CITY COUNCIL AGENDA



Council Chambers, Guelph City Hall, 1 Carden Street

DATE Monday June 27, 2016 – 5:30 p.m.

Please turn off or place on non-audible all cell phones, PDAs, Blackberrys and pagers during the meeting.

AUTHORITY TO MOVE INTO CLOSED MEETING

THAT the Council of the City of Guelph now hold a meeting that is closed to the public, pursuant to The Municipal Act, to consider:

- C-2016.48 Solid Waste Management Follow-up (Section 239 (2) (b) personal information about identifiable
- individuals)

 C-2016.49 Citizen Appointments to The Elliott Community Board of

(Section 239 (2) (b) personal information about identifiable individuals)

C-2016.50 Report of the Infrastructure Development & Enterprise Committee – Potential Disposition or Acquisition of Downtown Property

(Section 239 (2) (c) a proposed or pending acquisition or disposition of land by the municipality or local board)

C-2016.51 Report/Advice of City Solicitor – Council Privilege (Section 239 (2) (f) advice that is subject to solicitor-client privilege

CLOSED MEETING

OPEN MEETING - 7:00 P.M.

O Canada
Silent Reflection
Disclosure of Pecuniary Interest and General Nature Thereof

CLOSED MEETING SUMMARY

Guelph Junction Railway Shareholder Meeting

GJR-2016.1 Chief Financial Officer – 2015 Audited Financial Statements

That the report from the Chief Financial Officer in respect of the 2015 Guelph Junction Railway Limited Financial Statements, be received.

That the Audited Financial Statements of Guelph Junction Railway Limited for the year ended December 31, 2015 be received.

GJR-2016.2 Appointment of Auditors

- 1. That the recommendation of the Guelph Junction Railway Board of Directors regarding the appointment of auditors for Guelph Junction Railway, be received.
- 2. That KPMG LLP are appointed as auditors for Guelph Junction Railway Limited for its 2016 fiscal year.

GJR-2016.3 Guelph Junction Railway Report to the City

Presentation:

Ian Brown, Chair of Guelph Junction Railway Board

That the 2015 Guelph Junction Railway Limited Annual Report be received.

PRESENTATION

- a) Special Olympics Athletes thank you with respect to the Ontario Spring Games recently held in Guelph
- b) Colleen Clack, General Manager Culture, Tourism & Community Investment, Linda Kearns, In Flanders Fields at 100 Task Force Chair and Tammy Adkin, Manager Guelph Museums re: presentation of the Ontario Historical Society Museum Award of Excellence in Community Programming awarded to Guelph Museums for excellence in community involvement and programming.

CONFIRMATION OF MINUTES (Councillor Van Hellemond)

"THAT the minutes of the Council Meetings held May 9, 16, 24, 26, 30 and Jun e 1, 2016 be confirmed as recorded and without being read."

CONSENT REPORTS/AGENDA – ITEMS TO BE EXTRACTED

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

Consent Reports/Agenda from:

Audit Committee			
Item	City Presentation	Delegations	To be Extracted
AUD-2016.8			
2015 Draft Consolidated			
Financial Statements and			
External Audit Findings Report			

Adoption of balance of Audit Committee Second Consent Report - Councillor, Chair Wettstein

Corporate Services Committee			
Item	City Presentation	Delegations	To be Extracted
CS-2016.18			
2015 Final Year-End Report on			
Operating Variance Surplus			
Allocation and Deficit Funding			
CS-2016.19			
Operating Variance Reporting			
Recommendations			
CS-2016.22			
10 Carden Shared Space Inc.			
 Community Bond and Tax 			
Incentive Program Request			

Adoption of balance of Corporate Services Committee Fifth Consent Report - Councillor Hofland, Chair

Infrastructure, Development & Enterprise Committee			
Item	City Presentation	Delegations	To be Extracted
IDE-2016.18			
Water and Wastewater			
Customer Accounts By-law,			
Phase 1			
IDE-2016.19			
Sign By-law Variances – 175			
Chancellors Way			

IDE-2016.20		
Sign By-law Variances – 125		
Chancellors Way		

Adoption of balance of Infrastructure, Development & Enterprise Committee Fifth Consent Report – Councillor Bell, Chair

Public Services Committee			
Item	City Presentation	Delegations	To be Extracted
PS-2016.9			
Snow Disposal Facility -			
Requirements			
PS-2016.10	Phil Meagher,		√
Guelph Transit Growth	General Manager,		
Opportunities	Guelph Transit		

Adoption of balance of Public Services Committee Fourth Consent Report – Councillor Downer, Chair

Council Consent Agenda			
Item	City Presentation	Delegations	To be Extracted
CON-2016.34	Stephen O'Brien,		\checkmark
Meeting Management Review	City Clerk		

Adoption of balance of the Council Consent Agenda.

ITEMS EXTRACTED FROM COMMITTEES OF COUNCIL REPORTS AND COUNCIL CONSENT AGENDA (Chairs to present the extracted items)

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.

Reports from:

- Audit Committee Councillor Wettstein
- Corporate Services Committee

 Councillor Hofland
- Infrastructure, Development & Enterprise Committee Councillor Bell
- Public Services Committee

 Councillor Council Downer
- Consent Mayor Guthrie

SPECIAL RESOLUTIONS

BY-LAWS

Resolution – Adoption of By-laws (Councillor Wettstein)

MAYOR'S ANNOUNCEMENTS

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

NOTICE OF MOTION

ADJOURNMENT



Annual General Shareholder Meeting Agenda

June 27, 2016 at 7:00 p.m., Council Chambers, Guelph City Hall

	ITEM	LEAD	RESOLUTION
1	CFO Report re 2015 Audited Financial Statements	CFO	That the report from the CFO in respect of the 2015 Financial Statements be received.
			That the Audited Financial Statements of Guelph Junction Railway Limited for the year ended December 31, 2015 be received.
2	Appointment of Auditors	CFO	That the recommendation of the GJR Board of Directors regarding the appointment of auditors for GJR be received.
			That KPMG LLP are appointed as auditors for Guelph Junction Railway Limited for its 2016 fiscal year.
3	GJR Annual Report to the City • Presentation	Chair	That the 2015 GJR Annual Report be received.



TO Council as the Shareholder of Guelph Junction Railway Limited

SERVICE AREA GUELPH JUNCTION RAILWAY LTD. ("GJR")

DATE June 27, 2016

SUBJECT CFO Report - 2015 Audited Financial Statements of

Guelph Junction Railway Limited

REPORT NUMBER GJR-2016-01

RESOLUTION:

1. That the report from the CFO in respect of the 2015 Financial Statements be received; and

2. That the Audited Financial Statements of Guelph Junction Railway Limited for the year ended December 31, 2015 be received.

REPORT:

Background:

The attached financial statements represent the audited financial statements of GJR for the year ended December 31, 2015. The audit was performed by KPMG LLP.

Accounting treatment:

GJR has prepared its financial statements in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Boards ("IASB"). The financial statements have been prepared on a historical cost basis.

Comment on 2015 Results:

GJR had a very strong financial year in 2015, reporting a net income of \$646 thousand compared to \$206 thousand in 2014, generating a favourable variance versus the 2015 Approved Budget of \$423 thousand (+190%).



Revenue was the main driver of the higher net income, exceeding budget substantially by \$422 thousand (+17%). Higher car volumes, as well as some positive synergies realized from improved partnering with Ontario Southland Railway (OSR), both contributed to these revenue gains.

The additional net income generated in 2015 was reinvested back into the company through capital acquisitions of \$2.3 million, primarily the reconstruction of the Eramosa Bridge. This bridge reconstruction provides GJR with the required capacity to accept new contracts with heavier car weights and increased speeds, positioning it favourably with its customers by offering increased efficiencies. The project was funded by a City loan of \$1.71 million over a 25 year term as outlined in the agreement.

The expectations for 2016 are looking to continue with freight revenues exceeding budget due to higher than anticipated car volumes. Although some project delays have resulted in reduced revenues so far, management is confident that these will be recouped in other operational areas during the year.

Respectfully submitted,

-Original signed by-

Jade Surgeoner

Financial statements of

Guelph Junction Railway Company

December 31, 2015

Guelph Junction Railway Company December 31, 2015

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KPMG LLP

115 King Street South 2nd Floor Waterloo ON N2J 5A3 Telephone 519-747-8800 Fax 519-747-8830 Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Shareholder of Guelph Junction Railway Company

We have audited the accompanying financial statements of Guelph Junction Railway Company, which comprise the balance sheet as at December 31, 2015, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Guelph Junction Railway Company as at December 31, 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Comparative Information

LPMG LLP

The financial statements of Guelph Junction Railway Company as at and for the year ended December 31, 2014 were audited by another auditor who expressed an unmodified opinion on those financial statements on April 22, 2015.

Chartered Professional Accountants, Licensed Public Accountants

April 8, 2016 Waterloo, Canada

Guelph Junction Railway Company Balance sheet

as at December 31, 2015

	2015	2014
	\$	\$
Assets		
Current assets		
Cash	266,331	137,043
Accounts receivable	598,339	271,437
Due from City of Guelph	124,179	-
Inventory	29,553	29,576
	1,018,402	438,056
Property, plant and equipment (note 3)	10,365,090	8,273,510
	11,383,492	8,711,566
Liabilities and equity		
Current liabilities		
Accounts payable and accrued liabilities	614,909	136,350
Current portion of long-term debt	534,089	230,808
	1,148,998	367,158
Long-term debt (note 5)	1,998,163	822,253
Deferred capital contributions (note 4)	931,118	862,509
	4,078,279	2,051,920
Share capital (note 6)	1	1
Retained earnings (note 8)	7,305,212	6,659,645
- · · · · ·	7,305,213	6,659,646
	11,383,492	8,711,566

Statement of comprehensive income year ended December 31, 2015

	2015	2014
	\$	\$
Revenue		
Freight movement	2,198,581	2,029,730
Non-freight movement	683,683	306,437
Amortization of deferred capital contributions	38,796	35,938
Other	30,972	25,060
	2,952,032	2,397,165
Expense		
Freight movement	1,441,762	1,274,803
Track maintenance	269,093	355,377
Depreciation	228,438	219,670
Administration and office	202,563	226,224
Recoverable costs	100,637	55,175
Interest on long-term debt	40,346	49,966
Expropriation costs	14,127	-
Audit & legal	9,500	9,600
	2,306,466	2,190,815
Net comprehensive income for the year	645,566	206,350

Guelph Junction Railway Company Statement of changes in equity year ended December 31, 2015

·		
	2015	2014
	\$	\$
Retained earnings, beginning of year	6,659,645	6,453,295
Net comprehensive income for the year	645,566	206,350
Retained earnings, end of year	7,305,211	6,659,645
Share capital, beginning and end of year	1	1_
Equity, end of year	7,305,212	6,659,646

Guelph Junction Railway Company Statement of cash flows

Statement of cash flows year ended December 31, 2015

	2015	2014
	\$	\$
Operating activities		
Cash from operations		
Net income from operations	645,566	206,350
Items not affecting cash:		
Amortization of deferred capital contributions	(38,796)	(35,938)
Depreciation of property, plant and equipment	228,438	219,670
Changes in non-cash operating working capital components:		
Change in accounts receivable	(326,902)	17,221
Change in due from City of Guelph	(124,179)	-
Change in prepaid expense	-	350
Change in inventory	23	4,808
Change in accounts payable and accrued liabilities	478,560	(71,973)
Change in deferred revenue	· <u>-</u>	(992)
	862,710	339,496
Investing activity		
Acquisition of property, plant and equipment	(2,320,018)	(339,040)
Capital contributions	107,405	-
	(2,212,613)	(339,040)
Financing activity		
Repayment of long-term debt	(230,809)	(221,181)
Proceeds from debt issue	1,710,000	-
Due from City of Guelph	-	(44,540)
	1,479,191	(265,721)
Decrease in cash during the year	129,288	(265,265)
Cash, beginning of year	137,043	402,308
Cash, end of year	266,331	137,043

Notes to the financial statements

December 31, 2015

1. Description of business

Guelph Junction Railway Company (the "Company") was incorporated under the laws of Canada in 1884. The Company is wholly owned by The City of Guelph and is exempt from income taxes. The Company is engaged in the rail and related transportation business in Southwestern Ontario.

The Company's head office is located at 1 Carden Street, Guelph, Ontario and is a subsidiary of the City of Guelph.

The financial statements have been approved by the Board of Directors and authorized for issue on April 8, 2016.

2. Significant accounting policies

Basis of accounting

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Boards ("IASB"). The policies set out below were consistently applied to all the periods presented unless otherwise noted below.

The financial statements have been prepared on a historical cost basis. The financial statements are presented in Canadian dollars which is also the functional currency of the Company.

Revenue recognition

Revenue from services rendered is recognized in income in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to the delivery of the services provided by the Company.

Inventory

Inventory is valued at the lower of cost and net realizable value on a first-in, first-out basis.

Property, plant and equipment

Property, plant and equipment are recorded at cost, net of accumulated depreciation and accumulated impairment losses. Cost includes the acquisition cost, labour and other costs directly attributable to bringing the asset to a working condition for its intended use. When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in earnings in the period the asset is derecognized.

Depreciation is provided using the declining-balance method at rates designed to amortize the cost of the assets less their residual values over their estimated useful lives as follows:

Tracks 4%
Structures 4%
Switches 4%
Crossing equipment 4%

Work in progress is not depreciated until the equipment is put into active use.

Depreciation methods, useful lives and residual values are reviewed annually and adjusted prospectively if appropriate.

Notes to the financial statements December 31, 2015

2. Significant accounting policies (continued)

Impairment of long-lived assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in earnings.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in earnings.

Financial instruments

Financial assets and financial liabilities

Financial assets and financial liabilities are initially recognized at fair value and are subsequently accounted for based on their classification as described below. Transaction costs that are directly attributable to the acquisition or issue of financial assets or liabilities not classified as fair value through profit and loss are added to or deducted from the fair value, as appropriate, on initial recognition. The classification depends on the purpose for which the financial instruments were acquired and their characteristics. Except in very limited circumstances, the classification is not changed subsequent to initial recognition.

All financial instruments are classified into one of the following five categories:

- Fair value through profit or loss ("FVTPL"). Financial assets are classified as FVTPL when the financial asset is held for trading or it is designated as FVTPL;
- · Held to maturity investments;
- Loans and receivables;
- · Available for sale financial assets; and
- Other financial liabilities.

Loans and receivables, held to maturity investments and other financial liabilities are measured at amortized cost. Financial instruments classified as FVTPL, including derivatives, are measured at fair value each period and all gains and losses are included in earnings in the period in which they arise. Available for sale financial instruments are measured at fair value with revaluation gains and losses included in other comprehensive income until the asset is removed from the balance sheet. The Company has classified its cash and accounts receivable as loans and receivables.

Financial assets that are measured at amortized cost are assessed for indicators of impairment at the end of each reporting period.

Notes to the financial statements December 31, 2015

2. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets and financial liabilities (continued)

Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the asset have been affected. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. If in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss.

Accounts payable and accrued liabilities, due to City of Guelph, current and long-term debt have been classified as other financial liabilities, all of which are measured at amortized cost.

Embedded derivatives

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value through profit or loss.

Government grants and other contributions

Government grants are recognized in net income on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants were intended to compensate. Grants that take the form of a transfer of a non-monetary asset for the use of the Company are recognized as deferred contributions in the balance sheet and measured based on the fair value of the asset received. Deferred contributions are transferred to net income on a systematic and rational basis over the useful life of the related assets.

Significant accounting estimates and judgments

The preparation of financial statements requires management to make estimates, assumptions and judgments that affect the application of accounting policies and the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and reported revenues and expenses during the reporting period. Due to the inherent uncertainty involved in making such estimates and judgments, actual results reported could differ from those estimates and judgments. Significant judgments include the determination of cash-generating units for impairment testing and determination of useful lives of property, plant and equipment.

Recent accounting pronouncements

The Company is evaluating the adoption of the following new and revised standards along with any subsequent amendments.

Revenue Recognition

The IASB has issued IFRS 15 Revenue from Contracts with Customers ("IFRS 15"). IFRS 15 replaces IAS 11 Construction Contracts, IAS 18 Revenue and various interpretations and establishes principles regarding the nature, amount, timing and uncertainty of revenue arising from contracts with customers. The standard requires entities to recognize revenue for the transfer of goods or services to customers measured at the amounts an entity expects to be entitled to in exchange for those goods or services. IFRS 15 is effective for annual periods beginning on or after January 1, 2018. The Company is assessing the impact of IFRS 15 on its results of operations, financial position and disclosures.

Notes to the financial statements December 31, 2015

2. Significant accounting policies (continued)

Recent accounting pronouncements (continued)

Financial Instruments

In July 2014, the IASB issued a new standard, IFRS 9 Financial Instruments, which will replace IAS 39 Financial Instruments: Recognition and Measurement. The replacement of IAS 39 is a multi-phase project with the objective of improving and simplifying the reporting for financial instruments. The issuance of IFRS 9 is part of the first phase of this project. IFRS 9 is effective for periods beginning on or after January 1, 2018 and must be applied retrospectively. The Company is assessing the impact of IFRS 9 on its results of operations, financial position, and disclosures.

Property, Plant and Equipment and Intangible Assets

In May 2014, the IASB issued amendments to IAS 16, Property, Plant and Equipment and IAS 38 Intangible Assets, which are effective for years beginning on or after January 1, 2016. The amendments clarify when revenue-based depreciation methods are permitted. The Company does not expect this to have an impact.

Leases

In January 2016, the IASB issued IFRS 16 to establish principles for the recognition, measurement, presentation and disclosures of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. IFRS 16 replaces IAS17 and it is effective for annual periods beginning on or after January 1, 2019. The Company is assessing the impact of IFRS 16 on its results of operations, financial position and disclosures.

Notes to the financial statements December 31, 2015

3. Property, plant and equipment

2015 Cost

	Opening			Ending
	Cost	Additions	Disposals	Cost
	\$	\$	\$	\$
Land	2,997,210	-	-	2,997,210
Tracks	6,568,578	258,151	-	6,826,729
Structures	481,327	-	-	481,327
Switches	149,222	-	-	149,222
Crossing equipment	155,861	180,732	-	336,593
Work in progress	4,230	1,881,135	-	1,885,365
	10,356,428	2,320,018	-	12,676,446

2015

Accumulated depreciation

	Opening			Ending
	balance	Depreciation	Disposals	balance
	\$	\$	\$	\$
Land	-	-	-	-
Tracks	1,732,038	203,788	-	1,935,826
Structures	198,212	11,324	-	209,536
Switches	74,673	2,982	-	77,655
Crossing equipment	77,995	10,344	-	88,339
	2,082,918	228,438	-	2,311,356

2015

Net book value

	Opening net	Ending net
	book value	alue book value
	\$	\$
Land	2,997,210	2,997,210
Tracks	4,836,540	4,890,903
Structures	283,115	271,791
Switches	74,549	71,567
Crossing equipment	77,866	248,254
Work in progress	4,230	1,885,365
	8,273,510	10,365,090

Notes to the financial statements December 31, 2015

3. Property, plant and equipment (continued)

2014 Cost

	Opening			Ending
	Cost	Additions	Disposals	Cost
	\$	\$	\$	\$
Land	2,997,210	-	-	2,997,210
Tracks	6,233,768	334,810	-	6,568,578
Structures	481,327	-	-	481,327
Switches	149,222	-	-	149,222
Crossing equipment	155,861	-	-	155,861
Work in progress	-	4,230		4,230
	10,017,388	339,040	-	10,356,428

2014

Accumulated depreciation

	Opening			Ending
	balance	Depreciation	Disposals	balance
	\$	\$	\$	\$
Land	-	-	-	-
Tracks	1,530,516	201,522	-	1,732,038
Structures	186,414	11,798	-	198,212
Switches	71,567	3,106	-	74,673
Crossing equipment	74,751	3,244	-	77,995
	1,863,248	219,670	-	2,082,918

2014

Net book value

	Opening net	Ending net
	book value	book value
	\$	\$
Land	2,997,210	2,997,210
Tracks	4,703,252	4,836,540
Structures	294,913	283,115
Switches	77,655	74,549
Crossing equipment	81,110	77,866
Work in progress	-	4,230
	8,154,140	8,273,510

Notes to the financial statements December 31, 2015

4. Deferred capital contributions

	2015	2014
	Net book	Net book
	value	value
	\$	\$
Deferred contributions - gross	1,324,987	1,217,582
Less: accumulated amortization	(393,869)	(355,073)
	931,118	862,509

5. Long-term debt

In 2011 & 2012, the Company entered into three long-term debt facilities with the Royal Bank of Canada ("RBC") for the purpose of constructing two new rail yards within the limits of the City of Guelph. These projects were completed and put into use during 2012.

In 2015, the Company entered into a long-term loan agreement with the City for the purpose of reconstructing a bridge.

	2015	2014
	\$	\$
RBC Fixed term loan, repayable monthly, blended principal		
and interest at 4.27%, maturing December 2016	359,616	470,133
RBC Fixed term loan, repayable monthly, blended principal		
and interest at 4.34%, maturing June 2017	386,949	487,568
RBC Fixed term loan, repayable monthly, blended principal		
and interest at 4.34%, maturing June 2017	75,687	95,360
City of Guelph fixed term loan, repayable monthly, blended		
principal and interest at 3.395%, maturing December 2020	1,710,000	-
Less: current portion of long-term debt	(534,089)	(230,808)
Long-term debt	1,998,163	822,253

The debt is repayable as follows:

	\$
2016	534,089
2017	382,669
2018	47,173
2019	48,799
2020	1,519,522
	2,532,252

The debt facilities are secured by a general security arrangement over all inventory, accounts receivable and property, plant and equipment.

The Company is onside with the financial covenants related to these debt facilities.

Notes to the financial statements December 31, 2015

6. Share capital

Authorized, unliminted number Common shares

Issued and outstanding	December 31,	December 31,	
	. 2015	2014	
	\$	\$	
1 Common share	1	1	
	1	1	

7. Related party transactions

The Company is wholly owned by The City of Guelph. The City pays certain expenses and receives revenues on behalf of the Company for which the Company reimburses the City. During the year, these net expenses for which the Company reimbursed the City amounted to \$1,381,631 (2014 - \$395,389). Included in accounts payable and accrued liabilities is an amount owing to the City of Guelph of \$ nil (2014 - \$50,780) related to the reimbursement of these net expenditures which was paid subsequent to year end. Additional payments in 2014 totaling \$44,540 were made to repay the amount owing to the City from prior years in accordance with the repayment schedule agreed upon with the City. The Company also paid the City \$23,600 (2014 - \$23,600) in office rent and administration fees for the year. These transactions were made in the normal course of business and have been recorded at the exchange amounts.

Members of the board of directors are unpaid.

The remuneration of key management personnel during the year was \$145,052 (2014 - \$147,296).

8. Capital management

The Company's manages its capital to ensure sufficient liquidity to protect the Company's long-term viability as a going concern.

The Company's total capital is defined as shareholders' equity. Shareholders' equity at December 31, 2015 is \$7,305,213 (December 31, 2014 - \$6,659,646). There have been no changes to the Company's approach on capital management.

The Company has certain restrictions to its capital as part of the debt facility agreements entered into in December 2011 and June 2012.

9. Financial risk management

Financial assets and liabilities

The following table analyzes financial assets and liabilities by the categories defined in IAS 39. In addition, IFRS 7 requires that financial instruments held at fair value be categorized into one of the following three levels to reflect the degree to which observable inputs are used in determining the fair values:

- 'Level 1' fair value measurements are those derived without adjustment from quoted prices in active markets for identical assets or liabilities.
- 'Level 2' fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- 'Level 3' fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to the financial statements December 31, 2015

9. Financial risk management (continued)

The Company has no financial assets or financial liabilities held at fair value.

	Loans and receivables	Available for sale	Liabilities at amortized cost	Fair value through profit or loss	Total carrying value	Fair value
	\$	\$	\$	\$	\$	\$
As at December 31, 2015						
Financial assets not held at fair value						
Cash	266,331	-	-	-	266,331	266,331
Trade and other receivables	598,339	-	-	-	598,339	598,339
Due from City of Guelph	124,179	-	-	-	124,179	124,179
Financial assets held at fair value	-	-	-	-	-	-
Total financial assets	988,849	-	-		988,849	988,849
Financial liabilities not held at fair value						
Trade and other payables	-	-	614,909	-	614,909	614,909
Current portion of long-term debt	-	-	534,089	-	534,089	534,089
Long-term debt	-	-	1,998,163	-	1,998,163	1,998,163
Financial liabilities held at fair value	-	-	-	-		-
Total financial liabilities	-	-	3,147,161	-	3,147,161	3,147,161

The fair value of the Company's external long-term debt approximates its carrying value as the interest rate approximates market. The fair value of the debt payable to the City of Guelph, a related party is undeterminable.

			Liabilities	Fair value	Total	
	Loans and	Available	at amortized	through	carrying	Fair
	receivables	for sale	cost	profit or loss	value	value
	\$	\$	\$	\$	\$	\$
As at December 31, 2014						
Financial assets not held at fair value						
Cash	137,043	-	-	-	137,043	137,043
Trade and other receivables	271,437	-	-	-	271,437	271,437
Financial assets held at fair value	-	-	-	=	-	-
Total financial assets	408,480	-	-	-	408,480	408,480
Financial liabilities not held at fair value	-	-	-	-	-	_
Trade and other payables	=	-	136,350	=	136,350	136,350
Current portion of long-term debt	-	-	230,808	-	230,808	230,808
Long-term debt	=	-	822,253	=	822,253	822,253
Financial liabilities held at fair value	-	-	-	-	-	-
Total financial liabilities	-	-	1,189,411	-	1,189,411	1,189,411

Notes to the financial statements December 31, 2015

9. Financial risk management (continued)

Interest rate risk

Interest rate risk is the risk that market rates will fluctuate and affect the debt carrying costs paid by the Company. The Company has three fixed rate term loans and is only exposed to interest rate risk upon year five when the facilities will be renewed for an additional two year term.

Currency risk

The Company realizes an insignificant portion of its income in US dollars and is thus not exposed to foreign exchange risk.

Credit risk

Credit risk is the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company.

The Company's maximum exposure to credit risk is the carrying value of financial assets on the statement of financial position. At December 31, 2015 and December 31, 2014 Company had no allowance for doubtful accounts.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

All contractual cash flows related to the Company's financial liabilities are expected to be settled within one year except for those amounts due to the City of Guelph and the long-term debt which will be settled over the next 25 years.

10. Comparative figures

Certain of the comparative figures have been reclassified to conform with the current year's presentation of the financial statements.



TO Council as the Shareholder of Guelph Junction Railway Limited

SERVICE AREA GUELPH JUNCTION RAILWAY LTD. ("GJR")

DATE June 27, 2016

SUBJECT Appointment of Auditor

REPORT NUMBER GJR-2016-02

RESOLUTION:

1. That the recommendation of the GJR Board of Directors regarding the appointment of Auditors for GJR, be received; and

2. That KPMG LLP are appointed as auditors for Guelph Junction Railway Limited for its 2016 fiscal year.

Jade Surgeoner CFO, Guelph Junction Railway Limited



ANNUAL REPORT TO THE SHAREHOLDER FOR 2015 GUELPH JUNCTION RAILWAY LIMITED

CHAIR'S MESSAGE TO THE SHAREHOLDER:

The Board of Directors is pleased to present the 2015 Annual Report for Guelph Junction Railroad Limited.

2015 has been an exciting year for Guelph Junction Railway. Not only have we seen significant investments in the railway's infrastructure begin to show a return with a substantial growth in our core business, but it has been a year of change for the corporation as we commenced the process of revitalizing the company's governance and corporate structure.

GJR has always been supported by a committed volunteer Board of Directors that has managed the asset, maintaining profitability and self-sustainability. Change and renewed focus are important, as they will allow us to position this unique asset to take advantage of opportunities and enhance the economic development of the City of Guelph and surrounding areas.

One GJR Board member recently described the railway to me as 'Guelph's most visible invisible asset' - and it's true that while we



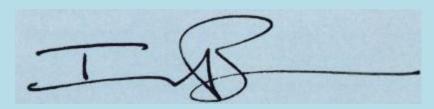
Ian Brown Chair, Guelph Junction Railway Ltd.

might see the trains move through our City or come across the tracks as we visit the downtown, few citizens are aware that Guelph is the only municipality that owns 100% of its local short-line railroad and the many benefits that brings to the City. There is an opportunity to connect with our history through the railroad, but also a much more exciting opportunity to contribute to our future prosperity in a tangible, safe, and environmentally sustainable way.

This report explores some of those opportunities, as well as the challenges, that stand before Guelph Junction Railway. With renewed focus and a more modern approach, the Board of Directors hopes to show that rail offers a chance to deliver real public benefits to the City of Guelph and its citizens.

As Chair, it is my hope that we will have a clear relationship with the City as shareholder and a clear and understandable mandate for how we should move this asset forward together.

Respectfully,



Ian Brown Chair **Guelph Junction Railway**



OUR HISTORY:

GJR was created by a Special Act of the Federal Parliament originally passed in 1884, but the railway has been with the City longer still, with the Grand Trunk Railway (now Canadian National Railway, CNR) having operated in the City since 1852. Early community leaders saw that a locally owned railway connected to the Credit Valley Railway (now the Canadian Pacific Railway, CPR) in Campbellville would provide new access to markets in the west and the United States while breaking the monopoly that typically railroads held over municipalities of the time. By 1910,



GJR's founding Act had been amended to allow the City of Guelph to become the sole shareholder. Today, GJR remains unique as the only short line railroad company wholly owned by a municipality.

For over a century, GJR was run by CPR under a lease agreement. Its Board met annually in order to declare a dividend. In 1998, CPR terminated its lease agreement and the City, on behalf of GJR, purchased CPR's remaining real property and track within the City of Guelph. GJR's Board of Directors had to take an active role in overseeing the railway's operations.

Today, GJR operates on 18.5 miles of mainline and 5.2 miles of industrial trackage. Since 1998, Ontario Southland Railway (OSR), a short line railway company, has been sourced as the operational railway to move freight to local industries along the GJR lines. Uniquely connected on two sides to class 1 railway lines (CNR in the northwest industrial basin and CPR in Campbellville). GJR has maintained modest profitability over this time, remaining self-sustaining and able to fund proper maintenance and infrastructure replacement programs.



CORPORATE STRUCTURE:

Changes to Corporate Status and Governance:



Guelph Junction Railway Company was incorporated by a Special Act of the Canadian Parliament in 1884. This Act of incorporation was last updated (to allow the City of Guelph to become the sole shareholder of GJR) in 1910. While a connection to its history is important, GJR's corporate structure governance remained tied to this archaic legislation which severely limited the Board's ability to properly manage its substantial transport and infrastructure assets and to react to problems and opportunities effectively. A more modern corporate structure was desirable.

In 2015, GJR was approved for a continuance under the Federal Canada Business Corporations Act. This provided access to a more modern governance structure and also brought clarity to longstanding questions about GJR's place in the complex Canadian railway regulation scheme. Part of this process involved a change in the name of the corporation to Guelph Junction Railway Limited.

This change will allow GJR to more fully take advantage of economic development opportunities and explore other community benefits that could be created by the railway along with greater flexibility in responding to the risks involved in managing substantial rail assets. It also provides greater clarity around the roles and responsibility of the Board of Directors, employees and officers of the Corporation, and the City as Shareholder.

In conjunction with this change, the City as shareholder made changes to the Board of Directors, and several officers, including an interim Chief Executive Officer and Chief Financial Officer, were appointed to enhance the governance and operations of the corporation and its accountability to the City as shareholder. These changes will give GJR the necessary agility and business knowledge to take advantage of opportunities in the marketplace in addition to the technical knowledge required to manage its assets.

As a result of these changes, the new Board of Directors has undertaken the development of a new strategic framework and direction for the corporation.



BUSINESS DEVELOPMENT:

GJR provides services to 9 customers, 2 of which provide the majority of the revenue for the corporation. GJR's only competition is the Canadian National Railway (CNR), through Goderich Exeter Railway (GEX), whose activities are only in the Northwest Industrial Park and the connection through the Alma rail yard to the main CN line.

There is potential for GJR to expand its services to a larger customer base and to actively partner in economic development activities for the City. GJR will look for ways to capitalize on these opportunities, including:



- increasing synergy with the City of Guelph's economic development initiatives wherever possible
- connecting with our community and partners through strong communications
- locating suitable rail-serviceable properties for both existing and new customers
- monitoring the business environment to find rail based businesses that may wish to relocate or expand operations in the City of Guelph, or along the GJR line in the County of Wellington and Region of Halton, and working to generate leads and interest

While business diversification is important, GJR will also continue to work with its existing customers to explore new opportunities and partnerships to expand and maintain existing business.



FINANCIAL AND OPERATIONS UPDATE:

Business Update:

The 2015 audited financial statements show a substantial increase in revenues for both freight and nonfreight movement over the previous year. This increased revenue chiefly accounts for net comprehensive income more than tripling over the previous year's total, though decreased track maintenance and administration costs also contribute.

Guelph Junction Railway Company

Statement of comprehensive income year ended December 31, 2015

	2015	2014
	\$	\$
Revenue		
Freight movement	2,198,581	2,029,730
Non-freight movement	683,683	306,437
Amortization of deferred capital contributions	38,796	35,938
Other	30,972	25,060
	2,952,032	2,397,165
Expense		
Freight movement	1,441,762	1,274,803
Track maintenance	269,093	355,377
Depreciation	228,438	219,670
Administration and office	202,563	226,224
Recoverable costs	100,637	55,175
Interest on long-term debt	40,346	49,966
Expropriation costs	14,127	-
Audit & legal	9,500	9,600
	2,306,466	2,190,815
Net comprehensive income for the year	645,566	206,350

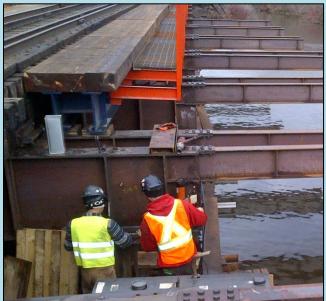
Overall car movements increased despite the loss of a major customer competing rail line in late 2015. This loss was due entirely to a pricing change at the level of the class 1 carrier, CNR, which is not within GJR's control. This loss was more than made up, however, due to increases in the number of cars for other existing customers.

The additional proceeds from operations were reinvested back into GJR through capital additions of \$2.1M. These capital costs are outlined below and relate to the Eramosa Bridge, general track and signal upgrades, as well as some costs pertaining to the first phase of the PDI expansion. The PDI expansion is a major project to expand service to GJR's largest customer; the first phase was completed



in early 2016 which will substantially increase business from PDI in the future. This project is discussed in detail below.

Operations and Capital Maintenance:



Rail operations continue to be managed through OSR under the terms of our operations agreement. At the end of 2015, new maintenance procedures were negotiated by GJR which require OSR to support all maintenance with inspection records and approvals from the General Manager of GJR prior to scheduling of maintenance. It is expected that these new procedures will reduce maintenance costs considerably. GJR has also taken over all invoicing of third parties from OSR. Flagging work also remained a direct source of income for GJR.

The milder winter in 2015 resulted in minimal impacts to deliveries and lower storm fighting costs. A review of existing agreements determined that GJR is entitled to invoice for works on customer owned tracks, including snow fighting, which has led to the recovery of those costs. Extensive main track brush cutting was also completed in 2015.

GJR has employed a life cycle approach to its capital maintenance programme and identifies infrastructure maintenance priorities annually. 2015 also saw the completion of a major infrastructure improvement in the Eramosa Bridge Repair Project which is discussed in more detail below.

Eramosa Bridge Repair Project:

The Eramosa Bridge is an important piece of GJR infrastructure that required major repairs in 2015. Due to a fire in 1982, the aging timber frame construction of the bridge itself, and increased rail traffic and tonnage, the bridge required substantial repairs in order to ensure the continuous safe operation of the rail line. Without this investment, GJR would not have been able to continue its operations, which would have resulted in the loss of its revenue stream. Additionally, companies actively using GJR tracks to





support their operations would have been deprived of the service.

The capital investment in the repair of the Eramosa Bridge was substantial, totalling \$1,872,760.00. The majority of this amount was financed through a loan from the City of Guelph the amount of \$1,710,000.00. The repayment of this loan, including annual interest, will begin in 2016.

The repair of the Eramosa Bridge eliminates a major maintenance and safety concern for the railway. The repair of the asset will also allow for increased speed on the line and increased car movement that will better serve existing customers and open new opportunities to expand existing business and provide service to



new business in the future. The improvements at the Eramosa Bridge will allow the GJR line to accommodate an additional 10,000 yearly rail car movements with no height or weight restrictions. It will also increase the overall status of the rail line from status 1 to status 2, which translates into stronger negotiating power for new contracts and an improvement in service for existing customers.

The Eramosa Bridge project also included the addition of a pedestrian a foot bridge alongside of the necessary structural repairs. While not necessary for GJR's operations, the foot bridge provides more access to walking trails for residents. The integration of the walking bridge resulted in an additional \$135,000.00 in costs borne by GJR which represent a direct benefit to the City and its residents. Additionally, it was estimated that for the City to complete this project separately from the bridge repairs would have cost an additional \$92,500.00. This means the total benefit to the City of this project is approximately \$227,500.00.



PDI Expansion Project:

In early 2016 the first phase of a partnership to expand service for GJR's primary customer, PDI, was completed. This partnership saw the expansion of a spur line to service PDI's liquid business at Victoria Road South.

Under the agreed terms of this expansion, GJR was guaranteed a minimum number of carloads in freight volume per year. Currently, the total carloads shipped and received as



part of this expansion is expected to exceed the guaranteed minimum.



Although slightly delayed due to uncooperative weather conditions, the second phase of this expansion will be completed in 2016. The success of this project has not only resulted in a higher than expected revenue for GJR specifically, but has also allowed the customer to increase its own revenues and production, which will also result in additional employment at the PDI Liquid Victoria Road South facility.

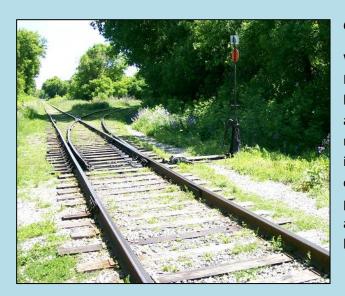


ONGOING PROJECTS, CHALLENGES AND OPPORTUNITIES:

Transfer of Title:

In 1998, the City of Guelph purchased all remaining assets of CPR within the City of Guelph on behalf of GJR. This included real property and track, as well as the CPR interest in related agreements. GJR re-paid the City the purchase price for these assets in full in 2010.

In 2015, work began on transferring title of the railway right of way to GJR. City Council approved this transfer on May 27, 2016.



Contractual Review:

With support from the City of Guelph's Legal, Realty and Risk Services department, GJR has been undertaking a review of existing contracts and agreements. Some of these agreements have not been reviewed for some time, and some were inherited when GJR took direct control of operations from CPR in 1998. In some cases, practice has not reflected the terms of these agreements and has resulted in additional costs being paid by GJR.

Some results have already been achieved as a result of the review, including more robust procedures for maintenance performed by the operating railroad and invoicing of third parties for works on their lands. The full review is expected to be completed in 2016.

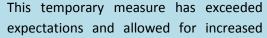
Dividends Policy:

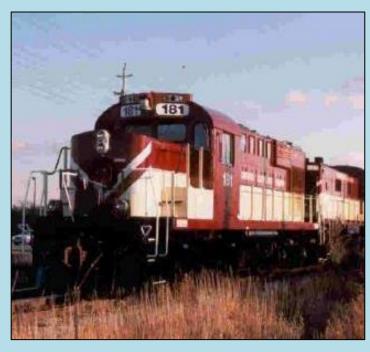
GJR's Board of Directors will be developing a policy for when and under what circumstances a dividend to the City may be declared. Although GJR has traditionally maintained modest annual profits since the expiry of the lease agreement with CPR in 1998, it has not traditionally provided a dividend to the shareholder as profits were reinvested into the operation and maintenance of the railway asset. As new opportunities for economic development and business diversification are developed and pursued, appropriate re-investment into GJR as a 'growth company' will also have to be considered. It is noted that other opportunities to provide benefit to the City and the public may be pursued. A recent example of this is the substantial contribution to the City's multi-use pathway by providing a foot bridge as part of the project to repair the Eramosa Bridge, valued at a total of \$135,000.00.



Permanent Human Resources Solutions:

As noted, included in efforts to modernize GJR's corporate and governance structure was the appointment of an interim CEO and interim CFO as officers of the corporation. These officers are City of Guelph staff who have taken on additional responsibilities in order to assist and provide additional support to GJR and its Board of Directors, supplementing and enhancing the support provided by GJR's sole employee, its General Manager, and existing staff support received from the Solicitor acting Corporate City as Secretary.





diligence on operations while ensuring appropriate financial and other controls are in place. The GJR Board of Directors will be addressing the need for a more permanent human resource solution in 2016.

MTO Expropriations – Northwest Industrial Basin:

As part of the provincial plan to improve Highway 6, the Ontario Ministry of Transportation (MTO) has expropriated several parcels of land in the Northwest of the City. These include expropriations of GJR lands that include active rail crossings at the Hanlon Expressway. As part of the reconstruction of the highway, GJR tracks will have to be moved in order to maintain service to customers in the Northwest of the City.

Currently, GJR continues to operate on its existing track configuration under agreement with MTO. GJR is working with MTO to ensure that necessary track reconfiguration will take place prior to the reconstruction of the highway in such a way as to minimize disruptions in service to customers. GJR has retained engineering consultants to develop alternative configurations that will allow service to continue and is awaiting MTO response. GJR has also retained experienced legal Counsel to deal with the legal aspects of the expropriations. The expectation is that GJR will be fully compensated for all costs and disturbance, including consultant and legal costs, in accordance with the Expropriations Act.

Business Development:

In 2016 the GJR Board of Directors will be creating a business development plan to support the strategic framework and directions. GJR's Board will also be reviewing the mission, vision, and values of the corporation and developing strategic directions to take the railway forward.





GUELPH JUNCTION RAILWAY LIMITED

1 CARDEN STREET

GUELPH, ONTARIO N1H 3A1





Minutes of Guelph City Council Held in the Council Chambers, Guelph City Hall on Monday, May 9, 2016 at 5:30 p.m.

Attendance

Council: Mayor C. Guthrie (arrived 5:50 at p.m.)

Councillor P. Allt Councillor J. Hofland
Councillor B. Bell Councillor M. MacKinnon

Councillor C. Billings Councillor L. Piper

Councillor C. Downer Councillor A. Van Hellemond

Councillor D. Gibson Councillor M. Salisbury

Councillor J. Gordon Councillor K. Wettstein (arrived at 5:02p.m.)

Staff: Ms. A. Pappert, CAO

Mr. M. Amorosi, Deputy CAO, Corporate Services

Ms. J. Sweeney, Acting Deputy Clerk

Ms. D. Black, Council Committee Coordinator

Also

Present: Ms. L. Bernardi, Bernardi Human Resource Law

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

Chair Downer called the meeting to order.

Authority to Resolve into a Closed Meeting of Council

 Moved by Councillor Bell Seconded by Councillor Salisbury

That the Council of the City of Guelph now hold a meeting that is closed to the public, pursuant to Section 239 (2) (b) and (c) of *The Municipal Act*, with respect to security of the property, personal matters about identifiable individuals and proposed or pending acquisition or disposition of land.

CARRIED

Closed Meeting (5:32 p.m.)

Disclosure of Pecuniary Interest and General Nature Thereof

There were no disclosures.

The following matters were considered:

C-2016.33 Downtown Property

C-2016.34 Correspondence Received Regarding Employees of the

Corporation

C-2016.35 CAO Contract

Rise and recess from Closed Meeting (7:05 p.m.)

Open Meeting (7:12 p.m.)

Attendance

Council: Mayor C. Guthrie Councillor J. Gordon

Councillor P. Allt Councillor J. Hofland
Councillor B. Bell Councillor L. Piper
Councillor C. Billings Councillor M. Salisbury

Councillor C. Downer Councillor A. Van Hellemond Councillor D. Gibson Councillor K. Wettstein

Absent: Councillor MacKinnon

Staff: Ms. A. Pappert, CAO

Mr. S. Stewart, Deputy CAO of Infrastructure, Development and Enterprise

Mr. T. Salter, General Manager, Planning, Urban Design & Building

Services

Ms. S. Kirkwood, Manager of Development Planning Mr. C. DeVriendt, Senior Development Planner Ms. K. Nasswetter, Senior Development Planner

Ms. J. Sweeney, Acting Deputy Clerk

Ms. D. Black, Council Committee Coordinator

Mayor Guthrie called the meeting to order.

Closed Meeting Summary

Mayor Guthrie addressed the matters discussed in the closed meeting and identified the following:

C-2016.33 Downtown Property

Information was received.

C-2016.34 Correspondence Received Regarding Employees of the Corporation

Information was received, staff were given direction and discussion will continue following the open meeting.

C-2016.35 CAO Contract

Information was received and staff were given direction.

Disclosure of Pecuniary Interest and General Nature Thereof

There were no disclosures

The Mayor addressed the evacuation of the residents of Fort McMurray and stated Guelph is sympathetic to their situation and sends best wishes on behalf of the City of Guelph. He advised Councillor Downer will be tabling a motion regarding assistance for them during the meeting.

Consent Agenda

The following item was extracted:

CON-2016.23 ASSOCIATION OF MUNICIPALITIES OF ONTARIO RE: SUPPORT FOR FORT MCMURRAY – CALL TO ACTION

 Moved by Councillor Hofland Seconded by Councillor Van Hellemond

That the balance of the May 9, 2016 Consent Agenda as identified below, be adopted:

CON-2016.18 41 WOODLAWN ROAD WEST PROPOSED ZONING BY-LAW AMENDMENT (FILE: ZC1508) - WARD 3

- 1. That the application submitted by Black, Shoemaker, Robinson and Donaldson Limited on behalf Sherrill Becker to amend the zoning from the "Specialized Service Commercial" (SC.1-31) to the "Specialized Community Shopping Centre" (CC-?) zone to allow a broader range of uses on the property municipally known as 41 Woodlawn Road West, and legally described as Part Lot 5, Registered Plan 169, City of Guelph, be approved in accordance with the zoning regulations and conditions outlined in Schedule 1 attached hereto.
- 2. That in accordance with Section 34(17) of the Planning Act, City Council has determined that no further public notice is required related to the minor modifications to the proposed Zoning By-law amendment affecting the subject lands.

CON-2016.19 492 MICHENER ROAD PROPOSED ZONING BY-LAW AMENDMENT (FILE: ZC1514) - WARD 4

1. That the application submitted by Astrid J Clos Planning Consultants, on behalf of Four Woods Group Inc. to amend the zoning from the "Specialized Highway Service Commercial" (SC.2-1) zone to the "Highway Commercial" (SC.2) on the property municipally known as 492 Michener Road and legally described as Part of Lot 6, Registered Plan 661, Part 2 of Reference Plan 1403, City of Guelph, be approved in accordance with the zoning regulations outlined in Schedule 2 attached hereto.

CON-2016.20 PROPOSED DEMOLITION OF 75 METCALFE STREET - WARD 1

1. That Report 16-31 regarding the proposed demolition of one (1) single detached dwelling at 75 Metcalfe Street, legally described as Division F Pt. Lot 1 E/S Eramosa Rd Plan 405 Pt. Block B RP-61R5520 Part 3; City of Guelph, from Infrastructure, Development and Enterprise dated May 9th, 2016, be received.

- 2. That the proposed demolition of one (1) detached dwelling at 75 Metcalfe Street be approved.
- 3. That the applicant be requested to prepare and submit a Tree Preservation Plan in accordance with the City of Guelph Official Plan (Urban Forest policies) prior to undertaking activities which may injure or destroy trees.
- 4. That the applicant be requested to erect protective fencing at one (1) metre from the drip line of any existing trees to be retained on or adjacent to the property, which may be impacted by demolition or construction activities.
- 5. That the applicant be requested to contact the City's Environmental Planner to inspect the tree protection fence prior to demolition and/or site alteration commencing.
- 6. That if demolition is to occur during breeding bird season (approximately May 1 to July 31), a nest search be undertaken by a wildlife biologist prior to demolition so as to protect the breeding birds in accordance with the Migratory Birds Convention Act (MBCA) prior to any works occurring.
- 7. That the applicant be requested to contact the Plant Manager of Solid Waste Resources, within Infrastructure, Development and Enterprise regarding options for the salvage or recycling of all demolition materials.

CON-2016.21 PROPOSED DEMOLITION OF 10 MAYFIELD AVENUE - WARD 5

- 1. That Report 16-29 regarding the proposed demolition of one (1) single detached dwelling at 10 Mayfield Avenue, legally described as Plan 552 Lot 19; City of Guelph, from Infrastructure, Development and Enterprise dated May 9th, 2016, is received.
- 2. That the proposed demolition of one (1) detached dwelling at 10 Mayfield Avenue be approved.
- 3. That the applicant be advised that a tree removal permit must be applied for and received prior to removal of any trees on the site in accordance with the City's Private Tree Protection By-law (2010)-19058.
- 4. That the applicant prepare and submit a Tree Preservation Plan in accordance with the Private Tree Protection By-law (2010-19058) prior to undertaking activities which may injure or destroy regulated trees.
- 5. That the applicant erect protective fencing at one (1) metre from the dripline of any existing trees to be retained on or adjacent to the property which may be impacted by demolition and/or construction activities.
- 6. That the applicant contacts the City's Environmental Planner to inspect the tree protection fence prior to demolition and/or site alteration commencing.

- 7. That if demolition is to occur during breeding bird season (approximately May 1 to July 31), a nest search be undertaken by a wildlife biologist prior to demolition so as to protect the breeding birds in accordance with the Migratory Birds Convention Act (MBCA) prior to any works occurring.
- 8. That the applicant be requested to contact the Plant Manager of Solid Waste Resources, within Infrastructure, Development and Enterprise regarding options for the salvage or recycling of all demolition materials.

CON-2016.22 CAO PERFORMANCE OBJECTIVES 2016

That the CAO's 2016 Performance Objectives as described in report CAO-C-1604 be approved.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, Hofland, Piper, Salisbury, Van Hellemond and Wettstein (12) VOTING AGAINST (0)

CARRIED

Planning Public Meeting

Mayor Guthrie announced that in accordance with The Planning Act, Council is now in a public meeting for the purpose of informing the public of various planning matters. The Mayor asked if there were any delegations in attendance with respect to the planning matters listed on the agenda.

46, 47 and 87 Hyland Road Proposed Draft Plan of Subdivision and Zoning Bylaw Amendment (Files: 23T-16501/ZC1601) - Ward 2

Chris DeVriendt, Senior Development Planner advised the applicant is requesting to change the zoning from the existing UR (Urban Reserve) Zone and WL (Wetland) to the R.1B (Residential Single Detached) Zone to implement the proposed draft plan of subdivision. The applicant wishes to subdivide the property to allow the creation of 19 single detached lots. A cul-de-sac is proposed within the parcel north of Hyland Road to accommodate 10 single detached dwellings. Glenburnie Drive is proposed to be extended into a cul-de-sac to accommodate an additional 9 single detached lots. The applicant intends to leave Blocks 20 and 21 in an un-graded natural state and a formal pedestrian trail is proposed to the east to maintain trail connectivity.

John Dunnink, applicant, advised the proposed plan is designed to keep lot size compatible with the existing properties. He advised they will develop the trail to City requirements and are proposing giving the City some of the property to protect the wetlands. He also addressed the tree plan and traffic concerns for Glenburnie Drive.

Eric McCraney, neighbourhood resident raised concerns regarding the extension of Glenburnie Drive due to the effects it would have on the wetlands. He also raised concerns regarding privacy.

Randy Galway, neighbourhood resident, raised privacy concerns and grading and runoff issues. He requested assurances that damages would receive quality repairs at the expense of the developer.

Discussion ensued regarding protection of the wetlands boundaries, grading and privacy.

3. Moved by Councillor Billings
Seconded by Councillor Van Hellemond

That Report 16-30 regarding a proposed Draft plan of Subdivision and Zoning By-law amendment application (File: 23T-16501/ZC1601) by Van Harten Surveying Inc. on behalf of Dunnink Homes Ltd. to permit the development of 19 single detached lots on the properties municipally known as 46, 47 and 87 Hyland Road and legally described as Lot 6 and 7, Part of Lots 4 and 5, Registered Plan 359 as in ROS635704 and Part of Lot 12 Registered Plan 359, Part 1, 61R633, City of Guelph, from Infrastructure, Development and Enterprise dated May 9, 2016, be received.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, Hofland, Piper, Salisbury, Van Hellemond and Wettstein (12) VOTING AGAINST (0)

CARRIED

671 Victoria Road North Proposed Zoning By-law Amendment (File: ZC1606) - Ward 2

Katie Nasswetter, Senior Development Planner advised the applicant is requesting to change the zoning from the existing NC-9 (Specialized Neighbourhood Shopping Centre) to a revised NC-9 (Specialized Neighbourhood Shopping Centre) to permit the development of two six-storey apartment buildings containing a total of 124 apartment units with ground floor commercial space and a separate one storey commercial building. The specialized permitted uses and zoning regulations being requested are to permit the following: a "pharmacy", a drive-thru for a financial establishment, a maximum building height of 6 storeys from the current 2 storeys, a maximum lot area of 12,487m² in lieu of the current 7,500 m², reduced minimum rear and side yards of 6 metres from current 12 metres, and a minimum buffer strip width of 3 metres along the north and easterly lines where 6 metres is required. She provided details of the configuration of the property including parking accommodations.

Discussion ensued regarding traffic issues, grading, setbacks and compatibility.

Astrid Clos, on behalf of the applicant provided information regarding zoning compatibility, parking, traffic, building location, angular planes, and potential commercial uses. She advised there are no tenant applications for the property so drawings can only be conceptual.

Saad Faraj, architect on behalf of the applicant provided information regarding the commercial usage and number of residential units, building design and setback requirements. He explained the six requested zoning by-law amendments.

Discussion ensued regarding building height, storm water management, setbacks and the drive-thru component.

Paul Harrison, neighbourhood resident raised concerns regarding the level of pollution from litter and vehicular traffic, vandalism issues, traffic volume and flow, shadowing and wind effects. He also questioned the level of care the property would receive in relation to the apartment tenant turnover.

Jignesh Nayak, neighbourhood resident raised safety concerns for the children and concurs with previous delegations relating to parking, traffic and setbacks.

Andrew Bilyk, neighbourhood resident stated the slope and grading of the property would make the building appear even higher than the six storeys proposed.

Discussion ensued regarding solid waste collection, snow removal and storage, massing of proposed structures, streetscape, lighting, storm water management, underground parking noise, building materials and relation to the Community Energy Initiative.

4. Moved by Councillor Piper Seconded by Councillor Allt

That Report 16-32 regarding a proposed Zoning By-law amendment application (File: ZC1606) by Astrid J. Clos Planning Consultants on behalf of 1830334 Ontario Inc. to permit a mixed use commercial residential development on the property municipally known as 671 Victoria Road North and legally described as Part of Lot 1, Concession 7, Division C, City of Guelph, from Infrastructure, Development and Enterprise dated May 9, 2016, be received.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, Hofland, Piper, Salisbury, Van Hellemond and Wettstein (12) VOTING AGAINST (0)

CARRIED

Extracted Consent Items

CON-2016.23 ASSOCIATION OF MUNICIPALITIES OF ONTARIO RE: SUPPORT FOR FORT MCMURRAY – CALL TO ACTION

Councillor Downer advised she is responding to the Call to Action from AMO received in the Weekly Items for Information regarding support for Fort McMurray.

The CAO advised that City staff have been in contact with Fort McMurray representatives, have offered staff resources and are waiting for requests.

- Moved by Councillor Downer
 Seconded by Councillor Van Hellemond
 - 1. That the City of Guelph donate \$5000 to the Canadian Red Cross Alberta Fires Appeal through AMO or directly in support of Fort McMurray and surrounding First Nations Territories.
 - 2. That the Finance Department identify the appropriate account.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, Hofland, Piper, Salisbury, Van Hellemond and Wettstein (12)
VOTING AGAINST (0)

CARRIED

By-laws

6. Moved by Councillor Gordon Seconded by Councillor Hofland

That By-law Number (2016) – 20049 to (2016) - 20057, inclusive are hereby passed.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, Hofland, Piper, Salisbury, Van Hellemond and Wettstein (12) VOTING AGAINST: (0)

CARRIED

Councillor Gordon raised an issue regarding social media comments made by Councillor Gibson to him and requested an apology.

Councillor Gibson responded and provided an apology to Councillor Gordon.

Authority to Resolve into a Closed Meeting of Council (9:18 p.m.)

 Moved by Councillor Bell Seconded by Councillor Allt

That the Council of the City of Guelph now hold a meeting that is closed to the public, pursuant to Section 239 (2) (b) of The Municipal Act, with respect to personal matters about identifiable individuals.

CARRIED

Closed Meeting (9:20 p.m.)

The following matter was considered:

C-2016.34 Correspondence Received Regarding Employees of the Corporation

Rise and recess from Closed Meeting (9:57 p.m.)

Open Meeting (9:58 p.m.)

Attendance

Council: Mayor C. Guthrie Councillor J. Gordon Councillor P. Allt Councillor J. Hofland

Councillor B. Bell Councillor L. Piper

Councillor C. Billings Councillor A. Van Hellemond Councillor C. Downer Councillor K. Wettstein

Councillor D. Gibson

Absent: Councillor MacKinnon

Councillor Salisbury

Staff: Ms. A. Pappert, CAO

Ms. J. Sweeney, Acting Deputy Clerk

Closed Meeting Summary

Mayor Guthrie addressed the matter discussed in the closed meeting and identified the following:

C-2016.34 Correspondence Received Regarding Employees of the Corporation

Staff were given direction.

Adjournment (10:00 p.m.)

7. Moved by Councillor Bell Seconded by Councillor Piper

That the meeting be adjourned.

CARRIED

I	Minutes to l	be confirmed c	n June 22, 2016.

Mayor Guthrie
Joyce Sweeney, Acting Deputy Clerk

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Schedule 1 Page 1

41 Woodlawn Road West Recommended Zoning Regulations and Conditions

Part A: Zoning Regulations

The following zoning is proposed:

Specialized CC-? (Community Shopping Centre) Zone

Permitted Uses

In accordance with Section 6.2.1.2 of Zoning By-law (1995)-14864, as amended.

Notwithstanding Section 6.2.1.2, the following uses are prohibited:

- · Vehicle Gas Bar;
- Carwash, Manual;
- Carwash, Automatic.

In addition to the uses permitted by 6.2.1.2 **Vehicle Service Station** and **Vehicle Specialty Repair Shop** uses are permitted to operate within the building that existed on the property on the day of passing of this **By-law**, to a maximum of 575 m² of **Gross Floor Area**.

Regulations

In accordance with Section 6.2.2 of Zoning By-law (1995)-14864, as amended.

Notwithstanding Section 6.2.2, the following regulations apply:

Minimum Lot Frontage

The minimum Lot Frontage shall be 27.8 metres.

Minimum Side Yard

The minimum Side Yard shall be 2.9 metres.

Minimum Gross Floor Area

The minimum Gross Floor Area shall be 575 m² square metres

Maximum Gross Floor Area

The maximum commercial Gross Floor Area shall be 1,000m².

Off-Street Parking

The Minimum Off-street parking required shall be 1 space per 23 m² of Gross Floor Area.

Schedule 1 Page 2

41 Woodlawn Road West Recommended Zoning Regulations and Conditions

Part B: PROPOSED CONDITIONS

The following conditions are provided as information to Council and will be imposed through site plan approval and a site plan agreement with the City registered on title for the subject property:

- 1. That the Owner shall submit to the City, in accordance with Section 41 of The Planning Act, a fully detailed site plan, indicating the location of the building, building design, landscaping, parking, circulation, access, lighting, grading and drainage on the said lands to the satisfaction of the General Manager of Planning, Urban Design and Building Services and the General Manager/City Engineer, prior to any construction or grading on the lands.
- 2. That prior to Site Plan Approval, the Owner shall submit a detailed list of energy efficiency measures to be incorporated into the site development and buildings proposed to be constructed, to the satisfaction of the General Manager of Planning, Urban Design and Building Services.
- 3. That prior to Site Plan Approval, the Owner shall secure an easement, registered on title, to legalize the northerly access to the site, or else close this access to the satisfaction of the General Manager of Planning, Urban Design and Building Services.
- 4. That prior to Site Plan Approval, the Owner shall contribute \$856.30 towards the implementation of the Woodlawn Memorial Park landscape master plan, to the satisfaction of the Director of Planning, Urban Design and Building Services.
- 5. That the Owner shall pay to the City, as determined applicable by the Chief Financial Officer/City Treasurer, Development Charges in accordance with the City of Guelph Development Charges By-law (2014)-19692, as amended from time to time, or any successor thereof, prior to the issuance of any building permits, at the rate in effect at the time of the issuance of a building permit.

Schedule 2 Page 1

492 Michener Road Recommended Zoning Regulations and Conditions

Zoning Regulations

Zoning By-law Amendment

The following zoning is proposed:

SC.2 (Highway Service Commercial Zone)

Permitted Uses

In accordance with Section 6.4.1.2 of Zoning By-law (1995)-14864, as amended.

Regulations

In accordance with Section 6.4.2 of Zoning By-law (1995)-14864, as amended.



Minutes of Guelph City Council Held in the Council Chambers, Guelph City Hall on May 16, 2016 at 5:00 p.m.

Attendance

Council: Mayor Guthrie

Councillor P. Allt (arrived 5:03 p.m.) Councillor J. Hofland (arrived 5:03 p.m.)

Councillor B. Bell Councillor M. MacKinnon

Councillor C. Billings (arrived 5:03 p.m.)

Councillor L. Piper (arrived 5:03 p.m.)

Councillor M. Salisbury (arrived 5:03 p.m.)

Councillor D. Gibson Councillor A. Van Hellemond

Councillor J. Gordon Councillor K. Wettstein (arrived 5:03 p.m.)

Staff: Ms. A. Pappert, CAO

Mr. M. Amorosi, Deputy CAO of Corporate Services

Mr. S. Stewart, Deputy CAO of Infrastructure, Development & Enterprise

Mr. D. Thomson, Deputy CAO of Public Services

Ms. D. Jaques, General Manager Legal, Realty Services & Risk Management/

City Solicitor

Mr. S. O'Brien, City Clerk

Ms. J. Sweeney, Council Committee Coordinator

Call to Order (5:00 p.m.)

Mayor Guthrie called the meeting to order.

Authority to Resolve into a Closed Meeting of Council

 Moved by Councillor Bell Seconded by Councillor Downer

That the Council of the City of Guelph now hold a meeting that is closed to the public, pursuant to Section 239 (2) (b), (c) and (f) of the *Municipal Act* with respect to personal matters about an identifiable individual; proposed or pending acquisition or disposition of land; and advice that is subject to solicitor-client privilege.

CARRIED

Closed Meeting (5:03 p.m.)

Disclosure of Pecuniary Interest and General Nature Thereof

There were no disclosures.

The following matters were considered:

C-2016.36 CAO Contract

C-2016.37 Report of the Infrastructure, Development & Enterprise Committee – 200 Beverly Street – Former IMICO Property – Development Options

Rise and recess from Closed Meeting (5:45 p.m.)

Council recessed.

Open Meeting (6:00 p.m.)

Mayor Guthrie called the meeting to order.

Closed Meeting Summary

Mayor Guthrie spoke regarding the matters addressed in closed and identified the following:

C-2016.37 Report of the Infrastructure, Development & Enterprise Committee – 200 Beverly Street – Former IMICO Property – Development Options

Information was received and Council will be reporting out under special resolutions.

C-2016.36 CAO Contract

This matter will be considered following the completion of the open portion of the Council meeting.

Disclosure of Pecuniary Interest and General Nature Thereof

There were no disclosures.

Proposed Amendments to CAO By-law Number (2011)-19310

 Moved by Councillor Bell Seconded by Councillor Gibson

That the proposed Amendments to the CAO By-law Number (2011)-19310 be referred to staff for a report back to Council at the June 13, 2016 Council meeting.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Bell, Billings and Gibson (4) VOTING AGAINST: Councillors Allt, Downer, Gordon, Hofland, MacKinnon, Piper, Salisbury, Van Hellemond and Wettstein (9)

DEFEATED

It was requested that the clauses be voted on separately.

2. Moved by Councillor Allt Seconded by Councillor Hofland

That the following amendment be made to the CAO By-law Number (2011)-19310:

General Responsibilities

g) To attend meetings of City Council, Planning Council and Committees of Council as required or as delegated, with the right to speak but not to vote. The CAO's right to attend exclude matters specific to CAO Contract and Council's deliberation of the results of the CAO Performance Appraisal Process.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, Hofland, MacKinnon, Piper, Salisbury, Van Hellemond and Wettstein (13) VOTING AGAINST: (0)

CARRIED

3. Moved by Councillor Allt Seconded by Councillor Hofland

That the following amendment be made to the CAO By-law Number (2011)-19310:

General Responsibilities

i) To direct the co-ordination of all policy decisions of Council and deal with matters arising from Council's decisions in accordance with such established policies without further reference to Council except to regularly report to Council upon the actions taken through the established reporting systems of Council and Committee or as specifically directed by Council.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, Hofland, MacKinnon, Piper, Salisbury, Van Hellemond and Wettstein (13) VOTING AGAINST: (0)

CARRIED

4. Moved by Councillor Allt Seconded by Councillor Hofland

That the following amendment be made to the CAO By-law Number (2011)-19310:

General Responsibilities

j) To guide the strategic process as established by Council for the Corporation which includes the development of corporate implementation plans.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, Hofland, MacKinnon, Piper, Salisbury, Van Hellemond and Wettstein (13)

VOTING AGAINST: (0)

CARRIED

5. Moved by Councillor Salisbury Seconded by Councillor Wettstein

That proposed amendment to the CAO By-law Number (2011)-19310 with respect to a new Clause under Financial Management, be referred to staff to report back to Council June 13, 2016.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, Hofland, MacKinnon, Piper, Salisbury, Van Hellemond and Wettstein (13) VOTING AGAINST: (0)

CARRIED

Special Resolution

6. Moved by Councillor Gibson Seconded by Councillor Piper

That staff be directed to further develop the business terms and conditions relating to the creation of a mixed use development for the IMICO property, 200 Beverly Street, which includes an affordable housing component, and report back on the status of negotiations to Council by no later than the end of Q4 2016.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, Hofland, MacKinnon, Piper, Salisbury, Van Hellemond and Wettstein (13) VOTING AGAINST: (0)

CARRIED

Special Meeting of City Council as Shareholder of Guelph Municipal Holdings Inc.

Mr. Pankaj Sardana, Chief Financial Officer, GMHI and CEO of Envida and GHESI provided a historical overview and information on asset write downs, tax losses, intercompany loans and asset sales to GHESI Eastview and Southgate solar.

Councillor Salisbury left the meeting at 7:35 p.m.

Ann Pappert, CAO highlighted the history of district energy.

GMHI-2016.1 Financial History of the GMHI Group of Companies

7. Moved by Councillor Hofland Seconded by Councillor MacKinnon

That the report titled 'Financial History of the GMHI Group of Companies', be received.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, Hofland, MacKinnon, Piper, Van Hellemond and Wettstein (12) VOTING AGAINST: (0)

CARRIED

8. Moved by Councillor Gibson Seconded by Councillor Billings

That the presentation and report on the financial history of the GMHI group of companies be referred to the June 13, 2016 Council meeting.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, Hofland, MacKinnon, Van Hellemond and Wettstein (11) VOTING AGAINST: Councillor Piper (1)

CARRIED

9. Moved by Councillor Downer Seconded by Councillor Allt

That the closed minutes and accompanying material of November 23, 2015 with respect to District Energy Strategic Long Term Financial Plan, with the necessary redactions, be made public in conjunction with the materials for June 13, 2016 Council.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, Hofland, MacKinnon, Piper, Van Hellemond and Wettstein (11) VOTING AGAINST: Councillor MacKinnon (1)

CARRIED

 Moved by Councillor Downer Seconded by Councillor Allt

That the closed minutes and accompanying material of February 29, 2016 with respect to Decision Chronology: District Energy, be made public with the necessary redactions in conjunction with the material for June 13, 2016 Council.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gordon, Hofland, Piper and Wettstein (9)
VOTING AGAINST: Councillors Gibson, MacKinnon and Van Hellemond (3)

CARRIED

Councillor Salisbury returned to the meeting at 9:01 p.m.

GMHI-2016.2 GMHI 2016 Restated Budget

Moved by Councillor MacKinnon
 Seconded by Councillor Van Hellemond

That the Guelph Municipal Holdings Inc. 2016 restated budget, be approved.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Hofland, MacKinnon, Piper, Salisbury, Van Hellemond and Wettstein (12)

VOTING AGAINST: (0)

Councillor Gordon was not present in the Council Chambers when the vote was taken.

CARRIED

Authority to Resolve into a Closed Meeting of Council

 Moved by Councillor Piper Seconded by Councillor Hofland

That the Council of the City of Guelph now hold a meeting that is closed to the public, pursuant to Section 239 (2) (b) and (f) of the *Municipal Act* with respect to personal matters about an identifiable individual and advice that is subject to solicitor-client privilege.

CARRIED

Closed Meeting (9:07 p.m.)

The following matter was considered:

C-2016.36 CAO Contract

Rise and recess from Closed Meeting (9:54 p.m.)

Council recessed.

Open Meeting (9:55 p.m.)

Mayor Guthrie called the meeting to order.

Closed Meeting Summary

Mayor Guthrie spoke regarding the matters addressed in closed and identified the following:

C-2016.36 CAO Contract

Direction was given.

Adjournment (10:00 p.m.)

13. Moved by Councillor Allt Seconded by Councillor Gibson

That the meeting be adjourned.

	May 16, 2016 Gueiph City Council Meeting
Minutes to be confirmed on June 27, 2016.	
	Mayor Guthrie
	Stephen O'Brien - City Clerk



Minutes of Guelph City Council Held in the Council Chambers, Guelph City Hall on Tuesday, May 24, 2016 at 5:30 p.m.

Attendance

Council: Mayor Guthrie

Councillor P. Allt Councillor J. Hofland
Councillor B. Bell Councillor M. MacKinnon

Councillor C. Billings Councillor L. Piper (arrived at 5:32)

Councillor C. Downer
Councillor D. Gibson
Councillor J. Gordon
Councillor M. Salisbury
Councillor A. Van Hellemond
Councillor K. Wettstein

Staff: Ms. A. Pappert, Chief Administrative Officer

Mr. S. Stewart, Deputy CAO of Infrastructure, Development & Enterprise

Mr. D. Thomson, Deputy CAO of Public Services

Mr. B. Coutts, General Manager, Court Services/Acting Deputy CAO

Mr. P. Cartwright, General Manager, Business Development & Enterprise

Mr. R. Kerr, Corporate Manager, Community Energy Initiative

Mr. A. Chapman, Program Manager, Energy

Mr. J. Krauter, Dep. Treasurer/Manager of Taxation and Revenue

Mr. S. O'Brien, City Clerk

Ms. G. van den Burg, Council Committee Coordinator

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

Mayor Guthrie called the meeting to order.

Authority to Resolve into a Closed Meeting of Council

 Moved by Councillor Bell Seconded by Councillor Allt

That the Council of the City of Guelph now hold a meeting that is closed to the public, pursuant to Section 239 (2) (a), (b), (e) and (f) of the *Municipal Act* with respect to the security of the property of the municipality; personal matters about identifiable individuals; litigation or potential litigation including matters before administrative tribunal; and advice that is subject to solicitor-client privilege, including communications necessary for that purpose.

CARRIED

Closed Meeting (5:31 p.m.)

Disclosure of Pecuniary Interest and General Nature Thereof

There were no disclosures.

The following matters were considered:

- C-2016.43 CAO Contract
- C-2016.38 Meeting of the Shareholders of Guelph Municipal Holdings Inc.
 - (a) Report from the Chair of GMHI re Actions and Decisions
 - (b) GMHI-GHESI Shareholder Declaration
- C-2016.39 Report from the Infrastructure, Development & Enterprise Committee Resident Appointments to the Waste Innovation Centre Public Liaison Committee
- C-2016.41 Dolime Update
- C-2016.42 Snow Disposal Facility

Rise and recess from Closed Meeting (7:01 p.m.)

Council recessed.

Open Meeting (7:09 p.m.)

Mayor Guthrie called the meeting to order.

Closed Meeting Summary

Mayor Guthrie spoke regarding the matters addressed in closed and identified the following:

- Minutes Council Closed Session April 7, 11, 18, 25, 27, 2016
 These minutes were confirmed by Council.
- C-2016.43 CAO Contract

Information was received and external Legal Counsel was given direction on this matter.

- C-2016.38 Meeting of the Shareholders of Guelph Municipal Holdings Inc.
 - (a) Report from the Chair of GMHI re Actions and Decisions Information was received.
 - (b) GMHI-GHESI Shareholder Declaration
 Information was received and Council will be reporting out under Special Resolutions.
- C-2016.39 Report from the Infrastructure, Development & Enterprise
 Committee Resident Appointments to the Waste Innovation
 Centre Public Liaison Committee

Information was received and Council will be reporting out under Special Resolutions.

C-2016.41 Dolime Update

Information was received.

C-2016.42 Snow Disposal Facility

Staff were given direction on this matter.

Disclosure of Pecuniary Interest and General Nature Thereof

There were no disclosures.

Mayor Guthrie presented Team Medals to members of the Guelph Royals BU13 Blue Soccer Team in recognition of winning gold at the OSA Provincial Futsal Cup in February 2016.

Confirmation of Minutes

2. Moved by Councillor Hofland Seconded by Councillor Allt

That the minutes of the Council Meetings held April 7, 11, 18, 20, 25, and 27, 2016 be confirmed as recorded and without being read.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, Hofland, MacKinnon, Piper, Salisbury, Van Hellemond and Wettstein (13) VOTING AGAINST: (0)

CARRIED

Consent Reports

City Council as Shareholder of Guelph Municipal Holdings Inc.

3. Moved by Councillor Allt Seconded by Councillor Hofland

That the May 24, 2016 City Council as Shareholder of Guelph Municipal Holdings Inc. Consent Report as identified below, be adopted:

GMHI-2016.3 Report from the Chair of GMHI re Actions and Decisions

That the report of the Chair of GMHI dated May 24, 2016 be received.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, Hofland, MacKinnon, Piper, Salisbury, Van Hellemond and Wettstein (13) VOTING AGAINST: (0)

CARRIED

Corporate Services Committee Fourth Consent Report

Councillor Hofland presented the Corporate Services Committee Fourth Consent Report.

4. Moved by Councillor Hofland Seconded by Councillor Allt

That the May 24, 2016 Corporate Services Committee Fourth Consent Report as identified below, be adopted:

CS-2016.12 Transfer of Railway Right of Way and Assignment of Other Interests to Guelph Junction Railway Limited

- 1. That the transfer to Guelph Junction Railway Limited of the right of way lands previously owned by Canadian Pacific Railway and transferred to the City in 1999, except that portion of the right of way lands being used by the City as a trail, as shown on the draft reference plans attached to report CAO-LS-1610, is approved; and
- 2. That the assignment to Guelph Junction Railway Limited of the City's interests in the various agreements assigned to the City by Canadian Pacific Railway in an agreement dated March 31, 1999 is approved; and
- 3. That the transfer to Guelph Junction Railway Limited of the remaining right of way lands in the Northwest Industrial Park, as shown outlined in red and green on Schedule C to report CAO-LR-1610 is approved; and
- 4. That the assignment to Guelph Junction Railway Limited of the City's interest in the Tri-Party Agreement between Canadian National Railway, Canadian Pacific Railway and Guelph Junction Railway dated October 22, 1956, as amended, including the City's ownership interest, operating rights and maintenance obligations in and for the track in the Northwest Industrial Park, is approved; and
- 5. That the City Solicitor is authorized to approve and execute on behalf of the City any documents required to implement the above resolutions; and
- 6. That the General Manager Parks and Recreation is authorized to execute an agreement between Guelph Junction Railway Limited and the City that provides the City with an opportunity to purchase additional lands for trails in the event Guelph Junction Railway Limited intends to transfer to a non-affiliated third party any part of Guelph Junction Railway Limited's right of way between Speedvale Avenue and the City limits as shown outlined in orange on Schedule D in Report CAO-LR-1610 or in the event there is intended to be a change in control of Guelph Junction Railway Limited from the City to a non-affiliated third party.

CS-2016.14 2015 Reserve and Reserve Fund Statement

1. That report CS-2016-24 dated May 2, 2016, entitled "2015 Reserve and Reserve Fund Statement" be received for information.

- 2. That Council approve the following reserve and reserve fund consolidations and closures as described throughout the report:
 - 1) Consolidate and close Accumulated Sick Leave Reserves 102 and 103 into Accumulated Sick Leave Reserve 100;
 - 2) Consolidate and close Social Housing Reserve 208 into the Affordable Housing Reserve 119;
 - 3) Consolidate and close the Capital Fire Reserve Fund 173 into the Equipment Replacement Fire Reserve Fund 111;
 - 4) Consolidate and close the Capital Transit Improvement Reserve Fund 161 into the Capital Transit Reserve Fund 172;
 - 5) Closure of the Investing in Ontario Act Reserve Fund 200, as funds have been fully allocated to capital projects.

CS-2016.16 Budget Impacts per Ontario Regulation 284/09 and Budget PSAB Reconciliation

That Council approve compliance report CS-2016-25, Budget Impacts per Ontario Regulation 284/09 and 2016 Budget PSAB Reconciliation included in Table 1 and Attachment 1 respectively.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, Hofland, MacKinnon, Piper, Salisbury, Van Hellemond and Wettstein (13) VOTING AGAINST: (0)

CARRIED

Governance Committee Third Consent Report

Mayor Guthrie presented the Governance Committee Third Consent Report.

5. Moved by Councillor Billings
Seconded by Councillor Gibson

That the May 24, 2016 Governance Committee Third Consent Report as identified below, be adopted:

GOV-2016.5 Project Charter to Update the City's Affordable Housing Reserve Policy

That Council approve Report # CAO-I-1602 and the Project Charter (Attachment 1) to draft an Affordable Housing Reserve Policy.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, Hofland, MacKinnon, Piper, Salisbury, Van Hellemond and Wettstein (13) VOTING AGAINST: (0)

CARRIED

Infrastructure, Development & Enterprise Committee Fourth Consent Report

Councillor Bell presented the Infrastructure, Development & Enterprise Committee Fourth Consent Report.

The following item was extracted:

IDE-2016.12 Guelph Energy Efficiency Retrofit Strategy (GEERS) Pilot Implementation

6. Moved by Councillor Bell Seconded by Councillor MacKinnon

That the balance of the May 24, 2016 Infrastructure, Development & Enterprise Committee Fourth Consent Report as identified below, be adopted:

IDE-2016.13 Update on Source Water Protection Plan and Appointment of the Risk Management Official and Risk Management Inspectors

- 1. That Peter Rider, the City of Guelph's current Risk Management Official (RMO) be appointed as the RMO and as a Risk Management Inspector (RMI), and that Prasoon Adhikari, the City's current Environmental Engineer be appointed as a RMI under subsection 47(6) of the *Clean Water Act* (CWA), 2006; and
- 2. That the Clerk be directed to issue Certificates of Appointment to RMOs and RMIs as required under subsection 47(7) of the *Clean Water Act* (CWA), 2006.

IDE-2016.15 2015 Building Permit Revenue & Expenditures, Building Stabilization Reserve Fund, Annual Setting of Building Permit Fees and Building By-law Amendments

- 1. That report 16-33 dated May 3, 2016 entitled "2015 Building Permit Revenue & Expenditures, Building Stabilization Reserve Fund, Annual Setting of Building Permit Fees and Building By-law Amendments", be received; and
- 2. That an amended Building By-law, included as Attachment 2, be enacted to, among other things, repeal appointment by-law (1995)-14803.

IDE-2016.16 180 Gordon Street Brownfield Tax Increment-Based Grant Agreement Extension

- 1. That IDE report #16-27, regarding 180 Gordon Brownfield Tax Increment-Based Grant Agreement Extension, dated May 3, 2016 be received; and
- 2. That the request to extend the deadline for project completion from March 28, 2017 to March 28, 2021 be approved; and
- 3. That staff be directed to prepare an amendment to the Tax Increment-Based Grant agreement between the City and 180 Gordon Street Ltd., to the satisfaction of the General Manager of Planning, Urban Design and Building Services, the City Solicitor, and the City Treasurer; and

4. That the Mayor and Clerk be authorized to execute the amendment to the Tax Increment-Based Grant Agreement.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, Hofland, MacKinnon, Piper, Salisbury, Van Hellemond and Wettstein (13) VOTING AGAINST: (0)

CARRIED

Nominating Committee First Consent Report

7. Moved by Councillor Hofland Seconded by Councillor Billings

That the May 24, 2016 Nominating Committee First Consent Report as identified below, be adopted:

NOM-2016.1 Council Appointments to the Social Services Terms of Reference Advisory Committee

That Mayor Guthrie be appointed to the Social Services Terms of Reference Advisory Committee as the City of Guelph's Council representative for such time as the mandate of the Committee has been met, to end no later than November 30, 2018.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, Hofland, MacKinnon, Piper, Salisbury, Van Hellemond and Wettstein (13) VOTING AGAINST: (0)

CARRIED

Public Services Committee Third Consent Report

Councillor Downer presented the Public Services Committee Third Consent Report.

8. Moved by Councillor Downer Seconded by Councillor Billings

That the May 24, 2016 Public Services Committee Third Consent Report as identified below, be adopted:

PS-2016.8 Cultural Property Category A Designation for Guelph Museums

- That the Public Services Report # PS-16-09 "Cultural Property Category A Designation for Guelph Museums" dated May 2, 2016 be received; and
- 2. That the certified cultural property or property acquired with a Movable Cultural Property grant be transferred to another designated organization in the event that the City ceases operations of Guelph Museums, be approved.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, Hofland, MacKinnon, Piper, Salisbury, Van Hellemond and Wettstein (13) VOTING AGAINST: (0)

Council Consent Agenda

Council Consent Items

 Moved by Councillor Billings Seconded by Councillor Bell

That the May 24, 2016 Council Consent Agenda as identified below, be adopted:

CON-2016.24 York Road Reconstruction from Wyndham Street East to Ontario Street Contract No. 16-020

That the tender from Drexler Construction Limited be accepted and that the Mayor and Clerk be authorized to sign the Agreement for Contract 16-020 for the York Road Reconstruction Contract for a total tendered price of \$2,697,310.00 (price include 13% HST) with actual payment to be made in accordance with the terms of the contract.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, Hofland, MacKinnon, Piper, Salisbury, Van Hellemond and Wettstein (13) VOTING AGAINST: (0)

CARRIED

Extracted Items

IDE-2016.12 Guelph Energy Efficiency Retrofit Strategy (GEERS) Pilot Implementation

The following individuals spoke on this matter:

Kirby Calvert; Susan Watson; Dennis Galon; Brenda Dyack; Evan Ferrari; Steve Dyck, President, Guelph Solar; Mike Schreiner

Correspondence was received from Maggie Laidlaw.

A point of order was called regarding the debate that was proceeding on the referral and the discussion was redirected back to the original motion.

- Moved by Councillor Bell Seconded by Councillor MacKinnon
 - 1. That the GEERS report referral back to staff be placed on the Infrastructure, Development and Enterprise Committee Consent Report for consideration at the May 24, 2016 Council meeting; and
 - That report IDE- BDE-1606 entitled Guelph Energy Efficiency Retrofit Strategy (GEERS) Pilot Implementation be referred back to staff to gather further information from outside sources, further options for potential thirdparty finances and support and further information on a city-wide residential

energy audit option as a first step for consideration within a GEERS program; and

- 3. That staff report back regarding how electric vehicle charging infrastructure might be facilitated through GEERS in residential homes; and
- 4. That the referral to staff regarding GEERS include that staff report back on:
 - i) further development of GEERS as a pilot
 - ii) analysis of the costs and revenue related to administration
 - iii) transaction costs
 - iv) budget implications
 - v) determining the technologies and/or efficiencies to be supported; and
- 5. That staff report back to committee on the GEERS report no later than October 2016.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Bell, Billings, Gibson, MacKinnon, Van Hellemond (6)

VOTING AGAINST: Councillors Allt, Downer, Gordon, Hofland, Piper, Salisbury, and Wettstein (7)

DEFEATED

- 11. Moved by Councillor Downer Seconded by Councillor Allt
 - 1. That Council receive the report IDE-BDE-1606 for information; and
 - That Council direct staff to continue the development of GEERS with consideration to further identifying participants, an analysis of the costs and revenue related to administration, transaction costs and budget implications; and
 - 3. That staff consider a full range of technologies in the implementation of GEERS; and
 - 4. That staff consider increasing the number of participants in order to meet the goal of having the program substantially delivered by a third party or a consortium of community partners; and
 - 5. That staff consider a staged implementation instead of a pilot that is performance based with measurable targets for moving forward through the stages possibly using pre and post energy audits; and
 - 6. That funding of GEERS be considered through the 2017 budget process; and
 - 7. That staff consider connections with provincial and federal emerging policies; and
 - 8. That staff report back regarding how electric vehicle charging infrastructure might be facilitated through GEERS in residential homes; and

9. That staff report back to the Infrastructure, Development & Enterprise Committee no later than October 2016.

It was requested that the clauses be voted on separately.

- 12. Moved by Councillor Downer Seconded by Councillor Allt
 - 1. That Council receive the report IDE-BDE-1606 for information; and

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, Hofland, MacKinnon, Piper, Salisbury, Van Hellemond and Wettstein (13) VOTING AGAINST: (0)

CARRIED

- 13. Moved by Councillor Downer Seconded by Councillor Allt
 - That Council direct staff to continue the development of GEERS with consideration to further identifying participants, an analysis of the costs and revenue related to administration, transaction costs and budget implications; and

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, Hofland, MacKinnon, Piper, Salisbury, Van Hellemond and Wettstein (13) VOTING AGAINST: (0)

CARRIED

- 14. Moved by Councillor Downer Seconded by Councillor Allt
 - 3. That staff consider a full range of technologies in the implementation of GEERS; and

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, Hofland, MacKinnon, Piper, Salisbury, Van Hellemond and Wettstein (13) VOTING AGAINST: (0)

CARRIED

- 15. Moved by Councillor Downer Seconded by Councillor Allt
 - 4. That staff consider increasing the number of participants in order to meet the goal of having the program substantially delivered by a third party or a consortium of community partners; and

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, Hofland, MacKinnon, Piper, Salisbury, Van Hellemond and Wettstein (13) VOTING AGAINST: (0)

- 16. Moved by Councillor Downer Seconded by Councillor Allt
 - 5. That staff consider a staged implementation instead of a pilot that is performance based with measurable targets for moving forward through the stages possibly using pre and post energy audits; and

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, Hofland, MacKinnon, Piper, Salisbury, Van Hellemond and Wettstein (13) VOTING AGAINST: (0)

CARRIED

- 17. Moved by Councillor Downer Seconded by Councillor Allt
 - 6. That funding of GEERS be considered through the 2017 budget process; and

VOTING IN FAVOUR: Councillors Allt, Bell, Downer, Gibson, Gordon, Hofland, MacKinnon, Piper, Salisbury, Van Hellemond and Wettstein (11) VOTING AGAINST: Mayor Guthrie, Councillor Billings (2)

CARRIED

- 18. Moved by Councillor Downer Seconded by Councillor Allt
 - 7. That staff consider connections with provincial and federal emerging policies; and

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, Hofland, MacKinnon, Piper, Salisbury, Van Hellemond and Wettstein (13) VOTING AGAINST: (0)

CARRIFD

- Moved by Councillor Downer Seconded by Councillor Allt
 - 8. That staff report back regarding how electric vehicle charging infrastructure might be facilitated through GEERS in residential homes; and

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, Hofland, MacKinnon, Piper, Salisbury, Van Hellemond and Wettstein (13) VOTING AGAINST: (0)

- 20. Moved by Councillor Downer Seconded by Councillor Allt
 - 9. That staff report back to the Infrastructure, Development & Enterprise Committee no later than October 2016.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, Hofland, MacKinnon, Piper, Salisbury, Van Hellemond and Wettstein (13) VOTING AGAINST: (0)

CARRIED

21. Moved by Councillor Gibson
Seconded by Councillor MacKinnon

That staff be directed to include a revenue neutral option for the GEERS implementation when reporting back to the Infrastructure, Development & Enterprise Committee.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, Hofland, MacKinnon, Piper, Salisbury, Van Hellemond and Wettstein (13) VOTING AGAINST: (0)

CARRIED

Special Resolutions

C-2016.38 b) GMHI-GHESI Shareholder Declaration

22. Moved by Councillor Bell Seconded by Councillor Gibson

That the amended Shareholder Declaration of Guelph Municipal Holdings Inc. regarding Guelph Hydro Electric Systems Inc. dated May 12, 2016 be approved.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, Hofland, MacKinnon, Piper, Salisbury, Van Hellemond and Wettstein (13) VOTING AGAINST: (0)

CARRIED

C-2016.39 Report of the Infrastructure Development & Enterprise Committee - Resident Appointments to the Waste Innovation Centre Public Liaison Committee

23. Moved by Councillor Piper Seconded by Councillor Bell

That Bassim Abbassi and Skylar Grayson be appointed to the Waste Innovation Centre Public Liaison Committee for a term ending November 30, 2017.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, Hofland, MacKinnon, Piper, Salisbury, Van Hellemond and Wettstein (13) VOTING AGAINST: (0)

Councillor Van Hellemond's motion for which notice was given April 25, 2016.

24. Moved by Councillor Van Hellemond Seconded by Councillor MacKinnon

That the following motion be referred to the Public Services Committee for consideration:

"That staff be directed to undertake a by-law review of the Bed & Breakfast Schedule within the City of Guelph's Licensing By-law, commencing in 2017."

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, Hofland, MacKinnon, Piper, and Van Hellemond (11) VOTING AGAINST: Councillors Salisbury and Wettstein (2)

CARRIED

25. Moved by Councillor MacKinnon Seconded by Councillor Wettstein

That staff be directed to undertake a review of potential policies of the "shared economy" and/or "disruptive technology" and its impacts on municipalities, including such options as "TaskIT" (talent marketplace), "Uber" (drive-share), "ROVER" (parking) and "Airbnb" (lodging) and report back to the Public Services Committee.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, MacKinnon, Salisbury, Piper, Van Hellemond and Wettstein (11) VOTING AGAINST: Councillors Gordon and Hofland (2)

CARRIED

By-laws

26. Moved by Councillor MacKinnon Seconded by Councillor Van Hellemond

That By-laws Numbered (2016)-20058 to (2016)-20061, inclusive, are hereby passed.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, Hofland, MacKinnon, Piper, Salisbury, Van Hellemond and Wettstein (13) VOTING AGAINST: (0)

CARRIED

Mayor's Announcements

The Mayor expressed appreciation to Derrick Thomson, Deputy CAO of Public Services for his years of service at the City of Guelph and wished him success at the Town of Caledon.

Adjo	urnment (10:27 p.m.)	
27.	Moved by Councillor Bell Seconded by Councillor Van Hellemond	
	That the meeting be adjourned.	CARRIED
Minut	es to be confirmed on June 27, 2016.	
		Mayor Guthrie
		Stephen O'Brien - City Clerk



Minutes of Guelph City Council Held in the Council Chambers, Guelph City Hall on Thursday May 26, 2016 at 1:05 p.m.

Attendance

Council: Mayor Guthrie

Councillor P. Allt Councillor J. Hofland Councillor B. Bell (arrived 1:07 p.m.) Councillor M. MacKinnon

Councillor C. Billings Councillor M. Salisbury (arrived at 1:25 p.m.)

Councillor C. Downer Councillor A. Van Hellemond

Councillor J. Gordon Councillor K. Wettstein

Absent: Councillor Gibson

Councillor Piper

Staff: Mr. S. O'Brien, City Clerk

Call to Order (1:05 p.m.)

Mayor Guthrie called the meeting to order.

Authority to Resolve into a Closed Meeting of Council

 Moved by Councillor Downer Seconded by Councillor MacKinnon

That the Council of the City of Guelph now hold a meeting that is closed to the public, pursuant to Section 239 (2) (b) and (f) of the *Municipal Act* with respect to personal matters about identifiable individuals and advice that is subject to solicitor-client privilege.

CARRIED

Closed Meeting (1:06 p.m.)

Disclosure of Pecuniary Interest and General Nature Thereof

There were no disclosures.

The following matters were considered:

C-2016.44 CAO Contract

Rise and recess from Closed Meeting (2:28 p.m.)

Council recessed.

O	pen	<u>Meeting</u>	(2:29)	p.m.)

Mayor Guthrie called the meeting to order.

Closed Meeting Summary

Mayor Guthrie spoke regarding the matter addressed in closed and identified the following:

C-2016.44 CAO Contract

The Mayor was given direction on this matter.

Adjournment (2:30 p.m.)

2. Moved by Councillor Bell Seconded by Councillor Gordon

That the meeting be adjourned.

CARRIED

Minutes to be confirmed on June 27, 2016.

	Mayor Guthrie
Stepho	en O'Brien - City Clerk



Minutes of Guelph City Council Held in the Council Chambers, Guelph City Hall on Monday, May 30, 2016 at 5:00 p.m.

Attendance

Council: Mayor C. Guthrie

Councillor P. Allt Councillor J. Hofland
Councillor B. Bell Councillor M. MacKinnon

Councillor C. Billings Councillor L. Piper

Councillor C. Downer Councillor A. Van Hellemond

Councillor D. Gibson Councillor M. Salisbury (arrived at 5:09 p.m.)

Councillor J. Gordon Councillor K. Wettstein

Staff: Ms. A. Pappert, Chief Administrative Officer

Mr. M. Amorosi, Deputy CAO, Corporate Services

Mr. S. Stewart, Deputy CAO, Infrastructure, Development & Enterprise Services

Mr. D. Thomson, Deputy CAO, Public Services Ms. K. Dedman, General Manager, Engineering

Ms. B. Swartzentruber, Executive Director Intergovernmental Relations, Policy &

Open Government

Ms. C. Kennedy, Manager, Policy and Intergovernmental Relations

Mr. S. O'Brien, City Clerk

Ms. G. van den Burg, Council Committee Coordinator

Call to Order (5:00 p.m.)

Mayor Guthrie called the meeting to order.

Authority to Resolve into a Closed Meeting of Council

 Moved by Councillor Downer Seconded by Councillor Gordon

That the Council of the City of Guelph now hold a meeting that is closed to the public, pursuant to Section 239 (2) (b) and (f) of the *Municipal Act* with respect to personal matters about identifiable individuals and advice that is subject to solicitor-client privilege.

CARRIED

Closed Meeting (5:01 p.m.)

Disclosure of Pecuniary Interest and General Nature Thereof

There were no disclosures.

The following matters were considered:

C-2016.45 CAO Contract

Rise and recess from Closed Meeting (6:00 p.m.)

Council recessed.

Open Meeting (6:07 p.m.)

Mayor Guthrie called the meeting to order.

Disclosure of Pecuniary Interest and General Nature Thereof

There were no disclosures.

CON-2016.25 Proposed Project List for Infrastructure Funding

Mr. Scott Stewart, Deputy CAO for Infrastructure, Development & Enterprise Services, presented an introduction to the various proposed infrastructure investments.

Ms. Cathy Kennedy, Manager, Policy and Intergovernmental Relations, and Ms. Barbara Swartzentruber, Executive Director Intergovernmental Relations, Policy & Open Government, presented an overview of the recommended infrastructure projects that relate to each of the federal funding programs.

- 2. Moved by Councillor MacKinnon Seconded by Councillor Bell
 - That staff be directed to apply for **phase one** federal infrastructure funding for the list of projects outlined in Report #CAO-I-1603; and
 - 2. That Council directs staff to prepare relevant applications for Federal and Provincial funding related to the remediation and development of the IMICO lands as outlined in Report #CAO-I-1603, and include the post remediation value of the IMICO property as the City's financial contribution, in whole or in part, to the development of affordable housing; and
 - 3. That Council approves the funding sources for the City's portion of the project costs including additional debt funding to a maximum of \$2.1 million and additional funding from the reserves funds to a maximum of \$13.14 million as follows:
 - a) Capital Asset Renewal Reserve Fund (CARR) \$6.97 million
 - b) General Capital Reserve Fund \$2.4 million
 - c) Development Charge Reserve Funds \$1.65 million
 - d) Water & Wastewater Capital Reserve Funds \$2.12 million; and
 - 4. That Council direct staff to repay the Capital Asset Renewal Reserve over a ten year period in accordance with Bylaw #19536.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, Hofland, MacKinnon, Piper, Salisbury, Van Hellemond and Wettstein (13) VOTING AGAINST: (0)

CARRIED

CON-2016.26 High-Speed Rail Access in Guelph

- 3. Moved by Councillor Bell Seconded by Councillor Allt
 - That Council support, in principle, the inclusion of an alignment through and stop in Guelph for consideration in the Toronto to Windsor High-Speed Rail report; and
 - 2. That the Mayor be directed to submit a letter to David Collenette, Special Advisor for High Speed Rail:
 - Supporting, in principle, an alignment through and stop in Guelph for consideration in the Toronto to Windsor High-Speed Rail report.
 - Asking that Mr. Collenette's endorse the alignment and stop in Guelph as a recommendation in his response to the Premier.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, Hofland, MacKinnon, Piper, Salisbury, Van Hellemond and Wettstein (13) VOTING AGAINST: (0)

CARRIED

Authority to Resolve into a Closed Meeting of Council

4. Moved by Councillor Salisbury Seconded by Councillor Bell

That the Council of the City of Guelph continue to hold a meeting that is closed to the public, pursuant to Section 239 (2)(b) of the *Municipal Act* with respect to personal matters about identifiable individuals.

CARRIED

Closed Meeting (6:54 p.m.)

The following matters were considered:

C-2016.45 CAO Contract

Rise and recess from Closed Meeting (7:51 p.m.)

Council recessed.

Open Meeting (7:52 p.m.)

Mayor Guthrie called the meeting to order.

Closed Meeting Summary

Mayor Guthrie spoke regarding the matter addressed in closed and identified the following:

C-2016.45 CAO Contract

The Mayor received directions.

Adjournment	(7:53	p.m.)
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5. Moved by Councillor Bell Seconded by Councillor Gordon

That the meeting be adjourned.

CARRIED

Minutes to be confirmed on June 27, 2016.

Mayor Guthrie

Stephen O'Brien - City Clerk



Minutes of Guelph City Council Held in the Council Chambers, Guelph City Hall on Wednesday June 1, 2016 at 7:00 p.m.

Attendance

Council: Mayor Guthrie

Councillor P. Allt Councillor J. Hofland Councillor B. Bell Councillor M. MacKinnon

Councillor C. Billings Councillor L. Piper (arrived at 7:04 p.m.)

Councillor C. Downer
Councillor D. Gibson
Councillor A. Van Hellemond
Councillor A. Wettstein

Councillor J. Gordon Councillor K. Wettstein

Staff: Mr. S. O'Brien, City Clerk

Call to Order (7:00 p.m.)

Mayor Guthrie called the meeting to order.

Authority to Resolve into a Closed Meeting of Council

 Moved by Councillor Billings Seconded by Councillor Gibson

That the Council of the City of Guelph now hold a meeting that is closed to the public, pursuant to Section 239 (2) (b) of the *Municipal Act* with respect to personal matters about identifiable individuals.

CARRIED

Closed Meeting (7:02 p.m.)

Disclosure of Pecuniary Interest and General Nature Thereof

There were no disclosures.

The following matters were considered:

C-2016.#46 CAO Contract

Rise and recess from Closed Meeting (7:54 p.m.)

Council recessed.

Open Meeting (7:58 p.m.)

Attendance

Council: Mayor Guthrie

Councillor P. Allt Councillor J. Hofland
Councillor B. Bell Councillor M. MacKinnon
Councillor C. Billings Councillor M. Salisbury
Councillor C. Downer Councillor A. Van Hellemond

Councillor D. Gibson Councillor K. Wettstein

Councillor J. Gordon

Absent: Councillor Piper

Staff: Mr. S. O'Brien, City Clerk

Mayor Guthrie called the meeting to order.

Closed Meeting Summary

The Mayor advised that he was given direction relating to the CAO Contract.

Adjournment (8:00 p.m.)

 Moved by Councillor Bell Seconded by Councillor Van Hellemond

That the meeting be adjourned.

CARRIED

Minutes to be confirmed on June 27, 2016.

	Mayor Guthrie
Stephen O'l	Brien - City Clerk

CONSENT REPORT OF THE AUDIT COMMITTEE

June 27, 2016

His Worship the Mayor and Councillors of the City of Guelph.

Your Audit Committee beg leave to present their SECOND CONSENT REPORT as recommended at its meeting of June 14, 2016.

If Council wishes to address a specific report in isolation please identify the item. The item will be extracted and dealt with immediately. The balance of the Consent Report of the Audit Committee will be approved in one resolution.

AUD-2016.8 2015 Draft Consolidated Financial Statements and External Audit Findings Report

- 1. That report CS-2016-36 titled '2015 Draft Consolidated Financial Statements and External Audit Findings Report' be received; and
- 2. That the 2015 Draft Consolidated Financial Statements be approved.

All of which is respectfully submitted.

Councillor Karl Wettstein, Chair Audit Committee

Please bring the material that was distributed with the Agenda for the June 14, 2016 Audit Committee meeting.



TO Audit Committee

SERVICE AREA Corporate Services, Finance

DATE June 14, 2016

SUBJECT 2015 Draft Consolidated Financial Statements and

External Audit Findings Report

REPORT NUMBER CS-2016-36

EXECUTIVE SUMMARY

PURPOSE OF REPORT

The purpose of this report is:

- a) To present and review the City's 2015 Draft Audited Consolidated Financial Statements including related entity statements;
- b) To provide Audit Committee and Council with the City's external audit results as reported in KPMG LPP's 2015 Audit Findings Report; and
- c) To present and review the 2015 Corporate Financial Dashboard.

KEY FINDINGS

KPMG LLP, the City's external auditor, performed an audit of the City's 2015 Consolidated Financial Statements in accordance with generally accepted auditing standards and expressed an unqualified or "clean" opinion that the statements present fairly, in all material respects, the financial position of the City.

A full analysis of the City's unconsolidated financial statement is included in report CS-2016-35 and therefore not elaborated on in this report. Council should note however that included in these consolidated financial statements are a number of reserve and reserve fund transfers related to the allocation of the year-end operating surplus that have yet to be approved by Council. If Council does not approve these transfers as recommended in report CS-2016-40, the City 2015 Consolidated Financial Statements will change from the current presentation.

The City is required to consolidate and report on the following entities as a requirement of PSAS. Highlights of these entity's 2015 Audited Financial Statements include:



Guelph Police Services Board – fully consolidated

 Guelph Police Services Board had a favourable budget variance of \$726K mainly due to lower staff compliment and additional grant and special duty revenue.

Guelph Public Library Board – fully consolidated

• Guelph Public Library was within \$1K of their 2015 budget.

The Elliott Community (The Elliott) – fully consolidated

- Effective February 1, 2015, The Elliott is now the City's designated Long Term Care facility and therefore the City has begun funding certain of its operations. For this reason, The Elliott's financial position has turned a corner to the positive and has been able to reduce their deficit to \$338K vs. \$790K (9 months ended) in 2014.
- The City has a loan receivable outstanding from the Elliott of \$17.1M relating to debentures issued on behalf of the Elliott by the City. Additionally, the City guarantees the Elliott's line of credit totaling approximately \$700K for 2015.

The Downtown Guelph Business Association (The BIA) – fully consolidated

- City staff identified concerns with the 2012 financial results and met with BIA's management to plan for the 2013, 2014 and 2015 years. In 2015 a significant turnaround of the BIA's finances occurred. The BIA achieved a 2015 surplus of \$102K (2014 deficit -\$72K), which is the first surplus after five consecutive year of deficits.
- Considerable work has been done to ensure The BIA did not have another year of deficits. City staff appreciated The BIA's efforts in making costs reductions.

Wellington-Dufferin-Guelph Public Health (Public Health) – 45.9% proportionately consolidated

- Public Health planned and budgeted for 2015 programming assuming the Province would increase base funding by 2% but in fact received a funding freeze, resulting in a funding shortfall of \$245K. Public Health was able to manage this funding deficit from within and did not require the municipalities to contribute additional operating funds in 2015.
- During 2015, Public Health spent \$629K on capital purchases compared to \$11.6M in 2014 as a result of the construction of the two new facilities in Guelph and Orangeville being completed in 2014. Capital spending in 2015 was mostly related to Technology and Communication.

Guelph Municipal Holdings Inc. (GMHI) – modified equity basis

GMHI recognized a consolidated net income of \$2.8M (compared to



a net loss of \$2.3M in 2014). The consolidated net income less the dividend payment of \$1.5M, represents the increase in the City's investment in GMHI of \$1.3M.

- GMHI had increased electricity revenues due to the Ontario Electricity Board's ("OEB") approval to recover deferral and variance accounts in the amount of \$6.9M, in addition to an approved distribution rate increase of 1.3% starting January 2015. The deferral and variance account recoveries relate to past differences between the costs charged by the IESO and Hydro One and OEB-approved non-distribution charges billed to customers.
- GMHI recorded an impairment write-down of \$8.7m related to district energy assets.

Guelph Junction Railway Company (GJR) - modified equity basis

- GJR had a very positive year and realized a net income of \$645K (compared to \$206K in 2014), which represents an increase in the City's investment in this company. The main reason for the significant increase includes additional service billings to third parties for non-freight related revenues.
- December 31, 2015 GJR and the City entered into a loan agreement for \$1.7M for the reconstruction of a bridge within the City limits. At year end the entire amount was outstanding. As part of this project, GJR spent approximately \$135K towards expanding the bridge to accommodate a future City trail project. This was a condition that Council required as part of approving the financing agreement.

The City's corporate financial performance measures continue to be strong compared to industry benchmarks and averages. As part of the upcoming 2017 budget process, work will continue to strengthen the reserve and reserve fund indicators that have fallen below target.

FINANCIAL IMPLICATIONS

An unqualified opinion of the 2015 Consolidated Financial Statements will assist the City in obtaining a fair credit rating, which has the potential to lower its borrowing costs, as well as support grant-funding requests from outside organizations. In addition, financial trends measuring will enable the City to identify concerns early, address them, and prepare long-term financial strategies.



ACTION REQUIRED

Report CS-2016-36 titled, 2015 Draft Consolidated Financial Statements and External Audit Findings Report, be received; and

That the 2015 Draft Consolidated Financial Statements be approved.

RECOMMENDATIONS

Report CS-2016-36 titled 2015 Draft Consolidated Financial Statements and External Audit Findings Report be received; and

That the 2015 Draft Consolidated Financial Statements be approved.

BACKGROUND

City Council is required to review and approve the City of Guelph's Audited Consolidated Financial Statements as required under the *Municipal Act 2001* annually. The Consolidated Financial Statements include the results of the following entities:

- Guelph Police Services Board
- Guelph Public Library Board
- Investment in Guelph Junction Railway
- Investment in Guelph Municipal Holdings Inc.
- The Elliott Community
- The Downtown Guelph Business Association
- 45.9% of Wellington-Dufferin-Guelph Public Health

While not required by the *Municipal Act 2001*, the Audit Committee requested that City staff present unconsolidated financial statements to provide more transparent and relevant information for Council members. The unconsolidated financial statements, along with financial analysis and highlights, are included in CS-2016-35 – 2015 Unconsolidated Financial Statements and City financial highlights.

Review and approval of the audited 2015 Consolidated Financial Statements and review of KPMG LLP's Post-Audit Report satisfy the following Audit Committee responsibilities as described in the 2016 Work Plan:

 Understand the scope of the external auditor's review of internal financial control over financial reporting and obtain reports on significant findings and recommendations, together with management's responses and the timing of the disposition of significant findings;



- After consultation with the Treasurer and the external auditors, gain a reasonable assurance, at least annually, of the quality and sufficiency of the City's accounting and financial personnel and other resources;
- Review with staff and the external auditors the results of the audit, including any difficulties encountered, and all other matters required to be communicated to the Committee under generally accepted auditing standards:
- At the conclusion of the audit, consult with the external auditors, without the presence of staff, about internal financial controls, compliance, and the completeness and accuracy of the City's Consolidated Financial Statements;
- Ensure the timely presentation of the external auditor's annual audit report to Council;
- Review significant accounting and reporting issues in terms of their impact on the financial statements, including complex or unusual transactions, areas high in subjectivity, and recent professional and regulatory pronouncements;
- Review the representation letter provided by staff to the external auditors;
- Prior to the presentation of the annual financial statements to Council, review the financial statements and consider whether they are complete, consistent with information known to Committee members, and reflect appropriate accounting principles; and
- Recommend to Council the approval and distribution of the annual consolidated financial statements.

REPORT

Throughout this report, please refer to **Appendix A** for Draft Consolidated Financial Statements information. These statements are required to be approved by Council in accordance with the *Municipal Act 2001*.

<u>Overview of the City Reporting Entity</u> – The Consolidated Statements have been prepared in accordance with the Public Sector Accounting Standards, which means that in addition to the City's numerous departments, the following entities are also included:

- a) Guelph Police Services Board fully consolidated
- b) Guelph Public Library Board fully consolidated
- c) The Elliott Community (The Elliott) fully consolidated
- d) The Downtown Guelph Business Association (The BIA) fully consolidated
- e) 45.9% of Wellington-Dufferin-Guelph Public Health (Public Health) proportionately consolidated
- f) Guelph Municipal Holdings Inc. (GMHI) modified equity basis
- g) Guelph Junction Railway Company (GJR) modified equity basis

Fully consolidated means that the full financial statements of those entities have been combined into the City's statements, and for The Elliott, and The BIA all inter-



organizational transactions have been eliminated. Proportionately consolidated means that only the City's share (45.9%) of Public Health's financial statements has been included in the City's statements, and all inter-organizational transactions have been eliminated. Modified equity basis means that the carrying value of the net assets of the investees are shown on the face of the City's Statement of Financial Position as an investment, and any gain or loss is shown on the Statement of Operations; there are no inter-organizational eliminations.

<u>External Audit Findings Report</u> - **Appendix B** – The external audit results as prepared by KPMG LLP are included in Appendix B.

As outlined on page 9 and 10, management restated the 2014 financial statement results to reflect the following:

PS-3260 – Liability for Contaminated Sites – In 2015 management was required to restate prior year financial statements to adopt the new PS-3260 accounting standard. This standard requires that the City set-up a liability for the remediation cost for the City's contaminated sites that are inactive, which increased the City's 2014 liabilities by \$23.7M.

Accounting treatment of Development Charge Revenue – Management corrected the past accounting treatment of recognizing development charge revenue that is debt funded immediately, instead of when the principal debt payments are made. This means that if The City builds a DC eligible project it must recognize the revenue immediately instead of delaying the revenue over multiple years if the project is debt funded.

Tangible capital assets – Management corrected the past accounting treatment of \$1.4M of tangible capital assets that were set-up as assets in 2014, and then subsequently written off as expenses in 2015. Staff agree that going forward a more robust review process needs to occur, and will work toward ensuring an effective process for 2016.

Reserve and Reserve Fund Transfers – Included in these consolidated financial statements are a number of reserve and reserve fund transfers related to the allocation of the year-end operating surplus that have yet to be approved by Council. If Council does not approve these transfers as recommended in report CS-2016-40, the City 2015 Consolidated Financial Statements will change from the current presentation. The impact of any change would be a reallocation of funds within Schedule 4 of the financial statements.

<u>Review of the Consolidated Entities' Financial Statements</u> – In the preparation of the 2015 Consolidated Financial Statements, staff reviewed each of the financial



statements of the consolidated entities. The following is a summary of financial highlights of these entities, and any relevant information that resulted from each of their audits. Although this report includes analysis of the GJR and GMHI financial statements, these have not been included in an appendix because Council will receive them at each company's Annual General Meeting.

- b) Guelph Police Services Guelph Police Services is fully consolidated into the City of Guelph's Consolidated Financial Statements, a supplementary schedule (6) also outlines the activity throughout the year. An analysis of Guelph Police Services' variance is included in the quarterly reporting that goes to Corporate Service Committee, so a further analysis has not been provided in this report.
- c) Guelph Public Library Guelph Public Library is fully consolidated into the City of Guelph's Consolidated Financial Statements, a supplementary schedule (5) also outlines the activity throughout the year. An analysis of Library's variance is included in the quarterly reporting that goes to Corporate Service Committee, so a further analysis has not been provided in this report.
- d) The Elliott **Appendix C** The Elliott is required to be consolidated into the City's financial statements because of its financial reliance on the City. The Elliott's financial statements are audited by KPMG LLP and have a year-end date of December 31, 2015. In 2014 The Elliott changed year-ends to report as of December 31, which means that the 2014 Statement of Operations includes activity for the full 21 month period from April 1, 2013 to December 31, 2014. Highlights from these statements include:
 - The Elliott's deficit was significantly reduced in 2015 (\$338K vs. \$790K for the nine months ended in 2014) largely because of funding received from the City when The Elliott was designated the City's long-term care facility effective February 1, 2015. These revenues/external transfers were eliminated upon consolidation.
 - The Elliott renegotiated its banker's acceptance loan in 2015 and was able to reduce its interest costs, which will be repaid over the next five years.
 - The City has a loan receivable outstanding from the Elliott of \$17.1M relating to debentures issued on behalf of the Elliott by the City. The loan was eliminated in the consolidated statements, but highlighted here because it appears on the Elliott's financial statements.
 - The City guarantees the Elliott's line of credit totaling approximately \$700K for 2015.
- e) Public Health **Appendix D** Public Health is audited by KPMG LLP. The City consolidates 45.9% of its operations as the City's proportionate share. Please refer to Note 16 of the City's 2015 Consolidated Financial Statements



for a summary of Public Health's financial statements. Highlights from these statements include:

- An excess of revenue over expenses of \$1.1M (2014 \$3.2M), which is
 a direct result of the manner in which the financial statements are
 prepared. The audited financial statements are prepared on an accrual
 basis, whereas statements prepared for the Ministry of Health and
 Long-Term Care (MOHLTC) are prepared on a modified cash basis.
 Under the modified cash basis, capital asset acquisitions are fully
 expensed in the year they are purchased as opposed to capitalization
 and amortization over the useful life of the asset (accrual basis);
 additionally, transfers to reserves and loan principal repayments are
 not recorded as expenditures in the audited financial statements, but
 are in the MOHLTC statements.
- Public Health planned and budgeted for 2015 programming assuming the Province would increase base funding by 2% but in fact received a funding freeze, resulting in a funding shortfall of \$245K. Public Health was able to manage this funding deficit from within and did not require the municipalities to contribute additional operating funds in 2015. During 2015, Public Health spent \$629K on capital purchases compared to \$11.6M in 2014 as a result of the construction of the two new facilities in Guelph and Orangeville being completed in 2014. Capital spending in 2015 was mostly related to Technology and Communication.
- In December 2012, the three obligated municipalities and Public Health signed a financing agreement to fund the capital cost of building the two new facilities in Guelph and Orangeville. Disclosure was included in both the Public Health statements and the City's financial statements. This financing agreement will protect the City's investment over the 10-year financing period in case of unexpected changes in legislation. As of December 31, 2015 the outstanding balance on the loan was \$7.3M. This loan is eliminated upon consolidation, but highlighted here because it is included in the individual Public Health's financial statements.
- f) The BIA Appendix E The BIA is a "business improvement area" of the City and is consolidated because it is financially dependent on the City for funding. City staff identified concerns with the 2012 financial results and met with BIA's management to plan for the 2013, 2014 and 2015 years. In 2015 a significant turnaround of the BIA's finances occurred. Highlights from these financial statements include:
 - A 2015 surplus of \$102K (2014 deficit -\$72K), which is the first surplus after five consecutive year of deficits.
 - Cost savings were largely due to a significant reduction in advertising costs, no longer being committed to the City's \$40K/year rink contribution, and a reduction in staff costs.



- Considerable work has been done to ensure The BIA did not have another year of deficits. City staff appreciated The BIA's efforts in making costs reductions.
- g) GMHI and GJR both of these entities have a formal process for reporting their financial statements to Council in accordance with each entity's shareholder declaration; for this reason their financial statements have not been included as appendices. However, a summary of each of these entity's financial results can be found in Notes 5 and 6 of the 2015 Consolidated Financial Statements. KPMG LPP audits GMHI's and GJR's financial statements. Highlights relating to these two entities include:
 - GJR realized a net income of \$645K (compared to \$206K in 2014), which represents an increase in the City's investment in this company. The main reason for the significant increase includes additional service billings to third parties for non-freight related revenues.
 - December 31, 2015 GJR and the City entered into a loan agreement for \$1.7M for the reconstruction of a bridge within the City limits. At year end the entire amount was outstanding. As part of this project, GJR spent approximately \$135K towards expanding the bridge to accommodate a future City trail project. This was a condition that Council required as part of approving the financing agreement.
 - GMHI recognized a consolidated net income of \$2.8M (compared to a net loss of \$2.3M in 2014). The consolidated net income less the dividend payment of \$1.5M, represents the increase in the City's investment in GMHI of \$1.3M.
 - GMHI had increased electricity revenues due to the Ontario Electricity Board's ("OEB") approval to recover deferral and variance accounts in the amount of \$6.9M, in addition to an approved distribution rate increase of 1.3% starting January 2015. The deferral and variance account recoveries relate to past differences between the costs charged by the IESO and Hydro One and OEB-approved nondistribution charges billed to customers.
 - GMHI recorded an impairment write-down of \$8.7m related to district energy assets.

<u>2015 Corporate Performance Measures Dashboard</u> -Appendix F – The City's corporate performance measure dashboard shows that the City continues to have strong ratings in debt, tax collections, and capital reserves (before commitments). However, there is continued management concern that the city's tax-supported contingency and capital reserves are underfunded and need replenishing.



CORPORATE STRATEGIC PLAN

Innovation in Local Government

- 2.1 Build an adaptive environment for government innovation to ensure fiscal and service sustainability.
- 2.3 Ensure accountability, transparency and engagement.

COMMUNICATIONS

Finance staff met with the Communications department, and determined that a communication plan was not required.

ATTACHMENTS

Appendix A: 2015 Draft City of Guelph Consolidated Financial Statements

Appendix B: 2015 External Audit Findings Report

Appendix C: The Elliott Community December 2015 Audited Financial Statements

Appendix D: Wellington-Dufferin-Guelph Public Health 2015 Audited Financial

Statements

Appendix E: The Downtown Guelph Business Association 2015 Audited Financial

Statements

Appendix F: 2015 Corporate Financial Performance Measures Dashboard

Report Author

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Consolidated financial statements of

City of Guelph

December 31, 2015

City of Guelph December 31, 2015

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INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of the City of Guelph

We have audited the accompanying consolidated financial statements of City of Guelph ("the Entity"), which comprise the financial position as at December 31, 2015 and the statement of operations and accumulated surplus, changes in net financial assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position of City of Guelph as at December 31, 2015, and its consolidated results of operations and the changes in its net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Comparative Information

The consolidated financial statements of City of Guelph as at and for the year ended December 31, 2014 were audited by another auditor who expressed an unmodified opinion on those statements on June 22, 2015.

Chartered Professional Accountants, Licensed Public Accountants

DATE Waterloo, Canada

Consolidated statement of financial position as at December 31, 2015 ('000's)

		2014
		(Restated -
	2015	Note 2)
	\$	\$
Financial assets		
Cash	19,873	57,504
Investments (Note 4)	227,313	166,718
Taxes receivable	6,048	5,062
Accounts receivable	23,845	22,905
Loans and notes receivable (Note 5)	2,642	1,333
Investment in Guelph Junction Railway Inc. (Note 5)	7,305	6,660
Investment in Guelph Municipal Holdings Inc. (Note 6)	69,939	68,649
	356,965	328,831
Liabilities		
Accounts payable and accrued liabilities	45,900	46,432
Accrued interest payable	653	715
Vacation and other employee benefits payable	6,251	5,902
Developer agreement deferred revenue	6,128	4,081
Other deferred revenue	16,793	16,241
Deferred contributions (Note 7)	61,556	61,517
Employee future benefits (Note 9)	31,740	30,338
Debt (Note 10)	81,149	91,701
Obligation under capital lease (Note 11)	469	32
Landfill post-closure liability (Note 12)	4,564	4,164
Liability for contaminated sites (Note 19)	24,396	24,042
Other long-term liabilities (Note 13)	2,751	1,455
	282,350	286,620
Net financial assets	74,615	42,211
	<u> </u>	·
Non-financial assets	222.2	070 004
Tangible capital assets (Note 14)	993,677	979,604
Inventory	1,748	1,934
Prepaid expenses	1,982	2,085
	997,407	983,623
Contingencies (Note 20)		
Commitments and guarantees (Note 21)		
Accumulated surplus (Note 15)	1,072,022	1,025,834

City of Guelph
Consolidated statement of operations and accumulated surplus year ended December 31, 2015 ('000's)

	2015 Budget	2015 Actual	2014 (Restated -
	(Note 23)		Note 2)
	\$	\$	\$
Revenues			
Taxation			
Property taxation (Note 3)	210,239	211,172	201,020
Property taxation - Downtown Guelph Business Association	457	457	448
Penalties and interest on taxes	1,217	1,345	1,147
	211,913	212,974	202,615
User charges	90,841	93,717	93,594
Contributed subdivision assets	5,430	5,430	9,585
Contributions	0,400	0,400	0,000
Government of Canada	5,616	10,543	7,328
Province of Ontario	53,335	55,969	54,731
Municipal	3,751	4,113	3,399
Developers	18,655	20,648	15,792
Other	2,027	1,345	565
Culti	179,655	191,765	184,994
		,	- ,
Other			
Investment income	6,017	7,230	6,002
Donations	384	515	599
Sales of equipment, publications	8,196	6,291	6,456
Recoveries	2,111	4,645	6,132
Licences and permits	3,605	3,411	3,249
Provincial Offenses Act revenues	3,346	2,588	3,422
Other fines	1,065	1,221	1,127
(Loss) gain on disposal of tangible capital assets	5	(777)	462
Gain (loss) from Government Business Enterprises		1,936	(3,572)
	24,729	27,060	23,877
Total revenues	416,297	431,799	411,486
Emanage			
Expenses General government	28,169	27,070	25,136
Protection services	80,840	79,550	75,506
Transportation services	57,918	60,381	57,405
Environmental services	72,272	76,238	72,697
Health services	28,966	29,180	27,522
Social and family services	44,470	43,601	52,280
Social housing	23,041	21,372	20,444
Recreation and cultural services	39,647	40,906	39,481
Planning and development	7,444	7,313	6,155
Total expenses	382,767	385,611	376,626
Excess of revenues over expenses for the year	33,530	46,188	34,860
Accumulated surplus, beginning of year	1,025,834	1,025,834	990,974
Accumulated surplus, end of year	1 050 264	1 072 022	1 025 024
Accumulated Surplus, end of year	1,059,364	1,072,022	1,025,834

City of Guelph
Consolidated statement of change in net financial assets year ended December 31, 2015 ('000's)

	2015 Budget (Note 23)	2015 Actual	2014 (Restated - Note 2)
	\$	\$	\$
Excess of revenue over expenses for the year	33,530	46,188	34,860
Amortization of tangible capital assets	45,586	46,860	46,685
Acquisition of tangible capital assets	(80,839)	(58,783)	(50,870)
Contributed subdivision assets	(5,430)	(5,430)	(9,585)
Loss (gain) on disposal of tangible capital assets	<u>-</u>	777	(462)
Proceeds on disposal of tangible capital assets		2,503	2,714
Acquistion of inventory	-	(1,748)	(1,819)
Consumption of inventory	-	1,934	1,967
Acquisition of prepaid expenses	-	(1,982)	(1,956)
Use of prepaid expenses	-	2,085	1,672
Increase (decrease) in net financial assets for the year	(7,153)	32,404	23,206
Net financial assets, beginning of year	42,211	42,211	19,005
Net financial assets, end of year	35,058	74,615	42,211

City of Guelph Consolidated statement of cash flows year ended December 31, 2015 ('000's)

		2014
	2045	(Restated -
	2015	Note 2)
	\$	\$
Operating activities		
Excess of revenues over expenses for the year	46,188	34,860
Items not affecting cash:		
Amortization of tangible capital assets	46,860	46,685
Loss (gain) on disposal of tangible capital assets	777	(462)
Contributed subdivision assets	(5,430)	(9,585)
Allowance on asset backed investment	(118)	(118)
Unrealized loss on interest rate swap contracts	168	92
(Gain) loss from Government Business Enterprises	(1,936)	3,572
Employee future benefit expenses	1,402	1,716
Landfill post-closure recovery	400	(416)
Accretion cost of contaminated sites	354	348
Changes in non-cash working capital:		
Taxes receivable	(986)	(953)
Accounts receivable	(940)	(2,198)
Developer agreement receivable/deferred revenue	2,047	(42)
Inventory	186	(115)
Prepaid expenses	103	(129)
Accounts payable and accrued liabilities	(699)	(6,215)
Accrued interest payable	(62)	20
Vacation and other employee benefits payable	349	912
Other deferred revenue	552	1,601
Other long-term liabilities	1,296	(98)
Cash provided by operating activities	90,511	69,475
Capital and investing activities		
Acquisition of tangible capital assets	(58,783)	(50,870)
Proceeds from disposal of tangible capital assets	2,503	2,714
Change in loans and notes receivable	(1,309)	291
Net investment (acquisitions) disposals	(60,477)	7,825
Cash used by capital and investing activities	(118,066)	(40,040)
Financing activities	//A FFA\	(40.070)
Repayment of debt principal	(10,552)	(10,376)
Net change in obligation under capital lease	437	(121)
Net change in deferred contributions	39	11,219
Cash (used) provided by financing activities	(10,076)	722
(Decrease) increase in cash for the year	(37,631)	30,157
Cash, beginning of year	57,504	27,347
Cash, end of year	19,873	57,504

Notes to the consolidated financial statements December 31, 2015 (\$000's)

1. Significant accounting policies

The consolidated financial statements of the Corporation of the City of Guelph (the "City") have been prepared by management in accordance with Canadian public sector accounting standards. Significant accounting policies adopted by the City are as follows:

Reporting entity

The consolidated financial statements reflect the assets, liabilities, operating revenues and expenses and of the reporting entity. The reporting entity is comprised of those City functions or entities which have been determined to comprise a part of the aggregate City operations based upon control exercised by the City, except for the City's government businesses which are accounted for on the modified equity basis of accounting.

Consolidated entities

In addition to the City departments, the reporting entity includes the following:

Guelph Public Library Board Guelph Police Services Board Downtown Guelph Business Association The Elliott Community

All interfund assets, liabilities, revenues and expenses have been eliminated.

In 2014 The Elliott Community's year end was changed from March 31 to December 31. To reflect this change the statement of operations and accumulated surplus include the 21 month period from April 1, 2013 to December 31, 2014. Excess of expenses over revenue was \$951 for the period ended March 31, 2014, and \$790 for the period ended December 31, 2014.

Proportionately consolidated entities

The City reports only its share of assets, liabilities and results of operations of any government partnerships in which it participates. The City participates in the Wellington-Dufferin-Guelph Public Health Unit to the extent of 45.9% (2014 - 45.9%) based on population, as stated in agreement with the other participants.

Modified equity basis entities

The investments in Guelph Municipal Holdings Inc. and Guelph Junction Railway Company are accounted for on a modified equity basis, consistent with the public sector accounting standards for the treatment of government business enterprises. Under the modified equity basis, the business enterprise's accounting principles are not adjusted to conform to those of the City, and interorganizational transactions and balances are not eliminated. Under the modified equity basis of accounting, the carrying value of the investment in subsidiaries is adjusted to reflect the City's share of the net asset change of the investee.

Basis of accounting

Accrual basis of accounting

Revenue and expenses are reported on the accrual basis of accounting except for revenues generated under the Provincial Offences Act which are accounted for on the cash basis. The accrual basis of accounting recognizes revenues in the period in which the transactions or events occurred that gave rise to the revenues; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services or the creation of an obligation to pay.

Notes to the consolidated financial statements December 31, 2015 (\$000's)

1. Significant accounting policies (continued)

Basis of accounting (continued)

Taxes receivable and related revenues

Property tax billings are prepared by the City based on assessment rolls issued by the Municipal Property Assessment Corporation ("MPAC"). Tax rates are established annually by the City Council, incorporating amounts to be raised for local services and amounts the City is required to collect on behalf of the Province of Ontario in respect of education taxes. A normal part of the assessment process is the issuance of supplementary assessment rolls, which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the City determines the taxes applicable and renders supplementary tax billings.

Taxation revenues are recorded at the time the tax billings are issued. Assessments and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded as a reduction of tax revenue when the result of the appeal process is reasonably certain. The City is entitled to collect interest and penalties on overdue taxes and these revenues are recorded in the period the interest and penalties are levied. Tax revenue is recorded net of reductions including rebates. Taxes receivable are reported net of any expense or allowance for doubtful accounts.

Reserves and reserve funds

Certain amounts, as approved by City Council, are set aside in reserves and reserve funds for future operating and capital purposes. Reserve funds are interest bearing and the current year earned interest is accounted for as an adjustment within accumulated surplus.

Deferred revenue and deferred contributions

Deferred revenues and deferred contributions represent property taxes, user charges and fees, developer contributions and other grant revenues which have been collected but for which the related services or expenses have yet to be incurred. These revenues have certain restrictions and will be recognized in the fiscal year the services are performed, or expenses incurred.

Tangible capital assets

(i) Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated lives as follows:

Land improvements - 20 to 75 years **Buildings** - 10 to 75 years Machinery and equipment - 3 to 25 years - 5 to 15 years Vehicles Sanitary sewers infrastructure - 50 to 80 years Storm sewer infrastructure - 15 to 80 years Transportation infrastructure - 20 to 80 years Waterworks infrastructure - 5 to 80 years

The City has various capitalization thresholds, so that individual tangible capital assets of lesser value are expensed, unless the assets have significant value collectively (pooled assets). Examples of pools are desktop and laptop computers, police equipment, traffic signals, streetlights, and fire equipment.

- (ii) Land purchased for service delivery purposes is recorded as a tangible capital asset at cost. Any land cost premium incurred or discount received related to expropriation will be included as part of the asset to be constructed and amortized over its' useful life.
- (iii) Tangible capital assets received as contributions are recognized at their fair value at the date of receipt, and correspondingly recognized as revenue in that period. Similarly, contributions of assets to a third party are recorded as an expense equal to the net book value of the tangible capital asset as of the date of transfer.

Notes to the consolidated financial statements December 31, 2015 (\$000's)

1. Significant accounting policies (continued)

Basis of accounting (continued)

Tangible capital assets (continued)

(iv) Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of the asset are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

Employee future benefit obligations

The cost of future benefits earned by employees is actuarially determined using the projected benefit method prorated on service and assumptions of mortality and termination rates, retirement age and expected inflation rates.

Past service costs from plan amendments, if any, are deferred and amortized on a straight-line basis over the average remaining service life of active employees at the date of the amendment. Actuarial gains and losses on the accrued benefit obligation arise from differences between the actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation. The excess of the net actuarial gains or losses over 10% of the benefit obligation is amortized over the average remaining service life of active employees.

Government transfers

Government transfers are recognized as revenues by the City in the period during which the transfer is authorized and any eligibility criteria are met. Government transfers are deferred if they are restricted through stipulations that require specific actions or programs to be carried out in order to keep the transfer. For such transfers, revenue is recognized when the stipulation has been met.

Investment income

Investment income earned on available funds and loans receivable are reported as revenue in the period earned. Investment income earned on deferred contributions is recorded as an increase to deferred contributions.

Use of estimates

The preparation of the financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant items subject to such estimates and assumptions include valuation allowance for asset backed investments, valuation allowances for receivables, certain accrued liabilities and obligations related to employee future benefits, landfill post closure liability, liability for contaminated sites and the estimated future lives of tangible capital assets. Actual results could differ from these estimates.

Adoption of new accounting policy

The City adopted Public Sector Accounting Board Standard *PS 3260 Liability for Contaminated Sites* effective April 1, 2014. Under PS 3260, contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. This relates to sites that are not in productive use and sites in productive use where an unexpected event resulted in contamination.

The adoption of PS 3260 has been applied retroactively and prior periods have been restated. The adoption of PS 3260 has changed amounts reported in the prior period as outlined in Note 2.

Notes to the consolidated financial statements December 31, 2015 (\$000's)

1. Significant accounting policies (continued)

Future accounting changes

Effective for fiscal periods beginning on or after April 1, 2016, all governments will be required to adopt PSAS Section 2601, Foreign Currency Translation, PSAS Section 3450 Financial Instruments and PSAS Section 1201 Financial Statement Presentation. This standard provides guidance on how to account for and report on financial instruments and related revenue and expenditures and also provides guidance on financial statement presentation and disclosure.

The City is currently in the process of evaluating the potential impact of adopting these standards.

2. Restatement of prior periods

The City has made an adjustment to correct the accounting treatment of development charge projects which were previously debt funded. This change relates to recognizing the development charge revenue when the original funds are spent and interest is paid, instead of when the principal and interest payments are made.

The City has also made an adjustment to account for expenses included in work in progress at the end of 2014 which should have been included as an expense on the consolidated statement of operations and accumulated surplus.

The impact of the above noted prior period adjustments and the adoption of PS 3260 Liability for Contaminated Sites as outlined in Note 1 is as follows:

	\$
Opening 2014 accumulated surplus as previously reported	1,003,339
Pre 2013 development charge revenues recognized	11,329
Contaminated sites liability as at December 31, 2013	(23,694)
Opening 2014 accumulated surplus as restated	990,974
2014 revenue over expenses as previously reported	34,024
Development charge revenue recognized	2,649
Expenditures included in work in progress	(1,465)
Accretion of contaminated sites liability	(348)
Annual surplus as restated	1,025,834

3. Taxation revenue

a) Taxation collected on behalf of school boards

The net taxation levies collected on behalf of the school boards are comprised of the following:

	2015	2014
	\$	\$
Taxation	63,273	62,688
Payments in lieu	3	3
-	63,276	62,691
Requisitions	(63,276)	(62,691)
Net levy for the year	-	-

Notes to the consolidated financial statements December 31, 2015 (\$000's)

3. Taxation revenue (continued)

b) Taxation revenue by major tax class

2015	Taxes - own purpose	Payments in lieu	Supplem- entary taxes	Rebates & Write-offs	2015 Total
	\$	\$	\$	\$	\$
Residential	134,307	26	2,206	(248)	136,291
Multi-residential	15,376	-	(13)	(58)	15,305
Commercial	36,690	3,232	520	(625)	39,817
Industrial	17,085	-	124	(206)	17,003
Pipelines	558	-	7	-	565
Farmlands	11	-	-	-	11
Managed forests	2	-	-	-	2
Other	-	2,651	118	(591)	2,178
Total tax revenue	204,029	5,909	2,962	(1,728)	211,172

2014	Taxes - own purpose	Payments in lieu	Supplem- entary taxes	Rebates & Write- offs	2014 Total
	\$	\$	\$	\$	\$
Residential	127,073	27	2,112	(395)	128,817
Multi-residential	14,570	-	99	(33)	14,636
Commercial	33,867	4,346	1,460	(199)	39,474
Industrial	17,290	129	77	(1,666)	15,830
Pipelines	538	-	9	-	547
Farmlands	14	-	-	(1)	13
Managed forests	2	-	-	-	2
Other	-	1,639	-	62	1,701
Total tax revenue	193,354	6,141	3,757	(2,232)	201,020

4. Investments

Investments are recorded at cost. The cost and market values are as follows:

		2015		2014
	Market	Cost	Market	Cost
	\$	\$	\$	\$
Short-term investments	70,011	68,255	50,527	50,000
Long-term investments	160,522	159,058	121,572	116,718
	230,533	227,313	172,099	166,718

Notes to the consolidated financial statements December 31, 2015 (\$000's)

4. Investments (continued)

In 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. As a result of the exchange, the City recorded the new carrying value (decrease of \$63) but recognized the highly speculative nature of any ultimate payment of principal at maturity by recording a provision for impairment. The impairment is recorded net of the cost of the long-term investments and is estimated to be 7.6% of the investment cost or \$158 (2014 - 4.6% or \$95).

5. Investment in Guelph Junction Railway Company

The City of Guelph owns 100% of Guelph Junction Railway Company (the "Railway"). The following table provides condensed supplementary financial information for the year ended December 31:

	2015	2014
	\$	\$
Financial position		
Current assets	1,018	438
Property, plant and equipment	10,365	8,273
Total assets	11,383	8,711
Current liabilities	1,149	366
Long-term debt	1,998	822
Deferred capital contributions	931	863
Total liabilities	4,078	2,051
Net assets	7,305	6,660
Results of operations		
Revenues	2,951	2,398
Operating expenses	2,306	2,191
Net income	645	207
Retained earnings, beginning of year	6,660	6,453
Retained earnings, end of year	7,305	6,660

Related party transactions

The City pays certain expenses and receives certain revenues on behalf of the Railway for which the Railway reimburses the City periodically through the year. During the year, these net expenses reimbursed to the City amounted to 1,382 (2014 - 395). Included in loans and notes receivable is an amount owing to the Railway of 125 (2014 - 51) related to the reimbursement of these current year net expenses.

The Railway paid the City \$23 (2014- \$23) in office rent and administration fees. These transactions were made in the normal course of business and have been recorded at the exchange amounts.

In 2015, the City entered into a long-term loan agreement with Guelph Junction Railway for the purpose of reconstructing a bridge within City limits. The total amount of the loan was \$1,710 and will be repayable monthly through blended principal and interest payments starting January 2016 at 3.395%. At year end \$1,710 (2014 - \$nil) was outstanding and included in loans and notes receivable.

Notes to the consolidated financial statements December 31, 2015 (\$000's)

6. Investment in Guelph Municipal Holding Inc.

The City of Guelph owns 100% of Guelph Municipal Holdings Inc. ("GMHI") which owns 100% of Guelph Hydro Electric Systems Inc., 100% of Envida Community Energy Inc. and 100% of GMHI Development Corporation. The following table provides condensed supplementary financial information for GMHI for the year ended December 31:

	2015	2014
	\$	\$
Financial position		
Current assets	72,615	36,386
Property, plant and equipment	155,713	151,278
Intangible assets	832	413
Deferred charges	-	40
Future income taxes	5,327	4,948
Total assets	234,487	193,065
O 4 11 1 11/2		04.440
Current liabilities	35,285	31,443
Customer deposits and deferred revenue	24,544	18,334
Long-term debt	94,245	64,600
Employee future benefits	10,474	10,039
Total liabilities	164,548	124,416
Total share capital and accumulated other comprehensive income	66,597	66,597
Retained earnings	3,342	2,052
Total net asset	69,939	68,649
Dec la constant		
Results of operations	0.47 40.4	0.47 470
Revenues	247,404	217,472
Cost of sales	201,234	190,885
Operating expenses	39,274	27,361
Income taxes	4,106	728
Total expenses	244,614	218,974
Net income (loss)	2,790	(1,502)
Retained earnings, beginning of year	2,052	5,054
Dividends	(1,500)	(1,500)
Retained earnings, end of year	3,342	2,052

Related party transactions

GMHI pays certain expenses and receives certain revenues on behalf of the City related to customer water billings for which GMHI remits to the City bi-monthly. During the year, these net revenues received amounted to \$55,125 (2014 - \$51,505). The cost paid to GMHI for administrating these billings on behalf of the City was \$1,395 (2014 - \$1,232). Amounts owing to the City related to these transactions total \$8,073 (2014 - \$9,096) and are included in accounts receivable.

Dividend income was received from GMHI of \$1,500 (2014 - \$1,500) and is reported as part of investment income. These transactions were made in the normal course of business and have been recorded at the exchange amounts.

Notes to the consolidated financial statements December 31, 2015 (\$000's)

7. Deferred contributions

The following funds have statutory restrictions and as such are classified as deferred contributions:

	Beginning			Ending
	balance	2015	2015	balance
	2015	Inflows	Outflows	2015
	\$	\$	\$	\$
Development charges	42,437	22,999	20,566	44,870
Grants	14,317	7,457	11,064	10,710
Other	4,763	1,618	405	5,976
	61,517	32,074	32,035	61,556

Opening 2015 balances have been restated as outlined in Note 2.

The development charges are restricted for use to fund growth related capital expenditures in accordance with the Development Charges Act. The deferred grants include federal gas tax funds, and provincial gas tax funds. Each of the grants has a specified set of restrictions that outlines how the funds can be utilized. The other deferred contributions include funds received for parkland dedication as restricted under the Planning Act and funds received in relation to the Ontario Building Code Act.

8. Pension agreement

The City makes contributions to the Ontario Municipal Employees Retirement System ("OMERS") which is a multi-employer plan, on behalf of the 1,944 (2014 – 1,935) members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The multi-employer plan is valued on a current market basis for all plan assets.

The amount contributed to OMERS for 2015 is \$14,519 (2014 - \$13,432) for current service and is reported as an expense on the consolidated statement of operations and accumulated surplus.

As at December 31, 2015, the City has no obligation under the past service provisions of the OMERS agreement.

As at December 31, 2015 the OMERS plan is in a deficit position of \$7.0 billion (2014 - \$7.1 billion), which will be addressed through temporary contribution rate increases, benefit reductions, and investment returns

9. Employee future benefits

Employee future benefits are current costs of the City to its employees and retirees for benefits earned but not taken as at December 31, and consist of the following:

	2015	2014
	\$	\$
Workplace Safety and Insurance ("WSIB")	5,399	5,044
Sick leave	9,491	9,105
Post retirement benefits	16,850	16,189
	31,740	30,338

Notes to the consolidated financial statements December 31, 2015 (\$000's)

9. Employee future benefits and other liabilities (continued)

a) Liability for Workplace Safety & Insurance ("WSIB")

The City is a Schedule II employer under the Workplace Safety and Insurance Act. As a Schedule II employer, the City assumes the liability for any award made under the Act. A comprehensive actuarial valuation of the future liability for WSIB benefits was conducted as at December 31, 2012 and has been extrapolated to estimate the liability for the 2013 through 2015 period. The next required valuation will performed in 2016 using information as of December 31, 2015.

The significant actuarial assumptions adopted in estimating the City's WSIB liabilities are as follows:

•	Discount rate	4% (2009 - 5%)
•	Expected future WSIB payments per lost time injury	49% (2009 - 52%)
•	Health care inflation	CPI plus 4% (2009 - CPI plus 4%)
•	WSIB administration rate	36% (2009 - 22%)
•	Lost time injury count	51 (2009 - 46)

Information about the City's WSIB liability is as follows:

	2015	2014
	\$	\$
Accrued benefit obligation, beginning of year	5,617	5,414
Current service cost	824	796
Interest	224	216
Benefits paid	(843)	(809)
Accrued benefit obligation, end of year	5,822	5,617
Unamortized net actuarial loss	(423)	(573)
	5,399	5,044

Information about the City's WSIB expenses recognized in the period is as follows:

	2015	2014
	\$	\$
Current period benefit cost	824	796
Amortization of losses	150	150
Interest expense	224	216
	1,198	1,162

A reserve in the amount of \$1,799 (2014 - \$1,566) has been accumulated to fund this liability.

b) Liability for sick leave

Under the sick leave benefit plan, unused sick leave can accumulate for certain employees and these employees may become entitled to a cash payment when they leave the City's employment.

A comprehensive actuarial valuation was completed as of December 31, 2013 and extrapolated for the 2015 year end. The next required valuation will be performed in 2017 using information as of December 31, 2016.

Notes to the consolidated financial statements December 31, 2015 (\$000's)

9. Employee future benefits and other liabilities (continued)

b) Liability for sick leave (continued)

The significant actuarial assumptions adopted in estimating the City's sick leave liabilities are as follows:

Discount rate
 Inflation rate
 4.75% (2012 – 4.75%)
 2% (2012 - 2%)

• Future salaries 3% per year (2012 – 3.5%)

Information about the City's sick leave liability is as follows:

	2015	2014
	\$	\$
Accrued benefit obligation, beginning of year	10,903	10,624
Current service cost	654	612
Interest	511	502
Actuarial loss	-	124
Benefits paid	(954)	(959)
Accrued benefit obligation, end of year	11,114	10,903
Unamortized net actuarial loss	(1,623)	(1,798)
	9,491	9,105

Information about the City's sick leave expenditures recognized in the period are as follows:

	2015	2014
	\$	\$
Current period benefit cost	654	612
Amortization of net actuarial loss	175	175
Actuarial loss	-	124
Interest expense	511	502
	1,340	1,413

There are currently reserves totaling \$9,069 (2014 - \$8,764) available to fund this liability.

c) Post retirement benefits

The City provides dental and health care benefits between the time an employee retires under OMERS, or retires at a normal retirement age, up to the age of 65.

The significant actuarial assumptions adopted in estimating the City's liabilities are as follows:

Discount rate
 Consumer price index
 4.75% (2012 – 4.75%)
 2.0% (2012 - 2.0%)

• Prescription drugs trend rate 5.67% reducing 4.0% per year to reach 4.0% per

year starting in 2019 (2012 - no change)

• Dental and other medical trend rates 4.0% (2012 – 4.0%)

Notes to the consolidated financial statements December 31, 2015 (\$000's)

9. Employee future benefits and other liabilities (continued)

c) Post retirement benefits (continued)

Information about the City's employee post-retirement benefits are as follows:

	2015	2014
	\$	\$
Accrued benefit obligation, beginning of year	19,396	16,384
Current service cost	890	835
Actuarial loss	-	1,620
Plan amendment	-	960
Interest	913	888
Benefits paid	(1,255)	(1,291)
Accrued benefit obligation, end of year	19,944	19,396
Unamortized net actuarial loss	(3,094)	(3,207)
	16,850	16,189

Information about the City's employee future benefit expenses recognized in the period are as follows:

	2015	2014
	\$	\$
Current period benefit cost	890	835
Plan amendment	-	960
Amortization of net actuarial loss	113	114
Interest expense	913	888
	1,916	2,797

A comprehensive actuarial valuation was completed as of December 31, 2013 and extrapolated for the 2015 year end. The next required valuation will be performed in 2017 using information as of December 31, 2016.

There are currently reserves totaling \$1,147 (2014 – \$1,113) available to fund this liability.

Notes to the consolidated financial statements December 31, 2015 (\$000's)

10. Debt

a) The debt is comprised of the following components:

	2015	2014
	\$	\$
Operating line of credit - bearing interest at prime, due on demand Debentures - repayable at rates ranging from 0.095% to 5.237%	700	970
and maturing from 2015 through 2031	62,818	71,627
Long-term loans - repayable at rates ranging from prime to 6.38%		
and maturing from 2015 through 2025	15,713	16,938
Banker's acceptance, interest at 4.83% (2014 - 6.08%) fixed through		
a swap transaction, plus a stamping fee of 0.8% (2014 - 1.25%)		
for a total of 2.87% (2014- 6.08%) repayable quarterly, maturing		
2015 with option to refinance for an additional ten years,		
net of transaction costs	1,918	2,166
	81,149	91,701

Included in accounts payable and accrued liabilities is \$1,392 (2014 - \$1,224) representing the fair market value of the interest rate swap facilities.

All debt is payable in Canadian dollars. Refer to schedule 3 for further details.

b) The debt is repayable in the following periods and will be funded through the following revenue sources:

	General taxation	User pay and other	Total
	\$	\$	\$
2016	10,955	176	11,131
2017	19,963	185	20,148
2018	10,017	195	10,212
2019	9,159	205	9,364
2020	6,529	216	6,745
Thereafter	22,283	1,266	23,549
	78,906	2,243	81,149

c) Total charges during the year for debt are as follows:

	2015	2014
	\$	\$
Principal repayments	10,552	10,376
Interest	3,486	4,818
	14,038	15,194

Notes to the consolidated financial statements December 31, 2015 (\$000's)

11. Obligation under capital lease:

A consolidated entity of the City has financed certain equipment through a capital lease arrangement as follows:

	2015	2014
	\$	\$
2015	-	27
2016	118	10
2017	108	-
2018	108	-
2019	108	-
2020	63	-
Total minimum lease payments	505	37
Less amount representing interest at 3.16%	(36)	(5)
Present value of net minimum capital lease payments	469	32

Interest of \$9 (2014 - \$4) relating to capital lease obligations has been included in interest expense.

12. Landfill post-closure liability

The City owns one landfill site. This landfill site was closed in 2003. The liability was calculated based upon the present value of estimated post-closure costs discounted to December 31, 2015 at a factor of 3.5% (2014 -3.5%) per annum. Post-closure care is estimated to be required for 35 years from the date of site closure.

The estimated expenditures for post-closure care as at December 31, 2015 are \$4,564 (2014 - \$4,164).

No reserve funds have been established to fund this liability as at December 31, 2015, as the City is funding this cost annually through the budget process.

Notes to the consolidated financial statements December 31, 2015 (\$000's)

13. Other long-term liabilities

The City offers three tax-increment based grant ("TIBG") programs in the areas of Heritage Redevelopment, Brownfield Redevelopment and Downtown Development.

The tax-increment based grants are approved individually by Council and require annual reporting and property tax payment by the applicant in order for the City to pay a grant installment. The agreements have two identifiable phases: i) grant pre-approval and construction phase; ii) grant approval and payment phase.

In 2015, the City has four TIBG agreements that are in the grant payment phase:

a) TIBG Agreements

	2015	2014
	\$	\$
Heritage Redevelopment	1,606	1,455
Downtown Development	854	-
Brownfield Strategy	291	-
	2,751	1,455

b) The TIBG's are repayable in the following periods:

	2015	2014
	\$	\$
2015	-	434
2016	1,743	217
2017	148	126
2018	148	129
2019	148	133
2020	145	126
Thereafter	419	290
	2,751	1,455

Notes to the consolidated financial statements December 31, 2015 (\$000's)

14. Tangible capital assets

				2015
	Balance, beginning			Balance, end
Cost	of year (restated)	Additions	Disposals	of year
	\$	\$	\$	\$
Land and land improvements	78,198	2,204	(2,107)	78,295
Buildings	298,090	8,055	-	306,145
Machinery and equipment	147,996	8,059	(3,165)	152,890
Assets under capital lease	302	500	-	802
Vehicles	65,885	7,574	(3,166)	70,293
Infrastructure				
Sanitary sewers & waste water	269,745	2,467	-	272,212
Storm water	191,394	3,895	(65)	195,224
Transportation	392,539	8,920	(42)	401,417
Waterworks	230,103	9,001	-	239,104
Assets under construction	10,743	13,538	-	24,281
	1,684,995	64,213	(8,545)	1,740,663
	Balance, beginning			Balance, end
Accumulated amortization	of year (restated)	Amortization	Disposals	of year
	\$	\$	\$	\$
Land and land improvements	5,633	776	(82)	6,327
Buildings	90,144	9,962	· -	100,106
Machinery and equipment	92,432	9,009	(2,897)	98,544
Assets under capital lease	194	65	-	259
Vehicles	36,395	6,043	(2,270)	40,168
Infrastructure				
Sanitary sewers & waste water	134,066	4,905	-	138,971
Storm water	50,651	2,832	(5)	53,478
Transportation	202,093	8,275	(11)	210,357
Waterworks	93,783	4,993	-	98,776
	705,391	46,860	(5,265)	746,986
	Balance, beginning			Balance, end
Net book value	of year (restated)			of year
	\$			\$
Land and land improvements	72,565			71,968
Buildings	207,946			206,039
Machinery and equipment	55,564			54,346
Asset under capital lease	108			543
Vehicles	29,490			30,125
Infrastructure				
Sanitary sewers & waste water	135,679			133,241
Storm water	140,743			141,746
Transportation	190,446			191,060
Waterworks	136,320			140,328
Assets under construction	10,743			24,281
	979,604			993,677

Notes to the consolidated financial statements December 31, 2015 (\$000's)

14. Tangible capital assets (continued)

			201	4 - Restated
	Balance, beginning		I	Balance, end
Cost	of year	Additions	Disposals	of year
	\$	\$	\$	\$
Land and land improvements	77,940	1,076	(818)	78,198
Buildings	285,853	12,753	(516)	298,090
Machinery and equipment	137,944	13,270	(3,218)	147,996
Assets under capital lease	302	-	-	302
Vehicles	65,711	4,885	(4,711)	65,885
Infrastructure				
Sanitary sewers & waste water	265,009	4,736	-	269,745
Storm water	185,854	5,540	-	191,394
Transportation	385,028	7,511	-	392,539
Waterworks	225,968	4,135	-	230,103
Assets under construction	4,194	6,549	-	10,743
	1,633,803	60,455	(9,263)	1,684,995
	Balance, beginning		I	Balance, end
Accumulated amortization	of year	Amortization	Disposals	of year
	\$	\$	\$	\$
Land and land improvements	4,887	770	(24)	5,633
Buildings	79,802	10,746	(404)	90,144
Machinery and equipment	86,806	8,269	(2,643)	92,432
Assets under capital lease	112	82	-	194
Vehicles	34,533	5,802	(3,940)	36,395
Infrastructure				
Sanitary sewers & waste water	129,020	5,046	-	134,066
Storm water	47,856	2,795	-	50,651
Transportation	194,045	8,048	-	202,093
Waterworks	88,656	5,127	-	93,783
	665,717	46,685	(7,011)	705,391
	Balance, beginning		I	Balance, end
Net book value	of year			of year
	\$			\$
Land and land improvements	73,053			72,565
Buildings	206,051			207,946
Machinery and equipment	51,138			55,564
Asset under capital lease	190			108
Vehicles	31,178			29,490
Infrastructure				
Sanitary sewers & waste water	135,989			135,679
Storm water	137,998			140,743
Transportation	190,983			190,446
Waterworks	137,312			136,320
Assets under construction	4,194			10,743
	968,086			979,604

Notes to the consolidated financial statements December 31, 2015 (\$000's)

15. Accumulated surplus

The accumulated surplus is comprised of the following components:

	2015	2014
	\$	\$
Reserves set aside for specific purpose by Council:		
for employee future benefits	12,015	11,443
for stabilization and contingency	14,045	11,318
for program related purposes	11,439	9,418
Reserves set aside by Wellington-Dufferin-Guelph Public Health		
for contingency	491	255
Total reserves - Schedule 4	37,990	32,434
Reserve funds set aside for specific purpose by Council:		
for capital financing purposes	138,392	134,389
Reserves set aside by Wellington-Dufferin-Guelph Public Health		
for capital financing purposes	1,652	1,324
Total reserve funds - Schedule 4	140,044	135,713
Total reserves and reserve funds - Schedule 4	178,034	168,147
Invested in tangible capital assets	993,677	979,604
Investment in Guelph Municipal Holdings Inc.	69,939	68,649
Investment in Guelph Junction Railway Company	7,305	6,660
Operating fund	(28,364)	(41,047)
Unfunded liabilities	, ,	(, , ,
Net debt & obligation under capital lease	(81,618)	(91,733)
Employee future benefits and related liabilities	(37,991)	(36,240)
Contaminated sites liability	(24,396)	(24,042)
Landfill post closure liability	(4,564)	(4,164)
Total	893,988	857,687
Accumulated surplus	1,072,022	1,025,834

In accordance with the City's policy for reserve funds, interest is earned on the average reserve fund balance for the year at the average internal rate of return earned during the year. In 2015, \$2,999 (2014 - \$2,188) of interest was earned by the reserve funds and is an increase in reserve and reserve funds.

Notes to the consolidated financial statements December 31, 2015 (\$000's)

16. Expenses by object

The following is a summary of the current expenses reported on the consolidated statement of operations and accumulated surplus by the type of expenses:

	2015	2014
	\$	\$
Salaries, wages and employee benefits	192,860	190,522
Interest on debt	3,486	4,818
Materials	39,996	37,785
Purchased services	34,225	32,627
Rents and financial expenses	10,485	10,789
External transfers	57,699	53,400
Amortization of tangible capital assets	46,860	46,685
	385,611	376,626

17. Government partnerships

The City's share of 45.9% (2014 - 45.9%) of the results of the Wellington-Dufferin-Guelph Public Health's operations for the year and its financial position at December 31 are included in the consolidated financial statements using proportionate consolidation and include the amounts as follows:

	2015	2014
	\$	\$
Assets	3,521	2,998
Liabilities	8,620	9,147
Net financial assets	(5,099)	(6,149)
Tangible capital assets	12,174	12,732
Prepaid expenses	87	84
Inventory	2	
Total non-financial assets	12,263	12,816
Accumulated surplus	7,164	6,667
Revenues	12,113	12,826
Expenses	11,616	11,593
Excess of revenue over expenses	497	1,233
Accumulated surplus, beginning of year Transfer to reserves	6,667 -	5,226 208
Accumulated surplus, end of year	7,164	6,667

During the year, the City contributed \$3,610 (2014 - \$3,541) towards its share of the costs of the partnership.

Notes to the consolidated financial statements December 31, 2015 (\$000's)

17. Government partnerships (continued)

Financing Agreement:

On December 19, 2012, the City, the County of Wellington and the County of Dufferin (the "obligated municipalities") entered into a Financing Agreement with the Wellington-Dufferin-Guelph Public Health ("Public Health") to finance the cost of building two new Public Health facilities at Chancellors Way, Guelph, and Broadway, Orangeville.

The Financing Agreement allows for quarterly advances of capital by the obligated municipalities to Public Health beginning in January 2013, until the completion of the new facilities. The total amount of the advances will not exceed \$24,400. Interest will be calculated annually, commencing on the 1st day of the month following the date of substantial completion of both facilities. The interest rate will be 3.34% per annum, and the term and amortization of the loan will be twenty years. Repayment to the obligated municipalities will commence thirty days following certification by the project's architect of substantial completion of both facilities. The whole or any part of the capital financing under this agreement may be prepaid at any time or times without penalty or bonus. The aforementioned loan has been eliminated upon consolidation.

18. Shared service agreements

Certain programs as mandated by provincial legislation are managed by neighboring municipalities on behalf of the City and certain programs are also managed by the City on behalf of other municipalities.

The City's share of revenues and expenses from social service programs managed by Wellington County are as follows:

	2015	2014
	\$	\$
Revenues		
Social housing	5,568	5,079
Child care	8,776	7,684
Social services	13,280	12,601
	27,624	25,364
Expenses		
Social housing	20,830	20,112
Child care	10,958	9,369
Social services	16,705	16,256
	48,493	45,737
Net expenses	(20,869)	(20,373)

The City's share of net expenses for social housing is 82% (2014 - 84%), child care 74% (2014 - 69%) and social services 68% (2014 - 69%).

Additionally, the City paid the County \$124 (2014 - \$1,343) for the City's share of expenses for the operation of Wellington Terrace, a long-term care facility.

Notes to the consolidated financial statements December 31, 2015 (\$000's)

18. Shared service agreements (continued)

The City's share of revenues and expenses from programs managed by the City are as follows:

	2015	2014
	\$	\$
Revenues		
Land Ambulance	5,033	4,595
Provincial Offences Act	1,369	1,919
	6,402	6,514
Expenses		
Land Ambulance	10,466	9,535
Provincial Offences Act	1,027	1,184
	11,493	10,719
Net expenses	(5,091)	(4,205)

The City's share of net expenses for land ambulance is 62% (2014 - 61%) and Provincial Offences Act is 55% (2014 - 58%).

The Provincial Offences Act revenues are recorded on a cash basis due to regulatory restrictions. As at December 31, 2015 there are \$14,337 (2014 - \$13,204) of over-due fines receivable and of this amount \$8,022 (2014 - \$8,054) is considered uncollectable.

The City's share of the net expenses for all the above programs are included in the consolidated statement of operations and accumulated surplus.

19. Liability for contaminated sites

The City reports environmental liabilities related to the management and remediation of contaminated sites where the City is obligated or likely obligated to incur such costs. A contaminated sites liability of \$24,396 (2014 - \$24,042) has been recorded based on environmental assessments or estimates for those sites where an assessment has not been conducted.

The City's ongoing efforts to assess contaminated sites may result in additional environmental remediation liabilities related to newly identified sites or changes in the assessments. Any changes to the City's liabilities for contaminated sites will be accrued in the year in which they are assessed as likely and reasonably estimable.

20. Contingencies

From time to time, the City may be involved in other claims in the normal course of business. Management assesses such claims and where considered likely to be material exposure and, where the amount of the claim is quantifiable, provisions for loss are made based on management's assessment of the likely outcome. The City does not provide for claims that are considered unlikely to result in a significant loss, claims for which the outcome is not determinable or claims where the amount of loss cannot be reasonably estimated. Any settlements or awards under such claims are provided when reasonably determinable.

Notes to the consolidated financial statements December 31, 2015 (\$000's)

21. Commitments and guarantees

- a) The City has guaranteed a non-revolving facility for Guelph Community Sports which is supported by Council resolution authorizing provision of such guarantee in favour of Guelph Community Sports. The balance of the guaranteed facility is \$422 as at August 31, 2015.
- b) The City has commitments totaling \$nil (2014 \$1,467) resulting from agreements entered into as part of the Heritage Redevelopment Grant Program. Grant expenses will be recognized upon the applicant meeting all the eligibility criteria.
- c) The City has commitments totaling \$10,161 (2014 \$10,727) resulting from agreements entered into as part of the Brownfield Tax Increment Based Grant Program. Grant expenses will be recognized in the year of reassessment by MPAC and when all eligibility criteria have been met by the applicant.
- d) The City has commitments totaling \$18,248 (2014 \$19,360) resulting from agreements entered into as part of the Major Downtown Activation Grant Program. Grant expenses will be recognized in the year of reassessment by MPAC and when all eligibility criteria have been met by the applicant.
- e) The City has commitments under a variety of leases and agreements of which the longest expires on June 18, 2088. The minimum lease payments over the next five years and thereafter are as follows:

	Ф
2016	403
2017	387
2018	314
2019	265
2020	236
Thereafter	1,192_
	2,797

f) Other obligations include:

MacDonald Stewart Arts Centre

The City has committed to operating grants for 2016 totalling \$181 (2014 - \$177).

Other community grants

The City has committed to providing various grants to organizations in the community totalling \$435 (2014 - \$458).

22. Local Immigration Partnership

Included in the consolidated statement of operations and accumulated surplus are the activities of the Local Immigration Partnership Program (LIPP) which is a federally funded program for the purpose of creating a more welcoming community for immigrants by focusing efforts on employment services, English language training, community integration/inclusion and community services/programs. During 2015, the City of Guelph received \$234 (2014 - \$229) of funding from Citizenship and Immigration Canada related to the operation this program.

23. Budget figures

Budgets are established to set tax rates or to finance projects which may be carried out over one or more years. Budget figures have been translated to reflect changes in public sector accounting standards on the consolidated statement of operations and accumulated surplus by adjusting for amortization of tangible capital assets, including the consolidated entities and excluding budgeted amounts for the debt principal repayment and reserve transfers.

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Notes to the consolidated financial statements December 31, 2015 (\$000's)

24. Comparative figures

Certain 2014 comparative figures have been reclassified in order to present them in a form comparable to those for 2015.

25. Segmented information

The City of Guelph is a diversified municipal government institution that provides a wide range of services to its citizens. For management reporting purposes, the City's operations and activities are organized and reported on in two groups: Operating Fund and Capital Fund. These funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. Within the operating fund, the City's operations are further defined into the Tax Supported and Non Tax Supported categories and then segregated in to four service area pillars: Office of the Chief Administrative Officer, Corporate Services, Infrastructure, Development & Enterprise Services, and Public Services.

Although City services are provided internally by these defined service areas, for financial reporting, the City has chosen to remain consistent with the Ontario Financial Information Return (FIR) and the nine functional areas that it prescribes. This will allow comparability between our Schedule of Segment Disclosure (Schedules 1 and 2 attached) and several schedules on the FIR that require full segment disclosure of operating expenses and limited disclosure of operating revenues.

The services that have been separately disclosed in the segmented information are defined by the compositional requirements of the FIR as follows:

General Government

Governance (election management, Council, Council support, Office of the Mayor)

Corporate management (Office of the CAO, finance, corporate communications, legal, corporate properties and real estate and information technology)

Protection services

Police services, fire services, 911 service, court operations, building and structural inspection, parking enforcement, by-law enforcement and animal control

Transportation services

Roadways – including asphalt resurfacing and crack sealing, line painting, sweeping, traffic operations and maintenance of roadside areas, culverts and bridges

Winter control, street lighting, parking and public transit

Environmental services

Water, Wastewater, storm sewers, and solid waste collection, disposal and recycling

Health services

Land ambulance operations and City's proportionate share of Public Health

Social housing

Social housing program costs

Social and family services

General assistance (Ontario Works) and childcare programs, contributions to The Elliott operations

Recreation and cultural services

Parks, recreational facilities, recreational programs, libraries, museums, River Run Centre, Sleeman Centre and other cultural services

Notes to the consolidated financial statements December 31, 2015 (\$000's)

Planning and development services

Planning and zoning, Committee of Adjustment, tourism, economic development, and Downtown Guelph Business Association operations

City of Guelph
Consolidated schedule of segment disclosure - Schedule 1
year ended December 31, 2015
(Unaudited)

	General	Protection	Transportation	Environmental	Health	Social & Family	Social	Recreation &	Planning and	
	Government	Services	Services	Services	Services	Services	Housing	Cultural Services	Development	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues										
Taxation	212,974	-	-	-	-	-	-	-	-	212,974
User charges	1,000	1,123	13,087	61,562	9,112	202	-	6,869	762	93,717
Contributed subdivision assets	5,430	-	-		-	-	-	-	-	5,430
Contributions	3,337	14,102	16,830	14,183	8,397	26,710	5,568	3,213	278	92,618
Other										
Investment income	7,161	-	-	69		-	-	-	-	7,230
Donations	-	14	-	-	-	13	-	488	-	515
Sales of equipment, publications	2	8	2	4,563	-	86	-	1,625	5	6,291
Recoveries	393	109	1,789	1,052	-	255	-	880	167	4,645
Licences and permits	67	3,268	-	52	-	-	-	24	-	3,411
Provincial offences act	-	2,588	-	-	-	-	-	-	-	2,588
Other fines	-	1,221	-	-	-	-	_	-	-	1,221
Gain (loss) on disposal of tangible capital assets	(46)	(130)	415	(712)	-	-	-	(171)	(133)	(777
Gain from Government Business Enterprises	1,936	` -	-	` -	-	-	-	` -	` -	1,936
·	232,254	22,303	32,123	80,769	17,509	27,266	5,568	12,928	1,079	431,799
Expenses										
Salaries, wages and employee benefits	17,286	68,303	30,553	18,729	22,811	9,748	-	21,526	3,904	192,860
Interest on debt	903	406	163	867	177	275	-	484	211	3,486
Materials	817	1,827	13,996	14,815	1,244	2,324	-	4,822	151	39,996
Purchased services	5,762	3,430	5,347	12,481	1,768	889	461	3,204	883	34,225
Rents and financial expenses	3,386	154	1,081	3,536		710	_	1,583	35	10,485
External transfers	1,758	956	1,711	1,568	-	27,704	20,890	1,250	1,862	57,699
Internal charges	(6,718)	1,390	(6,050)	7,197	1,662	95	1	2,447	(24)	· -
Amortization of tangible capital assets	3,876	3,084	13,580	17,045	1,518	1,856	20	5,590	291	46,860
<u> </u>	27,070	79,550	60,381	76,238	29,180	43,601	21,372	40,906	7,313	385,611
Evenes of revenues over evenes		·		·					·	·
Excess of revenues over expenses (expenses over revenues)	205,184	(57,247)	(28,258)	4,531	(11,671)	(16,335)	(15,804)	(27,978)	(6,234)	46,188

City of Guelph
Consolidated schedule of segment disclosure - Schedule 2
year ended December 31, 2014
(Unaudited)

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Social & Family Services	Social Housing	Recreation & Cultural Services	Planning and Development	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues										
Taxation	202,615	-	-	-	-	-	-	-	-	202,615
User charges	846	1,044	12,449	57,090	20	14,632	-	6,559	954	93,594
Contributed subdivision assets	9,585	-	· -		-	· <u>-</u>	-		-	9,585
Contributions	1,931	1,583	13,239	9,577	20,842	26,923	5,079	2,383	258	81,815
Other										
Investment income	5,156	-	-	62	248	536	-			6,002
Donations		16	-	-	-		-	583	-	599
Sales of equipment, publications	7	2	1	4,409	-	84	-	1,950	3	6,456
Recoveries	1,475	195	1,806	620	1,201	4	-	645	186	6,132
Licences and permits	69	3,143	-	37	-	-	-	-	-	3,249
Provincial offences act	-	3,422	-	-	-	_	-	-	-	3,422
Other fines	-	1,127	-	=	_	-	-	-	-	1,127
Gain (loss) on disposal of tangible capital assets	986	37	321	(500)	(98)	(28)	-	(474)	218	462
Loss from Government Business Enterprises	(3,572)	-	-	` -	` -	· -	-	· -	-	(3,572)
•	219,098	10,569	27,816	71,295	22,213	42,151	5,079	11,646	1,619	411,486
Expenses										
Salaries, wages and employee benefits	16,280	64,359	29,939	18,684	21,324	15,564	-	20,436	3,936	190,522
Interest on debt	971	444	206	997	142	1,114	-	550	394	4,818
Materials	1,019	1,777	13,833	11,414	2,027	2,263	-	5,095	357	37,785
Purchased services	4,377	3,362	4,709	12,335	937	3,084	311	3,002	510	32,627
Rents and financial expenses	3,753	174	1,432	3,668	283	44	-	1,400	35	10,789
External transfers	1,646	1,183	· -	1,524	-	26,998	20,112	1,317	620	53,400
Internal charges	(6,427)	1,351	(5,940)	6,977	1,622	98	. 1	2,300	18	· -
Amortization of tangible capital assets	3,517	2,856	13,226	17,098	1,187	3,115	20	5,381	285	46,685
	25,136	75,506	57,405	72,697	27,522	52,280	20,444	39,481	6,155	376,626
Excess of revenues over expenses										
(expenses over revenues)	193,962	(64,937)	(29,589)	(1,402)	(5,309)	(10,129)	(15,365)	(27,835)	(4,536)	34,860

City of Guelph Consolidated schedule of debt - Schedule 3 December 31, 2015 ('000's)

Dulan	Project description	Ta	Maturity data	Interest rates	2015	2014
Bylav	Project description	Term	Maturity date	interest rates	\$	2014 \$
Deben	itures:				Þ	Ф
	5 New City Hall	25	28-Aug-31	5.237%	15,127	15,719
	5 New POA Court	25	28-Aug-31	5.237%	4.266	4.434
	2 Social Services Building Renovation	10	25-Sep-18	3.25% to 4.70%	931	1,216
	2 Police HQ Renovations	10	25-Sep-18	3.25% to 4.70%	432	565
	2 Road Projects - Gordon, Victoria, Cardigan, Clair	10	25-Sep-18	3.25% to 4.70%	1,829	2,389
	2 Bus Storage Area Expansion	10	25-Sep-18	3.25% to 4.70%	63	82
	2 Organic Waste Facility - Roof Repairs	10	25-Sep-18	3.25% to 4.70%	170	223
	8 Road Projects - Gordon, Victoria, Eramosa	10	25-Nov-19	.095 % to 4.60%	330	407
	8 South End Station	10	25-Nov-19	.095 % to 4.60%	2,895	3,565
1889	8 New City Hall	10	25-Nov-19	.095 % to 4.60%	999	1,229
1889	8 Land Purchase - Library	10	25-Nov-19	.095 % to 4.60%	369	454
1889	8 Public Drop Off Facility	10	25-Nov-19	.095 % to 4.60%	94	115
1889	8 Transit Terminal Road Upgrades	10	25-Nov-19	.095 % to 4.60%	810	998
1889	8 Watermain Projects - Laird, Arkell, Scout Camp	10	25-Nov-19	.095 % to 4.60%	2,763	3,402
1889	8 Waste Water Treatment Plant Facility Upgrade	10	25-Nov-19	.095 % to 4.60%	2,539	3,127
1929	4 Organic Waste Facility Composter Rebuild	10	9-Nov-21	1.25% to 3.70%	17,490	20,187
1929	4 Civic Museum Renovations	10	9-Nov-21	1.25% to 3.70%	3,560	4,108
1929	4 On behalf of the Elliott	10	9-Nov-21	1.25% to 3.70%	8,151	9,407
					62,818	71,627
Other	loans:					
	The Elliott Line of Credit - RBC	Demand	NA	prime	700	970
	The Elliott Bankers Acceptance - SWAP	10	25-Jun-25	4.83%	1,918	-
	The Elliott Bankers Acceptance - SWAP	10	25-Jun-15	6.08%	-	2,166
	The Elliott Term Loan - RBC	5	31-Mar-15	prime	-	83
	Mortgage RBC - Sleeman Centre	10	1-May-17	3.04%	1,120	1,932
	CIBC Loan - Sleeman Centre - SWAP	18.8	01-Sep-25	6.38%	4,593	4,923
	TD Interest only loan - SWAP	5	31-Dec-17	2.105%	10,000	10,000
Total I	Debt	<u> </u>		•	81,149	91,701

City of GuelphConsolidated schedule of reserves and reserve funds - Schedule 4 December 31, 2015

('000's)

Code	Description	2015	2014
	·	\$	\$
Reserves:			
	Employee Future Benefits:		
100	Sick Leave - Fire	5,207	4,343
101	Sick Leave - Police	3,862	3,901
102	Sick Leave - Library	-	353
103	Sick Leave - CUPE 241	-	167
330	WSIB	1,799	1,566
338	Land Ambulance Severance	722	602
212	Early Retiree Benefits	425	511
		12,015	11,443
For	Stabilization and Contingency:		
131	Employee Benefit Stabilization	1,838	3,105
180	Tax Rate Stabilization	3,206	1,591
181	Water Rate Stabilization	2,521	2,003
182	Waste Water Rate Stabilization	3,297	2,829
105	Wastewater Contingency	890	-
106	Water Contingency	418	-
198	Operating Contingency	750	541
191	Human Resource Contingency	1,125	1,249
		14,045	11,318
For	Program Related:		
184	Insurance	2,145	1,974
119	Affordable Housing	650	429
122	Brownfield Strategy	2,329	1,249
206	Building Operating Maintenance	77	62
192	Heritage Redevelopment	1,159	1,166
193	Ontario Municipal Board	1,555	1,379
194	Downtown Improvements	349	349
195	Election Costs	275	165
196	Joint Job Evaluation Committee	276	260
345	Westminster Woods	35	35
208	Social Housing	-	143
197	Human Resource Negotiations	173	198
210	Information Technology Licences	760	608
211	POA Contingency	213	223
205	Community Investment Strategy	89	89
179	Strategic Priorities	689	747
358	Downtown TIBG Reserve	665	342
		11,439	9,418
Consolidate	ed Entities Reserves - Wellington-Dufferin-Guelph Public Health	491	255
Total Rese	·	37,990	32,434

City of GuelphConsolidated schedule of reserves and reserve funds - Schedule 4 December 31, 2015

('000's)

Code	Description	2015	2014
		\$	\$
Reserve F	unds:		
111	Fire	614	641
113	Transit	1,035	1,946
115	Police	1,053	1,099
116	Waste Management	576	1,162
118	Computers	755	374
121	Play Equipment	407	57
124	Operations Fleet	5,251	4,032
120	POA Relocation	963	985
135	Museum Development	132	242
136	McCrae House Development	33	146
137	Moon-McKeigan	15	14
138	Library Bequests	325	283
150	Capital Taxation	5,146	2,711
151	Capital Parking	1,141	1,270
152	Capital Waterworks	45,169	39,753
153	Capital Wastewater	53,846	47,775
154	Capital Strategic Plan	16	16
155	Capital Landfill Compensation	102	100
156	Capital DC Exemption	3,387	3,085
157	Capital Library	854	1,015
158	Capital Police	2,161	3,051
159	Accessibility	198	411
160	Road Infrastructure	2,263	3,132
162	Capital Sleeman Centre	· -	5
164	Capital Roads	573	647
165	Capital Stormwater	358	489
166	Capital Park Planning	482	(8)
167	Capital Policy Planning	659	517
169	Capital Operations	1,550	1,126
171	Capital Culture	136	157
172	Capital Transit	1,704	2,189
176	Capital Info Services	940	249
186	Capital Waste Management	45	294
189	Capital GSEC	43	35
190	Building Life Cycle	1,166	868
200	Investing Ontario Act	· <u>-</u>	100
331	Road Widening	877	850
332	Industrial Land	(6,829)	1,189
	Carried forward to next page	127,146	122,007

City of GuelphConsolidated schedule of reserves and reserve funds - Schedule 4 December 31, 2015

('000's)

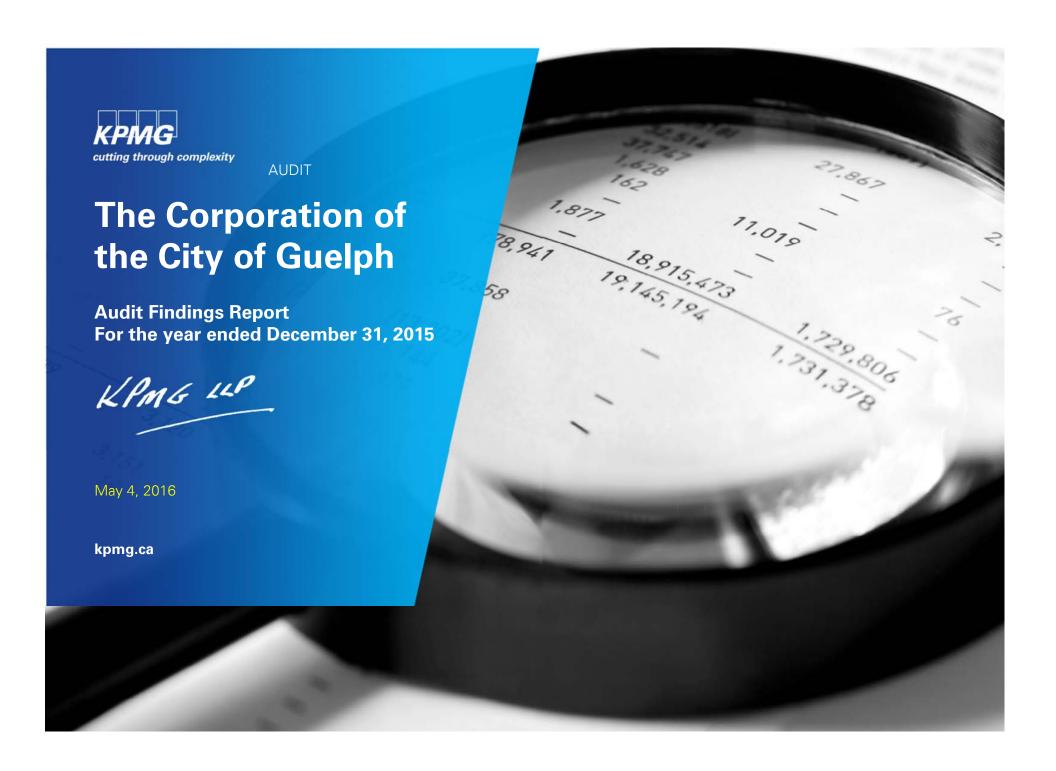
Code	Description	2015	2014
•		\$	\$
	Carried forward from previous page	127,146	122,007
340	Capital River Run	68	112
350	Transportation Demand Management	23	22
351	Capital Renewal	8,494	8,925
352	Greenhouse Gas	327	464
353	Waterworks DC Exempt	647	521
354	Wastewater DC Exempt	1,576	2,169
355	Greening	(15)	35
356	Public Art	83	75
357	Brownfield Capital	43	59
Consolida	ted Entities		
Re	serve Funds - Wellington-Dufferin-Guelph Public Health	1,652	1,324
Total Res	erve Funds	140,044	135,713
Total Res	erves and Reserve Funds	178,034	168,147

Guelph Public Library Board - Schedule 5 Statement of revenue and expense Year ended December 31, 2015 ('000's)

(666.6)	2015	2015	2014
	Budget	Actual	Actual
OPERATING FUND	\$	\$	\$
Revenue			
Grant - Province of Ontario	168	168	168
Donations	69	89	98
Fees and service charges	292	275	263
Sundry revenue	21	20	1
-	550	552	530
Expenses			
Administrative and office	18	12	6
Operating supplies	235	246	242
Repairs and maintenance	476	424	454
Interest on long-term debt	-	19	39
Consulting and professional fees	39	87	51
Communications	173	170	169
Amortization	-	944	800
Training	40	32	25
Salaries and benefits	5,581	5,686	5,587
Rental and leases	945	862	851
Furniture and equipment	32	5	30
Utilities and taxes	139	143	126
<u>_</u>	7,678	8,630	8,380
Net operating deficit	(7,128)	(8,078)	(7,850)
CAPITAL FUND			
Developer contribution revenues		397	(131)
Tangible capital asset acquisitions	(1,309)	(1,627)	(1,288)
Net capital deficit	(1,309)	(1,230)	(1,419)
Total combined net deficit	(8,437)	(9,308)	(9,269)
Less: net contributions (to)/from reserves	50	127	39
Less: debt principal repayments	(85)	(84)	(84)
	(8,472)	(9,265)	(9,314)
City of Guelph share of net deficit	8,472	9,265	9,314
Fund balance, end of year	-	-	-

Guelph Police Services Board - Schedule 6 Statement of revenue and expense Year ended December 31, 2015 ('000's)

(0003)	2015	2015	2014
	Budget	Actual	Actual
OPERATING FUND	\$	\$	\$
Revenue			
Grants	1,721	1,824	1,532
Other fees and recoveries	826	1,036	997
	2,547	2,860	2,529
Expenses			
Amortization	-	1,431	1,195
Personnel supplies	152	125	115
Professional services	1,021	1,263	1,263
Fleet	689	500	534
Repairs and maintenance	227	209	168
Corporate development and travel	468	425	414
Rental and lease	41	70	48
Communication	177	169	194
Utilities, taxes and insurance	443	427	428
Banking and other fees	14	9	8
Software	186	243	191
Operating, admin and office supplies	232	232	209
Interest on long-term debt	91	91	112
Salaries and benefits	35,681	35,092	33,388
	39,422	40,286	38,267
Net operating deficit	(36,875)	(37,426)	(35,738)
CAPITAL FUND			
Revenue			
Province of Ontario grants	-	93	4
Other revenues	-	27	82
	-	120	86
Expenses			
Loss (gain) on disposal of tangible capital assets	(5)	50	156
Tangible capital asset acquisitions	1,063	2,948	1,494
Net capital deficit	(1,058)	(2,878)	(1,564)
Total combined net deficit	(37,933)	(40,304)	(37,302)
Add: net contributions from reserves	335	3,463	1,145
Less: debt principal repayments	(440)	(440)	(426)
The first state of the first sta	(38,038)	(37,281)	(36,583)
City of Guelph share of net deficit	(38,038)	(37,281)	(36,583)
Fund balance, end of year	-	-	-
•			





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At KPMG, we are **passionate** about earning your **trust**. We take deep **personal accountability**, individually and as a team, to deliver **exceptional service and value** in all our dealings with you.

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



Executive summary

Purpose of this report*

The purpose of this Audit Findings Report is to assist you, as a member of the audit committee, in your review of the results of our audit of the consolidated financial statements of City of Guelph as at and for the period ended December 31, 2015.

This Audit Findings Report builds on the Audit Plan we presented to the Audit Committee on February 2, 2016.

Changes from the Audit Plan

There have been no significant changes regarding our audit from the Audit Planning Report previously presented to you.

Audit risks and results

We discussed with you at the start of the audit a number of **significant financial reporting risks**.

We are satisfied that our audit work has appropriately dealt with the risks.

We also discussed with you some **other areas of** audit focus.

See pages 5 & 6

^{*} This Audit Findings Report should not be used for any other purpose or by anyone other than the audit committee. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this Audit Findings Report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.



Consolidated Financial Statements

The City of Guelph's Consolidated Financial Statements include the operations of the Guelph Public Library Board, Guelph Police Services Board, Downtown Guelph Business Association and the Elliott Community, in addition to the assets and liabilities of these organizations.

The City proportionately consolidates their interest in the Wellington-Dufferin-Guelph Public Health Unit, at a rate of 45.9% which is based on the City's population.

Assets, liabilities, revenues and expenditures have been eliminated upon consolidation as required under PSAB.

Guelph Municipal Holdings Inc. and Guelph Junction Railway Company are included using the modified equity basis.

KPMG has obtained sufficient audit evidence with respect to the entities below for the purpose of our consolidated audit opinion of the City of Guelph.



Audit risks and results

Inherent risk of material misstatement is the susceptibility of a balance or assertion to misstatement which could be material, individually or when aggregated with other misstatements, assuming that there are no related controls.

We highlight our significant findings in respect of significant financial reporting risks as identified in our discussion with you in the Audit Plan, as well as any additional significant risks identified.

Our significant findings from the audit **Significant** Why financial reporting risks • KPMG performed various substantive based procedures examining Fraud risk from As outlined in our journal entries that were being posted to the general ledger. management audit planning override of controls report, in accordance with Journal entries were selected using various criteria to identify Canadian Auditing journal entries that could possibly be related to override activities. Standards, there is the presumption of a No issues were identified in our testing performed. risk of management override. We have not identified additional risks of management override relating to this audit.



Audit Areas of Focus

We identified other areas of focus for our audit in our discussion with you in the Audit Plan.

Significant findings from the audit regarding other areas of focus are as follows:

Other areas of focus	Why	Our significant findings from the audit
Cash & Investments	Significant FS Caption	 No issues of note Confirmations were sent to the City's financial institutions confirming balances; custody over the confirmation submission and receipt process was maintained at all times by KPMG LLP
Payroll	Represents a significant portion of the City of Guelph's expenditures	 Control testing performed Substantive procedures performed over payroll expenditures, benefits expense Confirmation with management's actuarial expert used for estimation of employee future benefits obligation as at year end
Tangible Capital Assets	Significant FS Caption, with audit misstatements identified in previous years	 Substantive test of details approach, vouching samples of additions both to additions and WIP in fiscal 2015 Review of expense accounts to ensure that items related to tangible capital assets were not inappropriately expensed in 2015 KPMG noted an audit misstatement pertaining to expenditures from a prior period that were capitalized, a correcting adjustment and restatement of prior year's comparative financial statements has been made Recalculation of amortization expenses performed
Long-Term Debt	Significant FS Caption	 No issues of note Confirmations were sent to the City's lenders and ensured that confirmation and amortization schedules support the balances recorded by the City at December 31, 2015 Confirmed directly with City's lenders
Taxation Revenue	Significant FS Caption	 No issues of note Substantive analytical test used to develop an expectation of taxation revenues, using MPAC assessment with by-law approved taxation rates Taxation revenue up 5% from 2014, driven by assessment growth and rate increases



Critical accounting estimates

Estimates

Critical Accounting Estimates

Management's process for identification and making accounting estimates are consistent with prior year.

The potential impact of measurement uncertainty on the financial statements has been disclosed in the notes to the financial statements.

During the course of our engagement, we did not identify instances of management bias in development of estimates.

We believe management's process for identifying critical accounting estimates is considered adequate



Significant accounting policies and practices

Significant accounting policies and practices are disclosed in Note 1 to the financial statements.



Other matters

Professional standards require us to communicate to the **Audit Committee Other** Matters, such as material inconsistencies identified fraud or non-compliance with laws and regulations, consultations with other accountants, significant matters relating to the City's related parties, significant difficulties encountered during the audit, and disagreements with management.

Other matters

We have highlighted below other significant matters that we would like to bring to your attention:

- New accounting standard adopted in fiscal 2015
- Management required to document a project plan to evaluate all non-active City owned land, and assess the risk of contamination that would require remediation
- Adoption of the new accounting standard results in new note disclosure in the 2015 financial statements
- The City has restated the 2014 financial statements to account for the \$23.7M liability to reflect the estimated discounted cash flows that will be required to clean-up the contamination
- KPMG reviewed management's project documentation, and worksheets estimating contamination at various in-active City properties
- Management has provided project documentation, however final attestation of those involved in the assessment is in process as at May 4, 2016

Development Charge Revenue

- Management at the City determined that the previous policy for recording development charge revenue based on the timing of debt re-payments resulted in a delayed recognition of development charge revenue, and a delayed draw-down of deferred revenue (liability on the statement of financial position)
- Management determined that at the point in time that development expenditures have been incurred, development charge revenue is eligible to be recorded, and that the funding source of the expenditures shouldn't impact the timing of revenue recognition
- KPMG has reviewed management's assessment and notes that the proposed revised treatment is in accordance with PSAB, and will result in revenues being recorded earlier as opposed to over a number of years
- Management has restated the 2014 comparative figures in the financial statements to account for this change, resulting in an increase to accumulated surplus as at December 31, 2013 and December 31, 2014

Taxation Dispute

- The City has accrued for properties that have disputed their MPAC assessments, which impact taxation revenue recorded and collected
- KPMG has reviewed management's calculation of the accruals, with no issues of note



Tangible Capital Asset	 Management informed the KPMG audit team that they believed there had been items capitalized in previous years that were reflective of expenses, as opposed to tangible capital assets and needed to be assessed KPMG noted that in the testing performed over tangible capital assets there were work orders totalling \$1.45M that did not meet the definition of a tangible capital asset and should have been recorded as an expense in previous years Management has restated the 2014 financial statements to reflect this increased expenditure, and decrease to accumulated surplus In future years, a more robust review of open work orders that remain in WIP at year end needs to be performed to ensure that items that should be expensed are not capitalized and then adjusted for in future periods KPMG notes that amounts capitalized during the year approximated \$58.8M compared to amortization of \$46.9M which contributed to the increase in tangible capital assets
Discount Rate-Employee Future Benefits	 Discount rates used in calculating the employee future benefits range from 4% to 4.75%, considered to be reasonable, and consistent with similar term borrowing rates
Long-Term Debt	 Debt balances at the City decreased by \$10.5M, which was due to principal repayments made, and no new debt issued in fiscal 2015
Tax Receivable Balance	 Taxes receivable increased 19.5% in the current year, driven by both taxation increases in addition to items such as fines being included on the tax roll in an effort assist with collections While the amount increased year over year, KPMG notes that the amount of receivable in comparison to annual taxation revenue is relatively low



Adjustments and differences

Adjustments and differences identified during the audit have been categorized as Corrected "adjustments" or Uncorrected "differences." These include disclosure adjustments and differences.

- There are no audit differences identified that remain uncorrected as at December 31, 2015.
- Management has agreed with KPMG regarding any audit adjustments recorded in the financial statements.



Appendices

Appendix 1: Required communications

Appendix 2: Independence

Appendix 3: Audit Quality and Risk Management

Appendix 4: Background and professional standards



Appendix 1: Required communications

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

 Auditors' report – the conclusion of our audit is set out in our draft auditors' report which will be issued upon approval of the financial statements.



Appendix 2: Independence

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

Professional standards require that we communicate the related safeguards that have been applied to eliminate identified threats to independence or to reduce them to an acceptable level. Although we have policies and procedures to ensure that we did not provide any prohibited services and to ensure that we have not audited our own work, we have applied the following safeguards related to the threats to independence listed above:

- We instituted policies and procedures to prohibit us from making management decisions or assuming responsibility for such decisions
- We obtained pre-approval of non-audit services, and during this pre-approval process we discussed the nature of the engagement and other independence issues related to the services
- We obtained management's acknowledgement of responsibility for the results of the work performed by us regarding non-audit services, and we have not made any management decisions or assumed responsibility for such decisions



Appendix 3: Audit Quality and Risk Management

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

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

Visit http://www.kpmg.com/Ca/en/services/Audit/Pages/Audit-Quality-Resources.aspx for more information.

Other controls include:

- Before the firm issues its audit report, the Engagement Quality Control Reviewer reviews the appropriateness of key elements of publicly listed client audits.
- Technical department and specialist resources provide realtime support to audit teams in the field.
- We conduct regular reviews of engagements and partners. Review teams are independent and the work of every audit partner is reviewed at least once every three years.
- We have policies and guidance to ensure that work performed by engagement personnel meets applicable professional standards, regulatory requirements and the firm's standards of quality.
- All KPMG partners and staff are required to act with integrity and objectivity and comply with applicable laws, regulations and professional standards at all times.



- We do not offer services that would impair our independence.
- The processes we employ to help retain and develop people include:
 - Assignment based on skills and experience;
 - Rotation of partners;
 - Performance evaluation;
 - Development and training; and
 - Appropriate supervision and coaching.
- We have policies and procedures for deciding whether to accept or continue a client relationship or to perform a specific engagement for that client.
- Existing audit relationships are reviewed annually and evaluated to identify instances where we should discontinue our professional association with the client.



Appendix 4: Background and professional standards

Internal control over financial reporting

As your auditors, we are required to obtain an understanding of internal control over financial reporting (ICFR) relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on internal control. Accordingly, we do not express an opinion on the effectiveness of internal control.

Our understanding of ICFR was for the limited purpose described above and was not designed to identify all control deficiencies that might be significant deficiencies and therefore, there can be no assurance that all significant deficiencies and other control deficiencies have been identified. Our awareness of control deficiencies varies with each audit and is influenced by the nature, timing, and extent of audit procedures performed, as well as other factors.

The control deficiencies communicated to you are limited to those control deficiencies that we identified during the audit.

Documents containing or referring to the audited financial statements

We are required by our professional standards to read only documents containing or referring to audited financial statements and our related auditors' report that are available through to the date of our auditors' report. The objective of reading these documents through to the date of our auditors' report is to identify material inconsistencies, if any, between the audited financial statements and the other information. We also have certain responsibilities, if on reading the other information for the purpose of identifying material inconsistencies, we become aware of an apparent material misstatement of fact.

We are also required by our professional standards when the financial statements are translated into another language to consider whether each version, available through to the date of our auditors' report, contains the same information and carries the same meaning.



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Financial Statements of

THE ELLIOTT

Year ended December 31, 2015

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KPMG LLP

115 King Street South, 2nd floor Waterloo Ontario N2J 5A3 Canada Telephone (519) 747-8800 Fax (519) 747-8830 Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Members of The Elliott

We have audited the accompanying financial statements of The Elliott, which comprise the statement of financial position as at December 31, 2015, the statements of operations and changes in deficit, remeasurement gains and losses and cash flows for the twelve month period ended December 31, 2015, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Page 2

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Elliott as at December 31, 2015, and its results of operations, changes in deficit, remeasurement gains and losses and its cash flows for the twelve month period ended December 31, 2015 in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants, Licensed Public Accountants

May 6, 2016

Waterloo, Canada

LPMG LLP

Statement of Financial Position

December 31, 2015, with comparative information for December 31, 2014

		2015		2014
Assets				
Current assets:	Φ.	00.000	Φ.	40.440
Cash Accounts receivable (note 2)	\$	29,332 169.072	\$	16,412 103,117
Inventory		4,547		4,403
Prepaid expenses Trust funds held for residents		5,856 5,648		16,360 3,300
Trust futius field for residents		214,455		143,592
Capital assets (note 3)		15,266,467		16,378,713
	\$	15,480,922	\$	16,522,305
Liebilities Defermed Contributions and Def	:: _ !.4		- 5	and the second
Liabilities, Deferred Contributions and Def	ICIT			
Current liabilities:	Φ.	700 000	•	070.000
Operating line of credit Accounts payable and accrued liabilities	\$	700,000 1,378,814	\$	970,000 1,328,177
Deferred revenue		60,969		27,234
Trust funds held for residents		5,648		3,300
Current portion of long-term debt (note 4) Current portion of obligations under capital leases (note 5)		781,940 93,052		3,169,626 24,315
earrent portion of obligations and or object reases (note o)		3,020,423		5,522,652
Long-term liabilities:				
Long-term debt (note 4)		18,270,786		17,054,247
Obligations under capital leases (note 5)		375,702		7,396
		18,646,488		17,061,643
Employee future benefits obligation (note 6)		303,049		280,124
Deferred capital contributions (note 7)		720,503		528,907
Fair value of interest rate swap contract (note 4)		70,482 1,094,034		36,736 845,767
		1,004,004		040,707
Deficit: Deficit		(7,209,541)		(6,871,021)
Accumulated remeasurement losses		(7,209,541)		(36,736)
Commitments (note 9)		(7,280,023)		(6,907,757)
(1000)	\$	15,480,922		16,522,305
			\$	76 677 206

See accompanying notes to financial statements.

On behalf of the Board:

____ Director

Director

Treasurer

1

Statement of Operations and Changes in Deficit

Twelve month period ended December 31, 2015, with comparative information for the nine month period ended December 31, 2014

	Twelve month period ended December 31, 2015		Nine mor period end December 3 20	
Revenue:				
Long-Term Care - Basic	\$ 1,700),507	\$	1,249,034
Long-Term Care - Preferred	386	6,584		277,506
Retirement Suites	5,835	•		4,219,065
Life Lease Suites),953		403,870
Provincial Subsidy	3,951	,768		2,892,830
City of Guelph - Long-Term Care Grant	1,136	5,663		-
City of Guelph - Long-Term Care Grant - Capital	191	,351		-
Community Centre	280),815		205,942
Suite re-leasing (note 8)	199	9,251		126,670
Fees and recoveries	323	3,662		226,685
Amortization of deferred capital contributions	87	7,562		48,494
Other revenue	54	l,125		27,450
	14,698	3,734		9,677,546
Expenditures:				
Wages and salaries	7,330).932		5,269,263
Employee benefits	1,700			1,186,770
Supplies	1,104	•		797,848
Facility costs	1,139			792,559
Interest and financing fees		,907		565,223
Equipment		,031		325,239
Purchased services),567		197,626
Administrative and other		3,013		62,350
Amortization of capital assets	1,731	•		1,268,246
Accretion of deferred financing costs	·	3,479		2,613
	15,037			10,467,737
Annual deficit	(338	3,520)		(790,191)
Deficit, beginning of period	(6,871	,021)		(6,080,830)
Deficit, end of period	\$ (7,209	9,541)	\$	(6,871,021)

See accompanying notes to financial statements.

Statement of Remeasurement Gains and Losses

Twelve month period ended December 31, 2015, with comparative information for the nine month period ended December 31, 2014

	peri	lve month od ended ember 31, 2015	per	ine month iod ended ember 31, 2015
Accumulated remeasurement losses, beginning of the period	\$	(36,736)	\$	(96,628)
Reduction (increase) in unrealized loss attributable to interest rate swap agreement		(33,746)		59,892
Accumulated remeasurement losses, end of the period	\$	(70,482)	\$	(36,736)

See accompanying notes to financial statements.

Statement of Cash Flows

Twelve month period ended December 31, 2015, with comparative information for the nine month period ended December 31, 2014

Cash provided by (used in): Operation activities: Annual deficit \$ (338,520) \$ (790,191) Items not involving cash: Amortization of capital assets 1,731,863 1,268,246 Amortization of deferred capital contributions (87,562) (48,494) Accretion of deferred financing costs 3,479 2,613 Employee future benefits obligation 22,925 30,805 Change in non-cash operating working capital: Accounts receivable (65,955) (25,686) Inventory (144) 3,849 Prepaid expenses 10,504 52,639 Accounts payable and accrued liabilities 50,637 179,474 Deferred revenue 33,735 5,783 Financing activities: Increase (decrease) in operating line of credit (270,000) 20,000 Repayment of long-term debt (1,174,626) (333,974) Principal repayments on capital leases (62,689) (38,638) Capital activities:		Twelve month period ended December 31, 2015		Nine month eriod ended ecember 31, 2014
Annual deficit	Cash provided by (used in):			
Items not involving cash:				
Amortization of capital assets 1,731,863 1,268,246 Amortization of deferred capital contributions (87,562) (48,494) Accretion of deferred financing costs 3,479 2,613 Employee future benefits obligation 22,925 30,805 Change in non-cash operating working capital: 462,979 Change in non-cash operating working capital: (65,955) (25,686) Inventory (1444) 3,849 Prepaid expenses 10,504 52,639 Accounts payable and accrued liabilities 50,637 179,474 Deferred revenue 33,735 5,783 Financing activities: 1,360,962 679,038 Increase (decrease) in operating line of credit (270,000) 20,000 Repayment of long-term debt (1,174,626) (339,974) Principal repayments on capital leases (62,689) (38,638) (1,507,315) (358,612) Capital activities: (19,885) (162,830) Purchase of capital assets (119,885) (162,830) Capital contributions received 279,158		\$	(338,520)	\$ (790,191)
Amortization of deferred capital contributions (87,562) (48,494) Accretion of deferred financing costs 3,479 2,613 Employee future benefits obligation 22,925 30,805 Change in non-cash operating working capital: 1,332,185 462,979 Change in non-cash operating working capital: (65,955) (25,686) Inventory (144) 3,849 Prepaid expenses 10,504 52,639 Accounts payable and accrued liabilities 50,637 179,474 Deferred revenue 33,735 5,783 Increase (decrease) in operating line of credit (270,000) 20,000 Repayment of long-term debt (1,174,626) (339,974) Principal repayments on capital leases (62,689) (336,638) (1,507,315) (358,612) Capital activities: (119,885) (162,830) Purchase of capital assets (119,885) (162,830) Capital contributions received 279,158 - Increase in cash 12,920 157,596 Cash (bank indebtedness), beginning of period			4 704 000	4 000 040
Accretion of deferred financing costs Employee future benefits obligation 3,479 2,925 30,805 Employee future benefits obligation 22,925 30,805 1,332,185 462,979 462,979 Change in non-cash operating working capital: (65,955) (25,686) Accounts receivable (65,955) (25,686) Inventory (144) 3,849 Prepaid expenses 10,504 52,639 Accounts payable and accrued liabilities 50,637 179,474 Deferred revenue 33,735 5,783 1,360,962 679,038 679,038 Financing activities: (270,000) 20,000 Repayment of long-term debt (1,174,626) (339,974) Principal repayments on capital leases (62,689) (38,638) (1,507,315) (358,612) (358,612) Capital activities: (19,885) (162,830) Purchase of capital assets (119,885) (162,830) Capital contributions received 279,158 159,273 (162,830) Increase in cash 12,920 157,596 Cash (bank indebtedness), beginning of period 16,412 (141,184) Non-cash transactions: 29,332 16,412				
Employee future benefits obligation 22,925 30,805 Change in non-cash operating working capital: (65,955) (25,686) Accounts receivable (65,955) (25,686) Inventory (144) 3,849 Prepaid expenses 10,504 52,639 Accounts payable and accrued liabilities 50,637 179,474 Deferred revenue 33,735 5,783 Tinancing activities: 1,360,962 679,038 Increase (decrease) in operating line of credit (270,000) 20,000 Repayment of long-term debt (1,174,626) (339,974) Principal repayments on capital leases (62,689) (38,638) (1,507,315) (358,612) Capital activities: (119,885) (162,830) Purchase of capital assets (119,885) (162,830) Capital contributions received 279,158 - Increase in cash 12,920 157,596 Cash (bank indebtedness), beginning of period 16,412 (141,184) Cash, end of period \$29,332 \$16,412				
Change in non-cash operating working capital: 1,332,185 462,979 Accounts receivable (65,955) (25,686) Inventory (144) 3,849 Prepaid expenses 10,504 52,639 Accounts payable and accrued liabilities 50,637 179,474 Deferred revenue 33,735 5,783 Financing activities: 1,360,962 679,038 Financing activities: (270,000) 20,000 Repayment of long-term debt (1,174,626) (339,974) Principal repayments on capital leases (62,689) (38,638) (1,507,315) (358,612) Capital activities: (119,885) (162,830) Purchase of capital assets (119,885) (162,830) Capital contributions received 279,158 - Increase in cash 12,920 157,596 Cash (bank indebtedness), beginning of period 16,412 (141,184) Cash, end of period \$29,332 \$16,412				
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1,360,962 679,038			,	,
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Increase (decrease) in operating line of credit (270,000) 20,000 Repayment of long-term debt (1,174,626) (339,974) Principal repayments on capital leases (62,689) (38,638) (1,507,315) (358,612)	Financing activities:			
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Principal repayments on capital leases (62,689) (38,638) Capital activities: (1,507,315) (358,612) Purchase of capital assets (119,885) (162,830) Capital contributions received 279,158 - Increase in cash 12,920 157,596 Cash (bank indebtedness), beginning of period 16,412 (141,184) Cash, end of period \$ 29,332 \$ 16,412 Non-cash transactions: \$ 29,332 \$ 16,412				
Capital activities: (1,507,315) (358,612) Purchase of capital assets (119,885) (162,830) Capital contributions received 279,158 - 159,273 (162,830) Increase in cash 12,920 157,596 Cash (bank indebtedness), beginning of period 16,412 (141,184) Cash, end of period \$ 29,332 \$ 16,412 Non-cash transactions:				
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Purchase of capital assets (119,885) (162,830) Capital contributions received 279,158 - 159,273 (162,830) Increase in cash 12,920 157,596 Cash (bank indebtedness), beginning of period 16,412 (141,184) Cash, end of period \$ 29,332 \$ 16,412 Non-cash transactions: \$ 29,332 \$ 16,412	Conital activities		,	,
Capital contributions received 279,158 - 159,273 (162,830) Increase in cash 12,920 157,596 Cash (bank indebtedness), beginning of period 16,412 (141,184) Cash, end of period \$ 29,332 \$ 16,412 Non-cash transactions: * 16,412 * 16,412			(110 885)	(162 830)
159,273 (162,830) Increase in cash 12,920 157,596 Cash (bank indebtedness), beginning of period 16,412 (141,184) Cash, end of period \$ 29,332 \$ 16,412 Non-cash transactions:				(102,030)
Increase in cash Cash (bank indebtedness), beginning of period 16,412 (141,184) Cash, end of period \$ 29,332 \$ 16,412 Non-cash transactions:	<u>Capital contributions received</u>			(162 830)
Cash (bank indebtedness), beginning of period 16,412 (141,184) Cash, end of period \$ 29,332 \$ 16,412 Non-cash transactions:			100,270	(102,000)
Cash, end of period \$ 29,332 \$ 16,412 Non-cash transactions:	Increase in cash		12,920	157,596
Non-cash transactions:	Cash (bank indebtedness), beginning of period		16,412	(141,184)
	Cash, end of period	\$	29,332	\$ 16,412
Capital assets financed by capital lease \$ 499,732 \$ -				
	Capital assets financed by capital lease	\$	499,732	\$ -

See accompanying notes to financial statements.

Notes to Financial Statements

Year ended December 31, 2015

The Elliott is incorporated under the laws of the Province of Ontario and its principal business activity is the provision of sheltered care and services for seniors.

On January 31, 2015, The Elliott surrendered its long-term care license to the Ministry of Health and Long-Term Care. Subsequently the Corporation of the City of Guelph ("City of Guelph") was approved to operate the same long-term care beds. As part of this transfer, The Elliott was designated as the City of Guelph's long-term care home and the Board of Trustees approved a change of year end in 2014 to December 31, to match the year end of the City of Guelph.

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with the Chartered Professional Accountants of Canada Handbook - Canadian Public Sector Accounting Standards including the 4200 standards for government not-for-profit organizations.

(a) Basis of presentation:

These financial statements include the operations of:

Long-term care residence - reflects the activities associated with the provision of care in the full nursing arrangements of the long-term care facility.

Life lease suites - reflects the activities associated with the operation of the life lease suites.

Retirement suites - reflects the activities associated with the operation of the retirement facility.

(b) Revenue recognition:

The Elliott follows the deferral method of accounting for contributions which include donations and government grants.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of buildings and equipment are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate of the related buildings and equipment.

Revenue from suite re-leasing, preferred accommodation, interest, as well as income from parking and other ancillary operations, is recognized when the goods are sold or the service is provided.

Notes to Financial Statements (continued)

Year ended December 31, 2015

Significant accounting policies (continued):

(c) Cash and cash equivalents:

Cash and cash equivalents consist of cash, bank overdrafts and investments in money market or other short-term instruments or investments with a maturity of less than 90 days.

(d) Employee future benefits:

The Elliott provides sick leave benefits for substantially all employees.

The Elliott accrues its obligations under the defined benefit plan as the employees render the services necessary to earn the compensated absences. The actuarial valuation of the benefit plan was performed as of March 31, 2013, with an extrapolation to December 31, 2015.

Actuarial gains (losses) on the accrued benefit obligation arise from differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation. The net accumulated actuarial gains (losses) are amortized over the average remaining service period of active employees. Past service costs arising from plan amendments are recognized immediately in the period the plan amendments occur.

(e) Inventory:

Inventory is valued at the lower of cost on a first-in, first-out basis, and replacement cost.

(f) Capital assets:

Capital assets are recorded at cost and amortized as follows:

Asset	Method	Rate
Buildings	Straight-line	20 - 40 years
Machinery and equipment	Straight-line	5 - 15 years
Vehicles	Straight-line	10 years
Equipment under capital leases	Straight-line	Over the lease term

The estimated useful lives of capital assets are reviewed by management and adjusted if necessary.

(g) Contributed services:

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

Notes to Financial Statements (continued)

Year ended December 31, 2015

Significant accounting policies (continued):

(h) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Derivative instruments and equity instruments that are quoted in an active market are reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. Management has elected to record all investments at fair value as they are managed and evaluated on a fair value basis. Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the effective interest rate method.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and any unrealized gain is adjusted through the statement of remeasurement gains and losses.

When the asset is sold, the unrealized gains and losses previously recognized in the statement of remeasurement gains and losses are reversed and recognized in the statement of operations.

Long-term debt is recorded at cost. The related interest rate swaps are recorded at fair value.

The Canadian Public Sector Accounting Standards require an organization to classify fair value measurements using a fair value hierarchy, which includes three levels of information that may be used to measure fair value:

- Level 1 Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 Observable or corroborated inputs; other than level 1, such as quoted prices
 for similar assets or liabilities in inactive markets or market data for
 substantially the full term of the assets or liabilities; and
- Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

Notes to Financial Statements (continued)

Year ended December 31, 2015

1. Significant accounting policies (continued):

(i) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amount of capital assets, and obligations related to employee future benefits. Actual results could differ from those estimates.

2. Accounts receivable:

	2015	2014
Ministry of Health and Long-Term Care (MOHLTC) WWLHIN HST receivable Residents Other Less allowance for doubtful accounts	\$ 14,069 25,718 87,050 31,786 10,449	\$ (676) 10,978 23,683 41,073 28,059
	\$ 169,072	\$ 103,117

3. Capital assets:

	Cost	Accumulated amortization	2015 Net book value	2014 Net book value
Buildings Machinery and equipment Vehicles Construction in progress	\$ 34,571,394 2,760,936 110,120	\$ 20,222,266 \$ 2,475,228 21,012	14,349,128 \$ 285,708 89,108	15,931,877 221,504 100,120 17,869
Equipment under capital leases	37,442,450 801,615	22,718,506 259,092	14,723,944 542,523	16,271,370 107,343
	\$ 38,244,065	\$ 22,977,598 \$	15,266,467 \$	16,378,713

Notes to Financial Statements (continued)

Year ended December 31, 2015

3. Capital assets (continued):

The above buildings and equipment do not include those assets related to the life lease suites building and equipment other than the cost of the security system and common area renovations. The terms and conditions of suite-leasing transfer the responsibility and stewardship of the individual suites to the residents occupying the suites.

4. Long-term debt:

		2015		2014
Mortgage held by the City of Guelph bearing interest at 3.119%, payable in monthly installments of \$100,277 or \$71,169 in 2015 and \$93,000 thereafter for principal and interest, maturing December 25, 2036	\$	17,135,179	\$	17,975,198
Banker's acceptance, with interest of 2.07% per annum fixed through a swap transaction, plus a stamping fee of 0.8% for a total of 2.87%, payable in varying installments of principal and interest,	Ψ	17,100,170	Ψ	17,373,130
maturing June 25, 2025 Banker's acceptance, with interest of 4.83% per annum fixed through a swap transaction, plus a stamping fee of 1.25% for a total of 6.08%, payable in varying installments of principal and		1,995,000		-
interest, matured on June 25, 2015 Term loan, bearing interest at bank prime, payable in annual installments of \$150,000 plus interest,		-		2,166,000
repayable in full by March 31, 2015 Loan payable, non-interest bearing, payable in monthly installments of \$1,237 matured on		-		150,000
December 21, 2015		-		13,607
Less current portion of long-term debt		19,130,179 781,940		20,304,805 3,169,626
Less transaction costs		18,348,239 77,453		17,135,179 80,932
	\$	18,270,786	\$	17,054,247

Notes to Financial Statements (continued)

Year ended December 31, 2015

4. Long-term debt (continued):

The repayment terms of its mortgage held with the City of Guelph whereby payments are due 30 days from the invoice date, being the payment due date under the mortgage agreement.

The Elliott has an interest rate swap agreement to manage the volatility of interest rates. The maturity date of the interest rate swap is the same as the maturity dates of the banker's acceptance, being June 25, 2025.

The fair value of the interest rate swap at December 31, 2015 is in a net unfavourable position of \$70,482 (2014 - \$36,736 unfavourable) which is recorded on the statement of financial position. The current year impact of the change in fair value of the interest rate swap is a increase of the accumulated remeasurement losses in the statement of remeasurement gains and losses of \$33,746 (2014 - reduction \$59,892).

The fair value of the interest rate swap has been determined using Level 3 of the fair value hierarchy. The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

Principal repayments on the long-term debt are due as follows:

2016	\$ 781,940
2017	804,605
2018	828,861
2019	852,727
2020	877,221
Thereafter	14,984,825
	\$ 19,130,179

Interest expense on long-term debt for the twelve month period ended December 31, 2015 amounted to \$624,066 (nine month period ended December 31, 2014 - \$527,887).

Notes to Financial Statements (continued)

Year ended December 31, 2015

5. Obligations under capital leases:

The Elliott has financed various equipment purchases by entering into capital lease arrangements. Capital lease repayments are due as follows:

		2015		2014
2015	\$	_	\$	26,557
2016	Ψ	118,488	Ψ	10,452
2017		107,897		-
2018		107,897		_
2019		107,897		-
2020		62,940		
Total minimum lease payments		505,119		37,009
Less amount representing interest at 3.16%		36,365		5,298
Present value of net minimum capital lease payments		468,754		31,711
Current portion of obligations under capital leases		93,052		24,315
	\$	375,702	\$	7,396

Interest for the twelve month period ended December 31, 2015 of \$8,932 (nine month period ended December 31, 2014 - \$4,341) relating to capital lease obligations has been included in interest expense.

6. Employee future benefits obligation:

Full time employees are provided with sick leave of 7.5 hours per month which, if unused, can accumulate to a maximum of 450 hours for use in future periods. Continuous part-time employees receive 3.75 hours per month and can accumulate at most 225 hours. Part-time employees receive 1.88 hours per month and can accumulate at most 225 hours. Flexible part-time employees do not receive sick leave.

Hourly paid employees are compensated at 75% for the first two days of illness and 100% for subsequent days. Salaried employees receive 100% reimbursement.

Accumulated credits may be used in future years if the employee's illness or injury exceeds the annual allocation of credits.

Notes to Financial Statements (continued)

Year ended December 31, 2015

6. Employee future benefits obligation (continued):

The main actuarial assumptions employed for the valuations are as follows:

	2015	2014
Discount rate	2.50/	2 50/
	3.5%	3.5%
Rate of compensation increase	2.0%	2.0%

Information about The Elliott's sick leave benefit plan is as follows:

	2015	2014
Balance, beginning of period	\$ 280,124	\$ 249,319
Current benefit cost	30,678	37,149
Interest	9,896	9,106
Benefits paid	(17,649)	(15,450)
Balance, end of period	303,049	280,124
Accrued benefit obligation related to accumulated		
sick leave benefits	\$ 303,049	\$ 280,124

7. Deferred capital contributions:

Deferred contributions represent the unamortized amounts of donations and grants received for the purchase of capital assets. The amortization of contributions is recorded as revenue in the statement of operations:

	2015	2014
Balance, beginning of period Less amounts amortized to revenue during the	\$ 528,907	\$ 577,401
year Add capital contributions received during the year	(87,562) 279,158	(48,494) -
Balance, end of period	\$ 720,503	\$ 528,907

Notes to Financial Statements (continued)

Year ended December 31, 2015

8. Suite re-leasing fees:

The Elliott provides a service coordinating the re-leasing of the life lease suites. A fee is charged for this service at 10% of the selling price for the re-leased units.

	welve month period ended December 31, 2015	Nine month period ended ecember 31, 2014
Suite re-leasing revenue Suite re-leasing costs	\$ 2,069,001 (1,869,750)	\$ 1,423,800 (1,297,130)
	\$ 199,251	\$ 126,670

9. Commitments:

The Elliott is committed to minimum annual lease payments under outstanding operating leases as follows:

2016	\$	3,213
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10. Financial risks:

(a) Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows or a financial instrument will fluctuate because of changes in the market interest rates.

Financial assets and financial liabilities with variable interest rates expose The Elliott to cash flow interest rate risk. The Elliott is exposed to this risk through its interest bearing loan payable, which is mitigated through its interest rate swap.

Notes to Financial Statements (continued)

Year ended December 31, 2015

10. Financial risks: (continued):

(b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Elliott is exposed to credit risk with respect to the accounts receivable and cash.

The Elliott assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of The Elliott at December 31, 2015 is the carrying value of these assets. The amount of any related impairment loss is recognized in the income statement. Subsequent recoveries of impairment losses related to accounts receivable are credited to the statement of operations.

(c) Liquidity risk:

Liquidity risk is the risk that The Elliott will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Elliott manages its liquidity risk by monitoring its operating requirements. The Elliott prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

Accounts payable and accrued liabilities are generally due within 60 days of receipt of an invoice.

The contractual maturities of long-term debt, capital leases and interest rate swaps are disclosed in notes 4 and 5.



December 31, 2015

Wellington-Dufferin-Guelph Public Health December 31, 2015

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KPMG LLP

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INDEPENDENT AUDITORS' REPORT

To the Members of the Board of Health of Wellington-Dufferin-Guelph Public Health

We have audited the accompanying financial statements of Wellington-Dufferin-Guelph Public Health ("the Entity"), which comprise the financial position as at December 31, 2015 and the statement of operations and surplus, changes in net debt, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Wellington-Dufferin-Guelph Public Health as at December 31, 2015, and its results of operations and the changes in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Comparative Information

LPMG LLP

The financial statements of Wellington-Dufferin-Guelph Public Health as at and for the year ended December 31, 2014, were audited by another auditor who expressed an unmodified opinion on those statements on May 6, 2015.

Chartered Professional Accountants, Licensed Public Accountants

May 4, 2016 Waterloo, Canada

Statement of Operations and Accumulated Surplus year ended December 31, 2015

	Budget 2015 (Note 9)	Actual 2015	Actual 2014
	\$	\$	\$
Revenue			
Ministry of Health and Long-term Care	14,490,800	14,503,819	14,400,222
MOHLTC - One-time grants	656,299	612,955	2,802,886
City of Guelph	3,685,195	3,685,196	3,614,154
County of Wellington	3,202,949	3,197,739	2,890,735
County of Dufferin	1,715,900	1,715,899	1,713,900
Ministry of Children and Youth Services	2,347,107	2,455,494	2,227,726
Public Health Agency of Canada	63,410	63,410	63,410
Other community grants	90,638	91,238	143,394
	26,252,298	26,325,750	27,856,427
Other revenue			
Interest income	50,000	64,253	125,479
Total revenue	26,302,298	26,390,003	27,981,906
Expenses			
Cost Shared Mandatory and One-time	20,716,694	19,723,853	19,650,812
Cost Shared VBD	205,132	180,934	196,868
Cost Shared CINOT	109,899	88,002	84,033
Cost Shared Small Drinking Water Systems	54,494	54,494	54,493
100% Needle Exchange	30,800	40,794	37,482
100% Enhanced Food Safety	40,300	40,300	40,273
100% Healthy Smiles Ontario	778,208	778,208	686,302
100% Infection Control	333,400	333,398	333,349
100% Smoke Free Ontario	409,500	409,500	402,800
100% Enhanced Safe Water	21,601	21,600	21,559
100% Chief Nursing Officer	121,500	121,500	121,414
100% Infection Control Nurse	90,100	90,100	90,066
100% Public Health Nurses Initiative	180,500	180,500	180,448
Electronic Cigarettes Act	14,400	5,810	-
Healthy Babies Healthy Children	1,567,992	1,567,991	1,469,351
Healthy Babies Healthy Children Liaison	-	-	100,000
Preschool Speech and Language	779,115	802,357	638,352
County of Wellington Weetalk	367,921	367,921	253,455
Canadian Prenatal Nutrition Program	63,410	56,853	73,049
Community Grants	460,892	446,218	394,246
Total expenses	26,345,858	25,310,333	24,828,352
Excess (deficiency) of revenue over expenditures	(43,560)	1,079,670	3,153,554
Accumulated surplus, beginning of year	14,525,193	14,525,193	11,371,639
Accumulated surplus, end of year	14,481,633	15,604,863	14,525,193

Approved by the Board of Health on May 04, 2016

Director

Wellington-Dufferin-Guelph Public Health Statement of Changes in Net Financial Debt

year ended December 31, 2015

	2015	2014
	\$	\$
Excess of revenue over expenditures	1,079,670	3,153,554
Amortization of tangible capital assets	1,844,116	1,286,318
Change in prepaid expenses	(3,922)	116,689
Change in inventory	(3,310)	-
Tangible capital asset purchases	(628,863)	(11,681,632)
Loss on disposal of tangible capital assets	-	58,796
Decrease (increase) in net debt	2,287,691	(7,066,275)
Net (debt), beginning of year	(13,398,096)	(6,331,821)
Net debt, end of year	(11,110,405)	(13,398,096)

Statement of Financial Position as at December 31, 2015

	2015	2014
	\$	\$
Financial assets		
Cash	7,204,428	4,699,333
Accounts receivable	415,229	1,790,628
Due from Province of Ontario	50,928	40,873
	7,670,585	6,530,834
Financial liabilities		
Accounts payable and accrued liabilities	1,109,829	1,755,946
Employee benefits payable (Note 7)	1,310,737	1,198,234
Deferred revenue	480,175	251,370
Trust liabilities (Note 4)	16,894	27,377
Due to programs (Note 5)	33,308	46,687
Long-term debt (Note 12)	15,830,047	16,649,316
	18,780,990	19,928,930
Net financial debt	(11,110,405)	(13,398,096)
Non financial assets		
Tangible capital assets (Schedule 3)	26,523,433	27,738,686
Prepaid expenses	188,525	184,603
Inventory	3,310	-
	26,715,268	27,923,289
Accumulated surplus	15,604,863	14,525,193

Approved by the Board of Health on May 04, 2016

Director

Statement of Cash Flows year ended December 31, 2015

	2015	2014
	\$	\$
OPERATING ACTIVITIES:		
Excess of revenue over expenditures	1,079,670	3,153,554
Non cash charges to operations		
Amortization	1,844,116	1,286,318
Loss on disposal of tangible capital assets	-	58,796
Net changes in non-cash working capital items related to operations	1,029,441	(2,598,176)
NET CASH PROVIDED BY OPERATING ACTIVITIES	3,953,227	1,900,492
CASH FLOWS FROM INVESTING ACTIVITY:		
Acquistion of tangible capital assets	(628,863)	(11,681,632)
NET CASH USED BY INVESTING ACTIVITIES	(628,863)	(11,681,632)
CASH FLOWS FROM FINANCING ACTIVITY:		
Long-term debt issued	-	2,643,538
Long-term debt repaid	(819,269)	(1,832,170)
NET CASH PROVIDED BY FINANCING ACTIVITIES	(819,269)	811,368
Net increase (decrease) in cash	2,505,095	(8,969,772)
Cash, beginning of year	4,699,333	13,669,105
Cash, end of year	7,204,428	4,699,333

Notes to the Financial Statements For the Year Ended December 31, 2015

1. Description of business

The Board of Health for the Wellington-Dufferin-Guelph Health Unit (WDGPH) has been created by statute under the Health Protection and Promotion Act (HPPA) and is by statute an autonomous Board of Health. The Board of Health is comprised of municipal members representing each of the obligated municipalities of the County of Wellington (3), the County of Dufferin (2), and the City of Guelph (3) and seven Provincial appointees. As stated in WDGPH's Mission statement, WDGPH uses an innovative approach to deliver evidence-informed programs and services to meet the distinctive needs of our communities.

WDGPH operates programs in accordance with the Ontario Public Health Standards and Protocols as mandated by the Province of Ontario. The Province of Ontario mandates that WDGPH provide programs and services that prevent disease, protect health and promote the well-being of individuals. Additional initiatives are also delivered within Wellington, Dufferin, and Guelph including: Preschool Speech and Language, Canadian Prenatal Nutrition Program, and acting as the host agency for the Poverty Elimination Task Force Guelph-Wellington.

2. Significant Accounting Policies

The financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards (PSAS), and reflect the following policies:

Basis of accounting

- a) The operations reported on in the financial statements reflect the complete operations of WDGPH.
- b) The operations of WDGPH general programs are funded by the Counties of Wellington and Dufferin, the City of Guelph, and the Ontario Ministry of Health and Long Term Care. Each year the amount of expenditure is based upon budgeted approvals and is funded accordingly. Funding amounts not received at year-end are recorded as receivable. Funding amounts in excess of actual expenditures incurred during the year are recorded as payable, or as deferred revenue depending on the terms of the funding agreement.

Revenue and expenses are reported on the accrual basis of accounting.

Use of estimates

The preparation of the financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Significant estimates used within these financial statements include accrued liabilities and employee benefits payable. Actual results may differ from these estimates.

Notes to the Financial Statements For the Year Ended December 31, 2015

2. Significant Accounting Policies (continued)

Revenue recognition

WDGPH receives revenue in the form of government transfers from the Province of Ontario (Ministry of Health and Long-Term Care and Ministry of Children and Youth Services), the Corporation of the County of Wellington, the Corporation of the County of Dufferin, and the Corporation of the City of Guelph. Government transfers are recognized as revenue in the financial statements in the period in which the events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria and/or stipulations have been met, and reasonable estimates of the amount can be made.

Tangible capital assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to the acquisition, construction, development, or betterment of the asset. The cost, less residual value of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

Buildings 30 years

Leasehold improvements Term of lease

Equipment 5 years

Technology and communication 3 years
Furniture and fixtures 5 years

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal.

Notes to the Financial Statements For the Year Ended December 31, 2015

3. Expenditures by object:

	2015	2014
	\$	\$
Salaries and wages	14,982,092	14,880,144
Benefits	3,971,701	3,879,907
Staff and volunteer training and recognition	128,012	125,384
Board of Health	70,354	27,348
Travel	308,186	336,764
Building occupancy	1,429,768	1,437,103
Amortization of tangible capital assets	1,844,116	1,286,318
Professional and purchased services	1,393,795	1,659,566
Program materials and supplies	833,716	787,238
Office supplies	13,496	24,507
Office expenses, printing, and postage	170,685	140,597
Information and IT equipment	286,203	321,876
Communication costs	137,533	180,132
One-time projects	310,522	208,600
Loss on disposal of tangible capital assets	-	58,797
Expenditure recoveries	(569,846)	(525,929)
Net expenditures	25,310,333	24,828,352

4. Trust liabilities

WDGPH periodically receives funds from various sources for specific purposes, which WDGPH holds in Trust. Balances are drawn down when funds are expended in accordance with the stipulations placed on them by the provider of the funds.

Notes to the Financial Statements
For the Year Ended December 31, 2015

4. Trust liabilities (continued)

	2015	2014	
	\$	\$	
Growing Great Kids	278	1,886	
F&CS - Nobody's Perfect	415	2,035	
Hearing (Wee Talk)	1,595	2,390	
Reduce Tanning (Odette Cancer Centre)	-	1,611	
Children's Report Card	4,900	4,900	
CCO (Nutrition & Physical Activity Program)	-	1,397	
Teen Dental - NCB (Dufferin)	278	887	
Due to Community Food Advisors	1,166	916	
ASRTS	437	437	
Mennonite Community Donations	575	540	
Shirley's Garden	112	112	
Community Action Research Project	7,138	7,619	
2014 Youth Cessation Project	-	2,652	
United Way Contributions	-	(5)	
	16,894	27,377	

5. Due to programs

	2015	2014
	\$	\$
Due (from) to Canadian Prenatal Nutrition Program	(21,038)	15,657
Due to Preschool Speech and Language	54,346	31,030
	33,308	46,687

Notes to the Financial Statements For the Year Ended December 31, 2015

6. Accumulated surplus and reserves

Accumulated surplus consists of individual fund surplus and reserves as follows:

December 31, 2015	2015 \$	2014 \$
Surplus	·	·
Invested in tangible capital assets (Schedule 3)	26,523,433	27,738,686
Reserves	4,824,985	3,441,304
Long-term debt	(15,830,047)	(16,649,316)
Surplus from March 31st year-end programs	86,492	(5,481)
	15,604,863	14,525,193

Surplus from March 31st year-end programs represents the cumulative net excess of revenue over expenditures for the Preschool Speech and Language Program and the Canadian Prenatal Nutrition Program as at December 31st.

December 31, 2015	2015	2014 \$
	\$	
Balance, beginning of year	3,441,304	9,823,231
Interest earned on reserve	36,673	38,026
Transfer to (from) reserves	1,347,008	(6,419,953)
Balance, end of year	4,824,985	3,441,304

Reserves consist of the following:

	2015	2014 \$
December 31, 2015	\$	
Facilities Reserve	1,849,368	1,829,427
Contingency Reserve	1,069,211	557,052
Technology Reserve	731,151	277,538
Orangeville Facilities Reserve	429,026	306,000
Guelph Facilities Reserve	736,169	471,287
Poverty Elimination Task Force Reserve	10,060	-
Balance, end of year	4,824,985	3,441,304

Notes to the Financial Statements For the Year Ended December 31, 2015

7. Employee benefits payable

December 31, 2015	2015 \$	2014 \$
Vacation time payable	1,231,077	1,121,498
Compensation time payable	48,553	43,605
	1,310,737	1,198,234

Sick leave benefits payable

Prior to January 1, 1982, WDGPH's sick leave benefit plan allowed for the accumulation of unused sick leave. If the criteria under the plan were met, employees were entitled to a cash payment based on the salary in effect when they left WDGPH's employment. The balance is reviewed at each year-end using the current salary rates in effect. There has been no accumulation of unused sick leave at WDGPH since January 1, 1982.

The liability for sick leave accumulated by eligible employees and accrued prior to January 1, 1982, who meet the eligibility criteria for a payment in cash upon termination amounted to \$31,107 (2014 - \$33,131) at the end of the year.

Vacation time payable

The provisions of the employee's vacation plan allows for the accumulation of vacation credits for use in future periods. The approximate value of the credits as at December 31, 2015 is \$1,231,077 (2014 - \$1,121,498).

Compensation time payable

Hours earned by employees that are not paid or taken are compensation time. Upon termination of employment, any hours of compensation time that an employee has earned, but not taken, are payable at their wage rate. The approximate value of the time as at December 31, 2015 is \$48,553 (2014 - \$43,605).

8. Pension agreements

WDGPH makes contributions to the Ontario Municipal Employees' Retirement System ("OMERS"), which is a multi-employer plan, on behalf of approximately 179 (2014 - 192) members of it's staff.

OMERS is a multi-employer plan, therefore, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, WDGPH does not recognize any share of the OMERS pension surplus or deficit. The last available report for the OMERS plan was December 31, 2015. At that time, the plan reported a \$7.0 billion actuarial deficit (2014 - \$7.1 billion actuarial deficit).

The plan is a defined benefit plan that specifies the amount of the retirement benefit to be received by the employee based upon length of service and rates of pay.

The amount contributed to OMERS for 2015 was \$1,344,217 (2014 - \$1,324,378).

Notes to the Financial Statements For the Year Ended December 31, 2015

9. Budget figures

The budgeted figures, which are presented for comparison purposes, are prepared on a cash basis.

10. Commitments and contingencies

WDGPH leases office and clinic space under operating leases. In addition, land has been leased under a long-term operating lease which expires on April 30, 2062. WDGPH also has a small number of long-term commitments under contract. Minimum lease payments and other long-term commitments under contract over the next five years are as follows:

	\$
2016	408,063
2017	350,938
2018	315,461
2019	315,165
2020	318,765
	1,708,392

In the normal course of business, WDGPH is involved in various claims. Though the outcome of these various pending claims as at December 31, 2015 cannot be determined with certainty, WDGPH believes that their outcome will have no significant adverse impact on its financial position, operating results or cash flows.

11. Credit facility

At December 31, 2015 WDGPH had an unsecured line of credit of \$500,000 (2014 - \$500,000) bearing interest at the bank prime rate of 2.70% (2014 - 3.00%), of which all has remained unused at year-end.

Notes to the Financial Statements For the Year Ended December 31, 2015

12. Long-term debt

On December 19, 2012, WDGPH entered into a Financial Agreement with the County of Wellington, the County of Dufferin, and the City of Guelph to finance the cost of building the two new facilities at Chancellors Way, Guelph, and Broadway, Orangeville. The Financial Agreement allowed for quarterly advances of capital by the obligated municipalities to WDGPH beginning in January 2013, until the completion of the new facilities. The total amount of the advances was not to exceed \$24,400,000. Interest is calculated annually, commencing on the 1st day of the month following the date of substantial completion of both facilities. The interest rate is 3.34% per annum, and the term and amortization of the loans is twenty years. Repayment of these loans commenced thirty days following certification by the project's architect of substantial completion of both facilities. The whole or any part of the capital financing under this agreement may be prepaid at any time or times without penalty or bonus.

The total amount borrowed under the loan agreement was \$18,481,487. The amount outstanding as of December 31, 2015 is \$15,830,047 Future principal and interest payments based on the total anticipated advances under this loan agreement are projected to be:

	\$
2016	1,281,624
2017	1,281,624
2018	1,281,624
2019	1,281,624
2020	1,281,624
Subsequent to 2020	14,418,259
	20,826,379

The total interest paid on long-term debt in 2015 was \$462,356.

13. Comparative information

Certain comparative information has been relassified to conform with the financial statement presentation adopted in the current year.

Notes to the Financial Statements For the Year Ended December 31, 2015

14. Municipal Split

WDGPH receives funding for Cost Shared Mandatory and Related programs from the three obligated municipalities under the Health Protection and Promotion Act. The percentage of total municipal funding provided by each of the three obligated municipalities is based on the population of each municipality relative to the total population of Wellington-Dufferin-Guelph, based on the most recent Census. In 2015, the split is based on the 2011 Census (2014 - 2011 Census).

	2011 Census
County of Wellington	32.7%
County of Dufferin	21.4%
City of Guelph	45.9%
	100.0 %

Wellington-Dufferin-Guelph Public Health Schedule of Expenditure Recoveries - Schedule 1

year ended December 31, 2015

	Budget	2045	2014
	2015	2015 \$ 55,096 1,275 18,547 21,208 33,601 4,364 25,470 49,260 331,110 29,915 - 569,846	2014 \$
Contraceptive sales	60,000	55,096	63,164
File searches	1,000	1,275	1,725
Food safety courses	14,000	18,547	14,940
HPV vaccinations (per dose)	22,950	21,208	25,645
Meningococcal immunizations (per dose)	15,300	33,601	20,681
Other miscellaneous revenue	1,650	4,364	3,850
Prenatal and breastfeeding fees	33,850	25,470	23,404
TB skin tests	12,000	49,260	48,675
Travel and immunization clinic fees	312,500	331,110	301,776
Universal influenza immunizations (per dose)	48,500	29,915	20,765
Infection Control Week	<u> </u>	-	1,305
	521,750	569,846	525,930

Schedule of Revenue and Expenditures - Schedule 2 Cost Shared Mandatory and Related Programs, and 100% MOHLTC Funded Related Programs year ended December 31, 2015

Part															Total mandate	ory and related	d programs (co	st shared & 10	00% MOHLTC)	
Second Engine Provincial Ministry of Helian Royal (1998) 19.007 19.00					CINOT	small drinking water		Provincial		Enhanced	Healthy smiles	Infection		Enhanced	nursing	Infection control	health nurses	Cigarettes	mandatory and related programs	Total mandatory and related programs 2014
Ministry of Health and Corg-same Cape 1,249,2800 1,249,2800 10,0770 10,0700																				
March 1968 1969																				
Sub- International Analog 13,249 13,740 13,740 13,740 13,740 13,740 13,740 19,93 13,740 19,93 13,740 19,93 13,740 19,93 13,740 19,93 13,740 19,93 13,740 19,93 13,740 19,93 13,740		12,249,800		135,700	66,001	40,600	-		30,800	40,300	778,208	333,400	409,500	21,600	121,500	90,100	180,500	5,810	, ,	14,400,222
Second	MOHLTC - One-time grants		130,670					482,285		-					-	-			612,955	2,802,886
Clay of Clay	Sub-total provincial funding	12,249,800	130,670	135,700	66,001	40,600	-	482,285	30,800	40,300	778,208	333,400	409,500	21,600	121,500	90,100	180,500	5,810	15,110,964	17,203,108
County of Melington 1,33,5228 14,248 17,200 11,240 11,240 11,450 11,451 12,	Shared funding: municipal																			
Country Outform Country Ou	City of Guelph	1,874,219	19,993	24,984	19,553	6,378	1,660,720	-	4,587	-	-	-	-	-	-	-	-	-	3,610,434	3,540,94
Sub-total municipal funding A,983,266 A4,535 B4,433 42,599 13,894 3,516,129 40,295 40,794 40,300 778,206 333,400 409,500 21,600 121,500 50,100 180,500 5,210 22,276,834 22,276,834 22,276,834 22,276,834 22,276,834 22,276,834 22,276,834 22,276,834 23,27	County of Wellington	1,335,228	14,243	17,800	13,930	4,543	1,183,125	-	3,268	-	-	-	-	-	-	-	-	-	2,572,137	2,522,63
Total reference Total statement functions 16,333,068 174,228 190,133 108,060 64,484 3,618,128 482,285 40,784 40,300 778,208 333,400 409,500 21,500 90,100 189,500 5,810 22,976,834 22,976,834 23,976,	County of Dufferin	873,819	9,320	11,649	9,116	2,973	774,283		2,139	-	-	-	-	-	-	-	-	-	1,683,299	1,650,90
Part	Sub-total municipal funding	4,083,266	43,556	54,433	42,599	13,894	3,618,128		9,994	-			-	-					7,865,870	7,714,48
Interest Norme	Total cost-shared funding	16,333,066	174,226	190,133	108,600	54,494	3,618,128	482,285	40,794	40,300	778,208	333,400	409,500	21,600	121,500	90,100	180,500	5,810	22,976,834	24,917,59
Total Revenue 16,397,080 174,226 190,133 108,600 54,494 3,618,128 492,285 40,794 40,300 778,208 333,400 409,500 21,600 121,600 90,100 180,600 5,810 23,040,818 22 Expenses Employee costs Salaries and wages 10,824,426 125,067 65,008 - 44,558 178,396 157,654 - 27,811 333,716 251,037 316,567 11,919 97,984 72,000 145,565 4,199 126,53,328 11,919 97,984 72,000 145,565 4,199 126,53,328 11,919 97,984 72,000 145,565 4,199 126,53,328 11,919 97,984 72,000 145,565 4,199 126,53,328 11,919 97,984 72,000 145,565 4,199 126,53,328 11,919 97,984 72,000 145,565 4,199 126,53,328 11,919 97,984 72,000 145,565 4,199 126,53,328 11,919 97,984 72,000 140,500 34,083 18,001 3,088,780 12,001 3,088,780 12,001 3,000 12,000	General Revenue																			
Expenses Employee costs Employee Costs Employee Expenses 13,86,876 19,142 19,000 143,255,265 19,142 19,300 142,253,238 17,865 18,200 18,680 19,140 19,147,237 19,140 19,140 19,147,237 19,140 19,147,237 19,140 19,147 19,140 19,140 19,140 19,147 19,140 19	Interest income	63,984	-	-	-	-	-		-	-	-		-	-	-	-		-	63,984	125,537
Employee costs 1,824,426 125,667 66,008 44,558 178,936 157,654 27,811 333,716 251,037 316,567 11,919 37,844 72,080 145,555 4,199 12,653,328 12,800 13,004,72 12,507 13,004,72 12,507 13,004,72 12,507 13,004,72 12,507 13,004,72 12,507 13,004,72 12,507 12,507 13,004,72 12,507 12,507 13,004,72 12,507 12,5	Total Revenue	16,397,050	174,226	190,133	108,600	54,494	3,618,128	482,285	40,794	40,300	778,208	333,400	409,500	21,600	121,500	90,100	180,500	5,810	23,040,818	25,043,129
Salanes and wages 10,24,426 12,5607 65,008 - 44,558 178,936 157,654 - 27,311 33,716 251,337 315,657 11,919 97,984 12,080 145,565 4,199 12,626 32,811 12,600 13,360,72 12,516 18,000 14,526 19,142 12,516 19,142 12,5	Expenses																			
Salanes and wages 10,24,426 12,5607 65,008 - 44,558 178,936 157,654 - 27,311 33,716 251,337 315,657 11,919 97,984 12,080 145,565 4,199 12,626 32,811 12,600 13,360,72 12,516 18,000 14,526 19,142 12,516 19,142 12,5	Employee costs																			
Benefits 2,976,546 - 19,142 - 9,936 - 21,310 - 8,065 99,696 72,800 71,337 3,457 23,516 18,020 34,935 1,010 3,388,760 3,101 3,388,760 3,101 3,388,760 3,101 3,388,760 3,101 3,388,760 3,101 3,388,760 3,101 3,388,760 3,101 3		10.824.426	125.067	66.008		44.558	178.936	157.654	-	27.811	333.716	251.037	316.567	11.919	97.984	72.080	145.565	4.199	12.653.328	12,708,296
Operating costs Staff and volunter training and recognition 117,593	9		-		-		-		-						,					3,364,255
Operating costs Staff and volunter training and recognition 117,593	Total salaries, wages and benefits	13,800,972	125,067	85,150		54,494	178,936	178,964	-	35,876	433,412	323,837	387,904	15,376	121,500	90,100	180,500	5,200	16,012,088	16,072,551
Federal Health 17,935 Federal Health	Operating costs																			
Board of Health 70,354																				
Travel 238,419		,	-	-	-	-	-	-	-	-	53	3,116	274	-	-	-	-	610		115,47
Building occupancy 1,427,237		.,	-	-	-	-	-		-	-				-	-	-	-	-		27,34
Office expenses, printing, and postage Professional and purchased services 822,888 - 95,784 88,002 - 64,831 - 21,461 40,794 4,424 52,065 1,640 15,129 4,602 - 6 1,622 - 6 1,6345,75 17,958 - 6 1,625			-	-	-	-	-	-	-	-				-	-	-	-	-		289,76
Professional and purchased services 822,988			-	-	-	-	-	-	-	-				-	-	-	-	-		1,437,10
Program materials and supplies 517,598			-		-	-	-		-	-				-	-	-	-	-		136,00
Office equipment 13,496			-	95,784	88,002	-	-								-	-	-	-		1,580,19
Information and IT equipment 259,661	•		-	-	-	-	-	21,461	40,794	4,424	52,065	-	15,129	4,602	-	-	-	-		701,85
Communication costs 132,845			-	-	-	-	-	-	-	-	-		-	-	-	-	-	-		24,50 321,87
One-time projects 84,068 17,954 208,500 310,522 Amortization of tangible capital assets Loss on disposal of tangible capital assets Substrated assets Loss on disposal of tangible capital assets assets Total net operating costs 5,694,071 17,954 95,784 88,002 297,735 40,794 4,24 344,796 9,561 21,596 6,224 610 6,620,941 67 7 7 7 8 7 8 7 8 8 8 8 7 8 8 8 7 8 8 8 7 8 8 8 7 8 8 8 7 8 8 8 7 8 8 8 7 8 8 8 7 8 8 8 8 7 8 8 8 7 8 8 8 8 7 8 8 8 8 7 8 8 8 8 7 8 8 8 8 7 8			-	-	-	-	-	-	-	-	-			-	-	-	-	-		
Amortization of tangible capital assets Loss on disposal of tangible capital assets assets Total net operating costs 5,694,071 17,954 95,784 88,002			17 054	-	-	-	-	208 500	-	-	141	,	486	-	-	-	-	-		179,57 194.46
Loss on disposal of tangible capital assets Total net operating costs 5,694,071 17,954 95,784 88,002 - 297,735 40,794 4,424 344,796 9,561 21,596 6,224 - 5 610 6,620,941 0 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		. ,	17,354	-	-	-	-	200,300	-	-	-		-	-	-	-	-	-		1,286,31
Total net operating costs 5,694,071 17,954 95,784 88,002 - 297,735 40,794 4,424 344,796 9,561 21,596 6,224 610 6,620,941 07,000 0	Loss on disposal of tangible capital	1,044,116	•	-	-	•	-	•	-	•	•	-	•	-	•	-	•	-	1,044,176	
Total expenditures 19,495,043 143,021 180,934 88,002 54,494 178,936 476,699 40,794 40,300 778,208 333,398 409,500 21,600 121,500 90,100 180,500 5,810 22,633,029 22,630,029 22,6	assets		-		-	-	-	-	-	-		-	-		-		-		-	58,79
Expenditure recoveries (Schedule 1) (569,846)	Total net operating costs	5,694,071	17,954	95,784	88,002	-	-	297,735	40,794	4,424	344,796	9,561	21,596	6,224				610	6,620,941	6,353,278
Total net expenditures after expenditure recoveries 18,925,197 143,021 180,934 88,002 54,494 178,936 476,699 40,794 40,300 778,208 333,398 409,500 21,600 121,500 90,100 180,500 5,810 22,063,183 20 (Deficiency) excess of revenue over	•		143,021	180,934	88,002	54,494	178,936	476,699	40,794	40,300	778,208	333,398	409,500	21,600	121,500	90,100	180,500	5,810		22,425,829
expenditure recoveries 18,925,197 143,021 180,934 88,002 54,494 178,936 476,699 40,794 40,300 778,208 333,398 409,500 21,600 121,500 90,100 180,500 5,810 22,063,183 21 (Deficiency) excess of revenue over	Expenditure recoveries (Schedule 1)	(569,846)				-	-	-				-		-					(569,846)	(525,930
		18,925,197	143,021	180,934	88,002	54,494	178,936	476,699	40,794	40,300	778,208	333,398	409,500	21,600	121,500	90,100	180,500	5,810	22,063,183	21,899,899
expenditures for the year (2,528,147) 31,205 9,199 20,598 - 3,439,192 5,586 2 977,635 3		(2.528.147)	31,205	9,199	20.598		3.439.192	5.586	_	_				_	_				977.635	3,143,23

Wellington-Dufferin-Guelph Public Health Schedule of Tangible Capital Assets - Schedule 3 year ended December 31, 2015

	Land \$	Buildings \$	Leasehold improvements	Equipment	Technology and communication	Furniture and fixtures \$	Totals 2015 \$	Totals 2014 \$
Cost								
Balance, beginning of year	1,021,785	23,817,591	648,278	690,213	3,371,183	2,113,519	31,662,569	20,881,877
Add: additions during the year	-	-	-	40,950	581,329	6,584	628,863	11,681,632
Transfers	-	-	-	101,292	-	(101,292)	-	-
Less: dispositions during the year	-	-	-	-	(123,703)	-	(123,703)	(900,941)
Balance, end of year	1,021,785	23,817,591	648,278	832,455	3,828,809	2,018,811	32,167,729	31,662,568
Accumulated amortization								
Balance, beginning of year	-	403,973	170,212	286,588	2,602,847	460,263	3,923,883	3,479,709
Add: additions during the year	-	793,915	65,637	141,009	485,732	357,823	1,844,116	1,286,317
Transfers	-	-	-	44,828	-	(44,828)	-	-
Less: dispositions during the year	-	-	-	-	(123,703)	-	(123,703)	(842,144)
Balance, end of year	-	1,197,888	235,849	472,425	2,964,876	773,258	5,644,296	3,923,882
Net book value of tangible capital assets	1,021,785	22,619,703	412,429	360,030	863,933	1,245,553	26,523,433	27,738,686

Wellington-Dufferin-Guelph Public Health Schedule of One Time Funds - Schedule 4

year ended December 31, 2015

	Funding Period	Provincial funding \$	Actual spent 2014 \$	Actual spent 2015 \$	Provincial %	Provincial Portion \$	Municipal %	Municipal portion \$	Transfer to 2016	Amount to return
One time funding										
Contractor Fees	January 1, 2014 to March 31, 2015	262,500	319,923	-	75 %	239,942	25 %	\$ 79,981	-	22,558
Finance IT Upgrades	January 1, 2014 to March 31, 2015	32,250	27,557	15,443	75 %	32,250	25 %	10,750	-	-
Panorama Phase 4	April 1, 2014 to March 31, 2015	156,280	64,793	91,487	100 %	156,280	- %	-	-	-
Healthy Communities	April 1, 2014 to March 31, 2015	79,500	8,666	70,834	100 %	79,500	- %	-	-	-
Hepatitis A Response	January 1 to December 31, 2015	53,000	-	53,000	100 %	53,000	- %	-	-	-
ISPA Regulatory Amendments Implementation	April 1 to December 31, 2015	145,500	-	145,500	100 %	145,500	- %	-	-	-
Public Health Inspector Practicum	April 1, 2015 to March 31, 2016	10,000	-	10,000	100 %	10,000	- %	-	-	-
Panorama (2015/2016)	April 1, 2015 to March 31, 2016	117,700	-	-	100 %	-	- %	-	117,700	-
Electronic Cigarettes Act	April 1, 2015 to March 31, 2016	19,200	-	-	100 %	-	- %	-	19,200	-
Purpose Built Vaccine Refrigerators	April 1, 2015 to March 31, 2016	21,300	-	-	100 %	-	- %	-	21,300	-
Finance Budget Software	April 1, 2015 to March 31, 2016	63,400	-	-	75 %	-	25 %	-	63,400	-
Excelicare Modifications	April 1, 2015 to March 31, 2016	37,700	-	-	75 %	-	25 %	-	37,700	-
Performance Management Program	April 1, 2015 to March 31, 2016	22,500	-	-	75 %	-	25 %	-	22,500	-
Information Management Infrastructure (Sharepoint)	April 1, 2015 to March 31, 2016	18,200	-	-	75 %	-	25 %	-	18,200	-
Self Serve Attendance System	April 1, 2015 to March 31, 2016	15,000	-	-	75 %	-	25 %	-	15,000	-
Mental Health and Wellness Initiative	April 1, 2015 to March 31, 2016	11,300	-	-	75 %	-	25 %	-	11,300	-
Physical Demands Analysis	April 1, 2015 to March 31, 2016	11,300	-	9,158	75 %	6,869	25 %	2,289	4,431	-
Tuberculosis Clinic Equipment	April 1, 2015 to March 31, 2016	8,700	-	-	75 %	-	25 %	-	8,700	-
Capital Facilities Renewal	April 1, 2015 to March 31, 2016	76,600	-	24,559	75 %	18,419	25 %	6,140	58,181	-
Employee Separation Costs	April 1, 2015 to March 31, 2016	93,800	-	125,066	75 %	93,800	25 %	31,266	-	-
Organizational Review	April 1, 2015 to March 31, 2016	25,000	-	-	100 %	-	- %	-	25,000	-

Wellington-Dufferin-Guelph Public Health Schedule of One Time Funds - Schedule 4

year ended December 31, 2015

	Funding Period	Provincial funding \$	Actual spent 2014 \$	Actual spent 2015 \$	Provincial %	Provincial Portion \$	Municipal %	Municipal portion \$	Transfer to 2016	Amount to return
Healthy Smiles Ontario: In-Year Operational Pressures	January 1 to December 31, 2015	50,000	-	37,908	100 %	37,908	- %	-	-	12,092
Pharmacists Integration into the UIIP Program	January 1 to December 31, 2015	18,400	-	18,400	100 %	18,400	- %	-	-	-
Smoke-Free Ontario Stretegy: Enforcement Tablet Upgrade	April 1, 2015 to March 31, 2016	7,000	-	5,588	100 %	5,588	- %	\$ -	-	1,412

Statement of Revenues and Expenditures - Schedule 5
Healthy Babies Healthy Children
For the Year Ended December 31, 2015

	Budget 2015	2015	2014
	2015 \$	2015 \$	2014 \$
Revenues			
Government transfers			
Ministry of Children and Youth Services	1,567,992	1,567,990	1,469,352
Expenses			
Salaries and wages	1,150,298	1,145,236	1,108,770
Benefits	313,796	311,752	277,193
Travel	50,000	46,579	43,577
Program materials and supplies	34,398	24,723	16,596
Office expenses, printing, and postage	5,000	3,295	4,564
Language Line	-	2,635	4,678
Communication costs	500	2,970	508
Staff and volunteer training and recognition	11,500	3,259	9,765
Special projects	-	-	1,360
Audit fees	2,500	1,000	2,340
Information and IT equipment	-	26,542	-
	1,567,992	1,567,991	1,469,351
(Deficiency) excess of revenue over expenditures	-	(1)	1
Due to Ontario Ministry of Children and Youth Services, beginning of year	-	345	885
Funding repaid to Ontario Ministry of Children and Youth Services	-	(345)	(885)
Interest owing on funding payable	-	664	344
Due to Ontario Ministry of Children and Youth Services, end of			
year	-	663	345

Statement of Revenues and Expenditures - Schedule 6 Healthy Babies Healthy Children - Liason Grant For the Year Ended December 31, 2015

	Budget 2015 \$	2015 \$	2014 \$
Revenues			
Government transfers Ministry of Children and Youth Services	-	-	100,000
Expenses			
Salaries and wages	-	-	68,565
Benefits	-	-	16,456
Travel	-	-	200
Program materials and supplies	-	-	14,763
Office expenses, printing, and postage	<u>-</u>	-	16
	-	-	100,000
Excess of revenue over expenditures	-	-	-

Statement of Revenues and Expenditures - Schedule 7
Preschool Speech and Language
For the Year Ended December 31, 2015

	Budget 2015	2015	2014
	\$	\$	\$
Revenues			
Government transfers			
Ministry of Children and Youth Services	779,115	887,504	658,374
Preschool Speech and Language interest income	-	269	(58)
	779,115	887,773	658,316
Expenses			
Salaries and wages	585,315	539,653	493,277
Benefits	151,250	149,291	129,494
Program materials and supplies	-	7,683	(259)
Special projects	40,250	102,881	13,500
Audit fees	2,300	2,849	2,340
	779,115	802,357	638,352
Excess (deficiency) of revenue over expenditures	-	85,416	19,964

Statement of Revenues and Expenditures - Schedule 8 County of Wellington Weetalk For the Year Ended December 31, 2015

	Budget 2015	2015	2014
	\$	\$	\$
Revenues			
Government transfers			
County of Wellington	367,921	367,921	253,455
Expenses			
Salaries and wages	274,091	274,315	195,745
Benefits	71,830	71,606	46,961
Program materials and supplies	22,000	22,000	10,749
	367,921	367,921	253,455
Excess of revenue over expenditures	-	-	-
Due to County of Wellington, beginning of year	-	14,088	14,088
Due to County of Wellington, end of year	-	14,088	14,088

Statement of Revenues and Expenditures - Schedule 9
Canadian Prenatal Nutrition Program
For the Year Ended December 31, 2015

	Budget	2015	2014
	Budget 2015 \$ 63,410 42,381 840 20,189 63,410	\$ \$	2014 \$
Revenues			
Government transfers			
Public Health Agency of Canada	63,410	63,410	63,410
Expenses			
Salaries and benefits	42,381	32,776	31,317
Travel	840	828	910
Program materials and supplies	20,189	17,144	33,481
Language Line	-	2,602	3,896
Childcare providers	-	3,503	3,445
	63,410	56,853	73,049
Excess (deficiency) of revenue over expenditures	-	6,557	(9,639)

Wellington-Dufferin-Guelph Public Health Statement of Revenues and Expenditures - Schedule 10

Statement of Revenues and Expenditures - Schedule 10 Other Community Grants
For the Year Ended December 31, 2015

	Budget 2015	2015	2014
	\$	\$	\$
Revenues			
City of Guelph	74,762	74,762	73,206
County of Wellington	262,892	257,681	114,644
County of Dufferin	32,600	32,600	63,000
Other community grants	90,638	91,238	143,394
Total revenue	460,892	456,281	394,244
Expenses			
Salaries and wages	308,054	332,585	274,173
Benefits	74,095	79,291	45,549
Travel	7,368	3,032	2,313
Program materials and supplies	4,337	1,572	9,338
Professional and purchased services	58,500	26,631	62,671
Office equipment	3,082	-	-
Communication costs	-	-	53
Staff and volunteer training and recognition	4,500	3,107	149
Transfers to reserves	956	-	-
	460,892	446,218	394,246
Excess (deficiency) of revenue over expenditures	-	10,063	(2)

Financial Statements of

DOWNTOWN GUELPH BUSINESS ASSOCIATION

Year ended December 31, 2015



KPMG I I P

115 King Street South, 2nd floor Waterloo Ontario N2J 5A3 Canada Telephone (519) 747-8800 Fax (519) 747-8830 Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Shareholder of Downtown Guelph Business Association

We have audited the accompanying financial statements of Downtown Guelph Business Association, which comprise the statement of financial position as at December 31, 2015, the statements of operations, change in net financial assets (liabilities) and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.



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Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Downtown Guelph Business Association as at December 31, 2015, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matter

The financial statements of Downtown Guelph Business Association as at and for the year ended December 31, 2014 were audited by another auditor who expressed and unmodified opinion on those statements on May 19, 2015.

Chartered Professional Accountants, Licensed Public Accountants

May 17, 2016

Waterloo, Canada

LPMG LLP

Statement of Financial Position

December 31, 2015, with comparative information for 2014

	2015	2014
Financial Assets		
Cash Trade receivable	\$ 6,464 24,593	\$ 23,880 48,318
	31,057	72,198
Financial Liabilities		
Accounts payable and accrued liabilities	7,611	106,377
Deferred revenue Deposits payable	123 20,550	40,316 24,865
Deposits payable	28,284	171,558
Net financial assets (liabilities)	2,773	(99,360)
Non-Financial Assets		
Prepaid expense	8,674	2,089
Tangible capital assets (note 2)	9,698	16,116
	18,372	18,205
	\$ 21,145	\$ (81,155)
Accumulated Surplus (Deficit)		
Accumulated surplus (deficit)	\$ 21,145	\$ (81,155)
	\$ 21,145	\$ (81,155)

On behalf of the Board:	
	Director
	Director

Statement of Operations

Year ended December 31, 2015, with comparative information for 2014

		2015	2014
Revenue:			
City of Guelph:			
Tax levies	\$	456,871	\$ 446,501
Revitalization	•	27,637	28,000
Other		10,150	9,400
Co-op advertising		45,382	46,159
Grants and sponsorships		21,540	25,000
Events		9,182	7,350
Interest and other		4,637	20,911
		575,399	583,321
Expenses:			
Salaries and benefits		196,609	227,778
Advertising		108,041	174,301
Special events		37,858	48,432
Revitalization		33,315	52,414
Rent		31,116	31,117
Consultant - planner		18,480	25,177
Office and general		12,094	13,596
Bookkeeping services		6,492	5,943
Amortization of tangible capital assets		7,957	8,370
Telephone and fax		4,094	6,289
Member communication		3,794	3,338
Training and development		3,717	7,993
Legal and professional		3,562	3,460
Equipment rental		3,108	1,986
Miscellaneous		1,144	3,356
Bank charges		723	853
Insurance		24	197
Rink contribution		-	40,000
Travel		971	1,194
		473,099	655,794
Excess of revenue over expenses (expenses over revenue)		102,300	(72,473)
Accumulated deficit, beginning of year		(81,155)	(8,682)
Accumulated surplus (deficit), end of year	\$	21,145	\$ (81,155)

Statement of Change in Net Financial Assets (Liabilities)

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Excess of revenue over expenses (expenses over revenue) Change in prepaid expenses Acquisition of tangible capital assets Amortization of tangible capital assets	\$ 102,300 (6,585) (1,539) 7,957	\$ (72,473) 5,506 (6,808) 8,370
Change in net financial assets	102,133	(65,405)
Net financial liabilities, beginning of year	(99,360)	(33,955)
Net financial assets (liabilities), end of year	2,773	(99,360)

Statement of Cash Flows

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses (expenses		
over revenue)	\$ 102,300	\$ (72,473)
Item not involving cash:		
Amortization of tangible capital assets	7,957	8,370
Changes in non-cash operating working capital:		
Trade receivable	23,725	3,699
Prepaid expenses	(6,585)	5,506
Accounts payable and accrued liabilities	(98,766)	62,009
Deferred revenue	(40,193)	1,333
Deposits payable	(4,315)	4,920
Net change in cash from operating activities	(15,877)	13,364
Capital:		
Purchase of tangible capital assets	(1,539)	(6,808)
Increase (decrease) in cash	(17,416)	6,556
Cash, beginning of year	23,880	17,324
Cash, end of year	\$ 6,464	\$ 23,880

Notes to Financial Statements

Year ended December 31, 2015

Nature of operations:

Downtown Guelph Business Association (the "Association") was created by the City of Guelph, to promote the downtown businesses to the public in order to allow the downtown area to thrive. The Association acts on behalf of its members, who are the various businesses that are located in the downtown area of Guelph.

1. Significant accounting policies:

These financial statements are prepared in accordance with Canadian accounting standards for private enterprises. The Association's significant accounting policies are as follows:

(a) Cash and cash equivalents:

Cash and cash equivalents include cash and short-term investments with maturities of three months or less from the date of acquisition.

(b) Tangible capital assets:

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Tangible capital assets received as contributions are recorded at their fair value at the date of receipt. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful lives as follows:

Asset	Rate
Furniture and fixtures Computer equipment	5 years 3 years

One half of the annual amortization is applied to assets purchased within the year.

(c) Gift certificates:

The Association issues gift certificates throughout the community, which are recorded as a liability until redeemed.

Notes to Financial Statements (continued)

Year ended December 31, 2015

Significant accounting policies (continued):

(d) Revenue recognition:

Revenues are reported on the accrual basis of accounting which recognizes revenues in the period in which the transactions or events occurred that gave rise to the revenues. Expenses are recognized as they are incurred and measurable as a result of a receipt of goods or services and the creation of a legal obligation to pay.

Where funding has been received in advance of expenses for a specific program, the amount has been recorded as deferred revenue and will be recognized as revenue in a future period when related expenses are incurred.

(e) Use of estimates:

The preparation of the financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reported periods. Significant estimates used within these financial statements include the liability for unclaimed gift certificates and the useful lives of tangible capital assets. Actual results could differ from those estimates and assumptions.

2. Tangible capital assets:

			2015	2014
	Cost	Accumulated amortization	Net book value	Net book value
Furniture and fixtures Computer	\$ 40,008 4,342	\$ 30,473 4,179	\$ 9,535 163	\$ 15,843 273
	\$ 44,350	\$ 34,652	\$ 9,698	\$ 16,116

Notes to Financial Statements (continued)

Year ended December 31, 2015

3. Commitments:

The Association is committed to payments for premises and certain office equipment, and other financial commitments over the next five years as follows:

2016	\$	16,005
2017	·	16,380
2018		8,880
2019		1,192
2020		795
	\$	43,252

4. Accumulated surplus (deficit):

	2015	2014
Accumulated surplus (deficit) from operations Investment in tangible capital assets	\$ 11,447 9,698	\$ (97,271) 16,116
	\$ 21,145	\$ (81,155)

5. Financial instruments:

(i) Credit risk:

The Association's principal financial assets are cash and cash equivalents and accounts receivable, which are subject to credit risk. The carrying amount of financial assets on the balance sheet represents the Association's maximum credit exposure at the balance sheet date.

The Association's credit risk is primarily attributable to its receivables. The credit risk on receivables is limited as the amounts owing are from other city government entities.

(ii) Fair value:

The fair value of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities is approximately equal to their carrying values due to their short-term maturity.

2015 Performance Measures Report Card

Legend

Positive: stay the course

Caution: in the right range but may be moving in the wrong direction

Negative: take corrective action

+

Positive change

Negative change

Financial Indicators	2015 finding	Change from 2014 to 2015	2014 finding
Financial Position per Capita		+	
Operating Surplus Ratio		-	
Receivables as % of taxes levied		-	
Net financial assets		+	
Net financial asset as % of own revenues	•	_	•
Liquid assets to total reserves		-	
Debt to Total Reserve ratio		+	
Debt Outstanding per \$100k of Unweighted Tax Assessment		+	
Debt interest as a % of own source of revenues		+	•
<u>Tax-based Reserves & Reserve</u> <u>Funds</u>			
Operating reserves as % of own source of revenue		+	
Capital reserve contributions as % of asset value		_	
Capital reserve contributions to depreciation	•	_	
Non-tax supported Reserve & Reserve Funds			
Operating reserves as % of own source of revenue		+	
Capital reserve contributions as % of asset value		+	
Capital reserve contributions to depreciation		+	

Financial Position per Capita: This term refers to the remaining assets in excess of all liabilities compared to net surplus on a per capita basis. Positive balances indicate the City's margin of comfort it possesses to cover debt obligations and to have funds set aside for future sustainability. The City aims to be above the average per capita ratio as reported by the consulting firm BMA in the prior year.

Operating Surplus Ratio: This ratio provides perspective on how much of the City's own source of revenues were left after normal operations that could be used to fund reserves, repay debt and invest in capital projects. There was a slight negative trend from 2014 which due to expenditures increase at a higher marginal percentage.

Receivables as % of taxes levied: Uncollected property taxes as a percentage of total taxes charged is a strong indication of the strength of the local economy and the ability of the community to pay their annual tax billings. The City continues to be well ahead of the average reported by BMA of 6.5% in 2015 showing the City has great economic health and strong internal controls over tax collection. There was a slight decrease in this ratio over 2014, but we need to highlight that a guaranteed interest income revenue source isn't a bad thing when the City is well below the BMA average.

Net financial assets: This ratio is an indicator of the City's ability to repay liabilities at a point in time and is a useful trending tool. There was a slight increase in this trend for 2015 indicating that the City created financial assets at a faster pace than it entered into liabilities. Movement of this ratio depends on the balance of financial assets compared to liabilities; cash and investment holdings play a significant role in this ratio. The reason for the increase in 2015 relates mainly to the increase in cash and investments due to lower than expected capital spending.

Net financial asset as % of own revenues: Similar to the ratio as described above, this indicator is annualized by comparing the net financial asset position to current revenue and provides an additional level of understanding useful for trending analysis and financial monitoring. In 2015, the negative trend on this ratio warns that the City's operating expenditures are increasing at a faster pace than net assets. The City should continue to consider this when building the 2017 budget to ensure revenues continue to match expenditures and reliance on reserves to fund operating expenditures is diminished.

Liquid assets to total reserves: As reserves are a critical component of the City's long-term sustainability, there is an expectation that the amounts that are set aside in reserves are liquid and available for use when required. This ratio compares the cash and investment balances to the reserve and reserve fund balances and a ratio of less than 1 would suggest asset levels need to be monitored closely. The City continues to meet this target in 2015 and has a balanced approached to managing the cash and investment position, while considering the City's current liabilities as well as its reserve and reserve funds.

Debt to Total Reserve ratio: This indicator provides a measure for financial prudence by comparing total debt to the total reserve balances. Generally, the benchmark suggested for this ratio is 1:1 or in other words, debt should not exceed total reserve and reserve fund balances. At the end of 2015, the City has met this standard and there was a significant strengthening of this ratio year over year due to the delay in debt issuance and simply borrowing internally. It should be noted that planned debt issuances are not included in this calculation even though they may have been approved in the capital budget. The positive result on this ratio is a strong indicator for assessing long-term sustainability and the ability to meet the City's debt obligations.

Debt Outstanding per \$100,000 of Unweighted Tax Assessment: This ratio shows total debt compared to the value of the unweighted tax assessment base and provides a fair basis to compare the City of Guelph debt to other municipalities. The target for this ratio is set at the average municipal rate as reported by BMA in the previous year. During 2015 the City was within the range since there has been no external debt issuance since 2011. It should be noted that this indicator does not reflect the City's ability to pay its debt obligations, but is merely a comparison to other municipalities on its debt load and does not include commitments.

Debt interest as a % of own source revenues: This ratio indicates the extent to which the City's own source revenues are committed to debt charges and again is a useful tool when comparing to other municipalities. Debt charges continue to be less than 2% of own source of revenues and fall within a normal level compared to other municipalities.

Operating reserves as % of own source of revenue: This indicator analyzes the health of the operating reserves by focusing specifically on the stabilization and contingency reserves compared to own revenues. The benchmark changed in 2011 to be 5%-10% rather than the 8% – 10% based on a review of what other municipalities and the Government Finance Officers Association (GFOA) suggests. Additionally, the City believes that 5% is more affordable and provides sufficient funds for an emergency situation. The City splits the presentation of these ratios to show the tax-based vs. non-tax supported ratios as this provides better information for planning purposes.

<u>Tax Supported</u>: During 2015, there was a slight increase year over year on the tax-supported ratio although the balance is still approximately half of what is targeted. Given that it is still considerably under the target position and would not be sufficient to manage the impact of a significant emergency situation, staff has highlighted this as a ratio that needs attention and corrective action.

Non-tax supported: The non-tax supported contingency funds have met targeted levels in 2015.

Capital reserve fund contributions as % of asset value and % of depreciation: These two ratios provide insight on the level of reserve funding for future capital purposes compared to the total value of depreciable assets and to the current rate of depreciation. As a rule, the City should be at a minimum funding the capital reserves at the same amount as the annual depreciation expense and as a benchmark capital reserve contributions should approximately 2% to 3% of total asset value. These target rates will prevent sudden tax rate spikes by spreading the cost of infrastructure replacement over

many years and provides prudent contingency capital funds for significant unexpected infrastructure expenses.

<u>Tax Supported</u>: During 2015, the tax-supported capital contributions as a percentage of depreciation fell below the target of 1:1. Lower than expected capital spending compared to depreciation was the main reason for this decrease.

Non-tax supported: For both ratios, the City continues to be on target and in a healthy range for annual contributions for capital infrastructure.

CONSENT REPORT OF THE CORPORATE SERVICES COMMITTEE

June 27, 2016

His Worship the Mayor and Councillors of the City of Guelph.

Your Corporate Services Committee beg leave to present their Fifth Consent Report as recommended at its meeting of June 8, 2016.

If Council wishes to address a specific report in isolation please identify the item. The item will be extracted and dealt with immediately. The balance of the Consent Report of the Corporate Services Committee will be approved in one resolution.

CS-2016.18 2015 Final Year-End Report on Operating Variance Surplus Allocation and Deficit Funding

- 1. That the report CS-2016-40 dated June 8, 2016 entitled '2015 Final Year-End Report on Operating Variance Surplus Allocation and Deficit Funding' be received.
- 2. That the Tax Supported surplus of \$1,191,823 be allocated to reserves; 198 Operating Contingency Reserve, and 180 Tax Rate Stabilization Reserve as follows:

Operating Contingency Reserve (198) \$177,177
Tax Rate Stabilization Reserve (180) \$1,014,646
Total allocation \$1,191,823

- 3. That the Water surplus of \$397,647 be allocated to reserve 106 Water Contingency Reserve.
- 4. That the Wastewater surplus of \$1,342,190 be allocated to reserve 153 Wastewater Capital Reserve.
- 5. That the OBC surplus of \$657,816 be allocated to reserve 188 Building Services Stabilization Reserve.
- 6. That the Court Services deficit of \$198,534 be funded from reserve 211 POA Contingency Reserve.
- 7. That the Treasurer be directed to respond to Guelph Police Services Board on behalf of Council that their request to allocate the police operating surplus of \$725,775 to the police capital reserve for the purpose of funding the Police Headquarter Expansion and Renovation project (PS0033) was not supported.

Page 2 Corporate Services Committee – 4th Consent Report June 27, 2016

CS-2016.19 Operating Variance Reporting Recommendations

- 1. That Report CS-2016.53 dated June 8, 2016 entitled 'Operating Variance Reporting Recommendations' be received for information.
- 2. That the following operating variance reporting recommendations be approved:
 - a. Operating variance reports will continue to be presented to Council on a quarterly basis;
 - b. Operating variance reports will continue to be presented to Council in the same time frame being Q1 in June, Q2 in September, Q3 in December and Q4 in April of the subsequent year;
 - c. Operating variance reports will be presented at a more detailed department level with enhanced financial data and statistical information to elevate the transparency of reporting and accuracy of projections.

CS-2016.22 10 Carden Shared Space Inc. – Community Bond and Tax Incentive Program Request

- 1. That report CS-2016-31 dated June 8, 2016 entitled '10 Carden Shared Space Inc. Community Bond and Tax Incentive Program Request', be received for information.
- 2. That staff be directed to report back as soon as possible on a scan of best practices in other downtown areas of municipalities parking relief programs regarding construction and/or renovation for implementation within Guelph.

All of which is respectfully submitted.

Councillor June Hofland, Chair Corporate Services Committee

Please bring the material that was distributed with the Agenda for the June 8, 2016 Corporate Services Committee meeting.



TO Corporate Services Committee

SERVICE AREA Corporate Services, Finance

DATE June 8, 2016

SUBJECT 2015 Final Year-End Report on Operating Variance

Surplus Allocation and Deficit Funding

REPORT NUMBER CS-2016-40

EXECUTIVE SUMMARY

PURPOSE OF REPORT

The purpose of this report is to:

- a) Confirm the December 31, 2015 year-end position for Tax Supported and Non-Tax Supported funded programs for the 2015 fiscal year following the completion of the year-end external audit.
- b) To recommend the allocation of the realized 2015 year-end surpluses and funding of deficits.

KEY FINDINGS

The City of Guelph realized a net favourable variance of \$1.192 million in the Tax Supported programs and a net favourable variance of \$2.199 million in the Non-Tax Supported budgets for the 2015 fiscal year. Details are included in **Appendix 1**.

The recommendations by staff are heavily influenced by the BMA Financial Condition Assessment report CS-2015-75 where it is identified that the funding of the City's stabilization reserves is a primary priority. These reserves are in the most deficient state of funding and it is critical that the City has appropriate working funds to use during times of unforeseen events.

It is being recommended that:

- The Tax Supported surplus be allocated to the tax rate stabilization reserve (\$1,014,646) and operating contingency reserve (\$177,177). Please note that this figure as changed to the positive from the preliminary Year End Variance Report by \$49k.
- The Water Services surplus of \$397,347 be allocated to the Water contingency reserve.
- The Wastewater Services surplus of \$1,342,190 be allocated to the Wastewater capital reserve.
- The Ontario Building Code (OBC) surplus of \$657,816 be allocated to the Building services stabilization reserve (note this is a legislated



requirement)

 The Court Services deficit of \$198,534 be funded from the POA contingency reserve. Please note that this figure as changed to the negative from the preliminary Year End Variance Report by \$49k.

The Guelph Police Services Board has requested from Council that their 2015 operating surplus of \$725,775 be transferred to the police capital reserve for use towards the Police Headquarter Expansion project. Staff have not supported this request as this project is already 100% funded and these operating surplus funds are more critical in serving the City's operational contingency needs at this time.

This report also includes detailed analysis of the City's revenue streams and the results are detailed in **Appendix 2**. The Non-Tax Supported programs ended in a favourable revenue position while the Tax Supported revenues were unfavourable compared to budget.

FINANCIAL IMPLICATIONS

The realized surplus and deficits transfers will directly impact the City's reserves and reserve funds. Reserve and reserve fund balances are considered in determining the City's credit rating.

ACTION REQUIRED

That Council receive report CS-2016-40 for information and that staff's recommendations for the surplus and deficit transfers be approved.

RECOMMENDATION

- (a) That report CS-2016-40 dated June 8, 2016 entitled "2015 Final Year-End Report on Operating Variance Surplus Allocation and Deficit Funding" be received; and,
- (b) That the Tax Supported surplus of \$1,191,823 be allocated to reserves; 198 Operating Contingency reserve, and 180- Tax Rate Stabilization reserve as follows:

Total allocation		\$1,191,823
Tax Rate Stabilization Reserve	(180)	\$1,014,646
Operating Contingency Reserve	(198)	\$177,177

(c) That the Water surplus of \$397,647 be allocated to reserve 106 - Water Contingency reserve;



- (d) That the Wastewater surplus of \$1,342,190 be allocated to reserve 153 Wastewater Capital reserve;
- (e) That the OBC surplus of \$657,816 be allocated to reserve 188 Building Services Stabilization reserve;
- (f) That the Court Services deficit of \$198,534 be funded from reserve 211 POA Contingency reserve;
- (g) That the Treasurer be directed to respond to the Guelph Police Services Board on behalf of Council that their request to allocate the police operating surplus of \$725,775 to the police capital reserve for the purpose of funding the Police Headquarter Expansion and Renovation project (PS0033) was not supported.

BACKGROUND

A preliminary 2015 year-end variance report was presented at the April 4, 2016 Corporate Services Committee meeting which provided a detailed breakdown of the realized year-end variances. Full details of the tax supported and non-tax supported service area results are provided in **Appendix 1**.

The June committee report represents the final 2015 year-end variance report. It reflects the City's final year-end position inclusive of any adjustments that were required during the external audit. One of the key elements of this report is staff's recommendation of the allocation of any year-end operating surpluses or funding of any deficits.

In accordance with City Council's approved Year-End Operating Surplus Allocation Policy, a primary consideration for the allocation of any year-end surplus is to transfer funds to operating reserves to smooth future volatility in operating costs and tax increases. This is provided as a general guideline and may be superseded in order to address more immediate financial needs as identified by the City Treasurer. Also allowed for under this policy is consideration for Local Boards to submit a request via a letter to the CFO/Treasurer for their year-end operating surplus to be allocated back to their operations. This letter should be addressed to the City Treasurer and will be evaluated against all other competing priorities. Council has the ultimate authority to approve the year end transfers for the City as a whole.

REPORT

A. 2015 FINAL YEAR-END OPERATING POSITION

The chart that follows below provides a high level summary of the year-end position for the City's tax supported and non-tax supported programs:



Summary	of Year-End Op	orating Position	for 2015
Summan	y di Teal-Ella Op	relating Pusition	101 2013

		Total Annual udget for Year	Е	Actual xpenditures to	etual Variance r Dec 31,2015	Variance for Dec 31, 2015
		2015 (\$)	D	ec 31, 2015 (\$)	(\$)	(%)
Tax Supported						
City Departments	\$	111,954,923	\$	115,611,500	\$ 3,656,577	7.9%
General Revenues and Expenses	\$	(187,568,476)	\$	(188,861,285)	\$ (1,292,809)	0.7%
Sub-Total City Departments and Financing	\$	(75,613,553)	\$	(73,249,785)	\$ 2,363,768	3.1%
Local Boards	\$	44,816,935	\$	44,090,899	\$ (726,036)	(1.6%)
Grants, Outside Boards and Agencies	\$	30,796,618	\$	27,967,063	\$ (2,829,555)	(9.4%)
Total Local and Outside Boards	\$	75,613,553	\$	72,057,962	\$ (3,555,591)	(4.7%)
Total Tax Supported	\$	-	\$	(1,191,823)	\$ (1,191,823)	(0.6%)
Non Tax Supported Budgets						
Water	\$	-	\$	(397,647)	\$ (397,647)	(1.6%)
Wastewater	\$	-	\$	(1,342,190)	\$ (1,342,190)	(4.7%)
OBC	\$	-	\$	(657,816)	\$ (657,816)	(22.3%)
Court Services	\$		\$	198,534	\$ 198,534	9.1%
Total Non Tax Supported	\$	-	\$	(2,199,119)	\$ (2,199,119)	(3.7%)
Total Non Tax Supported	<u>\$</u>	-	\$	(2,199,119)	\$ (2,199,119)	(3.7%)

^{***(}Brackets indicate a favourable variance)

Full details of the City's operating variances are contained in Corporate Services Committee report <u>CS-2016-14 - 2015 Preliminary Year-end Operating Variance Report (Unaudited)</u> dated April 4, 2016.

Tax Supported Budget Surplus/Deficit Trending - 5 year history

Tax supported areas show a net favourable variance of \$1,191,823. Of this, City Departments have an unfavourable variance of \$3,656,577. Local Boards which include Police and Library, and Outside Boards & Agencies have returned a favourable variance of \$726,036 and \$2,829,555 respectively. The City departments have experienced unfavourable variances for the past four years and the Local Boards and Outside Boards have experienced favourable variances during the same period as shown on the chart below. There is always risk that the Outside Boards & Agencies will not achieve these significant favourable positions in the future, and the City needs appropriate stabilization reserves to address this concern.



Variance Distribution 2010-2015										
Year	City	Departments		eneral Revenue & Capital Financing	Lo	ocal Boards	Οι	atside Boards & Agencies	То	otal Variance
2010	\$	(1,004,302)	\$	(2,414,736)	\$	(323,000)	\$	2,203,000	\$	(1,539,038)
2011	\$	(617,000)	\$	327,000	\$	(658,000)	\$	(1,623,000)	\$	(2,571,000)
2012	\$	1,150,000	\$	(488,000)	\$	(520,000)	\$	(1,778,000)	\$	(1,636,000)
2013	\$	1,229,000	\$	416,000	\$	(200,000)	\$	(2,138,000)	\$	(693,000)
2014	\$	5,333,995	\$	(1,399,035)	\$	(563,556)	\$	(2,286,251)	\$	1,085,153
2015	\$	3,656,577	\$	(1,292,809)	\$	(726,036)	\$	(2,829,555)	\$	(1,191,823)

This analysis also highlights the need to consider right-sizing the operating budget to address the concerns raised by historical trends. The City's departmental operating budgets have been under considerable pressure over the past number of years to meet a budget guideline below CPI. Without real service delivery reductions, this budget strategy has had the effect of leaving the departments with budgets at less than what it costs to run their operations, hence the over-budget historic position. That being said, we budget as a "City" and in most years, we have had sufficient savings in other areas to offset the departmental challenges. These trends will be considered during the development of the 2017 budget to inform "right-sizing" the budget resources to match actual spending.

Non-Tax Supported Budgets

The non-tax supported budgets have a combined net favourable variance of \$2,199,119. The variance has changed from the April report, and key drivers of the results are highlighted in Corporate Services Committee report <u>CS-2016-14 - 2015 Preliminary Year-end Operating Variance Report</u> dated April 4, 2016.

B. ALLOCATION OF 2015 YEAR-END OPERATING SURPLUS

For 2015, the City has returned an operating surplus in the Tax Supported, Water, Wastewater, and OBC budgets. In accordance with the Council approved Year-End Surplus Allocation Policy, the following recommendations are being made:

- 2015 Tax Supported Operating Surplus: \$1,191,823 (A)
- 2015 Water Services Operating Surplus: \$397,647 (B)
- 2015 Wastewater Services Operating Surplus: \$1,342,190(C)
- 2015 OBC Operating Surplus: \$657,816 (D)

(A) Tax supported Budget Surplus Allocation - \$1,191,823

The Tax Supported operating surplus for 2015 is \$1,191,823. Please note that this figure as changed to the positive from the preliminary Year End Variance Report by \$49k. It is recommended that the surplus be allocated to reserves that are below the bench mark standards, highest priority or most deficient as identified in the BMA study. The recommended allocation is as follows:



Operating Contingency Reserve	(198)	\$177,177
Tax Rate Stabilization Reserve	(180)	\$1,014,646
Total allocation		\$1,191,823

The balance of 198 - Operating Contingency Reserve will be \$750,000 after the recommended allocation. This reserve provides funding for operating costs that are variable in nature and outside the City's control due to weather events and other economic conditions that drive cost of fuel and utilities.

The balance of 180 - Tax Rate Stabilization Reserve will be \$3,205,618 after the recommended allocation. This reserve balance is still considerably below the recommended target of 8% of own source revenues or \$20.4M but is a positive step towards having sufficient contingency funds.

Staff have recommended these reserves, in accordance with the BMA Financial Condition Assessment findings, as they are in the most deficient state of funding and it is critical that the City has appropriate working funds to use during times of unforeseen events. Further, staff have not recommended the operating surplus be directed to tax supported capital reserve funds for use towards accessing infrastructure grants as sufficient funds are available in the capital reserve funds at this time to meet those needs.

For 2015, the Guelph Police Services Board sent a letter requesting the Police surplus of \$725,775 be used to fund the Police Headquarters expansion (**Appendix 3**). The request was considered but not supported by the Treasurer as it was deemed not to be the highest and best use of City funds as outlined in report CS-2015-75 BMA Financial Condition Assessment Report. The Police Headquarters Expansion project is fully funded and these operating surplus funds are more critical in serving the City's operational contingency needs at this time.

(B) Water Budget Surplus Allocation - \$397,647

The operating surplus for Water Services is \$397,647. It is recommended that the surplus be allocated to 106 – Water Contingency Reserve and be utilized to finance water related emergencies.

The balance of the Water Contingency Reserve will be \$417,647 after the recommended allocation which keeps the collective water contingency and stabilization reserves at the recommended target levels.

(C) Wastewater Budget Surplus Allocation - \$1,342,190

The operating surplus for Wastewater Services is \$1,342,190.

It is recommended that the Wastewater surplus be allocated to 153 - Wastewater Capital Reserve and be utilized to finance future capital projects.



The ending balance of the Wastewater Capital reserves will be \$40,524,129 (or \$13,531,235 uncommitted) after the recommended allocation.

(D) OBC Budget Surplus Allocation - \$657,816

The operating surplus for OBC is \$657,816.

It is recommended that the OBC surplus be allocated to 188 - Building Services Stabilization Reserve in accordance with the OBC Act.

The balance of the Building Services Stabilization Reserve will be \$2,916,795 after the recommended allocation which brings this reserve to the maximum targeted level.

C. FUNDING OF 2015 YEAR-END OPERATING DEFICIT

For 2015, the City returned an operating deficit in the Court Services budget. Please note that this figure as changed to the negative from the preliminary Year End Variance Report by \$49k. To fund the deficit, the following recommendation is being made:

• 2015 Court Services Operating Deficit: \$198,534 (A)

(A) Court Services Budget Deficit Funding - \$198,534

The year-end deficit for the Court Services budget is \$198,534. It is recommended that the deficit be funded from reserve 211- POA Contingency. The balance of the reserve will be \$213,290 after the recommended transfer which leaves this reserve considerably short of the recommended targeted level.

D. 2015 REVENUE ANALYSIS

Council has requested increased disclosure regarding external revenue collection for the City with comments on significant deviations from budget. This is provided to Council twice a year with the June and December Operating Variance Reports. The details for the revenue variance as of December 31, 2015 are in **Appendix 2**.

The Non-Tax Supported programs ended in a favourable revenue position while the Tax Supported revenues were unfavorable compared to budget. Significant revenue variances were already noted as part of the total net variance reporting in **Appendix 1**.

CORPORATE STRATEGIC PLAN

Innovation in Local Government 2.3 - Ensure accountability, transparency and engagement

DEPARTMENTAL CONSULTATION



Departments are responsible for managing their programs according to municipal standards and within their 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 net expenditures to December 31, 2015 and provided comments based on available information in consultation with Finance.

COMMUNICATIONS

Operating variance reports are produced on schedule for Council to compare actual results against budget. Finance and Executive Team have committed to producing five operating variance reports for the year. This is the final operating variance report for 2015.

ATTACHMENTS

Appendix 1: Operating Budget Variance as at December 31, 2015

Appendix 2: External Operating Revenue Variance as at December 31, 2015 Appendix 3: Police Services Board Letter to Council dated April 21, 2016

Report Author:

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Approved By

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Appendix 1 Operating Variance based on December 31, 2015 City of Guelph: Departmental Summary

		, ,		ientai summary
	Total Annual	Actual Variance	Variance for	
	Budget for Year	for Dec 31,2015	Dec 31, 2015	
	2015 (\$)	(\$)	(%)	Comments
TAX SUPPORTED				
City Departments				
CAO - ADMINISTRATION AND COUNCIL	\$ 4,323,210	\$ (191,119)	(4.4%)	-Mayor & Council - \$32k <u>favourable</u> due to training expenses allocated to members but fewer members attended conferences during the year partially offset by higher Integrity Commissioner and CAO review expenses. -CAO- \$104k <u>favourable</u> by constraining expenditures to mediate corporate negative variance. -City Solicitor - \$56k <u>favourable</u> due to higher adjuster and registration of agreement user fees \$20k, compensation savings \$29k and lower than planned travel and training \$8k. In addition, \$116k was transferred to legal reserve from OMB due to less external lawyers and other consultants spent in OMB litigations.
INFRASTRUCTURE, DEVELOPMENT AND ENTERPRISE	\$ 18,974,714	\$ 2,435,131	12.8%	-Solid Waste - \$2.6m unfavourable due to \$3.3m lower recyclable goods sales because of low commodity prices, tonnage shortage, processing issues and lower public drop-off; \$539k additional haulage and disposal costs from MRF2, higher than planned equipment maintenance \$486k, \$85k lease revenue not received from Hydro for Eastview landfill rental, partially offset by unplanned processing revenue \$787k from County of Simcoe contract signed in 2015, lower material purchased \$473k, higher organic tipping fees \$104k, additional Stewardship Ontario grant \$287k, and consulting savings \$112k. -IDE admin - \$38k unfavourable due to unplanned leadership training cross charges. -Business Development & Enterprise - \$66k favourable due to compensation savings for staff seconded to Integrated Operational Review and retirement of senior marketing staff. - Engineering - \$175k favourable mainly due to unplanned application processing and administration fees and savings from Operations chargebacks due to less Parking Lot maintenance services provided than anticipated.

	Total Annual Budget for Year 2015 (\$)	Actual Variance for Dec 31,2015 (\$)	Variance for Dec 31, 2015	Comments
PUBLIC SERVICES	\$ 77,119,761		2.2%	-Recreation Programs & Facilities - \$447k unfavourable due to \$212k unbudgeted repairs and maintenance, compensation shortfall \$136k, utilities \$74k, and revenue shortfalls mainly due to decrease in ice rentals \$25kCulture, Tourism & Community Investment - \$177k unfavourable due to higher event costs partly associated with In Flanders Fields anniversary celebrations, as well as increased production costs for other events without enough offsetting earned revenue \$174k; \$188k part-time wages partially offset by increased food and beverage sales \$69k and Youth Shelter recoveries from Wyndham houseParks - \$173k unfavourable due to part time benefit \$211k and overtime \$115k for Parks Operations offset by outdoor recreation revenues \$107k, operating \$65k and recoveries \$32K; lower recoveries for Parks Planning \$29k due to integrated operational review work plan changeTransit - \$528k unfavourable mainly due to \$1.02M fleet maintenance due to unanticipated engine, rear/differential failures, staff and space shortage leading to more services being contracted out, collective bargaining agreement requiring all Transit cleaner shifts to be filled, 440 hours (11 weeks) of STD time had to be covered with overtime, unfavourable US/Canadian dollar exchange rate driving up parts; lower user fees and service charges \$47k, offset by consulting, warranty and maintenance charges for Trapeze software \$538k due to timing of the implementation of the system. - Operations - \$659k unfavourable due to Sidewalk after hours and weekend weather events overtime \$368k; Roads \$63k due to compensation as a result of maintenance standard compliance and overspent on leaf collection due to program extension and higher disposal fees because of wet leaves; Downtown maintenance \$289k mainly unrecovered payroll costs offset by Parking Lot maintenance variance; less capital recoveries for Sign and Signal \$81k partailly offset by lower Administration expense \$142k mainly insurance, compensation and scheduled open house which was not heldEme
CORPORATE SERVICES	\$ 11,537,238	\$ (321,696)	(2.8%)	-Information Technology - \$111k <u>favourable</u> due to vacancy savings, departmental re-organization was not undertaken as plannedHR Administration - \$20k <u>favourable</u> due to lower than anticipated part-time wagesCommunications & Customer Service - \$73k <u>favourable</u> due to lower over-time and part-time compensation than anticipatedFinance - \$123k <u>favourable</u> due to higher user fees and service charges attributed to mortgage processing fees, tax certificates and new roll administration fees and Purchasing disbursement recoveries.
TOTAL CITY DEPARTMENTS (excl Financing)	\$ 111,954,923	\$ 3,656,577	7.9%	
GENERAL EXPENSES AND CAPITAL FINANCING	\$ (187,568,476)	, , ,	0.7%	-General Revenues - \$363k <u>favourable</u> due to higher interest earnings \$619k partially offset by shortfall in supplementary revenues \$255k. -Capital Financing - \$64k <u>favourable</u> due to lower than forecasted internal borrow interest charges. -General Expenditures - \$865k <u>favourable</u> due to lower than planned taxes write off \$286k, lower property tax rebates \$579k, partially offset by consulting savings \$88k, and \$781k funding from benefit stabilization reserve for corporate human resources overages.
TOTAL CITY DEPARTMENTS (incl Financing)	\$ (75,613,553)	\$ 2,363,768	3.1%	
Local and Outside Boards				
LOCAL BOARDS	\$ 44,816,935	\$ (726,036)	(1.6%)	Police - \$726k <u>favourable</u> due to vacant positions\$592k; 2 Police vacancies and 5.4 civilian vacancies, higher revenue \$315k due to additional grants received, greater volume of police record check, special duty revenue and youth program donations, partially offset by higher overtime expenses due to staff shortage and accommodations, software, professional services, facility leases due to implementation of strategic initiativesLibrary - Insignificant variance.

	Total Annual Budget for Year				Variance for Dec 31, 2015	
	2015 (101 D	(\$)	(%)	Comments
GRANTS, OUTSIDE BOARDS & AGENCIES	\$ 30,79	96,618	\$	(2,829,555)	(9.4%)	-County - <u>favourable</u> \$2.6m (Commentary not provided by the County)GMHI - <u>favourable</u> \$54k due to end of staff secondmentThe Elliot - <u>favourable</u> \$17k due to lower than planned training expensesGrants - <u>favourable</u> \$104k due to lower grant spending than plannedPublic Health - <u>favourable</u> \$40k due to lower internal borrow expenses than forecasted.
Subtotal Grants, Local and Outside Boards & Agencies	\$ 75,6	13,553	\$	(3,555,591)	(4.7%)	
TOTAL TAX SUPPORTED (incl Outside Boards, Grants and Financing)	\$	•	\$	(1,191,823)	(0.6%)	
Non Tax Supported						
WATER REVENUE	\$ (25,2)	75,130)	\$	(983,527)	3.9%	Favourable due to growth in customer base and enhanced resident revenue collection through transition to monthly billing starting November 2015 billing period.
WATER OPERATIONS	\$ 25,2	75,130	\$	585,880	2.3%	<u>Unfavourable</u> due to costs associated with frozen water pipes during the winter period \$220k, higher water and electricity \$100k due to additional pumping caused by broken watermains and for running water to prevent frozen pipes and tests on wells, equipment rentals \$54k, training \$46k, consulting, and legal support for claims and program support \$110k, and higher billing and collection charges \$52k due to transition to monthly residential billing.
SUB-TOTAL WATER WORKS	\$	-	\$	(397,647)	(1.6%)	,
WASTEWATER REVENUE	\$ (28,7	88,080)	\$	(1,153,254)	4.0%	<u>Favourable</u> due to growth in customer base and enhanced resident revenue collection through transition to monthly billing starting November 2015 billing period.
WASTEWATER OPERATIONS	\$ 28,78	88,080	\$	(188,936)	(0.7%)	Favourable due to less chemical usage, savings on iron salts purchases from new vendors, partially offset by higher water and electricity due to onsite construction and the new building.
SUB-TOTAL WASTEWATER	\$	-	\$ (1	,342,190)	(4.7%)	
ONTARIO BUILDING CODE REVENUE		50,000)	\$	(657,816)	22.3%	Favourable due to higher than planned building permit revenue.
ONTARIO BUILDING CODE COSTS		50,000	\$	-	(0.0%)	
SUB-TOTAL OBC	\$ (2.1)	-		(657,816)	(22.3%)	TI 6 11 1 200/1 1 1 1 6 1
COURT SERVICES REVENUE	\$ (2,1)	75,320)	\$	456,666	(21.0%)	<u>Unfavourable</u> due to 30% lower charge volumes than forecasted. Favourable due to unfilled vacant post, less adjudication and Part 3 prosecution costs, less purchases and
COURT SERVICES EXPENSES		75,320	\$	(258,132)	(8.8%)	Provincial chargeback savings.
SUB-TOTAL COURTS	\$	-	\$	198,534	9.1%	
TOTAL Non Tax Supported	\$	-	\$ (2	,199,119)	(3.7%)	
(Brackets indicate a favourable variance)					<u> </u>	

Appendix 2 External Operating Revenue Variance based on December 31, 2015

DEPARTMENT	VA	RIANCE		COMMENT
TAX SUPPORTED				
CAO- ADMINISTRATION	\$	(23,481)	Favourable	-City Solicitor - \$23k favourable mainly due to higher than planned adjuster and registration of agreement user fees
INFRASTRUCTURE DEVELOPMENT AND ENTERPRISE	\$	2,650,869	Unfavourable	-Business Development & Enterprise- \$85K unfavourable due to lower than planned partner contribution from the Province, Sr Marketing staff retirement affected GID implementation. -Solid Waste Resources - \$2.46M unfavourable due to; • \$3.28m recyclable goods sales due to lower commodity price and processing issues • \$85k lease revenue not received from Envida for Eastview landfill rental • \$177k lower public drop-off fees due to less tonnage received, partially offset by; • \$787k processing fee revenue from new processing contract with County Simcoe awarded in 2015 that was not budgeted • \$287k higher than planned Stewardship Ontario grant -Planning & Building Services - \$158K unfavourable due to lower plan of subdivision, zoning by-law amendments and site plan application user fee revenue \$112k, and less sign permit revenue \$46k -Engineering - \$57k favourable due to unplanned utilities application processing and administration fees \$73k, increased parking and permits sales \$15k, partially offset by lower development services external recovery \$31k
PUBLIC SERVICES	\$	(1,264,891)	Favourabe	Culture, Tourism & Investment - \$763k favourable due to higher than planned suite and club seat revenue \$39k; 18% increase in food and beverages \$203k due to success of Guelph Storm Hockey Club; River Run programming ticket sales were 20% higher than budgeted \$69k; increased Wyndham house recoveries \$243k; grant funding and corporate sponsorships for In Flanders Fields offset by higher costs for the anniversary celebration -Parks - \$107k favourable due to higher than planned sportsfields user fees \$52k; 87% increase in revenue for carousel and train ridesRecreation Programs & Facilities - \$39k favourable due to higher than planned user fee revenues for grants, special occassion permit, swimming and summer day camps partially offset by lower ice rentalsEmergency Services - \$400k favourable due to increased Land Ambulance grant funding \$380k and Fire Department fees \$20kTransit - \$47k unfavourable due to lower regular fare passes \$92k and cash fares \$132k offset by affordable bus pass \$99k, advertising revenue \$23k and ticket sales \$48k.
CORPORATE SERVICES	\$	(52,948)	Favourable	Finance - \$123k <u>favourable</u> due to higher than planned user fees from property taxation mainly tax certificates, arrears, mortgage processing fees and new roll feesClerks - \$61k <u>unfavourable</u> due to lower than planned committee of adjustment fees partially offset by higher marriage licence fees.
TOTAL TAX SUPPORTED	\$	1,309,549		
NON TAY CURPORTED				
NON-TAX SUPPORTED				
WATER	\$	(983,527)	Favourable	Favourable due to growth in customer base and enhanced resident revenue collection through transition to monthly billing frequency during November and December 2015 billing periods.
WASTEWATER	\$	(1,153,254)	Favourable	Favourable due to growth in customer base and enhanced resident revenue collection through transition to monthly billing frequency during November and December 2015 billing periods.
ONTARIO BUILDING CODE	\$	(657,816)	Favourable	Favourable due to higher than planned building permit revenue.
COURT SERVICES	\$	456,666	Unfavourable	Unfavourable due to lower fine as a result of lower charge volume.
TOTAL NON TAX SUPPORTED	\$	(2,337,931)		
***(Brackets indicate a favourable variance)	<u> </u>			



Guelph Police Services Board

PO Box 31038, Willow West Postal Outlet, Guelph, Ontario N1H 8K1
Telephone: (519) 824-1212 # 213 Fax: (519) 824-8360
TTY (519) 824-1466 Email: board@police.guelph.on.ca

April 21, 2016

Ms. Tara Baker Chief Financial Officer Guelph City Hall 1 Carden Street Guelph, ON N1H 3A1

Dear Ms. Baker:

Please find enclosed a copy of correspondence sent to Mayor Cam Guthrie today regarding the Guelph Police Service anticipated 2015 budget surplus.

Sincerely, Chaptelle.

Cheryl Polonenko Executive Assistant

Encl.



Guelph Police Services Board

PO Box 31038, Willow West Postal Outlet, Guelph, Ontario N1H 8K1

Telephone: (519) 824-1212 # 213 Fax: (519) 824-8360 TTY (519) 824-1466 Email: board@police.guelph.on.ca

April 21, 2016



Mayor Cam Guthrie Guelph City Hall 1 Carden Street Guelph, ON N1H 3A1

Dear Mayor Guthrie:

At its meeting on April 21, 2016, the Guelph Police Services Board was advised that there will be an anticipated year end surplus of \$725,775 in the Guelph Police Service 2015 operating budget. The Board passed the following motion:

THAT the Guelph Police Services Board forward a request to City Council that the projected Police Operating Surplus of \$725,775 be transferred to the Police Headquarters Renovation reserve to fund the Headquarter Expansion and Renovation Project (PS0033).

-CARRIED-

The Headquarter Expansion and Renovation Project is underway as witnessed today at the ground-breaking ceremony. The Guelph Police Services Board would respectfully request consideration of the aforementioned recommendation.

I look forward to hearing from you.

Sincerely,

Judy Sorbara, Chair

Copies: Tara Baker, Chief Financial Officer, City of Guelph

Jeffrey DeRuyter, Chief of Police



TO Corporate Services Committee

SERVICE AREA Corporate Services, Finance

DATE June 8, 2016

SUBJECT Operating Variance Reporting Recommendations

REPORT NUMBER CS-2016-53

EXECUTIVE SUMMARY

PURPOSE OF REPORT

To provide Council with staff's response to Council Resolution dated April 25, 2016 regarding an updated operating variance reporting system using best practices from other municipalities and that scope greater transparency and greater frequency of reporting to Council.

KEY FINDINGS

In May 2016, several municipalities were contacted to provide feedback on best practices for operating variance reporting. Out of 30 municipalities contacted, we received 16 responses. The below provides a summary of those results augmented by staff experience and recommendations.

Frequency of Reports

The City of Guelph currently provides reports to council on a quarterly basis in addition to monthly reports prepared for the Executive Team. Based on the comparable municipalities survey results, the majority provide reporting on a triannual basis, however, one municipality does not present any variance reporting to council. There is not one instance of a municipality reporting to Council more frequently than quarterly. In addition, tri annual reporting was recommended by the BMA Financial Condition Assessment presented in November 2015.

Based on this feedback and a review of current in house policies and scheduling, changes to Council variance reporting frequency are not being recommended.

Timeliness of Reports

The City of Guelph quarterly variance reports follow this annual schedule: Q1 in June, Q2 in September, Q3 in December and Q4 in April of the subsequent year.

Upon reviewing the comparable municipal survey results, staff are recommending not changing the report timeliness from the current practices as the City falls within the acceptable range of timeliness compared to other Ontario municipalities and there is currently no other acceptable alternative to



move these reports forward in our current committee structure.

Accuracy of Variance Projections and Transparency of Reports

In order to achieve greater transparency of results and accuracy of projections, City staff are recommending expanding the analysis to disclose departmental level financial analysis including added data sets that provide further insight into the City's operations. This will align the operating variance reporting with the level of detail that is provided during the budget. Additionally, finance will work at a revised presentation of the operating variance report, that will have more explanations of department variances that are tied to business drivers where possible.

Effective for the Q2 2016 Operating Variance Report, the report will include the expanded financial data and departmental reporting entities. The added level of disclosure linked to business drivers is a more significant change for the City and will not happen immediately. Council will need to be patient as staff build this level of reporting capacity internally, as it will take department managers time to become familiar with new requirements, learn how to read the enhanced financial reports and in some cases track business driver information that currently they may not have accessible mid-year. The City is committed to improving this disclosure each and every quarter as we progress through 2016 and 2017.

Management Accountability

Management's oversight and monitoring of variances exists at multiple levels in administration. Review of corporate budget performance, projected variances occurs at the Executive Team level, at the DCAO/GM level and budget performance is part of the performance review process for staff who have budget responsibility.

FINANCIAL IMPLICATIONS

There are no financial implications resulting from this report.

ACTION REQUIRED

That Report No. CS-2016-53 dated June 8, 2016 entitled "Operating Variance Reporting Recommendations" be received for information and that Council approve staff recommendations regarding frequency, timeliness, and transparency of the operating variance reports.

RECOMMENDATION

1. That Report No. CS-2016-53 dated June 8, 2016 entitled "Operating Variance Reporting Recommendations" be received for information.



- 2. That the following operating variance reporting recommendations be approved:
 - a) Operating variance reports will continue to be presented to Council on a quarterly basis;
 - b) Operating variance reports will continue to be presented to Council in the same time frame being Q1 in June, Q2 in September, Q3 in December and Q4 in April of the subsequent year;
 - c) Operating variance reports will be presented at a more detailed department level with enhanced financial data and statistical information to elevate the transparency of reporting and accuracy of projections.

BACKGROUND

This report provides Council with staff's response to Council Resolution dated April 25, 2016 regarding an updated operating variance reporting system using best practices from other municipalities and that scope greater transparency and greater frequency of reporting to Council.

Budget Variance reports are typically prepared at the end of a reporting period, which compares actual expenditures incurred and revenues received to the estimated expenditures and revenues. The report would also include projections to the end of the fiscal year and would be accompanied by written explanations of major variances.

The City of Guelph reports operating variances to Council on a quarterly basis; Q1 in June, Q2 in September, Q3 in December and Q4 in April of the subsequent year.

Accountability of financial performance to the tax and rate payers of Guelph is a key principle of financial management as is set out in ATT-1 City of Guelph Budget Monitoring Policy – Bylaw #19625. Ultimate responsibility of adherence to the approved budget resides with the Executive Team and CAO while the CFO/Treasurer has the fiduciary duty to report to Council and provide financial expertise to city departments to facilitate adherence to budget. Budgetary performance is also assessed as part of the annual performance development process and impacts management compensation increases.

REPORT

In May 2016, several municipalities were contacted to provide feedback on best practices with respect to operating variance reporting. They were asked to comment or provide examples of documents to gain insight into the following:

- Frequency of reports
- Timeliness of reports
- Accuracy of variance projections
- Transparency of reports



Frequency and Timeliness of Reports

Out of 30 municipalities contacted, we received 16 full or partial responses. The below chart provides a summary of those results.

Municipality	Frequency of Council Variance Reporting	Timeliness of Variance Reporting
GUELPH	Quarterly	Q - 8 weeks, YE - 12 weeks
Barrie	Tri Annual	Q - 8 weeks, YE - 12 weeks
Burlington	Semi-Annual	Q - 8 weeks, YE - 8-10 weeks
Cambridge	Tri Annual	Not provided
Greater Sudbury	Quarterly	Q - 8 weeks, YE - 20 weeks
Hamilton	Tri Annual	Q - 8 weeks, YE - 12 weeks
Kingston	Quarterly	Q - 6 weeks, YE - 12 weeks
Kitchener	Tri Annual	Q - 6 weeks, YE - 12 weeks
London	Tri Annual	Q - 12 weeks, YE - 12 weeks
Mississauga	Tri Annual	Q - 8 weeks, YE - 12 weeks
Oshawa	Quarterly	Q - 4 - weeks, YE - none
Pickering	None (internal only)	NA
Thunder Bay	Quarterly	Q - 3 weeks, YE - 12 weeks
Vaughan	Quarterly	Q - 8 weeks, YE - 16 weeks
Waterloo Region	Tri Annual	Q - 8 weeks, YE unknown
Wellington County	Tri Annual	Q - 4 weeks, YE - 8 weeks
Whitby	Quarterly	Q - 8 weeks, YE unknown

Frequency

Tri annual or quarterly reporting is the current practice in the majority of those municipalities surveyed. There was not one instance of a municipality that reported to Council more frequently than quarterly. In addition, tri annual reporting was recommended by the BMA Financial Condition Assessment presented in November 2015.

Based on the feedback from the surveyed municipalities and a review of current in house policies and scheduling, changes to Council variance reporting frequency are not recommended at this time.



In non-quarter months, variance reporting is completed and reported internally to the Executive Team (ET) by the Treasurer. There is a standing monthly ET agenda item where the Treasurer presents the current financial projections, highlights risks and discusses mitigation measure options including a review of available reserves.

Timeliness

With respect to timeliness, the quarterly reports to council follow a consistent preparation schedule. The data for variance reporting is available upon the month end close which occurs on the 5th working day of the subsequent month. Financial data distribution is provided to departments on the 6th working day. Departmental responses are provided within two weeks and the finance draft report is provided to the Treasurer one week thereafter. The Treasurer then completes a final review and edits within the next three to five days of receipt. The draft report is then presented to the Executive team within a week for their review and edits.

By way of example, the Q1 2016 variance report followed this schedule:

•	Q1 system close; 5 th working day	April 7,2016
•	Financial data distribution; 6 th working day	April 8, 2016
•	Departmental response to Finance; 2 weeks	April 22, 2016
•	Finance draft report; 1 week	April 29, 2016
•	Treasurer review /edit; 3 days – 5 days	May 3, 2016
•	Report to ET for review; 1 week	May 12, 2016
•	Process ET edits for final report; 3 days	May 17, 2016
•	Due to Clerks for agenda prep	May 20, 2016

For the June 8, 2016 CS committee meeting, final reports are due to the City Clerk by May 20. In order to increase timeliness by one month, staff would need to have the Committee report ready by April 18, 2016 which, as can be seen by the timeline above, is not achievable.

Other possible solutions for increasing timeliness include going direct to full Council on the addendum (deadline May 20 for the May 24 Council meeting) or distributing via the weekly Council Information Report process. City staff believe that neither of these options allow for appropriate transparency or review time for Council or the public. Additionally, there is the possibility that in the future improvements to the City's financial information systems to integrate financial commitments into the variance reports could improve timelines. Further consideration will be given to this as our systems are improved.

As a result of the above analysis, staff are recommending not changing the report timeliness from the current practices as the City falls within the acceptable range of timeliness compared to other Ontario municipalities and there is currently no other acceptable alternative to move these reports forward.



In non-quarter ending months, the Treasurer will continue the practice of budget variance reporting to the Executive Team by the end of the first week of the second subsequent month. That is, the report for the end of April would be to ET by the first week of June.

Accuracy of Variance Projections and Transparency of Reports

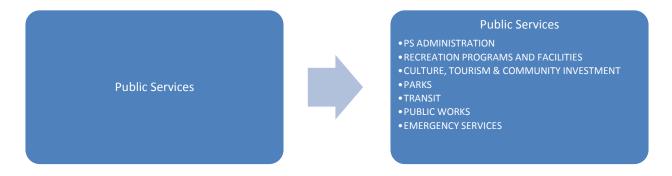
From a review of the Municipal Act, it is clear that Council has a fiduciary duty in maintaining accountability, transparency and the financial integrity of the municipality. Through their direction of staff, Council is able to confer a share of this responsibility. As outlined in **ATT-1 City of Guelph Budget Monitoring Policy – Bylaw #19625**, all management staff have a responsibility for the financial outcomes of their operations. With respect to variance reporting specifically, there would be an opportunity to enhance the reporting to ensure Council has appropriate information to discharge their fiduciary duty of financial management.

A review of sample variance reports received through the survey, suggest that the majority of similar sized municipalities report variances in far greater detail than has been the practice in Guelph. Staff is recommending adopting a greater level of detail in variance reporting going forward. That greater detail would include:

- Current year spending trends
- Prior year final variance position
- Department level disclosure; similar to the budget presentation

To further illustrate the recommendation, the below charts shows the current state to future state for reporting to be implemented starting for Q2 2016:

Reportable Entity – Currently variance is reported at the service area level compared to the recommended department level as seen on the right.



Financial Data – Currently the financial data included for Council is limited to three data sets: Total Annual Budget, Projected YE Variance and % of Annual Budget. The future recommended presentation would also include the prior year ended variance position, actual spending to date and a percentage of annual spending to



date. These added data sets will provide enhanced transparency and facilitate more accurate year end variance projections.

Current State: Excerpt - Q1 2016 Variance Report

	Total Annual Budget for Year 2016 (\$)	Projected Variance for Dec 31,2016 (\$)	Variance for Dec 31, 2016
PUBLIC SERVICES	\$ 81,650,501	\$ 336,000	0.4%

Future State: Example of Expanded Financial Data Columns

Department	2014 Year End Variance	Annual Budget 2015	YTD Net Expenditure June 30, 2015	YTD Spending 2015 %	Projected 2015 Variance \$
PUBLIC SERVICES					
PS ADMINISTRATION	(\$75,419)	\$ 753 , 570	\$376,558	50.0%	(\$42,000)
RECREATION PROGRAMS AND FACILITIES	\$143,086	\$3,427,879	\$1,697,046	49.5%	\$0
CULTURE, TOURISM & COMMUNITY INVESTMENT	(\$111,622)	\$6,014,635	\$3,656,868	60.8%	\$28,500
PARKS	\$46,485	\$7,715,462	\$4,143,965	53.7%	\$28,000
TRANSIT	\$3,083,473	\$14,296,322	\$9,259,189	64.8%	\$398,500
PUBLIC WORKS	\$997,344	\$14,648,117	\$8,397,740	57.3%	\$717,000
EMERGENCY SERVICES	\$741,410	\$29,127,076	\$14,116,064	48.5%	

This added level of financial data allows visibility to where department actual spending is trending higher/lower than may be expected at that time of the year. It requires more detailed disclosure of reasoning and year end projections that are supported by these actual figures. In addition it provides added context by including the prior year ended variance position.

This additional level of financial analysis and data will also provide for more accurate financial projections for year end. As can be illustrated in the table below, for 2015, staff's Q3 projections compared to the actual yearend surplus were not well aligned.

As a corporation, we tend to be conservative on both our positive and negative variance projections. The added financial data will enable management to be more confident and secure with the figures they are projecting and will provide context to explain why they may change in a future quarter. City staff are committed to narrowing this projected to actual year end position gap.



Tax Supported Area	Projected at Q3	Actual YE Result	Difference
CAO - ADMINISTRATION	0	-191,119	-191,119
INFRASTRUCTURE, DEVELOPMENT & ENTERPRISE	595,000	2,435,131	1,840,131
PUBLIC SERVICES	1,162,600	1,782,961	620,361
CORPORATE SERVICES	-38,000	-321,696	-283,696
GENERAL EXPENDITURES AND CAPITAL FINANCING	-4,500	-1,292,809	-1,288,309
TOTAL CITY DEPARTMENTS (incl Financing)	1,715,100	2,412,468	697,368
LOCAL BOARDS	0	-726,036	-726,036
OUTSIDE BOARDS & AGENCIES	-357,500	-2,724,855	-2,367,355
GRANTS	0	-104,700	-104,700
Subtotal Grants, Local and Outside Boards & Agencies	-357,500	-3,555,591	-3,198,091
TOTAL TAX SUPPORTED (incl Outside Boards, Grants and Financing)	1,357,600	-1,143,124	-2,500,724

Non-Tax Supported Area	Projected at Q3	Actual YE Result	Difference
WATER	420,000	-397,647	-817,647
WASTEWATER	-350,000	-1,342,190	-992,190
OBC	0	-657,816	-657,816
COURTS	219,600	149,834	-69,766
TOTAL NON-TAX SUPPORTED	289,600	-2,247,819	-2,537,419

Variance Report Format

The body of the future variance reports would focus on a more fulsome discussion with respect to causes for the variance, mitigation measures and risks for those variances falling outside of pre-determined tolerances. The prescribed tolerances may include both percentage and / or dollar value triggers and may be based on year to date spending and / or projected year end variance values. In an effort to balance the importance of reporting critical variances and appropriate materiality, reporting levels setting the tolerance points may need to be adjusted as this enhanced variance reporting develops over 2016.

In developing the explanations in the body of the report, departments will be encouraged to use real business driver data. For example – a negative variance related to transit revenue would be explained through budgeted vs. actual ridership statistics. Mitigation measures would then focus on how ridership will be increased and/or what expenditure management will be required to address this negative variance. Finance is developing internal templates and departmental education materials that will support this added level of disclosure.

Implementation

Staff have committed to include the expanded financial data and departmental reporting entities for the Q2 2016 Variance Reporting. The added level of disclosure linked to business drivers is a more significant change for the City and will not happen immediately. Council will need to be patient as staff build this level of reporting capacity internally, as it will take department managers time to become familiar with new requirements, learn how to read the enhanced financial reports and in some cases track business driver information that currently they may



not have accessible mid-year. The City is committed to improving this disclosure each and every quarter as we progress through 2016 and 2017.

Finance staff believe this change will also prove to have a positive impact in other areas of performance measurement and reporting including:

- earlier identification of departmental and corporate variances leading to greater ability for management to react and manage issues
- operating budgets that are supported by business drivers and performance measures
- enhanced data for multi-year tax supported operating budgets
- service area annual performance measures that are linked to financial performance
- More open and on-going communication of financial management with Council

Management Accountability

To ensure proper oversight of budget and projected variances, the Executive Team meets monthly with the Treasurer to review corporate budget projections and to discuss root causes and mitigation measures. At the Service Area level, Deputy CAO's meet regularly with General Managers to review budget performance, projected variances and mitigation efforts.

As part of the performance review process, any staff who have responsibility for budgets are evaluated on budget performance to ensure that responsibility and accountability is measured and corrective action is identified where necessary.

CORPORATE STRATEGIC PLAN

Innovation in Local Government

- 2.1 Build an adaptive environment for government innovation to ensure fiscal and service sustainability
- 2.3 Ensure accountability, transparency and engagement

DEPARTMENTAL CONSULTATION

Finance presented these recommendations and solicited feedback from the Corporate Management Team.

FINANCIAL IMPLICATIONS

There are no immediate financial implications resulting from this report.

COMMUNICATIONS

N/A



ATTACHMENTS

ATT-1 City of Guelph Budget Monitoring Policy - Bylaw #19625

Report Author

Tom Bradbury, Manager of Budget and Financial Planning

Recommended By

Tara Baker

Acting GM Finance and City Treasurer Deputy CAO

Corporate Services

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Approved By

Mark Amorosi

Corporate Services

519-822-1260 Ext. 2281

mark.amorosi@guelph.ca

THE CORPORATION OF THE CITY OF GUELPH

By-law Number (2013) - 19625

A By-law to enact a Budget Monitoring Policy for the City of Guelph.

WHEREAS, under the provisions of subsection 10(2), paragraph 3, of the *Municipal Act*, 2001, S.O. 2001, c. 25, a single-tier municipality may pass by-laws respecting financial management of the municipality;

AND WHEREAS The Corporation of the City of Guelph is desirous of enacting a by-law for implementing a Budget Monitoring Policy;

NOW, THEREFORE, THE COUNCIL OF THE CORPORATION OF THE CITY OF GUELPH ENACTS AS FOLLOWS:

- 1. That the Budget Monitoring Policy set out in Schedule A to this By-law is hereby enacted.
- 2. That this By-law shall be effective immediately upon passing.

PASSED this NINTH day of SEPTEMBER, 2013.

KAREN FARBRIDGE - MAYOR

TINA AGNELLO - DEPUTY CITY CLERK

By-law Number (2013) - 19625 Schedule A

POLICY Budget Monitoring Policy

CATEGORY Finance

AUTHORITY Council

RELATED POLICES Budget Policy

General Reserve and Reserve Fund Policy Budget Monitoring & Capital Closing Procedure

budget Floritoring & capital closing Frocedure

APPROVED BY Council

EFFECTIVE DATE July 29,2013

REVISION DATE As required

1. POLICY STATEMENT

It is the policy of the City of Guelph to monitor actual operating and capital activity to ensure adherence to Council approved spending and service levels.

2. PURPOSE OF POLICY

To set guidelines for monitoring operating and capital activity to ensure adherence to Council approved operating budgets, capital budgets and service levels.

3. BUDGET MONITORING PRINCIPLES

3.1 Accountability and Transparency

• As a public sector organization, the City is responsible to the taxpayers of Guelph. As such, Financial information should be presented in a transparent manner and decisions made in the best interests of the taxpayers.

3.2 Delivery of Expected Outcomes

 Financial information should provide a measure that a stated objective(s) has been met. This can mean a project is proceeding along expected timelines, that funds and grants have been used for their stated purpose, and that revenue targets have been met, and any deviation is highlighted and explained.

3.3 Responsibility to the overall City budget

• Departments and project managers should make financial decisions with regard to the overall budget of the city. Financial decisions impact other areas, and it is important to make decisions for the overall benefit of the city.

3.4 Effective use of City funds

• Financial decisions should be made in order to make the best use of available funds. This involves returning surplus funds to reserves, having funds available to capitalize on opportunities and emerging priorities, and ensuring that money is spent on the greatest identified need.

3.5 Risk Management

Having responsibility to the overall city budget means identifying and
mitigating risks in order to minimize the impact to other departments. Over
spending on capital projects can have an impact on capital reserves or
operating budgets. Early identification of projects at risk of going over
budget is important to mitigate these risks.

3.6 Timeliness

- Financial information must be presented in a timely manner following the period in which it relates in order to facilitate decision making and to mitigate risks.
- Financial information must be monitored regularly and formal reports presented at periodic intervals in order to mitigate risks.

By-law Number (2013) - 19625 Schedule A

3.7 Relevance

 Financial Information should be presented in only as much detail as necessary in order to facilitate decision making or to understand financial impacts. Information should be reliable, easy to understand, and presented in a consistent manner to enable comparisons

4. ROLES AND RESPONSIBILITIES

The monitoring of a Service Area's budget is not limited to formal variance reporting, but instead is an ongoing process. Ensuring that spending is within the Council approved budget is the responsibility of the Service Area. **The following roles have budget responsibilities as listed:**

Role	Role Responsibilities
Municipal Council	 Ultimate responsibility for City spending. Sets annual budget and service levels for staff to operate under. Any change in budget, service level or use of reserves must be approved by Council.
Chief Administrative Officer (CAO)	 To direct, in co-operation with the Chief Financial Officer and the Executive Team, the preparation and presentation of the operating and capital budget. To exercise financial control over all Corporate operations in conjunction with the Chief Financial Officer, to ensure compliance with the annual estimates of revenue and expenditure approved by Council.
Executive Team (ET)	 Monitors financial information for City wide impacts and in consultation with the CAO and CFO approves actions to mitigate unfavorable variances. Each Executive Director has ultimate responsibility of their respective Service Area's budget.
Direct Report Leadership Team (DRLT)	Overall accountability for the departmental budget. General oversight and monitoring of expenses to ensure adherence to the approved budget. Identification of risk and recommendation of mitigation measures to ET.
Department Managers	Day to day approval of divisional expenditures, identification of risk and communication of issues to GM.
CFO and Finance Staff	 CFO - Makes recommendations to Council for in year budget changes and transfer of reserves at year end. Finance staff provide expertise and guidance to Executive Team and Department Management to assist them in effectively managing their Budget.

5. OPERATING VARIANCE REPORTING

5.1 - Purpose

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. Departments are provided with regular financial reports outlining their pro-rated year to date budget which compares to their year to date expenditure in order to monitor their budget.

6. CAPITAL VARIANCE REPORTING

6.1 Purpose

Once a Capital Project is approved it is expected that it will be completed in a timely manner, within the approved budget and scope, and will deliver the expected outcome to the taxpayers.

By-law Number (2013) - 19625 Schedule A

Project Managers are provided with regular reports on the lifetime to date expenditures of their projects against approved budgets. This information allows them to identify potential financial or timeline related variances that may arise over the life of the project.

7. CONSISTENCY WITH GOVERNANCE FRAMEWORK

This policy was created to be consistent with the City's overall Governance Framework. In particular, the following governance principles have been incorporated to develop the principles contained in this policy:

- Accomplishment and Measurement
- Empowerment and Accountability
- Communication and Transparency



TO Corporate Services Committee

SERVICE AREA Corporate Services, Finance

DATE June 8, 2016

SUBJECT 10 Carden Shared Space Inc. – Community Bond and Tax

Incentive Program Request

REPORT NUMBER CS-2016-31

EXECUTIVE SUMMARY

PURPOSE OF REPORT

To provide the Council with staff's response to Council Resolution dated March 21, 2016 regarding the consideration of both the Community Bond Investment Program and the Community Improvement Plan tax incentive program for the redevelopment of 42 Carden St.

KEY FINDINGS

10 Carden Shared Space Inc. ('10 Carden') has requested that the City of Guelph make a \$50,000 investment through a Series F Community Bond. They also requested that the City of Guelph develop a tax incentive program through a Community Improvement Plan to stimulate commercial development in targeted sectors and areas of the City.

Staff have reviewed information received by 10 Carden and have determined the following:

Community Bonds:

Due to legislative Municipal Act restrictions, the City is not permitted to use the funds of the City's Investment Portfolio to invest in unrated, non-secured bonds of any kind. Upon review of the bond information provided by 10 Carden, there is little possibility that the bonds would be rated or secured by a Schedule 1 or 2 bank. The City worked with representatives of 10 Carden and their banking institution but could not come to solution that met the City's legislated needs.

If these investments were to be considered as part of a Council approved program of tax supported money within a Community Improvement Plan ('CIP'), the City would support the investment in accordance with Section 28 of the Planning Act with respect to grants or loans within a CIP. The City currently does not have any CIP's with available funds or programs that could be utilized in this way.



Community Improvement Plans:

The City currently has two major CIPs, the Brownfield and Downtown CIPs, as well as a Heritage Reserve Policy which contain programs to support private sector investment. The plans are up for their five year review in 2017.

In addition to the major CIPs, the City also has a Downtown Minor Activation CIP grant program that on an annual basis, targets the renovation of underutilised space to address smaller scale residential or business related investments to bring more economic activity downtown.

Finally, Business Development and Enterprise Services is launching a 'Municipal Comparator Study' with funding support from ICCI (Invest Canada). The project, to be completed by the end of 2016, will be looking comprehensively at private sector investment decision-making and site selection. The study will be looking at the role and types of incentive programs in the larger context of business attraction and community economic strategy.

Using the results of this competitiveness study, the entire City CIP program portfolio (including major and minor grants) will be reviewed with recommendations to program changes coming forward in 2017 to Council.

The 10 Carden targeted "innovation sector" incentive program request will be considered during this 2017 review. While staff understand that this timing may not be aligned to the needs of 10 Carden, to recommend the development of a pilot CIP program outside of the larger incentive program review would be premature at this time. Council has not yet decided if they want to be in the business of "stimulating commercial development in targeted sectors" beyond the current programs already approved. In order to make an educated decision on directing tax dollars and staff resources for this purpose, it is prudent to wait until the completion of the competiveness study before new CIP programs are developed.

FINANCIAL IMPLICATIONS

There are no financial implications resulting from this report.

Enhancing or adding to the pre-existing Community Improvement Plans already in place would involve increasing the tax-supported annual operating budget by a council approved amount annually to fund the increase in the new grant payments.

ACTION REQUIRED

That Report No. CS-2016-31 dated June 8, 2016 entitled "10 Carden Shared Space Inc. – Community Bond and Tax Incentive Program Request" be received for information.



RECOMMENDATION

That Report No. CS-2016-31 dated June 8, 2016 entitled "10 Carden Shared Space Inc. – Community Bond and Tax Incentive Program Request" be received for information.

BACKGROUND

On March 3, 2016, a delegation from 10 Carden Shared Space Inc. provided information on their plan to re-develop 42 Carden St., the Community Bond Investment program and the Community Improvement Plan to the Public Services Committee. Once presented, the Public Services Committee approved a motion that "in consideration of both the Community Bond Investment program and Community Improvement Plan tax incentive program be referred to finance staff for follow-up and reporting back by the end of Q2 2016 through the Corporate Services Committee".

REPORT

Request 1:

That the City of Guelph makes a one-time investment of \$50,000 in a Series F Community Bond.

Staff Response:

The Municipal Act legislation is very clear on what investment vehicles a Municipality is allowed to invest their public Investment Portfolio funds. The Municipality is prohibited from investing in any bonds from a non-profit group (rated or unrated). The caveat to this would be if the bond was secured by a Schedule I or II bank that has a credit rating of not lower than AA (low).

Upon review of the bond information provided by the requestor, there is little possibility that the bonds would be rated or secured by a Schedule 1 or 2 bank. The City worked with representatives of 10 Carden Street and their banking institution but could not come to solution that met the City's legislated needs.

If these investments were to be considered as part of a Council approved program of tax supported money within a Community Improvement Plan ('CIP'), the City would support the investment in accordance with Section 28 of the Planning Act with respect to grants or loans within a CIP. The City currently does not have any CIP's with available funds or programs that could be utilized in this way

Request 2:

That the City of Guelph develop a Community Improvement Plan Program to stimulate commercial investment in targeted sectors and areas.

Staff Response:



The City currently has two major CIPs, Brownfield and Downtown, as well as a Heritage Reserve Policy which contain programs to support private sector investment. All plans are up for their five year review in 2017.

In addition to the major CIPs, the City also has a Downtown Minor Activation CIP grant program that on an annual basis, targets the renovation of underutilised space to address smaller scale residential or business related investments to bring more economic activity downtown.

Finally, Business Development and Enterprise Services is launching a 'Municipal Comparator Study with funding support from ICCI (Invest Canada). The project, to be completed by the end of 2016, will be looking comprehensively at private sector investment decision-making and site selection. The study will be looking at the role and types of incentive programs in the larger context of business attraction and community economic strategy.

Using the results of this competitiveness study, the entire City CIP program portfolio (including major and minor grants) will be reviewed with recommendations to program changes coming forward in 2017 to Council. Staff will be working to refresh these CIP's during 2017 for the next 5 year period of 2018 - 2022 and at that time can review and comment on the request put forward and whether the City's strategy would include this type of incentive.

The 10 Carden targeted "innovation sector" incentive program request will be considered during this 2017 review. While staff understand that this timing may not be aligned to the needs of 10 Carden, to recommend the development of a pilot CIP program outside of the larger incentive program review would be premature at this time. Council has not yet decided if they want to be in the business of "stimulating commercial development in targeted sectors and areas" beyond the current programs already approved. In order to make an educated decision on directing tax dollars and staff resources for this purpose, it is prudent to wait until the completion of the competiveness study before new CIP programs are developed.

CORPORATE STRATEGIC PLAN

Innovation in Local Government

2.3 Ensure accountability, transparency and engagement

DEPARTMENTAL CONSULTATION

Culture, Tourism and Community Investments Planning, Urban Design and Building Services Business Development and Enterprise Services

FINANCIAL IMPLICATIONS

There are no financial implications resulting from this report.



Enhancing or adding to the pre-existing Community Improvement Plans would involve increasing the tax-supported annual operating budget by a council approved amount to fund the increase in the new grant payments.

COMMUNICATIONS

None noted.

ATTACHMENTS

None noted.

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10 Carden development of 42 Carden

Corporate Services Committee presentation June 8, 2016

10 Carden thanks city staff for investigating the bond mechanisms and the limitations presented by the municipal framework. However, we would like to communicate that, in our opinion, the full spectrum of investment vehicles across multiple departments have not been explored. We feel that current direction from the Corporate Services Committee to Council should be to explore a variety of investment vehicles for the 10 Carden request for support. Although not captured in the documentation of the committee motion, Mayor Guthrie requested that the options be explored to potentially benefit all other NFPs, and these have not fully been responded to.

In the staff report, it seems that only the bond scenario and the current CIP were explored.

GHMI was not mentioned as a possible vehicle to be used as an investment source. Guelph Municipal Holdings Inc. claims to be an adaptive, agile and creative corporation that manages selected City of Guelph assets to support municipal innovation, generate revenue and jobs, and strengthen community prosperity... owned by the City of Guelph, Guelph Municipal Holdings Inc. actively seeks out partnerships, investments support effective and forward-thinking city building including land development and other strategic interests. Should investment through GMHI be a vehicle that is considered?

As well, the report indicates that it will be up to council to 'decide if they want to be in the business of investing in commercial development....' Our request of committee was for the city to "invest" in 10 Carden, a not for profit initiative that will greatly benefit the City. There are still a variety of ways that this project could be supported.

We would like to emphasize that when the Community Improvement Plan and also the Community Investment Strategy are being reconsidered, that staff consider a **loan vehicle which could respond to community bond type investments for the social benefit sector**. The accessibility and life safety costs for renovating old buildings for public use is a key limiter, especially for the NFP sector, and CIP and CIS programs that have a loan as well as a grant component or tax increment components may be a way to support similar projects. The CIP LOAN vehicle is one that is used by other communities and we request that the city consider using this vehicle in the CIP update in 2017.

We would also like to highlight, that not all of our financial requests are a give-away, and a loan obligation is something that could support 10 Carden in becoming fully self-reliant.

As far as current investment, support for this project is clear, with **our Community Bond financing campaign currently at \$590,000** of our total 3M project cost. This illustrates that there is an interest in Guelph in this kind of support for the development of community-based projects. City of Guelph investment early in these projects will help to strengthen the social benefit sector.

To which point, we would like to ask for 4 further areas of consideration.

1) Energy

While the residential Guelph Energy Efficiency Retrofit Strategy (GEERS) is moving ahead, we would like to express our keen interest in a **commercial version of GEERS** which could be accessed by smaller scale commercial properties. 10 Carden's project would be ready to plug into GEERS and also to support the city with immediate test case data of impact on a 15,000 sq ft site. We have a number of energy saving components going into the renovation, including building envelope upgrades (insulation and weatherization) and an efficient heating system that, combined, will reduce our energy demands substantially - by at least 33%. We will also retrofit all lighting to LEDs, develop a rainwater harvesting system and prepare the building to be district energy and solar ready. We ask this committee for consideration of 42 Carden as a commercial 'pilot' of the GEERS program to run concurrent to the roll out of the residential program.

2) Parking

We would like to ask this committee to consider options for a revision to the fee schedule for on-street parking as it relates to commercial development in Downtown Guelph.

One of the challenges of this site is the limited parking access. Although Downtown Guelph has free 2 hr parking, the day rate for parking is \$27 per day, which over the course of this major renovation, may realize a parking obligation of close to \$25,000. **This amount almost equals the current property taxes for the entire property.** As well, the day rate we are being charged is much more than the full day rate in the city lots and at **over \$800 per month per space is 8x** more than any permanent monthly lot parking in the downtown.

This past Friday, 10 Carden received news of our success in the Downtown Activation Grant. However, we will be repaying approximately 25% of the \$110,000 awarded through the Community Improvement Plan back *into* the Parking Department in fees for necessary equipment access during construction. This represents \$25,000 in cash that could have otherwise gone into the project, and into the energy savings retrofits outlined above.

- 10 Carden requests that the committee consider an organization specific request, to waive these parking fees as one method of assisting the project and ensuring that the support received to date from the City of Guelph actually benefits and enhances the project.
- 3) Taxes. Outside of the CIP and any policy changes that need to be developed, there is a current tax mechanism that we would like council to direct staff to explore, through which the city could provide support to the project. This is directly from the Municipal Act:

"Rebates to Non-Profit Organizations: Under section 442.1(4) of the Municipal Act, upper-tier and single-tier municipalities have the option of implementing a program to provide property tax rebates to non-profit organizations that are "similar to eligible charities".

Each upper-tier and single-tier municipality has the discretion to identify which (if any) organizations will constitute "similar" organizations for the purpose of this

rebate program. Municipalities can specify the name of qualifying organizations (e.g. Royal Canadian Legion) or they can identify types of organizations (e.g. organizations dedicated to the protection of the natural environment).

Rebates of up to 100% of the property tax can be provided to qualifying non-profit organizations located in any property class."

We request that consideration of this mechanism be given and that the City of Guelph rebate 65-75% of the increase of our municipal tax obligation due to increased appraisal for the property for the next 5 to 10 years of the project. This would support the project, while at the same time increasing the tax revenues of the city resulting from this project.

5) Timing and Logistics. We are currently challenged by the servicing of the site and the myriad of channels within City hall to navigate regarding the basic municipal services of Hydro, water and wastewater servicing. The first information we received indicated that water and wastewater servicing would be easiest and best from Carden Street, which our architect and engineers had been working towards -- to only be told that the aesthetics of the sidewalk on Carden would make it a problem to provide access (i.e. remove the removable payers and dig up the sidewalk to access the new services that are already there) and that we may need to plan to dig up an even larger part of Macdonell Street at great expense to ourselves to access older service connections. We have since been directed to hire an external consultant to prepare a plan which outlines an engineering solution to access the services on the Carden Street side. This is in progress, but the process is slowing down our decision making, and adding substantial costs as well as financial risks to the project. We feel some of this could be remedied with clear communication and multiple departments working together. We would like to request that there be a point-person inside City Hall who is charged with authority to navigate issues such as these with us.

We are grateful for the financial support shown to this project through the Downtown Activation Grant, and want to thank the Office of Downtown Renewal for their work thus far regarding this project. We look forward to working with this office to resolve these challenges and complete the project. We are also thrilled to be developing such an amazing location in a city that has so much to offer its citizens.

10 Carden creating space for change www.10carden.ca

CONSENT REPORT OF THE INFRASTRUCTURE, DEVELOPMENT & ENTERPRISE COMMITTEE

June 27, 2016

His Worship the Mayor and Councillors of the City of Guelph.

Your Infrastructure, Development & Enterprise Committee beg leave to present their FIFTH CONSENT REPORT as recommended at its meeting of June 7, 2016.

If Council wishes to address a specific report in isolation please identify the item. The item will be extracted and dealt with immediately. The balance of the Consent Report of the Infrastructure, Development & Enterprise Committee will be approved in one resolution.

IDE-2016.18 Water and Wastewater Customer Accounts By-Law, Phase 1

- 1. That the report from Infrastructure, Development and Enterprise dated June 7, 2016, regarding the Water and Wastewater Customer Accounts By-law, be received.
- 2. That the Water and Wastewater Customer Accounts By-law and revisions to the Water Supply By-law as outlined in the report from Infrastructure, Development and Enterprise, dated June 7, 2016 be approved.

IDE-2016.19 Sign By-Law Variances – 175 Chancellors Way

- 1. That Report 16-43 from Infrastructure, Development and Enterprise dated June 7, 2016 regarding sign by-law variances for 175 Chancellors Way, be received.
- 2. That the request for variances from the City of Guelph Sign By-law to permit one (1) illuminated freestanding sign with a sign face area of 6.14m² and a height of 4.87m above the adjacent roadway at 175 Chancellors Way, be approved.

IDE-2016.20 Sign By-Law Variances – 125 Chancellors Way

1. That Report 16-42 from Infrastructure, Development and Enterprise dated June 7, 2016 regarding sign by-law variances for 125 Chancellors Way, be received.

Page 2 June 27, 2016

<u>Infrastructure</u>, <u>Development & Enterprise Committee Fifth Consent Report</u>

2. That the request for variances from the City of Guelph Sign By-law to permit one (1) non-illuminated freestanding sign with a sign face area of 3.65m² and a height of 1.9m above the adjacent roadway within a 7m by 5m driveway sightline triangle at 125 Chancellors Way, be approved.

All of which is respectfully submitted.

Councillor Bell, Chair Infrastructure, Development & Enterprise Committee

PLEASE BRING THE MATERIAL THAT WAS DISTRIBUTED WITH THE AGENDA FOR THE JUNE 7, 2016 INFRASTRUCTURE, DEVELOPMENT & ENTERPRISE COMMITTEE MEETING.



TO Infrastructure, Development and Enterprise Committee

SERVICE AREA Infrastructure, Development and Enterprise

DATE June 7, 2016

SUBJECT Water and Wastewater Customer Accounts By-law, Phase 1

REPORT NUMBER

EXECUTIVE SUMMARY

PURPOSE OF REPORT

To share with City Council the proposed Water and Wastewater Customer Accounts By-law and revisions to the Water Supply By-law for approval.

KEY FINDINGS

The proposed Water and Wastewater Customer Accounts By-law (the By-law) will provide the following benefits to both the City and Water and Wastewater customers:

- Detail City supported customer service levels and actions regarding water and wastewater customer sign-up and account closure, water metering, billing including both under-billing and over-billing adjustments, billing dispute resolution, and unpaid accounts;
- Outline customer account holder expectations to ensure the efficient, fair, and equitable delivery of services to all customers;
- Support the ongoing water billing meter audit and the billing system to ensure accurate, timely, and fulsome capture of water and wastewater revenue; and
- Align with corporate policy related to customer service, revenue capture, and collections.

The initial phase of the related Water and Wastewater Rate Review will commence in May 2016 with the tender of a Water and Wastewater Cost of Service Study. This Study, to be completed in late summer 2016, will be followed by a Council Workshop in the fall of 2016 to share results and confirm the terms of reference for the next step – the comprehensive Water and Wastewater Rate Review. Staff is planning for this work to be completed in 2017 in time for preparation of the 2017 Non-Tax-Supported Water and Wastewater Budgets.



FINANCIAL IMPLICATIONS

Funding for development of the By-law is available within the Council approved 2016 Water Services Non-Tax-Supported Operating Budgets. The proposed billing and collections provisions provided in the By-law will improve Water Services' ability to collect outstanding revenue from account holders and minimize staff time spent on collections and billing disputes. Additional funds collected will support Water and Wastewater operating budgets moving forward. No impacts to City Departments are anticipated as a result of the proposed By-law.

ACTION REQUIRED

That Infrastructure, Development and Enterprise Committee and City Council approve the recommendations stated below.

RECOMMENDATION

- 1. That the report from Infrastructure, Development and Enterprise dated June 7, 2016, regarding the Water and Wastewater Customer Accounts By-law, be received.
- 2. That the Water and Wastewater Customer Accounts By-law and revisions to the Water Supply By-law as outlined in the report from Infrastructure, Development and Enterprise, dated June 7, 2016 be approved.

BACKGROUND

In 1991 Guelph City Council endorsed the Water Supply By-law (1991)-13791, to regulate the general supply of water and the relationship between customers and Guelph Water Services. To date this By-law has addressed operation of the water supply system, as well as some routine customer interactions related to the provision of water and wastewater services, account turn-ons and turn-offs, metering and billing etc. Over time, and based on program need, portions of this By-law have been expanded and approved by Council as new by-laws to address specific issues (e.g. backflow prevention, outside water use, and fees and charges).

The City's water and wastewater customer base has expanded with community growth, and now represents approximately 42,000 customer accounts. In addition, user fee and charge increases driven by legislative requirements, infrastructure management, and other service drivers have resulted in monthly bills and billing adjustments that draw greater attention from both residential and business customers. Furthermore, metering practices implemented by other utilities (for example, Guelph Hydro Electric Systems Inc.) and municipalities, such as mandated hydroelectric smart metering, or the implementation of automated water meter reading and information systems, have supported increased customer service expectations related to the timeliness, accuracy, and availability of consumption and



billing information. For instance, some customers are now asking for billing systems that alert them in real time to abnormal utility use to avoid high utility bills.

Based on the above changes, and customer feedback received on a frequent basis, staff identified that the customer account provisions of the Water Supply By-law require updating to reflect best business practices. In response, staff developed a separate Water and Wastewater Customer Accounts By-law to replace the related provisions of By-law (1991)-13791.

REPORT

Staff is pleased to present the proposed Water and Wastewater Customer Accounts By-law (the By-law) and supporting report for Council's consideration and approval. The By-law will provide the following benefits to both the City and Water and Wastewater customers:

- Detail of City supported customer service levels and actions regarding water and wastewater customer sign-up and account closure, water metering, billing including both under-billing and over-billing adjustments, billing dispute resolution and unpaid accounts;
- Outline customer water and wastewater account holder expectations to ensure the efficient, fair, and equitable delivery of service to all customers;
- Support the ongoing water meter and billing system audit to ensure accurate, timely, and fulsome capture of revenue; and
- Align with corporate policy related to customer service, revenue capture, and collections.

Following a staff evaluation of related billing and collections practices amongst Council approved comparator municipalities, and in line with the practices of the City's billing agent – Guelph Hydro Electric Systems Inc., staff has developed the attached By-law for Council approval. The By-law details and clarifies the following business processes:

- 1. Delineation of City and Customer responsibilities for water and wastewater servicing, including safeguarding the City's metering assets on private property;
- 2. Specification of customer water metering requirements, related City billing practices based on field meter reads, and provisions supporting the maintenance of field meters and meter access;
- 3. Definition of business practices to address instances of customer over- and under-billing and respective terms of payment/collection consistent with applicable law;
- 4. Formal definition of customer service processes for water and wastewater billing charge disputes, including water meter testing and a formal dispute escalation processes;
- 5. Customer account collections procedures, consistent with terms of the City's Billing and Collections Service Agreement with Guelph Hydro;



- 6. The ability for the City to add water and wastewater account arrears to municipal property tax as supported by the Municipal Act; and
- 7. Procedures supporting enforcement activities of non-compliance and fraud, including isolation of water servicing to a premise.

The new Customer Accounts By-law draws heavily on some provisions of the 1991 Water Supply By-law. The new By-law will permit any provisions of the 1991 by-law that are not updated into the new By-law to continue in effect for the time-being. However, if there should be any conflict between the two by-laws, the provisions of the new one will prevail.

Staff is proposing that this by-law approval form the first step of a two-step process to replace the Water By-Law (1991)-13791. Council approval of the new By-law will provide a foundation for the addition of future sections that further detail customer service piping requirements, billing exceptions including tenant and landlord issues, and related customer service agreements. Staff anticipates that these sections will require thorough community and stakeholder consultation before coming to Council for approval, and include related engagement efforts within those planned for the 2016 Water and Wastewater Rate Review. Staff has scheduled work on these sections, including the initiation of the related customer consultation, to begin in the fall and be completed in 2017 in time for preparation of the 2017 Non-Tax-Supported Water and Wastewater Budgets. At the time of this second step, the remaining provisions in the Water Supply By-law will be updated and organized so as to focus specifically on operational aspects of the water supply system.

2016 Water Services Large Customer Meter and Account Audit

To confirm the integrity of the current large customer billing processes and the security of this significant revenue stream, staff will be initiating a large water meter and account audit in the fall of 2016. The first phase of this audit will target the 150 largest water consumer accounts, representing approximately 85% of current annual Industrial, Commercial and Institution sector revenues. Customer billing discrepancies identified through the audit will be administered in accordance with the approved By-law. Large meter audit activities are planned to commence in September 2016 and are targeted for completion over a two year term.

2016 Water and Wastewater Fees and Charges Review

In developing the proposed By-law, staff remained consistent with the Council approved user fees and charges setting objectives of equity and fairness, full cost recovery, revenue stability, water conservation and customer service and affordability. The ongoing Water and Wastewater Rate Review will examine practices that may create new costs for customers (peak usage rates), or review the assignment of costs between customer groups (basic charge allocations between residential and non-residential customers). Staff recognize the need for thorough community and stakeholder consultation as these rate and billing practices are examined, and is addressing this work through a comprehensive Water and Wastewater Rate Review. The Review is focusing on the following core tasks and policy areas:



- Service costs driven by customer sector and sufficiency of the current user fees for full cost recovery;
- Service affordability programs for households with limited income;
- Customer rate billing exemptions based on customer end use (such as water consumed through creation of a product, or evaporated by a process, which does not reach the sanitary sewer);
- Investigation of customer high bill forgiveness policies; and
- Format of fees and charges structure and fees and charges structure alternatives to promote efficient water use.

The initial phase of this review will commenced in May 2016 with the tender of a Water and Wastewater Cost of Service Study to evaluate services offered by the City, causative costs influenced by separate customer sectors, and the adequacy of current user rates in recovering the full costs of such services. This Study is anticipated for completion in late summer 2016, with staff to convene a Workshop of Council in the fall of 2016 to share results of this study and confirm the terms of reference for the comprehensive Water and Wastewater Review prior to formal execution of this next step in the process.

CORPORATE STRATEGIC PLAN:

- 1.2 Develop collaborative work teams and apply whole systems thinking to deliver creative solutions
- 2.2 Deliver public service better
- 2.3 Ensure accountability, transparency and engagement

FINANCIAL IMPLICATIONS:

Funding for development of the By-law is available within the Council approved 2016 Water Services Non-Tax-Supported Operating Budgets. The proposed customer account provisions included in the By-law will improve Water Services' ability to collect outstanding revenue from account holders and minimize staff time spent on collections and billing disputes. Additional funds collected will support Water and Wastewater operating budgets moving forward. No impacts to City Departments are anticipated as a result of the proposed By-law.

DEPARTMENTAL CONSULTATION:

Corporate Communications, Finance, Legal Services, Wastewater Services, Water Services.



COMMUNICATIONS:

A communications plan to support implementation of the Water and Wastewater Customer Accounts By-law is currently under development with Corporate Communications with associated public outreach products to be implemented with Q3 2016.

ATTACHMENTS

ATT-1

2016 Water and Wastewater Customer Accounts By-law

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THE CORPORATION OF THE CITY OF GUELPH

By-law Number (2016) - XXXX A by-law to regulate customer accounts for Water and Wastewater services in the City of Guelph.

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

1.0 DEFINITIONS

- 1.1 In this by-law, the following terms shall have the corresponding meanings:
- "Account Holder" means a person whose land is serviced by the Water Supply System and/or the Wastewater Treatment System, and who has a water and/or wastewater servicing account with the Billing Agent.
- "Billing Agent" means the City or the contractor of the City responsible for water and/or wastewater meter reading, billing, revenue collection and related customer administration.
- "City" means The Corporation of the City of Guelph, and/or its directors, officers, employees, agents and contractors.
- "Fees and Charges By-law" means the City's Water and Wastewater Service Rates and Charges By-law Number (2015)-19977, as amended or replaced from time to time.
- "Non-residential Property" means land zoned for non-residential use pursuant to the Zoning By-law.
- "Plant Manager" includes the following individual employees of the City:
 - i. The individual holding the position of Plant Manager of the City of Guelph's Water Services;
 - ii. The individual holding a successor position to the Plant Manager with responsibility for similar matters:
 - iii. Any individual responsible for supervision of either of the foregoing individuals; and
 - iv. Any other individual acting under the direction of any of the foregoing individuals for the purposes of this By-law.
- "Property Owner" includes every person who, alone or in conjunction with one or more others, has control over land, and, without limiting the generality of the foregoing, includes every registered owner and every owner as shown on the last revised assessment roll held by the City.
- "Residential Property" means land zoned for residential use pursuant to the Zoning By-law.
- "Tenant" means a person who rents or leases land from a Property Owner.
- "Wastewater Treatment System" means the wastewater treatment plants and collection system operated by the City, consisting of all infrastructure necessary to collect, treat, and discharge wastewater.
- "Water Supply System" means the water supply and distribution system operated by the City, consisting of various water sources, including groundwater wells, fire hydrants, and water filling stations, and all infrastructure necessary to collect, treat, and distribute the water.
- "Zoning By-law" means the City's Zoning By-law Number (1995)-14864, as amended or replaced from time to time.

2.0 APPLICATION OF THIS BY-LAW

- 2.1 The provisions of this By-law govern and regulate customer accounts for water and wastewater services, including applicable fees and charges, and are in addition to any requirements set out in any agreement with a Billing Agent. The City, in its discretion, may resolve any conflict between the provisions of this By-law and the provisions of any agreement with a Billing Agent.
- 2.2 By applying for, or accepting, the supply of water from the Water Supply System or the discharge of wastewater into the Wastewater Treatment System, a Property Owner or Tenant is deemed to have

By-law Number (2016) – xxxx Page 2

expressed his, her, its or their consent to be bound by the provisions of this Bylaw.

3.0 GENERAL CITY AND ACCOUNT HOLDER RESPONSIBILITIES

- 3.1 For the purpose of this By-law, the City is responsible for:
 - a) The general operation and management of the Water Supply System and the Wastewater Treatment System;
 - b) The installation and maintenance of water meters, meter wires, and meter remotes, and the reading of meters and remotes for the purposes of billing for water and wastewater services;
 - c) The operation, management and supervision of the accounts, billing and collection of water and wastewater fees and charges; and
 - d) The enforcement of the provisions of this By-law and the agreement with the Billing Agent relating to meter reading, accounts, billing and collection of water and wastewater fees and charges.
- 3.2 For the purpose of this By-law, the Account Holder shall:
 - a) Pay water and wastewater fees and charges based on all metered water consumption, all fixed charges, and other fees and charges at the rates specified in the Fees and Charges By-law;
 - b) If a Tenant, obtain any permission from the Property Owner, and if a Property Owner, provide any permission, that may be required for the City to access the Water Supply System or Wastewater Treatment System, including water meters, meter wires, and meter remotes for activities including installation, maintenance, replacement, testing and meter reading;
 - c) Maintain, at the Account Holder's own expense, the privately-owned water service, plumbing system, irrigation system, water-using appliances, and related water fixtures and appurtenances in proper working order and good repair, and promptly repair deficiencies and leaks from any of the above;
 - d) If the land is unoccupied, ensure that it is inspected regularly for any leaking plumbing or abnormal water usage and, if necessary, ensure that the water supply to the land is temporarily turned off or isolated and drained until the land becomes occupied; and
 - e) Upon request, provide the City in a timely manner with accurate information on any leaking privately-owned water service, plumbing system, irrigation system, water-using appliances, and related water fixtures and appurtenances that could cause abnormal water consumption and corresponding abnormal billing.

4.0 CUSTOMER ACCOUNT CREATION

- 4.1 Every person who commences to occupy land serviced by the Water Supply System or Wastewater Treatment System shall immediately request the Billing Agent to create a new customer account.
- 4.2 Every person applying to receive water from the Water Supply System and/or to connect to the Wastewater Treatment System shall, at the time of application and in advance of such receipt and/or connection, pay the applicable deposits as determined by the Billing Agent.
- 4.3 Every Property Owner, Tenant or Account Holder, applying to receive water from the Water Supply System and/or to connect to the Wastewater Treatment System, shall make immediate arrangements with the City to allow access to the land by the City to install the water meter and water meter remote.

5.0 CUSTOMER ACCOUNT STATUS

5.1 An Account Holder may, at any time, request a certificate from the City and/or Billing Agent showing the amount of any water and/or wastewater fees or charges outstanding against the Account Holder's land and customer account, and the period to which such fees and charges apply.

6.0 CUSTOMER ACCOUNT TERMINATION

6.1 An Account Holder who wishes to cease water and wastewater service and close his, her, its or their customer account, shall provide a request for such closure to the Billing Agent. If the Account Holder proposes to vacate the land, he, she, it or they shall request a final meter reading before vacating the land. The Billing Agent shall continue to levy fees and charges until such notice has been received from the Account Holder

7.0 METERING - ACCOUNT HOLDER RESPONSIBILTIES

7.1 Every Account Holder, Property Owner, Tenant, or occupant of land on which a water meter, meter wire, or meter remote has been installed for billing purposes shall:

By-law Number (2016) – xxxx Page 3

- a) Take all reasonable precautions to protect such water meter, meter wire, and meter remote and related connections from damage by frost, impact, or otherwise;
- b) Prevent freezing of the water meter, and maintain heat to it and the connected privately-owned plumbing;
- c) Allow safe access, upon request with reasonable notice, to the water meter, meter wire, meter remote and related connections for the Billing Agent to perform meter-reading duties;
- d) Allow safe, unrestricted access, upon request with reasonable notice, to the water meter, meter wire, meter remote and related connections for the City to perform maintenance work;
- e) Provide immediate notice to the City if any water meter, meter wire, meter remote or related connection has been damaged or interfered with, or made inaccessible to the City and/or Billing Agent;
- f) Maintain the condition of the privately-owned water service, the plumbing connected to the water meter, and the stop and waste or isolation water valve immediately upstream of the water meter, to allow the City to maintain the water meter;
- g) Immediately report to the City any leaks that develop from the water meter or the related connections;
- h) Report to the City, immediately, the opening of any water meter by-pass; and
- i) If possible, confirm the reading on the water meter with the account billing information and confirm the meter remote reading against the inside water meter. In the case of a discrepancy, the Account Holder shall pay in accordance with the reading on the inside water meter.
- 7.2 The Account Holder, Property Owner, Tenant, or occupant of land on which a water meter, meter wire, or meter remote has been installed shall not:
 - a) Restrict the City's access to the land for the purpose of water meter, meter wire, or meter remote installation, reading, testing, or maintenance;
 - b) Fail to provide immediate notice to the City when any meter, meter wire, or meter remote or related connection has been damaged or interfered with, or made inaccessible to the City;
 - c) Upon receiving direction from the City, fail to repair, at the sole cost of the offending Account Holder, Property Owner, Tenant or occupant, the privately-owned plumbing or stop and waste or isolation valve in a timely manner to allow the City to carry out maintenance work;
 - d) Fail to report to the City immediately the opening of a water meter bypass;
 - e) Install, replace, alter, damage, interfere with, make inaccessible, or remove the City water meter, meter wire, meter remote, meter seal, or bypass seal; and
 - f) Alter or impair any water meter, meter wire or remote, or the plumbing connected upstream or downstream of the meter, so as to lessen, stop, or alter the amount of water registered by the water meter or remote.
- 7.3 If an Account Holder, Property Owner, Tenant, or occupant commits any of the foregoing prohibited activities, the City may:
 - a) With reasonable notice, turn off or reduce the water supply to the land until the deficiency is rectified and any outstanding related fees and charges are paid to the satisfaction of the Plant Manager. The Account Holder shall pay the related charges for turning the water off and on as specified in the Fees and Charges By-law;
 - b) Bill the Account Holder for all applicable repair, replacement, administrative and account-adjustment costs for resolution of any damage to, or interference with, the water meter, meter wire, or meter remote in accordance with the Fees and Charges By-law;
 - c) If water use has been unmetered as the result of an open by-pass, bill the Account Holder for immediate payment of all applicable water and wastewater fees and charges for the water used based on a City estimate of prior or future water use; and
 - d) If water or wastewater service theft has occurred, bill the Account Holder the full real or Cityestimated cost of all stolen services with applicable interest. Payment of these costs will be due immediately. If the Account Holder fails to pay these costs, the City may reduce or turn off the water to the land and bill related additional costs to the Account Holder.

8.0 UNDER-BILLING ADJUSTMENTS

- 8.1 If an Account Holder is under-billed, as the result of the failure of a water meter or remote, the actions of the City, or the unintentional actions of the Account Holder, Property Owner, Tenant, or occupant, the City shall:
 - a) Determine a reasonable estimate of the under-billed volumetric charges owed for a back-billing period of up to two (2) years prior to the date of the most recent, accurate meter reading and/or billing as follows:
 - Using the following methods in the following priority order, estimate the water consumption for the back-billing period as follows: first, if applicable, calculate the consumption through an accurate mathematical correction; second, if practical, use the Account Holder's average consumption billed over one or more future billing periods; third, if available, use the Account Holder's average consumption billed over one or more past billing periods; and

- fourth, in the absence of following the above methods, apply the average consumption of customers from a similar customer group,
- ii. Apply the appropriate historic volumetric rates to that estimated water consumption, on a weighted average basis, to produce the estimated proper volumetric charges, and
- iii. Deduct the actual volumetric charges billing from the estimated proper volumetric charges billing to determine the under-billed volumetric charges;
- b) Calculate the under-billed fixed charges based on the period of time that these charges were not billed and the rates in effect over this period; and
- c) After calculating the under-billed volumetric and fixed charges, and without the addition of interest to these charges, notify the Account Holder of the back-billing charges and provide the option of a payment plan if the Account Holder so requests.
- 8.2 If the City, acting reasonably, determines that an Account Holder, Property Owner, Tenant, or occupant has intentionally caused an under-billing of the Account Holder, the City shall:
 - a) Determine a reasonable estimate of the under-billed volumetric charges owed for the entire period over which the Account Holder has been under-billed following the process described in paragraph 8.1 a) above;
 - b) Calculate under-billed fixed charges based on the period of time that these charges were not billed and the rates in effect over this period;
 - c) Calculate and assess interest charges for all under-billed charges owing;
 - d) Have the right to report cases of water and wastewater services theft, tampering or vandalism to the proper authorities and to charge the Account Holder with non-compliance with this By-law; and
 - e) Once the under-billed volumetric and fixed charges have been calculated, notify the Account Holder of the back-charges and interest owed with these charges, payment of all of which is immediately due in full
- 8.3 If the Account Holder fails to pay any back-billing charges or to comply with any payment plan, then the City may:
 - a) Turn off or reduce the supply of water to the land until all outstanding fees and charges are paid in full;
 - b) Assess interest on the outstanding fees and charges under this By-law; and/or
 - c) Transfer all outstanding balances to the property tax roll for the land of the Account Holder.

9.0 OVER-BILLING ADJUSTMENTS

- 9.1 If an Account Holder is over-billed, as the result of the failure of a City water meter or remote, the actions of the City, or the unintentional actions of the Account Holder, Property Owner, Tenant, or occupant, the City shall:
 - a) Determine a reasonable estimate of the over-billed volumetric charges for an over-billed period of up to two (2) years prior to the date of the most recent, accurate meter reading and/or billing as follows:
 - i. Using the following methods in the following priority order, estimate the water consumption for the back-billing period as follows: first, if applicable, calculate the consumption through an accurate mathematical correction; second, if practical, use the Account Holder's average consumption billed over one or more future billing periods; third, if available, use the Account Holder's average consumption billed over one or more past billing periods; and fourth, in the absence of following the above methods, apply the average consumption of customers from a similar customer group,
 - ii. Apply the appropriate historic volumetric rates to that estimated water consumption, on a weighted average basis, to produce the estimated proper volumetric charges, and
 - iii. Deduct the estimated proper volumetric charges billing from the actual volumetric charges billing to determine the over-billed volumetric charges;
 - b) Calculate the over-billed fixed charges based on the period of time that these charges were overbilled and the rates in effect over this period;
 - c) Calculate interest charges on the over-billed amount;
 - d) After calculating the over-billed volumetric and fixed charges, and interest owing, notify the Account Holder of the amounts; and
 - e) Pay the Account holder or credit the over-billed amounts and interest to the Account Holder's account.

10.0 METER AND BILLING DISPUTE RESOLUTION

10.1 In the event of a billing dispute related to the accuracy or function of a water meter, the reading of the water meter register will be the sole evidence of the quantity of water supplied to the Account Holder and will be used for all related billing purposes unless the water meter is proven to be defective through a third party meter test conducted by the City.

- 10.2 If a City water meter is equipped with a remote, and a discrepancy occurs between the reading at the meter register and the reading on the remote, the City shall consider the reading at the meter register to be correct, and will adjust and correct the Account Holder's account accordingly for billing purposes.
- 10.3 If an Account Holder questions the accuracy of the applicable City water meter, such Account Holder may request a meter test by entering into a meter testing agreement with the City and agreeing to pay, as outlined below, the meter testing fee as set out in the Fees and Charges By-Law. During the period of meter testing, the Account Holder shall continue to pay all ongoing undisputed bills.
- 10.4 Meter test results will be applied as follows:
 - a) If the City meter test results confirm that the meter accuracy at the maximum rate is equal to or less than the applicable maximum rate accuracy limits set out in the most recent version of the American Water Works Association Manual M6, or equivalent, then the City shall add the meter testing fee to the Account Holder's account; or
 - b) If the City meter test results confirm that the meter accuracy at the maximum rate is higher than the applicable maximum rate accuracy limits set out in the most recent version of the American Water Works Association Manual M6, or equivalent, then the City shall perform a billing correction as follows:
 - i. Calculate the consumption correction factor that represents the greatest difference between the tested meter maximum rate accuracy percent and the standard maximum rate accuracy percent,
 - ii. Determine the over-billed consumption amount by applying this correction factor to the total consumption over-billed to the Account Holder for a period of up to four (4) of the Account Holder's most recent bills, and
 - iii. Apply the remainder of the over-billing adjustment process described above to credit the customer with the charges related to the over-billed consumption total.
- 10.5 If an Account Holder wishes to appeal the accuracy of an account billing, a meter testing process, an under-billing adjustment process, or an over-billing adjustment process, then the Account Holder shall complete the City's appeal notice and submit it to the Plant Manager within thirty (30) calendar days after receiving the meter testing results or notice of the over-billing or under-billing (as applicable).
- 10.6 Upon receipt of an appeal form from an Account Holder, the Plant Manager shall, within thirty (30) days, review the appeal and provide a written final decision to resolve the Account Holder's appeal.
- 10.7 During the periods of Account Holder appeal preparation and Plant Manager appeal review, the Account Holder shall continue to pay all ongoing undisputed bills.
- 10.8 The outcome of the Plant Manger's final decision may be as follows:
 - a) If the Plant Manager's final decision is that the Account Holder must pay the meter testing fee, all due regular billing charges, and any under-billing charges, then the Account Holder shall do so; or
 - b) If the Plant Manager's final decision is that the City must pay any over-billed charges to the Account Holder, then the City shall do so.

11.0 UNPAID ACCOUNTS

- 11.1 If any account under this By-law remains unpaid after its payment due date, the City may issue an outstanding payment notice to the Account Holder.
- 11.2 If an account under this By-law remains unpaid after issuance of an outstanding payment notice, the City may issue a final outstanding payment notice to the Account Holder, Property Owner, Tenant and occupant of the land by personal service or prepaid mail or by posting the notices on the land in a conspicuous place.
- 11.3 If an account under this by-law remains unpaid after the provision of a final outstanding payment notice, the City may:
 - a) Add the amount of the account to the tax roll for the property to which the water and wastewater services were supplied, providing notice of such action to the Property Owner, detailing the fees and charges so added; and
 - b) Shut off or reduce the provision of water and wastewater services to the land.
- 11.4 If the City has shut off or reduced the provision of water and wastewater services to land, it shall not restore the provision of those services to that land until all fees and charges under this By-law, including any service charges, penalties and interest, have been paid in full, or the Account Holder has entered a payment plan with the City or Billing Agent.

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12.0 OFFENCE

12.1 Every person who contravenes any provision of this by-law is guilty of an offence, and on conviction is liable to a maximum fine of \$10,000 for each offence.

13.0 RELATIONSHIP WITH WATER SUPPLY BY-LAW

13.1 If any provision of this By-law conflicts with any provision of By-law Number (1991)-13791, the provision of this By-law will prevail.

PASSED this TWENTY-SEVENTH day of JUNE, 2016.

CAM GUTHR	JE – MA	YOR	



TO Infrastructure, Development and Enterprise Committee

SERVICE AREA Infrastructure, Development and Enterprise

DATE June 7, 2016

SUBJECT SIGN BY-LAW VARIANCES

175 Chancellors Way

REPORT NUMBER 16-43

EXECUTIVE SUMMARY

PURPOSE OF REPORT

To advise Council of sign by-law variance requests for 175 Chancellors Way.

Location: 175 Chancellors Way

KEY FINDINGS

The City of Guelph Sign By-law Number (1996)-15245, as amended, does not provide regulations to permit freestanding signs in Specialized I.2 Institutional Zones. Section 2 (2) of the Sign By-law states: "Signs that are not specifically permitted by this by-law are prohibited".

Pride Signs Ltd. has submitted a sign by-law variance application on behalf of the University of Guelph to permit one (1) illuminated freestanding sign with a sign face area of 6.14m² and a height of 4.87m above the adjacent roadway at 175 Chancellors Way. The property of 175 Chancellors Way is zoned Specialized Institutional I.2-2.

The request is for sign variances to permit a freestanding sign and establish the necessary regulations for a freestanding sign on this property.

The requested variance from the sign by-law is recommended for approval for the following reasons:

- The sign will assist the public by identifying the tenants of the property;
- The request is reasonable given the number of tenants and the size of the property;
- The sign meets all other regulations for an illuminated sign (in another zone), including being located further (42m) than the required 15m from a residential zone; and
- Given the location, the proposed sign should not have a negative impact on the streetscape or surrounding area.

FINANCIAL IMPLICATIONS

N/A

ACTION REQUIRED

To approve the requested sign by-law variances for 175 Chancellors Way.



RECOMMENDATION

- 1. That Report 16-43 from Infrastructure, Development and Enterprise dated June 7, 2016 regarding sign by-law variances for 175 Chancellors Way, be received.
- 2. That the request for variances from the City of Guelph Sign By-law to permit one (1) illuminated freestanding sign with a sign face area of 6.14m² and a height of 4.87m above the adjacent roadway at 175 Chancellors Way, be approved.

BACKGROUND

Pride Signs Ltd. had submitted a sign permit application on behalf of the University of Guelph at 175 Chancellors Way (see "Attachment 1– Location Map"). Upon review of the application it was observed that the proposed freestanding sign is to be located in the Specialized Institutional I.2-2 Zone for a "Medical Arts Centre". The exemption in the City of Guelph Sign Bylaw relating to signs located on University of Guelph land applies to the General I.2 and Specialized I.2-1 zones only. The City of Guelph Sign By-law Number (1996)-15245, as amended, does not contain regulations for freestanding signs within Institutional I.2 Zones. Given that the exemption does not apply and that there are no established permissive regulations to allow the freestanding sign, the permit could not be issued.

REPORT

Pride Signs Ltd. has submitted a sign by-law variance application on behalf of the University of Guelph to permit one (1) illuminated freestanding sign with a sign face area of 6.14m² and a height of 4.87m above the adjacent roadway at 175 Chancellors Way (see "Attachment 2 – Sign Variance Drawings").

The following is a summary of the reasons that have been supplied by the applicant in support of the variance requests:

- The sign will provide proper exposure to the site and its tenants; and
- There will be a number of units at this site and the proposed sign is essential to provide the public with direction and easy identification.

The requested variances are as follows:

	By-law Requirements	Request
Maximum sign area	No regulations	6.14m²
Lighting permitted	No regulations	Permit internal lighting
Maximum height above adjacent roadway	No regulations	4.87m

The requested variance from the sign by-law is recommended for approval for the following reasons:

- The sign will assist the public by identifying the tenants of the property;
- The request is reasonable given the number of tenants and the size of the property;



- The sign meets all other regulations for an illuminated sign (in another zone), including being located further (42m) than the required 15m from a residential zone; and
- Given the location, the proposed sign should not have a negative impact on the streetscape or surrounding area.

In forming its opinion, staff also took into consideration the regulations provided in the Sign By-law for other zones which also permit medical and pharmacy uses. Institutional I.3 Zones and Commercial Zones (Neighbourhood, Community and Regional Shopping Centre Zones and Service Commercial Zones) also permit medical and pharmacy uses. While the Sign By-law restricts freestanding signs with internal lighting to a maximum sign face of 3m² and a height of 1.8m in an Institutional I.3 Zone; it also allows illuminated freestanding signs with the same setback and frontage in a Commercial Zone to have a sign face area of up to 10m^2 and a height of 4.5m above an adjacent roadway. A freestanding sign in a Commercial Zone set back an additional metre would be permitted a maximum sign face of 17m^2 and a height of 6m.

Taking into account all factors, staff considers the request to permit one (1) illuminated freestanding sign with a sign face area of 6.14m² and a height of 4.87m above the adjacent roadway reasonable and therefore recommends approval.

CORPORATE STRATEGIC PLAN:

3.1- Ensure a well-designed, safe, inclusive, appealing and sustainable City

FINANCIAL IMPLICATIONS:

N/A

DEPARTMENTAL CONSULTATION:

N/A

COMMUNICATIONS:

N/A

ATTACHMENTS

Attachment 1

Location Map

Attachment 2

Sign Variance Drawings

Report Author

Bill Bond Zoning Inspector III/ Senior Bylaw Administrator



Approved By

Patrick Sheehy Program Manager – Zoning

Approved By

Todd Salter
General Manager
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Approved By

Rob Reynen

Chief Building Official

Recommended By

Scott Stewart, C.E.T.

Deputy CAO

Part

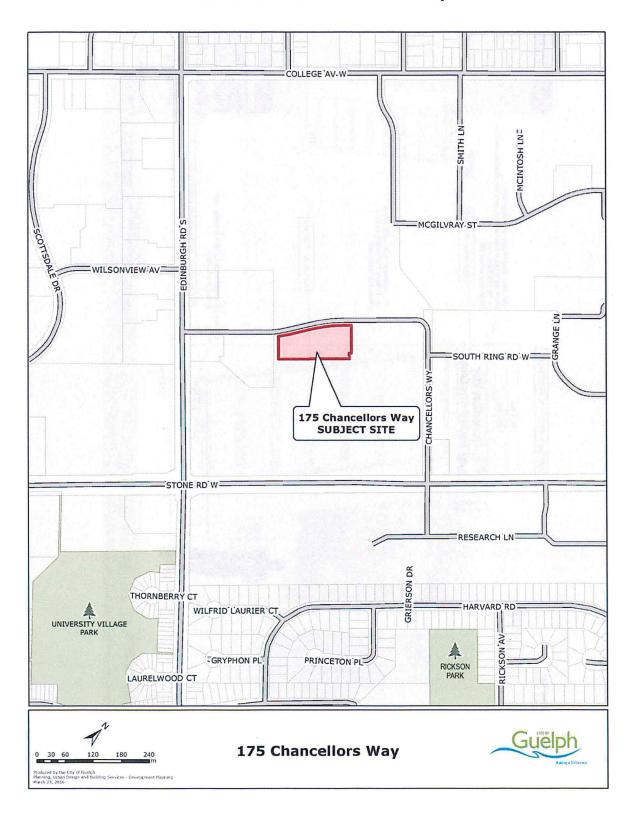
Infrastructure, Development and Enterprise

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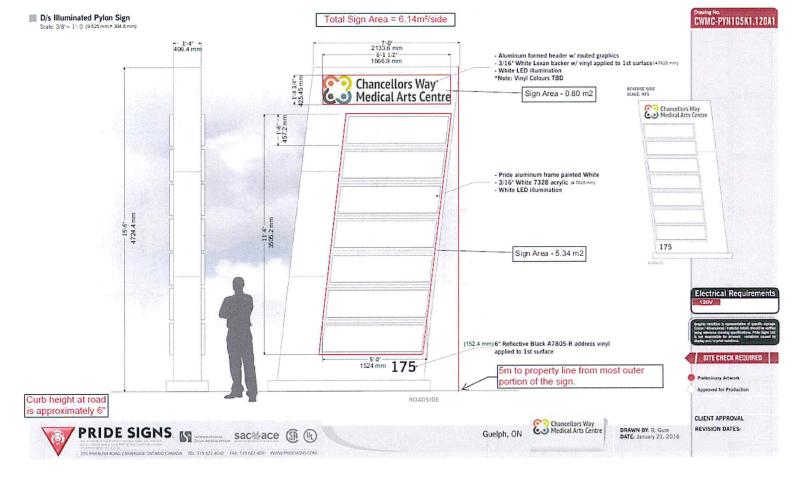
scott.stewart@guelph.ca



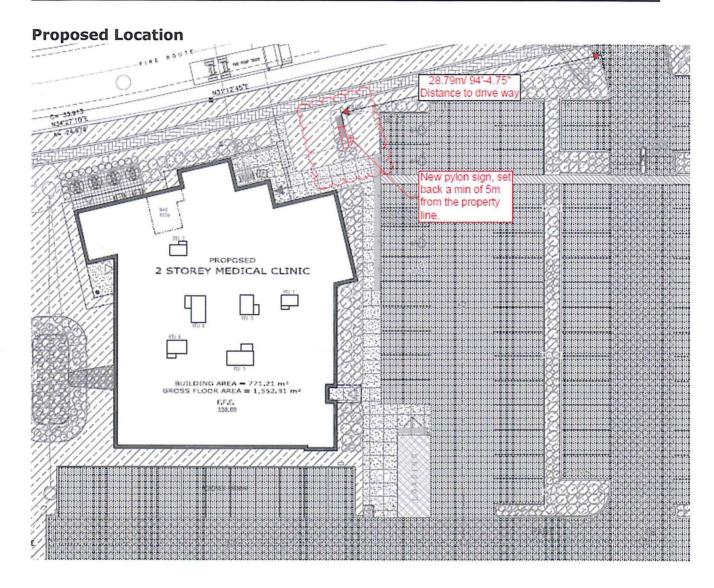
ATTACHMENT 1- Location Map



ATTACHMENT 2-Sign Variance Drawings









TO Infrastructure, Development and Enterprise Committee

SERVICE AREA Infrastructure, Development and Enterprise

DATE June 7, 2016

SUBJECT SIGN BY-LAW VARIANCES

125 Chancellors Way

REPORT NUMBER 16-42

EXECUTIVE SUMMARY

PURPOSE OF REPORT

To advise Council of sign by-law variance requests for 125 Chancellors Way.

Location: 125 Chancellors Way

KEY FINDINGS

The City of Guelph Sign By-law Number (1996)-15245, as amended, restricts the location of all signage above 0.8m to an area outside of a 7m by 5m sightline triangle formed where a driveway intersects with a street or sidewalk and does not provide regulations to permit freestanding signs in Specialized I.2 Institutional Zones. Section 2 (2) of the Sign By-law further states: "Signs that are not specifically permitted by this by-law are prohibited".

Scutt Signs has submitted a sign by-law variance application on behalf of the Lammer Development Group to permit one (1) non-illuminated freestanding sign with a sign face area of 3.65m² and a height of 1.9m above the adjacent roadway within a 7m by 5m driveway sightline triangle at 125 Chancellors Way. The property of 125 Chancellors Way is zoned Specialized Institutional I.2-2.

The request is for sign variances to permit a freestanding sign to be located within a 7m by 5m driveway sightline triangle and to establish regulations to permit a freestanding sign in a Specialized I.2 Institutional Zone at 125 Chancellors Way.

The requested variance from the sign by-law is recommended for approval for the following reasons:

- The sign will assist the public in identifying the location of the business;
- The request is reasonable given the surrounding area and the size of building;
- The City of Guelph Zoning By-law allows for a structure to be located within a 7m by 5m (but outside of a 4m by 5m) sightline triangle by a driveway;
- The sign will be located outside of a 4m by 5m driveway sightline triangle as indicated in the approved site plan;
- In consultation with Transportation Services, it has been determined that



the location of the sign would not negatively impact the visibility of drivers or pedestrians; and

• The proposed sign should not have a negative impact on the streetscape or surrounding area due to its scale and placement.

FINANCIAL IMPLICATIONS

N/A

ACTION REQUIRED

To approve the requested sign by-law variances for 125 Chancellors Way.

RECOMMENDATION

- 1. That Report 16-42 from Infrastructure, Development and Enterprise dated June 7, 2016 regarding sign by-law variances for 125 Chancellors Way, be received.
- 2. That the request for variances from the City of Guelph Sign By-law to permit one (1) non-illuminated freestanding sign with a sign face area of 3.65m² and a height of 1.9m above the adjacent roadway within a 7m by 5m driveway sightline triangle at 125 Chancellors Way, be approved.

BACKGROUND

Scutt Signs had submitted a sign permit application on behalf of the Lammer Development Group for 125 Chancellors Way (see "Attachment 1– Location Map"). Upon review of the application it was observed that the proposed freestanding sign is to be located in the Specialized Institutional I.2-2 Zone. The exemption in the City of Guelph Sign Bylaw relating to signs located on University of Guelph land applies to the General I.2 and Specialized I.2-1 zones only. The City of Guelph Sign By-law Number (1996)-15245, as amended, does not contain regulations for freestanding signs within Institutional I.2 Zones. The Sign By-law also restricts the location of all signage above 0.8m to an area outside of a 7m by 5m sightline triangle formed where a driveway intersects with a street or sidewalk.

Given that the exemption does not apply, the location of the sign within a restricted 7m by 5m sightline triangle beside the driveway, and that there are no established permissive regulations to allow the freestanding sign, the permit could not be issued.

REPORT

Scutt Signs has submitted a sign by-law variance application on behalf of the Lammer Development Group to permit one (1) non-illuminated freestanding sign with a sign face area of 3.65m^2 and a height of 1.9m above the adjacent roadway within a 7m by 5m driveway triangle at 125 Chancellors Way. The property of 125 Chancellors Way is zoned Specialized Institutional I.2-2. (see "Attachment 2 – Sign Variance Drawings").



The requested variances are as follows:

	By-law Requirements	Request
Maximum sign area	No regulations	3.65m²
Maximum height above adjacent roadway	No regulations	1.9m
Location Restriction	Outside of 7m by 5m driveway sightline triangle	Within a 7m by 5m sightline triangle, but outside of a 4m by 5m driveway sightline triangle

The requested variance from the sign by-law is recommended for approval for the following reasons:

- The sign will assist the public in identifying the location of the business;
- The request is reasonable given the surrounding area and the size of building;
- The City of Guelph Zoning By-law allows for a structure to be located within a 7m by 5m (but outside of a 4m by 5m) sightline triangle by a driveway;
- The sign will be located outside of a 4m by 5m driveway sightline triangle as indicated in the approved site plan;
- In consultation with Transportation Services, it has been determined that the location of the sign would not negatively impact the visibility of drivers or pedestrians; and
- The proposed sign should not have a negative impact on the streetscape or surrounding area due to its scale and placement.

CORPORATE STRATEGIC PLAN:

3.1- Ensure a well-designed, safe, inclusive, appealing and sustainable City

FINANCIAL IMPLICATIONS:

N/A

DEPARTMENTAL CONSULTATION:

Engineering and Capital Infrastructure Services (Transportation Services)

COMMUNICATIONS:

N/A

ATTACHMENTS

Attachment 1

Location Map

Attachment 2

Sign Variance Drawings



Report Author

Bill Bond Zoning Inspector III/ Senior Bylaw Administrator

Approved By

Patrick Sheehy Program Manager – Zoning

Approved By

Todd Salter
General Manager
Planning, Urban Design, and
Building Services
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Chief Building Official

Recommended By

Scott Stewart, C.E.T.

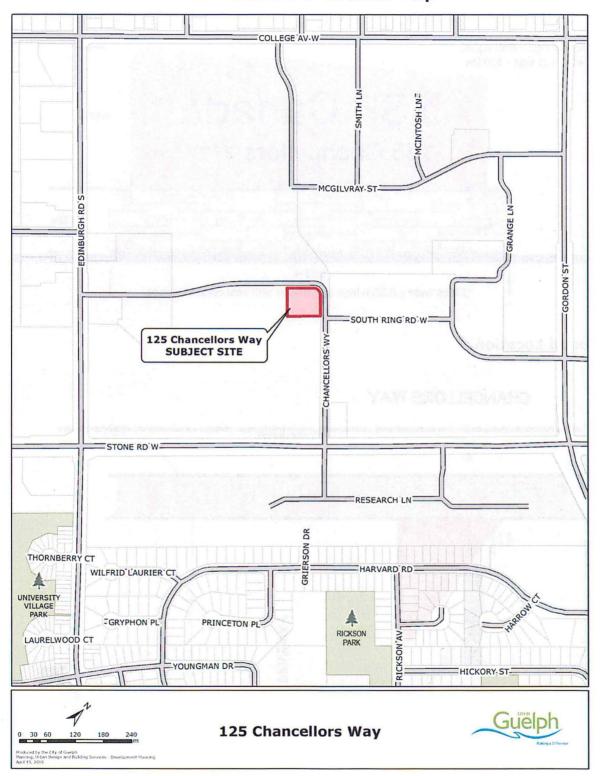
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Infrastructure, Development and Enterprise 519-822-1260, ext. 3445

scott.stewart@guelph.ca



ATTACHMENT 1- Location Map



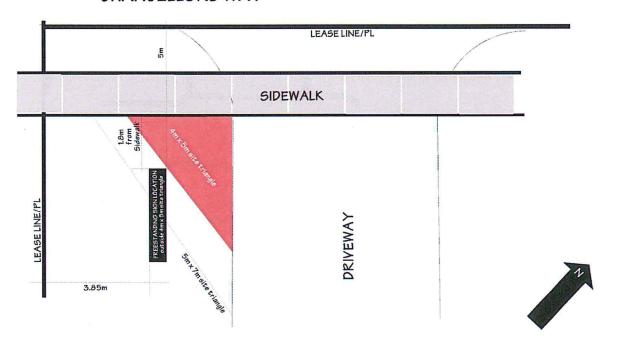


ATTACHMENT 2- Sign Variance Drawings



Proposed Location

CHANCELLORS WAY



CONSENT REPORT OF THE PUBLIC SERVICES COMMITTEE

June 27, 2016

His Worship the Mayor and Councillors of the City of Guelph.

Your Public Services Committee beg leave to present their FOURTH CONSENT REPORT as recommended at its meeting of June 8, 2016.

If Council wishes to address a specific report in isolation please identify the item. The item will be extracted and dealt with immediately. The balance of the Consent Report of the Public Services Committee will be approved in one resolution.

PS-2016.9 Snow Disposal Facility - Requirements

- 1. That the Public Services Report # PS-16-12 "Snow Disposal Facility Requirements" dated June 8, 2016, be received; and
- 2. That staff be directed to commence the necessary pre-design/pre-construction studies and data collection for an upgraded snow disposal facility at Site #1: Wellington Street Site in 2016 with a view that construction can begin in 2017.

PS-2016.10 Guelph Transit Growth Opportunities

- 1. That the Public Services Report # PS-16-13 "Guelph Transit Growth Opportunities" dated June 8, 2016, be received; and
- That Guelph Transit staff be directed to include proposed service improvements in the 2017 Tax Supported Budget as an expansion package; and
- 3. That Guelph Transit staff work with staff throughout the organization to develop a multi-year plan and budget for the implementation of the recommendations in the Official Plan Review and the Transportation Master Plan review to ensure transit and alternative forms of transportation are considered in developing a comprehensive plan to support the City of Guelph's transportation and transit needs to 2035 and beyond; and
- 4. That City of Guelph and Guelph Transit staff be directed to start discussions with the federal and provincial governments to secure recently announced Transit Infrastructure funding.
- 5. That staff be directed to consider alternative service delivery when developing the comprehensive plan to support the City of Guelph's transportation and transit needs to 2035 and beyond.

All of which is respectfully submitted.

Councillor Cathy Downer, Chair Public Services Committee

Please bring the material that was distributed with the Agenda for the June 8, 2016 Public Services Committee meeting.



TO Public Services Committee

SERVICE AREA Public Services - Operations

DATE June 8, 2016

SUBJECT Snow Disposal Facility - Requirements

REPORT NUMBER PS-16-12

EXECUTIVE SUMMARY

PURPOSE OF REPORT

The purpose of this report is to provide the results of the recommendation from staff for site selection of a Snow Disposal Facility (SDF) based on the GHD engineering feasibility study, and to obtain Council approval to continue to the next step of pre-design/pre-construction studies and data collection in 2016 with a view to begin construction in 2017.

KEY FINDINGS

The existing SDF does not meet Ministry of Environment and Climate Change guidelines or best management practices. As a result, funds were requested in 2011 to be included in the 10 Year Capital Budget for SDF lifecycle upgrades to begin in 2016. In 2015 GHD engineering consultants based in Waterloo, ON were retained to conduct a feasibility study and basic costing for an upgraded SDF for the City of Guelph. The scope of the engineering evaluation included a constraint that the SDF was to be located on existing City owned property with a view that City operations were already occurring in those locations and land assembly would be prohibitive from both a time and financial cost perspective. Three sites on existing City property were considered. Other options to deal with excess snow were considered but deemed not viable.

Based on the GHD report and further City staff discussions, staff recommends the selection of Site #1: Wellington Street Site (Wastewater Treatment Plant location) as the preferred location of an upgraded SDF for the City of Guelph.

FINANCIAL IMPLICATIONS

It is estimated that the cost for the detailed design, detailed costing, environmental studies, permitting and contract administration would be approximately \$515,000 from the Capital Budget.

ACTION REQUIRED

To approve the recommendation.



RECOMMENDATION

- 1. That the Public Services Report # PS-16-12 "Snow Disposal Facility Requirements" dated June 8, 2016 be received
- 2. That staff be directed to commence the necessary pre-design/preconstruction studies and data collection for an upgraded snow disposal facility at Site #1: Wellington Street Site in 2016 with a view that construction can begin in 2017

BACKGROUND

As part of provincially regulated Winter Control operations in the City of Guelph, there is a requirement to move and remove snow in order to maintain highway (street) lane widths. This is mandated under the provincially legislated minimum maintenance standards, O Reg. 239/02, Section 4. By way of supporting these operations, the City has been operating a Snow Disposal Facility (SDF) on City owned land south of Wellington Street West (adjacent to the City's Wastewater Treatment Plant) for more than 30 years. The SDF is used by both City departments and third-party contractors for excess snow disposal (revenue source). The SDF is also used for stockpiling street sweepings from the City's spring and summer sweeping programs. The operation of the SDF is the responsibility of the Operations Department.

Upcoming changes to the Source Water Protection legislation were first introduced to the broader City approximately five years ago, and were followed up with the establishment of the Risk Management Office in the Engineering & Capital Infrastructure Services Department. Given the proximity of the SDF to source water vulnerability sites, staff determined improvements to the SDF were necessary in order that it would be compliant with any future legislation change, and to consider best practices in general. As a result, funds were requested in 2011 to be included in the 10 Year Capital Budget for SDF lifecycle upgrades to begin in 2016.

The City of Guelph is no different than other municipalities in Ontario that are experiencing similar challenges with snow removal, storage and disposal. These challenges have been impacted by design standards, growing downtown areas, heritage locations and intensification which all contribute to factors affecting location, size and environmental impacts of SDFs¹.

To date there are no federal or provincial laws or regulations that speak to the storage and disposal of excess snow; however, there have been some recent updates to a few source documents. Environment Canada recommends the use of the Transportation Association of Canada's *Syntheses of Best Practices Road Salt*

¹ Source: City of Kitchener Staff Report "Snow Disposal Site Selection Report" September 9, 2015



Management (2013). The Ontario Ministry of Environment and Climate Change (MOECC) recommends the use of their Guidelines on Snow Disposal and De-Icing Operations in Ontario (February 2011).

Capital funding was approved in 2014 for a feasibility evaluation study to be completed in 2015 to determine the recommended next steps to put the City's SDF into compliance with the Provincial MOECC guidelines and other best management practices.

REPORT

In 2015 GHD engineering consultants based in Waterloo, Ontario were retained to conduct a feasibility evaluation and basic costing for an upgraded Snow Disposal Facility (SDF) for the City of Guelph. The purpose of this report is to provide the results of the recommendation from staff for site selection based on the GHD engineering feasibility evaluation study, and get Council approval to continue to the next step of pre-design/pre-construction studies and data collection in 2016 with a view to begin construction in 2017.

SCOPE

The scope of the engineering evaluation included a constraint that the SDF was to be located on existing City owned property, with a view that City operations were already occurring in those locations and land assembly would be prohibitive from both a time and financial cost perspective. With that constraint in mind, City staff determined that there were three possible locations that should be considered. Those locations were as follows:

- Site #1: Wellington Street Site (Wastewater Treatment Plant location)
- Site #2: Stone Road Site (Waste Resource Innovation Centre location)
- Site #3: Eastview Road Site (Former City Landfill location)

The purpose of the feasibility study was to provide staff with a high level, objective, evaluation matrix with comparison of each of the locations against multiple criteria. Further, the report was to provide conceptual designs and screening level capital cost estimates for each location. The capital cost estimates were prepared as Class 4 cost estimates, as defined by the recommended practices of the Association of the Advancement of Cost Engineering (AACE) International which is the accepted practice for feasibility studies. No detailed engineering studies or environmental site assessments were conducted as part of this study.

GHD engineering consultants gathered data and documentation in the summer of 2015 which included MOECC guidelines, Grand River Conservation Authority (GRCA), Ministry of Natural Resources and Forestry (MNRF), interviews with other municipalities and interviews with staff in several affected City departments.



ASSUMPTIONS

Service Life

The service life of the existing SDF is unknown. It does not appear to have been built following a formal design process and is therefore considered legacy. GHD assumed that an operational service life of a newer/upgraded facility would be 25 years beginning its service operation in the winter of 2017/18, providing that design and construction is completed before then.

Snow Volume

Based on staff feedback from the winter of 2013/14, it was assumed that the worst case scenario for snow volume is approximately 69,000 cubic metres (m3) based on an existing SDF surface area of 1.38 hectares. Given population growth estimates for the next 25 years, it is estimated that the worst case scenario for snow volume would be approximately 93,000 cubic metres (m3) needing a surface area of 1.86 hectares.

Conceptual Design

Using best practices and guidelines, the following factors were considered in the conceptual designs provided:

- The SDF layout would have as much setback as possible from known and potential sensitive receptors (such as residential areas, wetlands, floodplains, surface water features, woodlands, recreational areas and significant wildlife habitats)
- Allowances for minimizing infiltration in areas of vulnerable groundwater resource via asphalt surface with underlying clay or other low permeability layers
- Site access and vehicular movements into and from the site as well as within the site (to include alternate uses such as temporary storage of street sweepings and other materiel from operational activities)
- Controlled entry into and from the site
- Environmental design to reduce peak chloride concentrations, reduce possible hydrocarbons and fine solids removal

It was noted that presently there are no known passive treatment technologies for chlorides in stormwater; however, quantity control devices can be utilized to reduce the peak concentrations during melt events at a facility. All conceptual designs provided to the City will require more refinement, which will occur during a detailed engineering design phase.



OTHER OPTIONS

Other options for the disposal of excess snow were considered. Three alternate options considered but not found viable were:

- Leave snow in situ on edge of right of way. This option is not practical, nor is it safe. Ontario regulations stipulate that the minimum lane width that must be maintained is 3m in order that emergency service vehicles can pass. In times of significant snowfall and cold weather, many City streets do not have the boulevard capacity to store excess snow which causes unsafe narrowing of streets.
- <u>Transfer snow outside the city</u>. A review of other municipalities indicates that each municipality takes responsibility for excess snow removed from within their boundaries and do not transfer outside their jurisdiction. Further, similar to landfill operations, there is no interest to accept snow from other jurisdictions given the high chloride levels contained in the excess snow and other possible contaminants.
- Use of mechanical snow melting equipment. Mechanical snow melting equipment is used primarily by airport authorities and a few municipalities where space requirements are critical. Most municipalities contacted do not have mechanical snow melters that are used regularly. Some municipalities reported that mobile mechanical melting equipment was not considered favorably by MOECC, largely due to safety, noise, and discharge quality concerns.

RECOMMENDATION OF SDF SITE SELECTION

Multi-Criteria Evaluation Matrix Summary

GHD consultants prepared a preliminary list of criteria to City staff to be used as evaluation for the SDF site selection. This was followed up with initial discussions with several departments and a preliminary site visit to each potential location. Based on feedback from City staff the evaluation criteria were reviewed and finalized, weights were then assigned to each criterion based on constraints and benefits.

After all data was collected and considered, a multi-criteria evaluation matrix summary was produced which shows side-by-side the three possible sites evaluated against the approved criteria (see ATT-1).

Examination of the attached summary shows that Site #1 and Site #2 were similar in total score, while Site #3 scored substantially lower. Further, the total estimated cost for Site #1 and Site #2 was similarly close while Site #3 was significantly higher.

Given the close evaluation scores for Site #1 and Site #2, City staff met to further discuss the multi-criteria evaluation summary to determine if there was a preferred



site. After further discussion, it was determined that the two criteria of "Social impact" and "Accessibility/ease of use" were of sufficient deviation that Site #1 was considered more favourable. However, it should be noted that the criteria of "Available area" concerning future expansion was also discussed and determined to not have as high a concern for Site #1 as indicated in the feasibility study. Based on the above discussion, staff recommend the selection of Site #1: Wellington Street Site (Wastewater Treatment Plant location) as the preferred location of an upgraded SDF for the City of Guelph.

NEXT STEPS

It is recommended that staff now proceed with pre-design/pre-construction studies that require completion to inform the detailed design. Once the studies are complete, the City intends to complete detailed design, permitting, and begin construction in 2017. It is estimated that the cost for the detailed design, detailed costing, environmental studies, permitting and contract administration would be approximately \$515,000 and would be funded out of the capital budget. More accurate construction costs would be available once this detailed design phase is completed and will inform the 2017 Capital Budget process.

Support to prepare a Request for Proposal (RFP) and contract administration will be provided by the Engineering and Capital Infrastructure Services.

CORPORATE STRATEGIC PLAN

Innovation in Local Government

2.2 Deliver Public Service better

City Building

- 3.1 Ensure a well designed, safe, inclusive, appealing and sustainable City
- 3.2 Be economically viable, resilient, diverse and attractive for business

DEPARTMENTAL CONSULTATION

Operations
Engineering and Capital Infrastructure Services
Environmental Services
Planning, Urban Design and Building Services
Legal, Realty and Risk Services

COMMUNICATIONS

N/A

ATTACHMENTS

ATT-1 Multi-Criteria Evaluation Matrix Summary



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ATT 1 Snow Disposal Facility – Requirements

Multi-Criteria Evaluation Matrix Summary

Evaluation Criteria			Site #1: Wellington Street Site	Site #2: Stone Road Site	Site #3: Closed Eastview Landfill Site
Criterion	Factors Considered	Criterion Weight	Score ¹	Score ¹	Score ¹
Social impact	Proximity to residential areas, amount of surrounding residential areas, proximity to recreational areas, proximity to businesses, proximity to future developments, population density, noise	0.15	8	6	5
Environmental impact	Sensitivity of surface water receptors, proximity to sensitive surface water receptors, proximity and extent of surrounding Natural Heritage Systems, proximity to potential identified species at risk habitats, proximity to flood plains, potential for air quality concerns	0.15	6	7	4
Cost	Capital cost to establish Site, operational costs, hauling costs, cost/complexity of required studies (e.g. EIS, traffic etc.) cost of completing engineering design	0.15	5	6	3
Source water protection	Vulnerability of site and surrounding area, permeability of surficial soils, proximity to municipal drinking water supply, proximity to domestic water supply wells, proximity to well head protection areas	0.15	5	4	6
Alternate Site Use	Potential for other uses such as equipment storage, vehicle parking, street sweepings management area, soil storage, recreational use	0.15	7	8	6
Available area	Available area, future expansion, proximity of the site to future projects	0.1	4	7	5
Security	Access control, proximity to populated areas, potential for flood risk, proximity to future projects	0.05	7	6	6
Accessibility/ease of use	Traffic access, proximity to snow removal areas/city centre, adjacent road infrastructure, ability to capture and control site runoff, access to necessary utilities	0.05	8	5	6
Ease of permitting	Number of permits required, complexity of the permits required, likelihood of agency acceptance, compatible current land-use	0.05	7	6	2
Total Score		1.0	6.15	6.20	4.80

Note:

Based on the results of the evaluation, Site #2: Stone Road Site had the highest score, closely followed by Site #1: Wellington Street Site.

^{1.} Scoring system for rating each alternative in this decision matrix is based on a scoring range of 1-10 (1 least favourable - 10 most favourable)

ATT 1 Snow Disposal Facility – Requirements

An overview of the screening level cost estimates to compare the total costs for all three Sites is presented in Table 5 below.

Overview of Screening Level Cost Estimate				
	Construction Cost	Studies, Design, Permits, Construction Administration	Total Estimated Cost	
Site #1 - Wellington Road Site	\$3,429,250.00	\$514,387.50	\$3,944,000.00	
Site #2 - Stone Road Site	\$3,118,750.00	\$467,812.50	\$3,587,000.00	
Site #3 - Eastview Landfill Site	\$4,891,800.00	\$978,360.00	\$5,870,000.00	

Notes:

- This capital cost estimate is a Class 4 cost estimate developed as defined by the recommended practices of the
 Association for the Advancement of Cost Engineering (AACE) International and is to be used for Feasibility Studies. The
 methodology used to develop this cost estimate was based on approximate quantities and unit costs and should be
 considered to have an accuracy range of +50 percent to -30 percent.
- 2. Costs were based on available data that were cursory in nature. No detailed engineering studies or environmental site assessments were available for use in preparation of these costs.
- 3. The costs were estimated for comparison purposes between potential Sites.
- 4. Final cost was rounded to the nearest \$1,000.

The approximate capital cost to develop Site #2 (Stone Road Site) in general accordance with the MOECC Guidelines is approximately \$3,587,000 as presented in Table 6 below.

The capital cost estimate is a Class 4 cost estimate developed as defined by the recommended practices of the AACE International. The cost estimate should be considered to have an accuracy range of +50 percent to -30 percent.

The evaluation and capital cost estimates were based on available data and no engineering studies or environmental site assessments were available for use in preparation of the Costs and are intended for preliminary discussion purposes.





RE-EVALUATING

RE-VISIONING

RENEWING >>

>> A COMMUNITY ON THE MOVE



VALUE OF TRANSIT

- reduces road congestion
- reliance on automobiles
- environmental impacts
- improves accessibility and mobility
- connects people with people and places
- supports community growth

>> A PLAN FOR PROGRESS



THE OPPORTUNITY...

Guelph Transit is the preferred transportation mode over the single occupant vehicle

81 recommendations

- 44 completed successfully
- one completed but unsuccessful
- one ongoing
- six in progress
- 13 not started and no future plans
- 16 part of a future Transit Strategy

Year	Km travelled annually (millions)	Passengers Annually (millions)	Revenue (millions)		Subsidy
2014	4.5	6.9	10.0	39	61
2013	4.8	6.9	10.2	42	58
2012	5.1	6.5	10.3	46	54
2011	4.4	6.3	9.7	46	54
2010	4.3	6.2	9.0	48	52



...AND CHALLENGE

Balance implementation of the 81 recommendations with budget restrictions, limited resources and changing and competing priorities

>> KNOWING WHERE WE TRAVEL



THE COMMUNITY CONSENSUS:

Transit service can be improved by making some changes to routes and schedules.



SOMEWHAT TO VERY SATISFIED



59% Bus routes

44% Frequency service

51% Making connections to main transfer points

78% Safety

>> CHANGING FOR THE COMMUNITY



REDUCED PEAK SERVICE

- 2 A/B City Loop
- 4 York
- 9 Waterloo
- 10 Imperial
- 13 Victoria Road Recreation Centre
- 16 Southgate
- 20 Northwest Industrial



ROUTE CHANGES

- 1A/B College Edinburgh
- 2A/B City Loop (formerly 2A/B West Loop and 3A/B East Loop)
- 3 Westmount
- 5 Clair (formerly 5 Gordon)
- 8 Stone Road Mall
- 9 Waterloo
- 10 Imperial
- 11 Willow West
- 13 Victoria Road Recreation Centre
- 14 Grange
- 16 Southgate
- 21 Speedvale (new)
- 50 Stone Road Express
- 56 Victoria Express



PRIORITY PROJECT **FINDINGS**

- · Safety for pedestrians, cyclists and drivers
- Preferred transit priority measures
- Minimize negative impacts
- Fleet and storage
- Parking
- Accessibility
- Coordination
- Traffic congestion
- Destinations/proximity
- Cost
- Future development

>> CONSIDERING ALL OPTIONS



TRANSIT OPTIONS

• Conventional bus service

• Bus Rapid Transit





TRANSIT PRIORITY MEASURES

- Queue jump lanes
- Reversible lanes
- Roundabouts
- Transit signal priority
- Reserved bus lanes





>> THE ROADMAP



PRIORITIES

2017-2022

- 24 new buses
- 40 new operators
- Gordon/Norfolk/Woolwich corridor route
 - Increase to 10-minute frequency on Sundays and holidays
- 21 Speedvale route
- Increase to 20-minute peak service on seven routes
- Implement transit priority measures and transit strategy recommendations



FINANCIAL INVESTMENT

Operating budget requirements

– \$3.7 Million

– \$4.2 Million

– \$5.2 Million

– \$5.6 Million

– \$5.9 Million

Capital budget requirements

– \$7.5 Million

– \$7.5 Million

– \$6.9 Million

– \$7.4 Million

– \$7.3 Million





SUMMARY OF RECOMMENDATIONS

- Public Services Report # PS-16-13 be received and approved
- Staff be directed to include proposed service improvements in the 2017 Operating/Capital Budget as an expansion package (Moving Guelph Forward, page 20-23)
- Staff throughout the organization work to develop a multi-year plan and budget for the implementation of the recommendations in the Official Plan Review and the Transportation Master Plan review
 - Ensure Transit and alternative forms of transportation are considered to support the City's future transportation and transit needs
- Staff be directed to start discussions with the federal and provincial governments to secure recently announced transit infrastructure funding





TO Public Services Committee

SERVICE AREA Public Services – Guelph Transit

DATE June 8, 2016

SUBJECT Guelph Transit Growth Opportunities

REPORT NUMBER PS-16-13

EXECUTIVE SUMMARY

PURPOSE OF REPORT

To identify short- and long-term growth opportunities for Guelph Transit over the next 20 years to meet the City's anticipated growth as outlined in the *Provincial Growth Plan for the Greater Golden Horseshoe* (and the *Places to Grow Act*), and Guelph's *Official Plan, Transportation Master Plan* and 2010 *Transit Growth Strategy and Plan*.

KEY FINDINGS

Guelph Transit has seen incremental growth in revenue and ridership since the 2010 Transit Growth Strategy and Plan was implemented. Of the 81 recommendations identified in the Plan, 44 (54 per cent) were completed, including the construction of Guelph Central Station.

Recognizing the need for ongoing service improvements, Guelph Transit undertook two significant reviews in 2015:

- Guelph Transit Route Review and Rationalization, and the
- Guelph Transit Priority Project.

The Guelph Transit Route Review and Rationalization review identified the need for immediate service enhancements which would include higher frequency service to accommodate increased passenger volumes and route adjustments to meet passengers' needs.

The Transit Priority Project identified opportunities to enable improved service delivery and growth. These options will be considered as part of the work the City will undertake on its Transportation Master Plan, Growth Plan and Guelph Transit Strategic Plan in 2017.

This report and attachment details the recommended service changes to take place in 2017, growth opportunities for Guelph Transit over the coming years, and presents a first estimate of costs. Noted in the report are potential funding



sources which may be available to the City through the announcement of dedicated infrastructure funding for public transit by the federal and provincial governments.

The report, Moving Guelph Forward, lays the foundation for the City to update its 2010 Guelph Transit Growth Strategy. Together with the Transportation Master Plan and Growth Plan, the City's renewed Guelph Transit Strategic Plan will position the City to accommodate future community need, achieve the target of a 15 per cent transit modal split and address the requirements in the *Provincial Growth Plan for the Greater Golden Horseshoe*, the Province's Places to Grow Plan as well as the City's *Official Plan*.

FINANCIAL IMPLICATIONS

Costs identified through the Guelph Transit Route Review and Rationalization and Guelph Transit Priority Project have been included in ATT-1. Costs associated for the short-term changes have been reviewed with the City's Finance and Public Works (Fleet) departments.

ACTION REQUIRED

To receive the staff report, and to direct staff to include the proposed transit service improvements in the 2017 Tax Supported budgets as an expansion package, and to include transit as an active contributor to the Official Plan Review and Transportation Master Plan in order to develop a multi-year plan and budget for the implementation of the recommended transit proposals identified in the reviews. In addition, to direct staff to start discussions with the appropriate government agencies in order to secure transit infrastructure funding that has been announced by the federal and provincial governments.

RECOMMENDATION

- 1. That the Public Services Report # PS-16-13 "Guelph Transit Growth Opportunities" dated June 8, 2016 be received
- That Guelph Transit staff be directed to include proposed service improvements in the 2017 Tax Supported Budget as an expansion package
- 3. That Guelph Transit staff work with staff throughout the organization to develop a multi-year plan and budget for the implementation of the recommendations in the Official Plan Review and the Transportation Master Plan review to ensure transit and alternative forms of transportation are considered in developing a comprehensive plan to support the City of Guelph's transportation and transit needs to 2035 and beyond.



4. That City of Guelph and Guelph Transit staff be directed to start discussions with the federal and provincial governments to secure recently announced Transit Infrastructure funding

BACKGROUND

Transportation infrastructure and investment have been identified as key priorities for all levels of government. Guelph's *Official Plan* states that the City will plan, implement and maintain a transportation system to facilitate increasing mode shares to 15 per cent for transit by 2031. The 2010 *Transit Growth Strategy and Plan* requires Guelph Transit to plan for growth. The *Provincial Growth Plan for the Greater Golden Horseshoe* mandates that public transit will be the first priority for transportation infrastructure and major transportation investments in Guelph. The provincial and federal governments have demonstrated their support of improved transportation infrastructure to public transit through announcements of dedicated funding support.

To meet the needs of the community today and in the future, and to increase overall use of transit, the City needs to:

- Invest in more frequent service;
- Re-organize and expand the routing; and
- Implement appropriate transit priority measures.

2010 Strategic Plan Update

In 2010, the City completed the Guelph Transit Growth Strategy and Plan and Mobility Services Review. This review examined the City's existing transit service offering and explored future options that would enable the City to meet changing social, economic and planning needs of the community.

Upon completion of the review, it was recommended that the City work towards the completion of 81 recommendations (ATT-1). To date, the City has successfully completed 44 recommendations (54 per cent). One was completed but unsuccessful, one is ongoing, six are in progress, 13 were not started and there are no future plans for implementation, and the remaining 16 will be considered as part of a revised Transit Strategy in 2017.

Summary of 2015 Reviews

1) Guelph Transit Route Review and Rationalization

The Guelph Transit Route Review and Rationalization identifies the need for enhanced transit service and frequency on a number of existing routes and the need for higher order transit service on specific routes with increased frequency and passenger capacity.

The development of a route along the Gordon/Norfolk/Woolwich corridor is a key component, and the backbone of the proposed route changes. This route will



provide 10 minute service along the corridor, from Woodlawn Road to Clair Road, taking pressure off of the radial routes to all meet downtown or at the University at the same time. The higher service offered by this route is a step towards higher-order rapid transit, and a step towards the increased transit use that is mandated in the City's Official Plan. With the implementation of the new route, supporting changes are required on 14 additional routes (ATT-2, pages 22-23).

Once the proposed scheduled changes are implemented, service will operate at a 30-minute frequency during off-peak service hours and 20-minute frequency during peak service for all routes except Gordon/Norfolk/Woolwich corridor, 1A/B College Edinburgh and 50 Stone Road Express (10-minute frequency off-peak and peak hours).

Implementation of the Route Review and Rationalization is proposed in stages over the next five years.

2) Guelph Transit Priority Project

The Transit Priority Project identifies opportunities to make changes over the next 20 years to help Guelph Transit and the City achieve the target of a 15 per cent transit modal split. This includes transit priority measures along with implementing a Bus Rapid Transit (BRT) system on specific routes which were also identified during the Route Review.

These priority measures and future BRT routes were identified on:

- Gordon/Norfolk/Woolwich Streets from Woodlawn Road to Maltby Road;
- Stone Road from the Hanlon Expressway to Watson Parkway;
- Speedvale Avenue from Elmira Road to Victoria Road; and
- Woodlawn Road from Elmira Road to Victoria Road.

Recommended transit priority measures include a combination of transit signal priority, queue jump lanes and/or right-turn channelization; roundabouts; turning movement improvements; changing the use and/or the addition of travel lanes; improvements to a rail crossing; and improvements to/construction of transit hubs. In addition, there is a need to expand Guelph Transit's rolling stock and build a larger facility to house and maintain new vehicles.

Next Steps

- With the support of Council, Guelph Transit will work to implement service improvements in 2017 based on the findings of the Route Review and Rationalization Review.
- Guelph Transit will work alongside other City departments to update the City's Transportation Master Plan, Growth Plan and Guelph Transit Strategic Plan. Findings from the Transit Priority Project will be considered during these reviews.



CORPORATE STRATEGIC PLAN

Innovation in Local Government

- 2.1 Build an adaptive environment, for government innovation to ensure fiscal and service sustainability
- 2.2 Deliver Public Service better

City Building

3.2 Be economically viable, resilient, diverse and attractive for business

DEPARTMENTAL CONSULTATION

Business Development and Enterprise
Corporate Communications and Customer Service
Emergency Services
Engineering and Capital Infrastructure Services
Finance
Information Technology Services
Intergovernmental Relations, Policy and Open Government
Legal, Realty and Risk Services
Operations
Planning, Urban Design and Building Services

COMMUNICATIONS

Corporate Communications supported the internal and external consultation for the reviews as outlined in the community engagement strategy through various promotional activities.

ATTACHMENTS

ATT-1 2010 Guelph Transit Growth Strategy and Plan and Mobility Services Review – Recommendations Listing ATT-2 Moving Guelph Forward: Options for Guelph Transit

Report Authors

Phil Meagher, General Manager

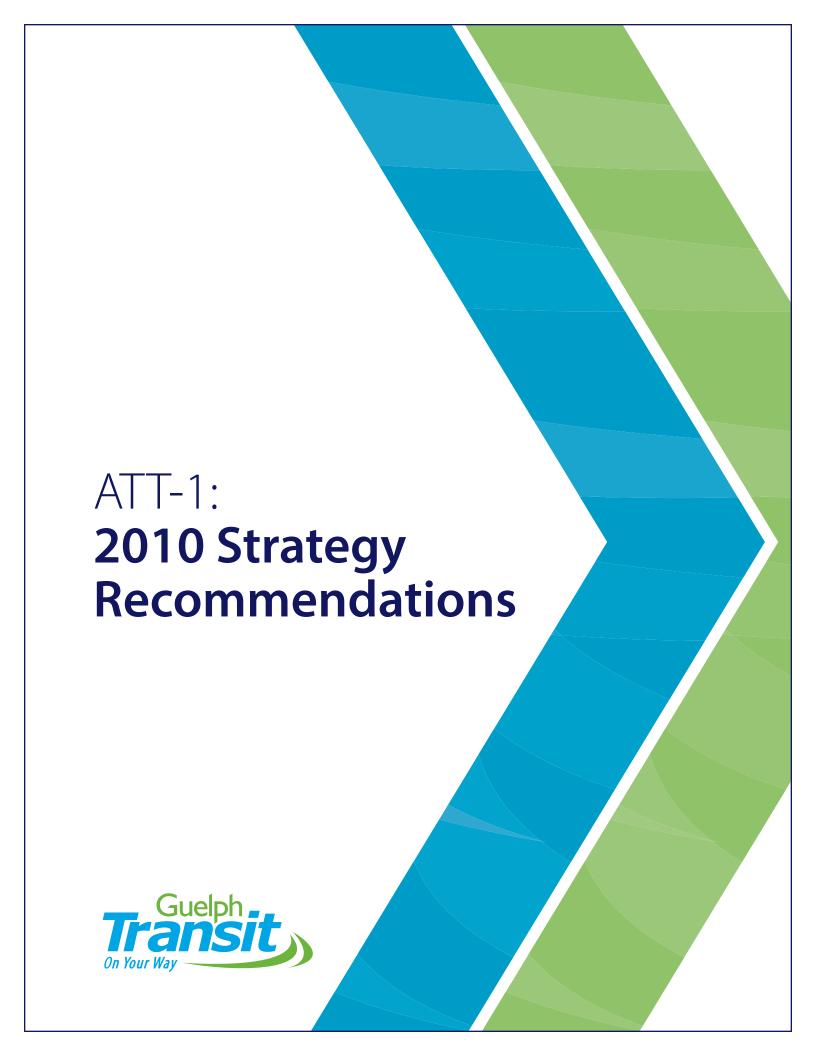
Nancy Button Supervisor, Planning & Scheduling



failip blemmen

Approved By

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ATT-1: 2010 Strategy Recommendations

The following lists the recommendations from the 2010 report.



Transit vision statement, goals and objectives (part b - 8)

That the City of Guelph adopt the Transit Vision Statement and supporting goals and objectives developed in this report.

Conventional transit review and 5-year plan (part c)

Service Standards (Part C - 13.1)

- That Guelph Transit adopt the service standards document and monitoring strategy for conventional services.
- That Guelph Transit adopt the proposed routing plan identified in this report, with the service change to occur with the opening of the Downtown Transit Terminal;
- That Guelph Transit operate at a 15 minute frequency during the weekday AM and PM peak periods on all base and peripheral routes and 30 minute frequency service during the midday and evening periods;

Weekday Service (Part C - 13.2)

- That Guelph Transit operate the peripheral routes as a semi-express service between the University Centre and the Downtown Transit Terminal;
- That Guelph Transit eliminate the Hart's Lane High School Special upon implementation of the recommended routing strategy and consider implementation of two additional specials at Centennial CVI and Guelph CVI;
- That Guelph Transit operate three University Express services, with routes determined by Guelph Transit based on demand;
 - That Guelph Transit maintain the existing weekday end time of 12:45am; and
 - That Guelph Transit begin weekday service at 5:45am starting mid-route.

Saturday Service (Part C - 13.3)

- That Guelph Transit operate the weekday route structure on Saturdays;
- That Guelph Transit operate base and peripheral routes between 5:45 am and 12:45am on Saturdays;
- That Guelph Transit operate base and peripheral routes at 30 minute frequencies all day on Saturdays; and
- That Guelph Transit continue to not run the Express Routes and High School Specials



Sunday/Holiday Service (Part C - 13.4)

- That Guelph Transit adopt the weekday route structure on Sundays and selected Holidays;
- That Guelph Transit extend existing service hours and operate base and peripheral routes between 9:15 am and 7:45pm on Sundays and selected Holidays;
- That Guelph Transit operate base and peripheral routes at 30 minute frequencies all day on Sundays and selected Holidays; 60 minute as approved in the 2016 Budget
- That Guelph Transit continue to not run the Express Routes and High School Specials on Sundays and Holidays;
 - That Guelph Transit provide Holiday Service for 5 holidays a year; 11 holidays
 - That Guelph Transit explore the Zone bus concept with Gordon/Norfolk/Woolwich Corridor in further detail within 2 or 3 years after the implementation of the recommended service strategy.

Summer Service (Part C – 13.5)

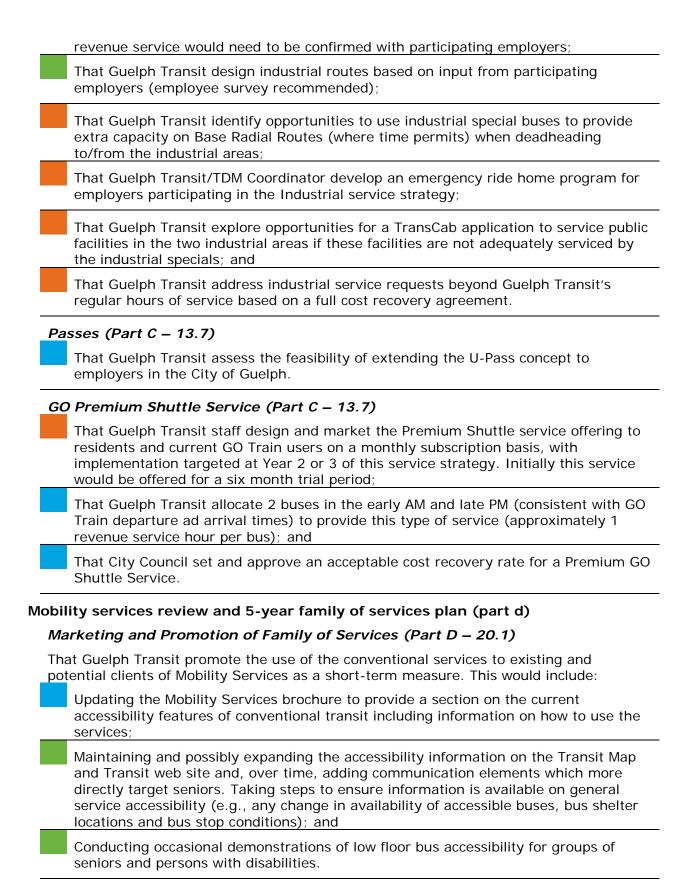
- That Guelph Transit adopt the same weekday route structure, hours of service and frequency of service during the summer period;
- That Guelph Transit look to reduce the length of peak period 15 minute service during summer from 3 hours in each AM and PM peak to 2 hours for each peak period; and
- That Guelph Transit continue to not run the Express Routes and High School Specials during the summer period.

Service Operations (Part C - 13.2)

- That Guelph Transit extend its transfer window from 60 minutes to 90 minutes with no restriction on route selection other than time;
- That Guelph Transit interline routes at the Downtown Transportation Terminal and the University Centre Terminal based on the results of a transfer trace being conducted; and
- That Guelph Transit continue to operate its Late Night Bus Service based on the operating and revenue agreement developed with the University.

Industrial Service (Part C - 13.6)

- That Guelph Transit work with the Chamber of Commerce and enter into agreements with industrial partners to provide Industrial Specials to the Hanlon and Northwest Business Parks based on the Financial Partnership Approach described in this report and with the City Council setting an appropriate R/C target. (The industrial service strategy should also be open to any other interested employers in the City);
 - That Guelph Transit operate this industrial special service using 4 buses (9 revenue service hours each) during the weekday, 2 buses (9 revenue service hours each) on Saturdays, and 2 buses (6 revenue service hours each) on Sundays. Hours of

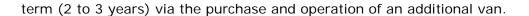




That, as demand grows for Community bus, Guelph Transit should consider increasing the number of routes, operating at lower frequencies as well as replacing vans with conventional accessible buses of higher capacity (i.e. 30 ft transit buses).

Contracted Taxi Service and Mobility Van (Part D - 20.4)

- That Guelph Transit expand the pre-scheduled door-to-door service through increased use of the contracted taxi in the short-term; and
- That Guelph Transit increase the capacity of the Mobility van service in the medium





That Guelph Transit review eligibility guidelines for Mobility Services.

Assessment of higher order opportunities (part e)

Gordon/Norfolk/Woolwich Higher Order Transit (Part E - 24.1)

That the City of Guelph protect the entire Gordon/Norfolk/Woolwich Corridor for future dedicated right-of-way higher order bus rapid transit implementation;

That the City of Guelph intensify residential and employment uses along the Gordon/Norfolk/Woolwich Corridor;

That Guelph Transit implement a Transit Priority Corridor (BRT lite) for the section of the Gordon/Norfolk/Woolwich Corridor between the Downtown and the University. In the short-term implement transit priority measures along the corridor at the following locations:

- o Northbound left turn priority at Woodlawn Road & Woolwich Street;
- A dedicated southbound transit lane with transit priority indicator at the intersection of Wellington Street & Gordon Street;
- Queue jump or queue relocation with stop bar set back on Gordon Street northbound and southbound at College Avenue. This would allow buses on Gordon to pull ahead of stopped vehicles when they arrive during a red signal phase for Gordon;
- Coordination of pedestrian crossing signals with traffic control signals along Gordon between College Avenue and Stone Road;
- Transit-actuated southbound left and westbound left turn priority phasing at intersection of Gordon Street and South Ring Road; and
- Transit-actuated southbound left turn priority phasing at intersection of Stone Road and South Ring Road;

That, as transit demand develops, Guelph Transit implement semi-express and express bus services along the Gordon/Norfolk/Woolwich corridor;

That, as transit demand develops, Guelph Transit implement a dedicated transit/High Occupancy Vehicle right-of-way by adding one additional lane in each direction on the Gordon/Norfolk/Woolwich Corridor between Stone Road and Clair Road;

That, as transit demand develops, Guelph Transit implement a dedicated transit/HOV rightof-way by converting one lane of traffic in each direction on the Gordon/Norfolk/Woolwich Corridor between Speedvale Avenue and Woodlawn Road; and

That, as plans develop, the City of Guelph and Guelph Transit implement similar measures on the Gordon/Norfolk/Woolwich Corridor south of Clair Road.

Guelph Junction Railway (Part E - 24.1)

That the City of Guelph undertake the necessary planning and protection activities for a future DMU transit service on the Guelph Junction Railway from the Guelph Innovation District through the Downtown to the north city limits along the Guelph Junction Railway corridor;

That the City of Guelph locate potential stations along the Guelph Junction Railway

That the City of Guelph intensify residential and employment uses around the designated stations along the Guelph Junction Railway. Stone Road Corridor (Part E - 24.1) That the City of Guelph protect the Stone Road corridor between the Guelph Innovation District and the Hanlon Expressway for future higher order BRT implementation; That the City of Guelph intensify residential and employment uses along the Stone Road corridor between the Guelph Innovation District and the Hanlon Expressway; That, in the near term, Guelph Transit implement transit priority measures along the Stone Road corridor at the following locations: Signal priority at the intersection of Stone Road West & Edinburgh Drive South; Signal priority at the intersection of Stone Road West & Scottsdale Drive; o Transit-actuated southbound left turn priority phasing at intersection of Stone Road and South Ring Road; and That, as demand develops, Guelph Transit implement semi-express and express bus services along the Stone Road corridor between the Guelph Innovation District and the Hanlon Expressway. External Corridors (Higher Order Transit) (Part E - 24.2) That the City of Guelph work with municipal partners, transportation operators and the Province in a detailed assessment of the three road and rail options identified for interregional transit service between Guelph and Kitchener Waterloo; That the City of Guelph work with municipal partners, transportation operators and the Province in a detailed assessment of the three road and rail options identified for interregional transit service between Guelph and Cambridge; That the City of Guelph work with Region Waterloo (and the Province as a potential funding partner) on the short-term introduction of linked paratransit and conventional services between Guelph and Kitchener/Waterloo and Guelph and Cambridge using Guelph Transit and GRT buses; That the City of Guelph initiate discussions with Wellington County regarding the opportunity of interregional services to Wellington County based on full cost recovery by the City; That the City of Guelph work with municipal partners, transportation operators and the Province to implement shoulder DMU service between Guelph and Georgetown/Brampton to supplement planned GO Rail services; and That the City of Guelph work with municipal partners and the Province to ensure that long term opportunities for higher order transit implementation are maintained and promoted through necessary transportation planning activities. Specific focus should be on Highway 6 to Hamilton and the Guelph Junction Railway/CP South Mainline to Milton (Mississauga- Toronto).

and protect for appropriate property and access requirements; and

Future studies/capital costs (part f - 30)

Expansion Vehicles (Part F - 30.1)

That Guelph Transit acquire 4 to 6 expansion low-floor accessible conventional transit vehicles in years 2 to 5 of this plan for internal and external expansion; and

That Guelph Transit acquire 2 expansion Mobility Services vehicles in years 2 to 3 of this plan for expansion of Mobility Services and the Community Bus service.

Higher Order Transit Studies (Part F - 30.2)

That the City of Guelph and Guelph Transit initiate a number of feasibility and EA studies required to move forward with the higher order transit opportunities (both internal and external corridors). Completed 2 studies but not the EA

Terminals (Part F - 20.3)

That Guelph Transit explore opportunities for additional lands in the vicinity of the VIA/Carden Transportation Terminal to accommodate future growth in transit and associated works within the 2031 planning horizon;

That Guelph Transit and the University of Guelph revisit the terminal design at the University Centre terminal over the next year to accommodate expansion of routes and timed transfers between routes;

That Guelph Transit work with representatives from Stone Road Mall to improve the ability for buses to make left turns into the Stone Road Mall Terminal from Scottsdale Drive; and

That the City of Guelph and Guelph Transit work with local property owners to design 4 to 6 bay transit terminal/transfer points within each of the Sub-Area Nodes (North End Node, East End Node, South End Node, West End Community Centre Node).

Bus Stops and Pads (Part F - 20.4)

That Guelph Transit identify improved passenger amenities at stops along the future Gordon/Norfolk/Woolwich Bus Rapid Transit corridor as it moves towards implementation.

Staffing implications & organizational structure (part f - 29)

That Guelph Transit implement improvements to the current organizational structure and business practices based on two phases outlined below:

Phase	e 1
	Simplify staffing nomenclature;
	Create an organizational culture which is proactive in addressing current and future challenges;
	Ensure transit growth is sustainable from the perspective of having the appropriate staff resources to operate a fully functional and efficient transit system;
	Develop a Performance Monitoring and Management system aligned to

	the vision, goals and objectives of Guelph Transit and its business units;	
	Review and realign current roles and responsibilities within the Business Services unit, to establish a stronger focus on the marketing and promotion of Guelph Transit;	
	Establish a new position - Transit Planner/Scheduler reporting to the Supervisor, Planning and Scheduling;	
	Establish a new position - Supervisor, Mobility Services reporting to the Supervisor, Transit Operations;	
	Undertake cross training of all operators to deliver conventional, Community Bus or Mobility Services;	
	Transfer the Operator Trainer, with responsibility for all operator training, to the Supervisor, Transit Operations; and	
	In consultation with the City Fleet Manager develop a series of performance standards and indicators for the repair and maintenance of the Guelph Transit fleet.	
Phase 2		
	Conduct a comprehensive review of external and internal communications to determine how information is communicated; and	
	Based on the results of the communications review, revise the organizational structure to effectively deal with customer contact and service.	

Monitoring program (part f - 30)

That Guelph Transit adopt a comprehensive Planning Review and Monitoring Process to assist Guelph Transit staff in achieving a fair and balanced appraisal of service requirements, which is based on sound technical analysis and effective consultation. This should include:

- Performance Standards to assess new and existing services;
- A series of on-going route assessments comprising:
 - Regular route reviews as part of an on-going monitoring process;
 - Periodic service reviews to monitor the on-going performance of the system or to respond to requests for minor changes;
 - Annual service reviews to assess major requests for new or revised services:
 - Detailed assessment of various service improvement proposals;
- A data collection program required to support the review process; and
- A comprehensive consultation process.

Attachment 2

"Moving Guelph Forward: Options for Guelph Transit"

Available in booklet form only and may be viewed at ServiceGuelph desk at City Hall.

CONSENT AGENDA

June 27, 2016

His Worship the Mayor and Members of Guelph City Council.

SUMMARY OF REPORTS:

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

A REPORTS FROM ADMINISTRATIVE STAFF

REPORT		DIRECTION
СО	N-2016.34 Meeting Management Review	Approve
1.	That staff be directed to implement the recommendations contained in the Meeting Management Review Report.	
2.	That staff be directed to report back to City Council at their July 18, 2016 meeting with recommended changes to the Procedural By-law, Council Terms of Reference and any other policies to implement the Committee-of-the-Whole governance structure for September 2016.	

attach.



TO Guelph City Council

SERVICE AREA Corporate Services – City Clerk's Office

DATE June 27, 2016

SUBJECT Meeting Management Review

REPORT NUMBER CS-2016-65

EXECUTIVE SUMMARY

PURPOSE OF REPORT

To report on and offer recommendations in relation to the comprehensive Meeting Management Review project undertaken by the City Clerk's Office in 2015 which focused on seeking efficiencies in agenda production and Council/Committee meeting processes.

KEY FINDINGS

The attached comprehensive Meeting Management Review report outlines 21 recommendations to implement the Committee of the Whole governance structure and to enhance efficiency, transparency and openness; further develop training/learning and development relating to Council/Committee processes; and modernize the meeting process.

Using the information gathered through a comprehensive engagement process with the public, Council and staff, the City Clerk's Office believes the recommendations will lead to more efficient agenda production and Council/Committee meetings and further promote an open and transparent government. The recommendations also support initiatives currently underway within the Corporation, including the Records and Information Management Strategy and Open Guelph initiatives.

FINANCIAL IMPLICATIONS

Budget expansion packages will be submitted as part of the 2017 budget deliberations. These will focus primarily on enhancements to the Council Chambers and associated technology.

ACTION REQUIRED

Approve the recommendations contained in the Meeting Management Review and to direct staff to update any necessary by-laws and policies to implement the Committee of the Whole governance structure.



RECOMMENDATION

- 1. That staff be directed to implement the recommendations contained in the Meeting Management Review Report.
- 2. That staff be directed to report back to City Council at their July 18, 2016 meeting with recommended changes to the Procedural By-law, Council Terms of Reference and any other policies to implement the Committee of the Whole governance structure for September 2016.

BACKGROUND

The City Clerk's Office, as the conduit through which information travels to Council/Committee, undertook a comprehensive Meeting Management Review (MMR) during 2015. Starting in January 2015, all aspects of the Council and Standing Committee agenda production and meeting management processes were reviewed in an effort to identify efficiencies, eliminate redundancies and streamline procedures to improve agenda production and meeting management. The recommendations coming forth from this year long exercise address the concerns expressed by the focus groups relating to the agenda processes and meeting flow. The recommended enhancements will lead to an improved level of service ensuring it is citizen first, open, efficient and above all effective.

REPORT

As an initial step in the MMR process, the City Clerk's Office completed a process map of the agenda production cycle from report conception to Council/Committee final decision and the City Clerk's Office final steps in closing a meeting file. During this mapping exercise inefficiencies and "pain points" were identified from the City Clerk's Office production viewpoint. To obtain a clear understanding of the difficulties experienced by others and to better understand processes beyond the City Clerk's Office purview, meetings and discussion sessions were held with the Executive Assistants to identify their concerns. Following this meeting, City Clerk's Office recognized that to better understand corporate wide concerns, input was required from Service Areas and all levels of staff. Public consultation was also identified as a key requirement in order to ensure well balanced recommendations could be made. Key public participants who were familiar with Council/Committee meetings were identified and invited to participate in focus group sessions.

During late spring, the City Clerk's Office with the assistance of Community Engagement finalized the focus groups and a series of specific questions were compiled relating to the group's unique perspective and area of expertise. Community Engagement assisted in facilitating meetings with the following focus groups:



1. Report Authors

In mid-September this focus group met with members representing the different Service Areas. Participants included staff with a number of years' experience, staff with limited report writing experience and staff new to the City. Individuals identified were responsible for a range of report writing activities from simple and/or routine reports to complex and/or technical reports. The focus of this group was concentrated around the report writing process.

2. Report Reviewers

In early October a group of General Managers and Managers, representing the Service Areas who submit the majority of reports to Council/Committee, met with the City Clerk's Office and Community Engagement. The members of this focus group are responsible for reviewing reports and in some cases signing off on the report, prior to a Deputy CAO's review and approval. The focus of this group was concentrated on the report reviewing process.

3. Information Technology (IT) and Corporate Communications Staff
In mid-October, the City Clerk's Office met with representatives from IT and
Corporate Communications who support the agenda production in some
format, including staff responsible for the maintenance of the City's website.
The focus of this group was concentrated around technology and
communication of Council/Committee agendas and materials.

4. Deputy CAOs and Mayor

In late October, the Mayor and Deputy CAOs were each interviewed individually. The focus of these meetings was the overall agenda and meeting process.

5. City Council

During late September, Members of City Council participated in two focus groups. The emphasis of these focus groups was on the final agenda product and the flow of Council/Committee meetings.

6. Public Stakeholders

In mid-September, Community Engagement and City Clerk's Office staff met with representatives from the Guelph Chamber of Commerce, Downtown Board of Management, local media along with a number of citizens familiar with the Council/Committee meeting process. This group's focus was on the end agenda product, the information available and the ease of access.

7. Observation Exercise

In late October, a small group of community members participated in an observation exercise designed to gather information on the way residents follow items/issues which go before City Council. Participants were asked to identify or locate the dates a specific item was going to Council, the agenda



containing the report, the actual report or presentation and finally how-to delegate or submit correspondence.

Attachment 1 contains the questions each focus group was asked during their session, along with a summary of their comments.

Upon completion of the focus group sessions, their comments were analyzed. Several common concerns were raised by all focus groups. The following themes evolved from the review of the comments: **Efficiency, Transparency and Openness; Training/Learning and Development; and Modernization.**Attached is the Meeting Management Report which addresses concerns raised and which offers recommendations to enhance the agenda production, meeting management and the implementation of the Committee of the Whole governance structure.

The key areas are:

- Reports for 'receipt' and' information' will be removed from the Council/Committee of the Whole agendas and placed on the weekly Information Package.
- The Agenda Format is being updated to reflect the actual flow of the meeting.
- Items placed on an Addendum will be limited to delegations/public submissions relating to items on the agenda, minor report changes, additional information requested by Council coming out of the Committee of the Whole meeting and by-laws.
- Committee of the Whole meeting is proposed to start at 2 p.m. and the Council Planning and Council meetings are proposed to start at 6:30 p.m.
- The of Committee of the Whole meetings will be chaired by Service Area Chairs who will handle material coming forward from the Services Area departments.
 The Mayor will continue to Chair the Council Planning and Council meetings.
- Delegations will be heard at either Committee or Council meetings. Delegations
 who spoke at Committee may delegate to Council only if new information has
 become publicly available following the Committee of the Whole meeting.
- Service Areas will have a specified month for reporting to Committee of the Whole.
- Members of Council will participate in the member appointment process for agencies, boards and committees including the Service Area Chairs and Vice Chairs.
- Training programs will be establishment of Council and staff.
- Staff will be investigating increased use of social media.
- Subject to budget approval, staff will investigate an electronic agenda system.
- Subject to budget approval, enhancements to technology and the Council Chamber will be investigated.

CORPORATE STRATEGIC PLAN



The Meeting Management Review aligns with the following corporate initiatives:

- 1.3 Build robust systems, structures and framework aligned to strategy.
- 2.1 Build an adaptive environment for government innovation to ensure fiscal and service sustainability.
- 2.2 Deliver public services better.
- 2.3 Ensure accountability, transparency and engagement.

DEPARTMENTAL CONSULTATION

Each Service Area was represented on the various focus groups along with a public focus group.

FINANCIAL IMPLICATIONS

Budget expansion packages will be submitted through the 2017 budget process. These expansion packages will focus primarily on the implementation of an electronic agenda management system and various enhancements to the Council Chambers and related technology within the Chambers.

COMMUNICATIONS

Direct consultation with Corporate Communications was had during the MMR process. Changes stemming from the recommendations contained within the MMR report will be communicated both corporately and public with assistance from staff in Corporate Communications.

ATTACHMENTS

ATT-1

Focus Groups Questions & Responses

ATT-2

Meeting Management Report

Joyce Sweeney

Acting Deputy City Clerk/Council Committee Co-ordinator

Report Author

Approved ByStephen O'Brien

City Clerk

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Recommended By

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Meeting Management Review Focus Group Package

What is the project?

The City of Guelph is reviewing its processes for managing Council and Standing Committee meetings with the goal of identifying potential improvements to the current system for all stakeholders (public, staff and council).

What is meeting management?

Meeting management is the process by which all aspects of Council and committee meetings are handled by staff. This starts with setting a schedule and agenda, continues with preparing reports and presentations, informing the public, and conducting the meeting - but it doesn't end there. It also includes the post meeting work of preparing final minutes and following up on outstanding items.

City Council is the final decision-making authority for the City of Guelph. In addition to Council meeting as a whole, there are five standing committees which focus on the work of a specific department or area in a smaller and less formal setting. Most reports are approved first by committee and then receive final approval from City Council. City employees research, write, and present reports and other information for committee's consideration and attend committee and Council meetings to answer questions from Council members.

The Standing Committees are:

- Corporate Services Committee
- Infrastructure, Development & Enterprise Committee
- Public Services Committee
- Governance Committee
- Audit Committee

For more information on standing committees: visit guelph.ca/city-hall/council-and-committees/standing-committees/

What has been done so far?

We began the meeting management review by mapping our current processes in detail, step by step. Then we researched other municipality's meeting processes to understand what their systems look like, how they compared to ours, how the public accesses information and what, if any, technology they use. Finally, we've begun having conversations with key stakeholder groups to gain an understanding of how the meeting management process looks to them.

Where are we now?

We have discovered that there are many people who contribute to the way in which we present the work of the City to Council and the community. We are taking note of the points where staff and the community interact and have developed a plan to speak with people who represent each of these touch points to understand their perspectives, their challenges and hear ideas they have for improvements.

What happens next?

We'll be taking the feedback you provide and using it to recommend improvements to the current system to ensure it is citizen first, open, efficient and above all effective. All of the recommendations will be reviewed internally by our IT, web and communications experts as well as the Clerk's Office to ensure they are feasible. Some of the recommendations may be implemented immediately while others will be presented to the Executive Team and/or Council for a final stamp of approval.

Where do you fit in the process?

Report is identified as required

5+ weeks prior to the meeting

- Differing processes for report writing and review exist in the various departments
- 3 weeks prior to the meeting
- •Report titles and recomendations due to the Clerk's Office
- •Draft report is due to DCAO

- 2 weeks to the meeting
- •Final report is due to the Clerk's Office

Council approves the Council and Committee meeting dates

weekly meeting notices are sent to Council



Staff finalize reports and generate preview agendas

the preview agenda is created about 5 weeks prior to the meeting date



CAO, DCAO, Mayor and Clerk participate in preview meetings

about three weeks prior to the meeting date



Final agendas are available on guelph.ca and distributed in paper to Councillors

Agendas distributed Thursday after 11 a.m. (at least 11 days prior to the meeting) Addendums distributed Friday prior to meeting (hard copies distributed day of the meeting)

Council and/or committee meetings take place

Council resolutions are recorded

Audio recordings and draft minutes are posted on guelph.ca



Mayor signs by-laws and agreements

Report Authors

Do you understand the path your report takes to get to committee/council and the impact you could have on the timelines of the processes involved?

How much time do you spend on:

- a. Writing the report
- b. Edits
- c. Rewrites
 - varies from couple of hours straightforward reports/ to couple of weeks solid time (4-5 hrs) for larger planning/strategic/policy type of reports
 - other staff time required to assist attachments, gathering of third party information, etc. ranges from a few hours to a couple of weeks
 - communications could spend approximately 5 hours assisting with their portion of report, however, they do not get consulted on a number of reports they should (engagement as well)

What challenges do you have with the report format or process? Are you able to meet report deadlines? Why or why not?

- need to provide report recommendations before having opportunity to evaluate the data/information required
- multiple versions of reports during editing process causes confusion difficult to complete information cohesively - have to go back to fill in gaps at different times rather than being able to wait until all information is supplied
- direction from preview meetings re report changes are beyond intended scope of preview meeting - tight timelines to meet final report deadlines creates difficulty achieving accuracy
- when reports flagged for review by Executive Team timelines are skewed and deadlines get missed - late in the process already underway
- agenda forecast not effective not specify when reports going to meetings due to changes by management, outside pressures for deadlines or input from third parties being required
- purpose for flagging reports needs to be communicated enable report writers to provide information re risk management undertaken/provide information in report not having to start over
- different types of reports should have different processes (ie. planning decision/complex decision/information reports) –provide more flexibility for managing items on agenda and timelines in the review process
- review types of "information reports" on the weekly information items versus going to committee – reduce timelines - information items go every week and not part of preview process
- reduction in the number of levels of approval required
- templates need to be accessible communicated where they can be found
- templates standardized but flexible for simple/complex reports time trying to make information fit template rather than template fit information needed
- if electronic agenda make sure lots of flexibility size/format and provide for various types of attachments (ie. SIRE only allows certain number of pages to a report)
- deadline schedule not compatible with outside timelines financial reporting, Planning Act, etc.
- corporate priorities don't always mesh with report status (ie. report completed for certain meeting due to management request/priorities - all data not available yet – leads to incomplete or poorly written report
- rushing to meet deadlines late data/date change/multiple changes/additional information - leads to mistakes - leads to more work - have to do supplementary reports/ send out more information after meeting
- corporation too reactive not proactive enough results in numerous changes to priorities/requests for additional reports, etc.- create confusion/stress

Were you ever given guidance or training to write a report?

- a. If so, explain. If not, do you feel you would benefit from some training?
- b. Who provided you that guidance? (your supervisor/ manager/ clerks/someone else)
- no training received use previous reports as samples/taught themselves through trial and error
- different managers/leaders have different expectations many changes from one level to the next of reviewers based on personal preference
- consistency is desired level of detail/formatting preferences need to be communicated when report is assigned not at the review stages

What would you do if you could fix the templates, approval process, alerts etc.?

- clarity needed re role of communications/community engagement when should they be involved? What types of reports?
- third parties involved (developers, auditors, outside boards, etc.) struggle with long timelines want faster turnaround times more flexibility
- when report refers to consultation with another department, that department should have an opportunity to review report and sign-off they are accurately represented able to be prepared to speak to report as it pertains to their department
- searching for old reports/data is difficult; need easier and clear access need to know where to look; how to look
- more notice if asked to prepare presentation for committee/Council or speaking notes for managers/Mayor on a report not given adequate notice of information required

Report Reviewers

As the manager or supervisor who reviews and endorses reports to Council, and thinking or the report writing and approval process:

- a) What works about the report process?
- b) What doesn't work?
- c) Do you have any suggestions for improvement as they relate to the Clerk's Office meeting management processes?
 - like the standardized process / established dates / templates

what doesn't work:

- · other service areas sending reports to committee not generally associated with them
- difficulty getting information to complete reports to meet deadlines reports time sensitive – writing reports 6 weeks ahead - Council requests for reports and don't know lead time required - not possible to meet deadlines
- content has to be prepared so early difficult to get other areas to review
- works okay if 1 author and 1 reviewer (GM)
- don't know what ET wants to review and when they are reviewing a report
- difficult when multiple channels involved (more than 1 department) getting multiple signatures some sign off electronically others sign hardcopy
- need check & balance when people are "consulted" and what actually appears in report
 don't know when need to be at meeting to answer questions
- little influence over when get information from outside source /difficult to meet deadlines for outside/ministry
- if report amended in closed session don't always get changes Suggestions:
- integrated calendar ET review/preview dates
- fast-track/expedite process for time sensitive reports
- Council/public need to understand timelines
- need tracking system where report is in process (has it gone to ...)

What is your personal process for reviewing and editing reports? For example, do you mark-up hard copies? Do you use track changes on an electronic copy?

- combination of using hardcopy and mark it/ using electronic version
- electronic difficulty with version control concern with number of versions

How much time do you need to review a typical report?

• varies widely - commenting right up to last minute

What is the quality and consistency of the reports that come to you?

• develop "economy of expression" - too wordy

Would you find it beneficial for the Clerk's Office to hold a report writing workshop?

yes

Is the report template flexible enough to meet your needs? Do you have suggestions for the template layout to make it more manageable and understandable for the writer and/or reader?

- could use clarity/consistency what should be in each section of template
- create examples for reference intent for section and examples of resolutions
- heading decisions made with links to past/other reports
- lock down style of sections same font/spacing

- create drop downs that could be used
- template for maps
- more space for executive summaries
- not always aware of ETs expectation concise wording
- incredibly text heavy use of charts could remove words
- use plain language
- problem with 1 large pdf agenda finding/printing report
- post agenda separately with links to reports
- use more hyperlinks attach large documents/background past reports

Are you able to meet deadlines for reports? Why or why not?

- lead times/deadlines way too long too many weeks ahead don't have content to finish
- waiting for information to come
- addendums use more lack of time
- closed sessions should only be at Council

Information Technology (IT) and Corporate Communications Staff

Thinking about the current meeting management processes and structures what do you think works well? What do you think doesn't work well?

Working Well:

- information is there and people see it
- information is consistently there (agendas)
- clerk's

Doesn't Work:

- using more archives putting agendas/minutes up after the fact
- hard to find / difficult to connect information on subject
- templates lack of consistency/information
- never trained on how to write
- communications section of reports- not talked/consulted with communication
- agenda forecast confusion on what report is about needs more context = suggest use a more dynamic tool
- agenda pdf documents are too large and difficult to search= suggest summary of agenda with links to documents

Thinking of your role in the meeting management process, how could the process be improved?

Do you know of any tools that can accomplish some or all of the wishes of our community and staff to do this better?

- maintain infrastructure eg. website (build the bookcase but do not fill it)- staff not trained for writing on web
- room for improvement technology platform = Council Chambers
- Creston not enough resources to use to full potential
- legislative requirements constraints

Suggested improvements:

- better training
- approvals in parallel rather than in sequence (multiple sign offs)
- mechanism for Council recap possible solution tweet Council decisions / use live blog
- develop internal communication plan for meeting management process
- get rid of PDF files (agendas, minutes)
- participate on-line with meetings
- communications plan work flow how to develop reports
- standard processes/training report/web writing
- electronic system linking to other depository meeting management needs to be easily updated
- notification system for new information being published
- use of communicator in meetings

What resources would we need to be able to do this?

What barriers do you feel exist at the City of Guelph to have a perfectly open and efficient meeting management system?

barriers

- \$ big barrier \$ being pushed off to another year
- resources skilled trained people centralized dedicated people skilled for writing & posting
- consultants/public need to provide documents in accessible format
- need metadata system group by topic, name, date etc. tagged which allows searching by topic and retrieving all relevant information
- people need to know how to use metadata

Deputy CAOs

As the end user and also a contributor to agendas and the forecast calendar: What about the workflow and the format of agendas and the forecast calendar works?

What about the process and formatting doesn't work? Do you have any suggestions for improvements that the Clerk's office could implement?

- should move toward electronic agendas
- like preview with Chair helpful from content & political basis
- preview challenge where issues are still developing
- challenge with reports to Clerk's and not previewed
- current structure does not allow for flexibility in design

What do you need from agendas (including consolidated agendas/addendums) in terms of format, process and functionality? What elements are most crucial and why?

- report template is fine
- welcome a "report writing" workshop

Is the timing work of the preview agenda and preview meeting? Is the format providing you with what you need? If not, provide details regarding what changes you need and what your expectations are for preview agendas and meetings.

- is sufficient
- General Managers should attend when report is on preview agenda

Do you feel there is a need to standardize how preview meetings are managed?

- Executive Team uses but not fully
- what requires ET review and what doesn't issue with timing

Thinking of information reports that go in the weekly information package and reports that have recommendations for Committee/Council decisions; do you feel these reports are being processed in the best manner? If not, please explain and provide suggestions for an improved process.

more items should go on information package instead of Council/Committee

Other

- should go to Committee of Whole process
- meetings too long

Mayor and City Council

Are you getting the information you need to make decisions?

• generally enough information to allow sound decisions

In terms of access and delivery of meeting agendas, reports, written correspondence and delegations:

What do you like about the process?

What don't you like?

- volume of information received at times is overwhelming
- too many items being placed on addendum (new and/or complex and controversial files) - not enough time to review -limited time to ask questions of staff prior meeting - creates longer meetings
- · do not like receiving additional printed materials on their desks prior to meeting
- Consent agenda should be made up of routine items
- concern with 2 major issues being placed on same meeting, both having lots of delegations.

Do you have any suggestions for improvement?

- release agenda closer to the final meeting date to reduce need for addendum materials
- forward addendum material as received
- meetings could start at 5 pm with strict adjournment time of 10pm meeting would continue on another date
- make more use of executive summary in print form and provide full document electronically
- pertinent information in report and link to document and maps
- unusual/difficult reports should be able to be extracted from consent agenda by DCAO/Chairs
- rethink what we mean by consent agenda

Delegations:

- should not be hearing delegations at 11 p.m.
- volume and repetition of delegations more is not better
- same delegations heard on same item numerous times (committee/Council)
- encourage public there is more impact to organize and appoint 3 spokespersons
- difficult with 2 major issues lots of delegations

Do the current timelines for agendas and addendums give you enough time for review?

- generally not an issue 2 weeks is enough for agendas
- confusing e-mails and paper copy are they the same?
- 2 committee addendums confusing additional material no time to review

What characteristics do you like about reports you find are well done and helpful?

- use summaries include what is being asked for that is different from normal
- executive summary/recommendation/rationale all pertinent info should be in these sections
- when reference an item contained in another part of report provide cross references (see page ...) include links to past reports
- use electronic links to documents and checklists

What technology do you feel you need to access agendas, reports and written submissions?

What do you see technology being able to improve within the process? What is your preferred method to receive meeting agenda?

If the City of Guelph were to move to a completely electronic distribution system, no more paper agendas, what supports would you need?

- current technology makes it difficult to access bookmarked PDFs difficult to read electronic documents – search through long reports
- provision of small tablet
- if only provided in electronic format has to come into City Hall to print need printers at home
- "citrix" is difficult need to look at other software
- concern use of electronic media open/closed not aware of proper use of equipment at meetings
- be more active with technology in Chambers link up computers at desks in Chambers

Do you feel that the special Council meetings held during your tenure on Council have been helpful and productive?

• meetings productive and helpful - meets needs

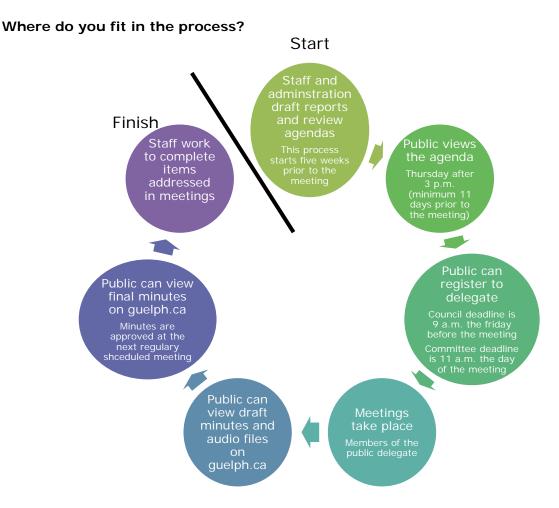
How do you think reports that are only for receipt by Committee of Council should be processed?

• information reports at committee allows discussion and opportunity for feedback

Do you feel the current Council decision making structure (ie. Standing committees/council) is adequate in addressing the matters coming before Council?

- like committee system but needs improvement
- some liked Committee of the Whole structure so many Councillors visiting Committee meetings
- visiting Councilors should be allowed to participate more
- difficult to go to Committee of Whole system with part time Councillors who are employed
- better conversation at committee
- hears same conversation at Council as at Committee
- call members "voting" and "non-voting"
- consider developing clear guidelines for Chairs all meeting chaired similarly
- bring in outside parliamentarian to conduct training

Public Stakeholders



Did you know?

Your voice is important to City Council and staff. You, and other members of the public, are able to present to City Council and/or the standing committees on your own behalf or on behalf of a company/organization as a delegation.

Before addressing City Council or a standing committee, all delegates must register with the City Clerk's Office. This means letting the staff know you wish to speak and on what topic—this gets you on a specific agenda.

For more information on delegating, visit guelph.ca/delegation

How will we have these conversations?

A few City of Guelph representatives will meet with you and other community members who share experience working within our current meeting system. In these focus group conversations we will ask questions designed to gather information based on your unique perspective and experience.

In terms of access to agendas, delegations, finding information and submitting written comments:

- a. What do you like about the City of Guelph's current process?
- can eventually find what is needed on the website
- website is fairly intuitive
- when speaking with someone in Clerk's, they are clear with directions and helpful
- response time from Clerk's is timely
- like being able to call in or email in registration for delegating

like that presentations are ready at podium

b. What don't you like?

- website is hard to traverse too many layers to navigate through on the website to get to reports/agendas
- accessing reports both current and past ones is difficult
- can't address reports placed on addendums don't see new information put on addendums in a timely manner
- changing the names of the committees makes it difficult to track process for some items difficult to find reports don't know committee structure/what committee
- length of time permitted for delegates is confusing (planning/council-committee)
- hard to get a live person on the phone when calling clerk's office main line but have good success if happen to have extension number of individual coordinators, and call backs are done in a timely manner
- although committee structure is more relaxed, the procedures are too rigid
- want to be able to hand out material at meetings

c. What suggestions do you have for us to change/ improve the process for the public?

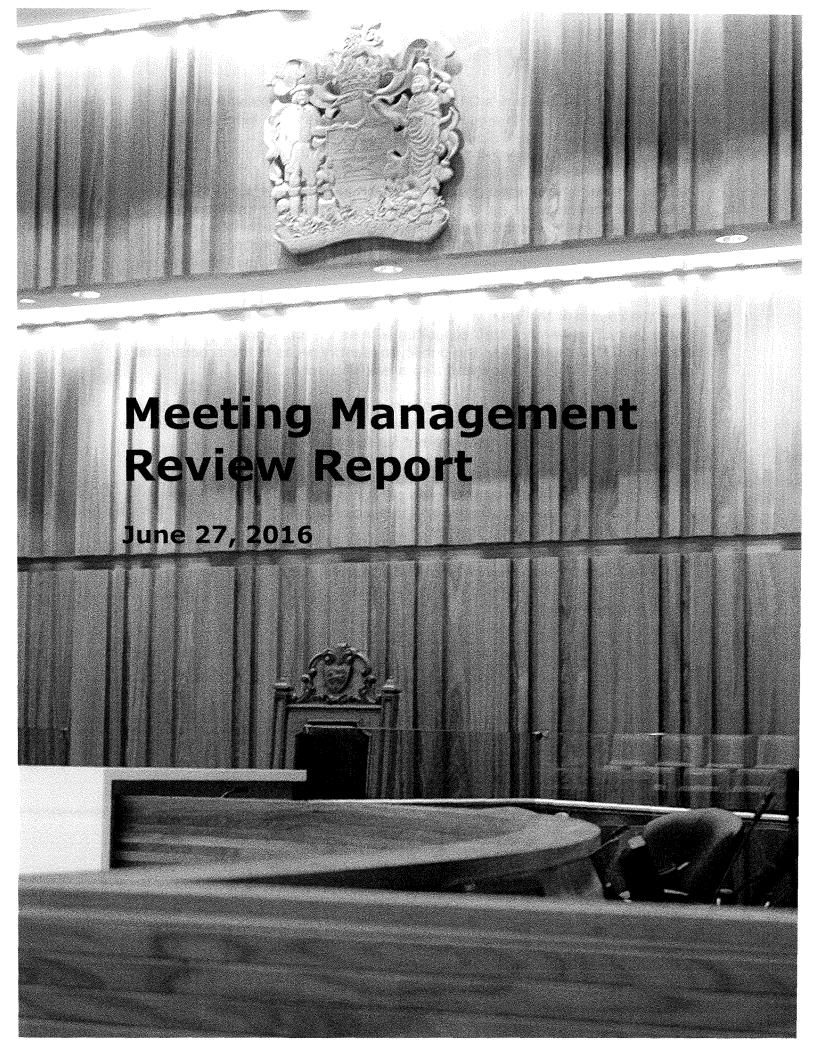
- provide a simple tutorial on first page of website regarding how to find reports/agendas and delegation process
- provide hyperlinks for previous reports
- opportunities for delegates to speak on reports added to addendum or when decision significantly different from proposed recommendation
- make exemptions for longer delegation time for complex items
- representatives of DGBA, Chamber, etc. more time to speak than general public
- would like more opportunity for face-to-face discussion with
- would like opportunity for public to question consultants at meetings
- would like councillors on advisory committees
- would like flexibility re order of delegations group able to synchronize their order
- like a forum process for bigger issues
- would like committee meetings to start at 6 or 7 p.m. public delegate more at that level

How do you rate the quality of information provided in agendas? Is it difficult to find what you're looking for? Once you have found what you're looking for is it easy to understand?

- reports too long and complicated
- information is good quality
- references to previous reports/legislation should have hot links to specific pages
- all material information needs to be on agenda not addendum to allow for commentary from public

When you contact the City of Guelph's Clerk's Office:

- a. What are you typically enquiring about?
- b. What are your customer service expectations and were they met?
- calling clerk's direct line difficult to get a live answer
- once contact with a coordinator is made, they are quick to return calls
- very helpful and provide information requested or direction on how to obtain the information
- expect quick return on calls due to timelines for registration of delegations



During 2015 the City Clerk's Office conducted a comprehensive Meeting Management Review with a goal of identifying efficiencies, eliminating redundancies and streamlining the agenda production and Council/Committee meetings.

Meeting management is the process by which all aspects of Council and Committee meetings are handled by staff. This starts with setting a meeting schedule and agenda, continues with the preparation of reports and/or presentations, informing the public and conducting the meeting. It also includes the post meeting work of preparing final minutes and following up on outstanding items.

Over the course of the year the City Clerk's Office with the assistance of Community Engagement staff consulted with seven focus groups, comprised of Elected Officials, staff and the public, to identify areas in the process that could be made more efficient and also areas of concern.

As the Council Composition and Employment Status Review was not funded by Council in December 2015, the review of the Council governance structure was added to the Meeting Management Review process.

Upon completion of the focus group sessions, staff analyzed the data gathered and used that information as part of the Meeting Management Review. The information gathered and the recommended changes are organized into the following themes:

- Efficiency, Transparency and Openness
- Training / Learning and Development
- Modernization

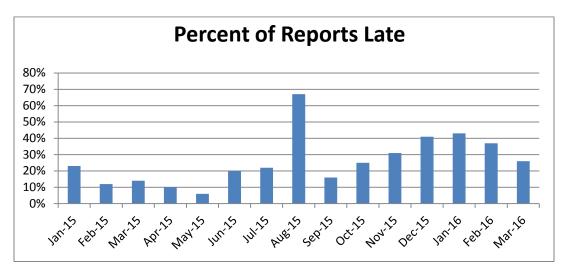
Efficiency, Transparency and Openness

In reviewing the agenda production process maps created early in the process, and taking into consideration the comments expressed by the focus groups, the City Clerk's Office identified areas for improvement that would result in greater efficiency and have implemented these changes.

Report Timelines

Both the report authors and report reviewers focus groups expressed concerns relating to the lengthy lead time for the development of Council/Committee reports. Concern was raised that reports and recommendations often need to be finalized before their research or outside comments/information have been received and when the material is presented to Council, it has become outdated.

Report authors expressed concern meeting report deadlines in conjunction with managing late edits and revisions. Better communication is required on the part of staff throughout the report authoring and review process. Late reports create logistical challenges for the City Clerks' Office. Late reports are often included with the addendum which contradicts the intent of advanced publication of an agenda.



The City Clerk's Office recognize the concerns expressed by report authors, Managers and General Managers with respect to the length of time it takes for a report to move through the approval process. The procedure for individual Service Areas preparation, reviewing and finalizing reports is not within the scope of the Meeting Management Review. It is suggested that the Service Areas review their procedures for finalizing reports in light of identifying efficiencies that could be achieved.

To provide staff additional time in which to finalize reports, the City Clerk's Office is recommending that the timeline for the production and distribution

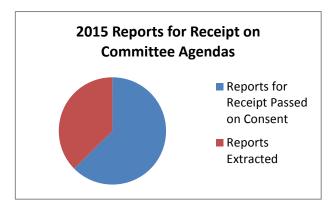
of agendas be condensed. Final reports would be due to the City Clerk's Office one day later from the current practice. There will be a need for a more stringent adherence to report deadlines in order to accommodate this change and meet production and notification deadlines. Late reports will not be accommodated with the original agenda production and distribution. As noted below, the addendum agenda is also not intended to accommodate late reports. Despite this and with the move to a rotation of Service Areas reporting to the Committee of the Whole as noted below, staff would have an additional month to prepare their reports.

Staff raised concern with the timelines imposed by other levels of government or external agencies. These timelines can significantly impact the schedule of planned agendas. Often these types of situations are time sensitive and provide staff with little lead time to prepare responses and the short review period can impact Council's ability to provide a fulsome response.

The City Clerk's Office recognizes there will be instances where the timelines imposed for a response by other levels of government or agencies do not meet our deadlines for inclusion on the appropriate Committee of the Whole agenda. These time sensitive matters may be dealt with on an individual basis and may be brought forward on a Council agenda for consideration.

Weekly Information Items Package

Over the past number of years, more reports with a recommendation for receipt are appearing on agendas. At times this can be confusing to the public given there is no formal action to be taken. In 2015 almost half of the reports appearing on a Committee agenda were reports for receipt. Of the 82 reports for receipt, 49 were extracted due to an accompanying staff presentation, delegation or discussion by Councillors, with only one resulting in a recommendation being forwarded to Council.



Including information or receipt only reports on an agenda impacts the time Council Members have to address other matters requiring their deliberation and often lengthens meetings. It is recommended that reports for information and receipt be placed on the Weekly Information Items package. Removing these reports from the agendas will allow for

Members of Council to focus on strategic matters, major issues and on reports that require a decision. Realizing there may be exceptions where an information report needs to be discussed at Committee of the Whole, the CAO and/or Deputy CAOs in consultation with the Mayor and Committee of

the Whole Chair, may direct that that a particular information report be placed on an agenda. Members of Council will continue to have the ability to request an information report contained on the Weekly Information Items package to be placed on the Committee of the Whole agenda for discussion.

With the removal of the reports for receipt from the consent agendas and implementing the recommendations from the 2015 Print Room Audit, it is anticipated agenda production costs and time could be further reduced. This would allow for staff resources to be re-directed to other projects within the department.

Recommendation #1

Reports for "receipt" or "information" be placed on the weekly Information Package unless directed by the CAO and/or DCAO in consultation with the Mayor and Committee of the Whole Chair.

Agenda Format

To make the agenda easier to follow and more efficient, it is being recommended that the agenda format be revised. Comments received suggested the need to repurpose the consent agenda. The new format will be more efficient and easier for Members of Council and the public to follow and better reflect the actual flow of the meeting.

Committee of the Whole

Staff reports from the designated Service Areas and other material will be placed on the Committee of the Whole agenda in the following manner. Material with staff presentations or listed delegations will be placed under a new section on the agenda titled "Items for Discussion". All other material will be placed under a "Consent Agenda" section.

Council

Under the new governance structure, recommendations from the Committee of the Whole meeting will be forwarded to the Council meeting for ratification. The revised Council agenda front page will include a report from Committee of the Whole. Any matters with presentations and/or delegations will be listed under the "Items for Discussion" section. Time sensitive items that did not meet the agenda deadline for Committee of the Whole may be included under a "Consent Agenda" section.

At both Committee of the Whole and at Council, Members will still have the opportunity to extract items from the Consent Agenda for discussion.

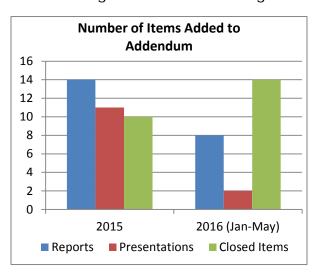
A further enhancement to the agenda summary page is the inclusion of the complete recommendation to be considered. Including the resolutions on the agenda will make it easier for the public to follow the meeting and reduce

duplication of recommendations on separate pages. This change may further reduce agenda production costs. The proposed new agenda format, which will be AODA compliant, is found on Attachment 2.

Addendum

The Procedural By-law states that addendums are to be prepared to include names of registered delegates and written submissions relating to matters on the agenda. Council members expressed concern with the number of items being placed on the addendum. There was a strong aversion to receiving

reports or substantial changes to reports on the addendum and expressed strong support for stopping the practice of including new reports on the addendum. It was felt the original intent of the addendum was to supply additional or supplemental information to a report already on the agenda. They further advised they did not have adequate time to review any new reports or substantial changes to the material or to contact senior staff prior to the meeting with any questions. If a report is not



distributed with the agenda, it would not be added to the addendum and will be placed on the next Committee of the Whole Council agenda.

Going forward, addendums will include requested supplemental information, minor changes to reports and presentations, additional delegations and written submissions regarding items already on the agenda along with additional by-laws.

Members of Council and the public have complained and voiced confusion with the practice of issuing of two addendums for Committee meetings. Therefore, it is recommended that the practice of allowing delegations to register up until 11 a.m. the day of the Committee meeting cease. The recommended deadline for public to submit their name to speak or submit written correspondence on an item on the agenda will be 10 a.m. (rather than the existing 9 a.m. deadline) on the Friday prior to the meeting. A Friday addendum submission timeline allows the public and Members of Council time to prepare prior to the meeting.

Recommendation #2

That items on the addendum be limited to delegations/public submissions related to items on the agenda, minor report changes, additional information requested by Council and bylaws.

Recommendation #3

That delegations will have until 10 a.m. the Friday prior to the meeting to register or to submit written correspondence relating to agenda items.

Governance Structure

In discussion with the various focus groups, concern was expressed with the length of Council meetings. Meetings extending late into the evening lead to decision fatigue. Such situations are not conducive to good governance. Long meetings also leave registered delegates and interested public sitting in the Chambers until late into the evening prior to being heard or to a decision being made.

The Agenda Forecast used by the Service Areas to forecast items coming before specific Committee/Council meetings will need to be managed by the Executive Team. Large, controversial or complex matters need to be better managed and coordinated to streamline and make more efficient the decision making process.

At the Council meeting of April 25, 2016, City Council approved a Committee of the Whole governance structure. This new structure allows all members of Council to fully participate in discussion, debate and decision making process. This change should reduce the duplication of debate and discussion that commonly takes place at Council following the Standing Committee meetings. It is anticipated that by adopting the Committee of the Whole governance structure, there will be fewer total number of meetings (exclusive of special meetings) and the time spent in meetings may be reduced. The meeting schedule would be streamlined and the decision making process simplified.

Next Steps

The Committee of the Whole governance structure is targeted for implementation on September 6, 2016. A revised Procedural By-law along with an updated Council Terms of Reference will be drafted for Council's consideration in July in order to finalize the recommendations contained within this report. In anticipation of the new governance structure, the City Clerk's Office will be implementing a plan for training for Members of Council and staff (ATT - 3), along with information and communications to the public.

Recommendation #4

That staff be directed to amend the Procedural By-law and the Council Terms of Reference to implement the Committee of the Whole structure.

Recommendation #5 That staff be directed to proceed with the Committee of the Whole implementation plan.

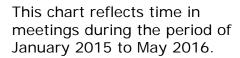
Meeting Times

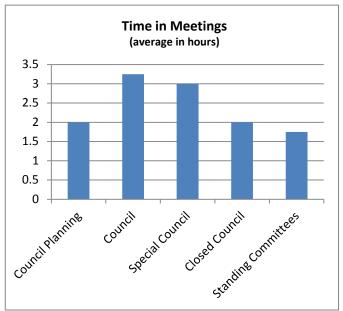
Given the concerns raised by the public and Council regarding late meetings, the following revisions to meeting times are proposed:

- Committee of the Whole 1st Monday (Tuesday if Monday is a holiday) of the month at 2 p.m. with any closed meeting starting at either 12:30 p.m. or 1 p.m.
- Council Planning 2nd Monday (Tuesday if Monday is a holiday) of the month at 6:30 p.m. with any closed meeting starting at either 4:30 p.m. or 5 p.m.
- Council Meeting 4th Monday (Tuesday if Monday is a holiday) of the month at 6:30 p.m. with any closed meeting starting at either 4:30 p.m. or 5 p.m.

Currently, three out of five of the Standing Committees commence their meetings at 2 p.m. Other statutory committees at the City, such as Heritage

Guelph and Accessibility
Advisory Committee, hold
their meetings during the day
and limited complaints have
been received from the public
with respect to attending
these meetings. Additionally,
some of the City's
comparator municipalities
with a Committee of the
Whole governance structure
start their meetings
anywhere between 9 a.m. to
2 p.m.





Live Streaming

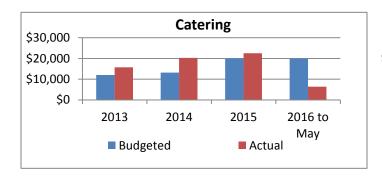
Council approved in the 2016 budget, funds to live stream Council and Committee meetings and staff are investigating options. Subject to the City's open procurement processes, live streaming of Council meetings could start in September in conjunction with the move to the new governance

structure. This will increase the public's access to Council meetings, allowing them to watch a meeting in real time or at their convenience on a variety of devices. Live streaming of meetings will provide real time access to Council meetings held in locations other than the Council Chambers and for meetings which are not broadcast via Rogers TV. Implementing live streaming will also assist in managing meeting overflow when necessary and builds on a more open local government.

Rogers TV has confirmed that the recommended 2 p.m. start would be supported and would likely result in less delayed broadcasts. Rogers TV further confirmed that coverage of Committee of the Whole and Council would occur under the proposed structure.

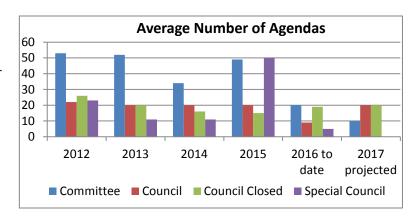
Budgetary Considerations

Commencing the Committee of the Whole meetings at the recommended start time may also achieve cost savings in areas relating to:



• Catering – potential savings related to reduction in catered meetings.

- Overtime potential reduction in Clerk's, IT and other staff OT accrual.
- Printing reduction in total number of meetings may reduce total number of agenda packages produced. Potential Savings in this regard could be realized in savings from staff coordination.



Recommendation #6
That Committee of the Whole meetings start at 2 p.m. on the first Monday of the month.

Recommendation #7

That Council Planning meetings start at 6:30 p.m. on the 2nd Monday of the month.

Recommendation #8

That Council meetings start at 6:30 p.m. on the 4th Monday of the month.

Chairing of Committee of the Whole Meetings

To maintain consistency, Chairs and Vice Chairs will be chosen by Council Members to chair the business forwarded from specific Service Areas. Such a system will provide a consistent Chair for Service Area staff to consult with on matters. This structure also allows for Chairs to build expertise in the work of a particular Service Area. This structure will also provide a consistent point of contact for the public. It is proposed that Members of Council appoint Chairs and Vice Chairs for a two-year term for the work coming to Committee of the Whole from a specific Service Area. It should be noted that with the technology limitations in the Council Chambers, the Chairs will remain in their seat when chairing their portion of the meeting. The existing practice of Chairs receiving an additional 5% of total compensation will continue for the appointed Service Area Chairs. The Chairs along with the Mayor would be expected to attend the Committee of the Whole preview meetings. The Mayor would continue to Chair the Council Planning and Regular/Special Council meetings.

Recommendation #9

That Council appoint Chairs to handle the material coming forward to Committee of the Whole from the Services Area departments.

Delegations

Under a Committee of the Whole governance system, the public benefits from a predictable and familiar meeting schedule with all regular meetings taking place on Mondays. Delegations will be heard at Committee of the Whole or Council meetings. Delegations who have spoken at Committee can delegate to Council only if new information has become available. New information will be considered items that were not previously made available or publicly released (i.e. amendments, additional staff information, government or agency reports) at the time of the Committee of the Whole meeting. The authority to include a delegation at both the Committee and Council meeting will rest with the Chair/Mayor in consultation with the CAO, Deputy CAOs and the City Clerk. The practice of the public submitting written comments on items on the agenda within the agenda production deadlines will continue.

Recommendation #10

That delegations be heard at Committee of the Whole or Council meetings. Delegations that spoke at Committee of the Whole may delegate to Council only if new information has become publicly available.

Agenda Setting

To successfully implement the Committee of the Whole governance structure, it is essential that staff strategically manage matters coming before Committee. Effective use of the Agenda Forecast tool will assist in properly scheduling and coordinating significant items and should result in shorter and balanced meetings.

The Committee of the Whole meeting would function similar to a standing committee meeting by addressing items within a themed area. It is proposed that matters coming from Corporate Services and Public Services departments and the former Audit Committee would be dealt with in one month. In the following month, Committee would deal with matters coming from the Infrastructure, Development & Enterprise departments and the former Governance Committee. The Committee of the Whole meeting agenda package would include a Consent Agenda and a listing of Items for Discussion. Items for Discussion will include those items which have associated presentations and/or delegations. A Service Area consent agenda followed by Items for Discussion from that same Service Area will be addressed before moving to the next Service Area. A schedule outlining when Service Areas report to Committee is attached as Attachment 4.

No changes are recommended for Council Planning meetings held under the *Planning Act*. These meetings would continue in the same manner and starting at the recommended start time of 6:30 p.m.

Recommendation #11

That the reporting schedule for the remainder of the Council term be approved.

Urgent Matters

Time sensitive matters that arise and are not already scheduled on the next Committee agenda may be placed directly on the next available agenda for consideration. Addition of such items will be at the request of the CAO and Deputy CAO's and upon confirmation from the Mayor and/or Service Area Chair. Any such report that is placed directly on an agenda will need to meet the City Clerk's Office agenda production deadlines and will not be placed on the addendum.

Nominating / Appointment process

Under the new governance structure, there is no longer a Governance Committee tasked with serving as the Nominating Committee. The Nominating Committee was responsible for recommending Councillor appointments to various boards and committees. Under the new structure, it is recommended that all Council Members participate in the Council appointment process at an open meeting. The City Clerk's Office would continue to facilitate the application process.

Recommendation #12

That all of Council participate in the member appointment process for agencies, boards and committees.

Establishment of Committees of Council

There are two existing Committees of Council that will be impacted by the change to a Committee of the Whole structure. Staff are recommending the following Committees be established:

- Elliott Board of Management composed of 5 members of Council, appointed for the term of Council. Staff will be reporting back to Council in July 2016 on any necessary amendments to terms of reference documents and associated by-laws to implement this change.
- Business Licence Appeals Committee (formerly handled by the Corporate Services Committee) – composed of 5 members of Council, appointed for the term of Council to hear appeals under the Business Licence By-law.

With the elimination of the Standing Committees, the matter of the CAO Performance Review has an existing policy and process and is subject to review as per previous direction of City Council. Staff will report back regarding best practices under a Committee of the Whole structure in relation to this process.

Recommendation #13

That the following Committees of Council be established:

- Elliott Board of Management
- Business Licence Appeals Committee.

Recommendation #14

That staff report back on best practices used in Committee of the Whole systems with respect to the CAO performance review processes.

Shareholder Meetings

At times, Council meets as the shareholder of Guelph Municipal Holdings Inc. (GMHI) and Guelph Junction Railway Limited. Under the new structure, it is recommended that these shareholder meetings be held as special meetings on separate dates (Council placeholder). On the agenda, specific notation would be made to indicate that Council is meeting as the shareholder.

Recommendation #15

That Council meeting as a shareholder be held as special meetings on separate dates.

Delegation of Authority

To create more efficient Council meetings, it is recommended that staff investigate additional and enhanced delegation of authorities. Doing so would allow meetings to be devoted to policy, governance issues and other strategic matters requiring their decision rather than routine operational and administrative matters.

Recommendation #16

That staff be directed to investigate additional and enhanced delegations of authority.

Training / Learning & Development

Members of Council expressed a desire for the development of clear guidelines for Chairs that would lead to consistency in meeting management. This training is imperative with the transition to the Committee of the Whole. Training would highlight meeting procedures, including closed meetings.

Recommendation #17

That training programs be established for members of Council regarding chairing meetings and procedural issues.

Members of Council have expressed a desire for concise and plainly written reports. Members also suggested there was repetition in reports. Improvements to staff reports could include the use of check lists indicating conformity to policy and legislation and the use of hyperlinks. Some of these actions are already being implemented by staff.

To address the public and Council's desire for concise reports and to concurrently address staff concerns with report processes, the City Clerk's Office will be developing a training program. The training sessions will be provided to staff on a bi-annual basis and will be delivered by existing staff.

The training would address such issues as:

proper use of the Agenda Forecast

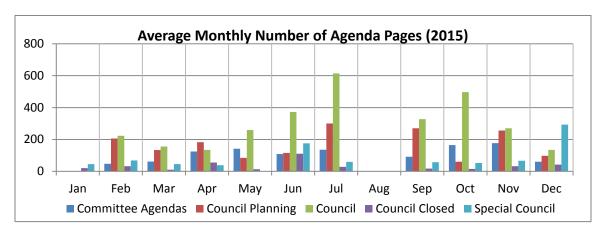
- reinforce the correct use of report template, including reaffirming the use of electronic signatures
- specific report writing guidelines including drafting recommendations
- use of the executive summary
- use of plain and simple language
- use of hyperlinks
- interdepartmental consultation
- Notice Policy
- other tools available, such as RecordSearch

In addition to establishing a training program, the City Clerk's Office has redesigned the report template to better address the needs of the public, Council and staff. Members of Council and the public requested that recommendations be moved to a place of prominence at the top of the report. The updated report template will meet Accessibility for Ontarians with Disabilities Act (AODA) requirements (ATT-5).

Recommendation #18 That the City Clerk be directed to establish a bi-annual training program for staff.

Modernization

The public, Councillors and staff commented on the volume of information that forms the public record. There is an overwhelming volume of paper produced given the current system. All focus groups expressed frustration with navigating and searching the agendas posted to the City's website. Agenda size ranges from 30 to 500+ pages, which makes access and navigation difficult.



In October 2015, citizens participated in an observation exercise that allowed staff to map their actions/steps taken when asked to identify and locate information on a Council agenda. The exercise also required participants to determine how to delegate or submit correspondence. After 10 minutes of

searching, all participants were frustrated and indicated they would have contacted City staff.

In the short term, staff have investigated alternative methods of posting the agendas online that would allow for easy access and navigation. Starting in September 2016, the "agenda face page" will be posted to Guelph.ca and streamlined to include only the titles of items on the agenda. The titles on this agenda will be linked to the appropriate report/document to enable fast and easy access without navigating through an entire agenda document. A complete agenda (as printed) will still be available in PDF format on the City's website.



Social Media



As increased use of technology has become more prevalent, staff are investigating other means of enhancing access to Council information using social media. Municipalities

such as Toronto, Kingston, Brampton, Edmonton and Vancouver along with the international governments use social media to disseminate a variety of information to the public. Staff are investigating ways to increase the use of social media in relation to providing information relating to meetings.

Recommendation #19

That staff be directed to investigate the use of social media with respect to sharing meeting information.

Technology

Members of Council also expressed a desire to have more technology at their disposal in the Council Chambers. Doing so would allow for efficient and effective communication between the City Clerk's Office staff and Members of Council during a meeting. Such technology may provide for the electronic management of speaker's lists, the enabling of Members of Council to

provide the Clerk and the Chair with amendments electronically and allow staff to provide procedural advice.

Electronic Agenda Management System

Municipalities are moving towards embracing electronic agenda management systems to create and post their Council agendas and minutes in a platform that is easily accessible. The implementation of such a system could be designed to accommodate the creation and posting of agendas by other Committees, such as the Committee of Adjustment and other local boards and committees, thus creating a consistent form and process. This type of system would also address comments from the focus groups for easily searchable agendas. An electronic agenda management system would complement the City's Records and Information Management Strategy leading to the creation of a centralized repository for Council and Committee records.

There are many benefits of moving toward an electronic agenda management system. These include general streamlining of the process through:

- a more efficient and automated process
- a more environmentally friendly agenda production and distribution process with a reduction or elimination of print and distribution costs
- use of a single document/report to create, distribute and publish multiple documents (agenda/minutes)
- changes made to originating report will be captured in the produced agendas.

Benefits to the Public:

- search capability makes it easy to find reports
- potential to index video of meetings allowing users to jump to specific parts of meetings

Benefits to Staff:

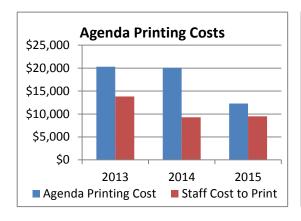
- helps to enforce business process rules and deadlines
- "one stop shopping" staff be able to access Council meeting dates, deadlines and templates in one place
- enforces the use of the current report template
- eliminates inconsistent report numbering
- ability to monitor a report's progress through editing, reviewing and approval process
- tracked changes and comments
- remote approvals
- electronic signatures/approval
- eliminates multiple versions (version control)
- report/document history tracking
- post-meeting workflows for action items/staff directions

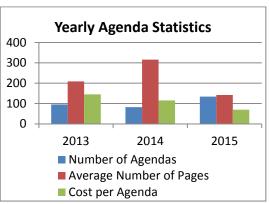
Benefits to the City Clerk's Office:

- enhanced control over the agenda management process
- reduced time enforcing late report procedures
- time and cost savings
- compliance with legislated requirements (AODA)
- automation of tasks

Implementing an electronic agenda system would also support the Open Government Action Plan by striving to provide more accessible and searchable information leading to enhanced transparency.

Automating agenda production and distribution processes may reduce costs associated with producing agendas. In 2015, the printing of agendas cost \$12,278.43 in addition to staff time in the amount of \$9,504.57. This translates to a cost of \$70.93 per meeting. These costs do not include the material that was reprinted due to late changes or the issuance of the addendum/consolidated agenda. Staff time not spent in agenda production would allow the City Clerk's Office staff to be deployed to other projects within the department. The following graphs illustrate the reduction in agenda production costs over the last three years. It is anticipated that this downward trend would continue, or be expedited, with the implementation of an electronic agenda.





Furthermore, the 2015 Print Room Audit recommendations were implemented which reduced the agenda distribution list. These initiatives, in combination with an electronic agenda management system, may help to further reduce the costs of printing.

Recommendation #20

That staff be directed to investigate an electronic agenda system and that an expansion package be submitted as part of the 2017 budget process.

Council Chambers Enhancements

Staff are actively investigating the scope and functionality of the existing software in the Council Chambers for enhancements that could be implemented to better serve the public and Council. With the implementation of an electronic agenda management system, enhancements could include displaying motions during the meeting and linking the motion to the voting record.

As noted above, staff are also investigating the implementation of a speakers list which would allow Members of Council to "add" or "remove" themselves from the speakers list. Such a queue would be available to assist in processing the speakers list accordingly.

In the past, nameplates where displayed at members' desks, allowing for easy identification. It is recommended that a permanent display system be installed in front of each member desk in order that their name plates can be displayed. Additional name plates could be created for senior staff.

There is also a strong desire to reconfigure the Council Chambers. It is recommended that the large round table in the centre of the horseshoe be removed due to lack of formal use and that the City Clerk's Office workstation be relocated inside the horseshoe in front of the Mayor/Chair's desk. This relocation would allow for more workspace and the potential installation of two dedicated workstations, a document camera, telephone and printer. It is also suggested that the relocation of the City Clerk's Office workstation would allow staff to better control the podium with respect to presentations and delegations. It is further suggested that the CAO position be relocated alongside other members of the Executive Team. To improve sightlines for senior staff, Members of Council and the public, it is suggested that the delegation podium's height be reduced.

To better address the security/safety in the Council Chambers, staff are recommending that a wholesome review of security features within the Council Chambers be undertaken in order to ensure the safety of the public, Council and staff.

Recommendation #21

That staff be directed to investigate technological and Council Chamber enhancements and that expansion packages be submitted as part of the 2017 budget process.

Conclusion

Based on a thorough engagement process with the public, Council and staff, the City Clerk's Office believes that the recommendations contained within this report will serve to further promote open and transparent government

and lead to more efficient processes in relation to Council/Committee meetings. The recommendations support the Records and Information Management Strategy, the Corporate Strategic Plan and build upon the accountability and transparency provisions contained within the Municipal Act.

Attachments

- ATT 1 Summary of Recommendations
- ATT 2 Agenda Format A Committee of the Whole Agenda B Council Agenda
- ATT 3 Implementation Plan
- ATT 4 Service Area Committee of the Whole Reporting: September 2016 November 2018
- ATT 5 Report Template

Summary of Meeting Management Recommendations

Efficiency, Transparency & Openness

- 1. Reports for "receipt" or "information" be placed on the weekly Information Package unless directed by the CAO and/or DCAO in consultation with the Mayor and Committee of the Whole Chair.
- 2. That items on the addendum be limited to delegations/public submissions related to items on the agenda, minor report changes, additional information requested by Council and by-laws.
- 3. That delegations will have until 10 a.m. the Friday prior to the meeting to register or to submit written correspondence relating to agenda items.
- 4. That staff be directed to amend the Procedural By-law and the Council Terms of Reference to implement the Committee of the Whole structure.
- 5. That staff be directed to proceed with the Committee of the Whole implementation plan.
- 6. That Committee of the Whole meetings start at 2 p.m. on the first Monday of the month.
- 7. That Council Planning meetings start at 6:30 p.m. on the 2nd Monday of the month.
- 8. That Council meetings start at 6:30 p.m. on the 4th Monday of the month.
- 9. That Council appoint Chairs to handle the material coming forward to Committee of the Whole from the Services Area departments.
- 10. That delegations be heard at Committee of the Whole or Council meetings. Delegations that spoke at Committee of the Whole may delegate to Council only if new information has become available.
- 11. That the reporting schedule for the remainder of the Council term be approved.
- 12. That all of Council participate in the member appointment process for agencies, boards and committees.
- 13. That the following Committees of Council be established:
 - Elliott Board of Management
 - Business Licence Appeals Committee.

- 14. That staff report back on best practices used in Committee of the Whole systems with respect to the CAO performance review processes.
- 15. That Council meeting as a shareholder be held as special meetings on separate dates.
- 16. That staff be directed to investigate additional and enhanced delegations of authority.

Training / Learning and Development

- 17. That training programs be established for members of Council regarding chairing meetings and procedural issues.
- 18. That the City Clerk be directed to establish a bi-annual training program for staff.

Modernization

- 19. That staff be directed to investigate the use of social media with respect to sharing meeting information.
- 20. That staff be directed to investigate an electronic agenda system and that an expansion package be submitted as part of the 2017 budget process.

Council Chamber Enhancements

21. That staff be directed to investigate technological and Council Chamber enhancements and that expansion packages be submitted as part of the 2017 budget process.

Committee of the Whole Meeting Agenda



Council Chambers, Guelph City Hall, 1 Carden Street Monday, October 26, 2016 – 1:30 p.m.

Please note that an electronic version of this agenda is available via quelph.ca/agendas.

Call to Order - Chair Public Services

Authority to move into Closed Meeting

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

C-COW-IDE-2016.1 Official Plan Amendment 48 – Proposed Settlement Section 239 (2) (e) litigation or potential litigation, including matters before administrative tribunals.

Closed Meeting

Open Meeting - 2:00 p.m.

Closed Meeting Summary – Chair IDE or Chair PS

Disclosure of Pecuniary Interest and General Nature Thereof

Presentation:

Innovation Fund (20 minute presentation) – Suzanne Holder, Project Coordinator

Committee of the Whole - Public Services

Chair - Councillor Downer

Consent Agenda:

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

COW-PS-2016.1 Cultural Property Category A Designation for Guelph Museums

- 1. That the Public Services Report # PS-16-09 "Cultural Property Category A Designation for Guelph Museums" dated May 2, 2016 be received; and
- 2. That the certified cultural property or property acquired with a Movable Cultural Property grant be transferred to another designated organization in the event that the City ceases operations of Guelph Museums, be approved.

COW-PS-2016.2 Harvard Road Transit Service

- 1. That Public Services Report PS-16-08 "Harvard Road Transit Service" dated April 4, 2016, be received; and
- 2. That Option 1: Reroute Route 57 to use Stone Road westbound instead of Harvard Road be chosen for a trial period of three semesters and further public consultation to occur.

Items for Discussion:

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

COW-PS-2016.3 Canada Summer Games 2021 Update and Regional Bid Investigation

Presentation:

Ella Pauls, Manager of Cultural Affairs and Tourism Sherry Doiron, Manager of Sport Tourism for the Regional Sport Tourism Office

Delegations:

Shona Winters

- 1. That Public Services Report PS-16-07 "Canada Summer Games 2021 Update and Regional Bid Investigation" dated April 4, 2016, be received.
- 2. That Council endorses the Regional Sport Tourism Office's ongoing investigation of a regional bid for the 2021 Canada Summer Games and submission of a Letter of Intent to bid.

Committee of the Whole - Corporate Services

Chair - Councillor Hofland

Consent Agenda:

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

COW-CS-2016.4 Outstanding Motions of the Corporate Services Committee

1. That the report dated March 3, 2016, regarding outstanding motions of the Corporate Services Committee be received.

- 2. That the items marked completed by removed.
- 3. That the item:

December 5/13 (Council)

That Finance & Enterprise staff conduct a comprehensive review of the City's strategic real estate needs and report back in Q2 2014 with a policy framework supporting the creation and administration of a Strategic Real Estate Reserve.

be referred to Deputy CAO, Infrastructure, Development & Enterprise Services to report to Infrastructure, Development & Enterprise Committee.

COW-CS-2016.5 Tax Ratios – 2016

- 1. That Report CS-2016-05 entitled "Tax Ratios 2016" be received for information.
- 2. That the 2016 Tax Ratios be set as follows:
 - a. That the multi-residential ratio be reduced from 2.0399 to 1.9979;
 - b. That the industrial tax ratio be reduced from 2.3111 to 2.2048;
 - c. That all other class ratios and vacancy discounts remain the same as 2015.
- 3. That staff prepare the 2016 Tax Policy Report, tax rates and the tax by-laws using these ratios.

Items for Discussion:

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

COW-CS-2016.6 Records and Information Management Strategy

Presentation:

Jennifer Slater, Program Manager, Records and Information

- 1. That the Records and Information Management Strategy be approved.
- 2. That the Information and Access Coordinator position be referred to the 2016 budget process.

Committee of the Whole - Audit

Chair - Councillor Wettstein

Consent Agenda: None

Items for Discussion:

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

COW-AUD-2016.3 EXTERNAL AUDIT SERVICE PLAN

Presentation:

Matthew Betik, Partner, KPMG LLP, presented the External Audit Service Plan.

That the Audit Planning Report for the year ending December 31, 2015, attached in Appendix A to Report CS-2016-02, be received.

Chairs and Staff Announcements

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

Adjournment



City Council Meeting Agenda



Council Chambers, Guelph City Hall, 1 Carden Street Monday, October 26, 2015 – 5:00 p.m.

Please note that an electronic version of this agenda suitable for viewing via a computer, mobile phone or tablet is available via guelph.ca/agendas.

Authority to move into closed meeting

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

C-COW-2015.1 Official Plan Amendment 48 – Proposed Settlement
Section 239 (2) (e) litigation or potential litigation, including matters

before administrative tribunals.

Open Meeting - 6:30 p.m.

O Canada Silent Reflection

Disclosure of Pecuniary Interest and General Nature Thereof

Presentation:

Dr. Franco Vaccarino, President & Vice Chancellor, University of Guelph – The University and City – Building Community Together.

Confirmation of Minutes: (Councillor Hofland)

That the minutes of the Council Meetings held September 14, 21, 23, 28 and 30, 2015, the Closed Meetings of Council held September 14 and 28, 2015 and the Committee of the Whole held September 9 and 10 be confirmed as recorded and without being read.

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

Committee of the Whole Consent Report:

COW-2015.10 Process for Preparing Budgets: Mayor's Office & Council

That Council approve the accountabilities and procedures as outlined in Report CAO-C-1508 entitled "Process for Preparing Budgets: Mayor's Office and Council"; regarding the preparation, sign off, submission and presentation of budgets related to the Office of the Mayor and City Council.

COW-2015.11 Goose Management Strategy

- 1. That Council approve the creation of a Goose Management Strategy for the City of Guelph subject to funding approval in the 2016 operating budget.
- 2. That any remaining funds from the creation of the goose management strategy be used for the implementation of the strategy in 2016.

COW-2015.12 2016 Council and Committee Meeting Schedule

That the 2016 Council and Committee meeting schedule, attached as Schedule A, be approved.

COW-2015.13 Records and Information Management Strategy

- 1. That the Records and Information Management Strategy be approved.
- 2. That the Information and Access Coordinator position be referred to the 2016 budget process.

COW-2015.14 Bill 8 Overview and Status of Integrity Commissioner and Ombudsman Positions

- 1. a) That staff be directed to proceed with the issuance of an RFP for the purpose of retaining an Integrity Commissioner, pursuant to the accountability and transparency provisions of the Municipal Act; and,
 - b) That a by-law be brought forward to Council for the appointment of same.
- 2. a) That staff be directed to work with area municipalities in the issuance of a joint RFP for the purpose of retaining a joint Ombudsman, pursuant to the accountability and transparency provisions of the Municipal Act; and,
 - b) That a by-law be brought forward to Council for the appointment of same; and,
 - c) That the costs of an Ombudsman's services be referred to the 2016 budget process.
- 3. That staff report back to a subsequent Governance Committee meeting on the details of an internal complaint resolution procedure.
- 4. That the CAO be directed to review and report back on the opportunity, benefits and costs of introducing the "Lobbyist Registrar" for Guelph.

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

Council Consent Agenda:

CON-2015.1 Ministry of Transportation – Connecting Link Program: York Road Reconstruction – Wyndham Street to Ontario Street

- 1. That Council authorize staff to submit an application to the Ministry of Transportation with respect to the Connecting Link Program for the reconstruction of York Road from Wyndham Street to Ontario Street.
- 2. That Council authorize staff to confirm to the Ministry of Transportation the following:
 - The submitted Application meets the requirements of MTO's Connecting Link Program as described in the Program Guide;
 - ii. The municipality will comply with the conditions that apply to designated connecting links under the Highway Traffic Act to ensure the safe and efficient movement of provincial traffic; and

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

Items for Discussion:

CON-2015.2 2015 Provincial Co-ordinated Land Use Planning Review

Presentation:

Katie Masswetter, Senior Development Planner

Delegations:

John Snow Amanda Breezy

- 1. That Report 15-44 from Infrastructure, Development and Enterprise dated May 25, 2015 regarding the 2015 Provincial Co-ordinated Land Use Planning Review be received.
- 2. That the response prepared by staff, dated May 25, 2015, and included as Attachment 1, be endorsed and submitted to the Ministry of Municipal Affairs and Housing.

Special Resolutions

Councillor Van Hellemond's motion for which notice was given October 13, 2015.

That the following motion be referred to the Public Services Committee for consideration:

"That staff be directed to undertake a by-law review of the Bed & Breakfast Schedule within the City of Guelph's Licensing By-law, commencing in 2017."

By-laws

Resolution to adopt the By-laws (Councillor MacKinnon).

"THAT By-law Numbers (2015)-xxx to (2015)-xxx, inclusive, are hereby passed."

By-law Number (2015)-1234

A by-law to authorize the execution of an agreement between DoGood Construction Limited and the Corporation of the City of Guelph. (Contract 15-500 for Sunni Street Reconstruction)

By-law Number (2015)-1235

A by-law to amend By-law Number (2002)-17017 (to add the intersection of Lands End Dr. S. and Sunset Blvd. E. in the Traffic Control Signals Schedule VI).

By-law Number (2015)-1236

A by-law to remove Block A, 61M-989 designated as Parts 1 to 10 inclusive, Reference Plan 61R99999 in the City of Guelph from Part Lot Control. (to create separate parcels for townhouse dwelling units to be known municipally as 20, 24, 26 and 26 Happy Trails Drive)

Mayor's Announcements

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

Notice of Motion

Adjournment

IMPLEMENTATION PLAN FOR THE MEETING MANAGEMENT REVIEW AND COMMITTEE OF THE WHOLE SYSTEM

Date	Action
March 24	Public release of the Committee of the Whole Report
April 25	Council decision on the adoption of a Committee of the Whole System
April 26	Media release/For information notice issued regarding the adoption of the Committee of the Whole System and roll-out.
April 26 – June 13	Prepare templates and revised Procedural By-law.
	Prepare Revised Committee/Council Calendar, Report Deadline Calendar, and Terms of Reference
April 26 – July 8	Prepare for Staff Training Sessions for the purposes of educating staff on the changes to the Committee- Council System and how it affects the report writing process.
April 26 –July 8	Develop new City Clerk's webpages and intranet that outline the changes to the Committee structure and other key changes to the Committee/Council meeting procedures.
June 16-17	Public release of the Meeting Management Review (MMR) Report
	MMR report will be sent to participants of the public focus group consulted on the Meeting Management Review.
June 27	MMR Report presented to Council
	Media release issued regarding key changes to the Council process and the public's communication with Council. Details on Public Information Sessions will be made available.
June 28	Begin implementing the communications plan.
	Schedule Staff Training Sessions related to Committee/Council Reforms
	Schedule Council Information Session related to the implementation of the Committee/Council Reforms.
June 28-July 8	Make revisions to the Procedural by-law, Calendars and Templates.
	Launch the updated City Clerk's website and intranet.
July 13-22 and ongoing	Commence Staff Training regarding the new Meeting Management Process
July 18	Council Information Session related to the implementation of the Committee/Council Reforms to precede the regularly scheduled Council Meeting.
August 16	Public Information Session #1 related to the new Council/Committee of the Whole
August 1- October 1	System Transition from Standing Committee System to Committee of the Whole System (By October 1 all staff reports being presented to Committee of the Whole will have the new template)
September 6	Inaugural Committee of the Whole Meeting
September 13	Public Information Session #2 related to the new Council/Committee of the Whole System
October and November	Report Writing Training Sessions resumes.

2016	September	October	November	December
Committee of the Whole	6	3	7	5
1 st Monday - 2:00 p.m	IDE	CS	GOV	PS
	GOV	AUD	IDE	CS
		PS		AUD
Council Planning	Council Planning	Council Planning	Council Planning	Council Planning
2 nd Monday -6:00 p.m.				
Council	Council	Council	Council	Council
4 th Monday - 6:00 p.m.				

2017	January	February	March	April	May	June	July	August	September	October	November	December
Committee of	GOV	CS	GOV	AUD	IDE	PS	GOV	CS	IDE	AUD	GOV	PS
the Whole	IDE	AUD	IDE	PS	GOV	CS	IDE	AUD	GOV	PS	IDE	CS
1 st Monday		PS		CS		AUD		PS		CS		AUD
2:00 p.m												
Council Planning 2 nd Monday 6:00 p.m.	Council Planning		Council Planning	Council Planning	Council Planning	Council Planning						
Council 4 th Monday 6:00 p.m.	Council		Council	Council	Council	Council						

2018	January	February	March	April	May	June	July	August	September	October	November	December
Committee of the Whole 1 st Monday 2:00 p.m	GOV IDE	CS AUD PS	GOV IDE	AUD PS CS	IDE GOV	PS CS AUD	GOV IDE	AUD PS CS	IDE GOV	Election: No Meetings	PS CS AUD	GOV IDE
Council Planning 2 nd Monday 6:00 p.m.	Council Planning	Election: No Meetings	Council Planning	Council Planning								
Council 4 th Monday 6:00 p.m.	Council	Election: No Meetings	Council	Council								

STAFF REPORT



TO	Salact Paciniant (Committee or Council)						
10	Select Recipient (Committee or Council)						
SERVICE AREA							
DATE Date	of Committee or Council						
SUBJECT	Enter Title of Report						
REPORT NUMBER	Enter Report Number						
RECOMMENDATION							
1. That							
2. That							
EXECUTIVE SUMMARY							
Purpose of Report							
Key Findings							

REPORT

FINANCIAL IMPLICATIONS

CORPORATE STRATEGIC PLAN

Select Strategic Focus Area

COMMUNICATIONS

[Approach to Communications following decision from Council]

ATTACHMENTS

ATT-1 Attachment 1 Name ATT-2 Attachment 2 Name

[type name]
Report Author

Approved By Recommended By

[Name][Name][Title][Title][Phone][Phone][Email][Email]