engagement.	X					X			3.3

STRATEGIC FOCUS AREAS and STRATEGIC DIRECTIONS LINK

TO BE APPROVED BY COUNCIL

2012 STRATEGIC INITIATIVES

2012 INITIATIVES	1. Organizational Excellence	SD	2. Innovation in Local Government	SD	3. City Building	SD	TO BE APPROVED BY COUNCIL		2012 STRATEGIC INITIATIVES		
							2012 Funding Requirement	Amount	Management/ Administrative Work	Projects approved by Council	Projects being framed to determine future costs/approach
Social Media and Relationships Approach					X	3.3				X	A streamlined social media and relationships approach to capitalize on two-way communications and promotion related opportunities.

1. Business Case Tools and Capacity Building

Project Name:	Corporate Business Planning Framework	Number:	
Current Name Phase:	Proposal		
Project Manager:	Peter Cartwright	Telephone #:	2820
Division Functional Director:	N/A	Telephone #:	
Project Sponsor:	Colleen Bell	Telephone #:	2665

PROJECT DEFINITION

PROJECT PURPOSE:

The purpose of this initiative is to develop a Business Development Framework for the purpose of improving the planning, analysis, implementation and monitoring of new capital and operating related initiatives within the Corporation of the City of Guelph. It should be noted that the Framework will consider mechanisms to determine which initiatives need to be processed through the full Framework and those that can be fast tracked.

CRITICAL SUCCESS FACTORS:

In order for the Framework to be successfully implemented it will require the endorsement and support of various management groups within the City of Guelph, including but not limited to:

1. The Direct Report Leadership Team (DRLT);
2. The Executive Team (ET), and
3. Guelph City Council (GCC).

The success of the Framework will also depend on the level of Corporate support that will be provided with respect to:

1. Corporate training to develop and analyze business plans and cases. This may also include the need to train staff on the use of specialized software programs relating to the financial, fiscal and economic impact elements of business planning.
2. Staff transition to a new way of doing business. This may include the need to develop communication programs, seminars, etc.
3. Resourcing the Framework, including the possible establishment of centralized business development support, software programs, etc.

PROJECT GOALS:

As previously stated the purpose of this initiative is to improve the planning, analysis, implementation and monitoring of new capital and operating projects. The projected goals will be to:

1. Improve collaboration and coordination between municipal service areas and where appropriate external stakeholders.
2. Improve the scoping and assessment of initiatives for funding purposes.
3. Improve the implementation of municipal plans and programs through better business planning.
4. Improve efficiencies between service areas
5. Improve the use of resources.

PROJECT STRATEGY:

This initiative will be developed and implemented as follows:

1. Preparation of a draft Business Development Framework by Business Development Subcommittee (BDSC) of the DRLT. This Committee has representatives from each of the Corporation's four main service areas.
2. Presentation of the draft Framework by the BDSC to the DRLT for its endorsement and approval to present to the ET. Where required revisions to the draft will be made by the BDSC.
3. Presentation of the draft Framework by the BDSC to the DRLT for its endorsement and approval to present to the ET. Where required revisions to the draft will be made by the BDSC.
4. Presentation of the final Framework by the BDSC to GCC for its endorsement and approval.

5. Implementation and staff roll out of the Framework (subject to GCC's approval). It is anticipated the implementation will be phased as follows:
- a) The short term (Year 1) roll out will include the development of Business Cases for four pilot projects (the potential redevelopment of Baker Street, the development of additional downtown parking facilities, the implementation of a Corporate Property Energy Efficiency program, and the development of the South-End Recreational Facility). It is anticipated the preparation of the required business cases for these pilots will be managed by staff and developed by external consultants. The review and approval of the business cases will be as per the recommended Framework process. The pilot projects appear to meet both the immediate needs of the community and Council. They will also serve to test the Framework process as well as to provide hands-on training for select staff.
 - b) It is anticipated that the medium term (Year 2) will include continued staff training, the provision of additional resources (software, potential staffing requirements, etc).

PROJECT PRODUCT DEFINITION:
END PRODUCTS:
1. The final product Corporation of the City of Guelph's endorsement, approval and implementation (including resourcing) of a Corporate Business Framework.
KEY INTERIM PRODUCTS:
1. The interim products will include drafts of the Corporate Business Framework for review, input and endorsement by the Direct Report Leadership Team and Executive Team

PROJECT SCOPE:	
Project Scope Is (Includes):	Project Scope Is Not (Does Not Include):
1. The proposed Framework address: <ul style="list-style-type: none"> a) The project scoping and pre-qualification criteria required to identify which initiatives should be subject to the Framework and which will not; b) A business case template for use in the planning, analysis, implementation and monitoring of initiatives; c) A business development evaluation and approval process; and d) An implementation plan which will address the logistical phasing, resource, budget, training and corporate communications requirements for the Framework. 	1. The proposed Framework will not address: <ul style="list-style-type: none"> a) The development of specialized software; b) An assessment of the Corporation's current resources

2. Employee Engagement Survey Results Implementation

Project Name:	Employee Engagement Survey Results Implementation	Number:	
Current Name Phase:			
Project Manager:	Aidan Prince and Kerry Pletch	Telephone #:	2682, 2658
Division Functional Director:	N/A	Telephone #:	
Project Sponsor:	Mark Amorosi	Telephone #:	2281

PROJECT DEFINITION

<p>PROJECT PURPOSE:</p> <p><i>What is employee engagement?</i></p> <p>There are countless definitions of engagement by various firms however the following from the Conference Board of Canada is offered:</p> <p><i>“Employee engagement is a heightened emotional and intellectual connection that an employee has for his/her job, organization, manager, or coworkers that, in turn, influences him/her to apply additional discretionary effort to his/her work.”</i></p> <p><i>Why do we need to implement the employee engagement survey?</i></p> <ul style="list-style-type: none"> • Recognized top employers have engaged employees. As a standard practice they conduct surveys every 12-18 months to measure engagement and focus prioritized human resources work on maintaining it. • The 2007 Strategic Plan identified the objective “to be recognized as a top employer in the community” and the revised Strategic Plan renews this focus. • Recognition as a top employer comes from external sources such as published lists (e.g. 50 Best Employers In Canada, Canada’s Top 100 Employers) which helps us to attract top talent. • Recognition however must also (and perhaps more importantly) come from our current employees. With this, they will put forth discretionary effort, remain with the organization and by word of mouth help us attract top talent. • Top talent is necessary for us to deliver the best public service; particularly in our current environment of constant change and challenges. Our pending labour force shortage will have us competing for this talent as never before within and outside the public sector. • Our last “employee satisfaction” survey was done in 2006, with many actions taken based on its results. • Many projects have been completed from the People Practices, resulting in a developing infrastructure of employee focused programs, helping us to become more comparable to other employers. • Despite this progress, our statistics show negative trends with engagement indicators such as employee turnover, absenteeism and external recruitment times. As well, anecdotally we seem to be experiencing challenges with employee morale in areas of the organization.
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<p>PROJECT GOALS:</p> <ul style="list-style-type: none"> • An employee engagement survey will establish a baseline for measurement and provide greater focus for our developing human resources practices and work for leaders at the team level.

- It will provide the data we need to more effectively plan and deliver work to improve employee engagement report on our progress and meet the objective/mission to be recognized as a top employer externally and internally.
- Implementation is critical for the survey investment to be realized.

CRITICAL SUCCESS FACTORS:
<p>Required from the Executive Team</p> <ul style="list-style-type: none"> • Endorsement of project and implementation initiatives, acknowledgement and understanding of its purpose and scope • Acceptance of and further defining of critical roles • Approval of resources required: people, financial, systems <p>Required from Employees</p> <ul style="list-style-type: none"> • Completion of survey (goal = 70% participation) • Participation in action planning and implementation

PROJECT STRATEGY:	
What	When
Project planning	December/January
Selection of survey vendor	February/March
Development of survey and implementation process	March/April
Employee communication	April – ongoing through process
Survey implementation	June
Data tabulation and analysis	July/August
Results reporting	September
Action planning	October/November
Action implementation	November - ongoing

PROJECT BENEFITS:
<p>A highly engaged work force provides an organization with:</p> <ul style="list-style-type: none"> • lower turnover • higher productivity • lower absenteeism • lower costs • greater customer satisfaction; and • easier and less recruitment.

PRODUCT DEFINITION
END PRODUCTS:
<ul style="list-style-type: none"> • Organization-wide employee engagement results • Organization-wide senior leadership engagement results • Service Area specific employee engagement results • Departmental specific employee engagement results (where 10+ completed surveys are submitted)

- Access for 12 months to an online database with COG engagement data with ability to look at demographic data and employee engagement
- Depending on the final implementation process and approach the follow are also possible:
- Physical work environment improvements – e.g. staff lounge, work spaces, equipment
 - Tools/resources/technology – adding or replacing where trends show employees indicate they do not have these adequately in place to be effective
 - Corporate culture training
 - Corporate wide advisory group facilitation
 - Existing practices/systems audits
 - Targeted coaching services for leaders
 - Team action planning facilitation
 - Team development training and support

KEY INTERIM PRODUCTS:
Detailed Project Plan Communications Plan

PROJECT SCOPE	
PROJECT SCOPE IS (INCLUDES):	PROJECT SCOPE IS NOT (DOES NOT INCLUDE):
Providing an opportunity for all full-time and regular part-time employees to complete survey. Assessment and implementation of results.	Surveying volunteers, casual part-time employees, seasonal employees, contract employees or temps.

3. Records and Information Management Program (EDRMS – Phase 1)

Project Name:	Records and Information Management Program (EDRMS – Phase 1)	Number:	
Current Name Phase:			
Project Manager:	Blair Labelle	Telephone #:	2232
Division Functional Director:	N/A	Telephone #:	
Project Sponsor:	Mark Amorosi	Telephone #:	2281

PROJECT DEFINITION

PROJECT PURPOSE:
<p>To develop, implement and administer an effective organization-wide Records and Information Management (RIM) program. Currently, there is no central, standardized classification structure or system to manage corporate information in either physical or electronic form. The first phase of this project will involve a detailed and comprehensive assessment of the corporate records inventory and current records management practices. This review will provide the information necessary to develop a terms of reference for a RIM strategy which will then be used to implement a corporate RIM program. Phase 1 of the Records and Information Management Program will require the retainer of a two year, temporary full-time position within the City Clerk’s Department.</p> <p>A RIM program develops a corporate memory, which is essential to the sharing and exchange of information within an organization. In general, the core objective of a RIM program is to generate efficiencies by facilitating quick and reliable access to information. A RIM program supports work flow management and reduces the unnecessary duplication of information. It also decreases liabilities with respect to the storage and destruction of records and is crucial to risk management and business continuity planning. A RIM program also includes policies and procedures to ensure that historically significant and valuable records are preserved in perpetuity.</p> <p>One of the key goals for the City of Guelph RIM program will be to ensure that records are not only managed in compliance with statutory requirements but also in relation to industry best practices. This will include the eventual implementation of an Electronic Document and Records Management System (EDRMS) designed to support user-based access and control of corporate information. A fully sustainable and supported RIM program is essential to the successful implementation of an EDRMS.</p> <p>Current best practices and trends favour organizations that are able to fluidly exchange, control and manage information. A RIM program will significantly strengthen the City’s ability to share information across the corporation and better support and engage staff, stakeholders and the public.</p>

PROJECT GOALS:
<p>The goal of this project is to collect information with respect to current records management practices and to generate a corporate records inventory. This assessment review will be used to build a terms of reference for the development of a RIM strategy which will then be used to implement a corporate RIM program. The review is necessary to ensure that the City’s future records management structure is not only adherent to the legislative requirements but also is developed as a ‘Guelph-specific’ model which can be more easily implemented and managed. A corporate records inventory contains Metadata information with respect to existing records which will be reconciled with The Ontario Municipal Records Management System (TOMRMS) to build a classification system for the City. The RIM strategy will include (but may not be limited to) a roadmap for the implementation of the following:</p> <ul style="list-style-type: none"> • Electronic Document and Records Management System (EDRMS) • Records Classification System • Records Retention Policies • Records and Information Purge Program • Historical Records Preservation Plan • Training and Development Plan

- Forms Management Inventory and Procedure
- Records Disaster Response/Recovery Plan

CRITICAL SUCCESS FACTORS:

The critical success factors for this project are:

- The organization-wide assessment of records inventories and practices will require staff involvement and participation. As a result, a consultation and engagement plan will be a central component of the project plan.
- An education and awareness component will need to be included as part of the assessment review process to ensure that participants are fully aware of the intent and purpose of the project.
- The availability of existing information regarding departmental records inventories and practices is currently unknown. As a result, a quick initial targeted scan of each service area may be required to determine where more of a detailed assessment review must occur.

PROJECT STRATEGY:

Phase 1 of the Records and Information Management Program will require the retainer of a two year, temporary full-time position within the City Clerk’s Department. Under the direction of the City Clerk, this individual will lead the RIM project to achieve the objectives noted herein. A detailed project plan will be developed to further define parameters. The project plan will include specific tasks to scope out the various meetings with service level/departmental groups in relation to gathering the required information. Regular reports to the City Clerk (project sponsor) will be provided and the Executive Team and Council will be updated and informed when necessary.

PROJECT BENEFITS:

This project will create the necessary framework with which a corporate RIM program can be implemented. The information collected in the first phase of this project is crucial to the formulation of a sustainable RIM program. It is important that the development of a plan focus on what can be most easily implemented and supported. The following are some key benefits of a corporate RIM program:

- Quick and easy access to information
- Creates a corporate memory which can be easily conveyed and referenced
- Improves customer service and supports key goals for public/stakeholder engagement (ie. Open Government)
- Reduces potential for redundant/duplicate information
- Decreases liability with respect to collection/destruction of information
- Ensures compliance with legislative requirements
- Preserves historically significant and valuable information
- Bolsters risk management/business continuity planning

PRODUCT DEFINITION

END PRODUCTS:

The end products associated with this project are:

1. An inventory of Metadata as it relates to City records. This will include a preferred approach to the development of a standardized corporate records classification system.
2. A collection of current records and information management practices. This will include an assessment of practices as they relate to physical records as well as electronic information.
3. A terms of reference for a City of Guelph RIM strategy (based on the above assessment reviews)

KEY INTERIM PRODUCTS:

None. The records inventory and collection of current records practices will be available prior to the RIM strategy terms of reference.

PROJECT SCOPE (FOR PHASE 1)

PROJECT SCOPE IS (INCLUDES):	PROJECT SCOPE IS NOT (DOES NOT INCLUDE):
Corporate records inventory	
Collection of current records management practices	
Terms of reference for RIM strategy	

4. Community Wellbeing Initiatives – Phase 2

Project Name:	Community Wellbeing Initiatives – Phase 2	Number:	
Current Name Phase:			
Project Manager:	Barbara Powell	Telephone #:	2675
Division Functional Director:	N/A	Telephone #:	
Project Sponsor:	Colleen Bell	Telephone #:	2665

PROJECT DEFINITION

PROJECT PURPOSE:
<p>The City has partnered with the community on the development of a Community Energy Plan, Prosperity 2020, an Economic Development Plan, but lacks a comparable plan in the realm of social/health. Issues in the social/health realm are becoming increasingly complex and inter-connected.</p> <p>The well-being of a community, also known as quality of life, is defined by social, economic and environmental factors. It starts with the essentials - food, shelter and healthcare. It is shaped by our work-life balance, how we care for each other and how we respect the planet. Wellbeing means being safe, healthy, and feeling connected to the people and places around you. It's about the quality of our neighbourhoods, parks and the natural environment. It means being able to express ourselves fully and participate in the activities that we love. It's also about the health of our communities and relationships.</p> <p>The Community Wellbeing Plan will be built through significant community engagement rooted in local values, grounded in community experience, and shaped by technical expertise. The process will allow the community to learn about and contribute to the decisions that affect their lives. Civic engagement will also be a means to inspire the community to take action and define a common vision, goals and strategies for the future. This will support the City to partner effectively with others to contribute to community wellbeing commensurate with its role and resources.</p>

PROJECT GOALS:
<p>Citizens are at the centre of the CWI - how to engage them, how to serve them better and how to improve their wellbeing. The anticipated outcomes are:</p> <ul style="list-style-type: none"> • Improve our community's wellbeing in future years; • Encourage more interaction and sharing of ideas between community members and government to solve local issues; • Empower the private and community benefits sectors to join the public sector to take action and participate in local solutions; • Improve government's understanding of the community's values, needs and desires for the future; • Encourage innovative approaches to delivering local services centred on partnerships with public, private and community benefit sectors.

CRITICAL SUCCESS FACTORS:
<ol style="list-style-type: none"> 1) Deeper community engagement that attracts individuals and groups who do not typically participate in traditional processes to gain a wider range of opinions and broaden partnerships; 2) Stronger commitment from stakeholders to assume responsibility and accountability for achievement of their part of the plan; 3) Rigorous monitoring and evaluation to measure progress and take corrective action as required; 4) Managing expectations, resources and focus on strategic actions that can have significant impact and are achievable in a reasonable timeframe; and 6) A strong change management process to support City staff in the implementation of the new community engagement framework.

PROJECT STRATEGY:

The project has both community based and internal corporate components that will be implemented over three phases.

Phase 1: (2011)

Development of CWI work plan and a corporate community engagement framework.
Research paper on best practices.

Phase 2: (2012)

Community Initiative: The project is being led by the Guelph Wellbeing Leadership Group, a cross sector group of community leaders. They are acting as ambassadors and brokers to engage the community in the project and develop the Wellbeing action plan with the community. The action plan will be influenced by the following inputs:

- a) a 12,000 household survey based on the Canadian Index of Wellbeing developed with the University of Waterloo
- b) a public engagement process: on line and in person conversations with individuals and small group at the neighbourhood and ward level, seminar with Don Lenihan on public engagement and a public symposium
- c) community indicator report using existing community data from public health and Statistics Canada
- d) Collation of themes from previous community consultations on related projects. 1st draft of plan for December 2012 identifying actions and priorities

Corporate Initiative:

Forty key informant interviews will be conducted across the corporation to develop an environmental scan of existing community engagement practices, challenges and opportunities.

A Best Practice review of community engagement will be conducted to develop a new corporate framework. Council endorsement of the new Community Engagement Framework scheduled for December 2012

Phase 3 (2013-2014)**Community Initiative:**

Development of implementation plan for the community plan including monitoring and evaluation framework;
Implementation, adjustment and progress reporting; and
Review of governance structure to support work.

Corporate Initiative:

Development of a new community engagement guidebook, tools and training for staff to support implementation.

PROJECT BENEFITS:

- A Community Wellbeing Plan that complements the City's Corporate Strategic Plan and Official Plan;
- An engaged community working to achieve the vision of the Community Wellbeing Plan;
- A stronger relationship between the City and the community developed through a new civic engagement model;
- City and community service coordination delivered in an efficient and effective manner;
- A tool for proactive advocacy with the provincial and federal governments; and
- New collaborative partnerships to achieve positive results through innovation.

PRODUCT DEFINITION

END PRODUCTS:
<ul style="list-style-type: none"> • A Guelph Wellbeing Plan built by the community with a robust evaluation plan to measure ongoing progress; • A tested collaboration model that can be used to facilitate community solutions for local challenges; and • A corporate community engagement framework that will improve longer term engagement with the community.

KEY INTERIM PRODUCTS:
<ul style="list-style-type: none"> • Best practice review on the development of community wellbeing plans and civic engagement frameworks; • Introductory educational sessions with Don Lenihan on new approaches for public engagement; • A new public engagement process and report on results; • Random household survey based on Canadian Index of Wellbeing research; • Community Indicator Report describing wellbeing components at the local level; • Collation of results from other community consultations for complementary projects being leveraged in this initiative; • Reports, tools posted to worktogether.ca, a collaboration site hosted by University of Guelph; • Monitoring and evaluation framework for future Community Indicator reports; and • Progress Reports to Council.

PROJECT SCOPE	
PROJECT SCOPE IS (INCLUDES):	PROJECT SCOPE IS NOT (DOES NOT INCLUDE):
Engagement of public, private sector, community benefit sectors operating in Guelph	Engagement of public, private sector, community benefit sectors operating outside of Guelph
Development of the Guelph Wellbeing Plan	Implementation of new initiatives arising from the development of the Guelph Wellbeing Plan
New corporate civic engagement framework	
Tested collaboration model for future initiatives	

5. Economic Development Summit

Project Name:	Economic Development Summit	Number:	
Current Name Phase:	Planning		
Project Manager:		Telephone #:	
Division Functional Director:	Colleen Bell	Telephone #:	2665
Project Sponsor:	Ann Pappert	Telephone #:	

PROJECT DEFINITION

<p>CORPORATE PROJECT PURPOSE: The purpose of the project is to plan and execute an economic development summit that showcases the attractiveness of this City for new businesses, innovation and economic partnerships between the private sector, public sector and the academic community.</p> <p>CRITICAL SUCCESS FACTORS: -Sufficient resourcing and advance marketing campaign to maximize participation at the summit; -Strong networking to traditional business community and new entrepreneurs to encourage participation; -Strong public support from Council and other community champions for this summit; -Ability to attract speakers who are recognized as dynamic leaders in the economic development sector; and -Positive media coverage.</p> <p>PROJECT GOALS: -Catalyze greater momentum for the Prosperity 2020 initiative; -Introduce new ideas, trends and perspectives that could influence future economic development planning in Guelph; -Showcase Guelph as a business friendly community and specific initiatives such as the Downtown - Revitalization Project and the Guelph Innovation District; -Identify new initiatives to attract business to Guelph; and -Encourage greater participation from traditional business community and new stakeholders for new initiatives.</p> <p>PROJECT STRATEGY : -Strong social media and marketing strategy to build community/media interest and support for the summit; - Regional outreach program to a variety of business networks to maximize attendance; -Design a summit program that supports a variety of activities; introduction of new ideas, interactive forums that encourage attendee participation, opportunities to develop "calls to action", exhibit forum to showcase businesses; -Build a roster of speakers who are recognized for their strong contributions in the economic development sector; and -Build a "post summit" follow-up to continue to build momentum.</p>

<p>PROJECT PRODUCT DEFINITION</p> <p>END PRODUCTS: -Economic development summit for local and regional businesses; -Identification of potential initiatives; -Forums for ongoing dialogue about new initiatives through social media and workgroups.</p> <p>KEY INTERIM PRODUCTS: -Summit strategy -Marketing and social media campaign -Summit implementation plan</p>
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PROJECT SCOPE	
Project Scope Is (Includes):	Project Scope Is Not (Does Not Include):
Marketing/social media campaign to support the summit	Implementation plans for new initiatives arising from the summit
Outreach program to encourage participation	Follow up meetings post summit
Program implementation Plan	
Execution of the Economic Development Summit	
Post summit evaluation	

6. Guelph Innovation District – Joint University/College Campus Proposal

Project Name:	Guelph Innovation District – Joint University/College Campus Proposal	Number:	
Current Name Phase:	Business Case Strategy & Development		
Project Manager:	Peter Cartwright	Telephone #:	2820
Division Functional Director:	N/A	Telephone #:	
Project Sponsor:	Ann Pappert	Telephone #:	2220

PROJECT DEFINITION

PROJECT PURPOSE:

Prosperity 2020, the City of Guelph's Economic Development and Tourism Strategic Directions Plan has identified the need for a new College Campus within the City of Guelph for the purpose of further supporting the city's emerging agri-food, environmental, information technology and clean tech sectors. Similar recommendations were made in the Strategic Plan for the Guelph Agri-Innovation Cluster which was jointly commissioned in 2010 by the City of Guelph and the University of Guelph.

A new campus also appears to be consistent with the York District Land Use Plan policies that are currently being development by the City of Guelph as well as the Adaptive Redevelopment Study for the Guelph Correctional Facility which is currently being developed by the Province of Ontario.

Conestoga College has made its interest known to the Province of Ontario that it is interested in developing a campus at the former Guelph Correctional Facility site. The College and the University of Guelph are currently collaborating on a proposal to jointly develop and operate this campus. The intent of this campus is to compliment the research and development activities conducted by the University of Guelph with the applied technologies and training programs provided by Conestoga College.

The City of Guelph, Conestoga College and the University of Guelph have agreed to share costs and resources to develop a business case which will provide further evidence for the need of this campus and its viability, and to develop a strategy for its presentation to the Province of Ontario. Both the business case and the strategy will consider how the proposed campus will address the community's varied needs as well as how it will help implement the Province's general education, training, economic development and growth agendas, and specifically how it may assist with the redevelopment of the Province's land holdings within the York District.

It has been agreed by the City, College and University that the City will act as the project manager on this initiative.

CRITICAL SUCCESS FACTORS:

In order for this proposal to be successfully it is anticipated that it will require at various stages the endorsement, support and cooperation of the following:

1. The City of Guelph (Executive Team & Council)
2. The University of Guelph (Administration and Board of Governors)
3. Conestoga College (Administration and Board of Directors)
4. Local Stakeholders (Business Community, Chamber of Commerce, Public Groups and Organizations)
5. Province of Ontario (Ministry of Training, Colleges and University, Infrastructure Ontario, Ontario Realty Corporation, Ministry of Research and Innovation, Ministry of Agriculture, Food and Rural Affairs, Cabinet)

PROJECT GOALS:

The primary goals of this initiative are to:

1. Assess and demonstrate:
 - a) The viability for a new campus within the City of Guelph
 - b) The manner in which a new campus will benefit the community well being for the City

<p>of Guelph.</p> <p>c) The manner in which a new campus will benefit the Province's economic development, growth management, research and innovation, education and training policies, programs and agendas.</p> <p>2. Consider alternate financing models for the development and operation of a new campus. This may include an assessment of possible private/public sector partnerships.</p> <p>PROJECT STRATEGY: It is anticipated that this initiative will be phased as follows:</p> <ol style="list-style-type: none"> 1. Collect and assess background information which may strategically direct the manner in which the business case will be developed and positioned to the Province of Ontario. This work will be conducted by the firm Strategy Corp, which has expertise in strategically positioning initiatives within the Province. 2. Strategy Corp, the City, University and College will jointly develop the scope of the business case and a strategy for its presentation to the Province. 3. The City, University and College will jointly oversee the preparation and presentation of the business case to the Province. As previously stated, it is anticipated that the business case will require the support of a number of Provincial bodies, such as the Ministry of Training, Colleges and Universities (re: the charter for the new campus), Infrastructure Ontario (re: the use of Provincial property with the York District), Ministry of Research and Innovation (re: alignment with its agenda), Ministry of Agriculture, Food and Rural Affairs (re: alignment with its agenda), and the approval of Cabinet (overall approval of the proposal).

<p>PROJECT PRODUCT DEFINITION</p> <p>END PRODUCTS:</p> <ol style="list-style-type: none"> 1. A strategy which will address: <ol style="list-style-type: none"> a. the scope of the business case b. the presentation of the business case 2. A business case for presentation to the Province of Ontario and others (as identified) <p>KEY INTERIM PRODUCTS:</p> <ol style="list-style-type: none"> 1. Scoping report from Strategy Corp which will highlight provincial opportunities and programs which may help define the scope of the business case and the positioning strategy. 2. Draft positioning strategy. 3. Draft business case 4. Final strategy and business case
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PROJECT SCOPE	
Project Scope Is (Includes):	Project Scope Is Not (Does Not Include):
<ol style="list-style-type: none"> a. Assembly and assessment of relevant background material b. Preparation and assessment strategy options. c. Development and implementation of a positioning strategy d. Creation and presentation of a business case to the appropriate organizations. 	<ol style="list-style-type: none"> a. Commitments at this time from any party with respect to providing funding assistance or other resources that may be required in the physical development of the campus

COMMITTEE REPORT



TO **CAFES**

SERVICE AREA Finance and Enterprise Services
DATE June 11, 2012

SUBJECT 2011 Year End Variance Report and Operating Surplus Allocation

REPORT NUMBER FIN-12-25

SUMMARY

Purpose of Report:

The purpose of this report is to:

- a) share the results of the 2011 year-end financial position
- b) recommend the allocation of the 2011 year end operating surplus

Council Action:

Receive the financial information related to the 2011 year end operating surplus

Approve the proposed allocation of the year end operating surplus based on Finance and Executive Team recommendations

RECOMENDATION

THAT the report FIN-12-25 dated June 11, 2012 entitled "2011 Year End Variance Report and Operating Surplus Allocation" be received.

THAT the recommended allocation of the 2011 year end operating surplus in the amounts of **\$2,571,000** in the Tax Supported Budget and **\$4,304,000** in the User Pay Supported Budget as outlined in Finance report FIN-12-25 dated June 11, 2012 entitled "2011 Year End Variance Report and Operating Surplus Allocation" be approved.

BACKGROUND

Once the Annual Budget is produced, actual expenditures are monitored and compared against budget. While some differences are expected, variances should not be considerably above or below budget. Actual expenditures which are tracking close to budget are an indication of strong financial stewardship and a solid budget process. At the end of 2011, the actual expenditures were less than budgeted. This has resulted in a surplus in both the Tax Supported Operating Budget and the Enterprise Budget.

The chart that follows gives a high level indication of the 2011 Operating Variance (brackets indicate a favourable variance):

	Variance at Dec 31, 2011 (\$)	Variance at Dec 31, 2011 (%)	
Tax Supported Budget			
Total City Departments	\$ (290,000)	(0.4%)	Favourable
Local and Outside Boards	(2,281,000)	(3.5%)	Favourable
Total Tax Supported	\$ (2,571,000)	(1.7%)	Favourable
User Pay Budgets			
Waterworks	\$ (1,476,000)	(7.7%)	Favourable
Wastewater	(2,828,000)	(12.7%)	Favourable
Total User Pay Budgets	\$ (4,304,000)	(10.5%)	Favourable

REPORT

2011 Final Year-End Operating Position

Historically, operating surplus has been used to address shortfalls in operating reserves such as Insurance Reserve, OMB and Other Litigation Reserve, and the Tax Rate Stabilization Reserve. In addition, surpluses derived from local boards (Police and Library) have historically been returned to the respective Service Area.

The chart that follows provides a summary of the final year end variance position (brackets indicate a favourable variance):

	Budget for Year 2011 (\$)	Actual Expenditures to Dec 31, 2011 (\$)	Actual Variance at Dec 31, 2011 (\$)	Variance at Dec 31, 2011 (%)
Tax Supported				
City Departments	\$ 88,000,000	\$ 87,383,000	\$ (617,000)	(0.7%)
General Revenues and Expenses	\$ (153,087,000)	\$ (152,760,000)	\$ 327,000	0.2%
Sub-Total City Departments and Financing	\$ (65,087,000)	\$ (65,377,000)	\$ (290,000)	(0.4%)
Local Boards	\$ 39,365,000	\$ 38,707,000	\$ (658,000)	(1.7%)
Grants, Outside Boards and Agencies	\$ 25,722,000	\$ 24,099,000	\$ (1,623,000)	(6.3%)
Total Local and External Boards	\$ 65,087,000	\$ 62,806,000	\$ (2,281,000)	(3.5%)
Total Tax Supported	\$ -	\$ (2,571,000)	\$ (2,571,000)	(1.7%)
User Pay Budgets				
Water	\$ -	\$ (1,476,000)	\$ (1,476,000)	(7.7%)
Wastewater	\$ -	\$ (2,828,000)	\$ (2,828,000)	(12.7%)
Total Enterprise Budgets	\$ -	\$ (4,304,000)	\$ (4,304,000)	(10.5%)
Total City Surplus	\$ -	\$ (6,875,000)	\$ (6,875,000)	6.1%

Tax supported areas are showing a net favourable variance of \$2,571,000. Of this, the City Departments have a favourable variance of \$290,000. Local Boards which includes Police and Library have returned a positive variance of \$658,000.

The outside boards, shared services, social housing and child care assistance have a combined favourable variance of \$1,623,000. This surplus has been achieved as follows:

- Social Assistance: *favorable* \$624,000 due to a lower than projected caseload and significant savings from the new Ontario Works funding model.
- Public Health: *unfavourable* \$277,000 due to unbudgeted capital related costs.
- Social Housing: *favourable* \$863,000 due to lower heating costs from the mild winter, lower property taxes and salary gapping savings.
- Child Care Assistance: *favourable* \$421,000 due to additional provincial funding received late in the year, and closing of child care centres reducing the amount of subsidy paid.

The Enterprise funded budgets have a combined net favourable variance of \$4,304,000. Of this, Water has realized a \$1,476,000 favourable variance primarily due to higher than forecast water consumption because of the dryer summer in the residential side and a return to pre-recession levels in the in the non-residential sector.

The Wastewater area has a \$2,828,000 favourable variance due to increased consumption in the non residential sector, lower costs due to lower than expected system maintenance costs, staffing vacancies and reduced chemical costs through plant optimization.

Allocation of Surplus

For 2011, the City has returned an operating surplus in both the Tax Supported and Enterprise Budgets. Based on historical uses and identified priority funding areas staff recommend the following:

- 2011 Tax Supported Year End Operating Surplus: \$2,571,235 **(A)**
- 2011 User Pay Year End Operating Surplus: \$4,304,267 **(B)**

(A) Tax Supported Budget Surplus Allocation

The tax supported operating surplus for 2011 is \$2,571,235. It is recommended that the surplus be allocated to the following reserves:

(i) Transfer to Tax Rate Stabilization Reserve - Repay 2011 Draw	\$ 855,235
(ii) Transfer to Insurance Reserve	500,000
(iii) Transfer to OMB/Legal Reserve	500,000
(iv) Transfer to Affordable Housing Reserve	100,000
(v) Police Surplus to Police Capital Reserve to fund HQ Renovation Project	500,000
(vi) Transfer Library Surplus to Library Main Branch Reserve Fund	116,000
TOTAL 2011 TAX SUPPORTED SURPLUS ALLOCATION	\$2,571,235

(i)Tax Stabilization - \$855,235

To balance the 2011 budget a total of \$700,000 was taken from tax stabilization reserve. Finance recommends that this \$700,000 is returned to replenish this reserve. In addition, to further strengthen discretionary reserves and provide for unforeseen circumstances, it is recommended that an additional \$155,235 be transferred to this reserve.

The established target for all discretionary operating reserves, including Tax Rate Stabilization Reserve, is between 5-10% of the gross expenditures less amortization. The proposals contained in this report will increase the discretionary reserve ratio to 3.98%.

(ii)Insurance Reserve - \$500,000

The current balance on this reserve is \$827,919. Insurance trends have indicated there may be an increased need to use this reserve in the future. The average amount of funding from this reserve has averaged approximately \$600k per annum. For 2011 the \$275,000 was transferred from this reserve.

Due to fluctuations in the amount transferred annually, we would recommend 2-3 years worth of average transfers. This would set a target level of \$1.5M in this account. To assist in achieving this goal it is recommended that \$500,000 be transferred to the Insurance reserve for 2011 year-end.

(iii)OMB/Legal Reserve – \$500,000

This reserve is currently at \$205,356 with no ongoing funding source. Costs related to OMB hearings are estimated to be approximately \$450,000 annually and are currently unbudgeted, meaning these costs are directly funded from transfers from reserves. To address this funding gap, it is recommended that \$500,000 be transferred to the OMB/Other Litigation to ensure adequate resources available for OMB hearings in 2012.

It is also recommended that OMB related costs begin to be reflected in the operating budget for 2013 and this reserve can be used to ease the transition to full cost budgeting. Once this is achieved, a \$1M balance is recommended to account for unforeseen fluctuations in the budgeted OMB amount. The following is a suggested funding transition strategy assuming \$500k per annum in expenses.

Phasing of OMB Costs into Operating Budget

Year	Reserve	Operating Budget
2012	\$500,000	-
2013	250,000	250,000
2014	150,000	350,000
2015	50,000	450,000
2016		500,000

(iv)Affordable Housing Reserve - \$100,000

In 2011 there was a significant surplus in Social Housing due to reduced caseload. It is therefore recommended that \$100,000 be transferred to the Affordable Housing Reserve to be used for future funding needs.

(v)Police Debt- \$500,000

Historically the surplus derived from local boards – Police and Library, have been returned to that area to meet their funding needs. For year end 2011 it is recommended that \$500,000 be transferred to the Police Capital Reserve for the HQ renovation project to reduce the debt required to fund the construction.

(vi)Library - \$116,000

It is recommended that \$116,000 be transferred to the Main Branch project reserve fund to help fund the cost of construction of the Main Branch Library.

(B) User Pay Budget Surplus Allocation

The User Pay year end surplus is \$4,304,267 made up of:

2011 User Pay Surplus

Water	\$ 1,476,214
Wastewater	2,828,053
Total User Pay	\$ 4,304,267

It is recommended that the User Pay surplus be allocated as follows:

2011 User Pay Surplus Allocation

Waterworks Capital Reserve	\$ 1,476,214
Wastewater Stabilization Reserve	700,000
Wastewater Capital Reserve	2,128,053
Total User Pay Allocation	\$ 4,304,267

The rate stabilization reserve policy for Water and Wastewater recommend that a balance of 10% of annual operating expenses be maintained. Water has already achieved this 10% target. Wastewater would require approximately \$700,000 additional transfer for the 10% target to be reached.

It is recommended that the remaining surplus balance transferred to the Water and Wastewater capital reserves to finance upcoming capital projects.

CORPORATE STRATEGIC PLAN

Effective and responsible management of budget and responsible allocation of surpluses will assist in achieving Strategic Plan Section 5.5 – A high credit rating and strong financial position.

DEPARTMENTAL CONSULTATION/CONCURRENCE

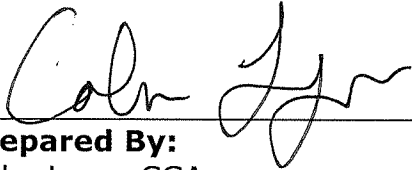
The Executive Directors, CAO and the Finance Department were consulted in the preparation of this report.

FINANCIAL IMPLICATIONS

The recommended transfers to discretionary reserves would increase the City's overall financial position by improving the discretionary ratio. The transfer to the OMB / Legal Reserve will allow for adequate funding for upcoming legal obligations and mitigate an identified risk area.

ATTACHMENTS

- Appendix 1 – Final Year-End Operating Budget Variance Departmental Summary



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FIN-12-25 Appendix 1
Final Year-End Operating Budget Variance as at Dec 31, 2011
City of Guelph: Departmental Summary

(Brackets indicate a favourable variance)

	Total Annual Budget for Year 2011 (\$)	Actual Expenditures to Dec 31, 2011 (\$)	Actual Variance at Dec 31, 2011 (\$)	Variance at Dec 31, 2011 (%)	Comments
TAX SUPPORTED					
City Departments					
CAO - ADMINISTRATION	\$ 28,412,000	\$ 28,404,000	\$ (8,000)	(0.0%)	No Significant Variance
OPERATIONS & TRANSIT	\$ 27,739,000	\$ 28,248,000	\$ 509,000	1.8%	Higher fuel costs, early 2011 winter control costs, increased animal control transfer.
PLANNING, BUILDING, ENGINEERING & ENVIRONMENTAL SERVICES	\$ 13,744,000	\$ 13,375,000	\$ (369,000)	(2.7%)	Significant staff vacancy savings, favorable agreements with 3rd parties
COMMUNITY & SOCIAL SERVICES	\$ 9,894,000	\$ 9,776,000	\$ (118,000)	(1.2%)	No Significant Variance
CORPORATE & HUMAN RESOURCES	\$ 8,211,000	\$ 7,580,000	\$ (631,000)	(7.7%)	Lower legal costs, staff vacancies, and increased fine revenue (Courts)
TOTAL CITY DEPARTMENTS (excl Financing)	\$ 88,000,000	\$ 87,383,000	\$ (617,000)	(0.7%)	
GENERAL EXPENSES AND CAPITAL FINANCING	\$ (153,087,000)	\$ (152,760,000)	\$ 327,000	0.2%	Lower general tax and supplementary revenues offset by higher late payment revenue and delayed capital finance charges.
TOTAL CITY DEPARTMENTS (incl Financing)	\$ (65,087,000)	\$ (65,377,000)	\$ (290,000)	(0.4%)	
Local and Outside Boards					
LOCAL BOARDS	\$ 39,365,000	\$ 38,707,000	\$ (658,000)	(1.7%)	Police - \$536k due to position vacancies and increased grant revenue and recoveries. Library \$116k surplus due to accounting policy change.
OUTSIDE BOARDS & AGENCIES	\$ 25,209,000	\$ 23,578,000	\$ (1,631,000)	(6.5%)	Savings due to lower than expected case load, lower heating costs, and change to provincial funding model, offset by increased capital cost for health unit.
GRANTS	\$ 513,000	\$ 521,000	\$ 8,000	1.6%	No significant variance
Subtotal Grants, Local and Outside Boards & Agencies	\$ 65,087,000	\$ 62,806,000	\$ (2,281,000)	(3.5%)	
TOTAL TAX SUPPORTED (incl Outside Boards, Grants and Financing)	\$ -	\$ (2,571,000)	\$ (2,571,000)	(1.7%)	
USER PAY					
WATER WORKS	\$ -	\$ (1,476,000)	\$ (1,476,000)	(7.7%)	Increased consumption in ICI sector and higher than forecast new meter installation revenue
WASTEWATER	\$ -	\$ (2,828,000)	\$ (2,828,000)	(12.7%)	Higher than forecast consumption revenues particularly in non-residential. Lower than expected system maintenance costs, staffing savings and reduced chemical costs through plant optimization.
TOTAL USER PAY	\$ -	\$ (4,304,000)	\$ (4,304,000)	(10.5%)	

COMMITTEE REPORT



TO Corporate Administration, Finance & Enterprise
Committee

SERVICE AREA Finance and Enterprise
DATE June 11, 2012

SUBJECT Employee Compensation Reserve Review
REPORT NUMBER FIN-12-26

SUMMARY

Purpose of Report:

The purpose of this report is to:

- a) Share the results of a review of the employee compensation reserves;
- b) to recommend the reallocation of various reserve funds;
- c) to recommend the creation and dissolution of certain reserves; and
- d) to present the new Employee Compensation Reserve Policy

Committee Action: Review and approve the recommendations as determined through the Employee Compensation Reserve Review.

RECOMMENDATION

THAT the Employee Compensation Reserve Review report FIN-12-26 dated June 11, 2012 be received; and

THAT the Employee Compensation Reserve Policy be approved; and

THAT a new reserve called "Early Retiree Benefits Reserve" be created as per section 4.4 of the Employee Compensation Reserve Policy; and

THAT \$1,600,000 be transferred from the "Accrued Vacation Reserve #209" to the "Early Retiree Benefits Reserve"; and

THAT \$3,522,596 be transferred from the "Accrued Vacation Reserve #209" to the "Operating Contingency Reserve #198"; and

THAT the "Accrued Vacation Reserve #209" be decommissioned as per section 4.6 of the Employee Compensation Reserve Policy; and

THAT the current "HR Contingency Reserve #207" be decommissioned and the balance totaling \$147,500 in this reserve be consolidated into the "HR Salary Gapping Reserve #191" as per section 4.7 of the Employee Compensation Reserve Policy

BACKGROUND

The proposed Employee Compensation Reserve Policy attached in **Appendix A** provides guidance for a number of reserves that are intended to lessen the impact of employee compensation related costs in any given budget year. Employee wages, salaries and benefit costs represent a significant portion of the annual operating costs of the City and events such as government regulation changes, collective agreement negotiations, WSIB incidents, retirements and restructuring can have a significant impact on a budget in any given year. This policy will provide a foundation for appropriate financial planning and accounting for these types of events, enable consistency of reserve usage across all City departments and provide performance standards for reserve levels.

The City of Guelph has an approved General Reserve and Reserve Fund Policy establishing reserve and reserve funds as part of the long-term Financial Management Plan. That policy assists in decision making by providing clear and agreed-upon parameters.

Audit Committee requested by resolution at the June 7, 2011 meeting "*THAT staff develop a policy for the employee future benefit liability and incorporate it into the City of Guelph Reserve and Reserve Fund General Policy*". This resolution addresses Council approved budget principle "5.11 – Addressing Unfunded Liabilities – The budget will address identified unfunded liabilities such as sick leave and WSIB through reserve contributions."

The recommendations in this report impact report FIN-12-32 "2011 Operating Reserve Review and Reallocation" which provides for contributions to underfunded reserves and for funding allocations to corporate priorities.






REPORT


After a full review of the compensation related reserves and their purposes, the following was determined:

- 1) There is currently no reserve set aside to fund the Early Retiree Benefit Liability. At the end of 2011, this liability is \$12,988,000 and the annual cost to the City is approximately \$700,500 (City: \$500,000, Police: \$200,500). Historically these costs have been funded through the employee benefit stabilization reserve but due to increasing costs, this practice will not be financially viable in the future. To address these costs, a new reserve should be set up called "Early Retiree Benefit Reserve" and contributions should be set aside through the annual budget process to fund these costs and the liability. Additionally, \$1,600,000 should be transferred into this reserve initially to be used to transition this expenditure to full cost budgeting.

- 2) Vacation Reserve #209 is a redundant reserve that is not needed for the purpose of vacation expense funding due to changes in accounting practices. Given that this expenditure accrues annually as the vacation hours are earned by each employee, the full cost of employee vacation expense is budgeted and borne annually by the City. The reserve balance of \$5,122,596 is therefore available for other use.
- 3) HR Contingency Reserve #207 and HR Salary Gapping Reserve #191 have similar purposes and therefore should be consolidated into one reserve.
- 4) The sick leave, WSIB and land ambulance severance reserves are either sufficiently funded or have the appropriate processes in place to build the reserve to meet the targets through the budgeting process. There is therefore no need to adjust the balances of these reserves.

The scope of the compensation policy addresses the following reserves and the proposed recommendations would have the following impact on the 2011 ending reserve balances:

Reserve	2011 End Balance (Pre-Recommendations)	2011 End Balance (Post-Recommendations)	Target Performance Standard Rule	Target Value \$	Result
Sick leave reserves 100, 101, 102, 103	\$10,446,000	\$10,446,000	95% of the Sick Leave Liability	\$9,711,000	
Employee benefit stabilization reserve 131	\$2,132,000	\$2,132,000	Minimum = \$2,000,000	\$2,000,000	
WSIB Reserve 330	\$2,203,000	\$2,203,000	50% of the WSIB Liability	\$1,774,500	
Land Ambulance Severance Reserve 338	\$345,500	\$345,500	95% of the Severance Liability	\$747,500	
Accrued Vacation Reserve 209	\$5,122,596	\$0	NA	NA	NA
Retiree Benefit Reserve (new)	\$0	\$1,600,000	Minimum = \$2,000,000	\$2,000,000	
HR Contingency Reserve 207	\$147,500	\$0	NA	NA	NA

HR Gapping/ Contingency Reserve 191	\$1,290,000	\$1,437,500	Minimum = \$1,000,000	\$1,000,000	
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The performance targets for these reserves will be reported on annually as part of the annual financial statement report to Council. It is expected that any remaining reserve deficiencies compared to the target will be addressed through the budget process for increased contributions to these reserves. Further information regarding how the target levels were computed can be found in the attached appendix.

CORPORATE STRATEGIC PLAN

- 5.3 Open, accountable and transparent conduct of municipal business
- 5.5 A high credit rating and strong financial position

FINANCIAL IMPLICATIONS

The Employee Compensation Reserve Review has financial implications with regard to future funding of employee compensation costs from taxes and user fees. A well-managed reserve policy enhances the City's expenditure flexibility and provides additional financing options.

DEPARTMENTAL CONSULTATION

The Executive Director of Corporate and Human Resources has been consulted in the drafting of this policy and the Executive Team has reviewed and is in support of these recommendations.

COMMUNICATIONS

None noted.

ATTACHMENTS

Appendix A: Employee Compensation Reserve Policy



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CORPORATE POLICY AND PROCEDURE



POLICY	Compensation Reserve Policy
CATEGORY	Corporate
AUTHORITY	Finance & Enterprise
RELATED POLICES	General Reserve and Reserve Fund Policy
APPROVED BY	COUNCIL
EFFECTIVE DATE	June 25, 2012
REVIEW DATE	As required

1. POLICY STATEMENT

The City of Guelph strives to be a sustainable city with responsive and accountable government. Employee wages, salaries and benefit costs represent a significant portion of annual operating costs and events such as government regulation changes, collective agreement negotiations, WSIB incidents, retirements and restructuring can have a significant impact on a budget in any given year. This policy will provide guidance for appropriate financial planning and accounting for these types of events, enable consistency across all City departments and provide performance standards for reserve balances.

2. SCOPE

This policy applies to the following reserves:

- Sick leave reserves 100, 101, 102, 103
- Employee benefit stabilization reserve 131
- HR Gapping Reserve 191
- HR Contingency Reserve 207
- Accrued Vacation Reserve 209
- WSIB Reserve 330
- Land Ambulance Severance Reserve 338
- Retiree Benefit Reserve - NEW

3. OBJECTIVES

The primary objectives of this policy are as follows:

- A. To identify and quantify current and future liabilities related to employee compensation;
- B. To incorporate sustainability and affordability into the budget by funding benefit costs over the life of the employee's service;
- C. To provide for consistent accounting practices across all departments and/or union groups;
- D. To set performance reporting and monitoring standards for these reserves

3.1 - Identification & quantification of employee compensation liabilities:

Identification:

Each employee of the City is paid a base salary / wage per hour in accordance with the applicable collective agreement or employee group policy. These costs are identifiable and easily budgeted for annually. In addition to the base salary / wage, there are a number of other costs associated with an employee over their service life that need to be considered and factored into the annual cost of employment. These costs include:

- vacation pay
- statutory holidays
- sick leave entitlement (cumulative / non cumulative)
- vehicle allowances
- retirement allowances / severances
- early retirement benefits (medical, travel, dental, insurance)
- statutory employer benefit costs (EI, CPP, EHT)
- employer pension costs (OMERS)
- other employer paid benefits (medical, dental, insurance, employee assistance and disability)
- WSIB
- Overtime

Many of these items are only paid if an employee needs access to the benefit (medical benefits, WSIB, STD, LTD, life insurance etc). The random nature in which benefits are accessed can have a significant impact on the budget. For this reason it is appropriate to have reserves with accrued funds to smooth out the impact of these expenses. In the year the benefit is accessed, it can have a significant impact on the budget and for that reason appropriate reserves and accruals need to be used to smooth the cost of the employee over their service life.

In order to properly budget for the annual cost of an employee, it is important to identify, monitor and maintain a schedule of all employee benefits for each employee group. Additionally, certain positions will have non-standard terms / benefits built into their compensation package that should also be included in this analysis as these can be quite costly in the future if not considered annually.

It is the responsibility of the Executive Director of Corporate and Human Resources (or

designated staff) to maintain a schedule of benefits and monitor it annually to incorporate any changes from contract negotiations, executive package changes or statutory/regulatory changes.

Quantification

a) Sick Leave (cumulative), Land Ambulance Severance, Early Retiree Benefits, and WSIB costs

Valuation: The City of Guelph contracts the quantification of cumulative sick leave, severance, WSIB and early retiree benefits to an actuarial firm annually. The actuarial valuation computes a present value of the estimated future cost of providing these benefits. Due to the accounting guidelines under the PSAB standards for future employee benefits, a full actuarial valuation of these costs is required every 3 years and an extrapolation of this valuation is used for the interim years.

Responsibility: It is the responsibility of the Treasurer (or designated staff) to organize the services of the actuary. It is the responsibility of the Executive Director of Corporate and Human Resources (or designated staff) to provide all the required employee data for the purpose of the actuarial valuation and interim extrapolations to the actuary as required. This information also needs to be available to the City's external auditors during the annual audit of the City's consolidated financial statements.

Annual Budget Process: Each budget year, HR and Finance will review the funded status of these benefit liabilities and decide upon the new budget rates to be incorporated in to the benefit mark up.

b) Unused vacation hours, statutory days in lieu

Valuation: The payroll system tracks all earned, unused hours by employee. Annually, a manual calculation is computed by finance and HR to determine the value of these accumulated, unpaid hours and a journal entry is booked to set up the liability.

Responsibility: It is the responsibility of HR to ensure the quantities of hours per employee that are owed by the City at any particular date are accurate and complete. It is the responsibility of the Treasurer (or designated staff) to review the liability calculation and record the journal entry to accrue for those hours.

Annual Budget Process: Each budget year the annual allotment of vacation hours are built into the base salary of each employee.

c) Overtime

Valuation: The payroll system tracks all earned but unpaid overtime hours (some employees choose to bank their overtime and use as vacation rather than being paid out when earned). Annually, a manual calculation is computed by finance and HR to determine the value of all hours earned but not paid, and a journal entry is booked to record this liability.

Responsibility: It is the responsibility of Human Resources to ensure the quantities of hours per employee that are owed by the City at any particular date are accurate and complete. It is the responsibility of the Treasurer (or designated staff) to review the liability calculation and record the journal entry to accrue for those hours.

Annual Budget Process: Overtime for all employees (is budgeted for as an independent budget line item and is not included in the benefit mark up. Variances due to overtime are identifiable and are reportable by the departments to Council.

d) All other benefit expenses

Valuation: The remaining benefit costs are expensed when incurred based on their actual value. HR is required to estimate the annual cost of these benefits for budgeting purposes based on their evaluation of variances from the previous year.

Responsibility: It is the responsibility of the Human Resources to ensure the actual benefit expenditures are accurate and complete in the general ledger and that all payroll transactions are in compliance with the all regulations.

Annual Budget Process: Annually, with the help of finance, HR completes a variance analysis on the benefit expenses to assess if the mark up rate is reasonable for the next budget. Adjustments are made to the mark up rates based on this assessment. This would include non-standard terms in executive compensation packages.

3.2 - Sustainable and Affordable Budget:

For each budget year, the Executive Director of Corporate and Human Resources (or designated staff) is responsible for preparing the annual payroll budget which includes wages, salaries and benefits. Based on the benefit tracking and computation as outlined in section 3.1 to this policy, these benefit costs will be reflected in the budget at the appropriate rate.

The reserves within the scope of this policy will provide the City with a sustainable and affordable approach to employee compensation.

Annually, contributions will be made to these reserves based on the budgeted costs of certain benefits on a per employee basis. Annual actual costs for these benefits will be funded through these reserves to avoid significant impacts to the tax base. Additional guidelines for each specific reserve within the scope of this policy will be outlined in part 4 of this policy.

3.3 - Consistent and fair accounting:

The policy will provide clarity and a formalized process for the accounting of employee benefits. This will allow for consistent accounting practices across all departments and allow for the departments to quantify and incorporate the full cost of an employee into their annual budget.

Consistency across all departments will provide the framework to perform meaningful variance and trending analysis which will enable better management and better budgeting for the entire employee compensation cycle.

3.4 - Performance Standards and Reserve Monitoring:

In order to assess the fiscal health of the City, performance standards related to the funding status of these reserves are required and should be monitored annually and any excess/deficiencies of these reserves will be incorporated into the next fiscal year's budgeted compensation rates.

It is the responsibility of the Treasurer (or designated staff) to report annually to Council on the funding status of these reserves.

4. RESERVE GUIDELINES AND INSTRUCTIONS

4.1 - Sick Leave Reserves:

- #100 – Fire Sick Leave**
- #101 – Police Sick Leave**
- #102 – Library Sick Leave**
- #103 – CUPE 241 Sick Leave**

Background: The employees captured by each of the collective agreements for Fire, Police, Library and CUPE 241 have clauses that provide these employees a lump sum payment upon retirement from accumulated sick leave hours based on years of service. Additionally, while employed, these banked sick leave hours are used as a short-term disability program if required.

Purpose: The purpose of these reserves is to set aside funds over the service life of the employees to fund the estimated future cost of the retirement benefit payout and the expected cost of the sick leave hours that will be used over the service life of the employee.

Performance Measurement Guideline: The sick leave reserves are considered adequately funded if the total of the four sick leave reserves is at a minimum 95% of the Liability for Sick Leave as computed by an actuary. Any variance from this guideline will be addressed through adjustments to the next fiscal year budgeted mark up.

Reporting Requirements: A report on the fiscal year ending balance and the funding status of these sick leave reserves is required annually to Council. Inclusion of this information within the annual report of the consolidated financial statements is satisfactory to meeting this requirement.

Approved Reserve Transactions:

The following are the designated allowable reserve transactions:

- Actual sick leave retirement/termination payouts for the employees included within the Fire, Police, Library or CUPE 241 collective agreements will be funded from these reserves upon payout
- Contribution amount accumulated on a per employee basis to reflect the annual sick leave hours accumulated by the employees included within the Fire, Police, Library or CUPE 241 collective agreements will be contributed to these reserves annually

Any other usage of/contribution/transfer to these reserves must be approved by the Treasurer and reported to Council in that year.

Designated Responsibility: It is the responsibility of the Treasurer (or designated staff) to contract the actuarial firm to compute the value the sick leave liability, ensure all reserve transactions are complete and in compliance with this policy and to prepare the annual required reporting for Council. It is the responsibility of the Executive Director of Corporate and Human Resources (or designated staff) to review the annual funding status of these reserves, and incorporate any excess/deficiency into the next fiscal year's budget for compensation benefits.

4.2 - Land Ambulance Severance Reserve #338:

Background: Within the collective agreement for Land Ambulance employees, certain employees hired before July 1, 2010 are eligible for a lump sum retirement benefit based on years of service.

Purpose: The purpose of this reserve is to set aside funds over the service life of an employee to fund the estimated future cost of the retirement benefit payment.

Performance Measurement Guideline: The land ambulance severance reserve is considered adequately funded if the year end balance of the reserve is at a minimum 95% of the Liability for Land Ambulance Severance as computed by an actuary.

Reporting Requirements: A report on the fiscal year ending balance and the funding status of this reserve is required annually to Council. Inclusion of this information within

the annual report of the consolidated financial statements is satisfactory to meeting this requirement.

Approved Reserve Transactions:

The following are the designated allowable reserve transactions:

- Actual retirement/termination payments incurred in any given year will be funded from the reserve upon payout
- Contribution amount accumulated on a per employee basis to reflect the annual cost of the severance benefit will be contributed to this reserve annually

Any other usage of/contribution to this reserve must be approved by the Treasurer and reported to Council in that year.

Designated Responsibility: It is the responsibility of the Treasurer (or designated staff) to contract the actuarial firm to compute the value the severance liability, ensure all reserve transactions are complete and in compliance with this policy and to prepare the annual required reporting for Council. It is the responsibility of the Executive Director of Corporate and Human Resources (or designated staff) to review the annual funding status of this reserve, and incorporate any excess/deficiency into the next fiscal year's budget for compensation benefits.

4.3 - WSIB Reserve #330:

Background: All full time, temporary and casual employees of the City are covered for benefits in the event of a workplace injury under the Workplace Safety and Insurance Act, 1997. The City is an employer under Schedule 2 of the Act meaning that the City self-insures the entire risk of its own WSIB claims and is individually liable for reimbursing the WSIB for all costs relating to its worker's WSIB claims.

Purpose: The purpose of this reserve is to set aside funds throughout the service life of an employee to fund the projected cost of current and future WSIB claims.

Performance Measurement Guideline: The WSIB reserve is considered adequately funded if the year end balance of the reserve is at minimum 50% of the Liability for WSIB as computed by an actuary. Given that the nature of these expenditures, it is not necessary to accumulate a reserve equal to the full liability. Instead, the City will build the annual cost of WSIB into the budgeted compensation rate and use the reserve for funding negative variances in years of abnormally high benefit expenses.

Reporting Requirements: A report on the fiscal year ending balance and the funding status of this reserve is required annually to Council. Inclusion of this information within the annual report of the consolidated financial statements is satisfactory to meeting this requirement.

Approved Reserve Transactions:

The following are the designated allowable reserve transactions:

- Actual WSIB payments incurred in any given year will be funded from the reserve upon payout
- Contribution amounts accumulated on a per employee basis to reflect the estimated annual cost of the WSIB claims will be contributed to this reserve annually

Any other usage of/contribution to this reserve must be approved by the Treasurer and reported to Council in that year.

Designated Responsibility: It is the responsibility of the Treasurer (or designated staff) to contract the actuarial firm to compute the value the WSIB liability, ensure all reserve transactions are complete and in compliance with this policy and to prepare the annual required reporting for Council. It is the responsibility of the Executive Director of Corporate and Human Resources (or designated staff) to review the annual funding status of this reserve, and incorporate any excess/deficiency into the next fiscal year's budget for compensation benefits.

4.4 - Early Retiree Benefits Reserve #(not yet assigned):

Background: Certain employees of the City are eligible for health care, travel, dental and life insurance benefits upon early retirement up to the date of normal retirement.

Purpose: The purpose of this reserve is to set aside funds over the service life of an employee to fund the estimated future cost of these retiree benefits.

Performance Measurement Guideline: The early retiree benefit reserve is considered adequately funded if the year end balance of the reserve is at a minimum of \$2,000,000. Given that the nature of these expenditures are premium based, rather than one-time or on-going lump sum payments, it is not necessary to accumulate a reserve equal to the liability. Instead, the City will build the annual cost of early retiree benefits into the budgeted compensation rate and use the reserve for funding negative variances in years of abnormally high benefit expenses. It will be financially prudent to monitor the liability and annual costs for the early retiree benefits to ensure the performance target of \$2,000,000 remains applicable. An increase to this measure in the future may be warranted.

Reporting Requirements: A report on the fiscal year ending balance and the funding status of this reserve is required annually to Council. Inclusion of this information within the annual report of the consolidated financial statements is satisfactory to meeting this requirement.

Approved Reserve Transactions:

The following are the designated allowable reserve transactions:

- Actual premiums paid annually to the benefit provider for early retiree benefits in any given year will be funded from the reserve upon payment
- Contribution amount accumulated on a per employee basis to reflect the

estimated annual cost of early retiree benefits will be contributed to this reserve annually

Any other usage of/contribution to this reserve must be approved by the Treasurer and reported to Council in that year.

Designated Responsibility: It is the responsibility of the Treasurer (or designated staff) to contract the actuarial firm to compute the value the early retiree benefit liability, ensure all reserve transactions are complete and in compliance with this policy and to prepare the annual required reporting for Council. It is the responsibility of the Executive Director of Corporate and Human Resources (or designated staff) to review the annual funding status of this reserve, and incorporate any excess/deficiency into the next fiscal year's budget for compensation benefits.

4.5 - Employee Benefit Stabilization Reserve #131:

Background: The City offers many benefits to employees in addition to the benefits that have designated reserves (WSIB, Sick Leave, Severance and Early Retiree Benefits). These benefits include medical, dental, life insurance and disability benefits. Annually the City budgets for the expected cost of these benefits as part of the compensation mark up benefit rate but given that this estimate is dependent on a number of variables, the actual costs rarely come in exactly as budgeted. Any annual positive or negative variances for these costs compared to budget are funded through the employee benefit stabilization reserve.

Purpose: The purpose of this reserve is to accumulate all positive variances related to employee benefit costs and to use these accumulated funds to offset years where there are negative variances related to employee benefit costs.

Performance Measurement Guideline: An adequately funded reserve for employee benefits would be at a minimum \$2,000,000. This will allow for an adequate pool of savings for years of significant changes in benefit usage.

Reporting Requirements: A report on the fiscal year ending balance and the funding status of this reserve is required annually to Council. Inclusion of this information within the annual report of the consolidated financial statements is satisfactory to meeting this requirement.

Approved Reserve Transactions:

The following are the designated allowable reserve transactions:

- Positive/negative variances on benefits costs for current employees (excludes retirees) for medical, dental, travel, life insurance, employee assistance program, long-term disability, short-term disability and accidental death/dismemberment coverage will be contributed to / funded from this reserve annually
- Annual amounts accumulated on a per employee basis designated as contingency will be contributed to this reserve annually

- Positive/negative variances on CUPE 241 budgeted benefits compared to actual costs (1.0719, 1.0720 & 1.0721 series of accounts) are contributed to / funded from this reserve annually
- Any gains/losses in any given year resulting from a government audit of EI, EHT, or CPP will be contributed to / funded from this reserve annually

Any other usage of/contribution to this reserve must be approved by the Treasurer and reported to Council in that year.

Designated Responsibility: It is the responsibility of the Treasurer (or designated staff) to ensure all reserve transactions are complete and in compliance with this policy and to prepare the annual required reporting for Council. It is the responsibility of the Executive Director of Corporate and Human Resources (or designated staff) to review the annual funding status of this reserve, and incorporate any excess/deficiency into the next fiscal year's budget for compensation benefits.

4.6 - Accrued Vacation Reserve #209:

Background: Previous to 2009, vacation expense was never accounted for until used or paid out causing large budget variances in years where employees retired with large amounts of accumulated vacation hours. To bring the City in-line with the PSAB accounting rules and also address the inconsistent budget impact, vacation earned by an employee but not paid out is accrued and recognized annually as it is earned.

In 2009, to coincide with setting up the liability for unused vacation hours, the accrued vacation reserve was created to offset this new liability. The initial funds used to create this reserve were transferred from the sick leave reserves as they were over-funded at that time. Since that date, no new funds have been contributed into this vacation reserve nor have funds been used to offset any expenditures.

Upon a full review of payroll accounting, it has been found that it is not necessary to have a reserve for vacation expense given that the nature of this benefit accrues annually and this full cost is borne by the City annually as the vacation hours are earned. Vacation expense is budgeted through the normal annual budgeting process.

Recommendation: Decommission this reserve as it is no longer needed due to changes in accounting practices.

4.7 - Human Resource Contingency #207:

Background: This reserve was set up in 2010 as a reserve to fund other payroll related costs that can have a significant budget impact in any given year. These types of costs include severance costs due to restructuring / terminations, unbudgeted retro-payments caused by regulatory or political changes and any other unforeseen one-time expenditures that are compensation related.

Purpose: The purpose of this reserve is to set aside funds to be used to fund one-time / unusual employee compensation costs including employee compensation costs of terminations resulting from restructuring initiatives, unbudgeted retro-payments caused by regulatory or political changes or any other unforeseen one-time expenditures that are compensation related. The purpose of this reserve over-laps with the HR Gapping Reserve #191 as discussed in 4.8 to this report.

Recommendation: Given the over-lapping purpose of this reserve with the HR Gapping Reserve #191, as discussed in 4.8 to this report, consolidate the balance of this reserve into Reserve #191.

4.8 – HR Gapping Reserve #191

Background: This reserve was created to set aside savings created through payroll gapping initiatives. It has been in use since 2008.

Purpose: The purpose of this reserve is to set aside savings created through gapping and use these funds for compensation related expenditures including the annual cost of the accommodated staffing program. As the purpose of this reserve over-laps with the HR contingency reserve #207, staff is proposing to consolidate these two reserves into one “HR Gapping / Contingency Reserve”.

Performance Measurement Guideline: Staff recommends that a reserve balance of \$1,000,000 would sufficiently cover any unforeseen employee compensation related costs in a year.

Reporting Requirements: A report on the fiscal year ending balance and the funding status of this reserve is required annually to Council. Inclusion of this information within the annual report of the consolidated financial statements is satisfactory to meeting this requirement.

Approved Reserve Transactions:

- All salary gapping savings as accumulated monthly are to be contributed to this reserve
- All positive / negative variances related to the accommodated staffing program in any given year will be funded to/from this reserve
- There are no other pre-approved reserve transactions for this reserve. All transfers out of this reserve for one-time compensation related expenditures will be approved by Council during the annual budget process, or through a separate report submitted during the year.

Designated Responsibility: It is the responsibility of the Treasurer (or designated staff) to ensure all reserve transactions are complete and in compliance with this policy and to prepare the annual required reporting for Council.

COMMITTEE REPORT



TO **CAFES**

SERVICE AREA Finance and Enterprise Services
DATE June 11, 2012

SUBJECT 2011 Operating Reserve Review and Reallocation

REPORT NUMBER FIN-12-32

SUMMARY

Purpose of Report:

The purpose of this report is to:

- a) share the results of staffs' review of current operating reserves;
- b) propose revisions to reserve fund targets;
- c) recommend the reallocation of various operating reserves;

The recommendations of this report are linked to and dependent upon the receipt and approval of staff report # FIN-12-26 entitled Employee Compensation Reserve Review also being considered at the June 11, 2012 CAFES Committee.

Council Action:

Receive the financial information related to the 2011 Operating Reserve review.

Approve the proposed allocation of the year end operating surplus and reallocation of operating reserves based on Finance and Executive Team recommendations.

RECOMENDATION

THAT the report dated June 11, 2012 entitled "2011 Operating Reserve Review and Reallocation" be received.

THAT the recommended reallocation of **\$4,516,362** of the Operating Reserves contained in the report FIN-12-32 dated June 11, 2012 entitled "2011 Operating Reserve Review and Reallocation" be approved.

THAT Council approve the creation of the Strategic Initiatives Reserve to be used for initiatives identified in the Corporate Strategic Implementation Plan and as approved by Council.

BACKGROUND

General Information on Operating Reserves

At the year-end Dec 31, 2011 there are 31 Operating Reserves totaling \$36,726,064 including the transfers and reserves established in this report. They are made up as follows:

Reserve Type	\$ Balance	% of Total
Employee Compensation Reserves	\$ 14,594,874	40%
Stabilization Reserves (incl. Water/Wastewater)	\$ 10,522,471	29%
Program Related Reserves	\$ 11,608,719	32%
Total Operating Reserves 2011 Ending Balance	\$ 36,726,064	100%

These reserves are reviewed on a regular basis to ensure that they are adequately funded and are available for identified needs.

The City maintains various operating reserves in order to:

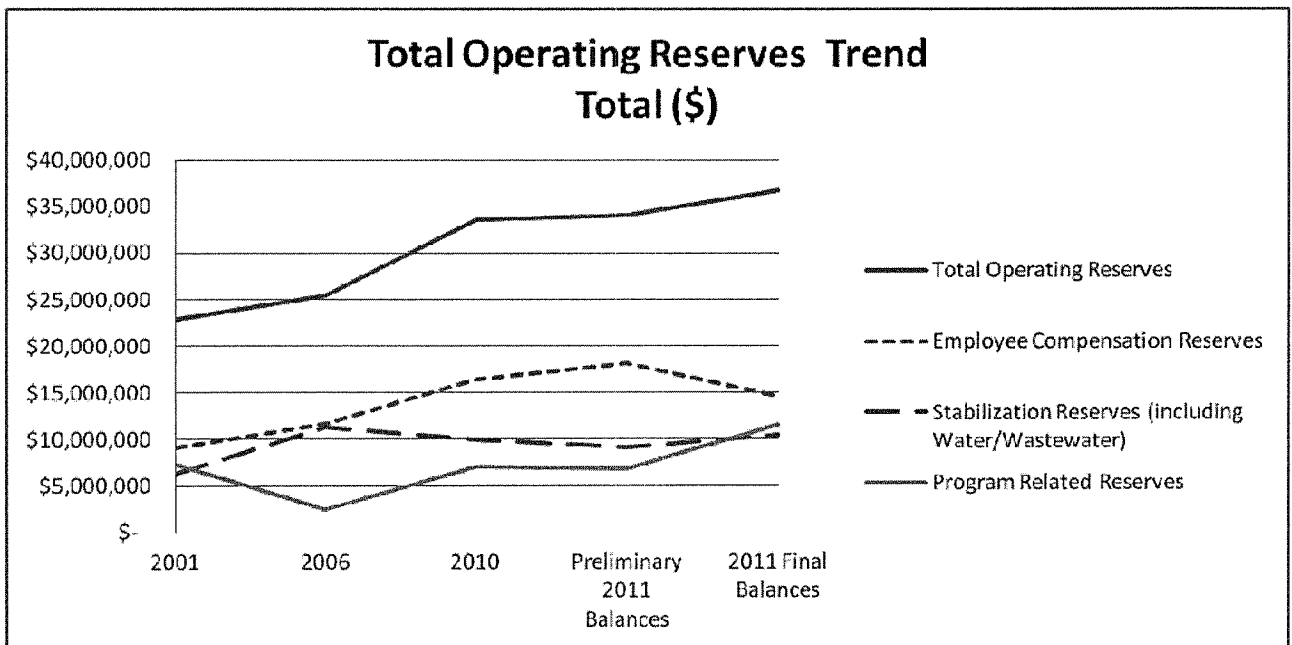
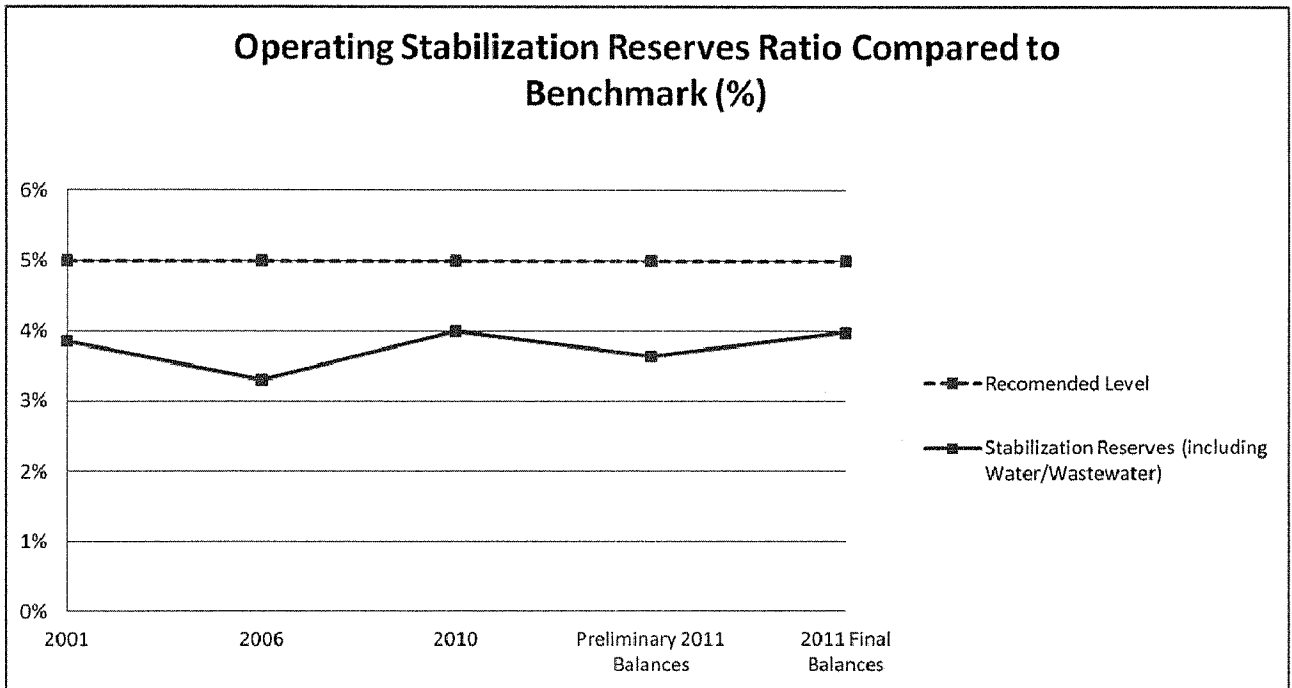
- a) conform to legislation
- b) provide for liabilities which are incurred but not payable until future years
- c) provide for unexpected fluctuations in timing and amount of operating expenditures
- d) put aside money in the current fiscal period to finance future expenditures
- e) stabilize the general municipal tax levy and to reduce the need for debentures
- f) ensure funds are available to take advantage of emerging and strategic opportunities.

Stabilization Reserve Targets

As mentioned above, maintaining stabilization reserves are important to allow for uncertain timing of and fluctuations of operating expenditures, unforeseen circumstances, and to take advantage of emerging and strategic priorities.

The established target for all stabilization reserves is based on a ratio of the total of Stabilization Reserve balances to overall gross operating expenditures (less in-year amortization). The recommended target ratio is 5-10% reserves to operating expenditures (less in-year amortization).

Prior to the allocation of the year end surplus and prior to taking into account the recommendations contained in FIN-12-26 and this report, the preliminary year end ratio for stabilization reserves was approximately 3.64%. After the allocation of the year end operating surplus and taking into account the recommendations in these reports, the revised final ratio for 2011 is 3.98%. It is worth noting that the overall ratio would be higher due to the significant surplus in Water and Wastewater that were instead transferred to capital reserves since their respective stabilization reserves were at their target levels.



REPORT

Review Process

Beginning in 2012, Finance staff and the Executive Team met several times to assess and review current reserves. The goal was to create comprehensive understanding of all existing known and/or anticipated financial obligations related to employee compensation, projects and legal matters.

As part of an ongoing reserve monitoring and analysis process, the operating reserves are reviewed to ensure that reserves are still required and that they are being used for their original intention.

Legal Services performed a review on current and anticipated litigation in an effort to quantify the potential legal liability for the city based on expected outcomes.

Summary of Review Findings

Following this review, it was identified that:

- a) There is insufficient funding in this reserve to meet upcoming legal costs therefore funding of this reserve is a priority.
- b) The Vacation Accrual Reserve is no longer necessary and can be reallocated and the Salary Gapping and HR Contingency Reserves can be combined (see Report FIN-12-26)
- c) A large portion of the Social Services Reserve is no longer needed for its original purpose and can be reallocated to priority areas.
- d) That the Salary Gapping Reserve is slightly over funded and a portion could be allocated to areas of higher strategic priority.
- e) The Tax Rate Stabilization and Insurance reserves are underfunded and should receive additional funding.
- f) There were draws from OMB, Insurance, and Tax Rate stabilization reserves in 2011 and these should be repaid from any operating surplus.
- g) There should be a Strategic Initiative Reserve established to enable the City to take advantage of strategically desirable projects.

Targets Refined

Following the review, the following Target Amounts were refined for reserves:

- The Stabilization Reserve ratio should be 5-10% of gross operating expenditures (less in-year amortization).
- The Insurance Reserve should contain 2-3 years of historical usage levels.
- The OMB / Legal Reserve should contain a balance of \$5,000,000 in order to cover litigation costs, and that an amount be established in the 2013 budget for ongoing OMB related legal costs.
- Land Ambulance Severance, Sick Leave, WSIB, Early Retiree Benefit reserve targets are outlined in FIN-12-26 Employee Compensation Reserve Review.

Staff Recommendations

The Finance Department in consultation with the Executive Team, has performed a review of the operating reserves to ensure funding needs are addressed and to ensure reserves reflect identified emerging and strategic initiatives.

Results of Operating Reserve Review

Operating Contingency Reserve (Report FIN-12-26)	\$ 3,522,596
Salary Gapping Reserve	200,000
Social Services Reserve	793,766
Total Available for Reallocation	\$ 4,516,362 (C)

\$3,522,596 relates to the Compensation Reserves and comprises of the balance of the excess funding of the vacation accrual reserve after the creation of the Early Retiree Benefit Reserve (see Employee Compensation Reserve Review Report FIN-12-26). This surplus balance was recommended to be transferred to Operating Contingency until a suitable use could be determined.

The Salary Gapping Reserve was overfunded and \$200,000 was identified as available for re-allocation.

\$793,766 Social Services Reserve was established from surplus funds from the best start funding. This balance represents one-off funding with no ongoing funding source. This transfer leaves \$300,000 available in this reserve for future priorities.

(C) Reserve Reallocation

It is recommended that these reserves are reallocated as follows:

Operating Reserve Reallocation Recommendations

(i) Creation of Strategic priorities Reserve	\$ 1,100,000
(ii) Additional Funding for OMB/Legal (incl. Wellington Terrace)	3,348,743
(iii) Additional Funding for Tax Rate Stabilization Reserve	67,619
Total Operating Reserve Reallocation	\$ 4,516,362

(i) NEW – Strategic Initiatives Reserve - \$1,100,000

As part of the reserve analysis process, each service area was asked to identify funding request priorities to potentially receive funding from surplus reserve balances. As part of this review it was determined to allocate \$1,100,000 to create a Strategic Initiates Reserve to address upcoming projects that relate to the Strategic Plan. This reserve is not funded from Operating Surplus but is the result of a strategic reserve review process.

(ii) Additional Funding for OMB/Legal Reserve - \$3,448,743

The amount recommended to transfer to the legal reserve (including the Wellington Terrace Payment) is \$3,448,743. This represents committed legal costs as of 2011, and projected litigation costs for 2012 with the minimum amount needed to cover judgments in current cases.

There will be insufficient funds available if the maximum judgments are awarded against the city.

In 2012 there was a final settlement of the ongoing litigation of the Wellington Terrace requiring payments exceeding the 2012 budgeted amounts and remaining

provision in the amount of approximately \$932,000 and will be funded from this legal reserve. This amount is included in the \$3,448,743 recommended transfer.

(iii) Tax Rate stabilization Reserve -\$67,619

It is recommended that the remainder of the identified reserve balances available for reallocation be transferred to the tax rate stabilization reserve. The amount to transfer to this reserve is \$67,619.

CORPORATE STRATEGIC PLAN

Effective and responsible use of reserves is part of Strategic Plan Section 5.5 – A high credit rating and strong financial position.

DEPARTMENTAL CONSULTATION/CONCURRENCE

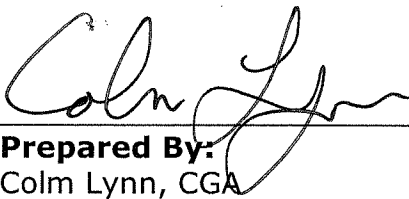
The Executive Directors, CAO and the Finance Department were consulted in the preparation of this report.

FINANCIAL IMPLICATIONS

The recommended transfers to stabilization reserves would increase the City's overall financial position by improving the stabilization ratio. The transfer to the Legal Reserve will allow for adequate funding for upcoming legal obligations and mitigate an identified risk area.

ATTACHMENTS

- Appendix 1 - Operating Reserve Report at Dec 31, 2011 and Recommended Targets



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Recommended By:
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CITY OF GUELPH
FIN-12-32 Appendix 1 - Operating Reserve Report at Dec 31, 2011 and Recommended Targets

	1	2	3	4	5	6	7	8	9	10
Reserve #	Reserve Name	Prelim 2011 Ending Balance	Operating Surplus FIN-12-25	Emp. Comp. per FIN-12-26	Reserve Reallocation FIN-12-32	Revised Ending 2011 Balance	2011 Target Balance	Over/(Under) Funded	Status	
Employee Compensation Reserves										
A	100 Sick Leave - Fire	3,530,693	-	-	-	3,530,693	3,055,950	474,743		
B	101 Sick Leave - Police	3,297,414	-	-	-	3,297,414	3,706,084	(408,670)		
C	102 Sick Leave - Library	894,104	-	-	-	894,104	459,106	434,998		
D	103 Sick Leave - CUPE 241	2,723,645	-	-	-	2,723,645	2,998,032	(274,387)		
E	209 Vacation Accrual Reserve	5,122,596	-	(5,122,596)	-	-	-	-		
F	330 WSIB	2,203,520	-	-	-	2,203,520	1,774,617	428,903		
G	338 Land Ambulance Severance	345,498	-	-	-	345,498	747,000	(401,502)		
H	NEW1 Retiree Benefit Reserve	-	-	1,600,000	-	1,600,000	2,000,000	(400,000)		
I	Total Employee Related	18,117,470	-	(3,522,596)	-	14,594,874	14,740,789	(145,915)		
Stabilization Reserves										
K	131 Employee Benefit Stabilization	2,132,313	-	-	-	2,132,313	2,000,000	132,313		
L	180 Tax Rate Stabilization	971,272	855,235	-	67,619	1,894,126	4,671,655	(2,777,529)		
M	181 Water Rate Stabilization	2,114,187	-	-	-	2,114,187	2,114,187	-		
N	182 Waste Water Rate Stabilization	1,542,034	700,000	-	-	2,242,034	2,242,034	-		
O	191 Salary Gapping	1,290,376	-	147,435	(200,000)	1,237,811	1,000,000	237,811		
P	198 Operating Contingency	902,000	-	3,522,596	(3,522,596)	902,000	902,000	-		
Q	207 HR Contingency	147,435	-	(147,435)	-	-	-	-		
R	Total Stabilization Reserves	9,099,617	1,555,235	3,522,596	(3,654,977)	10,522,471	12,929,876	(2,407,405)		

CITY OF GUELPH
FIN-12-32 Appendix 1 - Operating Reserve Report at Dec 31, 2011 and Recommended Targets

1	2	3	4	5	6	7	8	9	10
Reserve #	Reserve Name	Prelim 2011 Ending Balance	Operating Surplus FIN-12-25	Emp. Comp. perFIN-12-26	Reserve Reallocation FIN-12-32	Revised Ending 2011 Balance	2011 Target Balance	Over/(Under) Funded	Status
Program Related Reserves									
S									
T	195	Election Costs	314,025	-	-	314,025	314,025	-	
U	196	Joint Job Evaluation Committee	329,406	-	-	329,406	329,406	-	
V	197	HR Negotiations	89,222	-	-	89,222	89,222	-	
W	205	Community Investment Strategy	50,000	-	-	50,000	50,000	-	
X	193	Ontario Municipal Board/Legal	205,356	-	3,348,743	4,054,099	5,000,000	(945,901)	
Y	188	Building Services	1,284,994	-	-	1,284,994	1,284,994	-	
Z	206	Building Operating Mtce	81,365	-	-	81,365	200,000	(118,635)	
AA	184	Insurance	827,919	500,000	-	1,327,919	1,500,000	(172,081)	
BB	208	Social Services	1,093,766	-	(793,766)	300,000	300,000	-	
CC	210	IT Licences	210,000	-	-	210,000	210,000	-	
DD	211	POA Contingency	-	-	-	-	-	-	
EE	119	Affordable Housing	553,157	100,000	-	653,157	653,157	-	
FF	122	Brownfield's Strategy	191,639	-	-	191,639	191,639	-	
GG	192	Heritage Redevelopment	907,896	-	-	907,896	907,896	-	
HH	194	Downtown Improvements	360,000	-	-	360,000	360,000	-	
II	345	Westminster Woods Reserve	35,000	-	-	35,000	35,000	-	
JJ	NEW2	Corporate Strategic Initiatives Reserve	-	-	1,100,000	1,100,000	TBD	-	
KK		Total Program Specific	6,533,742	1,100,000	3,654,977	11,288,719	11,425,337	(1,236,617)	
LL		Total Operating	33,750,829	2,655,235	-	36,406,064	39,096,002	(3,789,937)	

COMMITTEE REPORT



TO **Corporate Administration, Finance & Emergency Services Committee**

SERVICE AREA Finance and Enterprise
DATE June 11, 2012

SUBJECT Recommendation for Financing New Public Health Facilities

REPORT NUMBER FIN-12-30

REPORT SUMMARY

Purpose of Report: The purpose of this report is to provide a recommendation for the capital financing of the new public health facilities in Guelph and Orangeville. The recommended option provides the benefits of a construction oversight agreement, reduced interest expense and a loan arrangement between WDGPH and the three municipalities.

Committee Action: That the recommended option for capital financing of the new public health facilities in Guelph and Orangeville be approved.

RECOMMENDATIONS

That report FIN-12-30 dated June 11, 2012, with respect to a recommendation for financing new public health facilities in Guelph and Orangeville be received, and

That Council approve the funding of the City's portion of the capital financing related to the construction of the new Public Health facilities in Guelph and Orangeville through a City debt issuance conditional upon the three municipal partners entering into a Loan Agreement and Construction Oversight Agreement with Wellington-Dufferin-Guelph Public Health, and

That Council approve an RFP be issued jointly by the three municipal partners for external construction oversight,

BACKGROUND

The expenses of the Wellington-Dufferin-Guelph Public Health (WDGPH) are charged to the three obligated municipalities in proportion to their population. Guelph's current share of expenses is 45.2% or \$3,017,277 (Operating \$2,333,277, Capital \$684,000) for 2012.

Over the next two years WDGPH is planning to construct new facilities in Guelph and Orangeville at a total projected cost of \$24.4 million. Treasury staff from the Health Unit and all municipal partners met several times since January to discuss options for the long-term borrowing required to pay for these projects. Ongoing discussions have focused particularly on financing, ownership, and accounting treatment and the following direction has been used to inform option selection:

- All parties agree that independent oversight of the construction is necessary and the City of Guelph is to provide the initial draft of an agreement outlining this oversight, requirement and timing for construction advances from municipalities, and reporting requirements from WDGPH to partner municipalities on project status and budget.
- The Board supports in principle WDGPH's ownership of property as a strategy to manage costs and long-term facility needs. For this reason, options involving ownership by one municipality or co-ownership by the three municipal partners and leasing to WDGPH have not been supported as an option. The resulting assets will appear on the partner municipality's balance sheet upon consolidation along with their proportionate share of debt. Either option will impact the municipality's debt capacity. As per the 1997 Health Unit agreement, in the event of dissolution of the Health Unit, the assets and liabilities shall be distributed among the parties proportionately.
- Discussions with the Infrastructure Ontario Loan Program representative indicated that WDGPH alone was not an eligible borrower as it is not a municipality and the municipalities, alone or as a Municipal Corporation, were not eligible borrowers because the project in question would not be an "owned asset." The City of Guelph has typically been able to obtain interest rates comparable to those provided by Infrastructure Ontario through its own debt issues.

REPORT

Option 1 – WDGPH Conventional Mortgage

Under this option WDGPH would secure standard mortgage financing with a financial institution and levy its financing costs against each municipality proportionately. WDGPH would own the facilities.

Advantages

- The status quo requires the least negotiation
- Debt and debt servicing costs are kept within the WDGPH unconsolidated statements in the event that the Provincial funding model changes in the future to include these costs.

Disadvantages

- A conventional mortgage results in a higher cost for municipalities as WDGPH would not be able to obtain the most favourable interest rates.
- Debt servicing costs would only be known for the term of the mortgage, therefore exposing municipalities to interest rate risk at time of renewal.
- Incurring new debt would impact the City's debt capacity and approved debt ratios, therefore limiting other debt financing opportunities.
- Would not require a construction oversight agreement

Option 2 – WDGPH Loan from the Municipalities

Under this option each municipality would finance its own share of the capital costs and then enter into a loan arrangement with WDGPH for proportional repayment. WDGPH would own the facilities.

Advantages

- An agreement for construction oversight, cash advancement timing and project reporting requirements would be required and help to address risk of project cost overruns
- The municipalities could obtain more favourable interest charges than WDGPH and /or have the option to use reserve funding.
- City debt issues have generally obtained interest charges comparable to those offered by Infrastructure Ontario.
- Debenture payments are fixed for the entire period for each municipality, taking advantage of currently projected low interest rates and flexibility for the City to control timing and term of issuance.
- WDGPH loan repayment is fixed for the agreed amortization period.
- Loan arrangement will keep capital financing costs are within the WDGPH unconsolidated statements in the event that the Provincial funding model changes in the future to include these costs.
- Loan agreement would be required between WDGPH and all three municipalities demonstrating collaboration, accountability and transparency.

Disadvantages

- Incurring new debt would impact the City's debt capacity and approved debt ratios, therefore limiting other debt financing opportunities.

Summary

Based on the benefits of a construction oversight agreement, reduced interest expense and loan arrangement between WDGPH and the three municipalities, Option 2 is recommended.

Provincial Funding

Under the *Health Promotion and Protection Act* (HPPA), the WDGPH is required to provide or ensure the provision of certain public health programs and services. Within this framework, the WDGPH Board sets its priorities and determines the needs of its communities. The Minister of Health provides funding for mandatory and related public health programs and services by all boards of health in the Province based on a base funding model of 75% Provincial funding and 25% municipal funding. However, this funding model has changed over the last ten years and currently the Province is actually funding only 65% of the WDGPH budget. While the Ministry makes every effort to ensure appropriate funding, the government has given clear direction for fiscal restraint. Provincial funding might increase with inflation, but is not increased correspondingly with increased WDGPH costs, either operating or capital costs.

CORPORATE STRATEGIC PLAN

Goal 5- A community-focused responsive and accountable government

5.3 - Open, accountable and transparent conduct of municipal business

5.4 - Partnerships to achieve strategic goals and objectives

FINANCIAL IMPLICATIONS

Based on the latest cash flow projections from WDGPH and assuming the 4th quarter levy advancement from all partner municipalities is approved for July 2012 and contributions to reserves already made by municipalities are used initially, the WDGPH has estimated an additional amount of \$10.4 million will be required from the City of Guelph over the 2012/13/14 timeframe. A debt issuance in the amount of \$10.4 million will keep the City within approved debt policy ratios.

DEPARTMENTAL CONSULTATION/CONCURRENCE

This report has been reviewed by the Executive Team in consultation with the City Solicitor.

COMMUNICATIONS

N/A

ATTACHMENTS

N/A



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COMMITTEE REPORT



TO **Corporate Administration, Finance & Emergency Services Committee**

SERVICE AREA Finance
DATE June 11, 2012

SUBJECT Advancement of the Wellington-Dufferin-Guelph Public Health 2012 Fourth Quarter Levy Payment

REPORT NUMBER FIN-12-31

REPORT SUMMARY

Purpose of Report: To advance the 2012 fourth quarter Wellington-Dufferin-Guelph Public Health (WDGPH) levy payment to July 2012 in order to ensure adequate cash flow as capital facility project development costs are incurred and additional time to finalize loan and construction oversight agreements.

Committee Action: Receive the report and approve advancing the 2012 fourth quarter levy payment to Wellington-Dufferin-Guelph Public Health from October to July

RECOMMENDATIONS

That report FIN-12-30 dated June 11, 2012, with respect to advancement of the fourth quarter levy payment to Wellington-Dufferin-Guelph Public Health be received, and

That the request from Wellington-Dufferin-Guelph Public Health to advance the 2012 fourth quarter levy payment from October to July be approved.

BACKGROUND

The City of Guelph's 2012 levy from Wellington-Dufferin-Guelph Public Health (WDGPH) is \$3,017,277. This figure assumes a 3% increase in Provincial funding and reflects the 2012 approved City budget of \$3,017,277, which is made up of \$2.3 million for operating budget and \$684,000 for capital-related reserve contributions.

REPORT

Levy payments are made quarterly in January, April, July, and October. As indicated, the levy includes a capital facility component of \$684,000, representing the City of Guelph's share of incremental capital financing needed to ultimately support the cost of the new facilities in Guelph and Orangeville. The capital funds are being accumulated in a reserve and are being used to fund project costs as they are currently being incurred. These

reserves will be used by WDGPH to fund capital facility related costs during Spring/Summer of 2012.

Advancing the fourth quarter payment to July 2012 will meet anticipated project cash flow requirements until the Fall of 2012 and provide adequate time to finalize loan and construction oversight agreements with the other municipal partners and WDGPH .

The City of Guelph has been asked to forward the balance of the 2012 levy in July. The original and revised levy payment schedules are as follows:

2012 Payments to Wellington-Dufferin Guelph Public Health						
		January	April	July	October	Total
Original	Operating	583,319	583,319	583,319	583,320	2,333,277
	Capital	171,000	171,000	171,000	171,000	684,000
	Total	\$ 754,319	\$ 754,319	\$ 754,319	\$ 754,320	\$ 3,017,277
Revised	Operating	583,319	583,319	1,166,639	-	2,333,277
	Capital	171,000	171,000	342,000	-	684,000
	Total	\$ 754,319	\$ 754,319	\$ 1,508,639	\$ -	\$ 3,017,277

The Treasurers from Wellington and Dufferin Counties have also recommended advancement of their 2012 fourth quarter payments.

CORPORATE STRATEGIC PLAN

Goal 5- A community-focused responsive and accountable government

5.3 - Open, accountable and transparent conduct of municipal business

5.4 - Partnerships to achieve strategic goals and objectives

FINANCIAL IMPLICATIONS

The entire levy is in the 2012 Approved City Budget, and this advancement is simply a change in timing of the payments.

DEPARTMENTAL CONSULTATION/CONCURRENCE

This report has been reviewed by the Executive Team.

COMMUNICATIONS

N/A

ATTACHMENTS

N/A



Prepared By:

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COMMITTEE REPORT



TO Corporate Administration, Finance & Enterprise Committee
(CAFE)

SERVICE AREA Finance & Enterprise Services: Downtown Renewal
DATE June 11, 2012

**SUBJECT 72 Macdonell Street (The Diplomat Hotel) - Downtown
Guelph Community Improvement Plan (DGCIP) - Major
Downtown Activation Grant (DAG)**

REPORT NUMBER FIN-DR-12-04

SUMMARY

Purpose of Report

To authorize the execution of an agreement with the owner of 72 Macdonell Street (Diplomat Hotel) for a DGCIP Major Downtown Activation Grant. This grant which is available on a *first-come, first-served* basis to support projects involving significant redevelopment for commercial and/or residential buildings. Grant funding for this redevelopment site will be used for costs related to off-site infrastructure upgrades. The vacant former hotel will be transformed into a premiere boutique hotel with at least 20 new rooms and 1 new commercial establishment.

Committee Action

Approve

RECOMMENDATION

“THAT Downtown Renewal Report FIN-DR-12-04 dated June 11, 2012 regarding a Major DAG application for the property municipally known as 72 Macdonell Street pursuant to the DGCIP, be received;

AND THAT Council approve the Major DAG for 72 Macdonell Street and that the Mayor and Clerk be authorized to execute the Major DAG Agreement between 536357 Ontario Limited and the City of Guelph, subject to the satisfaction of the Corporate Manager of Downtown Renewal and the General Manager of Legal and Realty Services/City Solicitor.”

BACKGROUND

Downtown Major Activation Grant

The City of Guelph has a Downtown Guelph Community Improvement Plan (DGCIP) which includes incentive programs for redevelopment within the planning area. The incentive programs are meant to address the outstanding barriers and create an environment that will encourage real intensification results for the downtown.

One of the programs in the DGCIP is the Major Downtown Activation Grant. This is a tax increment-based grant for major redevelopment projects involving significant redevelopment for commercial and/or residential buildings. This grant is based on the difference between property taxes collected on a property before development and the estimated taxes that will be collected after development. They are reconfirmed against actual taxes before any grant monies are paid.

DGCIP Projected CVA Growth

Finance staff have reviewed and estimated the Current Value Assessment (CVA) value for the Downtown Guelph area (based on the Urban Growth Centre definition) at **\$505 million**. The scale of new CVA growth represented by the Downtown Secondary Plan targets represents, conservatively, a **doubling** of the CVA. This was the economic basis for establishing the approved financial support for the DGCIP programs.

REPORT

536357 Ontario Limited has applied for the Major Downtown Activation Grant pursuant to the DGCIP for 72 Macdonell Street, which is located on the north side of Macdonell Street just east of Wyndham St North. 72 Macdonell Street, known as the "Diplomat Hotel", is being redeveloped to be a downtown boutique hotel. The owner's goal for the hotel is to become a unique downtown destination for travellers. Currently, there is 1 hotel located in the downtown core. The Diplomat Hotel would re-establish this historic landmark and house at least 20 rooms and one new commercial establishment on the ground level. There is also the potential for event or exhibition spaces.

This application for the Downtown Major DAG is requesting TIBG funding for costs related to off-site infrastructure upgrades not routinely required such as significant hydro renovations and mews/laneway surface and lighting reconstructions.

The property is currently vacant with the exception of a portion of the ground floor that is tenanted by a fast food chain. To date, work on the site has received a series of building permits for demolitions and basic structural upgrades. The building owner is in the process of obtaining their interior fit-out building permit.

Evaluation Criteria

As outlined in the DGCIP Implementation Guidelines, the application was assessed by the following criteria:

CRITERIA	REQUIREMENTS	APPLICANT
1. Eligibility	Minimum of eight residential units or 800 square metres of office/commercial space.	This 2,140 m ² project will consist of at least 20 residential units and 1-2 commercial units.
	Eligible costs include:	Applicant has applied for the following eligible costs:
	• Parkland Dedication contributions	Not Applicable
	• Municipal planning and building permit fees	\$4,000
	• Off-site infrastructure improvement costs but exclude costs that are not <i>routinely</i> required for servicing the site.	\$400,000 Includes: • Surface/right-of-way Improvements • Sewer infrastructure • Hydro upgrades
	• Construction cost premium for the provision of underground parking or structured spaces vs. surface parking	Not Applicable
	Total Eligible Costs	\$404,000
	Potential Maximum of 10 year Tax Increment-Based Grant	\$656,068 *Note: The applicant can only access \$404,000 given project's eligible costs.
	Total Eligible TIBG = \$404,000K	\$65,607 for 6.2 years
	Recommended Annual Grant	
2. Type of Development	Priority to residential or mixed use projects.	✓ Mixed Use
3. Meets CIP Principles and Goals	The project meets all CIP Principles and Goals including the creation of a new focal area for investment in employment, entertainment and tourism uses.	✓
4. Project Excellence	As established through the CIP, the project must reinforce the role of urban design and adhere to principles within City approved policy documents (e.g. Urban Design Action Plan, 2009.)	The building will contribute to the urban streetscape on Macdonell Street and significantly upgrade the mews/laneways around the building. This investment will improve a long-standing underutilized area in the downtown.
5. Quality of	Complete application and pre-	✓

Application	consultation with Downtown Renewal Staff	
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The Downtown Renewal Office is recommending that this project has met the eligibility requirements and that the City proceed with a Major DAG agreement with the applicant.

For this application, City staff has estimated a **six-fold** increase of the municipal tax levy for 72 Macdonell Street on completion. This figure is only one piece of the economic spinoff and benefit that will result from the project, including enhanced tourism capacity and improvement of laneway space downtown.

FINANCIAL IMPLICATIONS

Grant payments are to be funded by the Downtown TIBG Reserve which was established on April 23, 2012 when City Council approved a total program cap for all multi-year redevelopment incentive programs. The total program cap for the Downtown TIBG is \$12.4M for the five year program.

The following table highlights approved and pending applications to the Downtown TIBG program:

Total Downtown TIBG Funding	\$12,400,000
Less applications to date	\$1,515,562
	\$10,893,178
Less current application	\$400,000
Downtown TIBG Funding Remaining/Available	\$10,493,178

CORPORATE STRATEGIC PLAN

2012 Update

Early testing of the 2012 Strategic Plan directions in Council workshops indicates that there is a strong desire to support strategic assessment-growth related projects such as downtown intensification and Brownfield site activation.

2011

Goal 1: *An attractive, well-functioning and sustainable city*

1.2 Municipal sustainability practices that become the benchmark against which other cities are measured

1.5 The downtown as a place of community focus and destination of national interest

Goal 3: *A diverse and prosperous local economy*

3.1 Thriving and sustainable local employment opportunities

3.2 One of Ontario's top five and Canada's top ten places to invest.

Goal 5: *A community-focused, responsive and accountable government*

5.4 Partnerships to achieve strategic goals and objectives

DEPARTMENTAL CONSULTATION

Finance & Enterprise: Finance Dept.

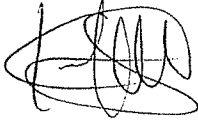
Planning & Building, Engineering and Environment: Planning Dept.

COMMUNICATIONS

N/A

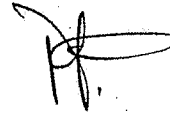
ATTACHMENTS

N/A



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