

# CITY COUNCIL AGENDA



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

**DATE Wednesday, October 28, 2015 – 5:30 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**

**2016 - 2025 Tax Supported Capital Budget (report attached)**

### **Presentation:**

- Janice Sheehy, General Manager, Finance/Treasurer

### **Delegations:**

David Newcombe, River House Condominium Corporation  
Ted Pritchard, Fair Tax Campaign  
Maria Finoro, Fair Tax Campaign  
Michelle Kelly  
John Holt

### **Recommendation:**

1. THAT the recommended 2016-2025 Tax-supported Capital Budget and Forecast, in the amount of \$670,147,849, including \$60,684,349 for 2016, be received for information.
2. THAT the recommended 2016-2025 Tax-supported Capital Budget and Forecast be referred to the December 9, 2015 Council meeting for final deliberation and approval of the 2016 requirements.

## **Non-Tax Supported Operating and Capital Budget**

### **Recommendation:**

For the Ontario Building Code Administration the following is recommended:

1. A 2016 Ontario Building Code Administration Operating Budget in the amount of \$3,070,000.
2. A 2016 Ontario Building Code Administration Capital Budget and 2017-2025 Capital Forecasts in the amount of \$131,800.

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For Court Services the following is recommended:

3. A 2016 Court Services Operating Budget in the amount of \$3,721,800.
4. A 2016 Court Services Capital Budget and 2017-2025 Capital Forecasts in the amount of \$398,200.

For Water and Wastewater Services the following is recommended:

5. Proposed expansion packages in the net amounts of \$259,900 for Water Services and \$115,000 for Wastewater Services.
6. 2016 Water and Wastewater Operating Budgets in the amounts of \$28,644,042 and \$29,799,028 respectively, inclusive of expansions.
7. 2016 Water and Wastewater Capital Budgets and 2017-2025 Forecasts in the amounts of \$204,581,700 and \$171,877,300 respectively.
8. A City of Guelph water volume charge of \$1.59 per cubic metre effective January 1, 2016 and a wastewater volume charge of \$1.73 per cubic metre, effective January 1, 2016.
9. That the City of Guelph water and wastewater basic service charges be set as per the attached Schedule "A" effective January 1, 2016.
10. That the Water Services and Wastewater Services Fees and Services By-law be passed.

## **ADJOURNMENT**

# COUNCIL REPORT



TO Guelph City Council

SERVICE AREA Corporate Services

DATE October 28, 2015

**SUBJECT 2016-2025 Tax-supported Capital Budget & Forecast**

REPORT NUMBER CS-2015-81

## EXECUTIVE SUMMARY

### PURPOSE OF REPORT

To introduce the recommended 2016-2025 Tax-supported Capital Budget and Forecast.

### KEY FINDINGS

2016 Capital Budget \$60.7 million  
2017-2025 Capital Forecast \$609.5 million

### FINANCIAL IMPLICATIONS

The recommended 2016 Capital Budget includes a tax supported operating contribution of 15.24% of last year’s net tax levy (within the Council-approved guideline of 20%) and 5% from debt financing. This provides total tax supported capital funding at approximately 20% of the prior year net tax levy.

This new 2016 approved debt totalling \$10.2M, is within the City’s debt ratios and is also consistent with the recent BMA Financial Condition Assessment that confirmed that the City had debt capacity to leverage.

The funding breakdown of the total capital budget of \$60.7M includes the following revenue sources: Grants (15%), Development Charges (28%), Debt (17%) and an operating transfer to capital reserves (40%).

The recommended 2016-2025 Capital Budget and Forecast includes a nine year forecast which is not fully funded. Based on the current forecast it is underfunded by \$94.8M. The forecast is being presented with the understanding that Finance and Senior Management will review and revise policies related to long-term planning and capital budgeting in early 2016 to provide a sustainable and fully funded 2017 capital budget and 2018-2026 capital forecast.

# COUNCIL REPORT



**ACTION REQUIRED**  
Refer the recommended 2016-2025 Tax-supported Capital Budget and Forecast to the December 9, 2015 Council Meeting for final approval.

**RECOMMENDATION**  
THAT the recommended 2016-2025 Tax-supported Capital Budget and Forecast, in the amount of \$670,147,849, including \$60,684,349 for 2016, be received for information; and

THAT the recommended 2016-2025 Tax-supported Capital Budget and Forecast be referred to the December 9, 2015 Council meeting for final deliberation and approval of the 2016 requirements.

**BACKGROUND**  
The recommended 2016-2025 Capital Budget and Forecast represents administration’s response to the challenge of balancing a wide and complex range of short-term and long-term needs within existing resources.

The recommended 2016 Capital Budget includes a tax supported operating contribution of 15.24% of last year’s net tax levy (within the Council-approved guideline of 20%) and 5% from debt financing. This provides total tax supported capital funding at approximately 20% of the prior year net tax levy.

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.

The recommended 2016 capital budget incorporates direction from Guelph City Council, including their Shared Agenda items, 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 recommended 2016-2025 Tax Supported Capital Budget and Forecast was provided to Guelph City Council and the public on October 23, 2015. The budget was informed by the Council approved Budget, Debt and General Reserve and Reserve Fund Management Policies.

The recommended 2016-2025 Capital Budget and Forecast focuses on:

- **Taking Care of Existing Assets**  
To meet legislative requirements and ensure current assets are able to safely and reliably provide the services the City is expected to deliver, priority is given to those projects which satisfy these needs

- **Community, Council and Corporate Priorities**

The needs of a diverse group of stakeholders were considered when preparing the recommended 2016 Capital Budget and the 2017-2025 Capital Forecast

- **Review of Organizational capacity**

Review of ongoing capital work, department capacity and long term financial constraints is undertaken to ensure the sustainability of the organization

## **CORPORATE STRATEGIC PLAN**

Innovation in Local Government

2.3 Ensure accountability, transparency and engagement.

City Building

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.

## **FINANCIAL IMPLICATIONS**

The recommended 2016 Capital Budget includes a tax supported operating contribution of 15.24% of last year's net tax levy (within the Council-approved guideline of 20%) and 5% from debt financing. This provides total tax supported capital funding at approximately 20% of the prior year net tax levy.

The funding breakdown for the total \$60.7M recommended capital budget is:

- 15 per cent from grants;
- 28 per cent from development charges;
- 17 per cent from debt; and
- 40 per cent from an operating transfer to capital reserves

The recommended 2016-2025 Capital Budget and Forecast includes a nine year forecast which is not fully funded. Based on the current forecast it is underfunded by \$94.8 million. The forecast is being presented with the understanding that Finance and Senior Administration will review and revise policies related to long-term planning and capital budgeting in early 2016 to provide a sustainable and fully funded 2017 capital budget and 2018-2026 capital forecast.

## **COMMUNICATIONS**

The recommended 2016-2025 Capital Budget and Forecast was provided to Guelph City Council and the media on October 23, 2015. A version was also made available on the City of Guelph's website.

# COUNCIL REPORT



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## ATTACHMENTS

None

### Report Author

Greg Clark  
Sr. Corporate Analyst, Capital Planning

A handwritten signature in blue ink, appearing to read "Janice Sheehy", written over a horizontal line.

### Approved By

Janice Sheehy  
GM Finance and Treasurer  
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janice.sheehy@guelph.ca

A handwritten signature in black ink, appearing to read "Mark Amorosi", written over a horizontal line.

### Recommended By

Mark Amorosi  
Deputy CAO, Corporate Services  
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