

Special City Council Meeting Agenda

Consolidated as of November 15, 2019



Monday, November 18, 2019 – 4:00 p.m.
Council Chambers, Guelph City Hall, 1 Carden Street

Please turn off or place on non-audible all electronic devices during the meeting.

Please note that an electronic version of this agenda is available on guelph.ca/agendas.

Guelph City Council and Committee of the Whole meetings are streamed live on guelph.ca/live.

Changes to the original agenda have been highlighted.

O Canada
Silent Reflection
First Nations Acknowledgment
Disclosure of Pecuniary Interest and General Nature Thereof

Special Council - 2020 Tax Supported Operating Budget

CS-2019-81

2020 Tax Supported Operating Budget

(Highlighted figures have been updated to reflect decisions made during the approval of the 2020-2029 Capital Budget Forecast and 2020 Non-tax Supported Operating Budget at the November 13, 2019 City Council meeting)

Council Memo - 2021 to 2023 Tax Supported Operating Budget Forecast

Council Memo - Council Composition, Employment Status and Ward Boundary Review - Request for Additional Funding

(Please note that recommendations from report PS-2019-23 Allocation of New Buses and the Guelph General Hospital Capital Funding Request have been referred from the November 4, 2019 Committee of the Whole meeting to the November 25, 2019 City Council meeting and are pending referral to the December 3, 2019 City Council meeting)

Presentation:

Trevor Lee, Deputy CAO, Corporate Services
Tara Baker, General Manager, Finance/City Treasurer
Mayor Guthrie
Scott Stewart, Chief Administrative Officer
Kealy Dedman, Deputy CAO, Infrastructure, Development and Enterprise Services
Colleen Clack, Deputy CAO, Public Services
Trevor Lee, Deputy CAO, Corporate Services
Tara Baker, General Manager, Finance/City Treasurer

Recommendation:

1. That the following recommendations from Report CS-2019-81 titled 2020 Tax Supported Operating Budget dated Monday, November 18, 2019 be referred to December 3, 2019:
 - i. That the 2020 tax supported operating budget be approved with a property tax and payment in lieu of taxes levy of **\$254,928,624** which is an increase of **3.08** per cent over the 2019 levy inclusive of the following:
 - a. a departmental base operating budget including reserve and reserve fund transfers, contractual obligations, inflationary adjustments, and user fee increases, totaling an increased net levy requirement of \$1,656,247 or 0.68 per cent
 - b. operating impacts from 2019 approved capital projects totaling an increased net levy requirement of \$969,750 or 0.40 per cent
 - c. Council in-year decisions totaling an increased net levy requirement of \$408,119 or 0.17 per cent
 - d. net increase in transfer to tax supported capital reserve and reserve funds of **\$4,800,000** offset by increased investment and dividend income to reduce the net levy requirement to **1.02** per cent
 - e. increase in City corporate programs of **\$324,993 or 0.13** per cent
 - f. department service enhancement budget requests totaling an increased net levy requirement of \$26,150 or 0.01 per cent due to legislative changes
 - g. local boards and shared services operating budget, totaling an increased net levy requirement of \$4,928,773 or 2.02 per cent
 - h. increased assessment growth revenue of \$3,284,157 or 1.35 per cent
 - i. reserve and reserve fund transfers (page 67 and 68) in the tax supported operating budget (as amended by Council Memo - Council Composition, Employment Status and Ward Boundary Review - Request for Additional Funding dated November 18, 2019)
 - ii. That the proposed user fees posted at Guelph.ca be approved and enacted through by-law.

Adjournment

Tax supported operating strategy

2020 proposed operating budget



The Strategic Plan & 2020 Budget

The Strategic Plan's five priorities lead this budget, setting us on a sustainable path for our economy, environment and transportation while supporting an efficient workforce and united community.



Powering
our future



Sustaining
our future



Navigating
our future



Working together
for our future



Building
our future



Overview

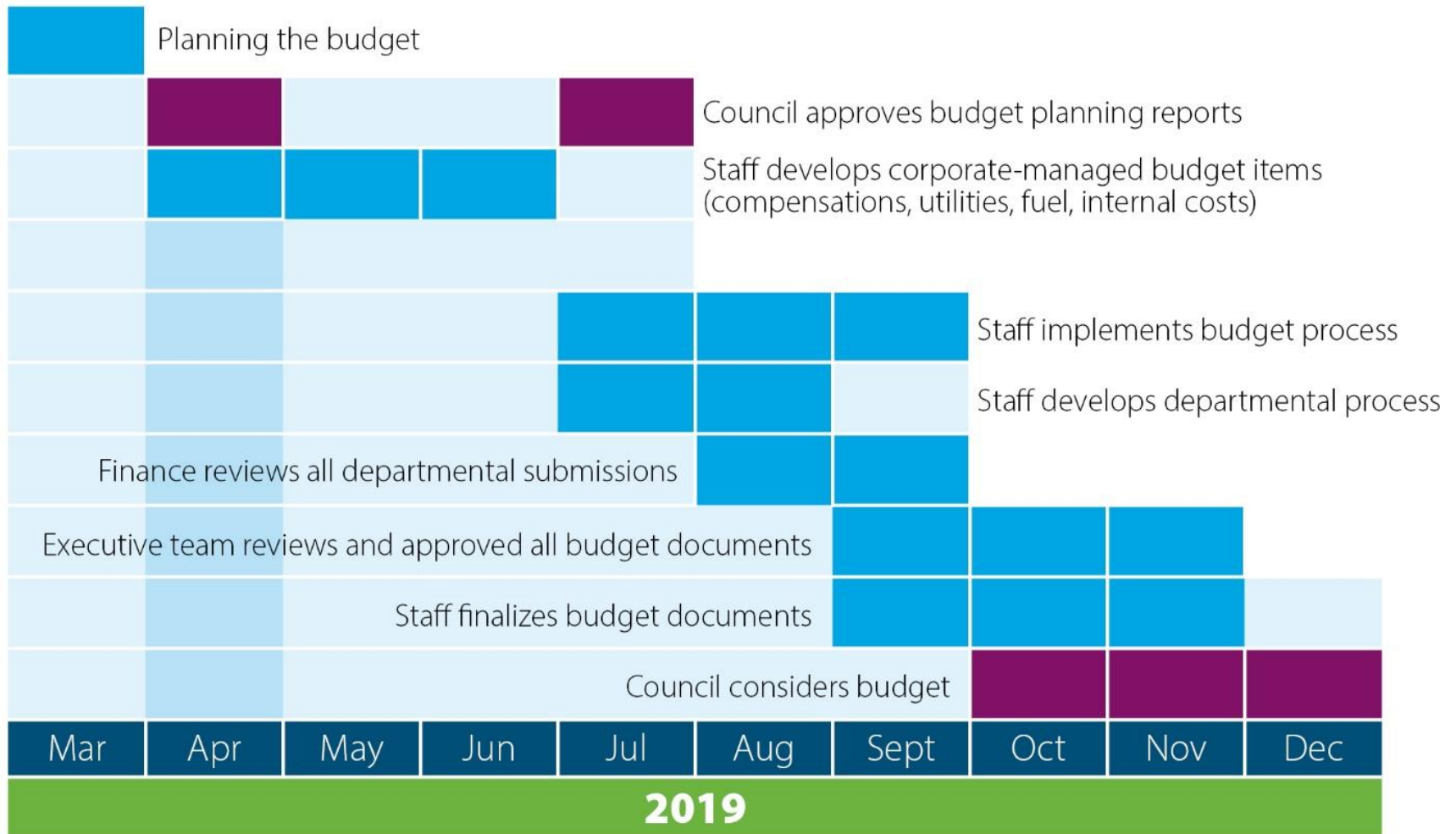
- building the budget
- service area overviews
- general and capital financing
- proposed budget
- other budget requests for Council consideration



Building the budget



Budget—10 months in the making



Building the budget assumptions

- existing services base expenditure targets and revenue guidelines
- direction from City Council and Strategic Plan including capital funding strategies
- addressing external pressures including legislative changes and local boards and shared services impacts
- impacts from 2019 approved capital projects
- no service enhancements



2020 proposed budget	2020 proposed budget	2020 levy impact
City department base budget increase	\$1,656,247	0.68%
Operating impacts from 2019 approved capital projects	\$969,750	0.40%
Council in-year decisions	\$408,119	0.17%
Capital financing and investment/dividend revenues (including 4 capital funding strategies)	\$2,487,760	1.02%
Corporate programs	\$324,993	0.13%
City department service enhancement budget requests	\$26,150	0.01%
Local boards and shared services budget increase	\$4,928,773	2.02%
Assessment growth revenue	(\$3,284,157)	(1.35%)
Total proposed tax supported budget	\$7,517,635	3.08%

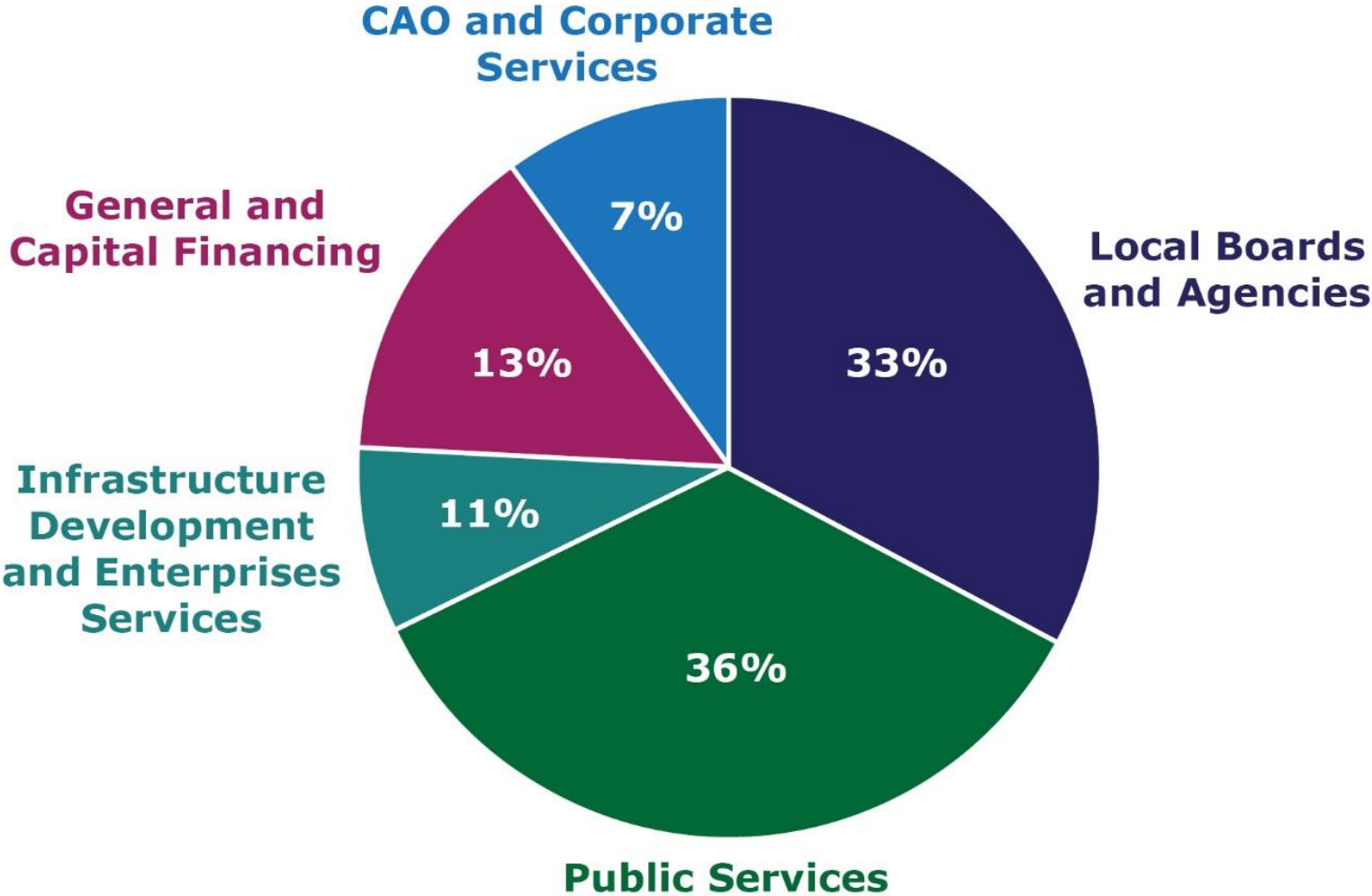


Recommended budget highlights

- The 2020 recommended tax supported budget is a net increase of 3.08 per cent encompassing:
 - inflationary increases
 - \$0.4 million of new on-going dividend revenue resulting from the Alectra/Guelph Hydro merger
 - \$1.432 million net increase in investment revenue
 - \$4.800 million increase in capital investment inclusive of infrastructure renewal, city building, growth, and 100 per cent renewable energy strategies identified in the capital budget
 - \$0.970 million increase in operating expenditures related to 2019 approved capital projects
 - \$0.408 million increase for Council in-year decisions
 - \$3.284 million assessment growth revenue
 - leveraging reserves to fund one-time expenditures and initiatives



2020 distribution of tax dollars (\$254.9M)



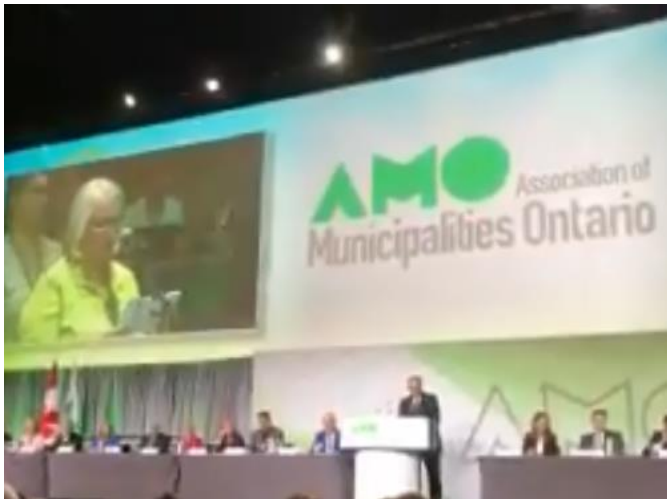
Service area overviews



Office of the Mayor and City Council



2019 accomplishments



2020 initiatives



- Use new customer service software to improve the Office of Mayor's efficiency in responding to invitations and requests for certificates.
- Support the Mayor in his new role as Chair of the Large Urban Mayors' Caucus of Ontario (LUMCO).
- Participate in ongoing training to ensure an effective transition to the new term of Council.



Budget highlights

	2019	2020	Year/Year change	Year/Year change
Net base budget total	\$1,128,860	\$1,138,850	\$9,990	0.9%

Budget drivers

- Council approved remuneration
- Decrease in cellular charges
- Chief Administrative Officer performance evaluation (not currently included)



Office of the CAO



Guelph recognized with two top awards for communications excellence



Internal Audit



2019 accomplishments



2019 accomplishments



City's Strategic Plan 2019–2023

Our vision

An inclusive, connected, prosperous city where we look after each other and our environment.

Our mission

Working together to deliver responsible and responsive public service to Guelph's growing and diverse community.

Our values



Integrity

Honest
and ethical



Service

Community-driven



Inclusion

Stronger for
our differences



Wellness

Adaptable
and resilient



Learning

Always
learning



2020 initiatives



- Increase advocacy opportunities with other levels of government.
- Launch the five year Smart Cities initiative—providing ongoing leadership, strategic and governance support.
- Work with partners and stakeholders to support, align and champion the 10+year Community Plan vision.
- Review and evolve innovation programming which support and empower staff to work in new ways.



2020 initiatives



- Implement the City's new Strategic Plan.
- Implement the City's internal communications strategy.
- Provide objective assurance and insight on the effectiveness and efficiency of governance, risk management and internal control processes.



Budget highlights

	2019	2020	Year/Year change	Year/Year change
Net base budget total	\$3,169,278	\$3,178,013	\$8,735	0.3%

Budget drivers

- Increased transfer from reserve to fund one-time costs related to the implementation of the Strategic Plan.



Infrastructure, Development and Enterprise Services (IDE)



2019 Accomplishments



<p>"Get to yes"</p>	<p>The tools you need</p>	<p>The right team</p>	<p>Listen, learn, lead</p>
<p>Let's work together to make your plans a reality</p>	<p>We've got new systems to make it easy</p>	<p>We'll get the right people working on your project</p>	<p>Let's keep improving how we do business together</p>
<p>BUILDING PARTNERSHIPS</p>	<p>BUILDING PARTNERSHIPS</p>	<p>BUILDING PARTNERSHIPS</p>	<p>BUILDING PARTNERSHIPS</p>
<p>We're making it easier for business to do business with City Hall</p>	<p>We're making it easier for business to do business with City Hall</p>	<p>We're making it easier for business to do business with City Hall</p>	<p>We're making it easier for business to do business with City Hall</p>
<p> invest in Guelph</p>	<p> invest in Guelph</p>	<p> invest in Guelph</p>	<p> invest in Guelph</p>



2020 initiatives



- Build partnerships and continuously improve customer service and processes to make it easy to do business with City Hall and ultimately, invest in Guelph.
- Plan, design and deliver major linear (roads and pipes) infrastructure construction projects throughout the city.
- Lead City facilities' energy efficiency to realize the corporate target of 100% renewable energy by 2050.
- Support Our Energy Guelph's progress towards achieving the community energy target of net zero carbon by 2050.
- Work toward an aligned and collaborative culture that engages staff and inspires more efficient and innovative service delivery.



2020 initiatives



- Collaborate and align resources across departments to continue major land use planning initiatives, including the Clair-Maltby Secondary Plan, the Comprehensive Zoning Bylaw review and the Official Plan Review/Growth Plan Conformity Exercise as well as the Cultural Heritage Action Plan, Urban Design Action Plan and Natural Heritage Action Plan.
- Upgrade City facilities' accessibility, provide site plan review and consulting services to construction project teams, and train staff to ensure compliance with the Accessibility for Ontarians with Disabilities Act (AODA).
- Continue implementing the Downtown Secondary Plan and developing City-owned land for Baker District and supporting Conestoga College's downtown campus location.



2020 initiatives



- Update the Solid Waste Management Master Plan and prepare for legislative changes that support efficient waste collection and high diversion rates.
- Update the Transportation Master Plan for a transportation system that benefits everyone and offers travel options that suit individual needs and abilities.
- Update Guelph's economic strategy to inform future programming, resource requirements and partnerships beyond 2020 to drive Guelph's economic health.



Budget highlights

	2019	2020	Year/Year Change	Year/Year Change
Net base budget total	\$27,721,660	\$28,076,823	\$355,163	1.3%

Budget drivers

- Increase in Environmental Services revenues for public drop-off fees, waste processing fees and tipping fees (\$505k), and Province of Ontario blue box grant funding (\$175k).
- Increase in compensation for in-year Council approved position for Renewable Energy (\$122k).
- Operating impacts from 2019 approved capital projects (\$368k).
- Increase in purchased services mainly attributable to an increase in contractual waste haulage costs as well as increased City Hall maintenance costs (\$326k).



Public Services



2019 accomplishments



Fuel pump replacement



Emergency preparedness



Emerald Ash Borer Plan



Transit service review



Support Canadian elite basketball



GWPS Master Plan (2018–2022)



2020 initiatives



- Implement the updated Parks and Recreation Master Plan that will provide a strategic roadmap for the future.
- Continue to expand Guelph's founding story with the First Nation, Inuit and Metis people; allowing our learnings to influence our work.
- Implement new transit fare boxes including a new reloadable fare card.
- Continue to improve salt management practices through staff training, thermal imaging of all roads, and upgrading our plows.
- Continue to address increasing call volumes in keeping with the paramedic master plan.
- Continue the Guelph Farmers' Market review



2020 initiatives



- Implement full dispatch to the County.
- Continue to implement the recommendations of the transit service review.
- Reduce the City's fleet carbon footprint.



Budget highlights

	2019	2020	Year/Year Change	Year/Year Change
Net base budget total	\$89,721,050	\$91,283,437	\$1,562,387	1.7%

Budget drivers

- Increase in land ambulance grant revenue from Ministry of Health that includes capital amortization and 2019 council approved service enhancement (\$858K).
- Decrease in disbursement recoveries from County of Wellington based on expected increase in call volume for City (\$333K).
- Savings due to closure of Centennial Pool (\$138K).
- Increase in Transit revenue from universal bus pass agreement (\$291K), however advertising revenue at Transit is lower by \$100K.
- Increase in utility recoveries for district energy at Sleeman Centre (\$100K).
- Increase for operating impacts from capital approved in 2019 budget (\$280K).



Budget request

Budget request	FTEs	2020 Total	Page
Service enhancements			
Market Square regulatory changes		\$26,150	72
Total		\$26,150	



Request from November staff report

Request from November staff report	FTEs	2020 Total
Service enhancements		
PS-2019-23 Allocation of new buses	13	\$1,720,000
Total	13	\$1,720,000



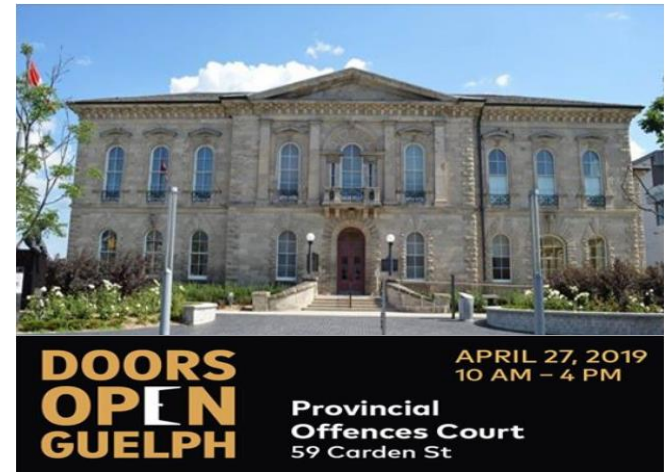
Corporate Services



Finding your career path



Choosing to love it here



2019 accomplishments



PEOPLE. PRACTICES. COMMUNITY.

Making diversity and inclusion a part of our everyday!



- Development charges bylaw
- Double budget year
- Diversity and Inclusion plan
- Employee engagement survey
- Electronic agenda management
- Windows 10 upgrade
- Guelph Hydro-Alectra utilities merger and new governance structure for GMHI



2020 initiatives



- Implement our employee Diversity and Inclusion plan.
- Conduct a Non-union Municipal Employee (NUME) compensation and benefit review.
- Negotiate collective agreements with the City's three Canadian Union of Public Employees (CUPE) groups.



2020 initiatives



- Modernize and innovate our information technology:
 - Begin to build a City-owned fiber optic network.
 - Implement a new solution for asset management.
 - Pilot a cloud based file storage solution.
 - Upgrade the financial information systems.
- Initiate the Council Composition and Employment Status Review/ Ward Boundary Review.
- Conduct community engagement on ranked ballot voting.
- Launch the electronic agenda management system.



2020 initiatives



- Implement the new Continuous Improvement Office with a focus on LEAN training principles.
- Implement the next phase of a Long-term Financial Plan including multi-year budget.
- Lead implementation of the new Community Benefit Charge Strategy and Development Charge Study update.
- Provide advice and support regarding the legal agreements and property acquisitions to support projects like the Baker District Redevelopment and Hanlon Creek Business Park.



Budget highlights

	2019	2020	Year/Year Change	Year/Year Change
Net base budget total	\$12,783,153	\$13,115,644	\$332,491	2.6%

Budget drivers

- Compensation increase related to annualization of the Manager, Financial Strategy and the Senior Purchasing Agent positions.
- Increase for operating impacts from 2019 approved capital (\$28K).
- One-time increases for:
 - Council composition and employment status review.
 - HR digital system modernization plan to implement internal payroll audit recommendations.
- Transfer to the Efficiency, Innovation, and Opportunity Fund reserve for the net savings resulting from the reduction of one full time equivalent in the Continuous Improvement Office.



General and Capital Financing



Budget highlights

	2019	2020	Year/Year Change	Year/Year Change
Net base budget total	\$30,610,719	\$34,214,972	\$3,604,253	11.8%

Budget drivers

- \$4,800,000 net increase in capital financing to fund the infrastructure renewal, city building growth and 100 percent renewable strategies partially offset by:
 - Increased investment income due to improved cash flow management and higher rate of returns.
 - Increased dividend revenue from Alectra.
 - Transfer from the 100 RE reserve fund (one time).
- Increase to the Tax Increment Based Grant (TIBG) program as previously approved by Council.
- Increase in corporate software licensing and network expenses.
- Decrease in general expenditures to align with historical trends.



One-time 2020 reserve transfers

Initiatives—new in 2020	2020	Reserve
Human Resources Payroll Optimization	\$300,000	Compensation contingency
Strategic Plan Implementation	\$300,000	Tax rate operating contingency
Council Composition and Employment Status Review (updated to reflect Council Memo)	\$230,000	Tax rate operating contingency
Total	\$830,000	



One-time reserve transfers approved for two years in 2019 budget

Initiatives—carried from 2019	2020	Reserve
Compensation Analyst	\$137,100	Compensation contingency
Community Plan Implementation	\$117,800	Strategic initiatives reserve
Transit Route Review Specialist	\$100,000	Tax rate operating contingency
Local Boards – Guelph Police Services	\$163,000	Compensation contingency
Local Boards – Guelph Police Services	\$50,000	Police contingency
Total	\$567,900	



2020 proposed budget summary



2020 proposed budget	2020 proposed budget	2020 levy impact
City department base budget increase	\$1,656,247	0.68%
Operating impacts from 2019 approved capital projects	\$969,750	0.40%
Council in-year decisions	\$408,119	0.17%
Capital financing and investment/dividend revenues (including 4 capital funding strategies)	\$2,487,760	1.02%
Corporate programs	\$324,993	0.13%
City department service enhancement budget requests	\$26,150	0.01%
Local boards and shared services budget increase	\$4,928,773	2.02%
Assessment growth revenue	(\$3,284,157)	(1.35%)
Total proposed tax supported budget	\$7,517,635	3.08%



Budget request—other considerations

Budget request	Service area	FTEs	2019 total	Page
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Service enhancements

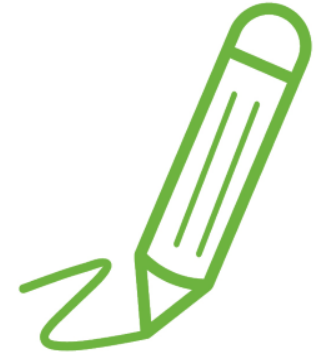
Yard Waste Program	IDE		\$352,600	75
Hardscaped Medians	PS		\$60,500	76
Paramedic Resources	PS	4	\$376,900	77
Total		4	\$790,000	




Request from November staff reports

Request from November staff reports	FTEs	2020 Total	2020 Levy Impact
PS-2019-23 Allocation of new buses	13	\$1,720,000	0.70%
CS-2019-97 Chief Administrative Officer Performance Evaluation		\$22,500	0.01%
CS-2019-78 Guelph General Hospital		\$300,000	0.12%
Total	13	\$2,042,500	0.84%





guelph.ca/budget

 @cityofguelph, #GuelphBudget

 Facebook.com/cityofguelph



Council Memo



Date November 18, 2019
To City Council
From Karen Newland
Service Area Corporate Services
Department Finance
Subject 2021 to 2023 Tax Supported Operating Budget Forecast

To assist Council in the 2020 tax supported operating budget deliberations, staff have developed a three-year forecast to provide additional insight into future operating forecasts and tax levy requirements. As the City moves to multi-year budgeting, more accurate budgets will be presented to Council including service enhancements and growth requirements. This is one of the biggest benefits of multi-year budgeting. The forecast is a base operating budget forecast only and the following assumptions have been incorporated:

- maintain existing services
- inflationary factors between 0.5 per cent and 2.5 per cent have been applied dependent upon the expenditure type
- operating impacts that were identified in the 2020 to 2029 Capital Budget (page 14), and an additional \$278,900 that was deferred from the 2020 operating budget due to timing of project completion have been included
- increased transfers to capital reserve funds as outlined in the capital funding strategies approved as part of the 2020 to 2029 capital budget
- reversal of \$500,000 one-time transfer from the 100 Renewable Energy Reserve Fund related to additional carbon credit revenue in 2019
- Local Boards and Shared Services have increased by 2.0 per cent plus
 - \$1,000,000 for Guelph Police Services annualization of staff positions approved in 2020 operating budget
 - \$500,000 for Shared Services (County)
- assessment growth assumption of 1.0 per cent
- no service enhancements or growth budget requests are included (beyond those as identified in the capital forecast)

Appendix-1 provides a summary of the 2021 to 2023 operating budget forecast. The base operating budget projected net levy requirement is 4.33 per cent in 2021, 7.23 per cent in 2022, and 4.01 per cent in 2023.

There may be an opportunity to spread some of the increase related to operating impacts from capital projects over future years as staff begin working on the multi-year budget. It is important for Council to understand that any deferrals made from 2020 to future budget years will only defer the net levy requirement unless service levels are reduced or service enhancement/growth projects are delayed.

Tara Baker

Approved By

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Appendix-1 2021 to 2023 Tax supported operating budget forecast

	2021 Forecast Budget Change	2021 Levy Impact	2022 Forecast Budget Change	2022 Levy Impact	2023 Forecast Budget Change	2023 Levy Impact
Revenues	(\$690,900)	(0.27%)	(\$703,800)	(0.26%)	(\$716,300)	(0.25%)
Operating Impacts from Capital	\$720,100	0.28%	10,946,200	4.07%	\$4,169,000	1.43%
General Financing	\$6,387,500	2.50%	\$5,887,500	2.19%	\$5,000,000	1.72%
Departmental expenditures	\$4,004,800	1.57%	\$4,242,600	1.58%	\$4,330,700	1.49%
Local Boards and Shared Services	\$3,178,400	1.25%	\$1,742,000	0.65%	\$1,776,900	0.61%
Assessment Growth	(\$2,551,115)	(1.00%)	(\$2,687,114)	(1.00%)	(\$2,908,300)	(1.00%)
Net Budget Requirement	\$11,048,785	4.33%	\$19,427,386	7.23%	\$11,652,000	4.01%

Council Memo



Date November 18, 2019
To City Council
From Dylan McMahon, Manager, Legislative Services/Deputy City Clerk
Service Area Corporate Services
Department City Clerk's Office
Subject Council Composition, Employment Status and Ward Boundary Review – Request for Additional Funding

On July 22, 2019, City Council passed the following resolutions from report CS-2019-61, titled [2018-2022 Council Composition and Employment Status Review](#):

1. That a Council Composition and Employment Status Review be conducted by a third party subject matter expert during the 2018-2022 term of Council with the intent that any proposed changes to be subsequently approved by Council take effect for the 2022-2026 term of office.
2. That the costs associated with the Council Composition and Employment Status Review, as outlined within report CS-2019-61, dated July 8, 2019, be referred to the 2020 budget process.

As a result of these resolutions, and as noted in the financial implications section of the related staff report, \$150,000 was referred by City Council to the 2020 budget process. Through the 2020 budget process, the Executive Team identified a one-time transfer from the tax rate operating contingency reserve as the appropriate way to fund the project. This amount was noted in the 2020 operating budget materials that were circulated to City Council in the reserve and reserve fund summary on page 67.

On October 4, 2019 the City issued a request for proposal (RFP) for a Council Composition, Employment Status and Ward Boundary Review (CCESR). The RFP closed on October 25, 2019 with three vendors responding.

The highest ranked proposal includes an estimated cost of \$230,000. Despite coming in over budget, the highest ranked proposal received substantially higher scores overall and specifically in regards to the qualifications and experience of their project manager and project team, their experience and performance on similar projects in other jurisdictions and their proposed work plan to accomplish the goals of the CCESR project. Given the size, scope and importance of this project, as well as the far reaching impact that changes to Council composition and ward boundaries may have, staff recommend moving forward with the winning bidder given the strength of their project team, their experience with similar projects in other jurisdictions and their proposed approach and work plan.

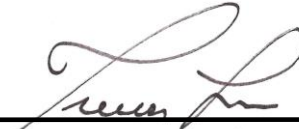
As a result, the purpose of this memo is to request that City Council refer an additional \$80,000 to the 2020 budget, funded from the tax rate operating contingency reserve, in order to complete the CCESR in time for the 2022 municipal election. This change has been noted in the consolidated agenda for the November 18, 2019 special Council meeting.

If an additional \$80,000 is not referred then the CCESR will not move forward in 2020 and any changes resulting from a future review will not be implemented in time for the 2022 municipal election.



Approved By

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