

# Special City Council Meeting Agenda



Wednesday, January 16, 2019 – 6:00 p.m.  
Council Chambers, Guelph City Hall, 1 Carden Street

**Consolidated as of January 11, 2019**

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**Open Meeting– 6:00 p.m.**

**Disclosure of Pecuniary Interest and General Nature Thereof**

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**Special Council - Presentation and Delegations for Capital Budget**

**CS-2019-02      2019-2028 Capital Budget and Forecast  
(presentation)**

**Presentation:**

Trevor Lee, Deputy CAO, Corporate Services  
Tara Baker, General Manager, Finance, City Treasurer  
Kealy Dedman, General Manager, Engineering and Transportation, City Engineer  
~~Daryush Esmaili, Manager, Corporate Asset and Project Management~~

**Delegations:**

Mike Darmon  
Yvette Tendick, Guelph Coalition for Active Transportation  
Susan Watson  
David Roewade, Executive Director, Yorklands Green Hub  
Norah Chaloner, Chair, Yorklands Green Hub

**Correspondence:**

Mike Darmon  
Steven Petric, Chair, Transit Action Alliance of Guelph

**Recommendation:**

1. That the following recommendations from Report CS-2019-02 titled 2019–2028 Capital Budget and Forecast be referred to January 30, 2019:
  - a. The 2019 Capital Budget in the gross amount of \$87,370,100 be approved;
  - b. The 2019 Capital Budget funding sources in the gross amount of \$87,370,100 be approved;
  - c. Debt be approved in the amount of \$5,366,000 for the specified capital projects;
  - d. The 2020-2028 Capital Forecast in the gross amount of \$1,662,473,240 be received for information.
  
2. That the following recommendations from Report CS-2019-02 titled 2019–2028 Capital Budget and Forecast be referred to **March 5, 2019:**
  - a. Any net new on-going dividend revenues from Alectra Inc. or Guelph Junction Railway be directed to the City's Infrastructure Renewal Reserve Fund until such time that sustainable tax supported capital funding levels are achieved.
  
3. That staff report back through the 2020 budget with a strategy to fund the tax supported cost of growth infrastructure resulting from the updated Development Charge Study.

**Adjournment**



# Agenda

## Developing the budget

- Capital Budget Steering Committee
- Funded 10-year budget and forecast
- One capital budget
- Sustainable funding assumptions
- Asset management principles

## Balancing need with available funding

- Infrastructure Renewal, Growth and City Building
- Reserve and reserve fund strategy
- Debt management strategy

## Programs of Work and operating impacts

## Reflections and lessons learned



# Developing the budget

Capital Budget Steering Committee mandate

- Propose to the Executive Team a funded 10-year capital budget and forecast based on asset management principles that meets the needs of our growing city

One funded 10-year capital budget and forecast

- All projects integrated into one document
- All funding sources
- One approval



# Developing the budget

## Sustainable funding assumptions

- The base tax and non-tax capital transfers increase annually with assessment/rate growth
- An accumulating, annual 1% dedicated infrastructure levy continues each year through to 2026
- Federal and provincial gas tax funding at announced levels
- The Council-approved allocation of the one-time dividend from the Guelph Hydro/Alectra Inc. merger
- Development charge revenue collection at 85% and 45% of the residential and non-residential forecast
- New parking revenues from the approved Parking Master Plan financial model



# Developing the budget

## Proposed funding assumptions

- Growth related tax increase of \$1,250,000 to be phased in over time beginning in 2020 to fund the tax cost of the 2018 DC Study
- All net new on-going dividend income from Alectra Inc. and Guelph Junction Railway be directed to the Capital Infrastructure Renewal Reserve Fund



# Developing the budget

## Asset management principles

- Infrastructure Renewal funding allocations based upon asset inventories and 100 year sustainable funding projections
- A program of work presentation that aligns with the Corporate Asset Management strategies
- Guelph as a leader in linking asset management to capital budgeting





# Developing the budget

Layering planned investment over asset condition projections

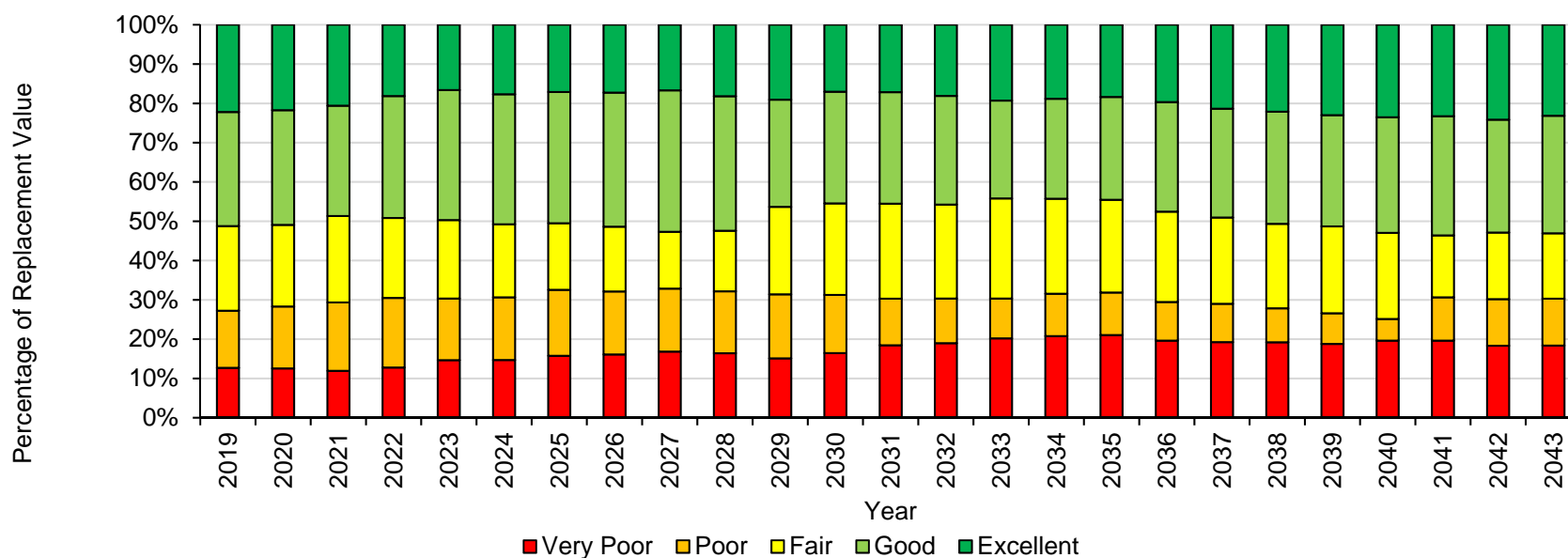
Asset service level forecasting

- Based on current asset conditions and expected replacement/renewal needs
  - Incorporates funding assumptions
  - Forecasts impact to assets ability to deliver service over time
  - Provides high level view of trend of service
- Asset Management and Finance continue to refine the data and assumptions to improve predictions



# Developing the budget

## City-wide asset service level forecasting



In Council capital report on pages 5 and 6

[Figure 1](#) – Tax supported assets

[Figure 2](#) – Non-tax supported assets



# Balancing need with available funding

Need can be categorized broadly:

- Infrastructure Renewal
- Growth
- City Building

Many projects have a mix of all three funding streams creating a very complex funding model



# Balancing need with available funding

## Infrastructure Renewal

- The most constrained tax source, refer to Figure 4 in the budget binder materials-Tab 2, page 12.
- Dedicated levy as primary strategy to address
- Non-tax rate increases over past decade
- Stormwater beginning on this path



# Balancing need with available funding

## City Building

- Technology and innovation
- Downtown urban design
- Accessibility improvements to corporate facilities
- Active Transportation Network, Cycling Master Plan and Guelph Trails Master Plan
- Projects built in excess of development charge restricted service standards
  - Main library
  - Transit



# Balancing need with available funding

## Growth

- Provincial Places to Grow targets and City Official Plan
  - Downtown Secondary Plan
  - Guelph Innovation District
  - Clair-Maltby Secondary Plan
- Development Charge Act
  - Limits cost recovery of growth
  - Exemptions
- There is a sustainable funding gap identified as a result of the 2018 DC Study



# Balancing need with available funding

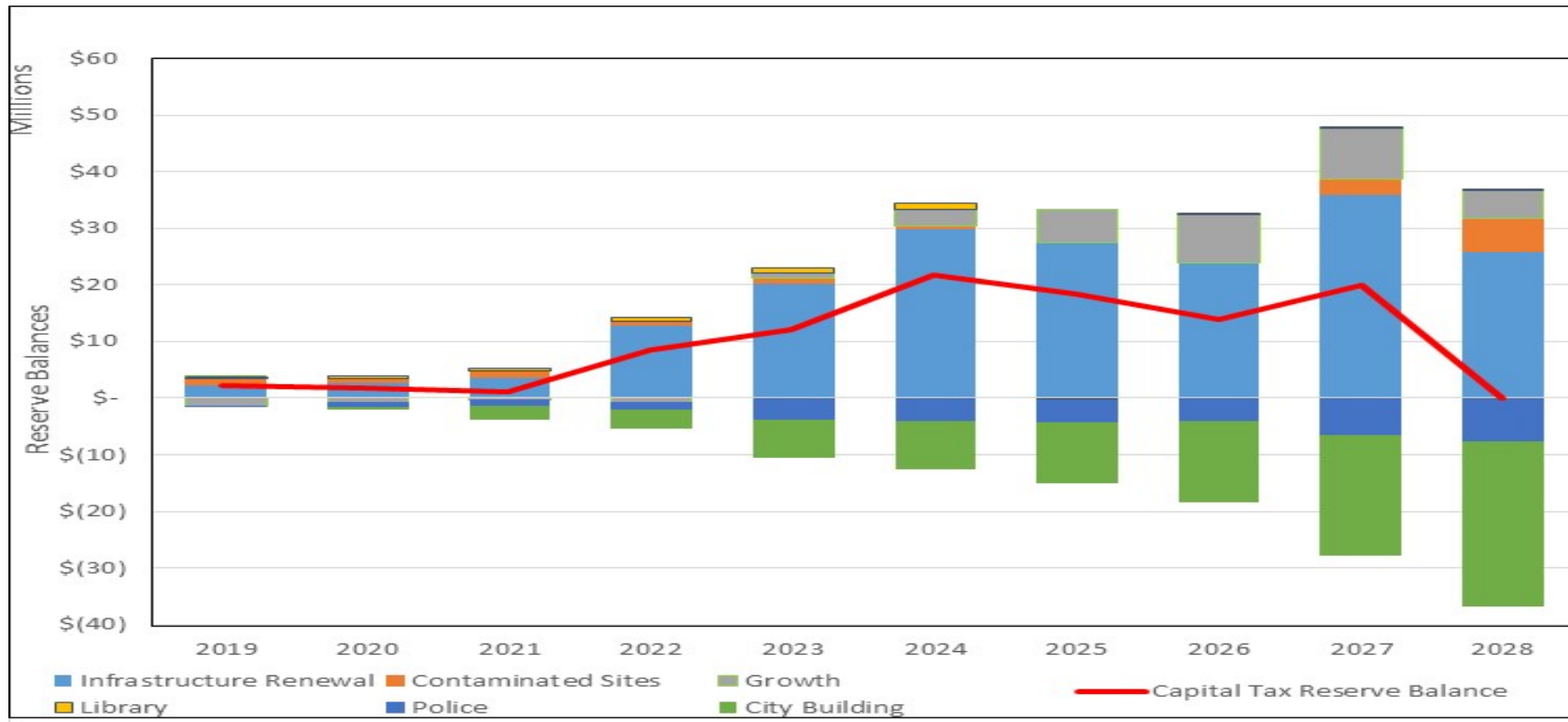
## Reserve and Reserve Fund Strategy

- Tax and non-tax have separate, yet integrated strategies
- City building commitments are in excess of revenue assumptions and borrowing from Infrastructure Renewal
- Long-term DC Reserve Fund projections have indicated timing challenges; alignment of revenue collection with growth projects is required
- Long-term forecasting mitigates tax and rate spikes in years when large capital infrastructure is due for renewal
- Bold, forward-looking decisions are required to protect the future tax/rate payer



# Balancing need with available funding

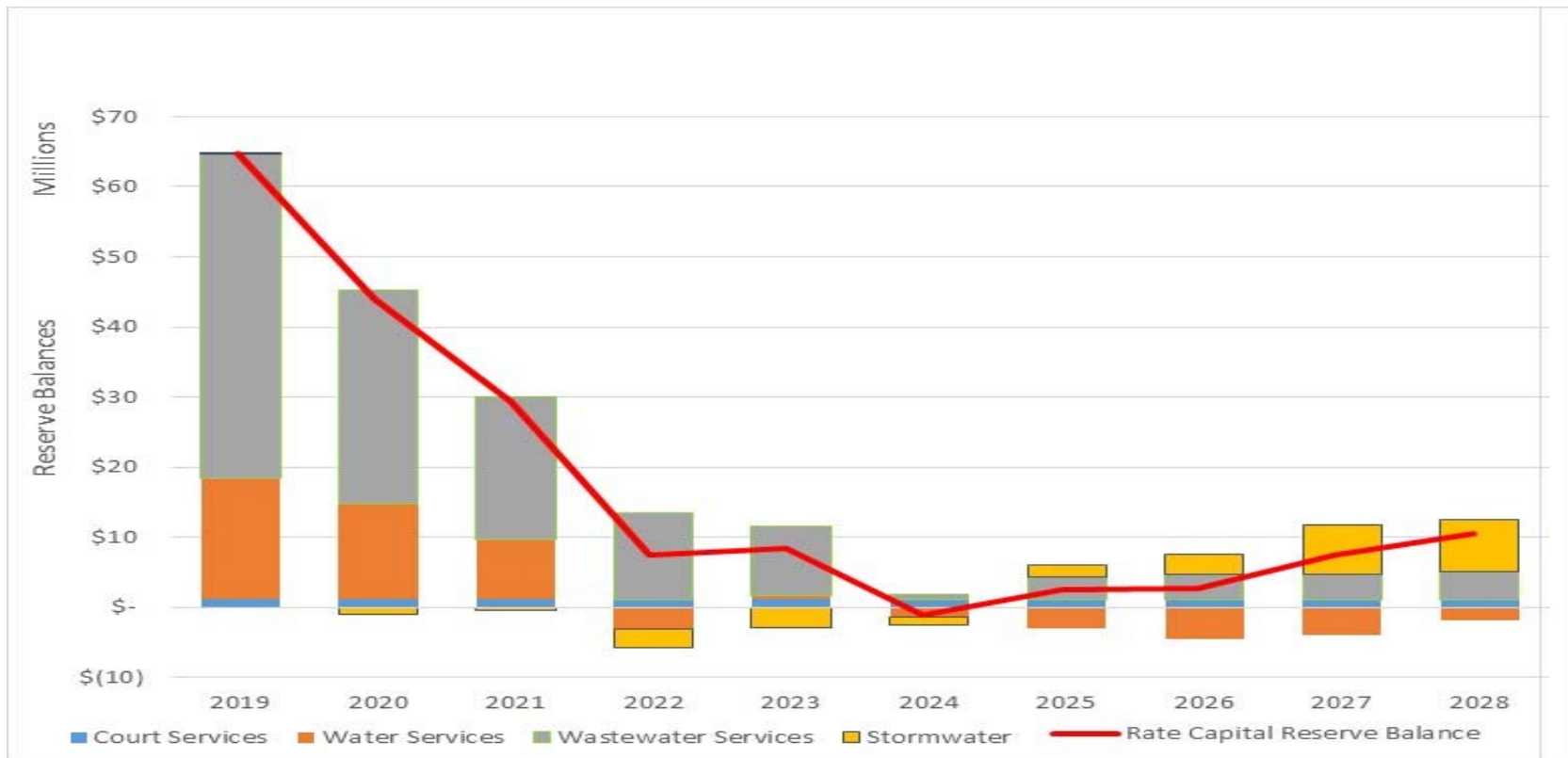
## Tax supported collective reserve fund strategy





# Balancing need with available funding

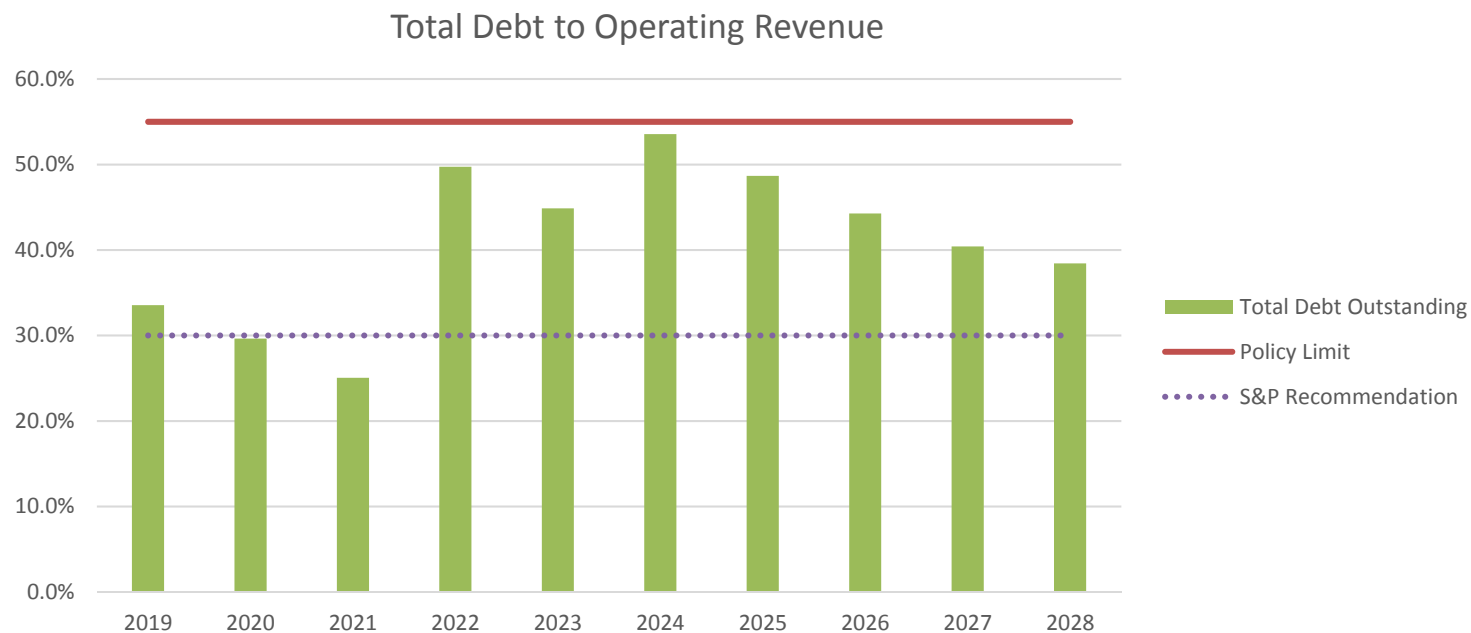
## Non-tax supported reserve fund strategy



# Balancing need with available funding

## Debt Management Strategy

- Leveraging debt to full limits of the Debt Policy
- Credit rating agency risk



# What's next?

## 2020-2029 capital budget and forecast development

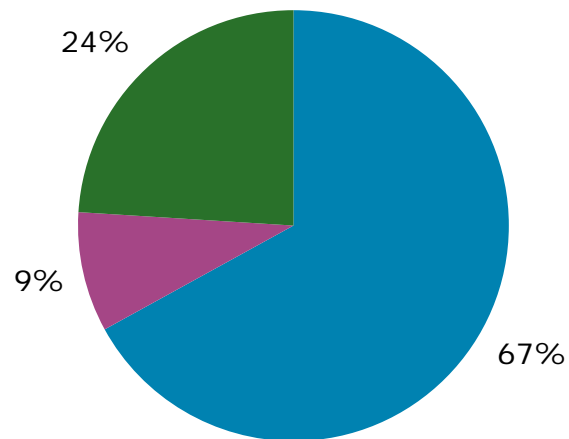
- Incorporation of Community Plan results
- Cash flow strategy for Development Charge Reserve Funds
- City building project funding and priority setting
- Revised timing of the Facility Needs Assessment results
- Federal/Provincial Bi-lateral Funding Agreement

# Programs of Work

- Integrated planning approach
- 100% service focused
- Future operating impacts
- Continue to evolve

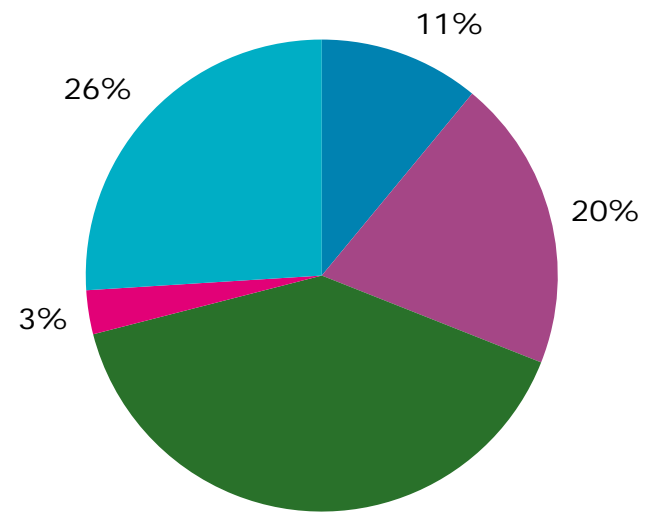
# Programs of Work

## 2019 capital expenditure type



- Infrastructure Renewal, 67%
- City Building, 9%
- Growth, 24%

## 2019 capital funding sources



- Grants, 11%
- Development Charges, 20%
- Rate Funding, 40%
- Other, 3%
- Tax Funding, 26%

# Programs of Work summary

Program of Work	2019 Budget	2020 Operating Impact	Highlights
Contaminated Sites	\$3,325,000	\$0	
Corporate Projects	\$8,361,000	\$190,000	Software licencing
Emergency Services	\$4,926,000	\$515,100	Paramedic – 4 FTE & Operating and Maintenance (O&M) Police – O&M
Open Spaces, Recreation, Culture and Library	\$7,916,000	\$200,450	Parks Operations – Seasonal Staff and O&M
Solid Waste Services	\$3,107,000	\$578,000	4 FTE and O&M
Stormwater Management	\$4,683,700	\$0	
Transportation Systems	\$14,502,000	\$155,200	Transit – 1 FTE and O&M Operations – O&M
Wastewater Services	\$13,104,400	\$0	
Water Services	\$27,445,000	\$334,000	O&M
<b>Total City</b>	<b>\$87,370,100</b>	<b>\$1,972,750</b>	
	Total Tax Supported	\$1,638,750	
	Total Non-tax Supported	\$334,000	



# Contaminated Sites

Total 2019 investment:	\$3,325,000
2020 operating impact:	\$0

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## 10-year program highlights:

- A focus on redevelopment of under-utilized sites in the downtown contributing to revitalization of neighbourhoods, meeting provincial intensification targets, driving economic development
- Complying with MOECP requirements and addressing environmental risks for city-owned sites
- Continued cleanup of historical landfill sites



# Corporate Projects

Total 2019 investment:	\$8,361,000
2020 operating impact:	\$190,000

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## Program overview:

- Planning and strategic initiatives
- Corporate facility renewal and expansion
- Corporate equipment and vehicle renewal and expansion





# Corporate Projects

## 10-year program highlights

### Planning and strategic initiatives

- Start Official Plan review; to be completed over next three years
- Baker District
- Urban Design Action Plan, Natural Heritage Action Plan and the Cultural Heritage Action Plan
- Asset management initiatives including asset inventories, condition assessments and service level metric development

# Corporate Projects

## 10-year program highlights

### Corporate facility renewal and expansion

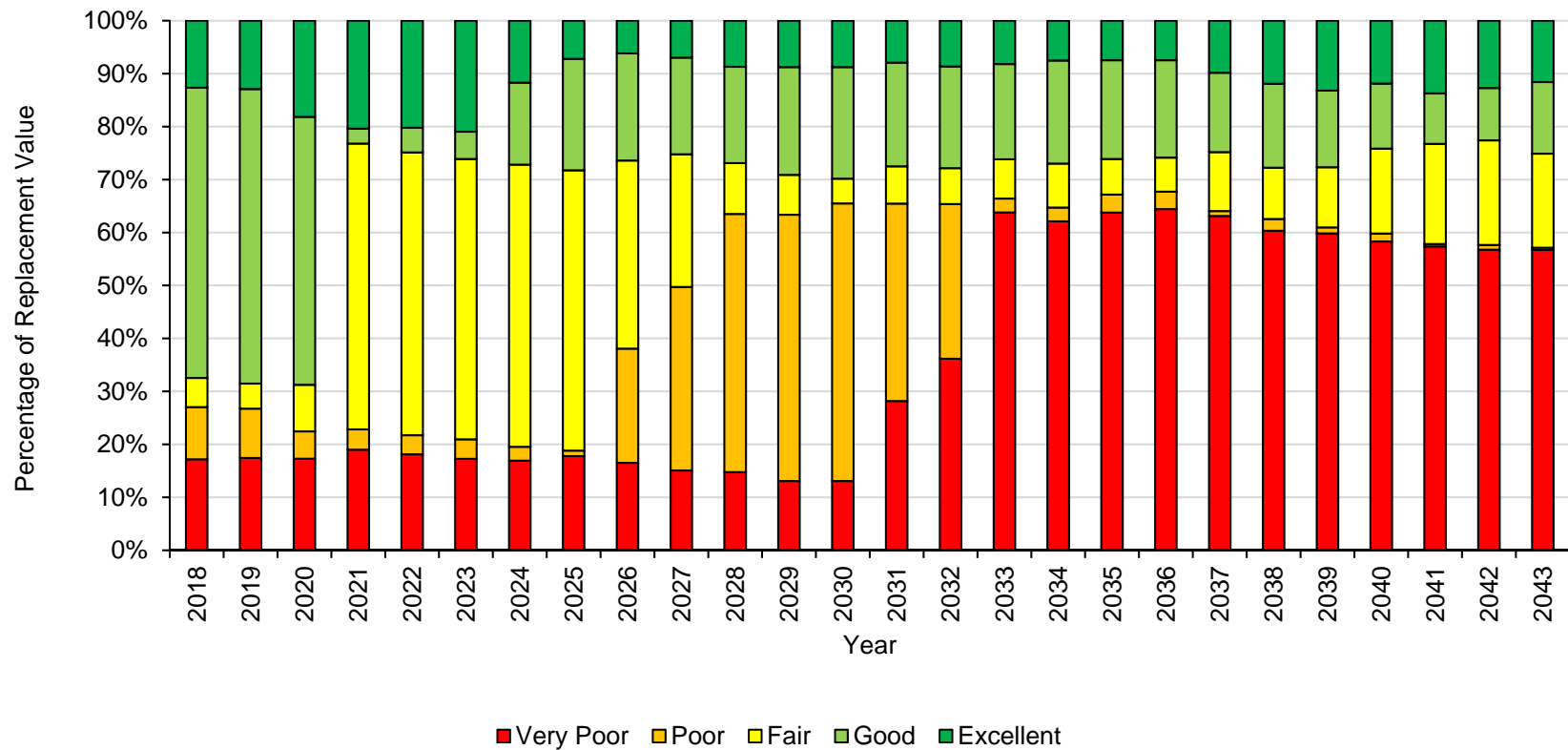
- Phase 2 of facility space and location needs assessment
- Structural condition assessments, accessibility improvements and security system renewal

### Equipment and vehicle renewal and expansion

- Fleet vehicle and equipment lifecycle program
- Technology lifecycle program
- Technology innovation including civic data and digital platforms enhancements to back-end services, enhanced mobility, adoption of cloud-based solutions and remote professional services

# Corporate Projects

## 2019 to 2043 asset service level forecast



# Emergency Services

Total 2019 investment:	\$4,926,000
2020 operating impact:	\$515,100

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## Program overview:

- Guelph Fire Services
- Guelph-Wellington Paramedic Services
- Guelph Police Services



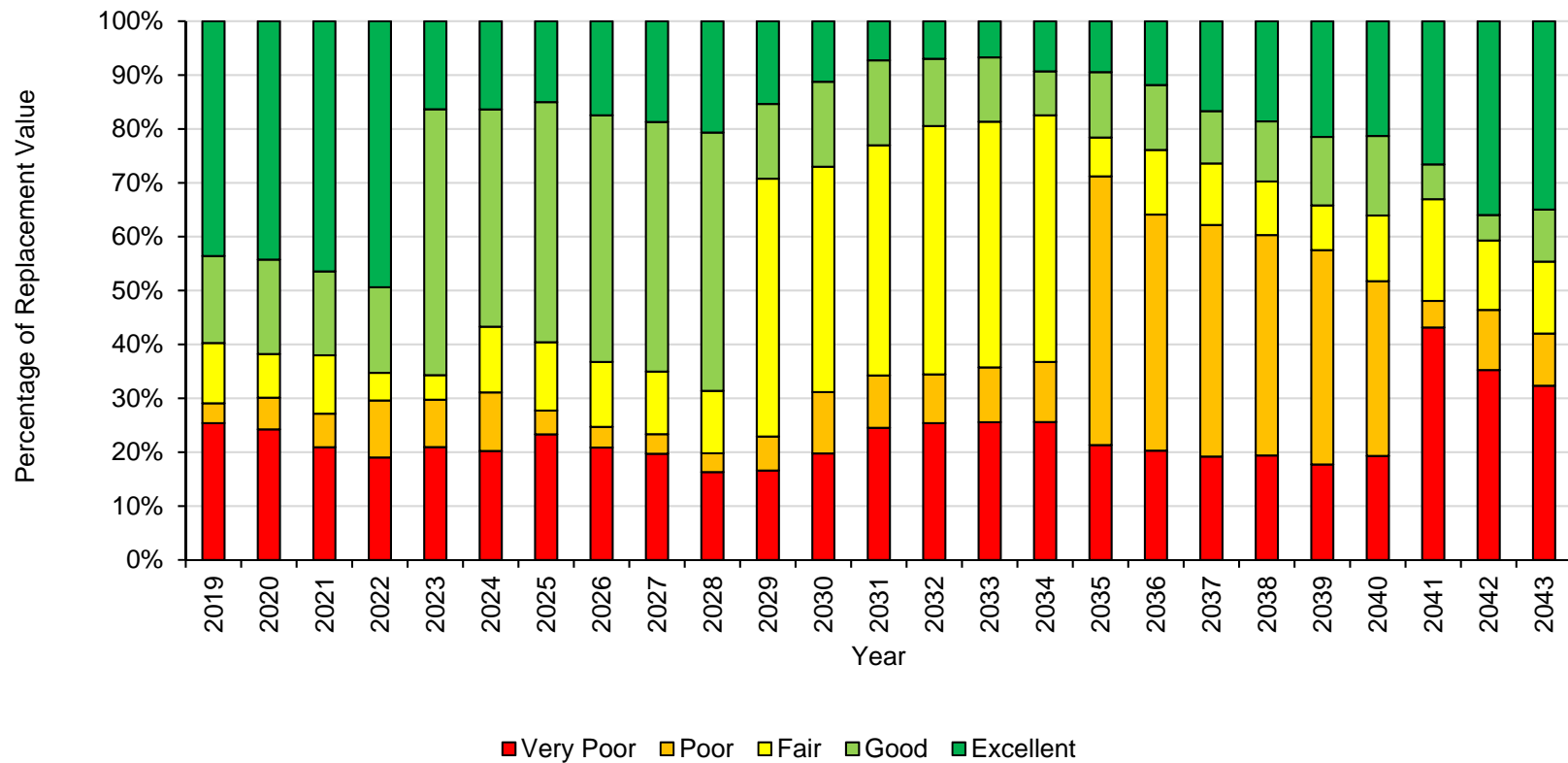
# Emergency Services

## 10-year program highlights

- Renewal and investment in equipment, technology and vehicles for current and growth related service delivery
- Paramedic stations
- A need identified through growth planning is a shared Emergency Services training facility currently planned in 2028

# Emergency Services

## 2019 to 2043 asset service level forecast



# Open Spaces, Recreation, Culture & Library

Total 2019 investment:	\$7,916,000
2020 operating impact:	\$200,450

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## Program overview:

- Parks and opens spaces
- Indoor and outdoor recreation facilities
- Guelph Museum, River Run and Sleeman Centre
- Guelph Public Library

# Open Spaces, Recreation, Culture & Library

## 10-year program highlights

### Open Spaces and Recreation

- South End Community Centre (2020)
- Renewal of playground equipment, park and recreation facilities and outdoor open spaces
- Planning and construction of new trails including a new downtown pedestrian bridge in 2019/20
- Emerald Ash Borer implementation

### Culture

- Museum exhibition refresh of permanent galleries
- River Run Centre and Sleeman Centre equipment renewal

### Library

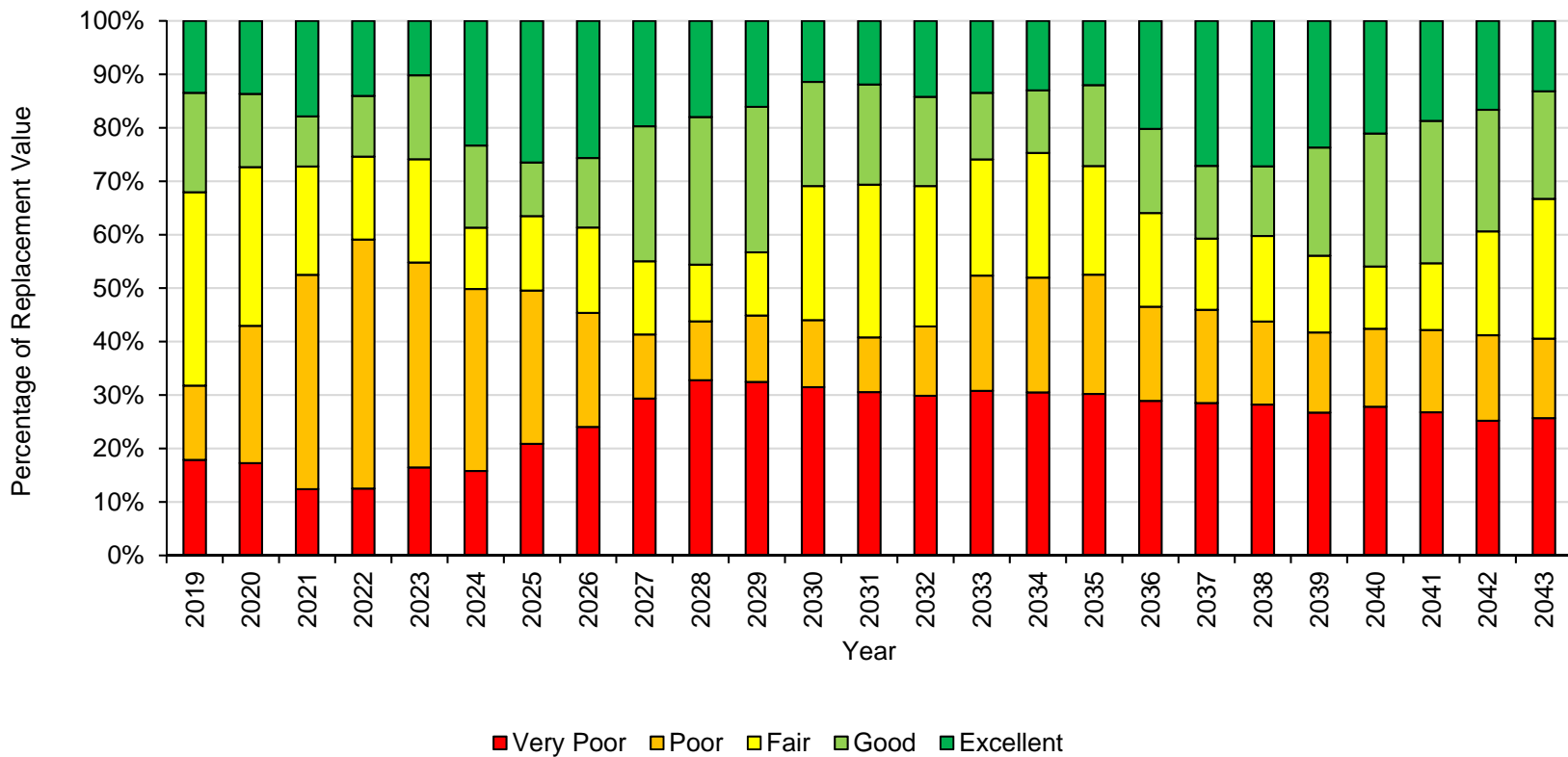
- Main library (2021)
- Investment in technology





# Open Spaces, Recreation, Culture & Library

## 2019 to 2043 asset service level forecast



# Solid Waste Services

Total 2019 investment:	\$3,107,000
2020 operating impact:	\$ 578,000

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## 10-year program highlights:

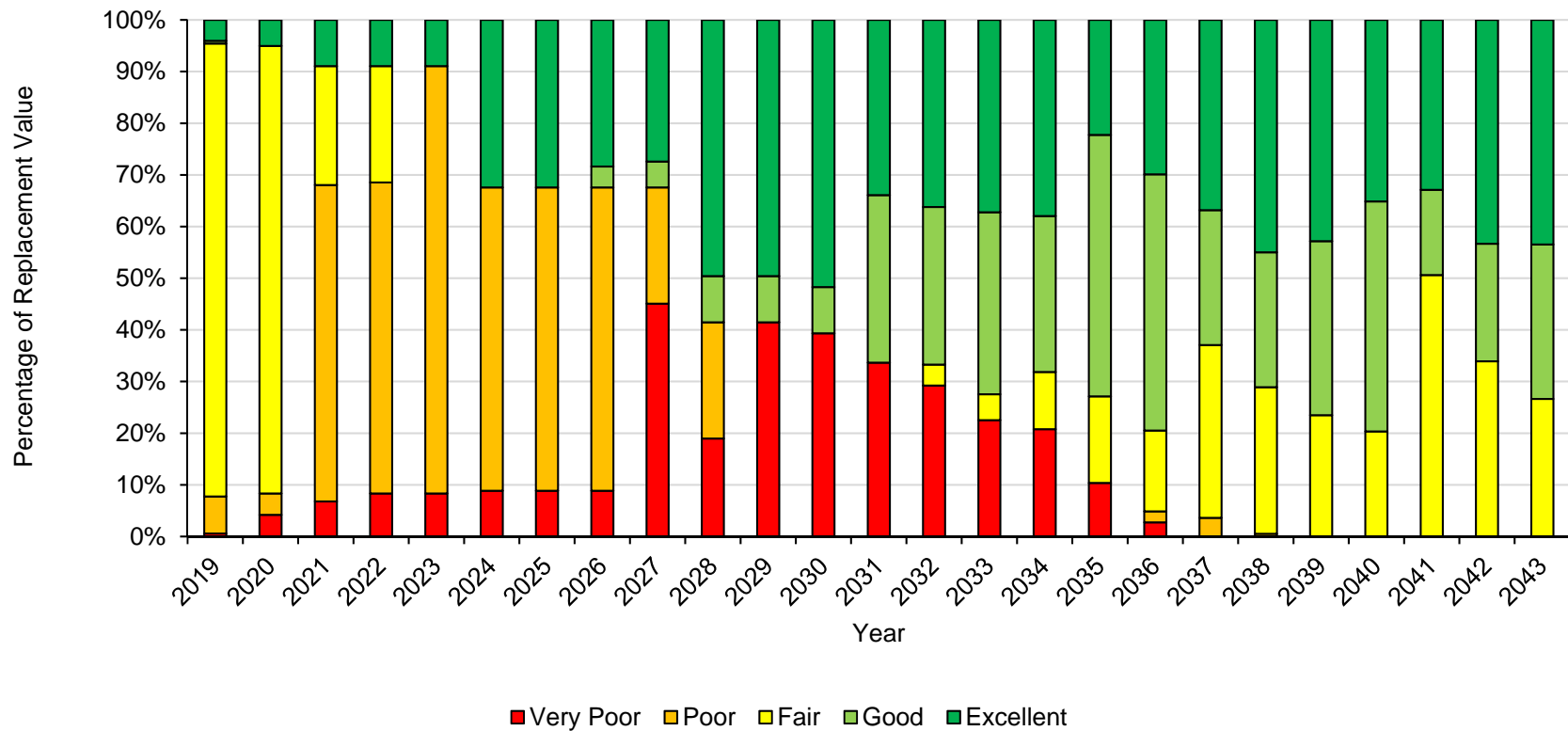
- Facility, equipment and vehicle lifecycle
- Solid Waste Master Plan (2019)
- Planning and construction of public drop off scale (2019)
- Growth-related packers (2019 and 2021)
- Design and construction of administration office expansion (2021)
- Waste packer storage facility (2023)

Tab 2 , page 52



# Solid Waste Services

## 2019 to 2043 Asset Service Level Forecast



# Stormwater Management

Total 2019 investment:	\$4,683,700
2020 operating impact:	\$ 0

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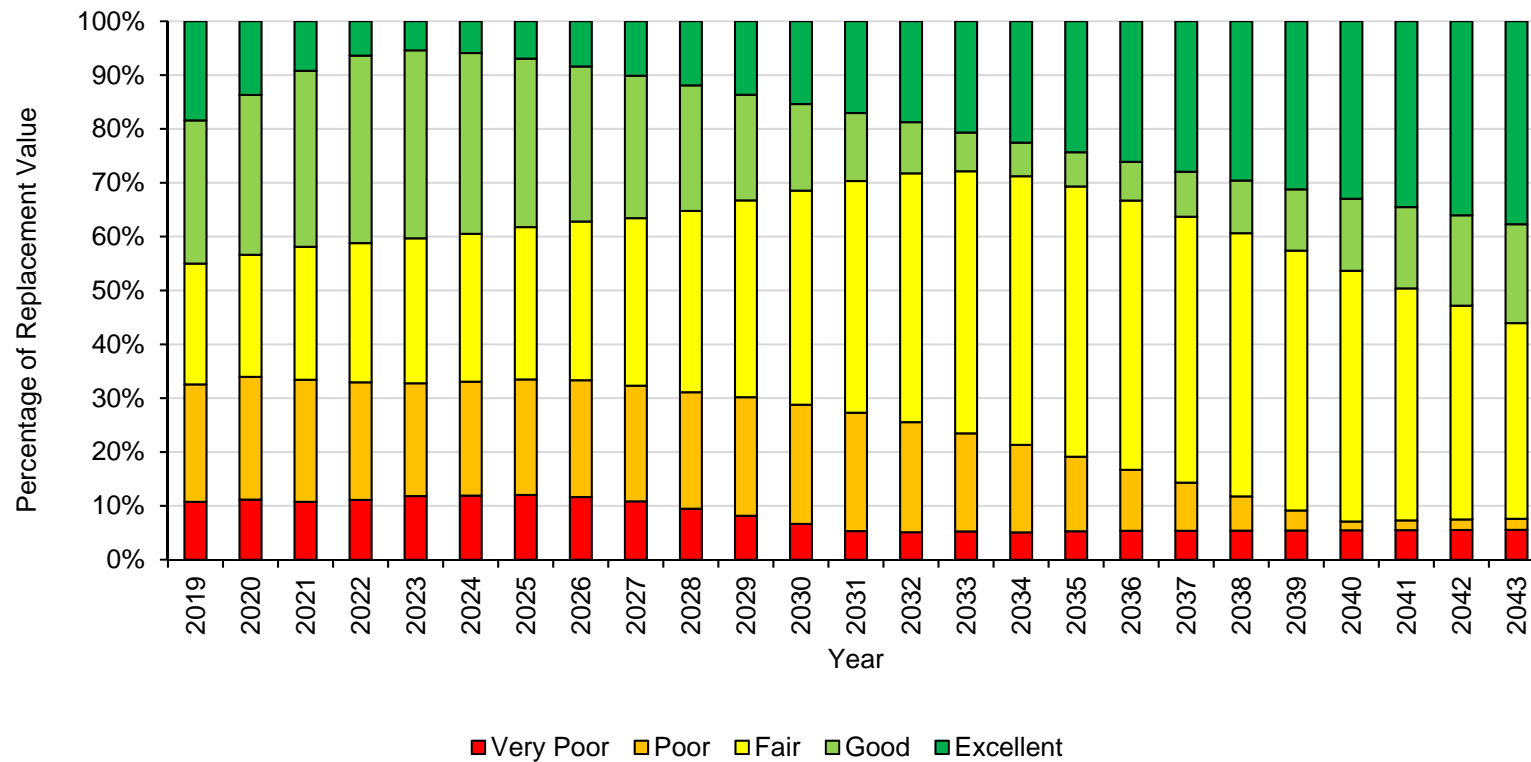
## 10-year program highlights:

- Stormwater Management Master Plan in 2019
- Storm Sewer relining and repair program annually
- Stormwater management pond retrofits and rehabilitation
- City-wide river outlet repair and replacement



# Stormwater Management

## 2019 to 2043 asset service level forecast



# Transportation Systems

Total 2019 investment:	\$14,502,000
2020 operating impact:	\$155,200

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## Program overview:

- Road restoration, resurfacing and expansion including cycling infrastructure
- Bridges, culverts and retaining walls restoration
- Traffic and intersection management
- Parking
- Guelph Transit Services



# Transportation Systems

## 10-Year Program Highlights

### Roads and Fleet Operations

- Road rehabilitation program focused on highest priority
- Speedvale Avenue widening beginning (2018-2023)
- York Road Wastewater Trunk and Paisley Feedermain and road reconstruction (continued through 2024)
- On-going Active Transportation Network investment
- Traffic signal, pedestrian crossover and intersection maintenance and improvements

# Transportation Systems

## 10-year program highlights

### Parking

- Baker Street Parkade (2022)
- Parking facility renewal and upgrades

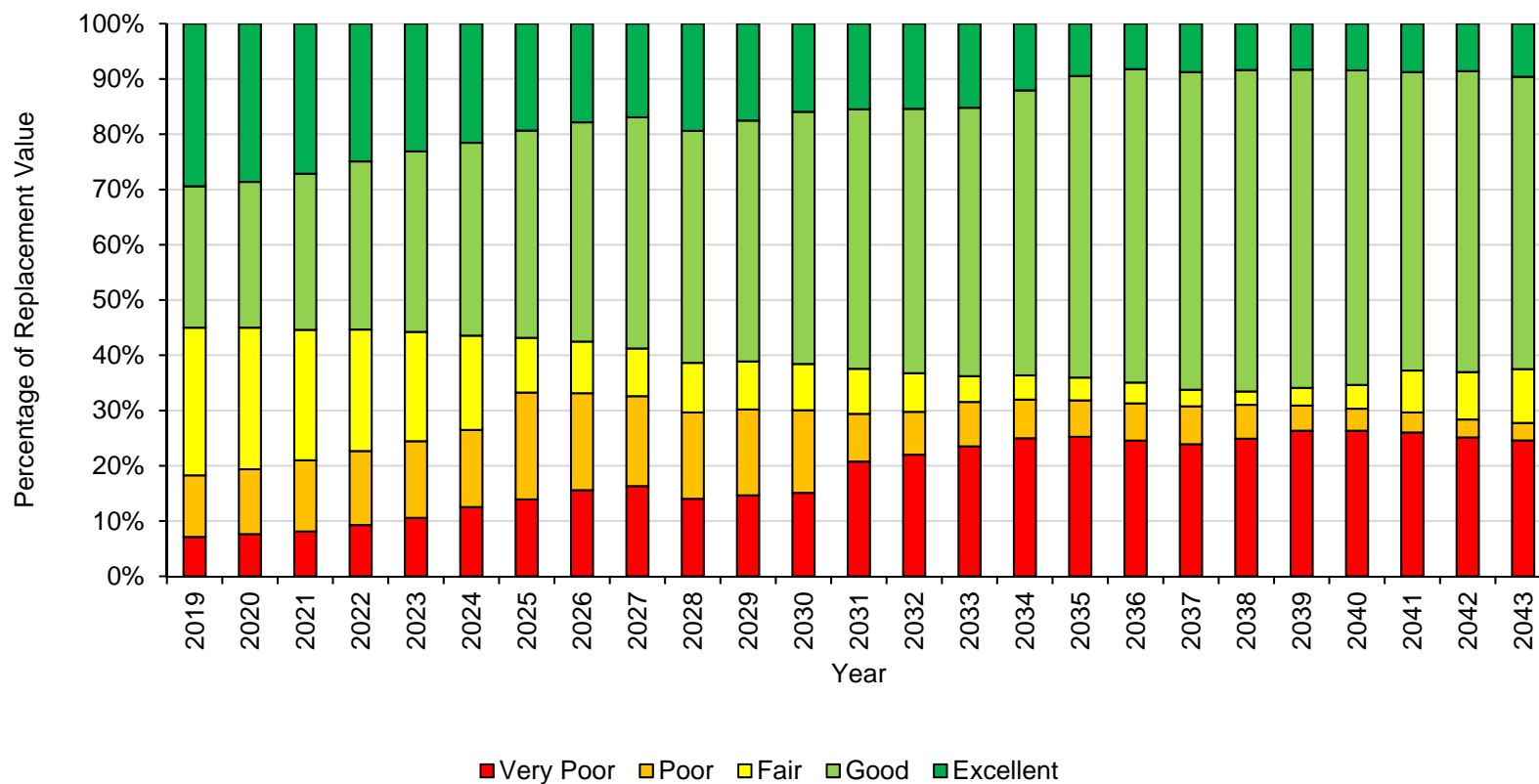
### Transit

- Forecast dependant on service review outcomes
- Conventional and mobility replacement bus program
- Transit vehicle (non-bus) replacement program
- Transit growth bus and vehicle investment



# Transportation Systems

## 2019 to 2043 asset service level forecast



# Wastewater Services

Total 2019 investment:	\$13,104,400
2020 operating impact:	\$ 0

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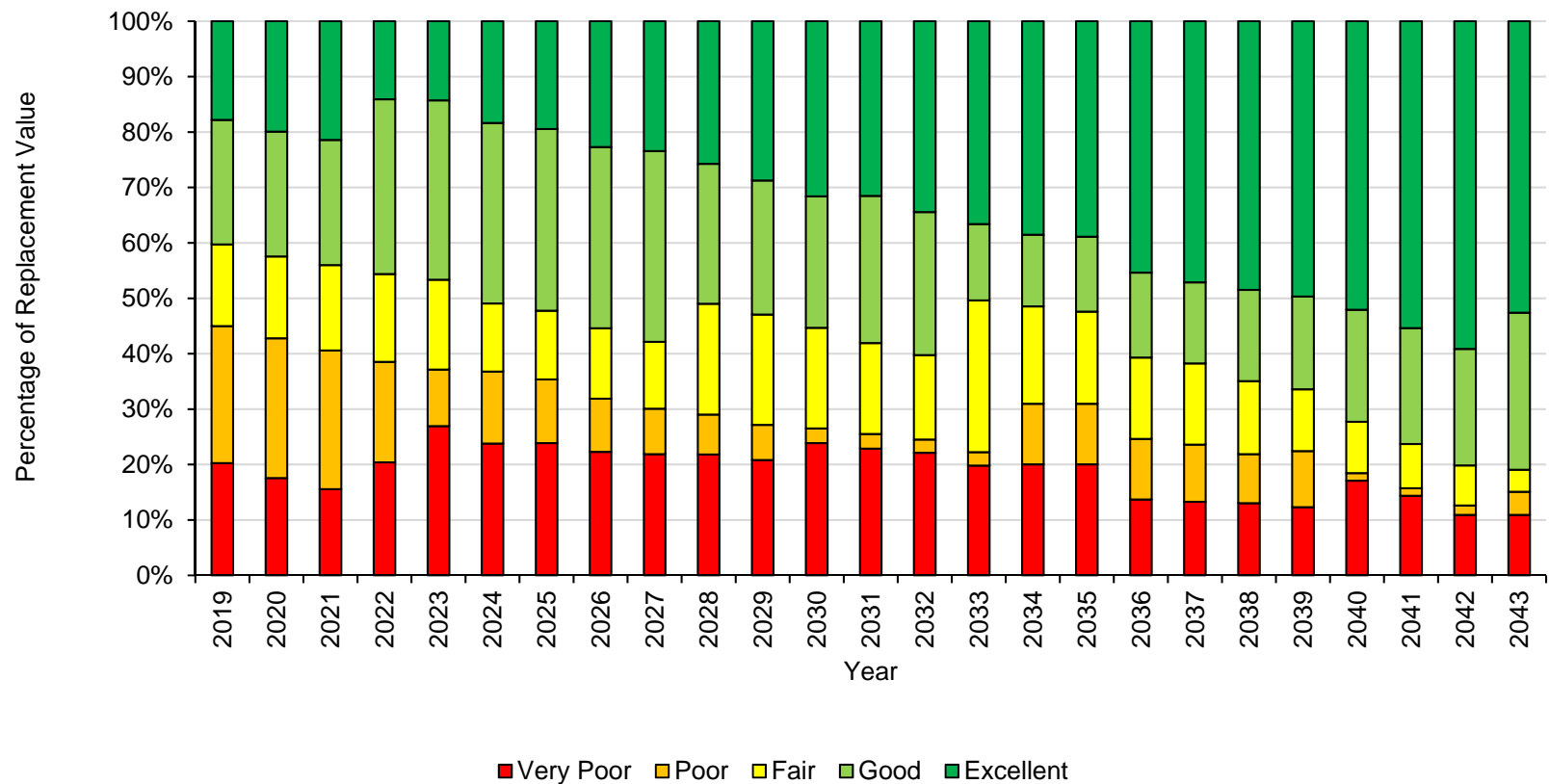
## 10-year program highlights:

- Wastewater Treatment and Biosolids Master Plan Update
- Continued plant optimization as supported by the regulator (MECP) to efficiently and effectively support the needs of growth
- Energy efficient equipment upgrades
- Coordination of linear infrastructure replacement and growth with Transportation Program of Work
- Sanitary sewer capacity improvements through inflow and infiltration, flow monitoring, reline, and repair work



# Wastewater Services

## 2019 to 2043 asset service level forecast



# Water Services

Total 2019 investment:	\$27,445,000
2020 operating impact:	\$334,000

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## 10-year program highlights:

- Updated Water Supply Master Plan and Water Linear Servicing Strategy
- New water supply exploration studies to support growth at Logan and Guelph South test wells
- Phase 1 of design and planning for major renewal at FM Woods site, including rehabilitation and expansion of historical
- Planning and renewal of aqueduct
- Design and planning of the Clythe Well Water Treatment plant



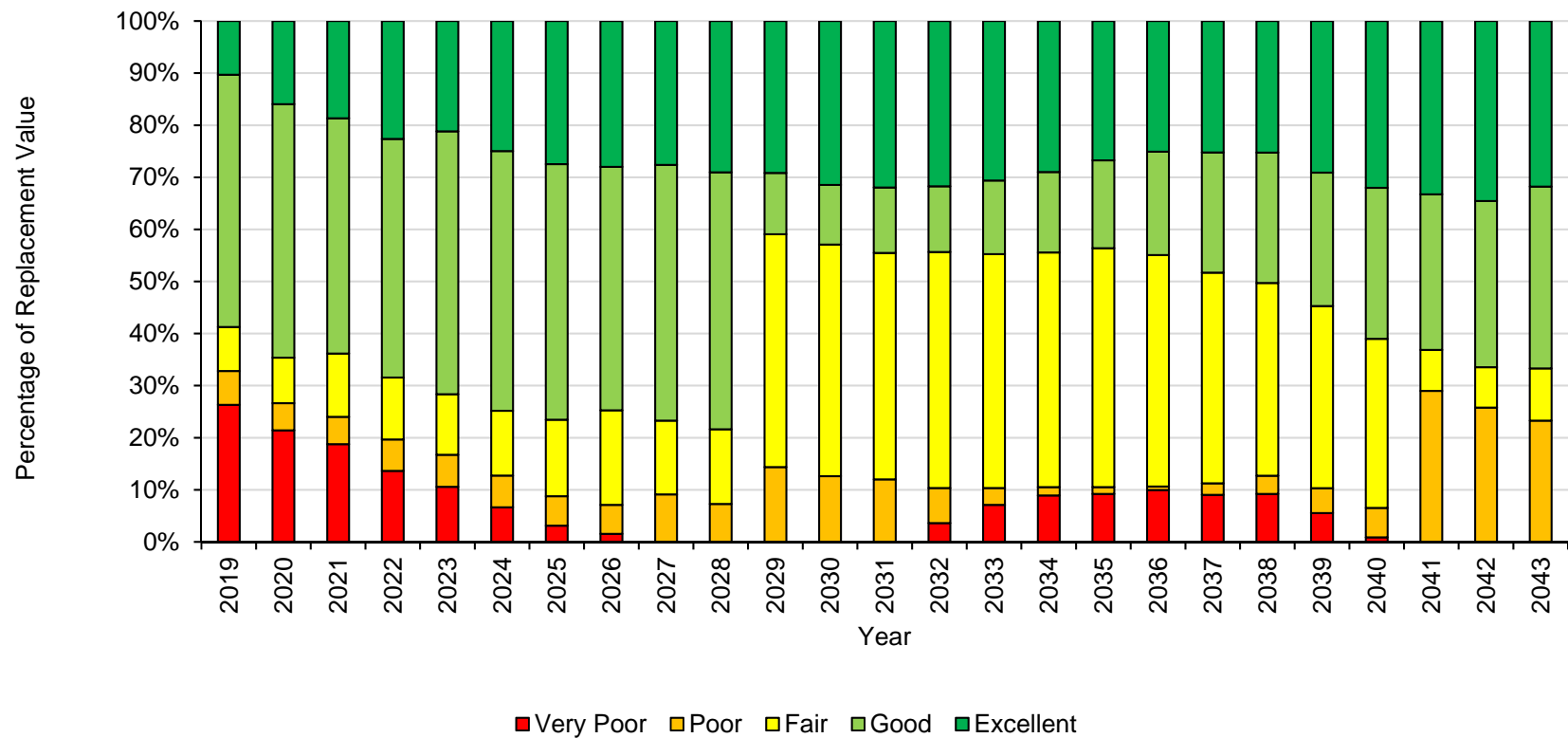
# Water Services

## 10-year program highlights

- Completion of critical upgrades to the Paisley and University Well stations to address risks noted through the risk assessment phase
- Significant linear replacement of critical aged infrastructure, integrated with Transportation Services projects
- Water-only linear infrastructure upgrades to enhance local fire flows
- Downtown projects to provide servicing for redevelopment of Baker District planned for 2021 to 2028

# Water Services

## 2019 to 2043 asset service level forecast



# Programs of Work summary

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# 2019 capital budget development

## Reflections and lessons learned

- Capital planning is continuous and evolving
- Asset Management is increasing the sophistication of long-term planning across the organization
- Availability of data differs across the organization
- Integrated project planning and funding models has stretched the capacity of staff and financial systems
- Change management and capacity building takes time as the historical one-year budget model has impacted corporate long-term planning
- Capital-related policies and strategies will need to be reviewed



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# Questions

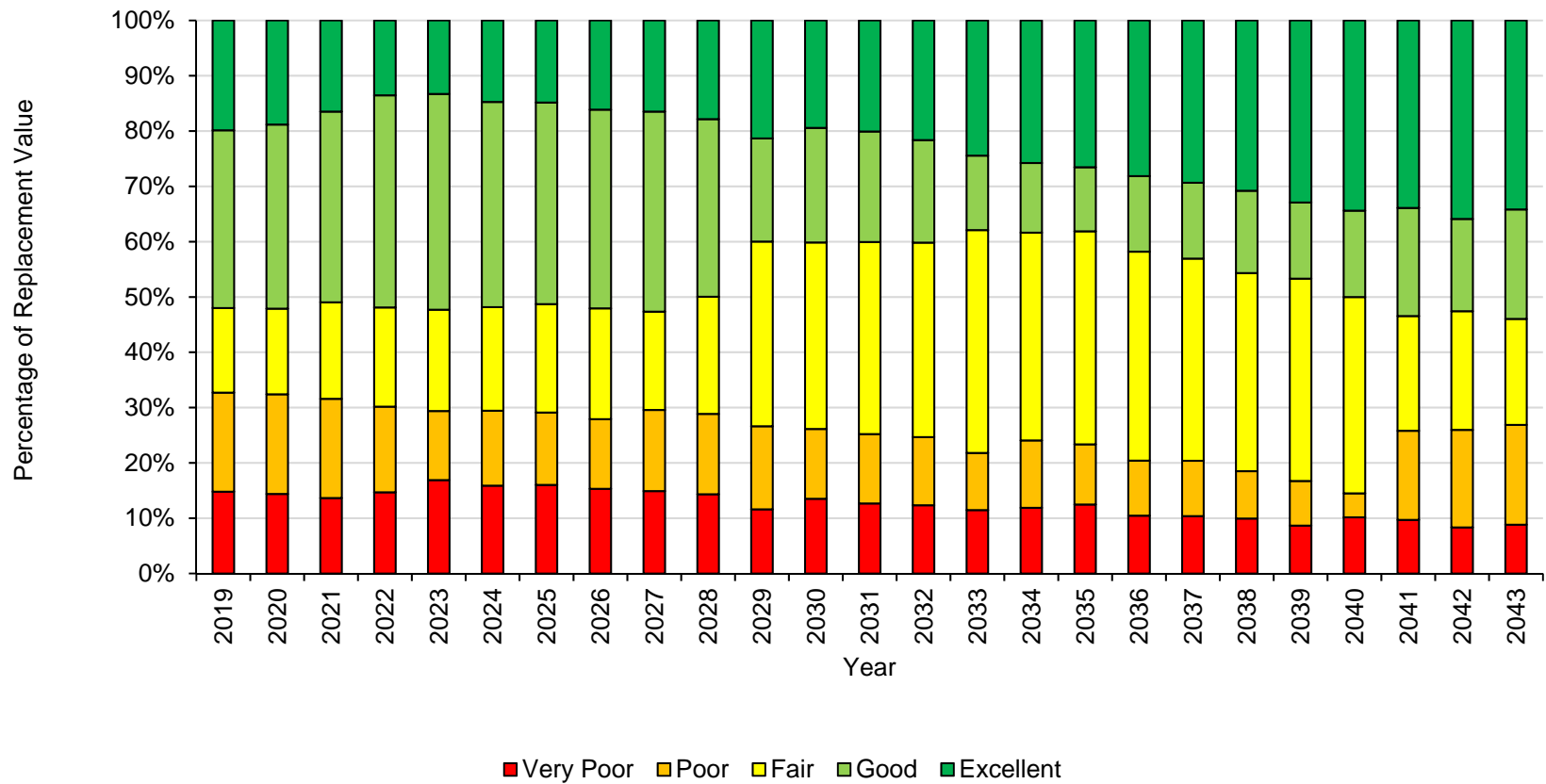
# Tax funded assets

## 2019 to 2043 asset service level forecast



# Rate funded assets

## 2019 to 2043 asset service level forecast



**From:** mike darmon  
**Sent:** January-10-19 3:28 PM  
**To:** Clerks <clerks@guelph.ca>  
**Cc:** Councillors & Mayor <Councillorsandmayor@guelph.ca>  
**Subject:** correspondence re Capital budget

I would like to congratulate staff and council for recognizing "the priority need for city is our current infrastructure" as stated on page 6 of the Capital Budget report.

I would like to point out one asset that has had little if any infrastructure investment and in particular areas of the retaining walls in Riverside Park including the waterfall area ,which are in dire need of repair or renewal.

Riverside Park is the jewel of our park system for residents and tourists . However one section of the West retaining walls north of the Speedvale Avenue bridge is in great need of attention.This wall serves a vital function in slope stability and risk of liability to the city due to private buildings and in particular to the 9 storey apartment building upslope of the wall.

A consultant hired by the City to inspect retaining walls has recommended repairs and tree removal directly behind the wall which threaten its stability and remaining lifespan if not initiated.As a citizen of Guelph I believe this is a wise investment both long and short time.

Additionally,as a new underpass trail will be built along this wall ,maximizing the lifespan of the wall maximizes the lifespan of the trail investment .

However to do proper maintenance and repairs requires proper access from Speedvale avenue ,as also pointed out in the recent consultant options .This could be a simple maintenance pathway enabling small equipment access for tree removal ,repairs etc.

The consultant report on the retaining wall are limited to visual inspection only and with no knowledge of the original construction details.It would be also a wise investment to do a low cost analysis considering the risk liability and possible new trail options.

I therefore recommend the budget considers :

- 1.Immediate repairs as per report
- 2.Tree removal directly behind wall
- 3.Analysis tests of wall construction.
- 4.Access path for maintenance and repairs to maximize lifecycle of wall and trail.
- 5 .Repairs to other retaining walls and waterfall in Riverside park.

Thanks  
Mike Darmon



January 11<sup>th</sup>, 2019

**Re: City of Guelph 2019 Capital Budget and Forecast**

The Transit Action Alliance of Guelph (TAAG) is a broad based, non-profit community organization, made up of local individuals and groups who believe public transit is vital for the livability of Guelph and are willing to advocate for a public transportation system that is frequent, accessible, and affordable for all in this city.

We are writing today to offer our comments on the 2019 City of Guelph Capital Budget and Forecast.

Building transit is a crucial and strategic investment that will help Guelph reach ambitious greenhouse gas reduction targets, grow our economic centres, and build walkable, transit-focused communities with a mix of housing and proximity to jobs and amenities.

TAAG is in support of the measures being taken in the 2019 Capital Budget and Forecast regarding investment in transit facilities and infrastructure.

We are encouraged by the long-term investments in upgrading and expanding transit facilities, infrastructure, routes, and technology. Upgrades to transit facilities, such as Guelph Centre Station, digital signage, and enclosed shelters, will make the system friendlier to users. The expansion of routes to cover areas such as the Hanlon Creek Business Park will help grow our economy, and the addition of shelters and concrete pads at more bus stops will make it easier for riders to access transit.

TAAG looks forward the implementation of these investments contingent on the results of the Transit Business Service Review.

In addition, we encourage the City of Guelph to be more open about future plans for Transit. We recommend that Guelph Transit develop a publically accessible business plan that outlines detailed future growth activities, such as route expansions, and their investments over the next decade. By doing so, this shows accountability to the public, allows transit users to see what improvements are planned, and helps City Council keep Guelph Transit on track.

On behalf of the members of the Transit Action Alliance of Guelph, I thank you for taking the time to read our comments and suggestions.

Steven Petric  
Chair – Transit Action Alliance of Guelph (TAAG)