

# CITY COUNCIL AGENDA



**Council Chambers, Guelph City Hall, 1 Carden Street**

**DATE**    **Wednesday, February 25, 2015 – 6:00 p.m.**

Please turn off or place on non-audible all cell phones, PDAs, Blackberrys and pagers during the meeting.

## **Disclosure of Pecuniary Interest and General Nature Thereof**

### **CONSENT REPORTS/AGENDA – ITEMS TO BE EXTRACTED**

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

<b>Council Consent Agenda</b>			
<b>Item</b>	<b>City Presentation</b>	<b>Delegations (maximum of 5 minutes)</b>	<b>To be Extracted</b>
CON-2015.9 2015-2017 Tax Supported Capital Budget & Forecast	<ul style="list-style-type: none"><li>Al Horsman, Deputy CAO, Infrastructure, Development and Enterprise</li></ul>		✓

### **ITEMS EXTRACTED FROM COMMITTEES OF COUNCIL REPORTS AND COUNCIL CONSENT AGENDA** (Chairs to present the extracted items)

*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.*

Reports from:

- Council Consent – Mayor Guthrie

### **SPECIAL RESOLUTIONS**

### **MAYOR'S ANNOUNCEMENTS**

- Please provide any announcements, to the Mayor in writing, by 12 noon on the day of the Council meeting.*

### **NOTICE OF MOTION**

### **ADJOURNMENT**

## CONSENT AGENDA

February 25, 2015

His Worship the Mayor  
and  
Members of Guelph City Council.

### **SUMMARY OF REPORTS:**

The following resolutions have been prepared to facilitate Council's consideration of the various matters and are suggested for consideration. If Council 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 Consent Agenda will be approved in one resolution.

#### **A REPORTS FROM ADMINISTRATIVE STAFF**

<b>REPORT</b>	<b>DIRECTION</b>
<b>CON-2015.8 2015 Tax Supported Operating and Capital Budgets</b>  <ol style="list-style-type: none"><li>1. That the 2015-2017 Tax Supported Capital Budget and Forecast, in the amount of \$141,433,900, including \$50,867,900 for 2015, be received for information.</li><li>2. That the 2015 – 2017 Tax Supported Capital Budget be referred to the March 25, 2015 Council meeting for final deliberation and approval of the 2015 requirements.</li></ol>	Receive/Refer

attach.

# COUNCIL REPORT



TO Guelph City Council

SERVICE AREA Corporate Services

DATE February 25, 2015

**SUBJECT 2015-2017 Tax Supported Capital Budget & Forecast**

REPORT NUMBER CS-2015-14

## EXECUTIVE SUMMARY

### PURPOSE OF REPORT

To introduce the 2015-2017 Tax Supported Capital Budget and Forecast.

### KEY FINDINGS

2015 Capital Budget \$50.9 million

2016-2017 Capital Forecast \$90.6 million

### FINANCIAL IMPLICATIONS

The presented 2015 capital budget requires a transfer to reserve funds of \$18.5 million which, together with debt principal and interest payments of \$13.1 million, is 16.3% of the 2014 Tax Levy as per the Council approved 20% funding guideline. In addition the 2015 capital budget is funded from grants and subsidies, federal gas tax, development charges, other external sources and debt.

### ACTION REQUIRED

Refer the 2015-2017 Tax Supported Capital Budget and Forecast to the March 25, 2015 Council Meeting for final approval.

## RECOMMENDATION

THAT the 2015 - 2017 Tax Supported Capital Budget and Forecast, in the amount of \$141,433,900, including \$50,867,900 for 2015, be received for information; and

THAT the 2015 - 2017 Tax Supported Capital Budget be referred to the March 25, 2015 Council meeting for final deliberation and approval of the 2015 requirements.

## BACKGROUND

The proposed 2015-2017 Capital Budget and Forecast represents management's response to the challenge of balancing a wide and complex range of short-term and long-term needs within existing resources.

# COUNCIL REPORT



The staff-recommended 2015 capital budget represents funding at 16.3 per cent of last year's net tax levy; 3.7 per cent lower than the Council-approved capital funding guideline of 20 per cent.

When planning capital investments the City looks for innovative ways to fund capital projects like grants, partnerships, and funding from other levels of government to reduce the burden on Guelph taxpayers.

This document incorporates direction from Guelph City Council, continued input from community members and the strategic focus areas of the City's Corporate Strategic Plan—organizational excellence, innovation in local government and city building.

## REPORT

The 2015-2017 Tax Supported Capital Budget and Forecast was provided to Guelph City Council and the public on February 12 2015. The budget was prepared in accordance with the Council approved Budget, Debt and General Reserve and Reserve Fund Management Policies.

The 2015-2017 Capital Budget and Forecast focuses on

- **Managing Departmental capacity**  
Consideration was given to projects carried over from previous years as well as the later than usual approval of the capital budget.
- **Taking care of what the City already owns**  
These projects ensure that the City is able to continue providing the level of service that citizens have come to expect.
- **Reducing the City's reliance on debt funding**  
To ensure the City maintains solid financial footing a number of large projects were not scheduled into the forecast due to various factors including, limited scoping and needs assessments, unknown funding requirements or funding unavailable.

## CORPORATE STRATEGIC PLAN

2.3 Ensure accountability, transparency and engagement.

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

## DEPARTMENTAL CONSULTATION

All City departments and Local Boards were consulted through the budget process.

# COUNCIL REPORT



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## FINANCIAL IMPLICATIONS

The presented 2015 capital budget requires a transfer of \$18.5 million which, together with debt principal and interest payments of \$13.1 million, is 16.3% of the 2014 Tax Levy as per the 20% guideline. In addition the 2015 capital budget is funded from grants and subsidies, federal gas tax, development charges, other external sources and debt.

## COMMUNICATIONS

The 2015-2017 Capital Budget and Forecast was provided to Guelph City Council and the media on February 12, 2015. A version was also made available on the City of Guelph's website.

## ATTACHMENTS

None

## Report Author

Greg Clark  
Sr. Corporate Analyst, Capital Planning

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## Approved By

Katrina Power  
GM Finance and Deputy Treasurer  
519-822-1260 x 2289  
[katrina.power@guelph.ca](mailto:katrina.power@guelph.ca)

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## Recommended By

Al Horsman  
Deputy CAO  
Infrastructure, Development  
and Enterprise/CFO  
519-822-1260 x 5606  
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## 2015 proposed Budget



# Capital Investment Strategy

2015-2017 proposed Capital Budget and Forecast

# **Capital Investment Strategy**

**2015 – 2017 Tax Supported  
Capital Budget & Forecast  
Presentation**



# Outline

1. Assumptions & Strategy
2. Budget Highlights
3. Challenges
4. Process & Next Steps
5. Council Binder
6. Discussion
7. Appendices

# Assumptions & Strategy

- 2015 Tax Contribution to Capital & Debt
  - Equal to 16.3% of 2014 Net Tax Levy
  - \$31.6 million, \$18.5 Capital and \$13.1 Debt servicing
- 3 year forecast fully funded
  - To allow Council Strategic Plan to direct long-term plans
- Leverage use of Non-Tax funding sources:
  - Federal Gas Tax
  - Provincial Gas Tax
  - Donations
  - [Appendix 3 -2015](#) & [Appendix 6 – 2016-2017](#)

# Budget Highlights

- 2015 Capital Budget = **\$50.9 million**
  - Approval to be sought March 25<sup>th</sup>
  - [\(Appendix 1-Graph\)](#) [\(Appendix 2 -Pie Chart\)](#)
- 2016–2017 Capital Forecast = **\$90.6 million**
  - Received for information only
  - [\(Appendix 4-Graph\)](#) [\(Appendix 5 -Pie Chart\)](#)
- Total 2015–2017 Capital Budget & Forecast = **\$141.4 million**

# Budget Highlights

2015-2017

- Taking care of what we own (millions)
  - Vehicle & Equipment \$21.5
  - Transportation and Storm \$19.9
  - Corporate Building Maintenance \$7.5
  - Victoria Road Rec Centre \$9.9
  - West Parkade Structural \$1.0
- Enhancing quality of life (millions)
  - Eastview Community Park \$5.4
  - Southend Community Park \$0.6
  - Stone Road Expansion \$2.7
  - Skateboard Facility \$0.8

# Challenges

- Large Facilities
  - Baker Street Redevelopment
  - New Main Library
  - South End Community Centre
- Years 4-10 budget forecast
  - New Council Strategic Plan being developed
- Alternative funding sources
  - Federal Build Canada still unknown
  - Provincial partnerships
  - Infrastructure levy

# Process & Next Steps

- 2015 Budget & 2016-2017 Forecast
  - Council has the opportunity to review and comment between now and March 25<sup>th</sup>
  - ERNIE is available to Council now
- 2015 Tax Supported Operating Budget Presentation – March 5<sup>th</sup>
- Public Delegation Night – March 11<sup>th</sup>
  - Delegations must register with the Clerks Department by 9 am on March 6<sup>th</sup>

# Council Binder

- Capital Investment Strategy
  - 2015 Capital Budget
  - 2016-2017 Capital Forecast
- Appendixes
  - 1 – Budget & Forecast Details
  - 2 – Projects not included in 2015-2017
  - 3 – Sources of Capital Funding
  - 4 – Reserve Report & Balances
  - 5 – Development Charge differences
  - 6 – Debt Report

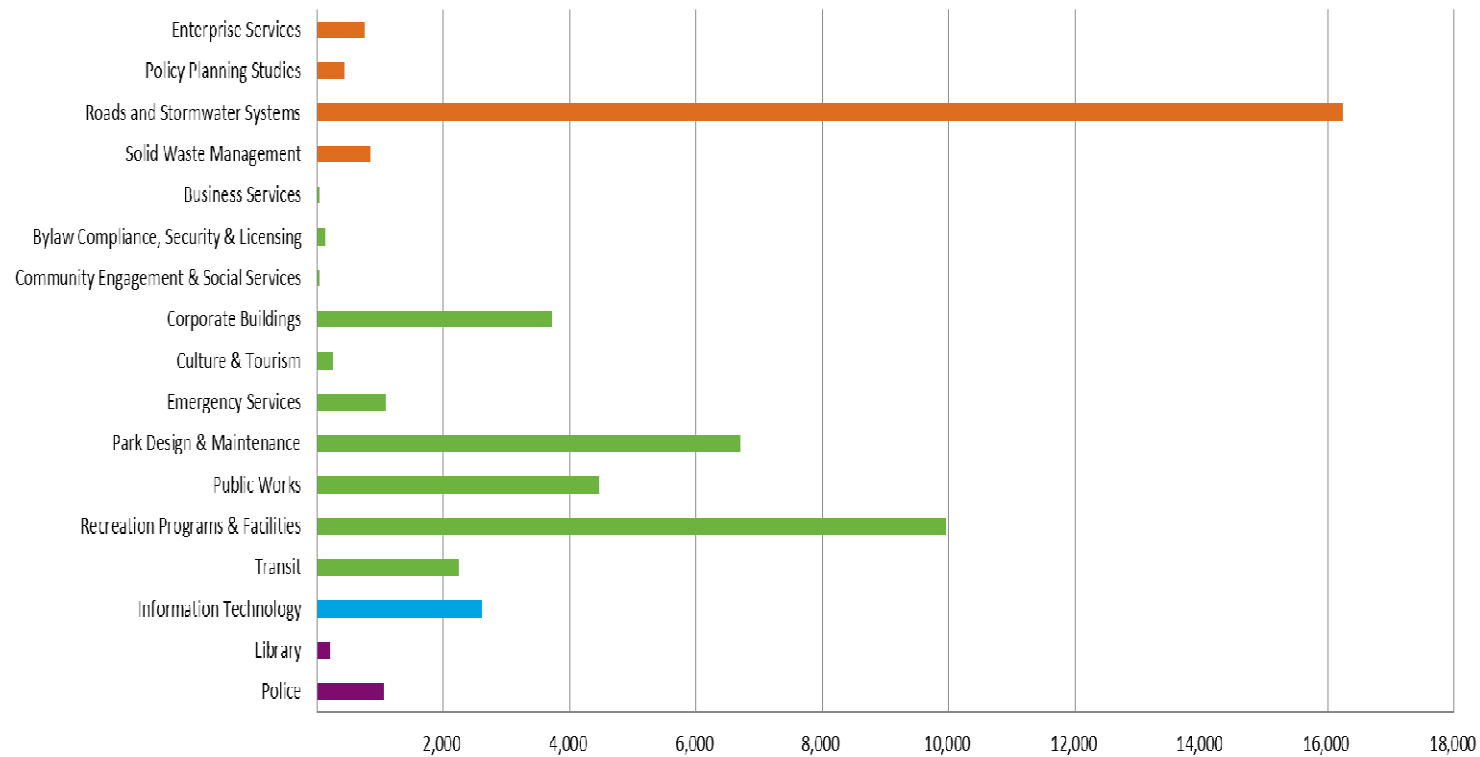
# Discussion





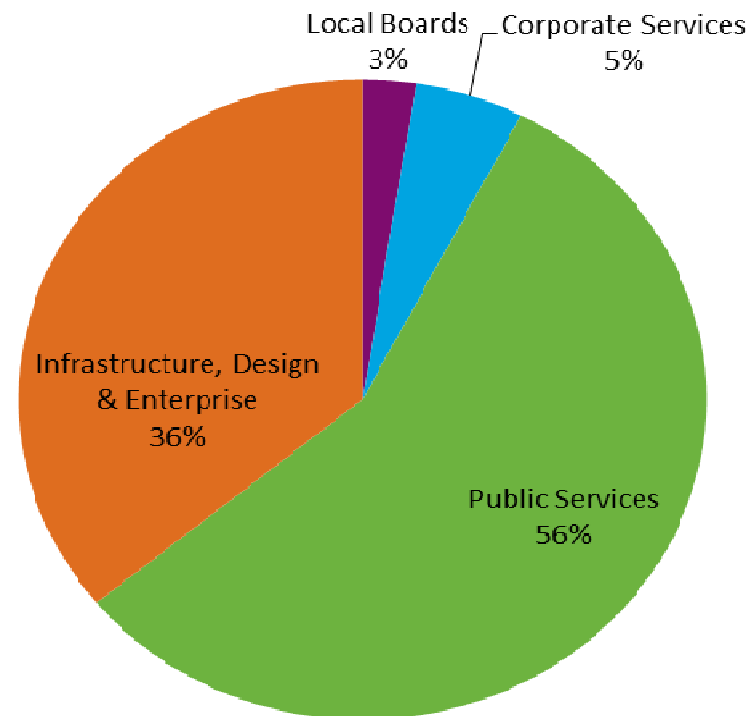
## Appendix 1:

**2015 Capital Budget by Project Category**  
**\$50.9 million**



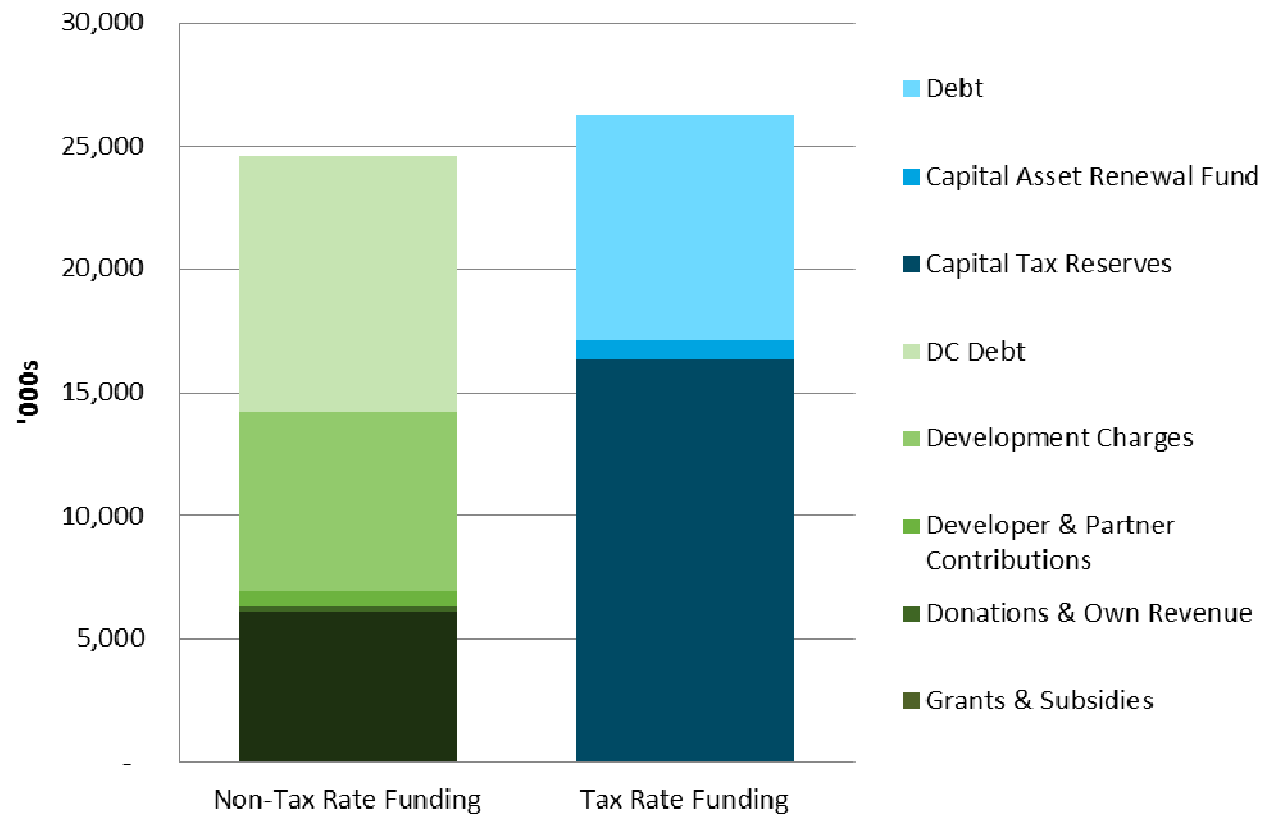
## Appendix 2:

### 2015 Capital Budget by Service Area \$50.9 million



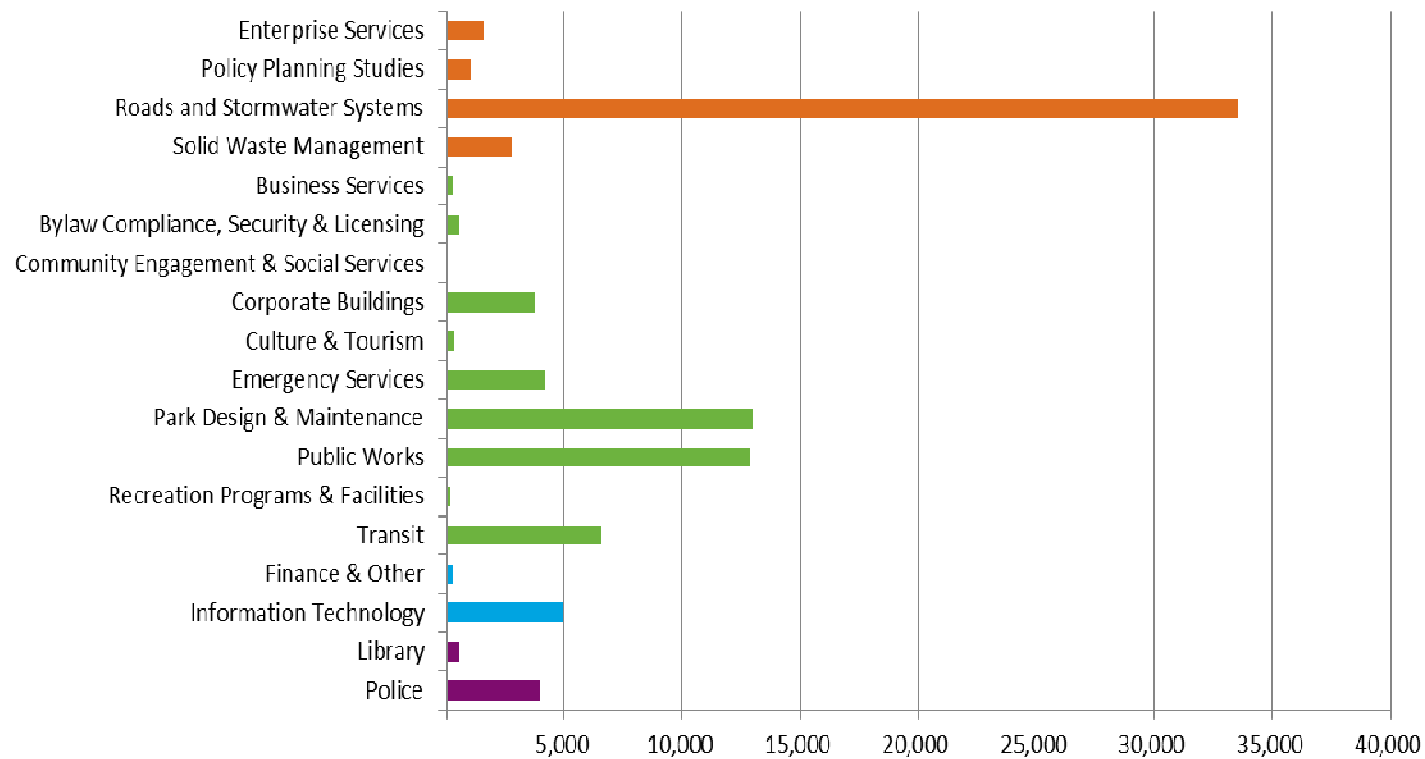
## Appendix 3:

### 2015 Capital Budget By Funding Source \$50.9 million



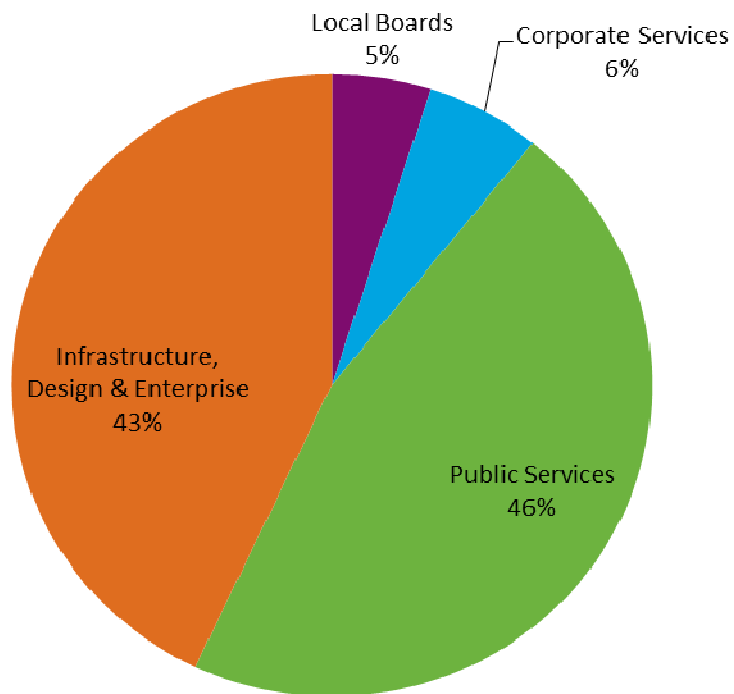
## Appendix 4:

### 2016-2017 Capital Forecast by Project Category \$90.6 million



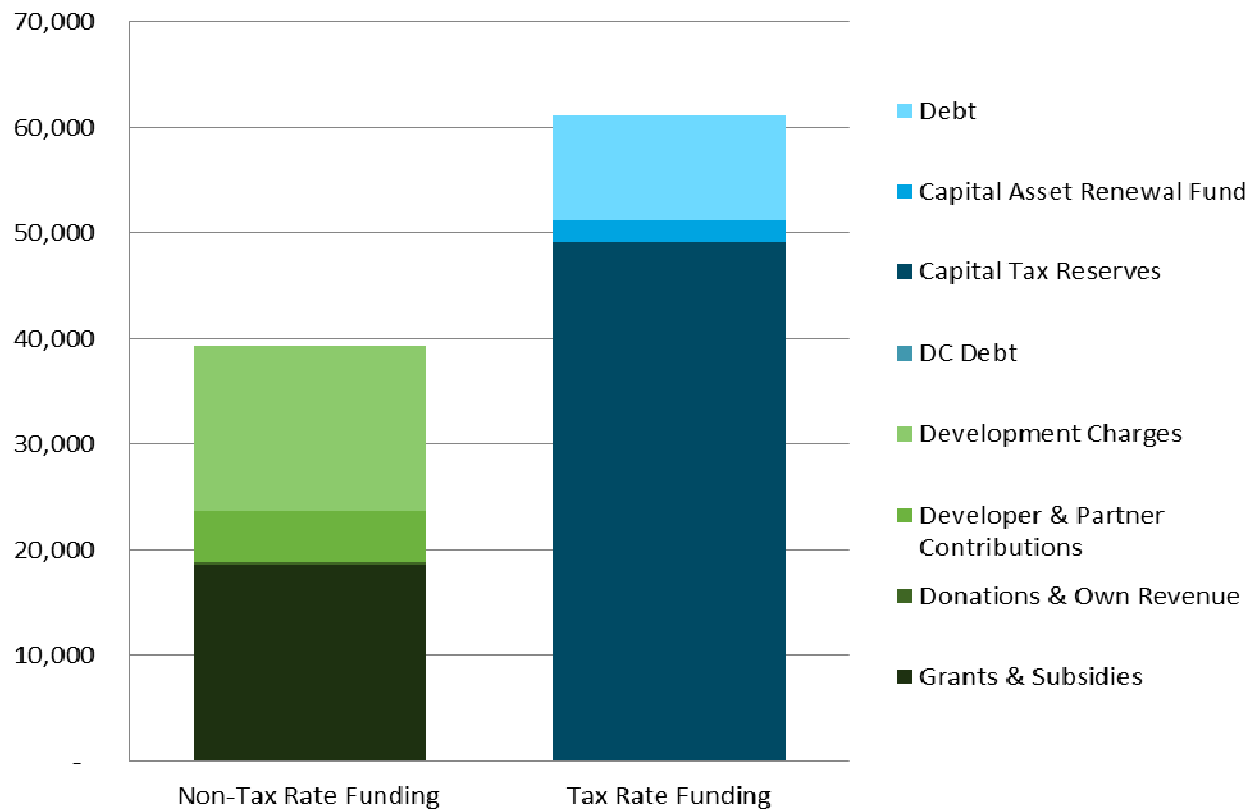
## Appendix 5:

### 2016-2017 Capital Forecast by Service Area \$90.6 million



## Appendix 6:

### 2016-2017 Capital Budget By Funding Source \$90.6 million



## Appendix 7:

### Outstanding Debt Balance Current and Proposed ('000s)

