COMMITTEE AGENDA

CITY OF Guelph
Making a Difference

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

DATE   May 14, 2012

LOCATION   Council Chambers
TIME   5 p.m.

DISCLOSURE OF PECUNIARY INTEREST

CONFIRMATION OF MINUTES – April 10, 2012

PRESENTATIONS (Items with no accompanying report)

a)

CLOSED MEETING:

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

1. **Sale of City Land**
    S. 239 (2) (c) of the *Municipal Act* – proposed or pending acquisition or disposition of land

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-17 3-7 Gordon Street – Downtown Guelph Community Improvement Plan (DGCIP) – Major Downtown Activation Grant (DAG) Request and		• John Farley, Creating Homes Inc. on behalf of Gordon Street Co-operative Development Corporation	√

	Development Charge (DC) Deferral Agreement			
CAFE-18	Information Technology Annual Report	• Gilles Dupuis, Manager, Information Technology		√
CAFE-19	Legal and Realty Services 2011 Annual Report (Ward #1)	• Donna Jaques, City Solicitor/ General Manager of Legal & Realty Services		√
CAFE-20	Sale of City Land – Beaumont Crescent			
CAFE-21	2013 Budget Process			
CAFE-22	2011 Investment Performance Report			
CAFE-23	2011 Development Charge Reserve Fund Statement			
CAFE-24	Capital Budget Monitoring, Q1, 2012			
CAFE-25	March 2012 Operating Variance Report			

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.

NEXT MEETING – June 11, 2012

The Corporation of the City of Guelph
Corporate Administration, Finance, and Enterprise Committee
Tuesday April 10, 2012, 5:00 p.m.

A meeting of the Corporate Administration, Finance and Enterprise Committee was held on Tuesday April 10, 2012 in the Council Chambers at 5:00 p.m.

Present: Councillors Hofland, Kovach, Laidlaw, Wettstein and Mayor Farbridge

Also Present: Councillors Bell, Furfaro, Guthrie and Van Hellemond

Staff Present: Mr. M. Amorosi, Executive Director of Corporate & Human Resources; Mr. D. McCaughan, Executive Director of Operations & Transit; Ms. S. Aram, Acting Deputy Treasurer; Ms. T. Agnello, Deputy Clerk; and Ms. J. Sweeney, Council Committee Co-ordinator

There was no disclosure of pecuniary interest.

1.   Moved by Mayor Farbridge
        Seconded by Councillor Wettstein
THAT the minutes of the Corporate Administration, Finance and Enterprise Committee meeting held on February 13, 2012 be amended by removing Councillor Dennis from the recorded votes, and that the minutes be confirmed as amended and without being read.

VOTING IN FAVOUR: Councillors Hofland, Kovach, Laidlaw, Wettstein and Mayor Farbridge (5)

VOTING AGAINST: (0)

                                                          Carried

Consent Agenda

The following items were extracted from Corporate Administration, Finance & Enterprise Committee April 10, 2012 Consent Agenda:

CAFE-2012 A.7   Human Resources Annual Report
CAFE-2012 A.8   Funding Related to Existing and Proposed City of
                Guelph Tax-Increment Based Grants (TIBG)
                Program
CAFE-2012 A.9   Downtown Guelph Community Improvement Plan
                Implementation Guidelines
CAFE-2012 A.10 Attendance Management Software
CAFE-2012 A.11 Prosperity 2020 – 2011/2012 Activities
CAFE-2012 A.12 2012 Budget Process Debrief

2.   Moved by Mayor Farbridge
       Seconded by Councillor Wettstein
THAT the balance of the Corporate Administration, Finance &
Enterprise Committee April 10, 2012 Consent Agenda, as identified
below, be adopted:

a) **Property Tax Receivables and Collections**

Ms. S. Aram THAT Finance Report FIN-12-15 'Property Tax Receivables and
Collections', dated April 10, 2012 be received for information.

b) **2012 Property Tax Policy**

REPORT THAT the following tax policies be incorporated into the tax rate and
ratio bylaws:

1. Tax Ratios: Reduce the multi-residential tax ratio from
   2.309425 to 2.165900 with all other class ratios and vacancy
   discounts remaining the same as in 2011;
2. That the capping parameters used for 2011 be adopted for
   2012; and
3. 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-12-13 remain
   the same as 2011.

c) **Capital Budget Monitoring Year, End 2011**

Ms. S. Aram THAT the Finance report dated April 10, 2012 entitled 'Capital Budget
Monitoring Report' be approved.

d) **2011 Year End Unaudited Operating Variance Report**

Ms. S. Aram THAT the Finance report dated April 10, 2012 entitled "2011 Year End
Unaudited Operating Variance Report" be received for information.

VOTING IN FAVOUR: Councillors Hofland, Kovach, Laidlaw, Wettstein
and Mayor Farbridge (5)

VOTING AGAINST: (0)

Carried

Human Resources Annual Report

The Executive Director of Corporate & Human Resources introduced
the Human Resources Annual Report.

Dana Nixon, Manager of Staffing/Workforce Planning reviewed the Human Resources Dashboard and Scorecard. She advised that staff are reviewing areas in voluntary turnover, sick days, grievance rate, training costs per employee, benefit expense and external time to fill vacancies.

3.   Moved by Mayor Farbridge
        Seconded by Councillor Laidlaw

Mr. M. Amorosi   THAT the 2011 Human Resources Annual Report be received for information.

VOTING IN FAVOUR: Councillors Hofland, Kovach, Laidlaw, Wettstein and Mayor Farbridge (5)

VOTING AGAINST: (0)

                                           Carried

Funding Related to Existing and Proposed City of Guelph Tax-Increment Based Grants (TIBG) Programs

Ian Panabaker, Corporate Manager, Downtown Renewal outlined the value of Tax-Increment Based Grants to the community as they help to achieve the City's collective goals of: fewer contaminated brownfield sites; more heritage structures retained and adaptively reused; and building early momentum for long-term sustained private sector redevelopment investments in the downtown. He advised that the grants are tied to the real assessment growth being created by the project and projects must be completed and reassessed before grant money is received.

Sue Aram, Acting Deputy Treasurer provided clarification relating to the payment and funding of the grant.

4.   Moved by Mayor Farbridge
        Seconded by Councillor Wettstein

REPORT   THAT Report 12-01, Funding related to existing and proposed City of Guelph Tax-Increment Based Grant (TIBG) programs, prepared by Finance and Enterprise Services, dated April 10, 2012, be received;

AND THAT the financial directions recommended in 'Report 12-01 Funding related to existing and proposed City of Guelph Tax-Increment Based Grant (TIBG) Programs', dated April 10, 2012 be approved.

VOTING IN FAVOUR: Councillors Hofland, Kovach, Laidlaw, Wettstein and Mayor Farbridge (5)

VOTING AGAINST: (0)

Carried

Downtown Guelph Community Improvement Plan Implementation Guidelines

Ian Panabaker, Corporate Manager, Downtown Renewal outlined the report contained in the agenda.

5. Moved by Councillor Laidlaw
   Seconded by Mayor Farbridge
REPORT   THAT report 12-02 regarding the Downtown Guelph Community Improvement Plan Implementation Guidelines, prepared by the Downtown Renewal Office, dated April 10, 2012, be received;

AND THAT the Downtown Guelph Community Improvement Plan Implementation Guidelines (Attachment 1), dated April 10, 2012, be approved;

AND THAT the Delegation of Authority By-law (2010)-18935 be amended to attach Schedule Q and Schedule R as attached to this report (Attachments 2 and 3).

VOTING IN FAVOUR: Councillors Hofland, Kovach, Laidlaw, Wettstein and Mayor Farbridge (5)

VOTING AGAINST: (0)

Carried

Attendance Management Software

The Executive Director of Corporate & Human Resources outlined the benefit of attendance management software.

6. Moved by Councillor Laidlaw
   Seconded by Mayor Farbridge
THAT staff be authorized to purchase Attendance Management Software and related consulting costs from the Salary Gapping Reserve at a cost of $150,000.

It was requested that the motion be separated and voted on separately.

7.   Moved by Councillor Laidlaw
      Seconded by Mayor Farbridge

REPORT   THAT staff be authorized to purchase Attendance Management
Software and related consulting costs.

VOTING IN FAVOUR: Councillors Hofland, Kovach, Laidlaw, Wettstein
and Mayor Farbridge (5)

VOTING AGAINST: (0)

                                                        Carried

8.   Moved by Councillor Laidlaw
      Seconded by Mayor Farbridge

REPORT   From the Salary Gapping Reserve at a cost of $150,000.

VOTING IN FAVOUR: Councillors Hofland, Laidlaw, Wettstein and
Mayor Farbridge (4)

VOTING AGAINST: Councillor Kovach (1)

                                                        Carried

Prosperity 2020 – 2011/2012 Activities

Peter Cartwright, General Manager of Economic Development advised
that he would bring back information with regard to performance
measurements.

9.   Moved by Mayor Farbridge
      Seconded by Councillor Kovach

M. P. Cartwright   THAT the report dated April 10, 2012 which has been prepared by the
General Manager of Economic Development, Finance & Enterprise
Services regarding Prosperity 2020 – 2011/2012 Activities be
received as information.

VOTING IN FAVOUR: Councillors Hofland, Kovach, Laidlaw, Wettstein
and Mayor Farbridge (5)

VOTING AGAINST: (0)

                                                        Carried

2012 Budget Process Debrief

Sue Aram, Acting Deputy Treasurer, provided clarification on the
people contacted to participate in the survey.

10.   Moved by Councillor Kovach
        Seconded by Mayor Farbridge

Ms. S. Aram   THAT the 2012 Budget Process Debrief report be received for information.

VOTING IN FAVOUR: Councillors Hofland, Kovach, Laidlaw, Wettstein and Mayor Farbridge (5)

VOTING AGAINST: (0)

                                          Carried

The meeting adjourned at 7:35 p.m.

………………………..…………………………..
                                   Chairperson

CORPORATE ADMINISTRATION, FINANCE & ENTERPRISE COMMITTEE
CONSENT AGENDA

May 14, 2012

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-2012 A.17) 3-7 GORDON STREET – DOWNTOWN GUELPH COMMUNITY IMPROVEMENT PLAN (DGCIP) – MAJOR DOWNTOWN ACTIVATION GRANT (DAG) REQUEST AND DEVELOPMENT CHARGE (DC) DEFERRAL AGREEMENT	Approve

THAT Downtown Renewal Report 12-03 dated May 14, 2012 regarding a Major DAG application for the property municipally known as 3-7 Gordon Street pursuant to the DGCIP, be received;

AND THAT the application by Creating Homes Inc. on behalf of Gordon Street Co-operative Development Corporation for the Major Downtown Activation Grant to an upset total limit of $1,506,822 be approved;

AND THAT staff be directed to proceed with the finalization of the Major DAG agreement between Gordon Street Co-operative Development Corporation and the City of Guelph, subject to the satisfaction of the Corporate Manager of Downtown Renewal and the General Manager of Legal and Realty Services/City Solicitor, and that the Mayor and Clerk be authorized to sign the Major DAG Agreement;

AND THAT staff be directed to proceed with the finalization of a DC Late Payment agreement between Home Ownership Alternatives Non-Profit Corporation and the City of Guelph, subject to the satisfaction of the General Manager of Finance and the General Manager of Legal and Realty Services/City Solicitor, and that the Mayor and Clerk be authorized to sign the DC Late Payment agreement.

CAFE-2012 A.18)	**INFORMATION TECHNOLOGY ANNUAL REPORT**	Receive

THAT the 2011 Information Technology Annual Report be received for information.

CAFE-2012 A.19)	**LEGAL AND REALTY SERVICES 2011 ANNUAL REPORT**	Receive

THAT the Legal and Realty Services 2011 Annual Report be received for information.

CAFE-2012 A.20)	**SALE OF CITY LAND – BEAUMONT CRESCENT (Ward #1)**	Approve

THAT the Mayor and Clerk be authorized to execute an Offer to Purchase and Agreement of Purchase and Sale from RNR Custom Cycle Ltd. For part of the City-owned land described as Part of Lot 4, Registered Plan 377, City of Guelph.

CAFE-2012 A.21)	**2013 BUDGET PROCESS**	Receive

THAT Finance Report FIN 12-17 "2013 Budget Process" dated May 14, 2012 be received for information.

CAFE-2012 A.22)	**2011 INVESTMENT PERFORMANCE REPORT**	Receive

THAT report FIN 12-21 dated May 14, 2012 with respect to the 2011 Investment portfolio performance and holdings be received for information.

CAFE-2012 A.23)	**2011 DEVELOPMENT CHARGE RESERVE FUND STATEMENT**	Receive

THAT report FIN 12-22 dated May 14, 2012, with respect to the 2011 development charge reserve fund statement be received for information.

CAFE-2012 A.24)	**CAPITAL BUDGET MONITORING, Q1 2012**	Approve

THAT the Finance report dated May 14, 2012 entitled "Capital Budget Monitoring, Q1 2012" be approved.

CAFE-2012 A.25)	**MARCH 2012 OPERATING VARIANCE REPORT**	Receive

THAT the Finance report dated May 14, 2012 entitled "March 2012 Operating Variance Report" be received for information purposes.
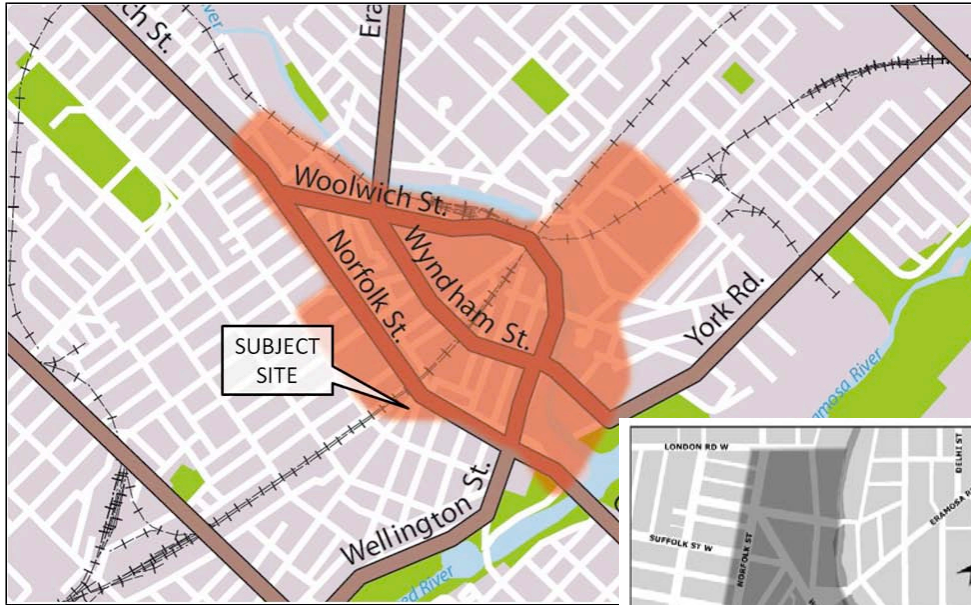
attach.

MARKET*Commons*

Intelligent | Green | Affordable

Creating HOMES

Working to provide market affordable homeownership.
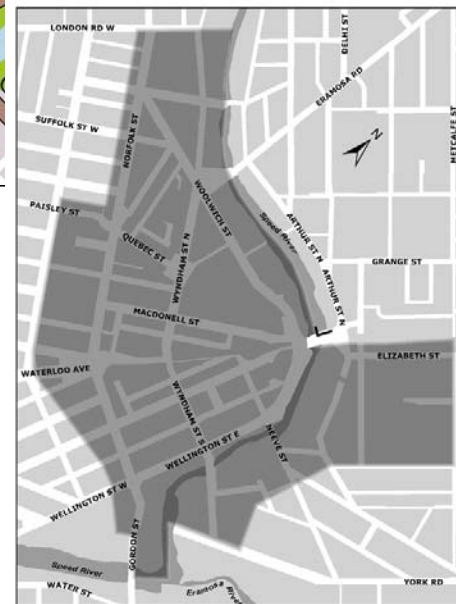
New *Downtown Residences*
Vibran*t Downtown Neighborhood*
Respecting *Heritage & Downtown Secondary Plan*

Urban Growth Area

Places to Grow Act, 2005
Downtown Secondary Plan

Community Improvement Project Area

Development

Six (6) story mid-rise

Commercial-residential (mixed-use) infill

57 residential condominiums; 1 commercial

Commuter bike parking; onsite car-share

Underground parkade & courtyard surface

Views of green-spaces, cathedral, Nottingham neighborhood and Market Square block

Neighborhood

Walking distance to: transit hub and GO Train;

Farmer's Market and Market Square;

Shopping, restaurants, amenities and employers;

River Run, Museum, Public Library and General Hospital;

Schools and University of Guelph;

Parks and riverfront biking/hiking trails.

Public transit, bike lanes, bike racks and parking out front.

Proposed corner patio with adjacent active public green-space.

Community Benefits

1. Market affordable homeownership
2. Increased residences in Downtown
3. Increased 'living & working' in Downtown
4. Re-purposing of Heritage property
5. Upgrading of 'green' public space
6. Creation of a walkable, and vibrant neighborhood.

Creating Homes respectfully asks the
CAFES Committee

to approve the necessary financial tools
for the *Market Commons to* develop in
Downtown Guelph

'Heart of a sustainable, livable city'

thank you for listening

COMMITTEE REPORT

TO	Corporate Administration, Finance & Emergency Services Committee (CAFES)
SERVICE AREA	Finance and Enterprise Services: Downtown Renewal
DATE	May 14, 2012
SUBJECT	**3–7 Gordon Street – Downtown Guelph Community Improvement Plan (DGCIP) - Major Downtown Activation Grant (DAG) Request and Development Charge (DC) Late Payment Agreement**
REPORT NUMBER	12-03

SUMMARY

Purpose of Report
To recommend to Council the approval of a DGCIP Major Downtown Activation Grant and to enter into a DC Late Payment Agreement for "Market Commons", 3-7 Gordon Street.

Committee Action
Approve

RECOMMENDATION

"THAT Downtown Renewal Report 12-03 dated May 14, 2012 regarding a Major DAG application for the property municipally known as 3-7 Gordon Street pursuant to the DGCIP, be received;

AND THAT the application by Creating Homes Inc. on behalf of Gordon Street Co□**operative Development Corporation for the Major Downtown Activation Grant to an upset total limit of $1,506,822 be approved;**

AND THAT staff be directed to proceed with the finalization of the Major DAG agreement between Gordon Street Co-operative Development Corporation and the City of Guelph, subject to the satisfaction of the Corporate Manager of Downtown Renewal and the General Manager of Legal and Realty Services/City Solicitor, and that the Mayor and Clerk be authorized to sign the Major DAG Agreement;

AND THAT staff be directed to proceed with the finalization of a DC Late Payment agreement between Home Ownership Alternatives Non-Profit Corporation and the City of Guelph, subject to the satisfaction of the

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General Manager of Finance and the General Manager of Legal and Realty Services/City Solicitor, and that the Mayor and Clerk be authorized to sign the DC Late Payment agreement."

BACKGROUND

3-7 Gordon Street, known as "Market Commons", an affordable home ownership project, is being developed by the Gordon Street Co-operative Development Corporation, a not-for-profit corporation. Creating Homes Inc. is acting on behalf of Gordon Street Co-operative as their development and affordable housing consultants.

Gordon Street Co-operative Development Corporation's goal is to assist moderate income individuals and families in becoming homeowners in the City of Guelph by developing below market housing through a non-profit model.

Creating Homes Inc. on behalf of Gordon Street Co-operative Development Corporation has applied for the Major Downtown Activation Grant pursuant to the DGCIP for 3–7 Gordon Street site.

Creating Homes Inc. on behalf of Gordon Street Co-operative Development Corporation, in partnership with Home Ownership Alternatives, an affordable housing financier, has further requested a Development Charges Late Payment Agreement for the project to facilitate securing low-income eligible purchasers for the site using an amount equal to the Development Charges being deferred as additional financial support to achieve low-income ownership. This is a similar mechanism that the City entered into with Options for Homes on the Mountford School site redevelopment project in 2008.

The 3-7 Gordon Street site is located on the west side of Gordon Street with frontage on Essex Street to the north and Gordon Street to the east. The property is currently used as a parking lot. Redevelopment of the site, which includes a mixed-use building of commercial, live-work and housing, has required minor variances, which were approved in 2011, and is now in the final stages of the site plan approval process with the City.

REPORT

1. Downtown Major Activation Grant Application

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 real intensification results for the downtown.

One of the programs in the DGCIP is the Major Downtown Activation Grant. This is a tax increment-based grant for major redevelopment projects involving significant redevelopment for commercial and/or residential buildings. This grant is based on the difference between property taxes collected on a property before development and the estimated taxes that will be collected after development. They are reconfirmed against actual taxes before any grant monies are paid.

This application for the Downtown Major DAG is requesting TIBG funding for costs related to municipal fees, off-site infrastructure upgrades not routinely required, and construction of structured parking.

Evaluation Criteria
As outlined in the Downtown Guelph Community Improvement Plan 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 5,263m2 project will consist of 57 residential units and 1 commercial unit.
	Eligible costs include:	Applicant has applied for the following eligible costs:
	• Parkland Dedication contributions	$95,000
	• Municipal planning and building permit fees	$70,562
	• Off-site infrastructure improvement costs but exclude costs that are not *routinely* required for servicing the site.	$210,000
	• Construction cost premium for the provision of underground parking or structured spaces vs. surface parking	$1,140,000
	Total Eligible Costs	$1,515,562
	Potential Maximum of 10 year Tax Increment-Based Grant	$1,506,822
	Recommended Annual Grant	**$150,682**
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 mixed-use community on an underutilized and vacant site.	✓

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 proposed building will contribute to the urban streetscape on Gordon Street, and the creation of an attractive pedestrian-oriented environment. The mix of residential and commercial uses will also positively contribute to the public realm and vibrancy of Downtown.
5. Quality of Application	Complete application and pre-consultation with Downtown Renewal Staff	✓

Downtown Renewal is recommending that this project has met the eligibility requirements and that the City proceed with an agreement with the applicant.

2. Development Charges Late Payment Agreement

In February of 2008, the City of Guelph entered into a development charge late payment agreement for a similar affordable housing project on Mountford Drive.

Any late payment agreement is applicable to the City development charges only and not the education development charges. It is a condition of the agreement that an amount equal to the City development charges being deferred must be used by the proponent to provide financial assistance to a specified minimum number of households, each with a specified maximum household income, and for a specified maximum purchase price meeting the City's definitions for Affordable Ownership. Once all units have been sold, any difference between the total development charges deferred and the total assistance allocated must be paid to the City, and annual payments toward the remaining outstanding balance begin and continue for up to ten years. Lost interest on the development charges will have to be transferred to the development charge reserve funds from the Affordable Housing Reserve, which will be replenished through a transfer from operating.

The DC Late Payment Agreement is being recommended for this project as it allows the development, through a proven partnership model, to address the need for home ownership opportunities for low and moderate-income earners as Downtown Guelph develops.

The DC for 3-7 Gordon is $800,737.74. This figure will be confirmed in the DC Late Payment Agreement.

FINANCIAL IMPLICATIONS

The Major DAG payments for 3-7 Gordon Street are expected to begin in 2014 once the project is completed and reassessed by MPAC. Grant payments are to be funded by the Downtown TIBG Reserve which was established on April 23, 2012 when City Council approved a total program cap for all multi-year redevelopment

incentive programs. As well, at the time of MPAC reassessment and confirmation that all agreement criteria have been met by the developer, the resulting financial obligation will be included in the City's debt continuity schedule and form part of overall City debt ratios.

The total program cap for the Downtown TIBG is $12.4M for the five year program. If approved, 3-7 Gordon Street would leave $10,893,178 in the Downtown TIBG program.

CORPORATE STRATEGIC PLAN

2012 Update
Early testing of the 2012 Strategic Plan directions in Council workshops indicates that there is a strong desire to support strategic assessment-growth related projects such as downtown intensification and Brownfield site activation.

2011
Goal 1: *An attractive, well-functioning and sustainable city*
> *1.2 Municipal sustainability practices that become the benchmark against which other cities are measured*
> *1.5 The downtown as a place of community focus and destination of national interest*

Goal 3: *A diverse and prosperous local economy*
> 3.1 Thriving and sustainable local employment opportunities
> *3.2 One of Ontario's top five and Canada's top ten places to invest.*

Goal 5: *A community-focused, responsive and accountable government*
> 5.4 Partnerships to achieve strategic goals and objectives
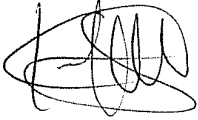
DEPARTMENTAL CONSULTATION
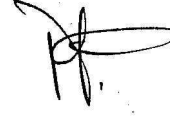Finance
Planning

COMMUNICATIONS
N/A

ATTACHMENTS
N/A

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"Original Signed by"

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Recommended By:
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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, "Infrastructure Availability" is currently green 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   2011

IT Governance

Strategic Alignment	🟡
Business Value Delivery	🟡
Risk Management	🔴
Resource Management	🔴
Performance Measurement	🔴

Service Delivery

Customer Satisfaction	🟡
Customer Partnership	🟡
Business Process Support	🔴
Infrastructure Availability	🟢

IT Sustainability

Applications Management	🔴
Project Performance	🔴 −
Financial Performance	🟡
Compliance	🔴

IT Innovation and Learning

Workforce Competency	🟡
Advanced Technology Use	🟡
Methodology Currency	🟡
Employee Retention	🟡 +

Information Technology Scorecard

In Support of…	Measure	2011 Ratings and Achievements	2012 Targets	2012 Initiatives
IT Governance	Strategic Alignment	Maturity Rating: Level 2 (Utility Provider) out of 3 Defined mandate, roles, and responsibilities for the Amanda, GIS, and Web Governance Committees	Achieve a Gartner® maturity rating of Level 3 (Process Optimizer) that enables the Information Technology Department to transform from being a resource centre to an innovation centre and valued partner in the organization	Build IT Management and Executive level awareness of our business key success factors by distribution and engagement of the IT Strategic Plan
	Business Value Delivery	Maturity Rating: Began phase 1 of 3 of the Gartner® EBRC (Enhanced Business Reporting Consortium) – KPI Initiative	Complete phase 1 of Gartner® EBRC KPI Initiative	Engage customers in identification and validation of IT KPIs relevant to business value
	Risk Management	Maturity Rating: Level 1 (Initial) out of 5	Achieve maturity rating of Level 2 (Developing)	Assign responsibility of Risk Management Establish a Risk Register and Risk Policy Review IT Security investments to align with industry standard of 5.2% of total IT budget
	Resource Management	Maturity Rating: Level 1 (Initial) out of 5 Realigned IT staff to optimize Enterprise Resource Planning support	Achieve a maturity rating of Level 2 (Developing)	Review recommendations from 2012 IT Strategic Plan and request FTEs to adequately support business needs
	Performance Measurement	Maturity Rating: Level 1 (Initial) out of 5	Achieve a maturity rating of Level 2 (Developing)	Identify IT KPIs from 2012 IT Strategic Plan and consolidate with business KPIs Develop methods to capture key performance metrics and maturity levels
Service Delivery	Customer Satisfaction	Performance Rating: 75% of support calls resolved within target times	Achieve a performance rating of 80% resolution of support calls within target times Meet industry standard of 62.7% for IT Service Desk FCR (First Call Resolution)	Conduct an IT Customer Satisfaction Survey Measure IT Service Desk FCR (First Call Resolution)
	Customer Partnership	Maturity Rating: Level 1 (Resource Centre) out of 5	Achieve a PMM (Partnership Maturity Model) rating of Level 3 (Centre of Excellence)	Develop a Customer Partnership Plan
	Business Process Support	Maturity Rating: Phase 1 (Process Aware) out of 5	Achieve a maturity rating of Level 2 (Automation and Control)	Implement the business process mapping framework Train staff and partners on system architectures to enhance support
	Infrastructure Availability	Performance Rating: 99.6% Network Availability Implemented NAC (Network Access Control) standard Implemented redundancy for critical sites	99.9% Network Availability (45 minutes of unplanned downtime per month)	Implement ITIL® Change Management to reduce infrastructure downtime Monitor and report on Server Availability as part of the overall performance rating

Information Technology Scorecard

Information Technology Scorecard

	In Support of...	Measure	2011 Achievements	2012 Targets	2012 Initiatives
Information Technology Scorecard	IT Sustainability	Applications Management	Maturity Rating: Level 1 (Ad Hoc) out of 5	Achieve a maturity rating that approaches Level 2 (Repeatable)	Replace existing corporate Guelph.ca website Install additional functionality for attendance management in Kronos timekeeping application
		Project Performance	Performance Rating: 22% of IT projects completed that were initiated in 2011	Achieve 30% project performance for completion of IT projects in 2012	Establish the ITPMO (Information Technology Project Management Office)
		Financial Performance	Performance Rating: 49% based on OMBI IT spending	Increase the investments in IT resources as specified in the 2012 IT Strategic Plan	Adjust the IT spending budget to better align with similar municipalities participating in the OMBI initiative
		Compliance	Performance Rating: Level 1 (Functional) out of 5	Achieve Level 2 (Enabling)	Appoint an IT Compliance Manager and create a catalogue of IT compliance regulations Update Responsible Computing Policy and Business Continuity Plan
	IT Innovation and Learning	Workforce Competency	Maturity Rating: Level 3 (Defined) out of 5	Maintain a maturity rating of Level 3 (Defined)	Perform a P®-CMM® (People Capability Maturity) or similar assessment for all IT staff Identify skills gaps to better support the business
		Advanced Technology Use	Maturity Rating: Level 3 out of 5 (self-assessment) Acquired next generation data storage system Expanded server technologies that reduce cooling and power needs	Achieve a maturity rating of Level 4	Continue to pilot mobile devices including Apple® to meet the demands of an agile workforce Review "Social Networking" as a business tool and implement access according to Responsible Computing Policy and Executive directives Implement more technologies for server, network, ands data storage equipment to move towards greener Data Centres
		Methodology Currency	85% of key IT methodologies are at various stages of implementation Implemented ITIL® Asset Management Developed the framework for process mapping based on PMBoK® standard	Achieve 100% of key IT methodology adoption	Develop a program to implement ITILv3 for improved service delivery framework in conjunction with IT PMO (Project Management Office) Further implementation of process mapping and continuous improvement using Six Sigma methodology Train IT Project Managers to use the new framework for project intake and management
		Employee Retention	Performance Rating: 10.7% turnover of IT Staff	Meet corporate turnover rate of 5.6%	Align our practices to the Corporate Succession Plan by identifying candidates and assessing their potential Utilize the AWA (Alternative Work Arrangement) policy to increase staff satisfaction Empower IT staff at all levels with decision making authority where applicable

COMMITTEE REPORT

TO	**Corporate, Administration, Finance and Enterprise Committee**
SERVICE AREA	Corporate & Human Resources
DATE	May 14, 2012
SUBJECT	**Information Technology Annual Report**
REPORT NUMBER	

SUMMARY

Purpose of Report:
To present the Information Technology Annual Report.

Committee Action:
To receive the 2011 Information Technology Annual Report for information.

RECOMMENDATION
That the 2011 Information Technology Annual Report be received for information.

BACKGROUND

On December 5 2011, the Corporate Administration, Finance and Enterprise standing committee approved a three year IT strategic plan framework and authorized staff to develop this plan in 2012. The following pillars, based on a review of IT best practices and within other municipal government contexts are those that will constitute the IT Strategic Plan development framework 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 intended use of the Information Technology Annual Report is to provide context for future direction on investment and use of technology. Future annual reports will include measures of progress against the 2012, three year IT strategic plan goals.

Based on the results provided in the dashboard; the IT function at the City of Guelph can best be described as being a resource and cost centre. To migrate to being an innovation centre and a highly valued partner relationship, will require a bold cultural shift in decision making regarding investment in technology.

REPORT

This is the first annual report of this kind for the Information Technology Department. It is the first time that industry benchmarks and standards have been used to rate and evaluate the performance. It is intended to provide baseline data (where available) and comparator benchmarks based on maturity model ratings or recognized Information Technology industry standards. It also provides an overview of the major activities the department undertook in 2011. A wide range of industry benchmarking information has been used to provide context and a basis for discussion in relation to key performance indicators.

For information purposes, a summary of the IT scorecard is provided below.

The City of Guelph compares positively in the following area:
- **Infrastructure Availability** with a performance rating of 99.6% up time for the City's network.

The City of Guelph is improving in the following areas:
- **Customer Satisfaction** with 75% of service requests being completed on time.
- **Workforce Competency** based on the Carnegie Mellon University P®CMM® model for workforce maturity.
- **Advanced Technology Use** based on the deployment of latest generation devices.
- **Methodology Currency** through the implementation of globally recognized industry standards.
- **Employee Retention** with turnover trending negatively but still higher than corporate average.

The City of Guelph has identified the following areas as needing attention:
- **Strategic Alignment** with Defined mandate, roles, and responsibilities for the Amanda, GIS, and Web Governance Committees.
- **Business Value Delivery** at a maturity rating of phase 1 of 3 of the Gartner® EBRC (Enhanced Business Reporting Consortium) – KPI Initiative
- **Financial Performance** with IT investment indicators below OMBI and industry benchmarks.
- **Customer Partnership** at a level 2 out 5 according to the Partnership Maturity Model (PMM).

The City of Guelph is not in line with industry benchmarks in the following areas:

- **Risk Management** where no clear lines of responsibility are identified.
- **Resource Management** with a maturity level of 1 (out of 5)
- **Performance Measurement** with a maturity level of 1 (out of 5)
- **Applications Management** with a maturity level of 1 (out of 5)
- **Project Performance** where 22% of IT projects initiated were completed.
- **Compliance** with a maturity level of 1 (out of 5)
- **Business Process Support** with a maturity level of 1 (out of 5)

The above areas have also been identified during the development of the 2012 three year Information Technology Strategic Plan. Mitigation strategies are being put in place to improve and/or reverse the negative trends. Financial implications needed to address these areas of concern will be included in the 2013 budget development process.

"As part of the global community, municipalities, including Guelph, need to be well positioned to capitalize on international best practices and innovations." (Source: City of Guelph's Strategic Plan). In 2012, the Information Technology strategic plan represents the beginning of this process with the alignment of actions from the IT Strategic plan and the City's Strategic Plan.

CORPORATE STRATEGIC PLAN
Goal 5.6 - Organizational excellence in planning, management, human resources and people practices.

FINANCIAL IMPLICATIONS
None

DEPARTMENTAL CONSULTATION
N/A

COMMUNICATIONS
This report is a Corporate annual report and available to all departments.

ATTACHMENTS
2011 Information Technology Annual Report.

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2011

Information Technology
Annual Report

CITY OF
Guelph

Making a Difference

Contents

Executive Summary

The 2011 Information Technology Annual Report is a summary and analysis of the department's effectiveness to provide technology and services to meet the organization's current needs while preparing for future forces of change. "*Advances in Internet infrastructure, communications and multimedia are increasingly facilitating globalization, influencing workplaces and allowing for greater sharing of information. As part of the global community, municipalities, including Guelph, are well positioned to capitalize on international best practices and innovations.*" Source: City of Guelph's Strategic Plan - Technology section - page *5.*

This is the third annual report that the Information Technology Department has submitted to committee. It is the first time that industry benchmarks and standards have been used to rate and evaluate the performance. It is intended to provide baseline data (where available), comparator benchmarks based on maturity model ratings, or recognized Information Technology industry standards. It also provides an overview of the major activities the department undertook in 2012.

Performance benchmarks are obtained from several sources as follows;
- ➢ ITIL® (Information Technology Infrastructure Library): Global IT industry standard for service delivery.
- ➢ OMBI (Ontario Municipal Benchmarking Initiative): A project that collects performance data from 37 Ontario municipalities.
- ➢ Gartner Inc. ®: Global information technology research and advisory company.
- ➢ PMI® (Project Management Institute): Global association for project management professionals.
- ➢ CMMI® (Capability Maturity Model Integration): Process improvement approach registered with Carnegie Mellon University.
- ➢ P®-CMMI® (People Capability Maturity Model): Workforce maturity model registered with Carnegi Mellon University.
- ➢ PCI™ (Payment Card Industry Security Standards Council): Global forum founded by the 5 major payment brands that sets the technical standards for credit cards including Visa® and Mastercard®.
- ➢ ISACA® (Information Systems Audit and Control Association): Global organization for information governance, control, security and audit professionals.
- ➢ PMM (Partnership Maturity Model): A tool for setting strategic direction for technology captives.
- ➢ ITPI (Information Technology Process Institute): Research organization focused on organizational performance.
- ➢ Internal City of Guelph sources that include the HEAT Service Desk Incident Management System, Eclipse Project Management System, and the Solarwinds Network Monitoring System.

2011 saw the adoption of an IT Strategic Plan Framework (December 5 CAFES meeting) which established four pillars of focus; Open Government Data/e-Government, IT Governance, IT Sustainability, and Service Delivery Standards.

2012 will see a detailed implementation plan including key performance indicators and success factors that will be measured against the goals of the strategic plan for the next 3 years

Conclusion

Based on the results provided in the dashboard on the next page, the City's IT Department can best be described as a "resource and cost centre". To become an innovation centre and highly valued partner will require a bold cultural shift in decision making regarding investment in technology.

❖ The next page will present you with a snapshot of the Information Technology Department's overall performance in 2011, illustrated by a dashboard. To jump directly to this dashboard click on "The Information Technology Dashboard".

❖ To jump directly to a performance breakdown of the four categories and the initiatives that are driven from the dashboard you can click on "The Information Technology Scorecard".

❖ To help interpret the symbols and colours in this document please read the next section.

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, "Infrastructure Availability" is currently green 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   2011

IT Governance

Strategic Alignment

Business Value Delivery

Risk Management

Resource Management

Performance Measurement

Service Delivery

Customer Satisfaction

Customer Partnership

Business Process Support

Infrastructure Availability

IT Sustainability

Applications Management

Project Performance

Financial Performance

Compliance

IT Innovation and Learning

Workforce Competency

Advanced Technology Use

Methodology Currency

Employee Retention

Information Technology Scorecard

	In Support of…	Measure	2011 Ratings and Achievements	2012 Targets	2012 Initiatives
Information Technology Scorecard	IT Governance	Strategic Alignment	Maturity Rating: Level 2 (Utility Provider) out of 3 Defined mandate, roles, and responsibilities for the Amanda, GIS, and Web Governance Committees	Achieve a Gartner® maturity rating of Level 3 (Process Optimizer) that enables the Information Technology Department to transform from being a resource centre to an innovation centre and valued partner in the organization	Build IT Management and Executive level awareness of our business key success factors by distribution and engagement of the IT Strategic Plan
		Business Value Delivery	Maturity Rating: Began phase 1 of 3 of the Gartner® EBRC (Enhanced Business Reporting Consortium) – KPI Initiative	Complete phase 1 of Gartner® EBRC KPI Initiative	Engage customers in identification and validation of IT KPIs relevant to business value
		Risk Management	Maturity Rating: Level 1 (Initial) out of 5	Achieve maturity rating of Level 2 (Developing)	Assign responsibility of Risk Management Establish a Risk Register and Risk Policy Review IT Security investments to align with industry standard of 5.2% of total IT budget
		Resource Management	Maturity Rating: Level 1 (Initial) out of 5 Realigned IT staff to optimize Enterprise Resource Planning support	Achieve a maturity rating of Level 2 (Developing)	Review recommendations from 2012 IT Strategic Plan and request FTEs to adequately support business needs
		Performance Measurement	Maturity Rating: Level 1 (Initial) out of 5	Achieve a maturity rating of Level 2 (Developing)	Identify IT KPIs from 2012 IT Strategic Plan and consolidate with business KPIs Develop methods to capture key performance metrics and maturity levels
	Service Delivery	Customer Satisfaction	Performance Rating: 75% of support calls resolved within target times	Achieve a performance rating of 80% resolution of support calls within target times Meet industry standard of 62.7% for IT Service Desk FCR (First Call Resolution)	Conduct an IT Customer Satisfaction Survey Measure IT Service Desk FCR (First Call Resolution)
		Customer Partnership	Maturity Rating: Level 1 (Resource Centre) out of 5	Achieve a PMM (Partnership Maturity Model) rating of Level 3 (Centre of Excellence)	Develop a Customer Partnership Plan
		Business Process Support	Maturity Rating: Phase 1 (Process Aware) out of 5	Achieve a maturity rating of Level 2 (Automation and Control)	Implement the business process mapping framework Train staff and partners on system architectures to enhance support
		Infrastructure Availability	Performance Rating: 99.6% Network Availability Implemented NAC (Network Access Control) standard Implemented redundancy for critical sites	99.9% Network Availability (45 minutes of unplanned downtime per month)	Implement ITIL® Change Management to reduce infrastructure downtime Monitor and report on Server Availability as part of the overall performance rating

Information Technology Scorecard ....continued

	In Support of...	Measure	2011 Achievements	2012 Targets	2012 Initiatives
Information Technology Scorecard	IT Sustainability	Applications Management	Maturity Rating: Level 1 (Ad Hoc) out of 5	Achieve a maturity rating that approaches Level 2 (Repeatable)	Replace existing corporate Guelph.ca website Install additional functionality for attendance management in Kronos timekeeping application
		Project Performance	Performance Rating: 22% of IT projects completed that were initiated in 2011	Achieve 30% project performance for completion of IT projects in 2012	Establish the ITPMO (Information Technology Project Management Office)
		Financial Performance	Performance Rating: 49% based on OMBI IT spending	Increase the investments in IT resources as specified in the 2012 IT Strategic Plan	Adjust the IT spending budget to better align with similar municipalities participating in the OMBI initiative
		Compliance	Performance Rating: Level 1 (Functional) out of 5	Achieve Level 2 (Enabling)	Appoint an IT Compliance Manager and create a catalogue of IT compliance regulations Update Responsible Computing Policy and Business Continuity Plan
	IT Innovation and Learning	Workforce Competency	Maturity Rating: Level 3 (Defined) out of 5	Maintain a maturity rating of Level 3 (Defined)	Perform a P®-CMM® (People Capability Maturity) or similar assessment for all IT staff Identify skills gaps to better support the business
		Advanced Technology Use	Maturity Rating: Level 3 out of 5 (self-assessment) Acquired next generation data storage system Expanded server technologies that reduce cooling and power needs	Achieve a maturity rating of Level 4	Continue to pilot mobile devices including Apple® to meet the demands of an agile workforce Review "Social Networking" as a business tool and implement access according to Responsible Computing Policy and Executive directives Implement more technologies for server, network, ands data storage equipment to move towards greener Data Centres
		Methodology Currency	85% of key IT methodologies are at various stages of implementation Implemented ITIL® Asset Management Developed the framework for process mapping based on PMBoK® standard	Achieve 100% of key IT methodology adoption	Develop a program to implement ITILv3 for improved service delivery framework in conjunction with IT PMO (Project Management Office) Further implementation of process mapping and continuous improvement using Six Sigma methodology Train IT Project Managers to use the new framework for project intake and management
		Employee Retention	Performance Rating: 10.7% turnover of IT Staff	Meet corporate turnover rate of 5.6%	Align our practices to the Corporate Succession Plan by identifying candidates and assessing their potential Utilize the AWA (Alternative Work Arrangement) policy to increase staff satisfaction Empower IT staff at all levels with decision making authority where applicable

Performance Analysis

IT Governance

Strategic Alignment

This focus area was evaluated by the Gartner® ITScore Assessment tool (a web enabled questionnaire) that quantifies the maturity of the IT department as a service provider. IT was classed in the archetype group of "Utility Provider" which warrants the rating of level 2 out of 3. The challenges in this group include poor integration of IT with the organization's business goal setting and the business is not integrated with IT's goal setting.

Recommendations to move to the higher level archetype group of "Process Optimizer" are as follows:
➢ Build IT executive-level awareness of your business key success factors
➢ Train IT management staff to understand and communicate IT value in business terms
➢ Set aside resources to research and recommend IT-enabled process enhancements
➢ Shift the IT Manager role from an operations focus to a business manager focus

Business Value Delivery

The IT Department is still at the early stages of monitoring and reporting its business value to the organization and is therefore rated at Phase 1 of 3. The Gartner® Assessment tool for Business Value Delivery was used to determine IT's level of maturity.

KPIs will be identified in the IT Governance pillar of the 2012 IT Strategic Plan.

SEC-Inspired Research on Defining Business Value

Phase 1
Engage constituents in KPI identification and validation
Relationship Building

Phase 2
Establish mass collaboration to promote broad-based adoption
Community Building

Phase 3
Exploit performance indicators in management decision making (research is available on benefit realization)
Harvesting
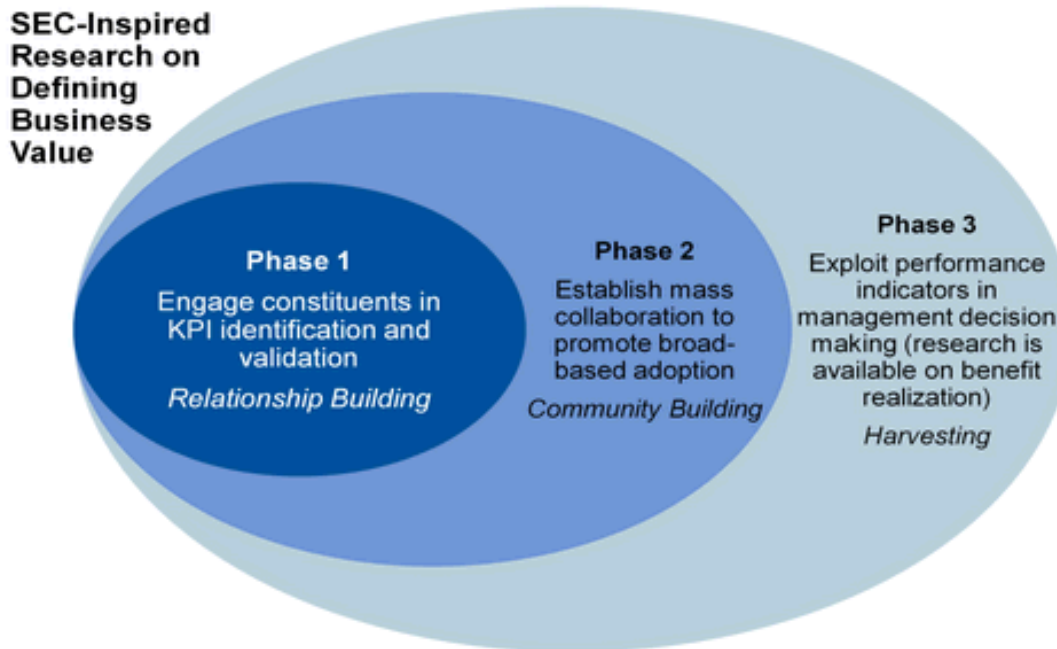
Figure 1. Three Phases of the Gartner and EBRC (Enhanced Business Reporting Consortium) KPI Initiative

**Source: Gartner (June 2011)

Risk Management 🔴

There is a Corporate "Insurance and Risk Management Policy" which states that "It is the responsibility of each department to identify the potential perils, factors and types of risk to which their assets, program activities and interests are exposed;" There is no IT Risk Policy or processes in place to formally assess the risks associated with the business and IT. Therefore the rating for this focus area is level 1. The 2012 IT Strategic Plan will address this gap and provide initiatives for moving to a higher level.
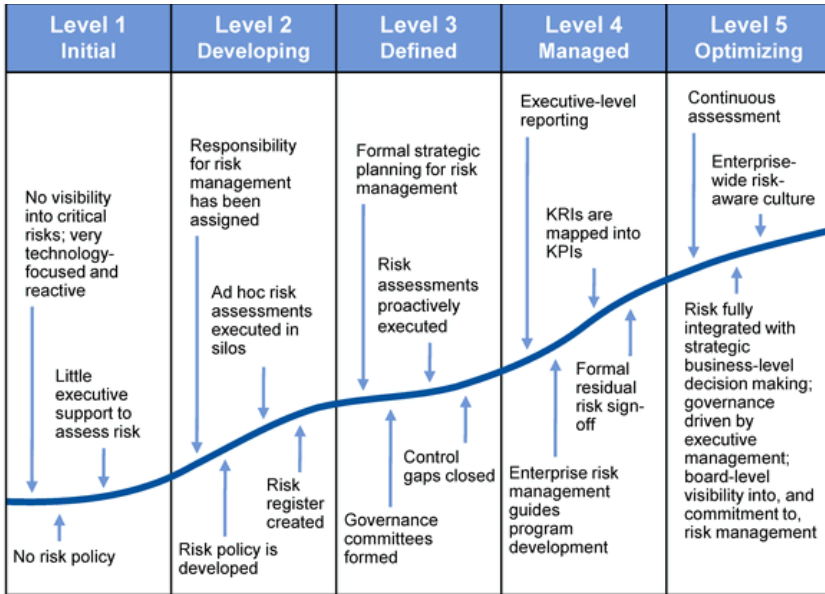
Figure 1. Overview of ITScore Maturity Levels for Risk Management

**Source: Gartner (September 2010)

Resource Management 🔴

Staffing levels have remained static since 2008 despite the growth in services, infrastructure, and supported staff. Symptoms of this are high levels of overtime, a backlog of projects, and a focus on operational rather than strategic initiatives. The IT Strategic Plan will identify staffing deficiencies which will be brought forward to the executive level.
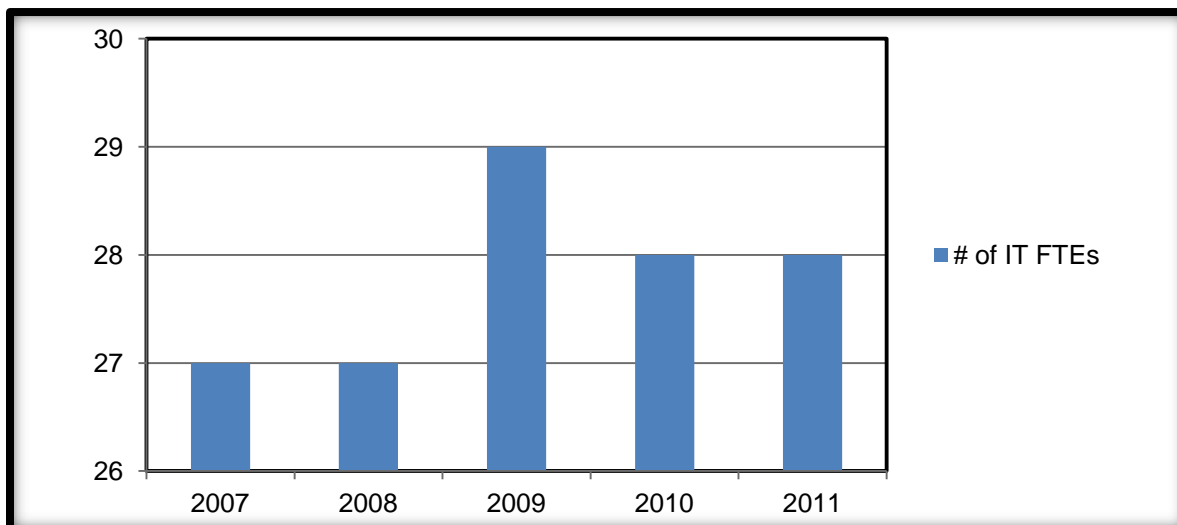
Growth of IT staff over last 5 years   **Source: Internal – IT Management

The next graph demonstrates the allocation of IT staff time by business area. PBEES (Planning Building Engineering and Environmental Services) were our biggest customer largely due to network expansions at their main sites.

IT Resource % Usage by Service Area

- CAO — 21%
- Corporate and Human Resources — 12%
- Operations and Transit — 21%
- PBEES — 32%
- Community and Social Services — 9%
- Finance — 5%
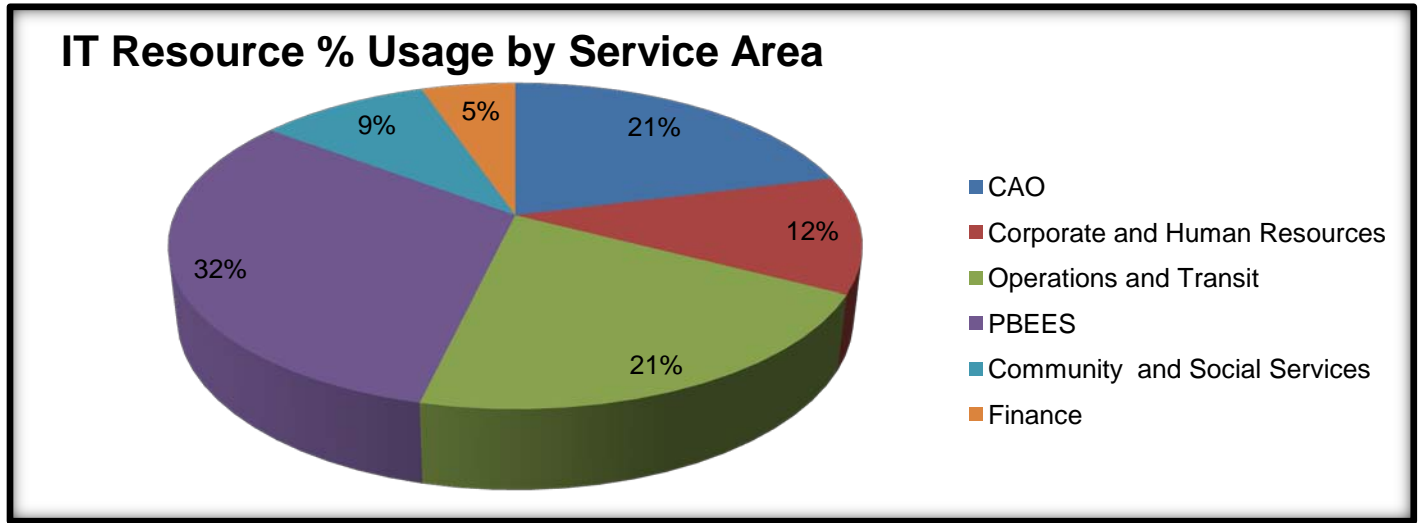
**Sources: Internal – Eclipse Project Management Application and HEAT Incident Management System

Performance Measurement

In 2011, the IT Department was reporting metrics in a select few areas where reports and information were built into the systems. The IT Service Desk, Solarwinds® Network Performance Monitor, and Eclipse Project Management system provided basic performance indicators.

In 2012, KPIs will be expanded to provide a more balanced measurement for IT as it relates to the business aspects of the organization.

Service Delivery

Customer Satisfaction

The average of the next two metrics warrants a rating at the higher end of yellow range of the performance scale.

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 75% warrants a rating in the middle (yellow) range of the performance scale.

Service Area Statistics for 2011	Assignments Resolved	Percentage Meeting Target (85%)
Client Services	8027	83%
Corporate Applications	1521	76%
Network Services	2854	56%
Projects Management and Business Systems	1618	88%
Total for IT Department	**14020**	**75%**

*Source: Internal HEAT Incident Management System

This table demonstrates the Service Desk dropped calls rate which means that performance exceeds the industry average of 10%; therefore it is rated at the higher (green) end of the performance scale.

2499 Service Desk Statistics for 2011	
Total Issues Handled (phone calls, Emails)	Percentage of Calls Dropped (Target <10%)
11926	6.48%

*Source: Internal HEAT Incident Management System

Customer Partnership

The IT Department was rated at Level 2 using the PMM model as a tool to determine its maturity in Customer Partnership.

To move to Level 3 (Centre of Excellence) in 2012, IT must first develop a Customer Partnership Plan, which is inclusive of all relevant business units across the City.

Partnership Maturity Model
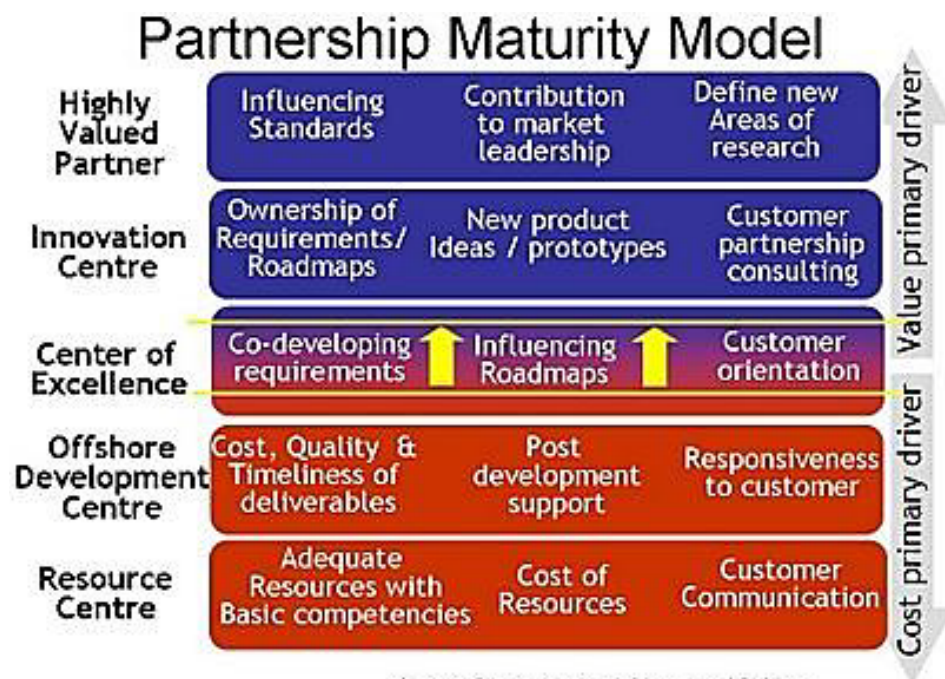
Source: PMM paper by Jaideep et al Philips

**Partnership Maturity Model (PMM) was presented by Dr. Bob Hoekstra, then CEO of Philips Innovation Center

From an IT perspective the following mapping would apply:

Level-1 (Resource center): Make resources with basic competencies (hardware, applications, VoIP, security, business analysis)
Level-2 (Offshore Development Center): Manage a project independently and deliver on time, with quality and on budget
Level-3 (Center of Excellence): Influence technology / product roadmap
Level-4 (Innovation Center): Own technology / product roadmap /leverage multiple systems
Level-5 (Highly Valued Partner): Form strategic business partnership and become a key player in partner's market leadership

Business Process Support 🔴

The IT Department is in Phase 1 of the Business Process Maturity model.
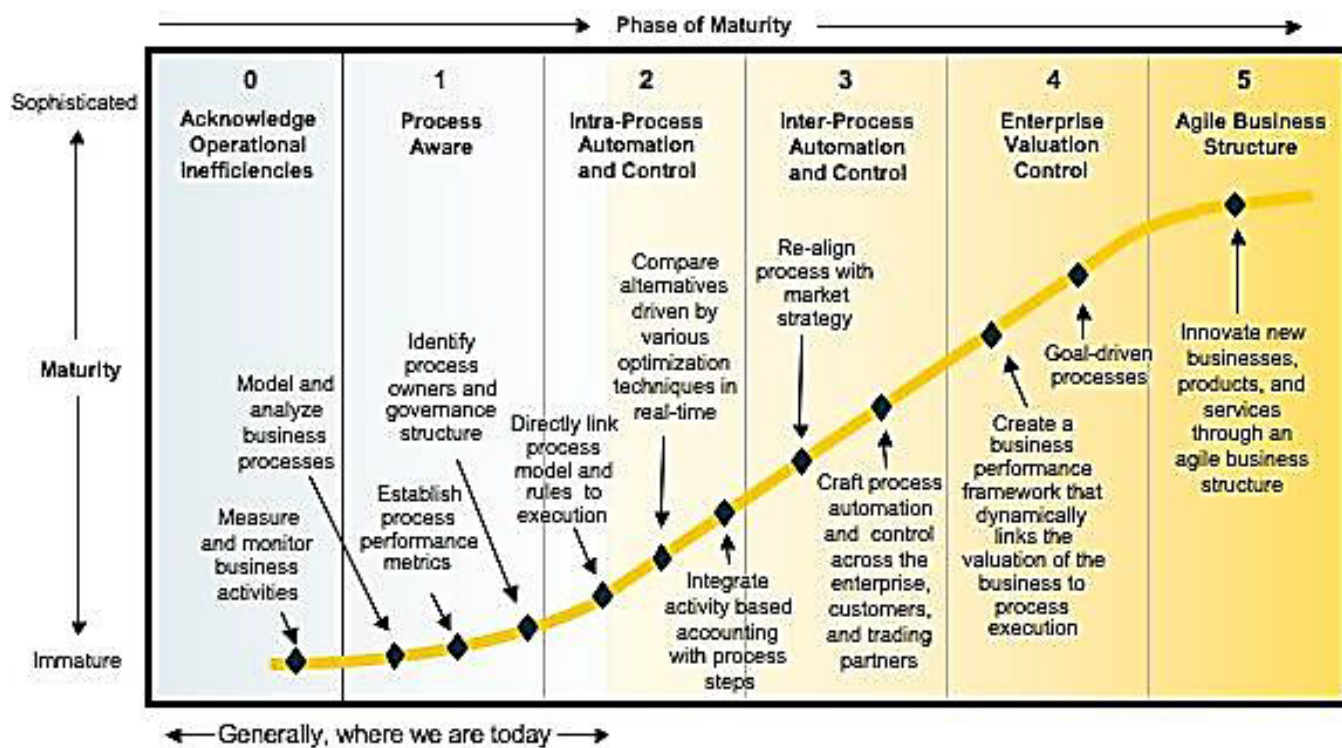
Figure 1. The six phases of BPM maturity

**Source: Gartner

There will be a Business Mapping Process performed in 2012 to better determine how IT can integrate and assist the critical business units of the organization.

Infrastructure Availability 🟢

The stability of the City's network infrastructure has steadily been increasing since 2007. This is largely due to a complete upgrade of the core and access switches necessary to implement the Voice over Internet Protocol (VoIP) phone system. The standardization of secure cabinetry, uninterruptable power supplies (UPS), and climate control also attributes to the high availability. Our target for 2012 is to increase network uptime to 99.9%, a self set target that represents approximately 45 minutes downtime per month. Since our availability is 99.61%, we have rated this indicator as green in the performance scale with a trend in the positive direction.

In 2012 we will begin monitoring and reporting on server availability as this is a crucial performance metric that must align with the network availability to provide maximum service availability to the customer.

The following graph indicates the percentage of uptime based on every networked site in the City's network.

Infrastructure Availability
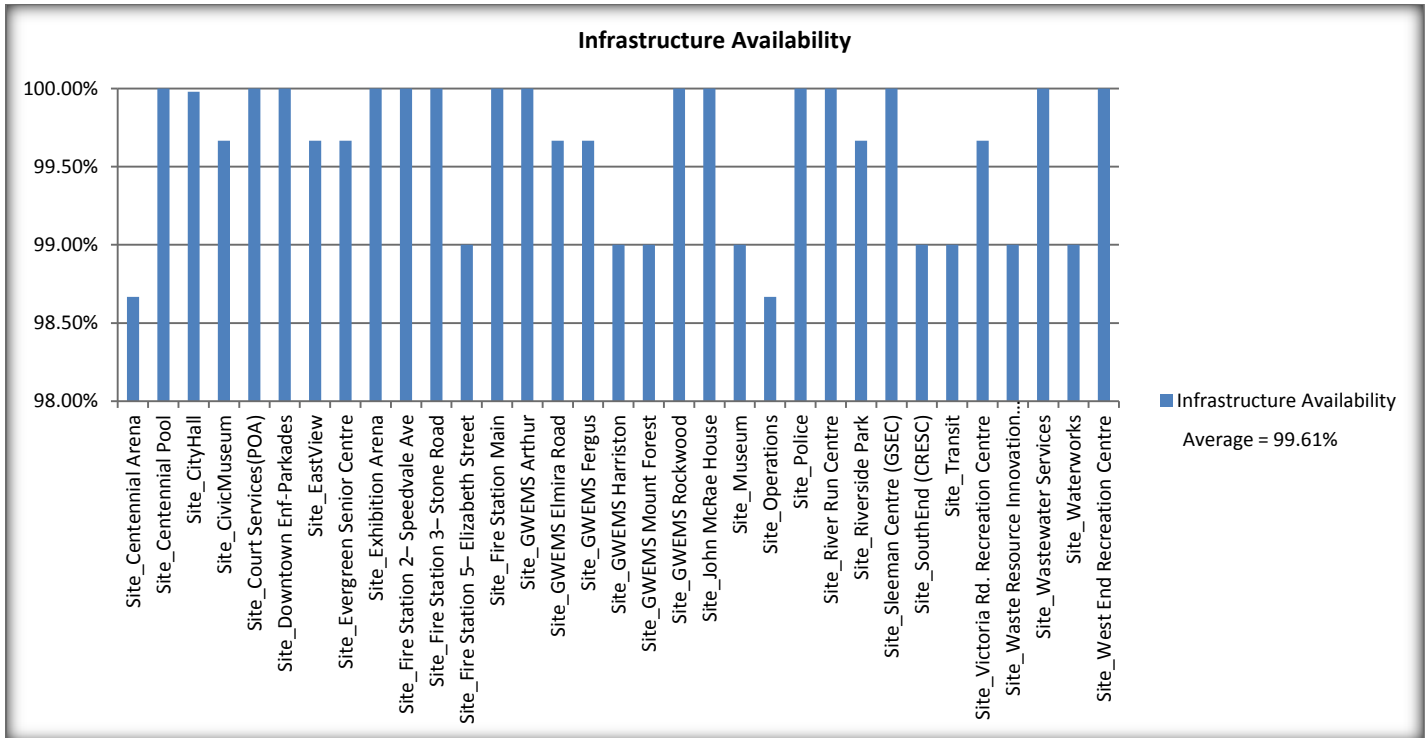
*Source: Internal – Solarwinds Orion® Performance Monitor

IT Sustainability

Applications Management 🔴

The IT Department was rated as a Level 2 organization as per Gartners® Maturity Model for Application Organizations. At this level, processes are established in work teams or departments, but there is little consistency in approach across the application organization. Here, we use the CMM term "repeatable," because it indicates the repeatable nature of discrete processes. The Level 2 organization depends on the leader or manager and the tools necessary to lead his or her work area. The team or workgroup performs specific, repeatable processes for each major activity, though the process itself varies from team to team. There's not much cross activity definition; each discipline is conducted independently, like a stovepipe. Little proactive work is done to change or improve things.
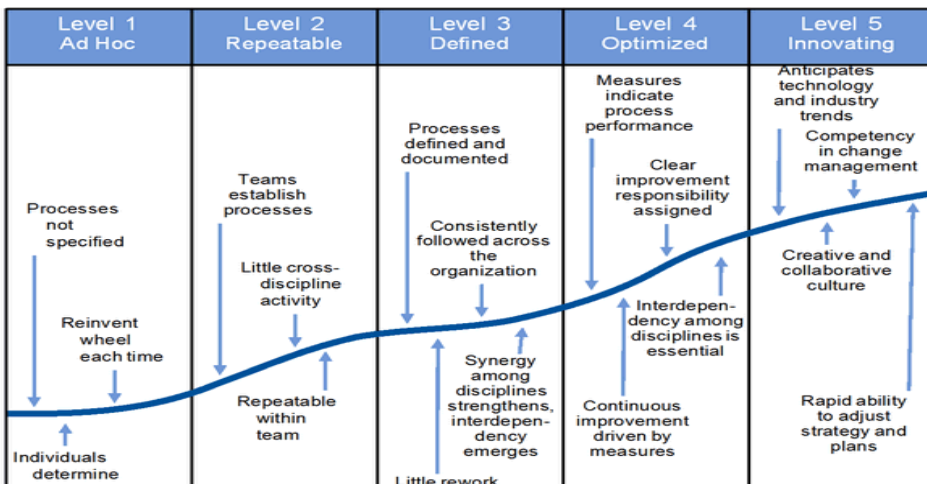
Figure 1. Overview of Maturity Model for Application Organizations   **Source: Gartner (August 2010)

In 2012 IT will be replacing our existing corporate Guelph.ca website and installing additional functionality for attendance management in the Kronos timekeeping application.

Project Performance

In 2011, IT completed 22% of the projects it initiated resulting in a rating at the lowest end (red) of the performance scale. Since we had a slight increase in the number of outstanding projects compared to 2010, the metric is trending in the negative direction. IT began addressing this issue in late 2011 by designing and implementing a project prioritization process to ensure we use our resources where they are most needed. The establishment of an IT Project Management Office (ITPMO) in early 2012 is another initiative that will improve IT project performance.

Information Technology Projects (2008-2012)
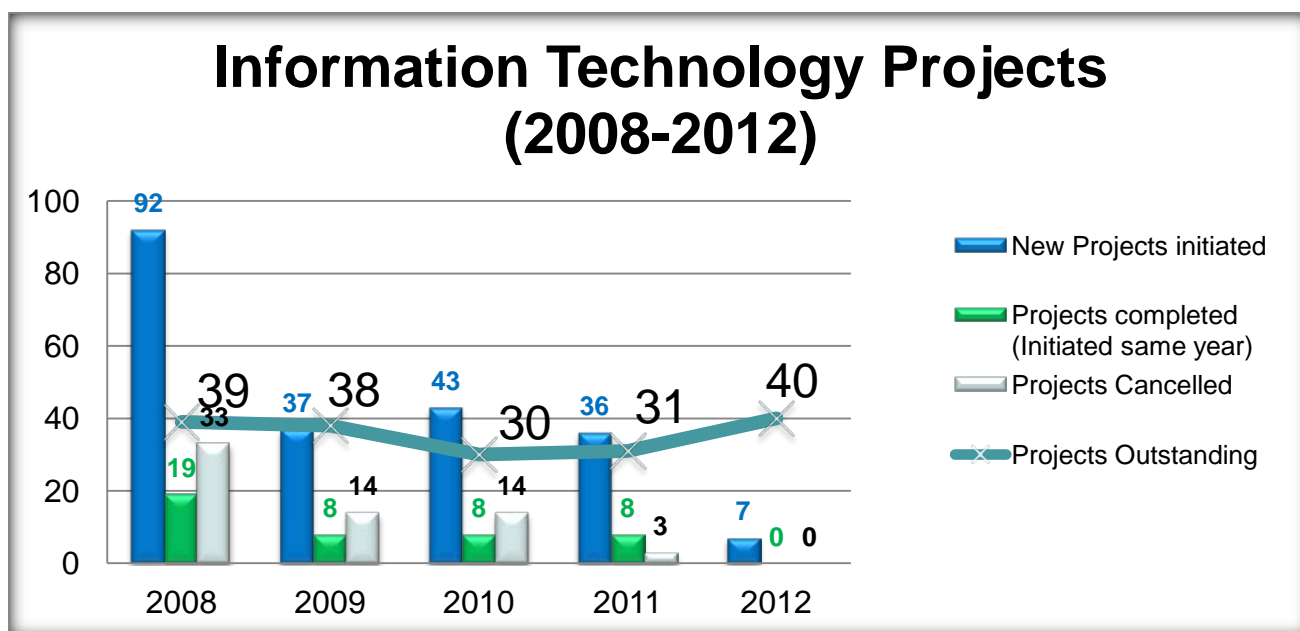
*Source: Internal – Eclipse® Project Management System

Financial Performance

In 2011, the IT Department's spending as a percentage of the total City budget was 1.31% compared to a 2010 OMBI average of 1.3%, based on 37 Ontario municipalities. 2011 IT staff as a percentage of total City staff was at 2.2% compared to a 2011 Gartner® average of 3.5% for local/state governments.

Operating and Capital Costs for IT Services per Staff Supported with Active IT Account
Note 1: 2011 OMBI data not available at time of publishing

Year	2009	2010	2011
City's IT Cost per Municipal Staff Member Supported	$3,483.03	$3,378.58	$3,957.55
OMBI Median	*$3,847.00	*$4,429.00	N/A

*Source: Ontario Municipal Benchmarking Initiative (OMBI) – 2010 Performance Benchmarking Report: IT Services

Operating and Capital Cost in IT Services as a Percentage of Municipal Operating and Capital Expenditures
Note 2: 2011 OMBI data not available at time of publishing

Year	2009	2010	2011
City's Percentage of Investments in IT Services	1.36%	1.15%	1.31%
OMBI Median	*1.2%	*1.3%	N/A

*Source: Ontario Municipal Benchmarking Initiative (OMBI) – 2010 Performance Benchmarking Report: IT Services

IT Spending

Indicator (2011)	All Industries - North America	All Industries - Global	Local/State Gov. - Global	City of Guelph
IT Staff as % of Total Staff	**5.70%	**5.40%	**3.50%	***2.20%
IT Spending as % of Total Budget	**4.10%	**4.30%	**3.20%	***1.31%
IT Spending per Employee	**$13,055.00	**$12,350.00	**$7,584.00	***$3,507.84

**Source: Gartner Report – IT Metrics: IT Spending and Staffing Report 2011, published January 25, 2011
***Source: Internal Finance and Human Resources Departments

The 2012 IT Strategic Plan will address IT funding and staffing levels to ensure both are aligned with other Ontario municipalities.

Compliance

The IT Department was rated as a Level 1 (Initial) as per the Gartner® ITScore for Compliance. At this level, Compliance processes are largely ad hoc, disorganized and isolated — and fundamentally reactive. Compliance is viewed essentially as a cost, and often a prohibitively expensive one.
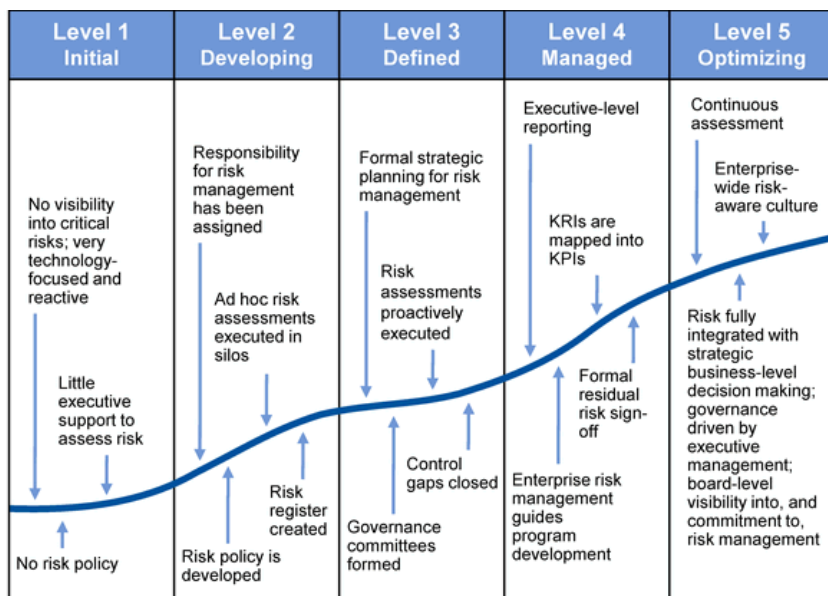

Figure 1. Overview of ITScore Maturity Levels for Compliance
**Source: Gartner (September 2010)

In 2012, the assignment of an IT Compliance Manager and cataloging key compliance areas will enhance our ability to move to a Level 2 rating.

IT Innovation and Learning

Workforce Competency

According to the Carnegie Mellon University P®CMM® model for workforce maturity, the IT department is at Level 3 (Defined) out of 5.

The authors of the model state "The primary objective of the Defined Level 3 is to help an organization gain a competitive advantage from developing the various competencies that must be combined in its workforce to accomplish its business activities. These workforce competencies represent critical pillars supporting the strategic business plan, since their absence poses a severe risk to strategic business objectives. In tying workforce competencies to current and future business objectives, the improved workforce practices implemented at Maturity Level 3 (become critical enablers of business strategy.

A summary of the departmental staff certifications is listed below;

Acronym	Description	Discipline	Quantity
ITILv3	Information Technology Infrastructure Library	Service Delivery Framework	18
CCNA	Cisco Certified Network Associate	Networking	4
PMP	Project Management Professional	Project Management	2
CompTIA A+	IT Industry Association	Computers	2
Green Belt	Six Sigma	Business Process Quality	2
OCP	Oracle Certified Professional	Database	1
CCNP	Cisco Certified Network Professional	Networking	1
MCITP	Microsoft Certified IT Professional	Enterprise Server Administration	1
COBIT	Control Objectives for Information and Related Technologies	IT Governance Framework	1
MCTS	Microsoft Certified Technology Specialist	Enterprise Server Administration	1
CompTIA Network+	IT Industry Association	Networking	1
CGISP	Certified Geographical Information Systems Professional	GIS	1

The Information Technology Department supports and advocates training and ensuing certifications at both the technical and management level. In preparation for a departmental implementation of ITIL, a goal was set to have all staff trained in IT service delivery fundamentals by the end of 2012; currently we tracking progress at 75% complete.

Advanced Technology Use

In 2011 IT began piloting several new desktop computing technologies like tablets and virtual desktops. Participating departments included Fire, EMS, Operations, and the Building Department. However there is a need to invest more time and resources looking at all these new technologies and how they can be used to best meet the business requirements of the corporation.

Information Technology also deployed a next generation Storage Area Network (SAN) and continued to expand the use of virtualization for servers. We also commissioned a next generation data centre that will provide the foundation for near-real-time failover of critical systems.

In 2012 there will be a review of Social Networking as a business and communications tool. Implementation will be in accordance with Executive directives and the security risks will require assessment and mitigation.

Methodology Currency

IT Management has identified 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® (Systems Development Life Cycle) for applications management, CMMI® for IT workforce competency, and Six Sigma® for quality. 5 out of these 6 are at various stages of implementation.

In 2012 the IT Department will further integrate these methodologies into their respective areas. Adoption of COBIT®, a framework for IT Governance, will depend on recommendations from the IT Strategic Plan.

Employee Retention

In 2011, the IT Department had 2 staff retirements and 1 voluntary leave resulting in a turnover rate of 10.7%. This is higher than the Corporation's turnover rate of 5.6%, and is rated at the middle (yellow) of the performance scale.

A more favourable statistic is the average years of service depicted in the graph below.
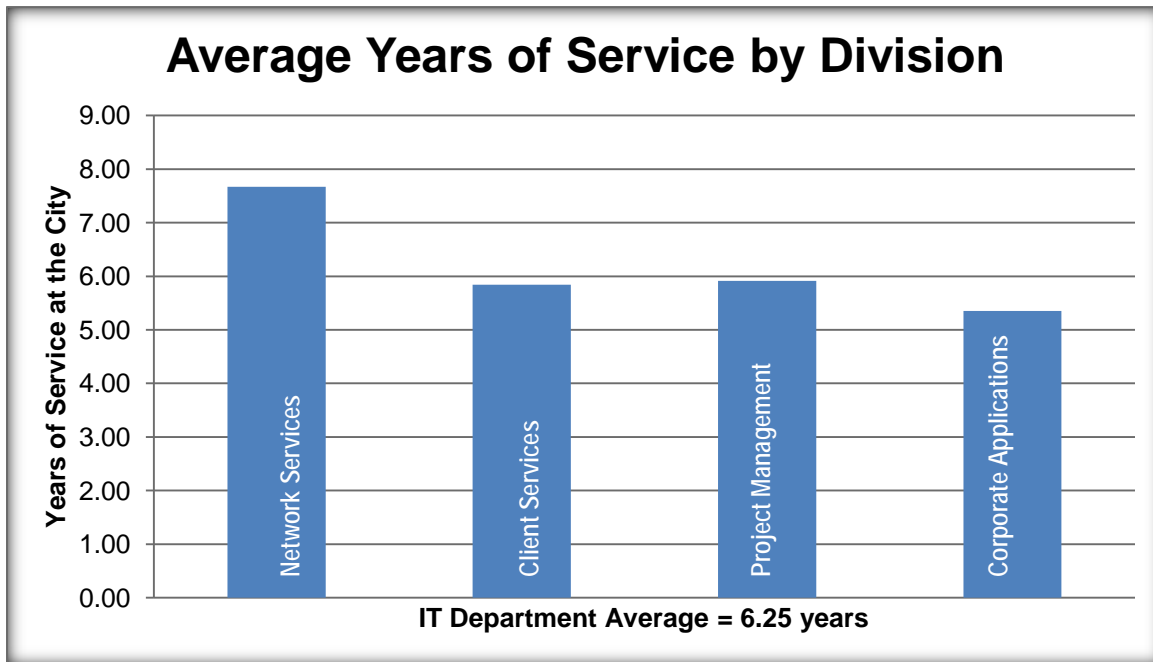
*Source: Internal – IT Management

IT Management is well aware of the cost and disruption of support that is caused by employee turnover. In 2012 the IT Department will embrace three main areas that will enhance our ability to retain staff; Corporate Succession Planning, Alternative Work Arrangements, and empowerment of staff to make decisions.

Information Technology Mission Statement

"Information Technology proactively facilitates corporate service excellence through the provision and planned evolution of technology and related support services."

Mission Goals
- Provide reliable, secure, and high performance IT infrastructure to meet the business and service needs of the organization
- Plan, implement, and maintain the corporate desktop, IT Service Desk, and printing/telephony infrastructure
- Support the applications that the corporation uses as a municipal services provider
- Develop and support IT Project and Program Management

The mission statement is exemplified by the following examples;

Customer First

Support for our clients and systems outside core business hours have become a normal part of the IT portfolio. Over the past 10 years the list has grown and now includes such key areas as Fire, EMS, Transit, Recreation Centres, Bylaw, River Run Centre, Waterworks, Wastewater, Solid Waste, and City Council sessions. On-call staff is primarily from the Network Services Division to focus on major connectivity and service issues. Support is not funded or commissioned at the application level.

Fiscal Responsibility

The focus in 2011 was on power and cooling savings in our data centres. This was accomplished by embracing the virtualization of servers to reduce the heat generated by our server fleet. We now have approximately 40 virtualized servers which translate into a cost savings for power and cooling of $15,000.00 per year.

Strategic Initiatives

- ❖ Downtown Fibre will reduce the costs to network such sites as the Guelph Civic Museum and lay the foundation for fault tolerance in the localized site offices. It will provide the bandwidth necessary to carry surveillance video and meet the business continuity demands of first-responder sites like the Fire Computer Aided Dispatch Station. For a typical downtown site the ROI (Return on Investment) for implementing City owned fibre as opposed to using a third party networking service is approximately 5 years.
- ❖ Email Archiving will reduce the size of our messaging databases by moving older emails and attachments to near-line storage. We can control the maximum age of emails stored directly on the servers so fast access can be achieved. Older emails stored in the archiving system can still be retrieved but with a slight delay. This will control the growth of our messaging system and make it easier for FOI (Freedom of Information) requests to be performed by non-IT staff.
- ❖ ITIL implementation will continue with Change and Release Management to be implemented in 2012. This will help IT monitor changes through the service life cycle thereby reducing cost, executing changes within agreed upon timelines and enabling the corporation to meet regulatory, contractual and governance change requirements. It will also result in operational efficiencies, for example, savings in staff time.

The Information Technology Department

Organizational Chart   (January 2012)

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                        ┌─────────────────────────────┐
                        │     Executive Director      │
                        │ Corporate and Human Resources│
                        └─────────────────────────────┘
                                      │
                        ┌─────────────────────────────┐
                        │          Manager            │
                        │   Information Technology     │
                        └─────────────────────────────┘
```

Supervisor Corporate Applications	Supervisor Client Services	Supervisor Network Services	Supervisor Project Management & Business Systems
Corporate Applications Analyst (4)	Corporate Desktop Specialist	Network Security Specialist	Project Manager (IT)
	Corporate Convergence Specialist	Corporate Messaging Specialist	Business Systems Analyst (3)
	Support Technician (4)	Database Architecture Specialist	Webmaster
	IT Asset Control Officer	Corporate Server Specialist	Web Design/Developer
		Corporate Network Specialist (2)	

Students

Every year we hire students, mostly in the Client Services division, to augment our IT workforce. It also serves the community by providing valuable work experience to participants. Two students are typically hired in a year, one to assist with inventory, purchasing, and disposal of client computing equipment such as desktops, laptops, printers, phones, and mobile devices. The second student is hired to replacing desktops, laptops, phones that are end of their useful lifecycle.

Co-ops

In the past we have hired non-paid and paid positions for co-op students. Placements for network administration, web services, and business systems have worked well for the surrounding community colleges and universities. These efforts demonstrate the department's commitment to the attraction of prospective future employees.

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 and telephone 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

Key Accomplishments

- ✓ 2499 Service Desk received and acted on more than 11,900 requests and queries received over the phone and through email
- ✓ Resolved 7981 technical services assignments
- ✓ Replaced more than 120 desktops and laptops to maintain equipment performance and reliability according to best practices for life cycle management
- ✓ Replaced the Computer Aided Dispatch 911 system for the Fire Department
- ✓ Implemented a ITIL based Asset Management System for inventory tracking of 20,000 assets
- ✓ Expanded the corporate surveillance and access control systems to Transit and the Parkades

Network Services Division…. *building and securing the IT infrastructure*

Mandate

The Network Services Division's mandate is to provide a reliable, secure, 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
- ❖ Deploy, maintain, and replace systems according to industry best practices for IT life cycle management
- ❖ Develop and implement IT policies, procedures, and processes that safeguard the City's IT investments
- ❖ Support departmental and corporate technology initiatives through network integration and automation

Key Accomplishments in 2011

- ✓ Commissioned a backup data centre as a foundation for improved business continuance
- ✓ Extended the City's corporate network to the new Civic Museum and Clair Road Emergency Services Centre
- ✓ Expanded satellite office networks at Waterworks, Waste Resource, Wastewater, and Transit
- ✓ Deployed a next generation SAN (Storage Area Network) to meet the data growth of the organization
- ✓ Virtualized an additional 15 physical servers to reduce the cooling and power needs of our two data centres
- ✓ Upgraded our remote access system to the latest version of Citrix for enhanced functionality
- ✓ Provided guest and public wireless Internet access at City Hall
- ✓ Replaced 20% of our server and network device fleet to maintain equipment performance and reliability
- ✓ Passed all four mandatory compliance audits for on-line transactions
- ✓ Reported no incidents of malicious network penetration, data loss, or virus outbreak
- ✓ Managed a messaging system for a total of 4.2 million messages in 2011
- ✓ Facilitated the transfer of 1 million messages that were external to the organization (received and sent)
- ✓ Prevented 250,000 SPAM messages from reaching users' inboxes
- ✓ Provided secure monitoring of remote Building Automation Systems from the desktops of Corporate Building Maintenance staff.

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 2011

- ✓ Supported systems which performed 161,000 point of sale transactions through the year
- ✓ Facilitated the processing of 3872 building permits, 2,936 complaints, 43 site plans, 766 business license and 129 lottery applications
- ✓ Facilitated 10,244 service requests, 27119 invoices, 18292 purchase orders, 11393 work orders, and 9,633 preventative maintenance requests in the Work Asset Management system
- ✓ Initiated the tracking of 40,000 water meters in Amanda
- ✓ Delivered GIS data structure/data for the new Fire CAD and Parking Exemptions Systems
- ✓ Implemented GIS and Plume Modeling as part of the 2011 EOC Tabletop Exercise
- ✓ Supported the Operations Forestry System for the maintenance of 9878 tree records, Road Patrol Database to track 476 road defects and Signal System for the maintenance of 15576 sign records
- ✓ Performed over 9491 maintenance activities in the Geographic Information System
- ✓ Resolved 2800 support calls for all Corporate Applications
- ✓ Supported the administration of 60 departmental datasets

Project Management & Business Systems. . . . *bringing it all together*

Mandates

The PMO mandate is to provide develop and support for project and program management. The work of the PMO is inclusive of developing project and program management with a strategic focus, which includes 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.

The Business Systems mandate is to develop and support JDE Financials, Kronos, and WAM users. The work of the Business Systems Team is to provide functional and technical assistance with a customer focus, which includes System Upgrades, Systems Security, Systems Enhancement and Systems Support. The team is responsible for maintaining all business systems with IT and city staff.

The Web Services mandate is to develop and support guelph.ca and social media properties such as Facebook, Twitter and You Tube.
The work of the Web Services Team is to ensure appropriate use of social media and web technologies, and development of e-business strategies for leveraging organizational procedures and processes via the Internet/Intranet. The team is responsible for updating and maintaining all web pages with city staff for guelph.ca, e-newsletters and the internal Corporate Intranet.

Key Accomplishments in 2011

- ✓ Implemented Business Systems enhancements to improve financial efficiencies, integrity and controls for a $220 million/year process
- ✓ Implemented Business System process improvements to further safeguard against cheque fraud
- ✓ Upgraded Corporate Time and Attendance System servicing business needs of more than 2000 employees and processing approximately 900,000 transactions/year
- ✓ Developed Process Improvement and Project In-take Frameworks to continually improve processes and prioritize projects.
- ✓ Expanded our social media presence. Now responsible for administering 26 accounts including 7 Facebook pages, 10 Twitter accounts, and 3 Youtube channels.
- ✓ Experienced 16% increase in visits to Guelph.ca, 100% increase in City of Guelph Twitter followers and 21% increase in City of Guelph Facebook fans

- 🞣 How often are our municipal websites visited?
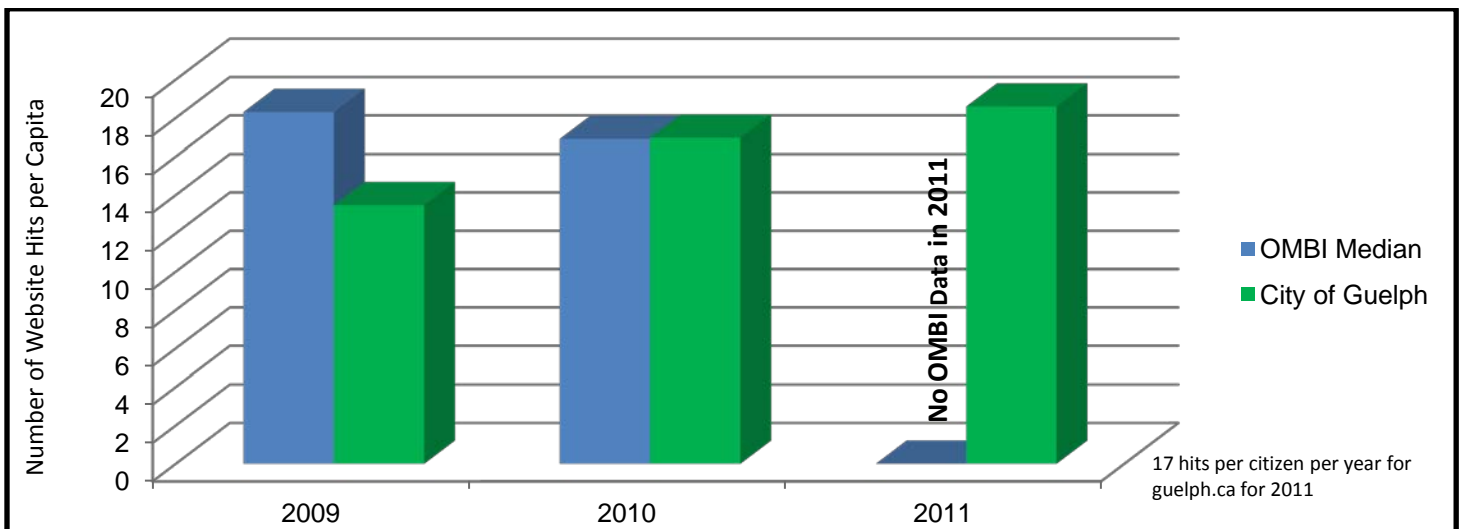
Source: Internal – Google Analytics Web Statistics Analyzer

Helping Others Achieve Their Goals

Council Support

IT provides support during City Council meetings for audio visual and computer equipment in the Council Chambers. Client Services ensures there is someone on site to assist with the use of technical equipment to prevent any delays in displaying or obtaining information relevant for presentations and the Council Support staff.

Wireless Networking

The demand for wireless networking is steadily increasing, not only at City Hall but at our satellite offices also. This has proven to be a valuable service for our internal staff, the public, Councillors, and consultants visiting the building. IT plans to continue deployment of wireless access points to allow connectivity for tablets, smartphones, and PDA (Personal Digital Assistants) as budgets will support.

Human Resources

Human Resources and IT have developed a focused approach to ensuring their systems and processes are streamlined. In support of business needs, IT continues to support Human Resources on significant events like the year-end closing process, systems support, and maintaining data integrity between systems. With growing business needs and the need for accurate information, this collaboration is critical to the success of the organization.

City Clerks – FOI

Freedom of Information requests has been increasing steady over the past several years. There is an element of urgency to provide the information within the legislated timeframes of the request. We work closely with the City Clerk's staff to assess the request and provide feedback on provisioning the information. This may include filtering and formatting of raw data so the requesting party can easily interpret the information. Requests that cover many years or contained in unsupported formats requires IT staff to work with third party information recovery specialists.

Legal – Litigation Support

IT provides support and guidance to the City Solicitor for the technical aspects of litigation requests. We work with third party e-discovery and computer forensics vendors to provide information in electronic format as requested. This includes putting legal holds on files and email that may otherwise be archived and/or deleted according to existing IT data retention policies.

Joint Wireless Review Committee

The JWRC was formed to leverage existing wireless technologies and future wireless implementations to maximize operational efficiency and reduce costs. The committee has representation from Fleet Services, Traffic and Parking, Transit, Finance, Emergency Services, Information Technology Services, Waterworks, Building Department, and Guelph Police Services.

Goal 1: Create a policy that requires all future projects involving wireless technology be reviewed by the JWRC for approval of the Executive Team. Most departments within the City have deployed or plan to deploy some form of wireless technology solution to meet their business requirements. There are financial and technological efficiencies for the City if these solutions are implemented from a corporate perspective.

- ❖ Common wireless infrastructure – Each department acquiring their own wireless mobile solution will lead to multiple networks and possibly multiple vendors. This will result in an increased cost of network management as well as incompatibility between networks.
- ❖ Integration – Different networks may mean that departmental systems may not be able to communicate with other systems, thus reducing interoperability and functionality.
- ❖ Redundancy – A single co-ordinated wireless solution allows for redundancy.
- ❖ Affordability – A corporate wireless solution will allow for other departments to utilize a shared infrastructure that may not otherwise be affordable with the departmental approach.
- ❖ Interoperability – Enables intercommunications that support effective, tactical incident management and strategic emergency management, which in turn support continuity of operations and government functions.

Goal 2: Develop a business case for a corporate wireless infrastructure. The City has been successful in realizing savings and increasing functionalities of systems in the past. The VoIP telephone system and the Corporate Metropolitan Area Network are examples where a single corporate approach permitted the acquisition of systems that were less expensive and yet provided more features and functionalities. With that same approach, the committee has completed the following activities:

❖ Analyzed the current use of wireless technologies for the following service areas: Traffic, By-law Enforcement, Fire, Transit, Parks and Recreation, and Fleet.
❖ Compiled information on future needs.
❖ Attended information sessions with leading wireless vendors such as CISCO and Motorola to better understand new technologies that are available.
❖ Attended a conference hosted by the Canadian Interoperability Technology Interest Group and is a member of the Guelph-Wellington Interoperability Group.
❖ The JWRC has also reviewed best practices from other municipalities such as the City of Mississauga and the Town of Caledon on their use of wireless technology in their business environment.

🗕 Ultimately the JWRC will establish a business case that demonstrates a corporate wireless solution will be more cost effective and provide greater functionality than multiple individual solutions.

Amanda, GIS and Web Governance Committees

The Amanda Steering and GIS Advisory Committees act as a forum for stakeholder departments to work on planning, guidelines, standards, policies, procedures, general oversight, budget planning, and IT policy related to these two programs. The Web Governance Team is updating existing policies and guiding to empower staff to leverage social media tools.

Business Continuity

Today's business has a great dependence on IT infrastructure. The underlying networks, servers, databases, security, and interconnectivity of systems are crucial to the organization to meet its mandate of a public service provider in the municipal sector.

Since 1999, IT has been improving the reliability and proliferation of IT infrastructure and services to City staff and the citizens of Guelph. In the past 5 years we have also realized an increase in City services going on-line, telecommuting and flex hours for staff, and providing services for first responders like EMS and Fire.

Business continuity can no longer be based on days or weeks of recovery; it needs to be efficient and in some cases instantaneous. IT has been prudent in capitalizing on advanced technologies to design and build our systems with redundancy in mind. Utilizing virtualization, fault tolerant hardware, geographically dispersed clusters, and redundant network topologies, we can failover and failback certain systems and services without interruption to our clients.

Updating our current Business Continuity Plan (BCP) has been scheduled for 2012 and it will serve as a foundation for other departmental continuity plans. As long as the technology is under the control and support of IT, they can assume we have a plan for both continuity and disaster recovery of IT infrastructure, services, and systems.

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. These trends will be addressed in the 2012 IT Strategic Plan.

❖ Networking demands for both wireless and hardwired connections to accommodate connectivity for stationary and mobile staff is at an all-time high.*
❖ Types of services running on our network is increasing and now includes data, voice, building automation, SCADA, security, video surveillance, Point of Sale and Internet; representing the highest level of convergence in the City's networking history.*

- ❖ Email performance is steadily declining as our existing system deals with more users and higher utilization.*
- ❖ Networked data storage growth is rapidly increasing as indicated by the graph in the Network Services section.* Since May 2010 we have experienced a 40% increase in raw network data growth.

Network Data Growth
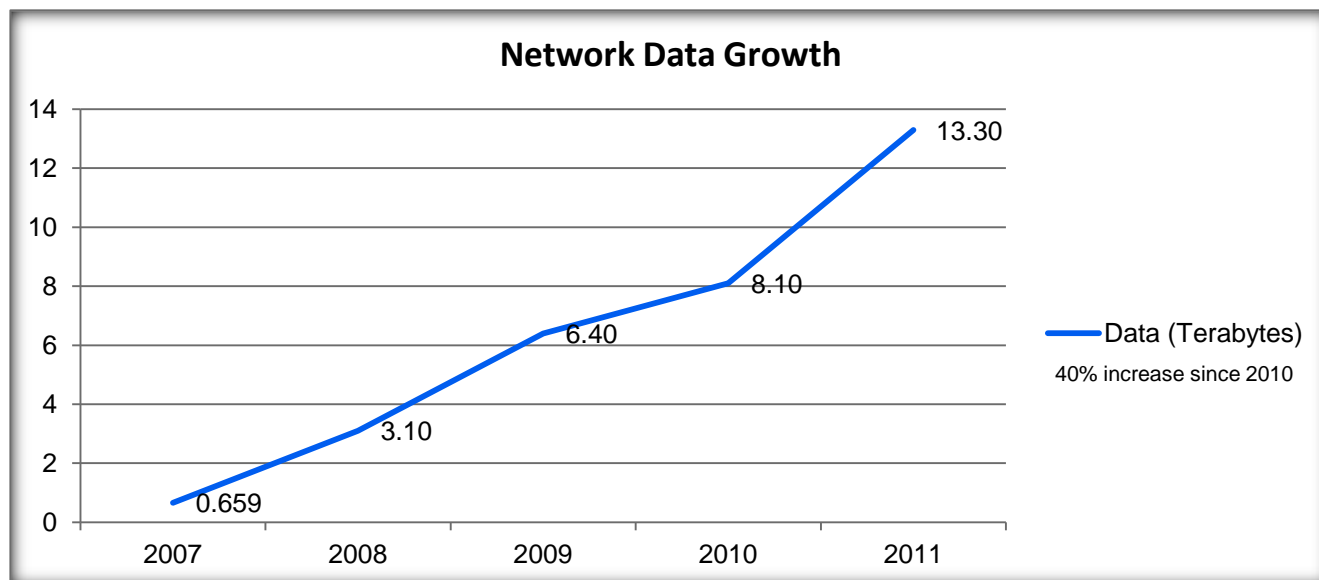
Source: Internal Enterprise Backup System Report

- ❖ Mobile device support is steadily increasing as our fleet of Blackberrys, tablets, cell phones, and notebooks increases.*
- ❖ Security demands for mobile users, web-sites, and audit compliance is steadily increasing.
- ❖ Community members are utilizing the Web much more than Interactive Voice Recognition (IVR) when registering for recreation programs.*
- ❖ Increased usage of the preventative maintenance functionality in WAM is driving better business practices.
- ❖ Increased consumption of GIS data to aid decision making processes for example Fire, Transit, and Community Energy.
- ❖ Increased support for public facing websites like Parking Exemptions.
- ❖ Growing requests for mobile/field access to GIS information through transparent and focused user interfaces.
- ❖ An overall GIS industry trend towards a more open framework so organizations can tailor the delivery of information.
- ❖ Web Services continues to see an increase in business/service area requirements which require quick turnaround. There has been a consistent year over year growth in utilization of Social Media and Internet, and we are experiencing an increased pressure in maintaining City's web properties and web presence.
- ❖ There is at least one indicator in each category that is moving in a positive direction. However, there are some specific areas of concern, which if not addressed will continue to increase as a threat or risk to the IT assets of the Corporation. If the organization wishes to maintain or exceed IT performance levels in 2012, then the trend of increased devices and complexity of our systems with a static workforce and decreasing budgets must be addressed.
- ❖ Network Growth: There has been significant growth in the size and complexity of our communications network. Satellite locations are requesting that all buildings be fully networked to support the monitoring and controls of the systems that are specific to their line of business. This is evident in large locations like Wastewater, Waterworks, Transit, and the Waste Resource Innovation Centre. Over the past two years the organization has increased the geographical footprint of the offices that are networked with the addition of EMS (Emergency Medical Services) sites in Harriston, Mount Forest, Arthur, Fergus, and Rockwood.
- ❖ Network Complexity: Every year our network becomes more complex to support such a diverse array of customer communications needs. It carries services for data, voice, security access, surveillance, SCADA (Supervisory Control and Data Acquisition), video, building automation, point of sale, wireless, and Internet access. Design requirements for optimum performance, availability, and security have driven configurations to a staggering size and intricacy. The integration of the new Fire Dispatch system into our network is a recent example as it uses high-availability technologies for network, telecom, and platform hardware.
- ❖ New Facilities: Clair Road Emergency Services Centre and the Guelph Civic Museum were major sites connected to our corporate network in 2011. We also commissioned a secondary data centre with routing, server, and voice redundancy

capabilities. Several new buildings like the WRIC Organics Facility, Wastewater Collections Office, Waterworks Chlorine Building, and two Fuel Stations were commissioned for networking as well.

❖ Unplanned Projects: Departmental technology plans are still not integrated with IT at an adequate level. In many cases the individual business units will investigate and acquire technology and then they request IT support for integration. To accommodate, resources are pulled away from planned projects and operational obligations. Involving IT at the earliest possible stages of any technology initiative is one way to ensure the successful and timely delivery of the services we offer.

❖ Project Management is currently experiencing an increase in the number of projects requested and business requirements submitted, which need IT support. With the introduction of PMO services and Process Mapping Framework, 2011 has been a foundation year to develop cross functional competences to service diverse business needs.

❖ Projects Management and Business Systems were rearranged in 2011 to create a foundation which is gradually aligning to service areas. This will enable improved resource utilization and IT planning and integration. In the years ahead, there will be a consistent increase in service area demands and future growth of ability to serve will be reliant on effective resourcing and IT management strategies.

Communicating our Successes

On the Web

✚ The implementation of a Network Access Control system in 2011 resulted in several on-line articles, some of which were published in prominent IT magazines and in a local newspaper. Completion of this higher level of network security is part of the Enterprise Architecture Standards Compliance key performance indicator.

ITWorldCanada GlobalSecurityMagazine Forescout WorldNewsReport PublicSecurityPortal GuelphMercuryArticle

What's in our sights for 2012

Strategic Plan – Setting our course in the best interest of the organization

There has not yet been an overarching IT strategic plan at the City of Guelph. 2012 will see the development of such a plan for the first time. An IT strategic plan turns direction into action, outlining a series of goals, objectives, and initiatives designed to support the strategic directions of the City. The plan is used to guide IT decision making, resource allocation, and prioritization by focusing on how technology is planned for and delivered to the entire organization. Historically, the acquisition, configuration, and utilization of the current systems have been driven by individual service area needs and how they have evolved. It is recognized that this approach has led to 'silo' processes and their complementary IT solutions often limiting inter-operability and effective use. In 2012 will see the roll out of a detailed implementation plan that clearly shows timelines, costs, resources, requirements, impacts, and risks. It will also include clearly defined success criteria with the appropriate Key Performance Indicators, Key Goal indicators to be able to measure the success and progress against the plan.

ITIL – A Framework for IT Service Delivery

These services deliver value to the corporation by facilitating outcomes that various city departments want to achieve without the ownership of specific costs and risks associated with it. Standard processes, methods, functions, roles and activities are used to deliver these services. The IT department has initiated a program to implement these Standard processes, methods, functions, roles and activities. As a part of this initiative a new asset management process was implemented in 2010. This process uses the ITIL best practices to maintain information about all technology assets required to deliver an IT Service.

Change Management – A discipline for keeping the IT environment stable

ITIL Change Management aims to control the lifecycle of all technology changes. The primary objective of Change Management is to enable beneficial changes to be made, with minimum disruption to IT service.

The ITIL Change Control/Management process recognizes that reliability and business continuity are crucial for survival and success of the enterprise adding value by;

- ✓ Responding and prioritizing the change requests
- ✓ Executing the requests within agreed time- frames to meet the service level objectives and expectations
- ✓ Enabling the enterprise to meet regulatory, contractual and governance change-requirements
- ✓ Assessing the risks attached with the transition of services
- ✓ Monitoring changes through the service life cycle and tracking it down to the level of assets

⬥ The Information Technology Department plans to complete adoption of standard change management processes in year 2012.

Process Improvement – Methods to improve IT efficiency

IT believes in continuous process improvement and in 2011 a program to develop a framework was launched to serve as a guideline to develop quality process maps. These process maps would eventually cover all IT services provided to city, which will help us communicate and collaborate with our service areas in an effective and efficient manner. There has been a 3 year program launched to develop Process based Service Roadmap for all the IT divisions. We are using Six Sigma Methodology and Microsoft Process Mapping tools to implement this program and institutionalize it for continuous improvement led by the Projects Management & Business Systems.

Email System Upgrade – Time to modernize our core communications tool

Work has already begun on the design and implementation of the hardware that our email system runs on. IT plans to upgrade from our current Exchange 2003 environment to Microsoft's most recent version, Exchange 2010. We anticipate great gains in performance, ease of administration, and recoverability.

Email Archiving – Intelligent management of transitory data

IT has received capital funding to provide infrastructure that will groom the messages, attachments, and calendar items in our messaging system. First a corporate policy on email data retention will be implemented and then the parameters of the policy will be applied to our existing databases. This project will immediately follow the upgrade of our current email system which is scheduled for Q3 2012.

E-government – Putting municipal services on-line

Using accurate information to make decisions continues to be a cornerstone in municipal services. The City of Guelph has a strategic advantage in leveraging its systems and solution footprint to develop e-government presence. This will allow business, residents and industry to utilize information in making decision on investment in Guelph, moving to Guelph as a resident or travelling to Guelph for University education. Recently, there have been a number of white papers and initiatives on e-government. The IT Department is keeping a pulse on these initiatives to understanding and conceptually develop e-government services using contemporary technology. The 2012 IT 3 year strategic plan includes Open Government Data/e-Government as one of the four pillars its framework. Key deliverables for this pillar will be established in the plan.

Closing

2012 will see the development of a detailed strategic plan with a specific IT governance model, IT organization structure, and implementation plan. It will include key performance indicators and outline critical success factors. Key deliverables will include a final report, executive summary, and presentations to the Steering Committee and Council. Progress against the IT Strategy will be measured and reported to Council in the 2012 IT Annual Report.

Legal and Realty Services Dashboard

Cost Control

In house Legal Operating Costs

External Legal Costs [+]

Leveraging Talent (ratio) [+]

Effectiveness

No. of Matters Settled [+]

No. of New Matters [-]

OMB Hearings [-]

Efficiency

% of Operating Budget

No. of Legal Support Staff

Legal and Realty Services Balanced Scorecard

The LRS department measures its service delivery in the following areas:

In Support of..		Measure	Target	Initiative	Progress
COST CONTROL	In house legal operating costs per in house lawyer	$ per hour of in-house legal service	-10% OMBI	Address inadequacy of resources	$77 as compared to OMBI of $127
	External Legal Costs	$ per hour of external legal services	-10% OMBI	Increased management of external legal matters	$403 as compared to OMBI of $370
	Leveraging Talent of internal and external counsel	Ratio of internal litigation matters to external matters	5:1	Increased carriage of litigation files by in house counsel Co-counselling complex files with external counsel	Currently 3:1 for Litigation files with 1 major file co-counselled 100% of agreements, by-laws and real estate are done in house 99% of opinion work is done in house

2

In Support of..		Measure	Target	Initiative	Progress
EFFECTIVENESS	OMB Matters	# of appeals	Reduction of 5%	Increase expertise of in house counsel with planning matters Improve planning processes involvement of LRS in planning matters at early stage	Increase in # of new OMB appeals from 7 in 2010 to 20 in 2011 Largely attributable to 13 appeals on OPA 42
	Number of litigation/OMB matters resolved	# of litigation matters/OMB resolved in each year	75 % of new matters	Actively manage litigation/OMB files to achieve early resolution	16 resolutions in 2011 with 34 new matters - 47%
	Number of new litigation matters	# of new litigation matters each year	Reduction by 25 %	Proactively engage in risk management and early involvement in problem areas	12 new matters, increase of 6 from 2010

In Support of..		Measure	Target	Initiative	Progress
EFFICIENCY	% of Operating Budget	% of City Operating Budget allocated to Legal Services	5%	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 2011 was .06% (excludes external legal/consultants)
	Legal Support Staff per lawyer	No. of legal support staff per in house counsel	.7	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. Currently is .25 support staff for each lawyer in LRS.

4

COMMITTEE REPORT

City of Guelph
Making a Difference

TO	**Corporate Administration, Finance and Enterprise Committee**
SERVICE AREA	Corporate and Human Resources Legal and Realty Services
DATE	May 14, 2012
SUBJECT	**Legal and Realty Services 2011 Annual Report**
REPORT NUMBER	CHR-2012-34

SUMMARY

Purpose of Report:
To present the Legal and Realty Services Department 2011 Annual Report.

Committee Action:
To receive the report for information.

RECOMMENDATION
That the Legal and Realty Services 2011 Annual Report be received for information.

BACKGROUND

This is the first annual report of Legal and Realty Services in this format.   This report provides Council with information related to efficiency, effectiveness and cost control for Legal and Realty Services. It is complementary to the Litigation Status Report prepared on a semi-annual basis.

The intended use of the report is to identify corporate and department trends to assist in responding to the legal and realty needs of the corporation.

REPORT

The report provides:

- An overview of the activity and accomplishments of the Legal and Realty Services department in 2011

- Benchmark information, where available, to provide further context to the operational side of the department.

There are few benchmarks for Legal Services departments available and even less so for municipal departments. In the report, Legal Services has established some internal benchmarks, which should provide an ability to measure improvements year over year. For 2011, these internal benchmarks may have little meaning, except to establish a base line for future years.

The overriding role of Legal and Realty Services is to manage risk for the corporation. Whether it be by drafting an agreement that protects the City and is enforceable or by providing advice on new initiatives, Legal and Realty Services manage the risk of the City in all the work they do.

While numbers and benchmarks provide some information, the real value of the Legal and Realty Services Department is better quantified by identifying those significant areas where the department was able to add value to the City. The highlights of those value added activities are found in Sections 2 to 5 of the Annual Report.

The following is a summary of the highlights of the report:

1. Based on the two OMBI (Ontario Municipal Benchmarking Initiatives) measures, the City is paying more for external legal counsel and less for in house counsel than the OMBI median (page 5). Most of the matters currently being handled by external counsel arose prior to the reorganization of the department in 2010 and 2011 (page 10).

2. Legal Services was successful in 2011 in retaining in house virtually all legal work. Through a combination of restructuring and acquiring expertise, the department was able to provide excellent service to the corporation with little or no assistance of external counsel. (pages 10, 12, 14)

3. The ability of Legal Services to retain some matters in house is severely restricted by the lack of support staff in the department. The City is trending well below the average for government and in house departments generally in this area. (page 6)

4. The number of new OMB and litigation matters is trending upwards (pages 10 and 12). By designating one lawyer as the primary lead on Planning and Tribunal matters, there has been more opportunity for involvement at an early stage with planning and development (page 12).

5. Between 2009 and 2011, Realty Services has had a substantial increase in the number of title searches (75%) and compliance letters (245%), creating an urgent need for additional support in that area (page 15).

6. Two major projects were completed in 2011 – the incorporation of Guelph Municipal Holdings Inc. and the acquisition of the lands and buildings for the new Transit Terminal (page 18).

In 2012, Legal and Realty Services have identified a number of projects designed to decrease risk to the corporation and to create efficiencies in its operations. In addition, emphasis will continue to be placed on maintaining and creating expertise in the diverse businesses the City is engaged in.

CORPORATE STRATEGIC PLAN

1. Organizational Excellence
2. Innovation in Local Government
3. City Building

FINANCIAL IMPLICATIONS

 N/A

DEPARTMENTAL CONSULTATION

N/A

COMMUNICATIONS

N/A

ATTACHMENTS

Legal and Realty Services 2011 Annual Report

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Legal and Realty Services 2011 Annual Report

Table of Contents

Executive Summary

This is the first formalized annual report prepared by Legal and Realty Services. Legal Services has prepared annual year end reports for 1995 through 2009. They included lists of type of legal work done (Opinion, Agreement, By-law) as well as a list of all court actions and hearings for the year.

This report demonstrates the department's effectiveness in providing legal and realty services that meet the organization's current needs.

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

Cost Control

In house Legal Operating Costs — [green]

External Legal Costs — [red +]

Leveraging Talent (ratio) — [yellow +]

Effectiveness

No. of Matters Settled — [green +]

No. of New Matters — [red -]

OMB Hearings — [yellow -]

Efficiency

% of Operating Budget — [red]

No. of Legal Support Staff — [red]

Legal and Realty Services Balanced Scorecard

The LRS department measures its service delivery in the following areas:

In Support of..		Measure	Target	Initiative	Progress
COST CONTROL	In house legal operating costs per in house lawyer	$ per hour of in-house legal service	-10% OMBI	Address inadequacy of resources	$77 as compared to OMBI of $127
	External Legal Costs	$ per hour of external legal services	-10% OMBI	Increased management of external legal matters	$403 as compared to OMBI of $370
	Leveraging Talent of internal and external counsel	Ratio of internal litigation matters to external matters	5:1	Increased carriage of litigation files by in house counsel Co-counselling complex files with external counsel	Currently 3:1 for Litigation files with 1 major file co-counselled 100% of agreements, by-laws and real estate are done in house 99% of opinion work is done in house
EFFECTIVENESS	OMB Matters	# of appeals	Reduction of 5%	Increase expertise of in house counsel with planning matters Improve planning processes involvement of LRS in planning matters at early stage	Increase in # of new OMB appeals from 7 in 2010 to 20 in 2011 Largely attributable to 13 appeals on OPA 42
	Number of litigation/OMB matters resolved	# of litigation matters/OMB resolved in each year	75 % of new matters	Actively manage litigation/OMB files to achieve early resolution	16 resolutions in 2011 with 34 new matters - 47%
	Number of new litigation matters	# of new litigation matters each year	Reduction by 25 %	Proactively engage in risk management and early involvement in problem areas	12 new matters, increase of 6 from 2010

EFFICIENCY	% of Operating Budget	% of City Operating Budget allocated to Legal Services	5%	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 2011 was .06% (excludes external legal/consultants)
	Legal Support Staff per lawyer	No. of legal support staff per in house counsel	.7	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. Currently is .25 support staff for each lawyer in LRS.

Efficiency Indicators (Legal Services only)

Indicator	Guelph (2011)	OMBI[1] (2010)
In-House Legal Operating Costs per In-House Lawyer	$77	$127

[1]Ontario Municipal Benchmarking Initiative (OMBI) Median

How much do municipalities pay for an hour of in-house legal service?
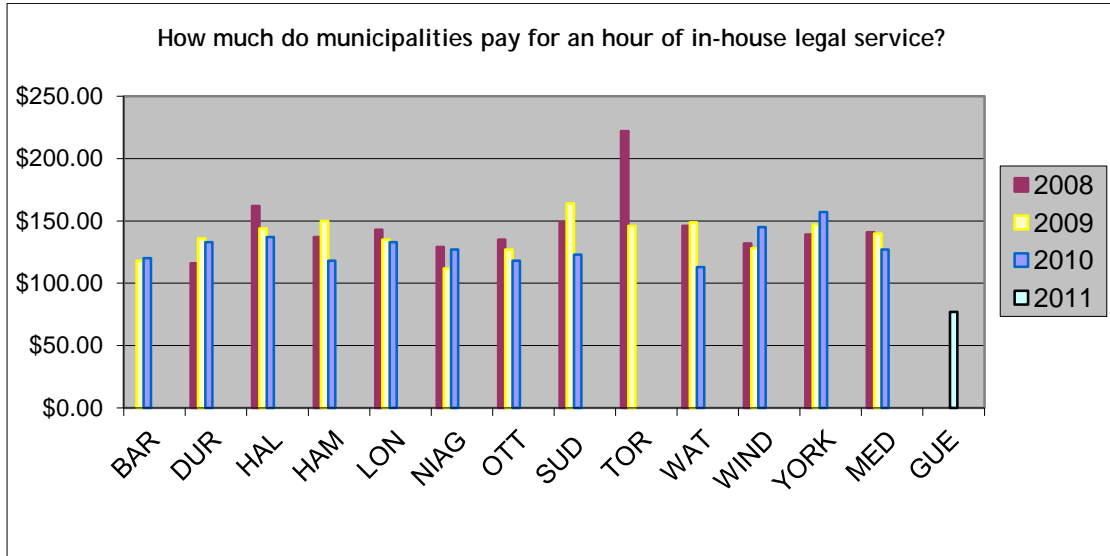
Indicator	Guelph (2011)	OMBI[1] (2010)
External Legal Cost per External Lawyer Hour	$403[2]	$370

[1]Ontario Municipal Benchmarking Initiative (OMBI) Median
[2]average hourly rate of 4 most used external lawyers

How much do municipalities pay for an hour of external legal service?
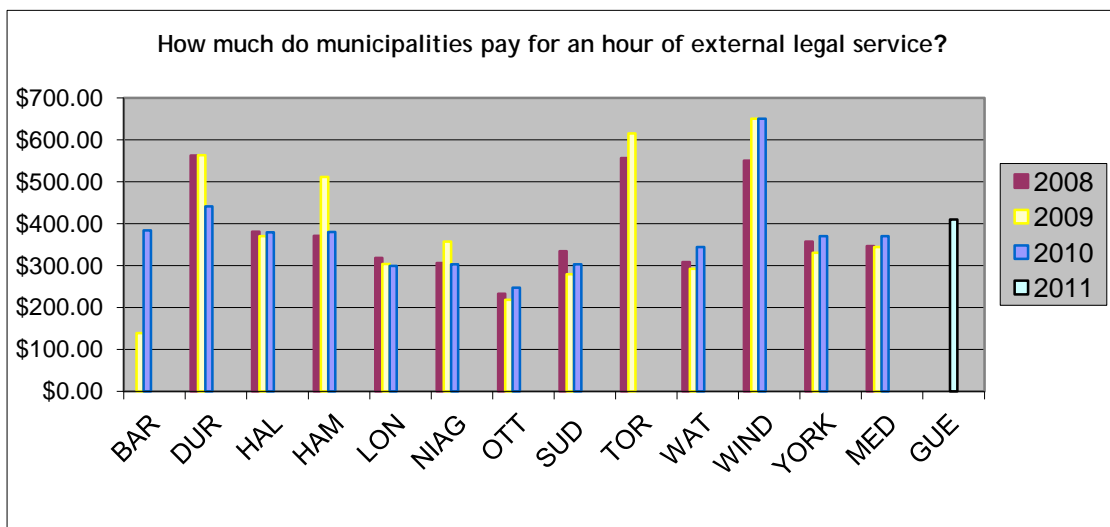
2011 In House Counsel Barometer (CCCA) [1]	LRS	Government Overall	All In House
Percentage of Organization's Annual Budget [2]	.6%	12%	5%
Number of Lawyers	4	14	12
Legal Support Staff per Lawyer	.25	.7	.67

[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 2010`	LRS (2011)	Government Overall (ONT)	All In House (ONT)
Base Salary GC Director	133,000	154,500	170,500 + bonus
Legal Counsel	103,500	133,000	130,500

Section 1 – Legal and Realty Services

Mandate

Legal and Realty Services (LRS) is responsible for the provision of comprehensive legal and realty advice, representation and guidance to City Council, local boards and staff of all City Service Areas for the purposes of protecting the City's interests, managing risk and enabling the strategic plans of Council and the City. LRS provides value to the City through:

Risk Management: Creatively managing or reducing risks associated with decisions to allow the City to successfully move forward with innovation and change

Leadership: Providing advice and leadership to enhance the strategic initiatives of Council and the City

Excellence: Developing and maintaining a highly skilled team of professionals and support staff to ensure the provision of in house services maintains a standard of excellence superior to external service providers due to a highly specialized knowledge of the client and the municipal setting

Best Value: Retaining and managing appropriate external legal and realty service providers that offer the best value to the City

The following illustration represents the organization structure of Legal and Realty Services:
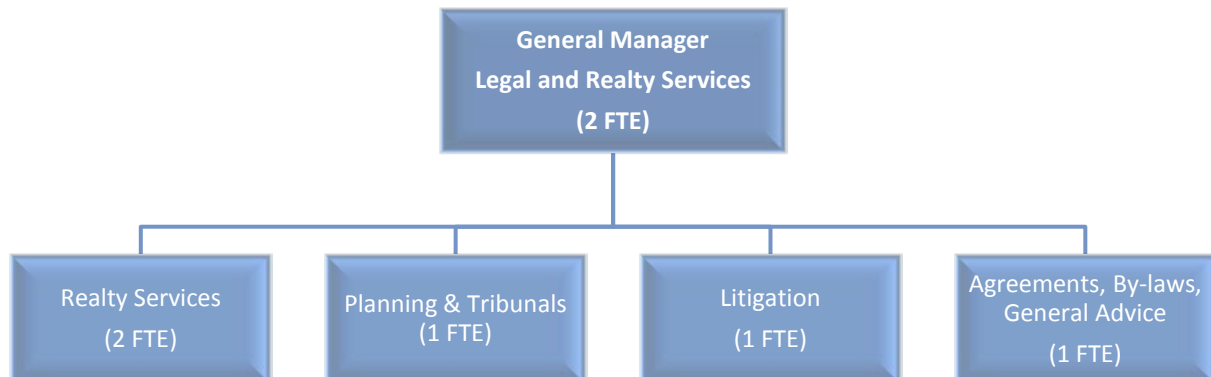
The LRS department qualitatively also measures its service delivery in the following areas:

	In Support of…	Initiative/Issue	Target	To Date
LEADERSHIP	Corporate Direction	• Actively participate in cross functional working groups • Provide input into development of strategic planning	LRS be consulted and provide advice on all major initiatives in the City	• LRS is generally consulted on issues at the staff level
INNOVATION	Risk Management	• Legal oversight of insurable matters established • Relationship between legal services and Cowan's insurance has been established • Work on relationship between legal services and risk management division	Operational Risk Management Program and Policy in place with appropriate involvement of legal services	• Improved communication and oversight over insured litigation was obtained. • Work not yet commenced on operational risk management program and policy
	Records Management	• Maintenance of database by Realty Services to track agreements relating to real estate matters • Filing Systems	LRS documents are ready to convert to EDMS	• Database being revised by IT • Waiting for resources to be allocated to EDMS
	Compliance	• Identify areas of corporate non-compliance with relevant regulatory or legal requirements as part of ongoing LRS involvement • Assist service areas with achieving full compliance	Reduce non-compliance with regulatory and governance requirements	• Continue to work with organization in areas of potential non-compliance
EXCELLENCE	Expertise	• Develop areas of expertise in LRS to enhance service • Expansion of resources, as required, to support areas of expertise and enhance service	Create and provide resources for expertise in house in required areas to allow LRS to respond to client requests without the necessity of obtaining external assistance. Expertise maintained and enhanced on a continuous basis	• Designated individual lawyers/staff in areas of Planning, Agreements & By-laws, Litigation, Real Estate/Development and Shared Services/Governance. • Expansion of resources to support expertise has not occurred.
	Continuous Improvement	• Exceed the mandatory professional development requirements • Participate in programs regarding best practices within the municipal environment in the delivery of legal and realty services	Maintain professional designations and learn and implement innovations to legal and realty service delivery	Achieved

Best Value	Managing External Legal Expense	- Shifting use of external counsel from full carriage of files to use for opinion work - Reduce use of external legal counsel for real estate and agreement work - Increase number of litigation and tribunal matters handled in-house (with reliance on external counsel for opinions or assistance on specific issues as required, and on a project specific basis for files requiring dedicated resources or additional expertise) - In-house lawyers to develop areas of expertise to reduce reliance on external counsel	Reduction in reliance on external counsel	Partially achieved. Resources and expertise required to support more in house work have not been acquired.
	Tracking of Legal Expense	Create legal expense tracking system for litigation and tribunal matters to enable expenses for each file to be accurately monitored	Greater accountability	Mostly achieved. Worked with finance to improve current process.
Community Benefit	Reputation of the Corporation	- Reduce number of OMB hearings - Analyse the cost and benefit to the City of instigating or defending claims	Eliminate reputation of the City as litigious Enhance relationships with community stakeholders	Partially achieved. Analysis of the cost and benefit of litigation matters has been commenced. Intervention of LRS in planning matters at an early stage is in progress.

Section 2 – Litigation

Role:

- Represent the City in all potential and actual legal actions for and against the City
- Manage external service providers in both insured and non-insured matters
- Provide proactive risk management advice

The Numbers:

	2009	2010	2011
Ongoing Litigation from previous years	8	14	13
New Litigation Matters	9	6	12
Number of Litigation Matters Completed/Resolved	3	7	10
Litigation Matters referred to External Counsel	9	2	1

Key Accomplishments:

- ✓ New Deputy City Solicitor recruited to specialize in litigation matters resulting in a reduction in the number of referrals to external counsel for non-insured litigation matters . Advantage: Increased ability to represent the City in litigation matters and manage external counsel.

- ✓ Resolved ten civil litigation matters, including:

  - Three claims against the City settled with no payment by the City of any compensation, including costs, to the claimant – Net gain - $20,000.

  - LRS successfully obtained the reversal of an Ontario Superior Court of Justice decision on a Property Standards matter which directly impacted all municipal by-law enforcement officers' ability to carry out inspections and required the City to pay up to $75,000. The City was successful in obtaining its costs of the appeal in the amount of $12,000. – Net gain - $87,000 and reversal of an important decision.

  - Commenced and completed complex litigation regarding the Board of Health.   The City paid $55,000 in costs to the Counties through settlements with those parties. LRS was successful in obtaining an order that the City did not have to pay the costs of the Board

($115,000 claimed). The Court in the decision regarding costs vindicated Council's decision to pursue the litigation and stated the litigation had been in the public interest to pursue. Net gain: $60,000 on the costs issue and a decision vindicating the City's claim that the Board was not following the provincial standards in making decisions.

✓ Commenced one new litigation matter seeking recovery of costs to repair allegedly poor work by a contractor on sewer and water lines. Potential recovery: $200,000

✓ Transferred oversight of all insured claims to LRS and established a reporting relationship between LRS and the insurer and the insurer's lawyers. Advantage: Increased management of insured claims and ability to address areas of risk.

✓ Commenced negotiations on three major litigation files with hopeful resolution in 2012. Advantage: Ultimate resolution of matters with reputational and financial risk to the City.

Moving Forward

- Continue focus on maintaining carriage of files in house except in exceptional circumstances (large or very complex matters), using external counsel as support.

- Develop internal expertise in planning, environmental, employee relations and construction law areas and continue to support excellence in delivery of legal services through continuing education.

- Recruitment of new Real Estate and Planning Paralegal to provide more support for real estate, planning and litigation areas of LRS.

Section 3 – Planning and Tribunals

Role:

- Provide legal advice on planning related issues.
- Represent the City in proceedings before the Ontario Municipal Board and other tribunals
- Attend Planning Council meetings to support staff and Council

The Numbers:

	2009	2010	2011
OMB Appeals Ongoing From Previous Years	4	7	9
New OMB Appeals	6	7	20
Number of OMB Appeals Completed/Resolved	3	5	6
OMB Appeals Referred to External Counsel	2	1	2
Tribunals/Hearings Ongoing From Previous Years	3	7	4
New Tribunals/Hearings	7	2	2
Number of Tribunals/Hearings Completed/Resolved	3	5	1
Tribunals/Hearings Referred to External Counsel	0	1	0

Key Accomplishments:

- ✓ Reorganized workload to designate one lawyer as the prime lead on Planning and Tribunal matters. Embedded this lawyer physically in the Planning Department to assist in gaining a broader understanding of planning processes and to build upon existing relationships between the service areas. Advantage: Development of expertise in planning allowing the provision of dedicated service to the Planning Division to support the City's planning and land use development work in all areas.

- ✓ Commenced and managed the defence of 13 appeals of OPA 42 – the Natural Heritage Official Plan Amendment in-house, with support of senior external counsel. Advantage: Developed an innovative plan to control the external legal costs for the file while providing an opportunity for the planning lawyer to consult with external counsel to gain additional expertise and to provide additional resource support as required.

- ✓ Continued the defence of two appeals of the Shared Rental Housing zoning by-law amendment in-house, including addressing the request of the Ontario

Human Rights Commission to be added as a party. Advantage: Savings to the City using existing in-house resources

✓ Successfully defended, through external counsel, an appeal (commenced in 2010) of a zoning by-law and official plan amendment for a specific development. Advantage: Averted a strong precedent being set regarding the use of official plan amendments which occur after submission of development applications.

✓ Retained in house counsel on all OMB and other Tribunal litigation commenced in 2011 except for two. Advantage: Reduction in reliance on external counsel and increased development of in house expertise.

✓ Continued to work as part of a City team with external counsel and consultants on the appeal of the Development Charges By-law.

Moving Forward:

▪ New support person for Planning (shared with Realty and Litigation) will increase the resource capacity of the Planning area to provide expert advice to internal clients.

▪ Continue to seek innovative resolutions to outstanding appeals.

▪ Continue the maintenance and further development of expertise in planning, development and environmental areas.

▪ Develop a proposal for appeals committee for appeals from Committee of Adjustment, Development Charge complaints and Business License appeals.

Section 4: Agreements, By-laws and Advice

Role:

- Review of all agreements to be entered into by the City
- Creation of standard form agreements to be used for routine matters
- Negotiate agreements between external parties and the City
- Provide legal advice on all legal issues affecting the City and its local boards

The Numbers:

	2009	2010	2011	Outstanding as of Dec '11	Complete as of Dec '11
Agreements drafted, reviewed or advised upon	50	47	37	9	134
By-laws drafted, reviewed or advised upon	16	12	14	4	42
Opinions	175	170	181	27	526
TOTAL	241	229	232	40	702

Accomplishments:

- ✓ Created and reviewed proposed agreements between the City and external parties. Advantage: Ensure the City's expectations of the intent of the agreement are met and protect the City from financial and other risks associated with the City's legal relationships with outside parties.

- ✓ Drafted by-laws on an number of issues, the most significant being:
  - Waste Management By-law
  - Proposed new Procurement By-Law
  - Tow Truck Non-Solicitation By-Law

  Advantage: By-laws provide a formal regulatory framework in an area that the City wishes to control. A properly designed by-law makes such control not only possible, but also clear, helpful and easily enforceable.

- ✓ Provided advice and opinions on virtually all areas of City operations. Advantage: Assists administration and Council to understand, appreciate, address and reduce financial and other risks associated with municipal activities, programs and assets

Moving Forward:

- Maintain service levels

Section 5: Realty Services

Role:

The Realty Services Division provides centralized professional real estate and related services in the following areas:

- Acquisition of real property and related interests
- Disposition of surplus real property and related interests
- Title searching and conveyancing
- Development and Agreement Compliance Response
- Maintenance of an inventory of all City real property and related interests

By the Numbers:

Indicator	2009	2010	2011
By-laws Submitted	81	65	65
Acquisitions (Land)	7	40	26
Dispositions (Land)	4	3	13
Title Searches	1528	2401	2667
Leases Executed	2	3	9
Licenses Executed	3	12	16
Encroachment Agreements	9	10	8
Compliance Letters Issued	56	72	68
Compliance letters Issued and Subdivision lots released	235	353	812
Registrations	78	72	80

Key Accomplishments:

Acquisitions
- ✓ Ontario Heritage Easement for VIA Station Building
- ✓ Leases for Willowdale Daycare at 58 Dawson
- ✓ Agreement for stormwater pond on Stevenson Road
- ✓ License for soccer pitch at Legion property
- ✓ Purchase of 292 Elizabeth Street for stormwater purposes

Dispositions
- ✓ Licenses for solar installations on City lands and buildings
- ✓ License for Guelph Lawn Bowling Club
- ✓ Agreement for sale of land for Tricar Development
- ✓ Kidsability Lease Amendment
- ✓ License for Greyhound/GO Bus operation at Fountain Street
- ✓ Sale of Stockford Road to School Board
- ✓ Lease for dressing room for Junior B Hockey at Sleeman Centre
- ✓ Lease for Humane Society at WWTP
- ✓ Drafted agreements for GO Transit at Guelph Central Station
- ✓ Lease for Anaerobic Digester at Dunlop Drive
- ✓ Sale of land to MTO at Hanlon Expressway and Laird Road
- ✓ Land exchange with Upper Grand District School Board (Grange Road)
- ✓ Ongoing Transit Terminal Issues (Sale of train platform, licenses, leases)

Other
- ✓ Held Ontario Municipal Real Estate Association Spring Conference
- ✓ Assisted with revisions of Standard Sale Agreement for Hanlon Creek Business Park
- ✓ Wilson Ingram Farmhouse

Moving Forward:

Acquisitions
- ▪ Baker Street redevelopment
- ▪ VIA Station
- ▪ EMS station for Town of Erin
- ▪ New EMS station in Guelph
- ▪ Transit Terminal at Galaxy Theatre
- ▪ Downtown Secondary Plan Acquisition strategy
- ▪ Victoria Road reconstruction agreements
- ▪ CNR lands in Arkell Springs
- ▪ Transit Driver's Lunchroom

Dispositions
- UofG wastewater platform
- Lease with VIA Rail (Transit Terminal)
- Lease with Greyhound (Transit Terminal)
- Sale of railway platform to Metrolinx
- Sale of 65 Delhi (former community center)
- Sale of 6 Dublin (former museum)
- Redevelopment/sale of 200 Beverley (IMICO)
- Sale of lands at Silvercreek/Waterloo

General
- Revisions to Encroachment By-law (newspaper boxes, etc)
- Continued update PSAB of all acquisitions and dispositions
- Ongoing maintenance of inventory of all City property
- Further development and maintenance of lease and license inventory
- Ongoing compliance requests
- Realty Services Service Review

Addition of Support
- A new position of Real Estate and Planning Paralegal will be created in 2012 which will be responsible for providing additional resources to Realty Services and Planning and Litigation.

Section 6: Special Matters

Guelph Municipal Holding Inc.

Legal Services was extensively involved with GMHI throughout 2011, providing the following:

- Preincorporation documents and advice
- Incorporation (August 16, 2011)
- Preparation of initial report to the Ministry
- Preparation and presentation of necessary by-laws and other reports for the meetings of the Board of Directors
- Providing Corporate Secretary services to the corporation
- Assisting with Reports to Council throughout the year

Acquisition of lands and buildings for the new Transit Terminal

Realty Services was extensively involved throughout 2011, responsible for the following:

- Land exchange with Canadian National Railways
- License for Locomotive 6167 with RailAmerica
- Purchase of train station building from VIA Rail

Section 7: What to Expect in 2012

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

- Delegation of Authority By-Law
- Procurement Template Review
- Revision of Standard Realty and Planning Agreements
- Standard Consulting Agreements
- Litigation/Hearing expense tracking
- Updated File System (in accordance with TOMRMS)
- Risk Management training
- Agreements Database (in preparation for EDMS)

These projects are aligned to the strategic focus areas in the draft 2011-2014 Strategic Plan:

- Organizational Effectiveness

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

- Innovation in Local Government

  Initiatives: Deliver better public service

                        Provide accountability, transparency and engagement

- City Building

  Initiative: Ensure a well designed, safe, appealing and sustainable City

COMMITTEE REPORT

TO	**Corporate Administration, Finance & Enterprise Committee**
SERVICE AREA	Corporate and Human Resources – Realty Services
DATE	May 14, 2012
SUBJECT	**Sale of City Land – Beaumont Crescent (Ward # 1)**
REPORT NUMBER	CHR – 2012 - 30

SUMMARY

Purpose of Report:
To obtain Council approval of an Offer to Purchase and Agreement of Purchase and Sale for Part of Lot 4, Plan 377.

Committee Action:
To approve an Offer to Purchase and Agreement of Purchase and Sale

RECOMMENDATION
THAT the Mayor and Clerk be authorized to execute an Offer to Purchase and Agreement of Purchase and Sale from RNR Custom Cycle Ltd. for part of the City-owned land described as Part of Lot 4, Registered Plan 377, City of Guelph.

BACKGROUND
Committee of Adjustment decisions on Application A-127/05, and the subsequent Site Plan Approval in 2006, imposed requirements on the owner of 108 Beaumont Crescent to resolve the issue of a building, concrete pad, and water and sanitary sewer connections located on lands owned by the City to the west (See Attachment 1).

REPORT
Staff considered two approaches to resolve this matter. The first was by way of an Encroachment Agreement and the second was by way of a sale of City land. After consulting with various internal Departments it was confirmed that:

> 1)   The City owns the 0.92 acre parcel of land for a possible storm water management pond; and

2)   There were no objections the sale of a small parcel to resolve this matter.

As such, staff have negotiated a proposed Agreement of Purchase and Sale for a triangular parcel of land that will resolve the encroachment issues. Details of the terms of the proposed agreement are the subject of a Closed Session report of the same name as this report. Staff are recommending approval.

City Policy for the Sale and Disposition of Real Property Interests
The small parcel of land that is subject of this report is not considered to be generally marketable or viable on its own. As such, no notice is required to the public regarding the proposed sale.

Section 3.6 of the Policy also states:

All Real Property Interests of the Corporation are assets of the City and are not owned by any individual department. Monies arising from the disposition of any Real Property Interests shall slow to the Corporation, generally, and not to the user or managing Department.

As such, the net proceeds from the sale of this property will be deposited into the Capital Taxation Reserve.

CORPORATE STRATEGIC PLAN
This initiative supports the following Strategic Goals:

1. An attractive well-functioning and sustainable city.
3. A diverse and prosperous local economy.
5. A community-focused, responsive and accountable government.

FINANCIAL IMPLICATIONS
Revenues, less costs incurred for appraisals and title searches, etc., will be deposited into the Capital Taxation Reserve.

DEPARTMENTAL CONSULTATION
Community Design and Development Services and Engineering Services were consulted in regard to this matter.

COMMUNICATIONS
None.

ATTACHMENTS
Attachment 1 – Location Map and Sketch

"original signed by Jim Stokes"   "original signed by Jim Stokes"

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Attachment 1 – Location Map and Sketch

COMMITTEE REPORT
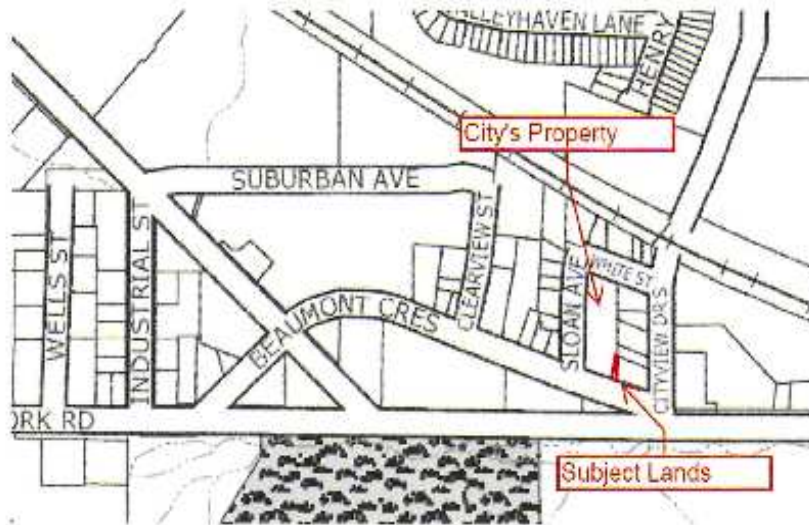
City of Guelph
Making a Difference

TO **CAFES**

SERVICE AREA Finance & Enterprise
DATE May 14, 2012

SUBJECT **2013 Budget Process**
REPORT NUMBER FIN-12-17

SUMMARY

Purpose of Report:
The purpose of this report is to provide an overview of the City of Guelph's 2013 Budget Process. The report will highlight:
- Best practices utilized in the development of the 2012 budget process
- Improvements to be implemented throughout the 2013 budget process including greater emphasis on the budget guideline to inform the base budget
- Key dates that affect Council and members of the public as related to the Tax Supported Operating & Capital Budgets, Shared Services and Local Boards Operating and Capital Budgets, and Enterprise Funded Operating and Capital Budgets including a workshop in June for Council to provide additional input into the budget process.

Committee Action:
This report is being provided for information only.

RECOMMENDATION
That Finance Report FIN-12-17 dated May 14, 2012 be received for information.

BACKGROUND
The 2012 budget process incorporated several recommended best practices with respect to municipal budgeting. These include:
- Creation and presentation of a budget schedule
- Presentation and approval of a budget guideline report
- Formation of cross-departmental budget teams for the operating and capital budgets
- Inclusion of management performance measures across all departments

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- Higher degree of qualitative information including discussion on services that are provided, accomplishments and objectives for the coming year for each City department.
- Transition of the City's Enterprise budgets to services based budgets
- Presentation of the tax supported operating, tax supported capital, enterprise and local boards and shared services budget on different nights. This provided the opportunity for great review and discussion from both staff and Council for all budgets

As highlighted above, the 2012 budget process represented significant improvements to how the City presents its spending plans and the opportunity exists to continue to build upon these successes and the need to move forward in terms of becoming an organization that is committed to doing business differently.

REPORT
In the report that follows, proposed improvements to the 2013 budget process will be discussed and the corresponding budget schedule will highlight key dates that require Council's availability for review, deliberation and approval.

2013 Budget Process
As the City begins preparing for the 2013 budget, staff have identified key areas where improvements could be made to gain efficiencies in terms of staff and Council resources. The proposed efficiencies are discussed in detail below.

Budget Guideline
The budget guideline report provides a high level overview to staff, Council and the public with respect to the anticipated tax rate increase for the coming year. The guideline provides information on such items as:
- estimated increases to compensation, utilities, capital financing and debt servicing costs,
- anticipated impacts from new services that have been proposed or approved by Council throughout the current year, such as the Urban Forest Management Plan or Tax Increment Based Grants (TIBGs)
- assessment and supplementary growth projections
- changes to revenue projections that are expected to be reflected in the upcoming budget

Historically, this report has come forward to Council early in the budget process which has resulted in some information not being as well formed as it could be if the guideline was presented later on in the year.

In order to address this issue, staff are proposing that more time be spent developing the budget guideline report. In doing so, staff feel that the budget guideline will be more reflective of departments' business plans for the coming year, economic conditions and volatile cost drivers. Resulting from a more informed guideline report, staff will be able to better communicate the potential risks associated with Council approving a guideline that significantly deviates from what is presented. By engaging staff and Council in discussions at this stage of the budget process, Finance anticipates it will be able to populate the departments' base budgets, therefore saving significant time across the organization at the budget input stage.

Building Upon Work Done through the 2012 Budget Process
As discussed earlier, the 2012 budget process marked a significant improvement to how the City presents and communicates its spending plans to Council and the public. Staff feel that the framework is in place to continue to build upon this work while taking advantage of the time savings that can be experienced by working to improve the existing framework rather than restarting the process.

In 2013, it is expected that the most significant improvements to the work started in 2012 will focus on performance measurements and multi-year budgeting for the City's Enterprise budgets. Both of these areas have the opportunity to provide added value to the City's budget document in terms of measuring the effectiveness and efficiency of City services. Improvements to the current performance measurements included in the City's budget documents will be carried out in conjunction with the Performance Measurement sub-committee that is currently working to develop a consistent and informative set of measures.

Development and Use of Corporate Budget Teams
In 2012, the development and use of cross-departmental corporate budget teams proved to be an effective method of communicating expectations to all staff involved in the budget process and reviewing options for operational cost reductions and savings prior to the budgets being brought forward to Executive Team members. In 2012, the City's Executive Team maintained a key role in making corporate decisions related to budget development and ranking growth and new service requests at both a service area and corporate level.

As part of the 2013 budget process, the role of the Direct Report Leadership Team and Budget Subcommittee will be introduced to include the expectation that this team will incorporate the idea of doing business differently through innovation and risk management. This team will be responsible for reviewing the budget through a corporate lens and making

recommendations to the Executive Team that reflect corporately strategic decisions. It is anticipated, that while this will require a higher time commitment from members of the budget teams, the Executive Team's time commitment will be reduced as their role will focus more on the strategic decisions associated with budget development.

Budget Process Debrief with Council
On June 5, 2012, staff have tentatively scheduled a debrief session with Council to review the 2012 budget process and discuss expectations for the 2013 process.   As a result of this meeting, staff will have a better understanding of Council's expectations with respect to how the City currently administers the budget, what has worked well, what areas need further improvement and how Council would like to work with staff to ensure that their priorities are reflected in the City's budget. The dates related to Council's involvement in the budget process are highlighted in a later section of this report.

By having these discussions earlier in the budget process, staff anticipate that the presentation, review and deliberation stages will be less onerous with respect to the time spent by Council and staff reviewing and responding to inquiries and questions.

Resource Allocations and Savings
The City's budget process can be divided into the following stages:
    1. Budget Preparation
    2. Departmental Budget Input and Review
    3. Executive Team Review
    4. Design, Communications & Presentation Preparation
    5. Presentation and Council Deliberation and Approval
    6. Budget Team Involvement

In 2012, it is estimated that City staff spent approximately 2,340 hours on preparing, reviewing, presenting and attending meetings related to their budgets. If the above suggestions are implemented, it is expected that approximately 125 hours or $15,000 could be saved. A large part of the time savings can be attributed to spending additional time on the budget guideline report and utilizing this information to pre-populate department's base budgets. This will be facilitated by the departmental financial analysts assigned to each service area and optimization of the RAC budget software and should decrease the amount time departments spend updating and inputting data.

In addition, a large part of the financial savings can be attributed to redistributing work from the Executive Team to the cross-departmental

budget team. This redistribution of work will free up time for the Executive Team to focus on strategic rather than operational work.

2013 Budget Schedule
Similar to 2012, the 2013 budget schedule features the following highlights:
- All budget presentations will be made to Council of the whole
- The City's budget presentations will be divided into four distinct areas of focus to allow for greater input and review. These areas are:
  - Tax Supported Capital
  - Tax Supported Operating
  - Local Boards & Shared Services
  - Enterprise Funded Operating and Capital
- A budget guideline report will be provided to Council for approval early in the budget process. This report reflects the impacts of known pressures beyond the control of Council and helps to ensure that the budget is prepared in a fiscally responsible manner
- Continue the on-going transition to service based budgeting. In 2012, the City's Enterprise funds were presented following a service based format. In 2013, staff will continue this practice by transitioning some service areas within the City's tax-supported budget to a service based budget.

In addition to the above, the 2013 budget schedule incorporates additional opportunities for information and Council involvement. The need for these opportunities was identified throughout the 2012 budget process. These include:
- Place additional focus and discussion around the development of the budget guideline with staff and Council to ensure that impacts on the 2013 budget are analyzed and well communicated. This will assist in reducing the amount of staff time required later in the year with respect to budget development and review
- Engage members of Council to ensure that Council's priorities are reflected in the budget process and budget development.
- Include a long-term operating forecast highlighting anticipated revenue and expense impacts and proposed rate increases (if applicable) for the City's Enterprise Funded budgets
- Schedule a formal 2013 budget debrief session with Council of the whole to receive feedback on aspects of the budget that went well and areas where improvement is needed

The schedule that follows highlights the important dates for the 2013 budget process.

2013 Budget Schedule

Date	Event
May 14, 2012	Budget Schedule Report to CAFES Committee
June 5, 2012	Council Input Session
July 9 2012	Budget Guideline Report to CAFES Committee
October 3, 2012	Presentation of the Tax Supported Capital Budget
October 24, 2012	**Presentation & Council Approval of the Enterprise Funded Budgets**
November 22, 2012	Presentation of the Tax Supported Operating Budget
November 27, 2012	Presentation of the Local Boards and Shared Services Budgets
November 29, 2012	Public Delegation Night
December 5 & 6, 2012	**Council Deliberation & Approval of Tax Supported Operating & Capital Budgets**
January/February 2013	Council Debrief Session

CORPORATE STRATEGIC PLAN
5.2 A consultative and collaborative approach to community decision making
5.3 Open, accountable and transparent conduct of municipal business

FINANCIAL IMPLICATIONS
N/A

DEPARTMENTAL CONSULTATION
Key dates have been reviewed and agreed to by the Direct Report Leadership Team Budget Committee.

COMMUNICATIONS
A copy of the 2013 Budget Schedule will be posted on the City's website and advertised in City News.

ATTACHMENTS
N/A

"original signed by Sarah Purton"   "original signed by Susan Aram"

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Prepared By: **Recommended By:**
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COMMITTEE REPORT

CITY OF Guelph
Making a Difference

TO	**Corporate Administration, Finance & Emergency Services Committee**

SERVICE AREA	Finance
DATE	May 14, 2012

SUBJECT	**2011 Investment Performance Report**
REPORT NUMBER	FIN-12-21

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REPORT SUMMARY

Purpose of Report: To report on 2011 investment portfolio performance and holdings as required by Ontario Regulation 438/97 of the *Municipal Act, 2001*, and by the City's 2011 Investment Policy

Council Action: Receive for information

RECOMMENDATION

That report FIN-12-21 dated May 14, 2012, with respect to the 2011 investment portfolio performance and holdings be received for information.

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.

After a comprehensive review in consultation with the City's investment dealers, amendments to the City of Guelph's existing corporate Investment Policy were approved by Council on December 5, 2011. The complexity of the previous policy was restrictive, and changes regarding term and credit risk were adopted to permit a wider range of investment options and to improve returns without incurring significant additional risk. Targets were revised to achieve the City's primary investment objectives without the excessive restrictions which do not necessarily contribute to investment quality.

The primary objectives of the investment program 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. A 2011 investment information update was provided on December 5, 2011, at the time of amendments to the existing Investment Policy. 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 2011 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 balance.

REPORT

Statement of Performance

Interest earned on investments in 2011 was $3.32 million compared to a budget of $1.6 million. The favourable variance of $1.72 million includes a $1.24 million capital gain on the sale of a Government of Canada discount bond. The City was able to take advantage of this opportunity under the current investment policy,

which permits a wider range of investment options to improve returns without incurring significant additional risk. The maturity (face) value of the total investment portfolio at December 31, 2011, was $121.05 million.

Interest earned on investments and bank balances together was $3.92 million and was allocated to operating ($826,000) and capital reserve funds ($3.09 million) in proportion to their average balances, in accordance with the City's General Reserve and Reserve Fund Policy.

2011 Investment Activity - Cash

The current 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. See **Chart 1** below for a comparison of interest rates in 2010 and 2011.

Chart 1: Interest Rate on Cash Balances
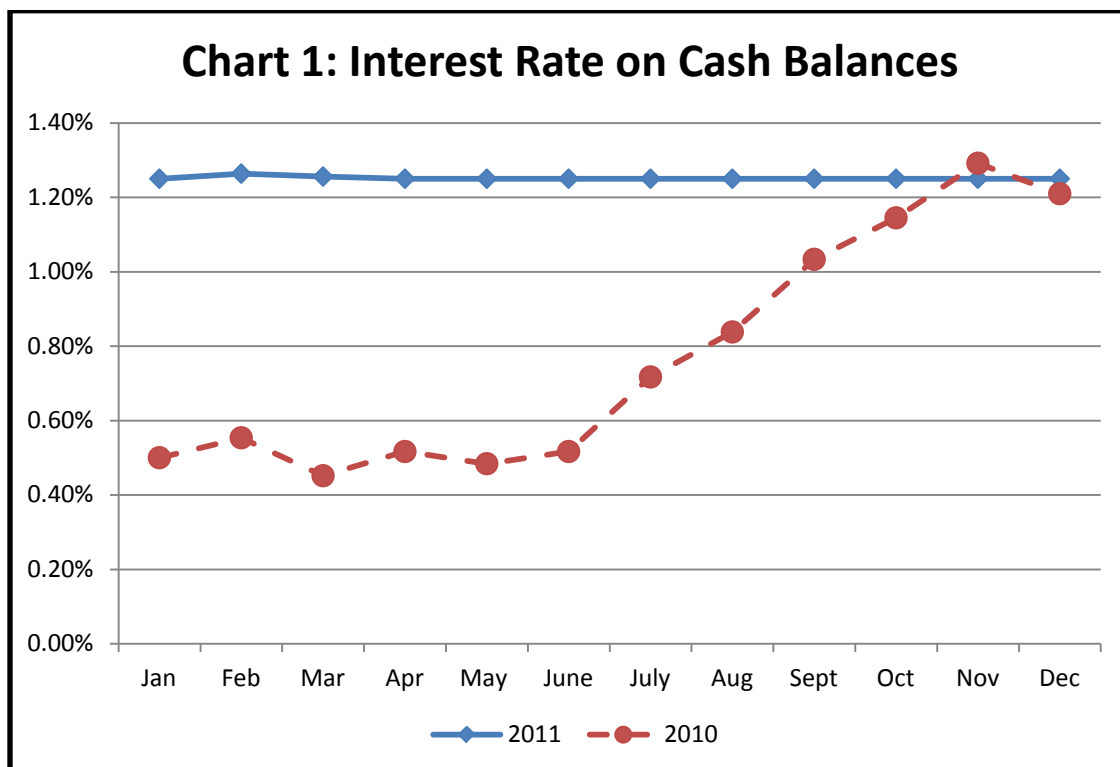
Because the rate was lower in the early part of 2010, interest received in 2011 was more than in 2010 despite lower average cash balances held. See **Chart 2** below for a comparison of average monthly cash balances in 2010 and 2011. The cash balance was temporarily higher in November of 2011, when net debt issue proceeds of approximately $33 million were received.

Chart 2: Average Monthly Cash Balance (in $ Millions)
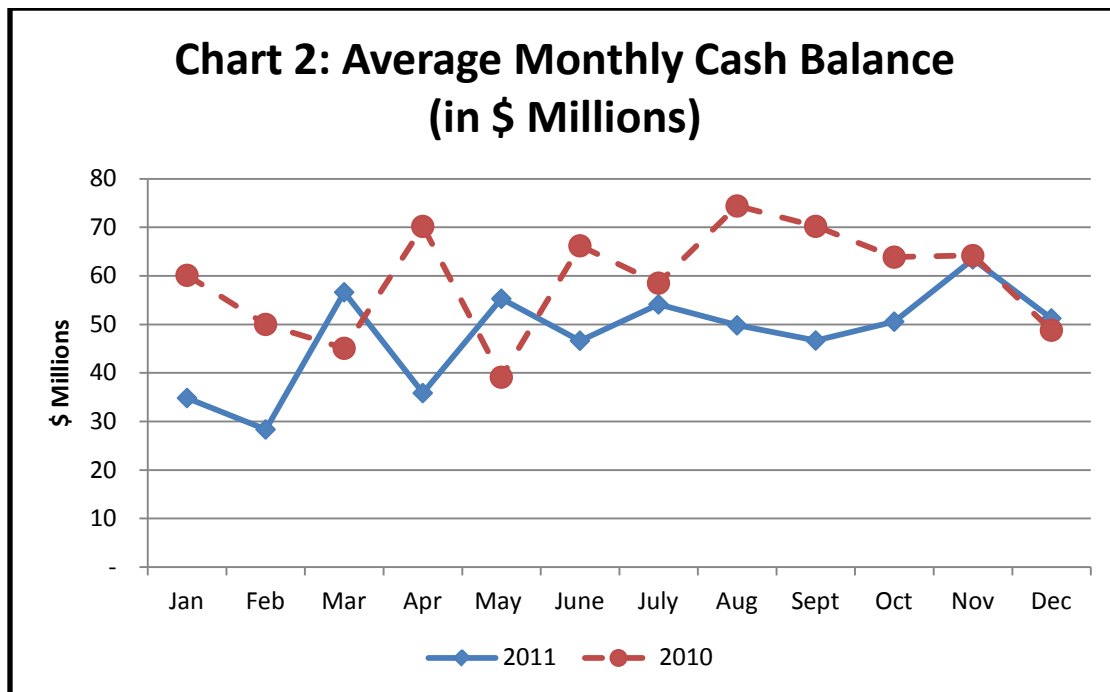
Interest income earned on bank balances for 2011 totaled $599,881.74 compared with $466,683.59 the previous year. A cash flow forecasting model developed by staff and utilized throughout 2011 has improved the accuracy of cash requirement forecasts and, therefore, has decreased the need to maintain significant cash balances and increased the opportunity for more investments.

2011 Investment Activity - Investments

The investment process itself has also been improved. Projected investment amounts are reviewed monthly, and quotes are obtained from at least three financial institutions, based on specific criteria produced by the newly developed investment model.

The City earned a total of $3.32 million and an average yield of 3.19% on its investments for 2011 compared with $1.47 million and 2.13% for 2010, an increase of $1.84 million and 1.06% partly because of a $1.24 million capital gain on the sale of a Government of Canada discount bond and partly because of an investment portfolio which was approximately 50% larger than in 2010. See **Chart 3** below for a comparison of average total investments held in 2010 and 2011.

Average Total Investments Held (in $ Millions)
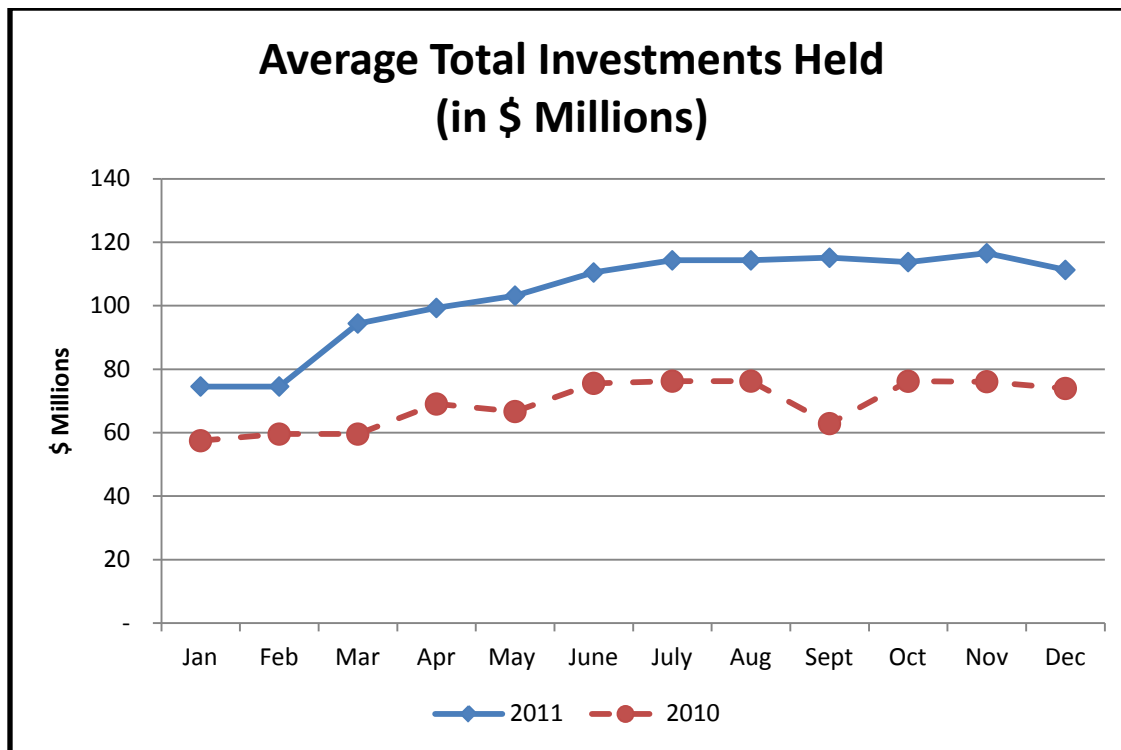
The cash and investment positions (purchase price) of the City at the end of 2010 are compared to the positions at the end of 2011 below:

	December 2010 (Purchase Price)	December 2011 (Purchase Price)	December 2011 (Market Value)
Long-Term*	$ 27,752,535	$ 63,799,829	$ 63,938,639
Short-Term	$ 46,743,580	$ 51,887,885	$ 51,978,831
Total Investments	$ 74,496,115	$115,687,714	$115,917,470
Cash	$ 41,731,793	$ 31,359,443	$ 31,359,443
Total	**$116,227,908**	**$147,047,157**	**$147,276,913**

*Note: Includes MAV II notes with book value of $2.3 million for 2010 and $2.0 million for 2011 and market value of $1.3 million.

The attached **Schedules I and II** provide the portfolio mix, term limits, and holding limits as at December 31, 2011.

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. Recognizing the highly speculative nature of the ultimate payment of principal at maturity, provisions for impairment totaling $1.144 million were booked in 2009 and 2010. In 2011, notice was received that the principal amount of MAV II 3 notes, with a face value of $245,818, had been reduced to zero, and this amount has been written off against

the provision. The remaining MAV II notes as of December 31, 2011, have a face value of $2.066 million and a market value of $1.324 million, leaving a difference of $742, 529. Therefore, the provision for impairment was further reduced at the end of 2011 by $155,275 in order to make the net carrying value equal to market. The remaining MAV II notes as of December 31, 2011, are as follows:

Class	Maturity	Rating	Face Value	Market Value	Impairment Provision
MAV II A-1	07/15/2056	A+	$ 502,795.17	$ 362,012.52	
MAV II A-2	07/15/2056	BBB+	$ 1,270,940.00	$ 816,578.95	
MAV II B	07/15/2056	Not Rated	$ 230,711.00	$ 124,583.94	
MAV II C	07/15/2056	Not Rated	$ 62,043.00	$ 20,784.40	
Total			**$ 2,066,489.17**	**$ 1,323,959.81**	**$742,529.36**

Own Securities

None of the 2010 or 2011 investments of the City were invested in its own long-term or short-term securities.

Investment Policy and Regulation Investment Standard Compliance

In an attempt to aid in the achievement of the primary objectives of the investment policy, the Investment 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, 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 would 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 would 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.

In all other respects, investments are fully consistent with the investment policies and goals adopted by the City.

CORPORATE STRATEGIC PLAN

Goal 5 - A community-focused responsive and accountable government.
       5.5 - A high credit rating and strong financial position.

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.

DEPARTMENTAL CONSULTATION/CONCURRENCE

N/A

COMMUNICATIONS

N/A

ATTACHMENTS

Appendix: Investment Reporting Requirements

Schedule I - Investment Portfolio Listing and Term Limits as at December 31, 2011
Schedule II – Investment Portfolio Holding Limits

"original signed by Mary Coggins"

_____

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_____

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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 3.19% on its investments in 2011.

2. **Investments in Own Securities**
None of the 2011 investments of the City were invested in its own long-term or short-term securities.

3. **Record of Own Security Transactions**
None of the 2011 investments of the City were invested in its own long-term or short-term securities.

4. **Statement of Treasurer re Investment Policy Compliance**
I, Susan Aram, Acting 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.

5. **Statement of Treasurer re O.R. 438/97 Investment Standard Compliance**
I, Susan Aram, Acting 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 2011.

Signed: _____

Dated: _____

City of Guelph
Investment Portfolio
as at December 31, 2011

Short-Term Investment Portfolio

| Issuer | Yield | Maturity Date | Face Value | Term to Maturity (Days) | | |
				At Dec.31/11	Restriction	Exceeded
TD	1.500%	12-Jan-12	$3,000,000	12	365	-
TD	1.550%	16-Feb-12	$2,000,000	47	365	-
TD	1.500%	12-Mar-12	$3,000,000	72	365	-
CIBC	1.300%	04-Apr-12	$10,388,046	95	365	-
BMO	1.300%	22-May-12	$10,000,000	143	365	-
TD	1.510%	22-Jun-12	$5,000,000	174	365	-
RBC	1.500%	12-Oct-12	$6,500,000	286	365	-
RBC	1.500%	22-Oct-12	$2,000,000	296	365	-
TD	1.550%	01-Nov-12	$9,999,839	306	365	-
Short-Term Investment Total			**$51,887,885**			

Long-Term Investment Portfolio

| Issuer | Yield | Maturity Date | Face Value | Term to Maturity (Years) | | |
				At Dec.31/11	Restriction	Exceeded
MAVII CL A-1 Note	-	15-Jul-56	$502,795	44.6	5	39.6
MAVII CL A-2 Note	-	15-Jul-56	$1,270,940	44.6	5	39.6
MAV II CL B Note	-	15-Jul-56	$230,711	44.6	5	39.6
MAV II CL C Note	-	15-Jul-56	$62,043	44.6	5	39.6
Province of Ontario	3.000%	13-Mar-12	$10,000,000	0.2	20	-
IBRD	1.120%	31-Oct-12	$5,000,000	0.8	20	-
RBC	4.640%	04-Nov-13	$1,297,228	1.8	10	-
Province of Ontario	2.500%	21-Jun-14	$1,500,000	2.5	20	-
CIBC	2.686%	2-Nov-15	$5,000,000	3.8	10	-
Farm Credit Corp	2.000%	15-Dec-15	$5,000,000	4.0	20	-
CIBC	3.200%	15-Mar-16	$10,000,000	4.2	10	-
BMO	3.030%	08-Jul-16	$2,499,999	4.5	10	-
BMO	2.900%	08-Jul-16	$2,500,000	4.5	10	-
BMO	2,855%	08-Jul-16	$2,060,722	4.5	10	-
Region of Waterloo	3.510%	01-Dec-16	$1,143,000	4.9	10	-
City of Toronto	5.076%	18-Jul-17	$5,000,000	5.6	10	-
Province of Ontario	2.979%	01-Dec-21	$16,091,114	9.9	20	-
Long-Term Investment Total			**$69,158,552**			
Total Investment Portfolio			**$121,046,438**			

City of Guelph
Investment Portfolio
as at December 31, 2011

Issuer	Investment Value	Investment Percentage of Holdings	Policy Maximum Portfolio Percentage Limit
Federal			
Government of Canada			100%
Federal Guarantees	$10,000,000	8.3%	50%
Provincial Governments & Provincial Guarantees	$27,591,114	22.8%	75%
Country Other than Canada			5%
Municipal			
City of Guelph			50%
Other Municipalities & OSIFA – AAA & AA	$6,143,000	5.1%	50%
Other Municipalities & OSIFA – A			10%
School Board, Ont. University, Local Board, Conservation Authority, Public Hospital, Housing Corp.			20%
Financial Institutions			
Schedule I Banks	$75,245,834	62.2%	75%
Schedule II and III Banks	$2,066,489	1.7%	25%
Loan or Trust Corporations, Credit Union			5%
Supranational Financial Institution or Government Organization			25%
Asset Backed Securities			25%
Corporate Debt			25%
Commercial Paper			15%
Joint Municipal Investment Pools			15%
TOTAL	$121,046,438	100.0%	

COMMITTEE REPORT

CITY OF **Guelph**
Making a Difference

TO   **Corporate Administration, Finance & Emergency Services Committee**

SERVICE AREA   Finance
DATE   May 14, 2012

SUBJECT   **2011 Development Charge Reserve Fund Statement**
REPORT NUMBER   FIN-12-22

REPORT SUMMARY

Purpose of Report: To report on 2011 development charge reserve funds as required by the *Development Charges Act, 1997*, and Ontario Regulation 82/98

Council Action: Receive for information

RECOMMENDATION

That report FIN-12-22 dated May 14, 2012, with respect to the 2011 development charge reserve fund statement be received for information.

BACKGROUND

The *Development Charges Act, 1997,* requires the Treasurer of a municipality to give Council a financial statement each year, relating to its development charge by-law and the reserve funds established for the services to which the development charges relate. The statement must include, for the preceding year, opening and closing balances of the reserve funds and the transactions relating to the funds. In addition, Ontario Regulation 82/98 requires the following information to be included as well:

- A description of the service for which the fund was established; if the fund was established for a service category, the services in the category.
- Amounts (if any) relating to credits for work performed in relation to the service or service category for which the fund was established.
- The amount of any money borrowed from the fund by the municipality during the previous year and the purpose for which it was borrowed.
- The amount of interest accrued during the previous year on money borrowed from the fund by the municipality.
- The amount and source of any money used by the municipality to repay, in the previous year, money borrowed from the fund or interest on such money.

- A schedule that identifies credits recognized under the old *Development Charges Act.*
- For each project that is financed, in whole or in part, by development charges,
    - i   the amount of money from each reserve fund that is spent on the project, and
    - ii   the amount and source of any other money that is spent on the project.

A copy of the treasurer's statement must be given to the Minister of Municipal Affairs and Housing within 60 days after being given to the council.

This report has been prepared in compliance with the Act and Regulation.

REPORT

Attached as **Schedule I** is the reserve fund statement showing opening and closing balances of the reserve funds, the transactions relating to the funds, and the components of the services. There are no amounts to report as credits for work performed. Development charge reserve funds with a negative balance have paid interest to other funds, but the municipality has not borrowed any money from the development charge reserve funds.

Schedule II shows financing from all sources for each project financed, in whole or in part, by development charges.

- Development charges collected in 2011 were $15.482 million compared to $18.854 million in 2010, a decrease of $3.372 million or 18% despite the rates having been increased by 0.8% on March 2nd for inflation. Residential development charges for hard services (water, wastewater, stormwater drainage & control, and roads & related services) are collected upon subdivision agreement (if any); residential development charges for other (soft) services and full non-residential development charges for all services are collected at the time of building permit issuance. Hard service collections decreased by 16%, and soft service collections decreased by 24%. Development charge collection continues to lag behind the forecast in the Development Charge Study, and development in 2011 was less than in 2010.

- Exemptions continue to be close to 15% of total development charges otherwise receivable at $2.613 million in 2011 and $2.892 in 2010. Development charge exemptions in 2011 related to industrial building enlargement ($776,722) and the industrial / research rate phase-in ($1,836,553). Exemptions and phase-ins result in the development charges collected being insufficient to fund the capital projects to the same extent that they had been estimated in the calculation of the development charge rates. This shortfall resulting from exemptions must be made up from taxes and rates.

- Development charges used to finance eligible capital projects in 2011 were $13.406 million compared to $14.561 million in 2010, a decrease of $1.155

million or 8%. The majority of this reduction can be attributed to a coordinated effort among City Departments throughout the 2011 budget process to ensure that a sustainable capital budget was brought forward. No development charge debt was issued in 2011.

**City of Guelph
Development Charge Collections & Project
Financing by Year**
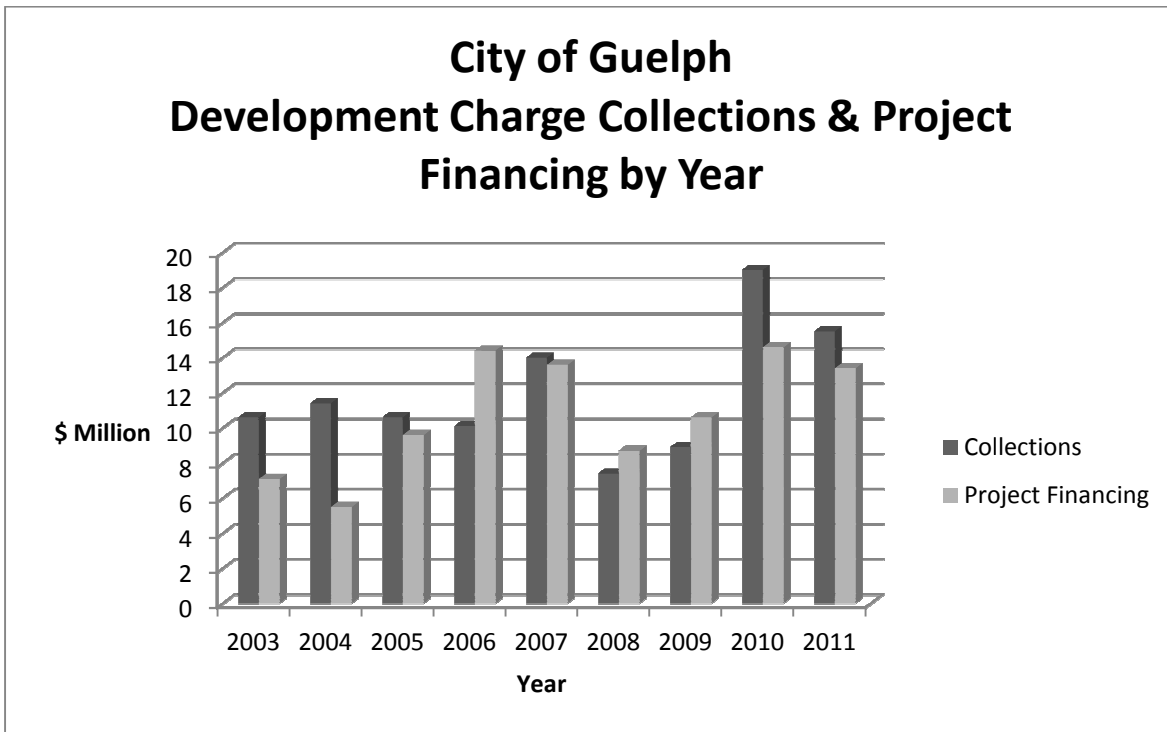
- The reserve fund commitments not yet spent at December 31, 2011, amount to $17.34 million and are comparable to the $17.215 million at the end of 2010.

- The development charge reserve fund closing balances at December 31, 2011, were as follows:

DC Reserve Fund Closing Balances at December 31, 2011

Non-Discounted Services		**Discounted Services**	
Water Services	$4,359,649.18	Library Services	$712,399.80
Wastewater Services	4,365,112.79	Recreation	4,961,766.95
Stormwater Drainage	(745,240.58)	Parks Services	3,844,127.23
Roads & Related	4,891.69	Transit	(888,906.08)
Fire Protection Serv.	(1,370,074.04)	Administration	1,288,205.45
Police Services	(695,341.86)	Ambulance Services	(1,258,405.03)
	$5,918,997.18	Municipal Court	31,025.09
		Mun. Parking Spaces	2,393,409.98
			$11,083,623.39

The total closing balance of all fourteen of these reserve funds is $17.003 million compared to $16.845 million at the end of the previous year, a slight increase of $157,533 or 0.9%.

CORPORATE STRATEGIC PLAN

Goal 5 - A community-focused responsive and accountable government.
     5.3 - Open, accountable and transparent conduct of municipal business

FINANCIAL IMPLICATIONS

The Development Charge Background Study estimated the anticipated amount, type, and location of development in order to determine the development charges that may be imposed to pay for increased capital costs related to growth. Because growth and the resulting development charge collection continue to lag behind the forecast in the Development Charge Study, it is necessary to monitor closely the amounts available in the development charge reserve funds and the timing of capital growth-related projects to be financed from these reserve funds.

DEPARTMENTAL CONSULTATION/CONCURRENCE

N/A

COMMUNICATIONS

N/A

ATTACHMENTS

Schedule I – Development Charge Reserve Fund Statement for 2011
Schedule II – Development Charge Project Financing Statement for 2011

"original signed by Mary E. Coggins"   "original signed by Susan Aram"
_____   _____

Prepared By: **Recommended By:**
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City of Guelph
Development Charge Reserve Funds
Treasurer's Statement
for the Year Ending December 31, 2011

Category	Non-Discounted Services						Discounted Services								Total
Service	Water Services	Wastewater Services	Stormwater Drainage and Controls Services	Roads and Related Services	Fire Protection Services	Police Services	Library Services	Recreation	Parks Services	Transit	Administration	Ambulance Services	Municipal Court	Municipal Parking Spaces	Non-Discounted Services and Discounted Services
Components / Description	Treatment plants and storage, distribution systems	Treatment plant, sewers		Roads and signals, public works rolling stock	Fire stations, fire vehicles, small equipment and gear	Police detachments, small equipment and gear	Public library space, library materials	Recreaion facilities, recreation vehicles and equipment	Parkland development, amenities, trails, parks vehicles and equipment	Transit vehicles, transit facilities, other transit infrastructure	Studies	Ambulance facilities, vehicles	Facility space	
Opening Balance January 1	2,185,485	925,093	(529,903)	2,665,533	(1,343,994)	(25,263)	546,105	6,779,724	4,716,585	(1,250,065)	1,228,007	(1,015,363)	20,259	1,942,885	16,845,088
Charges Collected	5,430,236	4,515,328	122,460	2,023,833	167,077	168,152	201,618	832,927	1,063,501	414,017	130,687	11,672	9,978	390,645	15,482,129
Late Payment Receivable	62,004	51,692	1,743	29,167	1,782	1,941	356	1,545	1,928	5,915	1,347	158	145	5,453	165,177
Debt Issue															0
Interest Earned	78,804	61,367		25,043			15,006	143,600	103,622		31,502		643	53,721	513,309
Interest Allocated re Late Payments	2,697	4,521	297	8,265	410	599	815	3,971	3,927	1,111	99	20		707	27,438
Transfers In	5,573,740	4,632,908	124,499	2,086,307	169,269	170,693	217,795	982,043	1,172,978	421,043	163,635	11,850	10,766	450,525	16,188,052
Project Financing	(2,599,749)	(457,785)	(323,500)	(4,277,707)	(41,400)	(447,700)	(51,500)	(2,800,000)	(2,045,436)	(31,838)	(103,437)	(226,300)			(13,406,352)
Debt Charges - Principal	(575,636)	(529,055)		(168,872)	(85,947)	(275,935)									(1,635,445)
Debt Charges - Interest	(224,190)	(206,048)		(65,770)	(33,473)	(107,467)									(636,949)
Transfer to Other Fund				(234,600)											(234,600)
Interest to Other Funds			(16,337)		(34,529)	(9,669)					(28,046)	(28,592)			(117,173)
Transfers Out	(3,399,576)	(1,192,888)	(339,837)	(4,746,948)	(195,349)	(840,771)	(51,500)	(2,800,000)	(2,045,436)	(59,884)	(103,437)	(254,892)	0	0	(16,030,519)
Closing Balance December 31	4,359,649	4,365,113	(745,241)	4,892	(1,370,074)	(695,342)	712,400	4,961,767	3,844,127	(888,906)	1,288,205	(1,258,405)	31,025	2,393,410	17,002,621
Less: Commitment Not Yet Spent	(4,501,531)	(4,343,740)	(1,248,600)	(4,708,805)	(28,600)		(36,000)		(1,763,419)	(187,700)	(521,630)				(17,340,025)
Closing Balance Not Yet Committed	(141,882)	21,373	(1,993,841)	(4,703,913)	(1,398,674)	(695,342)	676,400	4,961,767	2,080,708	(1,076,606)	766,575	(1,258,405)	31,025	2,393,410	(337,404)

Development Charge Exemptions
for the Year Ending December 31, 2011

Service	Water Services	Wastewater Services	Stormwater Drainage and Controls Services	Roads and Related Services	Fire Protection Services	Police Services	Library Services	Recreation	Parks Services	Transit	Administration	Ambulance Services	Municipal Court	Municipal Parking Spaces	Total
Industrial Building Enlargement	329,114	274,420	5,389	90,381	10,342	11,288	1,092	4,734	5,972	18,280	7,866	510	437	16,896	776,722
Industrial/Computer/Research Phasing	778,189	648,864	12,743	213,705	24,453	26,692	2,583	11,193	14,121	43,223	18,598	1,205	1,033	39,951	1,836,553
Total	1,107,303	923,284	18,132	304,086	34,795	37,980	3,675	15,927	20,093	61,503	26,464	1,715	1,470	56,848	2,613,275

City of Guelph
Development Charge Project Financing
Treasurer's Statement
for the Year Ending December 31, 2011

Project Number	Project Name	Financing from Development Charges	Capital Grants, Subsidies and Other Contributions	Tax or Rate Supported Financing	Total Current Financing	Debt Payments from Development Charges
Water Services						
WD0005	WI6 Speedvale: Watson to Westmount	146,161		146,161	292,322	
WD0006	WI8 Watson: Eastview to Speedvale	182,620		182,620	365,240	
WD0012	WI-1 Clair: Crawley to Gordon	874,611			874,611	
WT0001	Arkell Spring Grounds	128,900			128,900	
WW0016	Arkell Spring Grounds	316,700			316,700	377,117
WW0046	New Supply	472,700			472,700	125,706
WW0052	Laird Road - Hanlon Crossing					70,735
WW0070	Gordon: Clair to Maltby	7,620			7,620	
WW0082	WI2 Scout Camp Aquaduct Tie-In	12,300			12,300	226,270
WW0099	WF2 Verney / Clair Control Upgrade	26,700		6,700	33,400	
WW0105	WS1-7 Masterplan Studies	77,100		34,000	111,100	
WW0106	Conservation & Efficiency	268,669			268,669	
WW0120	ISF Intersection: Speedvale & Stevenson	(1,232)	12,609	(9,978)	1,399	
WW0142	Arkell New Well Construction	86,900			86,900	
Total	**Water Services**	**2,599,749**	**12,609**	**359,503**	**2,971,861**	**799,827**
Wastewater Services						
SC0018	WWI12 Siphon Improvements	8,100		8,100	16,200	
ST0002	WWTP - Upgrades & Studies	3,400		10,200	13,600	
ST0005	WWTP Upgrades	31,100		93,300	124,400	
ST0006	SCADA Upgrades	4,500		13,600	18,100	
ST0007	WWTP Admin Building Upgrades	50,015		50,015	100,030	
WS0021	Plant Re-Rating Phosphate Reduction	17			17	
WS0024	WWTP - Upgrades & Studies	(58,943)		(17,170)	(76,113)	
WS0035	WWTP Biosolids Facility Upgrade	7,297		44,756	52,053	735,103
WS0036	WWTP Phase 2 Expansion	38,954			38,954	
WS0037	WWTP Upgrades	73,998		150,371	224,369	
WS0038	SCADA Upgrades	22,810		25,013	47,823	
WS0085	WWI1 York: Hanlon to Victoria	44,600		168,300	212,900	
WS0104	WWS2 Area I & I Studies	19,400		19,400	38,800	
WS0110	EPO Officers Garage	1,700		4,100	5,800	
WS0111	Chemical Storage & Sampler Building	8,700			8,700	
WS0122	ISF Stevenson: York to Elizabeth	(2,863)	66,572	(14,900)	48,808	
WS0145	Building Expansion - WWTP	205,000		1,233,400	1,438,400	
Total	**Wastewater Services**	**457,785**	**66,572**	**1,788,486**	**2,312,843**	**735,103**
Stormwater Drainage and Controls Services						
SW0033	Storm Water Master Plan	170,000			170,000	
SW0066	Stormwater Drainage Oversizing	153,500			153,500	
Total	**Stormwater Drainage and Controls Services**	**323,500**			**323,500**	

Project Number	Project Name	Financing from Development Charges	Capital Grants, Subsidies and Other Contributions	Tax or Rate Supported Financing	Total Current Financing	Debt Payments from Development Charges
Roads and Related Services						
GG0016	Civic Administration Building	2,292,000			2,292,000	
RD0072	ISF Intersection: Victoria & Woodlawn	30,923	126,394	(38,389)	118,928	
RD0076	ISF Intersection: Victoria & Eastview	7,100	7,229	3,599	17,928	
RD0078	Victoria: Stone to Arkell	44,500		48,200	92,700	
RD0122	Eastview: Starwood to Watson	636,540		273,169	909,709	
RD0141	Arkell: Gordon to Victoria	374,000		40,600	414,600	
RD0164	ISF Transit Terminal Road	61	5,418,222	1,074,520	6,492,802	234,642
RD0173	ISF Intersection: Eramosa & Delhi	(2,175)	22,483	(11,334)	8,974	
RD0205	ISF Wyndham: Wellington to Carden	560,235	4,292,298	699,206	5,551,739	
RD0248	ISF Maltby: Hanlon to Gordon	122,600	281,679	75,694	479,973	
RD0249	Hanlon Creek Roads	74,001			74,001	
RD0273	Silvercreek Parkway CN Separation	84,822		36,367	121,189	
TF0002	New Signal Installation 2011	53,100		5,900	59,000	
Total	**Roads and Related Services**	**4,277,707**	**10,148,304**	**2,207,533**	**16,633,544**	**234,642**
Fire Protection Services						
FS0010	South End Fire Hall Development					119,420
FS0025	New Equipment SEES	41,400			41,400	
Total	**Fire Protection Services**	**41,400**			**41,400**	**119,420**
Police Services						
PS0005	South End Joint Facility	447,700		119,170	566,870	383,402
Total	**Police Services**	**447,700**		**119,170**	**566,870**	**383,402**
Library Services						
LB0016	Main Library Functional Plan	51,500		51,500	103,000	
Total	**Library Services**	**51,500**		**51,500**	**103,000**	
Recreation						
GG0016	Civic Administration Building	2,800,000			2,800,000	
Total	**Recreation**	**2,800,000**			**2,800,000**	
Parks Services						
PK0003	Castlebury Development	37,400		4,200	41,600	
PK0006	Northern Heights Community Park	9,000		1,000	10,000	
PK0014	Eastview Community Park	139,300		15,500	154,800	
PK0017	Linke Neighbourhood Park	291,200		32,400	323,600	
PO0011	Park Equipment 2011	23,000		2,600	25,600	
RP0008	Guelph Trails	367,805		35,763	403,568	
RP0086	Northern Heights Community Park	31,500		3,500	35,000	
RP0089	Joe Veroni Park	19,530		2,170	21,700	
RP0092	Arkell: Terra View Development	8		12	20	
RP0148	York Road Park	8,491		943	9,434	
RP0200	Parks Equipment 2006	7,181		798	7,979	
RP0209	St. Patrick Improvements	4		2	6	
RP0227	Eastview Community Park	980,400		109,000	1,089,400	
RP0252	Eastview - Northeast Trail	9,200		9,800	19,000	
RP0255	Edinburgh Road Greening	16,117		1,802	17,919	
RP0338	Westminister Woods	61,600		6,900	68,500	
RP0459	South End Splash Pad	43,700		4,300	48,000	
Total	**Parks Services**	**2,045,436**		**230,690**	**2,276,126**	
Transit						
TR0055	New Passenger Mini-Van	31,838		3,538	35,376	
Total	**Transit**	**31,838**		**3,538**	**35,376**	

Project Number	Project Name	Financing from Development Charges	Capital Grants, Subsidies and Other Contributions	Tax or Rate Supported Financing	Total Current Financing	Debt Payments from Development Charges
Administration						
GG0018	DC Study 2007	21,464		62,215	83,679	
PL0006	Growth Management	15,500		6,400	21,900	
PL0007	Brownfield Initiatives	3,205		2,665	5,870	
PL0017	York Business District / ORC Land Study	26,300		3,100	29,400	
PL0028	Community Energy Plan	900		(10,300)	(9,400)	
PL0035	Urban Growth Centre Plan	11,000		7,948	18,948	
RP0432	Guelph Investment Program Strategy	17,000		20,800	37,800	
RP0434	Neighbourhood Development Long=Term Strategy	8,068		4,738	12,806	
Total	**Administration**	**103,437**		**97,566**	**201,003**	
Ambulance Services						
FS0021	South End Land Ambulance Development	226,300	19,641		245,941	
Total	**Ambulance Services**	**226,300**	**19,641**		**245,941**	

COMMITTEE REPORT

CITY OF **Guelph**
Making a Difference

TO	**Corporate Administration, Finance and Enterprise**
SERVICE AREA	Finance
DATE	May 14, 2012
SUBJECT	**Capital Budget Monitoring, Q1 2012**
REPORT NUMBER	FIN – 12-24

SUMMARY

Purpose of Report:
- To provide an update on all open Capital Projects
- Summary of Projects not yet Started
- Summary of over budget projects

Committee Action:
Review and approve the report entitled "Capital Budget Monitoring, Q1 2012"

RECOMMENDATION
THAT the Finance report dated May 14, 2012 entitled "Capital Budget Monitoring, Q1 2012" be approved.

BACKGROUND
In 2009, accounting standards and financial reporting requirements changed dramatically, with the most significant change being that municipalities were required to report on their tangible capital assets. As a result of this accounting requirement, staff have developed an accurate and accessible inventory of City assets by closely monitoring and managing approved capital projects.

REPORT
Throughout 2011, Finance worked with City departments to update the status of all active capital projects as well as collect information related to the anticipated completion date. This information allows for more accurate financial reporting and asset management, as well as contributes to better cash flow modeling that can lead to improved investment opportunities. In 2012 Finance will continue to refine and improve the Capital Budget monitoring and reporting process.

Principles of Good Capital Project Management

- Responsibility to overall City budget
- Transparency & timeliness of information
- Effective use of City funds
- Delivery of expected outcome

Below are four key metrics for monitoring capital projects in light of these principles.

Timeliness of Completion

Timeliness of completion is important in that many capital projects have a disruptive impact on the citizens of the City, ensuring that the project is completed as quickly as possible and on time ensures that these disruptions are minimized. Other impacts from delay of completion of projects can be, increase in costs, diminished value to citizens, change in needs or direction of the City making projects obsolete prior to full use.

Timeliness of Initiation

Timeliness of initiation is an important aspect of capital project management as it ensures that committed resources are put to use as planned and that expected benefits are realized within the expected time frame. Council approves projects based on their importance to the City as a whole and their relative priority amongst competing projects, unnecessary delays in beginning projects ties up resources that could be used for projects which are ready to proceed but not yet approved. In addition citizens expect the resources entrusted to the City will be actively used to provide benefits to them, projects not commenced as planned prevent this.

Schedule "A" provides a high level summary as of March 31, 2012 of all open capital projects organized by department. As of March 31st there were 384 open projects. Many of these projects are carried over from 2011, 65 of the 157 projects are new for 2012. Currently these projects have spent 79% of the prior approved funding and 60% of total approved funding.

Schedule "B" provides a summary of the projects which have been approved in 2011 or prior Capital budgets and have had no activity as of March 31st. There are 45 projects in this group with an approved budget of $8.67 million. This compares favourably to December 31st when there were 86 projects and $15.36 million in approved budget. This represents less than 1% of the approved budget currently active.

Closing of Projects

Once completed it is important that capital projects are quickly closed to allow for final accounting. Final accounting allows for the recognition of capital assets for PSAB3150 (Public Sector Accounting Board – Tangible Capital Assets Standard) purposes as well as identification of unused funding. Capture of capital assets for PSAB3150 purposes allows the City to actively manage its assets and ensure that proper planning is being done for maintenance and repair of these assets once they are in service. The identification of unused funding allows the City to potentially move forward other priority projects which have been delayed due to funding restraints. In addition the closing of projects with unused debt funding reduces our debt ratios, putting us in a better financial position.

No capital projects have been closed in the January to March 2012 period due to the extensive effort in closing projects for year end. It is expected that the next quarter will see a number of projects come to an end.

Identification of Over Budget Projects

Over spending on capital projects can have an impact on both the capital reserves and operating budgets depending on the scale of the overage. It is anticipated that a small number of projects will end up over budget due to unforeseen circumstances. Identifying projects that are expected to go over budget early is imperative in managing the risk. Identification allows for analysis of alternatives such as reduction in scope of project, reallocation of funding from another project or use of surpluses from recently completed projects.

Schedule "C" provides a high level summary of overspent budgets by department. Finance has actively worked with the Project Managers and their departments to identify solutions for these projects. It is expected that all projects will be funded from unused funding from other approved projects. There are 44 projects which were over budget as at March 31, 2012 compared to 32 at December 31st 2012. While the number of projects has increased the amount over budget has stayed consistent.

CORPORATE STRATEGIC PLAN
5.5 – A high credit rating and strong financial position

FINANCIAL IMPLICATIONS
Ongoing monitoring of the capital work-in-progress accounts is a very important function as capital expenditures represent a large portion 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.

DEPARTMENTAL CONSULTATION
The responsibility 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
Schedule "B" Summary of Projects not yet Started
Schedule "C" Summary of Overspent Projects

"original signed by Greg Clark"   "original signed by Susan Aram"
_____   _____
Prepared By: **Recommended By:**
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Summary of All Open Capital Projects

Tax Supported Projects	Total # of Open Projects	Total Prior Approved Funding	2012 Budget	Total Approved Funding	Total Expenditure to Date	% Spent
PLANNING & BUILDING, ENVIRONMENT & ENGINEERING						
Planning	6	151,550	916,900	1,068,450	180,734	17%
Policy Planning Growth	10	2,592,190	-	2,592,190	2,108,843	81%
Roads	48	58,516,568	7,096,600	65,613,168	48,410,033	74%
Solid Waste	16	40,879,100	1,710,900	42,590,000	37,682,651	88%
Storm Water	17	5,191,545	1,075,000	6,266,545	2,870,250	46%
Transportation Planning	1	170,000	-	170,000	137,267	81%
	98	**107,500,953**	**10,799,400**	**118,300,353**	**91,389,778**	**77%**
OPERATIONS & TRANSIT						
Fire & Ambulance	15	3,464,480	907,800	4,372,280	4,003,770	92%
Fleet	4	2,332,624	380,000	2,712,624	1,340,296	49%
Parking	9	1,506,500	-	1,506,500	341,367	23%
Roadside Operations	2	135,000	-	135,000	-	0%
Traffic Signals	1	20,660	102,000	122,660	907	1%
Transit	17	7,280,000	16,624,000	23,904,000	2,581,261	11%
	48	**14,739,264**	**18,013,800**	**32,753,064**	**8,267,602**	**25%**
COMMUNITY & SOCIAL SERVICES						
Community Engagement	1	100,300	-	100,300	84,540	84%
Corporate Building Maintenance	32	23,995,966	22,305,800	46,301,766	14,834,900	32%
Culture & Tourism	4	17,155,792	3,710,000	20,865,792	13,777,690	66%
Park Operations	13	769,568	-	769,568	536,127	70%
Park Planning	14	7,908,853	-	7,908,853	6,737,413	85%
Parks & Rec	13	170,901	2,849,900	3,020,801	340,749	11%
	77	**50,101,380**	**28,865,700**	**78,967,080**	**36,311,418**	**46%**
CORPORATE & HR						
IT	15	2,098,800	4,678,500	6,777,300	1,845,171	27%
POA	2	459,598	379,000	838,598	37	0%
	17	**2,558,398**	**5,057,500**	**7,615,898**	**1,845,208**	**24%**
FINANCE & ENTERPRISE						
Community Energy	1	28,800	20,000	48,800	2,986	6%
Downtown Renewal	2	2,436,300	1,534,600	3,970,900	157,637	4%
Economic Development	4	7,797,447	820,000	8,617,447	10,438,492	121%
Finance	6	2,529,600	360,300	2,889,900	2,174,869	75%
	13	**12,792,147**	**2,734,900**	**15,527,047**	**12,773,985**	**82%**
ISF & RinC						
Roads	3	22,083,541	-	22,083,541	22,009,212	100%
Wastewater	2	1,723,040	-	1,723,040	1,191,167	69%
Water Services	2	1,612,180	-	1,612,180	1,275,835	79%
	7	**25,418,761**	**-**	**25,418,761**	**24,476,214**	**96%**
BOARDS						
Library	6	595,720	531,000	1,126,720	141,055	13%
Police	13	6,187,957	4,057,100	10,245,057	3,760,168	37%
	19	**6,783,677**	**4,588,100**	**11,371,777**	**3,901,223**	**34%**
Total Tax Supported	**279**	**219,894,580**	**70,059,400**	**289,953,980**	**178,965,427**	**62%**
User Pay						
Wastewater	59	22,181,195	9,527,900	31,709,095	15,276,765	48%
Water Services	46	49,396,432	14,055,800	63,452,232	35,912,155	57%
User Pay Total	**105**	**71,577,627**	**23,583,700**	**95,161,327**	**51,188,920**	**54%**
Grand Total	**384**	**291,472,207**	**93,643,100**	**385,115,307**	**230,154,347**	**60%**

Note: The budget for the ISF Roads projects includes additional funding from the City ISF contingency and Metrolinx

Schedule B: FIN12-24
Summary of Projects not yet Started

Tax Supported Projects	Total # of Open Projects	# of Projects not Started	Pre-2011 Approved Budget	2011 Approved Budget	Total Approved Budget	% of Total Department Budget
PLANNING & BUILDING, ENVIRONMENT & ENGINEERING						
Policy Planning Growth	10	1	80,000	-	80,000	3%
Roads	48	3	175,000	200,000	375,000	1%
Solid Waste	16	4	300,000	297,500	597,500	1%
Storm Water	17	1	195,000	1,048,000	1,243,000	20%
	91	**9**	**750,000**	**1,545,500**	**2,295,500**	**2%**
OPERATIONS & TRANSIT						
Fleet	4	1	-	100,000	100,000	4%
Parking	9	7	165,000	1,177,000	1,342,000	89%
Roadside Operations	2	2	-	135,000	135,000	100%
Transit	17	2	220,000	47,000	267,000	34%
	32	**12**	**385,000**	**1,459,000**	**1,844,000**	**6%**
COMMUNITY & SOCIAL SERVICES						
Corporate Building Maintenance	32	6	63,000	453,863	516,863	1%
Park Operations	13	2	17,000	-	17,000	2%
Park Planning	14	2	25,000	100,000	125,000	2%
Parks & Rec	13	1	-	10,000	10,000	0%
	72	**11**	**105,000**	**563,863**	**668,863**	**1%**
FINANCE & ENTERPRISE						
Economic Development	4	1	-	50,000	50,000	1%
	4	**1**	**-**	**50,000**	**50,000**	**0%**
BOARDS						
Police	13	1	164,900	-	164,900	2%
	13	**1**	**164,900**	**-**	**164,900**	**2%**
Total Tax Supported	**212**	**34**	**1,404,900**	**3,618,363**	**5,023,263**	**2%**
User Pay						
Wastewater	59	5	450,000	1,290,900	1,740,900	5%
Water Services	46	6	583,210	1,320,000	1,903,210	3%
User Pay Total	**105**	**11**	**1,033,210**	**2,610,900**	**3,644,110**	**4%**
Grand Total	**317**	**45**	**2,438,110**	**6,229,263**	**8,667,373**	**0%**

Schedule C: FIN 12-24
Summary of Overspent Budgets

Tax Supported Projects	# of Projects	Total Approved Funding	Total Expenditure as of 31-Mar-12	Over Budget Amount	Unspent Budget in Other Projects
PLANNING & BUILDING, ENVIRONMENT & ENGINEERING					
Policy Planning Growth	2	553,000	577,570	(24,570)	499,561
Roads	9	15,861,382	16,132,147	(270,765)	8,836,938
Solid Waste	1	200,000	203,398	(3,398)	4,719,302
	12	**16,614,382**	**16,913,115**	**(298,733)**	**14,055,800**
OPERATIONS & TRANSIT					
Fire & Ambulance	3	258,500	353,841	(95,341)	1,480,443
Parking	2	140,000	142,346	(2,346)	1,165,582
Transit	4	564,000	637,608	(73,608)	522,410
	9	**962,500**	**1,133,795**	**(171,295)**	**3,168,435**
COMMUNITY & SOCIAL SERVICES					
Park Planning	2	530,500	532,071	(1,571)	1,243,667
Parks & Rec	1	10,000	10,648	(648)	3,464,637
	3	**540,500**	**542,719**	**(2,219)**	**4,708,305**
Tax Supported Total	**24**	**18,117,382**	**18,589,629**	**(472,247)**	**21,932,540**
USER PAY					
Wastewater	9	2,809,586	3,246,604	(437,018)	24,491,013
Water Services	11	5,333,963	5,573,160	(239,197)	30,559,435
User Pay Total	**20**	**8,143,549**	**8,819,764**	**(676,215)**	**55,050,448**
Grand Total	**44**	**26,260,931**	**27,409,393**	**(1,148,462)**	**76,982,988**

Note: The above overages will be covered via budget reallocations from other approved projects through discussions with the appropriate Project Managers. Unspent budget amount shown may not all be similar funding to overspent projects.

COMMITTEE REPORT

CITY OF Guelph
Making a Difference

TO | **CAFES**

SERVICE AREA | Finance
DATE | May 14, 2012

SUBJECT | **March 2012 Operating Variance Report**

REPORT NUMBER | FIN-12-23

SUMMARY

Purpose of Report:
The purpose of this report is to provide a high level overview of the expected year end position for the Tax Supported and Enterprise Funded operating budgets.

Council Action:
THAT the Finance report dated May 14, 2012 entitled "March 2012 Operating Variance Report" be received for information purposes.

RECOMENDATION
THAT the Finance report dated May 14, 2012 entitled "March 2012 Operating Variance Report" be received for information purposes.

SUMMARY
Once the Annual Budget is produced, actual expenditures are monitored and compared against budget. While some differences are expected, variances should not be considerably above or below budget. Expenditures which are tracking close to budget indicate strong financial stewardship and a solid budget process.

Departments were provided with current expenditures for the month ending March 31, 2012 and asked to provide year end projections based on this information. Although it is difficult early in the year to forecast the year end position, there may be circumstances or trends which indicate that mitigation measures are required. The chart that follows gives a high level indication of the 2012 projected year end operating variance:

	Projected Variance at Dec 31, 2012 ($)	Projected Variance at Dec 31, 2012 (%)	
Total City Departments	$ (709,000)	(1.0%)	Favourable
Total Tax Supported	$ (734,000)	(0.5%)	Favourable
Total Enterprise Budgets	$ -	0.0%	No Variance

**brackets indicate a favourable variance

CITY OF GUELPH COMMITTEE REPORT

Currently, the overall tax supported operating variance for 2012 is anticipated to be within 1% of the net tax levy. For the Enterprise Budgets, there have been no trends to indicate a significant year end deviation from budget.

BACKGROUND
The chart that follows provides a summary of the preliminary year end variance position (brackets indicate a favourable variance):

	Total Annual Budget for Year 2012 ($)	Projected Variance at Dec 31, 2012 ($)	Projected Variance at Dec 31, 2012 (%)	Favourable / Unfavourable
Tax Supported				
City Departments	$ 91,140,000	$ 291,000	0.3%	Unfavourable
General Expenses and Capital Financing	$ 31,585,000	$ -	0.0%	-
Sub-Total City Departments and Financing	$ 122,725,000	$ 291,000	0.2%	Unfavourable
Local Boards	$ 40,670,000	$ (25,000)	(0.1%)	Favourable
Grants, Outside Boards and Agencies	$ 27,601,000	$ -	0.0%	-
Total Local and External Boards	$ 68,271,000	$ (25,000)	(0.0%)	Favourable
General Revenues	$ (190,996,000)	$ (1,000,000)	(0.5%)	Favourable
Total Tax Supported	**$ -**	**$ (734,000)**	**(0.4%)**	**Favourable**
Enterprise Budgets				
Water	$ (21,232,000)	$ -	0.0%	-
Wastewater	$ (24,594,000)	$ -	0.0%	-
OBC	$ (2,400,000)	$ -	0.0%	-
Court Services	$ (2,419,000)	$ -	0.0%	-
Total Enterprise Budgets	**$ (50,645,000)**	**$ -**	**0.0%**	**-**

**brackets indicate a favourable variance

Tax supported areas are projecting a net favourable variance of $734,000. Of this, the City Departments are projecting a net unfavourable variance of $291,000 and General Revenues are projecting a one-time $1,000,000 favorable variance due to change in timing of dividend payments from Guelph Municipal Holdings Inc.

Local Boards which include Police and Library have forecast a positive variance of $25,000.

The outside boards, shared services, social housing and child care assistance have not projected a year end variance for 2012 but a variance report will be released by the County in June and will be incorporated in the interim variance report in August.

The Enterprise funded budgets are not currently expecting any significant deviation from budget based on current trends.

REPORT
Staff have examined actual expenditures as of March 31, 2012 and compared them to the Council approved operating budget. It should be noted that it is difficult to forecast variances early in the year and projections are subject to change based on improved financial information throughout the year. We currently project the following year end variances:

TAX SUPPORTED
Overall, the Tax Supported Area is projecting a favourable variance of $734,000

CAO
- The CAO Office is tracking close to budget and not currently projecting any significant variance for the end of the year.

Operations, Transit & Emergency Services
- The net projected variance for Operations, Transit and Emergency services is a favourable $253,000 due primarily to the mild winter leading to much lower than expected winter control costs of approximately $700,000. This is offset by a projected unfavorable variance in transit of $450,000 due to much higher than budgeted fuel costs. Approximately 1/3 of the fuel variance is due to higher than expected fuel price with approximately 2/3 related to higher than anticipated fuel consumption.

Planning & Building, Engineering & Environmental Services
- This area is not currently expecting any significant deviations from budget by the end of 2012. Current year to date variances from higher than expected planning applications are expected to stabilize by year end.

Community & Social Services
- Community and Social Services are currently projecting a $44,000 unfavourable variance. This is not a significant variance as it is within 0.3% of budget and is primarily due to compressor repair and pool painting for the West End Recreation Centre as well as increased postage use.

Corporate and Human Resources
- Corporate and Human Resources are currently projecting a negative variance of $500,000 for the end of the year primarily related to OMB and other litigation costs. These costs have historically been funded from reserves. Other Corporate and Human Resources departments are currently experiencing slight variances but are expected to be on budget by year end.

Local Boards
- Library expects a $25,000 favourable variance due to CSIF funding received in 2012 for the Guelph Discovery Portal Project.

- Police are not forecasting any year end variance at this point. Current positive variances are due to the timing of grant and secondment recoveries as well as position vacancies and uniform purchases that are expected to be corrected by year end.

Outside Boards & Agencies
- Outside boards, grants and agencies are currently not projecting any significant deviation from budget for year end. Ontario Works is currently experiencing some savings early in the year but forecast year end surpluses will not be as significant as in previous years.
- In 2012 there was a final settlement of the ongoing litigation of the Wellington Terrace requiring payments exceeding the 2012 budgeted amounts and remaining provision in the amount of approximately $900,000 and will be funded from reserves.

General Revenues
- There is projected to be a one-time $1,000,000 favorable variance due to the change in timing of dividend revenue from Guelph Municipal Holdings Inc. The dividend will now be declared and paid quarterly starting in April 2012 rather than annually.   Due to this change, we will receive a 2011 based annual dividend revenue as budgeted and additional quarterly dividend income for 2012 resulting in a one time surplus.
- Historically hydro dividend income is transferred to the infrastructure renewal reserve fund to address capital funding needs; however, as this is a one-time source of revenue, additional collaboration and analysis will be needed to identify the priority use of these funds.

ENTERPRISE
Overall, the Enterprise budgets are not expecting any significant year end variances. Water and wastewater consumption levels are difficult to predict particularly on the non-residential side and this volatility makes forecasting the year end position difficult.

Water Works
- Water is not currently projecting a year end variance. Water revenue is currently tracking slightly above forecast due to the fluctuations of water consumption but are not expecting a variance for year end. Operating expenses are slightly above forecast but are expected to smooth by year end.

Wastewater
- Wastewater is not currently projecting a year end variance. Wastewater revenues are tracking slightly above budget but are expected to come in close to budget by year end. Staffing vacancies and timing of funding of capital projects

are causing a cost related variance but these are expected to be corrected by year end.

Ontario Building Code
- OBC is not currently projecting any significant year end variance.

Court Services
- Courts are not currently projecting any significant year end variance.

IDENTIFIED CORPORATE RISK AREAS
The following key risk areas have been identified corporately as having a possible negative impact on the 2012 operating results.

Fuel Costs
Significant projected negative variances have been identified due to higher than budgeted fuel costs. The first quarter fuel variance currently stands at $140,000 with a projected year impact (assuming a linear projection) of $560,000. Of this amount, the vast majority ($450,000) is attributable to transit, with approximately 1/3 of the transit variance related to increases in price and 2/3 related to higher than budgeted usage volumes. The remaining negative variance attributable to other city departments is offset by fuel consumption savings in the winter control area due to the mild winter.

Legal Costs
The city is facing a significant potential liability related to ongoing litigation. This expense is not currently incorporated into the operating budget and has historically been funded from the OMB and Other Litigation Reserve. As of Mar 2012, the balance on this reserve is insufficient to cover these projected expenses. Increased funding of this reserve is recommended to mitigate this risk.

CORPORATE STRATEGIC PLAN
Monitoring of the variance report and mitigation of any negative variances will assist in achieving *Strategic Objective 5.5 – A high credit rating and strong financial position.*

FINANCIAL IMPLICATIONS
Favourable year-end variances have historically been transferred to the appropriate Tax or User Pay rate stabilization reserves and capital reserve funds. Unfavorable variances will be addressed through mitigation measures as necessary.

DEPARTMENTAL CONSULTATION/CONCURRENCE
Departments must manage their programs according to municipal standards and within the approved budget. The responsibility of monitoring the operating budget is shared by Finance and the Departments managing their programs. Department managers were provided financial information based on expenditures to March 31,

2012 and provided projections based on available information in consultation with Finance.

COMMUNICATIONS
Operating variance reports are prepared periodically for Council to monitor projections for year-end variances and to compare actual results against budget. Finance and Executive Team have committed to producing five operating variance reports for the year. This is the first operating variance report for 2012.

ATTACHMENTS
Appendix 1 – Operating Budget Variance Mar 31, 2012 – Department Summary

"original signed by Colm Lynn"   "original signed by Susan Aram"

_____   _____
Prepared By: **Recommended By:**
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Appendix 1
Operating Budget Variance based on Mar 31, 2012
City of Guelph: Departmental Summary

	Total Annual Budget for Year 2012 ($)	Projected Variance at Dec 31, 2012 ($)	Projected Variance at Dec 31, 2012 (%)	Comments
TAX SUPPORTED				
City Departments				
CAO - ADMINISTRATION	$ 1,632,000	$ -	0.0%	No year end variance projected
OPERATIONS & TRANSIT	$ 48,442,000	$ (253,000)	(0.5%)	$700k favorable variance due to lower winter control costs. $450k unfavourable variance for transit due to higher fuel costs.
PLANNING, BUILDING, ENGINEERING & ENVIRONMENTAL SERVICES	$ 13,511,000	$ -	0.0%	No year end variance projected
COMMUNITY & SOCIAL SERVICES	$ 14,784,000	$ 44,000	0.3%	Unfavourable variance projected due to costs at West End for compressor repair and pool painting. Postage volume is also higher than forecast.
CORPORATE & HUMAN RESOURCES	$ 8,557,000	$ 500,000	5.8%	Unfavourable variance due to OMB and other litigation costs projected for year end
FINANCE AND ENTERPRISE	$ 4,214,000	$ -	0.0%	No year end variance projected
TOTAL CITY DEPARTMENTS (excl Financing)	$ 91,140,000	$ 291,000	0.3%	
GENERAL EXPENSES AND CAPITAL FINANCING	$ 31,585,000	$ -	0.0%	No year end variance projected
TOTAL CITY DEPARTMENTS (incl Financing)	$ 122,725,000	$ 291,000	0.2%	
Local and Outside Boards				
LOCAL BOARDS	$ 40,670,000	$ (25,000)	(0.1%)	Unbudgeted library grant revenue received
OUTSIDE BOARDS & AGENCIES	$ 26,418,000	$ -	0.0%	No year end variance projected
GRANTS	$ 1,183,000	$ -	0.0%	No year end variance projected
Subtotal Grants, Local and Outside Boards & Agencies	$ 68,271,000	$ (25,000)	(0.0%)	
GENERAL REVENUES	$ (190,996,000)	$ (1,000,000)	(0.5%)	Change in timing of dividend revenue due to dividend policy change
TOTAL TAX SUPPORTED (incl Outside Boards, Grants and Financing)	$ -	$ (734,000)	(0.4%)	

**brackets indicate a favourable variance

Appendix 1
Operating Budget Variance based on Mar 31, 2012
City of Guelph: Departmental Summary

	Total Annual Budget for Year 2012 ($)	Projected Variance at Dec 31, 2012 ($)	Projected Variance at Dec 31, 2012 (%)	Comments
ENTERPRISE - USER PAY				
WATER WORKS REVENUE	$ (21,232,000)	$ -	0.0%	No year end variance projected
WATER WORKS EXPENSES	$ 21,232,000	$ -	0.0%	No year end variance projected
SUBTOTAL WATER WORKS	$ -	$ -	**0.0%**	
WASTEWATER REVENUE	$ (24,594,000)	$ -	0.0%	No year end variance projected
WASTEWATER EXPENSES	$ 24,594,000	$ -	0.0%	No year end variance projected
SUBTOTAL WASTEWATER	$ -	$ -	**0.0%**	
ONTARIO BUILDING CODE REVENUE	$ (2,400,000)	$ -	0.0%	No year end variance projected
ONTARIO BUILDING CODE EXPENSES	$ 2,400,000	$ -	0.0%	No year end variance projected
SUBTOTAL ONTARIO BUILDING CODE	$ -	$ -	**0.0%**	
COURT SERVICES REVENUE	$ (2,419,000)	$ -	0.0%	No year end variance projected
COURT SERVICES EXPENSES	$ 2,419,000	$ -	0.0%	No year end variance projected
SUBTOTAL COURT SERVICES	$ -	$ -	**0.0%**	
TOTAL ENTERPRISE / USER PAY	$ -	$ -	**0.0%**	

**brackets indicate a favourable variance