Please recycle!

- ADDENDUM -

- GUELPH CITY COUNCIL MEETING -

- July 27, 2009 -

****

DELEGATIONS

a) Changes to administrative procedures for lodging houses and accessory apartments:
- Geoff Allen on behalf of South end Ratepayers Association
- Unto Kihlanki

Correspondence:
- Mimi Hamilton
- Dilip Dave
- Don and Zlatka Broderick
- Gord Edwards
- Walter Urban
- Joanne Schinbein

b) Elizabeth Quintanar with respect to Guelph Transit Holiday Service (Clause 6 of the 6th Consent Report of the Emergency Services, Community Services & Operations Committee)

c) Mark Rodford or Brenda Whiteside on behalf of the Nightlife Task Force with respect to funding for the Pissoir (Open Air Urinal) Pilot Program and change in pilot program duration (Clause 8 of the 6th Consent Report of the Emergency Services, Community Services & Operations Committee)

d) Judy Martin with respect to the Guelph Natural Heritage Strategy Phase 2 Terrestrial Inventory & Natural Heritage System (Clause 5 of 5th Consent Report of the the Community Development & Environmental Services Committee)

CONSENT AGENDA

A – REPORTS FROM ADMINISTRATIVE STAFF

A-3 **ADDENDUM TO CANADA – ONTARIO AFFORDABLE HOUSING PROGRAM REPORT**

AND FURTHER, that municipal incentives for the Guelph projects be that staff be authorized to offer a deferred payment plan for the required municipal fees and charges to coincide with the timing of the receipt of the Affordable Housing Program grant payments, as well as the change to property tax class provisions, which is already in place under the City's by-law;

AND FURTHER that staff be directed to negotiate agreements in respect to future liabilities of these two affordable Housing projects.

A-4) **LONG TERM CAPITAL FORECAST – UPDATE #1 FIVE YEAR CAPITAL IMPROVEMENT PLAN**

THAT Guelph Hydro be requested to proceed with monetization of the Notes Receivable from GHESI, presently held by the City of Guelph, in the amount of $30 million to fund the City's share of Infrastructure Stimulus Fund and RInC Programs, as well as a new capital project reserve fund to be established for purposes described in Report No. FIN-09-32 entitled 'Long Term Capital Forecast – Update #1 Five Year Capital Improvement Plan';

AND THAT Council authorize an amendment to the 2009 capital budget to include the Infrastructure Stimulus and RInC Programs as identified in Schedule A in the amount of $76,416,000;

AND THAT Council authorize debenture financing for the Organics Facility project to a maximum amount of $28 million, for a term not to exceed 20 years; and that the balance of the project be funded from Federal Gas Tax;

AND THAT cash flow be managed and debt issued such that the following ratios are maintained:
Outstanding Debt as a % of Operating Revenues – Not to exceed 55%
Principal & Interest as a % of Operating Revenues – Not to exceed 10%
Debt to Reserve Ratio – target of increasing to a 1:1 ratio over the next 5 years, and maintained at 1:1 thereafter;

AND THAT staff be directed to prepare financial policies for approval by FACS at the September meeting, which incorporate the debt and reserve limits identified above;

AND THAT the following criteria be used in preparing the 2010 – 2014 capital budget and forecast:

- Maintaining the above debt and reserve ratios.
- Recognizing Council's established strategic priorities as shown on Schedule A to Report FIN-09-32.

"THAT By-law Numbers (2009)-18818 to (2009)-18846, inclusive, are hereby passed."

BY-LAWS

By-law Number (2009)-18845 A by-law to authorize the acquisition of property described as Part of Lot 6, Concession 3, Division "F" (formerly Guelph Township), designated as Part 1, Reference Plan 61R11167, City of Guelph.	To acquire property.
By-law Number (2009)-18846 A by-law to confirm the proceedings of meetings of Guelph City Council. (July 6 and 27, 2009)	To confirm the proceedings of meetings of City Council held July 6 and 27, 2009.

Mayor Farbridge, Councillors and Staff

We are writing to offer our qualified support to recommendations outlined in Report Number 09-60. It is qualified because we are well aware of how the current bylaw, in its flawed state, can affect a neighbourhood. One need look no further than the multitude of issues faced by the Hanlon Creek neighbourhood, the Rickson Ridge neighbourhood and, of course, the Old University neighbourhood.

It seems that now, the City has decided to allow exploitive landlords (many from out of town), to infiltrate any neighbourhood they see fit, given the ludicrous processes in place and the totally vague bylaw.

As background in the report, quoting a resolution of the CDES, from March 30 and April 7 meetings, it states "that staff be directed to report back with a recommendation on a bylaw amendment process relating to the administrative procedures used for certification of Lodging Houses and Accessory Apartments." The backgrounder goes on to state that "this resolution is based on public concern about the lack of a clearly defined process for reviewing Lodging House certification applications." We can assure you, one of our residents having been a victim of this lack of process, that the rules in place right now are downright **dangerous** to public safety and tenant protection to wit: in order for a Lodging House to be "recognized" by the City, a landlord must **FIRST** prove use. Fill a house with 5 or more tenants; **SECONDLY**, bring it up to Fire and Building Code requirements under a **VOLUNTARY** certification program. Does that not strike anyone as the most backward way of providing safe rooms for tenants?

Again in the backgrounder, the Shared Rental Housing Regulation Review is discussed. It states that a "staff review, together with extensive public input, resulted in over 50 issues being identified." This statement boggles the mind! If a certain situation hadn't come to light in our neighbourhood; if our neighbours hadn't been notified (not by the City, who is under no such obligation to do so); if the City staff and Councillors hadn't had to face the wrath and scorn of the residents at a public meeting January 27 of this year, then we would still be going on our merry way, "recognizing" any property as a Lodging House, regardless of the consequences.

How is it that some "extensive public input" and review by staff was able to create a bylaw that is so clearly flawed and so indefensible that City staff have admitted as much on more than one occasion? Who were these people? One can only hope that this time the concerns of the taxpayers are listened to more carefully and a bylaw isn't just cobbled together for expediency's sake.

In just a short time, by most bureaucratic standards, our good neighbours and friends along with Councillor Piper, have formed a specific list of issues and recommendations (**copy attached**) that will address many of the myriad problems the city faces with the whole issue of primarily student housing. As a side issue, where is the University of Guelph in all this? Shouldn't they have the responsibility of providing adequate housing for more of their students as enrolment increases?

Under the heading of Report, Lodging House Process, item 1. (a) The issue of certification is discussed. Again, we can assure you that one of our residents has been a victim of this vagueness. The "voluntary applications for certification in order to determine priority" cannot be used or have not been used to determine priority. The application states that an "owner" must sign the form. Staff can choose to override this policy at their whim. In our case a "non-owner" was given priority over an owner's application. The priority is given to those who bully or pressure City staff into giving them "recognition". At a March 10, 2009 meeting this was the answer we were given when we asked specifically why another application was chosen over the owner resident.

Surely now that the process is being reviewed, a crystal clear licensing format can be implemented. How hard can that be? Since the Municipal Act was reviewed and Lodging Houses can now be licensed, surely this could happen here in Guelph, couldn't it? Requiring a Business License would not only recognize these enterprises as what they are, money making operations, but would also provide some additional income for the City's bylaw department.

It is a crying shame that our bylaws are only enforced on a complaint basis. That whole department should have the resources it needs to be pro-active rather than reactive, especially in the areas of property standards, including parking. They should be given the authority to act when they suspect that tenant safety is being compromised in an illegal Lodging House operation!

The same problems exist with accessory Apartments. Many of the homes that they were built in are no longer owner-occupied. This creates a situation where you can have 4 or 5 bedrooms up and 2 bedrooms down in the legal apartment, and the house not having to be "recognized" as a Lodging House. Where's the difference? We would like to think that this council would agree with the recommendation to require re-inspection and **NOT** every 3 years but yearly. Apply the same standard as Lodging Houses must meet, because these houses that are not owner occupied and have Accessory Apartments are no different.

We urge council to adopt these resolutions and give staff the tools and the opportunity to right these wrongs. It is vital that you take this opportunity to **save** the character of many neighbourhoods, **prevent** the decay of many areas of our City and most importantly improve **safety** for tenants and neighbours.

There are those that might confuse this lodging House issue with the affordable housing problem. They are entirely separate and should be treated as such. We don't think there is anyone on council or, indeed, in the city who would not support affordable housing initiatives. These initiatives should result in a stock of affordable 1, 2 or 3 bedroom units, not a property with 8,9,10 or more bedrooms, a common kitchen and shared bathroom facilities. It is the single parent families, the working poor, seniors on fixed incomes and others that are less fortunate who deserve that availability of affordable, self contained housing units. We are quite sure they would not want to pay $500 per month for a bedroom with a lock on the door.

As a final thought to support a need for a thorough review of these rules, regulations and bylaws, there is the issue of the negative impact Lodging Houses have on neighbouring property values. Time and time again, we have heard that they have no affect and most people don't even know they are there. Let us assure you, that we have had professional opinions that say the effect is profound. If a Realtor is representing a buyer client and has shown them 2 properties, 1 in close proximity to a student home or Lodging House and 1 in a different neighbourhood and both properties being equal in every other way, what property do you suppose they would choose? What would you choose?

And believe me they **would** know about the rental. All Realtors are obliged to disclose anything that might affect a buyer's decision to purchase.

In summation: for years and years the Old University area, Hanlon Creek and Rickson Ridge neighbourhoods have been assaulted by a steadily increasing influx of rental housing (family homes being tuned into for-profit rentals). You all know the problems, so there is no point in repeating them. You now have a chance to **not** repeat the mistakes made that are evident in the current bylaw and regulations. You have an opportunity to preserve the character of all neighbourhoods, **YES**, ours included, and to turn back the clock for some neighbourhoods before it is too late.

Kindly, govern yourselves and this City, accordingly.

SERPA,

South End ratepayers Association

Summary of Issues Raised by Residents and Staff

Re: Shared Rental Housing

Issue	Description of Issue	Action / Questions to be Addressed	By-Law or Procedural?
Neighbourhood notification	Can a notice be posted on the property or a notice mailed to all properties (120m) that a Lodging House certification process has been initiated?	If the LH use is allowed by right, does a notice imply that there is a way to impact the decision or would it simply be a "courtesy notice" (like a demolition notice)?	Procedural
Sequencing of applications	Priority for the sequencing of concurrent applications is needed.	What is more important – the date the LH Certification form comes in or the date that the LH use is confirmed?	By-law
Certification process	The process to become "certified" and the definition of "certified" is unclear. Is "certification" voluntary?	Is a LH "certified" when the use is recognized or when the final inspection takes place to ensure compliance with Building and Fire Code? Can we make it mandatory?	By-law By-law
Location of Lodging Houses	If Lodging Houses are a form of intensification, should they be restricted to nodes and corridors? Should LH's be located next to neighbourhood parks?	What is permissible under Provincial law? Are park users negatively impacted by adjacent Lodging Houses? Are LH residents also users of the park? Are the parks used appropriately?	Zoning Amendment

Accessory Apartments	The original intent was to allow homeowners to add an accessory apartments to their own home (ie. in-law suite, rental income, etc), but the proliferation of non-owner-occupied and purpose-built “four-up-two-down” houses has created whole streets of rental housing in some areas of Guelph. If a LH is defined as five or more unrelated units for hire or gain, then 4U2D units should be treated the same and a 100m separation distance should apply?	What this the intent of the zoning? How do we prevent whole neighbourhoods being converted to rental housing with an absentee landlord? Consider re-defining AA’s to specify that it only applies to owner-occupied residential buildings, ie. if the owner is living in one of the units (up or down), it’s an AA, but if the whole building is rental (more than four units for hire or gain), it’s a lodging house.	Zoning By-law
Notification of By-law Infraction	When a property receives a noise by-law infraction or a property standards infraction, how is the Owner notified?	Can a Notice be sent to homeowner, similar to a Parking Infraction notice is sent to the registered owner of a vehicle?	Procedural
On Street Parking	If a street is predominantly occupied by rental housing, how can a neighbourhood effectively petition to have a two-hour parking restriction?	A modification to on-street parking must be signed by 90% of the residents, however, this can never happen on streets with a proliferation of rental housing.	Procedural Parking/Operations
Off Street Parking	LH and AA parking guidelines are too low, as overflow parking on front lawns and roadways is getting worse.	What is the correct ratio? Consider returning the off-street requirement to 1 spot per 2 persons, pre-2005 ratio?	Zoning By-law
Lodging House Public Review	When a lodging house is being proposed, should there be a public review and input process?	Is this allowed under the Planning Act? Check with Legal.	Legal review.

Business Licencing	Shared rental housing was intended as a way to intensify and provide for diverse housing types, while also allowing homeowners to supplement their household income to help pay mortgage costs. Over the years, it has become big business, with some property owners owning multiple sites on the same street or throughout the city. Some are run as large scale commercial operations with staff. If lodging houses are being run as for-profit businesses, should there be greater controls to ensure the housing is safe, secure and following the rules of the RTA?	Action: Consider a business licence category for property owners who run lodging houses? Not intended for owner-occupied properties.	Business Licencing By-Law
Density Questions	How has the change to 5 or more units (from 4) impacted on the provision of new housing in Guelph? Have registrations increased dramatically? What is the quality and the geography of the accommodation? Are certain neighbourhoods being affected more than others?	R1 zones are the most vulnerable. R1 zones were also expected in increase in intensification. Are there adequate protections to ensure R1 zones will maintain their neighbourhood character?	Zoning By-law
Ambiguity of Terms	Terms used in the existing by-laws need to be more clearly defined.	Define “owner”. Better define “lodging unit” – ie. this is the crux of the difference between AA and LH’s.	Zoning By-law Property Standards By-law
Fines	Are current fines for noise, parking and property standards strong enough to encourage better supervision of Lodging Houses by owners?	Compare fines to other municipalities? Consider changing from a “fine” to a “service fee” ie. Barrie.	By-law enforcement

July 27, 2009

I urge the council members to adopt the recommendations re. lodging houses, as presented in Committee last Monday.

Mimi Hamilton

Dear Mayor & Councilor.

I reside at …...
How could one in his right mind grant a permit to operate the Lodging House in a most reputed residential area of Guelph.

It would have been a good idea to post a Public notice in a front lawn to indicate that the owner of this property has applied for the Lodging House permit.

Dilip Dave'.

AS RESIDENTS OF WARD 5 AND LIFE LONG GUELPHITES , WE WOULD APPRECIATE YOUR CONSIDERATION IN VOTING TONIGHT FOR CHANGES TO THE ZONING OF LODGING HOUSES.

AS AN EXAMPLE OF ONE OF MANY PROBLEMS ASSOCIATED WITH LODGING HOUSES IN A CHILD POPULATED WARD SLOUCH AS OURS OCCURRED THIS PAST WINTER.

MORE TENANTS WITH CARS THEN THERE WAS PARKING SPACES FOR CAUSED THEM TO CONTINUALLY PARK OVERNIGHT ON THE STREET IN DIRECT VIOLATION OF THE CITY BYLAW .

ONE NIGHT THE SNOW PLOW CAME DOWN DIMSON STREET, COULD NOT PROPERLY PLOW THE SNOW CAUSING THE SCHOOL BUS THE NEXT MORNING TO HAVE TO STOP IN THE MIDDLE OF THE ROAD TO PICK UP OUR CHILDREN AS IT COULD NOT GET TO THE PROPER BUS STOP.

I WOULD LIKE TO THANK YOU TONIGHT IN ADVANCE FOR YOUR CONSIDERATION OF THIS SUBJECT .

DON AND ZLATKA BRODERICK

<u>Re: Changes to Administrative procedures for Lodging Houses and Accessory Apartments.</u>

I request that all counselors as well as the mayor receive a copy of this email....please forward accordingly before the July 27th Council Meeting.

I understand that on Monday, July 27th, 2009, Council will be discussing the subject Committee's recommendation to make major changes to the present bylaw that deals with lodging houses.

In an effort to maintain the overall high quality of life within any Guelph neighbourhood, I urge Council to pass the resolution to direct city staff to come up with a new and improved bylaw.

As the bylaw stands today, homeowners are not properly notified when city approval has been granted to setup a lodging house within a neighbourhood. A change to the neighbourhood as significant as the introduction of a lodging house must involve the residents who will be directly affected. The affected neighbourhood residents must be informed and be a part of the decision making process from the time that the city receives an application to create a lodging house.

Thank You

Gord Edwards
Guelph.

To Guelph City Councillors & the Honorable Mayor

I first visited Guelph in 1993 and instantly fell in love with the beautiful university town. A few years later I became a resident and have lived her ever since, except for a few short months when I resided in Rockwood.

One of the main reasons I have come to love Guelph is the diversity of the towns neighborhoods. Each with its own flavor, atmosphere, character and location. With residential values currently ranging from under $100,000 to well over $1,000,000 million the City has a true cross section of style and presence.

One of the reasons the City has maintained its integrity over the years is by protecting the character of the neighborhood though City planning and zoning laws.

Ensuring that inappropriate modifications are not allowed so as to adversely effect the property value of adjacent residents, or to endanger adjacent residents or impinge on their rights as property owners.

As such, lodging houses have the same impact or even more impact on property values than any zoning adjustment requests? This is why I implore you to act sensibly with regards to the new lodging house process and ensure there is a provision for prior notification and review as the current zoning adjustment process. It's imperative to protect the future growth and integrity of the City.

Please be clear that this is not a matter of "not in my backyard" it's a matter of Real Estate 101 – location, location, location. Just as with zoning there are locations that are appropriate for lodging houses and other locations which are not.

Just as Guelph zoning would approve the construction of a mobile home in the new neighborhood at the end of Kortright - a lodging house placed in the wrong neighborhood can have the same effect.

In closing, the City of Guelph 2005 Lodging House research study <u>does not</u> clearly show any research to support the positive or negative effect lodging houses have on property values in specific neighborhoods. With that in mind using a magic wand approach to lodging house approval does not make good long term planning

With that in mind I ask you to ensure the above provision becomes part of the new lodging house process.

Regards,

Walter Urban
Guelph Ontario

In regards to last Monday's meeting, (July 20th 2009) the information presented by the woman(I didn't get her name) representing the University neighborhood, specifically mapped the streets of Hales Crescent and Moore Ave. Her information was not correct and I do not want the city staff to make decisions based on false information. Read on if you wish to know why the information was not correct, otherwise skip to the next paragraph.

We own 2 houses in that area that have legal accessory apartments. We are not absentee landlords, as indicated in her mapping, plus we never leave garbage out and weekly mow the lawns. We take great pride in our rental units and take good care of them plus carefully screen our tenants. There is no street parking on those streets so that is not an issue. Parking on the grass is not legal in Guelph and if reported comes with a heavy fine. I make sure my tenants know this information.

I know what the woman was speaking of when she spoke of unkept properties, there are a few properties that are always a mess; overgrown trees, neglected lawns and debris about the property in that area. In those situations we need the city to step in and clean up the property and bill the owners as these addresses are repeat offenders. It seemed that the main issue of this area was the issue of property maintenance. This issue can be corrected by contacting by-law enforcement. Starting a re-licensing every three years for accessory apartments will not impact the issue of unkept exteriors of properties. Further I am concerned it will push more rental units underground.

The city should be able to find the illegal units easily by going on thecannon.ca (go to Buy, Sell and Find and look under Housing) and looking at the addresses of the units for rent and comparing those addresses to their list of registered accessory apartments and lodging houses. This would have to be done from January through to September of the year to catch the bulk of the illegal units. This would be a proactive way of managing the issue. The people that advertise at the Off Campus Housing website have to prove that they have legal units to advertise on that site.

With regards to Lodging Houses, I would like to see notification sent out to residents who live on the same street as the application that has been requested. If the potential Lodging House is on a corner, the residents of both streets should be contacted. I would request a public review and input process. Current proof of ownership should also be presented in the Lodging House application.

Thank you in advance for your consideration in these matters,

Joanne Schinbein

Notes for Presentation to Council re The Pissoir Pilot – July 27, 2009
By Mark Rodford, DGBA Board Chair

Thank you City Council for receiving our revised proposal which references the following new information:

- Other municipalities – Edmonton, Victoria- fund pissoirs in addition to having public washrooms available in the downtown core. We have been in contact with Whitby who has been congratulating Guelph on addressing this issue, and are providing them our information to support their 2010 budget and plans for a similar pilot.

- Rather than fabricating a unit, we have sourced a model used by Edmonton; it will be situated with a half lattice screen to provide privacy and visibility for security reasons.

- The NightLife Task Force is requesting the City to participate in funding the units which are required to complement the poster awareness campaign: with no public washrooms downtown, it will be a waste to spend this money on posters and education without 'places to go'.

- The members of the Task Force are contributing $4200 to the full program which includes the design, copying and distribution of 3 posters.
- In addition, DGBA is providing $7000 for a summer bar owner and patron survey to assist Guelph Transit and U of G in determining how best to speed up the exiting of late evening bar patrons.
    - Thus far, patron feedback in this study has identified the lack of washrooms and security as issues.
- The Task Force recommends a 24/7 service which is supported by calls to operations for downtown clean up that are evenly distributed across the 7 day week.
- We are in support of a shorter pilot period to cover the September-October period which should give us sufficient information regarding its value, as well as covering off the initial busy time when the student population increases. It is important to have a period of availability that matches the poster campaign and increased enforcement. Usage and treatment of the units will be monitored and reported on at the end of the pilot.

- The request to the City for the 8 week pilot is for $8,400 as previously submitted by Operations staff.

COUNCIL REPORT

TO	**Guelph City Council**
SERVICE AREA	Corporate Administration
DATE	July 27, 2009
SUBJECT	**Addendum to Canada – Ontario Affordable Housing Program Report**
REPORT NUMBER	

Attached is a copy of a letter from the Warden of the County of Wellington responding to the resolution being recommended.

It is therefore recommended that the resolution be amended to include the following additional provisions.

RECOMMENDATION

AND FURTHER, that municipal incentives for the Guelph projects be that staff be authorized to offer a deferred payment plan for the required municipal fees and charges to coincide with the timing of the receipt of the Affordable Housing Program grant payments, as well as the change to property tax class provisions, which is already in place under the City's bylaw;

AND FURTHER that staff be directed to negotiate agreements in respect to future liabilities of these two affordable Housing projects.

"original signed by Hans Loewig"

Prepared By:
Hans Loewig
Chief Administrative Officer
519-837-5602
hans.loewig@guelph.ca

Attachments (2):

Letter from Warden Joanne Ross-Zuj, County of Wellington to
Mayor Karen Farbridge dated July 23, 2009
Letter from Warden Joanne Ross-Zuj, County of Wellington to Liz Sandals, M.P.P.

dated July 23, 2009

COUNTY OF WELLINGTON

OFFICE OF THE WARDEN
1-800-663-0750
TEL: (519) 837-2600, EXT. 2550
FAX: (519) 837-1909
e-mail: warden@wellington.ca

74 WOOLWICH STREET
GUELPH, ONTARIO
N1H 3T9

RECEIVED
City of Guelph
JUL 2 4 2009
Office of the Mayor

July 23, 2009

Mayor Karen Farbridge
1 Carden Street
Guelph ON N1H 3A1

Dear Mayor Farbridge,

Thank you for your email of July 23, 2009 and for providing me with a copy of the report from Hans Loewig which is to be considered by City Council on July 27, 2009.

As set out in my letter dated July 23, 2009 to Liz Sandals on which you were copied, I can confirm the following with respect to the two proposed affordable housing projects in the City of Guelph:

1. That the County of Wellington has approved these two projects in principle.
2. That both projects have been submitted to the Ministry of Municipal Affairs and Housing.
3. That a meeting has been scheduled with the two proponents for Monday July 27, 2009 to review project submission requirements.
4. That the County has advised the two proponents of the need to submit final project information, including financial projections, to the County by Friday August 7, 2009.
5. That it is the intention of County staff to bring forward recommendations regarding the two projects to the joint Social Services Committee on September 9, 2009 and to County Council on September 24, 2009. Assuming approval is granted staff would make the formal application to the Province in advance of the September 30, 2009 deadline.

This is the soonest that County Council can consider the proposals and allow our staff to complete their due diligence process.

It would be very helpful if City Council, when considering the report on July 27, 2009 passes a resolution outlining what municipal incentives, if any, will be made available to the proponents. This will ensure that the proponents can submit a package that is as complete as possible by August 7, 2009.

The County will also require an agreement with the City with respect to potential future liabilities relating to the affordable housing projects. I have asked to the County Solicitor to begin formulating such an agreement.

Sincerely,

Joanne Ross-Zuj

Joanne Ross-Zuj
Warden

c. Ms. Liz Sandals, M.P.P
Mr. Hans Loewig, C.A.O, City of Guelph
Mr. Scott Wilson, C.A.O., County of Wellington

COUNTY OF WELLINGTON

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74 WOOLWICH STREET
GUELPH, ONTARIO
N1H 3T9

July 23, 2009

Ms. Liz Sandals, M.P.P.
173 Woolwich Street
Guelph ON N1H 3V4

Dear Ms. Sandals,

As a follow up to our telephone conversation of July 22, 2009 I thought it would be useful to summarize the main points of our discussion. With respect to the two proposed affordable housing projects in the City of Guelph, I can confirm the following:

1. That the County of Wellington has approved these two projects in principle.
2. That both projects have been submitted to the Ministry of Municipal Affairs and Housing.
3. That a meeting has been scheduled with the two proponents for Monday July 27, 2009 to review project submission requirements.
4. That the County has advised the two proponents of the need to submit final project information, including financial projections, to the County by Friday August 7, 2009.
5. That it is the intention of County staff to bring forward recommendations regarding the two projects to the joint Social Services Committee on September 9, 2009 and to County Council on September 24, 2009. Assuming approval is granted staff would make the formal application to the Province in advance of the September 30, 2009 deadline.

We understand that the Province expects to make announcements soon after the September 30, 2009 submission deadline and issue a Conditional Letter of Commitment regarding approved projects to the County.

It will be essential that the two proponents be able to clearly demonstrate in their submission their ability to meet the requirements set out by the Province for the programme including:

1. Building site is acquired
2. Zoning is in place
3. Site plan approval has been granted
4. Building permit has been issued
5. Long term financial viability has been proven
6. The proponent's ability to sign a Contribution Agreement within 30 days of the issuance of the Conditional Letter of Commitment
7. Construction must start within three months of the signing of the Contribution Agreement

For reference I have attached excerpts from the Provincial document entitled Canada-Ontario Affordable Housing Program (2009 Extension) - New Rental Housing Component.

In addition, as set out in the letter from Scott Wilson to Hans Loewig dated July 10, 2009 on which you were copied, we will require confirmation from the proponents of any municipal incentives available for the projects (beyond the tax class requirement), and there will need to be an agreement between the County and City for any future liabilities relating to affordable housing projects.

I would like to reassure you that the County, as Service Manager, clearly understands the timelines and requirements set out by the Province to access this important funding, and we are following what we believe to be an appropriate and prudent process to meet these expectations.

Sincerley,

Joanne Ross-Zuj

Joanne Ross-Zuj
Warden

c. Mayor Karen Farbridge, City of Guelph
Mr. Hans Loewig, C.A.O., City of Guelph
Mr. Scott Wilson, C.A.O., County of Wellington

Submission Dates

Service Managers must submit project proposals for each year (2009/10; 2010/11) of the program. They should identify whether proposals include rental units for low-income seniors, rental units for persons with disabilities, and which component of the AHP Extension (2009) they wish to participate in (New Rental, Homeownership or Northern.) SMs are encouraged to submit projects that reflect a balance of municipal non-profits, private non-profits and cooperatives, as well as private proponents.

SMs are asked to submit project proposals by the ministry's **submission dates** in order to be eligible for AHP funding.

Year 1 projects must be committed (CA signed) between June 2009 and March 31, 2010 and Year 2 projects must be committed (CA signed) between April 1, 2010 and March 31, 2011.

AHP Extension (2009) funding must be used within its specified year as funding will not be carried over. SMs are encouraged to submit project proposals as early as possible.

Submission dates have been chosen to encourage quick take-up of the program within the two-year timeframe. It is also important to incorporate the program's objectives of economic stimulus, energy efficiency, and accessibility for designated client groups – low-income seniors and persons with disabilities.

Year 1 – Quick Starts (June 2009)

Funding will be allocated to construction-ready projects identified by SMs. These are projects that will be ready for construction by September 30, 2009.

Projects funded under Quick Starts must begin construction before September 30, 2009. Funding approvals for construction-ready projects will begin immediately.

Year 1 – (July 2009 – March 2010)

For the remainder of Year 1, the ministry will allocate funding to project proposals that are submitted by the following dates:

- July 31, 2009
- September 30, 2009
- November 2, 2009

Funding approvals for these projects will begin shortly after each submission date has closed.

Please note that if federal funding for the first fiscal year (2009/10) is exhausted prior to the end of the first fiscal year of the AHP Extension, the ministry will be under no obligation to fund any further funding requests submitted prior to the commencement of the second year of the AHP Extension (2009).

Year 2 (April 2010 – March 2011)

SMs will be asked to submit project proposals for Year 2 of the program. Year 2 submissions will be considered after February 1, 2010. Projects receiving funding approval in Year 2 should begin construction between April 1, 2010 and March 31, 2011.

Please submit all project proposals using the Affordable Housing Information Management System (AIMS).

Project Approvals

Project selection will be based on construction readiness:

- Building site is acquired
- Zoning is in place
- Council approval has been obtained
- Building permit has been obtained
- Financial viability has been proven
- The project targets the program's priority groups.

Once a project has been selected and approved for AHP funding, it will receive a Conditional Letter of Commitment (CLC) from the ministry. Samples of a CLC and a Director's Letter are provided in Appendix C and D.

The CLC confirms the ministry's approval of the project and outlines the steps that must be taken prior to signing a Contribution Agreement (CA), which allows for the advancement of AHP funds. After receiving a CLC for a project, SMs are expected to sign a CA **within 30 days**.

The CA describes the legal obligations and reporting requirements for the project. Please refer to Appendix E for the requirements needed to sign a CA.

The ministry expects to have all Year 1 CAs signed no later than **December 31, 2009** with construction starting prior to **March 31, 2010.**

All Year 2 CAs are expected to be signed no later than **December 31, 2010** and begin construction prior to **March 31, 2011.**

SMs and housing proponents not able to sign CAs or begin construction by the required dates will have their funding re-allocated.

Funding for the New Rental Housing Component is offered on a strict "use it or lose it" basis. Funding that is uncommitted by each fiscal year-end will lapse. Therefore, funding approved during Year 1 and Year 2 will need to be committed (CA signed) at the latest by March 31st of each year and projects **must start repairs/construction within three months of the CA date.**

APPENDIX J – Indemnification and Repayment

During the construction period for the project, the SM will fully indemnify the province, with one exception. The SM's share of any loss associated with environmental claims will be 50% of the provincial share (25%).

During the operation of the project, there will be consultation and notification requirements if there are indications there may be operational or financial difficulties. If the SM becomes aware of a proponent's failure to observe or perform a material condition in the CA, the SM shall notify the ministry immediately. The ministry will, in turn, notify CMHC.

An ad hoc committee may be struck to assemble information relating to the project, in order to determine a course of action for rectifying the difficulty and using best efforts to maintain the affordability of the rents for the project. The parties will acknowledge that the interests of the tenants shall be considered in determining what course of action may be most suitable for a project in difficulty.

In situations of non-compliance due to misuse or negligence, the SM is expected to take remedies available to recover government contributions.

Project proponents may earn forgiveness of AHP funds at a rate of 5% per year for 20 years, at the discretion of the SM, provided the project remains in compliance with program guidelines.

It is recommended that all AHP Extension projects obtain CMHC insurance for the first mortgage. However, there is the option to waive the CMHC mortgage insurance requirement and seek alternative loan financing arrangements, at the discretion of the lender and the SM. For further information, please refer to AHP Bulletin No. 28 on the MMAH website: www.mah.gov.on.ca.

There are also certain exceptions – for example, when a municipality is providing construction and take-out financing. The details of the indemnification provisions will be contained in the legal agreements for the program.

Long Term Capital Forecast Update

FIVE-YEAR CAPITAL IMPROVEMENT PLAN

JULY 27, 2009

Capital Forecast Update

- External forces on Guelph's financial position
- Financing City's share of funded infrastructure projects: Monetizing Guelph Hydro Note
- Organics Facility: contract & financing finalized
- Credit Rating
- Implications and Risks
- Recommendations

External Forces

WHAT BROUGHT US HERE

- Value engineering stage complete for Organics
  - Contract signing deadline July 31
  - Financing to be approved by Council
- Weakened international economy
- Slower than anticipated growth; reduced Development Charge revenue
- Lower revenues in many areas e.g. permit fees, parking, transit and investment income

External Forces (2)

WHAT BROUGHT US HERE

- Continued pressure to grow under Provincial Growth Plan (Places to Grow)
- Previously unbudgeted projects identified as community priorities
- Infrastructure and RInC funding advanced construction of numerous capital projects

Financing Funded Projects

MONETIZING GUELPH HYDRO NOTE

- Federal and Provincial Infrastructure Stimulus ($44 million) and Recreation Infrastructure ($3.6 million) funds to be matched by the City
- Guelph pays $23.2 million toward total $69.6 million
- Monetizing Hydro Note $30 million
  - finance City's share of infrastructure projects
  - establish reserve fund
  - maintain desired debt levels

Organics Facility

DEBT FINANCING PLAN

- Maple Reinders to build facility for $28.5 million (including $1 million contingency)
- 2007-2010 budgets included $32.825 million in debt: sufficient to complete project
- Federal Gas Tax funding available to reduce debt
- Additional funding in future budgets required
  - $450,000 LEED certification application
  - conversion from bags to bins

Credit Rating

DEBT LEVELS & RATIOS

- To maintain Guelph’s AA credit rating
  - debt/operating revenues < 55%
  - principal and interest/operating revenues < 10%
  - debt to reserve ratio = 1:1
- More debt-financed capital projects will require multi-year approvals
- More rigorous prioritization process for capital projects as part of Long-Term Financial plan

Implications Risks

- Ability to debt-finance capital projects extremely limited for next 5 years
- Defer projects to finance priority projects
- Servicing-capacity (water/wastewater/roads) to accommodate growth limited since many growth projects deferred beyond 2014
- Previously identified and approved capital projects will have to be deferred or closed

Recommendations

- Monetize Guelph Hydro Note in the amount of $30 million to fund the City's share of Infrastructure Stimulus Fund and RInC Programs, and establish capital project reserve
- Authorize an amendment to the 2009 capital budget to include the Infrastructure Stimulus and RInC Programs in the amount of $76,416,000
- Authorize debenture financing of $28 million for Organics Facility, for a term < 20 years; the balance of the project to be funded from Federal Gas Tax

Recommendations (2)

- Direct staff to prepare policies which incorporate debt and reserve limits identified in Report FIN-09-32
- Maintain cash flow and debt ratios as follows:
  - debt/operating revenues < 55%
  - principal and interest/operating revenues < 10%
  - Debt to Reserve Ratio – target 1:1 ratio over the next 5 years, and maintain thereafter
- In preparing 2010 – 2014 capital budget and forecast
  - Maintain above debt and reserve ratios
  - Recognize Council's strategic priorities as shown in Report FIN-09-32

COUNCIL REPORT

TO	**Guelph City Council**
SERVICE AREA	Finance
DATE	July 27, 2009
SUBJECT	**LONG TERM CAPITAL FORECAST – Update #1** **Five Year Capital Improvement Plan**
REPORT NUMBER	FIN-09-32

RECOMMENDATIONS

THAT Guelph Hydro be requested to proceed with monetization of the Notes Receivable from GHESI, presently held by the City of Guelph, in the amount of $30 million to fund the City's share of Infrastructure Stimulus Fund and RInC Programs, as well as a new capital project reserve fund to be established for purposes described in Report No. FIN-09-32 and

THAT Council authorize an amendment to the 2009 capital budget to include the Infrastructure Stimulus and RInC Programs as identified in Schedule A in the amount of $76,416,000 and

THAT Council authorize debenture financing for the Organics Facility project to a maximum amount of $28 million, for a term not to exceed 20 years; and that the balance of the project be funded from Federal Gas Tax and

THAT cash flow be managed and debt issued such that the following ratios are maintained:
Outstanding Debt as a % of Operating Revenues – Not to exceed 55%
Principal & Interest as a % of Operating Revenues – Not to exceed 10%
Debt to Reserve Ratio – target of increasing to a 1:1 ratio over the next 5 years, and maintained at 1:1 thereafter and

THAT staff be directed to prepare financial policies for approval by FACS at the September meeting, which incorporate the debt and reserve limits identified above and

THAT the following criteria be used in preparing the 2010 – 2014 capital budget and forecast:

- Maintaining the above debt and reserve ratios.

- Recognizing Council's established strategic priorities as shown on Schedule A to Report FIN-09-32

PURPOSE OF REPORT

The purpose of this report is:

- To advise Council of the funding requirements for the Maple Reinders contract to construct the Organics Facility, determined through the value engineering process, and that the project be financed through a debenture issue. A portion of federal gas tax will be used to reduce debenture requirements.
- To identify funding sources for the City's share of the recently awarded Infrastructure Stimulus and RInC Programs which were not included in the 2010 budget.
- To update Council on work being done with respect to the first five years of the long term capital forecast, and the impact on debt and reserve levels.
- To establish targets for debt and reserve levels to ensure the City maintains its AA credit rating.
- To identify priority projects previously identified as development charges or reserves, which are to be collected in future years, and therefore will require debt financing.
- To request Council authorization to provide Guelph Hydro with notice of the City's desire to seek repayment of the $30 million Note Receivable from Guelph Hydro Inc. to the City of Guelph to provide a source of funding for the shared federal/provincial/municipal projects, including the Stimulus projects and establish a reserve fund for similarly leveraged projects.

SETTING THE CONTEXT

There are numerous external forces that are impacting the City's capital forecast, including:

- The current state of the economy.
- Initiatives previously unbudgeted, that have been identified to the City as being community priorities.
- Slower than anticipated growth resulting in reduced Development Charge revenues, which now require interim financing through debt.
- Federal and Provincial Infrastructure funding initiatives which have advanced construction of numerous capital projects identified in the capital forecast, sooner than they were originally planned to occur.
- On-going pressures for growth as a result of Provincially mandated programs (Places to Grow).
- General reductions experienced in most revenue sources, including building

permit fees, transit and investment income.

These external forces are all contributing to pressures on the City's capital forecast, which have led to the work that is currently in progress in developing a long term financial plan for the City.

REPORT

In September 2008 Council approved preparation of a long term financial plan for the City. A key component of the plan is a sustainable capital improvement plan. As a result of the recent factors listed above, in March 2009, staff identified a gap between the existing 10 year capital forecast and available resources, and the need for revisions to the forecast to meet available funding from tax, user pay and development charge rates, and prudent debt/reserve levels.

Since that report, Council has received tender results on the Organics Facility and the South End Joint Emergency Facility, as well as approval for approximately $70 million in Infrastructure Stimulus and RInC Projects. In addition, due to current economic conditions, revenues from development charges have declined, and certain growth related projects will either need to be deferred or will require interim financing through debt. Phasing of development related capital projects in the Hanlon Creek Business Park is also being recommended, due to the current economic slowdown.

Staff have been reviewing existing approved and forecasted capital projects in detail over the past few months and have identified a number of projects that will be recommended for deferral or cancellation in order to create capacity for stimulus approved projects and strategic priorities, and to reduce projected debt requirements.

The schedules attached to this report incorporate the potential capital reductions identified by project managers, and assumes the strategic priorities in **Schedule A** will proceed with debt financing. Further reductions would be required to meet the target ratios and additional time is required to prepare the capital program and understand the implications of the deferrals/cancellations. Detailed reporting of projects recommended for closure and deferral will be provided through the 2010 capital budget process. **Schedule B** provides projected debt, prior to additional capital reductions. **Schedule C** provides a five year summary of resources for capital projects/reserves on the same basis.

Hydro Note Receivable

Use of the Hydro Note Receivable was identified in the April report regarding the Organics Facility, as a potential source of reducing debenture borrowing. The Note Receivable from GHESI pays interest at a rate which fluctuates according to the capital debt markets. The present permitted rate is 6.125%. The income from the Note Receivable has been allocated within the City's annual operating budget to offset taxation. Use of the investment income in the operating budget will be phased out over the 2010-2011 budgets. The note receivable is due no later than eighteen months following written demand notice. Hydro advises that they would be able to attract greater participation from the financial community with a larger debt placement than if they went to the market with smaller amounts over several years. A larger offering would result in greater competition for the placement and result in a better deal on interest rates and conditions.

Use of the hydro note is being recommended as an alternative to issuing debt for the City's share of the Stimulus Fund and RInC program projects. A portion of the proceeds is also being recommended to establish a reserve fund for the City portion of projects where the City is able to leverage its contribution with contributions from outside sources such as federal/provincial grants, donations or partnerships, such as with the County of Wellington. This leveraging requirement would help to offset the loss of investment income from the note, and establishment of the reserve fund provides a source of liquidity as an offset to the increased debt required to complete strategic projects.

Organics Facility

On April 27, 2009, Council approved the CDDS recommendation to proceed with Maple Reinders as the preferred proponent for the Organics Plant construction, subject to a satisfactory value engineering review of their proposal, with the method of financing to be determined by the end of July. Staff completed the value engineering portion of the Maple Reinders proposal, and the resulting contract price is an upset limit of $28.5 million, including a $1 million contingency allowance and excluding taxes, the administrative costs to apply for LEEDS certification (estimate at $450,000 or any related capital upgrades which may be required to achieve LEEDS certification.

The Mayor and Clerk were authorized to execute the contract with Maple Reinders, subject to the value engineering. The contract signing has been deferred to July 31, 2009, until Council's approval of the funding source.

While the Organics project has been identified in budget documents as debt-financed, staff have continued to investigate alternate sources of funding, The application to the recent Infrastructure Stimulus Fund for this project was not successful. A budget of $2.825 million (debt financed) was approved in 2007/2008 for the initial feasibility and RFP development stages of the project. A further $30 million was forecasted as debenture funding in the 2010 capital budget. Additional funds may be required in future budgets for the conversion from bags to bins.

Hanlon Business Park

The General Manager of Economic Development has prepared and provided to finance a revised cash flow projection for the Hanlon Creek Business Park - Phase 1. Due to the current economic climate Phase 2 is not proceeding to tender at this time. The timing of the development of Phase 2 will be dependant on improved economic conditions and future consultation with private sector partners.

Approximately $10 million has been committed to date, requiring debt financing with a further $10 million required to complete Phase 1 over the next two years.

Corporate Strategic Plan

Goal 5.5 identifies a high credit rating and strong financial position as a strategic priority.

In Fall 2008, Standard & Poors (S&P) assigned a credit rating of AA stable to the City of Guelph, identifying the strong assessment base, ability to return operating surpluses, past performance and long term prospects for the local economy as strengths. The evaluation anticipated an increase in capital spending of about 30% over 2007 levels, in the area of road, water, sewer, solid waste and industrial park development, that the City would not require an over-reliance on debt, that debt would not rise significantly above 50% of operating revenues, and that the City would benefit from federal and provincial funding to assist with its capital needs.

In its recent report card on Canadian municipalities' ability to weather the current recession, S&P notes the strong credit profiles of Canadian municipalities in comparison to their US counterparts, with legislation that requires Canadian municipalities to balance operating budgets and limits the amount of risk in eligible investments.

The forecast anticipates that economic performance of Canadian municipalities will weaken due to declining building permits, and that there will be rising social costs due to unemployment, but that municipalities will manage debt and reserve levels within their rating.

In addition to examining key financial ratios, the rating agency also evaluates management practices and policies in several areas affecting credit quality. The current process of establishing a long term financial plan and formal debt/reserve policies should be considered strengths in the next evaluation.

Liquidity is an important factor for the credit rating agency, to ensure that the municipality has sufficient flexibility to manage unexpected expenditures, declining revenues or other cash flow impacts, and still meet its obligations for principal and interest payments. S&P considers low levels of tax receivables, short term cash investments, ability to return operating surpluses and strong reserve levels as key measures of liquidity. As the City issues more debt for capital works, it will need to build reserve fund levels as well to improve liquidity.

In order to maintain its current AA credit rating, it is recommended that cash flow be managed and debt issued such that the following ratios be maintained:

Outstanding Debt as a % of Operating Revenues	Not to exceed 55%
Principal & Interest as a % of Operating Revenues	Not to exceed 10%
Debt to Reserve Ratio	1:1

Provincial legislation limits the amount of borrowing for Ontario municipalities, such that annual principal and interest payments cannot exceed 25% of operating revenues without OMB approval.

The recommended debt policy would restrict the City's borrowing to 40% of this legal limit, and staff would target cash flow and current capital budget requirements, to come below these policy limits.

Due to increases in the City's capital needs attributable to growth and the approval of strategic projects financed by debt, cash flow forecasting is becoming more crucial. There is less capacity for project managers to have entire projects pre-approved before commencing construction. Multi-year capital approval will be required so that design and construction projects can begin, with certainty of funding availability to complete projects which take two to three years from start to finish. A more rigorous process around prioritizing capital projects in future years will be required, and the current development of the capital priority setting model should assist in this regard.

The Senior Management Team will be developing a methodology to apportion limited capital resources to service areas, strengthen life cycle funding to prevent deterioration of existing infrastructure, and developing a strategy to increase capital reserves for unexpected needs, to improve liquidity and to provide flexibility to take advantage of opportunities.

These strategies will better position the City to weather the current economic situation, achieve financial sustainability, and respond to the pressures of future growth.

IMPLICATIONS/RISKS

As Council has previously been advised, unless we are successful in securing partnerships with senior levels of government to fund the pressures of growth, there are a number of implications that will result:

- The City's ability to finance currently identified capital projects through the issuance of debt is extremely limited for the next 5 years.
- Deferral of growth and non-growth projects is required to provide capacity to finance priority projects in the current reduced revenue environment.
- Servicing-capacity (water/wastewater/roads) to accommodate new growth will be limited since many of the previously identified growth related capital projects must be deferred beyond 2014.
- Previously identified capital projects, including those with approved budgets for 2009 and prior years will have to be deferred or closed and these will be reported to Council during the capital budget deliberations.

DEPARTMENTAL CONSULTATION

Numerous meetings have been held with the Senior Management Team and capital project managers over the past three months, to prioritize projects and identify capacity to defer or eliminate projects, in order to develop a multi-year capital forecast that is achievable within available resources. Further analysis is required, as the 2010-2019 capital plan is developed for the 2010 budget process. The new capital priority setting tool will assist with identifying which capital projects should move forward, within the available sources of funding. Consultation with Boards and Committees regarding resources available for capital needs is part of the budget process.

COMMUNICATIONS

There has been extensive communication with respect to the identified strategic capital projects. Public workshops have been held regarding the priority setting tool. Further workshops and presentations are anticipated, following approval of this report, and development of financial policies in September.

ATTACHMENTS

Schedule A: 2009 – 2011 Strategic Projects and Stimulus Funding
Schedule B: Debt Forecast Chart and Key Ratios
Schedule C: 2010-2014 Forecasted Capital Improvement Plan by funding source

“original signed by Margaret Neubauer”

Submitted on behalf of the Senior Management Team
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Schedule A to Report FIN 09-32
Revisions to 2009 Capital Budget

	Fed/Prov Grant	Donations	Reserve Funds	Hydro Note Reserve	Development Charges Reserve	Developer Contribution	Water/Sewer Rates	DC Supported Debenture	Tax Supported Debenture	TOTAL	See Notes Below
Transit Terminal	5,333,332			949,333	1,863,999		333,336			8,480,000	
Facility Upgrades	3,494,330			2,061,660						5,555,990	
Roads/Water/Sewer	35,524,664			12,723,870	2,539,859	986,680	4,709,677		-	56,484,750	
Subtotal Stimulus Funds	44,352,326			15,734,863	4,403,858	986,680	5,043,013		-	70,520,740	1
Civic Square Rink/Water feature	1,000,000	1,000,000								2,000,000	
Sleeman Clock	500,000			250,000						750,000	
Facility Upgrades	2,122,766			1,022,234						3,145,000	
Subtotal RINC funds	3,622,766	1,000,000	-	1,272,234	-	-	-	-	-	5,895,000	1
Subtotal Budget Amendments (Recommendation # 2)										76,415,740	
Strategic Priorities (Recommendation # 6)											
Organics Facility	4,866,000								28,000,000	32,866,000	2
Civic Square/Carden Street	336,628								6,363,372	6,700,000	3
Wilson Street Parkade			2,000,000					10,513,000	3,487,000	16,000,000	4
Hanlon Creek Phase I									20,000,000	20,000,000	5
Wyndham/Baker Land Assembly								5,000,000	5,000,000	10,000,000	6
Subtotal Strategic Projects	5,202,628	-	2,000,000	-	-	-	-	15,513,000	62,850,372	85,566,000	
Total Stimulus and Strategic	53,177,720	1,000,000	2,000,000	17,007,097	4,403,858	986,680	5,043,013	15,513,000	62,850,372	161,981,740	

% of budget financed through debt 48%

Explanation of Budget Changes

1 Projects advanced and shared funding provided, IFS projects additional 6% for ineligible contingency from Hydro Reserve
2 Federal Gas Tax Funding,Debt Issued 2010
3 Investing In Ontario Funding,Debt Issued 2010/2011
4 Debt financing required to be repaid from future development charges, Debt Issued 2010/2011
5 Debt financing required to be repaid from future land sales, Loan Draws 2009/2010/2011
6 Project approval advanced from 2010, estimate increased, Debt Issued 2011/2012

Schedule B to Report FIN 09-32
Projected Debt

	2009	2010	2011	2012	2013	2014
Opening Balance						
Total Debt Outstanding	79,426,184	103,186,614	153,616,893	160,102,899	153,306,099	143,770,475
New Issues						
Tax Supported/Industrial Dev	15,924,826	48,143,500	11,243,500	2,500,000	-	-
Elliott	-	-		-	-	-
User Pay/POA	-	-		-	-	-
Development Charges	16,625,565	12,659,120	8,442,500	2,934,300	3,700,000	400,000
Total New Debt Issued	32,550,391	60,802,620	19,686,000	5,434,300	3,700,000	400,000
Principal Repayment						
Tax Supported/Industrial Dev	6,905,165	6,994,138	8,868,518	7,403,047	7,950,981	8,284,293
Elliott	1,183,000	1,251,000	1,324,000	1,388,000	1,457,000	1,529,000
User Pay/POA	701,796	742,203	511,475	143,053	150,643	158,635
Development Charges	-	1,385,000	2,496,000	3,298,000	3,676,000	4,129,000
Total Principal Repayment	8,789,961	10,372,341	13,199,994	12,232,100	13,234,624	14,100,928
Ending Balance						
Tax Supported/Industrial Dev	61,257,517	102,406,879	104,781,861	99,878,814	91,927,833	83,643,540
Elliott	19,164,000	17,913,000	16,589,000	15,201,000	13,744,000	12,215,000
User Pay/POA	6,139,531	5,397,328	4,885,853	4,742,800	4,592,158	4,433,522
Development Charges	16,625,565	27,899,685	33,846,185	33,482,485	33,506,485	29,777,485
Total Debt Outstanding	103,186,614	153,616,893	160,102,899	153,306,099	143,770,475	130,069,547
New Issue Detail:						
South End Facility - Tax & DC	5,165,966	1,500,000				
New City Hall	2,300,000					
Museum		5,700,000				
Civic Square/Carden		4,363,372	2,000,000			
Organic Facility		28,000,000				
Wilson Parkade - Tax & DC		7,000,000	7,000,000			
Baker Land Purchase -Tax & DC			5,000,000	5,000,000		
Roads/Storm - Tax & DC	4,958,860	3,744,248	200,000	434,300	400,000	400,000
Industrial Development	10,000,000	5,000,000	5,000,000			
Transit Development Charges	2,625,565	495,000	486,000			
Water - DC	4,000,000	2,500,000			3,300,000	
Wastewater - DC	3,500,000	2,500,000				
Total New Debt Issued	32,550,391	60,802,620	19,686,000	5,434,300	3,700,000	400,000
Debt Ratios						
Operating Fund Revenues/ Total Debt	45%	63%	63%	57%	51%	44%
Annual Debt Repayment Limit Debt Servicing/ Net Revenue Fund Revenues	6%	6%	8%	7%	7%	7%

Schedule C to Report FIN 09-32
Forecasted Capital Improvement Plan 2009 -2014

	2009	2010	2011	2012	2013	2014
Opening Capital Reserve Balance	73,061,042	33,030,990	51,406,022	63,515,163	74,149,757	87,059,449
Revenues						
Contribution from Operating Budget	17,045,500	18,702,230	20,023,284	24,368,308	28,751,207	33,659,688
Contribution from User Rates	12,298,900	14,617,600	17,150,200	20,099,400	23,226,000	26,711,700
Developer Revenues/Land Sales	8,598,734	19,124,292	28,477,600	30,976,169	32,273,843	32,386,401
Other Revenues	1,330,456	8,203,803	617,216	896,364	1,103,550	1,316,324
Hydro Note	-	30,000,000	-	-	-	-
Infrastructure Stimulus	-	44,352,326	-	-	-	-
RINC Grant	-	3,622,766	-	-	-	-
Other Grants	6,589,222	7,606,293	7,542,293	7,638,293	7,571,293	7,673,293
Debt (Reserve Serviced Only)	26,625,565	17,659,120	13,442,500	2,934,300	3,700,000	400,000
Total Revenues	72,488,377	161,888,431	87,253,093	86,912,835	96,625,893	102,147,407
Expenditures						
Departmental/Board Capital Program**	(41,232,942)	(74,873,948)	(18,604,224)	(19,618,353)	(24,141,581)	(27,692,769)
Strategic Priorities	-	(1,192,873)	(888,525)	(1,965,527)	(2,685,001)	(3,728,888)
Capital Tax Commitments	(1,665,248)	(1,085,986)	(945,907)	(726,148)	(726,148)	(726,148)
Water Rates	(9,770,000)	(13,502,179)	(9,000,000)	(10,515,597)	(13,000,000)	(13,568,166)
Waste Water Rates	(10,000,000)	(12,545,725)	(9,000,000)	(9,000,000)	(10,000,000)	(10,213,652)
DC - Soft Projects	(11,574,960)	(8,525,160)	(12,529,464)	(6,332,020)	(2,664,895)	(2,166,045)
DC - Hard Projects	(23,530,040)	(15,101,620)	(17,700,000)	(19,434,300)	(23,200,000)	(20,900,000)
Industrial Development/Parkland	(10,131,098)	(9,749,877)	(873,164)	(531,598)	(100,000)	-
DC Exemptions/Community Grants	(1,895,921)	(2,760,289)	(2,410,301)	(3,105,622)	(1,790,500)	(1,717,161)
Debt Servicing	(2,718,220)	(4,175,742)	(5,192,367)	(5,049,076)	(5,408,076)	(5,867,076)
Total Expenditures	(112,518,429)	(143,513,399)	(75,143,952)	(76,278,241)	(83,716,201)	(86,577,905)
Ending Capital Reserve Balance	33,030,990	51,406,022	63,515,163	74,149,757	87,059,449	102,628,951
Operating Reserves	25,000,000	25,750,000	26,522,500	27,318,175	28,137,720	28,981,852
Total Reserves	58,030,990	77,156,022	90,037,663	101,467,932	115,197,169	131,610,803
Total Debt Outstanding	103,186,614	153,616,893	160,102,899	153,305,099	143,770,475	130,069,547
Debt to Reserve Ratio	1.8:1	2:1	1.8:1	1.5:1	1.2:1	1:1

Note:
2009 Assumes completion of $10.9 Million Investing in Ontario Projects & all approved projects
2010 Assumes completionof $70.5 Million Stimulus Projects & $5.9 Million RINC Projects