Committee of the Whole
Meeting Agenda

Monday, November 6, 2017 – 1:00 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.

Call to Order – Mayor

Disclosure of Pecuniary Interest and General Nature Thereof

Authority to move into Closed Meeting
That the Council of the City of Guelph now hold a meeting that is closed to the public, pursuant to The Municipal Act, to consider:

C-COW-CS-2017.1 Fall 2017 Public Appointments to Various Advisory Boards and Committees
Section 239 (2) (b) personal matters about an identifiable individual, including municipal or local board employees.

C-COW-PS-2017.2 Speedvale Avenue Bridge Underpass Risks and Liabilities
Section 239 (2) (f) advice that is subject to solicitor-client privilege, including communications necessary for that purpose.

C-COW-CS-2017.2 Guelph Transit / Amalgamated Transit Union (ATU) Negotiation Update
Section 239 (2) (d) labour relations or employee negotiations.

Closed Meeting

Open Meeting - 2:00 p.m.

Mayor in the Chair

Closed Meeting Summary
Disclosure of Pecuniary Interest and General Nature Thereof

Presentation

  a) Who We Are, What We Do and Organizational Highlights
     Dorothe Fair, Guelph Wellington Seniors Association

Consent Agenda – Corporate Services

Chair – Councillor MacKinnon

The following resolutions have been prepared to facilitate Council’s consideration of various matters and are suggested for consideration. If Council wishes to address a specific report in isolation of the Consent Agenda, please identify the item. It will be extracted and dealt with separately as part of the Items for Discussion.


Recommendation:

  That staff be directed to update the agreement among the County of Wellington, County of Dufferin and City of Guelph to reflect the continued use of the population numbers as produced by the Statistics Canada Census and to update the version of the Statistics Canada Census used in this calculation in the budget year following the year in which new information is released, as well as other administrative matters.

COW-CS-2017.19 Changes to the Vacant Unit Tax Rebate Program

Recommendation:

  1. That the vacant unit tax rebate program be eliminated effective January 1, 2018.

  2. That a reduction of $470,000 be shown in the 2018 operating budget.

Items for Discussion – Corporate Services

The following items have been extracted from Consent Agenda and will be considered separately. These items have been extracted either at the request of a member of Council or because they include a presentation and/or delegations.

COW-CS-2017.20 Fall 2017 Public Appointments to Various Advisory Boards and Committees

Recommendation:

  1. That _____ be reappointed to the Accessibility Advisory Committee for a term ending November, 2018.

  2. That _____, _____ and _____ be appointed to the Accessibility Advisory Committee for a term ending November, 2018.
3. That _____ be appointed to the Committee of Adjustment for a term ending November, 2018.


5. That _____ be appointed to the Downtown Advisory Committee for a term ending November, 2018.


8. That _____ be appointed to Heritage Guelph for a term ending November, 2018.


11. That staff be directed to conduct further recruitment to fill the remaining two vacancies on the River Systems Advisory Committee.

12. That _____ and _____ be reappointed to the Tourism Advisory Committee for a term ending November, 2018.

13. That staff be directed to conduct further recruitment to fill the remaining vacancy on the Tourism Advisory Committee.


15. That _____ be appointed to the Transit Advisory Committee for a term ending November, 2018.


17. That staff be directed to conduct further recruitment to fill the remaining vacancy on the Waste Resource Innovation Centre Public Liaison Committee.

Service Area Chair and Staff Announcements

Consent Agenda – Public Services

Chair – Councillor Downer

The following resolutions have been prepared to facilitate Council’s consideration of various matters and are suggested for consideration. If Council wishes to address a specific report in isolation of the Consent Agenda, please identify the item. It will be extracted and dealt with separately as part of the Items for Discussion.

COW-PS-2017.13 Street Tree Ownership and Maintenance

Recommendation:
That the current street tree ownership and maintenance practices provided by Parks Operations and Forestry, as described in ATT-1 of the report titled Street Tree Ownership and Maintenance, dated November 6, 2017, be approved.

COW-PS-2017.14 Bicycle Skills Facility

Recommendation:
1. That staff be directed to engage the community, and plan and design a bicycle skills facility that will be owned and operated by the City of Guelph.

2. That Council endorse the staff recommendation that the Eastview Community Park be the location for the bicycle skills facility.

3. That Staff be directed to revise the Eastview Community Park Master Plan to accommodate a bicycle skills facility.

Items for Discussion – Public Services

The following items have been extracted from Consent Agenda and will be considered separately. These items have been extracted either at the request of a member of Council or because they include a presentation and/or delegations.

COW-PS-2017.16 Paramedic Service Master Plan

Presentation:
Stephen Dewar, General Manager, Guelph Wellington Paramedic Services

Recommendation:
That Public Services Report # PS-17-28 “Paramedic Service Master Plan” be received.
COW-PS-2017.15  Speedvale Avenue Bridge Underpass
(Referred from the October 2, 2017 Committee of the Whole meeting.)

Correspondence:
Petition with 201 signatures
Annika Ferwerda
Lindi Giefert
Morris Martini

Please note that additional options regarding the Speedvale Avenue Bridge Underpass will be provided in a separate staff memo as part of the consolidated November 6, 2017 Committee of the Whole agenda. The original recommendations from the October report were as follows:

Recommendation:
1. That staff be directed not to proceed with the detailed design and construction of the Speedvale Avenue Bridge Underpass.

2. That staff be directed to continue to explore an alternative to the Speedvale Avenue Bridge Underpass in the Guelph Trail Master Plan Update.

3. That the $50,000 approved in the 2017 Capital Budget for detailed design be reallocated to account PK0002 Guelph Trails.

Service Area Chair and Staff Announcements

Consent Agenda – Audit

Chair – Councillor Billings

The following resolutions have been prepared to facilitate Council’s consideration of various matters and are suggested for consideration. If Council wishes to address a specific report in isolation of the Consent Agenda, please identify the item. It will be extracted and dealt with separately as part of the Items for Discussion.

COW-AUD-2017.10  Internal Audit Work Plan 2018-2020


COW-AUD-2017.11  Status of Outstanding Management Action Plans

COW-AUD-2017.12  Single Source Purchase Audit Report

Recommendation:

Items for Discussion – Audit

The following items have been extracted from Consent Agenda and will be considered separately. These items have been extracted either at the request of a member of Council or because they include a presentation and/or delegations.

COW-AUD-2017.13  2017 External Audit Plan

Presentation:
Jade Surgeoner, Manager, Financial Reporting and Accounting

Recommendation:
That the staff report titled ‘2017 External Audit Plan’ and numbered CS-2017-34 be received for information.

Service Area Chair and Staff Announcements

Mayor as Chair

Chair and Staff Announcements

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

Adjournment
Staff Report

To Committee of the Whole

Service Area Corporate Services

Date Monday, November 6, 2017

Subject Shared Cost Allocation Basis – Wellington-Dufferin-Guelph Public Health

Report Number CS-2017-83

Recommendation

1. That staff be directed to update the agreement among the County of Wellington, County of Dufferin and City of Guelph to reflect the continued use of the population numbers as produced by the Statistics Canada Census and to update the version of the Statistics Canada Census used in this calculation in the budget year following the year in which new information is released, as well as other administrative matters.

Executive Summary

Purpose of Report
To provide Council with information regarding our current cost sharing practices between the City of Guelph, the County of Wellington, the County of Dufferin and Wellington-Dufferin-Guelph Public Health (WDGPH) and to obtain approval to update the Agreement to reflect current practices.

Key Findings
Under the Health Protection and Promotions Act obligated funding municipalities shall pay their respective health units the proportion agreed upon among them or use the Ontario Population Report to determine the funding allocation.

The City of Guelph, County of Wellington and County of Dufferin have had an agreement in place since 1997 that speaks to using the Ontario Population Report as the source of the population to determine the funding calculation; however, the population listed in the Census Report has been used as the data source since at least 2011. In the 2011 Supreme Court case Guelph v Wellington-Dufferin-Guelph Health Unit (now WDGPH) the funding allocation from the 1997 Agreement was not taken into consideration and the City was required to fund the Health Unit based on the population listed in the Statistics Canada Census Report.
Staff at all three obligated municipalities have met with WDGPH to discuss the Agreement and all parties have agreed in principal that the current process of allocating the budget based on the Statistics Canada Census population is appropriate due to the superiority of the data and its public availability.

The County of Wellington and the County of Dufferin will be moving similar motions with their respective Council to revise the Agreement to reflect current practices. The information below supports the staff recommendation to use the Statistics Canada Census information as the basis for the calculation, and should also be the basis in the event of dissolution.

**Financial Implications**
The source data used to determine the funding split impacts each municipality’s annual transfer payment to WDGPH.

The 2018 budget impact of the recommended cost sharing methodology of adjusting the 2017 funding allocation to reflect the population released in the 2016 Statistics Canada Census equates to additional funding payments by the City of Guelph of $37,060.

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**Report**

**Background Information**

**Current Practices:**
WDGPH uses the Statistics Canada Census data for determining their municipal funding split between the City of Guelph, the County of Wellington, and the County of Dufferin. This practice has occurred uncontested by the municipalities because it is believed to be the most accurate and fair basis for the allocation. Using Statistics Canada Census figures is an acceptable way of determining the funding split under the legislation; provided that the municipalities have a formal agreement in place. The WDGPH partners have a formal agreement in place from 1997; however, the Agreement does not reflect current practices, which is why all parties would like to update the Agreement.

**Prescribed Practices:**
The 1997 agreement reads at paragraph 5(2):

> “The Parties’ share of the annual expense shall be calculated in ratio of their populations as published in the Triannual Ontario Population Reports by the Ontario Ministry of Finance – Assessment Division.”

In 2006 a revision to the 1997 Agreement was put forward to consider the impact of the student population. The draft agreement was never enacted but read:

> “The Municipal Parties’ share of the annual expense shall be calculated in ratio of their populations as published in the Triannual Ontario Population report in effect as of September 30 of the previous year. The City of Guelph’s population numbers shall be adjusted to include 75% on the University of
Guelph on campus residence population as of September 30 of the previous year.”

Findings:
Although the 1997 Agreement and 2006 draft agreement suggest that the above definitions should be used as the basis for the calculation; this was not considered in the 2011 Superior Court in Guelph v Wellington-Dufferin-Guelph Health Unit (WDGPH). The Court noted that even with the 1997 Agreement in place the financial obligations were determined based on the population statistics from the 1995 census.

Staff at all three obligated municipalities have met with WDGPH to discuss the Agreement and have all agreed, in principal, that the current process of allocating the budget based on the Statistics Canada Census population is more appropriate. The County of Wellington and the County of Dufferin will be moving similar motions with their respective Council to revise the Agreement to reflect current practices. The information below supports the staff recommendation to use the Statistics Canada Census information as the basis for the calculation.

Methodology for Allocation
Based on research conducted by the staff at WDGPH and reviewed by the municipalities, the legislative requirements for calculating the funding split are the following:

- The Health Protection and Promotions Act (HPPA), section 72(3) specifies that the obligated municipalities shall pay the proportion agreed upon among them; or
- In the absence of an Agreement among the municipalities, the proportion to be paid by each municipality shall be determined in accordance with the regulations (HPPA, section 72(4)).
- O. Reg. 489/97, section 1, specifies population as the basis for determining the proportion. However, section 2 defines population as being determined by the most recent enumeration conducted under section 15 of the Assessment Act, R.S.O. 1990, c.A.31 (Assessment Act).
- The Assessment Act says that the assessment corporation (Municipal Property Assessment Corporation (MPAC) shall conduct an enumeration of the inhabitants of a municipality and locality at the times and in the manner prescribed by the Minister.

Based on the legislative requirements above, if there is not an agreement in place between the obligated municipalities, then MPAC data should be used as the basis of the allocation split. Although there is an agreement in place between the three obligated funding municipalities, it is currently not being followed. All parties to this Agreement believe that the Statistics Canada Census report should be used as a benchmark as it is considered superior population information. MPAC typically under-reports the population figures based on the following:

- The legislative reporting requirement for reporting tenants is not as restrictive when gathering the MPAC data.
Municipal Clerks no longer send MPAC the data on newborns which has resulted in a decrease in the population numbers for individuals younger than 20.

Compliance rates on returning the MPAC surveys are not as high as filling out the Statistics Canada Census information.

The MPAC information is not public and cannot be provided directly to third parties which makes it difficult for WDGPH to obtain the data.

For the above reasons, MPAC themselves have attested that their information is not an accurate basis for population. MPAC has stated that the best population information available is Statistics Canada, which is based on the most recent census data. There is also a request to the Ministry to consider amending the legislation in the future (see ATT-1) due to the shortcomings of the data.

**Municipal Survey**

In 2017 WDGPH conducted a survey to understand which allocation methods are used by other Ontario health units. Of the 36 health units surveyed 22 responded with varying responses:

- Ten health units use the MPAC report;
- Five health units use the Statistics Canada Census; three use this method without an agreement between their municipalities;
- One uses the Ontario Municipal Directory with an agreement from the municipalities;
- Six are regional or single tier municipalities where the health units are a department in the municipality, and so the funding allocation doesn’t apply.

Although there are other health units and municipalities using the Ontario Population Report prepared by MPAC it’s believed that this is influenced more by the legislation than it is by the equity of the data source.

**Comparison between MPAC Data and Statistics Canada**

Based on the 2016 Census data that was released in 2017 the allocation between the three obligated municipalities would be the following:

**Table 1 - Statistics Canada**

<table>
<thead>
<tr>
<th>Municipality</th>
<th>2011 Census</th>
<th>2016 Census</th>
<th>Change</th>
<th>$ based on 2017 budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Guelph</td>
<td>45.9%</td>
<td>46.3%</td>
<td>.04%</td>
<td>37,060</td>
</tr>
<tr>
<td>County of Wellington</td>
<td>32.7%</td>
<td>32.0%</td>
<td>(.07%)</td>
<td>(58,126)</td>
</tr>
<tr>
<td>Dufferin County</td>
<td>21.4%</td>
<td>21.7%</td>
<td>.03%</td>
<td>21,066</td>
</tr>
</tbody>
</table>
Table 2 – Ontario Population Report - MPAC

<table>
<thead>
<tr>
<th>Municipality</th>
<th>2014 OPR</th>
<th>2017 OPR</th>
<th>Change</th>
<th>$ based on 2017 budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Guelph</td>
<td>47.3%</td>
<td>Not Available</td>
<td></td>
<td></td>
</tr>
<tr>
<td>County of Wellington</td>
<td>32.0%</td>
<td>Not Available</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dufferin County</td>
<td>20.7%</td>
<td>Not Available</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

This information is provided for information purposes only.

The Tri-Annual Ontario Population Report (OPR) from MPAC for 2017 figures was not yet available at the time of drafting this report. In order to obtain this data, each municipality had to request their OPR from MPAC separately which is administratively burdensome. This further supports the use of the easily accessible and publically available Statistics Canada Census population.

The 1997 Agreement specifying that the WDGPH use the population figures from the Ontario Population Report was not reflected in the 2011 Supreme Court Case Guelph v Wellington-Dufferin-Guelph Health Unit where the final ruling was based on the population figures from the 1995 Census.

**Allocation Updates**

The Statistics Canada Census information becomes available every five years. Staff recommends that the budget split between the municipalities becomes effective for the budget year after the information becomes available. For example, the 2016 census information became available in 2017 and will be the basis of allocation for the 2018-2022 budget years. The 2021 census information is expected to be released in 2022, and would be the basis of the allocation for the 2023-2027 budget years.

**Administrative Items in the Agreement**

All parties anticipate that the following items will remain consistent as per the original agreement:

- Composition of board members
- Timing of payment to the WDGPH
- Timing of the WDGPH budget figures
- Review of the Agreement each term of Council

If there are any significant changes to the administrative items, other than the items listed in recommendation one and two, a report will come back to Committee for approval.
Summary

All parties believe that population data is the appropriate benchmark for determining the cost sharing agreement between the municipalities and the WDGPH. Given that the most accurate population information is captured in the Statistics Canada Census reporting, it is recommended that the Census should be the data source to determine the funding contribution allocation, as well as the allocation in case of a dissolution.

Financial Implications

The source data used to determine the funding allocation impacts each municipality’s annual transfer payment to WDGPH.

The 2018 budget impact of the recommended cost sharing methodology of adjusting the 2017 funding allocation to reflect the population released in the 2016 Statistics Canada Census equates to additional funding payments by the City of Guelph of $37,060.

Consultations

County of Wellington
County of Dufferin
Wellington-Dufferin-Guelph Public Health

Corporate Administrative Plan

Overarching Goals
Financial Stability

Service Area Operational Work Plans
Our Resources - A solid foundation for a growing city

Attachments

ATT-1 Correspondence received from Wellington-Dufferin-Guelph Public Health

Report Author
Jade Surgeoner, CPA, CA, CIA

Approved By
Tara Baker, CPA, CA
GM Finance & City Treasurer
519-822-1260 Ext. 2084
tara.baker@guelph.ca

Recommended By
Trevor Lee
Deputy CAO, Corporate Services
519-822-1260 Ext. 2281
trevor.lee@guelph.ca
October 4, 2017

**DELIVERED VIA EMAIL:** tara.baker@guelph.ca

City of Guelph  
1 Carden Street  
Guelph, ON N1H 3A1

Attention: Tara Baker, Treasurer, GM Finance

Dear Ms. Baker:

**Re: Municipal Levy Apportionment**

At its meeting of October 4, 2017, the Board of Health for the Wellington-Dufferin-Guelph Health Unit requested that each municipality provide, in writing, clarification on whether the funding split between the municipalities of Wellington, Dufferin and Guelph is to be based on the most current Statistics Canada Census or on the MPAC population numbers produced in the Ontario Population Report. Please see attached background information (Finance Committee Report BH.04.SEP2017.R15 – WDGPH Municipal Funding Split).

WDGPH requests that the City of Guelph submits the following Resolution to Council, for approval, to confirm the City’s ongoing support for using the Statistics Canada Census population:

The City of Guelph supports the continued use of the most accurate population numbers as produced by the Statistics Canada Census as the basis for calculating the proportion of municipal funding to be provided to the Board of Health for the Wellington-Dufferin-Guelph Health Unit by each obligated municipality under the Health Protection and Promotion Act, Ontario Regulation 553: Areas Comprising Health Units, Schedule 39.

Additionally, the City of Guelph supports updating the version of the Statistics Canada Census used in this calculation in the budget year following the year in which the information is released (for example, the 2016 Statistics Canada Census population information was released in February 2017, and will be used for the 2018 budget year, and this census will be applied for the equivalent number of budget years in between Census population updates (currently 2018 to 2022 budget years).
Please do not hesitate to contact Shanna O’Dwyer, Manager of Finance, if you require further information about this matter.

Yours very truly,

Nancy Sullivan,
WDGPH Board Chair

Attachment

c.c. Dr. Nicola Mercer, Medical Officer of Health & CEO – via e-mail

c.c. Alan Selby, County Treasurer, County of Dufferin – via e-mail

c.c. Ken DeHart, County Treasurer, County of Wellington – via e-mail
Report To: Finance Committee, Board of Health
Submitted by: Dr. Nicola Mercer, Medical Officer of Health & CEO
Subject: WDGPH MUNICIPAL FUNDING SPLIT

RECOMMENDATION(S):

(a) That the Finance Committee recommends that the Board of Health send a letter to the three obligated municipalities, as defined under the Health Protection and Promotion Act, R.S.O. 1990 (HPPA), requesting that the municipalities clarify whether Wellington-Dufferin-Guelph Public Health (WDGPH) is to continue to use the most accurate municipal population numbers as produced by the Statistics Canada Census, or MPAC enumeration as the basis for the municipal funding split.

(b) That the Finance Committee makes recommendation to the Board of Health to receive this Report, for information.

BACKGROUND:

In May 2017, WDGPH management provided a Finance Committee Report (Finance Committee Report BH.04.MAY2917.R10 – 2016 Census Budget Impacts) on the impact of updating to the 2016 Census (from the 2011 Census) as the basis for the municipal funding split for the 2018 budget year. WDGPH has used the Statistics Canada Census as the foundation for the funding split within the current administrative staff memory. Upon review of the Finance Committee Report, the Finance Committee requested that a reference be added to the Finance Committee Report to identify the legal foundation for using the Statistics Canada Census as the basis for the funding split.

PUBLIC HEALTH AND/OR FINANCIAL IMPLICATIONS:

Staff took this direction from the Committee, and upon researching this request, found the following:

- The HPPA, section 72(3) specifies that the obligated municipalities shall pay the proportion agreed upon among them; or
- In the absence of an Agreement among the municipalities, the proportion to be paid by each municipality shall be determined in accordance with the regulations (HPPA, section 72(4)).
- O. Reg. 489/97, section 1, specifies population as the basis for determining the proportion. However, section 2 defines population as being determined by the most recent enumeration conducted under section 15 of the Assessment Act, R.S.O. 1990, c.A.31 (“Assessment Act”).
- The Assessment Act says that the assessment corporation shall conduct an enumeration of the inhabitants of a municipality and locality at the times and in the manner prescribed by the Minister.
The Municipal Property Assessment Corporation (MPAC) carries out an enumeration every three years to create the Ontario Population Report.

Please refer to Appendix “A”, a letter from the Leeds, Grenville & Lanark District Health Unit to the Minister of Health and Long-Term Care, Dr. Eric Hoskins, outlining the problems associated with relying on the Ontario Population Report as the basis for the municipal funding split.

WDGPH staff then investigated whether or not an Agreement existed among the three municipalities in Wellington-Dufferin-Guelph, and found that:

- A January 23, 1997 Agreement existed;
- This Agreement refers to the proportion expenses to be divided on the basis of the Triannual Ontario Population Reports by the Ontario Ministry of Finance – Assessment Division;
- The Ontario Ministry of Finance – Assessment Division is the predecessor of MPAC, and as such, the population report referred to in the Agreement is the same one that is referred to in the HPPA regulations;
- This Agreement was contested in court in 2011;
- An August 9, 2011 Superior Court of Justice – Ontario finding specified that the 1997 Agreement is now simply a funding agreement amongst the constituent members of the health unit; and
- As a result, it appears that this Agreement is still in force or in the absence of an agreement the same outcome will occur.

Staff requested confirmation from Miller Thomson that this analysis is correct. Please refer to Appendix “B” for Miller Thomson’s advice to WDGPH on this matter.

WDGPH has used the Statistics Canada Census for budgeting for many years with any correction to the funding split occurring in the year following the release of the new census. The 2018 draft budget is also using this approach as the basis for the funding split. MPAC also acknowledges that “The most accurate municipal population numbers are produced by Statistics Canada based on the most recent census.” (see Appendix “A”). The decision to use MPAC over the current Statistics Canada Census will result in under reporting of some segments of population particularly those in the 20 to 25 year age group and those who are tenants. WDGPH staff are requesting that each of our three funding municipalities provide direction to WDGPH as to whether to continue to use the most accurate municipal population numbers as produced by the Statistics Canada Census or MPAC enumeration as the basis for the municipal funding split.

APPENDICES:

Appendix “A” – Letter from Leeds, Grenville & Lanark District Health Unit
Appendix “B” – September 12, 2017 Memorandum from Gillian Tuck Kutarna, Miller Thomson
REFERENCES:

None.

<table>
<thead>
<tr>
<th>Prepared by:</th>
<th>Reviewed by:</th>
<th>Approved by:</th>
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<tbody>
<tr>
<td>Shanna O’Dwyer, Manager, Finance</td>
<td>Elizabeth Bowden, Interim Director of Administrative Services</td>
<td>Dr. Nicola Mercer, Medical Officer of Health &amp; CEO</td>
</tr>
</tbody>
</table>
VIA EMAIL

The Honourable Eric Hoskins
Minister – Minister’s Office
Ministry of Health and Long-Term Care
Hepburn Block, 10th Floor
80 Grosvenor St
Toronto, ON M7A 2C4

Dear Minister Hoskins:

RE: Municipal Levy Apportionment

The Health Protection and Promotion Act (appended) stipulates that municipalities must decide how to apportion the municipal component of the expenses of the Board of Health among obligated municipalities. All of the obligated municipalities will have to agree with this change before it can be implemented according to the Health Protection and Promotion Act, and Ontario Regulation 489/97 (See Appendix #1). The regulations state that the default is to use the Ontario Population Report of the Municipal Property Assessment Corporation (MPAC) which is the current method being used to apportion the levy.

Recently, the Board of Health for the Leeds, Grenville and Lanark District Health Unit received information from the Municipal Property Assessment Corporation (MPAC) (See Appendix #2) that stated:

“The Ontario Population Report (OPR) is based on information contained in MPAC’s Names Database and is produced upon conclusion of each municipal enumeration which correlates with the timing of regular municipal and school board elections that now occur every 4 years. The Report is distributed to all municipalities, certain provincial ministries and other stakeholders.

“The OPR figures are developed from information gathered for assessment and enumeration purposes. These figures should not be confused with population data published by Statistics Canada that are produced from dedicated population counting and estimating processes conducted every 5 years.”

“The most accurate municipal population numbers are produced by Statistics Canada based on the most recent census.”
Given MPAC states that the population numbers produced by Statistics Canada are more accurate than those produced by MPAC, the Board requests that Ontario Regulation 489/97 Allocation of Board of Health expenses be amended as follows:

1. (1) If the obligated municipalities in a health unit fail to agree on the proportion of the expenses referred to in subsection 72 (1) of the Act to be paid by each of them, each obligated municipality in the health unit shall pay the proportion of the expenses that is determined by dividing its population by the sum of the populations of all the obligated municipalities in the health unit. O. Reg. 489/97, s. 1 (1).

   (2) In this section, “population” means, with respect to an obligated municipality, the population of the obligated municipality as determined from the most recent Census conducted by Statistics Canada.

The Board of Health looks forward to hearing from you regarding this important issue.

Sincerely,

Anne Warren, Board Chair
Leeds, Grenville and Lanark District Health Unit

AW/hb

cc: Steve Clark, MPP Leeds-Grenville
    Randy Hillier, MPP Lanark-Frontenac-Lennox and Addington
    John MacLaren, MPP Carleton-Mississippi Mills
    Ontario Boards of Health
HEALTH PROTECTION AND PROMOTION ACT

Payment by obligated municipalities

72. (1) The obligated municipalities in a health unit shall pay,

(a) the expenses incurred by or on behalf of the board of health of the health unit in the performance of its functions and duties under this or any other Act; and

(b) the expenses incurred by or on behalf of the medical officer of health of the board of health in the performance of his or her functions and duties under this or any other Act. 1997, c. 30, Sched. D, s. 8.

Agreement

(3) The obligated municipalities in a health unit shall pay the expenses referred to in subsection (1) in such proportion as is agreed upon among them. 1997, c. 30, Sched. D, s. 8.

If no agreement

(4) If the obligated municipalities in a health unit fail to agree on the proportion of the expenses referred to in subsection (1) to be paid by each of them, each obligated municipality in the health unit shall pay the proportion of such expenses that is determined in accordance with the regulations. 1997, c. 30, Sched. D, s. 8.

ONTARIO REGULATION 489/97

ALLOCATIONS OF BOARD OF HEALTH EXPENSES

Consolidation Period: From April 1, 2005 to the e-Laws currency date.

1. (1) If the obligated municipalities in a health unit fail to agree on the proportion of the expenses referred to in subsection 72 (1) of the Act to be paid by each of them, each obligated municipality in the health unit shall pay the proportion of the expenses that is determined by dividing its population by the sum of the populations of all the obligated municipalities in the health unit. O. Reg. 489/97, s. 1 (1).

(2) In this section,

“population” means, with respect to an obligated municipality, the population of the obligated municipality as determined from the most recent enumeration conducted under section 15 of the Assessment Act. O. Reg. 489/97, s. 1 (2).

(3) In this section,

“assessment”, with respect to real property, means the assessment for the real property made under the Assessment Act according to the last returned assessment roll;

“population” means population as determined from the most recent enumeration conducted under section 15 of the Assessment Act. O. Reg. 142/05, s. 1.
MUNICIPAL PROPERTY ASSESSMENT CORPORATION

ONTARIO POPULATION REPORT

What is the OPR?

The Ontario Population Report (OPR) is based on information contained in MPAC’s Names Database and is produced upon conclusion of each municipal enumeration which correlates with the timing of regular municipal and school board elections that now occur every 4 years. The Report is distributed to all municipalities, certain provincial ministries and other stakeholders. The OPR is not an ‘estimate’. The OPR (and any adhoc population count done between enumeration years and/or obtained through the Population Report option provided via Municipal Connect™) is based on actual point-in time counts of current names in MPAC’s database.

Note: The OPR figures are developed from information gathered for assessment and enumeration purposes. These figures should not be confused with population data published by Statistics Canada that are produced from dedicated population counting and estimating processes conducted every 5 years (see Factors Affecting Population Counts below).

Information Sources and Collection Methods

The primary source of owner names is the land transfer process. This results in a high degree of accuracy and currency for owner information but does not include other family members. The primary source of tenant names has traditionally been through the Tenant Information Program (TIP) where landlords with seven or more residential units are obliged to annually supply MPAC with the names of the tenants in their buildings. Landlords usually supply MPAC with whatever names are on their rent roll, typically one name per unit. This source does not include children or other occupants. Beginning in 2014, tenant names are also being received from the National Register of Electors and during an enumeration event, via MPAC’s voterlookup.ca online elector update/confirmation website. Name information is no longer collected through the mailout of ‘Municipal Enumeration Forms’ (MEFs) during municipal election years. To collect names of children and other occupants, including the missing birth dates, citizenship confirmations and school support of tenants and owners, MPAC traditionally mailed out ‘Request for Occupant Information’ (ROI) forms. Compliance is voluntary and returns as low as 20%. In addition, owners and tenants have the option of updating their household occupant information when calling MPAC’s Customer Contact Centre.

Factors Affecting Population Counts

In comparison to Statistics Canada, MPAC typically under-reports population numbers for Ontario, primarily in the under 20 to 25 year-old range. The reasons for this are:

- There is no legislated requirement for owners of rental properties with fewer than seven units to supply MPAC with tenant names.
- Historically, although approximately 50% of owners respond to Occupancy Questionnaires, compliance for tenants has been approximately 20%.
- When in receipt of properly documented information, MPAC is obliged to change its database accordingly which usually requires the removal of existing names from a property record and replacing them with the new name(s). The process of removing names automatically includes
any children or other occupants currently listed at the identified address. These names are recovered, only if they reappear at a future point through other source data/data-matching.

- Under instructions from Ontario’s Deputy Registrar, municipal clerks no longer send MPAC the names of newborns. The cumulative effect since the early 90’s has been the slow degradation of OPR numbers, particularly those under the age of 20.

The most accurate municipal population numbers are produced by Statistics Canada based on the most recent census.

(From Beverley Disney
Account Manager, Municipal and Stakeholder Relations Department
Municipal Property Assessment Corporation)
Private and Confidential

To: Elizabeth Bowden
Wellington-Dufferin-Guelph Public Health

From: Gillian Tuck Kutarna

Date: September 12, 2017

Subject: Use of Census Population Data

File: 0067559.0002

Thank you for asking for our assistance in clarifying the appropriate means of determining the apportionment of costs amongst the three obligated municipalities in the Wellington-Dufferin-Guelph Public Health ("WDGPH").

You have advised that the WDGPH has relied on Census population data since at least 2011 to calculate the proportional obligation of each municipality. However, the WDGPH would like to understand the historical rationale for relying on this measure.

Health Protection and Promotion Act

The Health Protection and Promotion Act¹ ("HPPA") provides that obligated municipalities shall pay the expenses incurred by or on behalf of the board of health and the medical officer of health "in such proportion as is agreed upon among them."²

1997 Agreement

In January, 1997 the Counties of Wellington and Dufferin and the City of Guelph entered into an agreement which listed the population of each municipality at Section 5(1), along with the municipality’s proportional share of costs.

The 1997 agreement provides at paragraph 5(2):

¹ RSO 1990 c H7
² S.72(3).
The Parties’ share of the annual expense shall be calculated in ratio of their populations as published in the Triannual Ontario Population Reports by the Ontario Ministry of Finance – Assessment Division.  

Our records indicate that an updated agreement was drafted in 2005, which similarly stated that the proportional share of expenses would be calculated on the basis of the “Triannual Ontario Population Reports by the Municipal Property Assessment Corporation”.

However, we assume that the 2005 agreement was never executed, as we do not have a signed copy in our files, and it was not considered in the 2011 decision of the Ontario Superior Court in Guelph v Wellington-Dufferin-Guelph Health Unit,  which specifically examined the application of the 1997 Agreement without reference to a 2005 amendment.

**2011 Court Decision**

In the 2011 ruling, Justice Price held that although Section 8 of the 1997 Agreement allowing a municipality to withdraw from a board of health was null and void:

“... the Agreement continues to operate as the basis for allocating financial responsibility among the member municipalities for the expenses of the Health Unit…”

In the analysis which followed, the Court noted that the 1997 Agreement allocated the proportional financial obligations on the basis of the population statistics from the 1995 census. The Court then commented that if the 2006 Census had been applied, Guelph’s proportional share of funding would have increased by only .9%.

It would therefore appear that evidence was led at trial as to the reliance on Census rather than Municipal Property Assessment Corporation (“MPAC”) population data, notwithstanding the Agreement’s reference at section 5(2) to “Triannual Ontario Population Reports”, the predecessor document to MPAC’s current “Ontario Population Report”.

Following the court decision, the obligated municipalities entered into a Financial Agreement for the limited purpose of allocating capital funding contributions for the Guelph and Orangeville facilities, wherein they agreed that the division of financial responsibilities would be based on the 2011 Census.

WDGPH has advised that in recent corporate memory, annual budgets have also been funded by obligated municipalities paying their proportional share based on population as determined by the Census data.

**Conclusion**

Our research would therefore suggest the 1997 agreement incorporated and applied Census data, while also referring to what is now MPAC’s Ontario Population Report. This

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3 Entitled “By-Law 2005-19”


5 at para. 69
inconsistency has been resolved by the subsequent practice of the municipalities and the Board of Health, which has been to interpret the agreement as allowing for the use of the Census data, including for the annual budgets including the recent approved 2017 budget.

As the HPPA provides that in the absence of an agreement between the obligated municipalities MPAC data must be used,\(^6\) it would be prudent for the municipalities in WDGPH to indicate their support the continued use of census data by signifying their agreement in writing.

\(^6\) At Section 72(4).
Recommendation

1. That the Vacant Unit Tax Rebate Program be eliminated effective January 1, 2018.

2. That a reduction of $470,000 be shown in the 2018 operating budget.

Executive Summary

Purpose of Report
To provide Council the background and information required to obtain Council’s resolution necessary to end the Vacant Unit Tax Rebate Program effective January 1, 2018.

Key Findings
Amendments to the Municipal Act outlined in Bill 70, Building Ontario Up for Everyone Act (Budget Measures), 2016 allow municipalities to make changes to their Vacant Unit Tax Rebate Program after consulting the local business community. The intent is to allow municipalities to decide at the local level the future of the Vacant Unit Tax Rebate Program instead of applying a prescribed program across the province.

Feedback from local businesses and residents was sought to determine their preference for the future of the rebate program. Four options were given: keep the program as is, eliminate the program immediately, phase out the program over two years, or keep the tax rebate but modify the program.

Many other municipalities have chosen to eliminate the Vacancy Unit Tax Rebate Program, some effective retroactively back to January 1, 2017. After considering the feedback received as well as the best interests of all ratepayers as a whole in the City of Guelph, staff recommends the Vacant Unit Tax Rebate Program be eliminated effective January 1, 2018. In fairness, this allows property owners with vacancies during the 2017 tax year to apply a rebate until the end of February 2018.
Financial Implications
Eliminating the Vacant Unit Tax Rebate Program will reduce the 2018 and future operating budgets by $470,000 or approximately 0.21%.

Report
Background

The Vacant Unit Tax Rebate Program, herein referred to as ‘the rebate program’, was introduced in 1998 when provincial tax reform shifted business taxation from tenants to property owners. The rebate program was intended to assist property owners in times of economic downturn who now assumed tax liability whether or not their property was tenanted. The current rebate program provides a tax rebate to eligible property owners who have vacancies in commercial and industrial buildings. Eligible property owners experiencing a vacancy must apply to the City and meet specific criteria for the rebate. The end of February of the year following the vacancy is the deadline to make the annual application. The current rebate of taxes paid for vacant commercial space is 30% and for vacant industrial space the rebate is 35%.

Since 2010, the City has processed 891 rebate applications and refunded approximately $6,265,133 in property taxes in accordance with the rebate program. Of this amount, the City portion is $3,515,374 and the education portion is $2,738,347. The annual impact since 2010 is shown on the graphs below:
Since 2010, the dollar amount of rebates provided per year has fluctuated greater than the number of applications received. Of the rebates processed, the City currently has 37 properties which have been vacant for three or more consecutive years. It is important to note that chronic vacant properties may have a reduction already built into their property assessment. This reduction when combined with the rebate program allows vacant properties to receive two reductions related to their annual taxes and could be considered double dipping.

The City budgets for the rebate program on an annual basis and all property classes share in funding the rebate program. In 2016, the residential property classes funded 73 percent of the City portion of the rebate. The remaining 27 percent of the funding comes from commercial and industrial property classes. Residential properties are not eligible under the rebate program.

Furthermore, the City spent approximately 275 hours in 2016 processing 133 rebate applications. These hours are necessary to complete due diligence on each application received, ensuring rebates granted are in accordance with the requirements of rebate program. This does not factor in the time spent by the Municipal Property Assessment Corporation in providing valuation of the vacant units.

**Review of the Rebate Program**

More recently, municipalities and the business community have been concerned about the negative effects that vacant commercial and industrial buildings have on their communities. In response to this concern, the Province amended the Municipal Act with Bill 70, Building Ontario Up for Everyone Act (Budget Measures), 2016 effectively allowing municipalities to make changes to their Vacant Unit Tax Rebate Program as seen fit after consulting the local business community.
Staff wanted to ensure equity and fairness throughout the review of this legislative change. Pausing to see what other municipalities did across the province as well as ensuring fairness by not recommending retroactive changes back to January 1, 2017.

Information report CS-2017-66 was provided to Council on July 28, 2017 outlining staff's approach to determining the future of the rebate program. Included in this report were a number of resolutions from other municipalities. Notably, Parry Sound passed a resolution to eliminate the rebate as of January 1, 2017, Peterborough passed a resolution to eliminate the rebate for the 2017 tax year, and Ottawa, Kawartha Lakes and Belleville passed a resolution to phase out the rebate in 2018. Since the update from the Province in June 2017 other municipalities have also decided to eliminate or phase out the program, these include London, Hamilton and Toronto.

In reviewing the future of the rebate program after considering how other municipalities have proceeded, four options have been presented by staff: keep the program as is, eliminate the program immediately, phase out the program over 2 years, and keep the tax rebate but modify the program. Some benefits and drawbacks of each option are provided below:

Option 1 – Keep the program as is

Benefits
- Rebate funding remains available

Drawbacks
- Significant fiscal and time requirements to administer the program
- City and MPAC staff focus time on rebate instead of maintaining and growing assessment base
- Disparity remains between residential properties who fund the rebate but are not eligible
- Does not promote tax equity – provides a rebate to a small portion of the City’s population
- Provides a financial incentive for properties to remain vacant

Option 2 – Eliminate the program immediately

Benefits
- Eliminates the double-dipping associated with the current program
- Eliminates the disparity with residential properties
- Promotes tax equity – all properties pay annual taxes based on current value assessment
- Promotes vacant properties to find tenants for their vacant properties, especially short-term leases
- Net property tax amounts for all property owners would decrease
- The City would efficiently allocate staff resources by eliminating the administration costs associated with this program
- City and MPAC staff will have more time to focus on building and maintaining the City’s assessment base

Drawbacks
Property owners who receive the rebate will no longer receive that funding

Option 3 – Phase out the program over a number of years

Benefits
- Rebate funding remains available for the phase out period
- Allows those who take advantage of the rebate program to adjust accordingly during the phase out period

Drawbacks
- Significant fiscal and time requirements to administer to the program
- City and MPAC staff focus time on rebate instead of maintaining and growing assessment base
- Disparity remains between residential properties who fund the rebate but are not eligible
- Does not promote tax equity – provides a rebate to a small portion of the City’s population
- Provides a financial incentive for properties to remain vacant

Option 4 – Keep the rebate but modify the program

Benefits
- Rebate funding remains available

Drawbacks
- Significant fiscal and time requirements to administer to the program
- May increase time requirements to administer as more due diligence required
- City and MPAC staff focus time on rebate instead of maintaining and growing assessment base
- Disparity remains between residential properties who fund the rebate but are not eligible
- Does not promote tax equity – provides a rebate to a small portion of the City’s population
- Provides a financial incentive for properties to remain vacant

Consultation Process

In order to solicit feedback from the business community and taxpayers as a whole, a media release was issued on September 18, 2017 and an online survey was published on the City’s website from September 15 through October 1, 2017. A number of local media outlets picked up on the media release and published or aired articles which further publicized the request for feedback. Information about the rebate program and survey was also published on the City’s website and social media was used to communicate this message further.

In advance of the media release City staff in Finance and Economic Development met with the Downtown Guelph Business Association and the Guelph Chamber of Commerce to obtain their input on the rebate program. These associations agreed to facilitate feedback and push the survey out to their membership.
Consultation Results

Survey respondents were asked whether they identify as a Guelph commercial/industrial property owner or Guelph resident; if they received a rebate within the past five years; what they felt the future of the rebate should be and if they had any other comments.

From the survey the overwhelming preference was to eliminate the rebate program immediately. Of the survey respondents, 74% would like the rebate program eliminated immediately and 13% would like the rebate program phased out over two years. A common theme among comments from respondents was that the rebate program deters property owners from filling their vacancies.

Complete results of the survey are included in this report as ATT-1 Vacant Unit Tax Rebate Survey Results.

Recommendation

After considering feedback received and the best interests of all ratepayers as a whole in the City of Guelph, staff recommends the rebate program be eliminated effective January 1, 2018 saving city taxpayers $470,000 per year.

Eliminating the rebate program provides all the benefits listed previously in this report, namely that it promotes tax equity and it promotes owners of vacant spaces to find tenants, especially short-term tenants previously discouraged by the requirements of the rebate program. This will also allow the City and MPAC to dedicate resources to assessment base management and growing the City’s assessment that were previously dedicated to administering the rebate program.

Eliminating the rebate program effective January 1, 2018 will still allow property owners who experience a vacancy in 2017 to apply for the rebate. Staff feels this is equitable as eliminating the rebate program retroactively to January 1, 2017 would have been unfair to property owners who have budgeted and forecasted for the rebate to be received in 2018.

Financial Implications

Eliminating the Vacant Unit Tax Rebate Program will reduce the 2018 and future operating budgets by $470,000 or 0.21%.

Consultations

Business Development and Enterprise
Downtown Guelph Business Association
Guelph Chamber of Commerce
Community Engagement
Corporate Communications

Corporate Administrative Plan

Overarching Goals
Financial Stability

Service Area Operational Work Plans
Our Resources - A solid foundation for a growing city

Attachments
ATT-1 Vacant Unit Tax Rebate Survey Results
ATT-2 Additional Comments Received

Departmental Approval
James Krauter
Deputy Treasurer / Manager, Taxation and Revenue

Report Author
Gregory Bedard
Supervisor, Property Tax

__________________________ __________________________
Approved By      Recommended By
Tara Baker, CPA, CA  Trevor Lee
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tara.baker@guelph.ca  trevor.lee@guelph.ca
# Survey Results

## Question 01
Which description most closely resembles you?

<table>
<thead>
<tr>
<th>Description</th>
<th>COUNT</th>
<th>PERCENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guelph resident</td>
<td>99</td>
<td>95%</td>
</tr>
<tr>
<td>Guelph commercial or industrial property owner</td>
<td>5</td>
<td>5%</td>
</tr>
</tbody>
</table>

## Question 02
Has your business received a City of Guelph vacant unit tax rebate in the past five years?

<table>
<thead>
<tr>
<th>Option</th>
<th>COUNT</th>
<th>PERCENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>99</td>
<td>98%</td>
</tr>
<tr>
<td>Yes</td>
<td>2</td>
<td>2%</td>
</tr>
</tbody>
</table>

## Question 03
Which option below is the direction you think the City of Guelph should take with the vacant unit tax rebate?

<table>
<thead>
<tr>
<th>Option</th>
<th>COUNT</th>
<th>PERCENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eliminate the program immediately</td>
<td>78</td>
<td>74%</td>
</tr>
<tr>
<td>Phase out the program over 2 years</td>
<td>14</td>
<td>13%</td>
</tr>
<tr>
<td>Keep the tax rebate but modify the program</td>
<td>8</td>
<td>8%</td>
</tr>
<tr>
<td>Keep the program as it is</td>
<td>5</td>
<td>5%</td>
</tr>
</tbody>
</table>

## Question 04
If you answered “Keep the vacant unit tax rebate but modify the program” above, what changes do you think need to be made?

<table>
<thead>
<tr>
<th>Change Description</th>
<th>COUNT</th>
<th>PERCENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Make eligibility requirements stricter e.g. owners must notify the City when property becomes vacant and allow for ongoing inspections</td>
<td>7</td>
<td>41%</td>
</tr>
<tr>
<td>Limit the scope of the rebate e.g. one rebate per property every ten years</td>
<td>5</td>
<td>29%</td>
</tr>
<tr>
<td>Limit the rebate to certain types of properties</td>
<td>3</td>
<td>18%</td>
</tr>
<tr>
<td>Limit the geographical area of eligible properties</td>
<td>2</td>
<td>12%</td>
</tr>
</tbody>
</table>

## Question 05
Please let us know any other comments you have about the vacant unit tax rebate program?
Vacant Business Unit Tax Rebate...

Result Details

Question 04: If you answered “Keep the vacant unit tax rebate but modify the program” above, what changes do you think need to be made?

<table>
<thead>
<tr>
<th>Change Description</th>
<th>Answers</th>
<th>Skips</th>
</tr>
</thead>
<tbody>
<tr>
<td>Make eligibility requirements stricter e.g. owners must notify the City when property becomes vacant and allow for ongoing inspections</td>
<td>7</td>
<td>41.18%</td>
</tr>
<tr>
<td>Limit the scope of the rebate e.g. one rebate per property every ten years</td>
<td>5</td>
<td>29.41%</td>
</tr>
<tr>
<td>Limit the rebate to certain types of properties</td>
<td>3</td>
<td>17.65%</td>
</tr>
<tr>
<td>Limit the geographical area of eligible properties</td>
<td>2</td>
<td>11.76%</td>
</tr>
</tbody>
</table>

Do you have any comments about your choices?

- **Scope should be limited, especially for the max number of years that a property owner can apply for the rebate. If owners are applying for the rebate for consecutive years their should be a reduced rebated applied to incentivize actions to getting the property leased vs using the rebate to maintain its vacancy.**
  
  Tuesday, Sep 26th 10:10AM

- **I don’t know enough about the program, but it sounds like it has very limited (if any) use to the taxpayers of Guelph. I hesitate to say “end it” without really knowing what the purpose it, but it seems like a tax break for the wealthy to me and a disincentive to creative use of space/incentive for speculation over development.**
  
  Saturday, Sep 23rd 9:28AM

- **Businesses should be encouraged to rent it at a reduced cost to artist run or not-for-profit organizations. The city rebate could help subsidize the cost of the rent so these spaces could be more affordable to artists, the spaces could remain vibrant hubs and bring more activity to the downtown core.**
  
  Thursday, Sep 21st 12:36PM

- **Businesses should be encouraged to rent it at a reduced cost to artist run or not-for-profit organizations. The city rebate could help subsidize the cost of the rent so these spaces could be more affordable to artists, the spaces could remain vibrant hubs and bring more activity to the downtown core.**
  
  Thursday, Sep 21st 12:36PM

- **Perhaps people on disabilities and seniors on low incomes could use a helping hand as they struggle the most with their taxes and bills so a rebate on their taxes would be beneficial.**
  
  Wednesday, Sep 20th 3:30PM

- **If you must keep it... suggestions above.**
  
  Wednesday, Sep 20th 12:12PM

- **Buildings must be kept in good repair and provided for use by community not-for-profit.**
  
  Monday, Sep 18th 6:43PM

- **See comments under Q5.**
  
  Monday, Sep 18th 10:12AM
**Vacant Business Unit Tax Rebate...**

**Result Details**

**Question 05** Please let us know any other comments you have about the vacant unit tax rebate program?

**Answers**
36
34%

**Skips**
69
66%

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184,628,076 If you own a property, you should pay taxes just like everyone else. It’s your choice if you leave it vacant

Friday, Sep 29th
3:43PM

184,576,816 I can’t believe this program ever existed to begin with, let’s get rid of it! :)

Thursday, Sep 28th
4:48PM

184,487,075 All space that is available to be used, should be. There should not be encouragements that we pay for to keep it empty.

Wednesday, Sep 27th
5:53AM

184,442,115 Artists and non profit groups who are looking to rent currently empty spaces are unable to. Over and over I have been told that the rebate makes any accommodations for short term rentals or lower rents for empty spaces not worth the landlord’s time. I believe that the tax rebate is contributing to the empty spaces downtown and keeping it from thriving.

Tuesday, Sep 26th
11:58AM

184,433,809 If a contributing factor to vacancy or low lease rate is high rental prices – then perhaps a different type of program is required to help offset. For example, if a renovation has occurred to make the space more attractive to leasing, but requires high rental price to re-coup costs – then a program that allows for owners to apply for subsidies to reduce rents for a period of time may be of help.

Tuesday, Sep 26th
10:10AM

184,406,807 Thanks for allowing regular taxpayers a change to comment.

Monday, Sep 25th
9:48PM

184,382,623 It seems like most municipalities will be phasing this program out if not getting rid of it altogether. If for no other reason, it doesn’t seem fair for residential tax payers to carry this burden. I assume the rebate does nothing to encourage owners to fill their vacancies which will only lead to more and more vacancy.

Monday, Sep 25th
10:51AM

184,286,436 Keeping space vacant MAY at times serve a purpose that the City/public should support, but I don’t understand how it generally does anything other than promote speculation. Better to incentivize putting these places to some kind of useful or creative purpose (or selling them to someone who can).

Saturday, Sep 23rd
9:28AM

184,268,160 I, as a taxpayer, homeowner since 1976, strongly resent supplying empty unit owners with a vacant unit tax rebate. Eliminate it effectively immediately!

Friday, Sep 22nd
8:58PM

184,264,465 As a residential taxpayer, I’m appalled that some of my taxes goes to rewarding bad landlords with rebates. I want my tax money to go towards infrastructure, cultural programming and improving the city. I might be in favour of tax rebates for commercial landlords who add measurable value to the city of Guelph by upgrading their properties and keeping rents reasonable so that businesses can afford to rent their spaces and have a chance to thrive. There are far too many empty businesses in downtown especially on the north end of Wyndham.

Tyrcathelen Partners, for example who are restoring the Petrie Building - they are adding so much to the vibrancy of Guelph and deserve an award for what they are doing to improve the downtown. More of that please!!!!

Friday, Sep 22nd
5:11PM

184,261,117 I strongly encourage Guelph to stop this destructive program. I believe that it contributes to the deterioration of properties and especially to “demolition by neglect” in the case of heritage properties. In effect, owners are paid to leave them vacant and thus to deteriorate so that they can apply for demolition. The money saved by stopping these payments could go towards heritage property tax rebates to assist owners of designated heritage properties in restoring and maintaining the special qualities of these community assets.

Friday, Sep 22nd
3:33PM

184,258,752 It would be significantly beneficial to direct the rebate funds into the rebate program for charitable organizations. Under that program, charities receive a 40% property tax rebate, it would be incredibly beneficial to non-profit organizations throughout the city have their rebate increased.

Friday, Sep 22nd
2:35PM
Residential Property owners must not be expected to bail out businesses that make poor or bad financial decisions. Eliminate the program immediately.

this is a ridiculous program, primarily funded by Guelph residents. If the commercial property owners can't or won't rent out their vacant properties, they should sell them and enable others to purchase them and contribute to the local economy and tax base

If the city was in a position to have a zero tax increase then I would have no problem giving rebates - with stricter conditions. However as long as my taxes keep increasing every year we’re not in a position to subsidize others when the value of the program isn’t available to all.

Unfortunately many circumstances, vacancies are a symptom of the economy, however providing rebates in a perennial fashion indicates to already wealthy owners that they can continue to hold out higher rents and are in this way hindering development, economic growth and higher employment rates. I encourage the city to stop this program and instead use these funds to help small businesses get access to resources a different reasonable property rates. There is a much better way to do this. I am shocked to find out that this occurs in a city that touts itself as innovative and ahead of the curve.

I am happy to follow up with more information and comments at your request.
Jonathan Ferris
Jonathan@ferrislegal.com

The vacancies seem to stand in the way of a more robust notion of what “infill” can mean...

I moved to Guelph this spring and I love the city. I just wish it was more renter-friendly. If the program can be altered to encourage landlords to fill vacancies, I would be really happy.

We have wonderful shops and businesses in the downtown core. Many of us rarely spend time there because of parking issues.

If they are not using it then they should sell it

It’s absolutely unnecessary. Other provinces don’t have and it’s no longer required in Ontario. It benefits few but the funding comes from many. If the city is going to take my tax dollars I’d appreciate them being used for something much more relevant than this.

To be honest I’m surprised this is even up for debate. Just eliminate it. This doesn’t benefit the city in any way.

Vacant units should ‘ve charged a higher tax rate to encourage landlords to lower rent and invest in small businesses

Residents of any city should not be compensating affluent owners of Commercial Plazas or Industrial Property Owners at all. Especially for Guelph given our high property tax rate.

A responsibility municipality would put the needs of many and especially those in less fortunate position above those that are wealthy.

The owners whom are benefiting from this program have the option to reduce rent or sell their property if its jeopardizing their ability to put food on the table and a roof over their heads.

If anything, they should be taxed even further for leaving properties vacant to capitalize from appreciating real estate properties.

Talk to commercial real estate agents and other people in the know. Find out what is really behind these vacancies (separate downtown/outside), and work toward ameliorating the cause. For example, is it more expensive (and frustrating) for a landlord to bring a building up to code, than to lose rent, has the property been inherited and in some legal limbo, is there an aging landlord unable to help the building... etc.

There has to be more financial incentive to fill a building, than to leave it empty, and the City likely needs to work with some landlords one on one, to help them get through the renovation red tape, or create an environment, where they will choose to sell, so someone else can revive an unproductive building.

I have a vacancy in my wallet and receive no breaks. The City needs to improve their support of small business owners.

Guelph property tax payers should not be subsidizing commercial or industrial operations.
Very disappointed with the program. It appears there are many buildings with no activity and would suggest landlords should lower the rent, or sell the properties. As a taxpayer I am actually supporting business people with real estate holdings, I would rather support the elderly/fixed income.

This is another example of Guelph Council's pandering to business interests and misunderstanding of both community and appropriate use of revenue streams. The City's administration is consistently making recommendations and accommodations that directly affect quality of life and long term viability, and Council is self-interested and short-sighted. Understand more about who lives in Guelph and why, respect and nurture our natural and built heritage and environment, and please try and think with vision and not immediate re-election goals.

The benefit of this program is for the building owners and to the detriment of residential taxpayer. As a resident of Guelph, I see no need to supplement building owners, who in some cases are just sitting with empty buildings.

Please eliminate the program.

We should not be financially bailing out unsuccessful landowners. They are provided the same fiscal opportunities as the rest of us, but we don't receive rebates. If I have a three bedroom house but have one left empty, do I get a rebate on my taxes? When the city enacts that type of policy, then I'll support this misguided policy of supporting down-on-their-luck wealthy landowners.

I can't say that I'm qualified to determine which policy is the best one to go with. I can only state what I believe should be the city's objective.

My preferred objective would be to encourage the fewest number of vacant properties as possible. This is especially important in downtown as empty storefronts contribute to a much shabbier streetscape for a pedestrian as opposed to driving past quickly in a car.

I'd also want to ensure that removal of this credit doesn't in any way backfire and encourage property owners to demolish existing buildings as they are no longer incentivized to carry the empty property without the credit.

I'm not sure how this rebate helps anyone but the property owners. I am not in favour of seeing any downtown buildings empty when they could be hosting businesses providing meaningful service to the community.

I am a small business owner who is moving my business to another city (employed one person, now laid off) because I could not find reasonable priced office space of 200-600 square feet for two/three persons. Real estate agents I called told me that Guelph has over 360 vacant 200-600 square feet units that landowners have no incentive to rent out. I do not want to continue to give landowners money they have not earned. Get RID of the vacant unit tax rebate.

If a home owners property was left vacant for any amount of time, they would still have to pay property taxes on said property. Why should an owner who rents space in commercial or industrial get a rebate? They own the land, they built on the land, they should pay taxes on the land.

My suggestions:
- Owners must notify the city when property becomes vacant.
- Owners must allow for ongoing inspections by city staff.
- Traditional rebate would come into effect after at least 24 calendar months of continuous vacancy.
- After the first 12 calendar months of vacancy, the City should provide resources equivalent to the rebate the owner would have otherwise received for the first and up to the second year to assist in finding tenants, marketing the area to industries, providing building permit and/or development application rebates for site upgrades (but not tenant up-fits), etc. This moves the money otherwise rebated to the owner into marketing the site and/or improving the site to help find new tenants and/or improve tenant retention.
- Traditional rebate would be limited to the next 5 years of continuous vacancy only; if the property remains vacant, owner could re-apply 5 years later (if the property is still vacant), if the vacancy is filled and subsequently becomes vacant again, and the owner has benefited (rebate or other assistance), they must wait 5 years after the subsequent
vacant again, and the owner has benefited (rebate or other assistance), they must wait 5 years after the subsequent vacancy before re-applying.

- Rebate should only apply to the portion of the building or land that is actually vacant (not being used for any purpose, including those benefiting the owner or others); for example if a large multi-tenant building has a vacancy in one (or more) units that make up 20% of the gross floor space of the building, the rebate would be limited to that portion of the eligible rebate (maybe this is already the case... I wasn't able to determine this from the website). No rebate would apply if the vacant unit is under renovation/reconstruction, if it is being used temporarily by the owner or other party for any purpose, or if city staff inspections find the unit/building to be unsuitable for tenancy (property standards, building code infractions, health violations, etc.)
ATT-2 Additional Comments Received

Received October 4, 2017, 11:51 AM

We don’t believe that the background information on the vacancy rebate as provided on the City’s website under “Vacant unit tax rebate review” is balanced, and seems to already sets up the arguments to abolish the program. There is only a very few two bullet points that point to the support of the program as it currently runs. While the burden of the program falls onto residential taxpayers, there is no mention of the burdens that are removed from residential taxpayers as a result of commercial taxpayers (eg. waste removal is done privately at the majority of commercial properties, meaning they pay twice – once to the City in their taxes and again to a private hauler). Furthermore, there is no mention in the report of the benefits to the business taxpayer and the partial lessening of the heavy burden of taxation put upon commercial properties. The information presented does not take into account that the tax rate applied to commercial properties is greater than 2.5 times the residential tax rate, so commercial properties greatly compensate and subsidize residential taxpayers in the services the City delivers. The logic behind the rebate is to put vacant units that aren’t being operated for commercial purposes on a ‘level’ footing with a non-commercial ratepayer. Also, the rate of so called 'double dipping' is not prevalent and in our experience and would take years of chronic vacancies to be reflective in the assessment, and the assessment system does not compensate for periodic, typical vacancies expected in owning commercial property.

We would urge the City to take our comments into consideration and to not abolish the vacancy rebates for commercial properties. Thanks for the opportunity to comment James.

Yours truly,

Robert Mason
Recommendation

1. That _____ be reappointed to the Accessibility Advisory Committee for a term ending November, 2018.

2. That _____, _____ and _____ be appointed to the Accessibility Advisory Committee for a term ending November, 2018.

3. That _____ be appointed to the Committee of Adjustment for a term ending November, 2018.


5. That _____ be appointed to the Downtown Advisory Committee for a term ending November, 2018.


8. That _____ be appointed to Heritage Guelph for a term ending November, 2018.


11. That staff be directed to conduct further recruitment to fill the remaining two vacancies on the River Systems Advisory Committee.
12. That _____ and _____ be reappointed to the Tourism Advisory Committee for a term ending November, 2018.

13. That staff be directed to conduct further recruitment to fill the remaining vacancy on the Tourism Advisory Committee.


15. That _____ be appointed to the Transit Advisory Committee for a term ending November, 2018.


17. That staff be directed to conduct further recruitment to fill the remaining vacancy on the Waste Resource Innovation Centre Public Liaison Committee.


**Executive Summary**

**Purpose of Report**
To consider applications and recommend public appointments to the Accessibility Advisory Committee, Committee of Adjustment, Downtown Advisory Committee, Environmental Advisory Committee, Guelph Museums Advisory Committee, Heritage Guelph, Public Art Advisory Committee, River Systems Advisory Committee, Tourism Advisory Committee, Transit Advisory Committee, Waste Resource Innovation Centre Public Liaison Committee and the Water Conservation and Efficiency Public Advisory Committee.

**Key Findings**
Staff liaisons have reviewed applications and are recommending appointees. In keeping with the City’s Public Appointment Policy, all appointments at this time are for one year since appointments cannot extend beyond the current term of Council unless otherwise stipulated by legislation. There is no such legislation which applies to any of the committees referenced within this report.

**Financial Implications**
None.

**Report**
At the beginning of each term, Council appoints members of the public to various statutory and advisory agencies, boards and committees (ABCs). Generally, new members of the public are appointed for a one year term. After the initial one year appointment they may be reappointed for the remainder of that term of Council and
subsequent terms of Council for a maximum of eight consecutive years (unless otherwise stipulated within the terms of reference or by applicable legislation).

The City’s Public Appointment Policy stipulates that appointees must be at least 16 years old and a resident or owner of property within the municipality (unless noted otherwise in the terms of reference or applicable legislation). The vacant positions advertised did not include the incumbent positions that are recommended for reappointment. The appointments recommended by the Committee of the Whole will be final when approved at the November 27, 2018 Council meeting.

Individuals whose terms expire this year, but are eligible for reappointment, were requested to confirm whether they wished to continue serving on the board or committee. The relevant staff liaison then determined whether or not to recommend that individual for reappointment. All remaining vacancies were then advertised.

For ABCs that have nominating committees, applications were provided to them and their recommendations will be provided to Council at a future meeting for ratification.

**Accessibility Advisory Committee**
The Accessibility Advisory Committee meets the third Tuesday of every alternate month. The committee advises City Council on its accessibility plan and reviews selected site plans and drawings for new buildings or developments. The committee consists of a maximum of 15 members. A majority of the members must be persons with disabilities and a maximum of six members may not have a disability. There are currently four vacancies. The liaison for this committee is the Administrator of Disability Services.

**Committee of Adjustment**
The Committee of Adjustment meets the second Thursday of each month and the fourth Thursday if necessary. The committee hears applications under Sections 45, 50/52 & 57 of the Planning Act R.S.O. 1990 c.P13, as amended. The committee consists of seven members of the public and there is currently one vacancy. The liaison for this committee is the Secretary-Treasurer of the Committee of Adjustment.

**Downtown Advisory Committee**
The Downtown Advisory Committee meets monthly on a Thursday. The committee acts as a strategic advisor to facilitate visioning, planning and co-ordination on projects/issues/plans within Downtown Guelph; advises in the preparation, maintenance, and updating of the Downtown Strategic Assessment outlining key priority areas downtown as well as promoting city-wide economic development efforts; works with staff and Council to ensure the Downtown Strategic Assessment supports priorities with appropriate funding mechanisms and options; acts as a champion for Downtown Guelph supporting collaboration, entrepreneurship and investment; forms subcommittee(s) of its members and/or other interest groups or individuals to respond to specific issues/projects.
The committee consists of 11 members of the public representing various sectors, including: one – Business Management or Finance; one – IT/Innovation; one - Developer or Property/Facilities Management; one – Storefront Retail; one – Arts and Culture/Tourism/Entertainment; one – Real Estate; one – Marketing and Promotion; one – Education/Research; one – Major Industry Anchor; two – Residents in Downtown and Surrounding Community. In 2014, Council determined that some members of this committee may also serve on the Downtown Board of Management in order to provide continuity. There are currently two vacancies; one in the Arts and Culture sector and one in the Marketing and Promotion sector. The liaison for this committee is the Corporate Manager, Downtown Renewal.

Environmental Advisory Committee
The Environmental Advisory Committee meets the second Wednesday of every month. The committee provides recommendations to staff on submitted planning applications in accordance with Council-adopted Terms of Reference. The committee reviews all formal development applications referred to it by planning staff, with respect to Official Plan amendments, Zoning By-law amendments and draft plans of subdivision. The committee also examines such matters and issues referred to it by City Council, Committee of the Whole, Planning Services, and any other department through the City Administrator.

The committee consists of nine members of the public and there is currently one vacancy. The liaison for this committee is the Environmental Planner.

Guelph Museums Advisory Committee
The Guelph Museums Advisory Committee meets the fourth Thursday of every month (except July, August and December). The committee safeguards Guelph Museum assets, including the care of its collection, through strategic planning, fundraising, acting as ambassadors, advising on approaches to maintaining and increasing membership and approving operating policies as required by the Ministry of Culture, Sport and Tourism.

The committee consists of nine members of the public and currently has one vacancy. The liaison for this committee is the Museum Director.

Heritage Guelph
Heritage Guelph meets monthly on the second Monday of every month. This committee is involved with designations under the Ontario Heritage Act and will assist Council and the public in the field of architectural preservation.

The committee consists of 12 members of the public and there is currently one vacancy. The liaison for this committee is the Senior Heritage Planner.

River Systems Advisory Committee
The River Systems Advisory Committee meets quarterly and provides recommendations to City staff and Council on the monitoring, implementation and
The committee consists of nine members of the public and there are currently three vacancies. The liaison for this committee is the Environmental Planner.

Tourism Advisory Committee
The Tourism Advisory Committee meets a minimum of four times per year. The committee provides strategic input and advice to Council and City staff on the implementation of the recommendations of the 2014 Tourism Operational Review and matters affecting the tourism industry. Qualified members must possess professional and/or volunteer experience related to at least one of the following: tourism destination development and management, marketing, advertising and promotion, market research, entrepreneurship, small business, and cultural development as well as the ability to demonstrate a significant knowledge of Guelph and its tourism industry.

The committee consists of nine members of the public, with one member representing each of the following sectors of the Guelph Tourism Industry: accommodation, food and beverage, attractions, transportation, culture and events, outdoor/recreation, sport, retail, and conference services. There are currently three vacancies; one in the sport sector, one in the accommodation sector and one in the culture and events sector. The liaison for this committee is the Supervisor of Tourism Services.

Transit Advisory Committee
The Transit Advisory Committee meets once every three months or as deemed necessary by the committee, with the time, location and date to be determined. This committee’s mandate is to provide a forum for input, exchange of ideas and debate on conventional and mobility transit related issues with representation from all affected groups in the community.

The committee consists of nine members of the public from various sectors and there are currently five vacancies. The liaison for this committee is the General Manager, Guelph Transit.

Waste Resource Innovation Centre Public Liaison Committee
The Waste Resource Innovation Centre Public Liaison Committee meets quarterly as dictated by the Provincial Certificate of Approval. The committee reviews and provides recommendations with respect to the Organic Waste Processing Facility, annual operational and monitoring reports and other pertinent information. The committee also provide a forum for dissemination, consultation, review and exchange of information regarding the operation of the Organic Waste Processing Facility, including environmental monitoring, maintenance, complaint resolutions, and new approvals or amendments to existing approvals related to the operation of the site.
The committee consists of seven members of the public consisting of two residents or property owners within 2,000 metres of the Organic Waste Processing Facility, two members of interested non-governmental organizations and three interested people or groups (local businesses or residents who live greater than 2,000 metres from the Organic Waste Processing Facility). There are currently two vacancies. The liaison for this committee is the Manager of Operations, Solid Waste Services.

**Water Conservation and Efficiency Public Advisory Committee**

The Water Conservation and Efficiency Public Advisory Committee meets quarterly, at a minimum, and provides an ongoing mechanism for feedback and advice to City staff and Council on key aspects of implementation of the 2009 Water Conservation and Efficiency Strategy Update.

The committee consists of eight members and there is currently one vacancy. The liaison for this committee is the Supervisor of Water Efficiency.

**Financial Implications**

None

**Consultations**

Vacancies were advertised in the Guelph MercuryTribune on September 7, 2017 and September 14, 2017 and posted on the City’s website and social media accounts. The advertisement was also provided to City facilities with public bulletin boards and the People and Information Network (formerly known as the Guelph-Wellington Volunteer Centre). Staff liaisons were also encouraged to distribute the advertisement to appropriate venues.

The advertisements provided links to the individual board or committee webpages that provided details such as:
- Number of vacancies,
- Term of office,
- Summary of duties,
- Frequency of meetings, and
- Contact information.

Staff liaisons were consulted and provided input regarding the appointments.

Each applicant will receive correspondence advising of the outcome of their application and each staff liaison will be advised of the successful candidates. The webpages for each board or committee will also be updated to the names of the new committee members.
Corporate Administrative Plan

**Overarching Goals**
Service Excellence

**Service Area Operational Work Plans**
Our People- Building a great community together
Our Services - Municipal services that make lives better

**Report Author**
Dolores Black, Council Committee Co-ordinator

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**Approved By**
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**Recommended By**
Trevor Lee
Deputy CAO, Corporate Services
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Recommendation

1. That the current street tree ownership and maintenance practices provided by Parks Operations and Forestry, as described in ATT-1 of the report titled Street Tree Ownership and Maintenance, dated November 6, 2017 be approved.

Executive Summary

Purpose of Report

To advise Council of existing maintenance standards and communication protocols for street trees of various ownership status, and to recommend that the maintenance regime currently in place be continued.

Key Findings

More than 40,000 street trees are documented within the tree inventory. About a quarter of those are completely on private land, and about a quarter straddle the City-private property line, and are therefore legally known as boundary trees, which are in shared ownership. It is the responsibility of landowners to understand their property ownership limitations and related responsibilities.

The recommended protocol for street tree inspections, maintenance, and related communications is consistent with the protocol currently in effect. This recommendation is being made due to legal limitations, as City staff should not be performing maintenance work on private property on privately owned trees, except in the circumstances that there is a safety concern due to the tree’s interaction with the highway (right of way).

The City has total maintenance obligation for trees it owns, but for privately-owned trees, has only a maintenance mandate to ensure highway safety. This report will refer to highways, in reference to the vast majority of city streets that meet that legal definition. For boundary trees, the City has taken on the maintenance obligation as though they were City-owned, but with augmented communications with the co-owners of such trees.
The need to review and update the City’s road right-of-way design in order to accommodate utilities and optimize “plantable spaces” is recognized and being pursued through inter-departmental work such as the development of a Tree Technical Manual and review of Engineering’s Alternative Design Manual.

Financial Implications

Any change to the current protocol to include maintenance and removal of privately-owned street trees would cost more than $10M over the next thirty years. The recommended protocol is captured within the Parks Operations and Forestry operating budget.

Report

In December 2016, staff brought forward a report to City Council that advised that through substantial progress in Forestry’s tree inventory, more than a quarter of residential “street trees” had recently been confirmed as privately owned, and outlined related considerations and proposed next steps. Also at that time, staff committed to returning to Council with a policy to address maintenance approaches to the various ownership scenarios and budgetary implications for consideration.

Tree Ownership

For the purpose of this report, there are three types of street trees: 1) City-owned, 2) privately-owned, and 3) “boundary” trees. A boundary tree is one in which the property line intersects the trunk of the tree. The legal definition of trunk includes root flare and leaning trunks, and extends to where the branches begin to form the canopy. For boundary trees, legally speaking, there is shared ownership and shared responsibility, although in practice, the City has shouldered the maintenance burden of these trees. In law where a tree’s trunk is clearly on one side or the other of a property line, the tree is owned by that landowner, regardless of who planted the tree or caused it to be planted. The only time this would not be true would be the very rare case of a legal instrument on title to the contrary.

Municipal Street Tree Maintenance Mandate

The Parks Operations and Forestry division has a mandate to work on trees wholly or partially owned by the City for safety, tree health, and aesthetics. It has a mandate to work on privately-owned trees only to the extent that those trees pose a risk to the safety of highway users, including pedestrians on the associated sidewalks. City Forestry crews very commonly work on privately-owned trees for this reason, likely contributing to confusion around who owns street trees.

The authority for this private tree work stems from Section 62 of the Municipal Act, which permits the City to enter onto private property at any reasonable time to inspect and test trees, and to remove decayed, damaged or dangerous trees, or branches of trees if, in the opinion of the municipality, the trees or branches pose a danger to the health or safety of any person using the highway.

ATT-1 of this report outlines the current maintenance regime and related communications protocols for the three categories of street tree ownership. It is recommended to continue with this maintenance regime, despite the recent
findings of a substantial fraction of street trees being privately owned. This maintenance regime is consistent with our regulated mandate and with our comparator municipalities for private trees. For boundary trees, staff members believe that the maintenance regime is consistent with the approach of those of our comparator municipalities which have updated their practice to reflect recent (2013, 2015) relevant court rulings in Ontario regarding boundary trees. Our current and recommended maintenance regime for boundary trees treats them exactly as City-owned trees, with augmented communications with our tree co-owners.

**Tree Inventory**
The City of Guelph has never before had a (nearly) complete inventory of its substantial resource of City-owned trees. The current tree inventory process began in summer of 2014 with a completion target of mid-2018. The following outlines the ownership status of street trees inventoried to date. The definition of “street tree” in this case is essentially any tree within the City-owned road right-of-way (the highway), and any tree that might easily be confused with same.

**Inventoried Street Trees** (as of September 2017)
City-owned – 17,565

**Privately owned**
Boundary trees – 12,604

**Total Inventoried Street Trees** – 41,141

**Total City-owned/maintained trees (estimated)*** - 788,000

*Note that City-owned and City-maintained trees number an estimated 788,000, most of which are in forests and parks; about 495,000 fall into the purview of Parks Operations & Forestry, while the remainder are at City wellfields outside City boundaries under management by the Environmental Services (Water Supply) department.

**Tree Ownership Determination**
There is a high degree of variability and related difficulty in establishing the location of the property line, often without a legal survey. The Geographic Information System (GIS) parcel fabric is generally not of sufficient accuracy for this purpose, necessitating substantial background work to prepare for fieldwork. This includes searching records for subdivision plans and any recent surveys on file, and then using plan measurements to establish the distance from curb or sidewalk to the property line.

The City of Guelph methodology for determining ownership during the tree inventory includes the following. The best available in-house information indicating property line location is gathered. A distance-to-property-line measurement is gleaned from the source(s), as well as a point from which to measure, such as outside of curb. Using that measurement, and adding a 30cm buffer, the inventory staff determine whether the tree is considered City, boundary, or private. The 30cm
buffer is a precautionary protocol to reflect the variables that make it difficult to establish tree ownership in the field.

Where a property owner disagrees with the City’s determination of tree ownership in the inventory, staff revisits the site to re-measure. In these cases, Forestry staff use a magnetic bar-finder to try to locate the property bars originally placed by the surveyor, and determine tree ownership based on a line between the corner bars.

This protocol is too intensive and expensive to do at the initial tree inventory stage for tens of thousands of trees. However, it falls far short of the accuracy and confidence and legal status conferred by a survey conducted by a registered Ontario Land Surveyor (OLS). Local surveyors indicate that establishing the ownership of one tree on one frontage would likely cost upwards of $1,000. Anything less than an OLS survey is an approximation of the answer to the tree ownership question, but having tens of thousands of frontages surveyed is not practical.

In situations where a property owner, after dialogue and re-measurement options are exhausted, continues to dispute the City’s findings on tree ownership, an OLS survey could be retained by the homeowner to conduct a legal survey at their expense to provide a definitive answer.

When staff members have knowledge that a tree is privately owned, the City must act accordingly. The only current mandate Forestry staff have to undertake the maintenance of private street trees, is to the extent that highway safety is jeopardized. When a street tree is confirmed as privately-owned, City of Guelph practice has always been to provide only work that directly addresses right-of-way safety. The difference now is that a much clearer picture is emerging from the tree inventory as to ownership status of street trees, and more than a quarter of residential street trees in the community have been recently confirmed as privately owned.

**Communication and Policy**
In January 2017, street tree ownership status as understood through the City’s tree inventory process was made publicly available on-line through a GIS-based map display. This is in essence the “effective date” for City staff and homeowners to understand the responsibilities of ownership.

If homeowners advise staff that they believe a tree is incorrectly classified, staff work with them to try to resolve the matter. Just over 100 homeowners have contacted staff to review the ownership status of the street tree at their address, and a small number of these homeowners have been dissatisfied with the outcome and Forestry’s approach – that is to say, the homeowner believes the tree should be a City responsibility, and does not appreciate that Forestry staff treats privately-owned trees as the owners’ responsibility. Note that this approach has not changed; it’s only that a better understanding of ownership has been gained through the tree inventory process.
Financial Implications

The staff recommendation is not to increase the maintenance level for privately-owned street trees. The following information is provided only to inform any discussions of such potential increases in service. Removal costs for the currently inventoried privately-owned street trees would be upwards of $10M over an estimated thirty years. This estimate is based on an assumption of $1,000 per tree and a total of 10,000 trees over the three decades requiring removal. "Grandfathering" the removals of privately-owned ash street trees only, as some have suggested, would cost about $500,000 over five years.

Dealing with tree ownership questions and resolving disputes with potentially thousands of homeowners may drive up related near-term costs, as will the recognized need to be more communicative with residents about proposed work on trees at their address. Staff will monitor these costs over the coming months, and are confident that they can be absorbed within the existing 2018 proposed budget for forestry.

Consultations

Darrell Mast, Associate Solicitor, Legal Realty & Risk Management
Doug Godfrey, General Manager, Operations
Brent Andreychuk, Financial Analyst

Corporate Administrative Plan

Overarching Goals
Service Excellence

Service Area Operational Work Plans
Our Services - Municipal services that make lives better

Attachments

ATT-1 Municipal Street Tree Maintenance Protocol

Departmental Approval
N/A

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### Municipal Street Tree Maintenance Protocol

<table>
<thead>
<tr>
<th>Maintenance Aspect</th>
<th>City-owned trees</th>
<th>Shared trees</th>
<th>Private trees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inspections</td>
<td>Year 1 and 2 monthly, with watering</td>
<td>Same as City-owned.</td>
<td>Approximately every 7 years within “grid pruning” program – only for highway safety.</td>
</tr>
<tr>
<td></td>
<td>Year 5, 10, 15 inspection and structural pruning</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Beyond year 15 – inspections approximately every 7 years within “grid pruning” program</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>High-risk trees flagged for “watch list”; inspection every 5 years for life, increased to annual inspections when risk level or rate of decline warrants it</td>
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<td></td>
<td>Aside from these systematic inspections, thousands of homeowners are watchful of the City tree at their address, and about 2,000 are inspected at citizen request, annually.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance Aspect</td>
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<td>Private trees</td>
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<tr>
<td><strong>Tree Planting</strong></td>
<td>Now done by developer in new developments (recently changed from City doing the planting); City does replacement planting when City trees are removed.</td>
<td>Most trees begin on one side of the property line or the other, and become boundary trees over time as the trunk grows large enough to intersect the property line; when the City plants a tree that would immediately be a boundary tree, written permission from the homeowner is required.</td>
<td>Developers are required to advise landowners that trees on the private side of the property line are the responsibility of the homeowner. Landowners’ written permission is required in any instance where the City would plant on the private side of the line. In such cases, it is made clear that the tree is owned by the homeowner, and it is their responsibility; however, the City will water the tree for the 2-year period after planting.</td>
</tr>
<tr>
<td><strong>Watering</strong></td>
<td>Trees planted by developers are on 2 year warranty; trees planted by City are watered as needed by the City for the first 2 years, approximately bi-weekly.</td>
<td>Same as City trees.</td>
<td>Same as City trees.</td>
</tr>
<tr>
<td><strong>Trimming for Tree Health</strong></td>
<td>City trees receive structural pruning that trends the tree toward a future of structural integrity at years 5, 10, 15; within the grid pruning program, trimming for tree health would occur approximately every 7 years thereafter; or, as requested by address homeowner.</td>
<td>Same as City trees, except homeowner is advised of boundary tree status, and that the City is willing to undertake the maintenance.</td>
<td>Trimming for tree health is the owner’s responsibility.</td>
</tr>
<tr>
<td>Maintenance Aspect</td>
<td>City-owned trees</td>
<td>Shared trees</td>
<td>Private trees</td>
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<tr>
<td><strong>Trimming for Safety</strong></td>
<td>All trees with branches potentially impacting the safety of the highway are trimmed for clearance heights (roads 5 meters and sidewalks 3 meters); and all branches likely to fail and pose a threat to people or property are removed; systematically done on an approximately 7 year grid pruning cycle or as service requests or inspections trigger action between grid pruning cycles. Safety needs, as assessed by the City, necessarily take priority over the tree treatment preferences of the homeowner at that address.</td>
<td>Same as City trees, except homeowner is advised of boundary tree status, and that the City is willing to undertake the maintenance. Safety needs, as assessed by the City, necessarily take priority over the tree treatment preferences of the co-owner.</td>
<td>Homeowners have the legal responsibility to keep people and property safe from the trees they own, but also, the municipality has the legal responsibility to keep the highway safe. In practice, the City takes on clearance heights trimming to ensure timeliness and consistency. Safety needs, as assessed by the City, necessarily take priority over the tree treatment preferences of the tree owner.</td>
</tr>
<tr>
<td><strong>Treatments for Tree Health</strong></td>
<td>The City is injecting about 900 City and boundary ash trees biannually with TreeAzin to ward off emerald ash borer and thereby extend tree service life; other treatments (e.g. for Dutch Elm Disease or others) would be handled similarly, but currently not resourced for extensive health treatments.</td>
<td>Same as City trees, except homeowner is advised of boundary tree status, and that the City is willing to undertake the treatments.</td>
<td>Private trees are the responsibility of the owner.</td>
</tr>
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<td>Maintenance Aspect</td>
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<tr>
<td><strong>Cabling</strong></td>
<td>A small number of (usually) mature trees have their structural integrity reinforced through cabling and/or bracing; every such tree is inspected annually.</td>
<td>Same as City trees, except homeowner is advised of boundary tree status, and that the City is willing to undertake the treatments.</td>
<td>Private trees are the responsibility of the owner.</td>
</tr>
<tr>
<td><strong>Removals</strong></td>
<td>As inspections and service requests trigger removal, the immediacy of action is in accordance with the degree of risk and assessed imminence of potential failure. In general, trees with significant viable, acceptable-risk service life remaining are not removed; trees with less than half their crown living, or trees whose structural integrity risks cannot be economically mitigated, are removed.</td>
<td>Same as City trees, except homeowner is advised of boundary tree status, and that the City is willing to undertake the removal(s).</td>
<td>Private trees are the responsibility of the owner.</td>
</tr>
<tr>
<td><strong>Emergency Situations</strong></td>
<td>In an emergency situation such as an ice storm, the City will take such action as quickly as is feasible to open major traffic arteries first, then secondary streets, then sidewalks; sequence is to restore the safe movement of emergency vehicles City-wide as early as possible, and then to restore the safe movement of others.</td>
<td>Same as City trees; but no consultations with shared owners.</td>
<td>In an emergency situation, trees or branches that are impeding traffic or threatening highway safety are dealt with by the City, regardless of ownership status.</td>
</tr>
<tr>
<td>Maintenance Aspect</td>
<td>City-owned trees</td>
<td>Shared trees</td>
<td>Private trees</td>
</tr>
<tr>
<td>-------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Communications Protocol</td>
<td>Generally, homeowners are advised of upcoming tree work via a “door hanger”, or sometimes a letter, to the address 2 weeks prior to the work. Where a neighbourhood is impacted, this may be augmented with media releases or other broader announcements. For tree planting, a stake in the ground helps the homeowner understand the proposed placement. For removals, the adjacent neighbours on each side of the address, and directly across the street, also receive the notification, as the removal may impact them. An orange “X” is painted on the tree to make clear which tree(s) is/are proposed for removal. Communication protocols are suspended during emergency situations, and replaced with centralized messaging.</td>
<td>Same as City trees, but the homeowner is advised of boundary tree status, and that the City is willing to undertake the work.</td>
<td>Grid pruning for highway safety (trimming for clearance heights) is the only work the City typically undertakes on private trees in non-emergency situations, and for this work the communication protocol is the same as for City or shared trees.</td>
</tr>
</tbody>
</table>
Staff Report

To Committee of the Whole
Service Area Public Services
Date Monday, November 6, 2017
Subject Bicycle Skills Facility
Report Number PS-17-30

Recommendation
1. That staff be directed to engage the community, and plan and design a bicycle skills facility that will be owned and operated by the City of Guelph.

2. That Council endorse the staff recommendation that the Eastview Community Park be the location for the bicycle skills facility.

3. That Staff be directed to revise the Eastview Community Park Master Plan to accommodate a bicycle skills facility.

Executive Summary

Purpose of Report
This report is in response to a December 7, 2016 Council resolution directing staff to bring forward a report on a bicycle skills facility in 2017 and to seek Council approval for Eastview Community Park as the preferred location.

Key Findings
The need for an off-road bicycle skills facility is twofold: 1) to reduce the number of unauthorized facilities being created on city and private land, and 2) to provide recreational opportunities for youth and young adults.

There is strong evidence that a bicycle skills facility would be supported in the city of Guelph given the popularity of the newly constructed skateboard park by cyclists and trends in municipal recreation. Currently, there is no publicly supported bicycle skills facility in the city.

A bicycle skills facility is considered a high risk activity where user risk of injury is inherent. The City of Guelph, under the Occupier Liability Act and the Negligence Act, owes a duty of care to all users of City facilities to keep facilities and equipment in a safe and functional condition.

Four different operational models were evaluated and it was determined that a municipally owned and operated facility is the most feasible option for the City of
Guelph. This model would provide full control over risk and liability, does not require third party agreements, and can be owned and operated by the City.

Eastview Community Park is the most feasible location, as it can be built and operated by the City, does not require engaging a third party land owner, and can be built within the next five years. All other sites are identified as future parks and the land may not be available for a number of years.

Financial Implications
The 10-year capital program will identify funds for Council approval to build a bicycle skills facility, including the operational impact.

Report
Bicycle skills facilities are growing in popularity among children, youth and young adults. The popularity of these facilities is evident with their presence in a number of area municipalities such as Kitchener, Cambridge and Mississauga. Typically, bicycle skill facilities are built with different challenges to help users develop their mountain biking and off-road cycling skills. There is no set design or layout for a facility; generally it is determined by location, budget, public input and operational model.

According to the International Mountain Biking Association Canada (IMBA), the emergence of bicycle skills facilities is driven by both riders and land managers. Riders would like a place to practice and learn new skills, and land managers would like to manage unauthorized trail building and provide new recreational facilities in a central location. Currently, there is no publicly supported bicycle skills facility in the city of Guelph and there are a number of unauthorized dirt trails and jumps documented on both private and public land. The sections below evaluate the feasibility of a bicycle skills facility for the City of Guelph including next steps.

Background
At the December 7, 2016 Council meeting discussing 2017 Tax-Supported Operating and Capital Budgets, Council directed staff to reallocate $50,000 from the West End Community Centre Capital Improvement Project to bring forward a bicycle skill facility in 2017.

Determining Community Support and Need
There is strong evidence that a bicycle skills facility would be supported in the City of Guelph. The popularity of the newly constructed skateboard park by BMX users and trends in municipal recreation indicate strong support for this type of facility.

Defining an Operational Model
The success of a bicycle skills facility is not only based on community engagement and design, but also on how it will be operated. There are several types of operational models that are being used for existing bicycle facilities in other municipalities. Each operational model has a different impact on the municipality’s operating budget, maintenance requirements, and risk and liability assessment. When reviewing an operational model, these are the main considerations:
• What are the current best practices in Ontario for bicycle skills facilities?
• Does the City have the skills to operate and maintain the facility to the expected level; and if not, how will this be completed?
• What are the risks associated with this type of facility; and can the risks be mitigated appropriately?
• What are the financial impacts to the City’s annual operating budget?

To review different types of operational models, staff contacted other municipalities with bicycle skills facilities to determine best practices. It was found that there are two models typically being used: a municipally maintained and operated facility, or a facility located on public lands and operated under agreement by a privately run service provider.

Municipally maintained and operated facilities occur in many municipalities such as Kitchener, Mississauga and Cambridge. Milton and Kingston both provide bicycle facilities that are located on municipal lands, but operate under an agreement by a privately run service provider. These facilities operate at a competitive level and are registered with BMX Canada. The organizations were started specifically to run these facilities and should the City want to pursue this model, it would require volunteers or an organization to come forward with a proposal. At this time, no group has approached the City to form an organization like this.

It was also found that municipalities use a combination of City-owned forces and third party maintenance companies to ensure proper maintenance of the site. Bicycle skills facilities are typically composed of dirt jumps or trails that require significant ongoing maintenance by skilled, experienced staff. Many municipalities lack the experience in operating these types of facilities; therefore a combination of staff training, maintenance and contracted service model is used. This would be the recommendation for a facility of this type.

**Risk and Liability**
Another important component in determining an operational model is to understand the associated risks and to outline what measures need to be put in place to mitigate.

A bicycle skills facility is considered a high risk activity where user injury is inherent. The City of Guelph, under the Occupier Liability Act and the negligence Act, owe a duty of care to all users of the facility to keep the premises and equipment in a safe and functional condition. Should an injury occur, there is a potential for financial consequences where the City is determined to be negligent. In this case, claims would be covered under the City’s Umbrella Insurance Coverage. There is a recent Ontario Supreme Court ruling against Bruce County that operates a municipally-run bike park where a park user was critically injured. The judge found the municipality negligent and 100% liable, stating that injury could have been prevented.

Staff completed an initial risk management assessment that identifies potential risks and strategies to mitigate. A complete risk management plan will be fully
developed, vetted and legally approved when the design and type of facility is selected.

The feasibility of a bicycle skills facility was discussed with the City’s insurer who provided guidelines that included: ensure adequate funding for construction and maintenance; partner with cycling associations for expertise; locate the park appropriately; and hire a professional bicycle skills facility designer to design and oversee construction of the facility. It was also noted that in cities where parks are not available, cyclists are creating their own homemade versions, often on City property, which can lead to increased risk and liability. Providing City-run or sponsored facilities helps to decrease unauthorized parks that pop-up and therefore decrease liability.

**Finding a Location**
The most successful facilities are designed to accommodate the needs of the greatest number of users. There are many types of bicycle skills facilities that can vary from rolling topography, dirt jumps and built obstacles. On average, a bicycle skills facility requires a land area of 0.5 – 5.0 acres. For the purposes of finding a suitable location, 2 acres (0.84 ha) was used as the average size of facility and a size that can accommodate a range of uses. For this study, staff reviewed the following types of sites:

- All sites reviewed as a part of the Deerpath Skateboard Park relocation;
- All P3, P4 and P5 zoned parks (as the zoning would allow for parking);
- Land identified as parkland in any approved or pending Secondary Plans;
- Any new parks approved as part of an existing Draft Plan of Subdivision; and
- Lands owned by third party agencies (Grand River Conservation Authority, Hydro One, Guelph Hydro, etc.).

Suitable sites were determined by using the site selection criteria from the Deerpath Skateboard Relocation Project. Lessons learned from the construction of the skateboard park were incorporated into the new list of site criteria. It should be noted that many of the city’s parks are well used and that there were very few locations that have space for a new facility.

**Shortlist of Potential Sites and Site Recommendation**
Of the available City owned property that was reviewed for this purpose, only one site, Eastview Community Park, is the most feasible option. This location has adequate space beside the existing stormwater management (SWM) pond to accommodate a 1 hectare (2.5 acre) facility, and is in close proximity to the mountain bike trails operated by Guelph Off-Road Bicycling Association (GORBA) at Guelph Lakes, although no direct connection is available at this time. It has all the amenities and services including a washroom building (under construction) and adequate parking.

The Eastview Community Master Plan was approved in January 2008 and included soccer fields, football fields, natural ice rink, children’s play area (water play and playground), volleyball courts, basketball courts, a washroom/concession building
and recreational trails. In 2009, Council approved the addition of a pollinator park and modifications to the park layout. A bicycle skills facility was not included in the original program for Eastview Community Park; therefore, community engagement would be needed to confirm the additional amenity in the park. This will be completed at the same time as the engagement determining facility type and design.

**Project Timing and Next Steps**

Based on the information presented, staff recommends that a bicycle skills facility be built as a City owned and operated facility. In order to move forward with designing and building a bicycle skill facility, the following is needed:

- Conduct community engagement to confirm the additional amenity to Eastview Community Park and revise Eastview Community Park Master Plan;
- Hire a qualified consultant to conduct community engagement and design of a bicycle skills facility;
- Prepare a Risk Management Plan to manage risk and liability;
- Prepare an operation plan and identify associated budget implications;
- Recommend a Capital and Operating budget for approval.

Staff will report back to Council on the completion of this process by the end of 2018 so that the capital cost can be considered as part of the 2019 budget deliberation process.

**Financial Implications**

The $50,000 identified in the 2017 capital budget will be used to fund the community engagement and design of the facility. Once this work is completed, staff will report back, and the 10-year capital program will then be updated to identify funds for Council approval to build a bicycle skills facility, including the operational impact.

**Consultations**

Public consultation will take place to confirm site location, feasibility, type (i.e. pump track, skills course, dirt jump, etc.) and design. Council’s decision and direction on this report will be communicated at that time.

Internal consultation occurred with Parks Operations, Community Development, Risk Management, Legal Services, Accessibility, Community Engagement and Parks Planning.

**Corporate Administrative Plan**

**Overarching Goals**

Service Excellence
Innovation
Service Area Operational Work Plans
Our Services - Municipal services that make lives better
Our People- Building a great community together
Our Resources - A solid foundation for a growing city

Attachments
N/A

Departmental Approval
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Dave Beaton, Supervisor, Trails and Natural Area Stewardship
Nicole Good, Risk Management Specialist
Jeff Aitkens, Deputy City Solicitor
Leanne Warren, Accessibility Services Coordinator
Kate Bishop, Community Engagement
Lynne Briggs, Manager, Recreation Services
Wendy Kornelsen, Program Manager, Community Development
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Guelph Wellington Paramedic Service Master Plan

Implementing the Changes Recommended by Operational Research in Health Limited (ORH)
Master Plan

Created to detail the implementation of changes recommended by ORH

Plan for enhancements and changes through 2022.
The Corporation of the City of Guelph

Optimal Resource Deployment of Emergency Services

Final Report

September 2, 2016
ORH/CCG/1
Service Area
Call Volumes

10.11 In 2015 there were 47 incidents per day on average across GWEMS, excluding standby moves – 30 in the City and 17 outside the City in the County. It is projected that P3 and P4 demand will rise by 43.5% by 2026 assuming that P1 and P2 demand levels remain stable.
# Staffing Enhancements

<table>
<thead>
<tr>
<th>Phase</th>
<th>Estimated Timescale</th>
<th>GWEMS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>City</td>
<td>County]</td>
</tr>
<tr>
<td>I</td>
<td>2017 to 2020</td>
<td></td>
</tr>
<tr>
<td></td>
<td>New EMS City Site 2</td>
<td>Move Hillsburgh to Optimal Site</td>
</tr>
<tr>
<td></td>
<td>(Co-Located with Optimal Fire HQ)</td>
<td>(Close Existing)</td>
</tr>
<tr>
<td></td>
<td>Close Delhi Street</td>
<td>Additional Ambulance night shift at Hillsburgh &amp; Rockwood</td>
</tr>
<tr>
<td></td>
<td>Extend Clair Road ERU to 24/7</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Additional Ambulance day shift at City Site 2</td>
<td></td>
</tr>
<tr>
<td>II</td>
<td>2020 to 2023</td>
<td></td>
</tr>
<tr>
<td></td>
<td>New EMS City Site 1</td>
<td>Move Rockwood to Optimal Site</td>
</tr>
<tr>
<td></td>
<td>(Co-Located with Optimal Fire Station 4)</td>
<td>(Close Existing)</td>
</tr>
<tr>
<td></td>
<td>and New EMS City Site 3</td>
<td>Additional Ambulance 24/7 at Fergus</td>
</tr>
<tr>
<td></td>
<td>Close Elmira Road</td>
<td>Additional Ambulance night shift at Drayton</td>
</tr>
<tr>
<td>III</td>
<td>2023 to 2026</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Move Mount Forest to Optimal Site</td>
<td>Move Harriston to Optimal Site</td>
</tr>
<tr>
<td></td>
<td>(Close Existing)</td>
<td>(Close Existing)</td>
</tr>
<tr>
<td></td>
<td>Additional Ambulance day shift at Mount Forest &amp; Harriston</td>
<td></td>
</tr>
</tbody>
</table>
Rate of Increases

- **Staffing Hours with Planned Enhancements**
- **Staffing Hours**
- **Number of Calls**

Data points for **Call Volume Actuals**: 14,000, 19,000, 24,000, 29,000

Data points for **ORH Projection**: 145,000, 170,000, 195,000, 220,000, 245,000, 270,000, 295,000
Paramedic Service Funding

- Ministry of Health and Long Term Care: 50%
- City of Guelph: 31%
- County of Wellington: 19%
Master Plan

• Available at:
  • Summary is attached as an appendix to the report
Executive Summary

Purpose of Report
To provide Council with the Guelph Wellington Paramedic Service Master Plan. This plan has been designed to implement changes necessary to meet the demands of the predicted increases in emergency call volumes.

Key Findings
A consultant has reviewed the current call demands, and predicted future emergency call volumes for Guelph Wellington Paramedic Service through 2026. In order to meet those demands, enhancements to staffing and changes to station locations are recommended.

Financial Implications
Any financial implications arising as a result of the Guelph Wellington Service Master Plan will be brought forward as part of the annual budget process.

Report
In 2016, Operational Research in Health (ORH) was hired as an external consultant to complete a detailed and thorough review of the Guelph Wellington Paramedic Service. The review included population forecasts provided by City of Guelph and County of Wellington planning staff and sophisticated computer modeling to predict emergency call demand and responses through 2026.

The consultant’s findings included recommendations on requirements to meet the future demands of calls for assistance. Staff have created a Master Plan for Guelph
Wellington Paramedic Service to implement the recommended changes and provide the necessary infrastructure support by 2022.

The ORH report focused on resources and station locations that would optimize the service and allow it to meet the projected needs of the residents of the city of Guelph and the county of Wellington. Included in the report was the prediction that based on information provided by planners and by identified trends, emergency call volume for Guelph Wellington Paramedic Service will increase by more than 43% by 2026. This is in addition to the more than 20% increase in growth that has been experienced in the past five years.

The main focus of the consultant’s report was the optimization of response times to emergency calls. Response times are important for a paramedic service in order to ensure effective pre-hospital patient care. The timely intervention of paramedics in providing care can improve the overall condition and outcome of a patient suffering from a potentially life threatening event.

The consultant’s recommendations include increases to staffing and some changes to station locations to optimize efficiency. The recommendations also included a phased approach to allow the impact of each change to be reviewed. Staff have created a five year Master Plan to detail the implementation of those recommended changes.

To view the full 2016 report from ORH, please see the link:

Financial Implications

The Master Plan includes a phased approach to increase staffing, infrastructure, and support programs from 2017 through 2022, as recommended. Each change will be brought forward to City Council during the annual budget process for consideration.

Consultations

Corporate Communications has been consulted about the Master Plan. The Master Plan will be available on-line. A Summary of the Master Plan is attached to this report.

Corporate Administrative Plan

Overarching Goals
Service Excellence

Service Area Operational Work Plans
Our Services - Municipal services that make lives better
Our Resources - A solid foundation for a growing city

Attachments

ATT-1 Guelph Wellington Master Plan Executive Summary

Departmental Approval
N/A

Report Author
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Recommended By
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This Executive Summary is the summation of the data, analysis and recommendations and located in the Master Plan:


This Plan was developed to implement changes recommended by an external review of Guelph Wellington Paramedic Service that looked at future demand and the requirements to provide appropriate service to the community.

Guelph Wellington Paramedic Service (GWPS) is the designated provider of emergency Paramedic ambulance service for the City of Guelph and the County of Wellington. The service is dedicated to provide compassionate quality ‘patient focused’ emergency medical care and transport service in the City of Guelph and County of Wellington.

The relatively large coverage area serviced by GWPS is unique, not only in size but by its population’s unequal distribution throughout the County of Wellington. At 2,600 km², the size and shape of the County make navigating the overall response area very difficult and time consuming, providing for response-time challenges unique to GWPS. (Figure 1)

This Master Plan addresses these incomparable challenges with unique staffing, station location and vehicle deployment solutions.

Geographic Coverage

Paramedics are based in ten stations (eight full stations and two posts) spread throughout the coverage area of more than 2,600 square kilometres. Post locations do not have full facilities.
<table>
<thead>
<tr>
<th>Municipality</th>
<th>Station Location</th>
<th>Service Hours</th>
<th>Fleet</th>
<th>Supervision/Service Hours</th>
<th>Administration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minto</td>
<td>Harriston</td>
<td>24/7</td>
<td>1 ambulance</td>
<td>1 Superintendent / 25% of 24/7 coverage</td>
<td></td>
</tr>
<tr>
<td><strong>Wellington North</strong></td>
<td>Mount Forest</td>
<td>24/7</td>
<td>1 ambulance</td>
<td></td>
<td>1 Chief 1 Deputy 2 Commanders 1 Scheduler 1 Administration Assistant</td>
</tr>
<tr>
<td></td>
<td>Arthur</td>
<td>24/7</td>
<td>1 ambulance</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Mapleton</strong></td>
<td>Drayton Post</td>
<td>12/7 daytime</td>
<td>1 ambulance</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Centre Wellington</strong></td>
<td>Fergus</td>
<td>24/7</td>
<td>1 ambulance</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Guelph Eramosa</strong></td>
<td>Rockwood</td>
<td>12/7 daytime</td>
<td>1 ambulance</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Erin</strong></td>
<td>Hillsburgh</td>
<td>24/7</td>
<td>1 ambulance</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>City of Guelph</strong></td>
<td>Elmira Rd Station</td>
<td>24/7</td>
<td>1 ambulance</td>
<td>1 Superintendent / 24 hour coverage</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Clair Rd Station</td>
<td>12/7</td>
<td>1 ambulance</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Clair Rd Station</td>
<td>24/7</td>
<td>1 ambulance</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>10/5 Emergency Response Vehicle</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Delhi Post</td>
<td>24/7</td>
<td>2 ambulances</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Funding

There are three entities that provide funding for the Guelph Wellington Paramedic Service (GWPS). The City of Guelph manages the Service and contributes approximately 31% of the operating budget. The Ministry of Health and Long Term Care (MOHLTC) contributes an amount equal to 50%. The County of Wellington funds approximately 19% (Figure 2). The City’s and County’s actual contributions are equal to the proportion of ambulance calls responded to in County compared to the City. In 2016, approximately 62% of responses were in the City of Guelph, and the remaining 38% occurring in the County of Wellington.

Call Volumes and Staffing Hours

The Guelph Wellington Paramedic Service (GWPS) has seen a significant increase in emergency call volumes over the past several years. This trend is consistent with what is being experienced in other Paramedic services in Ontario and internationally.

In 2016, Guelph Wellington Paramedics responded to more than 21,700 calls for assistance. The service has seen the number of responses or calls for service increased over 20% in the last five years. There are multiple factors affecting the increase.

Although the staffing levels of the service have been increased over the same time period, the increases in staffing have not been to the same level as that of the call volumes. (Figure 3)
Superintendent Coverage

Guelph Wellington Paramedics are supervised by Paramedic Superintendents. While the Superintendents’ primary operational role is supervision of our Paramedic activities, a more important role is the support of Paramedics’ wellness. Due to the nature of the work performed by our Paramedics and the prevalence of trauma induced stress, it is vital that Superintendents are accessible to the Paramedics 24/7.

Operational responsibilities include health and safety, multiple casualty incident supervision, maintaining staffing levels, logistics, and compliance with pertinent legislation.

The staffing level of Superintendents currently allows for one Superintendent on duty 24/7 stationed in the City of Guelph. A second Superintendent is on duty for forty two hours per week and is stationed in the County of Wellington. But beyond those hours the Superintendent stationed in the City of Guelph is responsible for Paramedics throughout the whole coverage area.

In reality, the geography of the Guelph Wellington coverage area is such that Paramedics in some circumstances are required to address issues without the aid of GWPS Management, as the Paramedic Superintendent cannot reach them in a reasonable time. As the area is comprised of over 2,600 square kilometres, travel time from one end to the other can take more than 90 minutes.

Infrastructure

In 2016, the City hired Operational Research in Health Limited (ORH) to produce a report that determined the optimal deployment and resources needed to satisfy current and future (2026) service demand. The report recommends relocating several stations.

In addition to geographic location, Paramedic station design needs to consider ease of access and egress for ambulances, proximity to signalled intersections and traffic flow, and other potential obstructions to rapid responses. The stations then need to be designed for optimal flow for Paramedics within the structure to facilitate minimal response times. Figure 4 sums a review of the current GWPS concerns per station and post.
### Legislative Obligations

The Ontario Ministry of Health and Long Term Care (MOHLTC) through its Emergency Health Services Branch provide a license to the City of Guelph to operate the Land Ambulance service in the City of Guelph and the County of Wellington. Conditions to qualify and maintain this license includes compliance of these laws and related standards, confirmed by a complete review of the service every third year by a MOHLTC review team. In 2014, GWPS successfully fulfilled all requirements of the MOHLTC Service Review.

### Training and Quality Assurance

Training and Quality and Assurance (QA) programs must comply with the Ambulance Act of Ontario. These programs are managed at the Commander level.

The Guelph Wellington Paramedic Service (GWPS) training program consists of both classroom education and use of computer-based learning. GWPS currently utilizes Paramedics who express interest in researching, developing and delivering education on specific topics to their peers. As with training, some of the QA initiatives are primarily fulfilled by Paramedics who have expressed an interest in performing QA duties, such as peer reviews. Other evaluations and checks are completed by the Paramedic Superintendents as part of their duties.

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### FIGURE 4 STATION AND RESOURCE DISTRIBUTION

<table>
<thead>
<tr>
<th>Station Location</th>
<th>Bays</th>
<th>Location Deficiencies</th>
<th>Station Layout Deficiencies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Minto</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Harriston</td>
<td>3</td>
<td>Geographic</td>
<td>Lack amenities</td>
</tr>
<tr>
<td><strong>Wellington North</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mount Forest</td>
<td>2</td>
<td>Geographic</td>
<td>Lack amenities</td>
</tr>
<tr>
<td>Arthur</td>
<td>2</td>
<td>Geographic, specific</td>
<td>Lack amenities, inefficient layout</td>
</tr>
<tr>
<td><strong>Mapleton</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Drayton post</td>
<td>1</td>
<td>Geographic, specific</td>
<td>Lack amenities</td>
</tr>
<tr>
<td><strong>Centre Wellington</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fergus</td>
<td>2</td>
<td></td>
<td>Lack some amenities</td>
</tr>
<tr>
<td><strong>Guelph Eramosa</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rockwood</td>
<td>1</td>
<td>Geographic</td>
<td>Undersize, lack amenities</td>
</tr>
<tr>
<td><strong>Erin</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hillsburgh</td>
<td>1</td>
<td>Geographic</td>
<td>Undersize, lack amenities</td>
</tr>
<tr>
<td><strong>City of Guelph</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Elmira Rd Station</td>
<td>4</td>
<td>Geographic, specific</td>
<td>Inefficient layout, lack amenities</td>
</tr>
<tr>
<td>Clair Rd Station</td>
<td>6</td>
<td></td>
<td>Lack some amenities</td>
</tr>
<tr>
<td>Delhi post</td>
<td>0</td>
<td>Specific</td>
<td>Inefficient layout, lack amenities</td>
</tr>
<tr>
<td><strong>GWPS Headquarters</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Clair Road)</td>
<td></td>
<td></td>
<td>Insufficient space</td>
</tr>
</tbody>
</table>


Response times

Performance targets are set in the form of a Response Time Performance Plan (RTPP). Response times are primarily affected by ambulance location, deployment strategies and staffing levels. The targets in the RTPP are different depending on the severity of the patient’s condition.

The severity is categorized by a scoring system called Canadian Triage Acuity Scale (CTAS), which is shared by hospitals and Paramedic services in Canada. The most serious category of patient injury and illness (CTAS 1) includes patients that are unstable and require immediate care to prevent death. While all CTAS measurements are important, GWPS focuses on the response time to CTAS 1.

The Guelph Wellington Paramedic Service (GWPS) target response time to CTAS 1 patients is set by the MOHLTC at eight (8) minutes. The rural nature of the County of Wellington negatively impacts the ability to set a high eight (8) minute service-wide average response time target. This leaves GWPS with the challenge of establishing a reasonable response time target. The current GWPS target is set at an eight (8) minute response 65% of the time, which is set by Council’s direction and is based on historical performance.

Recent changes in staffing and deployment have proven to positively affect service performance by reducing average response times. The changes included enhancements in staffing, addition of the Emergency Response Unit and the utilization of a temporary station in Downtown Guelph. The resultant upward trend in response time performance is shown on the graph in Figure 5. This Master Plan aims to build on this success and further improve the average response time performance, with a goal of targeting an 80% average for CTAS 1 patients.

**FIGURE 5 COMPLIANCE TO TARGET FOR CTAS 1 PATIENTS (8 MINUTE RESPONSE TIME GOAL)**
Population and service demand growth

As the City of Guelph and County of Wellington’s populations grow, The Guelph Wellington Paramedic Service (GWPS) has the responsibility to ensure that service levels to the Community are maintained. With this goal, ORH produced a report that analyses current and future call volumes through statistical review, population growth predictions and computer-based modelling and then creates recommendations for optimal deployment to satisfy current and future (2026) service demand.

The ORH study determined that high acuity call demand for GWPS is projected to increase by 46.1% between 2016 and 2026. This includes an increase to the highest acuity calls by more than 43%, and a modest increase in low acuity calls. These increases are a result of an increasing population, an ageing population and an increasing demand rate. Call volumes in 2017 are already trending even higher than the study predicted.

Station and Staffing Recommendations by ORH

ORH recommended changes to both the station locations as well as to staffing levels. Their recommendations included:

In order to meet acceptable standards in the different LTMs, the following additional deployments will need to be made:
- Add 12-hour night cover at Drayton, Hillsburgh and Rockwood.
- Add a 24/7 crew to Fergus.
- Add a 12/7 day shift at City Site 2, Harriston and Mount Forest.
- Extend the ERU cover to 24/7 (currently 11:30-20:00 Monday to Friday).

(City of Guelph Final Report, Pg. 50 -- ORH)

The necessary changes as identified by ORH were grouped into three phases: 2017 – 2020; 2020 – 2023; 2023 – 2026. This allows a distinction to be made between high (phase I) and low (phase III) priority developments. ORH recommendations relate to relocation of stations and new shifts.
Paramedic Hiring Plan

Staff have created a plan to increase staffing based on the ORH recommendations above. From 2018 to 2022, a total of 19 new full time Paramedics are required to address the projected increases in service demand and to improve the response time performance to the 80% level. This is based on the projections in the ORH report and may need to be adjusted based on actual call volume data. The Paramedics added through this plan will be deployed to both the City of Guelph and the County of Wellington.

Projected Call Demand Growth Compared to Staffing Levels

The recommended changes represent a significant increase to staffing levels at the Guelph Wellington Paramedic Service (GWPS). The service has created a specific plan for the five year period of 2018 – 2022. Each increment would be brought forward for
consideration in the annual budget planning process and then analyzed for effectiveness as further enhancements are considered. Figure 8 shows the relationship between predicted call volumes and proposed staffing levels.

**FIGURE 8  CALL VOLUME AND STAFFING LEVEL FORECAST**

**Impacts of Increased Staffing Recommendations**

The recommended increased staffing levels and the anticipated increase in call volumes will have a significant direct impact on the managerial and administrative systems at Guelph Wellington Paramedic Service, already functioning at maximum capacity. Efficient operations require better direct supervision, supply inventory management, station and fleet coordination and Paramedic support.

**Superintendent Expansion**

Front-line supervision of our Paramedics is performed by Paramedic Superintendents. The expansion of our Superintendent ranks is required for two reasons. The ever-increasing emergency call volumes, and the corresponding addition of Paramedics in the field addressed in the previous section of this plan, will put an unmanageable workload on the on-duty Superintendents.

Secondly, there is only one (1) Superintendent assigned to the northern half of the County (The North). As we currently provide emergency medical services 24/7, that translates to a Superintendent only being on duty 25% of the time in The North. The rural nature of the County of Wellington and the large geographic land mass often makes it impossible for the City Superintendent to provide coverage the remaining 75% of the time. Therefore, GWPS currently has relatively common occurrences where no Superintendent is available to provide support to the Paramedics working in The North leaving them virtually unsupervised. This is an untenable situation that will be remedied
by ensuring a Superintendent is on duty in the County at all times. That will require the addition of three (3) Superintendents over the next five (5) years, providing 24/7 supervision and support.

**Administrative Support**
The following full and part time employees need to be added in order to improve efficiencies in the current and growing operational service demands:

- Resource Coordinator
- Clerk Support 2
- Superintendent of Training
- Superintendent of Quality Assurance
- Scheduler – Part time
- Data Analyst – Part time

For details on these proposed positions, see the Guelph Wellington Paramedic Service Master Plan document.


**Station Facility Standardization and Location Plan**
In addition to relocating stations as recommended by the ORH study, the goals of the service include creating efficient and effective purpose-built stations that will better meet the needs of staff, be more financially sound and facilitate better response times.

As with the staffing recommendations, the Station Improvement Plan will be phased to be practical and cost effective.

FIGURE 9  STATION LOCATION PLAN
FIGURE 10  2018 -2022 SERVICE STAFF HIRING PLAN

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operation Increase</strong></td>
<td>1 day shift Guelph (12/7)</td>
<td>Extension of ERU (12/7) + Day shift to Fergus (12/7)</td>
<td>Night shift to Rockwood (24/7)</td>
<td>Night shift to Fergus (24/7)</td>
<td>Extension of ERU (24/7)</td>
</tr>
<tr>
<td><strong>Paramedic requirements</strong></td>
<td>4 FTE</td>
<td>5 FTE</td>
<td>4 FTE</td>
<td>4 FTE</td>
<td>2 FTE</td>
</tr>
<tr>
<td><strong>Service Support</strong></td>
<td>1 Superintendent (Front line)</td>
<td>1 Resource Coordinator</td>
<td>2 Superintendents (Front line)</td>
<td>1 Superintendent (Training)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 Clerical Assistant</td>
<td>Part Time Data Analyst</td>
<td>1 Superintendent (Quality Assurance)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Part Time Scheduler</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Staff requirements</strong></td>
<td>1 FTE</td>
<td>2 FTE</td>
<td>2 FTE (2x Part Time)</td>
<td>2 FTE</td>
<td>-</td>
</tr>
</tbody>
</table>
Petition for Safe Passage of Walkers, Runners and Cyclists on the Proposed Speedvale Avenue Bridge Underpass

We, the citizens of Guelph, petition City Council to support the proposed Speedvale Avenue Bridge Underpass to allow for safe passage of walkers, runners, and cyclists. In balancing the interests of nature and people, we support this project as part of the long-term goal of achieving safe river system access and connectivity. We request that you, our Council members, ensure that this historic opportunity be acted upon now while planning is underway for construction of the bridge so that we make the most of expenditures on these related projects.

201 Signatures Received.
Correspondence received regarding the Speedvale Avenue Bridge Underpass

Dear Councillors of the City of Guelph,

I have just learned that the City is no longer recommending the trail at Speedvale Ave to pass under the bridge. I use the city’s trails both recreationally and as a means to commute and travel throughout Guelph. Therefore, the connectivity and safety of these trails is of concern to me. For the past two years I have been a student at Western University in London. During my time there I used their trial system in much the same way as I did Guelph’s. Their vast city-wide trial network included paved and marked bike paths, almost all of which passed under the major roadways. This made the trails much more user-friendly and safe which in turn encouraged residents to use them as a commuting alternative. By increasing the safety, connectivity and usability of the existing trail network in Guelph, I firmly believe the city can not only promote the use of these trails for recreation but for sustainable commuting as well. Please reconsider the underpass at Speedvale Ave.

Thank you for your time,
Annika Ferwerda

****

To Whom it may concern:

As a resident of Guelph, a nurse who works in Guelph, and perhaps most importantly, a mother of two active children, it is important to me that Guelph is safe and accessible to us all.

Currently, the bicycle trail that runs parallel to Woolwich street has an awkward stop and jog at Speedvale. It is a busy area and while on bicycle, requires the cyclist to cross four lanes of traffic, then walk the bicycle to find the trail again.

I've heard that construction will soon be taking place on Speedvale in this area and am hugely in support of a smarter solution. If an underpass is feasible, I urge you to consider and approve it now, as we will not have this chance for improvement for decades.

Please consider any and all options now for making Guelph a more cyclist- and walker-friendly city.

Thank you for your consideration,

Sincerely,
Lindi Giefert

****

As vise president of GORBA I speak for the 120 members when I say this underpass is needed for the safe crossing of the road.

Morris Martini
Staff Report

To: Committee of the Whole
Service Area: Office of the Chief Administrative Officer
Date: Monday, November 6, 2017
Subject: Internal Audit Work Plan 2018 – 2020
Report Number: CAO-A-1708

Recommendation

Executive Summary

Purpose of Report
This report provides the Committee of the Whole with information regarding the 2018 Internal Audit Annual Work Plan as well as a review of the 2017 annual work plan.

Key Findings
The work plan was developed taking into consideration risk assessment results conducted by Internal Audit, feedback from management and Council, previous audit results, other identified issues/trends and approved resources to complete activities.

The Plan has been developed in compliance with the City of Guelph’s Internal Audit Charter and supports the Corporate Administrative Plan.

The Work Plan may be modified during the year as appropriate.

Financial Implications
Not Applicable
Report

The Internal Audit annual work plan for 2018 was developed using a risk based methodology approach and complies with City of Guelph’s internal Audit Charter mandate and supports the City’s corporate administration plan.

The mandate for Internal Audit, as approved by Council, is as follows:

“a professional, independent assurance and consulting function designed to add value and improve the City of Guelph’s operations and systems of internal controls. Internal Audit brings a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes.”

Internal Audit is focused on performing an objective assessment of evidence to provide an independent opinion in regard to the effectiveness, efficiency and economy of a process, system or program in order to assist management in achieving their business objectives and goals.

The results of each audit are communicated to management and the Committee of the Whole to assist them in carrying out their governance responsibilities.

In addition to performing audits, the Internal Audit Charter authorizes Internal Audit to provide consulting services to staff and management. Consulting projects are requested by Staff that includes activities such as: control advice, facilitation and training. The nature and scope of the engagement are agreed upon between staff and Internal Audit in order to add value and help improve the organization’s risk management and control processes without Internal Audit assuming management responsibilities. Consulting engagement results are reported to management.

Several factors are taken into consideration in developing the work plan such as:
- Risk assessment results;
- Last time an area/process was audited;
- Results of previous audits;
- Consideration requests from Management and Council;
- Strength of internal control environment;
- Emerging trends.

The annual work plan may be adjusted throughout the year as issues or concerns are identified. Changes to the work plan will be communicated to the Committee of the Whole.
The 2018 work plan (Attachment 1) sets out the priorities of the Internal Audit function, that are reflective of the City of Guelph’s objectives, concerns and priorities; integrated and coordinated with the risk assessment performed by Internal Audit and the corporate administrative plan.

The work plan was also developed taking into consideration the availability of one full time auditor. The expectation is that the projects will be completed or started by the end of the year.

Staff Report - Internal Audit – 2017-2019 Work Plan was presented to Council late 2016. The 2018 and 2019 projects identified in that report along with additional potential projects identified through the current work plan development process were assessed using risk factors identified above. The 2018 Internal Audit work plan (Attachment 1) focuses on the City’s systems of internal control.

The proposed 2019 and 2020 audit projects (Attachment 2) may be revised based on audit results, events during the year and updated risk assessment results.

Internal Audit activities will be conducted in compliance with the International Standards for the Professional Practice of Internal Auditing.

During 2017 Internal Audit hired a part time auditor to assist in completing projects listed on the 2017 work plan approved by Council. With the assistance of the additional part time auditor many projects were completed with the following exceptions (Attachment 3):

1) Payroll audit – In Progress;
2) Contract Management Audit deferred;
3) Legal Representation Follow Up audit added and completed during 2017.

**Conclusion:**
The 2018 work plan will be reviewed during the year and updated if necessary. Any additional projects added to the Plan will be identified as a ‘special project’ and communicated during the year to the Committee of the Whole. The Plan is designed to add value to the City and provide the highest standard of professional, quality and timely solutions in partnership with City departments.

**Financial Implications**
Not applicable
Consultations
The Executive Team has been consulted and supports the proposed plan.

Corporate Administrative Plan

Overarching Goals
Service Excellence

Service Area Operational Work Plans
Our Services - Municipal services that make lives better

Attachments
ATT #1 Attachment 1 Internal Audit Work Plan 2018
ATT #2 Attachment 2 Proposed Audit Projects 2019-2020
ATT #3 Attachment 3 Internal Audit Work Plan 2017 Status

Report Author
Catherine Spence, Internal Auditor

Catherine Spence
Internal Auditor
519-822-1260 x3373
catherine.spence@guelph.ca
## 2018 Internal Audit Work Plan

<table>
<thead>
<tr>
<th>Name of Audit/Project</th>
<th>Type of Audit</th>
</tr>
</thead>
</table>
| **Enterprise Risk Management Framework Update**<br>
To facilitate the review and update of the City’s risk management framework to ensure it continues to be effective in managing risk throughout the City. | Not applicable |
| **Payroll Process Audit** (commenced in 2017)<br>
To assess the effectiveness and efficiency of the processes and compliance to policies, procedures, legislation, etc. | Operational |
| **Driver Certification Program Compliance Annual Audit-Guelph Transit**<br>
To access compliance to the Ministry of Transportation criteria | Compliance |
| **Driver Certification Program Compliance Annual Audit-Fleet Operations**<br>
To access compliance to the Ministry of Transportation criteria | Compliance |
| **Cash Handling Process Audit**<br>
To assess the effectiveness and efficiency of the processes and compliance to policies, procedures, legislation and By Laws | Operational |
| **Status Report on Outstanding Audit Recommendations**<br>
Provides an update to Council on management’s implementation status of recommendations agreed upon by staff. | Not applicable |
Long Term Audit Plan – Proposed Projects for 2019 and 2020

Below is an alphabetical list of projects Internal Audit is forecasting to perform in 2019 and 2020. These projects may be revised based on the results of next year’s risk assessment, results from audits performed, emerging trends and/or any new projects that are identified during the period. The projects are as follows:

1. Contract Management Audit
2. Building Permit Audit
3. Employee Business Expense Audit
4. Cash Handling Audit
5. Driver Certification Program Compliance Annual Audit
6. Fuel Systems and Security Follow up Audit
7. Property Tax Billing and Collection Process Audit
8. Phone Management Audit
9. External Consulting Audit
10. Inventory Management Audit
11. Vendor/Payment Follow-Up Audit
12. IT Security
## 2017 Internal Audit Work Plan Status

**As of October, 2017**

<table>
<thead>
<tr>
<th>Name of Audit/Project</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Vendor/Payment Process Audit</strong> (commenced in 2016)</td>
<td>Completed</td>
</tr>
<tr>
<td>To assess the effectiveness and efficiency of the processes and compliance to policies, procedures and legislation.</td>
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</tr>
<tr>
<td><strong>Single Sourced Purchases</strong> (deferred from 2016)</td>
<td>Completed</td>
</tr>
<tr>
<td>To assess the effectiveness and efficiency of the processes and compliance to policies, procedures, legislation and By Laws</td>
<td></td>
</tr>
<tr>
<td><strong>Fuel Security and Systems Audit</strong> (commenced in 2016)</td>
<td>Completed</td>
</tr>
<tr>
<td>To assess the effectiveness and efficiency of the processes and compliance to policies, procedures, legislation, etc.</td>
<td></td>
</tr>
<tr>
<td><strong>Guelph Public Library Audit</strong> (commenced in 2016)</td>
<td>Completed</td>
</tr>
<tr>
<td>To assess the efficiency and effectiveness of operations in place at the Guelph Public Library to deliver services, adequacy of Board governance and the reasonableness of the cost of service delivery.</td>
<td></td>
</tr>
<tr>
<td><strong>Driver Certification Program Compliance Annual Audit</strong></td>
<td>Completed</td>
</tr>
<tr>
<td>To access compliance to the Ministry of Transportation criteria</td>
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</tr>
<tr>
<td><strong>Payroll Process Audit</strong></td>
<td>In Progress</td>
</tr>
<tr>
<td>To assess the effectiveness and efficiency of the processes and compliance to policies, procedures, legislation, etc.</td>
<td></td>
</tr>
<tr>
<td><strong>Contract Management Audit</strong></td>
<td>Deferred</td>
</tr>
<tr>
<td>For a selected construction project assess the effectiveness and efficiency of the processes and compliance to policies, procedures, legislation, etc.</td>
<td></td>
</tr>
<tr>
<td><strong>Status Report on Outstanding Audit Recommendations</strong></td>
<td>Completed</td>
</tr>
<tr>
<td>Provides an update to Council on management’s implementation status of recommendations agreed upon by staff.</td>
<td></td>
</tr>
<tr>
<td><strong>Legal Representation Follow-up Audit - Special Project</strong></td>
<td>Completed</td>
</tr>
<tr>
<td>To verify the previously agreed upon recommendations were implemented effectively.</td>
<td></td>
</tr>
</tbody>
</table>
Staff Report

To: Committee of the Whole

Service Area: Office of the Chief Administrative Officer

Date: Monday, November 6, 2017

Subject: Status of Outstanding Management Action Plans

Report Number: CAO-A-1709

Recommendation


Executive Summary

Purpose of Report

As part of the City of Guelph’s follow-up process management provides regular updates on the status and progress of outstanding audit recommendations to Internal Audit.

The objective of this report is to provide Committee of the Whole with an update on the progress of the implementation of management action plans as reported by management which were developed to address audit observations.

The report covers all recommendations that have a due date on or prior to June 30, 2017.

Key Findings

As at June 30, 2017, 85% of the audit recommendations with an implementation due date of June 30, 2017 or prior, have been completed by management vs 77% as of March 2016.

Financial Implications

N/A
Report

Background:

In accordance with Standard 2500 A-1 of the International Standards for Professional Practice of Internal Auditing, Internal Audit established a follow-up process in 2017 to monitor the progress and ensure that management action plans for audit recommendations have been implemented.

Departments are required to provide an update to Internal Audit on the progress of implementing agreed upon audit recommendations. Internal Audit reviews the comments submitted by the department and where necessary, the Internal Auditor will meet with management to discuss their comments. In some cases, a follow up audit will be performed to validate the recommendations that have been implemented, and that the processes and procedures in place are operating effectively. Follow-up audits are part of Internal Audit’s annual work plan which is approved by Committee of the Whole.

Overall:

This report includes updates for audit reports issued between December 2008 and June 2017. It summarizes the status of audit recommendations due to be implemented by management on or prior to June 30, 2017. Long range recommendations (implementation completion date subsequent to June 2017) are noted where applicable.

As of June 30, 2017, there are 163 audit recommendations that were due to be implemented by management on or prior to this date (table 1). Of the 163 recommendations, 139 or 85% were reported by management as complete.

Overall, there are 24 recommendations that were due prior to June 30, 2017 that are either in-progress or not started. Of the 24 recommendations there are 13 more than a year overdue and 11 less than one year overdue.

Analysis:

**Learning and Development** outstanding recommendations relate to ensuring training budgets and departmental needs are aligned and to identify required software system training requirements. Management has indicated both recommendations will be completed by first quarter 2018.

The **Overtime** audit recommendations outstanding relate to enhancing management reporting as well as upgrading the time management system. The revised completion is fourth quarter 2018.
**Table 1**

<table>
<thead>
<tr>
<th>Report Issue Date</th>
<th>Report Name</th>
<th>Due by June 30, 2017</th>
<th>Due After June 30, 2017</th>
</tr>
</thead>
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<tr>
<td></td>
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<td>Total</td>
<td>Completed</td>
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<tr>
<td>Corporate Services</td>
<td>Learning and Development</td>
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<td>5</td>
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<td>August 2014</td>
<td>Overtime</td>
<td>41</td>
<td>36</td>
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<tr>
<td>September 2014</td>
<td>Print Room</td>
<td>8</td>
<td>8</td>
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<tr>
<td>February 2016</td>
<td>Purchasing Card</td>
<td>10</td>
<td>8</td>
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<tr>
<td>June 2014</td>
<td>Use of External Consulting</td>
<td>4</td>
<td>3</td>
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<tr>
<td>December 2013</td>
<td>Service Guelph</td>
<td>10</td>
<td>7</td>
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<tr>
<td>Public Services</td>
<td>CVOR</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>March 2013</td>
<td>Fuel Security and Systems</td>
<td>4</td>
<td>3*</td>
</tr>
<tr>
<td>January 2017</td>
<td>Guelph Transit Cash Handling</td>
<td>19</td>
<td>18</td>
</tr>
<tr>
<td>December 2008</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infrastructure, Development and Enterprise Services</td>
<td>Solid Waste Curbside Collection</td>
<td>16</td>
<td>14</td>
</tr>
<tr>
<td>October 2015</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>June 2016</td>
<td>Solid Waste Resource</td>
<td>16</td>
<td>10</td>
</tr>
<tr>
<td>Office of the CAO</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>June 2017</td>
<td>Legal Representation Follow-Up</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>Total Count</td>
<td></td>
<td>163</td>
<td>138</td>
</tr>
<tr>
<td>Percentage (%) of Total Count</td>
<td></td>
<td>85%</td>
<td>15%</td>
</tr>
</tbody>
</table>

* 2 recommendations completed ahead of schedule
** Not started or in progress

The **Purchasing Card** outstanding audit recommendations include finalizing or updating policies where gaps were identified during the audit and enhancing oversight activities to identify opportunities to increase the use of purchasing cards. The revised completion date is the fourth quarter of 2018.

The one recommendation that remains outstanding from the **Use of External Consulting** audit is the development of corporate-wide policy to provide guidance to staff to ensure activities are accurate, complete and carried out in a consistent manner. Management’s revised implementation date is the third quarter 2018.

**Guelph Transit Cash Handling** audit has one remaining recommendation outstanding which is to conduct monthly surprise cash counts to ensure accuracy of
the cash balances. The due date provided by management is the third quarter 2017.

Management has indicated 88% of the **Solid Waste Curbside audit** recommendations have been implemented as of June 2017 with the remaining to be implemented by the first quarter 2018.

Many of the **Solid Waste Resource audit** recommendations have been implemented however a few remain outstanding and once implemented will enhance processes around contract management. These recommendations are scheduled to be completed between the second half of 2017 and first quarter 2018.

Internal Audit will continue to support the departments in their efforts to implement audit actions plans timely.

**Financial Implications**

N/A

**Consultations**

Internal Audit received updates from all service areas on the progress related to outstanding management action plans as of June 30, 2017.

**Corporate Administrative Plan**

**Overarching Goals**
Service Excellence

**Service Area Operational Work Plans**
Our Services - Municipal services that make lives better

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**Report Author and Approved By**
Catherine Spence
Internal Auditor
(519) 822-1260 x 3373
catherine.spence@guelph.ca
Staff Report

To: Committee of the Whole
Service Area: Office of the Chief Administrative Officer
Date: Monday, November 6, 2017
Subject: Single Source Purchase Audit Report
Report Number: CAO-A-1710

Recommendation


Executive Summary

Purpose of Report
To provide Committee of the Whole with the results of the Single Source Purchase audit performed to assess the adequacy of the processes and controls and compliance to policies, procedures and by-laws.

Key Findings
- Single source purchase processes are administered by Finance, a department of Corporate Services;
- As of August 2017, City of Guelph issued 54 single source purchase orders in the amount of $4.5 million or 11% of total purchase orders issued over $20 thousand;
- Opportunities for improvement were identified and management has agreed to all recommendations.

Financial Implications
General Manager, Finance Comment:

Although there are no direct financial implications as a result of the internal audit, the recommendations provided will reduce financial risk in the City’s procurement practices.
Report

A review was conducted of the single source purchase processes administered by Finance, a department of Corporate Services to assess the effectiveness and efficiency of the City’s processes and internal controls.

The Purchasing division is responsible for the procurement of goods and services including single source purchases. Responsibilities consist of developing, implementing, and maintaining administrative procedures for the procurement of goods and services for the City of Guelph.

The Purchasing By-law (2014)-19771 governs all purchasing activities by its guiding principles.

Based on the results of this audit, opportunities for improvement were identified as follows:

1. Governance Oversight:

   The definition in the By-law for a single source purchase method is a broad definition of a non-competitive purchase rather than a definition for a single source non-competitive purchase. It is recommended that the Procurement By-law be updated to provide individual definitions for single and sole source non-competitive purchases.

   The By-law also identifies criteria where a single source non-competitive method can be followed. In reviewing the criteria it was determined the exceptions listed are vague and too broad and as a result leaves the criteria open to interpretation. It is recommended that management review the criteria and ensure the exception definitions are clear and identified by type of non-competitive purchase to enhance guidance to staff in understanding the specific circumstances where a non-competitive purchase method can be followed.

   Review authorization levels for single source non-competitive purchases outlined in the By-law to ensure approvals are adequate and appropriate for the type of purchase and associated risk.

2. Monitoring and Reporting:

   It is recommended an effective and efficient process is put in place to provide management and staff with the visibility of single source non-competitive purchases in order to identify trends or potential issues as well as identify potential alternative sourcing opportunities. In addition ensure reporting activity complies with the Procurement By-law.
3. Compliance to Procurement By-law, Policies and Procedures:

In reviewing management’s justification explanations to follow a non-competitive process it was identified many justifications were either not clearly identified, not provided or did not meet the criteria of a non-competitive purchase. It is recommended that the City ensures justification explanations meet the criteria of a non-competitive purchase and the criteria is clearly identified and the explanation is reasonable and adequate.

Management ensure that all approvals for a non-competitive purchase are obtained prior to entering into negotiations with a vendor or the receipt of the goods or services.

Ensure external consulting service purchases under $35 thousand comply with the Procurement By-law and procedures by following the single source processes.

Financial Implications

General Manager, Finance Comment:

Although there are no direct financial implications as a result of the internal audit, the recommendations provided will reduce financial risk in the City’s procurement practices.

Consultations

Discussed findings and recommendations with Corporate Services management.

Corporate Administrative Plan

Overarching Goals
Service Excellence

Service Area Operational Work Plans
Our Services - Municipal services that make lives better
Attachments

ATT #1 Attachment 1 – Single Source Purchase Audit Report

Report Author and Approved By
Catherine Spence
Internal Auditor
(519) 822-1260 x 3373
Catherine.spence@guelph.ca
Single Source Purchase Audit Report

October 10, 2017
Final
Background

A review was conducted of the single source non-competitive process administered by Finance, a department of Corporate Services to assess the effectiveness and efficiency of the City of Guelph’s processes and internal controls related to single source purchases.

The single source purchase audit is part of the 2017 Internal Audit Work Plan approved by Council.

The Purchasing division is responsible for the procurement of goods and services for the City of Guelph including single source purchases. The division consists of four staff including the Manager of Procurement who reports to the General Manager of Finance/Treasurer.

There are two procurement types as defined by the By-law: competitive and single source. A competitive purchasing method follows an open bidding/proposal process while a single source is a non-competitive purchasing method where the City negotiates directly with one vendor even though in some cases there is more than one vendor that could supply the goods or services.

The Procurement By-law (2014) – 19771 governs all purchasing activities by its guiding principles including fairness, openness, transparency and accountability. As such the City uses a competitive bidding process wherever possible however, in some cases a single source purchase method is followed. In these instances the City ensures the justification to follow a non-competitive process is adequate.

The single source process begins with the department identifying a business need and as per the By-law the department is responsible to obtain approval from the Manager of Procurement to follow the single source method prior to negotiation. The department is also required to complete a single source award memo to be reviewed and approved by the Deputy Chief Administrative Officer (DCAO) and CFO (City Treasurer). Once authorization has been granted, the department can commence negotiations with the vendor or order goods/services.

The vendor/payment process audit issued earlier this year reviewed processes related to non-competitive purchases and therefore not included under the scope of this audit. However, it is expected that staff will review recommendations from the vendor/payment process audit and where relevant apply those recommendations to the single source purchase processes.
Table 1 and 2 summarizes single source purchase activity for 2015, 2016 and August year to date 2017. On average single source purchases from 2015 to 2017 make up 10% of the number of purchases orders vs 4% of the value. Chart 1 and 2 summarizes the breakdown by service area. The majority of the purchase orders issued for Corporate Services (85% 2017 vs 81% 2016) were initiated by the Information Technology department. In addition the total value of Information Technology purchase orders made up 87% in 2017 vs 89% in 2016 of the total value of purchase orders initiated by Corporate Services.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total # of Purchase Orders*</th>
<th>Total # of Single Source Purchase Orders</th>
<th>% of Single Source Purchase Orders</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017 (August YTD)</td>
<td>500</td>
<td>54</td>
<td>11%</td>
</tr>
<tr>
<td>2016</td>
<td>628</td>
<td>69</td>
<td>11%</td>
</tr>
<tr>
<td>2015</td>
<td>618</td>
<td>45**</td>
<td>7%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Value of Purchase Orders* ($000)</th>
<th>Total Value of Single Source Purchase Orders ($000)</th>
<th>% of Single Source Purchase Orders to Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017 (August YTD)</td>
<td>82,355</td>
<td>4,519</td>
<td>5%</td>
</tr>
<tr>
<td>2016</td>
<td>149,154</td>
<td>5,138</td>
<td>3%</td>
</tr>
<tr>
<td>2015</td>
<td>93,853</td>
<td>2,497**</td>
<td>3%</td>
</tr>
</tbody>
</table>

*Purchase orders over $20,000
** Based on requested value
Chart 1

Number of Single Source Purchases by Service Area

- Corporate Services
- Infrastructure, Development and Enterprise Services
- Office of the CAO
- Public Services

- 2017 (August YTD)
- 2016
- 2015

Chart 2

Value of Single Source Purchases by Service Area

- Corporate Services
- Infrastructure, Development and Enterprise Services
- Office of the CAO
- Public Services

- 2017 (August YTD)
- 2016
- 2015
Audit Objectives and Scope

The objective of the audit is to assess whether the City is complying with the Procurement By-law, policies and procedures for single source purchases.

The scope of the review included:

- Reviewing the Procurement By-law (2014) – 19771 regarding the single source purchase method;
- Assessing the adequacy and effectiveness of the processes related to single source purchases up to and including the issuance of the purchase order;
- Assessing compliance to applicable policies, procedures, By-laws and legislation and provide management with recommendations.

Audit coverage period was January 2016 to August 2017.

The scope of the review excluded:

- Receive and payment processes;
- Non-Competitive purchases under $20,000;
- All purchases following a competitive process;
- Processes reviewed as part of the Vendor/Payment process audit;
- Related Boards.
Executive Summary

Internal Audit conducted an audit of single source purchases to assess the effectiveness and efficiency of processes and compliance to policies, procedures, By-laws and legislation.

The Procurement By-law (2014) – 19771 governs all purchasing activities by its guiding principles including fairness, openness, transparency and accountability while the City seeks best overall value. As such the City uses a competitive bidding process wherever possible. In the case where a single source purchase method is followed, the City ensures the justification is adequate.

Earlier in the year the vendor/payment process audit was completed with recommendations regarding the procurement process. Therefore this audit did not review processes included under the scope of that audit. However, it is expected that staff will review recommendations from the vendor/payment process audit and where relevant apply those recommendations to the single source purchase processes.

During the audit we tested 100% of the single source procurements identified on the single source tracking log maintained by the Purchasing division.

The review identified the following opportunities for improvement:

Governance Oversight

Procurement By-law

The definition of a single source purchase under Part 1 of the By-law is a general definition of a non-competitive purchase rather than that of a single source non-competitive purchase. Also the exception criteria used to apply the single source purchase method are in some cases vague and too broad which can result in purchases not following the appropriate procurement method. It is recommended that the City provide definitions specific to the type of non-competitive purchase and the exception criteria is listed specific to the purchase method. In addition, streamline the exception criteria definitions to provide staff additional guidance to understand the specific circumstances where a non-competitive purchase method can be followed.

Monitoring and Reporting

Monitoring purchasing activity helps ensure By-laws, policies and procedures are complied with and potential trends and/or issues are identified. Currently the
Purchasing division manually tracks single source purchases on a log since the system used to process purchase orders does not currently have functionality to code purchases by type. As a result, the manual process used is time consuming, prone to error and management is unable to view their purchases on line by type to fulfill their oversight responsibilities. It is recommended that the City identify a more efficient and effective method to monitor single source purchases in order for management and Purchasing to identify potential trends/issues and potential alternative sourcing opportunities. As part of the Executive Team’s oversight responsibilities Purchasing, in 2017 initiated quarterly reporting of single source activity. It is recommended additional information is added to this report to further assist management such as: cumulative total of repeat suppliers of single source purchases and of similar or same purchases by vendor, and type of purchase. Single source reporting to management needs to be reviewed for accuracy and completeness. Also ensure management’s reporting to Council complies with the By-law.

**Authorization**

Authorizations are required to ensure purchases are appropriately justified and comply with the By-law and related policies and procedures. The Procurement By-law (2014) – 19771 (By-law) governs all purchasing activities and outlines authorizations for purchases. Authorizations required for certain types of single source purchases are not consistent with a competitive purchase of the same value or condition as in some cases single source purchases require a lower level of authorization. It is recommended management review and modify authorization levels for single source purchases to ensure appropriateness.

**Compliance**

In order to follow a non-competitive process the purchase must meet the criteria for exceptions outlined in the By-law. Internal Audit reviewed the explanations provided by the departments to determine the adequacy of the justification. In many cases the justification was not clearly identified, departments did not provide a justification and in other cases the justification did not meet the criteria of a single source purchase. Also documentation was not attached when needed to support the justification. It is recommended the single source process is enhanced and training provided to staff to ensure departments are providing appropriate justification and documentation to support the single source method.

The City requires departments to obtain approval from the Manager of Procurement to follow the single source purchase method prior to initiating negotiations with a vendor or receipt of goods or services. It was noted in several instances the
process was initiated or the purchase of goods/services occurred prior to the issuance of a purchase order. It is recommended that negotiations with the vendor or receipt of goods or services do not occur until all approvals are received and ensure approvals are maintained on file.

The Procurement By-law allows external consultant service purchases under $35 thousand to follow the single source purchase method. It was noted during the review that these purchases are consistently approved in compliance with the By-law section (4.5.i.2) however the single source process is not being followed.
Staff Report

To Committee of the Whole

Service Area Corporate Services

Date Monday, November 6, 2017

Subject 2017 External Audit Plan

Report Number CS-2017-34

Recommendation

That report titled 2017 External Audit Plan and numbered CS-2017-34 be received.

Executive Summary

Purpose of Report
Present KPMG LLP’s audit plan for the City of Guelph’s 2017 Consolidated Financial Statements.

Key Findings
Staff reviewed KPMG LLP’s audit service plan, and have no concerns with proceeding as outlined in the attached report.

Financial Implications
The external audit fees were agreed upon in advance through the request for proposal process and have been budgeted for through the annual operating budget.

Report

Annually, the consolidated financial statements of the City of Guelph are required to be audited by an external auditor and the results of this audit are reported back to the Committee of the Whole. It is the auditor’s duty to communicate to the Committee of the Whole the planned audit approach as well as any findings that are discovered throughout the audit. KPMG LLP is the external auditor for the term 2015 through 2019 as approved by Council through By-law (2015)-19984.

Attachment 1 is KPMG LLP’s Audit Planning Report for the consolidated financial statement audit for 2017.
The audit fieldwork will begin December 2017 with interim testing, and will finish in April 2018 with the final fieldwork. The results of the audit will be reported back to this Committee by KPMG LLP in June 2018. Approval of the final consolidated financial statements by Council is also expected June 2018 at which point the statements will be made available to the public.

Audit Partner, Matthew Betik, from KPMG LLP will be presenting the attached audit plan to the Committee and will be available for questions.

**Financial Implications**

None noted. The external audit fees were agreed upon in advance through the request for proposal process and have been budgeted for through the annual operating budget.

**Consultations**

No consultations were required.

**Corporate Administrative Plan**

**Overarching Goals**
Financial Stability

**Service Area Operational Work Plans**
Our Services - Municipal services that make lives better
Our Resources - A solid foundation for a growing city

**Attachments**

ATT-1 KPMG LLP’s Audit Planning Report for the year ending December 31, 2017

**Departmental Approval**
Jade Surgeoner, CPA, CA, CIA
Manager or Financial Reporting and Accounting
Report Author
Jenna Francone, CPA, CA
Senior Corporate Analyst, Financial Reporting & Accounting

Approved By
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Corporate Services
519-822-1260 Ext. 2084
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Recommended By
Trevor Lee,
Deputy CAO
Corporate Services
519-822-1260 Ext. 2281
trevor.lee@guelph.ca
At KPMG, we are passionate about earning your trust. We take deep personal accountability, individually and as a team, to deliver exceptional service and value in all our dealings with you.

At the end of the day, we measure our success from the only perspective that matters – yours.
Executive summary

Audit and business risk

Our audit is risk-focused. In planning our audit we have taken into account key areas of focus for financial reporting. These include:

- Accounting standard for contaminated sites,
- Tangible Capital assets,
- Post-employment benefits,
- Obligatory Reserve Fund Revenue

KPMG team

The KPMG team will be led by Matthew Betik, Brendan Hall. Subject matter experts will be involved, if necessary.

Effective communication

We are committed to transparent and thorough reporting of issues to the Deputy CAO - Corporate Services, Treasurer, senior management and the Committee of the Whole.

Audit Materiality

Materiality has been determined based on revenue. We have determined materiality to be $6,700,000 for the year ending December 31, 2017. The amount is based on revenues.

A collective audit approach

We have planned the audit to coordinate our work with internal audit to reduce overlap and leverage the internal assurance work performed. We will continue to liaise with internal audit.

Independence

We are independent and have extensive quality control and conflict checking processes in place. We provide complete transparency on all services and follow Committee of the Whole approved protocols.

Current developments

Please refer to Appendix 4 for relevant accounting changes relevant to the City.
Audit approach

Professional standards presume the risk of fraudulent revenue recognition and the risk of management override of controls exist in all companies.

The risk of fraudulent recognition can be rebutted, but the risk of management override of control cannot, since management is typically in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

<table>
<thead>
<tr>
<th>Professional requirements</th>
<th>Why</th>
<th>Our audit approach</th>
</tr>
</thead>
</table>
| Fraud risk from revenue recognition | This is a presumed fraud risk. However, the audit team has rebutted this presumption due to the following reasons:  
  - The presumed fraud risk is ordinarily associated with for-profit enterprises  
  - The majority of revenue is calculated based on MPAC data, approved utility rates and user fees, and is not subject to complexity or judgement at the reporting level; and  
  KPMG does not believe that the use of inappropriate cut-off would be utilized to perpetrate fraud. | Not applicable. |
| Fraud risk from management override of controls | This is a presumed fraud risk. | As the risk is not rebuttable, our audit methodology incorporates the required procedures in professional standards to address this risk. These procedures include testing of journal entries and other adjustments, performing a retrospective review of estimates and evaluating the business rationale of significant unusual transactions. |
Audit approach

<table>
<thead>
<tr>
<th>Other areas of focus</th>
<th>Why</th>
<th>Our audit approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Post-employment benefits</td>
<td>• Estimates and judgements used by management</td>
<td>• Communicate with management’s actuarial specialists</td>
</tr>
<tr>
<td></td>
<td>• Complexity of the accounting guidance</td>
<td>• Assess the reasonableness of assumptions used, and</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Test the appropriateness of the underlying data, including</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• employee populations</td>
</tr>
<tr>
<td></td>
<td></td>
<td>We will also use the work of Nexus (Actuarial Consultant) in our audit of the</td>
</tr>
<tr>
<td></td>
<td></td>
<td>accounts and disclosures.</td>
</tr>
<tr>
<td>Obligatory Reserve Funds Revenue and Deferred</td>
<td>• Revenue recognized from the Development Charge Reserve Fund is</td>
<td>• Test controls around the recording of revenues/cash receipts</td>
</tr>
<tr>
<td>Revenue and Deferred Revenue</td>
<td>subject to judgement as capital projects must be growth related in</td>
<td>• Identify and evaluate the operative effectiveness of internal controls</td>
</tr>
<tr>
<td></td>
<td>nature</td>
<td>over the identification of development charge funding projects and</td>
</tr>
<tr>
<td></td>
<td></td>
<td>allocation of related expenses</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Perform substantive testing over amounts being recognized as revenue</td>
</tr>
<tr>
<td>Tangible Capital Assets</td>
<td>• Significance of the account balances</td>
<td>• Discuss capitalization policies and their application with management</td>
</tr>
<tr>
<td></td>
<td>• Risk of error in inappropriately recognizing costs as either capital</td>
<td>• Test a sample of capital additions to ensure existence and accuracy</td>
</tr>
<tr>
<td></td>
<td>or operating</td>
<td>• Test items recorded as repairs &amp; maintenance or other similar accounts to</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ensure completeness of capital additions</td>
</tr>
<tr>
<td>Liabilities for contaminated sites</td>
<td>• Significance of the account balance</td>
<td>• Review management’s prepared assessment of contaminated sites</td>
</tr>
<tr>
<td></td>
<td>• Complexity, judgement, and estimates involved</td>
<td>• Test changes from the prior year</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Consider completeness of changes</td>
</tr>
</tbody>
</table>
Other significant accounts of focus and our audit approach include the following:

<table>
<thead>
<tr>
<th>Other Significant Accounts</th>
<th>Our audit approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments and related income</td>
<td>Confirmation of details with investment managers</td>
</tr>
<tr>
<td>Taxation Revenue</td>
<td>Analytical procedures recalculating tax revenue using approved tax rates and related MPAC assessments</td>
</tr>
</tbody>
</table>
| Long term debt | Confirmation of debt balances to ensure completeness and accuracy  
| | Examination of debt borrowing By-laws |
| User Fees and Service Charge Revenue | Testing of internal controls over cash receipts and recording  
| | Analytical procedures comparing current year’s revenues on a disaggregated basis to the current year budget and the prior year, adjusting for known changes in assumptions |
| Government Transfers | Review of agreements to ensure proper revenue recognition criteria was followed. To ensure the transfers were authorized and all eligibility criteria and any stipulations were met.  
| | Perform test of details on significant transfers |
| Expenses | Evaluate the design and implementation of controls over payroll expenses  
| | Testing the operating effectiveness of key internal controls  
| | Analytical procedures comparing current year’s expenses on a disaggregated basis to the current year budget and the prior year, adjusting for known changes in assumptions  
<p>| | Testing the completeness, existence, and accuracy of year end accruals, most notably those that contain areas of estimate or judgment |</p>
<table>
<thead>
<tr>
<th>Landfill Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communicate directly with the City’s internal specialist to obtain post-closure liability calculation reports</td>
</tr>
<tr>
<td>Review calculation and assess the reasonability of assumptions used</td>
</tr>
<tr>
<td>Recalculation performed over estimated liability as at December 31, 2017</td>
</tr>
</tbody>
</table>
## Audit scope of other entities and deliverables

<table>
<thead>
<tr>
<th>Other entities</th>
<th>Scoping</th>
<th>F/S Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Downtown Guelph Business Association</td>
<td>Audit</td>
<td>Consolidated</td>
</tr>
<tr>
<td>Wellington-Dufferin-Guelph Public Health</td>
<td>Audit</td>
<td>Proportionate consolidation</td>
</tr>
<tr>
<td>Guelph Junction Railway</td>
<td>Audit</td>
<td>Modified equity</td>
</tr>
<tr>
<td>POA Court Program</td>
<td>Special report</td>
<td>Consolidated</td>
</tr>
<tr>
<td>Guelph Municipal Holdings (including Guelph Hydro Electric Systems Inc.)</td>
<td>Audit</td>
<td>Modified equity</td>
</tr>
<tr>
<td>The Elliott Community</td>
<td>Audit</td>
<td>Consolidated</td>
</tr>
</tbody>
</table>
The determination of materiality requires professional judgment and is based on a combination of quantitative and qualitative assessments including the nature of account balances and financial statement disclosures.

<table>
<thead>
<tr>
<th>Materiality determination</th>
<th>Comments</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metrics</td>
<td>Relevant metrics include Net assets/accumulated surplus, Total Revenue, and Total Expenses.</td>
<td></td>
</tr>
<tr>
<td>Benchmark</td>
<td>Based on 2016 total revenues.</td>
<td>$447,000,000</td>
</tr>
<tr>
<td>Materiality</td>
<td>Determined to plan and perform the audit and to evaluate the effects of identified misstatements on the audit and of any uncorrected misstatements on the financial statements. Previous year’s materiality was $6,300,000.</td>
<td>$6,700,000</td>
</tr>
<tr>
<td>% of Benchmark</td>
<td>Materiality as a percentage of gross benchmarks typically are within 0.5 and 3.0%.</td>
<td>1.5%</td>
</tr>
<tr>
<td>Performance materiality</td>
<td>Used 75% of materiality, and used primarily to determine the nature, timing and extent of audit procedures.</td>
<td>$5,000,000</td>
</tr>
<tr>
<td>Audit Misstatement Posting Threshold (AMPT)</td>
<td>Threshold used to accumulate misstatements identified during the audit.</td>
<td>$335,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$1,000,000 for reclassification</td>
</tr>
</tbody>
</table>
Value for fees

In determining the fees for our services, we have considered the nature, extent and timing of our planned audit procedures as described above. Our fees has been reviewed with and agreed upon by management and are aligned with our submitted pricing proposal submitted on September 23, 2015 in response to proposal call 15-133.

For the 2017 audit services, the fees have been adjusted to account for an inflation factor of 2.1% in accordance with the City’s purchasing policy and accepted in our pricing proposal.

Matters that could impact our fee

The proposed fees outlined above are based on the assumptions described in the engagement letter. The critical assumptions, and factors that cause a change in our fees, include:

- Significant changes in the nature or size of the operations of the City beyond those contemplated in our planning processes;
- Changes in professional standards or requirements arising as a result of changes in professional standards or the interpretation thereof; and
- Changes in the time of our work.
Audit cycle and timetable

Our key activities during the year are designed to achieve our one principal objective:

To provide a robust audit, efficiently delivered by a high quality team focused on key issues.

<table>
<thead>
<tr>
<th>Key deliverables and expected dates</th>
<th>Expected date(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conduct interim audit field work</td>
<td>December 2017</td>
</tr>
<tr>
<td>Conduct year-end audit field work</td>
<td>March 2018 to April 2018</td>
</tr>
<tr>
<td>Present audit findings to the Committee of the Whole</td>
<td>June 6, 2017</td>
</tr>
<tr>
<td>Provide audit opinion on financial statements</td>
<td>June 25, 2017</td>
</tr>
</tbody>
</table>
Appendices

Appendix 1: Audit quality and risk management
Appendix 2: KPMG’s audit approach and methodology
Appendix 3: Required communications
Appendix 4: Current developments
Appendix 1: Audit quality and risk management

KPMG maintains a system of quality control designed to reflect our drive and determination to deliver independent, unbiased advice and opinions, and also meet the requirements of Canadian professional standards.

Quality control is fundamental to our business and is the responsibility of every partner and employee. The following diagram summarises the six key elements of our quality control systems.

Visit our Audit Quality Resources page for more information including access to our audit quality report, Audit quality: Our hands-on process.

Other controls include:
- Before the firm issues its audit report, Engagement Quality Control Reviewer reviews the appropriateness of key elements of publicly listed client audits.
- Technical department and specialist resources provide real-time support to audit teams in the field.
- We conduct regular reviews of engagements and partners. Review teams are independent and the work of every audit partner is reviewed at least once every three years.
- We have policies and guidance to ensure that work performed by engagement personnel meets applicable professional standards, regulatory requirements and the firm’s standards of quality.

All KPMG partners and staff are required to act with integrity and objectivity and comply with applicable laws, regulations and professional standards at all times.

We do not offer services that would impair our independence.

The processes we employ to help retain and develop people include:
- Assignment based on skills and experience;
- Rotation of partners;
- Performance evaluation;
- Development and training; and
- Appropriate supervision and coaching.

We have policies and procedures for deciding whether to accept or continue a client relationship or to perform a specific engagement for that client.

Existing audit relationships are reviewed annually and evaluated to identify instances where we should discontinue our professional association with the client.
Appendix 2: KPMG’s audit approach and methodology

Technology-enabled audit workflow (eAudIT)

**Engagement Setup**
- Tailor the eAudIT workflow to your circumstances
- Access global knowledge specific to your industry
- Team selection and timetable

**Completion**
- Tailor the eAudIT workflow to your circumstances
- Update risk assessment
- Perform completion procedures and overall evaluation of results and financial statements
- Form and issue audit opinion on financial statements
- Obtain written representation from management
- Required Audit Committee communications
- Debrief audit process

**Risk Assessment**
- Tailor the eAudIT workflow to your circumstances
- Understand your business and financial processes
- Identify significant risks
- Plan the use of KPMG specialists and others including auditor’s external experts, management experts, internal auditors, service organizations auditors and component auditors
- Determine audit approach
- Evaluate design and implementation of internal controls (as required or considered necessary)

**Testing**
- Tailor the eAudIT workflow to your circumstances
- Perform tests of operating effectiveness of internal controls (as required or considered necessary)
- Perform substantive tests
Appendix 3: Required communications

In accordance with professional standards, there are a number of communications that are required during the course of our audit. These include:

– Engagement letter – the objectives of the audit, our responsibilities in carrying out our audit, as well as management’s responsibilities, are set out in the engagement letter and any subsequent amendment letters. There are no required amendments for the 2016 fiscal year.

Required inquiries – professional standards require that during the planning of our audit we obtain your views on risk of fraud and other matters. We make similar inquiries to management as part of our planning process; responses to these will assist us in planning our overall audit strategy and audit approach accordingly

Management representation letter – we will obtain from management certain representations at the completion of the annual audit. In accordance with professional standards, copies of the representation letter will be provided to the Committee of the Whole

– Audit findings report – at the completion of our audit, we will provide a report to the Committee of the Whole
Appendix 4: Current developments

The following is a summary of the current developments that are relevant to the City of Guelph.

<table>
<thead>
<tr>
<th>Standard</th>
<th>Summary and implications</th>
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<tbody>
<tr>
<td>PS 3380, Contractual Rights</td>
<td>This standard is a disclosure standard which defines contractual rights to future assets and revenue and sets out the required disclosures.</td>
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<td>Information about a public sector entity's contractual rights should be disclosed in notes or schedules to the financial statements and should include descriptions about their nature and extent and the timing. The standard also indicates that the exercise of professional judgment would be required when determining contractual rights that would be disclosed.</td>
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<td>Factors to consider include, but are not limited to:</td>
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<td>(a) contractual rights to revenue that are abnormal in relation to the financial position or usual business operations; and (b) contractual rights that will govern the level of certain type of revenue for a considerable period into the future.</td>
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<td></td>
<td>Examples of a contractual right include contractual rights to receive payments under a shared cost agreement or contractual rights to receive lease payments.</td>
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<td></td>
<td>This standard is effective for fiscal periods beginning on or after April 1, 2017 (the City’s December 31, 2018 year end).</td>
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<td></td>
<td><strong>Implications:</strong> Additional disclosures may be required if contractual rights to assets or revenue exist.</td>
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<td>PS 3210, Assets</td>
<td>This Standard provides a definition of assets and further expands that definition as it relates to control.</td>
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<td>Assets are defined as follows:</td>
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<td>(a) They embody future economic benefits that involve a capacity, singly or in combination with other assets, to provide goods and services, to provide future cash inflows, or to reduce cash outflows.</td>
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<td>(b) The public sector entity can control the economic resources and access to the future economic benefits.</td>
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<td></td>
<td>(c) The transaction or event giving rise to the public sector entity’s control has already occurred.</td>
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<td>The standard also includes some disclosure requirements related to economic resources that are not recorded as assets to provide the user with better information about the types of resources available to the public section entity.</td>
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<td>This standard is effective for fiscal periods beginning on or after April 1, 2017 (the City’s December 31, 2018 year end).</td>
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<tr>
<td></td>
<td><strong>Implications:</strong> Assets such as accrued receivables will have to be reviewed to determine if they meet this definition.</td>
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<tr>
<td>Standard</td>
<td>Description</td>
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<tr>
<td>PS 3320, Contingent Assets</td>
<td>This standard defines contingent assets. They have two basic characteristics: (a) An existing condition or situation that is unresolved at the financial statement date (b) An expected future event that will resolve the uncertainty as to whether an asset exists The standard also has specific disclosure requirements for contingent assets when the occurrence of the confirming event is likely. Contingent assets include grants receivable where the conditions are met but funding is conditional upon approval of an application for funding. This standard is effective for fiscal periods beginning on or after April 1, 2017 (the City's December 31, 2018 year end). <strong>Implications:</strong> Additional disclosures may be required if contingent assets exist.</td>
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<tr>
<td>PS 2200, Related Party Disclosures</td>
<td>This standard relates to related party disclosures and defines related parties. Related parties could be either an entity or an individual. Related parties exist when one party has the ability to control or has shared control over another party. Individuals that are key management personnel or close family members may also be related parties. Disclosure is only required when the transactions or events between related parties occur at a value different from what would have been recorded if they were not related and the transactions could have a material financial impact on the financial statements. Material financial impact would be based on an assessment of the terms and conditions underlying the transaction, the financial materiality of the transaction, the relevance of the information and the need for the information to enable the users to understand the financial statements and make comparisons. This standard also specifies the information required to be disclosed including the type of transactions, amounts classified by financial statement category, the basis of measurement, and the amounts of any outstanding items, any contractual obligations and any contingent liabilities. The standard also requires disclosure of related party transactions that have occurred where no amounts has been recognized. This standard is effective for fiscal periods beginning on or after April 1, 2017 (the City's December 31, 2018 year end). <strong>Implications:</strong> Related parties will have to be identified. Additional disclosures may be required with respect to transactions with related parties.</td>
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<td>Category</td>
<td>Description</td>
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| **PS 3420, Inter-entity Transactions** | This standard relates to the measurement of transactions between public sector entities that comprise the government's reporting entity. Transactions are recorded at carrying amounts with the exception of the following:  
(a) In the normal course of business – use exchange amount  
(b) Fair value consideration – use exchange amount  
(c) No or nominal amount – provider to use carrying amount; recipient choice of either carrying amount or value fair.  
(d) Cost allocation – use exchange amount  
This standard is effective for fiscal periods beginning on or after April 1, 2018 (the City’s December 31, 2019 year end).  
**Implications:** The City will have to identify these transactions and determine if they have been measured at the carrying amount if required. |
| **Financial Instruments**         | A standard has been issued, establishing a standard on accounting for and reporting all types of financial instruments including derivatives. The effective date of this standard has recently been deferred and it is now effective for fiscal periods beginning on or after April 1, 2019 (the City’s December 31, 2020 year-end).  
**Implications:** This standard will require the City to identify any contracts that have embedded derivatives and recognize these on the consolidated statement of financial position at fair value. Portfolio investments in equity instruments are required to be recorded at fair value. Changes in fair value will be reported in a new financial statement – statement of re-measurement gains and losses.  
This standard sets out a number of disclosures in the financial statements designed to give the user an understanding of the significance of financial instruments to the City. These disclosures include classes of financial instruments and qualitative and quantitative risk disclosures describing the nature and extent of risk by type. The risks to be considered include credit, currency, interest rate, liquidity, and market risk. |
| **Revised Standard on Foreign Currency Translation** | A revised standard has been issued establishing standards on accounting for and reporting transactions that are denominated in a foreign currency.  
The effective date of this standard has been deferred and is effective for fiscal periods beginning on or after April 1, 2019 (the City's December 31, 2020 year-end). Earlier adoption is permitted. An entity early adopting this standard must also adopt the new financial instruments standard.  
**Implications:** Exchange gains and losses arising prior to settlement are recognized in a new statement of re-measurement gains and losses. |