

City Council Budget Meeting Agenda

Consolidated as of November 25, 2016



Wednesday, November 30, 2016 – 6:00 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.

Changes to the original agenda have been highlighted.

Call to Order

Disclosure of Pecuniary Interest and General Nature Thereof

Budget Simulator Results

James Krauter, Acting City Treasurer

2017 Tax Supported Budget Delegations

Delegations:

Tyrone Dee (withdrawn)

Sian Matwey

MacKenzie Bell

James Smith

Glen Wilson

Bill Summers, Riverhouse Condo

Gale Moase

Carolyn Lentz, Fair Tax Campaign Guelph

Ted Pritchard, Fair Tax Campaign Guelph

Michelle Kelly

Kithio Mwanza, Guelph Chamber of Commerce

Marios Matsias, Business Centre Guelph-Wellington

Steve Petric

Jean Claude Simon

Pat Fung

Correspondence:

Marios Matsias

Gale Moase

Pat Fung

Adjournment

Nov 02 2016

To Council: For your consideration

Requestor: The Business Centre Guelph Wellington

This document to support our Delegation to Council Nov 30 2016

The Need:

1. Increase annual Investment from \$37,500 to \$80,000 a year.
2. One-time investment of \$100,000 to fund our efforts as we expand our paid services; upgrade our service structure and tools; increase new business starts in Guelph.

Business Centre-Guelph Wellington (BC) has been in the community for 16 years launching over 1000 new small businesses in our area while providing start-up information and consultation to new entrepreneurs.

Our Work: The centre employs professionals that have owned and operated at least one small business in our trade area. Through their work, Guelph residents research their proposed business viability; build their business; and get referred to several sources of funding including commercial institutions, government sources and angel investors. Our centre is one of few institutions where small business owners can get a comprehensive business plan written. We draft over 120 business plans a year for Guelph residents.

Board of directors: BC board includes business owners; the president of the Guelph Chamber of Commerce, representatives from the University of Guelph, Wellington County, Professionals and the city of Guelph. Our current mayor is a past board member and a current contributor/workshop presenter. Several members of the current board started their business working with BC.

Funding Partners: The centre receives funding from the MEDG/Province of Ontario, The city of Guelph and Wellington County.

Activity for 2015: The centre received 68,000 requests for service and information. It has provided 4,300 direct business consultations, 2600 of them in a one to one meeting with a business owner/advisor. BC has launched 100 new businesses in the Guelph area in 2015. It has maintained this type of volume of activity for the last 16 years, averaging over 120 new business starts per year in Guelph and Wellington County.

Positioning: The centre is the first point of contact in the Ontario Network of Entrepreneurs (ONE) network. It maintains close ties to all local Chambers of Commerce; regional economic offices, Innovation Guelph, University of Guelph, Conestoga College and all entrepreneurial business agencies in the area. If a Guelph and area resident is going to start a new business they talk to BC first. We provide the tools needed for business start-up success.

Income: In 2015 BC earned most of its income through government programs. A small percentage of income was earned through paid activities. 10 % was support funding from the Ministry of Economic Development and Growth. The city of Guelph provided 3.4 % while Wellington County provided 2.8%.

Leveraging or funding and resources: Running OSEB, one of the largest and most successful small business start-up programs in the

province allowed us to disperse our resources. We were able to service 68,000 clients requesting information; able to start new businesses and consult with them leveraging the talents of the best professional advisor team in the province.

Even though the contribution of the City of Guelph (\$37,500 annually) is the lowest of any city in Ontario, BC was able to use the advisor infrastructure and money from other programs to deliver industry leading service beyond the funding provided by the city and county. It is important to note that while neighbouring cities have invested in informational services within their city halls they have not been able to build entrepreneurial teams to provide business consults, business plan development, networking forums, outbound programs and referral programs.

Current position: The OSEB program, a centre cornerstone for BC was eliminated in 2015. Our response has been to bid and win more projects that enable Guelph residents to become entrepreneurs. We have been successful in winning new projects and funding. We have plans to do much more.

Presently representatives from MEDG are concerned that the local level of support is not sustainable. They are in a position to increase the level of funding in Kitchener, Waterloo and Cambridge and are threatening to drop funding to BC.

To maintain our outreach and deliver on the promise that if a Guelph resident wants to work for themselves we will help them get there, we have invested in our centre and positioned it for the future. We have moved into the old Mercury Building to be more visible and accessible to our community.

The need: While we are actively pursuing all projects that fall within our mandate we realise

that we must ensure that the city of Guelph will also invest and support our efforts. As we transition from program funding to earned income and project work we ask for your help.

The Investment: We are asking the city to increase their annual investment from \$37,500 to \$80,000 a year. We are asking the County to increase their contribution in the same proportion. While this new level of funding will increase the cost per consult from 55 cents to \$1.18 per consult, we assure all that if the City of Guelph was to undertake this service the cost would escalate exponentially.

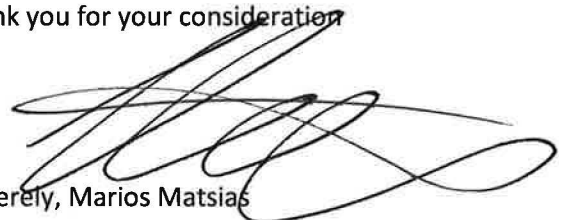
We are also requesting a one-time contribution of \$100,000 to fund our efforts as we expand our paid services; upgrade our service structure and tools; increase new business starts in Guelph and secure new sources of program funding.

The benefits to the city of Guelph are:

1. Minimum 100 new businesses in Guelph annually
2. Expansion of economic development (\$3,000,000-\$5,000,000 annual sales)
3. The continuation of the lowest cost per request for information in the province.
4. The continuation of business consultations between residents and business owner/advisers
5. The maintaining of a pristine organization recognized for its leadership in entrepreneurial and economic development

Thank you for your consideration

Sincerely, Marios Matsias





Immediate Need for Funding

		City	County	
Relocation of Centre	15,000	\$15,000		Moving costs and logistics. Since moving we seen a increase of visitation nungers of 25% over last year. 100% increase by young adults under 30 years old. This is attributed to our new location, staying downtown and moving to a local historic and ground level building.
Upgrade in communication to Site	\$10,000	\$8,000	\$2,000	The centre is now the most modern communication centre of any local organization having the capability to offer distance/offsite seminars and meetings. Our Smartboard techonogy is key to our future plans for distance learning. The upgrade in communication was critical to maintain our equipment and remain at the forefront of technology and modern learning principles.
Hub Space renovation and reorganization for the The BC	\$6,000	\$6,000		This upgrade will allow federal and provincial project funding reducing pressure from local government funding. The application for this type of funding starts with the identification of a space that will house these type of small business hubs. We must demonstrate the site being ready prior to application as we plan to use the finished room as a "funds in kind" investment.
Development & Purchase of Client Intake software	\$12,000	\$9,600	\$2,400	The clients capture/intake software is vital for this as we plan to market ot existing clients for further services. Reducing adminstrative tasks while increasing client engagement will translate to future self sufficiency. If we are to reduce the dependance on government funding we must be able to engage and turn visitors into paying customers.
Marketing Plan Development	\$3,000	\$2,400	\$600	Development of a multi stream marketing plan to ensure a constant draw for the centre to emphasize and attract cleints willing to pay for services.
Marketing Plan Execution City	\$12,000	\$12,000		Target paying clients as well as sponsorships for the centre participants. The plan will be ongoing but it needs jumstart funding
Marketing Plan Execution County	8,000		\$8,000	Promote outreach programs and advisor in residence
Purchase of Site selection Platform and traning	4,000	\$3,200	\$800	To keep up with competitive centres we will invest in software to aid small businesses to aquire demographic information within their trade area. This software helps to determine best business location
Purchase of Business advisor software/support /training	10,000	\$8,000	\$2,000	To aid businesses that have launched and are in business beyond 24 months. This will add a needed advisory diagnostic service to our repetoire.
Staffing capacity Increase	85,000	\$40,000	\$45,000	One hour consult requests are now running at 125% of last year. We anticipate a further increase due ot location and the reputation of Guelph as a magnet for entrepreneurs and new small business start-ups. However as we slowly transition from mostly government funding to more revenue generation, the need is to develop the role of the Executiver Director from administrator to fundraiser. Two advisors will be hired to take on the consulting and bring the wait time for consultation to 5 days from the present 10 days.
	\$165,000	\$104,200	\$60,800	

Mr. Mayor and Members of Council

My name is Gale Moase:

I have been a resident of Marksam Rd for over 16 years. Since November 2013 paying taxes for garbage collection but not getting it. As a condominium town house owner I pay the same rate of taxes as a house of the street but do not get the same services.

I am a member of the Fair Tax Committee and on the board of WCC57, a town house complex that lost its garbage collection when our complex could not accommodate the 3 cart system. We did not decide not to go to the 3 cart system. It was impossible, due to the space restrictions. Only 16 of the 98 units have garages therefore these bins would have to sit at our front doors adjacent to front windows. Unit owners having to walk past garbage every time they entered or exited their homes and have to look at garbage directly out their front windows.

This reduction in service from the city has increased the amount required for condo fees to pay for a private contractor to pick up our garbage. Our condo budget now has to include a line item for private garbage collection to the amount of \$17,280 or broken down 3 dollars per unit per week.

The garbage collected by Accorn is generally taken to a waste transfer station in the north end of the city on Curtis Drive. The recycling goes to the city facility. They do not sell the recycling to the city. They do pay to dump the garbage, at a rate of \$75 per tonne.

The city is not providing a service that we already pay for but then charging \$75 per tonne for a dumping fee. They are accepting our recyclables for free that they will sort and sell for a total profit as they did not have to pay for the collection.

One of the recommendations from the SWMMP report was for training on the recycling system. There was lots of literature put out when we went to the 3 stream system and our complex was very involved in the three stream collection when we had the 3 bag system. With a contractor now collecting our garbage we are down to two stream, garbage (which now includes compostable) and recycle. Some of the unit owners now just put everything in a black bag, because the city is not collecting our garbage they don't seem to understand that we do still give our recyclables to the city. They think it is all going to the dump. We will put something in our newsletter to remind them that we as a corporation still believe in recycling and a greener environment. We would appreciate their cooperation in this matter.

With this, the city is not being a for runner in waste management, but they are going backwards. The city spent lots of money educating people on what goes where but now these people are putting it all to garbage and the city is losing its hold on waste management in Guelph.

It is one of your own recommendations that smaller trucks could be used to pick up the garbage in town house complexes, going back to the 3 bag system. Another option is to contract the same people we do as a condo corporation to pick up the garbage but in a 3 bag system as to uphold your commitment to a city dedicated to a greener environment. I have been informed that Accorn did not previously offer a three stream but now has it available and we will be discussing this at our next board meeting.

WCC57 is on board with the city as I am sure that all multi-residential properties are, as far as a greener environment – but we want to be included in decisions on the methods of how, as a totally inclusive city, we get there.

SWMMP Report for 2016

26.0 Explore types of collection services provided to multi-residential properties

Review types of collection service offered to multi-residential properties willing to source separate into three streams.

WE ARE WILLING

26.1 May require reconfiguring the collection fleet with specialized vehicles for medium and high density multi-residential properties

YES – small trucks would work great – or contract the same people the condo is using

26.2 Staff to bring forward a report to Council outlining recommendations and costs associated with expanding the type of collection service offered to multi-residential properties

Look forward to seeing this report.

26.3 May include a front end bin cost recovery service to City operated facilities and other interested parties.

We can not accommodate a large bin situation as no place to put it other than right next to units

I am glad to see that some on Council have now stated that our operating costs are too high (Guelph Mercury-Tribune July 15, 2016 - "Special tax levy back on Guelph council's radar" - <http://m.guelphmercury.com/news-story/6769276-special-tax-levy-on-council-s-radar>)

It is time to reduce operating costs from 2016 levels and freeze taxes and fees at the 2016 levels.

I will reiterate the point that I made at the public budget council meeting in November 2015 - **according to the BMA report, there are areas where we spend far too much compared to other Ontario municipalities.** In response to my comment, Deputy CAO of Corporate Services Mark Amorosi called BMA cost per person statistics irrelevant. Subsequently, I sent you emails proving otherwise, as such learned organizations as the Fraser Institute, BC Council of Business, Trent University and University of Toronto have stated that cost per person is relevant. Additionally the County of Brant in its local paper professed it was proud to be the low cost provider of services based on the BMA report.

Councillor Allt asked Mr. Amorosi for a full response to my query at that November 2015 meeting. However, other than repeating that he considered cost per person irrelevant and twisting the words of the president of BMA to suit his purposes, Mr. Amorosi has yet to provide what he considers to be important metrics for measuring city performance even though it was requested several times. It is irresponsible for Mr. Amorosi to say something is irrelevant without stating what he considers to be relevant. If he has his own metrics, he **should** provide them to the taxpayers of Guelph. If the DCAO doesn't have metrics for measuring performance, how does the Office of the CAO defend its current rate of spending and its statement on the City website last year that said a critical review of budgets was done and the organization was lean? Statistics from the 2014 BMA report which the City paid for indicate otherwise:

A simple review of Guelph's historical spending makes it evident that **Guelph's expenses are increasing at an unacceptable rate.** As can be seen in Chart A below, operating costs rose by 56% or \$139 million from 2008 to 2015 while CPI only went up 11% and population went up less than that (Census data not available).

Chart A - Guelph Operating Costs 2008 to 2015 (source: audited financial statements)

(\$ thousands)	2015	2014	2008		Change '08 to '15	% change
General government	27,070	25,136	18,891		8,179	+43.3%
Protection services	79,550	75,506	51,855		27,695	+53.4%
Transportation services	60,381	57,405	43,380		17,001	+39.2%
Environmental services	76,238	72,697	35,035		41,203	+117.6%
Health services	29,180	27,522	18,524		10,656	+57.5%
Social and family services	43,601	52,280	51,183		-7,582	-14.8%

Social housing	21,372	20,444	n/a		21,372	
Recreation and cultural services	40,906	39,481	23,947		16,959	+70.8%
Planning and development	7,313	6,155	3,986		3,327	+83.5%
TOTAL EXPENSES	385,611	376,626	246,801		138,810	+56.2%
Consumer Price Index	126.6	125.2	114.1		12.5	+11.0%

To halt this trend, I recommend laying off staff, reducing salaries of senior staff and reducing other non-payroll expenditures in the areas cited below in Chart B. There appears to be ample room for reductions because Guelph spends \$30 million more per year than the average Ontario city in the following areas:

Chart B

Selected areas from 2014 BMA report	Guelph cost per person	Ontario cost per person	Excess spending relative to other Ontario Cities based on 120,000 population in Guelph
1) General government	\$229	\$104	\$15,000,000
2) Fire	\$185	\$165	\$ 2,400,000
3) Waste collection	\$29	\$10	\$ 2,280,000
4) Roads	\$244	\$198	\$ 5,520,000
5) Parks	\$77	\$59	\$ 2,160,000
6) Library	\$72	\$50	\$ 2,640,000
Total	\$836	\$586	\$30,000,000
2014 Operating costs	\$3,138	N/A	

The 2014 BMA Report also indicates that, except for residential water/sewer, Guelph's commercial and industrial water/sewer costs are 10% to 12% higher than average Ontario, our waste collection costs are 20% higher, and our road costs are 133% higher. Why?

Chart C

Water/Sewer from 2014 BMA Report	Meter size	Guelph	BMA Ontario Average	% difference
Residential 200 cu M	5/8"	\$808	\$858	(6%)
Commercial 10,000 cu M	2"	\$31,999	\$28,849	10%
Industrial 30,000 cu M	3"	\$94,316	\$84,510	10%
Industrial 100,000 cu M	4"	\$308,548	\$273,931	11%
Industrial 500,000 cu M	6"	\$1,522,293	\$1,344,195	12%
Waste collection \$/tonne		\$137	\$114	20%
Roads \$/kilometre		\$27,617	\$11,847	133%

Based on the above, if Guelph's operating expenses are reduced by even \$20 million (a 5% reduction of the \$385 million actual spending in 2015), and taxes and other revenue **are held constant**, the City will build up its reserves by **\$200 million** in 10 years which will go a long way to funding the capital/infrastructure gap.

Here are some specific reductions within the areas cited in Chart B that should be considered:

General Government (Chart B, line 1)

General government is not a service and all attempts should be made to reduce costs in this area. Reductions here should not affect the general population of the city.

1. According to the 2015 Sunshine List, the City may have too many Human Resources personnel. We cannot afford them all. Notably,
 - There are 6 people working in Guelph City Hall with HR in their title making over \$100,000 per year. One that appears superfluous is the HR Manager, Client Services making \$117,000. This is not a position that appears in most HR organization charts. What clients does this position serve? What is its purpose?
 - In HR, there is a Manager, Total Rewards and a Compensation Specialist, both of whom earn over \$100,000. Why is it necessary to have 2 positions paying over \$100,000 for compensation? Isn't most of this covered by union agreements?
 - Two other staffers in other departments that look like HR people – a Chief Training Officer earning \$126,000 and a Training Officer earning \$119,000 – We cannot afford two people in training each earning over \$100,000. How many others are there in training? This appears to be way out of line compared to what teachers earn.

Collectively, \$362,000 in reductions in annual HR payroll could be achieved by eliminating these management positions – and that's before considering whether all of the staff that report to them are necessary and/or affordable.

2. According to the 2015 Sunshine List, Guelph has one of the highest paid CAOs at \$257,000. The following chart compares this salary with the CAOs in some Southern Ontario cities. **Why does Guelph pay more for a CAO than larger cities?**

City	CAO Salary	Salary Difference versus Guelph	Population	Population Difference versus Guelph
Guelph	\$257,000	-	121,700	-
Kitchener	\$213,000	-\$44,000	219,200	+97,500
Brampton	\$230,000	-\$27,000	523,900	+402,200
Barrie	\$241,000	-\$16,000	136,100	+14,400

Is the high salary reflected all the way down the chain of command? If so, management salaries must be reduced. We cannot afford paying more than other cities. Guelph's high salaries certainly are not justified. The **poor results** that we have seen in recent years **do not** reflect exemplary performance (e.g. Urbacon; Direct Energy; Recycling Detroit waste; being over budget in expenses most years since 2008; 2016 budget error in waste disposal; CRA assessment reported in 2010 and again in 2012).

3. According to the 2015 Sunshine List, Guelph has a General Manager, Business Development Enterprise making \$156,000. The comparable position in other Southern Ontario cities is paid less, *even in Mississauga and Toronto!*

City	Business Development Manager Salary	Difference versus Guelph	Population	Difference versus Guelph
Guelph	\$156,000	-	121,700	-
Kitchener	\$132,000	-\$24,000	219,200	+97,500
Brampton	\$111,000	-\$45,000	523,900	+402,200
Barrie	\$140,000	-\$16,000	136,100	+14,400
Mississauga	\$135,000	-\$21,000	713,400	+591,700
Toronto	\$120,000	-\$36,000	2,615,000	+2,493,300

Why does Guelph pay more for its Business Development Manager? Are Business Development staff similarly paid higher than others? What are the performance metrics for this department? What revenue has it brought to the City in recent years?

4. According to the 2015 Sunshine List, Guelph has a General Manager, Culture Tourism and Community Investment who is paid \$142,000. This Manager's salary seems out of line since this position only has responsibility for Tourism while directors in other cities are responsible for Tourism plus Economic or Business Development:

City	Position	Salary	Diff versus Guelph
Guelph	General Manager, Culture Tourism and Community Investment	\$142,000	-
Hamilton	Director of Tourism and Culture	\$146,000	+\$4,000
Brampton	Director of Economic Development and Tourism	\$167,000	+\$25,000
Brantford	Director of Business Development and Tourism	\$134,000	-\$8,000
Toronto	Manager of Tourism	\$122,000	-\$20,000

Given the above, and referring back to point #3 above, Guelph has two high-priced General Managers covering business development and tourism. Is this necessary given the practice elsewhere of combining these responsibilities? It certainly doesn't appear affordable. What are the performance metrics for this position/department?

5. At Council meetings, there are staff present (presumably getting paid overtime or time in lieu) who either don't get called on to explain anything or present reports that are so brief that they don't appear to justify the staff member's presence in a Council meeting for 4-5 hours. **How much does the presence of non-essential staff at Council and other committee meetings contribute to City Hall's high overtime costs? How many other meetings do staff attend where they are observers and not participants? Observers and other non-contributors should not attend meetings. They should just receive the minutes.**
6. The complete organization chart for the City is not publically available. However, according to the 2015 Sunshine List, there are 92 Guelph positions with the word "manager" in their title. **Clearly, the City has numerous middle managers in addition to other senior staff. The City must reduce these positions and flatten out the organization to make it more responsive and more cost effective. In our financial situation, we cannot afford this huge layer of middle management.**

Fire (Chart B, line 2)

1. According to the 2015 Sunshine List, Guelph's Fire department has 8 Platoon Chiefs in Training all making around \$125,000 per year. No other municipality in Ontario has this position.
2. Guelph also has an "Assistant Chief Fire Prevention Officer" at the same pay grade, but few other cities have this position.

Eliminating these positions will save \$1,125,000. Cutting administrative staff should have no impact on fire services. Are there other positions in the fire department that perform administrative tasks that if not done do not affect service? If so, the tasks and the personnel should be eliminated.

Waste Collection (Chart B, line 3) and Chart C 2nd from last line

How many personnel in this department do administrative tasks rather than direct waste collection work? Administrative tasks not directly providing service should be drastically eliminated, thus eliminating the need for some administrative personnel and reduce costs. I have spoken to the Waste Collection management on two separate occasions about changing the waste pick up schedule to follow the Vancouver model wherein no overtime is paid on the weeks where a public holiday occurs. This is simply done by postponing pickups permanently

for 1 day until the next public holiday. (e.g. if your regular day is Monday and there is a holiday that Monday you permanently move to Tuesday until the next holiday then you move to Wednesday etc.) I was told the City spends over \$60,000 in overtime because of the way it currently picks up waste when there is a public holiday. There are no publically available numbers to determine why costs in Guelph are higher on a per tonne or per person basis. You will have to question this department yourselves and dig into the numbers and flush out the reasons and act accordingly.

Roads (Chart B, line 4) and Chart C last line

Given what we spend (\$27,617 per km vs Ontario average of \$11,847 per km), why are Guelph's roads not in better shape/condition? As a Council you will have to delve into the numbers and flush out the reasons why our road costs are so high compared to other Ontario municipalities and act accordingly. Is road work done by outside contractors? If so, are rates paid in line with other cities? How many personnel do administrative tasks versus direct road work? Elimination of administrative tasks and personnel will reduce the costs for roads.

Parks (Chart B, line 5)

The 2016 budget request included a request for a trail technician and other new personnel totaling over \$500,000. We are already higher than the Ontario average for parks spending, so any new additions made in 2015 and 2016 should be eliminated. Also, how many personnel in this department do administrative tasks versus direct parks related work? Elimination of administrative tasks and personnel will reduce the costs for parks.

Library (Chart B, line 6)

For a city our size, why do we have two high priced administrative positions that are paid over \$100,000 per year? What other administrative positions are in the library spending that do not directly provide library services? Elimination of administrative tasks and personnel will reduce costs for library.

FINAL COMMENTS

Clearly, Guelph has financial challenges and it's time for the Mayor and City Council to deal with them. Bob Moore made this point well in his July 28, 2016 Mercury-Tribune editorial <http://www.guelphmercury.com/opinion-story/6787414-when-will-we-hear-the-outrage-from-city-council/>

I have demonstrated in this letter that there are numerous opportunities to address our financial challenges through reductions in operating expenses, especially through personnel reductions. The CAO has expressed concerns that we would be "robbing Peter to pay Paul". (See first link below). In my opinion, we have too many Peters, so having fewer of them is a great way to help fund Paul.

That said, how does the City justify not having a CFO until next year? The recently appointed CFO will be on maternity leave until 2017. This is not wise under the current circumstances surrounding the 2017 budget and should be reconsidered.

Similarly, why aren't the CAO and the DCAO of Corporate Services on the same page when it comes to the City's finances? In the July 15, 2016 Mercury-Tribune article, CAO Thomson said:

"City Hall currently **doesn't have enough money** to build all of the projects in the city's nine year capital forecast, let alone to begin to address our infrastructure backlog."

<http://m.guelphmercury.com/news-story/6769276-special-tax-levy-on-council-s-radar>

However, on the city website announcing the new CFO, DCAO Amorosi said:

"I have great confidence that she will provide strong leadership and continue to strengthen the City's **solid financial foundation**."

<http://guelph.ca/2016/07/guelph-hires-chief-financial-officer/>

Why does the CAO say we don't have enough money, yet the DCAO says the City has a solid financial foundation? They both can't be correct.

Finally, why shouldn't we look at reductions in services in addition to reductions in administrative operating expenses? In the July 15, 2016 Mercury-Tribune article, CAO Thomson said that reductions in services are not being considered:

"One option that staff won't present to council this fall as a solution to its capital funding woes is...drastic cutting of services because staff don't believe this would provide enough money for capital needs."

This statement by the CAO shows a clear disregard for what the Mayor asked for earlier in the year at a Corporate Services Committee meeting. The Mayor specifically asked for funding alternatives other than a tax increase. The DCAO agreed to provide a list by the summer. Why is the Office of the CAO being insubordinate? Isn't it the job of the Office of the CAO to carry out Council's wishes? It seems in this City that the Office of the CAO dictates to Council, not the other way around.

Does staff believe that reductions in services won't provide enough money for capital needs or are they just protecting their jobs? After all, it's much easier for staff and management to recommend tax increases rather than to face their colleagues and subordinates and tell them they are being terminated or their salaries are being reduced. Why is it every time Guelph is looking for funds, its first response is to add fees or increase taxes? There is always this veiled threat that services will be reduced if expenses are cut. In the business world, expense reductions happen all the time. Why is Guelph the exception?

As I said in a letter published in the Mercury-Tribune in response to Councillor Salisbury's Feb 23, 2016 letter to the editor stating that "the City is not at fault for the infrastructure gap", we should get a new management group if we can't achieve a 6% reduction in expenditures in this City.

As I stated earlier, it is time for Guelph to reduce its operating expenses by \$20 million and freeze taxes and fees at current levels to fund the capital/infrastructure gap. We cannot afford to continue to increase spending on operating costs on top of spending for capital and infrastructure.

If you would like to have a discussion on anything in this letter, I am open to it. Thank you for your time and I look forward to hearing from you.

Regards,

A handwritten signature in black ink that reads "Pat Fung". The signature is written in a cursive, slightly slanted style.

Pat Fung, B. Comm., CPA, CA
Ward 6

Per 2015 Sunshine List the GM of Corporate Communications was paid \$110,668. This seems like a lot of money to pay someone where the whole group is only 11 people.

In my opinion \$500,000 could easily be removed from the budget.

The department has 11 people of which 3 are management, a GM and 2 supervisors, see link to website below. This area seems to be top heavy both in management and numbers of staff. This seems like a lot of money to spend when in fact Corporate Communications does not provide any DIRECT services to the citizens of Guelph. Why does City of Guelph have so many in Corporate Communications? Is this part of the reason why Guelph General Government costs are so high relative to other Ontario municipalities? (see chart A from August 18th letter)

According to page 20 of the 2015 Communications Annual report (see below) on the city website, the staffing ratios for this department using their city comparisons are the 2nd worst when comparing the ratio of communications employees to city employees and are the worst when comparing the ratio of communications employees to residents. Why??

This area comes under DCAO Mark Amorosi who has stated that cost per person statistics are irrelevant, yet one of **HIS** departments **uses per person** statistics for comparisons, except the currency being used is employees.

Why is there a Communications Advisor the CAO. What value does this provide to the taxpayers of Guelph?

Why does the City use so many colour ads in the Tribune. See the Nov 10, 2016 edition of the Trib. There are 3 ½ pages of City News of which 2 pages are full colour. If this happens with every edition of the Trib the City is spending upwards of \$100,000 on colour. Why is this necessary? This could be better used by putting it towards infrastructure and capital.

Linda Baker	Administrative Assistant Communications Temporary
Stewart McDonough	Communications Advisor To The CAO
Ivona Radon	Communications Coordinator Part Time
Alison Springate	Communications Officer
Laura Mousseau	Communications Officer
Michelle Rickard	Communications Officer
Patricia Halajski	Communications Officer
Stacey Hare	Communications Specialist Social Media
Alexandra Saftic	Customer Service Representative Service Guelph
Garrett Meades	Customer Service Representative Service Guelph
Kathy Hawkins	Customer Service Representative Service Guelph
Tara Sprigg	General Manager Corporate Communications Customer Service
Allison Graef	Graphic Designer
Diane Clarke	Graphic Designer
Margaret Grassi	Supervisor Corporate Communications
Mary Jo Milhomens	Supervisor Corporate Communications
Markham Wismer	Supervisor Service Guelph

<http://guelph.ca/news/>

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Ratio of communications employees to City employees

Municipality	Communications employees			Full-time City employees			Population	Ratio of communications employees per City employees		
	2013	2014	2015	2013	2014	2015		2013	2014	2015
Burlington	9	9	9	867	867	867	173,495	1:96	1:96	1:70
Guelph	8	8	11	1,217	1,251	1,315	122,000	1:152	1:152	1:110
Mississauga	61	26	27	5,133	3,977	4,192	766,000	1:119	1:149	1:140
Oakville	5	5	6	1,144	1,090	1,151	187,300	1:229	1:218	1:160
Brantford	3	4	5	957	816	814	96,000	1:319	1:204	1:160
Sudbury	8	8	8	1,961	2,019	1,562	157,765	1:245	1:252	1:200
Hamilton	8	9	15	6,162	5,981	5,691	540,000	1:770	1:665	1:300

Ratio of communications employees to residents

Municipality	Communications employees			Full-time City employees			Population	Ratio of communications employees to residents		
	2013	2014	2015	2013	2014	2015		2013	2014	2015
Guelph	8	8	11	1,217	1,251	1,315	122,000	1:15,211	1:15,211	1:10,450
Burlington	9	9	9	867	867	867	173,495	1:19,531	1:19,531	1:14,640
Brantford	3	4	5	957	816	814	96,000	1:31,333	1:23,413	1:19,200
Sudbury	8	8	8	1,961	2,019	1,562	157,765	1:20,034	1:19,721	1:19,720
Mississauga	61	26	27	5,133	3,977	4,192	766,000	1:12,327	1:27,440	1:24,710
Oakville	5	5	6	1,144	1,090	1,151	187,300	1:37,280	1:36,504	1:26,760

The above chart is from the Communications Department 2015 Annual Report.

In personnel costs alone, the department should be reduced by \$500,000.

This quote from the budget is yet another incredulous statement coming from the Office of the CAO. "These three FTE positions already have funding in place and therefore are no cost expansions." If you don't spend the money you could put the \$250,000 to \$300,000 that these 3 positions cost towards replenishing the reserves or putting it towards the infrastructure gap. If infrastructure is so important, why are 3 administrative positions being added?

No cost expansions

The following expansions have been approved by City administration, under the delegated authority of the Chief Administrative Officer. These three FTE positions already have funding in place and therefore are no cost expansions.

Position Name or Activity Requested	FTE 2017 Impact
Bylaw Clerk	1
Parks and Forestry Operations Coordinator	1
Deputy Fire Chief	1
Total	3

You could fund the 0.5% levy almost entirely out of cutting the communications department by \$500,000 as I have stated earlier plus whatever these positions cost. This would be \$800,000 of the \$1.1 million that the levy would get and it would be funded internally.

Only in Guelph can you add positions and call them no cost expansions. Don't people realize there is no free lunch. There is a cost to everything.

Another deputy fire chief. How many do we need?

We already have 8 platoon chiefs in training that no other municipality has. (According to the 2015 Sunshine list)

We also have 1 deputy fire chief on the 2015 sunshine list.

We already spend \$2 million more in fire services than other cities.

What contribution does another bylaw clerk make? How many do you have now?

What contributions does another Parks and Forestry Operations Coordinator make? Is coordinator a euphemism for admin assistant? What is s/he coordinating? Who was doing it before? A coordinator position sounds like more administrative tasks with no direct service provided.

I am not in favour of adding these no cost additions. Why were these costs selected over the Paramedics?

Expansions Paramedics Erin Township

There is a statement that says 24 hour per day service will increase compliance by 16%. Does this mean going from $(19.4\% \times 16\%) + 19.4\% = 3.2\% + 19.4\% = 22.6\%$ or does it mean going from $19.4\% + 16\% = 35.4\%$. It is not clear in the wording what the improvement is. As stated previously why were the 3 so called “no cost expansions” that appear administrative in nature selected over paramedics which can affect lives?