

City Council Budget Meeting Agenda



Consolidated as of November 1, 2016

Thursday, November 3, 2016 – 6:00 p.m.
Council Chambers, Guelph City Hall, 1 Carden Street

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Disclosure of Pecuniary Interest and General Nature Thereof

2017 Non-Tax Supported Operating and Capital Budgets

Recommendation:

1. That for Water and Wastewater Services the following be approved:
 1. Proposed expansion packages in the net amounts of \$449,800 for Water Services and \$54,800 for Wastewater Services;
 2. 2017 Water and Wastewater Services Operating Budgets in the amounts of \$30,450,665 and \$30,946,448 respectively, inclusive of expansions;
 3. 2017 Water and Wastewater Services Capital Budgets and 2018-2026 Forecasts in the amounts of \$180,151,100 and \$137,829,500 respectively;
 4. A City of Guelph water volume charge of \$1.67 per cubic metre effective January 1, 2017 and a wastewater volume charge of \$1.80 per cubic metre, effective January 1, 2017;
 5. That the City of Guelph water and wastewater basic service charges remain consistent with 2016 as per the attached schedule "A" effective January 1, 2017; and
 6. That the Water Services and Wastewater Services Fees and Services By-law be passed.
2. That for Stormwater the following be approved:
 1. A 2017 Stormwater Services Operating Budget in the amount of \$4,219,000.

2. A 2017 Stormwater Services Capital Budget and 2018-2026 Capital Forecasts in the amount of \$40,695,000.
 3. A City of Guelph stormwater fee of \$4.00 per Equivalent Residential Unit effective January 1, 2017.
 4. That the Stormwater Fees and Services By-Law be passed.
3. That for Court Services the following be approved:
1. Proposed expansion package in the net amount of \$64,300 for Court Services.
 2. A 2017 Court Services Operating Budget in the amount of \$3,901,750.
 3. A 2017 Court Services Capital Budget and 2018-2026 Capital Forecasts in the amount of \$ 504,300.
4. That for Ontario Building Code Administration the following be approved:
1. A 2017 Ontario Building Code Administration Operating Budget in the amount of \$3,390,300, and
 2. The 2017 Ontario Building Code Administration Capital Budget and 2018-2026 Capital Forecasts in the amount of \$ 69,000.
5. That for reserve and reserve funds the following be approved:
- The proposed transfers to/from reserves and reserve funds incorporated in the 2017 non-tax supported budget attached as Schedule "B" be approved.

2017 – 2026 Tax Supported Capital Budget and Forecast

Presentation: (presentation attached)

Derrick Thomson, CAO
Mark Amorosi, Deputy CAO, Corporate Services
James Krauter, Acting Treasurer

Delegations:

Steve Cuevas, Ball 4 All
Susan Watson
Ted Pritchard, Fair Tax Campaign
Yvette Tendick, Guelph Coalition for Active Transportation
Pat Fung
Rena Ackerman
Marty Williams, Downtown Guelph Business Association

Correspondence:

Susan Watson

Pat Fung

Recommendation:

1. That the recommended 2017-2026 Tax-supported Capital Budget and Forecast, in the amount of \$799,018,921, including \$59,448,050 for 2017, be received for information.
2. That the recommended 2017-2026 Tax-supported Capital Budget and Forecast be referred to the December 7, 2016 Council meeting for final deliberation and approval of the 2017 requirements.

Dedicated Infrastructure Renewal Levy**Presentation:** (presentation attached)

Derrick Thomson, CAO

Greg Clark, Program Manager, Capital Accounting and Planning

Delegations:

Tyrone Dee

Glen Tolhurst

Recommendation:

That report No. CS-2016-80 titled "Dedicated Infrastructure Renewal Levy" be referred to the December 7, 2016 Council meeting.

1. That a Dedicated Infrastructure Renewal Levy in the amount of 0.5% of the 2017 Net Tax Levy, which is equal to approximately \$1,117,400, be approved as part of the 2017 Operating Budget; and
2. That this amount be transferred to the Infrastructure Renewal Reserve Fund for use in future year's capital budgets per Council approval; and
3. That Council endorse the continuation of the Dedicated Infrastructure Renewal Levy over a period of 10 years, subject to annual review and confirmation by staff of the need and appropriateness of the amount.

Financial Implications of City Building Projects on the Capital Budget**Presentation:** (presentation attached)

Derrick Thomson, CAO

James Krauter, Acting City Treasurer

Recommendation:

1. That Report No. CS-2016-81 titled 'Financial Implications of City Building Projects on the Capital Budget' be received and that Phase 1 of the South End Community Centre as discussed on page 4 of this report be referred to the December 7, 2016 Council Budget deliberation meeting.
2. That discussion on Phase 2 of the South End Community Centre and projects related to the Downtown Secondary Plan including the Library be referred to workshops to be held in Q1 of 2017.

By-laws

"THAT By-law Numbers (2016)-20106 – (2016)–20108 inclusive, are hereby passed."

By-law Number (2016) - 20106	A by-law to impose water and wastewater fees and charges in the City of Guelph, to set billing schedules and to repeal By-law Number (2015) – 19977.
By-law Number (2016) – 20107	A by-law to impose Stormwater fees and charges in the City of Guelph.
By-law Number (2016) - 20108	A by-law to confirm the proceedings of a meeting of Guelph City Council held November 3, 2016.

Adjournment

The background of the slide is a solid green color. Overlaid on this background are several large, light green, semi-transparent icons. These include a bar chart with an upward-trending line, a pie chart, a large dollar sign (\$), a balance scale, a handshake, a large percentage sign (%), a calculator, and several stacks of coins. The text "2017 recommended budget" is centered over the middle of these icons.

2017 **recommended budget**

Capital Investment Strategy

2017-2026 recommended Capital Budget and Forecast



Recommendations

That Report No. CS-2016-68 titled *2017 Tax Supported Capital Budget and Forecast* be **referred** to the December 7, 2016 Council Budget meeting.



Overview

- 2017 focus
- Capital project categories
- Challenges
- Recommended capital budget and forecast
- Integrated capital planning
- Programs of work
- Recommendation
- Questions, discussion and public delegation



2017 focus

- Deliver a realistic plan for the capital program
 - live within our means
 - take care of what we own
 - plan for the future
- Ensure the community's health and safety
- Address infrastructure renewal needs
- Ensure resources are in place to deliver on the plan



Capital project categories

Category	Examples	Funding Source
Infrastructure Renewal	<ul style="list-style-type: none">• Replacement of: playground equipment; water, sewer, storm and road networks	Direct Tax Support Grants
Growth	<ul style="list-style-type: none">• Reconstruction of existing road to expand capacity• Addition of new park or trail	Development Charges Direct Tax Support
City Building	<ul style="list-style-type: none">• Addition of a splash pads to an existing park• Upgrading an existing/new trail from gravel to paved	Direct Tax Support Grants



Challenge





Recommended 2017-2026 Capital Budget and Forecast



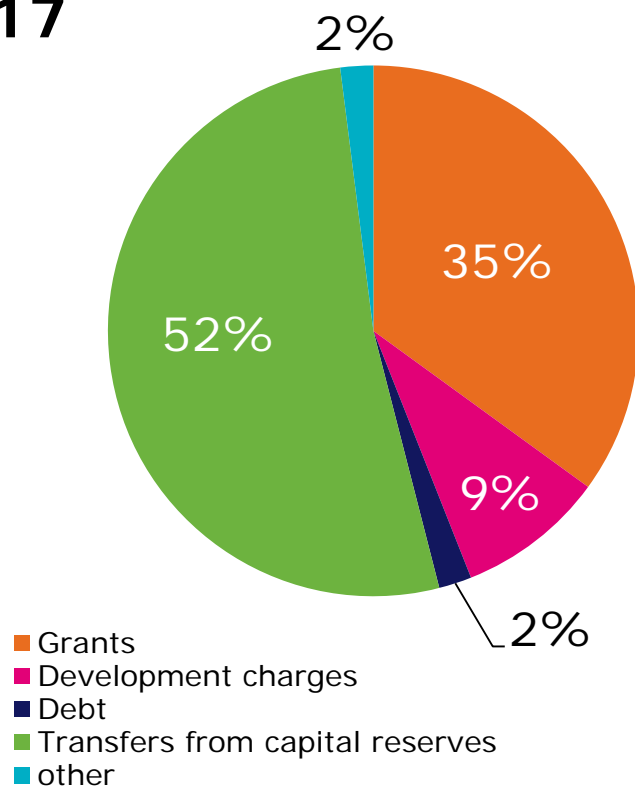
Recommended budget

- 2017-2026 capital budget and forecast –
\$799,018,921
 - 2017 capital budget - **\$59,448,050**
 - with a 12.68 per cent of last year's net tax levy operating transfer to reserves
 - within the Council-approved guideline of 20 per cent

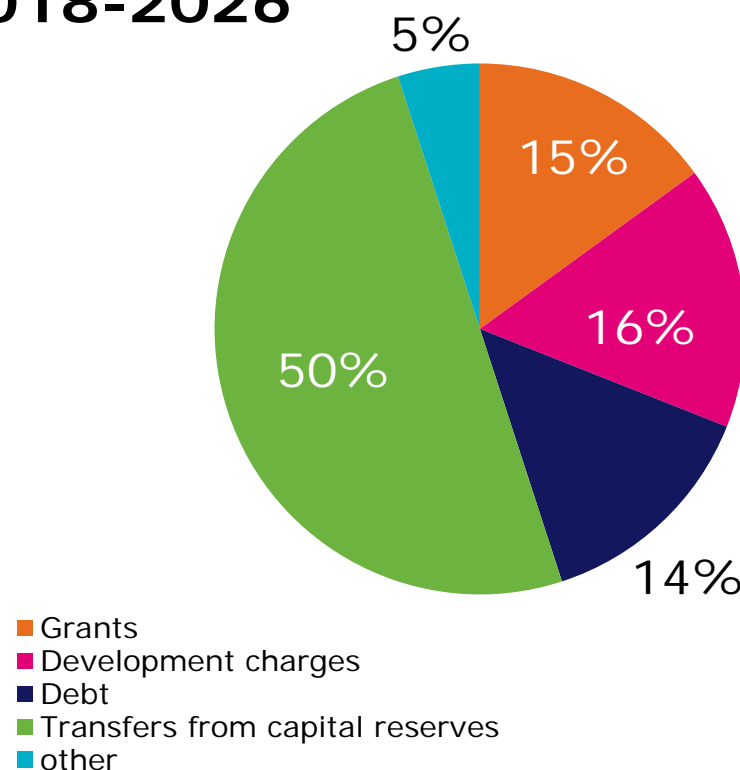


Recommended 2017 capital budget and 2018-2026 forecast (funding breakdown)

2017

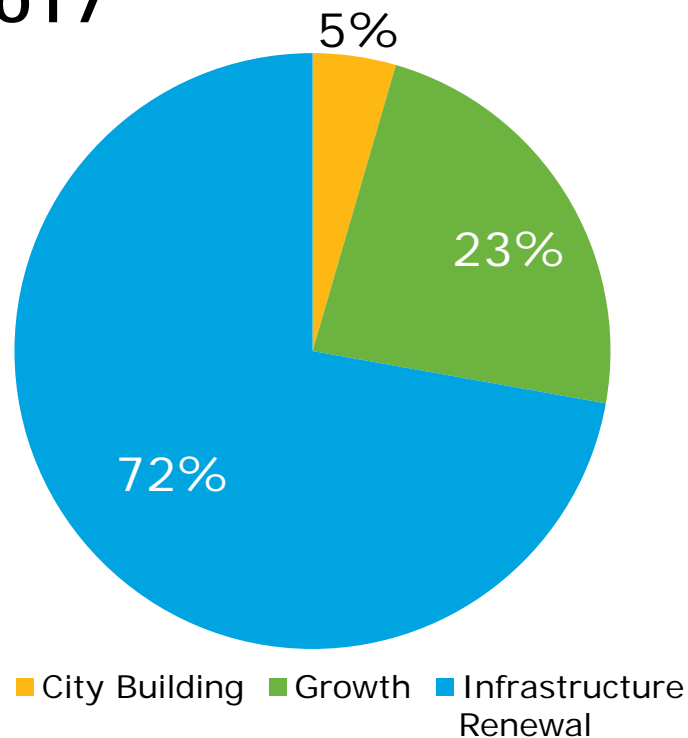


2018-2026

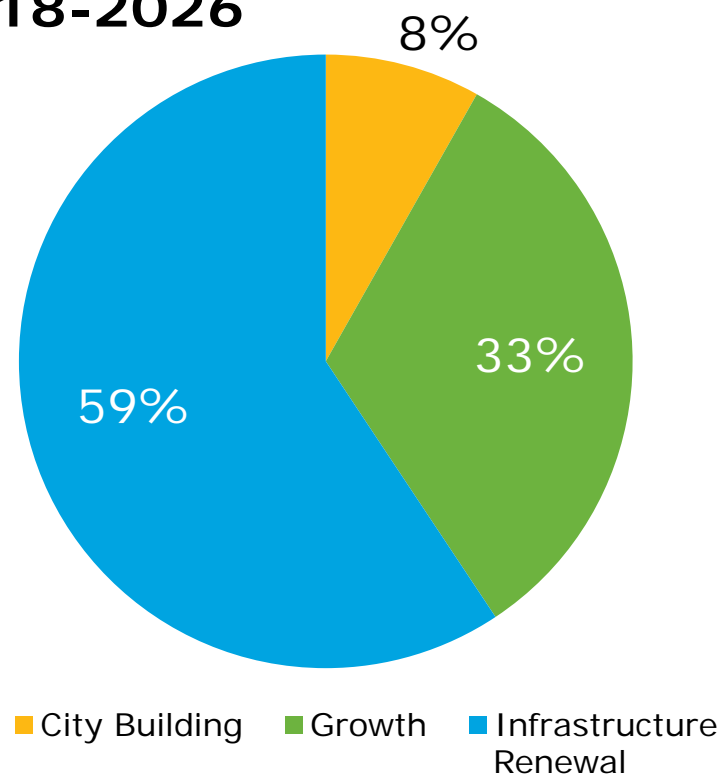


Recommended 2017 capital budget and 2018-2026 forecast (by funding type)

2017



2018-2026

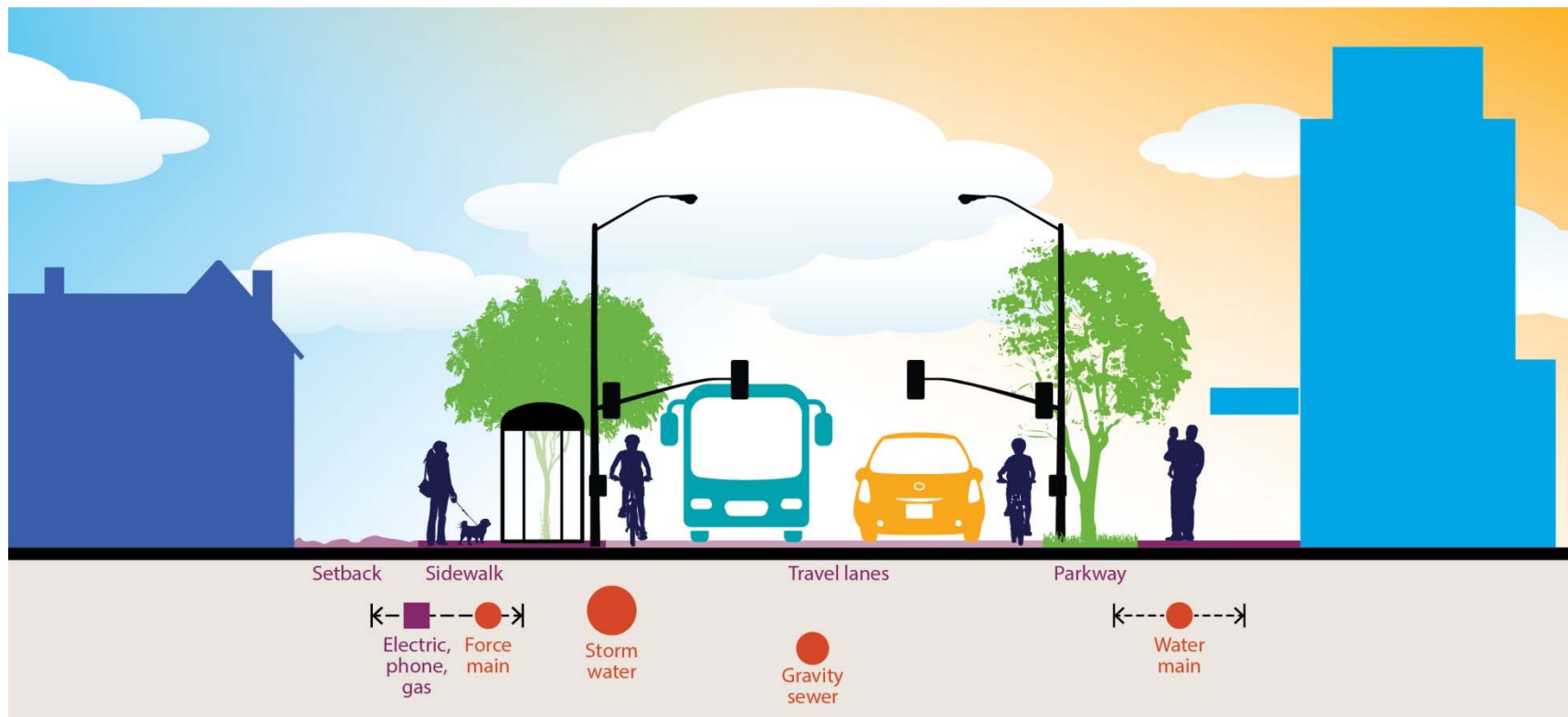




Integrated capital planning

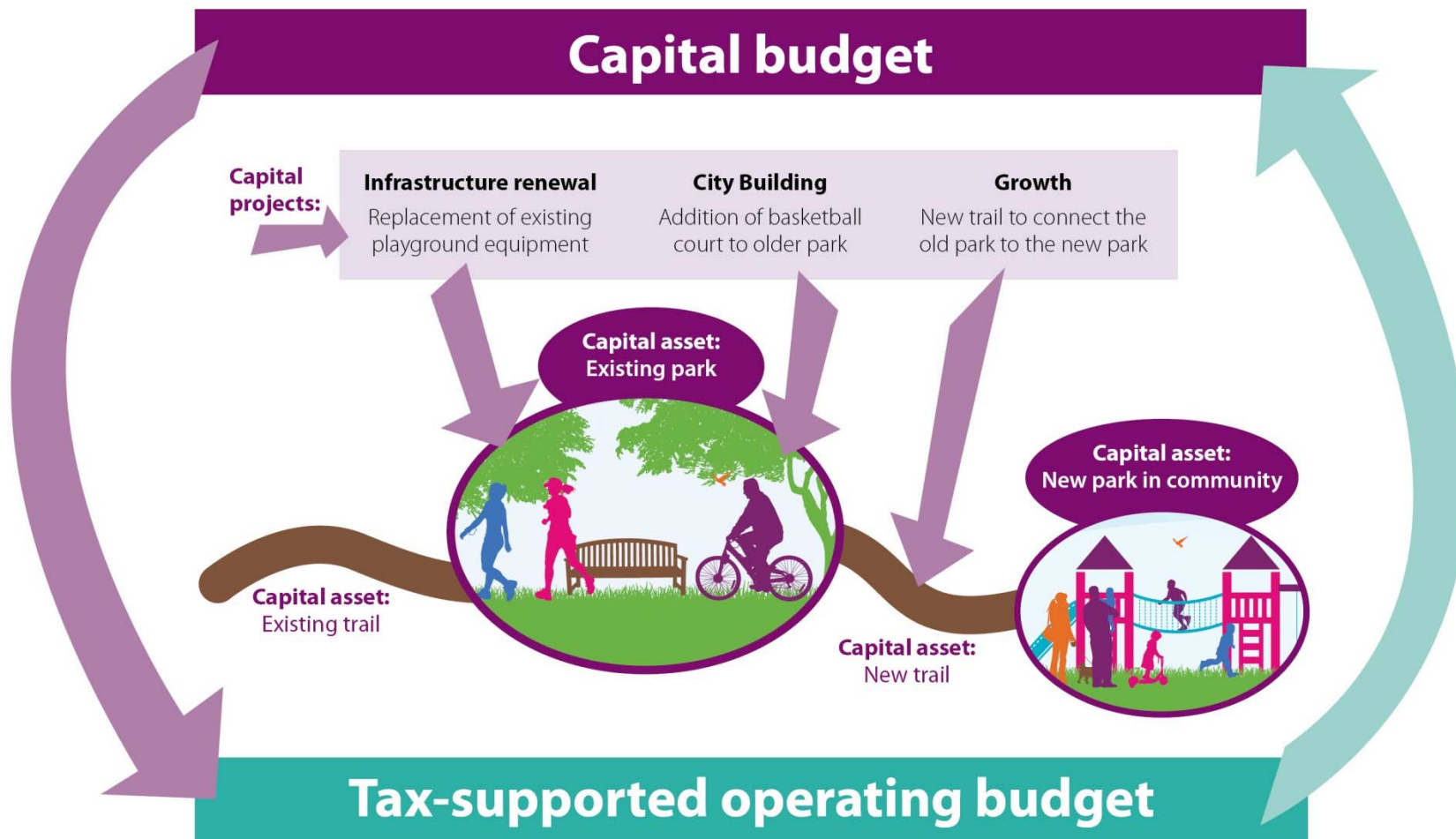


Integrated capital planning



■ Tax supported budget
■ Non-tax supported budget

Integrated capital planning





Programs of Work



Programs of work

Program title	2017 tax-supported budget impact (`000s)	Total program budget impact (`000s)	Page
Active Transportation	\$2,199	\$24,841	25
Bridges & Structures	\$855	\$17,486	28
Building Expansion, Renewal & Upgrade	\$5,322	\$56,786	31
Contaminated Sites	\$2,075	\$20,025	34
Downtown Implementation	\$2,145	\$102,834	37
Downtown Infrastructure Renewal	\$2,472	\$42,970	40
Total Downtown Work	\$4,617	\$145,804	
Sub-program - Wilson Street: Gordon St to Macdonell St			43
Sub-program - Arthur St. Wastewater Trunk Capacity Upgrades			44

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Programs of work

Downtown Infrastructure Renewal

Lead Service Area

**Infrastructure,
Development and
Enterprise Services**

Lead Department

**Engineering and Capital
Infrastructure Services**

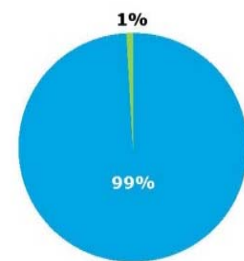
Total Capital Investment

2017 \$6,598,000

Tax-supported Investment

2017 \$2,472,000

Capital expenditure
type



■ Infrastructure Renewal

■ City Building

■ Growth

Description

The Downtown Secondary Plan is a comprehensive vision for revitalizing downtown Guelph up to 2031. It addresses the requirements of both municipal and provincial growth plans by planning for increased residential development, continued commercial and employment growth and cultural activities in the downtown core. The implementation of the Secondary Plan is complex, requiring the alignment of projects and partnerships between the City, private landowners, institutions, downtown businesses and others. This work addresses infrastructure renewal needs to ensure foundational services are maintained and ready for subsequent phases.

Benefits and associated risks

Linear infrastructure downtown is some of the oldest in Guelph, and there is a continued need to address renewal to maintain and support the redevelopment of properties in the area.

Addressing aging infrastructure is not easy. The projects can be complex with multiple stakeholders impacted and needing to be managed during project delivery. However, delaying the investment simply defers escalating costs and has the potential to stall ongoing development activities and future interests.

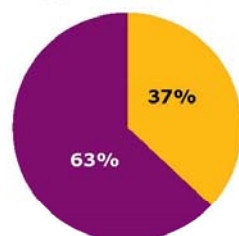
2017 highlights

- Arthur Trunk Phase 2 – Neeve St **\$4,701,000**
- Wilson St: Gordon to Macdonell **\$1,600,000**
- Servicing Studies **\$210,000**

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Programs of work

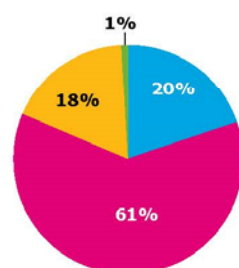
Capital budget approval allocation



■ Tax-supported

■ Non-tax-supported

Funding sources



■ Grant ■ Rate ■ Tax ■ DC

Financial investment (\$000s)

	2017	2018	2019	2020-2026	Total
Roads & Bridges	\$2,472	\$3,701	\$588	\$24,619	\$31,380
Stormwater	\$319	\$2,058	\$25	\$948	\$3,350
Wastewater	\$2,121	\$1,047	\$45	\$1,235	\$4,448
Water	\$1,686	\$573	\$50	\$1,483	\$3,792
Total	\$6,598	\$7,379	\$708	\$28,285	\$42,970

2017 Budget approval and funding (\$000s)

Budget amount		Funding source	
Tax-supported budget	\$2,472	Tax	\$1,165
		Grants	\$1,307
Non-tax-supported budget	\$4,126	Rate	\$4,067
		DC	\$59
Total	\$6,598		\$6,598

Operating impacts

There are no known operating impacts at this time.

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Programs of work

Program of work	Benefit	Risk	2017 tax investment	page
Active Transportation	<ul style="list-style-type: none"> Improve accessibility for non-motorized transportation 	<ul style="list-style-type: none"> Unsafe conditions for cyclists and pedestrians Higher collision rate Reduced mobility 	\$2,198,800	25
Bridges and Structures	<ul style="list-style-type: none"> Ensure public safety 	<ul style="list-style-type: none"> Risk of failure Reduced levels of service 	\$855,000	28
Building Renewal	<ul style="list-style-type: none"> Ensure integrity of all facilities and minor upgrades and expansions 	<ul style="list-style-type: none"> Reduce level of services and programs Closure of a facilities 	\$5,322,000	31
Contaminated Sites	<ul style="list-style-type: none"> Preparing for potential divestiture or redevelopment Revitalizing neighborhoods Protecting the city's groundwater 	<ul style="list-style-type: none"> Fines for non-compliance with MOECC Orders Stalling redevelopment Risk to public health/safety and environmental protection 	\$2,075,000	34

Programs of work

Program of work	Benefit	Risk	2017 tax investment	page
Downtown Implementation	<ul style="list-style-type: none"> Revitalizing downtown making it attractive for residents, businesses and visitors 	<ul style="list-style-type: none"> Defer escalating costs Potentially stall ongoing development activities and future interests 	\$2,145,000	37
Downtown Infrastructure Renewal	<ul style="list-style-type: none"> Maintain and support the redevelopment of properties in the area 	<ul style="list-style-type: none"> defers escalating costs stall ongoing development activities and future interests 	\$2,472,000	40
Full Corridor Reconstruction - Growth	<ul style="list-style-type: none"> Ensure that levels of service are being maintained 	<ul style="list-style-type: none"> Risks of flooding or backups Likelihood of underground infrastructure failure 	\$1,400,000	45
Full Corridor Reconstruction - Renewal	<ul style="list-style-type: none"> Ensure that levels of service are being maintained 	<ul style="list-style-type: none"> Likelihood of underground infrastructure failure 	\$2,398,000	51

Programs of work

Program of work	Benefit	Risk	2017 tax investment	page
Hanlon Creek Business Park	<ul style="list-style-type: none"> Baseline environmental information to assess Phase 1 post development activities Prepare Phase 3 engineering and environmental design 	<ul style="list-style-type: none"> Failure to comply with environmental conditions of subdivision approval 	\$404,000	57
IT Innovation	<ul style="list-style-type: none"> Provide easier access to information for all Modernizing systems to improve functionality 	<ul style="list-style-type: none"> Lose value of work and time to-date Legislative non-compliance in certain areas 	\$3,081,000	60
Outdoor Spaces	<ul style="list-style-type: none"> Create outdoor spaces that facilitate gatherings, events, programs, recreation 	<ul style="list-style-type: none"> Parks will not meet new legislation for accessibility requirements 	\$2,688,000	63
Planning & Studies	<ul style="list-style-type: none"> Update and amendment of Official Plan policies Review and update of the City's Zoning Bylaw 	<ul style="list-style-type: none"> Reduced quality of planning for long-term growth and demand needs 	\$3,951,000	66

Programs of work

Program of work	Benefit	Risk	2017 tax investment	page
Road & Right of Way	<ul style="list-style-type: none"> Expansion and improvements of the road surface 	<ul style="list-style-type: none"> Road surfaces may not be maintained 	\$3,404,000	69
South End Community Centre	<ul style="list-style-type: none"> Work will get City 'shovel' ready if funding is made available for construction through Grants 	<ul style="list-style-type: none"> Limited ability to offer programs/services in the south end 	\$0	72
Traffic Signals & Intersection Improvements	<ul style="list-style-type: none"> Overall network improvements, and traffic signal enhancements 	<ul style="list-style-type: none"> Health and safety risk to customers Delays, congestion and driver frustration 	\$1,754,700	75
Transit Growth Strategy	<ul style="list-style-type: none"> Accommodate an increase in overall modal splits 	<ul style="list-style-type: none"> Reduce availability to respond to Federal/Provincial funding 	\$0	78

Programs of work

Program of work	Benefit	Risk	2017 tax investment	page
Tree Canopy	<ul style="list-style-type: none"> Program supports the growth of the City-owned urban forest 	<ul style="list-style-type: none"> Reduction in water quality Additional maintenance costs and time Potential regulatory non-compliance 	\$555,000	80
Vehicle & Equipment	<ul style="list-style-type: none"> Ensure vehicles and equipment function at an optimal level 	<ul style="list-style-type: none"> Inability to meet legislated requirements Increase to operating and repair costs Impacts to service delivery 	\$19,745,000	83
Wastewater Collection	<ul style="list-style-type: none"> Satisfy capacity requirement of the system 	<ul style="list-style-type: none"> Likelihood of underground infrastructure failure 	\$0	87
Water Distribution Network	<ul style="list-style-type: none"> Proactively minimizing risks and maintain levels of service 	<ul style="list-style-type: none"> Interruptions in service delivery Reduction in water quality Additional maintenance costs and time Regulatory non-compliance 	\$0	90



Active Transportation

Total 2017 investment:	\$ 2,198,800
Tax 2017 investment:	\$2,198,800

Overview

- From the approved transportation master plan, cycling master plan trails master plan and sidewalk need assessment
- Improve accessibility for non-motorized transportation

Risks

- Unsafe conditions for cyclists and pedestrians
- Higher collision rate
- Reduced mobility/connectivity throughout the city

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Active Transportation

Financial investment

	2017	2018	2019	2020-2026	Total
Outdoor Spaces	\$1,183,800	\$1,415,900	\$1,648,500	13,369,800	\$17,618,000
Road Allowance	\$1,015,000	\$907,000	\$1,791,000	\$3,510,000	\$7,223,000
Total	\$2,198,800	\$2,322,900	\$3,439,500	\$16,879,800	\$24,841,000

Active Transportation

2017 budget approval and funding

	Budget amount	Funding source	
Tax-supported	\$2,198,800	Tax	\$747,800
		Grants	\$392,000
		DC	\$1,059,000
Non-tax-supported	\$0		
Total	\$2,198,800	\$2,198,800	

Operating impacts

There are no known operating impacts at this time.



Bridges and Structures

Total 2017 investment:	\$ 855,000
Tax 2017 investment:	\$855,000

Overview

- Provincial regulations require bridges to be inspected at least once every two years
- 2009 replacement value was \$65 million
- Many structures are over 50 years old and require ongoing maintenance to ensure public safety

Risks

- Risk of failure
- Reduced levels of service

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Bridges and Structures

Financial investment

	2017	2018	2019	2020-2026	Total
Pedestrian	\$250,000	\$0	\$600,000	\$4,530,000	\$5,380,000
Vehicle	\$605,000	\$2,227,000	\$275,000	\$8,999,000	\$12,106,000
Total	\$855,000	\$2,227,000	\$875,000	\$13,529,000	\$17,486,000

Bridges and Structures

2017 budget approval and funding

	Budget amount	Funding source	
Tax-supported	\$855,000	Tax	\$511,000
		Grants	\$344,000
Non-tax-supported	\$0		
Total	\$855,000		\$855,000

Operating impacts

There are no known operating impacts at this time.



Building Renewal

Total 2017 investment:	\$ 5,341,800
Tax 2017 investment:	\$5,322,000

Overview

- Ensure integrity of all facilities and minor upgrades and expansions through
 - renovations and maintenance of the City's facilities
 - building condition assessments
 - structural repairs

Risks

- Impact ability to maintain overall condition of buildings at a suitable level
- Reduced level the services and programs
- Closure of a facilities
- Potentially significant future investment to restore the facilities

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Building Renewal

Financial investment

	2017	2018	2019	2020-2026	Total
Expansions & Upgrades	\$850,000	\$365,000	\$875,000	\$7,105,000	\$9,195,000
Renewal	\$4,210,800	\$6,450,190	\$6,958,470	\$28,375,611	\$45,995,071
Structural	\$281,000	\$515,000	\$100,000	\$700,000	\$1,596,000
Total	\$5,341,800	\$7,330,190	\$7,933,470	\$36,181,000	\$56,786,071

Building Renewal

2017 budget approval and funding

	Budget amount	Funding source	
Tax-supported	\$5,321,800	Tax	\$5,091,800
		Grants	\$230,000
		Own Revenue	\$10,000
Non-tax-supported	\$20,000	Partner	\$10,000
Total	\$5,341,800		\$5,341,800

Operating impacts

There are no known operating impacts at this time.



Contaminated Sites

Total 2017 investment:	\$ 3,075,000
Tax 2017 investment:	\$2,075,000

Overview

- At least 43 City owned properties, roads and/or right-of-ways are known to be contaminated or potentially contaminated based on historical usage
 - former industrial or commercial uses or historical landfill sites
- Maintenance, mitigation and/or remediation could cost up to \$30 million

Risks

- Fines for non-compliance with MOECC Orders
- Stalling redevelopment
- Exacerbation of contamination
- Risk to public health/safety and environmental protection
- Limited ability to re-act quickly to Provincial/Federal funding program announcements

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Contaminated Sites

Financial investment

	2017	2018	2019	2020-2026	Total
Fountain St.	\$175,000	\$175,000	\$175,000	\$10,825,000	\$11,350,000
IMICO Site	\$1,250,000	\$1,150,000	\$950,000	\$1,300,000	\$4,650,000
45 Municipal St.	\$1,300,000	\$0	\$0	\$0	\$1,300,000
Retired Landfills	\$350,000	\$595,000	\$1,315,000	\$5,465,000	\$7,725,000
Total	\$3,075,000	\$1,920,000	\$2,440,000	\$17,590,000	\$19,175,000

Contaminated Sites

2017 budget approval and funding

	Budget amount	Funding source	
Tax-supported	\$2,075,000	Tax	\$625,000
		Debt	\$1,300,000
Non-tax-supported	\$1,000,000	Rate	\$1,000,000
Total	\$3,075,000		\$3,075,000

Operating impacts

There are no known operating impacts at this time.



Downtown Implementation

Total 2017 investment:	\$ 2,145,000
Tax 2017 investment:	\$2,145,000

Overview

- The Downtown Secondary Plan is a comprehensive vision for revitalizing downtown Guelph up to 2031
- Implementation is complex, requiring the alignment of projects and partnerships between the City, private landowners, institutions, downtown businesses and others

Risks

- Defer escalating costs
- Potentially stall ongoing development activities and future interests

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Downtown Implementation

Financial investment

	2017	2018	2019	2020-2026	Total
Land	\$0	\$3,800,000	\$0	\$16,575,000	\$20,375,000
Library	\$0	\$0	\$0	\$55,200,000	\$55,200,000
Open Spaces	\$75,000	\$1,700,000	\$100,000	\$1,612,000	\$3,487,000
Parking	\$2,070,000	\$1,800,000	\$10,490,000	\$9,212,000	\$23,572,000
Strategy	\$0	\$200,000	\$0	\$0	\$200,000
Total	\$2,145,000	\$7,500,000	\$10,590,000	\$82,599,000	\$102,834,000

Downtown Implementation

2017 budget approval and funding

	Budget amount	Funding source	
Tax-supported	\$2,145,000	Tax	\$2,111,200
		DC	\$33,800
Non-tax-supported	\$0		
Total	\$2,145,000		\$2,145,000

Operating impacts

There are no known operating impacts at this time.



Downtown Infrastructure Renewal

Total 2017 investment:	\$ 6,598,000
Tax 2017 investment:	\$2,472,000

Overview

- Linear infrastructure downtown is some of the oldest in Guelph
- Continued need to address renewal to maintain and support the redevelopment of properties in the area

Risk

- Delaying the investment simply defers escalating costs and has the potential to stall ongoing development activities and future interests

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Downtown Infrastructure Renewal

Financial investment

	2017	2018	2019	2020-2026	Total
Roads & Bridges	\$2,472,000	\$3,701,000	\$587,500	\$24,619,200	\$31,379,700
Stormwater	\$319,000	\$2,058,000	\$25,000	\$948,000	\$3,350,000
Wastewater	\$2,121,000	\$1,047,000	\$45,000	\$1,235,000	\$4,448,000
Water	\$1,686,000	\$573,000	\$50,000	\$1,483,000	\$3,792,000
Total	\$6,598,000	\$7,379,000	\$707,500	\$28,285,200	\$42,969,700

Downtown Infrastructure Renewal

2017 budget approval and funding

	Budget amount	Funding source	
Tax-supported	\$2,472,000	Tax	\$1,164,800
		Grants	\$1,307,200
Non-tax-supported	\$4,126,000	Rate	\$4,067,100
		DC	\$58,900
Total	\$6,598,000		\$6,598,000

Operating impacts

There are no known operating impacts at this time.



Full Corridor Reconstruction, Growth

Total 2017 investment: \$ 3,690,000

Tax 2017 investment: \$1,400,000

Overview

- To optimize the project list to ensure that levels of service are being maintained

Risk

- Insufficient infrastructure capacity to support growth
- Increased risks of flooding or backups (in the case of wastewater and stormwater)
- Increased likelihood of underground infrastructure failure
 - contamination of the drinking water supply
 - water service interruptions
 - sink holes, vehicle damage (due to pot holes), property damage, sewer backups, or basement flooding

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Full Corridor Reconstruction, Growth

Financial investment

	2017	2018	2019	2020-2026	Total
Roads	\$1,400,000	\$4,998,000	\$3,988,000	\$65,376,100	\$75,762,100
Stormwater		\$814,000	\$740,000	\$11,429,900	\$12,983,900
Water	\$756,000	\$1,491,000	\$1,422,000	\$17,553,000	\$20,222,000
Wastewater	\$1,534,000	\$1,159,000	\$1,639,000	\$16,882,000	\$21,214,000
Total	\$3,690,000	\$8,462,000	\$7,789,000	\$111,240,500	\$131,181,500

Full Corridor Reconstruction, Growth

2017 budget approval and funding

	Budget amount	Funding source	
Tax-supported	\$1,400,000	Grant	\$825,600
		Tax	\$316,800
		DC	\$257,600
Non-tax-supported	\$2,290,000	Rate	\$1,695,700
		DC	\$594,300
Total	\$3,690,000		\$3,690,000

Operating impacts

There are no known operating impacts at this time.



Full Corridor Reconstruction, Renewal

Total 2017 investment:	\$ 7,009,800
Tax 2017 investment:	\$2,398,000

Overview

- To optimize the project list to ensure that levels of service are being maintained

Risk

- Insufficient infrastructure capacity to support growth
- Increased likelihood of underground infrastructure failure
 - contamination of the drinking water supply
 - water service interruptions
 - sink holes, vehicle damage (due to pot holes), property damage, sewer backups, or basement flooding

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Full Corridor Reconstruction, Renewal

Financial investment

	2017	2018	2019	2020-2026	Total
Roads	\$2,397,600	\$334,000	\$2,936,000	\$14,620,000	\$20,287,600
Stormwater	\$811,300	\$322,000	\$492,000	\$3,686,000	\$5,311,300
Water	\$2,207,200	\$961,000	\$6,064,000	\$6,059,000	\$15,291,200
Wastewater	\$1,593,700	\$648,000	\$542,000	\$3,076,000	\$5,859,700
Total	\$7,009,800	\$2,265,000	\$10,034,000	\$27,441,000	\$46,749,800

Full Corridor Reconstruction, Renewal

2017 budget approval and funding

	Budget amount	Funding source	
Tax-supported	\$2,397,600	Tax	\$516,200
		Grants	\$1,881,500
		CAR Reserve	\$183,200
		Rate	\$2,341,000
Non-tax-supported	\$4,612,200	Grants	\$2,147,500
		CAR Reserve	\$123,800
Total	\$7,009,800		\$7,009,800

Operating impacts

There are no known operating impacts at this time.



Hanlon Creek Business Park

Total 2017 investment:	\$ 404,000
Tax 2017 investment:	\$404,000

Overview

- Joint venture between the City and three private property owners
- Phases 1 (developed by the City/Belmont)
- Phase 2 (developed by Cooper)
- Phase 3 (City/Estate of Stan Snyder)

Risks

- Failure to comply with environmental conditions of subdivision approval as provided by the Ontario Municipal Board, GRCA and others

Tab 2, page 57



Hanlon Creek Business Park

Financial investment

	2017	2018	2019	2020-2026	Total
Site Monitoring	\$404,000	\$404,000	\$365,000	\$2,555,000	\$3,728,000
Phase 3 Development	\$0	\$0	\$0	\$15,725,450	\$15,725,450
Total	\$404,000	\$404,000	\$365,000	\$18,280,450	\$19,453,450

Hanlon Creek Business Park

2017 budget approval and funding

	Budget amount	Funding source	
Tax-supported	\$404,000	Own Revenue	\$404,000
Non-tax-supported	\$0		
Total	\$404,000		\$404,000

Operating impacts

There are no known operating impacts at this time.



IT Innovation

Total 2017 investment:	\$ 3,344,850
Tax 2017 investment:	\$3,081,000

Overview

- Remediation of critical technology infrastructure
- Provide easier access to information for all
- Modernizing systems to improve functionality

Risks

- Continued use of bad data/information which leads to staff to work outside of the enterprise tools
- Lose value of work and time to-date
- Legislative non-compliance in certain areas

Tab 2, page 60



IT Innovation

Financial investment

	2017	2018	2019	2020-2026	Total
IT Innovation	\$3,344,850	\$3,775,300	\$3,435,600	\$17,976,600	\$28,532,350
Total	\$3,344,850	\$3,775,000	\$3,435,600	\$17,976,600	\$28,532,350

IT Innovation

2017 budget approval and funding

	Budget amount	Funding source	
Tax-supported	\$3,080,700	Partner	\$63,900
		Tax	\$3,016,800
		Own Revenue	\$41,200
Non-tax-supported	\$264,200	Partner	\$15,000
		Rate	\$208,000
Total	\$3,344,900		\$3,344,900

Operating impacts

There are no known operating impacts at this time.



Outdoor Spaces

Total 2017 investment:	\$ 2,688,300
Tax 2017 investment:	\$2,688,300

Overview

- Outdoor spaces facilitate gatherings, events, programs, recreation and destinations that create a connected, vibrant and healthy community
- 112 parks in Guelph

Risks

- Additional operational budget may be required to continue to repair and maintain an existing facilities
- Parks will not meet new legislation for accessibility requirements, risk of a Human Rights claim
- Facility is removed without replacement

Tab 2, page 63

Outdoor Spaces

Financial investment

	2017	2018	2019	2020-2026	Total
Growth	\$660,000	\$1,230,000	\$1,035,000	\$13,378,100	\$16,303,100
Rebuild	\$110,000	\$1,525,000	\$315,000	\$9,555,900	\$11,505,900
Renewal	\$1,918,300	\$1,432,800	\$1,567,100	\$12,864,700	\$17,782,900
Total	\$2,688,300	\$4,187,800	\$2,917,100	\$35,798,700	\$45,591,900

Outdoor Spaces

2017 budget approval and funding

	Budget amount	Funding source	
Tax-supported	\$2,688,300	Tax	\$2,193,300
		DC	\$495,000
Non-tax-supported	\$0		
Total	\$2,688,300		\$2,688,300

Operating impacts

There are no known operating impacts at this time.



Planning & Studies

Total 2017 investment:	\$4,650,500
Non-tax 2017 investment:	\$3,951,000

Overview

- Studies and plans related to the City's Official Plan with respect to development of policies and plans
- Involves the update and amendment of Official Plan policies
- Comprehensive review and update of the City's Zoning Bylaw

Risks

- Impact the accuracy of budgets, the quality of the reports produced, and the accuracy of the assumptions made by staff
- Reduced quality of planning for long-term growth and demand needs

Tab 2, page 66



Planning & Studies

Financial investment

	2017	2018	2019	2020-2026	Total
Corporate	\$2,370,000	\$935,000	\$1,020,000	\$5,830,000	\$10,155,000
Service Specific	\$2,280,500	\$755,000	\$370,000	\$5,059,400	\$8,464,900
Total	\$4,650,500	\$1,690,000	\$1,390,000	\$10,889,400	\$18,619,900

Planning & Studies

2017 budget approval and funding

	Budget amount	Funding source	
Tax-supported	\$3,950,500	Tax	\$1,171,300
		Grants	\$147,500
		DC	\$2,631,700
Non-tax-supported	\$700,000	Rate	\$252,500
		DC	\$447,500
Total	\$4,650,500		\$4,650,500

Operating impacts

There are no known operating impacts at this time.



Roads & Right of Way

Total 2017 investment: \$ 4,090,000

Tax 2017 investment: \$3,404,000

Overview

- Program captures: road restoration and resurfacing program, and expansion and improvements of the road surface

Risks

- Road surfaces may not be maintained

Tab 2, page 69



Roads & Right of Way

Financial investment

	2017	2018	2019	2020-2026	Total
Restoration & Resurfacing	\$3,213,000	\$1,850,000	\$2,060,000	\$17,840,000	\$24,963,000
Improvement & Expansion	\$877,000	\$2,558,000	\$2,486,000	\$15,788,000	\$21,709,000
Total	\$4,090,000	\$4,408,000	\$4,546,000	\$33,628,000	\$46,672,000

Roads & Right of Way

2017 budget approval and funding

	Budget amount	Funding source	
Tax-supported	\$3,404,200	Tax	\$940,400
		Grants	\$2,213,800
		DC	\$125,000
		Developer	\$125,000
Non-tax-supported	\$685,800	Rate	\$685,800
Total	\$4,090,000		\$4,090,000

Operating impacts

There are no known operating impacts at this time.



South End Community Centre

Total 2017 investment:	\$0
Tax 2017 investment:	\$0

Overview

- Development of an implementation strategy for a south end community centre

Risk

- Limited ability to offer programs/services in the south end

Tab 2, page 72

South End Community Centre

Financial investment

	2017	2018	2019	2020-2026	Total
Community Centre	\$0	\$3,600,000	\$56,400,000	\$0	\$60,000,000
Transit Hub	\$0	\$0	\$365,000	\$0	\$365,000
Total	\$0	\$3,600,000	\$56,765,000	\$0	\$60,365,000

2017 budget approval and funding

There is no budget required for 2017.

Operating impacts

There are no known operating impacts at this time.



Traffic Signals & Intersection Improvements

Total 2017 investment:	\$ 1,754,700
Tax 2017 investment:	\$1,754,700

Overview

- Implementation of City-wide new traffic control signals
- Existing improvements to signalized locations
- Overall network improvements, and traffic signal enhancements

Risk

- Health and safety risk to customers
- Potential for sections of the traffic signal network to be inefficient, creating delays, congestion and driver frustration
- Not address neighborhood issues regarding traffic speeds and cut-through traffic

Tab 2, page 75



Traffic Signals & Intersection Improvements

Financial investment

	2017	2018	2019	2020-2026	Total
Roadworks	\$260,000	\$1,330,000	\$50,000	\$0	\$1,640,000
Signals & Equipment	\$1,494,700	\$1,374,200	\$1,448,100	\$11,853,600	\$16,170,600
Total	\$1,754,700	\$2,704,200	\$1,498,100	\$11,853,600	\$17,810,600

Traffic Signals & Intersection Improvements

2017 budget approval and funding

	Budget amount	Funding source	
Tax-supported	\$1,754,700	Tax	\$1,257,700
		DC	\$497,000
Non-tax-supported	\$0		
Total	\$1,754,700		\$1,754,700

Operating impacts

There are no known operating impacts at this time.



Transit Growth Strategy

Total 2017 investment:	\$ 0
Tax 2017 investment:	\$ 0

Overview

- Designed to move Guelph Transit forward to accommodate an increase in overall modal splits

Risk

- Lack of City funding could reduce availability to respond to Federal/Provincial funding

Tab 2, page 78

Transit Growth Strategy

Financial investment

	2017	2018	2019	2020-2026	Total
Buses	\$0	\$2,110,000	\$2,175,000	\$9,381,000	\$13,666,000
Total	\$0	\$2,110,000	\$2,175,000	\$9,381,000	\$13,666,000

2017 budget approval and funding

There is no budget required for 2017.

Operating impacts

There are no known operating impacts at this time.



Tree Canopy

Total 2017 investment:	\$ 555,000
Tax 2017 investment:	\$555,000

Overview

- Emerald Ash Borer (EAB) infestation and its impact on Guelph's urban forest is just beginning to manifest itself
- Expected that 7,000 City-owned dead/dying ash trees will need to be dealt with over the coming decade
- Program supports the growth of the City-owned urban forest

Risks

- Interruptions in service delivery; reduction in water quality
- Additional maintenance costs and time; insufficient servicing capacity
- Potential regulatory non-compliance

Tab 2, page 80



Tree Canopy

Financial investment

	2017	2018	2019	2020-2026	Total
Emerald Ash Borer	\$500,000	\$600,000	\$700,000	\$2,400,000	\$4,200,000
Tree & Shrub – Growth	\$25,000	\$30,000	\$30,000	\$245,000	\$330,000
Tree & Shrub - Renewal	\$30,000	\$40,000	\$40,000	\$450,000	\$560,000
Total	\$555,000	\$670,000	\$770,000	\$3,095,000	\$5,090,000

Tree Canopy

2017 budget approval and funding

	Budget amount	Funding source	
Tax-supported	\$555,000	Tax	\$555,000
Non-tax-supported	\$0		
Total	\$555,000		\$555,000

Operating impacts

There are no known operating impacts at this time.



Vehicle & Equipment

Total 2017 investment:	\$ 19,892,200
Tax 2017 investment:	\$19,745,500

Overview

- Replacement of vehicles and equipment that have reached the end of lifecycle

Risks

- Inability to meet legislated requirements
- Increase to operating and repair costs
- Impacts to service delivery

Tab 2, page 83

Vehicle & Equipment

Financial investment

	2017	2018	2019	2020-2026	Total
Vehicles & Equipment	\$19,892,200	\$19,779,000	\$19,215,900	\$129,419,000	\$188,306,100
Total	\$19,892,200	\$19,779,000	\$19,215,900	\$129,419,000	\$188,306,100

Vehicle & Equipment

2017 budget approval and funding

	Budget amount	Funding source	
Tax-supported	\$19,745,500	Tax	\$9,030,600
		Grants	\$9,919,000
		Own Revenue	\$160,000
		Partner	\$317,200
		DC	\$318,700
Non-tax-supported	\$146,700	Rate	\$146,700
Total	\$19,892,200		\$19,892,200

Operating impacts

There are no known operating impacts at this time.



Wastewater Collection

Total 2017 investment:	\$1,150,000
Tax 2017 investment:	\$ 0

Overview

- To satisfy capacity requirement of the system by:
 - optimizing existing systems
 - increasing capacities of existing systems
 - reducing water loss
 - increasing water conservation
 - protecting the natural environment
 - enhancing asset management

Tab 2, page 87

Wastewater Collection

Financial investment

	2017	2018	2019	2020-2026	Total
Collection (Growth)	\$400,000	\$800,000	\$1,750,000	\$8,250,000	\$11,200,000
Collection (Renewal)	\$750,000	\$550,000	\$570,000	\$5,246,000	\$7,116,000
Total	\$1,150,000	\$1,350,000	\$2,320,000	\$13,496,000	\$18,316,000

Wastewater Collection

2017 budget approval and funding

	Budget amount	Funding source	
Tax-supported	\$0		
Non-tax-supported	\$1,150,000	Rate	\$950,000
		DC	\$200,000
Total	\$1,150,000	\$1,150,000	

Operating impacts

There are no known operating impacts at this time.



Water Distribution Network

Total 2017 investment:	\$0
Tax 2017 investment:	\$0

Overview

- Proactively minimizing risks and maintaining levels of service through renewal, capacity enhancements, and improving security of supply to the water distribution network

Risk

- Interruptions in service delivery, reduction in water quality, additional maintenance costs and time, and potential regulatory non-compliance with the *Safe Drinking Water Act*

Tab 2, page 90

Water Distribution Network

Financial investment

	2017	2018	2019	2020-2026	Total
Distribution network, growth	\$0	\$100,000	\$184,000	\$12,553,000	\$12,837,000
Distribution network, renewal	\$0	\$0	\$1,732,000	\$6,177,000	\$7,909,000
Total	\$0	\$100,000	\$1,916,000	\$18,730,000	\$20,746,000

Water Distribution Network

2017 Budget approval and funding

	Budget amount	Funding source	
Tax-supported	\$0		
Non-tax-supported	\$0		
Total	\$0		

Operating impacts

There are no known operating impacts at this time.





Recommendation



Recommendations

That Report No. CS-2016-68 titled *2017 Tax Supported Capital Budget and Forecast* be **referred** to the December 7, 2016 Council Budget meeting.





guelph.ca/budget



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Facebook.com/cityofguelph



From: Susan Watson

Sent: November 1, 2016 9:26 AM

To: Mayors Office; Dan Gibson; Bob Bell; James Gordon; Andy VanHellemond; June Hofland; Phil Allt; Christine Billings; Mike Salisbury; Leanne Piper; Cathy Downer; Karl Wettstein; Mark MacKinnon; Clerks

Cc: Derrick Thomson; Todd Salter; Scott Stewart; Tim Donegani

Subject: DC Shortfall/2017 Budget/Infrastructure levy

Dear Mayor Guthrie, Members of Council and Staff:

In April of this year I came to Council to ask everyone to look closely at exactly how much existing taxpayers are paying to subsidize new growth in our City.

<https://www.guelphtoday.com/local-news/citizen-wants-to-know-how-much-development-will-cost-taxpayers-284461>

At that meeting, Council passed the following resolution:

CON-2016.18 2016 Development Priorities Plan

Ms. Susan Watson, resident, spoke to this item.

4. Moved by Councillor Piper Seconded by Councillor Allt

That Council direct staff to investigate and report back on the most effective way to quantify the cost of growth.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gordon, Piper, Salisbury, and Wettstein (9) VOTING AGAINST: Councillors Gibson and MacKinnon (2) CARRIED

I think it is even more urgent now that we get a clear idea of how many tax dollars are being diverted to subsidize growth. As we embark on the budget process, everything is being put under the microscope. The cost of growth needs to go under that microscope too.

If citizens are being asked to contribute additional tax dollars in the form of an infrastructure levy, it is timely to ask why millions of dollars are subsidizing new housing for middle-income home buyers.

The bathtub is an appropriate image in this scenario. If citizens are being asked to open the taps wider in terms of supplying tax dollars, then we need to plug the drain or fix the cracks to prevent money from seeping out that is needed for other priorities.

Moreover, if we are being asked to absorb additional growth by the Province, we need to understand the implications of the cost of that growth to existing taxpayers.

After the April meeting, Councillor Downer forwarded me a copy of a report prepared by the Municipal Finance Officers' Association (MFOA), "Frozen in Time - Development Charges legislation underfunding infrastructure 16 years and counting." The report examines how the DC funding shortfall occurs and uses a 20% shortfall figure generated by Watson & Associates. Watson & Associates provided a 25% shortfall figure to the City in a report I referenced in my original correspondence in April. (Included at the end of this e-mail). I have asked the clerks to include a copy of "Frozen in Time" in the Council package. Here is the link to an on-line version and some relevant highlights from pages 1 and 2 (my bolding):

<http://udimanitoba.ca/documents/ontario/Ont%20MAO%20PAper%20on%20DCC%202013.pdf>

Shortfalls for funding growth-related capital were one inevitable consequence of the revenue restrictions brought forward in the 1997 Act.

How much do DC restrictions cost municipalities?

A case study of what was lost from one Development Charges Act to the next can be found in Watson & Associates' 2010 study, "Long-term Fiscal Impact Assessment of Growth: 2011-2021," for the Town of Milton. The gross cost of growth for the ten year period was \$568 million; it was written down to \$459 million on account of the three restrictions outlined in this report.

- \$50 million was unrecoverable because certain service areas are excluded services
- \$26 million was foregone through the 10% discounts
- \$34 million was disallowed on account of service level reductions (Watson & Associates, 2010, p. 4-11)

After all of the various DC caps introduced in the 1997 Act, DCs can now only pay for approximately 80% of the cost of growth-related capital.

The decision about how to manage development charge funding shortfalls puts municipalities between a rock and a hard place: To maintain the same level of service that a community had before a development permit was issued, the municipality has to look to other revenue sources to fill the gap. Usually shortfalls are addressed through increases in property taxes and user fees. Committing all of the residents in the community to paying for growth through general taxes and fees may present equity issues. If a municipality does not fill the 20% funding gap necessary to sustain existing service levels, then the level of service provided to citizens declines over time. Because services are a significant factor for people deciding where to live, work and do business, declining service levels may compromise a municipality's ability to attract future growth. This is not a decision municipalities should be forced to make.

Given the economic value of public infrastructure investment and provincial interest in transit-oriented development and other smart growth principles, provincial DC policy should be amended to enable full cost pricing for growth-related infrastructure.

In my original correspondence sent to Staff and City Council in April, I made a projection based on the 25% funding shortfall figure applied to \$70,940,988 of projected Development Charges in the 2016 Development Priorities Plan. My estimated shortfall was \$23,646,966. Using the 20% shortfall estimation from the Municipal Finance Officers' Association report, the subsidy coming from Guelph taxpayers would be \$17,735,247. Based on a range given by Watson & Associates of a 20% - 25% shortfall, that translates into a taxpayer subsidy anywhere from \$17,735,247 to \$23,646,966.

These exorbitant sums go to subsidize the costs of infrastructure to support new growth.

Let's be clear what these tens of millions of dollars do NOT buy:

- They do NOT buy additional or new infrastructure for existing taxpayers, such as the South End Recreation Centre or a new Central Library
- They do NOT go to repair existing aging infrastructure.
- They do NOT support current levels of service to existing citizens. (In fact the cost pressures on the budget often demand cuts to existing services).

I believe that it is this hidden growth subsidy that answers the mystery question: "Why are my taxes going up faster than the rate of inflation?"

Here is another way to think about the sums involved on a smaller scale: The 2016 Development Charge for a detached or semi-detached dwelling is \$30,021. If the DC funding shortfall is 20%, along with other taxpayers, I am subsidizing that dwelling to the tune of \$7,500.00. If the funding shortfall is calculated at 25%, I am subsidizing that same dwelling with \$10,000.

In relation to the proposed development at 75 Dublin St. North, Council will carefully examine whether or not to provide \$23,000 per unit from the Affordable Housing Reserve as requested by the developer. No debate ever occurs in relation to Development Charges as to whether existing taxpayers should be subsidizing housing for middle-income home buyers.

I invite you to consider these matters as you deliberate on the budget, consider an infrastructure levy and respond to Provincial demands for additional growth.

The correspondence I originally sent to the City in April is below.

Sincerely,
Susan Watson

Dear Messrs. Donegani, Salter and Stewart, Ms. Pappert, Mayor Guthrie and Members of Council:

I am copying the clerks on this e-mail so my inquiry and any subsequent response can be included in the addendum and the minutes for the special Council meeting on April 20th regarding the 2016 Development Priorities Plan.

In reviewing the Staff Report, I have been unable to locate an estimate of the cost to taxpayers for this proposed plan. I understand that any required Capital works for the proposed developments have been approved in the 10 year Capital Forecast, but it would be helpful for citizens to be clear about the taxpayer tab specifically for the 2016 DPP.

Based on analysis of the Development Charges Act by consultants previously engaged by the City of Guelph, Watson & Associates Economists Ltd., it is my understanding that Development Charges only cover approximately 75% of growth related costs.

In the case of the 2016 DPP, anticipated Development Charge revenues identified to date in Schedule 4 add up to a total of \$70,940,988. However, if that \$70,940,988 of DCs only represents 75% of the costs related to these developments, the actual total bill for the infrastructure required will be approximately \$94,587,984. An estimated shortfall of \$23,646,966 will be paid by current taxpayers from general tax revenues.

Can you please confirm that my estimate of the taxpayer-funded contribution to execute the 2016 DPP is in the general ballpark of what will be required? I recognize that phasing of some of the developments and remittance of the associated DCs may spill into 2017 and possibly 2018.

For further clarification, my reference to the 25% taxpayer growth infrastructure subsidy is taken from January 10, 2014 correspondence to the Ministry of Municipal Affairs and Housing signed by former City of Guelph CFO, Al Horseman. A copy of the City of Guelph response to the Development Charges Act Consultation is at this link:

http://guelph.ca/wp-content/uploads/council_agenda_012714.pdf

The section which summarizes the reasons for the 25% shortfall is on p. 248 of the link and is cut and pasted below.

Sincerely,

Susan Watson

1. Does the development charge methodology support the right level of investment in growth related infrastructure?

In response to the above question, the City is unclear as to what the province considers the “right level of investment” as it pertains to growth related infrastructure. A recent

presentation by Watson & Associates Economists Ltd indicated that municipalities are only recovering approximately 75% of growth related costs under the existing legislation. In the City's opinion, the following provisions under the Development Charges Act make it impossible to fully recover the costs of growth:

- Mandatory 10% statutory deductions on 10-year services
- Exclusion of services that are clearly impacted by growth such as solid waste services, computer equipment and parkland acquisition.
- The 10 year average used to calculate the service standard does not allow for forward looking community needs. Examples of this include homes for the aged and transit where the anticipated service demand and delivery will most likely be vastly different from a go-forward perspective versus the historical and current model
- Mandatory exemptions including 50% industrial exemption, additional dwelling units, upper/lower tier governments including community colleges and school boards.

As highlighted in the above, the current Act does not allow for the concept of “growth paying for growth”. Any further limitations or reductions provided by a change to the Act through this review would result in an even higher burden being shifted onto existing tax payers.

From: pat.fung pat.fung]
Sent: October 28, 2016 10:00 AM
To: Clerks
Subject: Tax supported capital - delegation

Please see citizen comments:

(4) Comment

By *Spend* | OCTOBER 27, 2016 09:07 PM No, no, NO!!!! No more taxation for an administration that cannot manage what they already have under their control. The city does not have a revenue problem, just a spending problem. 29 0 Report as Offensive

By *Marg* | OCTOBER 27, 2016 05:22 PM Before this city burdens citizens with a tax levy, we need a service rationalization done by an external company. How about some serious decrease in costs, such as those suggested by Mr. Pat Fung? He made a detailed, informed presentation with valid suggestions for saving a significant amount of money without reducing services. Why have we heard no response to his questions and comments other than to say they are irrelevant. 143 0 Report as Offensive

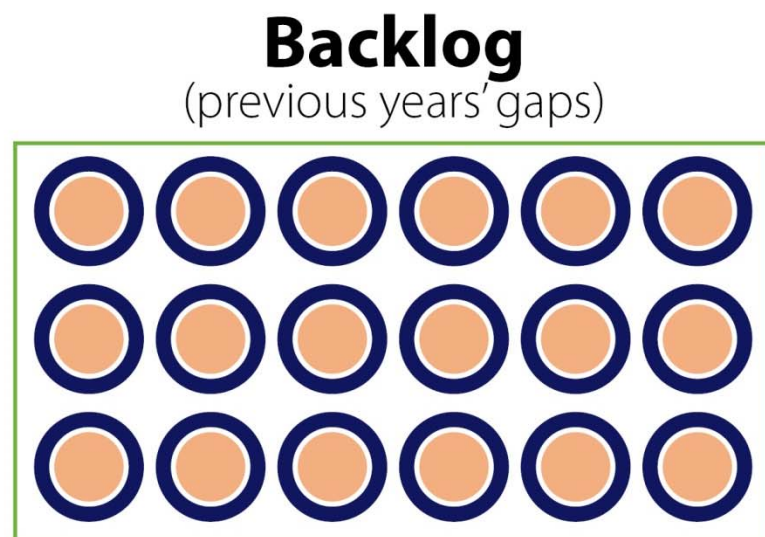
By *Pat* | OCTOBER 27, 2016 04:41 PM Empty words by city administration "recognizing that residents are facing other financial pressures". Why didn't staff recommend or find \$1.1 million in administrative money that wouldn't affect taxpayers directly. See addendum to Sept 27 council meeting where \$500,000 could be found just in corporate communications which according to its own comparisons and figures is grossly overstaffed. The administration refuses to cut expenses. Why? See Ottawa and Brampton with their job cuts. Twitter today announced job cuts because revenues are down. Organizations everywhere cut costs when revenue is hard to come by. Why don't we in Guelph? 139 0 Report as Offensive

By *Will* | OCTOBER 27, 2016 10:10 AM I believe the time has come for the city to reign in on spending and waste. If anyone is subject to this then all public sector workers pay a 1% levy. Also, every department in town cut their budgets by 5% over the next three years. 117 0 Report as Offensive (Page 1 of 1) Join The Conversation [Sign Up](#) [Login](#)

The background of the slide is a solid blue color. Overlaid on this background are several large, light-blue, semi-transparent icons. These include a bar chart with an upward-trending line, a pie chart with one slice separated, a large dollar sign, a balance scale, a handshake, a large percentage sign, and several stacks of coins. The title text is centered over the middle of these icons.

Dedicated Infrastructure Renewal Levy

Infrastructure gap and backlog

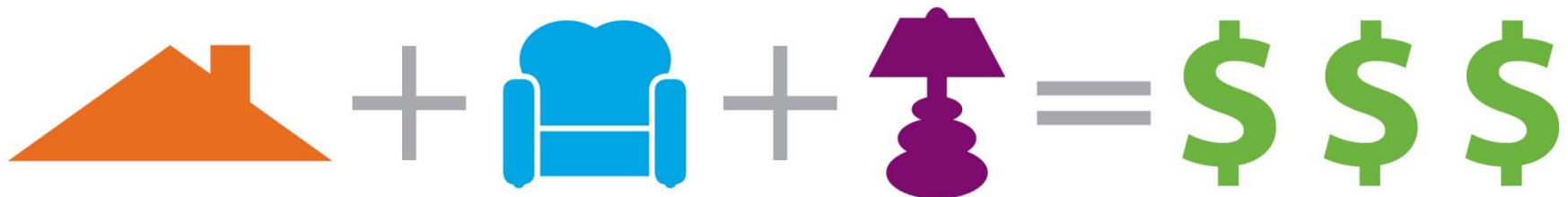


Cost of delaying infrastructure renewal

Fix today

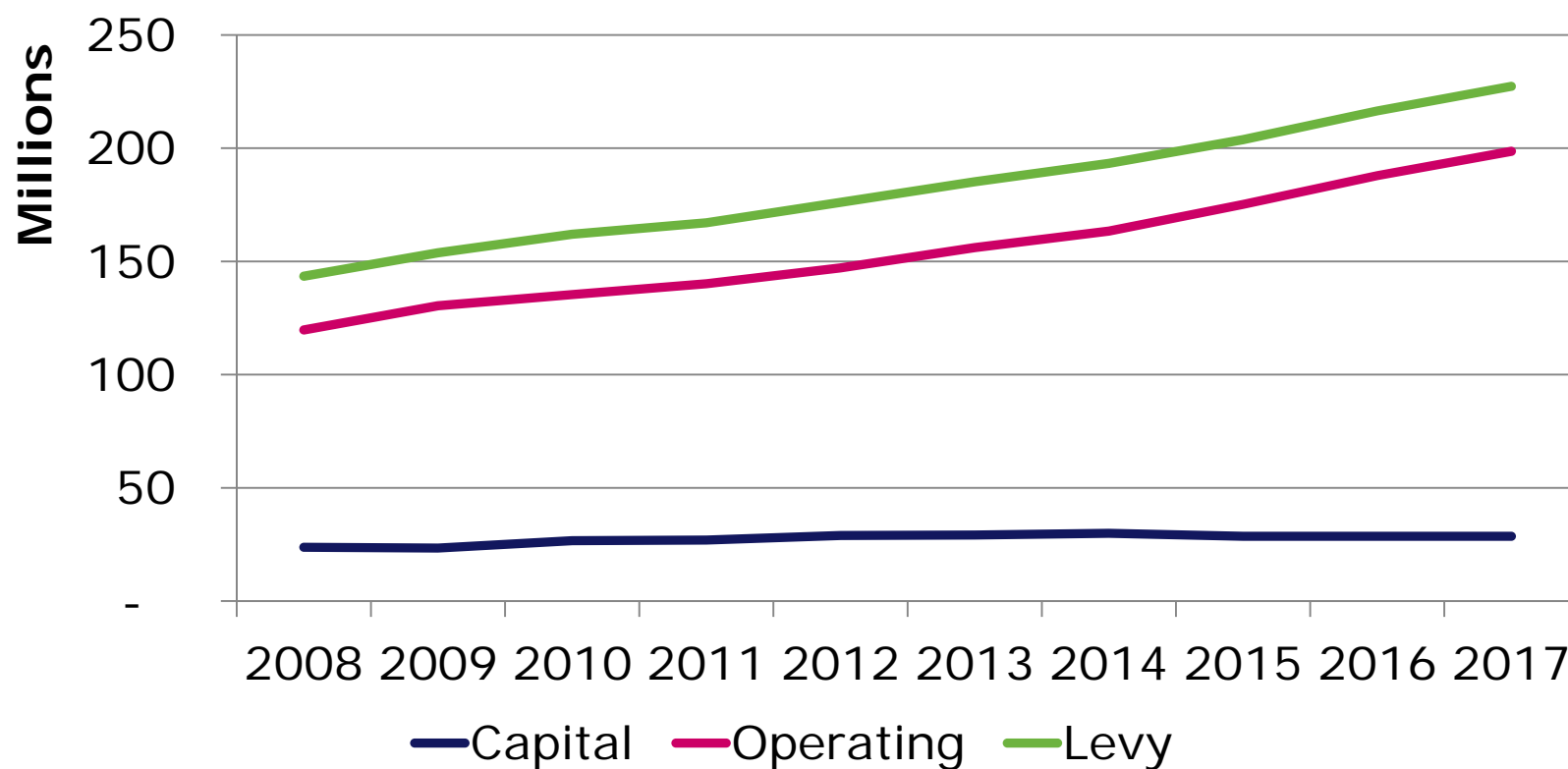


Fix tomorrow



Impact of prior decisions

Flat capital contribution



Impact of prior decisions

Flat capital contribution

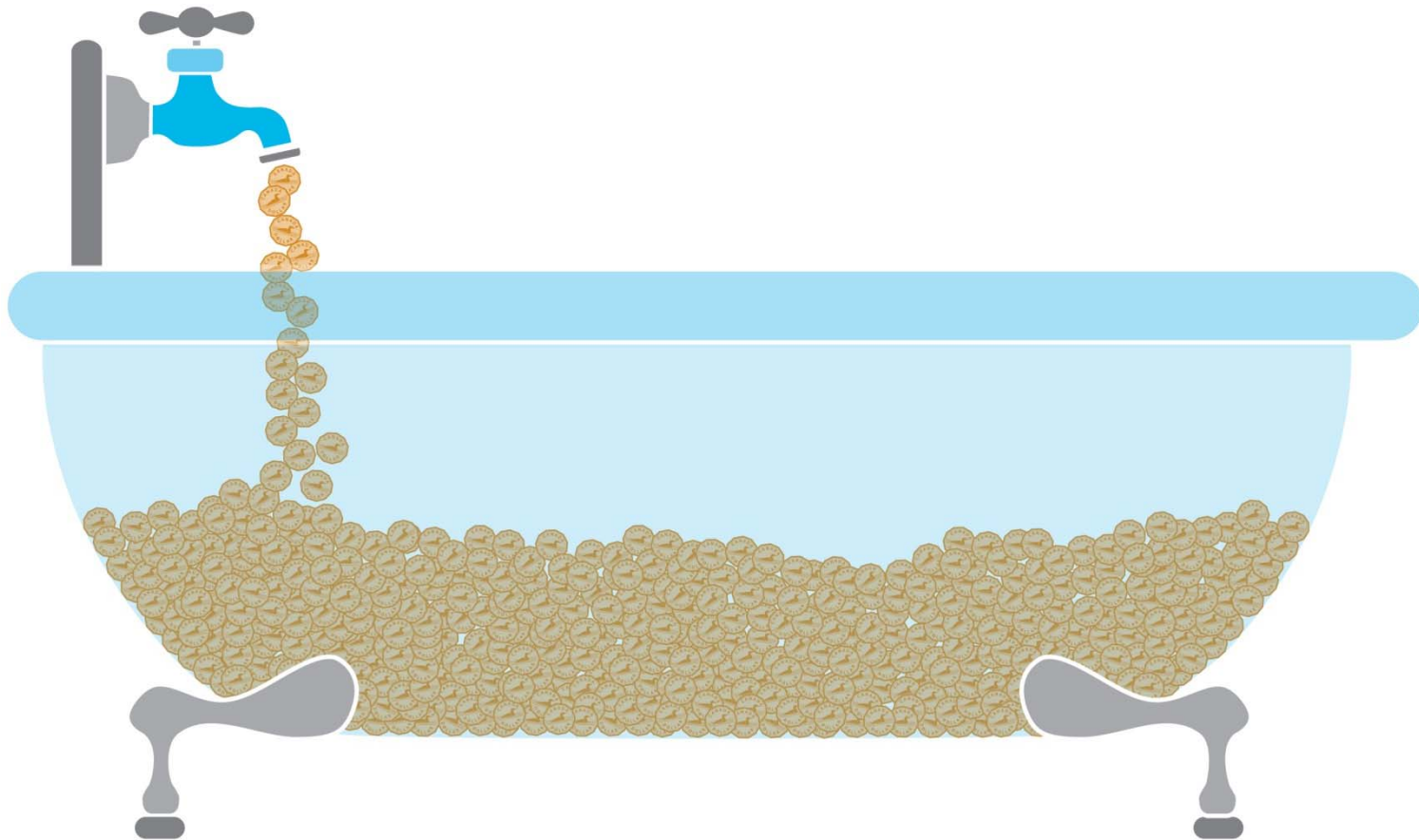
	2008 to 2017	
	\$ Increase	% of Total
Operating	78,962,477	94%
Capital	4,848,015	6%
Total	83,810,492	100%

Risks of staying the same

- Limited ability to match federal and/or provincial funding
- Reduced debt capacity
- Delay in realizing City Building programs
- May negatively impact to credit rating
- Underfunding capital infrastructure replacement

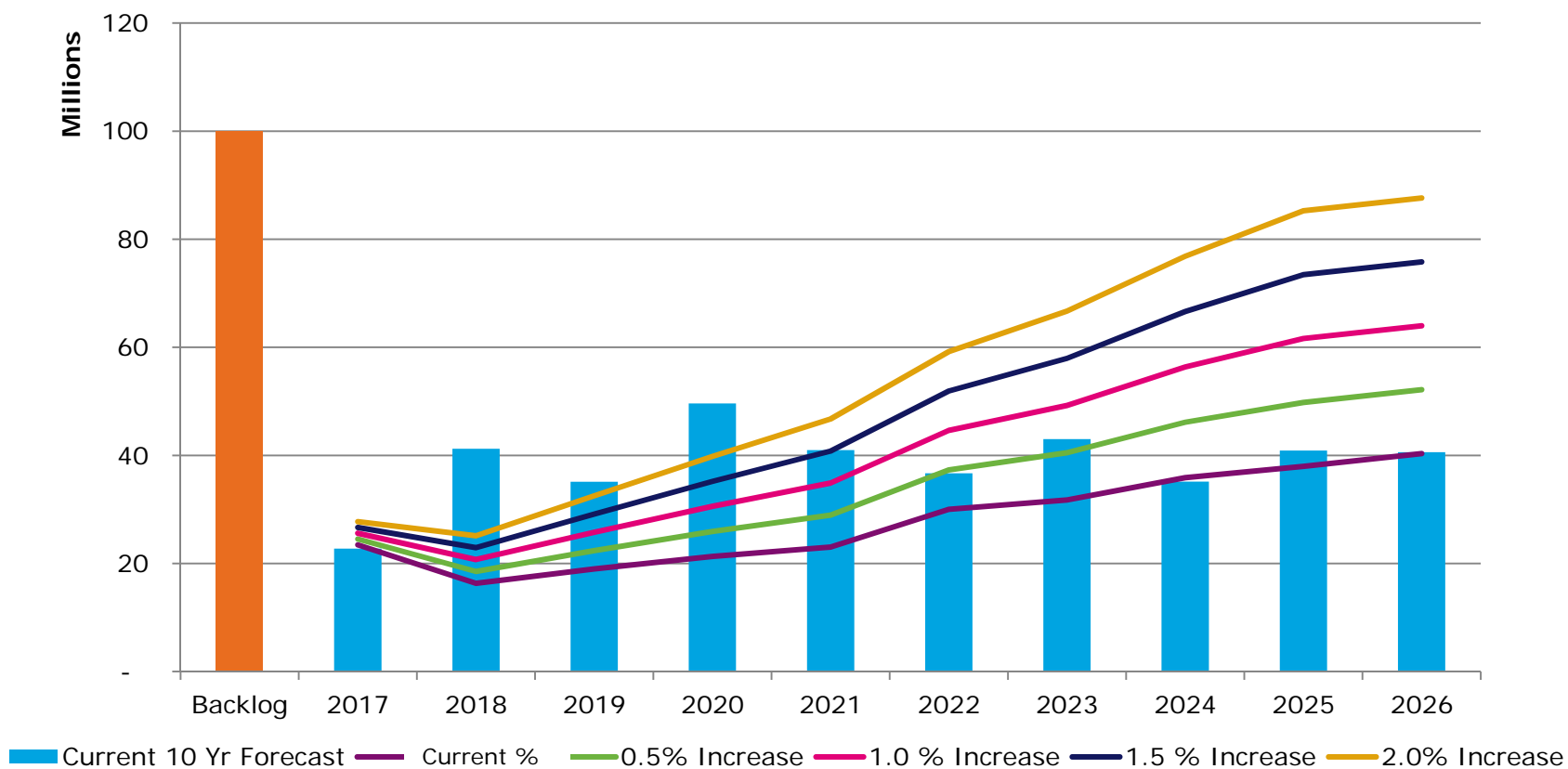


Long-term Capital strategy

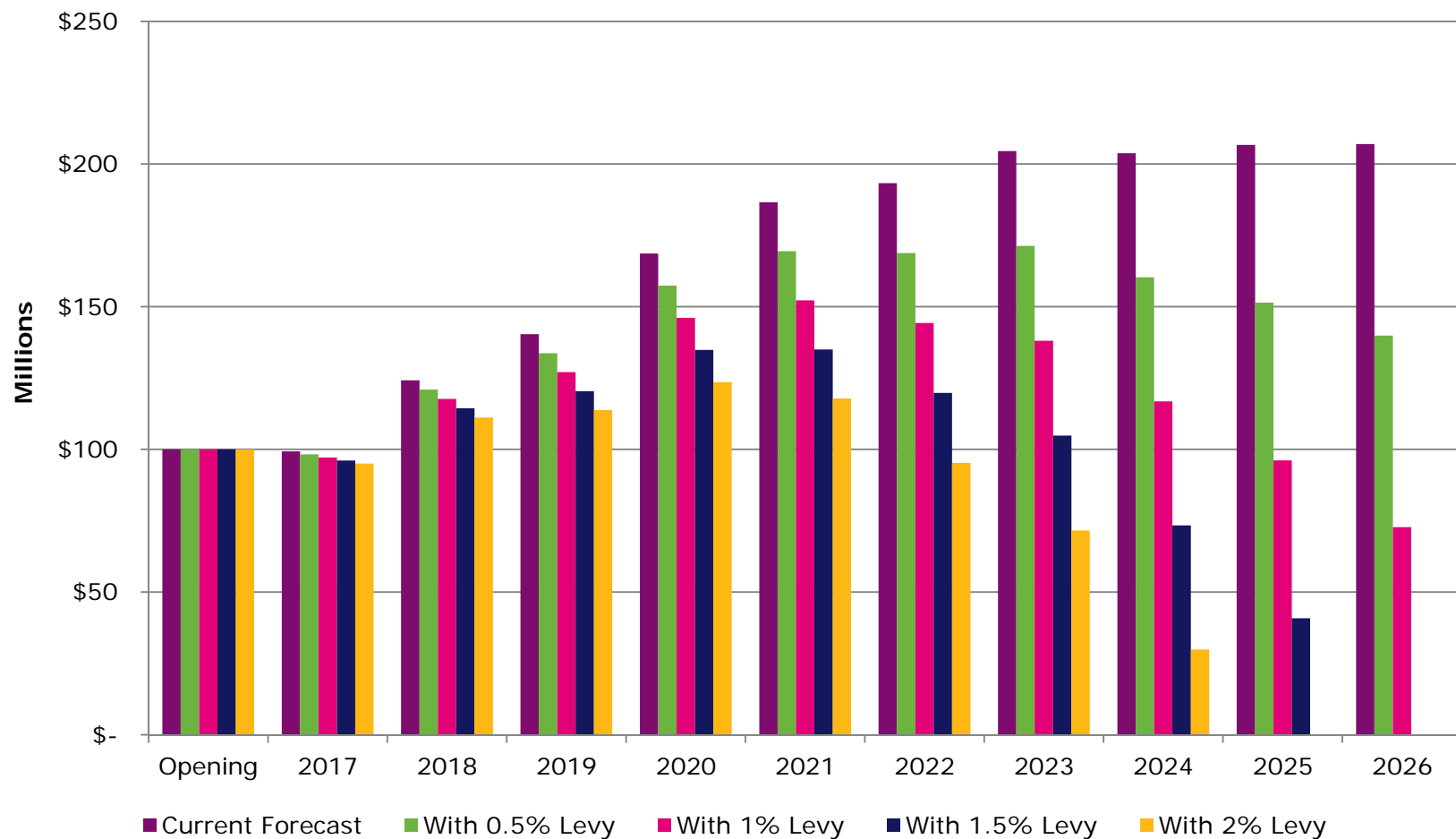


Funding levels vs. capital forecast

(no City Building)



Levy impact on backlog



Dedicated Infrastructure Renewal Levy

Estimated starting backlog (2017)	\$100 million
Estimated requirements (2017-2026)	+ \$386 million
Estimated available funding (2017-2026)	- \$279 million
Estimated ending backlog (2026)	<hr/> \$207 million

Dedicated Infrastructure Renewal Levy (%)	Amount accumulated over 10 years (\$)	10 year total (available funding + levy amount)	Surplus/shortfall (estimated requirement – 10 year total)	Ending Backlog (Starting backlog – Surplus/shortfall)
0.5%	\$67 million	\$346 million	(\$40 million)	\$140 million
1.0%	\$134 million	\$413 million	\$27 million	\$73 million
1.5%	\$201 million	\$480 million	\$94 million	\$6 million
2.0%	\$269 million	\$548 million	\$162 million	(\$62 million)

Recommendation

That report No. CS-2016-80 titled *Dedicated Infrastructure Renewal Levy* be **referred** to the December 7, 2016 Council meeting.





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The background of the slide features a light green field with various white financial icons. These include a bar chart with an upward-trending line, a large dollar sign, a pie chart, a handshake, a percentage sign, a stack of coins, and a calculator. The text is centered over this background.

Financial implications of City Building projects on the Capital Budget

Key Findings

- City Building projects appear in the 2018 -2026 forecast but are not fully funded
- City Building projects total \$120 million
 - South End Community Centre approximately \$60 million
 - Main Library approximately \$55 million
- Recommend workshops in early 2017 for Downtown Secondary Plan projects and South End Community Centre



South End Community Centre

- June 2014 Feasibility study
 - confirmed site location and 150,000 square foot facility
- Request for Expression of Interest process
 - no demonstration that there is a viable partner available to take on the capital costs
 - potential for partners on operating models



South End Community Centre

- Project costing

Phase	DC portion	Tax supported portion	Total cost
Phase 1	\$2,916,000	\$684,000	\$3,600,000
Phase 2	\$45,000,000	\$11,400,000	\$56,400,000
Total	\$47,916,000	\$12,084,000	\$60,000,000

- Estimated Recreation DC Reserve Fund balance is \$11.3 million, as of December 31, 2016

Downtown Implementation

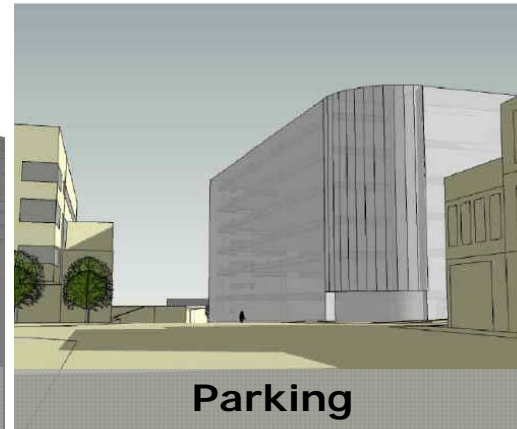
- Keeping the momentum going



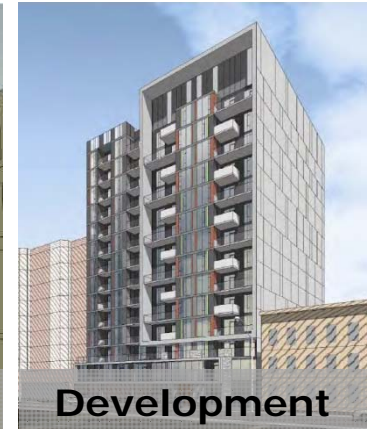
Wyndham Street



Baker District



Parking



Development

Recommendation

1. That Report No. CS-2016-81 titled *Financial Implications of City Building Projects on the Capital Budget* be **received and** that Phase 1 of the South End Community Centre as discussed on page 4 of this report be **referred** to the December 7, 2016 Council Budget deliberation meeting.
2. That discussion on Phase 2 of the South End Community Centre and projects related to the Downtown Secondary Plan including the Library be **referred** to workshops to be held in Q1 of 2017.



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