COMMITTEE AGENDA

TO **Corporate Administration, Finance and Enterprise Committee**

DATE April 7, 2014

LOCATION Council Chambers, Guelph City Hall, 1 Carden Street

TIME 5:30 p.m.

DISCLOSURE OF PECUNIARY INTEREST AND GENERAL NATURE THEREOF

CONFIRMATION OF MINUTES- March 3, 2014 open meeting minutes

PRESENTATIONS (Items with no accompanying report)

a)

CONSENT AGENDA

The following resolutions have been prepared to facilitate the Committee's consideration of the various matters and are suggested for consideration. If the Committee wishes to address a specific report in isolation of the Consent Agenda, please identify the item. The item will be extracted and dealt with separately. The balance of the Corporate Administration, Finance & Enterprise Committee Consent Agenda will be approved in one resolution.

ITEM	CITY PRESENTATION	DELEGATIONS	TO BE EXTRACTED
CAFE-2014.8 Fair Trade Town Status Proposal		• Sarah Martin, on behalf of Fair Trade Guelph • Chris Proctor, on behalf of Fair Trade Guelph	√
CAFE-2014.9 Legal and Realty Services Annual Report	Scott Worsfold, Deputy City Solicitor		√
CAFE-2014.10 Annual Report – Information Technology	Dan Lubitz, Manager, Corporate Applications		√
CAFE-2014.11 Annual Report – Clerk's Department	Blair Labelle, City Clerk		√

CAFE-2014.12 150-152 Wellington Street East – Downtown Guelph Community Improvement Plan (DGCIP) – Major Downtown Activation Grant (MDAG) Request			
CAFE-2014.13 2013 Delegation of Authority Report			
CAFE-2014.14 2014 Property Tax Policy			
CAFE-2014.15 2013 Year End Capital Budget Monitoring Report			
CAFE-2014.16 2013 DC Background Study Update: Capital Budget Funding Reallocation			
CAFE-2014.17 2013 Investment Performance Report			
CAFE-2014.18 2013 Preliminary Operating Variance Report (Unaudited)			

Resolution to adopt the balance of the Corporate Administration, Finance & Enterprise Committee Consent Agenda.

ITEMS EXTRACTED FROM CONSENT AGENDA

Once extracted items are identified, they will be dealt with in the following order:

1) delegations (may include presentations)
2) staff presentations only
3) all others.

CLOSED MEETING

THAT the Corporate Administration, Finance & Enterprise Committee now hold a meeting that is closed to the public with respect to:

CAFE-C-2014.1 Litigation or Potential Litigation

S. 239 (2) (e) litigation or potential litigation
S. 239 (2) (f) advice that is subject to solicitor-client privilege

STAFF UPDATES AND ANNOUNCEMENTS

ADJOURN

NEXT MEETING – May 5, 2014

The Corporation of the City of Guelph
Corporate Administration, Finance and Enterprise Committee
Monday March 3, 2014 at 5:30 p.m.

Attendance

Members:	Mayor Farbridge	Councillor Kovach
	Councillor Burcher	Councillor Laidlaw

Absent: Councillor Hofland

Councillors: Councillor Furfaro

Staff: Mr. A. Horsman, Executive Director, Finance & Enterprise/Chief Financial Officer
Mr. M. Amorosi, Executive Director, Corporate & Human Resources
Mr. D. McCaughan, Executive Director, Operations, Transit & Emergency Services
Ms. T. Agnello, Deputy Clerk
Ms. J. Sweeney, Council Committee Coordinator

Call to Order *(5:30 p.m.)*

Vice Chair Burcher called the meeting to order.

Disclosure of Pecuniary Interest and General Nature Thereof

There were no disclosures.

Confirmation of Minutes

1. Moved by Councillor Laidlaw
Seconded by Mayor Farbridge

That the open meeting minutes of the Corporate Administration, Finance and Enterprise Committee held on February 3, 2014 be confirmed as recorded.

VOTING IN FAVOUR: Mayor Farbridge, Councillors Burcher, Kovach and Laidlaw (4)
VOTING AGAINST: (0)

CARRIED

Consent Agenda

The following items were extracted:

CAFE-2014.4 Property Tax Receivables and Collections

CAFE-2014.5 Property Tax Policy – Tax Ratios

Balance of Consent Items

2. Moved by Councillor Laidlaw
Seconded by Councillor Kovach

That the balance of the Corporate Administration, Finance and Enterprise Committee March 3, 2014 Consent Agenda, as identified below, be adopted:

CAFE-2014.6 Year End Operating Surplus Allocation Policy

1. That FIN-14-09 Year End Operating Surplus Allocation Policy be received.

2. That the Year End Operating Surplus Allocation Policy, attached as Appendix 1, be approved and adopted through by-law.

CAFE-2014.7 Update 2013/2014 Ice Storm Costs

1. That report FIN-14-12 Update on 2013/2014 Ice Storm Costs dated March 3, 2014 be received for information.

VOTING IN FAVOUR: Mayor Farbridge, Councillors Burcher, Kovach and Laidlaw (4)
VOTING AGAINST: (0)

CARRIED

Extracted Items

CAFE-2014.4 Property Tax Receivables and Collections

Ms. Gail Nisbet, Manager Taxation and Revenue, provided information on the status of outstanding receivables.

3. Moved by Mayor Farbridge
Seconded by Councillor Laidlaw

1. That Finance Report FIN-14-11 Property Tax Receivables and Collections be received for information.

VOTING IN FAVOUR: Mayor Farbridge, Councillors Burcher, Kovach and Laidlaw (4)
VOTING AGAINST: (0)

CARRIED

CAFE-2014.5 Property Tax Policy – Tax Ratios

Ms. Gail Nisbet, Manager Taxation and Revenue, clarified the timelines for reviewing the tax ratios.

4. Moved by Mayor Farbridge
Seconded by Councillor Laidlaw

1. That report FIN-14-10 "Property Tax Policy – Tax Ratios' be received for information.

2. That no change be made to the City's current approach to setting its tax ratios being a phased in reduction of the multi-residential and the industrial property class ratio to match the timing of the assessment phase in as outlined under Scenario 4 on page 36 of the attached report.

VOTING IN FAVOUR: Mayor Farbridge, Councillors Burcher, Kovach and Laidlaw (4)
VOTING AGAINST: (0)

CARRIED

Staff Updates and Announcements

There were no staff updates or announcements.

Adjournment *(5:40 p.m.)*

7. Moved by Councillor Laidlaw
Seconded by Mayor Farbridge

That the meeting be adjourned.

CARRIED

__ _____
Tina Agnello – Deputy Clerk

CORPORATE ADMINISTRATION, FINANCE & ENTERPRISE COMMITTEE CONSENT AGENDA

April 7, 2014

Members of the Corporate Administration, Finance & Enterprise Committee.

SUMMARY OF REPORTS:

The following resolutions have been prepared to facilitate the Committee's consideration of the various matters and are suggested for consideration. If the Committee wishes to address a specific report in isolation of the Consent Agenda, please identify the item. The item will be extracted and dealt with immediately. The balance of the Corporate Administration, Finance & Enterprise Committee Consent Agenda will be approved in one resolution.

A Reports from Administrative Staff

REPORT	DIRECTION
CAFE-2014.8 FAIR TRADE TOWN STATUS PROPOSAL 1. That Guelph City Council supports in principle Fair Trade Guelph's efforts for Guelph to achieve Fair Trade Town Status with Fair Trade Canada.	Approve
CAFE-2014.9 LEGAL AND REALTY SERVICES ANNUAL REPORT 1. That the Legal and Realty Services 2013 Annual Report be received for information.	Receive
CAFE-2014.10 ANNUAL REPORT – INFORMATION TECHNOLOGY 1. That the Information Technology 2013 Annual Report be received for information.	Receive
CAFE-2014.11 ANNUAL REPORT – CLERK'S DEPARTMENT 1. That the Clerk's Department 2013 Annual Report be received for information.	Receive

CAFE-2014.12 150-152 WELLINGTON STREET EAST – DOWNTOWN GUELPH COMMUNITY IMPROVEMENT PLAN (DGCIP) – MAJOR DOWNTOWN ACTIVATION GRANT (MDAG) REQUEST

Approve

1. That $2,801,339 of Brownfield TIBG Reserve Funds be reallocated to the Downtown TIBG Reserve Funds.

2. That $1,838,870 of the Heritage Redevelopment Reserve TIBG Funds be reallocated to the Downtown TIBG Reserve Funds.

3. That the application by 150 Wellington Guelph Limited for a Tax Increment-Based Grant pursuant to the Downtown Guelph Community Improvement Plan and applying to 150-152 Wellington Street East, be approved with an upset limit of $4,640,209.

4. That the remaining TIBG funds be directed to the Heritage Redevelopment Reserve.

5. That staff be directed to finalize Downtown Tax Increment-Based Grant agreements between the City and 150 Wellington Guelph Limited, or any subsequent owner, as described in this report to the satisfaction of the Corporate Manager, Downtown Renewal; the City Solicitor; and the City Treasurer.

6. That the Mayor and Clerk be authorized to execute the agreements.

CAFE-2104.13 2013 DELEGATION OF AUTHORITY REPORT

Receive

1. That the report dated April 7, 2014 entitled "2013 Delegation of Authority Report" with respect to delegated authority under the purview of the Corporate Administration, Finance and Enterprise Committee be received.

CAFE-2014.14 2014 PROPERTY TAX POLICY

Approve

1. That the 2014 City of Guelph Property Tax Policies as set out in Schedule 1 be approved.

2. That the following tax policies be incorporated into the tax ratio, tax rate and capping by-laws and submitted to Council on April 28, 2014:

   a) That the multi-residential ratio be reduced from 2.1239 to 2.0819;
   b) That the industrial tax ratio be reduced from 2.5237 to 2.4174;

c) That all other class ratios and vacancy discounts remain the same as 2013;
d) That the capping parameters used for 2013 be adopted for 2014 (as outlined on Appendix A); and
e) That all other tax policies, including optional property classes, graduated tax rates, relief to charities, low income and disabled persons (as detailed in Schedule 1 to Report FIN-14-15) remain the same as 2013.

CAFE-2014.15 **2013 YEAR END CAPITAL BUDGET MONITORING REPORT** | Receive

1. That FIN-14-20 "2013 Year End Capital Budget Monitoring Report" be received.

CAFE-2014.16 **2013 DEVELOPMENT CHARGES (DC) BACKGROUND STUDY UPDATE: CAPITAL BUDGET FUNDING REALLOCATION** | Approve

1. That report FIN-14-18 2013 Development Charges Background Study Update – Capital Budget Funding Reallocation dated April 7th, 2014 be received.

2. That Council approve the refinancing of the approved 2013 and 2014 tax-supported and non-tax supported capital budgets so that they align with the Council approved 2013 Development Charges Background Study.

3. That Council receive for information, the 2015-2023 Capital Forecast that was previously received by Council at the meeting of December 5, 2013.

CAFE-2014.17 **2013 INVESTMENT PERFORMANCE REPORT** | Receive

1. That Report FIN-14-14 "2013 Investment Performance Report" be received.

CAFE-2014.18 **2013 PRELIMINARY OPERATING VARIANCE REPORT (UNAUDITED)** | Receive

1. That report FIN-14-16 "Preliminary Operating Variance Report" be received for information.

attach.

Let's Make Guelph a Fair Trade Town!

by

Fair Trade Guelph

April 7, 2014

What is Fair Trade?

- Creating opportunities for economically disadvantaged producers
- Transparency and accountability
- Capacity building
- Promoting Fair Trade
- Payment of a fair price
- Gender equity
- Working conditions
- Children's rights
- The environment
- Trade relations

Fair Trade Products

What is a Fair Trade Town .

- A Fair Trade Town is accredited by Fair Trade Canada as a community that actively supports Fair Trade, increasing both availability and awareness at the local level.

Fair Trade Towns - Canada

Toronto ON

Vancouver BC

Edmonton AB

Wolfeville NS

Port Colborne ON

Sherbrooke QC

Barrie ON

La Peche QC

Mercier-Hochelaga-Maisonneuve QC

Revelstoke BC

Canmore AB

Sainte Anne de Bellevue QC

Gimli MB

Nakusp BC

Golden BC

Olds AB

Neuville QC

Fair Trade Towns - UK

1. Fair Trade Guelph

- Community initiative supporting Fair Trade since 2011
- Increase availability of Fair Trade products and awareness of Fair Trade principles
- Striving for a Fair Trade Town designation for Guelph

2. Public Awareness

- Since fall 2013…
  - Numerous displays and presentations throughout Guelph: City Hall, public libraries, churches neighbourhoods, U of G, businesses, community organizations
  - Fundraising by way of

    Fair Trade chocolate sales
  - Local media coverage

3. Keeping the Momentum

- Future events and activities
  - Encourage grocery stores to carry Fair Trade products, displays at summer festivals, connecting with more businesses and community groups, chocolate sales

4. Availability of Products

Company	Company Type	Chocolate	Hot Beverages: Coffee	Hot Beverages: Tea	Hot Beverages: Espresso	Hot Beverages: Hot Chocolate	Produce: Bananas	Produce: Mango	Produce: Avocado	Produce: Garlic	Produce: Coconut	Produce: Dried Fruit	Baking Products: Sugar	Baking Products: Coaco	Baking Products: Agave Syrup	Baking Products: Vanilla	Baking Products: Spices	Baking Products: Quinoa	Clothing	Shoes	Jewelry	Accessories	Home Decor	Furniture	Health & Beauty	Flowers
39 Carden Street	Restaurant		X	X																						
Atmosphere Cafe	Coffee shop		X		X																					
Bulk Barn Limited	Grocery Store		X	X																						
Cafe Reno	Coffee Shop		X	X																						
Coco Latte	Coffee Shop		X																							
Cornerstone	Coffee Shop		X																							
Dutch Toko	Grocery Store	X		X																						
Einstein's Cafe	Coffee Shop		X																							
Fair Trade Products of Guelph*	Grocery Store	X	X	X								X														
Flour Barrel Inc	Grocery Store	X	X							X			X	X												
Grey Rock Clothing Co.	Clothing Store																		X	X						
Guelph Fair Trader	Grocery Supplier	X	X	X								X	X	X			X									
Harmony	Clothing Store																		X		X	X	X	X		
Homefield Organic Food Co	Grocery Store		X				X						X													
Macdonell Variety	Convenience Store	X																								
Market Fresh Meat & Produce Inc	Grocery Store	X	X	X		X					X		X	X			X									
Metro	Grocery Store	X																								X
New Age	Health Food Store	X	X										X	X												
Ourderkirk & Taylor	Grocery Store		X	X																						
Park Mall Convenience	Convenience Store	X																								
Persephones	Clothing Store																		X							
Planet Bean	Coffee Shop		X	X									X		X											
Planet Bean Coffee Bar	Coffee Shop		X	X											X											
Rawlicious	Restaurant		X																							
Red Brick Cafe, The	Coffee Shop		X	X																						
Sapphire Cafe & Lounge	Restaurant		X		X																					
Second Cup	Coffee Shop		X																							
Shoppers Drug Mart	Convenience Store	X	X																							
Speedvale Pharmasave	Convenience Store	X																								
Starberry	Coffee shop		X																							
Starbucks	Coffee Shop		X																							
Stone Store Natural Foods Ltd	Grocery Store	X	X	X		X	X	X	X				X	X		X		X							X	
Supreme Coffee Service	Coffee shop		X			X																				
Target	Department Store	X																								
The Albion Hotel	Restaurant		X																							
The Bookstore Cafe	Coffee Shop		X		X																					
The Nutty Chocolatier	Candy Store	X																								
The SheaButterMan Shoppe	Gift Store																			X	X	X		X		
University of Guellph	Campus	X	X	X																						
Valeriote Market	Grocery Store		X	X																						
Wal-Mart	Grocery Store	X																								
West End Bakery and Cafe	Restaurant		X																							
With the Grain	Coffee Shop		X	X																						
World News Plus	Convenience Store	X																								
Zehrs Markets	Grocery Store	X																								

*Fair Trade Products of Guelph can be found at the Guelph Farmers Market

5. Community Support

Liz Sandals, MPP

MIKE SCHREINER
Leader of the Green Party of Ontario and Candidate for MPP in Guelph

Frank Valeriote MP
Guelph

GUELPH WELLINGTON COALITION FOR SOCIAL JUSTICE

6. City Hall's Role

- Pass a resolution in support of Fair Trade
- Purchase Fair Trade coffee, tea, and sugar for all meetings and events at City Hall managed directly by the City of Guelph
- Allocate Fair Trade responsibilities to a member of staff or committee to ensure commitment to Fair Trade status and to liaise with Fair Trade Guelph

Making a Difference…

CITY OF Guelph

Making a Difference

Endorsements for Fair Trade Guelph

Mike Schreiner, leader and Guelph candidate for the Green Party of Ontario
http://www.mikeschreiner.ca

" supports the effort to designate Guelph as a Fair Trade city. The Fair Trade movement balances people, planet and profit while fostering economic relationships and trade across borders. Greens support job creation and sustainable economic development that generates prosperity for all people".

Dublin Street United Church
http://www.dublin.on.ca

Dublin Street United Church "endorses the initiative to make Guelph a Fair Trade Town, a community that supports fair trade through increasing availability of products and awareness of fair trade principles."

Guelph Wellington Coalition for Social Justice
http://www.guelphcitizenaction.ca

" endorses the initiative to make Guelph a Fair Trade town ! We want to see more fair trade products available to our citizens . It is essential that an awareness program get started soon to help Guelph people understand Fair Trade principles !
George Kelly, Co-Chair , Guelph / Wellington Coalition for Social Justice

Justice and Outreach Committee representatives of Guelph United Ministries
http://guelphunited.org

Voted unanimously in favour to "endorse the initiative to make Guelph a Fair Trade City, a community that supports fair trade though increasing availability of products and awareness of fair trade principles".

KAIROS : Canadian Ecumenical Justice Initiatives is a faith-based organization that works for social change in Canada and around the world.
http://www.kairoscanada.org

Canadian Ecumenical Justice Initiatives endorses Guelph as a Fair Trade Town

Transition Guelph is an organization that promotes processes for strengthening community resilience and building sustainability.
http://www.transitionguelph.org

Transition Guelph endorses Guelph to become a Fair Trade Town.

James Gordon NDP Candidate
http://www.jamesgordonndp.ca

"I am very excited about the initiative to make Guelph a Fair Trade Town. It's a way to enhance and enliven our community, and to support our global community of farmers and workers. Efforts like this are essential to our long-term sustainability as an ecosystem. As a candidate in the upcoming provincial election I am hoping to use the campaign as an opportunity to raise awareness about "Fair Trade Town"

Beth Timlin owner of Gray Rock Clothing
http://greyrockclothingco.com

"We formally support Fair Trade Guelph. We feel their mandate is benefiting not only the community of Guelph but also impoverished communities all over the world. At Grey Rock we strongly believe "Trade not Aid" is the best way to help lift these communities out of poverty by providing them with sustainable employment and income. By being a fair trade community Guelph will be recognized as a forward thinking community who has an expanded world view towards helping others in a sustainable way."

Wellington Water Watchers.
http://www.wellingtonwaterwatchers.ca

Trinity United Church endorses Guelph as a Fair Trade Town.
http://www.trinityunitedguelph.ca

Margaret Virani
SIS Operations & Project Management Coordinator
University of Guelph
www.uoguelph.ca/ccs

As an advocate of Fairtrade chocolate in particular and Fairtrade products in general, I feel strongly that the city of Guelph could lead the way in offering a broader choice of ethical and sustainable products, which Fairtrade certification exemplifies. I fully support this initiative in achieving Fair Trade Town designation for Guelph and increasing the awareness of fair trade principles in our community.
My affiliation with Fairtrade is closely tied to my pursuit of a degree in Sociology and a certificate in environmental citizenship at the University of Guelph. I am a full-time staff member at the university and have been involved in awareness and fundraising events highlighting Fairtrade chocolate on campus. I am also planning to coordinate events externally, within the Guelph community.

See letters of support from:

Grandmothers for Africa
http://gggg.ca

Liz Sandals MPP
www.lizsandals.onmpp.ca

Frank Valeriote MP
https://frankvaleriote.liberal.ca

University of Guelph
http://www.uoguelph.ca

Mike Layton
http://mikelayton.ca

Francis M. Valeriote
Member of Parliament for Guelph

March 2014

To whom it may concern:

AS Member of Parliament for Guelph, I would like to add my voice to the many throughout our community who are endorsing efforts to bring the "Fair Trade Town" designation to our city.

Across Canada there are 17 towns with Fair Trade designation and many more cities and towns actively pursuing the same designation which solidifies a commitment to sustainability and the creation of a better and more just society.

Guelph is already foremost among Canadian communities, recognized across the country for its kindness, compassion and commitment to social justice. It was with this in mind that the Guelph City Council along with select other municipalities, passed a motion calling on the Government of Canada in its negotiations on the Canada-European Union Comprehensive Economic and Trade Agreement (CETA) to prevent negotiators from ceding sub-national government procurement. Knowing that it is an important means to ensuring the right to buy local materials and services, stimulating local innovation and community economic development through creating local jobs – Guelph City Council called for the federal government to be more open in its negotiations.

Before this, it was the University of Guelph that first received a Fair Trade campus designation – acknowledging their dedication to incorporating the principles of sustainability across academia and other operations. We have already seen one of our premier institutions embrace this great project and now is time for the City as a whole to do the same.

I look forward to your consideration of the bid put forward by the Guelph Fair Trade committee and should you have any questions or comments, please do not hesitate to contact me.

Best regards,

Frank Valeriote, MP
Guelph

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UNIVERSITY of GUELPH

OFFICE OF THE
ASSOCIATE VICE PRESIDENT STUDENT AFFAIRS

January 27, 2014

To whom it may concern:

I would like to add my support to the committee trying to bring the Fair Trade Designation to the city of Guelph. In November of 2012 Guelph was named as the first fair-trade campus in Ontario, thanks to the efforts of the University's Fair Trade Campus Committee.

The push for the Fair Trade designation on campus was spearheaded by students. However, the University quickly committed to joining the growing movement of public institutions taking the lead on social and environmental sustainability. We are a public institution that is committed to making a difference in the world and saw this as an initiative for striving to make a difference through purchasing behaviours.

It is our hope that, by acknowledging our commitment to the tenets of fair trade, we can convey how the University of Guelph is addressing all aspects of sustainability in its academics, research and operations. We use this program to help educate our students about the impact their purchasing behaviours have on our broader global communities.

Guelph is a city known for its commitment to sustainability. Fair trade is an attempt to help create a just society, which is a critical component of a sustainable planet. I urge Council to consider this opportunity thoughtfully.

Yours sincerely,

Brenda Whiteside

Brenda Whiteside
Associate Vice-President, Student Affairs

GUELPH • ONTARIO • CANADA • N1G 2W1 • (519) 824-4120 • FAX (519) 767-1693

Guelph GoGo Grandmothers

Dear Council of the City of Guelph,

The Guelph GoGo Grandmothers (4Gs) add their support to urging you to introduce an Ethical Purchasing Policy, support Fair trade initiatives, and pass a motion that would qualify Guelph as a Fair Trade community.

The principles of Fair Trade, -- justice and support through fair marketplace prices and standards for farmers and those in related support industry, -- is very much in harmony with the work of the Stephen Lewis Foundation and its Grandmothers to Grandmothers campaign, which we actively support. The 4Gs feel deeply for the grandmothers in Sub-Sahara Africa as they lead the way in caring and advocating for their orphaned grandchildren in the most remarkable, creative and energetic ways. We in turn are active in Guelph raising awareness and funds to support their work for justice and support. "We will not rest until they can!"

We believe we can each do our part in supporting Fair Trade and the support of council would be a powerful incentive to energize all of Guelph. After the presentation by the Fair Trade Committee member, we recognized that although many 4G members individually buy Fair Trade, we wanted to do more. We passed a motion that confirmed our commitment to serve Fair Trade products at our monthly meetings and at our events. We would each be conscious of promoting Free Trade in the many other activities in our lives. In addition, we have made an arrangement with Planet Bean so we can sell Fair Trade products at our monthly meetings and donate a discount to the Grandmothers to Grandmothers campaign. A win-win all around.

The 4Gs urge Council to support initiatives that promote Fair Trade in Guelph, affirm an Ethical Purchasing Policy and see that we qualify and you declare the City of Guelph a Fair Trade community.

Yours sincerely,

Wendy McBratney, Secretary

Sya VanGeest, Chair

FAIR TRADE TOWNS

Good News! Toronto joins Vancouver as Fair Trade City

Dear Municipal Colleague,

In May 2013, Toronto received its official Fair Trade City designation, making it the largest designated city in North America, and following up on Vancouver's 2010 achievement of becoming the first Fair Trade City in Canada.

Fair Trade is an organized social movement and market based approach aimed at alleviating global poverty and promoting sustainability, thereby creating opportunities and better trading conditions for economically disadvantaged or marginalized producers.

Vancouver and Toronto have joined the ranks of more than 1,100 cities and towns from many countries, who aim to empower farmers and workers in developing communities around the world through commitments to fair trade.

As leaders within our communities, we can steps to support this movement that will lead to better trading conditions and to securing the rights of marginalized producers.

We hope that Toronto's recent achievement, and Vancouver's experience as a Fair Trade City, will encourage other municipalities in Canada to follow a similar path.

Being a Fair Trade Town or City shows the global community that your citizens, with their everyday purchasing power, are ready to make a positive difference in the lives of millions around the world. To become a Fair Trade Town or City, you support:

- An informed public & media knowledgeable about fair trade
- Ethical & sustainable initiatives promoted in the community
- Community support from schools, workplaces, faith groups
- Diversity of fair trade products & businesses

If you have any questions or would like to learn more about the process for Fair Trade Towns designation, please do not hesitate to contact us. We would be happy to connect you with the proper resources to build positive change at home and around the world.

Sincerely,

Mike Layton
Councillor, City of Toronto

Andrea Reimer
Councillor, City of Vancouver

Volunteer Members of Fair Trade Guelph
fairtradeguelph.wordpress.com

Gloria Bennett
Adam Dee
Helen Drew
Kelly Hodgins
Jocelyn Kelly
Danny Lliang
Melissa Love
Sarah Martin
Bruce Morton
Chris Proctor
Joan Thompson

Six Goals and Corresponding Status to Achieve Fair Trade Town Accreditation

Goals	Status
1. Directory of businesses offering Fair Trade products	**ACHIEVED**
At least 26 local stores and supermarkets (retailers) offer a minimum of 2 Fair Trade certified products	Currently documented are 33 retail stores and 25 cafes and restaurants. Refer to the enclosed Directory of Businesses for complete listing. It is likely that the number of qualifying stores and cafes is growing as new Fair Trade products are introduced
At least 13 local restaurants and cafes serve a minimum of 2 Fair Trade certified products	
2. Support of local workplaces, faith groups and schools	**ACHIEVED**
A number of local workplaces serve and promote Fair Trade products	A number of individuals and diverse organizations in the community support Fair Trade. List of supporters and statements and letters of endorsement enclosed. We have also partnered with the Guelph Public Library, and sent letters to schools encouraging the use of Fair Trade products in fund raising.
A number of local religious institutions serve Fair Trade products and promote Fair Trade through educational and promotional activities	
A number schools and Universities serve Fair Trade products and promote Fair Trade through educational and promotional activities	
3. Public awareness	**ACHIEVED**
Media coverage and events to increase public awareness	Three articles have appeared in local papers. Flyers and Fair Trade Magazines published by the Canadian Fair Trade Network have been distributed to many offices and businesses. Fair Trade Guelph maintains a website (fairtradeguelph.wordpress.com) and facebook page and has hosted presentations and displays promoting Fair Trade at numerous locations.
4. Local fair trade steering group	**ACHIEVED**
Creation of a community group to ensure commitment to the promotion of Fair Trade	Fair Trade Guelph was established by community members in 2011. See enclosed list of members.
5. Keeping the momentum	**ONGOING**
Continue promoting Fair Trade and other forms of sustainable consumption. Activities will be periodically monitored by Fair Trade Canada.	Fair Trade Guelph will continue its activites of increasing awareness of Fair Trade throughout the Guelph community.
6. Local authority support	**PENDING**
Pass a resolution in support of Fair Trade	
Purchase Fair Trade coffee, tea, and sugar for all meetings and events at City Hall managed directly by the City of Guelph	
Allocate Fair Trade responsibilities to a member of staff or committee to ensure commitment to Fair Trade status and to liaise with Fair Trade Guelph.	

STAFF REPORT

TO	Corporate Administrative Finance & Enterprise Committee
SERVICE AREA	Finance & Enterprise Services
DATE	April 7, 2014
SUBJECT	**Fair Trade Town Status Proposal**
REPORT NUMBER	FIN-ED-14-02

EXECUTIVE SUMMARY

PURPOSE OF REPORT

To inform Guelph City Council of the Fair Trade Action Program that has been created by Fair Trade Canada, and

To raise community awareness of Fair Trade Guelph's efforts for Guelph to achieve Fair Trade Town Status through the Fair Trade Action Program, and

To seek Guelph City Council's support in principle of Fair Trade Guelph's efforts for Guelph to achieve Fair Trade Town Status.

KEY FINDINGS

Fair Trade Towns is an international campaign that was initiated by Fair Trade International. The campaign recognizes those communities that actively support fair trade through the availability and awareness of product choices.

Fair Trade International is an independent, non-governmental, not for profit organization. Fair Trade International sets international fair trade standards, organizes support for producers around the world, develops global fair trade strategies, and promotes trade justice internationally.

Fair Trade International is a recognized organization by the United Nations (UN) and has been invited to participate in a number of UN sponsored programs. Currently there are Fair Trade Towns in Australia, Austria, Belgium, Brazil, Canada, Denmark, Finland, France, Ireland, Italy, Norway, Spain, Sweden, the Netherlands, Germany, the United Kingdom and the United States. Additional information about Fair Trade International can be found at: www.fairtrade.net.

Fair Trade Canada is an affiliate of Fair Trade International and is responsible for awarding and administrating Fair Trade Town Status certification within Canada. To date 17 Canadian communities have achieved Fair Trade Town Status, as summarized in Attachment #1. Further information about Fair Trade Canada and the Fair Trade Town Status program can be found at: http://fairtrade.ca/en/get-involved/fair-trade-towns.

Fair Trade Guelph has been working towards Guelph achieving Fair Trade Town Status and has to date secured the support of a number of local organizations as provided in Attachment #2. It is worthy to note that the University of Guelph is one of the local organizations that is supporting this certification and has become Ontario's first fair trade campus, the details of which can be found at: http://fairtrade.ca/en/news-views/news/uguelph-becomes-ontarios-first-fair-trade-campus. Further information regarding Fair Trade Guelph can be found at: http://cftn.ca/partners/fair-trade-guelph.

FINANCIAL IMPLICATIONS

Should Fair Trade Guelph's efforts result in Guelph achieving Fair Trade Town Status there will be no associated financial obligations required from the City of Guelph.

ACTION REQUIRED

The following recommendations, if adopted by Council, will serve to raise the community's awareness of the Fair Trade Action Program. They will also serve to assist Fair Trade Guelph's objective to have Guelph achieve Fair Trade Town Status as described within FIN-ED-14-02.

RECOMMENDATION

THAT Guelph City Council supports in principle Fair Trade Guelph's efforts for Guelph to achieve Fair Trade Town Status with Fair Trade Canada.

BACKGROUND

This staff report is in response to Fair Trade Guelph's actions to have Guelph designated by Fair Trade Canada as a Fair Trade Town. Representatives from Fair Trade Guelph have approached staff with a request for the City to formally support its efforts.

The concept of fair trade was developed over 60 years ago in response to injustices in the international trading system that often resulted in producers receiving a very low share of commodity profits.

Fair Trade International sets international fair trade standards that guarantee not only a fair price to producers for their products, but also additional funds of community development, access to credit and stable trading relationships.

Fair Trade Canada is a subsidiary organization within Fair Trade International. Fair Trade Canada administers Fair Trade International's Fair Trade Town program.

The benefits of achieving Fair Trade Town status include, but are not limited to the following:

- To distinguish the community as a leader and to confirm commitment to supporting the principles of fair trade;
- To promote and support improving the livelihoods of the millions of farmers and workers in the developing world who benefit from fair trade; and
- To create awareness and encourage local citizens to make ethical and sustainable choices.

REPORT

In order for Guelph to be certified as a Fair Trade Town, Fair Trade Guelph must first satisfy Fair Trade Canada of the following criteria:

1. **That local political support has been obtained**: This would include a declaration that the local government will where possible consider the use of fair trade certified products and support the Fair Trade Towns campaign.
2. **Availability of fair trade certified products within local commercial stores**: It will be the responsibility of Fair Trade Guelph to encourage local stores and restaurants to have fair trade certified products available for purchase.
3. **Continued community support**: It will be the responsibility of Fair Trade Guelph to encourage workplaces, faith groups, & schools use and promote fair trade certified products;
4. **On-going public education**: It will be the responsibility of Fair Trade Guelph to organize public awareness events and media coverage on fair trade and the campaign. This report recommends the City support this through postings on its corporate web-site.
5. **Establishment of a local Fair Trade Town Committee**: Fair Trade Guelph acts as this committee.
6. **Keep the Momentum**: Fair Trade Guelph will be responsible for the creation and implementation of ethical and sustainable initiatives to promote fair trade within the community.

Fair Trade Guelph is therefore requesting that the City of Guelph:

1. Demonstrated support in principle for the local fair trade town campaign, and
2. The City will give equal consideration to the purchase of fair trade products.

The City's current purchasing by-law allows the City to give equal consideration to the purchase of "fair trade" certified (or fair trade equivalent) products, an example being the City of Guelph's Food and Beverage Services currently provides UTZ certified coffee, which is a fair trade equivalent certification which is based on social and environmental criteria for responsible coffee-growing, marketing practices and efficient farm management. The current purchasing by-law is currently being reviewed and it is understood that the proposed revised by-law will in part address ethical and environmental matters.

STAFF REPORT

CORPORATE STRATEGIC PLAN

3.1 Ensure a well-designed, safe, inclusive, appealing and sustainable City
3.2 Be economically viable, resilient, diverse and attractive for business
3.3 Strengthen citizen and stakeholder engagement and communications

DEPARTMENTAL CONSULTATION

Clerks
Purchasing
Legal

FINANCIAL IMPLICATIONS

Should Fair Trade Guelph's efforts result in Guelph achieving Fair Trade Town Status there will be no associated financial obligations required from the City of Guelph.

COMMUNICATIONS

Subject to Council's approval of the staff recommendation contained in this report, it is the intention of Enterprise Services to place on the Economic Development web site information about Fair Trade Guelph's efforts, the Fair Trade Town program and Fair Trade Canada.

ATTACHMENTS

Attachment # 1 – Canadian Fair Trade Towns
Attachment # 2 – Local Fair Trade Town Status Support

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Original Signed by:

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Attachment # 1
Canadian Fair Trade Towns

1. Wolfville, NS (April 17, 2007)
2. La Pêche, QC (November 9, 2007)
3. Port Colborne, ON (April 28, 2009)
4. Nakusp, BC (April 29, 2009)
5. Golden, BC (June 8, 2009)
6. Gimli, MB (July 1, 2009)
7. Olds, AB (November 9, 2009)
8. Revelstoke, BC (December 8, 2009)
9. Neuville, QC (March 31, 2010)
10. Mercier-Hochelaga-Maisonneuve, QC (April 19, 2010)
11. Vancouver, BC (May 6, 2010)
12. Barrie, ON (May 10, 2010)
13. Sainte Anne de Bellevue, QC (May 21, 2010)
14. Canmore, AB (July 6, 2010)
15. Sherbrooke, QC (February 9, 2011)
16. Toronto, ON (May 10, 2013)
17. Edmonton, AB (September 26, 2013)

Attachment # 2
Local Fair Trade
Town Status Support

- Mike Schreiner, Green Party of Ontario, Leader and Guelph Candidate
- Dublin Street United Church Council
- Guelph Wellington Coalition for Social Justice.
- Justice and Outreach Committee - Guelph United Ministries
- KAIROS: Canadian Ecumenical Justice Initiatives.
- Wellington Water Watchers.
- Transition Guelph
- University of Guelph
- Mike Layton
- James Gordon, NDP Provincial Candidate

LEGAL AND REALTY SERVICES

2013 ANNUAL REPORT

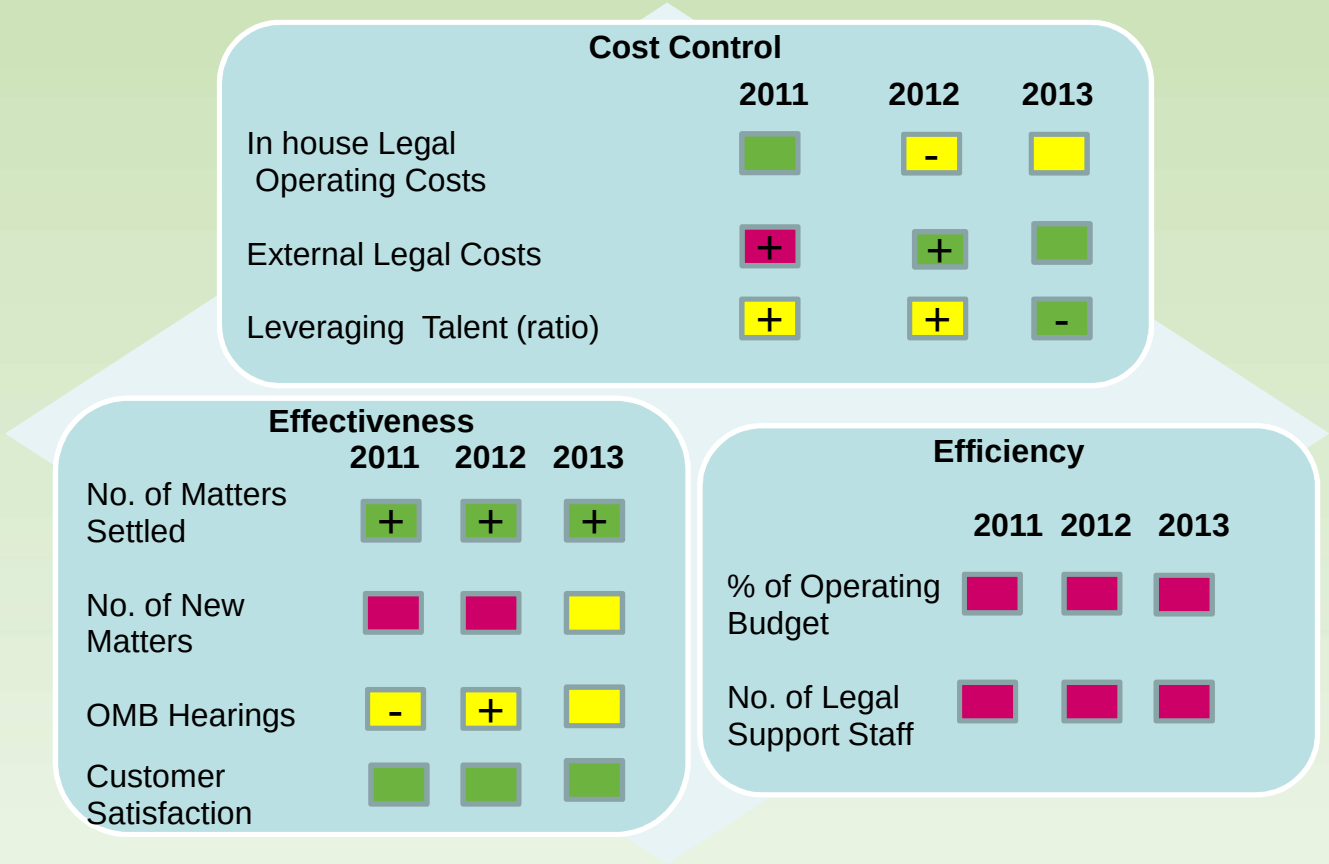
Legal Services provides the following:

- Legal advice and opinions to Council, Committees and all City departments in a timely and cost-effective manner.
- Representation of the City before the courts, the Ontario Municipal Board (OMB) and other administrative tribunals.
- Management of external counsel.
- Review and preparation of contracts, by-laws and other legal documentation.

Realty Services provides the following:

- Inventory of real estate assets of the City.
- Acquisition and disposition of real property for all City departments, including site search and selection process.
- Negotiation of agreements relating to real estate interests of the City, land development, encroachments, leases and licenses.
- Resolution of land related matters.
- Commencing in 2013 with the addition of a commercial real estate lawyer, Realty Services also began providing legal advice relating to real estate matters.

Legal and Realty Services Dashboard



Legal and Realty Services Scorecard

In Support of..	Measure	Target	Initiative	Progress		2014 Target
COST CONTROL	**In house legal operating costs per in house lawyer**					
	$ per hour of in-house legal service	-10% OMBI	Address inadequacy of resources	$70 as compared to OMBI of $145	■–	30% less than OMBI
	External Legal Costs					
	$ per hour of external legal services	-10% OMBI	Increased management of external legal matters	$454 as compared to OMBI of $387* *This was higher than previous years due to legacy lawyers	■	10% less than OMBI
	Leveraging Talent of internal and external counsel					
	Comparison of internal legal matters to external matters	15%	Increased carriage of litigation files by in house counsel Co-counselling complex files with external counsel	100% of agreements, by-laws and real estate are done in house. 90% of opinion work is done in house. 7 new litigation files handled in house	■	16% are represented by external counsel for litigation/OMB matters

Scorecard in support of effectiveness

EFFECTIVENESS	**OMB Matters**					
	# of appeals		Increase expertise of in house counsel with planning matters. Improve planning processes. Involvement of LRS in planning matters at early stage.	No. of new OMB appeals were 20 in 2011, 17 in 2012 and 14 in 2013.	■+	10 new appeals
	Number of litigation/OMB matters resolved					
	# of litigation matters/OMB resolved in each year	75% of new matters resolved	Actively manage litigation/ OMB files to achieve early resolution	10 resolutions of 21 new matters received in 2013.	■	48% of new matters resolved
	Number of new litigation matters					
	# of new litigation matters each year		Proactively engage in risk management and early involvement in problem areas	7 new matters, down from 11 in 2012	■	Reduction of 15%
	Customer Satisfaction					
	Clients who are satisfied with LRS	100%	Provide quality, timely services to clients	As reported in the service review, 100% of LRS clients were satisfied with their service. New customer satisfaction survey to be completed in 2014	■	100%

Scorecard in support of efficiency

EFFICIENCY	**% of Operating Budget**					
	% of City Operating Budget allocated to Legal Services		Control costs Ensure provision of adequate resources for department to be effective	The average percentage for government legal departments is 12%. The average percentage for all in house legal departments is 5%. The percentage allocated to Legal Services in 2013 was .05% (excludes external legal/consultants).	■	.05%
	Legal Support Staff per lawyer					
	No. of legal support staff per in house counsel	.5	Provide adequate resources to increase efficiency	Average support staff per lawyer in government legal departments is .7. Average support staff per lawyer in all in house legal departments is .67. Contract legal assistant and contract planning lawyer and permanent real estate lawyer hired in 2013, keeping ratio at .25	■-	.4

STAFF REPORT

TO	Corporate Administration, Finance and Enterprise Committee
SERVICE AREA	Corporate & Human Resources
DATE	April 7, 2014
SUBJECT	**Legal and Realty Services Annual Report**
REPORT NUMBER	CHR-2014-21

EXECUTIVE SUMMARY

PURPOSE OF REPORT
To present the Legal and Realty Services Department 2013 Annual Report

KEY FINDINGS
- information on departmental initiatives is provided for the year 2013
- measurements against key performance indicators are presented using a dashboard/scorecard approach
- benchmark comparisons are provided where possible
- activities are identified where improvement is required

FINANCIAL IMPLICATIONS
Will be identified where applicable and incorporated into the 2015 budget process.

ACTION REQUIRED
To receive the report for information.

RECOMMENDATION
That the Legal and Realty Services 2013 Annual Report be received for information.

BACKGROUND
The annual report provides information and analysis of performance measures for the activity, impact, value creation and cost management for the prior calendar year. This is the third annual report of Legal and Realty Services.

REPORT
Annual reports represent accountability to Council for the delegated authority provided to staff for the execution of administrative functions. They provide context for informed management decision making on priorities based on the

identification of trends and assist in the development of remedial responses to improve performance areas that are trending negatively against available benchmark information.

The report has been developed around a format that includes the following sections:

Key Initiative Summaries contain highlights of key department initiatives throughout the reporting year.

Dashboards and Scorecards contain visual interpretations of the department's data analysis, trends and targets.

Data Analysis Overviews contain further context, detail and analysis of the findings reported in the dashboards and scorecards, comparing performance measures and trends where possible to relevant targets and benchmarks.

2014 and Beyond includes brief overviews of activities within 2014 departmental work plans.

Data Tables, Charts and Graphs have been inserted throughout each report to highlight important information. Additional supporting data tables, charts and graphs may be found at the back of some reports. These are to be referenced in terms of supporting data and/or to illustrate data and trends that are being monitored but may not represent significant findings or notable trends at this point in time.

There has been a mixture of improvement and decline in dashboard indicators, full explanations for which can be found in the body of the annual report itself as well as actions to improve performance.

The majority of the performance indicators remained stable in 2013. The following are the performance indicators which are showing improvement:

- Leveraging Talent – A new planning lawyer and a new real estate and development lawyer were hired in 2013 which increased the capacity to provide services in these areas
- Number of New Litigation and OMB Matters – This indicator showed a decline in 2013.

The performance indicators that showed significant declining performance in 2013 were:

- External Legal Costs – LRS used a new tracking method in 2013 which more accurately reflects the cost of external legal counsel. Two legacy files and one referral to external counsel contributed to the increase in the average

cost of external legal costs. The hourly rate of the City's most heavily used external counsel remains below the $387/hour median rate as determined by OMBI.

Although there was no significant change in 2013, the following remain areas of concern regarding the ability of Legal and Realty Services to continue to provide excellent service to its clients:

- In house Legal Operating Costs and % of Operating Budget are significantly less than comparables which means the department is underfunded given the size and nature of the organization.
- Number of Legal Support Staff continues to result in a decreased efficiency in the use of legal staff to do work related to their skills. This issue will be addressed in the context of the organizational review and administrative staff.

CORPORATE STRATEGIC PLAN

Innovation in Local Government

- Ensure accountability, transparency and engagement.

DEPARTMENTAL CONSULTATION

N/A

COMMUNICATIONS

N/A

FINANCIAL IMPLICATIONS

N/A

ATTACHMENTS

Legal & Realty Services 2013 Annual Report

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Legal and Realty Services 2013 Annual Report

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Section 4: 2014 Looking Forward 12

Section 5: Data Tables, Charts and Graphs 14

Introduction

The City of Guelph Legal and Realty Services Department is responsible for providing legal advice and guidance to City Council and City departments for the purposes of protecting the City's interests and managing risk, representing the City in litigation in the various Courts and administrative tribunals and providing realty services for the corporation.

This department provides the following services:

Legal Services

- Legal advice and opinions to Council, Committees and all City departments in a timely and cost-effective manner.
- Representation of the City before the courts, the Ontario Municipal Board (OMB) and other administrative tribunals.
- Management of external counsel.
- Review and preparation of contracts, by-laws and other legal documentation.

Realty Services

- Inventory of real estate assets of the City.
- Acquisition and disposition of real property for all City departments, including site search and selection process.
- Negotiation of agreements relating to real estate interests of the City, land development, encroachments, leases and licenses.
- Resolution of land related matters.
- Commencing in 2013 with the addition of a commercial real estate lawyer, Realty Services also began providing legal advice relating to real estate matters.

Guelph Municipal Holdings Inc.

- Corporate Secretarial function, including board and committee support, corporate filings and reports to board and Council.
- General Counsel to GMHI, providing or managing the provision of legal services to GMHI and providing strategic legal advice to the corporation.

The following represents the organization structure of the Legal and Realty Services department:

The 2013 Legal and Realty Services Annual Report is the third formalized annual report prepared by Legal and Realty Services for the City of Guelph. The report has been divided into the following five sections:

Section 1: Key Initiative Summary

A summary of the department's key initiatives throughout the year. This section expands on the "2013 Accomplishments" for the department as reported in the 2014 Operating Budget submission.

Section 2: The Legal and Realty Services Dashboard and Scorecard

A visual interpretation of the data analysis, trends and targets.

Section 3: Performance Analysis Overview

This section provides further context, detail and analysis regarding the performance measures reported in the dashboard and scorecard. This section will also look at external trends that are either having an impact or are expected to impact the way we provide legal and realty services in the coming years.

Section 4: 2014 and Beyond

This section includes a brief overview of the Legal and Realty Services 2014 work plan including actions resulting from the analysis in section 3.

Section 5: Data Tables, Charts and Graphs

This section includes data tables and charts.

Section 1: Key Initiative Summary

- Reduced the City's risk through the Procurement Project, which involves preparation and review of a new Purchasing By-law in Phase 1 and the development of new and updated related documents including tenders and Requests for Proposals in Phase 2.

- Actively contributed to the continued development of Guelph Municipal Holdings Inc. (GMHI) and its initiatives to manage City assets better

- As part of the Long-Term Care Home Project, development of governance and service delivery model for the City's proposed new long-term care home in collaboration with the Ministry of Health and Long-Term Care and preparation of documents relating to implementation.

- Completed a 3 ½ month trial on the issue of liability in the litigation with Urbacon.

- Litigated or otherwise resolved 18 litigation matters and continued to work with Risk Management to better understand and manage the City's litigation risks.

- Resolved some of the Ontario Municipal Board appeals of the Downtown Secondary Plan (OPA 43) and the Natural Heritage Plan (OPA 42) allowing the City to implement parts of the Plans and ensure a well-designed appealing and sustainable city.

- Completed hearings or otherwise resolved numerous appeals to the OMB of Committee of Adjustment decision

- Implemented service review recommendations including creating a policy for use of internal and external legal services and to more accurately track key performance measures .

- Collaborated to update Downtown and Brownfield Redevelopment CIP

- Developed, reviewed and updated a number of By-laws, including Parking, Property Standards, Yard Maintenance, Woodburning and Nuisance By-laws

- Actively involved in completion of 2014 Development Charges Background Study and development of the 2014 Development Charge By-law.

- Continued updating of governance models of related entities

- Commenced review of Committee of Adjustment procedures, with implementation of new by-laws and policies in 2014

- Completed transfer of the train station to the City
- Revised Standard Realty and Planning Agreements
- Increased involvement in development applications and processes, including review of site plan agreements and Committee of Adjustment development agreements

Section 2: Legal and Realty Services Dashboard and Scorecard

Legal and Realty Services Dashboard

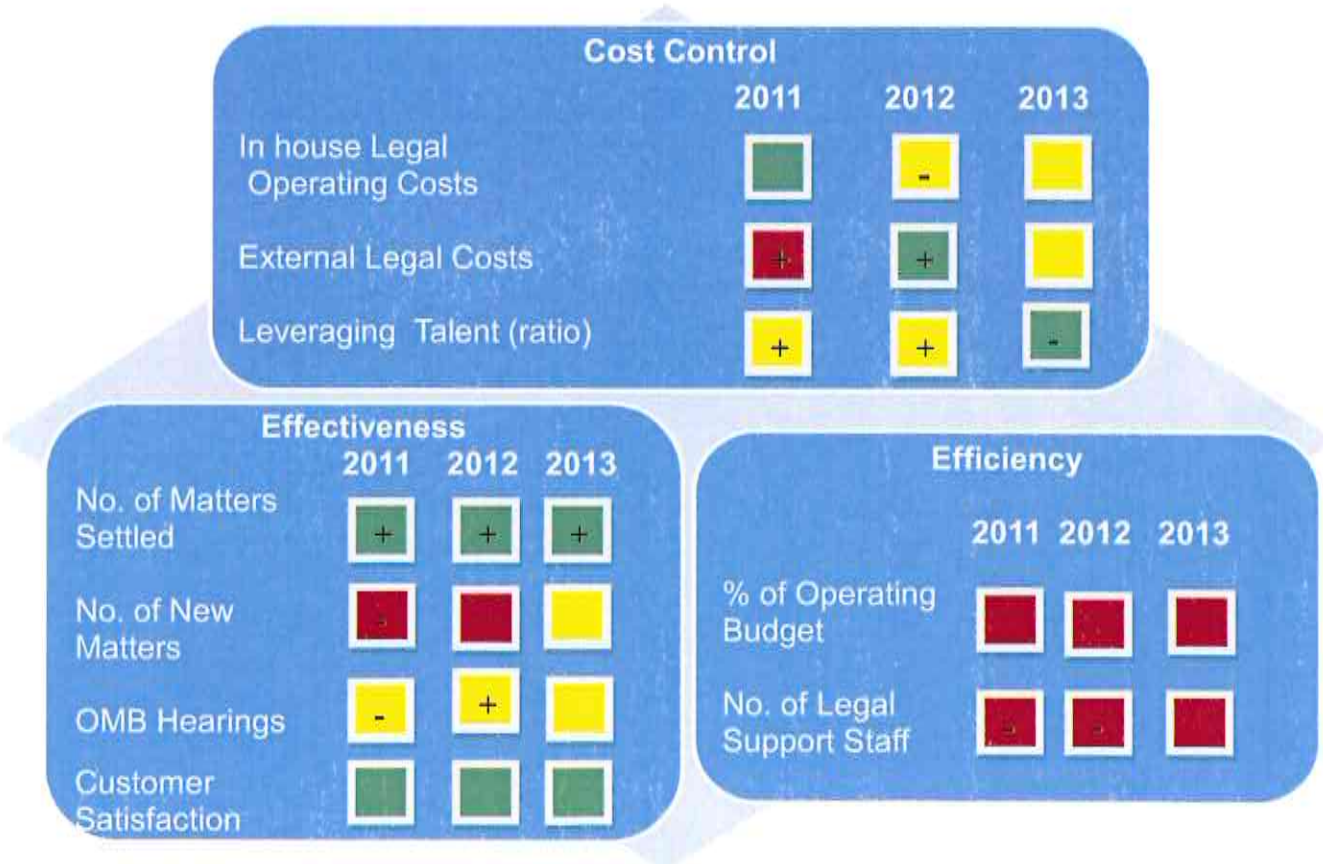
As illustrated below by the Legal and Realty Services Dashboard, several key metrics have been aligned into three categories to illustrate the performance and progress towards achieving the goals of the Corporate Strategic Plan. These gauges have three colours that represent thresholds for performance as follows:

GREEN indicates that the LRS Division is reporting metrics that compare, meet or exceed the demands of the organization.

YELLOW indicates that the LRS Division is reporting metrics that do not meet the demands and require slight improvement.

RED indicates that the LRS Division is reporting metrics that do not meet the demands and require immediate attention.

Legal and Realty Services Dashboard



Legal and Realty Services Scorecard

The following Scorecard reflects the performance measures on the Legal and Realty Services Dashboard and illustrates the progress made toward targets in 2014.

In Support of..	Measure	Target	Initiative	Progress		2014 Target
COST CONTROL	**In house legal operating costs per in house lawyer**					
	$ per hour of in-house legal service	-10% OMBI	Address inadequacy of resources	$70 as compared to OMBI of $145		30% less than OMBI
	External Legal Costs					
	$ per hour of external legal services	-10% OMBI	Increased management of external legal matters	$454 as compared to OMBI of $387* *This was higher than previous years due to legacy lawyers		10% less than OMBI
	Leveraging Talent of internal and external counsel					
	Comparison of internal legal matters to external matters	15%	Increased carriage of litigation files by in house counsel Co-counselling complex files with external counsel	100% of agreements, by-laws and real estate are done in house. 90% of opinion work is done in house. 7 new litigation files handled in house		16% are represented by external counsel for litigation/OMB matters
EFFECTIVENESS	**OMB Matters**					
	# of appeals		Increase expertise of in house counsel with planning matters. Improve planning processes. Involvement of LRS in planning matters at early stage.	No. of new OMB appeals were 20 in 2011, 17 in 2012 and 14 in 2013.		10 new appeals

EFFECTIVENESS	**Number of litigation/OMB matters resolved**					
	# of litigation matters/OMB resolved in each year	75% of new matters resolved	Actively manage litigation/ OMB files to achieve early resolution	10 resolutions of 21 new matters received in 2013.	■	48% of new matters resolved
	Number of new litigation matters					
	# of new litigation matters each year		Proactively engage in risk management and early involvement in problem areas	7 new matters, down from 11 in 2012	■	Reduction of 15%
	Customer Satisfaction					
	Clients who are satisfied with LRS	100%	Provide quality, timely services to clients	As reported in the service review, 100% of LRS clients were satisfied with their service. New customer satisfaction survey to be completed in 2014	■	100%
EFFICIENCY	**% of Operating Budget**					
	% of City Operating Budget allocated to Legal Services		Control costs Ensure provision of adequate resources for department to be effective	The average percentage for government legal departments is 12%. The average percentage for all in house legal departments is 5%. The percentage allocated to Legal Services in 2013 was .05% (excludes external legal/consultants).	■	.05%
	Legal Support Staff per lawyer					
	No. of legal support staff per in house counsel	.5	Provide adequate resources to increase efficiency	Average support staff per lawyer in government legal departments is .7. Average support staff per lawyer in all in house legal departments is .67. Contract legal assistant and contract planning lawyer and permanent real estate lawyer hired in 2013, keeping ratio at .25	■–	.4

Section 3: Data Analysis Overview

Legal & Realty Services continues to see an increase in demand for services relating to planning and development, generally attributable to growth in the City and the related new policies and plans. The number of OMB appeals are only one reflection of this increase in demand, with others being site plan applications and agreements and Committee of Adjustment appeals and agreements.

Legal Services has successfully reduced the number of litigation files not related to planning or to insured matters, while continuing to monitor the Urbacon and other litigation. Urbacon was brought to trial in 2013 after an unsuccessful mediation attempt in September 2012.

In 2013, Realty Services assumed responsibility for the review and registration of site plan agreements and the preparation of Committee of Adjustment development agreements. This resulted in the hiring of a contract legal assistant in June 2013.

Legal Services has made a significant contribution to the development of Guelph Municipal Holdings Inc., including providing administrative support for the Board and performing Corporate Secretary and General Counsel functions for the corporation. At the end of 2013, the contract legal assistant hired in 2013 to assist with development applications and agreements began working half time for GMHI.

With the addition of a commercial realty lawyer in 2013, Legal and Realty Services now has a good cross-sectional representation of legal talent. We have been able to create a team of professionals who each concentrate on specific areas for streamlining of requests:

1 General Manager

1 Litigation lawyer

1 Tribunal lawyer

1 Lawyer who concentrates on solicitor work (contract and by-law drafting); and

1 Real estate lawyer

An additional Associate Solicitor-Planning was recruited for a one year contract position commencing in January, 2013 to address the large number of OMB appeals and reduce reliance on external counsel. This contract has been extended to January 2015.

As a team, Legal & Realty Services continues to participate in numerous cross functional teams within the organization, including: Procurement/Purchasing review, Shared Rental Housing, Open Governance, Public Art Site Planning, Community Investment Strategy, Bring Your Own Device program, Legal Proceeding Program in Building and Inspection Services, Social Media Strategy, Alcohol Risk Management, DC By-law Peer Review, Guelph Cemetery Commission, Guelph Brownfields, Long-Term Care Home Project, Overtime Audit Implementation, IOR Implementation, Canadian Anti-Spam Legislation Implementation Project and IOR General Manager Steering Committee.

Section 4: 2014 Looking Forward

Legal and Realty Services will be undertaking the following initiatives in collaboration with the relevant departments:

- Complete phase two of the Urbacon litigation (dealing with damages)
- Final hearing dates before the Ontario Municipal Board on the Downtown Secondary Plan appeals (OPA 43)
- Final hearing dates before the Ontario Municipal Board on the Natural Heritage Plan appeals (OPA 42)
- OPA 48 Appeals and Implementation
- Present the new Procurement By-law for approval
- Approval of the City's Long Term Care Home and transition
- Present new Committee of Adjustment By-laws, Policies and Terms of Reference
- GMHI - Creation of new development company (if approved by Council) and investigation of transfer of Guelph Junction Railway to GMHI
- IMICO - marketing and negotiations associated with the potential disposition and redevelopment of 200 Beverley Street
- Community engagement process for sale of 65 Delhi
- Develop new Delegation of Authority By-law for LRS for consideration by Council
- Develop concept plans and MOU's for the Baker Street Project
- Commence work on plans and agreements for Phase 3 of HCBP
- Metrolinx/GO negotiations - Potential transfer of surplus property by the City to Metrolinx as partial payment towards funds owed by the City to Metrolinx for the expansion of the GO train service into Guelph
- Zoning By-law Review

These projects are aligned to the following strategic focus areas of the Corporate Strategic Plan Framework (2012-2016)

- Organizational Excellence

Direction: Build robust systems, structures and frameworks aligned to strategy

- Innovation in Local Government

  Directions: Deliver better public service

  Ensure accountability, transparency and engagement

- City Building

  Direction: Ensure a well designed, safe, inclusive, appealing and sustainable City

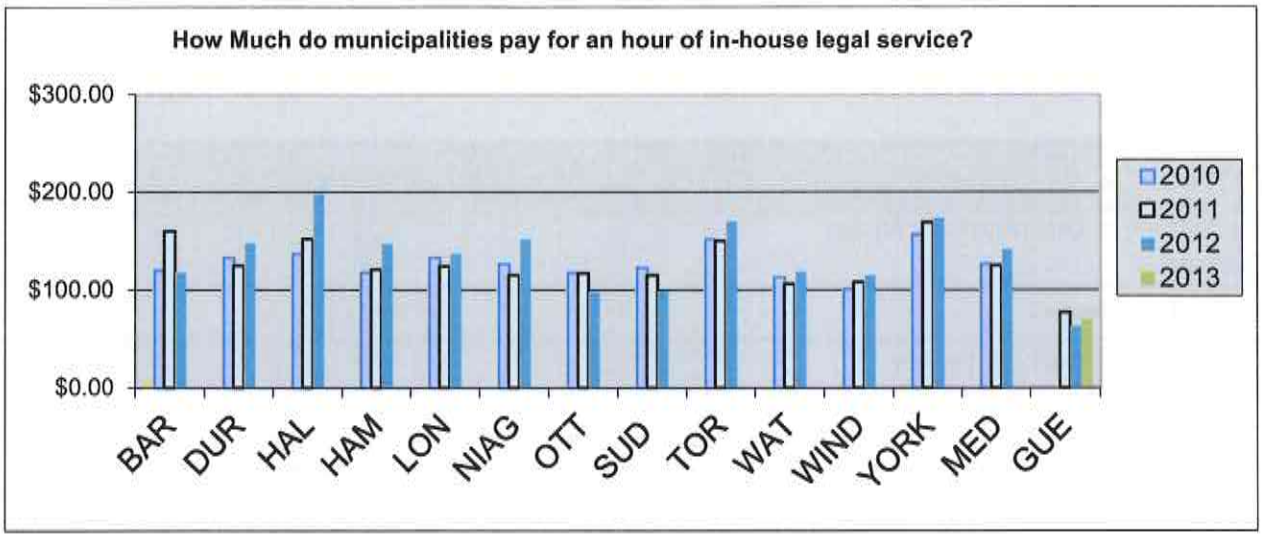
  Be economically viable, resilient, diverse and attractive for business

Section 5: Data

Efficiency Indicators (Legal Services only)

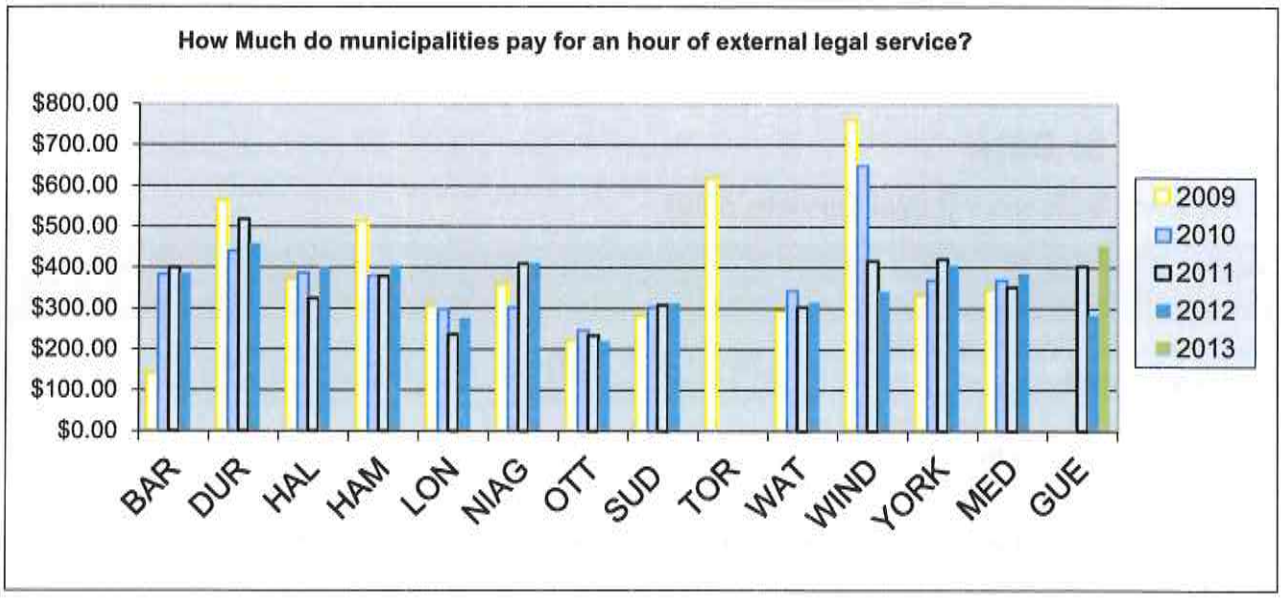
Indicator	Guelph (2013)	Guelph (2012)	OMBI[1] (2012)	Guelph (2011)	OMBI[1] (2011)
In-House Legal Operating Costs per In-House Lawyer	$70	$63	$142	$77	$125

[1]Ontario Municipal Benchmarking Initiative (OMBI) Median



Indicator	Guelph (2013)	Guelph (2012)	OMBI[1] (2012)	Guelph (2011)	OMBI[1] (2011)
External Legal Cost per External Lawyer Hour	$454[2]	$285	$387	$403	$352

[1]Ontario Municipal Benchmarking Initiative (OMBI) Median [2]average hourly rate of 6 external lawyers



2013 In House Counsel Barometer (CCCA) [1]	LRS	Government Overall	All In House
Percentage of Organization's Annual Budget [2]	.5%	12%	5%
Number of Lawyers	6	14	12
Legal Support Staff per Lawyer	.25	.7	.67

[1] CCCA - Canadian Corporate Counsel Association (through Canadian Bar Association)
[2] Measures general importance and involvement of Legal Department in overall operations

In House Counsel Compensation & Career Survey 2012	LRS (2013)	Government Overall (ONT)	All In House (ONT)
Base Salary GC Director	133,000	155,500	170,500 + bonus
Legal Counsel	103,500	133,000	130,500

Litigation

The Numbers:
* (Do not include insurable matters)

	2010	2011	2012	2013
Ongoing Litigation from previous years	11	14	16	14
Ongoing Litigation referred to External Counsel	7	8	7	5
New Litigation Matters	3	11	11	7
New Litigation Matters referred to External Counsel	1	0	0	0
* Number of Litigation Matters Completed/Resolved	0	9	13	7

- 18 litigation matters (including insurable matters) closed in 2013 - 11 settled, 1 in which the co-defendant assumed the City's defence, 2 argued in court with decisions rendered, and 3 discontinued or withdrawn

Planning and Tribunals

The Numbers:

	2010	2011	2012	2013
OMB Appeals Ongoing From Previous Years	3	7	22	29
Ongoing Appeals referred to External Counsel	1	1	2	3
New OMB Appeals	4	20	17	14
New OMB Appeals referred to External Counsel	0	1	1	1
Number of OMB Appeals Completed/Resolved	0	4	10	24

Agreements, By-laws and Advice

The Numbers:

	2009	2010	2011	2012	2013
Agreements drafted, reviewed or advised upon	50	47	38	81	59
By-laws drafted, reviewed or advised upon	16	13	14	17	15

Opinions	175	175	174	180	191
TOTAL	241	235	226	278	265

Realty Services

By the Numbers:

Indicator	2009	2010	2011	2012	2013
By-laws Submitted	81	65	65	78	86
Acquisitions (Land)	7	40	26	37	18
Dispositions (Land)	4	3	13	3	2
Title Searches	1528	2401	2667	1924	2280
Leases Executed	2	3	9	4	1
Licenses Executed	3	12	16	9	11
Encroachment Agreements	9	10	8	16	25
Compliance Letters Issued	56	72	68	85	35
Subdivision lots released	235	353	812	369	691
Registrations	78	72	80	189	183
SPC Agreements					29
Development/Storm Sewer Agreements					7
Real Property Matters					38

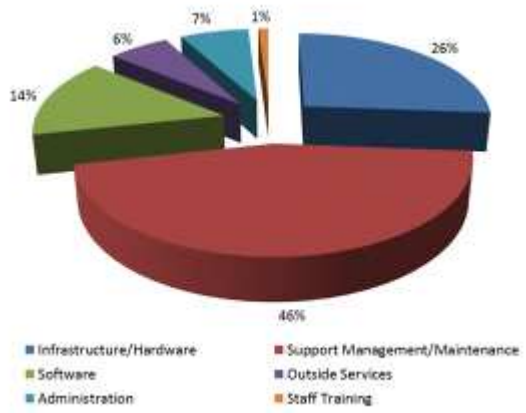
Information Technology
Annual Report
2013

2013 Report Changes

- New Operations Framework (COBIT 5)
  - Strategy and Governance
  - Values and Performance
  - Cost and Quality
  - Organization and People
  - Vendor and Projects
  - Compliance
  - Innovation

2013 Report Changes /contd

- KPI Changes
  - Performance Measures (Maturity Model)
  - Application Management (New Sub KPI's)
  - Total Cost of Ownership (New)



Category	Totals	% Of Total	Typical Industry Standard
Infrastructure/Hardware	1,757,195	26%	20%
Support Management/Maintenance	3,044,486	45%	43%
Software	964,990	14%	17%
Outside Services	408,998	6%	8%
Administration	463,834	7%	6%
Staff Training	68,421	1%	6%
Totals	**6,707,924**	**100%**	**100%**

Information Technology Dashboard 2013

IT Performance 2011

IT Performance 2012

IT Performance 2013

IT Governance	2011	2012	2013
Strategic Alignment		+	+
Business Value Delivery			+
Risk Management		+	
Resource Management		+	
Performance Measurement			

Service Delivery	2011	2012	2013
Customer Satisfaction		+	+
Customer Partnership			+
Business Process Support		+	
Infrastructure Availability			

IT Sustainability			
Applications Management			
Project Performance	-	+	
Financial Management		+	+
Compliance			
Total Cost of Ownership (new KPI in 2013)			

IT Innovation & Learning			
Workforce Competency			+
Advanced Technology Use			
Methodology Currency			
Employee Retention	+	+	

Accomplishment 2013

CTSP Initiatives	*Status*	*Comments*
Governance Framework	*Completed*	*Implementation of ITGC, Steering Committees, User Groups*
Reorganize IT Department	*Completed*	*IT Management and four divisions are in place*
Enhance Help Desk	*Completed*	*Incident Management process was improved*
HR Process Assessments	*Completed*	*Final reports ready in early 2014*
Kronos Time Management	*Completed*	*Electronic paystubs implemented in April 2013*
WAM Assessments - RFP	*On schedule*	*Awarded 2013*
AMANDA Assessment	*Completed*	*Final reports ready in April 2014*
GIS Technology Plan	*On Schedule*	*Project end date is July 2014*
Open Government Plan	*On Schedule*	*Transferred project ownership to City Clerk's Office*
Information Management Plan	*Planning*	*Open Government Action Plan will inform Information Management Plan*
Data Warehouse Plan	*Planning*	*Data Architect hired in late 2013, infrastructure planning is underway*
Initiatives from 2012 Annual Report	*Status*	*Comments*
Business Continuity Plan – Phase 1	*On schedule*	*Draft plan completed (Phase 1), implementation (Phase 2) in 2014*
Joint Wireless Phase 1	*On Schedule*	*RFP Review*
Major Initiatives 2013 IT Workplan	*Status*	*Comments*
Voice Upgrade (City's Phone System)	*On Schedule*	*Phase 1 Analysis 2013, Phase 2 Implementation End date is June 2014*
Guelph Hydro Phone System	*On Schedule*	*Phase 1 Analysis 2013, Phase 2 Implementation End date is March 2014*
Active Directory Upgrade- Phase 1	*On Schedule*	*Analysis and Design (Phase 1) complete, Implementation March 2014*

Workplan 2014

CTSP Initiatives	*Status*	*Comments*
WAM Assessments	*On schedule*	*Final reports ready in May 2014*
ITIL Service Improvements	*In Progress*	*Incident Management process was improved*
Time and Attendance Review	*In progress*	*Amendment to H/R Process Improvement*
Open Government Plan	*On Schedule*	*Transferred project ownership to City Clerk's Office*
Information Management Plan	*Planning*	*Open Government Action Plan will inform Information Management Plan*
Data Warehouse Phase 2	*Planning*	*Infrastructure Implementation, Modelling Tools and Pilot*
Mobility Strategy	*Planning*	*Informed from Requirements from Enterprise Assessments*
Initiatives from 2012 Annual Report	*Status*	*Comments*
Business Continuity Plan	*On schedule*	*Draft plan completed (Phase 1), implementation (Phase 2) in 2014*
Joint Wireless Phase 1	*On Schedule*	*Project end date is December 2014*
Email and File Archiving	*Planning*	*Infrastructure installed, require Electronic Data Retention Policy*
Content Indexing and Search	*Planning*	*Infrastructure installed, delayed due to lack of resources, review in 2014*
Major Initiatives 2014 IT Workplan	*Status*	*Comments*
Voice Upgrade (City's Phone System)	*On Schedule*	*Phase 1 Analysis 2013, Phase 2 Implementation End date is June 2014*
Guelph Hydro Phone System	*On Schedule*	*Phase 1 Analysis 2013, Phase 2 Implementation End date is March 2014*
Active Directory Upgrade	*On Schedule*	*Analysis and Design (Phase 1) complete, Implementation March 2014*
AMANDA 6 Upgrade	*Planning*	*Supports Roadmap identified by CTSP H/R Assessment*
JDE 9.2 Upgrade	*Planning*	*Supports Roadmap of H/R Assessment and Future Finance Review*
CLASS 7.1 Upgrade	*Completed*	*Supports added functionality and reliability*

STAFF REPORT

TO	Corporate Administration, Finance and Enterprise Committee
SERVICE AREA	Corporate & Human Resources
DATE	April 7, 2014
SUBJECT	**Information Technology Annual Report**
REPORT NUMBER	CHR-2014-28

EXECUTIVE SUMMARY

PURPOSE OF REPORT
To present the Information Technology Annual Report for 2013

KEY FINDINGS
- Departmental initiatives for 2013 will be identified and the role it plays in supporting the Corporate Strategic Plan will be outlined.
- Key performance indicators are presented using a dashboard and scorecard approach.
- Comparisons against prior years, best practices and industry standards are provided to illustrate ongoing trends and inform work necessary to improve upon performance.
- Maturity models have been identified that illustrates the current development stage of the department and highlight areas where improvements can be made.
- 16 of 18 indicators have seen improvement over 2012. Significant improvements have been seen in 6 indicators and 10 are showing steady positive trending. The results, especially in the areas of service delivery and governance, have exceeded expectations as outlined in the Corporate Technology Strategic Plan business case presented to Council during the 2013 Budget process.

FINANCIAL IMPLICATIONS
There are no financial implications associated with this report.

ACTION REQUIRED
To receive the 2013 Information Technology Annual Report for information.

RECOMMENDATION
That the 2013 Information Technology Annual Report be received for information.

BACKGROUND

In December of 2012, City Council approved the funding for year one of a three year CTSP (Corporate Technology Strategic Plan). The following pillars are those that constitute the plan for leveraging the City's technology investment and corporate strategic goals:

I. Open Government Data/e-Government
II. IT Governance
III. IT Sustainability
IV. Service Delivery Standards.

The overarching goal of the Corporate Technology Strategic Plan is to provide better service to the public through technology innovation. The three year plan is focussed on rebuilding the foundation of our information systems to enable full integration i.e. digitization of City information that will enable enhanced service delivery and access to information to the public through multiple channels.

The intended use of the Information Technology Annual Report is to provide a snapshot of current progress, indicate positive or negative trends within key performance areas and introduce new concepts for future direction on investment and use of technology.

The 2013 Annual Report and future reports will include new measurements that better indicate progress of key areas that support the successful application of goals identified in the CTSP and CSP.

REPORT

This is the third report submitted to council by the Information Technology Department. The report is intended to provide baseline data (where available) and standard benchmarks to generate current performance measures and future trends by utilizing the following sources:

- Industry Standards
- Municipal Comparators
- Best Practices
- Maturity Models
- Previous Ratings

New KPI's have been added and existing indicators have been expanded to present a more complete and accurate picture of the departments direction and focus. Affected by this change include:

- Application Management (Existing)
- Total Cost of Ownership – TCO (New)
- Expenditure Distribution

The report also introduces COBIT 5, a globally accepted business framework that contains principles, practices, analytical tools and models to help increase the trust in, and value from, information systems. The framework focuses on the following key areas:

- Strategy and Governance
- Values and Performance
- Cost and Quality
- Organization and People
- Vendor and Projects
- Compliance
- Innovation

Based on the results provided in the report's dashboard; the IT function at the City of Guelph must still be described as a resource and cost centre (Solid Utility), however, significant gains have been made in supporting the evolution of the IT departments as a partner player and an enabler of technology to support the success of all departments as described in the CTSP.

Utilizing the following performance model:

- **Red** (Indicates performance below acceptable benchmarks)
- **Yellow** (Indicates 'caution' as performance is acceptable but still below standard benchmarks. Performance could react negatively if additional steps are not taken)
- **Green** (Fully meeting or exceeding benchmarks)

Trending indicators +(positive), -(negative), Blank(stable) are used when performance model colours have not changed.

The results are summarized as follows:

- 6 Indicators have moved from a status of Red to Yellow.
- 10 indicators have remained in there same category but are trending positive.
- 1 indicator has trended negative.

These results are significant. The goal of the CTSP is setting the foundation on which new functionality, processes and technology can be built. The strategies outlined in the CTSP for 2013 have been initiated to improve and/or reverse negative trends. The performance for 2013 has been quite positive.

Improvements to the IT model in the following foundational areas have added to capacity, sustainability, accountability and service:

- Implementation of IT governance framework.
- Development of Application Steering Committees and user groups.
- Implementation of IT hierarchy as defined in CTSP
- Acquisition of additional resourcing.
- Development of more complete service standards
- New Project intake procedures and reporting methods

The major projects scheduled for 2013 focus on discovery by documenting existing processes, defining new requirements and outlining the path for change. These projects have provided an avenue for the business to provide direction to the IT department and help it align itself with the growing needs of the organization. The following projects have been completed or initiated in 2013:

- H/R Process Assessment (Time and Attendance)
- AMANDA Functional Assessment
- WAM Functional Assessment
- CLASS Workplan
- GIS Technology Plan
- New Mobility Strategy
- Data Warehouse Workplan

The results from 2013 are impressive. Workplans for 2014 indicate the commitment for continued success. The following projects are scheduled to start in 2014:

Foundational:

- Information Management
- AMANDA Application Upgrade
- GIS Application Upgrade
- JDE Enterprise Upgrade
- CLASS upgrade

Process

- Resource and Capacity Planning
- Customer Service Business & Tech plan

Transformational

- Mobility Project
- Data warehouse/Business Intelligence
- Open Government –technology enablers

The results for 2013 and planned initiatives for 2014 clearly indicate Information Technology's commitment to enabling business success through technology innovation.

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Information Technology

Annual Report

For the year 2013

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Executive Summary

In December of 2012, City Council approved the funding for year one of a three year CTSP (Corporate Technology Strategic Plan). The following pillars are those that constitute the plan for leveraging the City's technology investment and corporate strategic goals:

I. Open Government Data/e-Government
II. IT Governance
III. IT Sustainability
IV. Service Delivery Standards

The overarching goal of the Corporate Technology Strategic Plan is to provide better service to the public through technology innovation. The three year plan is focussed on rebuilding the foundation of our information systems to enable full integration, for example, the digitization of City information. This will enhance service delivery and access to information to the public through multiple channels.

This Annual Report is the third such offering and most comprehensive report to date. Its intent is to provide a snapshot of current progress, indicate positive or negative trends within key performance areas, and introduce new concepts for future direction on investment and use of technology.

The report utilizes a number of baseline measures to support the performance ratings. The measures, detailed information concerning their application, and basic concepts have been included in the report. The sources of these standards are as follows:

- Industry Standards
- Municipal Comparators
- Best Practices
- Maturity Models
- Previous Ratings

Furthermore expanded detail on existing indicators provides deeper insight on progress for initiatives that support the goals of the CTSP and CSP (Corporate Strategic Plan). Some of the key changes are as follows:

- **Operations Framework:** The report introduces COBIT 5, a globally accepted IT governance framework that contains principles, practices, analytical tools, and models to help increase the trust-in and value-from information systems.

- **Total Cost of Ownership (TCO):** TCO is a vital concept in technology cost management, specifically in ICT (Information and Communication Technologies) cost management. TCO combines methodologies, models, and tools to help organizations better measure, manage, and reduce costs that improve the overall value of IT investments.

- **Application Management:** Defined as the ability to support strategic and business initiatives by focusing resources on key enterprise systems, this KPI has been expanded to include 7 sub-KPIs within this performance area.

The report has summarized departmental performance as a dashboard and scorecard. The scorecard compares past and current results and predicts future performance ratings. The dashboard includes 18 KPIs of which 17 were used in previous years and has trending based on historical performance. The dashboard utilizes the following performance model to indicate status:

- Red (Indicates performance below acceptable benchmarks)
- Yellow (Indicates 'caution' as performance is acceptable but still below standard benchmarks.)
- Green (Fully meeting or exceeding benchmarks)
- Trending indicators +(positive), -(negative), Blank(stable) are used when performance model colours have not changed.

Based on the results provided in the report's dashboard, the IT function at the City of Guelph must still be described as a "Solid Utility" (resource and cost centre). However, significant improvements have been made within the pillars of service delivery and governance. These support the transformation of the IT department from a Solid Utility to a Partner Player (Enabler of Technology), contributing to the success of all departments.

The results are summarized as follows:

- 6 Indicators have moved from a status of Red to Yellow.
- 10 indicators have remained in their same status but are trending in a positive direction
- 1 new indicator is trending in a positive direction
- 1 indicator is trending in a negative direction

These results are significant. The goal of the CTSP is to set the foundation on which new functionality, processes, and technology can be built. The strategies outlined in the CTSP for 2013 have been initiated to improve and/or reverse negative trends. Improvements to the IT model in the following foundational areas have added to capacity, sustainability, accountability, and service:

- ✓ Implementation of the IT governance framework.
- ✓ Development of Application Steering Committees and User Groups.
- ✓ Implementation of IT Hierarchy as defined in CTSP
- ✓ Acquisition of additional resourcing
- ✓ Development of more complete service standards
- ✓ Investigation of new technologies and their application
- ✓ New Project Intake procedures and reporting methods

The major projects scheduled for 2013 focused on discovery by documenting existing processes, defining new requirements, and outlining the path for change. These projects have provided an avenue for the business to provide direction to the IT Department and help it align itself with the growing needs of the organization. The following projects have been completed or initiated in 2013:

- ✓ H/R Process Assessment (Time and Attendance)
- ✓ AMANDA Functional Assessment
- ✓ WAM Functional Assessment
- ✓ CLASS Workplan
- ✓ GIS Technology Plan
- ✓ New Mobility Strategy
- ✓ Data Warehouse Workplan

While celebrating the successes of the past year, the Annual Report more importantly outlines upcoming initiatives and concepts that support Workplans for 2014. The following projects are scheduled to start in 2014:

Foundational:

- Information Management
- AMANDA Application Upgrade
- GIS Application Upgrade
- JDE Enterprise Upgrade
- CLASS upgrade

Process

- Resource and Capacity Planning
- Customer Service Business & Technology Plan

Transformational

- Mobility Project
- Data Warehouse/Business Intelligence
- Open Government –technology enablers

The Annual Report concludes by introducing a number of key concepts that speak to the efficient utilization of technology moving forward that include:

- Total Cost of Ownership (TCO)
- Bring Your Own Device (BYOD)
- Cloud Computing

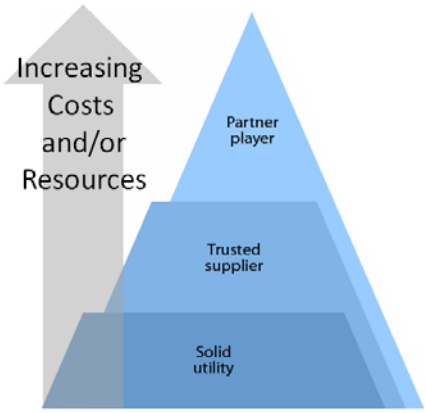
These concepts and many more are key to the success of the organization. The need to produce more results with fewer resources is a never-ending challenge. These initiatives represent just a sampling of new and innovative concepts being investigated by IT.

The results from 2013 are more than promising. The significant gains made in all areas supporting the four pillars clearly indicate the commitments of the department to partner with the business, introduce new technology, and enable outstanding success and efficiency throughout the organization.

Introduction

Vision

"To transform the Information Technology Department from a Solid Utility to a Partner Player aligned with the business needs of the Organization."



IT is integral to how we do business: IT organization is expected to closely partner with the business to help identify, plan and deliver significant business transformation initiatives - plus be a trusted supplier.

IT delivers critical functionality and services: IT organization is expected to deliver application projects on time and on budget, based upon the operating units requirements and priorities - plus be a solid utility.

Keep the lights on: The IT organization is expected to provide cost effective-dial tone reliability with transparent costs.

*To understand the scope and complexity of a modern day "IT Partner Player", we have provided a defacto governance model based on *COBIT® 5 provided by InfoTech. The objective of IT is to manage the department modeled around a World Class Operations Framework.*

**COBIT®5: Control Objectives for Information and Related Technologies*

Mission Statement

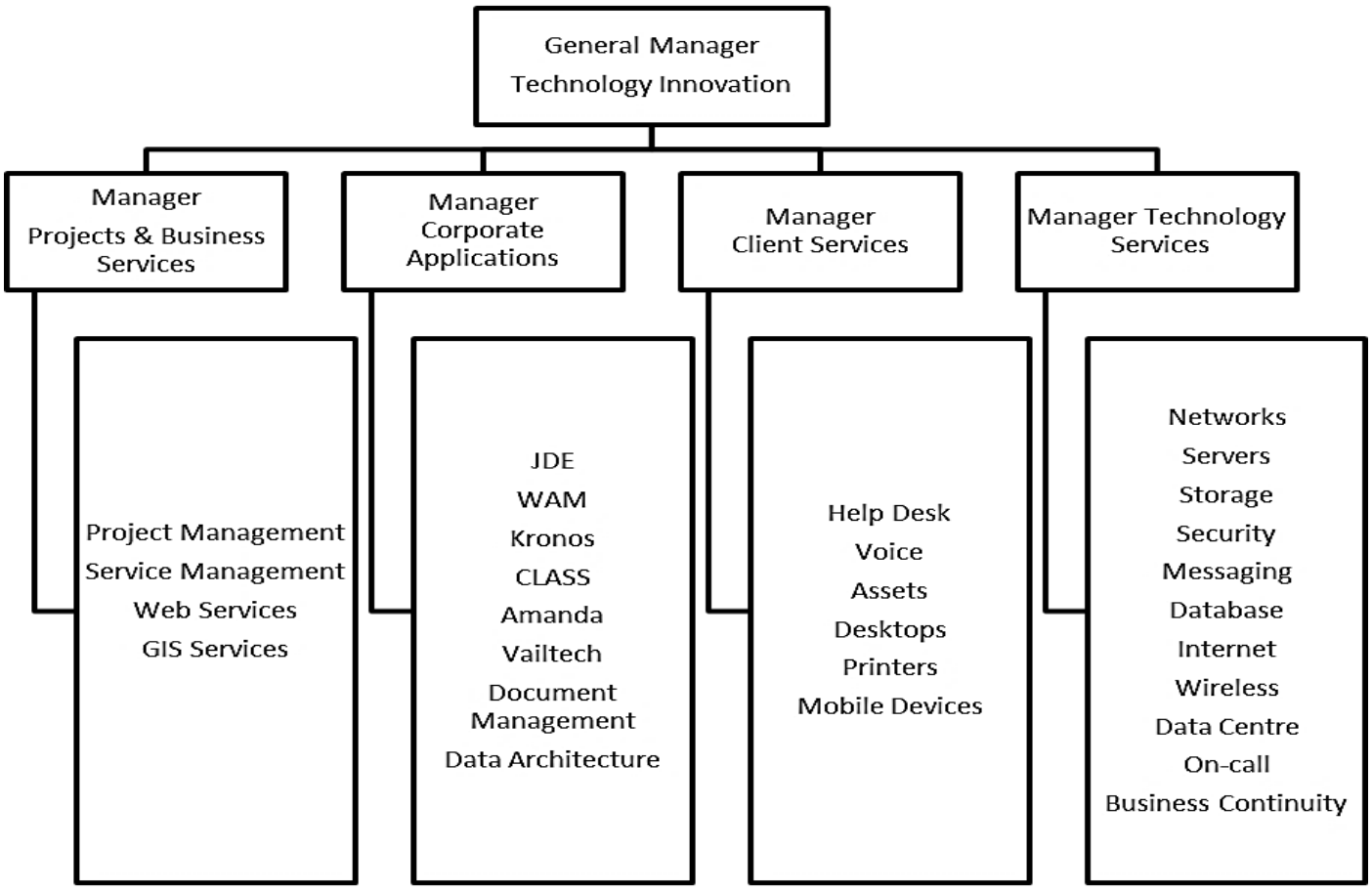
"Enabling City departments to provide better service to the public through technology service and innovation"

Mission Goals

- Provide reliable, secure, and easily accessible IT systems to meet the business needs of the organization
- Develop and support IT programs, project management, and service excellence
- Partner with the organization to define and enable innovative business capabilities
- Deliver exceptional business value through technology leadership

Organizational Structure

The following represents the organizational structure of the Information Technology Department effective December, 2013.



Key Initiative Summary for 2013

This table is a summary of the department's key initiatives throughout the year 2013. It consolidates the 2013 CTSP initiatives with future plans set in the 2012 IT Annual Report, resulting in a high level representation of the 2013 IT Workplan.

CTSP Initiatives	*Status*	*Comments*
Governance Framework	*Completed*	*The Technical Standards Team was established, completing the framework*
Reorganize IT Department	*Completed*	*IT Management and four divisions are in place*
Enhance Help Desk	*Completed*	*Incident Management process was improved*
HR Payroll and WAM Assessments	*Completed*	*Final reports ready in early 2014*
Kronos Time Management	*Completed*	*Electronic paystubs implemented in April 2013*
Mobile Computing Strategy	*Completed*	*RFP created and several responses received, Mobile Device pilots to continue in 2014*
GIS Plan	*On Schedule*	*Project end date is July 2014*
Open Government Plan	*On Schedule*	*Transferred project ownership to City Clerk's Office*
Information Management Plan	*Planning*	*Open Government Action Plan will provide input to the Information Management Plan*
Data Warehouse Plan	*Planning*	*Data Architect hired in late 2013, infrastructure planning is underway*
Collaboration Tools	*On Hold*	*Lack of resources and budget, completed cost/functionality comparison*
Initiatives from 2012 Annual Report	*Status*	*Comments*
Business Continuity Plan	*On schedule*	*Draft plan completed (Phase 1), continue with implementation (Phase 2) in 2014*
Joint Wireless Phase 1	*On Schedule*	*Project end date is December 2014*
ITIL Change Management Process	*On Hold*	*This will enhance service delivery, CTSP funding is scheduled for 2015*
Email and File Archiving	*On Hold*	*Infrastructure installed, require Electronic Data Retention Policy, continue in 2014*
Content Indexing and Search	*On Hold*	*Infrastructure installed, delayed due to lack of resources, review in 2014*
Major Initiatives from 2013 IT Workplan	*Status*	*Comments*
Voice Upgrade (City's Phone System)	*On Schedule*	*Project end date is June 2014*
Guelph Hydro Phone System	*On Schedule*	*Project end date is March 2014*
Active Directory Upgrade	*On Schedule*	*Analysis and Design (Phase 1) complete, Implementation end date is March 2014*
End-Point Security	*Cancelled*	*Redirected funds to Business Continuity Plan, re-visit in 2014*

Information Technology Dashboard and Scorecard

Information Technology Dashboard

As illustrated below by the Information Technology Dashboard, several KPIs (Key Performance Indicators) have been aligned into four categories to illustrate progress toward achieving the performance goals of the department. Items in the dashboard marked by GREEN indicate that the City of Guelph is reporting metrics that compare positively to benchmarks. YELLOW and RED indicate items that are not currently in line with benchmarks. PLUS and MINUS signs indicate the direction that these indicators are trending. For example, Workforce Competency is currently yellow and performance is trending in a positive direction. The absence of a trend sign means there is no change in performance over the previous year.

Information Technology Dashboard 2013

IT Performance 2011

IT Performance 2012

IT Performance 2013

IT Governance	2011	2012	2013
Strategic Alignment		+	+
Business Value Delivery			+
Risk Management		+	
Resource Management		+	
Performance Measurement			

Service Delivery	2011	2012	2013
Customer Satisfaction		+	+
Customer Partnership			+
Business Process Support		+	
Infrastructure Availability			

IT Sustainability	2011	2012	2013
Applications Management			
Project Performance	-	+	
Financial Management		+	+
Compliance			
Total Cost of Ownership (new KPI in 2013)			

IT Innovation & Learning	2011	2012	2013
Workforce Competency			+
Advanced Technology Use			
Methodology Currency			
Employee Retention	+	+	

Information Technology Scorecard

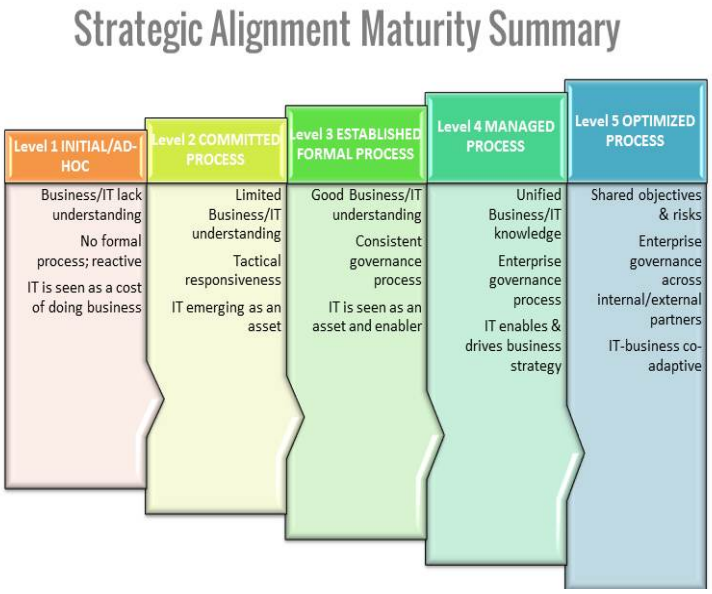
Governance			
Measure	2013 Target	2013 Result	2014 Target
Strategic Alignment	Maturity Level 3	• Maintained Level 2 (Committed Process), progress made in IT Governance and Project/Portfolio Management, CTSP is now a corporate priority	Maturity Level 3
Business Value Delivery	Maturity Level 2	• Achieved Level 2 (Basic), Business Value is evident but not tracked, require KPIs for both IT and business units	Maturity Level 3
Risk Management	Maturity Level 2	• Maintained Level 2 (Competent), created a new IT Business Continuity Plan, require an IT Risk Policy and Process	Maturity Level 3
Resource Management	Maturity Level 2	• Maintained Level 1 (Work Visibility), additional FTE's hired, healthy resource distribution, require Resource Approval Workflow to move to next level	Maturity Level 2
Performance Measurement	Maturity Level 2	• Maintained Level 1 (Ad-hoc) , limited progress, require the merging of IT and business KPIs	Maturity Level 2
Service Delivery			
Measure	2013 Target	2013 Result	2014 Target
Customer Satisfaction	80%	• Approached target, 78% of support calls completed within target times, FCR (First Call Resolution), requires more surveys and feedback to better understand clients	80%
Customer Partnership	Maturity Level 2	• Maintained Level 2 (Standardizing) trending positive by the formation of user groups and steering committees, require a Customer Partnership plan,	Maturity Level 2
Business Process Support	Maturity Level 2	• Maintained Level 2 (Managed), requires identification of process owners and IT/Business collaboration	Maturity Level 2
Infrastructure Availability	99.90%	• Achieved overall availability of 99.85%, began monitoring at the service level in addition to the network	99.90%
Sustainability			
Measure	2013 Target	2013 Result	2014 Target
Applications Management	Maturity Level 2	• Achieved target of Level 2 (Developing), completed major application assessments, reorganized Corporate Applications Division, plan to follow CTSP recommendations	Maturity Level 3
Project Performance	50% completion of all projects	• The target did not differentiate between projects on the workplan and those that came up throughout the year. Moving forward the IT PMO will commit to adhering to the ITGC communicated workplan	75% adherence to workplan
Compliance	Maturity Level 2	• Achieved target of Level 2 (Repeatable), requires a Compliance Manager to enforce standardization/unified data protection policies across infrastructure & endpoints	Maturity Level 3
Total Cost of Ownership	Not a KPI in previous years	• This is a new KPI and when we assessed the IT Department recently we are at Level 2 out of 5, where most calculations are basic and manually performed	Maturity Level 3
IT Innovation & Learning			
Measure	2013 Target	2013 Result	2014 Target
Workforce Competency	Maturity Level 3	• Maintained Level 3 (Defined), identified skills gap to support business needs, no P-CMM (People Capability Maturity Model) assessment performed	Maturity Level 3
Advanced Technology Use	Maturity Level 4	• No maturity model used this year, plan to replace with "Adoption Rate" as the KPI for 2014, internal infrastructure is very advanced but slow adoption of "Big Picture" opportunities	Maintained current rating
Methodology Currency	100% compliance	• Progress made on further implementation of ITIL, PMBOK, and COBIT. Require more focus on CMMI, SDLC, and Six Sigma(quality) methodologies	100% compliance
Business & Service Excellence			
Measure	2013 Target	2013 Result	2014 Target
Financial Management Against other Cities	Match OMBI spending	• Achieved the target of matching OMBI , IT operating and capital spending as a percentage of total City budget was increased from 1.7% to 1.8% which is very close to OMBI figures spending	Match OMBI
Financial Management Against IT Industry	Increase investment in IT	• Very positive results when compared against 40 peer organizations, capital and operating investments were increased in 2013 due to CTSP funding approval	increase investment in IT
Employee Retention	5% turnover	• Did not meet target due to 16.7% turnover rate in IT Department	5% turnover

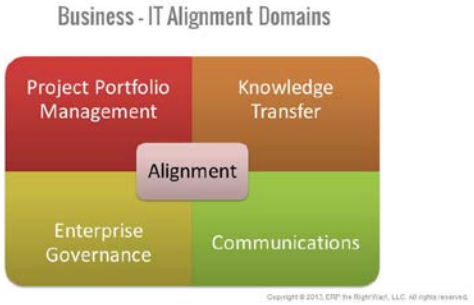
Detailed Analysis

Category: IT Governance

KPI: Strategic Alignment

The IT Department remains at Level 2 (Committed Process) for the strategic alignment performance indicator. The maturity model used is a more accurate reflection of IT's current state as an "Emerging Asset". The potential is there however more communication and coordination is required between the organization's goals and those of the department. Looking at the four Business-IT Alignment domains, Project/Portfolio Management and Enterprise Governance have been addressed; however Knowledge Transfer and Communications require considerable improvement. In 2014, IT will coordinate a CIO/CAO Alignment survey to begin a structured process that moves strategic alignment to a higher level.





*Source: Dr. Jerry N. Luftman, Global Institute for IT Management

KPI: Business Value Delivery

The IT Department is at maturity level 2 (Basic) when benchmarked against Martin Curley's framework. This model has 5 levels compared to Gartner's® model which has only 3 levels. By integrating four IT capability maturity frameworks, Curley has made it much easier to determine where your IT organization is rated when it comes to adding value to the business. To become a "Partner Player" aligned with the business, the department must move to at least Level 4 (Advanced) and possibly Level 5 (Optimizing) over the coming years. TCO (Total Cost of Ownership) can be demonstrated with existing financial data; however comparisons to other options are essential and lacking. The largest IT project in 2014 will be the implementation of Transit's Technology Plan. Success will require the full battery of IT resources like infrastructure, project management, and application integration. If internal costs are tracked, and less than an externally hosted solution, the business value of IT can be quantified.

Maturity Levels	Major Strategies			
	Managing the IT Budget	Managing the IT Capability	Managing IT for Business Value	Managing IT Like a Business
5. Optimizing	Sustainable Economic Model	Corporate Core Competency	Optimized Value	Value Centre
4. Advanced	Expanded Funding Options	Strategic Business Partner	Options and Portfolio Management	Customer/ Service Focus
3. Intermediate	Systemic Cost Reduction	Technology Expert	ROI & Business Case	Customer/ Service Orientation
2. Basic	Predictable Performance	Technology Supplier	TCO	Technology/ Product Focus
1. Initial		Beginning		

*Source: Martin Curley, Intel/National University of Ireland

KPI: Risk Management

The IT Department is at the "Competent" level of maturity after running the detailed level questionnaire provided by IACCM (International Association for Contract & Commercial Management). This model has 4 levels of maturity compared to Gartner's 5 levels. Project risk is managed within project plans only and security risks are assessed at the divisional level. There is no IT Risk Policy or processes in place to formally assess the risks associated with the business and IT. The CTSP had outlined plans to address this gap but no progress was made in 2013. In 2014, IT Management needs to take a formal approach driven and funded by the CTSP to move to a higher level. In particular an IT Risk Manager role needs to be assigned to ensure progress for this KPI.

	Level of Maturity			
Attribute:	**Novice**	**Competent**	**Proficient**	**Expert**
CULTURE	Risk averse Lacking awareness / understanding Lacking strategy Lacking commitment	Patchy, inconsistent Some understanding / awareness Cautious approach, reactive	Prepared to take appropriate risks Good understanding of benefits across most of organisation Strategy mapped into process implementation	Proactive Intuitive understanding Belief, full commitment to be the best
PROCESS	Where present tend to be inefficient informal, ad-hoc	Inconsistent No learning from experience Standard approach / generic.	Consistent approach but scalable Tailored to specific needs	Adaptive Proactively Developed Fit for purpose Best of Breed
EXPERIENCE	None; nothing relevant	Basic competence	Proficient Formal qualifications	Extensive experience Leading qualifications Externally recognised high competence
APPLICATION	Not Used	Inconsistent – major projects only Process driven Inadequately resourced	Consistently applied Adequately resourced	Proactively resourced Across entire business Flexible Measured for improvement

*Source: IACCM Business Risk Management Working Group

KPI: Resource Management

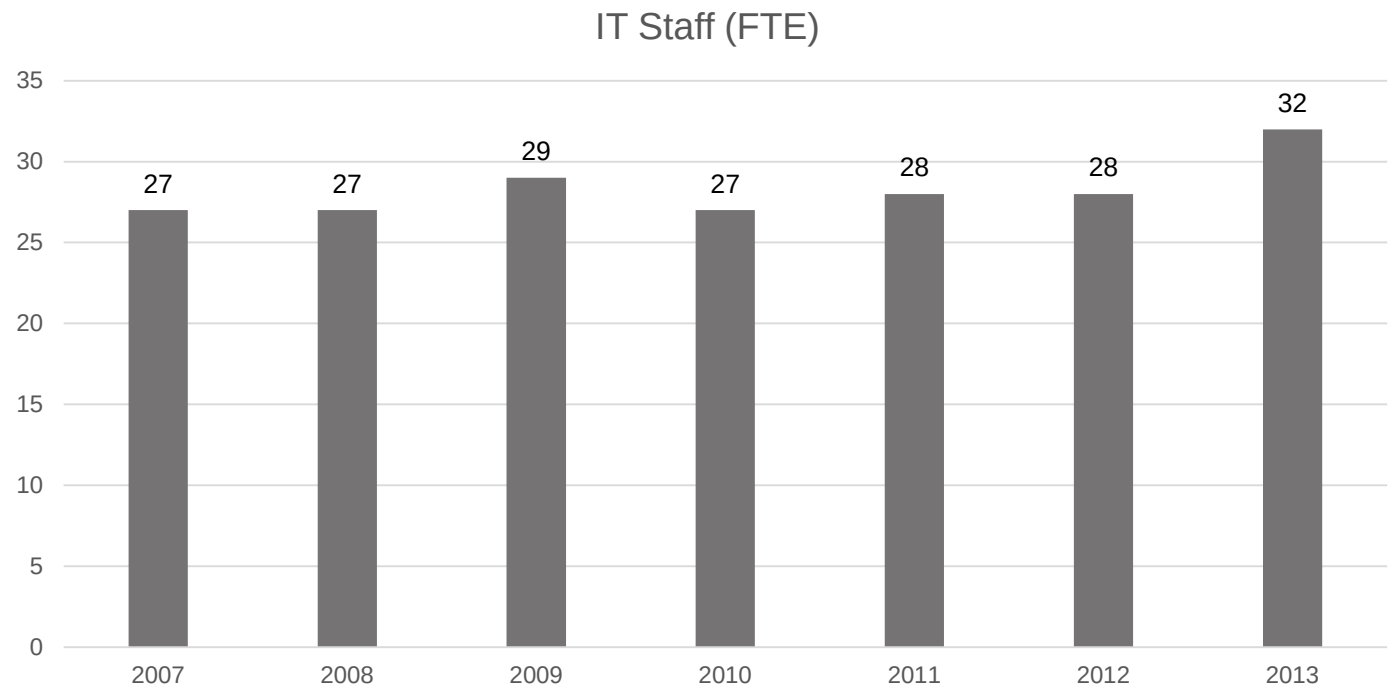
Using the RMMM (Resource Management Maturity Model) from Instantis®, a rating of Level 1 out of 5 was achieved in 2013. Reports are not available for IT Management to determine the individual workload of staff, especially for operational tasks. There is also no RAW (Resource Approval Workflow) process which means staff take on assignments or project tasks without formal management approval or tracking. To move to Level 2, IT Management must gain better visibility into their staff's current workload by adopting a basic resource management model. In 2014 IT will upgrade to the latest version of their Project &Portfolio Management software which provides resource approval workflow.

Resource Management Maturity Model	**Level 1** Work Visibility	**Level 2** Controlled Assignment	**Level 3** Governed Capacity	**Level 4** Schedule-Driven Availability	**Level 5** Granular Management
Project Roles	Resources have differentiated roles	Resources have differentiated roles; roles have properties for cost rate etc.	Resources have differentiated roles, possible inclusion of skills	Resources have differentiated roles and skills	Role to activity typing with RACI model; Training, certification tracking
Resource Cost	Planned cost at project level; Actual cost from timesheets at project level	Planned cost at project and time level; Actual cost from timesheets at project level	Also, plan vs. actual comparison, budget constraints	Planned cost at phase level; Actual cost from timesheets at phase level; EVM (Earned Value Management)	Planned cost at granular activity level; Actual cost from timesheets at activity level; Full EVM
Resource Approval	None, ad-hoc, first come first served; line manager only	Resource Approval Workflow (RAW) at project level; approval based on	RAW at project level, possibly multiple per project; approval based	RAW at phase level	RAW at all activity levels

		availability and importance	on priorities		
Capacity Planning	None	Balanced utilization across resources	Resolve availability constraints by delaying, cancelling proposals, projects based on priority	Project phase schedules drive more detailed resource availability views; capacity planning can delay projects	Resolve availability constraints by delay/shift at activity level with PM involvement
Governance	*de facto* by line manager	Resource or line manager; mostly First In First Out demand management	Governance body Prioritizes portfolio, Oversees capacity planning/demand mgmt.	Governance body actions rely on up-to-date project phase schedule information	Governance body actions rely on up-to-date full project schedule information
Business Value	Who is working on what; Overutilization made visible	Controlled and balanced resource utilization, availability.	Higher priority projects resourced; resourcing responsive to changing business needs	Enhanced ability to resource excess demand with existing capacity	Maximized ability to resource excess demand with existing capacity

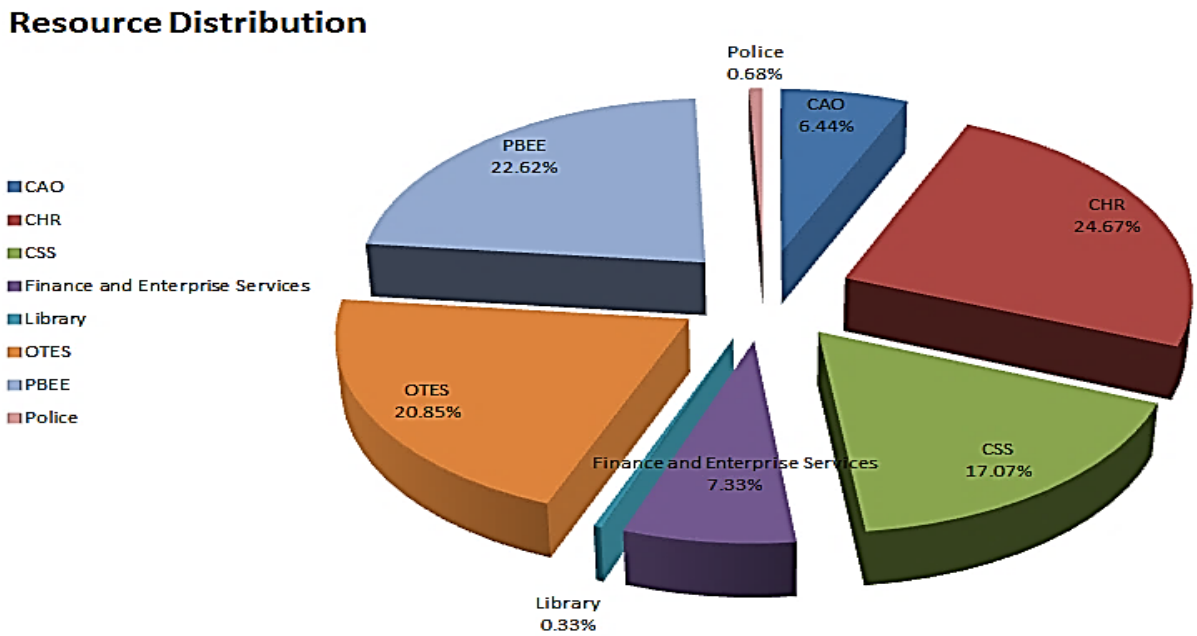
*Source: Instantis® - Premier provider of Project Portfolio Management Software as a Service

Staffing levels were increased in 2013 with the addition of 4 FTEs (Full Time Equivalent) which were approved by Council during the 2013 budget process. Two Corporate Application Analysts, one Data Architect, and one Project Manager for ERP (Enterprise Resource Planning) were subsequently hired. These FTE's will bolster the department's ability for a successful implementation of the CTSP.



Growth of IT staff over last 7 years *Source: Internal – IT Management

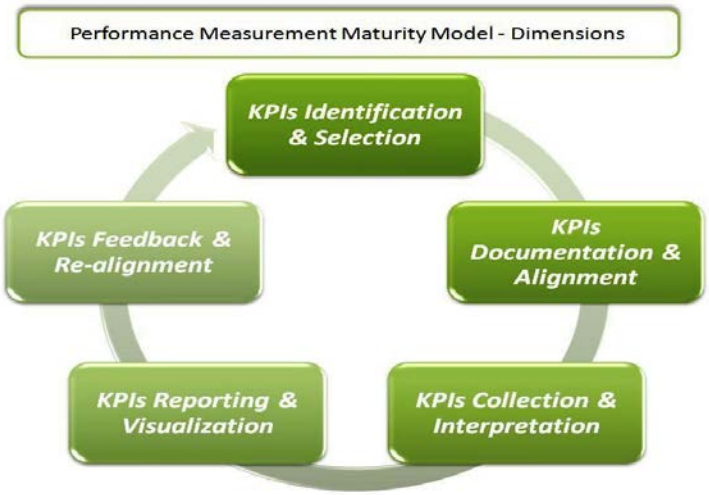
Resource Distribution is demonstrated in the next graph as the allocation of IT staff time on support calls by service area. In 2013 there was a more even distribution with Corporate & Human Resources as the highest number of calls. This is a healthy indication that service areas are utilizing the Help Desk for support.



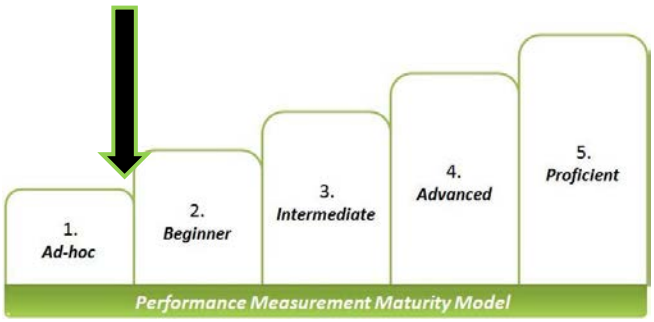
IT Resource Usage by Service Area
*Source: Internal HEAT Incident Management System

KPI: Performance Measurement

The IT Department is still in the early stages of performance measurement and is rated at Level 1 (Ad-hoc) using SmartKPI's maturity model. This level is characterized by piecemeal tracking of performance measures rather than an integrated and comprehensive approach. Only a few KPIs (Key Performance Indicators) were tracked outside of the IT Annual Report. The CTSP did identify an initiative to define key business KPIs however no progress was made in 2013. The department continues to formally track only "Utility Provider" statistics like the IT Service Desk and Infrastructure Availability. In 2014, IT needs to work with the whole organization to define appropriate business KPIs, which can be visualized for easy comprehension by key business leaders.



When using the model provided by SmarkKPIs we are at level 1 (Ad-hoc)



*Source: The KPI Institute

Category: Service Delivery

KPI: Customer Satisfaction

This table breaks down assignments by division and indicates that IT is not meeting the industry standard of 85% resolved on time. Overall the departmental statistic of 77.65% warrants a rating in the middle (Yellow) range of the performance scale and is trending in a positive direction, which is a modest improvement over 2012.

Summary for 2013	Assignments Resolved	Resolved on Time (Target 85%)
IT Department	14202	77.65%

*Source: Internal HEAT Incident Management System

The percentage of IT Service Desk calls dropped was 3 times better than the industry average of 10%. The FCR (First Call Resolution) statistic identifies the percentage of Service Desk calls that are solved on first contact with the client. The department did not meet the target of 50%. In 2014, IT needs to provision Help Desk staff with more tools and privileges so they can increase their ability to close calls without assistance from other IT resources.

2499 Service Desk Statistics for 2013		
Total Issues Handled (phone calls, Emails)	Percentage of Calls Dropped (Target <10%)	FCR (First Call Resolution) Target 50%
14202	3.32%	33.78%

Source: Internal HEAT Incident Management System

In 2014, IT will engage its clients at a deeper level with two more satisfaction surveys. The first one (End User Satisfaction Survey) will be targeted at the staff level and will include feedback from the service and application level. The second one (CIO Business Vision Benchmarking) will be targeted at the business leaders to determine how dependent they are on IT, and if IT is meeting those needs.

KPI: Customer Partnership

The IT Department was rated at Level 2 (Standardising) using the Public Service ICT Partnership Maturity Model. This framework aligns closer to public sector organizations than the model used in last year's report. In 2013 there were numerous meetings between IT Management and General Managers throughout the City. The formation of application user groups and steering committees also enhanced partner relationships. To summarize and move to an upper level, the IT Department must consolidate all these activities into a Customer Partnership Plan, which is inclusive of all the processes in the 5 levels. The plan needs to be inclusive of all business units within the City that depend on IT services. It should also cover partnerships with external providers like managed services, equipment suppliers, and IT staffing providers.

Public Service ICT Partnership Maturity Model

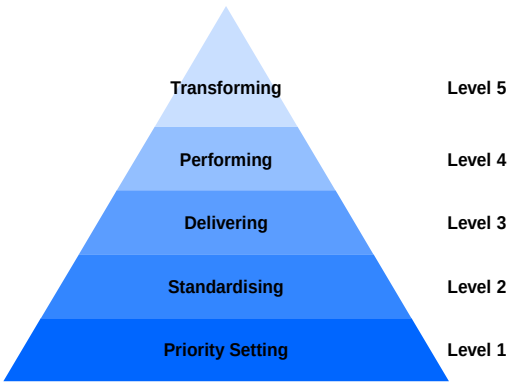
Level 5: Continually improved based on an evidence-based understanding of its needs & resources.

Level 4: Establish quantitative objectives for managing and monitoring the quality and performance of partnership activities

Level 3: Tailor from the partnership's standard processes to a particular activity. This includes creating the processes, policies & resources specific to that field.

Level 2: Plan and deliver according to the partnership's objectives. This includes institutionalising, resourcing and monitoring its processes, groups and activities.

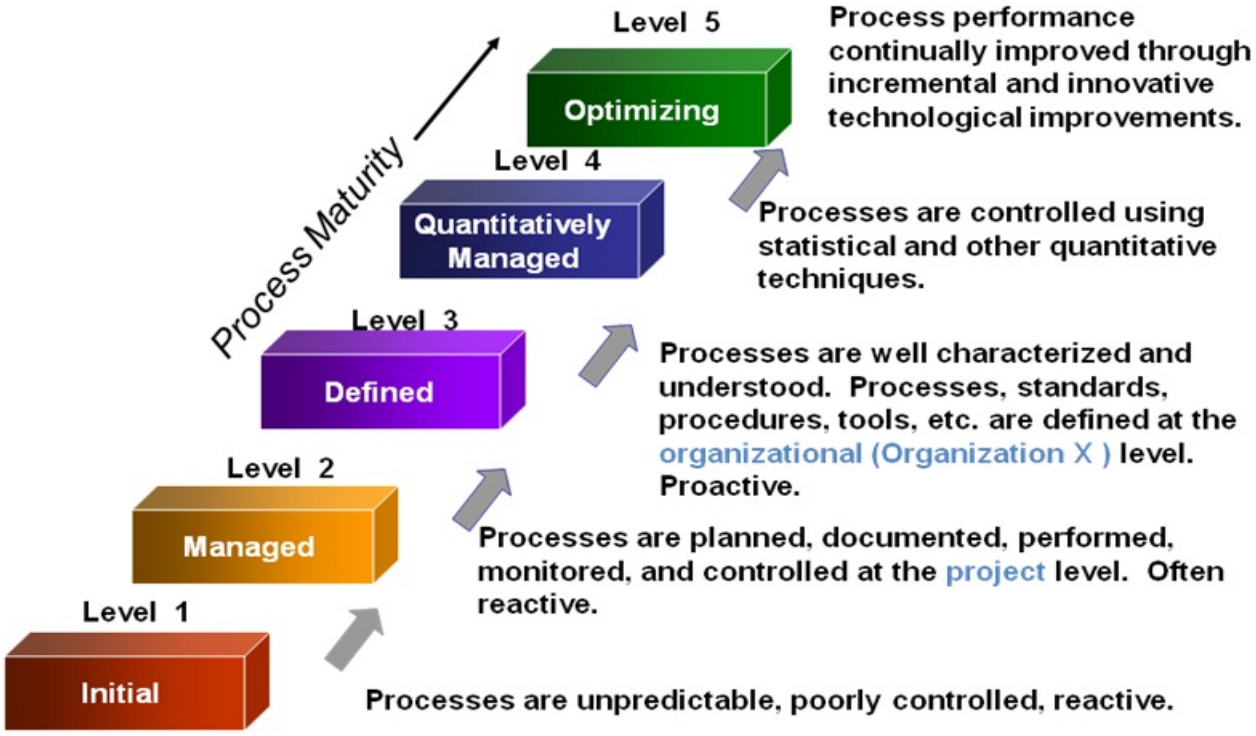
Level 1: Define the objectives of the partnership and the processes that enable the delivery of the activities required to meet them. (Current Level)



*Source: Kent Public Service

KPI: Business Process Support

The IT Department was assessed at Level 2 (Managed) which translates into a dashboard colour of Yellow for Business Process Support using an evaluation toolkit provided by Infotech. This year we are using a less complex model than Gartner's and demonstrating our progress using the CMMI (Capability Maturity Model Integration) model. The CMMI Institute characterizes Level 2 as having processes that are proactive at the project level but remain reactive at the organizational level. Progress was made in 2013 by performing assessments for Amanda and HR/Payroll initiatives that analysed "As is", "To be" and "How to get there". To move to the next level there needs to be more collaboration between IT and the entire organization when analyzing and creating business processes. Identifying process owners would be the first step to balance process excellence with functional excellence needs.



*Source: CMMI Institute/Carnegie Mellon University

KPI: Infrastructure Availability

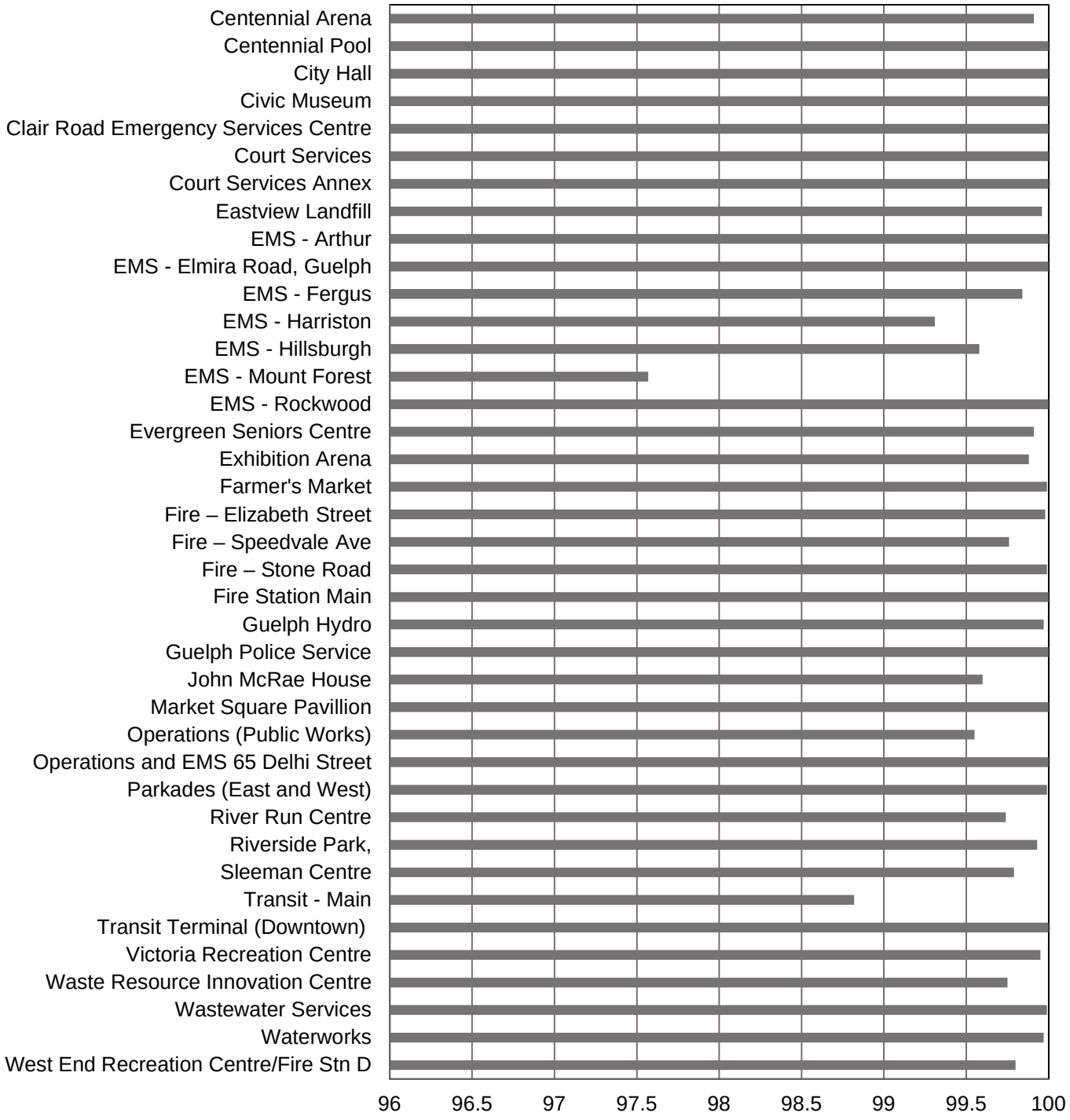
In 2013 we broke down the Infrastructure Availability KPI into two main categories, Networks and Services. This allows us to display how well our network communications is managed compared to our servers/applications infrastructure. To put availability into context, a table is provided.

Note: Availability of networks and services is typically measured in terms of 9's.

Uptime	Termed As	Amount of Downtime per Year
99%	Two nines	3.65 days
99.9% (City's Target)	Three nines	8.76 hours
99.99%	Four nines	52.5 minutes
99.999%	Five nines	5.26 minutes

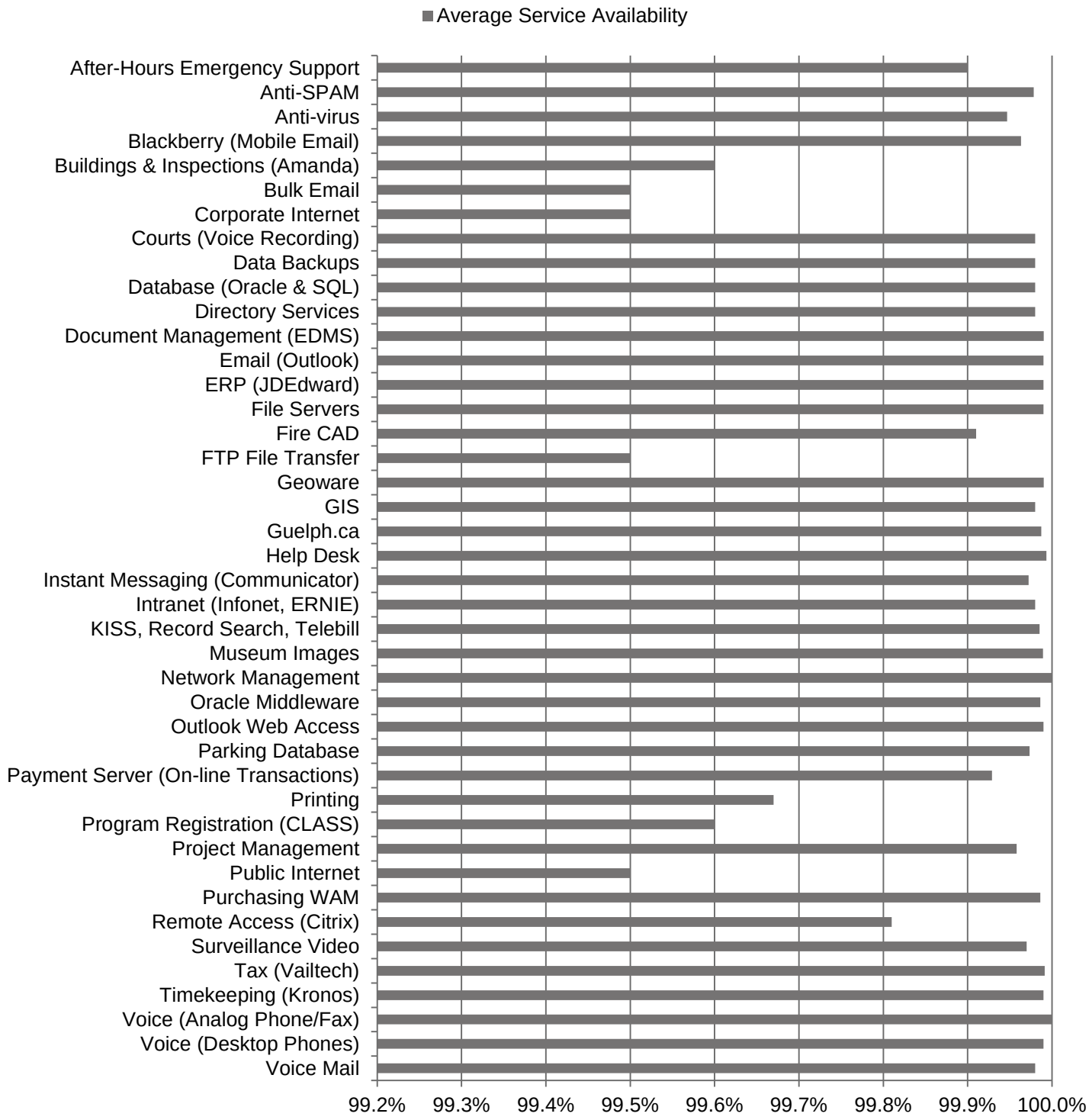
Networks Availability: The availability of the City's network infrastructure remained very high at an average of 99.81% in 2013, approaching our target of 99.9%. The majority of downtime was due to external factors like fibre cuts during construction and service provider outages. We have learned through experience that City-owned fibre can be controlled and maintained as well or better than network service provider fibre. In 2014 IT will continue the trend to increase the number of site offices that connect with City-owned fibre. The two main advantages are monthly bandwidth cost savings and the ability to increase bandwidth to speeds of 10Gbps (10 Giga-bits per second). Since the City also owns and can share Traffic ducts with IT, there is a golden opportunity to connect our two data centres with high speed fibre.

Networks Availability



*Source: Internal – Solarwinds Orion® Network Performance Monitor

Server/Service Availability: This new category demonstrates how well we manage our production servers and the services that run on them. They are located at the City Hall and Clair Road data centres. Server availability average was 99.9% in 2013 compared to 99.81% in 2012. Fault tolerant hardware, proactive monitoring, and sound data centre management continue to be key to this success.



*Source: Internal – Solarwinds Orion® Server and Applications Monitor

Category: IT Sustainability

KPI: Applications Management

Application Management is fast becoming the primary venue where technology can enable the success of departmental and organizational goals. The ability to focus resources on strategic initiatives that provide business value is crucial to the success of Information Technology and the strategic initiatives of the Corporation as a whole. Creating value requires the following 7 key areas (sub-KPIs) to be included in any Application Management Strategy as identified in the 2012 CTSP (Corporate Technology Strategic Plan).

Application and Technology Governance	Business Process Assessment/Improvement and Collaboration	
Change Request Management	Project Management	Application Lifecycle Management
Financial/Budget Management	Integration/Data Governance	

Application Management Sub-KPIs

Application and Technology Governance: All initiatives for Application and Technology governance were completed in 2013. The Establishment of the ITGC provided the overall review of Technology initiative. The creation of the AMANDA, CLASS, ERP, GIS and WAM steering committees all for setting of priorities and determining direction at an application level. In addition, the creation of user groups associated with each application strengthens decision making by informing steering committees on issues, opportunities and areas for improvement. This sub-KPI is rated as green.

Business Process Assessment/Improvement and Collaboration: The targets outlines in the CTSP for 2013 focused on the requirement assessments and Fit-Gap analysis of the major enterprise applications in use at the City. Some challenges were experienced in resourcing as the hiring of the Manager of Corporate Applications took longer than expected and there was an unforeseen departure of the Manager, Projects and Business Services. It should also be noted, that the timelines outlined in the CTSP were determined without consultation with the business areas. New timelines that reflected the capacity of both IT and the business areas have now been identified. Though not completed in 2013, all but one assessment had started, and those which were not completed had target dates of Q1 and Q2 of 2014. This sub-KPI is rated as yellow.

Change Request Management: A number of improvements have been made to the intake of request to modify current functionality available through the enterprise application. The intake process provides for scoping and ensures all requests are vetted through the appropriate steering committees and ITGC as required. It should be noted, the change request process though fully reviewed and approved, will undergo continuous review to guarantee if effectiveness to the business and IT. This sub-KPI is rated as yellow.

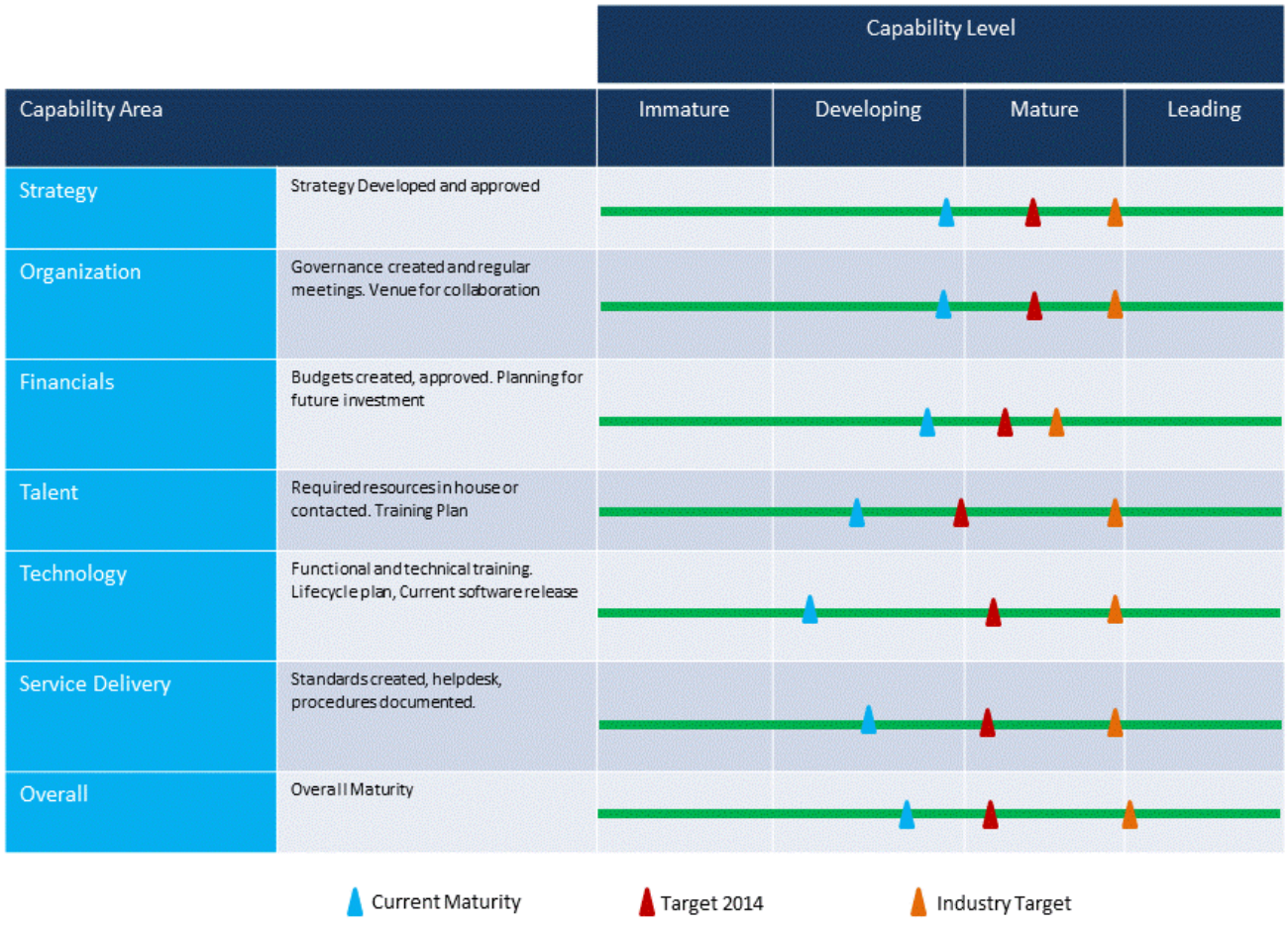
Project Management: New project management initiatives have been introduced to facilitate the tracking of project progress. These initiatives must be supported by additional measures that will be introduced in 2014 to allow for more detailed tracking and resource planning. This sub-KPI is rated as yellow.

Lifecycle Management: Lifecycle management continues to be an issue with all enterprise applications significantly behind their current release levels. Issues with support, functionality and the inability to utilize new technologies are direct results of this situation. The re-implementations of all enterprise software are targeted for 2014. Projects to upgrade all enterprise applications are either completed or in the planning stages with 4 of 5 scheduled to complete in 2014. The effect of poor lifecycle management on the day to day operations of the corporation is a critical issue. This sub-KPI is rated as red.

Financial/Budget Management: The CTSP recommended 3.4 million dollars be allocated to facilitate the implementation of the recommendations of this strategy. Changes to the total CTSP budget approved will be managed in 2014. This sub-KPI is rated as green.

Integration/Data Governance: A significant addition the enterprise environment is the development of a data warehouse application. This initiative will utilize the experience of the Corporate Data Architect hired in 2013. The data warehouse is a 3 year plan to assemble data from all enterprise system into a searchable repository. This project is currently on track, but, may experience some delays as it is influenced by the progress of other initiatives. This sub-KPI is rated as yellow.

Applications Management Overall Rating: Consolidation of the ratings for all 7 sub-KPI's results in a maturity level of Level 2 "Developing" when assessed against the following "Applications Maturity Model". This translates into a dashboard rating of Yellow.



Please Note: Areas recently addressed will be allocated to developing as additional adjustments may be required

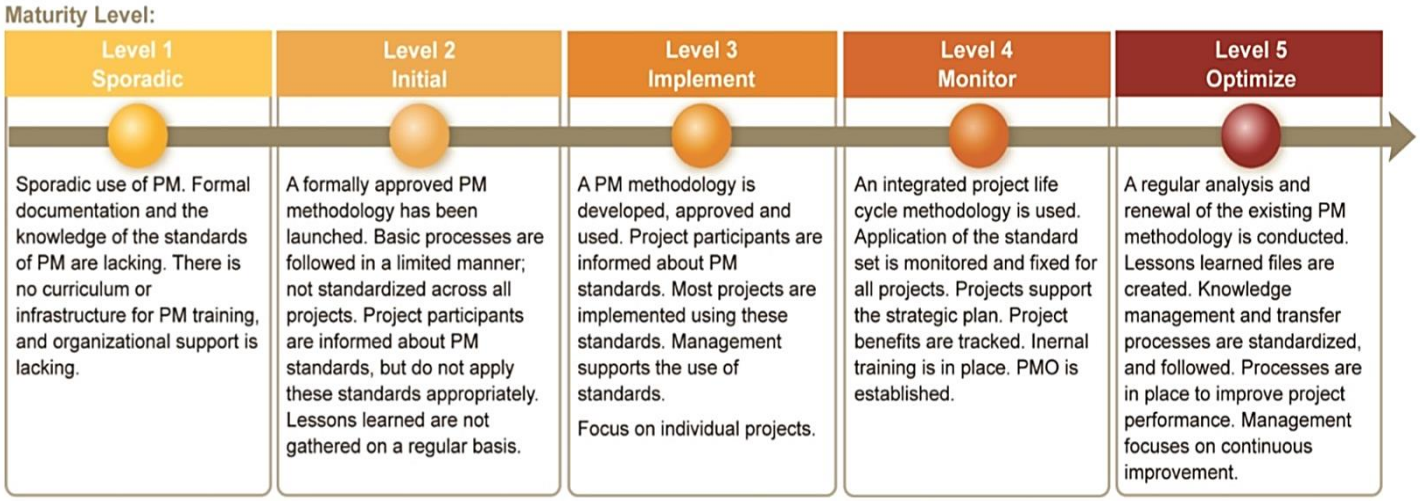
*Source: Deloitte South Africa

KPI: Project Performance

In 2013, the IT PMO continued to refine its business area processes. These included the move to one intake form for Business Service Requests and Project Requests. This allows for a single point of contact from the business and aligns the PMO with ITIL best practices. In addition the PMO has fully adopted the Project Management Institute's PMBOK® methodology, ensuring that we follow internationally recognized practices. In the previous two years we reported on project completion rate however this year we have switched to a maturity model. A rating of Level 3 (Implement) was achieved with some elements of Level 4 (Monitor) already in place. This results in a KPI rating of Yellow trending in a positive

direction. In 2014 the IT PMO will focus on the development of project standards, internal training on those standards and project management best practices.

Figure 4: PwC's PM Maturity Model



Source: Insights and Trends: Current Portfolio, Programme, and Project Management Practices - The Third Global Survey on the Current State of Project Management, Pricewaterhouse Coppers (PwC), 2012

KPI: Financial Management

We have changed the name of this KPI from Financial Performance (ability to generate revenue) to Financial Management (planning, directing, monitoring, organizing, and controlling of the monetary resources). This is the first time we have used a maturity model to evaluate the financial management of the department. The assessment is at the organizational level however it can be applied at the departmental level to provide a different perspective than OMBI and Infotech benchmarking. Overall the department achieved a maturity rating of Level 3 out of 5 but will have challenges to improve without the help of the Finance Department.

Overall Assessment

FINANCIAL MANAGEMENT MATURITY MODEL

	Practice	**Outcome**
Level Five	The organization has in place financial management practices that are leading edge and allow it to anticipate both challenges and key opportunities, in order to optimize its performance.	The organization anticipates and responds to the challenge of changing circumstances and looks ahead to anticipate significant events. It delivers programs to time, cost and planned level of quality, with very few exceptions. It seeks efficiencies and improves the services it delivers while minimizing potential increases in costs. There is a sophisticated understanding of the organization's cost base in terms of understanding the key drivers of different services and products.
Level Four	The organization has in place professional financial management practices which enable it to cope effectively in challenging times and will identify some opportunities to improve its performance.	The organization responds to challenge in good time and looks ahead to anticipate most significant impacts. Most programs are delivered to time, cost and planned level of quality. It understands the impact of change on the costs and performance of different programs and is able to deliver cost efficiency programs.
Level Three	The organization has in place financial management practices that are adequate in supporting the business under stable circumstances, and enable it to develop but will not be sufficient in challenging times.	The organization manages well when the environment is familiar and stable. It may be significantly challenged by unforeseen events, or by machinery of government changes or new initiatives. Programs are not always delivered to time, cost and planned level of quality due to difficulties in anticipating and responding to risks in a timely manner. The organization will achieve cost reduction through a combination of efficiency programs and budget cutting.

Level Two	The organization has in place financial management practices that are basic and allow it to function on a day to day basis but do not support the organization to develop.	The organization is aware of a number of issues with the current financial management processes, which have been highlighted by sources such as external and internal audit. It becomes aware of potential overspends too late to be able to bring them back into line. Some of the major projects are regularly over time and cost and are of less than expected quality. The organization reacts to reductions in funding by budget cutting due to a lack of understanding of the impact of changes on the costs and performance of programs.
Level One	The organization has some financial management practices in place but they are inadequate in that there are many gaps which affect the day to day running of the organization.	The organization receives funding and spends it with little awareness of how to drive improvements in efficiency or of the results it may obtain from the expenditure. Budgets are frequently over-spent with limited understanding of the causal factors and no remedial action planned. Projects frequently overrun in costs and time and the intended benefits (if they are defined) are often not delivered. It may have major project failures, and is at risk of suffering from fraud.

National Audit Office

OMBI (Ontario Municipal Benchmarking Initiative) Comparisons

The City's IT cost per employee increased by 9% when compared to 2012. The first contributing factor was the increase of IT capital budget from the CTSP. The second factor was because calculations of total municipal staff were done at a point in time (end of 2013) and the headcount was actually lower than in the year 2012. OMBI 2013 IT statistics will not be available until October 2014 so the comparison was done against 2012 data; however the City still lags behind the OMBI median.

Operating and Capital Costs for IT Services per Staff Supported with Active IT Account (Single Tier) Note 1: OMBI data for 2013 not available

Year	2010	2011	2012	2013
City's IT Cost per Municipal Staff Member Supported	$3378	$3957	$3481	$3733
OMBI Median	*$4028	*$4994	*$4995	$

*Source: OMBI – 2012 Performance Benchmarking Report: IT Services

The City's percentage of IT investments compared to the City's total budget is very well aligned with the 2012 OMBI median. We achieved the benchmark set by OMBI.

Operating and Capital Cost in IT Services as a Percentage of Municipal Operating and Capital Expenditures (Single Tier) Note 2: OMBI data for 2013 not available

Year	2010	2011	2012	2013
City's Percentage of Investments in IT Services	1.2%	1.3%	1.7%	1.8%
OMBI Median	*1.0%	*1.2%	*1.8%	$

*Source: OMBI – 2012 Performance Benchmarking Report: IT Services

InfoTech Comparisons

The next two tables were derived from a benchmarking tool (MeasureIT Benchmarking Report) provided by InfoTech. This is a much broader comparison since there are 40 peer organizations as opposed to 8 in OMBI data.

We identified below the median in all 3 staffing metrics which warrants a sub-KPI rating of Yellow. Our target for 2014 is to move closer to the median.

The following table identifies how your high level staffing metrics compare to those of your peer group.

Metric	Your Metric Value	Median	# of Peers
IT Staff to all City Staff Supported	1.55%	1.93%	40
IT staff to all Staff Supported	1.55%	2.00%	40
Annual gross revenue to IT staff	$7.1M	$11.0M	40

We identified below the median in the first 3 staffing metrics as indicated in the table below. IT Capital Budget to IT Staff was higher than the median because of the increased CTSP capital budget in 2013. Our target for 2014 is to move closer to the median.

The following table identifies how your high level budget metrics compare to those of your peer group.

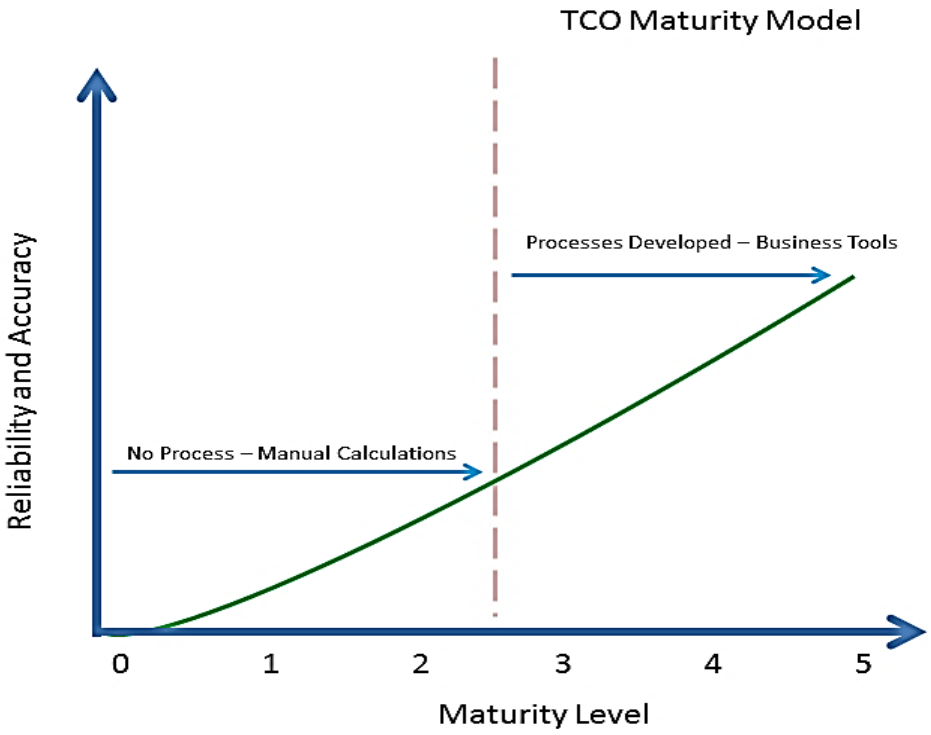
Metric	Your Metric Value	Median	# of Peers
IT Operational Budget to City Staff	$1,993.00	$3,691.91	40
IT Operational Budget to IT Staff	$128,580.63	$151,818.18	40
IT Capital Budget to City Staff	$582.32	$716.94	40
IT Capital Budget to IT Staff	$37,633.35	$26,431.03	40

KPI: TCO (Total Cost of Ownership)

TCO is a vital concept in technology cost management, specifically in Information and Communication Technologies (ICT) cost management. TCO combines methodologies, models and tools to help organizations better measure, manage, and reduce costs and improve the overall value of IT investments. Past studies and experiences have proven that a financial comparison of technology solutions based solely on purchase price and service costs is fundamentally flawed. Other operational factors, including the costs to manage and maintain these assets, as well as reliability and downtime costs, have a far greater financial impact on most organizations than just the system's acquisition cost. The introduction of cloud computing has further complicated the analysis as trade-offs between investment in infrastructure must be weight against third party offerings. This concept attempts to include service levels, security, availability and redundancy as factors in determining TCO.

Factors Included in a Total Cost of Ownership Model a)System pricing and acquisition b) Service contracts c) Installation and training d) Operational costs (Energy/consumables), e) Ongoing management, maintenance and support (Resources/Salaries), f) Reliability/Redundancy, and g) Opportunity Savings (Outsourcing expertise/Cloud).
TCO Maturity Model

The TCO maturity model describes the availability and integrity of cost data, the manner of collecting and maintaining the data, and the degree of effort/assistance needed to calculate TCO with a reasonable level of validity. The specific value of the TCO maturity model is threefold. Firstly, it confirms the continued refinement of the TCO concept in a world where technology and its peculiar cost configurations are highly dynamic; secondly, it recognizes that different communities have different levels of readiness for understanding and managing ICT costs; and thirdly, it has been developed to provide a mechanism for future measurement and benchmarking to benchmark the impact of various scenarios and planned projects.



Maturity Level
Level 1: Little or no awareness of the need for or benefits of a management program that includes a TCO approach. TCO efforts involve searching for data or making educated guesses.
Level 2: There is some awareness of the value of a TCO approach. TCO methodologies are simplified using basic cost of acquisitions and support costs. Application of this approach is random or limited to major projects.
Level 3: The Benefits of a TCO approach are fully acknowledged. TCO methodologies and tools have been identified and standards addressing when and how to applying these processes have been introduced.
Level 4: TCO processes have matured to the point where organizations routinely and independently conduct TCO assessments. They obtain highly reliable metrics which have been vetted by the organization and incorporate them into budgeting and planning.
Level 5: TCO assessments are routinely communicated to stakeholders, executives and senior management. Results from these assessments are routinely included in the decision making process. Assessment values are regularly compared with peer groups to vet effectiveness of processes.

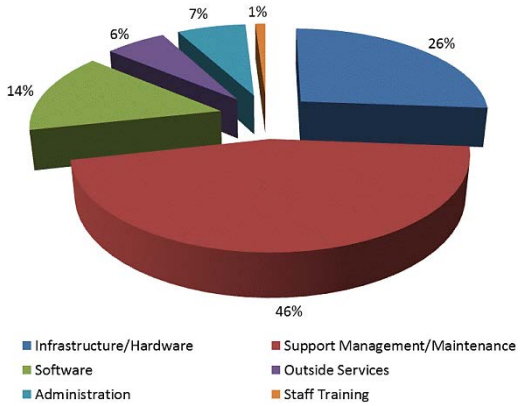
We identify at a level 2 in 2013 as the TCO approach was limited to major initiatives and we did not use a standard process to calculate. Moving to a level 3 maturity in 2014 will require the development of standard processes and education within the IT department. The corporation will need to be aware of the concept of TCO and how it can benefit the City.

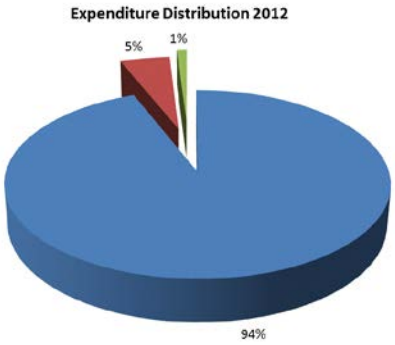
Total Cost of Ownership – Expenditure Distribution for 2013

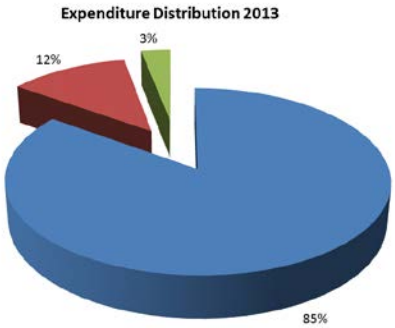
Category	Operating	Capital	Totals	% Of Total	Typical Industry Standard
Infrastructure/Hardware	658,650	1,098,545	1,757,195	26%	20%
Support Management/Maintenance	3,044,486		3,044,486	46%	43%
Software	864,663	100,327	964,990	14%	17%
Outside Services	230,548	178,450	408,998	6%	8%
Administration	463,834		463,834	7%	6%
Staff Training	68,421		68,421	1%	6%
Totals	**5,330,602**	**1,377,322**	**6,707,924**	**100%**	**100%**

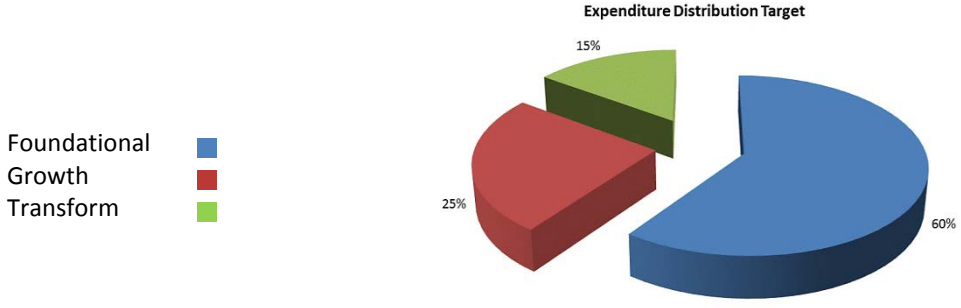
Category Descriptions

Infrastructure: Hardware costs associated with new purchases or upgrades.
Support: Salaries and benefits, associated with internal support and maintenance.
Software: purchases of new software, additional modules and yearly support and maintenance expenditures.
Outside Services: All technical, process and functional services recruited from outside sources.
Administration: All clerical and additional costs that do not fall into other categories.
Training: All costs associated with improving the knowledge and skills of internal support staff.



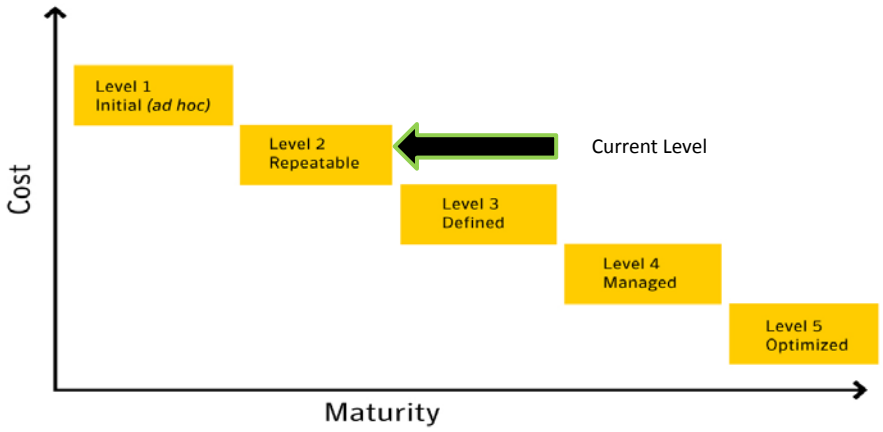






KPI: Compliance

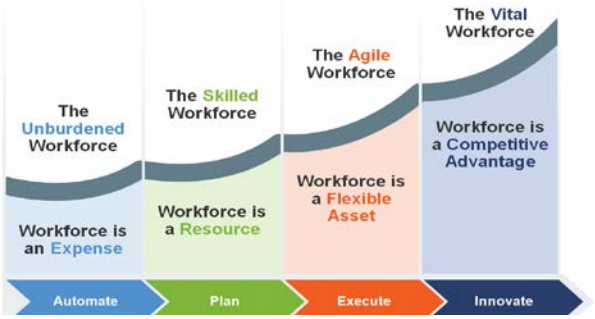
The IT Department did reach its goal in 2013 of a maturity Level 2 (Repeatable) out of a possible 5 (Optimized). We passed the external quarterly audits and the PCI-DSS SAQ (Payment Card Industry – Data Security Standard Self-Assessment Questionnaire). Despite this success, audit requirements remain managed on a case-by-case basis using repeatable but intuitive procedures and practices, with limited involvement from business stakeholders. This is reflected in the typical audit response, which can be characterized by a costly and inefficient cycle of testing, failing, fixing and retesting. To progress beyond this level, the IT Department must identify assets that are in scope for the audit process and begin to focus on standardization, enforcing unified data protection policies across servers, networks and endpoints. The formation of the "Technical Standards Team" in 2013 addressed the first stage of the process and will continue in 2014.



Category: IT Innovation and Learning

KPI: Workforce Competency

The goal of any department is to have a minimum of an "Agile Workforce" as depicted in the graphic to the right, provided by Kronos®. This allows for the redistribution of staff when priorities shift while maintaining a high level of productivity. The IT department is definitely at the "Skilled Workforce" phase which maps to Level 3 (Defined) of the People CMMR Maturity Model, provided by the SEI (Software Engineering Institute).



*Source: Kronos Global Workforce Management Solutions

In 2013, IT Management created a consolidated roles and responsibilities matrix for all members of the IT Department. Training needs for staff and management were then defined to meet those roles. Although the training budget remained the same as 2012, other options like webinars, training credits, vendor/staff and knowledge transfer were used. In 2014 it will be vital for staff to engage in cross-training, job-shadowing, and brainstorming sessions to become enablers of the business. Taking advantage of the Corporate Leadership Training and LEAP (Licensing, Education & Accreditation Program) will be considered as additional options. The challenge will be moving to the "Agile" phase or Level 4 (Predicable).

MATURITY LEVELS	*People CMM ® THREADS*			
	Developing Individual Capability	Building Workgroups & Culture	Motivating & Managing Performance	Shaping the Workforce
5 Optimizing	Continuous Capability Improvement		Organizational Performance Alignment	Continuous Workforce Innovation
4 Predictable	Mentoring Competency Based Assets	Competency Integration Empowered Workgroups	Quantitative Performance Management	Organizational Capability Management
3 Defined	Competency Development Competency Analysis	Workgroup Development Participatory Culture	Competency Based Practices Career Development	Workforce Planning
2 Managed	Training and Development	Comunication & Coordination	Compensation Performance Management Work Environment	Staffing

*Source: Software Engineering Institute, Carnegie Mellon University

KPI: Advanced Technology Use

This departmental KPI can be split into two sub-KPIs, "Internal Infrastructure" and Industry or "Big Picture" technologies. Overall a combined dashboard rating of Yellow is warranted. To move to a higher rating that positions IT as a "Partner Player", adoption of more "Big Picture" technologies is required.

Internal Infrastructure (Sub-KPI)

The City has a very advanced internal IT infrastructure and warrants a rating of Yellow; however there are some gaps. The need for a collaboration platform like SharePoint was identified in the CTSP but no progress was made in 2013. In 2014 there will be a review or our existing collaboration environment and recommendations on whether this is a candidate for a cloud-based solution.

- Digital storage has been enhanced by the implementation of "Block Level Deduplication" that can have a space savings of up to 20:1. Compared to "File Level Deduplication" which has a maximum of 5:1 storage space savings.
- Security on mobile devices has been enhanced by implementing BlackBerry's Secure Container technology, which encrypts data in a separate partition on the device.
- Virtualization of servers is based on vmWare®, the global leader in virtualization and cloud infrastructure. The City utilizes the most recent version with advanced features like vMotion (ability to move live virtual machines from one hardware server to another without interruption) and Distributed Virtual Switch (centralizes administration and improves security by providing private VLANs)
- Wireless infrastructure is now managed by Cisco Prime Infrastructure, their most advanced wireless administration platform.
- The network directory service that is used to authorize all accounts and computers in the corporate network was upgraded to the latest Microsoft version. Active Directory 2012R2 makes the network directory ready for any advanced Microsoft technologies that depend on it.
- The City's desktop phone service was upgraded to the latest version of Cisco's UCM (Unified Communications Manager). This enables the City to take advantage of the latest in collaboration and communication technologies.

Big Picture (Sub-KPI)

The City is rated at Yellow for this sub-KPI as progress was made in some of the key areas. We are ahead of most municipal organizations for mobile device management including BYOD (Bring Your Own Device). The foundational elements of Big Data will begin in 2014.

- Mobile Device Diversity and Management is one of the top ten strategic technologies identified by Gartner® and several other IT research companies. The City has implemented the infrastructure to manage the full range of devices including all models of BlackBerry, Android based devices including Google Nexus, and Apple's iPads and iPhones. In 2014 IT will initiate a pilot BYOD exercise with an accompanying policy.
- Hybrid Cloud is not a technology but the proactive design of private clouds (City's Network) with a hybrid future in mind. Infrastructure designers within the City are already accommodating requests that require a mix of internal and cloud services.
- Cloud/Client Architecture is a technology that used in-the-cloud real-time databases that are maintained by vendors. Two examples are already in use at the City; one for blocking SPAM emails and one for Internet content filtering. These are security advance warning databases used to block threats before they even reach our network.
- 3-D Printing is the manufacturing of a three-dimensioned product from a computer driven digital model. Although there has been no adoption at the City, there is opportunity in departments like Planning and Emergency Response.
- IoE (The Internet of Everything) is all about adding connectivity and intelligence to almost every device. A great example of this is the RFID (Radio Frequency Identification) chips embedded in recycling bins, which the City will soon be adopting.
- Personal Cloud is the concept of moving the "Primary Hub" of services away from any single device and moving it to the cloud. Users will have a collection of devices to access content and services from anywhere/anytime/anydevice. Security and management of the services will no longer be an IT function.
- Mobile Apps and Applications were identified by Gartner as one of the top ten strategic technologies in 2014. Basically, apps will grow and applications will shrink. There has been an increase in the development of mobile apps at the City that must continue in 2014 and beyond.

- Big Data is defined as "a collection of data so large and complex it becomes difficult to capture, manage, and process using traditional software tools". Another challenge is to handle the velocity at which the data comes in. Big data originated from social media giants like Google, Facebook, and Linked-In. More recently one of the largest collectors of Big Data is government agencies. The ability to unlock the hidden knowledge of vast amounts of structured and unstructured data will be key to the success of many organizations which has led to a new class of technologies and tools such as Hadoop, NoSQL, and Exadata.

  As outlined in the CTSP, the City has launched a series of information technology initiatives in order to be better prepared for Data and Information Management. Data Governance, Master Data Management (MDM), and Data Warehousing have been identified as the core for building a strong service oriented infrastructure. Other initiatives on the horizon include better utilization of the Enterprise Content Management solutions for managing unstructured data/documents. These new initiatives are based on the Service Oriented Architecture (SOA). This SOA approach provides proper management of data integration, data distribution, and allows new information services to be incorporated, thereby promoting the concept of Information as a Service (IaaS). These first steps should position the City to combat the information challenges and better utilization of the Data Asset.

- Smart machines: The smart machine era will be the most disruptive in the history of IT with new systems that begin to fulfill some of the earliest visions for what information technologies might accomplish. Doing what we thought only people could do and machines could not is now finally emerging.

- Web-scale IT is a pattern of global-class computing that delivers the capabilities of large cloud service providers within an enterprise IT setting by rethinking positions across several dimensions. Large cloud services providers such as Amazon, Google, Facebook, etc., are re-inventing the way in which IT services can be delivered. Their capabilities go beyond scale in terms of sheer size to also include scale as it pertains to speed and agility. If enterprises want to keep pace, then they need to emulate the architectures, processes and practices of these exemplary cloud providers. Web-scale IT looks to change the IT value chain in a systemic fashion. Data centers are designed with an industrial engineering perspective that looks for every opportunity to reduce cost and waste. This goes beyond re-designing facilities to be more energy efficient to also include in-house design of key hardware components such as servers, storage and networks. Web-oriented architectures also allow developers to build very flexible and resilient systems that recover from failure very quickly.

KPI: Methodology Currency

IT Management continues to use six key methodologies that are critical to the success of the department. These include COBIT® for IT governance, ITIL® for service delivery, PMBoK® for project management, SDLC® (Software Development Life Cycle) for applications management, P-CMMI® for IT workforce competency, and Six Sigma® for quality. In 2013 COBIT® was utilized as the basis of the IT Governance model and for improvements in the IT Audit process. PMBoK® was further implemented in the IT-PMO. Recommendations from the P-CMMI were used to initiative an inventory of skills and identify training gaps. Funding was deferred from the CTSP for further ITIL® implementation however this will be revisited in 2015.

KPI: Employee Retention

In 2013, the IT Department had 2 involuntary terminations and 3 resignations resulting in a turnover rate of 16%. This is much higher than the Corporation's turnover rate of 5%, and is rated at the low end of the performance scale (Red). These departures also dropped the average number of years' experience with the City from 6.7 years in 2012 to 5.6 years in 2013.

Average Years with City	Division
7.61	Technology Services
5.91	Client Services
5.31	Projects & Business Services
2.72	Corporate Applications
5.62	IT Departmental Average

*Source: Internal – IT Management

The organization recognizes that Employee Engagement is a key factor in staff retention and has a formal program in place. The IT Department attended facilitated exercises to determine the top 3 factors influencing engagement. Focus groups for Learning & Development, Work Processes, and Resourcing were formed and action plans were developed and monitored for each group with positive results.

In 2014 the IT Department must embrace more areas that will enhance our ability to retain staff. Succession Planning, Alternative Work Arrangements, and the empowerment of staff to make decisions are areas where improvement is needed. Leaders need to be aware of what keeps job satisfaction high by meeting with individual staff more frequently to keep a pulse on engagement and job satisfaction.

Divisional Analysis

Client Services Division ...where the customer meets IT

Mandate

The Client Services Division`s mandate is to plan, implement, manage and maintain the corporate desktop, printing, telephone, and converged infrastructure to ensure that they meet the business needs of the corporation by:

- ✓ Providing Level 1, 2 and 3 technical support for all desktop, printing and telephony issues.
- ✓ Engineer and maintain the corporate distributed desktop architecture and mobile device fleet.
- ✓ Manage and maintain the corporate phone system.
- ✓ Providing a Technical Service Help Desk for the entire corporation.
- ✓ Implement convergence technologies involving access control, security camera systems, and building automation.

Key Accomplishments for 2013:

- ✓ 2499 Service Desk received and acted on more than requests 11,247 queries received over the phone and through email
- ✓ Resolved 14437 technical services assignments originating from these queries
- ✓ Upgraded the corporate desktop management system to Microsoft SCCM (Systems Centre Configuration Manager) 2007
- ✓ Created Corporate Windows 7 Image
- ✓ Completed testing of Windows 7 Image by IT and Pilot users
- ✓ Introduced Paperless Rico Reports at POA which will lead to cost savings
- ✓ Transitioned POA Dockets from specialized dot matrix printing to multifunctional printer and create digital copies
- ✓ Upgraded 350 Machines of 950 to Windows 7
- ✓ Began Rollout of AutoCAD 2013 products
- ✓ Completed stakeholder review for a new radio and vehicle location system, RFP creation was competed in 2013
- ✓ Facilitated expansion of City of Guelph Voice phone system to Guelph Hydro
- ✓ Created, Issued and awarded RFP for implementation of replacement voice system at City and Hydro

Technology Services Division….building and securing the IT infrastructure

Mandate

The Technology Services Division's mandate is to provide a reliable, secure, easily accessible, and high performance IT infrastructure to meet the business and service needs of the organization by:

- ✓ Designing quality network, server, and IT security systems that accommodate and protect the City's electronic information
- ✓ Deploying, maintaining , and replacing systems according to industry best practices for IT life cycle management
- ✓ Developing and implementing IT policies, procedures, and processes that safeguard the City's IT investments
- ✓ Supporting departmental and corporate technology initiatives through network integration and automation

Key Accomplishments in 2012

- ✓ Upgraded the City's Blackberry Enterprise platform to support the new generation of version 10 devices.
- ✓ Designed and implemented an MDM (Mobile Device Management) solution to include Apple and Android devices.
- ✓ Reformatted and modernized the City's Responsible Computing Policy to reflect IT industry changes.
- ✓ Prepared the framework and draft outline for a new IT BCP (Business Continuity Plan)
- ✓ Prevented 1Million SPAM messages from reaching users' email inboxes.
- ✓ Facilitated the transfer of 2.8 million messages that were external to the organization (received and sent)
- ✓ Managed a messaging system that transferred a total of 5.1 million messages (internal plus external).
- ✓ Migrated City's virtual server platform to the most current version of vmWare vSphere
- ✓ Implemented the SAN (Storage Area Network) to IBM's V7000 virtualized disk storage platform

- ✓ Upgrade the Enterprise Data Management system to the latest version.
- ✓ Increased Virtualisation to 95% of servers in Internet facing environments
- ✓ Completed the IT Annual Report for the year 2012
- ✓ Hired a replacement for the Network Security Specialist position
- ✓ Upgraded Sleeman Centre POS (Point of Sale) terminals to use 7" Nexus tablets running Android operating system
- ✓ Designed and installed wireless network at Waterworks Place to provide Corporate and Public wireless coverage
- ✓ Extended the municipal fibre optic network to River Run and Sleeman Center for increased speed and reliability
- ✓ Deployed hardware and server infrastructure to allow for complete automation of outdoor parks watering system resulting in a reduction of water usage and increase in manageability.
- ✓ Commissioned network connectivity to new EMS Station in Hillsburgh for corporate Phones, computers and wireless laptops.

Corporate Applications Division....supporting the applications of the organization

Mandate

The Corporate Applications Division is responsible for supporting the applications the corporation uses as a municipal services provider by:

- ✓ Providing application support for bookings, permits, licensing, on-line maps, and geospatial data
- ✓ Acting as a gateway between the City and external sources for geospatial, parcel, and ownership data
- ✓ Facilitate advisory groups, steering committees, and user groups in support of application governance

Key Accomplishments in 2013

- ✓ Creation of IT Governance framework, Application Steering Committees and 5 User Groups
- ✓ Initiated functional assessments for AMANDA, H/R, and WAM
- ✓ Upgraded the Class Program Registration Application Server
- ✓ Upgraded the On-line Payment Server
- ✓ Hire Data Architect to lead Data Warehousing and Information Management initiatives
- ✓ Coordinated a community survey to determine the type of information the public wants
- ✓ Created initial data governance and guidelines for improved data management
- ✓ Initiated the TD (Toronto Dominion) bank conversion in conjunction with the Tax Department

Projects and Business Services ...New Name, Better Service

This IT Division is comprised of three sections; GIS (Geographical Information Systems), IT-PMO (Project Management Office), and Web Services.

GIS Mandate: To provide leadership and support to City departments through GIS technology services and innovation.

Key Accomplishments in 2013

- ✓ Obtained GIS consultant and initiated the GIS Technology Plan
- ✓ Re-established the GIS Steering Committee and GIS User Group
- ✓ Completed Program Registration/Facility Usage for Programs Mapping Project
- ✓ Migrated water valves data from 5 GIS layers into 1 Water Valves GIS Layer with pick lists
- ✓ Created a new Flow Meters GIS Layer for Water Services with pick lists
- ✓ Create 2 new GIS layers for Engineering Services to track Sanitary Fittings and Storm Fittings
- ✓ Provided data to support the Guelph Stormwater Funding Study
- ✓ Completed poll boundary study and implemented changes to support the 2014 election

Project Management Office Mandate: To develop project and program management strategically focusing on Governance, Financial, Risk, Resource, Quality, and Scope management. The team is responsible for project prioritization, process improvement, and strategic project planning with IT and City staff.

Key Accomplishments in 2013

- ✓ Rollout of new Project and Business Service Request on-line intake tool
- ✓ Establishment of ITGC reporting tools, templates, and schedule
- ✓ Provided IT status reports to the ITGC Executive team for major projects
- ✓ Awarded contract for JDE HR assessment and WAM assessment
- ✓ Completed the Guelph.ca web site redesign

Web Services Mandate: To develop and support the City's public web site (guelph.ca) and internal Intranet. The team fosters new web technologies and the development of e-business strategies utilizing social media like Facebook, Twitter, and YouTube.

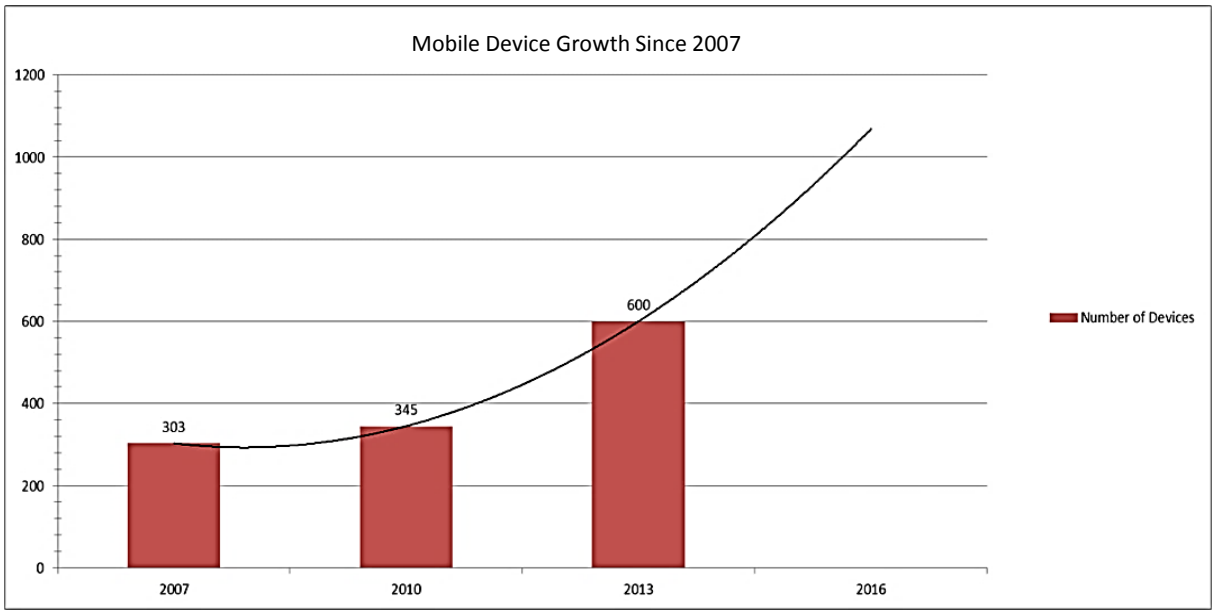
Key Accomplishments in 2013

- ✓ Designed and built the new Guelph.ca website using WordPress and migrated 20,000 pages to the new platform
- ✓ Developed a new web authoring model and trained web authors in basic WordPress and web page accessibility
- ✓ Developed and implemented a waste collection lookup tool. Guelph residents enter their street number and name to find out what day waste is collected, and when their address will be transitioned from bags to carts.
- ✓ Migrated the Emergency Operations Control Group, Guelph Cooperative Purchasing Group, Guelph Youth, and Guelph Wellington EMS web sites to the Guelph.ca platform

Trend Monitoring

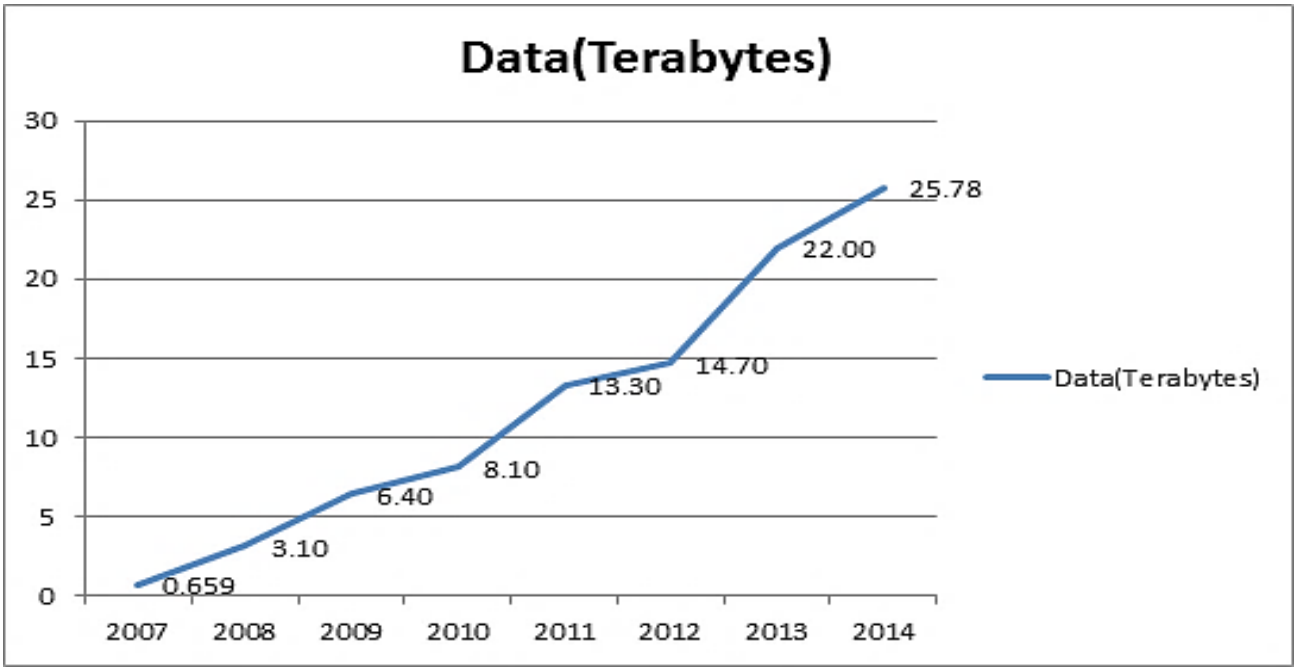
IT has several trends that are tracked and reported through software utilities, the IT Help Desk system, IT Service Request Forms, and Project Management software. These are identified by an asterisk * whereas other trends are obtained by abstract or intuitive means. In 2014 each trend should be analyzed from an infrastructure, service, process, and financial impact. This is vital to keep pace with the demands of the business by implementing solutions and process improvements in a timely manner.

- ✓ City of Guelph Twitter followers have increased to over 25,000 compared to 15,000 in 2012
- ✓ 43.81% increase in mobile phone traffic
- ✓ 60.47% increase in tablet traffic
- ✓ 18.08% decrease in desktop traffic
- ✓ Increased demand for BYOD (Bring Your Own Device) with access to email, calendars, and contacts
- ✓ Mobile device support is steadily increasing as our fleet of Blackberries, tablets, cell phones, and notebooks increases. This is indicated in the following chart which depicts growth over the last 6 years.*



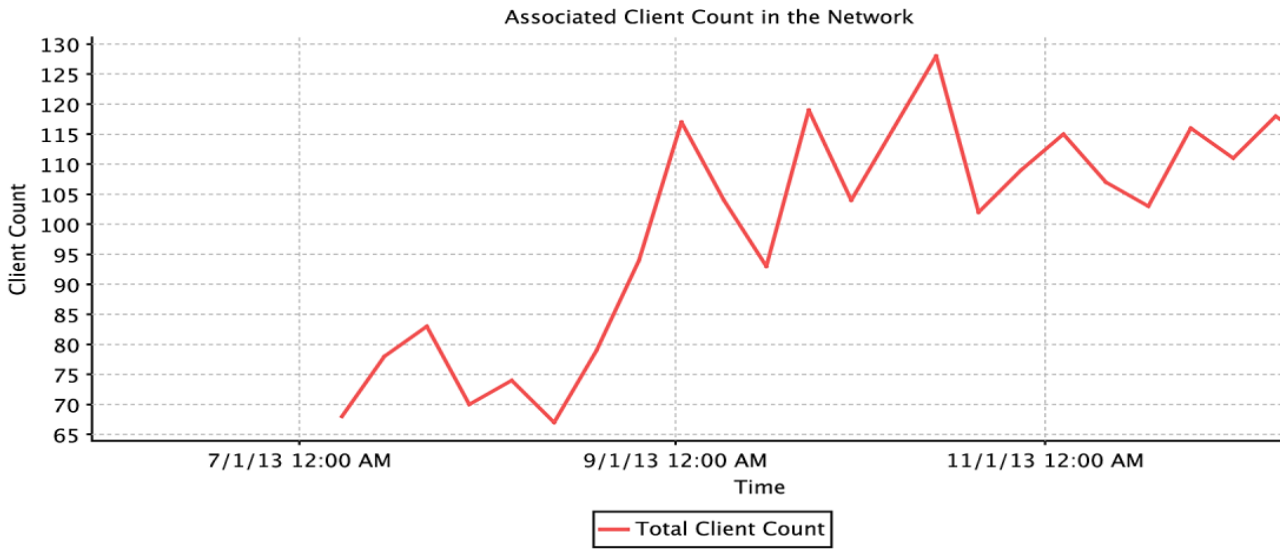
*Source: IT Asset Control

✓ Networked data growth continues to increase as indicated by the graph below. In 2013 we experienced a 50% increase in raw network data growth as depicted in the graph below.*



*Source: Enterprise Backup System

- ✓ Wireless connections from both City owned and personal devices have grown exponentially over the past year. Since IT opened "Public" wireless to all floors in City Hall, the use of wireless devices by staff, visitors, and contractors have increased from a peak of 84 to a peak of 127. The simplification of access for the public significantly reduced support calls resulting in greater satisfaction among users. Smartphones, tablets, and notebooks now have high availability to the Internet.



*Source: Internal Cisco Prime Infrastructure

2014 and Beyond

2104 IT Workplan

CTSP Initiatives for 2014	*Description*	*Target*
Eclipse Upgrade	*Migration of in-house project and portfolio management application to the cloud*	*Mar 2014*
WAM Assessment	*Review current business processes, identify future requirements, develop fit-gap analysis of current systems and recommend future plans*	*Jun 2014*
GIS Technology Plan	*External consulting firm developing 5 year plan for City GIS systems*	*Jun 2014*
GIS ArcPoint Upgrade	*Upgrade of all ArcGIS products across the City*	*Jun 2014*
JDE Financial Upgrade	*Implementation of JDE Version 9.2 to address process changes determined from JDE H/R Assessment and Process Review, then address support restrictions.*	*Sep 2014*
Data Warehousing	*Data mart for Capital assets will be the first data warehousing initiative*	*Sep 2014*
Information Management	*Business Intelligence Rollout*	*Nov 2014*
Amanda Upgrade	*Implementation of AMANDA version 6 to comply with assessment requirements and support restrictions.*	*Dec 2014*
Mobile Device Management	*Continued deployment of smartphones and tablets for mobile workforce*	*Dec 2014*
Business Continuity Plan (Phase 2)	*Implementation and testing phase to reduce IT and organizational risk due to disaster*	*Dec 2014*
Email Archiving	*Control growth of email system based on upcoming Data Retention Policy*	*Dec 2014*
Help Desk Improvements	*Improve quality of service with more efficient Client/Help Desk interaction, Improve FCR (First Call Resolution) by providing more tools to Level 1 and Level 2 support staff*	*Dec 2014*
Transit Technology Plan	*17 month project to implement the IT infrastructure and integration needs for Transit*	*Jul 2015*
Mandatory Initiatives for 2014	*Comments*	
2014 IT Annual Report	*IT management will prepare the yearly performance report for the year 2014*	*Apr 2014*
Anti-SPAM	*Implementation of the CSL (Canadian Anti-SPAM Legislation)*	*Jul 2014*
2014 Election	*IT resources will coordinate the election's networking and computer deployment needs*	*Nov 2014*
Strategic Initiatives for 2014	*Comments*	
Bylaw Security Access System	*Modernization of security system for City Hall, Courts, Waterworks, and River Run*	*Jun 2014*
BYOD (Bring Your Own Device)	*Pilot project that allows staff to use their personal mobile devices for business purposes*	*Dec 2014*
Joint Wireless	*Project to replace the corporate radio and automatic vehicle location system*	*Dec 2014*

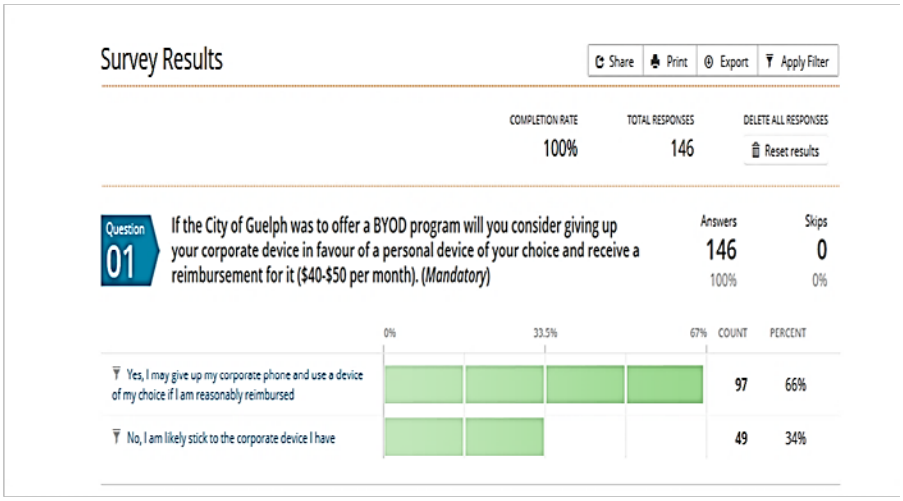
TCO (Total Cost of Ownership) Study

TCO is a financial concept that combines the initial acquisition costs for a product with the operational costs of using the product over its expected life. Past studies and experiences have proven that a financial comparison of technology solutions based solely on purchase price and service costs is fundamentally flawed. Other operational factors, including the costs to manage and maintain these assets, as well as reliability and downtime costs, have a far greater financial impact on most organizations than just the

system's acquisition cost. The introduction of cloud computing has further complicated the analysis as trade-offs between investment in infrastructure must be weight against third party offerings. This concept attempts to include service levels, security, availability and redundancy as factors in determining TCO. The factors included in a Total Cost of Ownership Study would be initial system cost, service contracts, installation/training, energy consumption, ongoing management/maintenance, and downtime costs.

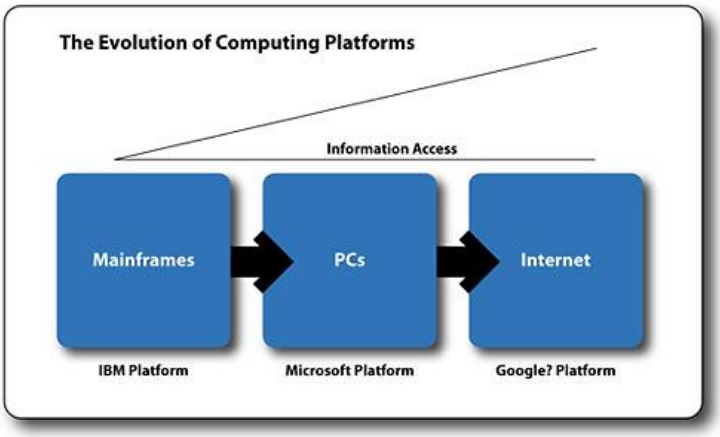
BYOD Predictions

In 2013 an internal City Staff survey revealed a surprising interest in the BYOD (Bring Your Own Device) initiative. 66% of users surveyed indicated that they would be willing to transition from using a City owned mobile device to using their own personal device. The City would not incur any more costs than under the present policy; however the administration and support resources would be reduced. This translates into time savings for IT staff and the freedom of users to choose any device they wish. It will also be convenient for staff to carry only one device for business and personal use. The City has the infrastructure to support this and in 2014 will pursue a pilot with several users and a BYOD Policy. Cost savings for the BYOD program will depend on program uptake by City staff. If made mandatory, BYOD can save the city at least $130,000 annually.



Cloud Computing

This graphic depicts the natural progression of computing platforms in the Information Technology industry. The City used mainframe computer technology up to the mid-1990s. It then switched to Client Server architecture with Microsoft Windows running on Intel servers where it remains today. Both of these platforms require data centres to operate which require enormous amounts of power, cooling, security, and maintenance. With the advent of Cloud Computing, companies like Google, Amazon, and Microsoft can use economies of scale to make their services more affordable for their customers.



However, the City has a large investment in networking, storage, servers, virtualization, and OS (Operating Systems); and two modern data centres. So the speed of adoption must depend on a balance between internally managed and outsourced (Cloud) services.

The City has successfully migrated several services to the Cloud including Bulk Email, Project & Portfolio Management, Emergency Management Planning, On-line Surveys, and Dynamic DNS (Domain Name Services), there are other potential services in 2014 that are under consideration like CRM (Customer Relationship Management), Internet Voting, and Office Productivity applications.

It is not recommended that the City simply begins adopting Cloud computing as a cost saving initiative. A logical approach is to continue with the recommendations of the CTSP to form a stable baseline of IT services. In 2014, IT management will take measured progress of Cloud Computing, perform a deeper analysis of the TCO (Total Cost of Ownership) of the services they provide, and then

choose whether internally hosted or a cloud based solution is more practical and economical. Performance, functionality, reliability, support call resolution time, and business planning must be part of the overall process and final decision.

STAFF REPORT

TO	Corporate Administration, Finance and Enterprise Committee
SERVICE AREA	Corporate & Human Resources
DATE	April 7, 2014
SUBJECT	**City Clerk's Office 2013 Annual Report**
REPORT NUMBER	CHR-2014-30

EXECUTIVE SUMMARY

PURPOSE OF REPORT
To present the City Clerk's Office 2013 Annual Report.

KEY FINDINGS
- information on departmental initiatives is provided for the year 2013
- measurements against key performance indicators are presented using a dashboard/scorecard approach
- benchmark comparisons are provided where possible
- activities are identified where improvement is required

FINANCIAL IMPLICATIONS
All future funding requirements will be identified where applicable and incorporated as part of the 2015 budget process.

ACTION REQUIRED
To receive the report for information.

RECOMMENDATION
That the City Clerk's Office 2013 Annual Report be received for information.

BACKGROUND
The annual report provides information and analysis of performance measures for the activity, impact, value creation and cost management for the prior calendar year. This is the fourth annual report of the City Clerk's Office but the second since establishing a new approach and metrics to better reflect the transformation of the department in relation to the corporate strategic plan.

REPORT
Annual reports represent accountability to Council for the delegated authority provided to staff for the execution of administrative functions. They provide

context to make informed management decision based on the identification of trends and assist in the development of remedial responses to improve performance areas that are trending negatively against available benchmark information.

The annual report has been developed around a format that includes the following sections:

Key Initiative Summaries contain highlights of key department initiatives throughout the reporting year.

Dashboards and Scorecards contain visual interpretations of the department's data analysis, trends and targets.

Data Analysis Overviews contain further context, detail and analysis of the findings reported in the dashboards and scorecards, comparing performance measures and trends where possible to relevant targets and benchmarks.

2014 and Beyond includes brief overviews of activities within 2014 departmental work plans.

Data Tables, Charts and Graphs have been inserted throughout each report to highlight important information. Additional supporting data tables, charts and graphs may be found at the back of some reports. These are to be referenced in terms of supporting data and/or to illustrate data and trends that are being monitored but may not represent significant findings or notable trends at this point in time.

There has been a mixture of results in dashboard indicators, full explanations for which can be found in the body of the annual report itself as well as actions to improve performance.

While most performance indicators remained stable in 2013, those developed to measure new corporate programs such as Records and Information Management and Access and Privacy cannot fully be reported as there is still not enough existing data to synthesise. As a result, information to support a full comparative analysis will continue to be collected throughout 2014 to support a proper baseline assessment in next year's annual report. Similarly, metrics linked to Open Government will be co-generated with the community as a component of the Open Government Action Plan design phase. New information is also being gathered with respect to the agenda production process which continues to evolve to meet the requirements of council, staff and the public. As a result of various changes to the agenda publication process in 2013, the respective indicators for this area remains yellow, demonstrating that this area has remained status quo - neither trending positively or negatively at this point in time. The future Meeting Management

review project will assist in focus information gathering efforts and provide greater clarity on establishing relevant and effective KPI's.

Public interfacing programs, such as Marriage Services, FOI Requests and Public Notifications are trending positively as the department has been processing larger volumes and/or providing enhanced services in these areas. Staffing requirements is the 2014.only measure representing a downward trend, however this trend will be reversed somewhat in the subsequent annual report due to the 2014 budget approval of an additional Council-Committee Coordinator who will commence employment in late April,

In 2014, several key initiatives will continue. One will be the finalization of the assessment phase of the Records and Information Management program including the development of a Terms of Reference to establish an implementation plan for a Corporate Records Program as well as an Enterprise Information Management Strategy. The Access and Privacy assessment review will also conclude and the policy development will begin. The Open Government Action Plan will be presented to Council in July 2014 followed immediately by implementation of initiatives which do not require additional resourcing. In 2014, the City Clerk's Office will begin work on a Meeting Management Review which will assess the information flow and various processes supporting the legislative process. This review will include such things as agenda formats, enhanced procedural mechanisms as well as the potential to deploy technology to better assist in managing the overall process.

A specific focus for 2014 will be the coordination and delivery of the Municipal and School Board Election. The election model in place for 2014 represents a significant enhancement based on prior election models including a robust communications and voter outreach plan, the use of internet voting and electronic voters' list as well as a number of other process and work flow improvements. The City Clerk's Office is the Election Returning Office and all departmental staff are involved in the management and delivery of the project plan.

CORPORATE STRATEGIC PLAN

- Innovation in Local Government
- Ensure accountability, transparency and engagement

DEPARTMENTAL CONSULTATION

N/A

COMMUNICATIONS

N/A

FINANCIAL IMPLICATIONS

All future funding requirements will be identified where applicable and incorporated as part of the 2015 budget process.

ATTACHMENTS

- City Clerk's Office 2013 Annual Report

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CITY CLERK'S OFFICE
2013 ANNUAL REPORT

CITY OF Guelph
Making a Difference

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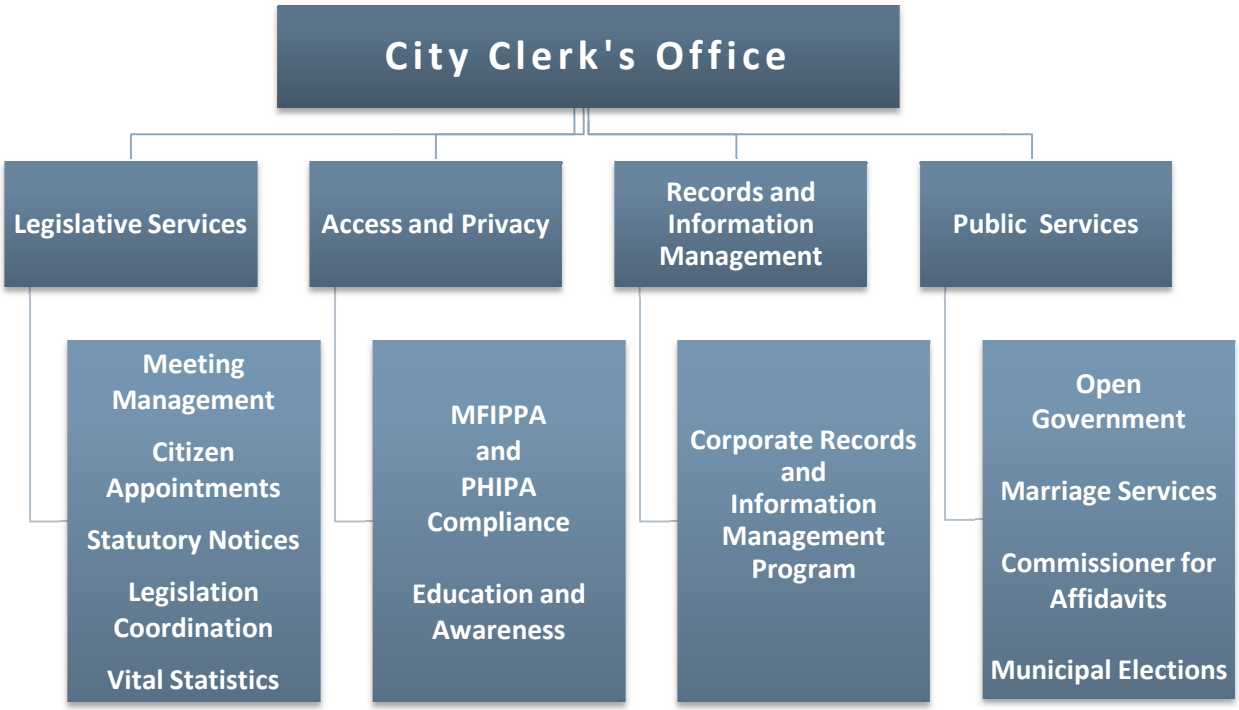
INTRODUCTION

The City Clerk's Office is responsible for coordinating and supporting various statutory responsibilities provided by the *Municipal Act, Vital Statistics Act, Marriage Act, Municipal Freedom of Information and Protection of Privacy Act, Personal Health Information Protection Act, the Planning Act* and the *Municipal Elections Act*. Pursuant to these statutes, City policies and municipal best practice, the Clerk's Office provides secretariat support to Council and Committees of Council, documents the official record of the actions of Council, manages notice provisions related to public meetings and in response to other legislative requirements, has a mandate to manage the City's records and information holdings, processes Freedom of Information requests, serves as the returning office with respect to the administration of Municipal and School Board Elections and provides various other internal and public support services.

Departmental Organizational Structure



Report Format

This is the 4rd annual report prepared by the City Clerk's Office, and this will follow the format used last year. This report is working towards a transition from statistical reporting to performance measurement, a goal which will take a few years to be fully realized. This report is divided into the following 5 Sections:

Section 1: Key Initiative Summary

2013 operationalized some key initiatives in enhancing the way the City Clerk's Office provides support to Council, the organization and the public. Staff worked towards building the foundation of an Open Government by modernizing aspects of Council's decision making process to better align them with the principles of existing legislation as well as fine-tune internal administrative processes to create efficiencies in resource and time management.

The following is a list of key accomplishments for the City Clerk's Office in 2013:

- Open Government Action Plan
- Enhanced Procedural and Governance Processes
- Meeting Management Modifications
- Records and Information Management (RIM) Program
- Access and Privacy Program
- Enhanced Marriage Services

Section 2: Dashboard and Scorecard

This section provides a visual representation of the data analysis, trends and targets.

Section 3: Performance Analysis Overview

This section provides further context, detail and analysis regarding the performance measures reported in the dashboard and scorecard. This section will also look at external trends that are either having an impact or are expected to impact the way we provide services in the coming years.

Section 4: 2013 and Beyond

This section includes a brief overview of the City Clerk's Office 2013 work plan including actions resulting from the analysis in section 3.

Section 5: Data Tables, Charts and Graphs

This section includes the data tables and charts that have traditionally been included in the City Clerk's Office annual reports of previous years.

SECTION 1: KEY INITIATIVE SUMMARY

Open Government Action Plan

In 2012, the Clerk's Office developed an Open Government Framework which was approved by Council. In 2013, phase one of the project began with respect to the development of an Open Government Action Plan (OGAP). The OGAP is intended to provide for a 5 year implementation of various initiatives designed to make it easier for residents, businesses and visitors to access City information and participate in the decision-making process. Another key objective of the OGAP is to engage and empower the community in order to support innovation and problem solving to common challenges. In 2013, phase one of the project commenced, a current assessment including a best practices review, policy review, organizational environmental scan, community scan as well as pre-consultation with community stakeholders. In 2014, the City will work as a platform to co-produce the OGAP with the community, present it to Council for approval and begin early implementation.

Enhanced Procedural and Governance Processes

The Clerk's office operationalized an agenda production cycle which focused on the publication of agendas approximately two weeks prior to the date of a meeting. Procedures relating to Advisory Committees as well as Agencies, Boards and Commissions were revised in order to standardize procedural elements for Committees of Council and streamline the citizen appointment process.

Records and Information Management (RIM) Program

The Records Inventory Assessment was rolled out at the beginning of 2013. The Assessment involved City wide meetings with working groups from each department and focused on documenting records holdings and current practices. The Assessment is planned to wrap up the final meetings in March of 2014. Information collected will be used to develop a Corporate strategy designed to implement a Records and Information Management Program. The Program will focus on increasing access to resources and efficient management of information assets while establishing policies and procedures to ensure compliance with legislative requirements. Full scoping and project planning began in 2012 with the Assessment to be completed in the spring of 2014.

Access and Privacy Program

The Privacy Management Project began in 2012 with an aggressive work plan to audit all program areas in the Corporation in 2013. Each program area met with Privacy and Access to review their personal information holdings, processes and assess their compliance with the appropriate legislation. Many of the program areas implemented recommendations based on the findings immediately after these audits. Comprehensive service area reports are scheduled to be completed in Q1 of 2014. The 2014 work plan includes reviewing existing policies and standard operating procedures, updating where required, as well as the development of privacy policies and training tools for staff to utilize. This project will be completed by mid-2015.

SECTION 2: DASHBOARD AND SCORECARD

As illustrated below, several measures have been established and allocated to four performance areas within the City Clerk's Office. Items in the dashboard marked by **GREEN** indicate that the measure is reporting positively to benchmarks. **YELLOW** and **RED** indicate items that are not currently aligned to the benchmarks. **PLUS** and **MINUS** signs indicate the direction that these items are trending. For further context, the 2013 dashboard provides a comparison of the progress made on these measures from 2011 through to 2013.

2013 Dashboard

Access to Information	2011	2012	2013
Access and Privacy Program*			
Records Management Program*			

Service Excellence	2011	2012	2013
Marriage Services		+	+
Agenda Production*			
Open Government*			

Legislated Compliance	2011	2012	2013
FOI Requests			
TOMRMS and Records Retention*			
Public Notification			

Business Excellence	2011	2012	2013
Agenda Production Costs*			
Staffing Requirements*			

**Represents measures where benchmarks have not been established. In most cases, data collected in 2013 will serve as a baseline to report on in future annual reports.*

2013 Scorecard

Value Creation

Access to Information

Measure	*2013 Target*	*2013 Result*	*2014 Target*
Access and Privacy Program			
Internal requests	New to scorecard	98 internal requests	Respond to internal requests
Privacy process improvements	New to scorecard	58 process improvements	Added process improvements
Routine disclosure	New to scorecard	272 routine disclosures (PBEE service area)	Promote routine disclosures corporately
Records Management			
Internal requests	New to scorecard	40 requests for consultation and advice	Encourage internal requests
Records search	New to scorecard	No data collected	N/A

Service Excellence

Measure	*2013 Target*	*2013 Result*	*2014 Target*
Marriage Services	Maintain 2012 actuals of 138 ceremonies	165 ceremonies were performed, including 136 on site and 29 off site	170 marriage ceremonies
Agenda Production			
Internal submission timelines met	New to scorecard	0 - 23 % of preview titles and recommendations late 12-25% of final reports late	10% preview 15% final
Publication timelines met	New to scorecard	100% Agenda and addendum published within legislative timeframes	N/A
Open Government	New to scorecard, targets to be developed by 2014	Phase one completed. Metrics to be designed in 2014 along with the OGAP	N/A

Compliance

Measure	*2013 Target*	*2013 Result*	*2014 Target*
FOI Requests			
Initial 30 day timeline	100%	153/153 = 100%	100%
Extended timeline	100%	7/7= 100%	100%
Records Retention	New to scorecard	351 boxes of records out of retention destroyed	Maintain rate of compliance
Statutory Public Notification			
Public Notices	100%	20 = 100%	100%
OMB Appeals	100%	2 = 100%	100%
OMB Decisions	New to scorecard	9 = 100%	100%

Cost Control

Business Excellence

Measure	*2013 Target*	*2013 Result*	*2014 Target*
Agenda Production Costs Printing Staff Time	New to scorecard	$23,303.36 $13,816.18 for 96 agenda	Maintain costs per agenda
Staff Compliment	Average of defined comparator group	Target Missed for Council Support (-57%) and Print Shop (-158%)	Average of defined comparator group

SECTION 3: DATA ANALYSIS OVERVIEW

Access to Information

Access to information should transcend beyond meeting legislated requirements in order to develop and support a culture of privacy and openness. These concepts are, in fact, complimentary and are fundamental to the success of any open government initiative. Freely accessible civic information is quickly becoming the new standard. Consequently, focus is on establishing information management programs to generate awareness and support the organization. The City's privacy and records programs are currently being developed to do just that. Both programs continue to mature with a corporate privacy audit and a records inventory review conducted in 2013. These information gathering exercises will assist in better supporting the development of each program. As the programs continue to develop, the performance measures presented below may need to be adjusted in future years.

Access and Privacy Program

This measure is established to demonstrate the overall effectiveness of the City's Access and Privacy program. The measure is calculated based on an average of three internal metrics:

1. **Internal requests** - Providing advice to internal clients upon request. The number of all such requests serves to demonstrate awareness with respect to the privacy program within the organization.

   The Privacy Audit created an awareness of privacy related matters and put a face on the program; who to contact for privacy questions, inquiries, clarification of privacy requirements. This is the first year this metric was tracked**.**

2. **Privacy process improvements** - Process improvements enhance the way with which the municipality notifies, collects and manages personal information. The total number of privacy process improvements reveals the overall commitment to the principles of access and privacy. An example is enhancements which are often made to consent notices appearing on signs and collection forms.

3. **Routine disclosure** - Routine disclosure facilitates access to information by creating procedures that are less restrictive than FOI and as such, provides the public with timelier access to civic information. A key goal of the Access and Privacy program is to develop and implement departmental routine disclosure practices. A quantification of all such practices within the organization will be a valuable measure to assess the program's impact in this regard. Although a routine disclosure process for PBEE has been in place since 2011, no formal policy was in place. In 2013 PBEE staff worked with the FOI specialist to develop a policy, a new disclosure list and a reporting mechanism.

Measure	*2013 Target*	*2013 Result*
Access and Privacy Program		
Internal requests	New to scorecard	98 internal requests
Privacy process improvements	New to scorecard	58 process improvements
Routine disclosure	New to scorecard	PBEE 272 releases

Moving forward, data in relation to the above noted metrics will be collected and used to measure performance in relation to the overall effectiveness of this program. As these metrics are new, a 2013 target has not been established, however, performance targets for 2014 will be developed.

Records Management Program

This measure assesses the overall effectiveness of a corporate records management program. Records and information management is the foundation of an accountable and transparent organization as it facilitates both internal and external information exchange. For this reason the following measures are being used to reflect records management at the City of Guelph and are defined as follows:

1. **Internal requests** - The number of all advise and internal requests serves to demonstrate awareness with respect to the records program within the organization. In this first year, 40 internal requests for consultation reflects the initial level of staff engagement and awareness with regards to records and information management, as well as, the new processes and resources being created under the Program.

2. **Records search** - This measure relates to the total number of record searches conducted using the Records Search database. The total number of record searches conducted demonstrates the staff interest and usage of search tools to efficiently access City information resources. As Enterprise Content Management (ECM) is a key objective of the records program, this metric is likely to evolve along with the implementation of an ECM system.

   The result for this measure is still marked as having no data collected, as this data was anticipated as being available on an annual basis. However, in accordance with system settings for the records search database, data is only available for a four (4) week period before being deleted from the system. As a result, data will be compiled on an ongoing basis and will be reported for 2014. The results for 2014 will be used as the baseline against which future results will be measured.

Measure	***2013 Target***	***2013 Result***
Records Management		
Internal requests	N/A- New to scorecard in 2012	40 requests for consultation & advice
Records search	N/A- New to scorecard in 2012	No data collected

These measures were chosen because they reflect the key areas where internal efficiencies can be supported through effective records storage and retrieval methods. They will reflect ongoing efforts to engage with staff in all Service Areas to support the transition to new processes and resources available through the Records and Information Management Program. Future options regarding the use of a formal Enterprise Content Management (ECM) System will be analyzed to evaluate new and existing tools and ensure that City records are stored and managed in the most efficient and accessible way. Records Management was new to the scorecard in 2012 and the data collected in 2013 will serve as a benchmark in future years for performance reporting.

Service Excellence

The City Clerk's Office is a support service, not only to Council and staff but also to the community. The department supports Council's governance process, serves as an interface with the public to disseminate civic information and deliver services as well as supports the organization with compliance measures and leading practices for various legislated requirements. In 2013, these core areas were strengthened in a commitment to deliver more accessible, responsive and excellent service. This included the preparation and delivery of the council and committee agenda 2 weeks prior to the meeting to allow Council and the public additional time to review materials and to allow the public additional time to delegate. Despite the fact that from 0 to 23 % of all preview materials and 12 to 25 percent of all final documents did not meet their submission timelines, the Clerks' office was able to produce the internal preview documents and the agenda for all Council and its committee meetings within the legislated timelines 100% of the time.

City Clerk's office also enhanced the marriage service program, undertook process improvements with respect to the agenda production process, streamlines citizen appointment policies and procedural guidelines to its advisory committees, and continued program foundations to support the organization with respect to privacy and records, and developed an Open Government Framework designed to enhance the City's ability to deliver public service better.

Marriage Services

This measure applies to the total number of marriage ceremonies performed per year. Although this measure is difficult to predict, the associated revenue is budgeted in accordance to patterns demonstrated over several years. The overall number of ceremonies has increase from 138 in 2012, to 165 in 2013. This increase in 2013 is due to enhancements made to the levels of service introduced in relation to providing off site ceremonies outside regular office hours and also outside the city limits.

Measure	***2013 Target***	***2013 Result***
Marriage Services	Maintain level of marriage ceremonies	165 ceremonies were performed, including 136 on site and 29 off site

Agenda Production

This measure applies to the performance of the organization with respect to supporting the agenda production process. The measure will be calculated based on an average of two internal metrics:

1. **Internal submission timelines met** - Appreciating that various factors affect the timeliness with which agenda materials are submitted to the Clerk's Office, a statistical reporting process is monitored to track the submission of agenda materials. This measure exists to provide an overall assessment in order to provide data which can be used to gauge the impacts of late submissions on work flow managed by Clerk's. Although this measure is not controllable by Clerks, this reporting process allows service areas to target and follow up on late submissions in an effort to support continuous improvement efforts.

2. **Publications timelines met** - This measure relates to the total number of agendas published to the City's website past the targeted timeline. The goal is to have an agenda posted by noon Friday, two weeks prior to a meeting and to produce an addendum (supplementary agenda) the Friday prior to the meeting. These publication timelines have been met 100% of the time.

Measure	*2013 Target*	*2013 Result*
Agenda Production		
Internal submission timelines met	New to scorecard	0 - 23 % of preview titles and recommendations late 12-25% of final reports late
Publication timelines met	100%	Target Met

Open Government

Metrics regarding Open Government will be developed through the Open Government Action Plan co-production process scheduled for completion by 3Q of 2014. The intent is to develop a means by which both the City and the community can practically assess the overall effectiveness of the Open Government program. Although a placeholder has been added to the Clerk's Office dashboard, this may be adjusted pending finalization of the OGAP.

Compliance

Many of the services provided by the Clerk's Office on behalf of the organization are governed by legislation. These areas are mandated by way of legislation including, but not limited to, the *Municipal Act, Municipal Freedom of Information and Protection of Privacy Act (MFIPPA), Personal Health Information Protection Act (PHIPA), Planning Act, and Municipal Elections Act*. Compliance is a legal requirement under these statutes, and as such, non compliance exposes the municipality to liability and risk. Risks would also be posed to broader information initiatives involved in transparency and accountability, including Freedom of Information (FOI), Routine Disclosure, and Open Government programs.

Freedom of Information (FOI) Requests

This measure refers to the total number of FOI requests processed within the timelines legislated by *MFIPPA*/*PHIPA* and will be calculated based on an average of two internal metrics:

1. **Initial 30 day timeline** - The standard legislated timeline requirement is to process access requests within 30 days.

2. **Extended timeline** - Privacy legislation also permits additional 30 day incremental extensions if a request is too voluminous to meet the initial 30 day timeline. The rationale for securing an extension is based on whether the access request is to voluminous and/or if there is a need to consult with third parties, and/or if meeting the initial timeline would significantly interfere with the operations of the institution.

Measure	*2013 Target*	*2013 Result*
FOI Requests		
Initial 30 day timeline	100%	153/153 = 100%
Extended timeline	100%	7/7 = 100%

Similar to previous years, the Clerk's Office managed to maintain a 100% compliance rate with respect to FOI compliance. As generally noted above, late responses to FOI requests can carry significant risk and liability to the organization.

Records Retention

This measure is based on legislated compliance requirements with respect to records retention. Under the *Municipal Act* the City is required to maintain a records program to manage and document how City business records are classified, retained and disposed of.

The Ontario Municipal Records Management System (TOMRMS) is a municipal standard which clearly outlines the legislated retention requirements for how long each category of records must be legally retained for. TOMRMS is updated yearly to ensure that the City is adhering to current requirements. As part of the Records Inventory Assessment, current retention timelines are communicated to each department and any updates to retention periods, based on business needs, are made in consultation with the business area. To ensure that the City is meeting legislated requirements, destruction compliance will be measured in accordance with the most up to date version of TOMRMS. An updated Records Retention By-law for the City will be developed as part of a Records and Information Strategy currently targeted for 2014.

This single metric relates to TOMRMS compliant destruction as defined by the number of boxes or files destroyed in compliance with the most current TOMRMS retention timelines. As noted previously, the records destruction process that is currently in place was only established at the beginning of 2013. As such, 2013 data will be used as the benchmark and to establish targets for future years.

Measure	***Target***	***Measure***
Records Retention	N/A- New to scorecard in 2012	351 boxes of records out of retention destroyed

Public Notification

This measure is designed to report on the compliance rate in meeting statutory notice provisions. The City Clerk's Office is responsible for issuing public notification with respect to meetings pursuant to the *Municipal Act,* the *Heritage Act,* the *Development Charges Act* and the *Planning Act*. In addition to forwarding notices by way of mail to residents and prescribed persons, there are also notices printed in the local newspaper, content published on the City website and documents processed through to appeal bodies such as the Ontario Municipal Board (OMB) and the *Heritage Conservation Board*. This measure is calculated based on an average of two internal metrics:

1. **Public Notices** - This metric is based on a compliance rate with respect to notifications issued to persons and public bodies as prescribed by the above noted statutes. Notice is provided by way of placing print advertisements in the local newspaper and the issuance of first class mail to targeted individuals. Notice provision is required within a regulated timeline once there is a defined appeal period established through Council's approval of a by-law.

2. **OMB Appeals** - This metric relates to a compliance measurement with respect to the overall number of OMB appeals processed by the City Clerk's Office. Once an appeal is received by the City Clerk within the regulated timeline, an appeal package must be prepared and forwarded to the OMB.

3. **OMB Decisions-** this new metric relates to documents processed as a result of OMB decisions which resulted in amendments to City's by-laws or created new by-laws.

Measure	*Target*	*Measure*
Statutory Public Notification		
Public Notices	100%	20 = 100%
OMB Appeals	100%	2 = 100%
OMB Decisions	New to scorecard	9 = 100%

The City Clerk's Office met with a 100% compliance rate with respect to the publication of notices under the *Planning Act*. In addition, we processed 9 OMB decisions by producing and distributing new bylaws under OMB order and certifications with respect to same.

Business Excellence

Agenda Production Costs

This measure calculates the costs with respect to the production of an agenda. Although coordination of agendas is a crucial component of the process, this metric will be focused on the staff resources, printing and delivery costs associated with agenda production. The printing costs do not take into account the material that was reprinted due to last minute changes. This data was not collected previously, but is now reflected as a total cost of paper, printing and staff time to produce the agenda.

Measure	*2013 Target*	*2013 Result*
Agenda Production Costs:		
Printing		$23,303.36
Staff Time	New to scorecard	$13,816.18

Staffing Compliment

This measure establishes a benchmark with respect to an average staffing complement within a municipal Clerk's Office comparable to the core services it delivers. To ensure that the data allows for an equal measurement between similar departments, an industry scan was undertaken in order to identify other municipal Clerk's Offices which could serve as suitable comparators. The process began with an evaluation of the City's Council approved "comparator municipalities" (December 7, 2009 Governance report from Information Services). Then an assessment was undertaken to normalize this comparator group by identifying Clerk's Departments comprised of similar positions providing the same scope and scale of core services provided by the Guelph City Clerk's Office. In order to validate this data an organizational scan was conducted by Human Resources followed by individual follow up from Clerk's staff. The core services consisted of:

- Council Support (secretariat services, meeting management, citizen appointments etc.)
- Legislative Coordinator (vital stats, statutory public notices etc.)
- Records Management (records retention/tracking/EDRMS etc.)
- FOI (access requests, orientation/education etc.)
- Print Shop (agenda production, corporate printing requirements etc.)

A secondary assessment was undertaken to further normalize this group based on common external pressures, namely:

- Resident population
- The number of employees within the organization
- Authority configuration (lower tier, single tier etc.)
- The total number of Council and Committee meetings held annually

Measure	*2013 Target*	*2013 Result*
Staff Compliment	Average of defined comparator group	Target Missed for Council Support (-57%) and Print Shop (-158%)

Appreciating the many challenges of defining this comparator group, this measurement is extremely valuable in terms of benchmarking overall service delivery in relation to an average staffing complement seen within other similarly functioning Clerk's Departments. The target of for this metric is to maintain an average staffing compliment when evaluated against the comparator group. The following is an analysis of the comparison made for 2012.

Council Support

On average, the Guelph City Clerk's Office supported more Council and Committee meetings with 57% less staff than the comparator group. The Legislative Services (ie. Council Support) division supported 96 (up by 6 from 2012) meetings compared to an average of 51.6 (down from 66.5 in 2012) by the comparator group. In 2013, the Guelph Legislative Services division consists of 2 Council Support staff in contrast to the comparator average compliment of 4.6. This disproportion is further polarized considering that the Guelph staff were responsible for physically printing agenda packages, where the average comparator group consisted of an additional 1.5 FTE's allocated to the Print Shop in order to coordinate this function on behalf of their respective Council Support division.

Legislation Coordination

Although some of the comparators do not coordinate the same number of legislated public notices and appeals nor do they manage the process to the same degree as the Guelph City Clerk's Office, on average, the function of Legislative Coordinator was relatively on par with 1 FTE.

Records/FOI

Currently, there is an Access and Privacy Specialist (permanent FTE) as well as a Records and Information Specialist (contract FTE until 3Q of 2014) within the Guelph City Clerk's Office. This division of responsibilities is far more delineated in Guelph as there was more of a blend of records and FOI responsibilities seen in the comparator group with some of these functions even being provided either by the Deputy Clerk or a combination of others within the department. Given this, the current compliment in Guelph is below the municipal comparator group functioning at approximately .50 FTE less than the average. That said, because the Records and Information Specialist position is a currently a contract position expiring in 3Q of 2014, this measurement will drop to be far more disproportionate after that point. Another factor to consider when evaluating this comparison is the fact that both the records and privacy programs are currently under development in Guelph when they are far more mature in other comparator municipalities such as Barrie, Kingston and Kitchener.

Print Shop

The Clerk's Office previously had 1 staff dedicated to Print Shop. This individual coordinated the printing of agenda packages as well as managed the in house production of other printing requirements for the organization. On average, the comparator group had an additional 1.5 FTE's dedicated to this function in comparison to the City Clerk's Office who currently has no resource allocated. Aside from agenda coordination and consolidation for what amounts to 8 meetings a month on average, the 2 Council Support staff within the City Clerk's Office are also required to physically manage the printing process as it relates to the agenda production for these meetings. Corporate print projects are either managed and coordinated directly by the internal user or outsourced to an external company.

Staffing Requirements Summary

The overall compliment in the City Clerk's Office consists of 7 permanent FTE's and 1 contract FTE (expiring in 3Q of 2014). In relation to the average, this is more than 50% lower than the resources in place within the comparator group. This disparity is further exacerbated by the fact that business in every division within the Clerk's Offices has continued to increase over the past two terms of Council. The most significant intensification has occurred in relation to Legislative Services where support was given to uphold a legislative structure expanding from 3 standing committees of Council to 6 active committees. During this same time the staff compliment serving to support Legislative Services has declined as one Print Shop staff was eliminated in 2010. Furthermore, the Clerk's office produced the agenda for distribution 2 weeks prior to the meeting rather than one week, necessitating the need to produce additional addendums for the meetings. In summary, the comparison data suggests that the City Clerk's Office is under resourced in relation to Council Support and the Print Shop when evaluated alongside municipal comparators.

SECTION 4: 2014 AND BEYOND

The strategic focus for the Clerk's Office in 2014 will be to continue the development of key corporate strategic projects initiated in 2013. Much of the project and program development work led by the City Clerk's Office are long-term strategic initiatives designed to establish the groundwork to transform, modernize and improve the way the City delivers service and support to its various customers. Much of this work will extend beyond the 2014 work plan. The following is a high level list and synopsis of the 2014 work plan for the City Clerk's Office. This information is not meant to be exhaustive but rather provide some context regarding the key strategic initiatives and compliance measures which will be a focus of the 2013 work plan.

Open Government Action Plan (OGAP)

In 2014, the City will initiate a co-production process to development the OGAP. Over the course of several months, the City will work with interested community members and partner organizations through a number of initiatives such as sector specific roundtables, community meetups, staff idea camps, a online experiential survey, a public change camp and several validation and prioritization workshops. During the design phase, an online ideation tool will be used allowing individuals and groups to submit their input and ideas and also provide them with an opportunity to vote and/or comment on other ideas. This tool will be used as a means to construct a draft OGAP in a public facing and fully transparent manner. Various pilots subscribing to the overall vision of open government will also be launched in 2014 including a beta open data program and several challenges as well as pilot design lab in partnership with the University of Guelph. These 'test and learn' initiatives are an ideal way to innovate through iteration and operationalize the concepts established through the Open Government Framework. The OGAP will be presented to Council in 3Q of 2014 and subject to approval, early implementation would likely occur immediately thereafter.

Records and Information Management (RIM) Program

The information gathered during the 2013 Records Inventory Assessment will be used to create a Terms of Reference for a Corporate Strategy designed to implement a RIM Program. A variety of benefits can be accomplished with a Corporate Program including increased access and efficient use of information assets and decreased liabilities and risk through documented procedures and consistent records management practices and procedures. A RIM program will also provide a foundation for broader information initiatives, including the IT Strategic Plan, the Privacy Program development and the Open Government Action Plan. This Assessment phase of the RIM project plan will be completed in the spring of 2014 and a draft of the Strategy is expected to be drafted by the end of 2014.

Access and Privacy

A comprehensive privacy management program provides an effective way for organizations to bolster public trust and assure compliance with applicable legislation such as the Municipal Freedom of Information and Protection of Privacy Act (MFIPPA) and the Personal Health Protection Act (PHIPA). In 2013 a privacy audit of the Corporation was conducted, the findings and recommendations will be presented to the Executive Team in 2014. This data will be used to develop corporate wide policies and procedures designed to protect personal information and create efficiencies with respect to the dissemination of information to the public. The Access and Privacy program will also develop an orientation and training program build to foster a culture of privacy throughout the organization. The Framework for the development of an Access and Privacy program for the City is expected to be completed by the end of 2014.

2014 Municipal Election and Council Orientation & Inaugural

The City Clerk's Office serves as the Returning Office with respect to the administration of Municipal Elections in Guelph. In 2014, the City will manage all aspects of an election project plan designed to modernize the delivery of election services to Guelph voters. Aside from ensuring that compliance driven processes are in place, the Returning Office in concert with the Communication Department will lead the implementation of a comprehensive communications and voter outreach plan. This will be complimented by a more focused use of technology such as the deployment of internet voting and a live voters' list to provide greater access to, and efficiency of, the voting system. Following the election, the Clerk's Office will play a key role in the development and delivery of the Council Orientation program.

Meeting Management

Throughout 2014 the City Clerk's Office will continue to review and refine the meeting management process. This will include policy review and development, improvements to work flow, administrative tools and document formats as well as continuing to build and work through cross-departmental groups which support the overall legislative process.

Civil Marriage Services

As a public service, as of 2009, the City began to perform in house Civil Marriage ceremonies at the newly constructed City Hall. Clerks' staff coordinate the issuance of marriage licenses as well as customize and deliver a full service civil marriage ceremony to members of the public. In 2012, 138 ceremonies were performed. Commencing in 2013, and in response to public demand, the City Clerk's office commenced providing "off-site" marriage ceremonies after business hours and on weekends. As this service is not offered by many municipalities, this service level was extended to include performing marriage services throughout the Province of Ontario and due to demand created by word of mouth references and advertisements, 29 off-site ceremonies were performed.

SECTION 5: DATA

Some of the following data has been provided by way of previous annual reports from the City Clerk's Office. Not all of this information applies to Section 3 of this report, however, it does serve to support analysis in relation to budget development, continuous improvement and other reporting mechanisms.

Legislative Services

Meeting Statistics - Time in Session

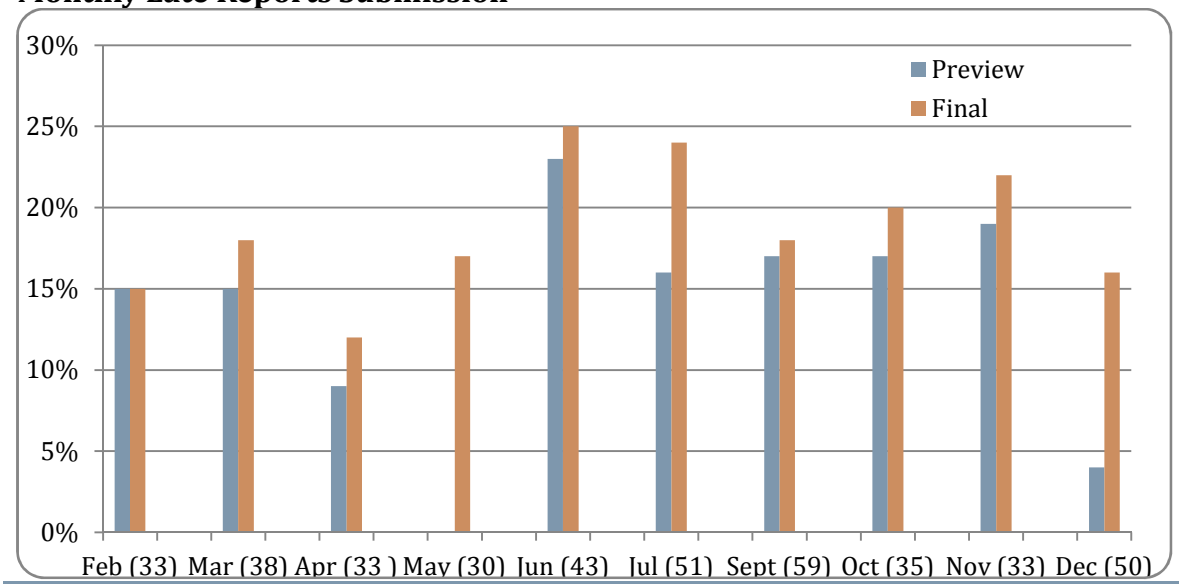
	2011	2012	2013
Council			
No. of Regular Council Meetings	23	21	20
No. of Special Council Meetings	22	16	11
Hours in Council Session			
Regular	49.25	59	46.25
Special	56.75	35	25.5
Closed	23.5	40	26.75
Council Total	129.5	134	98.5
Committee			
No. of Committee Meetings	51	53	52
Hours in Committee Session			
Regular	60.25	72.75	62.5
Closed*			7
Council and Committee			
Total No. of Meetings	**96**	**90**	**83**
Total Hours in Session	**189.75**	**206.75**	**168**

**Committee Data collected for 2013 will allow for reporting on the time spent in closed session. Prior to 2013 there were no Special Committee meetings. No data collected in previous years.*

Meeting Statistics - Agenda Stats

	2011	2012	2013
Council			
Average No. of Agenda Pages	134	165	209
No. of Delegations	163	214	183
By-laws Approved	206	190	237
Committee			
No. of Delegations	52	75	113

Monthly Late Reports Submission



*No data shown for January and august as no meetings took place
** each month indicates total number of reports that were submitted by all service areas

Citizen Appointments to Boards and Committees

	2011	2012	2013
Vacancies Filled	180	72	75
Applications Received	231	144	101

Statutory Notices Under the *Planning Act* Managed by the Clerk's Office

	2011	2012	2013
OMB Appeals/Ministry Approvals	5/5	10/10	2/0
Public Notices	63	62	20
Certificates	63	62	45
By-Laws by OMB Order	N/A	N/A	9

Vital Stats

	2011	2012	2013
Death Registrations	933	919	1020
Revenue	$28,000	$27,570	$30,000
Other Death Registrations (buried elsewhere)*	170	194	312

*This category is for people who were deceased in the city of Guelph, but buried elsewhere. These do no generate any revenue. There has been an increase in these due to increased capacity at a Hospice in Guelph)

Access and Privacy

Freedom of Information (FOI)

	2011	2012	2013
FOI Requests Processed	25	121	160
Completed within 30 days	25	115	153
Completed within extended timelines	N/A	6	7

Public Services

Marriages

	2011	2012	2013
No. of Ceremonies Performed	138	139	165
Licenses Issued	707	738	737
Total Revenue	$92,206	$98,489	$101,000

Clerk's Office Comparator Data*

	Guelph	Barrie	Burlington	Cambridge	Kingston	Kitchener	Oakville
Population	127K	141K	176K	131K	160K	230K	185K
Total FTE's	1230	834	876.4	552.8	1491	1138	1800
Status	Single	Single	Lower	Lower	Single	Lower	Lower
No. Meetings per year**	96	54**	72	30	84	54	65
Clerk	1	1	1	1	1	1	1
Deputy Clerk	1	1	1	1	1	1	1
Admin Support	1	2	1	1	2	1	1
Records and FOI	2	3	1	2	5	3	1
Council Support	2	5	6	6	3	4	4
Legislative Coordinator	1	1	0	1	1	2	1

Print Shop	0	1	3	1	1	0	3.5
TOTAL CLERKS FTE's	**8**	**14**	**13**	**13**	**14**	**12**	**12.5**

** Data based on an organizational scan of comparator municipalities as well as by way of direct follow up with each Clerk's Dept. & Number of meetings per year represents Council and Committee meetings only (ie. not advisory committees, agencies, boards etc.).*
***Barrie has a hybrid council committee system which uses both the committee of the whole and a standing committee system*

STAFF REPORT

TO	Corporate Administration, Finance & Enterprise Committee (CAFE)
SERVICE AREA	Finance & Enterprise Services: Downtown Renewal
DATE	April 7, 2014
SUBJECT	**150-152 Wellington Street East - Downtown Guelph Community Improvement Plan (DGCIP) - Major Downtown Activation Grant (MDAG) Request**
REPORT NUMBER	FIN-DR-14-03

EXECUTIVE SUMMARY

PURPOSE OF REPORT

To recommend to Council the approval of a DGCIP Major Downtown Activation Grant for 150-152 Wellington Street East. This is a Tax Increment-Based Grant (TIBG) supporting the development of a significant commercial and residential building in the urban growth centre. The applicant is requesting TIBG funding for costs largely related to off-site infrastructure upgrades and construction cost premium for the provision of structured parking spaces. Redevelopment of the site includes a new 18-storey mixed-use building with 144 residential dwelling units and approximately 498m2 of ground level commercial space.

KEY FINDINGS

- The TIBG program was set up to support catalytic projects that contribute to City-wide growth targets and provide substantial return on investment (i.e. increased tax performance).
- Based on Council's direction of February 10, 2014, staff have reviewed the award of the application against all the remaining TIBG funding streams.
- The recommendation to award the grant draws funds from both the Brownfield and Heritage allocations but keeps the financial controls of each program intact.
- If adopted, there are no remaining funds to award either Brownfield or Downtown applications at this time.
- The discussion of the potential to extend or replenish this program will take place as part of the development of the Guelph Economic Investment Fund in May 2014.

FINANCIAL IMPLICATIONS

Following February 10, 2014 City Council Meeting, staff was directed to respond to this Downtown CIP application considering all the remaining TIBG funds and provide a recommendation. With the Downtown TIBG funding program

depleted, awarding this application utilises the remaining Brownfield and Heritage Redevelopment Reserve TIBG envelopes. The recommendation retains the financial parameters of each program i.e. keeping the 80/20 split on the funds drawn from the Brownfield allocation.

ACTION REQUIRED
Approve

RECOMMENDATION

1. That $2,801,339 of Brownfield TIBG Reserve Funds be reallocated to the Downtown TIBG Reserve Funds;

2. That $1,838,870 of the Heritage Redevelopment Reserve TIBG Funds be reallocated to the Downtown TIBG Reserve Funds;

3. That the application by 150 Wellington Guelph Limited for a Tax Increment-Based Grant pursuant to the Downtown Guelph Community Improvement Plan and applying to 150-152 Wellington Street East, be approved with an upset limit of $4,640,209

4. That the remaining TIBG funds be directed to the Heritage Redevelopment Reserve.

5. That staff be directed to finalize Downtown Tax Increment-Based Grant agreements between the City and 150 Wellington Guelph Limited, or any subsequent owner, as described in this report to the satisfaction of the Corporate Manager, Downtown Renewal; the City Solicitor; and the City Treasurer;

6. That the Mayor and Clerk be authorized to execute the agreements.

BACKGROUND

Definitions

"Tax increment" refers to the increase in municipal property taxes following completion of a redevelopment project.

"Tax Increment-Based Grants (TIBGs)" refers to grants that are used to attract private-sector investment and stimulate development in targeted areas of the city. They use the 10-year tax increment generated by a project to re-reimburse eligible costs targeted by a Community Improvement Plan's financial incentive program. They are reconfirmed against actual taxes collected before any grant monies are paid.

TIBG Grants Background
TIBGs are an incentive mechanism to foster redevelopment within to community improvement plan areas or other Council adopted policies such as the supporting designated properties redevelopment. The TIBG programs in effect in Guelph consider applications on a first come first serve basis.

Significant uptake to the programs saw the remaining Downtown funding allocation plus some Brownfield re-allocation dedicated towards the 5 Arthur Street South site at the February 10, 2014 Council meeting. At the same meeting it was acknowledged that a second downtown application for 150 Wellington Street had been received. Council passed the following resolutions:

> "… 5. That staff be directed to respond to the next application (Tricar) received in sequence within the remaining funds allocated across the TIBG reserves and provide their recommendation to committee.
>
> 6. That staff include options for the replenishment and/or continuation of TIBG programs reserve funding within the Guelph Economic Investment Fund discussions occurring over Q1.2 2014."

Major Downtown Activation Grant
The City of Guelph has a Downtown Guelph Community Improvement Plan (DGCIP) which includes incentive programs for redevelopment within the planning area. The incentive programs are meant to address the outstanding barriers and create an environment that will encourage intensification results for the downtown. One of the programs in the DGCIP is the Major Downtown Activation Grant (MDAG). This is a Tax Increment-Based Grant for major redevelopment projects involving significant redevelopment for commercial and/or residential buildings.

The Downtown Activation Grant programs are designed:
- To stimulate new development in the downtown;
- To stimulate investment by renovating existing under-utilized building stock;
- To provide investment programs which make Guelph competitive when measured against our local comparator cities; and
- To deliver programs focused on measurable intensification goals such as population and/or assessment growth.

REPORT

150 Wellington Guelph Limited has applied for the Major Downtown Activation Grant pursuant to the DGCIP for **150-152 Wellington Street East**, which is located at the southwest corner of Macdonell Street and Wellington Street East. The property is vacant and last occupied by Marsh Tire.

Adjacent land uses consist of the CN railway line and inter-modal transit terminal, downtown multi-use trail and Speed River to the east and a mix of low-rise residential dwellings and commercial buildings to the south and west.

On February 10, 2014 City Council approved a Zoning By-law Amendment to permit the development of an 18-storey mixed-use building with 144 residential dwelling units and 498m2 of ground floor commercial space. The applicant is now in the final stages of the site plan approval process with the City.

This application for the Downtown Major Downtown Activation Grant is requesting TIBG funding for costs largely related to off-site infrastructure upgrades and construction cost premium for the provision of structured parking spaces.

Evaluation Criteria

As outlined in the DGCIP Implementation Guidelines, the application was assessed by the following criteria:

CRITERIA	REQUIREMENTS	APPLICANT
1. Eligibility	Minimum of eight residential units or 800 square metres of office/commercial space.	This project will consist of 144 residential units and 1 commercial unit (498m2).
	Eligible costs include:	Applicant has applied for the following eligible costs:
	• Parkland Dedication contributions	$60,000
	• Municipal planning and building permit fees	$130,000
	• Off-site infrastructure improvement costs but exclude costs that are not *routinely* required for servicing the site.	$1,000,000 Includes: • Realignment of legacy City infrastructure to Wellington Street
	• Construction cost premium for the provision of underground parking or structured spaces vs. surface parking	$6,060,000
	Total Eligible Costs	$7,250,000
	Potential Maximum of 10 year Tax Increment-Based Grant	$5,250,085
	Brownfield TIBG reallocation Heritage TIBG reallocation **Total TIBG Grant Recommendation**	$2,801,339 $1,838,870 **$4,640,209**

2. Type of Development	Priority to residential or mixed use projects.	√ Mixed Use
3. Meets CIP Principles and Goals	The project meets all CIP Principles and Goals including the creation of a new commercial space along Wellington Street and accommodating a future active transportation link.	√
4. Project Excellence	As established through the CIP, the project must reinforce the role of urban design and adhere to principles within City approved policy documents (e.g. Urban Design Action Plan, 2009.)	√ The building will provide increased setbacks, reduced floor plate and other building design refinements, as highlighted in peer review architect process. This development also included the integration of the proposal with surrounding lands and other emerging development opportunities. This investment is considered a development catalyst in the downtown core.
5. Quality of Application	Complete application and pre-consultation with Downtown Renewal Staff	√

The Downtown Renewal Office is recommending that this project has met the eligibility requirements and that the City proceed with a Major Downtown Activation Grant agreement with the applicant.

For this application, City staff has estimated a ***32X*** increase of the municipal tax levy for 150-152 Wellington Street East on completion.

FINANCIAL IMPLICATIONS

The following table highlights TIBG Funding available:

Program	Remaining Balance – March 2014
Brownfield TIBG	$3.40M
Heritage	$1.84M
Downtown TIBG	$0.0M
	$5.24M

Calculating the Grant

The table below summarizes how this application was calculated as per the requirements of the Brownfield, Heritage, and Downtown TIBG programs. Whereas, the Downtown and Heritage TIBG grant 100% access of the tax increment, the Brownfield TIBG requires 80% of the tax increment to be paid to the initial owner for a maximum of 10 years or until brownfield eligible costs are reimbursed, whichever comes first.

Recommended Tax Increment-Based Grant

	TIBG Increment Available	TIBG Funds Available	TIBG Allocated/to be Paid	TIBG Funds Remaining
Downtown TIBG Request	$5.24M	$0.0M *Downtown*	N/A	$0.0M
Brownfield TIBG Reallocation		$3.40M	**20% retained in Brownfield TIBG =* ***$0.60M*** ***$2.80M*** *Transferred to Downtown TIBG*	$0.6M (recommended to be dedicated to Heritage)
Heritage TIBG Reallocation		$1.84M	***$1.84M*** *Transferred to Downtown TIBG*	$0.0M
Total		$5.24M	**$4.64M Allocated for this request**	$0.6M

Impact to the Heritage Redevelopment Reserve

Staff recommends all remaining funding within the Heritage Reserves be reallocated to the Downtown TIBG reserve funding for this TIBG request. There are no current proposals under consideration. However, staff are recommending that the remaining $0.6M of Brownfield TIBG funding be reallocated to the Heritage Redevelopment Reserve. This will allow for consideration of unidentified future heritage redevelopment projects and potential financial incentive programs to be discussed in the context of the ongoing Brooklyn and College Hill Heritage Conservation District Plan.

Impact to the Brownfield CIP
Any Brownfield TIBG application for the site would have only been able to access 80% of their available Tax Increment. Thus staff are recommending that only 80% of the tax increment be made available under the proposed Downtown grant because the Brownfield program 'counts on' the 20% portion of the tax increment being returned to the reserve.

The remaining $0.6M remaining in this fund to be redirected to the Heritage Redevelopment Reserve to avoid the Heritage Reserves being depleted.

The $500,000 earmarked for Environmental Study Grant (ESG) awards to 2021 would remain available. Furthermore, the Brownfield CIP's Tax Assistance (TA) program is not funded though the TIBG reserve fund mechanism and remains open. Under the TA program, taxes can be forgiven for 3 years while the property is being remediated and redeveloped. TA program uptake has been limited because the TIBG program was so much more lucrative. However, should Brownfield TIBGs stop being awarded, staff expect TA program uptake to increase.

Impacts to other City-owned Properties
Staff identify that depletion of these funding streams have indirect impacts on other City initiatives (as well as the private sector). Brownfield sites such as IMICO or Fountain Street would not have immediate access to potential redevelopment incentives. These sites are part of a Stranded Assets review and other redevelopment processes, and staff are acknowledging that the sites be reviewed in the larger context of addressing the whole portfolio of assets.

Guelph Economic Investment Fund
The Guelph Economic Investment Fund (GEIF) will be presented to City Council in May 2014. As presented in a recent Council Session, staff have begun framing GEIF and is comprised of several projects with a focus on high return initiatives. This co-ordinated strategy will include the potential of extending TIBG incentive offerings. In addition, staff are reviewing current eligibility and applicant requirements to create a more focused program that would further leverage city contributions. It should be noted that a replenished TIBG program would likely not be available in the short to medium term due to the current level of commitments.

CORPORATE STRATEGIC PLAN

2012 Strategic Focus Area 3:
City Building
3.1 Ensure a well designed, safe, inclusive, appealing and sustainable City
3.2 Be economically viable, resilient, diverse and attractive for business

DEPARTMENTAL CONSULTATION

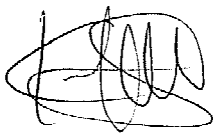
Finance & Enterprise: Finance Services
Planning & Building, Engineering and Environment: Planning Services

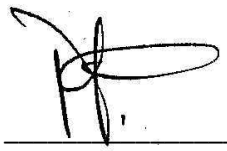
COMMUNICATIONS

Communications staff is working with staff to ensure there is consistent messaging for all CIP programs.

ATTACHMENTS

Attachment 1 – Location Map





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STAFF REPORT

Attachment 1 - Location Map

COMMITTEE REPORT

TO	**Corporate Administration Finance & Enterprise Committee**
SERVICE AREA	Corporate & Human Resources
DATE	April 7, 2014
SUBJECT	**2013 Delegation of Authority Report**
REPORT NUMBER	CHR-2014- 22

SUMMARY

PURPOSE OF REPORT:
To advise of staff action with respect to Council's delegated authority in 2013 relating to those services under the jurisdiction of this standing committee.

KEY FINDINGS
This report is an annual report back to Committee and Council on how authority which has been delegated to staff has been exercised.

FINANCIAL IMPLICATIONS
As this is an annual reporting mechanism, there are no financial implications.

ACTION REQUIRED
To recommend that Committee receive the information contained in the report.

RECOMMENDATION

1. That the report dated April 7, 2014 entitled "2013 Delegation of Authority Report", with respect to delegated authority under the purview of the Corporate Administration, Finance and Enterprise Committee be received.

BACKGROUND

The *Municipal Act* provides Council with the authority to delegate its powers to a person or body subject to some noted restrictions. Over the years, Council has delegated their authority on various matters either by way of a resolution of Council or through a specific by-law. The following are the principal references related to Council's existing delegations of authority under the purview of the Corporate Administration, Finance and Enterprise Committee:

- A February 4, 2002 a resolution of Council delegated the execution of tenancy agreements in respect of residential and commercial rental properties where the rental has been previously authorized by Council.
- By-law (2006)-18173 delegated authority to approve certain agreements relating to real property.
- By-law (2013)-19529 delegated authority with respect to a variety of routine administrative functions which are considered to be minor in nature.

REPORT

The delegation of authority from Council contributes to the efficient management of the City while still adhering to the principles of accountability and transparency. The following is a summary of the actions taken in 2013 with respect to authority delegated by Council.

Feb. 4, 2002 Council Resolution		
Tenancy Agreements Delegate: *General Manager of Finance*	**Type**	**Municipal Address**
	Offer to Lease	14 Edinburgh Road

By-law (2006)-18173		
Real Property Agreements Delegate: *Executive Director responsible for the program or land management and the Manager of Realty Services*	**Approval Authority**	**Description**
	General Manager of Legal and Realty Services / City Solicitor	License Agreement with Metrolinx - Ticket Office - Guelph Central Station
	General Manager of Legal and Realty Services / City Solicitor	License Agreement with Town of Erin - Emergency Services Base - 2 Station Street, Hillsburgh
	General Manager of Legal and Realty Services / City Solicitor	License Agreement with Paul Hetherington and Kerry Wilson - 45 Yorkshire Street N

Date		
Schedule "B" Software Licensing Agreements Delegate: *General Manager Information Technology*	**Company Name**	**Maintenance & Updates - Coverage**
	The Active Networks	Class Software (Program Registration/FacilitiesBooking) and Payment Manager. Yearly Maintenance.
	Dell	MS Select – 3 year from 2007 (RFP: MGS-RFP-MSLAR-2007)/ MS Select Agreement 75S61590
	CSDC	Amanda System (Licensing, Building Permits, Planning). Yearly Maintenance.
	ESRI	GIS – Global Positioning Software Yearly Maintenance.
	Insight	Adobe Yearly Maintenance.
	Geoware Inc	Solid Waste – Weight and Scale Software. Yearly Maintenance.
	JBS – Jacobs Business Systems	Guelph Wellington EMS. Work Scheduling Software. Yearly Maintenance.
	Kronos	Time, Attendance, Scheduling and Payroll Software. Yearly Maintenance.
	Metafore	Trend Micro – Antivirus Yearly Maintenance.
	Mid-Range	Reports Now Software (JDE and AMANDA Reporting utility)
	Net-Wall	Net-Wall Internet Security Firewall Yearly Maintenance Renewal
	Oracle	Oracle Database Support and Licensing Yearly Renewal
	Oracle – ECM	Oracle Document Management Utility Yearly Maintenance and Support
	Oracle - JDE	Oracle Financial, Human Resource and Payroll Software. Yearly Maintenance and Support
	Oracle Utilities and WAM	Oracle Procurement and Work and Asset Management Software. Yearly Maintenance and Support
	Oracle – Global Knowledge	Oracle Education and Training Utility Yearly Maintenance and Support
	Parksmart	Parking Ticket Software. Yearly Maintenance.
	Q Software	JDE Security Management Yearly Maintenance and Support
	Quest Software	Oracle advanced database and application Utility. Yearly Maintenance and Support
	Salesforce.com	CRMS – Customer Management - Application Service Provider (Economic Development) Yearly Maintenance and Support
	Schedule Masters	Transit Scheduling Software Yearly Maintenance and Support
	Solution Q	Eclipse Project Management and Resource Tracking system Yearly Maintenance.
	Team Cain	JD Edwards - Form creation Utility Yearly Maintenance.

	Tix Hub	Ticket Software (Riverrun) Yearly Maintenance and Support
	Soft Choice Corp	Telephone System Software and Utilities. Yearly Maintenance.
	Vailtech	JD Edwards Tax Software – Support Renewal
	Vertex	JD Edwards Payroll Utility
	Interdev iMedic	Guelph Wellington e-Patient Care Recording-Reporting System
	Avante Solutions	Customer Service and Helpdesk Tracking Software. Yearly Maintenance.

Schedule "M" Community Festivals & Special Occasion permits Delegate: *City Clerk*	**Event**	**Date**	**Location**
	Royal City Men's Slo-Pitch Opening Tournament	May 10, 11	Guelph Lake Sports Field
	Multicultural Festival	Jun. 7, 8, 9	Riverside Park
	Faery Fest	Jun. 21, 22, 23	Riverside Park
	Zonta Slo-Pitch Tournament	June 22	Guelph Lake Sports Field
	Bookshelf/E-Bar Anniversary	June 7	Bookshelf Café
	Hamilton Ti-Cats Football Games (6)	June 20 July 7, 13, 27 Aug 24 Nov 10	University of Guelph Alumni Stadium
	Sacred Heart Parish Annual Bazaar	June 28, 29	Sacred Heart School
	Festival Italiano	Jul. 12, 13, 14	Italian Canadian Club
	Hamilton Ti-Cats Street Party	July 7	Market Square/ Carden Street
	Gator Girls Seniors Women's Nationals Rep Fastball Tournament	August 14,15,16, 17,18	Exhibition Park
	Rotary Ribfest	Aug. 23, 24, 25	Riverside Park
	August 31	Goldie Mill	Wedding Reception
	Guelph Jazz Festival	Sept. 7	Downtown
	Guelph & District Association of Realtors Fun Day/Baseball Tournament	Sept. 13	Guelph Lake Sports Field
	Guelph Horseshoe Club Tournament and Scottish Festival	Sept. 20,21,22	Guelph Horseshoe Club

Schedule "P" Tax Write Offs	**Address**	**Reason**	**$Amount**
	10 Kingsmill Ave	Damaged by fire	-8523.68

Delegate: *Manager of Taxation & Revenue*	60 Lynnmore St 110	Gross or manifest error	-405.77
	1159 Victoria Rd S	Property Class change	-3924.79
	52 Pineridge Dr	Gross or manifest error	-65.67
	Clairfields Dr E	Gross or manifest error	-53.15
	15 Yarmouth St	Property Class change	-3,324.95
	96 William St	Damaged by fire	-2764.02
	220 Grange Rd	Property Class change	-462.98
	222 Grange St	Property Class change	-174.86
	186 Couling Cres	Became Exempt	-886.73
	Oakes Crt	Became Exempt	-74.25
	37 Shackleton Dr	Gross or manifest error	-635.75
	193 Norfolk St	Property Class change	-413.51
	307 Woolwich St	Property Class change	-566.51
	166 Dufferin St	Damaged by fire	-1825.66
	19 Woodlawn Rd E108	Gross or manifest error	-1,834.20
	17 Clive Ave	Damaged by fire	-1867.14
	53 Muskoka Dr	Removed Swim Pool	-45.16
	34 Torrance Cres	Gross or manifest error	-614.90
	239 Kathleen St	Property Class change	-188.96
	256 Woodlawn Rd W	Damaged by fire	-1162.80
	17 Pauline Pl	Damaged by fire	-2055.32
	Woodlawn Rd w	Became Exempt	-10,466.20
	173 Waterloo Ave	Property Class change	-1,179.42
	68 Edinburgh Rd N	Removed Swim Pool	-250.86
	22 Chadwick Ave	Damaged by fire	-1,915.06
	Silvercreek Pkwy S	Became Exempt	-11,578.53
	154 Fife Rd	Gross or manifest error	-958.84
	152 Fife Rd	Gross or manifest error	-3,687.24
	1 Hales Cres	Demolition	-967.05
	3 Hales Cres	Demolition	-1,041.58
	14 Moore Ave	Demolition	-655.01
	175 Stone Rd W	Renovations	-75173.57
	5 Heather Ave	Gross or manifest error	-65.58
	29 Oak St	Removed Swim pool	-525.37
	117 Milson Cres	Gross or manifest error	-72.86
	416 Crawley Rd	Damaged by fire	-1876.39
	398 Crawley Rd	Renovations	-4,055.51
	55 Teal Dr	Became Exempt	-1,899.39
	Forestell Rd	Became Exempt	-7,277.28
	241 Laird Rd	Became Exempt	-7,690.42
	Elsegood Crt	Became Exempt	-1,600.91
Schedule "Q" Downtown Guelph Community Improvement Grants	**Type of Grant**	**Address**	**$Amount**
	Feasibility Study	31 Gordon Street	5,000.00
	Façade Improvement	15 Yarmouth Street	20,000.00
	Façade Improvement	42 Wyndham Street N	7,763.50
	Façade Improvement	31 Gordon Street	20,000.00

Delegate: *Executive Director, Finance and Enterprise, or Corporate Manager, Downtown Renewal*	Façade Improvement	75 Yarmouth Street	10,000.00
	Façade Improvement	15 Quebec Street	5,000.00
	Façade Improvement	6 Dublin Street S	19,450.00
	Façade Improvement	109 Norfolk Street	20,000.00
	Façade Improvement	24 Carden Street	3,000.00
	Façade Improvement	45/47 Macdonell Street	20,000.00
	Façade Improvement	20 Wilson Street	780.00
	Façade Improvement	30 Quebec Street	690.00
	Façade Improvement	17 Macdonell Street	578.69
	Façade Improvement	25 Wyndham Street N	2,045.83
	Façade Improvement	94 Carden Street	2,463.70
	Minor Downtown Activation	109 Norfolk Street	208,383.00

CORPORATE STRATEGIC PLAN

- Organizational Excellence: 1.3 Build robust systems, structures and frameworks aligned to strategy
- Innovation in Local Government: 2.3 Ensure accountability, transparency and engagement

DEPARTMENTAL CONSULTATION

Service area staff taking action with respect to a delegated authority in 2013 were canvassed in the preparation of the report. The Clerk's Office continues to work with staff to capture and document this ongoing action as well as to pursue further opportunities for delegated authority.

COMMUNICATIONS

Information regarding the Delegation of Authority policy is available from the City's "Accountability and Transparency" webpage.

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STAFF REPORT

TO	Corporate Administration, Finance & Enterprises Committee
SERVICE AREA	Finance & Enterprise
DATE	April 7, 2014
SUBJECT	**2014 Property Tax Policy**
REPORT NUMBER	FIN-14-15

EXECUTIVE SUMMARY

PURPOSE OF REPORT

To recommend that property tax policy options for 2014 be adopted, and incorporated into bylaws and tax rates for the April 28th, 2014 Council meeting which provides sufficient time to prepare the final tax bills for the June 30th, 2014 instalment.

KEY FINDINGS

Municipal Councils are required to make a number of tax policy decisions annually. Even if there are no changes to the tax ratios year over year, tax ratios must be set annually through a bylaw before the rating bylaws can be adopted.

Guelph's multi-residential, industrial and commercial tax ratios are all higher than the average of its comparator municipalities as identified in the 2013 BMA Study and the Tax Ratio Survey and Sensitivity Analysis completed by MTE and attached to Report FIN-14-10.

Although there has been downward movement in recent years to the multi-residential tax ratio, and last year with the industrial ratio, continued movement on these two ratios has been suggested going forward as outlined in report FIN - 14-10.

To assist Council in evaluating the impact of reducing the multi-residential and industrial tax ratios, staff has examined the status quo ratios and the continuation of the phased in reduction of the multi-residential and the industrial property class ratio to match the timing of the assessment phase-in as implemented in 2013.

The combined effect of maintaining the existing ratios, the 2014 education tax rate, the 2014 approved budget levy including funds for the Public Health, factoring in the reassessment impact and using the average single detached

residential property valued at $322,326, the average residential taxpayer would see an overall increase in taxes of $73.91.

Using the same factors as above but continuing with the phasing in of both the multi-residential and industrial tax ratios, the same average single detached residential property valued at $322,326 for 2014, will see an overall increase in taxes of $91.74. This breaks down as follows:

Table Two: Impact on Average Property of $322,236 - 2014 Recommended Changes

	$ Change
City of Guelph Portion	
Reassessment	$2.26
Budget	$63.70
Multi-Res & Ind Ratio Change	$17.50
Total Change In City Portion	$83.46
Education Portion	-$5.47
Health Unit Portion	$13.75
Impact on Average Taxpayer	$91.74

Under either scenario, the total tax revenue is unchanged. The changes in ratios simply shift tax levels from one class to another.

The impact related to ratio changes on the average single detached residential property will be $17.83 for 2014.

The movement to reduce the multi-residential and industrial ratio demonstrates the City's commitment in moving towards a balanced tax assessment ratio and a community-focused, responsible and accountable government. Making the tax ratios for the multi-residential class more competitive supports higher density in the residential sector while lowering the industrial tax ratio provides the opportunity to be more competitive when attracting industry.

Council must also adopt the capping parameters to be used for the multi-residential, commercial and industrial property classes as mandated by the province.

The implementation of all of the capping options to their maximum would provide the City with the necessary tools to move those capped classes closer to CVA taxation much quicker which is the objective of reform. It would provide for greater stability and predictability. It is perceived to be fairer and equitable to taxpayers. Properties in the same class with the same CVA will pay the same tax and this will provide municipalities with the flexibility to end the capping program and rely on the assessment phase-in as the sole means of providing

tax protection.

As in previous years, the overall principle for tax policy is to promote and adopt positions that shorten the time frame to achieve full CVA taxation and that simplify the complexities of the tax system. Fair tax policies and a balanced tax ratio form an integral part of the City's Strategic goals.

Staff is therefore recommending that Council continue to reduce both the multi-residential and industrial tax ratios to be more competitive with its comparators. Making the multi-residential tax ratios more competitive is also consistent with the local growth strategy, which supports higher density in the residential sector while changing the industrial tax ratio will assist in providing the opportunity to attract industry with the ability to pay. It is recommended that both these ratios be phased in over the four year period, the same timelines as the reassessment and to implement all of the capping options to their maximum.

FINANCIAL IMPLICATIONS
There will be no financial implication to changing the tax ratios as no additional revenue would be realized. Changing the tax ratios merely shifts the tax burden from one property tax class to another.

There would be no financial implication as the capping impact would be revenue neutral within the broad tax class itself.

ACTION REQUIRED
That Council approve the staff recommended ratios and capping parameters as outlined in Report FIN-14-15 "2014 Property Tax Policy".

RECOMMENDATION
That the 2014 City of Guelph Property Tax Policies as set out in Schedule 1 be approved; and

That the following tax policies be incorporated into the tax ratio, tax rate, and capping by-laws and submitted to Council on April 28, 2014:

1. That the multi-residential ratio be reduced from 2.1239 to 2.0819;
2. That the industrial tax ratio be reduced from 2.5237 to 2.4174;
3. That all other class ratios and vacancy discounts remain the same as 2013;
4. That the capping parameters used for 2013 be adopted for 2014 (as outlined on Appendix A) and
5. That all other tax policies, including optional property classes, graduated tax rates, relief to charities, low income and disabled persons (as detailed in Schedule 1 to Report Fin-14-15) remain the same as 2013.

BACKGROUND

Municipal Councils are required to make a number of tax policy decisions annually. Even if there are no changes, tax ratios must be set through bylaw before the rating bylaws can be adopted. The Municipal Act sets out the parameters to be followed by municipalities when setting property tax policies. These parameters include establishing tax ratios and discounts; use of graduated taxation and optional classes; capping options on multi-residential, commercial and industrial properties; and various tax mitigation measures. Annual tax policy decisions determine how the property tax levy approved in the annual budget will be distributed across the various classes of properties.

This report provides an overview of the options available to City Council for the 2014 taxation year. The following summarizes the tax policy decisions to be approved in this report:

- Establishing 2014 tax ratios, discounts and tax rates
- No changes to the new multi-residential property class
- Continuing the low income seniors and disabled tax relief program under existing parameters
- Continuing the current charitable tax rebate program
- Establishing the capping flexibility options for 2014
- No recommendations for graduated commercial/industrial tax rates or additional optional property classes or municipal tax reduction

The bylaws for approval of 2014 tax policies and tax rates are set for the April 28th Council meeting to allow sufficient time to prepare the final tax bills for the June 30th instalment.

REPORT

The attached 2014 Property Tax Policy Report (Schedule 1) provides an overview of the tax policy decisions already made and to be made by City Council and is broken down into the following sections:

- Staff recommendation by policy area
- Overview/description of the policy
- Policy considerations: factors such as economic impact, equity/fairness and administrative impact
- Analysis and/or additional background information

Tax Ratios

Tax Ratios govern the relationship between the rate of taxation for each class and the tax rate for the residential property class. The tax ratio for the residential class is legislated at 1.0, while the farm and managed forest classes have a prescribed maximum tax ratio of 0.25. For all other classes, Council may choose to adopt either the current tax ratios which were approved by Council in 2013, or establish new tax ratios for the year that are closer to or within the Range of Fairness as set out in Table One.

Table One
City of Guelph Tax Ratio Summary

Class	2013 Actual	Range of Fairness	
		Lower Limit	Upper Limit
Residential	1.000000	1.000000	1.000000
Multi-residential	2.123900	1.000000	1.100000
New multi-residential	1.000000	1.000000	1.100000
Commercial	1.840000	1.000000	1.100000
Industrial	2.523700	1.000000	1.100000
Pipeline	1.917500	0.600000	0.700000
Farm	0.250000	0.000000	0.250000
Managed Forest	0.250000	0.000000	0.250000

Tax ratio reductions are typically approved to relieve tax burden that is perceived to be creating competitive disadvantage or inequity for properties in one or more classes. A reduction in tax burden for one tax class will result in increased tax burden for properties in all other classes as illustrated in Appendix B.

Although there has been movement in recent years to decrease the multi-residential tax ratio, the industrial and multi-res ratio remain higher than the average comparatively as identified in the 2013 BMA Study and the Tax Ratio Survey and Sensitivity Analysis completed by MTE, outlined in Report FIN-14-10. The industrial and multi-residential ratios were reduced in 2013 and it is recommended they be reduced at the same rate per year through to 2016.

To assist Council in evaluating the impact of reducing the multi-residential and industrial tax ratios, staff has examined the status quo ratios and the continuation of the phased in reduction of the multi-residential and the industrial property class ratio to match the timing of the assessment phase in as implemented in 2013.

Scenario 1: Maintaining the same Multi-residential and Industrial Tax Ratio as 2013 (Status Quo)
Scenario One has been generated using the City's 2014 preliminary tax rates and 2014 phased-in assessment as returned by MPAC and keeping all ratios constant at their 2013 level. The results of this analysis are set out in Appendix B attached.

Scenario 2: Incremental Reduction of Multi-Residential and Industrial Tax Ratio: 2013-2016 – Phase II:
In this scenario, staff has modeled the impact of reducing both these ratios by a further one-quarter of the difference between the current ratio and the target ratios of 1.9979 and 2.2048 set in 2013. The model ratios have been reduced by 0.04200 for the multi-residential class and by 0.10630 for the industrial class. The multi-residential property class would see a reduction of $208,666 or 1.45% off of the class and the industrial property class would see a shift of $664,590 or 3.70% off of that class. The remaining property classes will have to absorb this shift through a rate increase of 0.53% as set out in Appendix B.

Tax Impact
Appendix B outlines the tax impacts to the average single family residential taxpayer for both scenarios.

Under scenario one, the combined effect of maintaining the existing ratios, the 2014 education tax rate, the 2014 approved budget levy including funds for the Public Health, factoring in the reassessment phased in impact and using the average single detached residential property valued at $322,326, the average residential taxpayer would see an increase in taxes of $73.91 over 2013.

Using the same factors but phasing in the multi-residential and industrial tax ratios, the average taxpayer would realize an increase of $91.74 for 2013 as shown below.

Table Two: Impact on Average Property of $322,236 - 2014 Recommended Changes

	$ Change
City of Guelph Portion	
Reassessment	$2.26
Budget	$63.70
Multi-Res & Ind Ratio Change	$17.50
Total Change In City Portion	$83.46
Education Portion	-$5.47
Health Unit Portion	$13.75
Impact on Average Taxpayer	$91.74

The changes in ratios simply shift tax levels from one class to another and ultimately to the residential tax class.

The impact related to ratio changes on the average single detached residential property will be $17.83 for 2014 as shown on Appendix B.

Mandatory Capping Parameters
Province wide there is a mandatory capping program that was first put in place in 1998 to mitigate assessment related property tax changes on multi-residential, commercial and industrial properties. This program requires that Council limit the assessment related tax increases by a mandatory cap of up to 5% of the previous year's CVA (current value assessment) taxes. Since 1998, the legislation has changed numerous times providing municipalities with additional, optional capping parameters to assist them to move towards Current Value Assessment much quicker. CVA Tax is transparent, equitable and easier to explain to business owners.

The implementation of all of the recommended capping options (Appendix A) to their maximum would provide the City with the necessary tools to move these capped classes closer to CVA taxation much quicker, which is the objective of

reform. It would provide for greater stability and predictability, and is perceived to be fairer and equitable to taxpayers. Properties in the same class with the same CVA will pay the same tax. This allows municipalities the flexibility to eventually end the tax capping program and rely on the assessment phase-in as the sole means of providing tax protection.

Council must pass a bylaw indicating the parameters they wish to implement for each taxation year.

Assuming the tax ratios as outlined in Schedule 1, the impacts on the affected classes for 2014 are as follows:

Multi-residential: All 249 properties will now be at CVA tax as compared with 121 if set at the 5% mandatory capping parameters. The mandatory cap of 5% would leave a shortfall of $26,468 which would have to come from the general revenues as there are not enough claw back properties to fund the capped properties.

Commercial: There are currently 1,241 commercial properties. 1,166 of these properties would now be taxed at their full CVA tax as compared with 362 if set at the mandatory 5% capping parameter. The dollar value of those properties requiring protection falls from $571,188 to $103,249.

Industrial: There are currently 323 industrial properties within the City of Guelph. 320 properties would be taxed at CVA tax as compared to 39 if the capping parameters were not implemented. The dollar value of required protection falls from $33,422 to $2,326.

As in previous years, the overall principle for tax policy is to promote and adopt positions that shorten the time frame to achieve full CVA taxation and that simplify the complexities of the tax system. Fair tax policies form an integral part of the City's Strategic goals.

CORPORATE STRATEGIC PLAN
2.2 Deliver public services better
2.3 Ensure accountability, transparency & engagement
3.2 Be economically viable, resilient, diverse and attractive for business

DEPARTMENTAL CONSULTATION
N/A
COMMUNICATIONS
N/A
ATTACHMENTS
ATT-1 Schedule 1: - 2014 Property Tax Policy
ATT-2 Appendix A: - Comparison of Capping Options
ATT-3 Appendix B: - Comparison of Ratio Scenarios

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Schedule 1 to Report FIN-14-15 dated April 7, 2014

CORPORATION OF THE CITY OF GUELPH

2014 PROPERTY TAX POLICY REPORT

Prepared by
Finance & Enterprise
Taxation and Revenue

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INTRODUCTION

The *Municipal Act* sets out the parameters to be followed by municipalities when setting property tax policies. These parameters include: establishing tax ratios and discounts; Graduated taxation and optional classes; Capping options on multi-residential, commercial and industrial properties; Levy restrictions which prevent municipalities from passing on levy increases to capped classes which have tax ratios in excess of provincial averages.

Annual tax policy decisions establish the level of taxation for the various property classes. This report provides an overview of the tax policy decisions that must be made by Guelph City Council for the 2014 taxation year.

Each policy area is broken down into the following sections:

- Staff recommendation
- Overview / description of the policy
- Analysis and/or additional background information
- Policy considerations: in order to provide a basis for evaluating each policy decision, staff has considered factors such as economic impact, equity/fairness, and administrative impact.

In accordance with Section 308(4) of the *Municipal Act, 2001* tax ratios must be established each year. A by-law must be passed in the year to establish the municipality's tax ratios for that year.

SUMMARY OF RECOMMENDATIONS FOR THE 2013 TAXATION YEAR

POLICY	STAFF RECOMMENDATION
Tax Ratios, Class Discounts and Tax Rates	THAT the 2014 City tax ratios, class discounts and tax rates be approved as set out in Appendix 1; and THAT staff be directed to prepare the necessary tax ratio and tax rating by-laws
Graduated tax rates	Not recommended for 2014
Optional classes	Not recommended for 2014
New Multi-Residential Properties	THAT the New Multi-residential property class continue as per By-law (2002)-16852 Refer to Appendix 2.
Mandatory Capping	THAT the following parameters be established for the purposes of calculating the 2014 capping and claw back rates in accordance with section 329.1 of the Municipal Act: 1. Cap limit of 10% of 2013 annualized taxes 2. Minimum tax increase of 5% of 2013 CVA(Current value assessment)taxes 3. Move capped /claw back properties to CVA tax if the capped /claw back taxes are within a maximum of $250 of CVA taxes without creating a shortfall 4. Exclude properties previously at CVA tax 5. Exclude properties that cross CVA tax 6. Set a minimum tax level of 100% of CVA tax for new construction and new to class for business properties(multi-residential, commercial & industrial) THAT staff be directed to prepare the necessary by-law.
Municipal Tax Reduction	Not recommended for 2014
Tax relief for low- income seniors and persons with disabilities	THAT the current tax relief program for low-income seniors and low-income persons with disabilities be continued as adopted by By-law (2005)-17727. Refer to Appendix 3.
Tax relief for charities and other similar organizations	THAT the current tax relief program for charities be continued for the 2014 taxation year in accordance with By-law (2002) – 16851. Refer to Appendix 4.

TAX RATIOS, CLASS DISCOUNTS and TAX RATES

STAFF RECOMMENDATION

THAT the 2014 City tax ratios, class discounts and tax rates be approved as set out in Appendix 1; and

THAT staff be directed to prepare the necessary tax ratio and tax rating by-laws.

OVERVIEW / DESCRIPTION

- Legislative reference : *Municipal Act 2001 Section 308*
- Most significant tax policy decision is that of tax ratios
- Tax rates are measured as a percentage of the assessed value of a property
- Tax ratios show how the tax rate for a property class compares with the residential rate. If a property class has a ratio of 2, then it is taxed at twice the rate of the residential class
- Municipalities can set different tax ratios for different classes of property
- Transition ratios were calculated initially in 1998 by the Province and reflected the level of taxation by class at that time
- Tax ratios must be approved annually by City Council. The issue is whether the tax ratios for each class should be changed

Changing Tax Ratios

- Changing ratios shifts the relative burden of property taxes between property classes
- The City's ability to adjust tax ratios and redistribute the tax burden between property classes is limited by the "ranges of fairness" established by the Province which help protect property classes that are taxed at higher rates
- If the ratio for a property class is outside the "range of fairness" a municipality can either maintain the existing ratio or move towards the "range of fairness".
- If a tax ratio is above the provincial threshold average a levy increase cannot be passed on to that class. However, since 2004 the province has allowed municipalities to pass along up to 50% of a levy increase to those restricted classes (classes which have ratios in excess of the threshold)
- The City of Guelph ratios are currently at or below the provincial threshold and therefore can pass along all of the budgetary increases to all property classes

Class Discounts

- The Municipal Act also sets out the provisions for taxing farmland pending development which are as follows:
    1. On registration of the plan of subdivision, property assessment changes from being based on farm use to zoned use and a tax rate of between 25% and 75% of the relevant rate will apply. Guelph is currently at the maximum of 75%
    2. When a building permit is issued the tax rate may change from 25% to 100% of the rate that would apply to the property's zoned use. Guelph currently charges the maximum of 100%.

POLICY CONSIDERATIONS

Economic impact:

- Any adjustment to the tax ratios involves shifting the tax burden to the other property classes. Any tax ratio changes would result in a shift of taxation onto the residential class and increase in municipal taxes paid by the residential taxpayer.
- The range of fairness and levy restriction rules are a clear indication that the province wishes to see taxes on commercial, industrial and multi-residential properties reduced and shifted onto residential properties. The fact that the low end of the fairness ranges for commercial/industrial classes is below the residential tax ratio indicates the former government felt the property taxes for businesses should be less than property taxes for residential properties.
- The farmland awaiting development properties are taxed at the maximum allowable rate with discounts of 25% for sub class 1 and 0% for subclass 2

Equity/fairness:

- Higher tax ratios could be perceived as discriminatory by multi-residential, commercial and industrial property owners who may feel that they are overtaxed relative to residential properties
- The disparity between the commercial and industrial tax ratios is difficult to justify
- Non residential and multi-residential properties have historically been taxed at higher rates in most municipalities across the province
- Multi-residential properties are assessed on a different basis than residential properties and most often will attract a lesser amount of assessment per unit
- Non residential properties pay property taxes using pre-tax income which is not the case for residential property owners and therefore supports the concept of differential tax rates

Administrative impact:

None

GRADUATED COMMERCIAL/INDUSTRIAL TAX RATES

STAFF RECOMMENDATION

Not recommended for 2014

OVERVIEW / DESCRIPTION

- Legislative reference: *Municipal Act 2001 Section 314*
- Municipality establishes bands of assessment and then taxes the portion of each commercial/industrial property's assessed value within each band at a different rate – the rate applied to the lower band(s) will be the lower rate
- Banding must apply to all commercial/industrial properties
- Either two or three bands of assessment are allowed for this purpose
- Must be self-financing within the class – i.e. no tax impact on other property classes
- The intention of this policy would be to benefit small businesses in lower-valued commercial/industrial properties

SAMPLE GRADUATED COMMERCIAL TAX SCENARIO

Class	**Band 1** **$0 to $1,000,000 of CVA**	**Band 2** **$1,000,001 to $2,500,000 of CVA**	**Band 3** **Greater than $2,500,000 of CVA**
Commercial occupied	50% of full commercial rate	75% of full commercial rate	Full commercial rates

SAMPLE TAX BILL CALCULATION
Commercial occupied CVA of $5,000,000, full tax rate = 3%

	Assessment	Tax rate	Taxes
Band 1	$1,000,000	1.5%	$15,000
Band 2	$1,500,000	2.25%	$33,750
Band 3	$2,500,000	3%	$75,000

POLICY CONSIDERATIONS

Economic impact:

- Tax reduction for lower valued properties
- Tax increase for higher valued properties

Equity/fairness:

- Could be perceived as moving away from "fairness", as each commercial/industrial property would have a different effective tax rate
- Higher valued commercial/industrial property owners would subsidize lower valued properties by paying a higher effective tax rate
- Graduated tax rates would in some cases adversely affect smaller tenants, since graduation applies to the entire property
- Difficult to target assistance for specific types of properties or geographic areas
- Results in competitive advantages/disadvantages
- Designed for the commercial/industrial property classes. These classes already receive preferential treatment relative to tax ratios and the continued capping of tax increases.
- Another level of complexity that has no real benefit.

Administrative impact:

- Minor impact on layout of tax bill for commercial/industrial properties
- Can become very confusing when layered with the capping parameter options

OPTIONAL PROPERTY CLASSES

STAFF RECOMMENDATION:

Not recommended for 2014

OVERVIEW / DESCRIPTION

- Legislative reference: *Municipal Act 2001 Section 308 and O.Reg 282/98*
- Council may by by-law establish new property classes for shopping centres, office buildings, parking lots and large industrial properties
- Allows for a redistribution of tax burden within the broad commercial and industrial classes based on surface area of buildings.

DETAILS

1. Shopping centres: rentable area of a shopping centre (at least three units) that exceeds 25,000 square feet – the first 25,000 square feet remains in the commercial class
2. Office buildings: rental area of an office building that exceeds 25,000 square feet – the first 25,00 square feet remains in the commercial class
3. Parking Lots: entire assessment of such properties is included in this class
4. Large industrial properties: buildings in excess of 125,000 square feet – entire assessment is included in this class

POLICY CONSIDERATIONS

Economic impact:

- Establishing separate classes of commercial and industrial property will result in some properties subsidizing others, as the tax rates for these classes would be different from the main class. For example, establishing a separate class for shopping centres would result in a lower tax rate for shopping centres than for all other commercial properties

Equity/fairness:

- Use of separate classes could be seen as discriminatory and moving away from fairness, and contrary to basic premise of reassessment

Administrative impact:

- Adopting an optional class requires a by-law to be prepared and notification to the Municipal Property Assessment Corporation

NEW MULTI-RESIDENTIAL PROPERTY CLASS

STAFF RECOMMENDATION:

THAT the New Multi-residential property class continue as per By-law (2002)-16852
Refer to Appendix 2.

OVERVIEW / DESCRIPTION

- Legislative reference: *Municipal Act 2001 Section 308 and O. Reg 282/98*
- Council may by by-law establish a new property class for new multi residential properties
- New multi-residential : applies to new multi-residential construction (7 or more rental units) or the conversion from a non-residential use pursuant to a building permit issued after date on which the bylaw adopting the new class of property was approved
- Allows for new multi residential properties to be taxed at the lower residential tax rate for a thirty five year period

POLICY CONSIDERATIONS

Economic Impact:

- May assist in promoting an adequate supply of affordable rental housing units by attracting new developments

Equity/Fairness

- Lends support to often raised arguments that the tax ratio for multi-residential class should not be significantly different than that of the residential class. On the basis that tenants do not consume more services than homeowners nor are they better able to pay the taxes.

Administrative Impact:

- Minimal staff time and costs

MANDATORY CAPPING

STAFF RECOMMENDATION:

THAT the following parameters be established for the purposes of calculating the 2014 capping and claw back rates in accordance with section 329.1 of the Municipal Act:

1. Cap limit of 10% of 2013 annualized taxes or
2. Minimum tax increase of 5% of 2013 CVA taxes, whichever is greater
3. Move capped/claw backed properties to CVA tax responsibility if the capped taxes/claw back taxes are within a maximum of $250 of CVA taxes without creating a shortfall
5. Exclude properties previously at CVA tax
6. Exclude properties that cross CVA tax in
7. Set a tax level of 100% of CVA tax for new construction & new to class business properties (multi-res, commercial & industrial)

THAT staff be directed to prepare the necessary by-law.

OVERVIEW / DESCRIPTION

- Legislative reference: *Municipal Act 2001 Part IX*
- Council must limit the assessment related tax increases on multi residential, commercial and industrial properties
- Council must decide how to finance the cap, which can be done by capping decreases as well, by using general revenues or reserves, or a combination of the two.
- Shortfalls cannot be shared with the school boards
- The Province has provided increased flexibility for municipalities commencing in 2005, with the following options available:
- Maintaining the mandatory cap of up to 5%
- Increasing the cap between 5% and 10%, or selecting 5% of CVA tax (whichever is higher)
- If an increasing/decreasing property is within $250 of CVA taxation, then it may be billed the full amount
- Exclude properties previously at CVA tax or exclude properties that cross CVA tax. If significant reassessment increases occur on a property this option will eliminate the capping protection amount which would otherwise be subsidized by all properties within that class experiencing a reassessment decrease (claw back).
- New construction is taxed at 100% of CVA tax

POLICY CONSIDERATIONS

Economic impact:

- The mandatory capping (without any minimum $ amount) means that some properties will not reach their full taxation levels for many, many years, if ever
- Shortfalls cannot be shared with school boards
- Mandatory capping enables the City to move capped classes closer to CVA taxation more quickly resulting in greater stability and predictability in property taxation.
- Having properties at or close to their CVA taxes can reduce the tax capping impacts resulting from reassessment
- The best method to avoid capping shortfalls requires the use of the highest allowable percentage for capped tax increases

Equity/fairness:

- Funding the cap through means other than capping decreases results in either a long term drain on reserve balances (as the cap is now indefinite) or subsidization of tax increases by other classes
- Adopting these capping options is perceived to be fair and equitable to taxpayers because properties in the same class with the same CVA should pay the same tax.

MUNICIPAL TAX REDUCTION

STAFF RECOMMENDATION:

Not recommended for 2014

OVERVIEW / DESCRIPTION

- Legislative reference: *Municipal Act 2001 Section 362*
- Permits the City to reduce the taxes of a property which is subject to capping limitations by the amount that would otherwise have been a capping adjustment
- This reduction would be applied as a tax rate reduction and not an after the fact rebate
- Has limited usefulness – essentially a means of removing a property requiring a large capping adjustment from the capping calculation in order to make the capping work
- Cost of the program is not shared with the school boards

POLICY CONSIDERATIONS

Economic impact:

- This can be a very costly tool to the City's operating budget to fund the total cost of the tax reduction since the province has excluded school boards from participating in this policy

Equity/fairness:

- Provides specific preferential treatment to an individual property or properties, and therefore goes against the overriding principle of fairness
- If used as a tool to eliminate properties from paying more than CVA tax, it does allow municipalities to fund all remaining capped properties from the general levy

TAX RELIEF FOR LOW-INCOME SENIORS AND LOW-INCOME PERSONS WITH DISABILITIES

STAFF RECOMMENDATION:

THAT the tax relief program for low-income seniors and low-income persons with disabilities be continued as adopted by By-law (2005)-17727. Refer to Appendix 3

OVERVIEW / DESCRIPTION

- Legislative reference: *Municipal Act 2001 Section 319*
- Upper tier and single tier municipalities **MUST** provide a program of tax relief for "relief of financial hardship"
- Relief can be in the form of a deferral or cancellation of tax increases
- The tax increase to be deferred or cancelled is calculated as the difference between the current year's taxes levied and the previous year's taxes levied on a property (subject to provincial regulation)
- The by-law also applies to tax increases for education purposes
- The amount deferred or cancelled is withheld from amounts levied for school board purposes
- A tax certificate must show any deferrals and the priority lien status of real property taxes in accordance with Section 349 of the Municipal Act applies to any such deferrals
- The intent of this policy is to provide a mechanism to assist those least able to pay a significant increase in taxes

POLICY CONSIDERATIONS

Economic impact:

- Taxes are deferred and recovered when the property is sold or the eligible applicant ceases to be eligible
- Interest may not be charged on deferred taxes
- Each year the potential deferral must be paid for by other taxpayers. This results in a levy increase to fund the shortfall

Equity/fairness:

- Cancellation of taxes does result in some minor taxpayer subsidization, and effectively reduces the province's obligation under the Property Tax Credit program

Administrative impact:

- Additional staff time to administer the rebates

CURRENT TAX RELIEF PROVISIONS FOR LOW INCOME SENIORS AND LOW INCOME PERSONS WITH DISABILITIES

GENERAL PARAMETERS

- Tax relief is in the form of a deferral of taxes
- The amount eligible for deferral is the total increase given that the increase is greater than or equal to $300 annually. No tax relief applies if the amount of the tax increase is less than $300.
- Eligibility is as set out below

ELIGIBILITY CRITERIA (for receipt of property tax relief):

A) LOW-INCOME SENIORS

- Means a person who on December 31st of the year of application has attained the age of 65 years and is in receipt of benefits under *Guaranteed Income supplement (GIS)* program or has attained the age of 65 years and is in receipt of benefits under the *Guaranteed Annual Income* system *(GAINS*) program for Ontario Senior Citizens.
- The eligibility criteria mirrors similar economic criteria set by the Province under the Seniors Tax Credit Program established in 2009

B) LOW-INCOME DISABLED PERSONS

- Means a person who is in receipt of benefits under the *Ontario Disability Support Program (ODSP)* or in receipt of disability amounts under the current *Family Benefits Act (FBA)* or in receipt of benefits under the *Guaranteed Annual Income System (GAINS) for the Disabled* and is eligible to claim a disability amount as defined under the *Income Tax Act*.

OTHER PROVISIONS

- To qualify for tax assistance, applicants must have been owners of real property within the City for a period of one (or more) year(s) preceding the application.
- Tax assistance is only allowed on one principal residence of the qualified individual or the qualifying spouse.
- Application for tax deferral must be made annually to the City to establish eligibility or continued eligibility. Applications must include documentation in support thereof to establish that the applicant is an eligible person and that the property with respect to which the application is made is eligible property. Applications must be submitted to the City on or before the last day of December in the year for which the application applies on a form prescribed by the City for this purpose.
- Tax relief applies to current taxes only and is only deferred after payment in full is received for any current or past year amounts payable.
- Applicant responsible to refund any overpayment of tax rebate granted if property assessment is reduced by the Assessment Review Board or Municipal Property Assessment Corporation
- For properties that are jointly held or co-owned by persons other than spouses, both or all co-owners must qualify under applicable eligibility criteria in order to receive tax relief.
- Tax relief begins in the month in which the low income senior attains the age of 65 or in which the low income disabled person becomes disabled

OTHER BACKGROUND INFORMATION ON TAX RELIEF FOR LOW INCOME SENIORS AND LOW INCOME PERSONS WITH DISABILITIES

GUARANTEED INCOME SUPPLEMENT

The *Guaranteed Income Supplement (GIS)* is a federal program administered by Service Canada on behalf of Human Resources and Skills Development Canada, in conjunction with the Old Age Security (OAS) program. The Guaranteed Income Supplement is an income-tested, monthly benefit for Old Age Security pensioners with limited income apart from the Old Age Security pension.

To qualify for the *GIS,* an individual must:

- be receiving the Old Age Security pension;
- be resident in Canada; and
- have an income at or below the qualifying level, as established by regulation. (For married couples, the combined income of both spouses must be below the qualifying level).

Provisions of the *GIS* are established under the *Old Age Security Act (Canada),* and regulations made quarterly under this Act. Application, eligibility determination and payment of benefits under this program are administered by Service Canada for Human Resources and Skills Development Canada, thereby eliminating the need for individual municipalities to establish criteria and eligibility for applicants. Applicants need only demonstrate proof of GIS benefits to qualify for municipal tax relief.

ONTARIO DISABILITY SUPPORT PROGRAM

The Ontario Disability Support Program *(ODSP*) is a provincial program administered by the Ontario Ministry of Community & Social Services (*MCSS).* The *ODSP* was introduced in legislation in June 1997 (Bill 142), and was created to remove people with disabilities from the Welfare system to more effectively meet their needs.

Eligibility under the *ODSP* is determined by staff of the *MCSS,* according to criteria which considers, among other things, the nature of the disability, the extent to which daily activities are affected by the disability, income level from all sources (including receipt of benefits under other income support programs such as *GAINS, Canada Pension Plan, Workers Compensation),* etc.

Application, eligibility determination and payment of benefits under the *ODSP* are administered by the *MCSS,* using information supplied by applicants. This eliminates the need for individual municipalities to establish criteria and eligibility for applicants. Applicants need only demonstrate proof of *ODSP* eligibility to qualify for municipal tax relief.

TAX REBATES FOR CHARITIES

STAFF RECOMMENDATION:

THAT the tax relief program for charities be continued for the 2014 taxation year in accordance with By-law (2002)- 16851. Refer to Appendix 4.

OVERVIEW / DESCRIPTION

- Legislative reference: *Municipal Act 2001 Section 361*
- The original intent of the program was to address certain tax impacts relating to the elimination of the Business Occupancy Tax (BOT) – registered charities that previously did not pay the BOT on leased commercial/industrial properties were put in a position of paying a higher (blended) rate on such properties
- All municipalities must have a rebate program in place
- An eligible charity is a registered charity as defined in subsection 248(1) of the Income Tax Act (Canada) that has a registration number issued by the Canada Customs and Revenue Agency
- A property is eligible if it is in one of the commercial or industrial property classes within the meaning of subsection 308(1) of the Municipal Act

Program requirements include:

- The amount of rebate must be at least 40% of tax paid
- One half of the rebate must be paid within 60 days of receipt of the application and the balance paid within 120 days of receipt of the application
- Applications for a rebate must be made between January 1 of the taxation year and the last day of February of the following taxation year
- The program must permit the eligible charity to make application based on an estimate of the taxes payable
- The program must provide for final adjustments to be made after the taxes have been set

Program options include:

- Other similar organizations may also be provided with rebates
- Rebates can be provided to properties in classes other than the commercial and industrial classes
- The rebate % can vary for different charities or other similar organizations and can be up to 100% of taxes paid
- Cost of the rebate is shared between City and school boards
- The organization receiving the rebate shall also be provided with a written statement showing the proportion of costs shared by the school boards
- Any overpayment of rebated amount to be refunded by Charity if property assessment is reduced by the Assessment Review Board (ARB) or Municipal Property Assessment Corporation (MPAC)

POLICY CONSIDERATIONS

Economic impact:

- This by-law provides relief for organizations which were previously exempt from paying the Business Occupancy Tax - results in similar tax treatment before and after reform

Equity/fairness:

- The cost of rebates is built in to the City budget

Administrative impact:

- Results in some additional staff time to administer the rebates

CURRENT TAX RELIEF PROVISIONS FOR REGISTERED CHARITIES

The City's by-law includes all mandated provisions as well as the following optional provisions:

- Rebates set at 40% of taxes paid
- Rebate set at 100% for those properties that are used and occupied as a memorial home, clubhouse or athletic grounds by those organizations whose persons served in the armed forces of Her Majesty or Her Majesty's allies in any war (i.e.- Legion, Army & Navy)
- Types of Charitable organizations benefitting from the rebate program include Family & Children Service, Canadian Mental Health, Second Chance, St. John's Ambulance, Salvation Army, etc.
- In 2013 the City processed approximately 41 applications for a total dollar amount of $306,539 of which the City was responsible for $181,139.

Appendix 1

2014 CITY OF GUELPH - TAX RATIOS, DISCOUNTS AND RATES

PROPERTY CLASS	CITY OF GUELPH INITIAL 1998 RATIOS	PROVINCIAL THRESHOLD RATIOS	GUELPH'S 2013 TAX RATIOS	RECOMMENDED CITY OF GUELPH 2014 TAX RATIOS	TAX RATE REDUCTIONS 2014	TAX RATES 2014	PUBLIC HEALTH 2014	TOTAL TAX RATES 2014
Residential	1.000000	1.000000	1.000000	1.000000		1.024430%	0.018972%	1.043402%
Residential - Farmland 1	1.000000	1.000000	1.000000	1.000000	25%	0.768323%	0.014229%	0.782551%
Residential - Farmland 4	1.000000	1.000000	1.000000	1.000000		1.024430%	0.018972%	1.043402%
New Multi-residential	1.000000	1.000000	1.000000	1.000000		1.024430%	0.018972%	1.043402%
Multi-residential	3.089700	2.740000	2.123900	2.081900		2.132762%	0.039497%	2.172258%
Multi-residential - Farmland 1	3.089700	2.740000	1.000000	1.000000	25%	0.768323%	0.014229%	0.782551%
Multi-residential - Farmland 4	3.089700	2.740000	2.123900	2.081900		2.132762%	0.039497%	2.172258%
Commercial	1.840000	1.980000	1.840000	1.840000		1.884952%	0.034908%	1.919860%
Commercial - Farmland 1	1.840000	1.980000	1.000000	1.000000	25%	0.768323%	0.014229%	0.782551%
Commercial - Farmland 4	1.840000	1.980000	1.840000	1.840000		1.884952%	0.034908%	1.919860%
Commercial - Excess Land	1.840000	1.980000	1.840000	1.840000	30%	1.319466%	0.024435%	1.343902%
Commercial - Vacant Land	1.840000	1.980000	1.840000	1.840000	30%	1.319466%	0.024435%	1.343902%
Commercial- New Constr-Full	1.840000	1.980000	1.840000	1.840000		1.884952%	0.034908%	1.919860%
Commercial-New Constr-excess	1.840000	1.980000	1.840000	1.840000	30%	1.319466%	0.024435%	1.343902%
Industrial	3.271100	2.630000	2.523700	2.417400		2.476458%	0.045862%	2.522320%
Industrial - Farmland 1	3.271100	2.630000	1.000000	1.000000	25%	0.768323%	0.014229%	0.782551%
Industrial - Farmland 4	3.271100	2.630000	2.523700	2.417400		2.476458%	0.045862%	2.522320%
Industrial - Excess Land	3.271100	2.630000	2.523700	2.417400	35%	1.609698%	0.029810%	1.639508%
Industrial - Vacant land	3.271100	2.630000	2.523700	2.417400	35%	1.609698%	0.029810%	1.639508%
Industrial - New Constr-Full	3.271100	2.630000	2.523700	2.417400		2.476458%	0.045862%	2.522320%
Industrial- New Constr-Excess	3.271100	2.630000	2.523700	2.417400	35%	1.609698%	0.029810%	1.639508%
Pipelines	1.917500	1.917500	1.917500	1.917500		1.964345%	0.036378%	2.000723%
Farmlands	0.250000	0.250000	0.250000	0.250000		0.256108%	0.004743%	0.260850%
Managed Forests	0.250000	0.250000	0.250000	0.250000		0.256108%	0.004743%	0.260850%

THE CORPORATION OF THE CITY OF GUELPH

By-law Number (2002) - 16852

A by-law to amend By-Law (1998)-15832, being a by-law to establish a separate property class for new multi-residential properties.

WHEREAS By-law (1998)-15832 provides for the establishment of a separate property class for new multi-residential properties;

AND WHEREAS, it is deemed desirable that property in the new multi-residential class be taxed at the lower residential/farm rate for the first 35 years.

NOW THEREFORE the Council of the Corporation of the City of Guelph enacts as follows:

1. That Section 2 of By-Law (1998)-15832 be amended by deleting the words "for the first eight years" and inserting the words "for the first thirty five years"

PASSED this 6th day of May, 2002

KAREN FARBRIDGE-MAYOR

LOIS GILES - CITY CLERK

City of Guelph

FINANCE

TO: Finance, Administration & Corporate Services Committee

DATE: March 7, 2007

SUBJECT: **PROPERTY TAX DEFERRAL FOR SENIORS AND HOMEOWNERS ON A FIXED INCOME**

RECOMMENDATION:

That the report dated March 7, 2007 entitled "Property Tax Deferral for Seniors and Homeowners on a Fixed Income" be received for information.

BACKGROUND:

City Council adopted a resolution on January 23rd, 2007 asking staff to examine the feasibility of deferring tax increases to senior citizens and homeowners on a fixed income.

This program has been available to taxpayers since 1998 when Current Value Assessment was implemented. In 1998 the City of Guelph approved By-Law 15831 amended by By-Law 17727 in 2005 as required by Section 319 of the Municipal Act.

Since 1998 few taxpayers in the City have inquired about the program and no one has ever applied for tax relief. There seems to be three reasons for this. Taxpayers:

1. Did not qualify for relief.
2. Would not provide the required documentation.
3. Did not want a lien on their property.

The potential costs of the program are as follows:

1. Taxes are deferred and recovered when the property is sold or the eligible applicant ceases to be eligible.
2. Interest may not be charged on deferred taxes.
3. Each year the potential deferral must be paid for by other taxpayers. This results in a levy increase to fund the shortfall.

All Municipalities are required to have this program per the Municipal Act.

On average the eligible amount is $100-$150 in other Municipalities compared to $300 which is the eligible amount for the City of Guelph..

A survey of Kitchener, Waterloo and Oakville indicates that only five taxpayers in all enjoy this program. The City of Cambridge received three applications for 2003 and 2004 but none of these qualified for the deferral. The City of Guelph has never received any applications for deferred taxes.

IMPLICATIONS:

The City approved By-law 17727-(2005) as required by Section 319 of the Municipal Act.

ATTACHMENTS:

By-law Number (2005) - 17727

Prepared By:
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Recommended By:
David A. Kennedy, C.A.
Director of Finance
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Approved for Presentation:
Larry Kotseff
Chief Administrative Officer

THE CORPORATION OF THE CITY OF GUELPH

By-law Number (2005) – 17727

A by-law to provide for deferrals of tax increases on property in the residential property class for low-income seniors and low-income persons with disabilities and to repeal by-law number (1998)-15831.

WHEREAS the Council of the Corporation of the City of Guelph, pursuant to Section 319 of the *Municipal Act, 2001, S.O.20901, c.25*, as amended, shall pass a by-law providing for deferrals or cancellation of, or other relief in respect of, all or part of a tax increase on property in the residential property class for low-income seniors and low-income persons with disabilities.

NOW THEREFORE the Council of the Corporation of the City of Guelph enacts as follows:

1. In this by-law:

    a) *"Eligible amount"* means the total tax increase over the previous year which is equal to or greater than $300 annually.

    b) *"Eligible person"* means a low-income person with disabilities or a low-income senior or the spouse of such eligible person.

    c) *"Low-income person with disabilities"* means a person who is in receipt of benefits under the *Ontario Disability Support Program (ODSP)* or in receipt of disability amounts under the current *Family Benefits Act (FBA)* or in receipt of benefits under the *Guaranteed Annual Income System (GAINS)* for the Disabled and be eligible to claim a disability amount as defined under the *Income Tax Act*.

    d) *"Low-income senior"* means a person who on December 31st of the year of application has attained the age of 65 years and is in receipt of benefits under the *Guaranteed Income Supplement (GIS)* program or has attained the age of 65 years and is in receipt of benefits under the *Guaranteed Annual Income System (GAINS)* program for Ontario Senior Citizens.

2. Tax Relief granted pursuant to this by-law shall be in the form of a deferral of the annual eligible amount provided that:

    a) Either the owner or spouse of the owner has been assessed as the owner of, and has occupied the property for a period of one or more years preceding the date of application.

    b) For properties which are jointly held or co-owned by person other than spouses, all co-owners must qualify under applicable eligibility criteria in order to receive tax relief.

3. Deferred amounts shall continue until the property is sold or until the eligible applicant ceases to be eligible, at which time the total deferred amounts become a debt payable to the Corporation of the City of Guelph.

4. Tax relief amounts provided pursuant to this by-law are not transferable to the estates of deceased owners.

5. The amount of tax relief granted pursuant to this by-law shall represent a lien against the property.

5. The amount of tax relief granted pursuant to this by-law shall represent a lien against the property.

6. Tax relief is only allowed on one principal residence of the qualified individual or the qualifying spouse.

7. Application for tax relief must be made annually to the City to establish eligibility or continued eligibility. Applications must include documentation in support thereof to establish that the applicant is an eligible person and that the property with respect which the application is made is eligible property. Applications must be submitted to the City on or before the last day December in the year for which the application applies, on a form prescribed by the City for this purpose.

8. Tax relief applies to current taxes only and are only deferred after payment in full is received for any current or past year amounts payable.

9. This by-law shall come into force and take place immediately.

PASSED this SECOND day of MAY, 2005.

K.M. QUARRIE - MAYOR

V.CHARLENE LAVIGNE-DEPUTY CITY CLERK

INFORMATION SERVICES DEPARTMENT
CITY CLERK'S DIVISION
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Guelph, Ontario, Canada N1H 3A1
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Website: guelph.ca

January 30, 2007

Councillor Karl Wettstein

Dear Councillor Wettstein,

At a meeting of Guelph City Council held on January 23, 2007 the following resolution was adopted:

"THAT Finance, Administration & Corporate Services Committee examine the issue of offering to senior citizens and homeowners on fixed income, the option of deferring any future tax increases until such time as they sell their homes, at which time the City will collect those deferred taxes;

AND THAT staff report to the Finance, Administration & Corporate Services Committee with regard to the feasibility, costs and practices in other municipalities of such a program."

Yours truly,

Lois A. Giles,
City Clerk/Manager of Council
Administrative Services

cc.: Mr. D.A. Kennedy
Ms. L.E. Payne

*nhm

THE CORPORATION OF THE CITY OF GUELPH

By-law Number (2002) - 16851

A By-law to provide for relief from taxes for charitable organizations and to repeal by-law number (1998)-15834.

WHEREAS Section 442.1 of the *Municipal Act* as amended provides that every municipality shall have a tax rebate program for eligible charities for the purpose of giving them relief from taxes on eligible property they occupy;

THEREFORE THE CORPORATION OF THE CITY OF GUELPH ENACTS AS FOLLOWS:

1. In this by-law, eligible charity means a registered charity as defined in subsection 248(1) of the *Income Tax Act (Canada)* that has a registered number issued by the Canada Customs and Revenue Agency.

2. A property is eligible if it is in one of the commercial classes or industrial classes, within the meaning of subsection 363(2) of the *Municipal Act* as amended.

3. A property is eligible if it is actually used and occupied as a memorial home, clubhouse or athletic grounds by those organizations whose persons served in the armed forces of *Her Majesty* or *Her Majesty's* allies in any war.

4. The rebate shall be 40% of the taxes payable by the eligible charity on the eligible property it occupies for those properties in one of the commercial or industrial classes.

5. The rebate shall be 100% of the taxes payable by those organizations whose persons served in the armed forces on the eligible property it occupies .

6. An eligible charity shall make application to the municipality each year for which a rebate of taxes is requested, such application to be made on the prescribed form after January 1 of the year and no later than the last day of February of the following year.

7. This By-law shall come into force and take effect immediately.

8. By-law Number (1998) -15834 is hereby repealed.

PASSED this 6th day of May, 2002.

KAREN FARBRIDGE-MAYOR

LOIS A GILES-CITY CLERK

Appendix A to Report FIN 14-15 - April 7, 2014
Comparison of Capping Options

	Minimum Capping Options			Recommended Capping Options		
Capping and Threshold Parameters Used	**Multi-Res**	**Commercial**	**Industrial**	**Multi-Res**	**Commercial**	**Industrial**
Annualized Tax Limit	5%	5%	5%	10%	10%	10%
Prior Year CVA Tax Limit	0%	0%	0%	5%	5%	5%
CVA Tax Threshold - Increasers	$0	$0	$0	$250	$250	$250
CVA Tax Threshold - Decreasers	$0	$0	$0	$250	$250	$250
Exclude Properties Previously at CVA Taxes	No	No	No	Yes	Yes	Yes
Exclude Properties that cross CVA Taxes	No	No	No	Yes	Yes	Yes
Total Properties	249	1241	323	249	1241	323
Results from above Parameters						
Number of Properties Capped	26	170	6	0	12	1
% of Properties Capped	10.44%	13.70%	1.86%	0.00%	0.97%	0.31%
$ Value of Protection	$77,223	$571,188	$33,422	$0	$103,249	$2,326
Net Class Impact	$26,468	$0	$0	$0	$0	$0
Number of Properties Clawed Back	102	709	278	0	58	3
% of Properties Clawed Back	40.96%	57.13%	86.07%	0.00%	4.67%	0.93%
Clawback Percentage	100.0000%	65.0316%	2.3365%	0.0000%	39.6151%	2.5055%
Number of Properties at CVA	121	362	39	249	1166	320
% of Properties at CVA	48.59%	29.17%	12.07%	100.00%	93.96%	99.07%

Appendix B to Report FIN 14-15 - April 7, 2014
Comparison of Ratio Scenarios

	2014 Preliminary Levy				Inter-Class Tax Shifts		Effective Tax Rates		
	Scenario 1 - Existing		Scenario 2 - Recommended				Using	Using	
	Existing Ratios	% of Total	Change in Ind and	% of Total			Scenario 1	Scenario 2	Tax Rate
Property Class	Tax Levy	Tax Levy	Multi-Res Ratios	Tax Levy	$	%	Ratios	Ratios	Change %
Taxable									
Residential	$126,398,897	64.22%	$127,072,612	64.56%	$673,715	0.53%	1.037870%	1.043402%	0.53%
Farm	$13,862	0.01%	$13,935	0.01%	$73	0.53%	0.259468%	0.260850%	0.53%
Managed Forest	$1,902	0.00%	$1,912	0.00%	$10	0.53%	0.259468%	0.260850%	0.53%
New Multi-Residential	$407,788	0.21%	$409,961	0.21%	$2,173	0.53%	1.037870%	1.043402%	0.53%
Multi-residential	**$14,368,840**	**7.30%**	**$14,160,174**	**7.19%**	**-$208,666**	**-1.45%**	**2.204332%**	**2.172258%**	**-1.46%**
Commercial	$33,687,619	17.12%	$33,867,177	17.21%	$179,558	0.53%	1.909681%	1.919860%	0.53%
Industrial	**$17,954,532**	**9.12%**	**$17,289,942**	**8.78%**	**-$664,590**	**-3.70%**	**2.619273%**	**2.522320%**	**-3.70%**
Pipeline	$535,620	0.27%	$538,475	0.27%	$2,855	0.53%	1.990116%	2.000723%	0.53%
Subtotal Taxable	**$193,369,060**	98.25%	**$193,354,188**	98.24%	**-$14,872**	**-0.01%**			
Payments in Lieu									
Residential	$27,010	0.01%	$27,154	0.01%	$144	0.53%	1.037870%	1.043402%	0.53%
Commercial	$3,338,149	1.70%	$3,355,941	1.71%	$17,792	0.53%	1.909681%	1.919860%	0.53%
Industrial	$82,823	0.04%	$79,759	0.04%	-$3,064	0.00%	2.619273%	2.522320%	-3.70%
Subtotal PIL	**$3,447,982**	1.75%	**$3,462,854**	1.76%	**$14,872**	**0.43%**			
TOTAL	**$196,817,042**	**100.00%**	**196,817,042**	**100.00%**	**$0**	**$0**			

Table One: Impact on Average Single Detached Residential Property

Property Tax using current City Ratios			
Taxation Year	**Average Assessment**	**Tax Rate**	**Residential**
2013	311,136	1.261384%	$3,924.62
2014	322,236	1.240870%	$3,998.53
Increase/(Decrease) in Taxes 2013 to 2014			**$73.91**
Impact on average single detached residential property			1.88%
(budget, public health, reassessment & education)			
Property Tax using Recommended Ratios			
2013	311,136	1.261384%	$3,924.62
2014	322,236	1.246402%	$4,016.36
Increase/(Decrease) in Taxes 2013 to 2014			**$91.74**
Impact on average single detached residential property			2.34%
(budget, public health , reassessment & education)			
Total impact on property related to ratio changes			**$17.83**

STAFF REPORT

TO Corporate Administration, Finance and Enterprise

SERVICE AREA Finance and Enterprise

DATE April 7, 2014

SUBJECT 2013 Year End Capital Budget Monitoring Report

REPORT NUMBER FIN-14-20

EXECUTIVE SUMMARY

PURPOSE OF REPORT

- To provide an update on capital project spending compared to budget for the year
- To provide a summary of projects approved prior to 2013 but not yet started
- To provide a summary and update on over budget projects
- To provide a summary of projects closed as of December 31, 2013
- To provide a draft year end position of the capital reserve funds

KEY FINDINGS

- 2013 approved tax supported and non-tax supported capital budgets total $76.3 million (compared to 2012 approved capital budget of $98.02 million). Cumulative unspent capital budget totals $98.7 million.
- 2013 capital expenses totalled $74.3 million (of which $17.7 million relates to accrued contractual obligations and $7.3 million in external contributions not budgeted until 2014) leaving $49.3 million in City capital spending, compared to $63.8 million in 2012
- 68 projects were closed in 2013 and no excess funds were identified to be returned to the reserves
- Capital reserve balances are $190.4 million of which $114.2 million is budgeted to approved projects. Of the $76.1 million unbudgeted only $9.5 million is available for tax supported initiatives. The balance is restricted by the Development Charges Act, internal policy or use for non-tax supported projects.

FINANCIAL IMPLICATIONS

The ongoing monitoring of the capital accounts is an important function as capital expenditures represent a large portion (18%) of annual municipal spending. Capital projects that are not completed according to municipal standards, on time and within budget can result in significant financial implications for the City.

ACTION REQUIRED

THAT FIN-14-20 2013 Year End Capital Budget Monitoring Report be received.

RECOMMENDATION

THAT FIN-14-20 2013 Year End Capital Budget Monitoring Report be received.

BACKGROUND

Throughout 2013, Finance worked with City departments to closely monitor the status and spending of all active capital projects as well as the anticipated completion date. This active and ongoing review allows for more accurate financial reporting and asset management. It also contributes to better cash flow modeling that can lead to improved investment opportunities.

This report is a summary of a detailed reporting process that is completed on a monthly basis. Each month capital reports are circulated to all Project Managers (PMs); responses are received and compiled by Finance. Quarterly a summary of this process is provided to Council. For year end, direct discussions were held with the majority of the PMs to enable a thorough discussion and in depth understanding of each project.

Through the monthly and year end process, PMs and Finance work together to:

- Provide a status update and expected completion date for each capital project,
- Identify risks, such as delays, potential overspending, etc.
- If a project will be overspent, identify an alternative source of funds,
- Close any completed capital projects in a timely manner.

REPORT

Overview

There are two main types of capital projects; lifecycle and growth. Lifecycle projects are focused on repairing or replacing existing assets to ensure they are able to function as intended to meet the needs of the City. Growth projects are focused on adding to the City's assets either due to population growth or service enhancement.

The timing of projects can be annual, single year or multi-year phased. Annual projects focus on continuous replacement or expansion of assets; ensuring that lifecycle and growth needs are met on an ongoing basis. Single year projects are expected to replace or add an asset within a short period of time; these are typically smaller in both scope and budget. Multi-year projects allow for significant renewal or expansion of assets, generally related to the City's built infrastructure.

Current Year Spending

Schedule "A" provides a high level summary as of December 31, 2013 of all open capital projects organized by department.

The unspent budget at the end of the year has not substantially changed year over year for the City as a whole. A number of departments have substantial projects that are delayed for a number of reasons. In order to provide additional analysis of the current year activity there are two tables included in this report:
Table A.1 provides further detail on the tax supported projects; Table A.2 provides further detail on the non-tax supported projects.

Tax Supported

Project Type	Project Timing	Budget Carried over from 2012	2013 Budget	2013 Expenditures	Ending Unspent Budget
Growth				*Note 1*	
	Annual	- 8,015	1,229,600	889,781	331,805
	Multi-Year	24,095,367	14,562,300	11,200,534	27,457,134
	Single-year	5,074,657	2,669,860	3,540,952	4,203,565
Growth Total		29,162,010	18,461,760	15,631,266	31,992,503
Lifecycle					
	Annual	13,232,892	17,421,638	18,196,133	12,458,398
	Multi-Year	6,352,992	9,717,151	4,159,357	11,910,786
	Single-year	1,450,055	1,456,796	1,656,944	1,249,907
Lifecycle Total		21,035,939	28,595,585	24,012,434	25,619,090
Grand Total		50,197,948	47,057,345	39,643,700	57,611,593

Note 1 - $25 million of 2013 expenditures related to 3 projects discussed in detail later in this report have been excluded from this analysis

Table A.1

The tax-supported growth projects are mainly focused on multi-year projects such as linear infrastructure expansion or new park/facility development. Significant projects within this group are:

- Eastview Community Park – completed in 2013 (total cost $3.1 million; 2013 $0.8 million)
- Transit Terminal Rail Extension (on behalf of Metrolinx) – 95% completed in 2013 (total cost $14.7 million; 2013 $4.4 million)
- Solid Waste Automated Collection – 2 of 3 phases completed (total cost $7.0 million; 2013 $3.2 million)
- Hanlon Creek Business Park – continued servicing of land (2013 $700,000)

Projects that have been delayed include:

- IT Strategic Plan – pace of work is increasing near the end of 2013 and expect significant work throughout 2014 ($785,000 unspent)
- Guelph Police Head Quarters – process delayed while detailed business case is completed and reported back to Council ($13.5 million unspent)
- Baker Street purchases – ongoing negotiations with existing owners as work continues to redevelop this key downtown area ($7.5 million unspent)

Tax-supported lifecycle projects are focused on annual replacement and renewal of existing assets. Specifically in 2013 the city completed the following:

- Fleet & Transit replacement - $3.9 million (53 vehicles and equipment, 3 buses)
- Fire vehicle replacement - $1.5 million (Pumper Ladder truck to be delivered in Q1 2014)
- Corporate Building renovations - $3.5 million (substantial work at 12 facilities completed)
- IT replacement - $1.3 million (73 computers, 479 monitors, 3 printers, 26 servers, 17 switches, 1 router and 19 UPS)
- Police Vehicle & Equipment replacement - $1.2 million
- Pavement renewal - $2.4 million (13.5 km repaved)
- Road & Storm Reconstruction - $3.2 million (2.7 km of storm sewer and 1.3km of road)

Non-Tax Supported

Project Type	Project Timing	Budget Carried over from 2012	2013 Budget	2013 Expenditures	Ending Unspent Budget
Growth					
	Annual	98,636	705,000	301,066	502,570
	Multi-Year	30,476,481	5,192,000	2,376,984	33,291,497
	Single-year	3,427,177	5,470,000	741,184	8,155,993
Growth Total		34,002,293	11,367,000	3,419,234	41,950,059
Lifecycle					
	Annual	6,796,941	9,564,940	3,646,661	12,715,221
	Multi-Year	8,930,966	2,915,000	2,158,157	9,687,809
	Single-year	1,388,334	765,000	417,992	1,735,341
Lifecycle Total		17,116,241	13,244,940	6,222,810	24,138,371
Grand Total		51,118,534	24,611,940	9,642,044	66,088,430

Table A.2

Due to the critical and highly regulated nature of the systems involved in both Water Services and Wastewater the value of projects related to these systems is significant. A number of projects have been delayed due to approval requirements as well as prudence in ensuring that the work is absolutely necessary due to the high costs involved.

The most significant carry over in the growth projects relates to expansions of both treatment systems as well as a number of projects that are awaiting final approval from regulatory bodies:

- Wastewater treatment bio-solids expansion - $12 million (MOE approval recently received; RFP and contracting to commence in 2014)

- Wastewater Phase 2 expansion - $6.3 million (construction to commence in Q3 2014)
- Water services new supply - $2.4 million (on hold pending Master Plan update)
- Water services Burke treatment - $5+ million (Environmental Assessment and preliminary design complete – developing multi year budget)

Completed work included significant upgrades to both services core facilities, $2.5 million.

With regards to lifecycle there are two key components; the critical nature of repair/upgrade work and the sensitivity of this work. In many cases the need for lifecycle work is immediate, therefore not allowing time to obtain Council approval on large expenditures. A number of projects are approved as a risk mitigation strategy to ensure that the respective operations are able to respond as necessary to critical issues as they arise. An example of this is the water services VOC treatment - $1 million to mitigate if levels exceed acceptable threshold

Significant work was completed within lifecycle projects in 2013:

- Lead replacement - $300,000 (18 services)
- Water efficiency and conservation ($1.3 million)
- Water & Sewer replacement - $1.5 million (2.1 km of sanitary mains and 3.2 km of water mains)
- Vehicle & Equipment replacement -$550,000

Delayed Projects

Schedule "B" provides a summary of the projects that were approved in 2012 or prior and have had no activity as of December 31, 2013.

There are 10 projects in this group with an approved budget of $6.3 million. This represents 6.7% of the total unspent capital budget. The approved budgets for the Baker Street Land Assembly ($3.8 million), Water Treatment Project (VOC) ($1 million) and Source Water Protection ($0.5 million) projects represent $5.3 million or 79% of the amount approved but not yet spent. Both the Baker Street Land Assembly and Water Treatment (VOC) projects are not started due to on-going negotiations with property owners or regulatory agencies. The Source Water Protection project has not started due to staff awaiting Ministry of the Environment approval of the submitted plan.

Table B below provides a complete list of these projects, including the most recent comments from the Project Manager.

Department	Project Name	PM Comments	Total Approved Funding
Parks & Rec	WECC SNOW MELT RAMP	Working with Envida on the details /scope of work for City approval.	20,000
Downtown Renewal	BAKER ST REDEVELOPMENT PH2	Ongoing negotiations with land owners.	3,800,000
Forestry	MUNICIPAL TREE INVENTORY	Strategy to be developed by end of Q1 2014.	65,000
Parking	UPGRADE PERMIT SYSTEM	On hold - dependent on Parking Strategy.	175,000
Transit	CONVENTIONAL SCHEDULING SOFTWARE	Work to begin in 2014 and be completed in 2015.	162,000
Transit	MOBILITY SCHEDULE UPDATE	Contract has been reviewed by City and comments/changes have been sent to vendor.	108,000
Roads	RAIL SAFETY IMPROVEMENTS	Transport Canada order is possible.	100,000
Water Services	VOC TREATMENT	Work waiting for Council and regulator input and results of Water Supply Master Plan update.	1,000,000
Water Services	WF1 PAISLEY PUMP UPGRADES	Work underway. Delays due to other operating priorities. Portions of project driven by timing of growth in water demand.	720,000
Water Services	WF3 CLYTHE BOOSTER UPGRADE	Revising project schedule and strategy as project is dependent on other related upgrades (piping and storage). Project timing also driven by growth in water demand.	500,000
Total			**6,650,000**

Table B

Over Budget Projects

Over spending on capital projects can have an impact on both the capital reserves and operating budgets depending on the amount of the overage. It is anticipated that a small number of projects will end over budget due to issues that arise after budget approval. Identifying projects that are expected to go over budget early is imperative in managing risk and allows for analysis of alternatives such as reduction in the scope of the project, reallocation of funding from another project or use of surpluses from recently completed projects.

Schedule "C" provides a high level summary of overspent capital budgets by department. Finance actively works with the Project Managers and their departments to identify funding solutions for these projects. It is expected that all projects will be funded from surplus funds from other approved projects. Overall, the number of over-budget projects represents approximately 6% of all projects.

Three projects account for 96% of the identified over budget amount;

- W-D-G Public Health Capital Facility Contribution ($7.96 million) – the budget for these expenditures was approved as part of the 2014 Capital budget but payment was required throughout 2013
- GO Transit Rail Expansion Capital Contribution – ($3.15 million) this amount represents the contractually obligated amount Council has approved to contribute as the City's share of the expansion of GO rail service to Kitchener. Funds have not yet been expended but the City is required to recognize the contribution as it is contractually obligated.
- Clair/Laird & Hanlon interchange ($15.5 million) – Council has agreed to contribute approximately $14.8 million to the MTO for construction of the interchange as part of the development of the Hanlon Creek Business Park. Budget for this contribution is partially approved ($6.5 million) in the 2014 Capital budget and the balance is forecasted for approval in 2015. As this is

also a contractual obligation, the City is required to recognize this expenditure even though payment has not yet occurred.

The remaining projects will be resolved as indicated or through the use of surplus funds from other on-going projects.

Table C below provides a complete list of all Capital projects that are over budget as at December 31, 2013.

Department	Project Name	PM Comments	Total Approved Funding	Total Expenditure to Date	Over Budget Amount
Police	**POLICE BODY ARMOUR REPLACEMENT**	Small deficit anticipated due to new transfers that have been announced whom require specialized body armour. To be mitigated in 2014.	105,848	108,363	(2,515)
Information Technology	**PRINTER REPLACEMENT**	Small deficit to be covered in 2014.	82,642	83,451	(809)
Culture & Tourism	**SLEEMAN SPONSORSHIP FUNDED PROJECT**	We requested to overspend this by up to $46k in a sole source memo that was approved. The over expenditure will be covered in 2014 by funds from the NRA with Sleeman Brewing. RF0052 is an ongoing account funded by the Naming Rights Agreement.	198,520	234,411	(35,891)
Park Operation	**SPLASHPAD UV PROTECTORS**	Three of four splash pads completed, currently working to obtain funding for final location and overage in project.	240,000	261,960	(21,960)
Park Operation	**LOCOMOTIVE 6167**	Work complete, overage to be covered from operating budget in 2014	301,783	320,125	(18,342)
Park Planning	**EASTVIEW COMMUNITY PARK**	Work complete, currently in warranty period. Overage to be covered from balance in park capital reserve.	3,100,000	3,107,252	(7,252)
Parks & Rec	**SLEEMAN- SEATING UPGRADE**	2013 upgrades complete, overspending to be covered from Culture capital reserve.	25,000	27,461	(2,461)
Finance	**PUBLIC HEALTH FACILITIES**	Budget approved in 2014	-	7,958,119	(7,958,119)
Finance	**METROLINX CAPITAL CONTRIBUTION**	Council committed to fund project in future years as per agreement with Metrolinx, to be budgeted during next budget cycle.	-	3,150,000	(3,150,000)
Finance	**DC STUDY 2013**	The 2009 DC bylaw OMB appeal was settled in 2013 and the City was required to pay the appellants $175K for administrative/legal expenses. Expenditures by the DC study consultants exceeded budget due to additional work/ analysis required resulting from new growth assumptions and additional meetings required by the Development Community.	250,000	429,663	(179,663)
Roads	**CLAIR/LAIRD & HANLON INTERCHNG**	As per agreement with MTO City agrees to pay for works completed, budget in 2014 & 2015	500,000	15,950,867	(15,450,867)
Roads	**DOWNTOWN PUBLIC REALM**	Construction complete, overspending to be covered by reduction in approved road reconstruction budget in 2014.	6,100,000	6,296,097	(196,097)
Roads	**SILVERCREEK PKWY/CN SEPERATION**	Additional budget approved in 2014 and forecast in 2015.	800,000	961,455	(161,455)
Roads	**SPEEDVALE AVE BRIDGE**	Work complete, overspending covered from Road capital reserves.	300,000	316,560	(16,560)
Solid Waste	**EASTVIEW SANITARY SEWER UPGRDS**	Additional budget approved in 2014 and forecast for 2015, work ongoing.	100,000	141,624	(41,624)
Storm Water	**STORM SYSTEM UPGRADES**	Additional budget in 2014 and forecast in future years. Allan's Dam rehabilitation work to be completed in 2014; Future Master Plan projects to be undertaken.	900,000	954,350	(54,350)
Total			**13,003,793**	**40,301,758**	**(27,297,965)**

Table C

Closed Capital Projects

Schedule "D" provides a summary of capital projects that were closed in 2013. There were 68 projects closed and there was no unused funding returned to reserves. Projects closed were complete and fully spent, or excess budget was used to fund over budget projects that were complete. The number of projects closed this year is much less than in prior years (241 in 2012 and 234 in 2011) due to the great progress that was made in the previous two years to close a backlog of completed projects. A second factor to the low close figure is the lower number of new projects being approved in recent years. More specifically 2009-2010 saw a large number of new projects due to the availability of ISF & RInC funding, which resulted in an increase in capital activity from 2009 – 2011.

Preliminary Capital Reserve Funds & Obligatory Reserves

The City uses capital reserve funds and obligatory reserves to fund capital projects. Closely related to the unspent balances in the capital projects is the year end unspent reserve balances. Table E below shows the preliminary year end reserve balances less approved budget not yet spent. Of the $76.1 million available for future capital projects, only $9.5 million is non-restricted and available for tax supported projects. The balance of these reserves is restricted by internal policy, the Development Charges Act or use for non-tax supported projects.

This balance does not provide the City with flexibility to take advantage of opportunities as they arise or deal with emergencies if needed. Through the 2015 Capital budget development attention will be given to developing a strategy to improve this situation.

Budget	Type of Reserve	Preliminary YE Balance	Budgeted	Unbudgeted
Tax	Capital Renewal Fund	14,820,092	(1,770,900)	13,049,192
	Development Charge	20,303,366	(10,080,743)	10,222,623
	Tax	44,343,079	(34,876,022)	9,467,057
Tax Total		**79,466,537**	**(46,727,665)**	**32,738,872**
Non-Tax Supported	Development Charge	32,244,270	(22,330,362)	9,913,908
	User Fees	78,639,402	(45,188,964)	33,450,438
Non-Tax Supported Total		**110,883,672**	**(67,519,326)**	**43,364,346**
Grand Total		**190,350,209**	**(114,246,991)**	**76,103,218**

Table E

As in Tables A.1 & A.2 the total unbudgeted is split between tax supported and non-tax supported almost 50/50.

CORPORATE STRATEGIC PLAN

2.3 – Ensure accountability, transparency and engagement

DEPARTMENTAL CONSULTATION

The role of monitoring the capital budget work-in-progress is shared by the departments responsible for the management of the project and the Finance department. Departments must manage the project to completion according to municipal standards, on time and within the approved budget.

COMMUNICATIONS

Finance staff has worked closely with all City departments in obtaining the status of projects, expected completion times and impact on budget.

ATTACHMENTS

Schedule "A" Summary of all open Capital Projects as at December 31, 2013
Schedule "B" Summary of projects not Started as at December 31, 2013
Schedule "C" Summary of Overspent Capital Projects as at December 31, 2013
Schedule "D" Summary of Capital Projects Closed YTD in 2013

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Schedule A: FIN 14-20

Summary of All Open Capital Projects as at December 31, 2013

	# of Open Projects *Note 1*	Budget Carried over from 2012	2013 Budget	2013 Expenditures *Note2*	Unspent
PBEE					
Policy Planning	16	965,584	548,700	345,666	1,168,618
Roads	30	12,126,397	8,520,352	28,564,292	(7,917,543)
Solid Waste	7	6,918,821	5,584,420	5,091,828	7,411,413
Storm Water	12	1,814,439	2,125,000	865,775	3,073,664
PBEE Total	**65**	**21,825,241**	**16,778,472**	**34,867,561**	**3,736,152**
OT&ES					
By-Law	1	(450)	202,000	5,270	196,280
Fire	3	1,664,449	1,902,800	1,952,497	1,614,752
Fleet	3	2,693,486	1,873,600	2,464,877	2,102,209
Forestry	3	66,755	110,000	3,191	173,564
Land Ambulance	-	15,819	558,800	422,674	151,944
Parking	5	624,816	430,000	377,474	677,342
Roadside Operations	1	-	280,000	106,053	173,947
Traffic Signals	4	56,639	384,000	321,277	119,363
Transit	10	2,963,133	2,705,734	1,775,121	3,893,746
OT&ES Total	**30**	**8,084,647**	**8,446,934**	**7,428,435**	**9,103,146**
CSS					
Community Engagement	-	-	-	4,345	(4,345)
Corporate Building	12	385,205	2,907,598	3,457,587	(164,784)
Culture & Tourism	6	- 7,949	360,000	204,406	147,646
Park Operations	9	336,687	824,000	763,664	397,023
Park Planning	11	1,560,170	1,320,400	2,264,722	615,848
Recreation	6	29,917	690,000	44,079	675,838
CSS Total	**44**	**2,304,031**	**6,101,998**	**6,738,802**	**1,667,226**
CORPORATE & HR					
Information Technology	14	186,405	3,472,181	1,559,486	2,099,100
CORPORATE & HR Total	**14**	**186,405**	**3,472,181**	**1,559,486**	**2,099,100**
FINANCE & ENTERPRISE					
Community Energy	2	59,884	1,279,300	65,200	1,273,983
Downtown Renewal	3	3,885,849	3,700,000	87,575	7,498,274
Economic Development	2	(625,607)	5,089,300	802,175	3,661,518
Finance	4	488,488	130,000	11,551,539	(10,933,051)
FINANCE & ENTERPRISE Total	**11**	**3,808,614**	**10,198,600**	**12,506,490**	**1,500,724**
BOARDS					
Library	3	121,838	95,000	107,873	108,965
Police	13	13,867,172	1,964,160	1,416,926	14,414,407
BOARDS Total	**16**	**13,989,011**	**2,059,160**	**1,524,799**	**14,523,372**
TOTAL TAX SUPPORTED	**180**	**50,197,948**	**47,057,345**	**64,625,573**	**32,629,720**
ENTERPRISE					
POA	2	34,653	25,400	33,719	26,334
Wastewater	33	34,133,542	12,182,600	3,213,717	43,102,425
Water Services	32	16,950,339	12,403,940	6,394,608	22,959,671
ENTERPRISE Total	**67**	**51,118,534**	**24,611,940**	**9,642,044**	**66,088,430**
CITY Total	**247**	**101,316,482**	**71,669,285**	**74,267,617**	**98,718,150**

Note:

1 Projects open as of December 31, 2013

2 Included in Finance spending - 3 advances to W-D-G Public Health Unit, totalling $7,269,619
Included in Finance spending - obligation to fund Metrolinx Capital Contribution - $3,150,000
Included in Roads spending - obligation to fund Clair/Laird & Hanlon interchange via MTO - $14,562,254

Schedule B: FIN 14-20

Summary of Projects not Started as at December 31, 2013

	Total # of Open Projects	# of Projects not Started *Note 1*	Prior Approved Funding	2012 Budget	Total Approved Funding	% of Total Department Capital Budget
TAX SUPPORTED						
PBEE						
Roads	30	1	-	100,000	100,000	0.2%
PBEE Total	**30**	**1**	**-**	**100,000**	**100,000**	**0.1%**
OT&ES						
Forestry	3	1	-	65,000	65,000	31.0%
Parking	5	1	100,000	75,000	175,000	8.7%
Transit	10	2	-	270,000	270,000	2.8%
OT&ES Total	**18**	**4**	**100,000**	**410,000**	**510,000**	**2.0%**
CSS						
Recreation	6	1	-	20,000	20,000	2.5%
CSS Total	**6**	**1**	**-**	**20,000**	**20,000**	**0.1%**
FINANCE & ENTERPRISE						
Downtown Renewal	3	1	-	3,800,000	3,800,000	49.4%
FINANCE & ENTERPRISE Total	**3**	**1**	**-**	**3,800,000**	**3,800,000**	**11.1%**
TOTAL TAX SUPPORTED	**57**	**7**	**100,000**	**4,330,000**	**4,430,000**	**2.4%**
NON-TAX SUPPORTED						
Water Services	32	3	1,220,000	1,000,000	2,220,000	5.5%
TOTAL NON-TAX SUPPORTED	**32**	**3**	**1,220,000**	**1,000,000**	**2,220,000**	**2.3%**
CITY TOTAL	**89**	**10**	**1,320,000**	**5,330,000**	**6,650,000**	**2.4%**

Note:

1 No additional funding was approved for the above projects in 2013.

Schedule C: FIN 14-20

Summary of Overspent Capital Projects as at December 31, 2013

	# of Overspent Projects	Total Approved Funding	Total Expenditure to Date	Over Budget Amounts *Note 1*	Unspent Budget in Other Projects *Note 2*
PBEE					
Roads	4	7,700,000	23,524,979	(15,824,979)	(5,602,818)
Storm Water	1	900,000	954,350	(54,350)	3,073,981
PBEE Total	**5**	**8,600,000**	**24,479,329**	**(15,879,329)**	**(2,528,837)**
CSS					
Culture & Tourism	3	525,303	581,997	(56,694)	155,979
Park Operations	1	240,000	261,960	(21,960)	392,323
Park Planning	1	3,100,000	3,107,252	(7,252)	680,321
CSS Total	**5**	**3,865,303**	**3,951,209**	**(85,906)**	**1,228,622**
CORPORATE & HR					
Information Technology	1	82,642	83,451	(809)	2,521,941
CORPORATE & HR Total	**1**	**82,642**	**83,451**	**(809)**	**2,521,941**
FINANCE & ENTERPRISE					
Finance	3	250,000	11,537,782	(11,287,782)	(10,933,051)
FINANCE & ENTERPRISE Total	**3**	**250,000**	**11,537,782**	**(11,287,782)**	**(10,933,051)**
BOARDS					
Police	1	105,848	108,363	(2,515)	14,281,431
BOARDS Total	**1**	**105,848**	**108,363**	**(2,515)**	**14,281,431**
TOTAL TAX SUPPORTED	**15**	**12,903,793**	**40,160,134**	**(27,256,341)**	**4,570,107**
ENTERPRISE					
Wastewater	1	100,000	141,624	(41,624)	43,460,174
ENTERPRISE Total	**1**	**100,000**	**141,624**	**(41,624)**	**43,460,174**
CITY TOTAL	**16**	**13,003,793**	**40,301,758**	**(27,297,965)**	**48,030,281**

Note:

1 Included in Finance spending - 3 advances to W-D-G Public Health Unit, totalling $7,269,619
Included in Finance spending - obligation to fund Metrolinx Capital Contribution - $3,150,000
Included in Roads spending - obligation to fund Clair/Laird & Hanlon interchange via MTO - $14,562,254

2 The unspent budget in other projects may not have the same funding sources as the overspent projects.

Schedule D: FIN 14-20

Summary of Capital Projects Closed during 2013

	# of Closed Projects	Total Approved Funding
TAX SUPPORTED		
PBEE		
Policy Planning	3	750,810
Roads	5	6,853,897
Solid Waste	2	32,394,857
Storm Water	3	1,072,541
PBEE Total	**13**	**41,072,105**
OT&ES		
By-Law	1	40,000
Fire	3	1,009,412
Land Ambulance	3	1,332,930
Parking	1	110,417
Roadside Operations	3	209,697
Transit	4	421,532
OT&ES Total	**15**	**3,123,988**
CSS		
Community Engagement	1	135,006
Corporate Building	20	6,556,314
Culture & Tourism	1	18,818
Park Operations	1	82,602
Recreation	1	12,923
CSS Total	**24**	**6,805,663**
CORPORATE & HR		
Information Technology	4	118,981
CORPORATE & HR Total	**4**	**118,981**
FINANCE & ENTERPRISE		
Downtown Renewal	1	253,605
Economic Development	2	864,455
FINANCE & ENTERPRISE Total	**3**	**1,118,060**
BOARDS		
Police	1	99,336
BOARDS Total	**1**	**99,336**
TOTAL TAX SUPPORTED	**60**	**52,338,133**
NON-TAX SUPPORTED		
Wastewater	6	2,861,048
Water Services	2	1,579,000
TOTAL NON-TAX SUPPORTED	**8**	**4,440,048**
CITY TOTAL	**68**	**56,778,181**

STAFF REPORT

TO	CAFES
SERVICE AREA	Finance & Enterprise
DATE	April 7, 2014
SUBJECT	**2013 DC Background Study Update: Capital Budget Funding Reallocation**
REPORT NUMBER	FIN-14-18

EXECUTIVE SUMMARY

PURPOSE OF REPORT

The purpose of this report is to highlight the impacts of the financing revisions made to the 2013 and 2014 approved capital budgets and the 2015 – 2023 capital forecast that were recommended in Chapter 5 of the 2013 Development Charge (DC) Background Study Update approved by Council on January 27, 2014.

This exercise is required after every DC background study update to ensure that the financing of growth related capital projects aligns with the most up-to-date background study. **Appendix A "Updated Capital Project Listing"** has been provided to identify the City's growth related projects and the new funding allocation on a project by project basis. The Council approved 2013 and 2014 Tax Supported and Non-Tax Supported capital budgets expenditures do not change as a result of this financing exercise.

KEY FINDINGS

A summary of financial implications resulting from this report include:

- The approval of the 2013 DC Background Study has resulted in an overall shift in growth related capital financing away from tax and grant supported funding sources to development charges.
- The impact of this reallocation exercise has been an overall reduction in

tax supported financing required to fund the capital budget and forecast, a small increase in tax supported debt capacity and the release of grant funding that can be made available for other purposes.

- Collectively, development charge reserve funds used to fund the City's hard services are projected to be in a negative position beginning in 2015 based on current approved and forecasted projects. This is not allowable under the City's DC By-law and action will be taken by staff to address the forecasted shortfall.
- Collectively, development charge reserve funds used to fund the City's soft services are projected to remain in a positive position over the 10-year period. Staff will continue to monitor these funds on a periodic basis and take action should this situation change.
- Revised growth assumptions used in the water and wastewater capital planning model have resulted in the delay of a number of projects currently in the 2015-2023 forecast to beyond 2024. These adjustments will be addressed as part of the 2015 budget process.

FINANCIAL IMPLICATIONS

- Reallocation of funding from Tax Supported Reserve funds ($2.8 million), Federal and Provincial Gas Tax ($1.95 million) and debt financing ($10.3 million) to development charge reserve funds ($6.7 million), direct developer contributions ($0.5 million) and DC Debt ($8.9 million) over the ten year capital forecast period.
- Reallocation of funding from Non-Tax Supported Reserve funds ($15.6 million) to development charge reserve funds ($14.6 million) and direct developer contributions ($1.0 million) for the ten year capital forecast period.
- The refinancing exercise resulted in an overall reduction in tax supported debt financing amounting to approximately $10.3 million. There is a corresponding increase in DC funded debt amounting to approximately

$8.9 million. Overall, there is a net reduction to the amount of debt financing required which has a slight favourable impact on the City's debt ratios as demonstrated in the updated debt continuity schedule included in **Appendix D "Debt Continuity Schedule"**.

ACTION REQUIRED

- Council approve the reallocation of funding between development charges and other capital funding sources to bring all growth related capital investments in line with the 2013 DC Background Study for impacted projects in the Council approved 2013 and 2014 capital budgets.
- Council receive for information the reallocation of funding between development charges and other capital funding sources for capital projects in the 2015 – 2023 capital forecast.

RECOMMENDATION

1. That report FIN-14-18 2013 DC Background Study Update- Capital Budget Funding Reallocation dated April 7th, 2014 be received.
2. That Council approve the refinancing of the approved 2013 and 2014 tax-supported and non-tax supported capital budgets so that they align with the Council approved 2013 DC Background Study.
3. That Council receive for information, the 2015-2023 Capital Forecast that was previously received by Council at the meeting of December 5, 2013.

BACKGROUND

The *Development Charges Act, 1997* mandates that the City must update its background study and by-law every five years. The background study uses a forecasted growth projection for the City to determine the infrastructure needed to accommodate growth over the 10 and 19 year time horizons (2013-2031) and determine a one-time charge to be levied on new residential and non-residential developments. These charges finance the portion of the capital cost that is directly

associated with new infrastructure and municipal service expansion needed to support that growth.

On January 27, 2014 Council approved the 2013 DC Background Study update that contained a revised funding allocation of capital cost between growth and non-growth supported financing sources for 86 projects within the 2013 and 2014 Council approved capital budgets and 2015-2023 capital forecast. To ensure that the City's growth related capital projects are appropriately funded in the proportions set out in the 2013 DC Background Study, a refunding exercise and analysis was necessary. The reallocation of funding has no impact on the gross expenditures approved by Council as part of the 2013 and 2014 budget deliberations and therefore, the final resolutions passed by Council at its meetings of December 5, 2012 and December 5, 2013 remain unchanged. **Appendix A "Updated Capital Project Listing"** provides a detailed account of all growth related projects in the capital budget and their funding allocations on a project by project basis.

REPORT

Overview

The refunding exercise required to bring the capital budget and forecast in-line with the growth allocations identified in Chapter 5 of the 2013 Development Charges Background Study (as approved by Council January 27, 2014), resulted in significant implications to the following areas:

1. Impact on Tax Supported Funding Sources
2. Impact on Non-Tax Supported Funding Sources
3. Impact on Debt Financing
4. Impact on the City's Development Charge Reserve Funds
5. Changes to the 2015–2023 Capital Forecast resulting from the impact revised growth targets had on the water and wastewater forecast model
6. Identification of Unfunded DC Capital Investments

The details of these implications, including the driving factors and the significance to the City's capital funding sources, reserves and debt forecast have been summarized below.

1. Impact of Refinancing on Tax Supported Funding

Table 1 summarizes the impact of the re-allocation exercise on the various funding sources within the tax supported capital budget in 2013, 2014 and the capital forecast from 2015-2023.

Key Findings:

There is a significant shift from tax supported and federal and provincial gas tax funding to Development Charge Reserve Funds. The key factors driving the change are:

- The Services Related to a Highway service category is experiencing the most significant increase among the tax supported services. Over the next 10 year period, changes to the growth allocation for **Victoria: Arkell to Clair** (RD0320), **Elmira Fife to WR124 Extension** (RD0308) and **York Victoria to East City Limits** (RD0270) are resulting in an increase of $6.1M that is to be funded from the Services Related to a Highway DC reserve fund.
- The **Victoria Road Recreation Centre Expansion** has assigned 18% of the total $7.15M planned capital cost to growth where previously there had been no development charge funding identified.
- The Administration Service Category updated the attribution to growth for the majority of the studies and planning initiatives that are forecasted over the 10 year forecast period. This reallocation results in an additional $1.1M to be funded from the Administration Services DC reserve fund.

A complete listing of all the projects affected by the DC funding reallocation can be found in **Appendix A "Updated Project Listing"**.

Table 1: Reallocation of Tax Supported Funding Sources

FUNDING SOURCE	2013 Approved	2014 Approved	2015-2023 Forecast	Total
Development Charge Reserves Funds	(426,298)	494,350	6,596,494	$6,664,547
Direct Developer/Partner Contribution	(26,429)	370,715	(868,155)	($523,870)
Tax Supported Capital Reserve Funds	757,186	27,260	(3,568,339)	($2,783,893)
Debt Financing	145,541	(9,624,984)	(810,000)	($10,289,443)
DC Debt Financing		8,882,659		$8,882,659
Gas Tax	(450,000)	(150,000)	(1,350,000)	($1,950,000)
Net Impact	-	-	-	-

*increased commitment from funding source (+'ve), reduced commitment from funding source (-'ve)

2. Impact of Refinancing on Non-Tax Supported Funding

Table 2 summarizes the impact the re-allocation exercise has to the various funding sources within the non-tax supported capital budget in 2013, 2014 and the capital forecast from 2015-2023.

Key Findings

The non-tax supported capital budget and forecast required a similar transfer of funding from the non-tax supported reserves to development charge reserve funds. The most significant changes are driven by changes to three wastewater projects:

- **ST0003 Wastewater Treatment Plant Expansion**: The 2008 Background Study allocated 50% of the $44M total project cost to growth. The 2013 Background Study increased the growth allocation to 70%, which resulted in an $8.7M increase to the Wastewater DC reserve fund over the next 7 years.
- **ST0005 Wastewater Treatment Plant Upgrade**: The 2008 DC Study allocated 25% of the $11M total project cost to growth. The 2013 DC Study increased the growth allocation to 80%, which has resulted in a $5.9M

increase to the Wastewater DC reserve fund over a six year (2013-2019) period.

- **WS0085 WW-I-1 York Trunk- Hanlon to Victoria**: The 2013 Background Study has calculated a 51% allocation to growth which is 30% higher than the allocation used in the previous study. This increased allocation has resulted in an additional $5.7M commitment to be funded from the Wastewater DC reserve over the next five years.

Table 2: Reallocation of Non-Tax Supported Funding Sources

FUNDING SOURCE	2013 Approved Budget	2014 Approved Budget	2015-2023 Forecast	Total
Development Charge Reserve Funds	1,243,500	2,469,350	10,889,420	$14,602,270
Direct Developer Contribution	140,000	0	889,070	$1,029,070
Rate-Supported Capital Reserve Funds	(1,383,500)	(2,469,350)	(11,778,490)	($15,631,340)
Net Impact	-	-	-	-

*increased commitment from funding source (+'ve), reduced commitment from funding source (-'ve)

3. Impact on Debt

The 2013 Background Study update resulted in a shift in capital funding from tax supported debt to development charge reserve funds and DC funded debt that represents $1,406,779 of freed-up debt capacity. The impact on the City's tax-supported and DC funded debt is shown in **Table 3** below.

The factors driving this adjustment are:

- 5% of the City's share of the Public Health Unit was determined to be growth related which results in a $594K transfer from tax supported debt sources to the newly approved development charge reserve fund dedicated to Health Services.

- The Victoria Road Recreation Centre Expansion was previously 100% tax supported debt but the DC update attributes 18% of the capital cost to growth that will be funded from development charges.
- The updated background study determined that the remaining Baker Street land purchases attributed a higher proportion of benefit to existing population than what was calculated in the previous study and therefore a reallocation from both the library and parking development charge reserve funds to tax supported debt was necessary.
- $8.9M of the Police Headquarter Renovation was transferred from tax supported debt to development charge debt.

Appendix D "**Debt Continuity Schedule**" contains a revised Corporate Debt Schedule that is reflective of the updated funding allocations prescribed in the DC Update.

Table 3: Tax Supported and DC Funded Debt

Debt- Tax Supported		2013	2014	2015	Total
GG0227	Public Health Unit		(594,425)		($594,425)
RF0051	Victoria Road Recreation Centre Expansion	(27,000)	(450,000)	(810,000)	($1,287,000)
SS0019	Baker Street Land Purchase Phase 3	172,541			$172,541
SS0020	Baker Street Land Purchase Phase 4		302,100		$302,100
PS0033	Police Headquarters		(8,882,659)		(8,882,659)
	Total Reduction to Tax Supported Debt				**$(10,289,443)**
DC Debt					
PS0033	Police Headquarters		8,882,659		$8,882,659
	Total Increase to DC funded Debt				**$8,882,659**
	Total Reduction to Corporate Debt				**$(1,406,784)**

It should be noted that non-tax supported debt was not impacted by this exercise as there is no debt currently forecast for these services.

4. Impact on the City's Development Charge Reserve Funds

The implications of designating a greater portion of capital cost to growth and increasing reliance on development charge revenue is that the City becomes dependent on growth activity and vulnerable to building market and economic fluctuations. The risk of this exposure is mitigated through diligent tracking and monitoring of actual growth statistics and constant review of the projects in the capital plan to ensure that only the appropriate projects are being implemented.

The risk of a revenue shortfall is primarily driven by the policy-based growth projections used in the development of the DC study compared to the actual rate of growth experienced by the City in recent years. For example, the DC background study uses a growth rate of 1,200 new residential units per year; however, the City only recorded 538 new residential units in 2013.

Graphs 3 and 4 illustrate the impact of this refinancing exercise on the DC reserve funds should the City pursue all the growth related projects approved in the 2013 and 2014 capital budget using the new funding allocations prescribed in the updated background study, without increasing the rate of growth and corresponding DC revenues. Key findings related to the status of the City's DC reserve funds are:

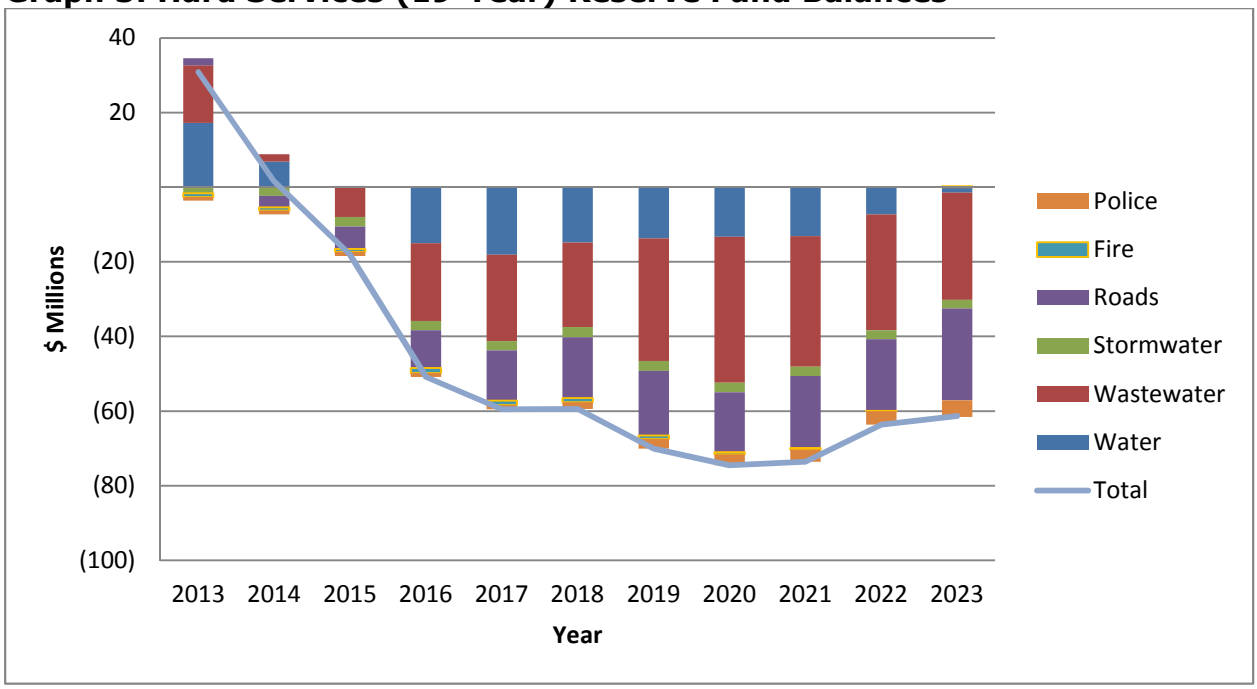
- Hard services are impacted the most significantly as collectively they drop into a negative balance by 2015.
- Soft Services overall remain positive; however, it is important to note that several large projects including the South End Recreation Centre, Main Library and Wilson and Baker Parkades are currently not included in the approved capital budget or forecast and therefore are not committed against the DC reserve funds.
- Detailed reserve summaries can be found in **Appendix C "Development Charge Reserve Fund Continuity Summary"**.
- A complete list of all the projects included in the background study but not in the capital budget and forecast can be found in **Appendix B "Unfunded**

Development Charge Projects". This list was provided to Council previously as part of the 2014 Capital Budget binder.

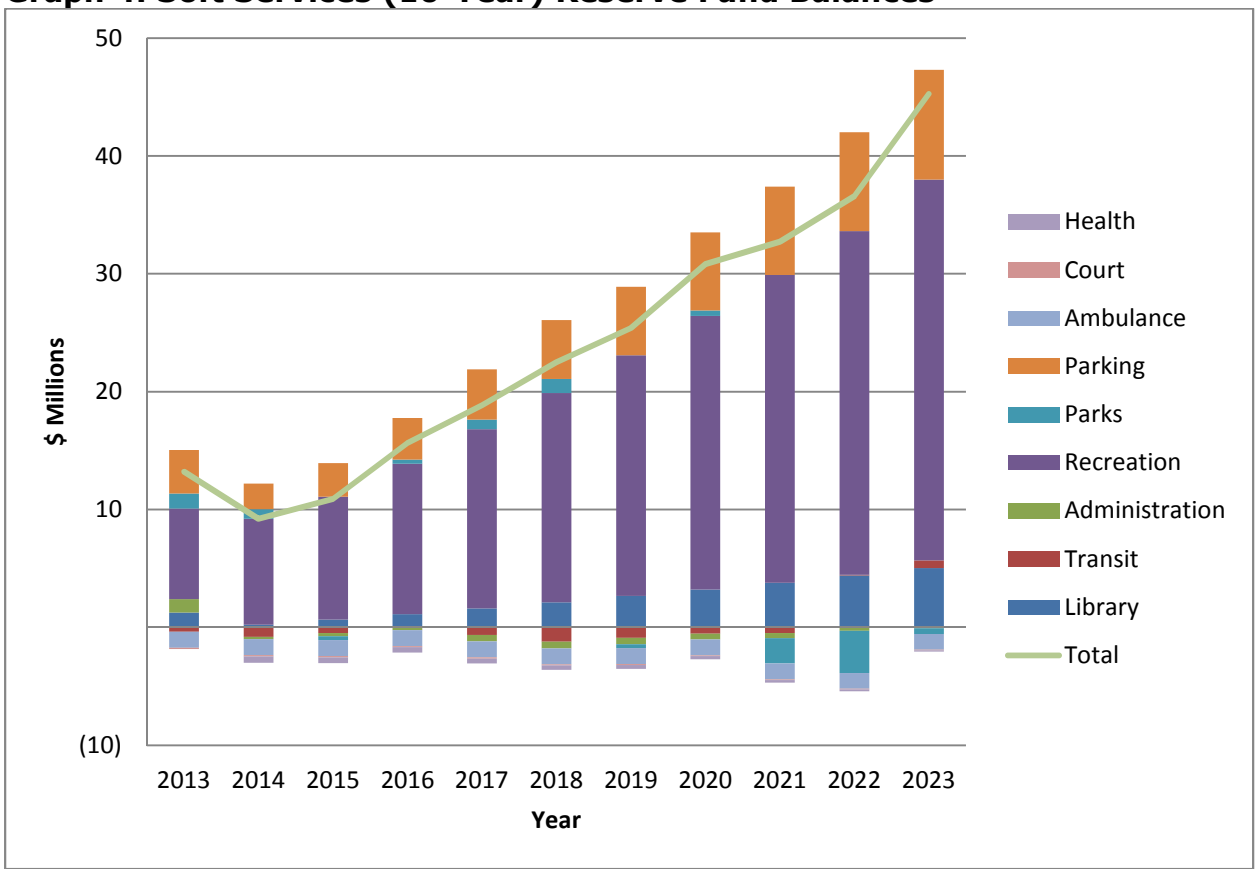
This analysis highlights the need for staff to be responsive and flexible in capital planning exercises in order to appropriately prioritize growth related projects and delay projects that are not warranted based on actualized growth and reserve fund balances.

A subsequent exercise will be carried out to review the City's growth related projects. Following this exercise, staff will report back to Council to inform them of which growth related projects will be delayed due to the City's slower growth rate and lower than anticipated development charge revenues.

Graph 3: Hard Services (19-Year) Reserve Fund Balances



Graph 4: Soft Services (10-Year) Reserve Fund Balances



5. Changes to the 2015 – 2023 Capital Forecast due to Revised Growth Targets

Throughout the development of the background study, new information regarding growth and consumption trends was presented that resulted in a delay of planned projects from the 10 year capital forecast to beyond the 19 year DC limit (see **Table 4**). All projects removed from the background study were scheduled to take place beyond 2015 and therefore have no impact on the Council approved 2013 and 2014 capital budgets. Overall, this will result in projects amounting to approximately $10.3 million being removed from the City's water and wastewater forecast during the preparation of the 2015 capital budget and 2016-2024 forecast.

Table 4: Changes to the 2015-2023 Capital Forecast

PROJECTS PUSHED BEYOND 2023	YEAR	AMOUNT
Water 311		
WT0006:W-F-7 Zone 3 Elevator Tank	2016	500,000
	2017	2,200,000
Wastewater 312		
SC0007:WW-I-9 Downey-Hazlewood-Teal	2022	620,000
	2023	1,000,000
SC0011:York Rd (Victoria to Watson)	2017	775,000
	2018	775,000
	2019	775,000
SC0027:Gordon (Clair to Maltby)	2016	1,500,000
SC0009: WW-F-3 York Speed Trunk Equalizer	2016	535,000
	2017	535,000
	2019	535,000
	2020	535,000
Total Reduction in Capital 2013-2023		**$10,285,000**

6. Identification of Unfunded DC Capital Investments

The City is committed to preparing a fully funded capital budget forecast. As a result of this commitment, some major capital investments (South End Recreation Centre, Main Branch Library, Wilson and Baker Parkades), are not affordable within the capital budget forecast model. Many of these projects are at least partially attributable to future growth within the City and can therefore be found in the 2013 DC Background Study. **Appendix B "Unfunded Development Charge Projects"** was prepared as part of the 2014 Capital Budget and identifies all the projects scheduled to occur within the next 10 years that are included in the background study and are either excluded from the capital budget entirely or included at an amount significantly less than the total cost identified in the background study.

Next Steps

In order to address the funding shortfall anticipated in certain services, project managers must work with finance to prioritize the growth related projects in the capital budget to ensure that the DC reserves remain balanced and that only capital investments required to accommodate experienced growth are pursued. Areas impacted specifically include:

- Water
- Wastewater
- Roads
- Stormwater
- Administration

CORPORATE STRATEGIC PLAN

2.1 Build an adaptive environment for government innovation to ensure fiscal and service sustainability

2.2 Deliver Public Service better

3.1 Ensure a well designed, safe, inclusive, appealing and sustainable City

3.2 Be economically viable, resilient, diverse and attractive for business

DEPARTMENTAL CONSULTATION

Finance & Enterprise Services

DC Steering Committee

FINANCIAL IMPLICATIONS

A summary of financial implications resulting from this report include:

- Reallocation of funding from Tax Supported Reserve funds ($2.8 million), Federal and Provincial Gas Tax ($1.95 million) and debt financing ($10.3 million) to development charge reserve funds ($6.7 million), direct developer

contributions ($0.5 million) and DC Debt ($8.9 million) over the ten year capital forecast period.

- Reallocation of funding from Non-Tax Supported Reserve funds ($15.6 million) to development charge reserve funds ($14.6 million) and direct developer contributions ($1.0 million) for the ten year capital forecast period.
- The refinancing exercise resulted in an overall reduction in tax supported debt financing amounting to approximately $10.3 million. There is a corresponding increase in DC funded debt amounting to approximately $8.9 million. Overall, there is a net reduction to the amount of debt financing required which has a slight favourable impact on the City's debt ratios as demonstrated in the updated debt continuity schedule included in **Appendix D "Debt Continuity Schedule"**.
- Collectively, development charge reserve funds used to fund the City's hard, or 19-year, services are projected to be in a negative position beginning in 2015 based on current approved and forecasted projects. This is not allowable under the City's DC By-law and action will be taken by staff to address the forecasted shortfall.
- Collectively, development charge reserve funds used to fund the City's soft, or 10-year, services are projected to remain in a positive position over the 10-year period. Staff will continue to monitor these funds on a periodic basis and take action should this situation change.
- As a result new growth assumptions used in the capital modelling for water and wastewater, a number of projects that were included in the 2015 – 2023 forecast are now anticipated to be required beyond 2023. This will be addressed as part of the 2015 budget process.

COMMUNICATIONS

N/A

ATTACHMENTS

Appendix A Updated Capital Project Listing

Appendix B Unfunded Development Charge Capital Projects

Appendix C Development Charge Reserve Fund Continuity Summary

Appendix D Debt Continuity Schedule

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CITY OF GUELPH
2013 TAX SUPPORTED CAPITAL BUDGET

Roads Growth

	Gross Project Cost $(000's)						Sources of External Financing				
Project Number & Description	2013	Grants & Subsidies	Federal Gas Tax	Other	DC's	DC Debt	Equipment Replacement	Capital Envelope	Other Capital		Debt
Planning, Engineering & Environment											
Roads Growth											
RD0078 VICTORIA - STONE-ARKELL	1,050.0				735.0			449.0			(134.0)
RD0118 TRANSPORT STRATEGY & TDM INIT	50.0				25.0			25.0			
RD0267 CLAIR/LAIRD & HANLON INTERCHNG	500.0					500.0					
RD0268 TRANSIT UPGRADES	150.0				150.0						
RD0269 LAIRD: CLAIR TO SOUTHGATE	1,500.0				1,050.0			450.0			
RD0271 STONE - EVERGREEN TO VICTORIA	400.0				280.0				120.0		
RD0273 SILVERCREEK PKWY/CN SEP	500.0			303.6	137.5				58.9		
RD0286 NISKA BRIDGE REPL	200.0				140.0			60.0			
RD0309 CITYVIEW	100.0			100.0							
Total Planning, Engineering & Environment	4,450.0			403.6	2,517.5	500.0		984.0	178.9		(134.0)
Total Roads Growth	4,450.0			403.6	2,517.5	500.0		984.0	178.9		(134.0)

CITY OF GUELPH
2013 TAX SUPPORTED CAPITAL BUDGET

Storm Water Growth

	Gross Project Cost $(000's)					Sources of External Financing				
Project Number & Description	2013	Grants & Subsidies	Federal Gas Tax	Other	DC's	DC Debt	Equipment Replacement	Capital Envelope	Other Capital	Debt
Planning, Engineering & Environment										
Storm Water Growth										
SW0066 STORMWATER DRAINAGE OVERSIZING	150.0				132.0			18.0		
SW0068 SERVICING STUDIES	125.0				93.8			31.3		
Total Planning, Engineering & Environment	275.0				225.8			49.3		
Total Storm Water Growth	275.0				225.8			49.3		

CITY OF GUELPH
2013 TAX SUPPORTED CAPITAL BUDGET

Policy Planning Growth

	Gross Project Cost $(000's)						Sources of External Financing				
Project Number & Description	2013	Grants & Subsidies	Federal Gas Tax	Other	DC's	DC Debt	Equipment Replacement	Capital Envelope	Other Capital		Debt
Planning, Engineering & Environment											
Policy Planning Growth											
PL0007 BROWNFIELDS INITIATIVES	(10.0)				(5.9)			(4.1)			
PL0012 HOUSING INITIATIVES	(45.0)				(19.9)			(25.1)			
PL0014 URBAN DESIGN GUIDELINES	(300.0)				(135.0)			(165.0)			
PL0017 GUELPH INOV DIST SEC PLAN	37.3				26.9			10.4			
PL0020 ENVIRONMENTAL INITIATIVES	24.9				5.5			19.4			
PL0022 CLAIR/MALTBY SECONDARY PLAN	300.0				270.0			30.0			
PL0024 HERITAGE INITIATIVES	37.3				3.4			33.9			
PL0036 MIXED USE NODES & CORRIDORS	49.7				17.9			31.8			
PL0045 DOWNTOWN PUBL & PRIVATE REALM	300.0				135.0			165.0			
PL0046 INFILL & TOWNHOUSE DESIGN GUID	43.5							43.5			
PL0047 MARKETING & COMM BROWNFIELDS	10.0				5.9			4.1			
PL0048 BROWNFIELDS INVENTORY	24.9				18.7			6.2			
PL0049 HOUSING INIT MKTING & COMM	20.0				9.3			10.7			
PL0050 HOUSING INIT STRATEGY	56.1				26.1			30.0			
Total Planning, Engineering & Environment	548.7				357.9			190.8			
Total Policy Planning Growth	548.7				357.9			190.8			

CITY OF GUELPH
2013 TAX SUPPORTED CAPITAL BUDGET

Transit Growth

	Gross Project Cost $(000's)	Sources of External Financing									
Project Number & Description	2013	Grants & Subsidies	Federal Gas Tax	Other	DC's	DC Debt	Equipment Replacement	Capital Envelope	Other Capital		Debt
Operations & Transit											
Transit Growth											
TC0026 CAD/AVL REPLACEMENT	500.0				110.0			390.0			
TC0028 FAREBOX UPGRADE	250.0				62.5			187.5			
TC0041 BUS STOP ACCESS UPGRADE 2011	(21.1)	16.6			(11.3)			(26.4)			
TM0002 MOBILITY VAN NEW	205.0				92.3			112.8			
Total Operations & Transit	933.9	16.6			253.5			663.9			
Total Transit Growth	933.9	16.6			253.5			663.9			

CITY OF GUELPH
2013 TAX SUPPORTED CAPITAL BUDGET

VRRC

	Gross Project Cost $(000's)	Sources of External Financing									
Project Number & Description	2013	Grants & Subsidies	Federal Gas Tax	Other	DC's	DC Debt	Equipment Replacement	Capital Envelope	Other Capital		Debt
Community and Social Services											
VRRC											
RF0051 VRRC EXPANSION/RENOVATION	150.0				27.0						123.0
Total Community and Social Services	150.0				27.0						123.0
Total VRRC	150.0				27.0						123.0

CITY OF GUELPH
2013 TAX SUPPORTED CAPITAL BUDGET

South End

	Gross Project Cost $(000's)	Sources of External Financing									
Project Number & Description	2013	Grants & Subsidies	Federal Gas Tax	Other	DC's	DC Debt	Equipment Replacement	Capital Envelope	Other Capital		Debt
Community and Social Services											
South End											
RP0290 SOUTH END COMMUNITY CENTRE	500.0				408.5			91.5			
Total Community and Social Services	500.0				408.5			91.5			
Total South End	500.0				408.5			91.5			

CITY OF GUELPH
2014 TAX SUPPORTED CAPITAL BUDGET
2015 TO 2023 TAX SUPPORTED CAPITAL FORECAST
Roads Growth

	Gross Project Cost $(000's)							Sources of External Financing								
Project Number & Description	2014	2015	2016	2017	2018	Next 5 Years	Total Project Cost	Grants & Subsidies	Federal Gas Tax	Other	DC's	DC Debt	Net Cost to City	Equipment Replacement	City Reserves	Debt
11 Roads Growth																
RD0118 TRANSPORT STRATEGY & TDM INIT					100.0	300.0	400.0				200.0		200.0		200.0	
RD0122 EASTVIEW - STARWOOD-WATSON			1,200.0	200.0			1,400.0			280.0	784.0		336.0		336.0	
RD0265 GORDON- CLAIR TO MALTBY				500.0	2,500.0	2,900.0	5,900.0				4,130.0		1,770.0		1,770.0	
RD0267 CLAIR/LAIRD & HANLON INTERCHNG	6,500.0	6,500.0					13,000.0					13,000.0				
RD0269 LAIRD: CLAIR TO SOUTHGATE	1,000.0	500.0					1,500.0				1,050.0		450.0		450.0	
RD0270 YORK- VICTORIA TO EAST CITY LIMITS			500.0	5,000.0	4,000.0	1,000.0	10,500.0			3,675.0	4,777.5		2,047.5		2,047.5	
RD0271 STONE - EVERGREEN TO VICTORIA	2,500.0	2,700.0					5,200.0				3,640.0		1,560.0		1,560.0	
RD0272 VICTORIA- YORK TO STONE II		350.0	3,300.0	300.0			3,950.0				2,765.0		1,185.0		1,185.0	
RD0273 SILVERCREEK PKWY/CN SEP	5,000.0	5,000.0					10,000.0			6,071.4	2,750.0		1,178.6		1,178.6	
RD0274 INT SPEEDVALE & DELHI			1,000.0				1,000.0				500.0		500.0		500.0	
RD0285 STARWOOD- WATSON TO GRANGE (SA)			190.0				190.0				133.0		57.0		57.0	
RD0286 NISKA BRIDGE REPL		1,750.0	250.0				2,000.0				1,400.0		600.0		600.0	
RD0308 ELMIRA: FIFE TO WR124 EXTENSION						5,000.0	5,000.0				5,000.0					
RD0309 CITYVIEW	125.0						125.0			125.0						
RD0310 GORDON: EDINBURGH TO LOWES	150.0		1,350.0				1,500.0			750.0	750.0					
RD0312 INT COLLEGE & SCOTTSDALE						1,600.0	1,600.0				800.0		800.0		800.0	
RD0313 INT SPEEDVALE & SILVERCREEK						1,800.0	1,800.0				900.0		900.0		900.0	
RD0316 INT DOWNEY & NISKA			200.0				200.0				200.0					
RD0318 HART'S LANE WEST GORDON TO WEST		100.0	1,250.0	150.0			1,500.0			750.0	750.0					
RD0319 COLLEGE: VICTORIA TO DUNDAS LANE				200.0	1,500.0	300.0	2,000.0			1,000.0	1,000.0					
RD0320 VICTORIA: ARKELL TO CLAIR						6,000.0	6,000.0				6,000.0					
RD0321 ACTIVE TRANSPORTATION	300.0	300.0	300.0	300.0	300.0	1,500.0	3,000.0				1,500.0		1,500.0		1,500.0	
RD0322 ACTIVE TRANSPORTATION STUDY	150.0						150.0				150.0					
TF0001 STARWOOD & WATSON TRAFFIC SIGNALS			150.0				150.0				105.0		45.0		45.0	
Total 11 Roads Growth	15,725.0	17,200.0	9,690.0	6,650.0	8,400.0	20,400.0	78,065.0			12,651.4	39,284.5	13,000.0	13,129.1		13,129.1	
Total Roads Growth	15,725.0	17,200.0	9,690.0	6,650.0	8,400.0	20,400.0	78,065.0			12,651.4	39,284.5	13,000.0	13,129.1		13,129.1	

CITY OF GUELPH
2014 TAX SUPPORTED CAPITAL BUDGET
2015 TO 2023 TAX SUPPORTED CAPITAL FORECAST
Storm Water Growth

	Gross Project Cost $(000's)							Sources of External Financing								
Project Number & Description	2014	2015	2016	2017	2018	Next 5 Years	Total Project Cost	Grants & Subsidies	Federal Gas Tax	Other	DC's	DC Debt	Net Cost to City	Equipment Replacement	City Reserves	Debt
11 Storm Water Growth																
SW0049 HANLON CREEK STORM		200.0					200.0				180.0		20.0		20.0	
SW0061 WATERSHED STUDY UPDATES				100.0			100.0				72.0		28.0		28.0	
SW0066 STORMWATER DRAINAGE OVERSIZING	150.0	150.0					300.0				264.0		36.0		36.0	
SW0068 SERVICING STUDIES					300.0		300.0				225.0		75.0		75.0	
Total 11 Storm Water Growth	150.0	350.0		100.0	300.0		900.0				741.0		159.0		159.0	
Total Storm Water Growth	150.0	350.0		100.0	300.0		900.0				741.0		159.0		159.0	

CITY OF GUELPH
2014 TAX SUPPORTED CAPITAL BUDGET
2015 TO 2023 TAX SUPPORTED CAPITAL FORECAST
Policy Planning Growth

	Gross Project Cost $(000's)							Sources of External Financing								
Project Number & Description	2014	2015	2016	2017	2018	Next 5 Years	Total Project Cost	Grants & Subsidies	Federal Gas Tax	Other	DC's	DC Debt	Net Cost to City	Equipment Replacement	City Reserves	Debt
11 Policy Planning Growth																
PL0004 OFFICIAL PLAN REVIEW			100.0	227.3		456.4	783.7				529.0		254.7		254.7	
PL0007 BROWNFIELDS INITIATIVES				66.0		55.7	121.7				82.1		39.6		39.6	
PL0008 COMMUNITY IMPROVEMENT STUDIES					200.0	447.0	647.0				291.1		355.9		355.9	
PL0012 HOUSING INITIATIVES					92.0		92.0				62.1		29.9		29.9	
PL0014 URBAN DESIGN GUIDELINES				220.0		231.8	451.8				225.9		225.9		225.9	
PL0020 ENVIRONMENTAL INITIATIVES					60.5		60.5				13.3		47.2		47.2	
PL0021 ZONING BY-LAW REVIEW	174.1	183.5	198.3			159.4	715.3				482.8		232.5		232.5	
PL0022 CLAIR/MALTBY SECONDARY PLAN	270.0	244.7					514.7				463.2		51.5		51.5	
PL0024 HERITAGE INITIATIVES			85.6			171.8	257.4				23.2		234.2		234.2	
PL0036 MIXED USE NODES & CORRIDORS	50.0	55.0	60.0	39.3		300.0	504.3				181.5		322.8		322.8	
PL0046 INFILL & TOWNHOUSE DESIGN GUID	40.6						40.6						40.6		40.6	
PL0051 GID SECONDARY PLAN IMPLEMENTATION	46.4						46.4				33.4		13.0		13.0	
Total 11 Policy Planning Growth	581.1	483.2	443.9	552.6	352.5	1,822.1	4,235.4				2,387.6		1,847.8		1,847.8	
Total Policy Planning Growth	581.1	483.2	443.9	552.6	352.5	1,822.1	4,235.4				2,387.6		1,847.8		1,847.8	

CITY OF GUELPH
2014 TAX SUPPORTED CAPITAL BUDGET
2015 TO 2023 TAX SUPPORTED CAPITAL FORECAST
Transit Growth

	Gross Project Cost $(000's)							Sources of External Financing								
Project Number & Description	2014	2015	2016	2017	2018	Next 5 Years	Total Project Cost	Grants & Subsidies	Federal Gas Tax	Other	DC's	DC Debt	Net Cost to City	Equipment Replacement	City Reserves	Debt
11 Transit Growth																
TC0004 COIN EQUIPMENT		30.0				37.0	67.0				15.1		51.9		51.9	
TC0006 SATELLITE LOCAL CLAIR/GORDON		300.0		50.0			350.0				350.0					
TC0023 BASE SERVICE INCREASE- LAFARGE				1,050.0			1,050.0				945.0		105.0		105.0	
TC0024 BASE SERVICE INCREASE- SOUTH END					1,050.0		1,050.0				945.0		105.0		105.0	
TC0028 FAREBOX UPGRADE	100.0	406.0					506.0				126.5		379.5		379.5	
TC0041 BUS STOP ACCESS UPGRADE 2011	52.0	53.1	54.1	55.2	56.3	299.8	570.5						570.5		570.5	
TC0045 INTER-REGIONAL SERVICE EXPANSION						1,000.0	1,000.0				450.0		550.0		550.0	
TM0001 MOBILITY VAN NEW				220.0		470.0	690.0				465.8		224.3		224.3	
TM0002 MOBILITY VAN NEW					215.0		215.0				96.8		118.3		118.3	
Total 11 Transit Growth	152.0	789.1	54.1	1,375.2	1,321.3	1,806.8	5,498.5				3,394.2		2,104.5		2,104.5	
Total Transit Growth	152.0	789.1	54.1	1,375.2	1,321.3	1,806.8	5,498.5				3,394.2		2,104.5		2,104.5	

CITY OF GUELPH
2014 TAX SUPPORTED CAPITAL BUDGET
2015 TO 2023 TAX SUPPORTED CAPITAL FORECAST
VRRC

	Gross Project Cost $(000's)							Sources of External Financing								
Project Number & Description	2014	2015	2016	2017	2018	Next 5 Years	Total Project Cost	Grants & Subsidies	Federal Gas Tax	Other	DC's	DC Debt	Net Cost to City	Equipment Replacement	City Reserves	Debt
11 VRRC																
RF0046 VRRC- BULKHEADS						110.0	110.0						110.0		110.0	
RF0051 VRRC EXPANSION/RENOVATION	2,500.0	4,500.0					7,000.0				1,260.0		5,740.0			5,740.0
Total 11 VRRC	2,500.0	4,500.0				110.0	7,110.0				1,260.0		5,850.0		110.0	5,740.0
Total VRRC	2,500.0	4,500.0				110.0	7,110.0				1,260.0		5,850.0		110.0	5,740.0

CITY OF GUELPH
2014 TAX SUPPORTED CAPITAL BUDGET
2015 TO 2023 TAX SUPPORTED CAPITAL FORECAST
Police Growth

	Gross Project Cost $(000's)							Sources of External Financing								
Project Number & Description	2014	2015	2016	2017	2018	Next 5 Years	Total Project Cost	Grants & Subsidies	Federal Gas Tax	Other	DC's	DC Debt	Net Cost to City	Equipment Replacement	City Reserves	Debt
11 Police Growth																
PS0033 POLICE HQ RENOVATIONS	20,407.7						20,407.7				8,882.7		11,525.0			11,525.0
PS0041 JOINT FIRE/POLICE TRAINING FACILITY						1,039.0	1,039.0				519.5		519.5		519.5	
Total 11 Police Growth	20,407.7					1,039.0	21,446.7				9,402.2		12,044.5		519.5	11,525.0
Total Police Growth	20,407.7					1,039.0	21,446.7				9,402.2		12,044.5		519.5	11,525.0

2013 Capital Budget — Wastewater

Project Number & Description	2013	Grants & Subsidies	Federal Gas Tax	Other	Development Charges	DC Debt	Net Cost to City	Equipment Replacement	Capital Envelope	Other Capital	Debt
	Gross Project Cost ('000s)							Sources of External Funding			
Growth											
Treatment & Plant Operations											
ST0002 WWTP - UPGRADES & STUDIES	50.0				12.5		37.5		37.5		
ST0004 WWTP PHASE 2 EXPANSION	2,000.0			140.0	1,860.0						
ST0005 WWTP UPGRADES	500.0				400.0		100.0		100.0		
ST0008 WASTEWATER MASTERPLAN	102.0				102.0						
Total Treatment & Plant Operations	2,652.0			140.0	2,374.5		137.5		137.5		
Distribution & Transmission											
SC0008 WWI10 RIVER CROSSING/HANLON EX	350.0				150.5		199.5		199.5		
SC0018 WWI12 SIPHON IMPROVEMENTS	240.0				120.0		120.0		120.0		
SC0020 WWI15 NEW GRAVITY SEWERS	250.0				225.0		25.0		25.0		
SC0021 WWI16 NEW FORCEMAINS	150.0				135.0		15.0		15.0		
SC0029 SERVICING STUDIES	150.0				37.5		112.5		112.5		
WS0085 WWI1 YORK - HANLON-VICTORIA	3,780.0				1,927.8		1,852.2		1,852.2		
Total Distribution & Transmission	4,920.0				2,595.8		2,324.2		2,324.2		
Total Growth	7,572.0			140.0	4,970.3		2,461.7		2,461.7		
Infrastructure Replacement											
Treatment & Plant Operations											
GG0203 WASTEWATER FLEET REPL	122.4						122.4		122.4		
IT0022 WS ITS REPLACEMENT	60.2						60.2		60.2		
IT0031 IT STRATEGIC PLAN - WASTEWATER	28.3						28.3		28.3		
ST0013 DIGESTER CLEANING PROGRAM	153.0						153.0		153.0		
ST0014 DIGESTER GAS PROOFING	100.0						100.0		100.0		
ST0015 REPAIRS TO PROCESS STRUCTURES	500.0						500.0		500.0		
ST0016 WIRELESS PROJECT	120.0						120.0		120.0		
ST0017 SCUM TROUGH	190.0						190.0		190.0		
ST0018 EQUIP REPLACE & UPGRADES	300.0						300.0		300.0		
Total Treatment & Plant Operations	1,573.9						1,573.9		1,573.9		
Distribution & Transmission											
SC0013 WARD ONE - SEWER REPLACEMENT	1,000.0						1,000.0		1,000.0		
SC0014 SEWER REPL VARIOUS	1,750.0						1,750.0		1,750.0		

2013 Capital Budget — Wastewater

Project Number & Description	2013	Grants & Subsidies	Federal Gas Tax	Other	Development Charges	DC Debt	Net Cost to City	Equipment Replacement	Capital Envelope	Other Capital	Debt
	Gross Project Cost ('000s)							Sources of External Funding			
SC0016 SANITARY/STORM SEWER UPGRADES	(235.0)						(235.0)		(235.0)		
SC0025 SEWER INVESTIGATION VARIOUS	250.0						250.0		250.0		
SC0026 WWI13 INFRASTRUCTURE IMPROVEMENT	200.0				40.0		160.0		160.0		
Total Distribution & Transmission	2,965.0				40.0		2,925.0		2,925.0		
Total Infrastructure Replacement	4,538.9				40.0		4,498.9		4,498.9		
Total Wastewater	**12,110.9**			**140.0**	**5,010.3**		**6,960.6**		**6,960.6**		

2013 Capital Budget — Water Services

Project Number & Description	2013	Gross Project Cost ('000s) Grants & Subsidies	Federal Gas Tax	Other	Sources of External Funding Development Charges	DC Debt	Net Cost to City	Equipment Replacement	Capital Envelope	Other Capital	Debt
Growth											
Use & Awareness											
WW0106 CONSERVATION & EFFICIENCY	305.0				305.0						
Total Use & Awareness	305.0				305.0						
Plant Operations											
WT0002 NEW SUPPLY	1,000.0				1,000.0						
Total Plant Operations	1,000.0				1,000.0						
Distribution & Transmission											
WD0002 WI3 HANLON- WELLINGTON-CLAIR	250.0				185.0		65.0		65.0		
WD0005 WI6 SPEEDVALE-WATSON-WESTMOUNT	200.0				100.0		100.0		100.0		
WD0007 WI9 WELLINGTON: HANLON-WATSON	500.0				250.0		250.0		250.0		
WD0012 WI-1 CLAIR - CRAWLEY TO GORDON	750.0				675.0		75.0		75.0		
WD0018 EAST SIDE TRANSMISSION LINE	200.0				200.0						
WD0019 EAST SIDE ZONE 2 UPGRADES	40.0				22.0		18.0		18.0		
WD0023 SERVICING STUDIES	100.0				25.0		75.0		75.0		
WT0012 EAST SIDE ELEVATION TANK	200.0				200.0						
WW0139 W-I-25 DEVELOPMENT OVERSIZING	250.0				250.0						
Total Distribution & Transmission	2,490.0				1,907.0		583.0		583.0		
Total Growth	3,795.0				3,212.0		583.0		583.0		
Infrastructure Replacement											
Use & Awareness											
WT0016 SWI WATER EFFICIENCY	1,178.0	611.7		80.3			486.0		486.0		
Total Use & Awareness	1,178.0	611.7		80.3			486.0		486.0		
Plant Operations											
GG0202 WATERWORKS FLEET REPL	234.6						234.6		234.6		
IT0021 WW ITS REPLACEMENT	98.3						98.3		98.3		
IT0030 IT STRATEGIC PLAN - WATER	22.9						22.9		22.9		
WT0007 WATER FACILITY UPG AND STUDIES	1,650.0						1,650.0		1,650.0		
WT0008 UFW REMEDIAL ACTION PLAN	135.0						135.0		135.0		
WT0010 LEAD REPLACEMENT	578.0						578.0		578.0		
WT0013 BURKE TREATMENT	800.0						800.0		800.0		

2013 Capital Budget — Water Services

Project Number & Description	2013	Gross Project Cost ('000s) Grants & Subsidies	Federal Gas Tax	Other	Development Charges	DC Debt	Net Cost to City	Sources of External Funding Equipment Replacement	Capital Envelope	Other Capital	Debt
WT0019 WIRELESS PROJECT	110.0						110.0		110.0		
Total Plant Operations	3,628.8						3,628.8		3,628.8		
Distribution & Transmission											
WD0014 WATERMAIN REPLACEMENT	2,500.0		281.3				2,218.8		2,218.8		
WD0015 WARD ONE -WATERMAIN REPLACEMEN	750.0						750.0		750.0		
WD0016 WI16 HANLON CROSSING - PAISLEY	575.0						575.0		575.0		
Total Distribution & Transmission	3,825.0		281.3				3,543.8		3,543.8		
Total Infrastructure Replacement	8,631.8	611.7	281.3	80.3			7,658.6		7,658.6		
Total Water Services	**12,426.8**	**611.7**	**281.3**	**80.3**	**3,212.0**		**8,241.6**		**8,241.6**		

2014 to 2023 Capital Budget Wastewater

Project Number & Description	2014	2015	2016	2017	2018	Next 5 Years	Total Project Cost	Grants & Subsidies	Federal Gas Tax	Other	Development Charges	DC Debt	Net Cost to City	Equipment Replacement	Capital Envelope	Other Capital	Debt
	Gross Project Cost ('000s)							Sources of External Funding									
Growth																	
Treatment & Plant Operations																	
ST0001 PLANT RERATING - PHOS REDN IN	51.0	51.0	51.0	51.0	51.0	306.0	561.0				561.0						
ST0002 WWTP - UPGRADES & STUDIES	198.0	198.0	504.0	249.0	46.0	844.0	2,039.0				509.8		1,529.3		1,529.3		
ST0003 WWTP BIOSOLIDS FACILITY UPGRD	870.0	2,646.0	2,646.0	3,053.0	3,358.0	30,981.0	43,554.0				30,487.8		13,066.2		13,066.2		
ST0004 WWTP PHASE 2 EXPANSION		6,250.0	6,400.0	51.0			12,701.0			889.1	11,811.9						
ST0005 WWTP UPGRADES	407.0	3,328.0	5,393.0	724.0	356.0	275.0	10,483.0				8,386.4		2,096.6		2,096.6		
ST0006 SCADA UPGRADES		102.0	102.0	102.0	102.0	306.0	714.0				178.5		535.5		535.5		
ST0008 WASTEWATER MASTERPLAN		102.0	102.0			204.0	408.0				408.0						
ST0019 WWTP EXPANSION TO 85 MLD						3,000.0	3,000.0				3,000.0						
ST0020 PROCESS OPERATIONS CENTRE						200.0	200.0				100.0		100.0		100.0		
Total Treatment & Plant Operations	1,526.0	12,677.0	15,198.0	4,230.0	3,913.0	36,116.0	73,660.0			889.1	55,443.4		17,327.6		17,327.6		
Distribution & Transmission																	
SC0002 WWI0/WWS4 FLOW MONITORING		750.0					750.0				375.0		375.0		375.0		
SC0003 WWI2 STEVENSON - YORK-ERAMOSA	825.0	510.0					1,335.0				413.9		921.1		921.1		
SC0004 WWI3 SPEED- HANLON TO ERAMOSA			300.0	850.0	775.0	2,325.0	4,250.0						4,250.0		4,250.0		
SC0005 WWI4 WATERLOO- HANLON TO YORKSHIF						1,780.0	1,780.0				1,103.6		676.4		676.4		
SC0006 WWI7 SPEEDVL- MARLBORO TO METCALF		915.0					915.0				100.7		814.4		814.4		
SC0007 WWI9 DOWNEY- DOWNEY-HZLWD-TEAL						1,620.0	1,620.0				1,620.0						
SC0008 WWI10 RIVER CROSSING/HANLON EX	350.0		350.0	350.0	350.0	1,400.0	2,800.0				1,204.0		1,596.0		1,596.0		
SC0009 WWF3 YORK/SPEED TRUNK EQUALIZN			535.0	535.0		1,070.0	2,140.0				2,140.0						
SC0010 WWS6 WASTEWATER MPLAN UPDATE			300.0				300.0				300.0						
SC0011 YORK RD- VICTORIA TO WATSON				775.0	775.0	775.0	2,325.0				2,325.0						
SC0012 WW-I-5 REPL YORKSHIRE TRUNK						2,760.0	2,760.0				1,076.4		1,683.6		1,683.6		
SC0018 WWI12 SIPHON IMPROVEMENTS	600.0	600.0	600.0	600.0	600.0	1,800.0	4,800.0				2,400.0		2,400.0		2,400.0		
SC0019 WWI14 I&I REDUCTION IMPL			250.0	250.0	250.0	1,450.0	2,200.0				1,100.0		1,100.0		1,100.0		
SC0020 WWI15 NEW GRAVITY SEWERS			250.0	250.0	250.0	1,000.0	1,750.0				1,575.0		175.0		175.0		
SC0021 WWI16 NEW FORCEMAINS			150.0	150.0	150.0	600.0	1,050.0				945.0		105.0		105.0		
SC0023 WWF1 DECOMMISION GORDON SPS		2,700.0					2,700.0				1,350.0		1,350.0		1,350.0		
SC0027 GORDON- CLAIR TO MALTBY			1,500.0				1,500.0				1,500.0						
WS0085 WWI1 YORK - HANLON-VICTORIA	3,780.0	3,780.0	3,780.0	3,780.0			15,120.0				7,711.2		7,408.8		7,408.8		
Total Distribution & Transmission	5,555.0	9,255.0	8,015.0	7,540.0	3,150.0	16,580.0	50,095.0				27,239.8		22,855.3		22,855.3		
Total Growth	7,081.0	21,932.0	23,213.0	11,770.0	7,063.0	52,696.0	123,755.0			889.1	82,683.2		40,182.9		40,182.9		
Infrastructure Replacement																	
Treatment & Plant Operations																	
GG0203 WASTEWATER FLEET REPL	628.6	138.4	77.3	271.3	147.2	1,089.3	2,352.1						2,352.1		2,352.1		
IT0022 WS ITS REPLACEMENT	43.2	58.5	85.9	78.3	31.0	422.1	719.0						719.0		719.0		
IT0031 IT STRATEGIC PLAN - WASTEWATER	10.0	32.9	11.5	11.5			65.9						65.9		65.9		
IT0035 PAGING SYSTEM REPLACEMENT - WASTE		89.8					89.8						89.8		89.8		
ST0013 DIGESTER CLEANING PROGRAM	250.0	204.0	204.0	204.0	204.0	1,020.0	2,086.0						2,086.0		2,086.0		
ST0014 DIGESTER GAS PROOFING	1,300.0	750.0				1,500.0	3,550.0						3,550.0		3,550.0		
ST0015 REPAIRS TO PROCESS STRUCTURES		500.0	500.0		500.0	1,500.0	3,000.0						3,000.0		3,000.0		
ST0017 SCUM TROUGH					100.0		100.0						100.0		100.0		
ST0018 EQUIP REPLACE & UPGRADES	565.0	100.0	100.0				765.0						765.0		765.0		
Total Treatment & Plant Operations	2,796.8	1,873.6	978.7	565.1	982.2	5,531.4	12,727.8						12,727.8		12,727.8		
Distribution & Transmission																	

2014 to 2023 Capital Budget Wastewater

	Gross Project Cost ('000s)							Sources of External Funding									
Project Number & Description	2014	2015	2016	2017	2018	Next 5 Years	Total Project Cost	Grants & Subsidies	Federal Gas Tax	Other	Development Charges	DC Debt	Net Cost to City	Equipment Replacement	Capital Envelope	Other Capital	Debt
SC0013 WARD ONE - SEWER REPLACEMENT		750.0	750.0	750.0	750.0	3,750.0	6,750.0						6,750.0		6,750.0		
SC0014 SEWER REPL VARIOUS		1,500.0	1,500.0	1,500.0	2,000.0	10,000.0	16,500.0						16,500.0		16,500.0		
SC0015 WWI8 WATER- MAPLE TO GORDON						865.0	865.0						865.0		865.0		
SC0016 SANITARY/STORM SEWER UPGRADES						900.0	900.0						900.0		900.0		
SC0025 SEWER INVESTIGATION VARIOUS			300.0	300.0	300.0	300.0	1,200.0						1,200.0		1,200.0		
SC0026 WWI13 INFRASTRUCTURE IMPROVEMENT	200.0		200.0	200.0	200.0	1,200.0	2,000.0				400.0		1,600.0		1,600.0		
SC0028 DOWNTOWN SANITARY SEWERS		500.0		500.0	200.0	1,000.0	2,200.0						2,200.0		2,200.0		
ST0010 WWF2 SPS/FORCEMAIN IMPROVEMENT	200.0		200.0	200.0	200.0	1,800.0	2,600.0						2,600.0		2,600.0		
Total Distribution & Transmission	400.0	2,750.0	2,950.0	3,450.0	3,650.0	19,815.0	33,015.0				400.0		32,615.0		32,615.0		
Total Infrastructure Replacement	3,196.8	4,623.6	3,928.7	4,015.1	4,632.2	25,346.4	45,742.8				400.0		45,342.8		45,342.8		
Total Wastewater	**10,277.8**	**26,555.6**	**27,141.7**	**15,785.1**	**11,695.2**	**78,042.4**	**169,497.8**			**889.1**	**83,083.2**		**85,525.7**		**85,525.7**		

2014 to 2023 Capital Budget Water Services

	Gross Project Cost ('000s)							Sources of External Funding									
Project Number & Description	2014	2015	2016	2017	2018	Next 5 Years	Total Project Cost	Grants & Subsidies	Federal Gas Tax	Other	Development Charges	DC Debt	Net Cost to City	Equipment Replacement	Capital Envelope	Other Capital	Debt
Growth																	
Use & Awareness																	
WW0106 CONSERVATION & EFFICIENCY	1,311.0	1,161.0	1,161.0	1,107.0	342.0	763.0	5,845.0				5,845.0						
Total Use & Awareness	1,311.0	1,161.0	1,161.0	1,107.0	342.0	763.0	5,845.0				5,845.0						
Plant Operations																	
WT0002 NEW SUPPLY	500.0	3,050.0	2,700.0	2,800.0	2,500.0	14,500.0	26,050.0				26,050.0						
WT0003 WF3 CLYTHE BOOSTER UPGRADE	1,125.0	3,375.0	4,300.0				8,800.0				4,400.0		4,400.0		4,400.0		
WT0004 WF5 QUALITY UPGRADE- CORROSION CL	200.0	200.0	200.0	200.0	200.0	800.0	1,800.0				1,170.0		630.0		630.0		
WT0005 WF6 ZONE 1A/1B BPS & RESERVOIR	500.0	1,000.0	12,000.0				13,500.0				12,150.0		1,350.0		1,350.0		
WT0006 WF7 ZONE 3 ELEVATED TANK			500.0	2,200.0			2,700.0				2,700.0						
WT0020 CLAIR TOWER BOOSTER COMMISSION	120.0						120.0				120.0						
WW0105 WS1-7 MASTERPLAN STUDIES	450.0					450.0	900.0				900.0						
Total Plant Operations	2,895.0	7,625.0	19,700.0	5,200.0	2,700.0	15,750.0	53,870.0				47,490.0		6,380.0		6,380.0		
Distribution & Transmission																	
WD0001 GORDON- CLAIR TO MALTBY			1,415.0				1,415.0				1,273.5		141.5		141.5		
WD0002 WI3 HANLON- WELLINGTON-CLAIR	500.0	3,000.0	3,000.0	3,000.0			9,500.0				7,030.0		2,470.0		2,470.0		
WD0003 WI4 EDINBURGH TO KORTRIGHT						1,200.0	1,200.0				888.0		312.0		312.0		
WD0004 WI5 KORTRIGHT- EDINBURGH TO GORDO						1,500.0	1,500.0				1,110.0		390.0		390.0		
WD0005 WI6 SPEEDVALE-WATSON-WESTMOUNT		600.0	600.0	600.0	1,000.0		2,800.0				1,400.0		1,400.0		1,400.0		
WD0007 WI9 WELLINGTON: HANLON-WATSON	4,300.0	2,100.0	2,100.0	1,900.0			10,400.0				5,200.0		5,200.0		5,200.0		
WD0008 WI12 ZONE A/B SPLIT						500.0	500.0				250.0		250.0		250.0		
WD0009 WI14 ARKELL WELL TRANSMISSION MAIN					1,000.0	13,500.0	14,500.0				7,250.0		7,250.0		7,250.0		
WD0011 WI11 KORTRIGHT IB EDIN TO RICKSON				486.0			486.0				359.6		126.4		126.4		
WD0013 WI-18 EXHIBITION/DUBLIN						5,060.0	5,060.0				3,744.4		1,315.6		1,315.6		
WD0017 WI-15 WATSON: SPEEDVALE TO HWY 25						975.0	975.0				877.5		97.5		97.5		
WD0018 EAST SIDE TRANSMISSION LINE	800.0	800.0					1,600.0				1,600.0						
WD0019 EAST SIDE ZONE 2 UPGRADES	180.0	180.0					360.0				198.0		162.0		162.0		
WT0012 EAST SIDE ELEVATION TANK	1,500.0	1,500.0					3,000.0				3,000.0						
Total Distribution & Transmission	7,280.0	8,180.0	7,115.0	5,986.0	2,000.0	22,735.0	53,296.0				34,181.0		19,115.0		19,115.0		
Total Growth	11,486.0	16,966.0	27,976.0	12,293.0	5,042.0	39,248.0	113,011.0				87,516.0		25,495.0		25,495.0		
Infrastructure Replacement																	
Use & Awareness																	
WT0016 SWI WATER EFFICIENCY	61.8						61.8	30.9		28.7			2.2		2.2		
Total Use & Awareness	61.8						61.8	30.9		28.7			2.2		2.2		
Plant Operations																	
GG0202 WATERWORKS FLEET REPL	195.2	254.0	287.7	207.9	313.1	1,645.5	2,903.4						2,903.4		2,903.4		
IT0021 WW ITS REPLACEMENT	40.0	43.7	73.4	60.4	35.7	390.9	644.1						644.1		644.1		
IT0030 IT STRATEGIC PLAN - WATER	8.0	26.5	9.3	9.3			53.1						53.1		53.1		
IT0034 PAGING SYSTEM REPLACEMENT - WATEF		59.9					59.9						59.9		59.9		
WT0007 WATER FACILITY UPG AND STUDIES	1,200.0	2,550.0	1,600.0	2,650.0	2,700.0	14,250.0	24,950.0						24,950.0		24,950.0		
WT0008 UFW REMEDIAL ACTION PLAN	140.0	140.0	145.0	150.0	155.0	845.0	1,575.0						1,575.0		1,575.0		
WT0009 GROUNDWATER PROTECTION	875.0	900.0	925.0	700.0	800.0	3,400.0	7,600.0						7,600.0		7,600.0		
WT0010 LEAD REPLACEMENT	578.0	578.0					1,156.0						1,156.0		1,156.0		
WT0011 WF1 PAISLEY PUMP UPGRADES	750.0						750.0						750.0		750.0		
WT0013 BURKE TREATMENT	650.0	1,000.0	692.0				2,342.0						2,342.0		2,342.0		
WT0015 WF-4 ROBERTSON BOOSTER UPGRADES			600.0	1,500.0	2,000.0	1,500.0	5,600.0						5,600.0		5,600.0		

2014 to 2023 Capital Budget Water Services

	Gross Project Cost ('000s)							Sources of External Funding									
Project Number & Description	2014	2015	2016	2017	2018	Next 5 Years	Total Project Cost	Grants & Subsidies	Federal Gas Tax	Other	Development Charges	DC Debt	Net Cost to City	Equipment Replacement	Capital Envelope	Other Capital	Debt
Total Plant Operations	4,436.2	5,552.1	4,332.4	5,277.6	6,003.8	22,031.4	47,633.5						47,633.5		47,633.5		
Distribution & Transmission																	
WD0014 WATERMAIN REPLACEMENT		1,750.0	1,750.0	1,750.0	1,750.0	8,750.0	15,750.0						15,750.0		15,750.0		
WD0015 WARD ONE -WATERMAIN REPLACEMEN		1,000.0	1,000.0	1,000.0	1,000.0	5,000.0	9,000.0						9,000.0		9,000.0		
WD0016 WI16 HANLON CROSSING - PAISLEY	825.0	500.0					1,325.0						1,325.0		1,325.0		
WD0020 WI-13 CARTER AQUADUCT						4,000.0	4,000.0						4,000.0		4,000.0		
WD0021 WI-7 ZONE 1/2 BOUNDARY NORTH OF SPE	200.0	200.0					400.0						400.0		400.0		
WD0022 DOWNTOWN CIP	500.0	500.0		500.0	200.0	1,000.0	2,700.0						2,700.0		2,700.0		
Total Distribution & Transmission	1,525.0	3,950.0	2,750.0	3,250.0	2,950.0	18,750.0	33,175.0						33,175.0		33,175.0		
Total Infrastructure Replacement	6,023.0	9,502.1	7,082.4	8,527.6	8,953.8	40,781.4	80,870.3	30.9		28.7			80,810.7		80,810.7		
Total Water Services	**17,509.0**	**26,468.1**	**35,058.4**	**20,820.6**	**13,995.8**	**80,029.4**	**193,881.3**	**30.9**		**28.7**	**87,516.0**		**106,305.7**		**106,305.7**		

Appendix B

Unfunded Development Charge Projects- Tax Supported

(in thousands)

Project ID	Area	Project Description	Total Amount (Indexed)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
RD0170	Highway	Railway Crossing at Edinburgh Road and adjacent	2,028	-	504	506	508	510	-	-	-	-	-
RDXXX	Highway	Intersection-Victoria/Clair	152	-	-	-	152	-	-	-	-	-	-
RD0267	Highway	Clair/Laird & Hanlon Interchage	1,120	560	560	-	-	-	-	-	-	-	-
PL0017	Planning	Guelph Innovation Secondary Plan	113	113	-	-	-	-	-	-	-	-	-
TC0027	Transit	Conventional Scheduling Software	163	163	-	-	-	-	-	-	-	-	-
TC0046	Transit	Transit Facility Expansion	4,032	-	4,032	-	-	-	-	-	-	-	-
TC0026	Transit	CAD/AVL Upgrade	1,207	1,207	-	-	-	-	-	-	-	-	-
TM0001	Transit	New Mobility Vans	245	-	-	-	9	230	0	6	-	-	-
TM0003	Transit	Mobility Scheduling Software	108	108	-	-	-	-	-	-	-	-	-
TR0026	Highway	West End Rec Centre	151	-	151	-	-	-	-	-	-	-	-
TR0031	Highway	York Watson	305	-	-	-	305	-	-	-	-	-	-
PG0047	Parking	Parkade - Wilson (400 spaces)	15,839	-	-	-	-	-	-	-	-	15,839	-
PG0033	Parking	Parkade - Baker (500 spaces)	19,330	-	-	19,330	-	-	-	-	-	-	-
PO0014	Parks	Parks Equipment	545	271	125	21	69	63	22	126	88	9	- 250
PK0036	Parks	Cityview Drive Park	838	-	-	-	-	-	838	-	-	-	-
PK0037	Parks	Kortright Sports Complex	3,099	-	-	-	-	-	-	1,544	1,554	-	-
PK0038	Parks	Grangehilld Phase 7	333	-	-	-	333	-	-	-	-	-	-
PK0040	Parks	Peter Misersky Phase 2	365	-	-	-	365	-	-	-	-	-	-
PK0042	Parks	York Open Space Development	1,225	-	-	-	-	-	-	-	1,225	-	-
PK0043	Parks	Eastview Open Space	777	-	-	-	-	-	-	-	777	-	-
PK0045	Parks	Valley Road Park	349	-	-	-	-	-	-	-	-	349	-
PK0049	Parks	270 Grange Road - new parkette	286	-	-	-	-	-	286	-	-	-	-
PK0050	Parks	York District Community Park	825	-	-	-	-	-	-	-	825	-	-
PK0051	Parks	Victoria Rd N Community Park	1,988	-	-	-	-	-	179	1,203	606	-	-
PK0057	Parks	Orin Reid Park Phases 2-4	369	-	30	183	155	-	-	-	-	-	-
PK0070	Parks	Victoria Park West	440	-	-	-	-	790	- 350	-	-	-	-
PK0074	Parks	Watson Parkette	215	-	-	-	-	510	- 295	-	-	-	-
PK0076	Parks	Dallan Property	809	-	-	-	809	-	-	-	-	-	-
PK0077	Parks	West Hills	1,328	-	-	-	-	-	-	-	-	1,328	-
PK0078	Parks	300-312 Grange Road Park	381	-	-	381	-	-	-	-	-	-	-
PK0079	Parks	Trailway Masterplan Update	91	-	91	-	-	-	-	-	-	-	-
RP0290	Recreation	South End Rec Centre	36,796	-	-	36,796	-	-	-	-	-	-	-

Project ID	Area	Project Description	Total Amount (Indexed)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
AM0009	Ambulance	Amulance Training Facility	1,081	-	-	-	-	-	-	-	-	-	1,081
AMXXXX	Admin	Ambulance Planning Study/Needs Assessment	131	131	-	-	-	-	-	-	-	-	-
FSXXXX	Admin	Fire Master Plan	101	-	101	-	-	-	-	-	-	-	-
AMXXXX	Admin	Joint Planning Study	51	-	-	51	-	-	-	-	-	-	-
PS0041	Police	Joint Fire/Police Training Facility	1,081	-	-	-	-	-	-	-	-	-	1,081
LB0028	Library	Main Branch	47,708	-	-	47,708	-	-	-	-	-	-	-
FS0053	Fire	Fire Training Facility	1,081										1,081
FS00XX	Fire	Fire Vehicles	2,771	1,383	1,388								
RD0268B	Highway	Complete Street Modifications	5,204	-	-	-	-	-	-	-	-	-	5,204
GG0228	Highway	PW Needs Assessment Study	101	-	101	-	-	-	-	-	-	-	-
RD0091	Highway	Crawley Clair to Maltby	1,041	-	-	-	-	-	-	-	-	-	1,041
AMXXXX	Ambulance	Equipment on an Ambulance	151	-	151	-	-	-	-	-	-	-	-
RDXXXX	Highway	Rolling Stock	118	-	35	-	-	-	-	82	-	-	-
RFXXXX	Indoor Rec	Recreation Equipment	529	-	-	175	176	177	-	-	-	-	-
LBXXXX	Library	Library Collection Material	2,667	-	-	-	2,667	-	-	-	-	-	-
RDXXXX	Highway	Maltby Road	6,244	-	-	-	-	-	-	-	-	-	6,244
PSXXXX	Police	Police Small Equipment	71	7	7	7	7	7	7	7	7	7	7

Total Unfunded (indexed) 165,982

Note: *Projects listed are currently identified in the 2013 DC Study but are not included or only partially included in the 2014 Capital Budget.

'**Indexed using Non-residential Building Construction Price Index, second quarter 2012-2013, .4%

*** When projects are planned within a range in the DC Study, the mid year of the range was used for this summary

Appendix B Cont'd

Unfunded Development Charge Projects- Non Tax Supported

(in thousands)

Project ID	Area	Project Description	Total Amount (Indexed)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
WS0103	Wastewater	WW-S-1 Trunk Sewer Condition Assessment	263	-	-	263	-	-	-	-	-	-	-
WS0105	Wastewater	WW-S-3 Trunk Sewer Energy Capture	53	-	-	53	-	-	-	-	-	-	-
WT0002	Water	New Supply	15,648	4,640	2,110	2,481	2,402	2,722	2,493	2,514	2,535	- 2,750	- 3,500
WW0099	Water	W-F-2 Verney/Clair Control Upgrades	- 392	503	506	- 200	- 200	- 200	- 200	- 200	- 200	- 200	-
	Water	SOUTH END TRANSMISSION MAINS	6,487	-	-	-	-	-	-	-	-	-	6,487
	Water	W-F-1 PAISLEY UPGRADES	1,518	-	-	1,518	-	-	-	-	-	-	-
	Water	W-F-4 ROBERTSON BOOSTER PS UPGRADES EX	6,711	-	-	-	-	-	-	-	6,711	-	-
	Water	W-F-9 EAST SIDE BPS & RESEVOIR	14,595	-	-	-	-	-	-	-	-	-	14,595
	Water	W-I-16 HANLON CROSSING TO PAISLEY (SUPPL	3,036	-	-	3,036	-	-	-	-	-	-	-
	Water	W-I-20 REPLACE DISTRIBUTION PIPING	10,201	-	-	-	-	-	-	-	-	-	10,201
	Water	W-I-21 ASSET REPLACEMENT	7,029	-	-	-	-	-	-	-	-	-	7,029
	Water	W-I-26 EAST SIDE TRANSMISSION LINE	2,468	-	-	-	-	-	-	2,468	-	-	-
	Water	W-S-2 DISTRIBUTION SYSTEM WATER QUALITY	152	-	-	-	152	-	-	-	-	-	-
	Water	W-S-3 PROPERTY NEEDS STUDY	152	-	-	-	152	-	-	-	-	-	-
	Water	W-S-5 PERFORMANCE/BENCHMARKING INVES	254	-	-	-	254	-	-	-	-	-	-
	Water	W-S-6 REVIEW OPPORTUNITIES FOR CAPTURIN	181	181	-	-	-	-	-	-	-	-	-
	Water	W-S-7 WATER DISTRIBUTION MASTERPLAN	457	-	-	-	457	-	-	-	-	-	-
	Wastewater	WW-F-2 IMPROVEMENTS TO LIFT STATION & F	2,244	-	-	-	-	2,244	-	-	-	-	-
	Wastewater	WW-I-11 AREA ASSET REPLACEMENT	10,407	-	-	-	-	-	-	-	-	-	10,407
	Wastewater	WW-I-18 UPSIZE PIPE ALONG YORKSHIRE ST N	244	-	244	-	-	-	-	-	-	-	-
	Wastewater	WW-I-19 ADD CONNECTION TO YORK TRUNK	469	-	469	-	-	-	-	-	-	-	-
	Wastewater	WW-I-1A ADD PARALLEL PIPE E OF HANLON TO	9,532	-	-	-	-	-	-	-	9,532	-	-
	Wastewater	WW-I-20 MONTICELLO CR STON TO DIMSON	1,126	-	1,126	-	-	-	-	-	-	-	-
	Wastewater	WW-S-4 FLOW MONITOR STUDY	166	-	166	-	-	-	-	-	-	-	-
		Total Unfunded (Indexed)	**93,004**										

Note: *Projects listed are currently identified in the 2013 DC Study but are not included or only partially included in the 2014 Capital Budget.

*** When projects are planned within a range in the DC Study, the mid year of the range was used for this summary

APPENDIX C

Non-Dscounted Services Development Charge Reserve Fund Continuity Summary
(Projected Balances)

	Water Services	Wastewater Services	Stormwater	Roads	Fire Protection Services	Police Services	Non-Discounted Services DC Total
Closing Balance Dec 31, 2012	**8,212,352**	**9,057,034**	**(1,609,466)**	**1,507,472**	**(1,062,605)**	**(864,167)**	**15,240,619**
2013							
Transfers Out	(1,519,114)	(546,047)	(125,198)	(1,678,047)	(191,596)	(80,783)	(4,140,785)
Debt Charges - Principal	(601,220)	(552,568)		(176,378)	(89,767)	(288,199)	(1,708,131)
Debt Charges - Interest	(178,414)	(163,976)		(52,341)	(26,639)	(85,524)	(506,893)
Transfers In	10,769,806	7,246,605	164,934	2,293,707	355,356	358,104	21,188,512
Debt Issue							
Interest Earned	264,330	255,483	(34,649)	31,465	(22,804)	(20,156)	473,669
Closing Balance Dec 31, 2013	**16,947,739**	**15,296,530**	**(1,604,379)**	**1,925,879**	**(1,038,054)**	**(980,725)**	**30,546,990**
2014							
Transfers Out	(16,978,533)	(19,179,530)	(809,534)	(7,228,258)			(44,195,855)
Debt Charges - Principal	(626,804)	(576,082)		(183,883)	(93,587)	(300,462)	(1,780,818)
Debt Charges - Interest	(162,432)	(149,288)		(47,652)	(24,252)	(77,863)	(461,486)
Transfers In	7,423,538	5,460,282	103,955	2,936,752	244,536	343,844	16,512,907
Debt Issue							
Interest Earned	229,625	157,447	(38,165)	(6,545)	(19,007)	(19,460)	303,895
Closing Balance Dec 31, 2014	**6,833,133**	**1,009,360**	**(2,348,122)**	**(2,603,708)**	**(930,365)**	**(1,034,666)**	**925,633**
2015							
Transfers Out	(13,419,000)	(14,766,650)	(312,000)	(5,684,000)			(34,181,650)
Debt Charges - Principal	(639,596)	(587,839)		(187,636)	(95,497)	(306,594)	(1,817,161)
Debt Charges - Interest	(141,747)	(130,277)		(41,584)	(21,164)	(67,947)	(402,719)
Transfers In	7,631,397	5,613,170	106,866	3,018,981	251,383	353,471	16,975,268
Debt Issue							
Interest Earned	69,199	(76,566)	(47,788)	(78,991)	(16,829)	(20,381)	(171,356)
Closing Balance Dec 31, 2015	**333,386**	**(8,938,801)**	**(2,601,045)**	**(5,576,937)**	**(812,471)**	**(1,076,118)**	**(18,671,985)**
2016							
Transfers Out	(22,284,500)	(17,661,400)		(5,772,500)	(652,000)		(46,370,400)
Debt Charges - Principal	(652,388)	(599,595)		(621,716)	(97,407)	(312,726)	(2,283,832)
Debt Charges - Interest	(118,402)	(108,821)		(642,235)	(17,678)	(56,757)	(943,893)
Transfers In	7,845,076	5,770,339	109,858	3,103,512	258,421	363,369	17,450,576
Debt Issue							
Interest Earned	(141,799)	(297,152)	(49,649)	(147,096)	(20,803)	(21,044)	(677,542)
Closing Balance Dec 31, 2016	**(15,018,625)**	**(21,835,430)**	**(2,540,836)**	**(9,656,973)**	**(1,341,937)**	**(1,103,276)**	**(51,497,077)**

APPENDIX C

Non-Dscounted Services Development Charge Reserve Fund Continuity Summary
(Projected Balances)

	Water Services	Wastewater Services	Stormwater	Roads	Fire Protection Services	Police Services	Non-Discounted Services DC Total
2017							
Transfers Out	(10,066,640)	(7,115,780)	(72,000)	(5,010,900)			(22,265,320)
Debt Charges - Principal	(677,972)	(623,109)		(648,587)	(101,226)	(324,990)	(2,375,884)
Debt Charges - Interest	(92,633)	(85,137)		(615,311)	(13,831)	(44,404)	(851,315)
Transfers In	8,064,739	5,931,908	112,934	3,190,411	265,657	373,543	17,939,192
Debt Issue							
Interest Earned	(319,895)	(444,239)	(49,147)	(218,384)	(24,699)	(21,473)	(1,077,838)
Closing Balance Dec 31, 2017	**(18,111,026)**	**(24,171,786)**	**(2,549,048)**	**(12,959,743)**	**(1,216,036)**	**(1,120,601)**	**(60,128,241)**
2018							
Transfers Out	(3,972,000)	(4,473,900)	(225,000)	(4,634,300)			(13,305,200)
Debt Charges - Principal	(703,555)	(646,623)		(676,328)	(105,046)	(604,119)	(2,735,671)
Debt Charges - Interest	(64,497)	(59,278)		(586,820)	(9,630)	(471,755)	(1,191,980)
Transfers In	8,290,551	6,098,002	116,096	3,279,742	273,096	384,002	18,441,489
Debt Issue							
Interest Earned	(318,548)	(462,397)	(50,768)	(278,238)	(22,168)	(28,597)	(1,160,716)
Closing Balance Dec 31, 2018	**(14,879,075)**	**(23,715,982)**	**(2,708,720)**	**(15,855,687)**	**(1,079,785)**	**(1,841,070)**	**(60,080,320)**
2019							
Transfers Out	(6,405,000)	(15,169,500)		(2,799,700)			(24,374,200)
Debt Charges - Principal	(729,139)	(670,136)		(704,980)	(108,866)	(629,893)	(2,843,014)
Debt Charges - Interest	(33,540)	(30,826)		(556,592)	(5,008)	(443,406)	(1,069,372)
Transfers In	8,522,687	6,268,746	119,347	3,371,575	280,742	394,754	18,957,851
Debt Issue							
Interest Earned	(276,931)	(556,078)	(51,656)	(315,910)	(19,429)	(42,517)	(1,262,521)
Closing Balance Dec 31, 2019	**(13,800,999)**	**(33,873,777)**	**(2,641,029)**	**(16,861,295)**	**(932,346)**	**(2,562,131)**	**(70,671,577)**
2020							
Transfers Out	(8,034,200)	(12,058,500)		(781,000)			(20,873,700)
Debt Charges - Principal				(513,174)		(294,569)	(807,743)
Debt Charges - Interest				(524,654)		(413,134)	(937,788)
Transfers In	8,761,322	6,444,271	122,689	3,465,979	288,603	405,807	19,488,671
Debt Issue							
Interest Earned	(262,030)	(715,277)	(50,304)	(312,736)	(15,367)	(52,905)	(1,408,619)
Closing Balance Dec 31, 2020	**(13,335,907)**	**(40,203,284)**	**(2,568,645)**	**(15,526,879)**	**(659,109)**	**(2,916,932)**	**(75,210,757)**

APPENDIX C

Non-Dscounted Services Development Charge Reserve Fund Continuity Summary
(Projected Balances)

	Water Services	Wastewater Services	Stormwater	Roads	Fire Protection Services	Police Services	Non-Discounted Services DC Total
2021							
Transfers Out	(8,586,700)	(1,789,000)		(5,482,300)			(15,858,000)
Debt Charges - Principal				(536,267)		(309,482)	(845,749)
Debt Charges - Interest				(501,561)		(398,222)	(899,783)
Transfers In	9,006,639	6,624,710	126,124	3,563,026	296,684	417,170	20,034,354
Debt Issue							
Interest Earned	(255,956)	(736,816)	(48,859)	(331,606)	(9,960)	(59,713)	(1,442,909)
Closing Balance Dec 31, 2021	**(13,171,924)**	**(36,104,390)**	**(2,491,379)**	**(18,815,587)**	**(372,385)**	**(3,267,178)**	**(74,222,844)**
2022							
Transfers Out	(3,215,000)	(2,176,700)		(2,188,600)			(7,580,300)
Debt Charges - Principal				(560,399)		(325,149)	(885,548)
Debt Charges - Interest				(479,453)		(382,554)	(862,007)
Transfers In	9,258,825	6,810,202	129,656	3,662,791	304,991	428,851	20,595,315
Debt Issue							
Interest Earned	(197,925)	(658,859)	(47,318)	(362,669)	(4,288)	(66,429)	(1,337,488)
Closing Balance Dec 31, 2022	**(7,326,024)**	**(32,129,747)**	**(2,409,041)**	**(18,743,917)**	**(71,682)**	**(3,612,460)**	**(64,292,871)**
2023							
Transfers Out	(3,612,000)	(4,162,500)		(6,569,900)		(519,500)	(14,863,900)
Debt Charges - Principal				(477,429)		(341,610)	(819,039)
Debt Charges - Interest				(1,651,822)		(366,094)	(2,017,915)
Transfers In	9,518,072	7,000,888	133,286	3,765,349	313,531	440,859	21,171,984
Debt Issue							
Interest Earned	(85,273)	(598,856)	(45,677)	(413,611)	1,659	(78,110)	(1,219,867)
Closing Balance Dec 31, 2023	**(1,505,226)**	**(29,890,215)**	**(2,321,432)**	**(24,091,329)**	**243,508**	**(4,476,914)**	**(62,041,609)**

APPENDIX C

Discounted Services Development Charge Reserve Fund Continuity Summary
(Projected Balances)

	Library Services	Transit	Administration	Recreation	Parks	Parking	Ambulance Services	Municipal Court Facility Space	Health	Discounted Services DC Total
Closing Balance Dec 31, 2012	**979,333**	**(557,658)**	**1,391,625**	**6,179,942**	**2,682,053**	**2,871,152**	**(1,269,874)**	**40,765**		**12,317,338**
2013										
Transfers Out	71,499	(391,811)	(490,170)	(8,000)	(3,077,880)	(63,908)	(78,015)	(163,986)		(4,202,271)
Debt Charges - Principal										
Debt Charges - Interest										
Transfers In	285,373	593,606	179,516	1,391,722	1,502,034	801,932	22,582	13,829		4,790,594
Debt Issue										
Interest Earned	24,548	(10,732)	26,630	146,342	38,451	69,522	(28,111)	(750)		265,898
Closing Balance Dec 31, 2013	**1,360,753**	**(366,595)**	**1,107,600**	**7,710,006**	**1,144,659**	**3,678,698**	**(1,353,418)**	**(110,143)**		**13,171,559**
2014										
Transfers Out	(1,564,820)	(866,592)	(2,177,350)	(877,500)	(2,967,932)	(2,145,928)			(594,000)	(11,194,122)
Debt Charges - Principal										
Debt Charges - Interest										
Transfers In	422,335	440,277	277,012	2,002,191	2,616,308	596,846	24,509	6,971	51,612	6,438,061
Debt Issue										
Interest Earned	15,395	(11,305)	3,070	161,311	18,893	56,631	(26,153)	(2,080)	(5,288)	210,474
Closing Balance Dec 31, 2014	**233,663**	**(804,216)**	**(789,668)**	**8,996,007**	**811,927**	**2,186,247**	**(1,355,062)**	**(105,252)**	**(547,676)**	**8,625,971**
2015										
Transfers Out		(108,250)	(727,786)	(810,000)	(3,841,500)					(5,487,536)
Debt Charges - Principal										
Debt Charges - Interest										
Transfers In	434,160	452,605	284,769	2,058,252	2,689,545	613,558	25,195	7,166	53,090	6,618,339
Debt Issue										
Interest Earned	8,789	(12,325)	(19,718)	187,593	4,601	48,614	(26,178)	(1,983)	(10,162)	179,232
Closing Balance Dec 31, 2015	**676,613**	**(472,186)**	**(1,252,403)**	**10,431,852**	**(335,427)**	**2,848,419**	**(1,356,045)**	**(100,068)**	**(504,749)**	**9,936,006**
2016										
Transfers Out			(461,314)		(2,095,200)					(2,556,514)
Debt Charges - Principal										
Debt Charges - Interest										
Transfers In	446,317	465,277	292,742	2,115,883	2,764,910	630,738	25,900	7,366	53,624	6,802,758
Debt Issue										
Interest Earned	17,546	(4,671)	(26,065)	224,051	(11)	61,694	(26,190)	(1,880)	(9,320)	235,153
Closing Balance Dec 31, 2016	**1,140,475**	**(11,579)**	**(1,447,040)**	**12,771,787**	**334,272**	**3,540,850**	**(1,356,335)**	**(94,581)**	**(460,444)**	**14,417,403**

APPENDIX C

Discounted Services Development Charge Reserve Fund Continuity Summary
(Projected Balances)

	Library Services	Transit	Administration	Recreation	Parks	Parking	Ambulance Services	Municipal Court Facility Space	Health	Discounted Services DC Total
2017										
Transfers Out		(1,093,500)	(1,274,252)		(2,378,700)					(4,746,452)
Debt Charges - Principal										
Debt Charges - Interest										
Transfers In	458,813	478,305	300,939	2,175,128	2,842,305	648,398	26,626	7,573	51,679	6,989,766
Debt Issue										
Interest Earned	26,713	(6,224)	(37,707)	270,257	11,038	75,368	(26,189)	(1,771)	(8,475)	303,012
Closing Balance Dec 31, 2017	**1,626,001**	**(632,998)**	**(2,458,060)**	**15,217,172**	**808,915**	**4,264,617**	**(1,355,898)**	**(88,779)**	**(417,240)**	**16,963,729**
2018										
Transfers Out		(1,041,750)	(650,320)		(2,575,800)					(4,267,870)
Debt Charges - Principal										
Debt Charges - Interest										
Transfers In	471,660	491,698	309,365	2,236,032	2,921,931	666,553	27,371	7,785	53,126	7,185,521
Debt Issue										
Interest Earned	36,306	(17,706)	(51,256)	318,536	19,149	89,659	(26,173)	(1,655)	(7,618)	359,240
Closing Balance Dec 31, 2018	**2,133,967**	**(1,200,757)**	**(2,850,271)**	**17,771,740**	**1,174,194**	**5,020,830**	**(1,354,700)**	**(82,650)**	**(371,733)**	**20,240,620**
2019										
Transfers Out		(155,250)	(558,876)		(4,518,000)					(5,232,126)
Debt Charges - Principal										
Debt Charges - Interest										
Transfers In	484,867	505,465	318,028	2,298,640	3,003,688	685,217	28,138	8,003	54,613	7,386,658
Debt Issue										
Interest Earned	46,340	(20,000)	(57,929)	368,961	8,132	104,587	(26,142)	(1,534)	(6,716)	415,699
Closing Balance Dec 31, 2019	**2,665,173**	**(870,542)**	**(3,149,048)**	**20,439,341**	**(331,986)**	**5,810,633**	**(1,352,705)**	**(76,181)**	**(323,836)**	**22,810,851**
2020										
Transfers Out		(162,000)	(506,002)		(2,299,500)					(2,967,502)
Debt Charges - Principal										
Debt Charges - Interest										
Transfers In	498,443	519,618	326,932	2,363,002	3,087,778	704,403	28,925	8,227	56,142	7,593,471
Debt Issue										
Interest Earned	56,831	(13,489)	(63,152)	421,606	1,212	120,175	(26,096)	(1,405)	(5,767)	489,915
Closing Balance Dec 31, 2020	**3,220,447**	**(526,412)**	**(3,391,270)**	**23,223,950**	**457,504**	**6,635,212**	**(1,349,875)**	**(69,359)**	**(273,461)**	**27,926,735**

APPENDIX C

Discounted Services Development Charge Reserve Fund Continuity Summary
(Projected Balances)

	Library Services	Transit	Administration	Recreation	Parks	Parking	Ambulance Services	Municipal Court Facility Space	Health	Discounted Services DC Total
2021										
Transfers Out		(458,325)	(552,676)		(5,781,600)					(6,792,601)
Debt Charges - Principal										
Debt Charges - Interest										
Transfers In	512,399	534,168	336,087	2,429,166	3,174,301	724,126	29,735	8,457	57,714	7,806,154
Debt Issue										
Interest Earned	67,795	(9,526)	(68,242)	476,551	(16,500)	136,447	(26,033)	(1,270)	(4,770)	554,453
Closing Balance Dec 31, 2021	**3,800,641**	**(460,095)**	**(3,676,101)**	**26,129,668**	**(2,166,295)**	**7,495,785**	**(1,346,173)**	**(62,172)**	**(220,516)**	**29,494,741**
2022										
Transfers Out			(378,000)		(4,635,000)					(5,013,000)
Debt Charges - Principal										
Debt Charges - Interest										
Transfers In	526,747	549,124	345,497	2,497,183	3,263,158	744,402	30,568	8,694	59,330	8,024,703
Debt Issue										
Interest Earned	79,248	(3,618)	(72,001)	533,876	(55,618)	153,426	(25,952)	(1,128)	(3,722)	604,512
Closing Balance Dec 31, 2022	**4,406,636**	**85,412**	**(3,780,605)**	**29,160,727**	**(3,593,756)**	**8,393,612**	**(1,341,557)**	**(54,606)**	**(164,908)**	**33,110,955**
2023										
Transfers Out			(270,000)		(225,000)					(495,000)
Debt Charges - Principal										
Debt Charges - Interest										
Transfers In	541,495	564,500	355,171	2,567,104	3,354,550	765,245	31,424	8,937	60,992	8,249,418
Debt Issue										
Interest Earned	91,209	7,169	(72,891)	593,663	(39,565)	171,137	(25,854)	(978)	(2,621)	721,269
Closing Balance Dec 31, 2023	**5,039,340**	**657,081**	**(3,768,325)**	**32,321,495**	**(503,771)**	**9,329,994**	**(1,335,987)**	**(46,646)**	**(106,537)**	**41,586,643**

Appendix D

Debt Continuity Schedule

27-Feb-14	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Opening Balance										
Tax Supported	64,408,722	84,489,733	88,585,049	85,309,972	103,030,739	93,246,979	80,003,601	67,183,340	56,334,652	55,686,365
Industrial Development	10,000,000	10,000,000	10,000,000	10,000,000	-	-	-	-	-	-
Elliott	13,249,401	11,573,166	10,167,016	8,721,952	7,250,930	5,725,037	4,143,273	2,504,636	850,000	602,000
Enterprise	4,592,157	4,433,522	4,266,471	4,090,556	3,905,308	3,710,232	3,504,806	3,288,481	3,060,678	2,832,876
Development Charges	11,448,115	9,667,297	7,850,136	5,996,632	26,453,100	23,777,313	20,994,993	20,248,700	19,465,092	18,642,303
Total Opening Debt Outstanding	**103,698,395**	**120,163,719**	**120,868,672**	**114,119,111**	**140,640,078**	**126,459,561**	**108,646,672**	**93,225,157**	**79,710,423**	**77,763,544**
New Issues										
Tax Supported	27,031,132	14,322,247	8,602,917	30,233,508	3,852,269	-	-	2,481,350	9,000,000	-
Industrial Development										
Elliott										
Enterprise										
Development Charges	-	-	-	22,382,659	-	-	-	-	-	
Total New Debt Issued	**27,031,132**	**14,322,247**	**8,602,917**	**52,616,167**	**3,852,269**	**-**	**-**	**2,481,350**	**9,000,000**	**-**
Principal Repayment										
Tax Supported	6,950,120	10,226,931	11,877,994	12,512,740	13,636,030	13,243,378	12,820,261	13,330,037	9,648,287	9,934,398
Industrial Development	-	-	-	10,000,000						
Elliott	1,676,235	1,406,150	1,445,064	1,471,021	1,525,893	1,581,765	1,638,636	1,654,636	248,000	248,000
Enterprise	158,635	167,052	175,915	185,248	195,076	205,426	216,325	227,802	227,802	252,616
Development Charges	1,780,818	1,817,161	1,853,504	1,926,191	2,675,787	2,782,320	746,293	783,608	822,789	863,928
Total Principal Repayment	**10,565,808**	**13,617,294**	**15,352,477**	**26,095,200**	**18,032,786**	**17,812,889**	**15,421,516**	**15,996,084**	**10,946,879**	**11,298,942**
Ending Balance										
Tax Supported	84,489,733	88,585,049	85,309,972	103,030,739	93,246,979	80,003,601	67,183,340	56,334,652	55,686,365	45,751,967
Industrial Development	10,000,000	10,000,000	10,000,000	-	-	-	-	-	-	-
Elliott	11,573,166	10,167,016	8,721,952	7,250,930	5,725,037	4,143,273	2,504,636	850,000	602,000	354,000
Enterprise	4,433,522	4,266,471	4,090,556	3,905,308	3,710,232	3,504,806	3,288,481	3,060,678	2,832,876	2,580,260
Development Charges	9,667,297	7,850,136	5,996,632	26,453,100	23,777,313	20,994,993	20,248,700	19,465,092	18,642,303	17,778,375
Total Ending Debt Outstanding	**120,163,719**	**120,868,672**	**114,119,111**	**140,640,078**	**126,459,561**	**108,646,672**	**93,225,157**	**79,710,423**	**77,763,544**	**66,464,602**
New Issue Detail:										
RD0168 Downtown Public Realm / Civic Square - 2014	5,163,372									
RD0263 Carden Street - Wilson to Wyndham / Civic Square - 201	1,200,000									
SS0007 Baker St Ph 1 - 2014	1,250,000									
SS0018Baker St Phase 2 - 2014	2,049,300									
SS0019 Baker St Redevelopment Ph 3 -2014	2,167,941									
SS0020 Baker St Redevelopment Ph 4	1,057,100									
WC0001 Automated Waste Collection Carts - 2014	5,200,000									
RD0267 DC for Clair / Laird & Hanlon Interchange - 2014	-	-		13,500,000						
PS0033 Police HQ Renovations - 2014	-			22,741,841						
RF0051 VRRC Expansion / Renovation - 2014	-	5,863,000								
Public Health Facility - City Contribution	8,577,080									
DC Guelph Police Headquarters - 2017				8,882,659	-					
Downtown Secondary Plan (Parkland Acquisition)									9,000,000	
CIP Liabilities - Heritage Redevelopment										
CIP Liabilities - Tax Assistance										
CIP Liabilities - TIBG	366,339	8,459,247	8,602,917	7,491,667	3,852,269	-	-	2,481,350	-	-
Total New Debt Issued	**27,031,132**	**14,322,247**	**8,602,917**	**52,616,167**	**3,852,269**	**-**	**-**	**2,481,350**	**9,000,000**	**-**
Annual Interest Paid	4,883,831	4,443,385	4,166,313	3,902,099	5,466,788	5,522,817	4,924,390	4,404,358	3,983,692	3,994,168
Annual Principal Paid*	10,565,808	13,617,294	15,352,477	26,095,200	18,032,786	17,812,889	15,421,516	15,996,084	10,946,879	11,298,942
Annual Debt Servicing (A)	**$ 15,449,639**	**$ 18,060,678**	**$ 19,518,790**	**$ 29,997,300**	**$ 23,499,574**	**$ 23,335,706**	**$ 20,345,906**	**$ 20,400,442**	**$ 14,930,571**	**$ 15,293,110**
Total Debt (B)	**$ 120,163,719**	**$ 120,868,672**	**$ 114,119,111**	**$ 140,640,078**	**$ 126,459,561**	**$ 108,646,672**	**$ 93,225,157**	**$ 79,710,423**	**$ 77,763,544**	**$ 66,464,602**
Operating Fund Revenue - ARL (C)	**$ 339,840,820**	**$ 349,603,161**	**$ 359,664,542**	**$ 370,034,577**	**$ 380,723,199**	**$ 391,740,670**	**$ 403,097,597**	**$ 414,804,935**	**$ 426,874,010**	**$ 439,316,519**
Less: Other Revenue (Investment Inc., DC Earned, etc.)	50,141,471	51,144,301	52,167,187	53,210,531	54,274,741	55,360,236	56,467,441	57,596,790	58,748,725	59,923,700
Operating Fund Revenue - S&P (D)	**$ 289,699,349**	**$ 298,458,860**	**$ 307,497,355**	**$ 316,824,046**	**$ 326,448,457**	**$ 336,380,434**	**$ 346,630,156**	**$ 357,208,146**	**$ 368,125,284**	**$ 379,392,819**
Debt Servicing/Operating Fund Revenue (A/C)	**5%**	**5%**	**5%**	**8%**	**6%**	**6%**	**5%**	**5%**	**3%**	**3%**
Debt Servicing/Operating Fund Revenue (A/D)	**5%**	**6%**	**6%**	**9%**	**7%**	**7%**	**6%**	**6%**	**4%**	**4%**
Total Debt/Operating Fund Revenue (B/C)	**35%**	**35%**	**32%**	**38%**	**33%**	**28%**	**23%**	**19%**	**18%**	**15%**
Total Debt/Operating Fund Revenue (B/D)	**41%**	**40%**	**37%**	**44%**	**39%**	**32%**	**27%**	**22%**	**21%**	**18%**

STAFF REPORT

TO	Corporate Administration, Finance and Enterprise Committee
SERVICE AREA	Finance & Enterprise
DATE	April 7, 2014
SUBJECT	**2013 Investment Performance Report**
REPORT NUMBER	FIN-14-14

EXECUTIVE SUMMARY

PURPOSE OF REPORT

To report on the 2013 investment portfolio performance and holdings as required by Ontario Regulation 438/97 of the *Municipal Act, 2001*, and the City's Council approved Investment Policy.

KEY FINDINGS

The City has earned $4.5 million in investment income as of December 31, 2013 which is a $1.5 million favourable variance compared to the budget and an increase of $1.0 million compared to the same period in 2012.

The average rate of return in 2013 improved to 2.165% as compared to 1.90% in 2012.

The City's cash flow model has enabled staff to more accurately identify surplus cash available for investing and maximize opportunities to generate income throughout the year.

In December 2012, the City entered into a new banking relationship with TD Bank resulting in a higher rate of return earned on the operating bank account. This banking transition was completed by the end of 2013, and the City has moved from earning 1.25% to 1.33% on the cash held in the bank.

The City has managed its investment portfolio in accordance with Ontario Regulation 438/97 of the *Municipal Act*, 2001 and in accordance with the December 2011 Council approved Investment Policy.

FINANCIAL IMPLICATIONS

Investment income reduces the amount otherwise required from property taxation to finance City services and increases the value of reserve funds used to finance capital projects.

ACTION REQUIRED

That report FIN-14-14 "2013 Investment Performance Report" be received.

RECOMMENDATION

That report FIN-14-14 "2013 Investment Performance Report" be received.

BACKGROUND

Ontario Regulation 438/97 of the *Municipal Act, 2001*, requires a municipality to adopt a statement of investment policies and goals and requires an investment report to be provided to Council at least annually. This report has been prepared in compliance with this regulation.

The primary objectives of the investment policy are as follows:

- Adherence to statutory requirements,
- Preservation of capital,
- Maintaining liquidity, and
- Earning a competitive rate of return

Provincial legislation requires that the Treasurer submit an investment report to Council, each year or more frequently as specified by Council. The current Investment Policy requires a report on the financial position, investment performance, market value, and compliance status of the portfolio at least twice per year. In accordance with Ontario Regulation 438/97, the investment report is to include:

- **Statement of Performance:** A statement about the performance of the portfolio of investments of the City during the period covered by the report;
- **Investments in Own Securities:** A description of the estimated proportion of the total investments of the City that are invested in its own long-term and short-term securities to the total investment portfolio of the City and a description of the change, if any, in that estimated proportion since the previous year's report;
- **Record of Own Security Transactions:** A record of the date of each transaction in or disposal of the City's own securities, including a statement of the purchase and sale price of each security;
- **Investment Policy Compliance:** A statement by the Treasurer as to whether or not all investments are consistent with the investment policies and goals adopted by the City;
- **Regulation Investment Standard Compliance:** A statement by the treasurer as to whether any of the investments fall below the standard required for that investment during the period covered by the report; and
- **Other:** Such other information that the council may require or that, in the opinion of the treasurer, should be included.

In accordance with the City's Investment Policy, the following information should also be included in the investment report:

- A summary, by amount and percentage, of the composition of the investment portfolio;
- Monthly investment balances; and
- Year-end investment balance

REPORT

Definitions

Carrying Value - The portion of an asset's value that is not depreciated. Also called book value. Carrying value is not market value, which is determined by market forces, such as stock prices. A company assigns carrying value to its assets.

Face Value - The value of a bond or another type of debt instrument at maturity. Also called par value.

Market Value - The price at which a security currently can be sold.

Statement of Performance

Interest earned on investments and cash as of December 31, 2013 totals $4.5 million compared to a budget of $3.0 million resulting in a favourable variance of $1.5 million. This is also a $1.0 million favourable position compared to the December 31, 2012 investment earnings which equalled $3.5 million.

The carrying value of the total investment and cash portfolio at December 31, 2013, was $174.64 million plus cash holdings of $21.1 million computing to an average rate of return of 2.165% (2012 – 1.90%).

The cash and investment positions (carrying value) of the City as of December 31 are as follows:

	Dec 31, 2013 (Carrying Value)	Dec 31, 2012 (Carrying Value)
Long-Term*	$ 100,107,021	$ 58,499,012
Short-Term	$ 74,531,176	$ 57,880,485
Total Investments	$ 174,638,197	$ 116,379,497
Cash	$ 21,065,051	$ 46,247,478
Total	**$195,703,248**	**$162,626,975**

*2013 includes $1.5 million purchased in June 2009 as a long term investment that is maturing in June 2014 making it now short term in nature.

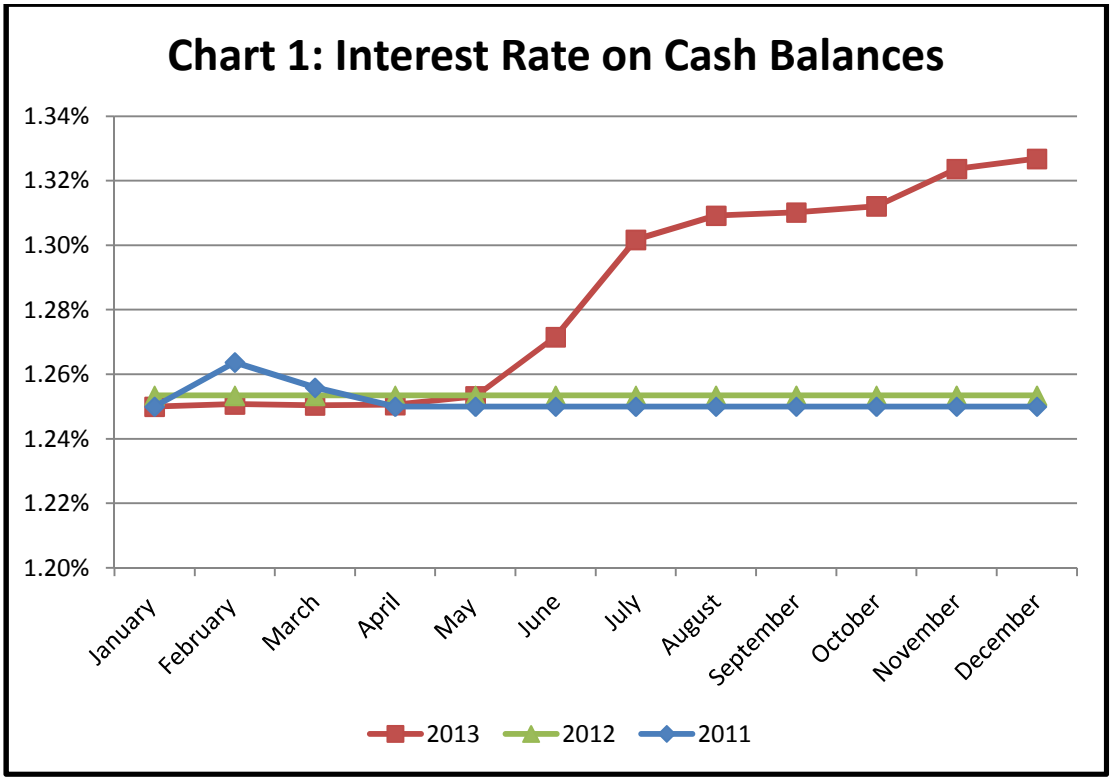
The total investment and cash market value was $195.4 million (2012 - $163.7 million).

Interest earned on investments and cash balances will be allocated to the obligatory and capital reserve funds at year end in proportion to their average balances, in accordance with the City's General Reserve and Reserve Fund Policy.

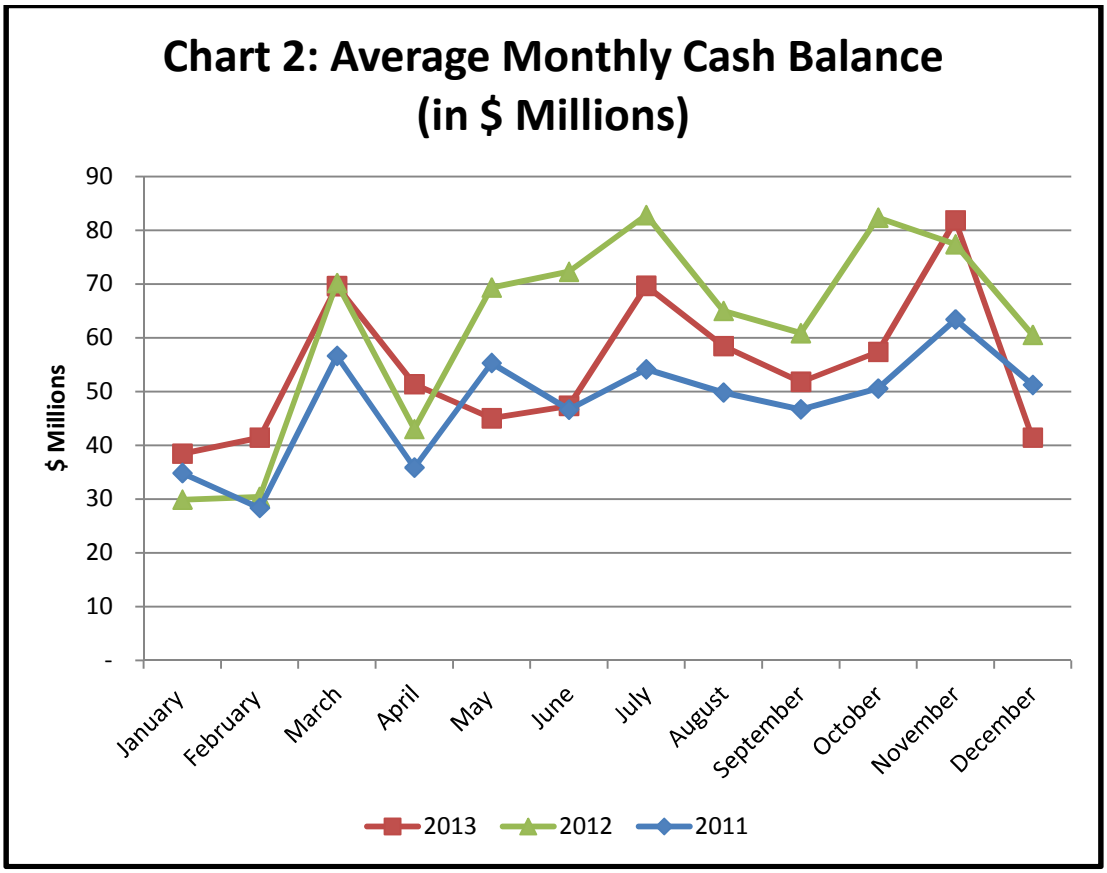
2013 Investment Activity - Cash

In December 2012, the City entered into a new banking relationship with TD Bank and one of the benefits of this arrangement is earning a higher rate of return on the City bank account.

The previous agreement with the City's bank allows for interest to be paid on the bank balance at a rate of prime minus 1.75%. The prime rate has remained steady at 3% since September 9, 2010. The new agreement sets this rate at prime minus 1.67% which has enabled the City to begin to earn higher returns on the bank account as can be seen below in **Chart 1.** As the City fully transitioned to the new bank account, by year end this rate reached 1.33%.



See **Chart 2** below for a comparison of average monthly cash balances in 2013, 2012 and 2011.



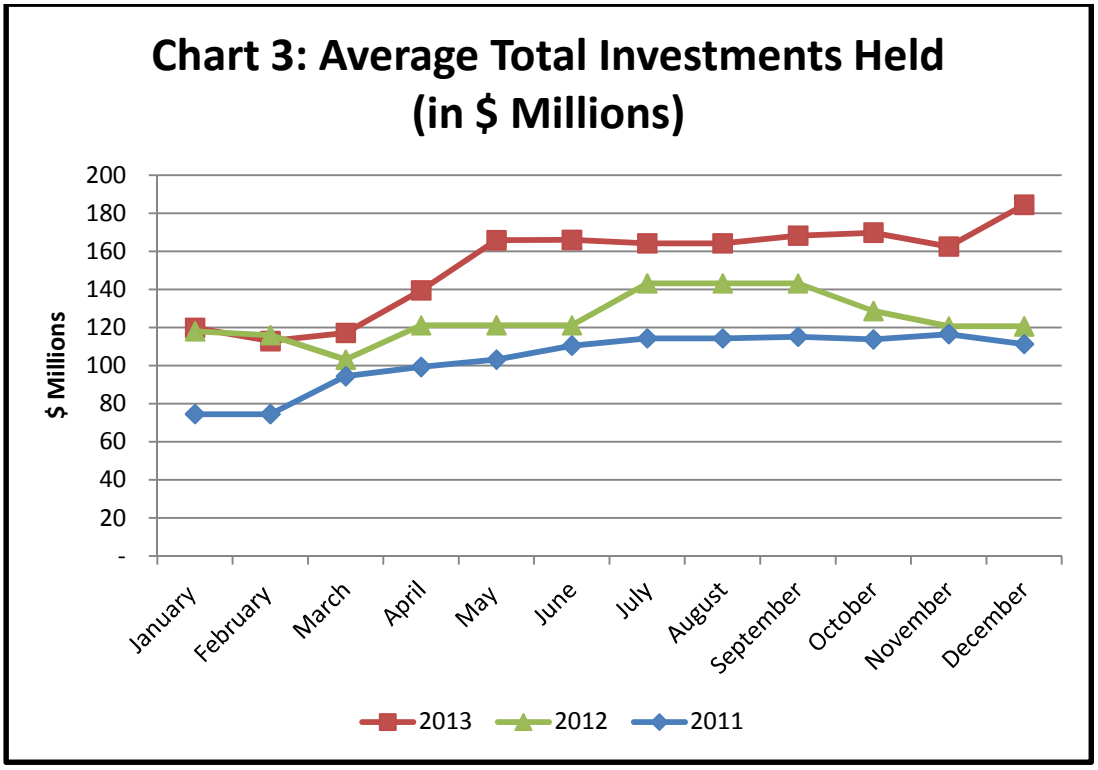
The City's cash balances are determined by balancing the availability of high yielding investment options in the market with the appropriate level of liquidity for operations. The City strives to maximize the long-term investment position of the portfolio by using a cash flow model to estimate cash needs over the next 12 months.

In today's market, it has been difficult to find short term investment vehicles that produce a higher rate of return than the City is currently earning on the bank account. For that reason, average cash balances have remained high when operationally only approximately $15 million is required to be sufficiently liquid at any given time.

2013 Investment Activity - Investments

The City follows a strict investment process to ensure adherence to the Investment Policy, security of funds and maximization of returns. Projected investment amounts are reviewed monthly, and quotes are obtained from at least three financial institutions, based on specific criteria produced by the investment model.

The City earned a total of $3.80 million representing a return of 2.49% on the investment portfolio as at December 31, 2013 compared with $2.76 million and 2.21% for 2012. See **Chart 3** below for a comparison of average total investments held in 2013, 2012 and 2011.



The above chart shows that the City has been successful in maximizing surplus funds to create a return to the City.

The attached **Schedules I and II** provide the portfolio mix, term limits, and holding limits as at December 31, 2013.

Asset-Backed Commercial Paper (ABCP) Restructuring

In January of 2009, a restructuring plan was implemented to convert frozen short-term asset-backed commercial paper to long-term notes of various classes with terms matching the maturity of the underlying assets. The City annually assesses

an impairment provision for these investment vehicles. The remaining MAV II notes as of December 31, 2013, have a carrying value of $2.066 million and a market value of $1.853 million. The current asset impairment provision related to MAV II notes is $213,352, a gain from 2012 of $160,138 showing increased marketability of the notes over the prior year.

The remaining MAV II notes as of December 31, 2013, are as follows:

Class	Maturity	Rating	Face Value	Market Value	Impairment Provision
MAV II A-1	07/15/2056	A+	$ 502,795	$ 463,829	
MAV II A-2	07/15/2056	BBB+	$ 1,270,940	$ 1,137,491	
MAV II B	07/15/2056	Not Rated	$ 230,711	$ 201,872	
MAV II C	07/15/2056	Not Rated	$ 62,043	$ 49,945	
Total			**$ 2,066,489**	**$ 1,853,137**	**$213,352**

Own Securities

The City has not invested in its own long-term or short-term securities.

Investment Policy and Regulation Investment Standard Compliance

To aid in the achievement of the primary objectives of the Investment Policy, the policy places restrictions and limitations on investment quality, diversification, and term. The current portfolio is in compliance with the *Municipal Act* and Ontario Regulation 438/97 and within the targets set out in the current City Investment Policy in all but the following respects:

- Under Ontario Regulation 438/97, a municipality **shall not invest in a bond, debenture, promissory note or evidence of indebtedness with a Dominion Bond Rating Service Limited (DBRS), or equivalent, rating lower than AA (low)**. As outlined above, most of the MAV II notes acquired in January of 2009 under asset-backed commercial paper restructuring do not meet this requirement.
- Under the current policy, the **City shall not invest in a security with a DBRS or equivalent bond rating lower than A**. As outlined above, most of the MAV II notes acquired in January of 2009 under asset-backed commercial paper restructuring do not meet this requirement.
- Under the current policy, the **maximum term** for asset backed securities is 5 years. As outlined above, the MAV II notes acquired in January of 2009 and maturing in 2056 do not meet this requirement.

The City chose to convert the asset backed commercial papers to long term notes as a risk mitigation strategy in 2009 in response to the market conditions at that time. The City is aware that this decision continues to result in non-compliance with the current regulations and Council approved policy but maintains it is the most

fiscally prudent option that the City has available at this time.

In all other respects, investments are fully consistent with the investment policies and goals adopted by the City.

CORPORATE STRATEGIC PLAN

2.1 – Build an adaptive environment for government innovation to ensure fiscal and service sustainability.

2.3 – Ensure accountability, transparency and engagement.

DEPARTMENTAL CONSULTATION

None noted

COMMUNICATIONS

No communications are required

ATTACHMENTS

Appendix 1: Investment Reporting Requirements

Schedule I – City of Guelph Investment Portfolio by Issuer as at December 31, 2013

Schedule II – City of Guelph Investment Portfolio by Security as at December 31, 2013

"original signed by Tara Baker"

Prepared By:
David Haylett
Supervisor, Accounting Services

Reviewed By:
Tara Baker
Manager, Financial Reporting & Accounting

"original signed by Al Horsman"

Recommended By:
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Appendix 1

Investment Reporting Requirements

These investment reporting requirements are in accordance with Ontario Regulation 438/97 of the *Municipal Act, 2001*.

1. Statement of Performance

The City of Guelph earned an average return of 2.165% on its portfolio as at December 31, 2013.

2. Investments in Own Securities

None of the 2013 investments of the City were invested in its own long-term or short-term securities.

3. Record of Own Security Transactions

None of the 2013 investments of the City were invested in its own long-term or short-term securities.

4. Statement of Treasurer re Investment Policy Compliance

I, Al Horsman, Treasurer for the City of Guelph, hereby state that:

a) $1,563,694 in MAV II notes acquired in January of 2009 under asset-backed commercial paper restructuring do not meet the requirement of a DBRS or equivalent bond rating of at least A.

b) $2,066,489.17 in MAV II notes acquired in January of 2009 and maturing in 2056 exceed the maximum term of 5 years for asset backed securities.

The remaining investments have been made in accordance with the investment policies adopted by the City of Guelph.

(continued)

5. Statement of Treasurer re O.R. 438/97 Investment Standard Compliance

I, Al Horsman, Treasurer for the City of Guelph, hereby state that:

$1,563,694 in MAV II notes acquired in January of 2009 under asset-backed commercial paper restructuring do not meet the requirement of a DBRS or equivalent bond rating of at least AA(low).

None of the other investments held by the City of Guelph fell below the required standard during 2013.

Original signed by Al Horsman	March 17, 2014
Al Horsman, CFO	Date

Schedule I

City of Guelph
Investment Portfolio by Issuer
as at December 31, 2013

Short-Term Investment Portfolio

Issuer	Yield	Maturity Date	Carrying Value	Term to Maturity (Days) At Dec 31/13	Restriction	Exceeded
Bank of Nova Scotia	1.65%	17-Mar-14	5,000,000	76	365	-
Bank of Nova Scotia	1.67%	02-Apr-14	10,000,000	92	365	-
Bank of Nova Scotia	1.47%	18-Dec-14	25,000,000	352	365	-
Royal Bank of Canada	1.40%	19-Mar-14	5,031,176	78	365	-
Bank of Montreal	1.65%	17-Mar-14	3,000,000	76	365	-
TD Bank	1.52%	1-Apr-14	6,500,000	91	365	-
TD Bank	1.45%	20-Feb-14	20,000,000	51	365	-
Short-Term Investment Total			74,531,176			

Long-Term Investment Portfolio

Issuer	Yield	Maturity Date	Carrying Value	Term to Maturity (Days) At Dec 31	Restriction	Exceeded
MAVII CL A-1 Note	-	15-Jul-56	502,795	43.1	5	38.6
MAVII CL A-2 Note	-	15-Jul-56	1,270,940	43.1	5	38.6
MAV II CL B Note	-	15-Jul-56	230,711	43.1	5	38.6
MAV II CL C Note	-	15-Jul-56	62,043	43.1	5	38.6
CIBC	2.69%	02-Nov-15	5,000,000	2.3	10	-
FCC (Farm Credit Corp)	2.00%	15-Dec-15	4,813,360	1.9	20	-
CIBC	3.20%	15-Mar-16	10,000,000	2.2	10	-
CIBC**	2.50%	21-Jun-14	1,500,000	0.5**	10	
Bank of Montreal	2.60%	08-Jul-16	10,000,000	2.5	10	-
Bank of Montreal	2.90%	08-Jul-16	2,330,614	2.5	10	-
Bank of Montreal	2.86%	08-Jul-16	1,923,343	2.5	10	-
Bank of Montreal	3.03%	08-Jul-16	2,499,999	2.5	10	-
Regional Municipality of Waterloo	3.51%	01-Dec-16	1,148,574	2.9	10	-
City of Toronto	5.08%	18-Jul-17	4,996,417	3.5	10	-
TD Bank	4.25%	21-Mar-18	12,000,000	4.2	10	-
TD Bank	3.65%	09-May-23	18,000,000	9.3	10	-
Province of Ontario	2.98%	01-Dec-21	12,845,888	8.4	20	-
Province of Ontario	3.04%	02-Dec-22	5,000,010	8.9	20	-
Province of Ontario	4.10%	02-Dec-26	5,982,327	13.0	20	-
Long-Term Investment Total			100,107,021			
Total Investment Portfolio			174,638,197			

****** This investment purchased in June 2009 as a long term investment matures in 2014 making it now short term in nature.

Schedule II

City of Guelph
Investment Portfolio by Security
as at December 31, 2013

Securities	Investment Value	Investment Percentage of Holdings	Policy Maximum Portfolio Percentage Limit
Federal			
Government of Canada			100%
Federal Guarantees	$4,813,360	2.8%	50%
Provincial Governments & Provincial Guarantees	$25,328,226	14.5%	75%
Country Other than Canada			5%
Municipal			
City of Guelph			50%
Other Municipalities & OSIFA – AAA & AA	$6,144,991	3.5%	50%
Other Municipalities & OSIFA – A			10%
School Board, Ont. University, Local Board, Conservation Authority, Public Hospital, Housing Corp.			20%
Financial Institutions			
Schedule I Banks	$124,753,956	71.4%	75%
Schedule II and III Banks			25%
Loan or Trust Corporations, Credit Union	6,500,000	3.7%	5%
Supranational Financial Institution or Government Organization			25%
Asset Backed Securities	$2,066,489	1.2%	25%
Corporate Debt	5,031,175	2.9%	25%
Commercial Paper			15%
Joint Municipal Investment Pools			15%
TOTAL	$174,638,197	100.0%	

STAFF REPORT

TO	Corporate Administration, Finance & Enterprise Committee
SERVICE AREA	Finance and Enterprise Services
DATE	April 7, 2014
SUBJECT	**2013 Preliminary Operating Variance Report (Unaudited)**
REPORT NUMBER	FIN-14-16

EXECUTIVE SUMMARY

PURPOSE OF REPORT

The purpose of this report is to provide information on the preliminary year-end operating result of the City's tax supported and non-tax supported departments for the year ended December 31, 2013.

KEY FINDINGS

- The preliminary net operating result for tax supported departments is $716,000 favorable or 0.4%, detailed as follows:
  - City Departments - $1.189 million unfavourable
  - General Revenues and Capital Financing $427,000 unfavourable
  - Local Boards $195,000 favourable
  - Shared Services $2.138 million favourable. This is based on the City's actual billing for 2013
- The tax-supported operating variance includes the impact of the transfer of funds from reserves to cover the over-spending related to legal costs ($293,000), but excludes any transfer from the operating contingency reserve fund to offset overages in winter control costs;
- The year-end tax-supported operating variance includes the Ice Storm costs related to the December 22, 2013 event;
- For non-tax supported departments, a surplus of $2.282 million or 4.2% was recorded;
- Changes to the figures stated above could occur during the year-end audit of the financial statements as a result of adjusting entries.

FINANCIAL IMPLICATIONS

After the year-end external audit has been completed and the final operating result is known, any realized surplus or deficit will be transferred to or from the City's reserves, in accordance with the City's year-end surplus allocation policy. Reserve and reserve fund balances are considered in determining the City's credit rating, therefore a significant change in reserve and reserve fund balances

may have an effect on the rating.

ACTION REQUIRED
Corporate Administration, Finance and Enterprise (CAFE) Committee to receive report FIN-14-16 2013 Preliminary Operating Variance Report for information.

RECOMMENDATION
That report FIN-14-16 2013 Preliminary Operating Variance Report be received for information.

BACKGROUND

Quarterly variance reports are submitted to Committee and Council to provide information on:

- The in-year operating results;
- Mitigating measures proposed by management to deal with projected unfavourable variances;
- Other issues that have been identified as requiring the attention of the Executive Team and/or direction of Council.

The preliminary year-end operating variance report provides information on the year-end position before the audit is completed while the final report shows the results after the audit and provides recommendations for the allocation of any surplus or funding of any deficit subject to Council approval.

The year-end projection at the end of the second quarter was $2.4 million unfavourable variance and $92,200 favourable variance for the third quarter. The third quarter projected favourable variance was expected to be realized after a transfer of funds from reserves to cover overages in legal and winter control costs.

The quarterly reports also provided information on the commitment of management to the on-going implementation of mitigating measures to prevent a deficit. These measures included:

- A hold was placed on all training and non-mandatory consulting in the CAO's Office and salary savings from staffing vacancies were realized in OTES, Corporate & HR, and Finance & Enterprise service areas. The total departmental savings expected to be realized by year-end from these departmental adjustments is $558,000;
- City tendering its benefit packages to achieve Corporate wide benefit savings;
- Energy conservation measures implemented by Corporate Energy resulting in savings in heat and hydro costs;

- Management's commitment to implementing attendance management controls in Transit. With this measure, projected overtime level for Transit remained in line with what was reported at the beginning of Q2 of 2013.

REPORT

The preliminary year-end operating variance report is a regularly scheduled Committee report and provides information on the City's year-end operating position prior to the completion of the annual audit. The City reports on variances of the tax supported and non-tax supported budgets separately due to the different funding sources.

As part of the City's normal variance reporting process, departments were asked to provide comments on their financial results for the year ending December 31, 2013. The following chart provides a high level summary of the year end position of the City's tax supported and non-tax supported budgets. More detailed information is provided in **Appendix 1**.

Table 1. 2013 Preliminary Year-End Operating Variance Report

Operating Budget Variance based on December 31, 2013
City of Guelph: Overall Summary

(Brackets indicate a favourable variance)

	Total Annual Budget for Year 2013 ($)	Actual Expenditures to December 31, 2013 ($)	Actual Variance at December 31, 2013 ($)	Actual Variance at December 31, 2013 (%)
Tax Supported				
City Departments	$ 99,149,000	$ 100,337,000	$ 1,189,000	1.2%
General Revenues and Expenses	$ (169,486,000)	$ (169,059,000)	$ 427,000	0.3%
Sub-Total City Departments and Financing	$ (70,337,000)	$ (68,722,000)	$ 1,616,000	2.3%
Local Boards	$ 42,124,000	$ 41,929,000	$ (195,000)	(0.5%)
Grants, Outside Boards and Agencies	$ 28,213,000	$ 26,075,000	$ (2,138,000)	(7.6%)
Total Local and Outside Boards	$ 70,337,000	$ 68,004,000	$ (2,333,000)	(3.3%)
Total Tax Supported	**$ -**	**$ (716,000)**	**$ (716,000)**	**(0.4%)**
Non-Tax Supported				
Water	$ -	$ (540,000)	$ (540,000)	(2.3%)
Wastewater	$ -	$ (1,916,000)	$ (1,916,000)	(7.1%)
OBC	$ -	$ -	$ -	0.0%
Court Services	$ -	$ 174,000	$ 174,000	8.3%
Total Non-Tax Supported	**$ -**	**$ (2,282,000)**	**$ (2,282,000)**	**(4.2%)**

Variance Analysis - Tax Supported Year-End Operating Variance

As mentioned in the 2013 quarterly operating variance reports provided to Committee, the City has faced a number of challenges throughout the year with respect to expenditure and revenue pressures. The pressures resulted in $1.616 million unfavourable variance for City departments and Financing. The main drivers which influenced this result are as follows:

Key Departmental Variances

- Lower than budgeted revenue in Transit Operations ($516K), Parking ($356K), and Planning Services ($168K);
- Higher than budgeted overtime ($998K) and maintenance and repair costs ($373K) in Transit. This was partially offset by vacancy savings ($670K). The overtime costs related to Transit are in line with what was projected at the beginning of 2013;
- Higher than budgeted staffing costs ($400K) in Emergency Services due to higher part-time staffing hours. This unfavourable variance was partially offset by higher than budgeted funding from the Province of Ontario for Land Ambulance Services ($147K) and savings in Fire benefits ($174);
- Higher than budgeted part-time staffing/overtime costs in Parks ($89K) due to severe weather events and higher employee benefit costs ($256K);
- Higher than anticipated winter control costs ($360K) due to a more severe than anticipated winter. As of the time of this report, these costs have not been funded from the City's operating contingency reserve.

These pressures were offset by the following favourable variances:

- Staff vacancies were the primary drivers of favourable variances in Finance and Enterprise Services ($277K), and Corporate and Human Resources ($232K);
- Cost containment measures implemented by City's Executive Team largely drove the ($144K) favourable variance in the Office of the CAO and ($78K) in Business Services;
- Higher than anticipated recoveries for support provided to Water and Wastewater Services and reduced consulting costs as a result of cost containment measures resulted in savings of $233K in PBEES Administration.

Savings in Corporate Benefits

Due to the City tendering its benefits package, $622,000 in savings was recognized. These savings were related to medical and short term disability benefits and are a result of the competitive prices that the City was able to obtain through the tendering process.

Higher Tax Write-Offs and Higher Supplementary Revenues & PIL Revenues

As of December 31, 2013, the unfavourable variance for taxes written off is $1.171 million. Tax write offs are a decision of MPAC and the municipality must respond in a timely manner to these decisions. However, the City also realized $873,000 favourable variance related to supplementary and PIL revenues due to the late addition of properties by MPAC.

Lower Debt Servicing, Payments to MPAC and Charity/Vacancy Rebate and Higher Reserve Fund Interest Allocation

Due to delaying a planned debt issue to early 2014, a one-time $667,000 favourable variance was experienced in debt servicing costs. The debt issue was delayed due to lower than anticipated capital spending as a result of higher cash balances and later than planned completion of capital projects financed by debt. However, higher cash balances in the City's reserve funds, gave rise to allocating a higher interest to the City's reserve funds as explained below, in accordance with the Council approved General Reserve and Reserve Fund policy.

Interest Earnings
Interest earnings were higher than budgeted resulting in a favourable variance of $1.5 million due to an increased portfolio value and achievement of higher yields. Interest earnings transferred to reserves resulted in an unfavourable variance of $2.3 million due to higher reserve balances as a result of delayed capital spending. This variance in interest earnings is discussed in the Investment Report that is going to Council in April 2014.

In addition, staff also experienced lower payments to MPAC and lower charity and vacancy rebates amounting to $111,000.

Lower Utility Costs
Utility costs comprising heat and hydro costs resulted in a favourable variance of $126,000 within the City's tax supported service areas. This saving can be attributed to the Corporate Energy Initiative.

Local Boards
Local boards' year-end result is a favourable variance of $195,000 made up of Guelph Police Service $153,000 favourable and the Public Library $42,000 favourable.

Shared Services
Based on actual billings for the year, the City's share of the favourable total variance in shared services is $2.138 million detailed as follows:

- Public Health - $12K unfavourable
- Social Assistance - $806K favourable
- Wellington Terrace - $67K unfavourable
- Child Care Assistance - $393K favourable
- Social Housing - $990K favourable
- Grants - $28K favourable

The County administers these programs and is yet to publicly provide commentary on the variances.

Non-Tax Supported

The budgets of the non-tax supported departments comprising Water, Wastewater, Ontario Building Code (OBC) and Court Services are based entirely on revenues generated from user fees. Surplus funds generated from these departments are transferred at year end to reserves and reserve funds earmarked for these programs.

The overall operating result for non-tax supported departments is a favourable variance of $2.282 million or 4.2%. The breakdown of the surplus is as follows:

Water Services
Water Services' preliminary year-end variance is $540,000 favourable. This resulted from higher basic charge revenues ($570K) partially offset by higher repairs & maintenance costs ($30K).

Wastewater Services

Wastewater recorded a $1.916 million favourable variance due mainly to higher basic charge revenue ($385K) and less lystek usage ($395K) resulting from rainy weather. Additional savings were realized from lower operating supplies expenses ($345K) and lower rentals and repair costs ($490K) due to fewer breakdowns. Utility costs and municipal taxes were lower than budgeted ($250K) due to the Process Operations Centre that has not yet been commissioned and compensation savings ($51K).

Ontario Building Code (OBC)

OBC's result is $431K favourable variance due to higher permit revenue from increased construction activity. This surplus has been transferred to reserves as per the Building reserve policy.

Court Services

The overall result for Court Services is $174K unfavourable variance. This was due to a lower charge volume resulting in lower revenue ($283K) partially offset by lower compensation ($109K) realized through salary savings from less than full staff complement throughout the year.

CORPORATE STRATEGIC PLAN

Budget monitoring and variance reporting are aligned with the City's strategic objectives. Providing Committee and Council with regular variance reports specifically aid the achievement of the following *CSP directions:*

2.1 Ensure fiscal and service sustainability

2.3 Ensure accountability, transparency and engagement.

DEPARTMENTAL CONSULTATION

In accordance with the City's corporate policy, department heads are responsible for monitoring their spending and ensuring that it is within the approved budget. The Finance Department produces and distributes monthly and quarterly variance reports to departments and department heads provide a feedback on their operating results.

COMMUNICATIONS

Operating variance reports are produced quarterly and submitted to Council to provide information on actual results and enable comparisons with the budget. Variance reports also enable the Executive Team to become aware of issues that require timely corrective action in order to ensure that the operating costs of the City are within budget and the services provided are at approved levels in order to meet the overall corporate strategic objectives.

ATTACHMENTS

Appendix 1 – 2013 Preliminary Operating Budget Variance Report – Departmental Summary

STAFF REPORT

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original signed by Sarah Purton

original signed by Al Horsman

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Appendix 1
Operating Budget Variance based on December 31, 2013
City of Guelph: Departmental Summary

	Total Annual Budget for Year 2013 ($)	Actual Expenditures to December 31, 2013 ($)	Actual Variance at December 31, 2013 ($)	Actual Variance at December 31, 2013 (%)	Comments
TAX SUPPORTED					
City Departments					
CAO ADMINISTRATION	$ 1,241,000	$ 1,096,000	-$ 144,000	(11.6%)	- **Favourable** variance due to a hold on all training and non-mandatory consulting
MAYOR & COUNCIL	$ 886,000	$ 831,000	-$ 56,000	(6.3%)	- F**avourable** variance due to savings related to salaries & wages (Mayor's Office) and training for City Councillors
OPERATIONS, TRANSIT & EMERGENCY SERVICES	$ 52,542,000	$ 54,163,000	$ 1,622,000	3.1%	- O & T Admin - $27K **favourable** due to late hiring into a vacant position - Transit - $1.013 million **unfavourable** variance due to lower fare revenue $516K, higher salaries $328K (including overtime $998K); Overages in Maintenance and repairs $373K, and outsourced transportation costs (Taxi fare for community need) $43K. Partial offsets from position vacancy and benefit savings $240K and lower internal staff charges $122K and lower fuel cost$33K -Bylaw - $107K **unfavourable** due to lower dog tag and fine revenue $143K offset by higher revenue from licenses $32K - Public Works - $500K **unfavourable** variance resulting mainly from reduced parking revenues $356K and overages of $360K in winter control costs due to worse than expected winter conditions, partially offset by Forestry position vacancy savings $121K - Emergency Services - $28K **unfavourable** variance mainly caused by higher salaries $400K due to unfunded 14,500 part-time hours, and the City's share of the Land Ambulance $210K unfavourable partially offset by Fire Benefit savings $174K and higher provincial funding $147K
PLANNING, BUILDING, ENGINEERING & ENVIRONMENTAL SERVICES	$ 14,655,000	$ 14,558,000	-$ 97,000	(0.7%)	-PBEE Administration - $233K **favourable** variance due to higher salary recoveries from Wastewater Services and lower consulting costs -Building Services - $18K **unfavourable** variance due to higher revenue from increased number of building approvals $29K partially reduced by retroactive salary payments and transfer of Committe of Adjustment's surplus ($31K) to City Clerk's - Planning - $11K **favourable** variance due to compensation savings $233K partially offset by lower Sub-division application revenue $168K - Engineering - $130K **unfavourable** variance mainly due to lower utilities and development recoveries $180K offset by Metrolinx administrative recoveries; and $80K subdivision write-off of 2011 receivables deemed uncollectable
COMMUNITY & SOCIAL SERVICES	$ 16,494,000	$ 16,828,000	$ 335,000	2.0%	- CSS Admin - $27K **favourable** due to programme revenue - Recreation - $44K **favourable** variance due to higher registration fees for aquatics and summer day camps - Community Engagement & Social Services - $46K **unfavourable** arising from the Affordable Bus Pass program partially offset by full fare transit chargebacks to Transit Services - Culture and Tourism - $20K **unfavourable** variance resulting from River Run $229K unfavourable due to reduced revenue recoveries from third party events, increased building maintenance and repair costs due to aging equipment and unexpected building damage, plus higher hydro cost partially offset by higher revenues at Sleeman Centre $35K due to the success of Guelph Storm, and Museum $70K favourable from higher revenue and lower building maintenance - Corporate Building Maintenance - $26K **favourable** variance from lower ground maintenance costs at the Market Square - Business Services - $78K **favourable** due to cost containment measures and revised prioritization of departmental priorities - Parks - $444K **unfavourable** variance due to lower soccer revenue $52K, overages in internal equipment maintenance charges $100K, Overtime costs $89K due to weather conditions and higher employee benefit costs of $256K. Partial offsets result from higher softball revenue $25K and picnic shelter rentals $25K

CORPORATE & HUMAN RESOURCES	$ 9,462,000	$ 9,269,000	-$ 193,000	(2.0%)	- HR Admin -$63K **favourable** due to reduced training costs and lower compensation costs Human Resources - $52K **unfavourable** due to overages in contingency costs and accomodated staffing costs - Legal Services - $5K **favourable** due to higher user fee revenues - Information Technology - $170K **favourable** resulting from salary savings $485K offset by unexpected repair costs for phone related equipment $140K and maintenance costs for Police & Fire radio $278K - Clerk Services - $20K **favourable** due to higher revenue from user fees, licenses and permits $12K and higher internal recoveries $67K and the transfer of Committee of Adjustment's surplus ($31K) to Clerk's partially offset by higher consulting fees $90K - Corporate Communications - $13K **unfavourable** due to lower payroll recoveries (Water & Wastewater Communications Coordinator)
FINANCE AND ENTERPRISE	$ 3,869,000	$ 3,592,000	-$ 277,000	(7.2%)	- Finance - $189K **favourable** due to position vacancies - Enterprise - $88K **favourable** due to position vacancies
TOTAL CITY DEPARTMENTS (excl Financing)	**$ 99,149,000**	**$ 100,337,000**	**$ 1,189,000**	**1.2%**	
GENERAL EXPENSES AND CAPITAL FINANCING	-$ 169,486,000	-$ 169,059,000	$ 427,000	**0.3%**	- Taxes Written Off - $1.171 million **unfavourable** due to higher than expected write-offs based on MPAC decision - Interest Earnings - $1.5 million **favourable** due to an increased portfolio value and achievement of higher yields than budgeted - Interest Earnings transferred to Reserves - $2.3 million **unfavourable** due to higher reserve balances as a result of delayed capital spending - Interest and Penalties on Taxes Receivable - $107K **unfavourable** due to lower interest & penalties resulting from increased collection efforts - Debt Servicing - $667K **favourable** due to delaying the 2013 debt issue to 2014 as a result of higher cash balances - Supplementary and PIL Revenues- $873K **favourable** due to late addition of properties - General Expenditures - $111K **favourable** due to lower than anticipated charity and vacancy rebates and payments to MPAC
TOTAL CITY DEPARTMENTS (incl Financing)	**-$ 70,337,000**	**-$ 68,722,000**	**$ 1,616,000**	**2.3%**	
Local and Outside Boards					
LOCAL BOARDS	$ 42,124,000	$ 41,929,000	-$ 195,000	(0.5%)	- Library - $42K **favourable** due to position vacancy - Police Services $153K **favourable** variance due to higher revenue and savings in staff costs $121K from unrealised 2013 collective agreement salary increases and operational cost savings
GRANTS, OUTSIDE BOARDS & AGENCIES	$ 28,213,000	$ 26,075,000	-$ 2,138,000	(7.6%)	- Shared Services - $2.138 million **favourable** variance based on actual billings for the year. The County is yet to publicly release commentary on its year-end results
Subtotal Grants, Local and Outside Boards & Agencies	**$ 70,337,000**	**$ 68,004,776**	**-$ 2,333,000**	**(3.3%)**	
TOTAL TAX SUPPORTED (incl Outside Boards, Grants and Financing)	**$ -**	**-$ 716,000**	**-$ 716,000**	**(0.4%)**	
NON-TAX SUPPORTED					
WATER REVENUE	-$ 23,105,000	-$ 23,674,000	-$ 570,000	(2.5%)	**Favourable** variance due to higher basic charge revenue than expected
WATER OPERATIONS	$ 23,105,000	$ 23,135,000	$ 30,000	0.1%	**Unfavourable** variance due to higher repairs and maintenance costs
SUB-TOTAL WATER WORKS	**$ -**	**-$ 540,000**	**-$ 540,000**	**(2.3%)**	
WASTEWATER REVENUE	-$ 26,861,000	-$ 27,246,000	-$ 385,000	(1.4%)	**Favourable** varaince due to higher basic charge revenue than expected
WASTEWATER OPERATIONS	$ 26,861,000	$ 25,330,000	-$ 1,531,000	(5.7%)	**Favourable** variance due mainly to fewer breakdowns and lower tools and parts usage $345K, lower rentals and repairs $490K and savings in utilities due to yet-to-be-commisioned Process Operations Centre ($83K), and less lystek usage due to rainy weather, lower compensation costs ($193K) and lower site administration costs ($264K)
SUB-TOTAL WASTEWATER	**$ -**	**-$ 1,916,000**	**-$ 1,916,000**	**(7.1%)**	
ONTARIO BUILDING CODE REVENUE	-$ 2,837,000	-$ 3,268,000	-$ 431,000	(15.2%)	**Favourable** variance due to higher permit fees as a result of increase in construction activity
ONTARIO BUILDING CODE COSTS	$ 2,837,000	$ 3,268,000	$ 431,000	15.2%	**Unfavourable** variance resulting from higher transfer to reserves ($677K) partially offset by lower staff charge ($221K) due to position vacancies.
SUB-TOTAL OBC	**$ -**	**$ -**	**$ -**	0.0%	
COURT SERVICES REVENUE	-$ 2,095,000	-$ 1,813,000	$ 283,000	13.5%	**Unfavourable** variance due to lower charge volume
COURT SERVICES EXPENSES	$ 2,095,000	$ 1,986,000	-$ 109,000	(5.2%)	**Favourable** variance due to salary savings from less-than-full staff complement
SUB-TOTAL COURTS	**$ -**	**$ 174,000**	**$ 174,000**	**8.3%**	

TOTAL ENTERPRISE / USER PAY	**$ -**	**-$ 2,282,000**	**-$ 2,282,000**	**(4.2%)**	
(Brackets indicate a favourable variance)					