

COMMITTEE AGENDA



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

DATE September 16, 2013

LOCATION Council Chambers, Guelph City Hall, 1 Carden Street

TIME 5:30 p.m.

DISCLOSURE OF PECUNIARY INTEREST AND GENERAL NATURE THEREOF

CONFIRMATION OF MINUTES- July 15, 2013 open meeting minutes

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-2013.30 2013 Q2 Capital Budget Monitoring			
CAFE-2013.31 June 2013 Operating Variance Report			
CAFE-2013.32 Disposition and Redevelopment of Property Framework 200 Beverley Street, Guelph, Ontario (former IMICO)			

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

ITEMS EXTRACTED FROM CONSENT AGENDA

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

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

STAFF UPDATES AND ANNOUNCEMENTS

ADJOURN

NEXT MEETING – October 15, 2013



**The Corporation of the City of Guelph
Corporate Administration, Finance and Enterprise Committee
Monday July 15, 2013 at 5:30 p.m.**

Attendance

Members: Chair Hofland, Mayor Farbridge, Councillors Kovach, Laidlaw and Wettstein

Councillors: Councillors Bell, Dennis, Furfaro, Guthrie and Van Hellemond

Staff: Ms. A. Pappert, Chief Administrative Officer; Mr. A. Horsman, Executive Director, Finance & Enterprise/Chief Financial Officer; Mr. M. Amorosi, Executive Director, Corporate & Human Resources; Mr. D. McCaughan, Executive Director, Operations, Transit & Emergency Services; Mr. D. Wyman, General Manager Solid Waste Resources; Ms. T. Agnello, Deputy Clerk; and Ms. J. Sweeney, Council Committee Coordinator

Call to Order (5:30 p.m.)

Chair Hofland called the meeting to order.

Disclosure of Pecuniary Interest and General Nature Thereof

There were no disclosures.

Confirmation of Minutes

1. Moved by Councillor Laidlaw
Seconded by Councillor Wettstein

That the open meeting minutes of the Corporate Administration, Finance and Enterprise Committee held on June 10, 2013 be confirmed as recorded.

*VOTING IN FAVOUR: Mayor Farbridge, Councillors Hofland, Kovach, Laidlaw and Wettstein (5)
VOTING AGAINST: (0)*

CARRIED

Consent Agenda

The following items were extracted:

CAFE-2013.24 2013 Efficiency Target Progress Update
CAFE-2013.26 2014 Capital Budget Framework
CAFE-2013.28 Property Taxes for Condominiums

Balance of Consent Items

2. Moved by Councillor Kovach
Seconded by Mayor Farbridge

That the balance of the Corporate Administration, Finance and Enterprise Committee July 15, 2013 Consent Agenda, as identified below, be adopted:

CAFE-2013.25 Budget Monitoring Policy

1. That the FIN-13-29 Budget Monitoring Policy dated July 15, 2013, be received.
2. That the Budget Monitoring Policy, attached as Appendix 1, be approved and adopted through by-law.

CAFE-2013.27 Outstanding CAFÉ Committee Motions for the Finance & Enterprise Service Area

1. That report FIN-13-28 dated July 15, 2013, regarding outstanding motions of the Corporate Administration, Finance & Enterprise Committee, be received.
2. THAT the following motions, previously passed by the Corporate Administration, Finance & Enterprise Committee of Council, be eliminated from staff work plans and from the outstanding motion list, based on reasons provided.

04/07/2011; "THAT Councillor Furfaro's Notice of Motion which was passed by Council July 4, 2011, be received and referred to staff; THAT staff develop and provide options to Council for promoting the Market Square area, the options to include potential programs, initiatives and partnerships with our neighbours, and that the program use \$175,000 as a guideline budget limit; AND THAT this request be referred to the CAFES Committee with a direction that staff bring these options back for review by Council in Sept. 2011 taking into consideration: differentiation and weighting of businesses; if the funding can be found in the current budget; highlighting if any of the delays that were beyond the City's control."

03/03/2011; "THAT the matter of the budget format and process be referred to the CAFES Committee for consideration."

09/08/2010; "THAT the request from St. Joseph's Health Centre Foundation for a \$1.2 million contribution to their capital campaign be referred to the 2011 budget process; AND THAT staff prepare a report prior to the budget deliberations outlining the history of health care funding in the City and previous capital campaign contributions the City had made."

15/06/2009; "THAT staff be directed to report back to FACS with a response to the request from Westminster Square Ltd. to waive development charges for the medical clinic in Westminster Woods (33 Farley)."

05/11/2008; "THAT the request from the Guelph & District Labour Council with respect to adopting a procurement policy with respect to Buy Canadian – Build Communities", be received; AND THAT the correspondence be referred to staff to consider in conjunction with the procurement procedures review."

05/12/2007; "THAT staff be directed to develop a policy addressing requests from community organizations for relief from development costs."

03/10/2007; "THAT staff report back to FACS with a strategy on how to address health related capital funding needs proactively."

CAFE-2013.29 Outstanding CAFE Committee Motions

1. That the report, dated July 15, 2013, regarding outstanding motions of the Corporate, Administration, Finance & Enterprise Committee, be received.
2. THAT the following motions, previously passed by the Corporate, Administration, Finance & Enterprise Committee of Council, be eliminated from staff work plans and from the outstanding motion list, based on reasons provided:

05/12/2012; "Councillor Furfaro's motion be referred to Committee for a broad discussion around the management of FTEs and gapping. (Councillor Furfaro's motion – implement a hiring adjustment for 2013 as an effective means of reducing operating costs, and this hiring adjustment will operate on the principle of attrition, namely not replacing individuals choosing to retire)"

VOTING IN FAVOUR: Mayor Farbridge, Councillors Hofland, Kovach, Laidlaw and Wettstein (5)
VOTING AGAINST: (0)

CARRIED

Presentation

Fair Taxes Campaign- Guelph

Ms. Echo Oliver of the Fair Taxes Campaign-Guelph petitioned the City on behalf of condominium owners to provide equal services and/or financial compensation in the form of a tax rebate, to all residential properties without regard to whether they are condominium residences or non-condominium residences. She said there are inequities in the provision of services but they are focusing on the delivery of solid waste services. She requested that the City allocate monies in the 2014 budget to address this inequity and to provide access to solid waste services for all condominium owners.

Mr. Cavan Acheson of the Fair Taxes Campaign-Guelph advised of difficulties condominium corporations face as they have responsibilities to provide services similar to those provided by local municipalities, albeit on a different scale. He advised that condominium owners have no choice but to pay for services provided twice, through the condominium while paying taxes to provide the same service. He requested that the City establish an Advisory Committee charged with oversight of condominium related issues under the Chairmanship of either a senior member of staff or a Councillor to review inequitable situations.

Mr. Dean Wyman, General Manager Solid Waste Resources, provided information on solid waste services provided to condominiums.

CAFE-2013.28 Property Taxes for Condominiums

Main Motion

3. Moved by Councillor Laidlaw
Seconded by Mayor Farbridge

That FIN-13-32 Property Taxes for Condominiums be received for information.

Amendment

4. Moved by Mayor Farbridge
Seconded by Councillor Laidlaw

That the matter of “willing properties”, those who want to three stream their waste, be referred to the Waste Management Master Plan Update to consider options.

VOTING IN FAVOUR: Mayor Farbridge, Councillors Hofland, Kovach, Laidlaw and Wettstein (5)
VOTING AGAINST: (0)

CARRIED

Main Motion as Amended

5. Moved by Councillor Laidlaw
Seconded by Mayor Farbridge

1. That FIN-13-32 Property Taxes for Condominiums be received for information.

2. **That the matter of “willing properties”, those who want to three stream their waste, be referred to the Waste Management Master Plan Update to consider options.**

VOTING IN FAVOUR: Mayor Farbridge, Councillors Hofland, Kovach, Laidlaw and Wettstein (5)
VOTING AGAINST: (0)

CARRIED

Extracted Items

CAFE-2013.26 2014 Capital Budget Framework

Mr. Greg Clark, Senior Corporate Analyst, outlined the internal staff capital budget process and the points of Council input.

Mr. George Jackson on behalf of the Guelph Coalition for Active Transportation, advised the group has been endorsed by Wellington-Dufferin-Guelph Public Health. He requested that a portion of the capital budget be directed to high active transportation objectives that are not aligned with roadwork. He further requested priority be given to a multi-use path along Woodlawn Road prior to any roadwork.

Mr. Bryan McPherson, member of the Guelph Coalition for Active Transportation, expressed concern with the decreasing funds allocated for sidewalk infrastructure and connectivity of paths and trails. He requested that funding be allocated for road growth related multi-use paths and better signage of paths and trails.

6. Moved by Councillor Laidlaw
Seconded by Mayor Farbridge
 1. That the Corporate Administration, Finance and Enterprise Services Committee receive FIN-13-30 Capital Framework report.
 2. That no changes be made to the Capital Priority Model Criteria used in the development of the 2014 Capital Budget.
 3. That the current framework reflects the appropriate role and participation of Council and management in the Capital Budget process.
 4. That the Capital Budget be integrated with the Corporate Strategic Plan starting in the 2015 planning process.
 5. **That correspondence received with respect to active transportation capital budget funding requests be referred to the October 1st capital budget meeting.**

VOTING IN FAVOUR: Mayor Farbridge, Councillors Hofland, Kovach, Laidlaw and Wettstein (5)
VOTING AGAINST: (0)

CARRIED

CAFE-2013.24 2013 Efficiency Target Progress Update

7. Moved by Mayor Farbridge
Seconded by Councillor Kovach
 1. That FIN-13-31 2013 Efficiency Target Progress Update be received for information.
 2. **That new revenue not be included in the reporting on the 2013 Efficiency Target.**
 3. **That staff include in their reporting on the 2013 Efficiency Target a summary of their approaches to engage employees in identifying opportunities for efficiency and continuous improvement.**

VOTING IN FAVOUR: Mayor Farbridge, Councillors Hofland, Kovach, Laidlaw and Wettstein (5)
VOTING AGAINST: (0)

CARRIED

Staff Updates and Announcements

Mr. Al Horsman, Executive Director Finance & Enterprise, recognized Sylvia Kirkwood for her work on the Integrated Operational Review of Planning, Building, Engineering and Enterprise.

Mr. Mark Amorosi, Executive Director Corporate & Human Resources, advised he will report to Committee in September or October on the initiatives status of the Corporate Information Technology Strategic Plan.

Adjournment (7:00 p.m.)

8. Moved by Councillor Kovach
Seconded by Mayor Farbridge

That the meeting be adjourned.

CARRIED

Tina Agnello – Deputy Clerk

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

September 16, 2013

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-2013.30 2013 Q2 CAPITAL BUDGET MONITORING REPORT</p> <p>That FIN-13-37, '2013 Q2 Capital Budget Monitoring Report', be received.</p>	<p>Receive</p>
<p>CAFE-2013.31 JUNE 2013 OPERATING VARIANCE REPORT</p> <p>That report FIN-13-36, 'June 2013 Operating Variance Report', be received for information.</p>	<p>Receive</p>
<p>CAFE-2013.32 DISPOSITION AND REDEVELOPMENT OF PROPERTY FRAMEWORK 200 BEVERLEY STREET, GUELPH, ONTARIO (FORMER IMICO SITE)</p> <ol style="list-style-type: none"> 1. That Council receive report FIN-ED-13-05. 2. That Council direct staff to proceed with the process to attract an investor that will acquire and redevelop 200 Beverley Street as described in report FIN-ED-13-05. 3. That Council direct staff to report back at the key milestones outlined in report FIN-ED-13-05 regarding the status of the process to attract an investor that will acquire and redevelop 200 Beverley Street. 	

attach.

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STAFF REPORT



TO Corporate Administration, Finance and Enterprise

SERVICE AREA Finance and Enterprise

DATE Sept 16, 2013

SUBJECT 2013 Q2 Capital Budget Monitoring Report

REPORT NUMBER FIN-13-37

EXECUTIVE SUMMARY

PURPOSE OF REPORT

- To provide an update on capital project spending compared to budget
- To provide a summary of projects not yet started
- To provide a summary of over budget projects
- To provide a summary of projects closed as of June 30, 2013

KEY FINDINGS

- 2013 approved tax supported and enterprise funded capital budgets total \$76.3 million (compared to 2012 approved capital budget of \$98.02 million). Life to date unspent capital budget totals \$157.9 million. Due to system limitations, the unspent amount included in this report does not reflect amounts committed but not yet spent. This has been recognized as an action requiring attention and is expected to be addressed through the IT Strategic Plan.
- Year to Date (YTD) 2013 capital spending totals \$16.5 million and is considered normal at this time of the year based on historical trends. Due to the seasonal nature of the City's capital program, the majority of spending occurs from late spring through to early fall in alignment with the construction season.
- 18 projects were closed YTD 2013. These projects were fully spent and no funds were returned to reserve funds.

FINANCIAL IMPLICATIONS

Ongoing monitoring of the capital work-in-progress accounts is a very important function as capital expenditures represent a large portion of annual municipal spending. Capital projects that are not completed according to municipal standards, on time and within budget can result in significant financial implications for the City.

ACTION REQUIRED

THAT FIN-13-37 2013 Q2 Capital Budget Monitoring Report be received.

STAFF REPORT



RECOMMENDATION

THAT FIN-13-37 2013 Q2 Capital Budget Monitoring Report be received.

BACKGROUND

Throughout 2013, Finance worked with City departments to closely monitor the status of all active capital projects as well as the anticipated completion date. This information allows for more accurate financial reporting and asset management, as well as contributes to better cash flow modeling that can lead to improved investment opportunities.

REPORT

Principles of Strong Capital Project Management

- Responsibility to overall City budget
- Transparency & timeliness of information
- Effective use of City funds
- Delivery of expected outcome

Below are four key metrics for monitoring capital projects in light of these principles.

Timeliness of Initiation

Timeliness of initiation is an important aspect of capital project management as it ensures that committed resources are put to use as planned and that expected benefits are realized within the anticipated time frame. Council approves projects based on their importance to the City as a whole and their relative priority amongst competing projects. Unnecessary delays in project initiation tie up resources that could otherwise be used for projects that are ready to proceed but not yet approved. In addition, citizens expect the resources entrusted to the City will be actively used to provide benefits to them and projects that do not commence as planned prevent this.

Schedule "A" provides a high level summary as of June 30, 2013 of all open capital projects organized by department. As of June 30 there were 289 open projects. Many of these projects are carried over from 2012, and 63 were new projects approved in the 2013 capital budget. These 289 projects have spent 66% of the prior approved funding and 51% of total approved funding. Total year to date spending is \$16.5 million; projects with significant spending in 2013 are:

- Vehicle & Equipment Replacement (\$4.5 million)
- Water and Wastewater facility upgrades (\$2.0 million),
- Hanlon Creek Business Park (\$0.5 million)
- The City's contribution towards the W-D-G Public Health Unit (\$2.9 million).

STAFF REPORT

Alternatively, departments that show minimal spending include:

- By-law Compliance, Security and Licensing is 0% spent as of June 30 due to timing. These projects are currently in the RFP stage or awaiting the results of the Parking Master Plan,
- Forestry is 16% spent due to delays in commencing work associated with the Municipal Tree Inventory and Emerald Ash Borer strategy,
- Parks and Recreation is 0% spent primarily due to the timing of awarding the design work related to the South End Community Centre and Victoria Road Renovation & Expansion projects approved by Council as part of the 2013 tax supported capital budget. This work is currently slated for completion in Q4 2013,
- Downtown Renewal is showing 5% of total budget spent due to on-going negotiations related to the acquisition of property,
- Police is currently showing as 12% spent due to renovations related to the Police Headquarters facility being put on hold,
- Water and Wastewater are both showing significant unspent budgets. Due to the highly legislated and costly nature of projects related to these departments, phasing of projects over multiple years can result in funds accumulating until there is sufficient budget to begin the process. These projects are also required where draft legislation may indicate an upcoming need for work, but that work would not start until the legislation is finalized.

As mentioned earlier, this report does not include amounts committed but not yet spent against the City's capital projects. If commitments were included, the percentage spent being reported would be higher.

Schedule "B" provides a summary of the projects that were approved in 2012 or prior and have had no activity as of June 30, 2013. There are 14 projects in this group with an approved budget of \$6.5 million. This compares favourably to June 30, 2012 when there were 34 projects and \$5.99 million in approved budget with no activity. This represents less than 2% of the total approved capital budget. The approved budgets for the Baker Street Land Assembly (\$3.8 million), Organic Compound (OC) Treatment (\$1 million) and Groundwater Protection (\$0.5 million) projects represent \$5.3 million or 87% of the amount approved but not yet spent. Both the Baker Street Land Assembly and OC Treatment projects are not started due to on-going negotiations with property owners or regulatory agencies. The Groundwater Protection project has not started due to staff awaiting Ministry of the Environment approval of the submitted plan.

As part of the 2014 budget process, project status and planned completion is reviewed and evaluated with individual project managers and department heads. Where required, projects are closed if scope, cost or timing has changed significantly and the existing approved budget will no longer achieve the desired result. These projects are either re-budgeted or cancelled. If a project has minimal spending due to capacity issues, then future year spending plans are delayed or phased to allow completion of previously approved projects.

Identification of Over Budget Projects

Over spending on capital projects can have an impact on both the capital reserves and operating budgets depending on the amount of the overage. It is anticipated that a small number of projects will end up over budget due to unforeseen circumstances. Identifying projects that are expected to go over budget early is imperative in managing risk and allows for analysis of alternatives such as reduction in the scope of the project, reallocation of funding from another project or use of surpluses from recently completed projects.

Schedule "C" provides a high level summary of overspent capital budgets by department. Finance has actively worked with the Project Managers and their departments to identify solutions for these projects. It is expected that all projects will be funded from surplus funds from other approved projects. There are 15 projects which were over budget as at June 30, 2013 compared to 11 as of March 31, 2013. Overall, the number of over-budget projects represents approximately 5% of all projects and the value of the over spending is less than 1% of the 2013 approved capital budget.

Timeliness of Completion

Timeliness of completion of capital projects is important as many of these projects have a disruptive impact on the citizens of the City and ensuring that the project is completed as quickly as possible and on time ensures that these disruptions are minimized. Additionally delays in project completion can result in increased costs, diminished value to citizens, and a change in needs or direction of the City could make projects obsolete prior to full use.

Closing of Projects

Once completed it is important that capital projects are quickly closed to allow for final accounting. Final accounting allows for the recognition of capital assets for PSAB 3150 (Public Sector Accounting Board – Tangible Capital Assets Standard) purposes as well as identification of unused funding. Capture of capital assets for PSAB 3150 purposes allows the City to actively manage its assets and ensure that proper planning is being done for maintenance and repair of these assets once they are in service. The identification of unused funding allows the City to potentially move forward other priority projects which have been delayed due to funding constraints. In addition the closing of projects with unused debt funding reduces our debt ratios, putting the City of Guelph in a better financial position.

Schedule "D" provides a summary of capital projects that were closed YTD in 2013. There were 18 projects closed; there was no unused funding returned to reserves.

STAFF REPORT



CORPORATE STRATEGIC PLAN

2.3 – Ensure accountability, transparency and engagement

DEPARTMENTAL CONSULTATION

The responsibility of monitoring the capital budget work-in-progress is shared by the departments responsible for the management of the project and the Finance department. Departments must manage the project to completion according to municipal standards, on time and within the approved budget.

Project reports are circulated to all Project Managers on a monthly basis and results are formally reported to Council quarterly. Project Managers and Finance work together to:

- Provide a status update and expected completion date for individual capital projects,
- Identify risks associated with any active project, such as delays, potential overspending, etc.
- If a project will be overspent, identify an alternative source of funds,
- Close any completed capital projects in a timely manner.

COMMUNICATIONS

Finance staff has worked closely with all City departments in obtaining the status of projects, expected completion times and impact on budget.

ATTACHMENTS

- Schedule "A" Summary of all open Capital Projects as at June 30, 2013
- Schedule "B" Summary of projects not Started as at June 30, 2013
- Schedule "C" Summary of Overspent Capital Projects as at June 30, 2013
- Schedule "D" Summary of Capital Projects Closed YTD in 2013

Report Author

Greg Clark CMA
Sr. Corporate Analyst, Capital

"original signed by Tara Baker" "original signed by Al Horsman"

Approved By

Tara Baker CA
Manager
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Recommended By

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Schedule A: FIN 13-37

Summary of All Open Capital Projects as at June 30, 2013

	# of Open Projects	Total Prior Approved Funding	2013 Budget	Total Approved Funding	2013 Expenditures Note 1	Total Expenditure to Date Note 2	% Spent
PBEE							
Policy Planning	15	2,975,817	437,700	3,413,517	90,506	2,100,739	62%
Roads	36	48,099,646	11,335,497	59,435,143	2,216,679	41,555,963	70%
Solid Waste	9	45,054,496	5,634,070	50,688,566	795,693	38,744,172	76%
Storm Water	12	5,145,410	2,625,000	7,770,410	373,585	3,703,922	48%
PBEE Total	72	101,275,369	20,032,267	121,307,636	3,476,463	86,104,796	71%
OT&ES							
By-Law	2	-	352,000	352,000	-	-	0%
Fire	6	3,238,200	2,303,200	5,541,400	1,732,724	3,209,650	58%
Fleet	3	5,278,500	1,873,600	7,152,100	1,386,491	3,971,506	56%
Forestry	3	100,000	110,000	210,000	-	33,245	16%
Land Ambulance	3	928,530	404,400	1,332,930	388,069	1,300,780	98%
Parking	5	1,671,326	280,000	1,951,326	72,416	1,021,257	52%
Roadside Operations	1	105,000	-	105,000	52,260	59,942	57%
Traffic Signals	4	416,000	384,000	800,000	-	359,361	45%
Transit	12	7,263,695	3,005,600	10,269,295	126,162	4,417,493	43%
OT&ES Total	39	19,001,251	8,712,800	27,714,051	3,758,122	14,373,233	52%
CSS							
Community Engagement	1	135,000	-	135,000	4,070	134,730	100%
Corporate Building	31	4,936,352	2,932,187	7,868,539	1,489,598	5,483,061	70%
Culture & Tourism	5	138,520	335,000	473,520	57,369	192,685	41%
Park Operations	13	1,440,783	789,300	2,230,083	169,027	1,203,785	54%
Park Planning	10	7,310,428	1,345,152	8,655,580	319,401	6,110,046	71%
Parks & Rec	6	20,000	715,000	735,000	4,191	865	0%
CSS Total	66	13,981,083	6,116,639	20,097,722	2,043,656	13,125,174	65%
CORPORATE & HR							
Information Technology	16	1,559,494	3,473,200	5,032,694	404,137	1,767,083	35%
CORPORATE & HR Total	16	1,559,494	3,473,200	5,032,694	404,137	1,767,083	35%
FINANCE & ENTERPRISE							
Community Energy	2	218,800	1,279,300	1,498,100	1,009	159,926	11%
Downtown Renewal	4	4,330,000	3,700,000	8,030,000	20,352	385,360	5%
Economic Development	3	19,031,397	5,089,300	24,120,697	687,726	20,306,701	84%
Finance	3	812,000	130,000	942,000	3,150,239	3,473,751	369%
FINANCE & ENTERPRISE Total	12	24,392,197	10,198,600	34,590,797	3,859,326	24,325,738	70%
BOARDS							
Library	3	129,000	95,000	224,000	42,608	49,770	22%
Police	12	15,008,134	1,577,700	16,585,834	879,141	1,999,610	12%
BOARDS Total	15	15,137,134	1,672,700	16,809,834	921,749	2,049,380	12%
TOTAL TAX SUPPORTED	220	175,346,528	50,206,206	225,552,734	14,463,453	141,745,404	63%
ENTERPRISE							
POA	2	50,300	25,400	75,700	5,435	21,082	28%
Wastewater	36	44,616,382	12,417,600	57,033,982	660,594	10,768,820	19%
Water Services	31	28,059,795	12,098,940	40,158,735	1,330,283	12,304,303	31%
ENTERPRISE Total	69	72,726,477	24,541,940	97,268,417	1,996,312	23,094,205	24%
CITY Total	289	248,073,004	74,748,146	322,821,150	16,459,764	164,839,609	51%

Note:

1 "2013 Expenditures" includes spending in closed projects

2 "Total Expenditures to Date" only includes spending in projects open at end of Q2 2013

3 Finance spending includes 2 advances for the W-D-G Public Health Unit

Schedule B: FIN 13-37
Summary of Projects not Started as at June 30, 2013

	Total # of Open Projects	# of Projects not Started (Note 1)	Total Prior Approved Funding	2012 Budget	Total Approved Funding	% of Total Department Capital Budget
PBEE						
Roads	36	1	-	100,000	100,000	0.2%
Storm Water	12	1	-	200,000	200,000	2.6%
PBEE Total	48	2	-	300,000	300,000	0.2%
OT&ES						
Forestry	3	1	-	65,000	65,000	31.0%
Land Ambulance	3	1	-	26,500	26,500	2.0%
Parking	5	1	100,000	75,000	175,000	9.0%
Transit	12	2	-	270,000	270,000	2.6%
OT&ES Total	23	5	100,000	436,500	536,500	1.9%
CSS						
Parks & Rec	6	1	-	20,000	20,000	2.7%
CSS Total	6	1	-	20,000	20,000	0.1%
CORPORATE & HR						
Information Technology	-	-	-	-	-	-
CORPORATE & HR Total	-	-	-	-	-	-
FINANCE & ENTERPRISE						
Downtown Renewal	4	1	-	3,800,000	3,800,000	47.3%
FINANCE & ENTERPRISE Total	4	1	-	3,800,000	3,800,000	11.0%
TOTAL TAX SUPPORTED	81	9	100,000	4,556,500	4,656,500	2.0%
ENTERPRISE						
POA	2	1	-	20,000	20,000	26.4%
Wastewater	36	2	-	335,000	335,000	0.6%
Water Services	31	2	290,000	1,200,000	1,490,000	3.7%
ENTERPRISE TOTAL	69	5	290,000	1,555,000	1,845,000	1.9%
CITY TOTAL	150	14	390,000	6,111,500	6,501,500	2.0%

Note:

1 No additional funding was approved for the above projects in 2013.

Schedule C: FIN 13-37
Summary of Overspent Capital Projects as at June 30, 2013

	# of Overspent Projects	Total Approved Funding	Total Expenditure to Date	Over Budget Amounts (Note 1)	Unspent Budget in Other Projects (Note 2)
PBEE					
Policy Planning	2	523,800	545,666	(21,866)	1,312,778
Roads	3	7,400,000	7,699,916	(299,916)	17,879,180
Solid Waste	1	900,000	919,521	(19,521)	11,944,394
PBEE Total	6	8,823,800	9,165,102	(341,302)	31,136,352
OT&ES					
Fire	2	950,000	975,078	(25,078)	2,331,750
Land Ambulance	1	105,800	114,691	(8,891)	32,150
OT&ES Total	3	1,055,800	1,089,770	(33,970)	2,363,901
CSS					
Corporate Building	3	2,096,769	2,328,923	(232,154)	2,385,478
Park Operations	1	301,783	303,386	(1,603)	1,026,298
CSS Total	4	2,398,552	2,632,309	(233,757)	3,411,776
FINANCE & ENTERPRISE					
Economic Development	1	50,000	50,735	(735)	3,813,996
Finance	1	250,000	268,732	(18,732)	364,198
FINANCE & ENTERPRISE Total	2	300,000	319,467	(19,467)	4,178,195
TOTAL TAX SUPPORTED	15	12,578,152	13,206,648	(628,496)	41,090,222
CITY TOTAL	15	12,578,152	13,206,648	(628,496)	41,090,222

Note:

1 Over budget amounts will be covered via budget reallocations from other approved projects through discussions with the appropriate Project Managers.

2 The unspent budget in other projects may not have the same funding sources as the overspent projects.

Schedule D: FIN 13-37
Summary of Capital Projects Closed during Q1 & Q2 2013

Row Labels	# of Closed Projects	Total Approved Funding
PBEE		
Storm Water	3	1,067,838
PBEE Total	3	1,067,838
OT&ES		
By-Law	1	40,000
Roadside Operations	2	114,021
Transit	2	130,932
OT&ES Total	5	284,953
CSS		
Corporate Building	1	56,411
Parks & Rec	1	12,923
CSS Total	2	69,334
CORPORATE & HR		
Information Technology	2	120,000
CORPORATE & HR Total	2	120,000
FINANCE & ENTERPRISE		
Economic Development	1	813,720
FINANCE & ENTERPRISE Total	1	813,720
TOTAL TAX SUPPORTED	13	2,355,845
ENTERPRISE		
Wastewater	3	469,275
Water Services	2	1,579,000
ENTERPRISE Total	5	2,048,275
CITY TOTAL	18	4,404,120

STAFF REPORT



TO Corporate Administration, Finance & Enterprise Committee

SERVICE AREA Finance and Enterprise Services

DATE September 16, 2013

SUBJECT June 2013 Operating Variance Report

REPORT NUMBER FIN-13-36

EXECUTIVE SUMMARY

SUMMARY OF REPORT

The purpose of this report is to provide an in year projection of the 2013 year end position for the net operating budget of the Tax Supported and Enterprise funded programs based on financial information as of June 30, 2013. A summary is provided in Attachment 1.

This report also highlights key revenue variances as part of staff's commitment to report on external revenue twice per year and is discussed in Attachment 2.

KEY FINDINGS

- Overall, staff are projecting a 1.4% unfavourable variance for the tax supported budget (approximately \$2.36 million). This assumes the City will achieve Council's \$500,000 efficiency target. This does not reflect the use of the Legal or Operating Contingency reserves to reduce the impact resulting from overages related to legal (\$300,000) and winter control (\$350,000) costs. Use of these reserves would be appropriate given the nature of the cost overages and designated use of these reserves.
- City Departments (before capital financing and general expenditures) are projecting close to a 2.3% or \$2.31million unfavourable variance,
- Shared services are projecting a 1% or approximately \$735,000 favourable variance,
- Enterprise departments expect a 4.6% or approximately \$2.53 million favourable variance primarily due to Water and Wastewater,
- Staff have been instructed to develop and implement cost containment activities;
- If required, the use of reserves will be recommended via the final year-end operating variance report.

FINANCIAL IMPLICATIONS

Any realized surplus or deficit will be transferred to or from the City's reserves at year end. Reserve and reserve fund balances are considered in determining the City's credit rating. A significant change in reserve and reserve fund

STAFF REPORT



balances may have an effect on this rating.

ACTION REQUIRED

Corporate Administration, Finance and Enterprise (CAFE) Committee to receive report FIN-13-36 June 2013 Operating Variance Report for information.

RECOMMENDATION

That report FIN-13-36 June 2013 Operating Variance Report be received for information.

BACKGROUND

Once the annual budget is produced, actual expenditures and revenues are monitored and compared against budget. While some differences are expected, variances should not be considerably above or below budget. Staff have examined revenues and expenditures as of June 30, 2013 and compared them to the Council approved operating budget for the period.

Departments reviewed the financial information, identified trends and, with consultation from finance, were asked to project to the end of the year and comment on significant deviations from budget that were expected to have an impact on the year-end financial position. Where unfavourable variances exist, mitigation measures are identified to reduce potential impacts and available funding sources are explored.

STAFF REPORT

REPORT

Departments were provided financial information as of June 30, 2013. The chart that follows gives a high level indication of the estimated 2013 year end position.

Summary of Projected Operating Variance at of Dec, 31 2013

	Total Annual Budget for Year 2013 (\$)	Projected Variance for Dec 31, 2013 (\$)	Projected Variance for Dec 31, 2013 (%)
Tax Supported			
City Departments	\$ 99,163,000	\$ 2,310,000	2.3%
General Revenues and Expenses	\$ (169,530,000)	\$ 782,000	0.5%
Sub-Total City Departments and Financing	\$ (70,367,000)	\$ 3,092,000	1.8%
Local Boards	\$ 42,124,000	\$ -	0.0%
Grants, Outside Boards and Agencies	\$ 28,243,000	\$ (735,000)	(2.7%)
Total Local and Outside Boards	\$ 70,367,000	\$ (735,000)	(1.0%)
Total Tax Supported	\$ -	\$ 2,357,000	1.4%
Enterprise Budgets			
Water	\$ -	\$ (1,285,000)	(5.6%)
Wastewater	\$ -	\$ (1,100,000)	(4.1%)
OBC	\$ -	\$ (300,000)	(10.6%)
Court Services	\$ -	\$ 150,000	7.2%
Total Enterprise Budgets	\$ -	\$ (2,535,000)	(4.6%)

*** (Brackets indicate a favourable variance)

Note: Enterprise (Water, Wastewater, OBC, Courts) shows a net zero budget due to revenue fully offsetting anticipated expenditures. The % shown is based on total expenditures.

Overall, the tax supported service area managers and local and outside boards are projecting an unfavourable tax supported variance which is within 1.4% of the overall net tax levy. The enterprise budget managers are expecting a favourable variance of approximately 4.6% of the Enterprise budget related to favourable variances in water, wastewater and OBC budgets. These favourable variances are offset by an unfavourable variance in Court Services.

MITIGATION MEASURES

Use of Reserves:

Winter Control Costs

Higher than expected snowfall early in 2013 and a late season ice storm has had a negative impact on winter control costs. At this point it is expected that this will lead to a negative variance by the end of the year of approximately \$350,000.

As the severity of weather is outside the control of staff, an operating contingency reserve exists to cover such uncontrollable fluctuations in costs. The option is

STAFF REPORT



available to Council to use this contingency reserve at year end if the negative variance continues.

Litigation Costs

There is insufficient budget for 2013 to cover current and anticipated litigation expenses for 2013. Historically, such costs have been funded through the use of a Legal reserve.

Attendance Support Program

In order to address significant overtime costs currently being incurred in Transit, management is working to implement an Attendance Support Program to address some of the trends that have been identified.

Reduced Discretionary Spending

The City's Executive Team has directed staff to implement mitigation measures to address the unfavourable variance. The measures include:

- Gapping of new hires for a minimum of 90 days to a maximum of actual time realized going forward from now until the end of the year. The only exception being where the work needed to be done to comply with legislative requirements and would be covered off by existing staff on overtime hours resulting in no savings.
- All non service level impacting capital and operating projects or initiatives that would be charged to operating expenses and having an effect on 2013 operating budget to be paused until the new year.
- Delay hiring of non-mandatory consultants until the new year.
- Staff have been instructed to develop and immediately implement further cost containment activities;

ET will review progress on this in September 2013.

IDENTIFIED CORPORATE VARIANCE DRIVERS

The following key areas have been identified corporately as potentially impacting the 2013 operating results in a significant manner.

Positive

Guelph Central Station

Due to the delay in opening this facility, a one-time \$215,000 favourable variance is being projected.

Shared Services - Housing

Due to timing of property taxes and utility payments, the County is expecting a favourable City share of the Social housing variance of \$762,500 by year end.

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Tourism Costs

The Culture and Tourism department is expecting lower than budgeted costs related due to vacancies in the Tourism department. This should result in a year end favourable variance of approximately \$60,000.

Capital Financing (Debt Issue)

A \$200,000 favourable variance is projected due to a delay to the planned debt issue.

Water / Wastewater

Water and Wastewater revenues are tracking higher than planned and a combined \$1.4M revenue surplus is anticipated due to higher than budgeted volumes and increased meter installations. Expenditures are also tracking below budget and a combined projected \$985,000 favourable variance is anticipated due to reduced costs. It should be noted that a surplus in this area is transferred to the Enterprise reserves.

Ontario Building Code (OBC) – Permit Revenues

The OBC department is forecasting a positive surplus of approximately \$300,000 related to favourable construction activity. It should be mentioned that a surplus in this area is transferred to the OBC reserve as per the City's Building Reserve Policy.

Negative

Overtime Costs

Transit is currently running an unfavourable variance primarily due to overtime costs (\$960,000) resulting from vacancies and staff taking sick leave without pay. This overage is partially offset by savings in permanent salaries and benefits related to vacancies (\$298,000).

Winter Control Costs

Higher than expected snowfall early in 2013 and a late season ice storm has had a negative impact on winter control costs. At this point it is expected that this will lead to a negative variance by the end of the year of approximately \$350,000. The public works department is currently pursuing other potential offsets to mitigate this variance.

Decreased Parking Revenues

Parking revenues are anticipated to be approximately \$266,000 below budget, of which \$250,000 were anticipated due to the delayed implementation of the Parking Master Plan.

STAFF REPORT



Legal Costs

The 2013 tax supported operating budget included a \$125,000 budget to fund litigation costs. It is expected that actual costs incurred for 2013 will be in excess of the amount currently budgeted by approximately \$350,000. It should be noted that the projected year end variance is lower than what has been reported in prior years primarily due to increased reliance on internal counsel and actively managing cases and providing recommendations when it is more prudent to settle.

Lower Planning Application Fees

Planning has received significantly lower than anticipated application processing revenues when compared to forecast. While planning application activity remains high, associated fees are not anticipated to be received this fiscal year. The anticipated negative impact of this delay in fees is an unfavourable \$300,000.

Waste Management

Waste Management will have a net unfavourable variance of \$170,000 due to lower than anticipated grant revenues from the Waste Diversion Organization.

Emergency Services

Land Ambulance are anticipating an unfavourable variance of \$165,000, of which \$99,000 represents the City share, due to higher than budgeted part time wages and benefits.

Tax Write Off's

Tax revenue for 2013 will have an unfavourable variance of approximately \$570,000 due primarily to higher than budgeted tax write off's.

Investments

Revenue generated from the City's investments is expected to be higher than budgeted. However, in accordance with the City's General Reserve and Reserve Fund policy, interest must be allocated to specific discretionary and obligatory reserves funds based on their average annual balance which is currently exceeding what was planned due to lower than anticipated capital spending. This results in an overall unfavourable variance of \$412,000.

DETAILED VARIANCE ANALYSIS

Tax Supported Variance Overview

The tax supported budget is projecting an overall unfavourable variance of \$2,357,000. Of this, City Departments, capital financing and general expenditures

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are projecting a net unfavourable variance of \$3,092,000. Local Boards which include Police and Library are not projecting a significant variance for 2013.

Shared Services, which includes Social Assistance, Social Housing, Child Care Assistance and Wellington Terrace are administered by the County of Wellington. A significant favourable variance of \$735,000 is expected.

Tax Supported Variance by Service Area (Appendix 1)

CAO Office and Council

- The CAO Office Service Area is currently not projecting a significant year end variance for 2013.

Operations, Transit & Emergency Services

- The net variance for Operations, Transit and Emergency Services is a combined unfavourable \$1,734,000.
- Transit is projecting an unfavourable year end variance of \$947,000 due to overages in overtime (\$960,000), materials and maintenance charges (\$180,000) and a shortfall in revenue (\$320,000) due to dropped runs and service issues. This is offset by savings resulting from delayed opening of Guelph Central Station (\$215,000) as well as savings related to permanent salaries and benefits (\$298,000) due to vacancies. Staff are currently working to mitigate this variance through the implementation of an attendance support program and fleet rationalization exercise.
- Public works is projecting a net year end unfavorable \$663,000 variance primarily due to higher than budgeted winter control costs of \$350,000 and reduced parking revenues (\$266,000) primarily associated with delays in implementing the parking master plan.
- By-law and Security is projecting a \$25,000 unfavorable variance due to decreased parking fine activity (\$20,000) and animal licensing activity (\$20,000) offset by increased business licensing revenue (\$11,400) and licensing of raffles (\$3,600).
- Emergency Services are expecting a net \$165,000 unfavourable variance, of which \$99,000 is the City's share. This variance is due to overages in compensation costs.

Planning & Building, Engineering & Environmental Services

- This Service Area is projecting approximately \$370,000 unfavourable variance for 2013.
- Planning Services is projecting a \$300,000 unfavourable variance due to lower processing fees for planning applications.

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- Waste Management is anticipating a \$170,000 unfavourable variance due to lower than expected grant revenues from the WDO.
- Salary recoveries from Water Services are higher than budgeted leading to a \$100,000 favourable variance in Administration.

Community & Social Services

- Community and Social Services is reporting a net \$26,000 unfavourable variance
- There is a projected favourable variance in the Tourism department of approximately \$60,000 due to vacancies.
- Parks department are expecting approximately \$75,000 unfavourable variance due primarily to unbudgeted program support costs.

Corporate and Human Resources

- Corporate and Human Resources are projecting a \$350,000 unfavourable variance for 2013 due to insufficient budget to cover litigation costs primarily related to planning matters.

Finance and Enterprise

- Finance and Enterprise Services are currently projecting a \$170,000 favourable year end variance for 2013 due primarily from position vacancies.

General Revenues, Expenditures & Capital Financing

- General revenues and expenses are projecting a net unfavourable variance of \$782,000 due to higher than budgeted tax write-offs and interest transfers to reserve funds. This is offset by a favourable variance in debt servicing due to delaying the planned issue to 2014.

Local Boards

- Library does not expect a year end variance at this point.
- Police are experiencing some in year fluctuations but do not expect a surplus or deficit by the end of the year.

Grants, Outside Boards & Agencies

- Overall, outside boards and shared services are expecting a combined \$735,000 favourable variance
- This is primarily due to savings from the timing of property tax and utility payments related to Social Housing of \$762,500 favourable.
- This is offset by an unfavourable variance (\$28,000) resulting from the City assuming the costs related to the Garden Fresh Box program from the County.

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Enterprise

Overall, the Enterprise budgets are reporting a \$2,535,000 favourable variance with Water, Wastewater and OBC projecting a surplus. Courts are projecting a negative year end variance for 2013.

Water Services

- Water is currently expecting a favourable year end variance for 2013 of \$1,285,000. Increased water volume and higher meter installations account for approximately \$900,000 with cost reductions of \$385,000 also contributing to the favourable position.

Wastewater Services

- Wastewater is currently expecting a favourable year end variance for 2013 of \$1,100,000. Increased volumes and higher meter installations as well as fewer repairs are primary drivers of this variance.

Ontario Building Code (OBC)

- OBC is projecting an end of year positive variance of \$300,000. This is due to favourable permit revenue due to strong construction activity in the first quarter of 2013.

Court Services

- Court Services is expecting an unfavourable year end variance of \$150,000 for 2013. This is due to lower than expected charges filed in 2013.

CORPORATE STRATEGIC PLAN

Ongoing monitoring of the City budget and reporting of variances to budget are part of *CSP direction 2.3 Ensure accountability transparency and engagement.*

DEPARTMENTAL CONSULTATION

Departments are responsible for managing their programs according to municipal standards and within the approved budget. The responsibility of monitoring the operating budget is shared by Finance and the Departments managing their programs. Department managers were provided financial information based on expenditures to June 30, 2013 and provided a year end projected position and commentary in consultation with the Finance department.

STAFF REPORT



COMMUNICATIONS

Operating variance reports are produced on schedule for Council to compare actual results against budget. Finance and Executive Team have committed to producing five operating variance reports for the year. This is the second operating variance report for 2013.

ATTACHMENTS

Appendix 1 – Operating Budget Variance June 30, 2013 – Department Summary
Appendix 2 – Revenue Analysis as of June 30, 2013

Report Author

Sarah Purton
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“original signed by Al Horsman for”

“original signed by Al Horsman”

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Appendix 1
Operating Budget Variance based on June 30, 2013
City of Guelph: Departmental Summary

	Total Annual Budget for Year 2013 (\$)	Projected Variance for Dec 31, 2013 (\$)	Projected Variance for Dec 31, 2013 (%)	Comments
TAX SUPPORTED				
City Departments				
CAO - ADMINISTRATION AND COUNCIL	\$ 2,127,000	\$ -	0.0%	No significant variance projected
OPERATIONS, TRANSIT & EMERGENCY SERVICES	\$ 52,544,000	\$ 1,734,000	3.3%	Transit favourable (\$947k) due to higher than budgeted overtime, materials and maintenance charges and reduced revenue. Bylaw unfavourable \$25k due to reduced fine revenue and increased animal control costs. Public works unfavourable due to unrealized parking revenues \$266k and harsh winter conditions \$350k, in addition to other over expenditures \$63k. Land Ambulance is projecting a net \$165K unfavourable variance, of which \$99K is the City share, due to compensation related expenses. The unfavourable land ambulance variance is offset by additional grant revenue received from the Province (\$135K).
PLANNING, BUILDING, ENGINEERING & ENVIRONMENTAL SERVICES	\$ 14,690,000	\$ 370,000	2.5%	Unfavourable due to lower WDO grant recovery than forecasted \$170k; lower planning process fees \$300k partially offset by higher than budgeted recoveries from Water Services (\$100K).
COMMUNITY & SOCIAL SERVICES	\$ 16,469,000	\$ 26,000	0.2%	Savings from lower costs related to Tourism (\$60k), offset by over expenditure in parks 75k, and other areas \$11k.
CORPORATE & HUMAN RESOURCES	\$ 9,465,000	\$ 350,000	3.7%	Historic trend of OMB / Legal reserve transfer in excess of budget (\$475k-\$125k)
FINANCE AND ENTERPRISE	\$ 3,868,000	-\$ 170,000	(4.4%)	Favourable due to unfilled vacancies for Finance; delayed hiring for Community Energy program Manager which led to less consulting expenditure.
TOTAL CITY DEPARTMENTS (excl Financing)	\$ 99,163,000	\$ 2,310,000	2.3%	
GENERAL EXPENSES AND CAPITAL FINANCING	-\$ 169,530,000	\$ 782,000	0.5%	Favourable interest earnings but higher than budgeted transfer to reserves \$412k, net savings from debt issue (\$200k) offset by net unfavourable tax write offs \$570k
TOTAL CITY DEPARTMENTS (incl Financing)	-\$ 70,367,000	\$ 3,092,000	1.8%	
Local and Outside Boards				
LOCAL BOARDS	\$ 42,124,000	\$ -	0.0%	No significant variance projected
GRANTS, OUTSIDE BOARDS & AGENCIES	\$ 28,243,000	-\$ 735,000	(2.7%)	The County of Wellington is reporting an favourable variance related to Social Housing of which \$763K represents the City's shares. This favourable variances offsets costs related to assuming the garden fresh box program from the County.
Subtotal Grants, Local and Outside Boards & Agencies	\$ 70,367,000	-\$ 735,000	(1.0%)	
TOTAL TAX SUPPORTED (incl Outside Boards, Grants and Financing)	\$ -	\$ 2,357,000	1.4%	
ENTERPRISE - USER PAY				
WATER REVENUE	-\$ 23,105,000	-\$ 900,000	3.9%	Favourable water revenues due to higher volume consumption and more meters installed than forecasted.
WATER OPERATIONS	\$ 23,105,000	-\$ 385,000	(1.7%)	Favourable due to less watermain expenses mainly pipe, fittings, meters and accessories; awaiting some technological changes.
SUB-TOTAL WATER WORKS	\$ -	-\$ 1,285,000	(5.6%)	
WASTEWATER REVENUE	-\$ 26,861,000	-\$ 500,000	1.9%	Favourable revenues due to increase in volume and more meters installed than forecasted partially offset by a reduction in strength surcharge due to some major customers pre-treating the wastewater.
WASTEWATER OPERATIONS	\$ 26,861,000	-\$ 600,000	(2.2%)	Favourable due to fewer breakdowns which led to fewer parts and tool usage ; less hystek usage due to rain.
SUB-TOTAL WASTEWATER	\$ -	-\$ 1,100,000	(4.1%)	
ONTARIO BUILDING CODE REVENUE	-\$ 2,837,000	-\$ 300,000	10.6%	Increased permit revenue due to favourable construction activity
ONTARIO BUILDING CODE COSTS	\$ 2,837,000	\$ -	0.0%	No significant variance projected
SUB-TOTAL OBC	\$ -	\$ 300,000	(10.6%)	
COURT SERVICES REVENUE	-\$ 2,095,000	\$ 150,000	(7.2%)	Unfavourable revenue due to lower than expected charges filed.
COURT SERVICES EXPENSES	\$ 2,095,000	\$ -	0.0%	No significant variance projected
SUB-TOTAL COURTS	\$ -	\$ 150,000	7.2%	
TOTAL ENTERPRISE / USER PAY	\$ -	-\$ 2,535,000	(4.6%)	

(Brackets indicate a favourable variance)

ATTACHMENT 2: REVENUE ANALYSIS AS OF JUNE 30, 2013

Council has requested increased disclosure regarding external revenue collection for the City with comments on significant deviations from budget. This is provided to Council twice a year with the June and December Operating Variance Reports. The chart that follows outlines the current revenue position as of June 30, 2013:

Revenue Reporting Variance based on June 30, 2013 City of Guelph: Departmental Summary

	Total Budgeted Revenue for Year 2013 (\$)	Projected Variance at Dec 31, 2013 (\$)	Projected Variance at Dec 31, 2013 (%)
TAX SUPPORTED			
City Departments			
CAO - ADMINISTRATION	\$ -	\$ -	0.0%
OPERATIONS, TRANSIT & EMERGENCY SERVICES	\$ (24,692,789)	\$ 476,000	1.9%
PLANNING, BUILDING, ENGINEERING & ENVIRONMENTAL SERVICES	\$ (12,200,115)	\$ 750,000	6.1%
COMMUNITY & SOCIAL SERVICES	\$ (9,940,080)	\$ 42,000	0.4%
CORPORATE AND HUMAN RESOURCES	\$ (303,820)	\$ -	0.0%
FINANCE AND ENTERPRISE	\$ (823,371)	\$ -	0.0%
TOTAL CITY DEPARTMENTS (excl Financing)	\$ (47,960,175)	\$ 1,268,000	2.6%
POLICE	\$ (1,871,000)	\$ -	0.0%
LIBRARY	\$ (547,200)	\$ -	0.0%
TOTAL LOCAL BOARDS	\$ (2,418,200)	\$ -	0.0%
TOTAL TAX SUPPORTED (incl Local Boards)	\$ (50,378,375)	\$ 1,268,000	2.5%
ENTERPRISE - USER PAY			
WATER REVENUE	\$ (23,848,740)	\$ (900,000)	(3.8%)
WASTEWATER REVENUE	\$ (26,815,950)	\$ (500,000)	(1.9%)
ONTARIO BUILDING CODE REVENUE	\$ (2,800,000)	\$ (300,000)	(10.7%)
COURT SERVICES REVENUE	\$ (3,644,200)	\$ 150,000	4.1%
TOTAL ENTERPRISE / USER PAY	\$ (57,108,890)	\$ (1,550,000)	(2.7%)

(Brackets indicate a favourable variance)

CAO

- No external revenue sources

Operations, Transit & Emergency Services

- Transit is projecting a \$320,000 revenue shortfall due to poor performance as a result of dropped runs and service issues.
- Parking is anticipating a shortfall in parking revenues amounting to \$266,000, of which \$250,000 is directly related to the delay in the implementation of the Parking Master Plan.

- By-Law, Compliance and Security is projecting an unfavourable variance of \$25,000. This is a result of decreased parking fine activity (\$20,000) and animal licensing activity (\$20,000) offset by increased business licensing revenue (\$11,400) and licensing of raffles (\$3,600).
- Emergency Services is projecting favourable revenue of \$135,000 due to a higher than anticipated provincial grant for ambulance services.

Planning & Building, Engineering & Environmental Services

- Planning Services is projecting lower than budgeted revenues amounting to \$300,000 as a result of lower planning application processing fees than budgeted.
- Solid Waste Resources is reporting unfavourable revenue of \$450,000 due to lower than anticipated tonnage from Waterloo Region (\$280,000) and lower than budgeted grant revenue from the Waste Diversion Program (\$170,000). The reduced revenue received by the Region has been offset by cost control measures. It is not expected that this variance would persist beyond Q3 2013 due to the terms of a new contract with the Region which comes into effect in October 2013.

Community & Social Services

- Recreation revenues are trending to an anticipated deficit of \$20,000 due to lost revenues from the Tim Horton's free skate program cancellation of \$10,000 and a \$30,000 reduction in WERC fitness program participation, offset by higher than anticipated revenues in Aquatics programs registrations of \$30,000.
- Parks are anticipating a negative variance of \$22,000 due to lower than anticipated soccer field bookings, as Eastview Sportsfields were not completed on time, soccer programs moved to the University of Guelph, and the number of inclement weather rebates has been high this year due to the rain.

Corporate and Human Resources

- Corporate and Human Resources received minimal revenues from external sources and is not expecting any significant variance.

Finance and Enterprise

- Finance and Enterprise is not anticipating any significant year end variance resulting from external revenues.

Local Boards

- Library revenue collection is currently in line with budget. At this point Library does not anticipate a significant year end variance.

- Police is currently in line with budget and while experiencing some in-year fluctuations, does not anticipate a significant year end variance.

Outside Boards & Agencies

- Not Applicable for this report.

General Revenues and Expenditures

- Tax Collection and investment return performance information is communicated to Council under separate Council Reports.

Enterprise

Water Services

- Water revenue is forecasting \$900,000 favourable year end variance due to higher than budgeted consumption and new service connections.

Wastewater Services

- Wastewater is forecasting \$500,000 favourable year end variance due to higher than budgeted consumption and new service connections.

Ontario Building Code

- OBC is projecting a \$300,000 positive variance from increased building permit revenue as a result of favourable construction activity.

Court Services

- Court revenues are tracking \$150,000 below budget due to lower than expected charges filed.

STAFF REPORT



TO Corporate Administration, Finance & Enterprise Committee

SERVICE AREA Finance and Enterprise Services –Economic Development

DATE September 16, 2013

**SUBJECT Disposition and Redevelopment of Property Framework
200 Beverley Street, Guelph, Ontario (former IMICO Site)**

REPORT NUMBER FIN-ED-13-05

EXECUTIVE SUMMARY

PURPOSE OF REPORT

At its meeting of August 30, 2010, Guelph City Council directed staff to implement a Request of Proposal (RFP) process for the purpose of disposing and redeveloping 200 Beverly Street, commonly known as the former IMICO site.

The purpose of this report is to provide Council with the results to date regarding the RFP process, and to recommend and seek Council's direction regarding an alternate approach which in the opinion of staff will be more proactive and efficient in attracting potential investors for this complex and challenging property.

KEY FINDINGS

It is staff's opinion that the previous direction of Council to proceed with a RFP which would result in attracting private investment to acquire and redevelop the former IMICO site may not be the most efficient procedure.

Staff commenced implementation of the RFP process by issuing an Expression of Interest (EOI) in August 2012. Unfortunately, the response to the EOI was limited and not conclusive.

There could be a number of reasons for the limited response to the EOI, namely, the lack of updated information on the extent of contamination on the property, the competitive selection process, and the difficulty in proponent's committing to an undertaking without being able to initially assess the risk and development potential involved.

STAFF REPORT

To move this redevelopment opportunity forward, staff is recommending that the procurement process be adjusted in favour of a more flexible, proactive and entrepreneurial approach. This would include the City updating remedial action plan and environmental investigations, as well as other front end work that needs to be addressed by the City to better identify and assess potential risk and mitigation options. The updated and new information will better position the property to potential investors, and allow the City to assess the parameters of its potential partnership role in addressing the anticipated planning, engineering, environmental and financial front end risks that will be faced by an investor, and which appear to be negatively impacting the City's ability to market the property and achieve Council's redevelopment objectives.

FINANCIAL IMPLICATIONS

In considering the recommendations provided in this report Council needs to consider the following background financial information.

Since taking ownership of the property in 1998, the City has spent in excess of \$2.7 million in security, building demolition, environmental studies, groundwater monitoring (on-going) and partial environmental clean-up. The City is currently paying approximately \$50,000 per year for monitoring the environmental condition of the property and is receiving no tax revenue for the property.

On August 30, 2010, Council was advised of the results of two independent appraisals that were completed in April and September of 2008. At the same time, Council was advised of the results of the 2008 Decommissioning Consulting Services Limited (DCS)'s Preliminary Remedial Action Plan (RAP), which addressed the environmental condition and associated remediation costs of the property. The reports confirmed there are a number of variables that will effectively influence the valuation of the property for possible sale. At the time of these reports it appeared the value of the property, if clean and free of known environmental issues, would be lower than the estimated cost to remediate the property.

\$100,000 was designated in the 2011 Capital Budget for a contribution to the risk assessment of this property. This money continues to be available for this project. There is an existing commitment of \$99,413.02 from FCM to offset the costs of a risk assessment, which commitment is set to expire if not used by June 2014. To this end Staff is currently in communication with FCM to seek flexibility to allow these funds to be used to offset the costs of updating the RAP (including environmental investigations) which would be completed prior to a risk assessment being completed.

In summary, it is staff's opinion in order for the City to achieve its objectives to dispose of the property for redevelopment purposes there will be a need for the City to be more actively involved in supporting a private investor. It is staff's

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opinion that the City will not achieve a financial benefit solely from the disposition of the property, but through the transfer of a current liability and the financial and community benefit resulting from its redevelopment.

In order to implement the approach proposed in this report a preliminary implementation schedule and budget has been prepared and is found in Attachment # 2. The schedule notes specific stages where staff will report back to Council and seek direction on matters that will arise through the process. Such matters may include the need to provide additional resources, potential new funding commitments, delegate certain authority to staff (to expedite the process), address business options, and address land use, development or valuation matters. These stages are identified in Attachment #2.

ACTION REQUIRED

That Council receive report FIN-ED-13-05; and

That Council provide direction to staff to proceed with the process to attract an investor that will acquire and redevelop 200 Beverley Street as described elsewhere in this report.

RECOMMENDATION

1. That Council receive report FIN-ED-13-05; and
2. That Council direct staff to proceed with the process to attract an investor that will acquire and redevelop 200 Beverley Street as described in report FIN-ED-13-05; and
3. That Council direct staff to report back at the key milestones outlined in report FIN-ED-13-05 regarding the status of the process to attract an investor that will acquire and redevelop 200 Beverley Street.

BACKGROUND

The following information will serve to inform the reader as to past and current matters relating to the former IMICO site, and the impact each appears to have on its disposition and redevelopment. Attachment # 1 provides a comprehensive summary of activities to date.

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1. Environmental Matters

The property operated as a foundry from 1912 to 1989, and produced various metallic components using malleable and ductile iron. The soil and groundwater beneath the site are known to be contaminated with metals, petroleum hydrocarbons (PHCs), polycyclic aromatic hydrocarbons (PAHs), polychlorinated biphenyls (PCBs) and volatile organic compounds (VOCs) as a result of the historical industrial use.

Given these environmental contaminants the property is subject to a Ministry of the Environment (MOE) Director's Order issued July 14, 1994. The Director's Order, issued to the previous and current Site owners, recommended necessary environmental investigations to achieve adequate contaminant delineation (soil and groundwater) and remediation of contaminants related to the former usage of the Site as foundry.

In August 2010, Council was advised that the estimated remediation costs for the property would be between \$4.4M and \$8.7M based on the 2008 Preliminary Remedial Action Plan (RAP) prepared by Decommissioning Consulting Services Limited (DCS). The upper range of this estimate was based on the complete removal and replacement of all impacted soils so that the property meets the generic environmental standards, and the lower range of the estimate was based on completing a risk assessment procedure which would develop site specific environmental standards based on the proposed uses for the property. The estimated costs refer only to the cost of remediating the soil. As the cost of remediating the ground water is more difficult to determine, it was not included in the RAP.

The 2008 RAP was prepared in accordance with the former regulation under the Environmental Protection Act, O. Reg. 153/04 which was subsequently amended in July of 2009 by O. Reg. 511/09. While the City has been monitoring the ground water at the property, there has been no recent information on the degree and nature of soil contaminants present on-site since the completion of the 2008 Preliminary RAP.

On July 30, 2013, staff met with senior representatives of the MOE who indicated that the MOE would be auditing and revising their Director's Order from July 14, 1994 issued against the property. The MOE representatives indicated that the revised MOE Director's Order would be less onerous than the original Director's Order in recognition of the investigative and limited remediation works completed by the City to date.

2. Land Use and Planning Matters

Currently the property is designated as a “Special Study Area” in the City’s Official Plan. The Special Study Area designation was established in 2004 as an outcome of the St. Patrick’s Ward Community Improvement Plan and Land Use Strategy. This designation requires that an evaluation of land use options be undertaken, including an associated public consultation process and that implementation of the preferred land use option will require changes to the Official Plan designation and Zoning By-law. The property is currently zoned B.4 Industrial. The north-westerly portion of the property is located within the flood fringe of the Speed River.

In 2003, the City commenced a Property Use Study in consultation with neighbouring residents and stakeholders. By 2004, the Property Use Study identified a full range of potential alternatives for redevelopment of the property at a conceptual level. Based on the results of the Property Use Study, on April 18, 2004, Council passed the following resolution:

THAT the identified uses for the former IMICO site at 200 Beverley Street include any of: (a) Community Use as a Single Use; (b) Community, Medium Density Residential and Commercial Uses; (c) Railway Use; or (d) Community and Government Uses.

On June 19, 2006, Council passed a further resolution as follows:

THAT approximately 3 to 4 acres of the 200 Beverley Street property, with access to Stevenson Street, be dedicated for park purposes in the final redevelopment scheme for the site.

Between 2006 and 2010, the City undertook additional environmental assessments and market value appraisals of the property but did not proceed with revising the Official Plan and zoning due to continued uncertainty regarding potential remediation costs and economic feasibility of different land use options.

In 2011, the City commissioned a Market Update & Options for Redevelopment study that was completed by N. Barry Lyon Consultants Limited. Based on this study, the most suitable land uses for the property are expected to be medium density residential, mixed commercial residential or community servicing uses. This study will be made available as part of the marketing materials for the sale of the property.

As part of the new approach recommended in this report, the City would work in partnership with a potential investor to proceed with the land use planning studies and pursue revisions to the Official Plan and zoning by-law to facilitate preferred redevelopment opportunities. This work should have regard for the previous land use options and Council directions generated through community consultation, as

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summarized above, but also be given the flexibility to explore other commercially viable options provided they represent desirable community planning.

3. Off-Site Matters

The extent of off-site contamination resulting from this property is still uncertain and needs to be addressed by the City. The absence of this information provides great risk to potential investors. Should off-site contamination be determined potential investors will most likely seek certain commitments and indemnification from the City. These matters should be addressed by the City prior to going to market.

Infrastructure and Traffic Matters arising from development proposals will be determined and addressed by the City at the appropriate time through the proposed process.

4. Development Financing Matters

Earlier this year staff attended a Land Development Conference in Toronto, which in part addressed matters relating to the financing of new residential and commercial properties, including Brownfield projects.

In considering traditional projects, most financial institutions or investors are gravitating to developers that have positive track records and can demonstrate there is significant equity already in projects, substantial pre-leases or pre-sales in place, positive cash flows which can be achieved within a reasonable period, and there is reasonable certainty regarding municipal approvals. Brownfield projects are viewed by most financial institutions or investors are being less likely to fund unless the inherent environmental liabilities and risk associated with such projects have mitigation plans and/or programs in place.

REPORT

As previously stated, the purpose of this report is to provide an update on the status of the RFP process, and to recommend next steps in attracting an investor that will acquire and redevelop the former IMICO Site at 200 Beverley Street.

1. Status of RFP

In August 2010, staff recommended and obtained Council's authorization to initiate a procurement process for selecting an interested party to undertake the clean-up and redevelopment of the property.

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Staff commenced implementation of a procurement process by issuing an Expression of Interest (EOI) in August 2012. Unfortunately, the response to the EOI was limited and not conclusive. Staff were hopeful to attract a larger number of responses. The following proponents submitted interest in the property.

- Seaton Ridge Communities Limited
- Quantum Murray LP
- Kilmer Brownfield Management Ltd.

It is the opinion of staff the matters provided for in the Background section of this report may have contributed to the limited response. Recent discussions with industry contacts suggest the quality of information provided at the front end of similar processes will improve the quality of responses.

2. Next Steps

In order to move this redevelopment project forward, staff is recommending that the RFP procurement process be amended to allow for a more flexible, proactive and partnership oriented disposition sale process. In summary, this process would be framed as follows. Attachment "B" provides a critical path for the following activities.

a) Updated Environmental Assessment for the Property:

The aforementioned 2008 RAP needs to be updated as it was prepared in accordance with former regulations under the *Environmental Protection Act*, O. Reg. 153/04 which were subsequently amended in July of 2009 by O. Reg. 511/09. While the City has been monitoring the ground water at the property, there has been no recent information on the degree and nature of soil contaminants present on-site since the Phase II ESA undertaken by DCS on behalf of the City in 2007, as a part of the 2008 Preliminary RAP. As such, staff is proposing to update the 2008 Preliminary RAP for the property to include, but not limited to, the following:

- Update the existing Phase I ESA (DCS, 2007) or conduct a new Phase I ESA per O. Reg. 153/04, as amended
- Update the existing Phase II ESA (DCS 2007) or conduct a new Phase II ESA per O. Reg. 153/04, as amended
- Develop a Site (soil and groundwater) remedial alternatives (including risk assessment) to include the following, at minimum:
 - Pros and cons of each remedial alternative
 - Cost-estimate for implementation of each remedial alternative
 - Select preferred remedial and/or risk management alternative
 - Long-term contaminant monitoring requirement

The project (environmental investigations and RAP development) is scheduled to be completed by no later than January 2014.

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It is proposed that the funding for the above-mentioned environmental investigations/RAP development will be partly from FCM GMF grant (currently allocated for risk assessment) and partly from approved Brownfield Budget.

In 2007, the City obtained a funding commitment of \$177,493 from FCM GMF program. Of this \$177,493 funding commitment, \$78,079.98 has already been used to offset the costs for conducting environmental investigations that were completed in 2007 (environmental investigations) and 2008 (Preliminary RAP). A request has been made to FCM to use portion or all of the remaining \$99,413.02 funding commitment to offset the costs of updating RAP (including environmental investigations).

The information obtained from the updated and detailed RAP will help to provide better certainty regarding the site's condition, remediation costs, and redevelopment options. In order for the City to better position itself in attracting potential investors and to negotiate real estate and redevelopment matters this updated information will be required.

In order to overcome these difficulties, City staff (Engineering Services) has initiated the process to update the RAP, as noted earlier.

b) Land Use Planning (Requirement for a Conditional Purchase Agreement)

It is proposed that Enterprise Services would work with the investor of the property to pursue all required planning approvals and amendments. This would include obtaining Official Plan and Zoning By-Law Amendments that may be required to implement redevelopment of the property, and undertaking appropriate studies and public consultation as would normally be required in support of such applications. The establishment of revised Official Plan designations and policies and related Zoning By-Law regulations to reflect the preferred land use option will mitigate potential development and financing related risks, as well as to help establish the valuation of the property.

Staff are proposing that an agreement of purchase and sale would in part be conditional on the purchaser being satisfied with the Official Plan and Zoning By-Law Amendments once finalized. Staff envision that once the purchase agreement is entered into, there would be a lengthy conditional period (perhaps up to two years) to allow for the purchaser to apply for the required Official Plan and Zoning By-Law Amendments. Once the Official Plan and Zoning By-Law Amendments were finalized, the purchaser would then have the ability to move forward with the purchase or exercise its rights to not close on the purchase. Enterprise Services would act as the City's liaison with respect to negotiating the agreement of purchase and sale as well as to working with the purchaser and city staff to achieve the Official Plan and Zoning By-law amendments. This is similar to the role Economic Development played with respect to the development of the Hanlon Creek

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Business Park. This approach will allow to the City to better separate conducting its business affairs, while still addressing its planning and engineering regulatory responsibilities.

It is staff's view that limiting the developer's risk through a conditional purchase agreement is necessary in order to engage a potential developer in the project. Milestone dates during the conditional period could be negotiated into the purchase agreement to ensure that the purchaser is moving forward with the project at a pace that is acceptable to the City.

In order for the City to be responsive during the described negotiations it is anticipated there will be a need for Council to delegate certain authorities. Should Council give direction to proceed with the proposed framework that is described in this report staff will report back on the nature of any delegated authority that might be required.

c) Off-Site Matters

As previously mentioned, the extent of any off-site contamination resulting from this property has yet to be better identified and assessed. Should off-site contamination exist the City needs to consider what role it might play in mitigating such matters, and/or what level of assurances may be provided to an investor. It is recommended such matters be addressed prior to the property going to market.

d) Property Valuation and Incentives

On August 30, 2010, Council was advised of two independent appraisals that were completed in April and September of 2008. The valuations were based on the property being clean and free of environmental issues and used for residential and commercial uses. At the time the cost to remediate the site of known environmental matters was in the range of \$4.4M to \$8.7M

Staff recommends that prior to going to market it would be prudent to re-assess the property's valuation vs. associated remediation costs. Staff envisions that, the disposition of the property will most likely require providing financial incentives to prospective purchasers to help mitigate investment and development risk. The purchaser of the property would potentially be eligible to receive financial assistance (subject to Council approval) to help offset the cost of investigation and remediation. Staff are recommending the need to further evaluate, and where required develop programs that will be packaged as part of the disposition process. Examples of possible programs include those under the Brownfield Redevelopment Community Improvement Plan:

- Environmental Study Grants (ESG);
- Tax Increment Based Grants (TIBG); and
- Tax Assistance (TA).

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In addition, any funds remaining in the FCM grant after such funds are used by the City to offset the costs to update environmental investigation/RAP (as described above), would be made available by the City to offset the purchaser's costs of completing a risk assessment procedure for the property.

Finally, on August 30, 2010, Council passed the following resolution:

THAT a Risk Assessment, at a cost of up to \$100,000, be conducted on 200 Beverley Street and a Request for Proposals relating to an end use of the property be issued.

It is staff's opinion that consideration should be given to providing these funds of \$100,000 (designated in the 2011 capital budget) to a private developer towards the costs of completing a risk assessment of the Property is consistent with the intent of Council's resolution above.

The City may also wish to offer incentives to off-set the cost of pursuing required planning approvals, including costs associated with required supportive studies and community consultation.

Prior to proceeding in offering such incentives as part of the marketing and promotion activities that are summarized in 2 (e) of this report, staff will report back to Council with a cost/benefit analysis to seek Council's direction with respect to further incentives and the valuation of the property for marketing purposes.

e) Marketing the Site – Promoting the Redevelopment Opportunities

As mentioned, it will be challenging to structure a transaction for this property that works financially for potential developers and meets the City's goals of putting the property back into productive use in a form that is compatible with the vision for the neighbourhood and surrounding land uses.

It is proposed that the City retain an external real estate broker with experience in brownfield redevelopment to advise the City on creating a marketable sales package that will be targeted to potential investors, including those that responded to the August 2012 EOI. This resource will also assist the City to target specific investors that have brownfield redevelopment experience. The broker's industry contacts will be invaluable in engaging potential developers to explore the possibilities of this challenging project. Through the negotiation phase, the broker will be required to help work through the potential developers' and City's concerns in fine tuning the business terms of the eventual transaction. These advantages of using a broker cannot be realized in a procurement process.

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It may also be desirable for the City to retain an external project manager and/or planning consultant to assist in facilitating this process. The need for a project manager will be determined at a later date.

It is staff's opinion that the proposed disposition of the property as described in this report will be more effective and complimentary to the RFP procurement process originally contemplated for the following reasons:

1. **Flexibility in Decision Making for the City:** Through a sale process, the City is able to consider offers to purchase the property outside the formal procurement process and thus not be bound by established criteria set out in a RFP. As the cleanup costs appear to be more than the value of the land (as discussed in more detail above), the City will need this flexibility to work with potential developers to structure a transaction that makes financial sense. The sale process will allow the City to negotiate an innovative and flexible purchase agreement without being bound by the terms of a RFP.
2. **Streamlined Process:** Adhering to a formal procurement process would require more staff resources and involvement than a sale process. Potential developers may view the City's more limited involvement in a sale process as a more streamlined and expedient approach.
3. **Front End Costs for Developers:** A procurement process entails increased front end costs for developers as they would be required to submit formal responses to the RFP. These increased front end costs may discourage potential developers. As such, the sale process may result in more developers taking an interest in the purchase and cleanup/redevelopment of the property.

CORPORATE STRATEGIC PLAN

3.1 City Building – Ensure a well designed, safe, inclusive, appealing and sustainable City.

DEPARTMENTAL CONSULTATION

Planning Services
Procurement & Risk Management
Finance Services
Engineering Services
Enterprise Services

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COMMUNICATIONS

A communications plan will be developed to convey this change in strategy.

ATTACHMENTS

ATTACHMENT # 1 – Summary of Events to Date

ATTACHMENT # 2- Preliminary IMICO Investment Framework Schedule/Milestones

“original signed by Mike Kershaw”

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ATTACHMENT 1 – Summary of Events to Date

Date	Event
Apr 10, 1992	Ownership transferred from International Malleable Iron Limited to John H. Long
Dec 31, 1993	Ownership transferred from John H. Long to The Assembly of the Church of the Universe
Jul 14, 1994	Ministry of Environment Order Issued. Requires remedial work plan.
Dec 1997	Ownership is vested in City following unsuccessful attempt to sell for unpaid taxes.
Jan 20, 1998	City has vacant possession of the property
Mar 1998	City develops Site Management Plan for MOE approval. (Note: Management/Monitoring efforts continuous up to the date of this report)
May 1998	MOE approves Site Management Plan
Spring 1999	Buildings demolished
Nov 2002	Council approves process to define a range of alternative land uses.
Apr 18, 2004	<p>Council approves identified uses to include any of:</p> <ul style="list-style-type: none"> (a) Community Use as a Single Use; (b) Community, Medium Density Residential and Commercial Uses; (c) Railway Use; or (d) Community and Government Uses. <p>Council approves that staff be authorized to proceed with a Request for Expressions of Interest for the sale, partnership, or other redevelopment opportunities for the property consistent with the identified options and report back to Council with further recommendations.</p>
Jun 19, 2006	<p>Staff report back with outcome of Request for Expression of Interest. Council approves that staff proceed to:</p> <ul style="list-style-type: none"> • Obtain a comprehensive Phase I and Phase II Environmental Site Assessment Report and cost estimates for remediation. • Obtain an appraisal of market value. • Apply to FCM for Green Municipal Funds • Issue an RFP for the redevelopment of the site. <p>Council approves that approximately 3 to 4 acres, with access to Stevenson</p>

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	Street, be dedicated for park purposes in the final redevelopment scheme for the site.
Nov 17, 2006	Contract for Phase I/II Environmental Site Assessments, Preliminary Remedial Action Plan, and Cost Estimates awarded to Decommissioning Consulting Services Ltd. (\$130,000) – Commencement of Environmental Work
April 2, 2007	FCM confirms Green Municipal Fund grant for up to \$177,493 for feasibility studies.
April 3, 2008	Appraisal Report – 1 st Opinion of Market Value
July 2008	Completion of Environmental Investigation Work: <ul style="list-style-type: none"> • Phase I Environmental Site Assessment (Dec 2007) • Work Plan for Phase II Environmental Site Assessment (Feb 2007) • Phase II Environmental Site Assessment (Dec 2007) • Preliminary Subsurface Remediation Costs (July 2008)
Sept 2, 2008	Appraisal Report – 2 nd Opinion of Market Value
Feb 2010	Meeting with MOE to discuss status and possibility of Interim Uses
Aug 30, 2010	Staff report back with financial implications associated with the environmental condition of the property and next steps for redevelopment. Council passes a resolution that a Risk Assessment, at a cost of up to \$100,000, be conducted on 200 Beverley Street and a Request For Proposals relating to an end use of the property be issued.
August 2011	Market Update and Options for Redevelopment study prepared by N. Barry Lyon Consultants Limited for the City
Aug 2012	City issues a second Request for Expressions of Interest

FIN - ED 13 - 05 CAFE Report - Attachment # 2

ID	Task Name	Preliminary Budget	Funding Source	Dependencies	2014											
					Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
1	1.0 Investment Prospectus (I.P.) Matters				▶											
2	1.1 Develop & Present Disposition & Redevelopment Framework to C A F E Committee															
3	1.2 Council Direction Regarding Framework Implementation			1.1												
4	1.3 Retain Investment Broker to Assist with the Implementation Framework	70-100K	TBC	1.2												
5	1.4 Draft Investment Prospectus Package Developed			2.1;2.2;2.3;2.4												
6	1.5 Council Direction to Proceed to Market with Investment Prospectus			1.4												
7	1.6 Market Place Launch of Investment Prospectus	30-50K	TBC	1.5												
8	1.7 Period to Receive/Assess/Recommend Conditional Investment Offers			1.6												
9	1.8 Council Direction to Select Investor and Proceed in Negotiating Conditional Agreement to Purchase			1.7												
10	1.9 Negotiation Period with Potential Investor	TBC	TBC	1.8												
11	1.10 Council Direction to Execute Conditional Agreement to Purchase			1.9												
12	2.0 Update Environmental Assessments/Plans/Orders Matters				▶											
13	2.1 Update Phase 1 ESA - Issue RFP- Select Consultant - Conduct Assessment - Final Report	100K	FCM, Brownfield Fund	Currently under development												
14	2.2 Update Phase 2 ESA - Issue RFP - Select Consultant - Conduct Assessment - Final Report	100K	FCM, Brownfield Fund	Currently under development												
15	2.3 Update Remedial Action Plan - Issue RFP - Select Consultant - Conduct Assessment - Final Report	100K	FCM, Brownfield Fund	Currently under development												
16	2.4 Update MOE Director's Order	TBC	TBC	2.1;2.2;2.3												
17	2.5 Other Matters As Identified Through the Investment Prospectus Process															
18	3.0 Land Use Planning Matters				▶											
19	3.1 Other Matters As Identified Through the Investment Prospectus Process	TBC	TBC	Ongoing												
20	4.0 Off-Site Matters				▶											
21	4.1 Other Matters As Identified Through the Investment Prospectus Process	TBC	TBC	Ongoing												
22	5.0 Property Valuation and Incentive Matters				▶											
23	5.1 Other Matters as Identified Through the Investment Prospectus Process	TBC	TBC	Ongoing												
24		200-250K	100K		▶											

TBC= To be Confirmed; NA=Not Applicable
 Interdepartmental Team: Enterprise Services; Legal and Realty Services; Planning Services; Engineering Services; Finance Services

