

CITY COUNCIL AGENDA



Council Chambers, Guelph City Hall, 1 Carden Street

DATE Monday November 23, 2015 – 5:00 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-2015.48 Niska Road Improvements**
Section 239 (f) advice that is subject to solicitor-client privilege
- C-2015.49 2016 Non-Union Compensation**
Section 239 (2) (d) labour relations or employee negotiations
- C-2015.50 District Energy Strategic/Long Term Financial Plan**
Section 239 (2) (a) security of the property of the municipality
- C-2015.51 Report of the Corporate Services Committee: Citizen Appointments to the Committee of Adjustment**
Section 239 (b) personal matters about identifiable individuals
- C-2015.52 Report of the Infrastructure, Development & Enterprise Committee: Citizen Appointments to the Accessibility Advisory Committee, Downtown Advisory Committee, Economic Development Advisory Committee, Environmental Advisory Committee, Heritage Guelph, River Systems Advisory Committee, Waste Innovation Centre Public Liaison Committee and the Water Conservation & Efficiency Public Liaison Committee**
Section 239 (b) personal matters about identifiable individuals
- C-2015.53 Report of the Public Services Committee: Citizen Appointments to the Guelph Museums Advisory Committee, Guelph Sports Hall of Fame Board of Directors, Property Standards/Fence Viewers Committee, Public Art Advisory Committee, Tourism Advisory Committee and Transit Advisory Committee**
Section 239 (b) personal matters about identifiable individuals

CLOSED MEETING

OPEN MEETING – 7:00 P.M.

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

PRESENTATION

- a) Presentation of the Accessibility for Ontarians with Disabilities Act 10th Anniversary Champion Award to James Sanders.

CONFIRMATION OF MINUTES (Councillor Bell)

"THAT the minutes of the Council Meetings held October 2, 13, 14, 21, 23, 26 and 28, 2015 and the minutes of the Closed Meetings of Council held October 2, 13, 14, 23 and 26, 2015 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-2015.21 Appointment of the External Auditor			

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

Closed Meeting of Council			
Item	City Presentation	Delegations	To be Extracted
C-2015.50 Citizen Appointments to Committee of Adjustment			

C-2015.51 Citizen Appointments to Accessibility Advisory Committee, Downtown Advisory Committee, Economic Development Advisory Committee, Environmental Advisory Committee, Heritage Guelph, River Systems Advisory Committee, Waste Innovation Centre Public Liaison Committee and the Water Conservation & Efficiency Public Liaison Committee			
C-2015.52 Citizen Appointments to Guelph Museums Advisory Committee, Guelph Sports Hall of Fame Board of Directors, Property Standards/Fence Viewers Committee, Public Art Advisory Committee, Tourism Committee and Transit Advisory Committee.			

Adoption of balance of the Closed Meeting of Council Fifth Consent Report –

Corporate Services Committee			
Item	City Presentation	Delegations	To be Extracted
CS-2015.40 BMA Financial Condition Assessment Report			
CS-2015.41 Property Tax Policy – Tax Ratios			
CS-2015.42 Review of Zero Based Budgeting and Other Options			

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

Infrastructure, Development & Enterprise Committee			
Item	City Presentation	Delegations	To be

			Extracted
IDE-2015.38 Frozen Water Pipe Policy			
IDE-2015.39 2015 Building By-law Update			
IDE-2015.40 Intersections Warranted for Traffic Signal Installation			
IDE-2015.41 Municipal Council Support Resolution (blanket): Notice to Proceed (NTP) for Projects Previously Supported by Council Under Feed-In-Tariff Program 3.1			

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

Public Services Committee			
Item	City Presentation	Delegations	To be Extracted
PS-2015.34 City of Guelph Submission to Ontario Culture Strategy			

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

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
- Closed Meeting of Council -
- Corporate Services Committee– Councillor Hofland
- Infrastructure, Development & Enterprise Committee – Councillor Bell
- Public Services Committee– Councillor Council Downer

SPECIAL RESOLUTIONS

- a) Mayor Guthrie's motion for which notice was given October 26, 2015.

That staff be directed to report back to the Infrastructure, Development and Enterprise Committee the preferred method of delivering a progress report on the Community Energy Initiative including governance and oversight options of the Community Energy Initiative implementation.

BY-LAWS

Resolution – Adoption of By-laws (Councillor Billings)

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

**Minutes of Guelph City Council
Held in Meeting Room C, Guelph City Hall on
Friday, October 2, 2015 at 8:30 a.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 J. Gordon	Councillor K. Wettstein
Absent:	Councillor L. Piper	Councillor D. Gibson
Staff:	Ms. A. Pappert, Chief Administrative Officer	
	Mr. M. Amorosi, Deputy CAO, Corporate Services	
	Mr. D. Thomson, Deputy CAO, Public Services & Acting Deputy CAO	
	Infrastructure, Development & Enterprise	
	Mr. S. O'Brien, City Clerk	

Call to Order (8:30 a.m.)

Mayor Guthrie called the meeting to order.

Authority to Resolve into a Closed Meeting of Council

1. Moved by Councillor Gordon
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 (3.1) of the *Municipal Act* with regard to a meeting held for the purpose of educating or training Council members.

CARRIED

Closed Meeting (8:31 a.m.)

Disclosure of Pecuniary Interest and General Nature Thereof

There were no disclosures.

The following educational workshop took place:

Council Leadership Charter Workshop

Adjournment (4:00 p.m.)

3. Moved by Councillor Hofland
Seconded by Councillor Salisbury

That the meeting be adjourned.

CARRIED

Minutes to be confirmed on November 23, 2015.

Mayor Guthrie

Stephen O'Brien, City Clerk

**Minutes of Guelph City Council
Held in the Council Chambers, Guelph City Hall on
Tuesday, October 13, 2015 at 5:30 p.m.**

Attendance

Council: Mayor C. Guthrie
Councillor P. Allt
Councillor C. Billings
Councillor C. Downer
Councillor D. Gibson
Councillor J. Gordon
Councillor J. Hofland
Councillor M. MacKinnon
Councillor L. Piper
Councillor M. Salisbury
Councillor A. Van Hellemond
Councillor K. Wettstein

Absent: Councillor B. Bell

Staff: Mr. M. Amorosi, Deputy CAO, Corporate Services
Mr. D. Thomson, Deputy CAO, Public Services
Mr. D. Godwalt, General Manager, Human Resources
Mr. S. Armstrong, General Manager/Fire Chief Emergency Services
Fire/Ambulance
Mr. S. Dewar, EMS Chief
Ms. J. Maitland, Labour Relations Specialist
Mr. R. O'Brien, Labour Relations Specialist
Ms. C. Clack, General Manager, Culture, Tourism and Community
Investment
Mr. T. Salter, General Manager, Planning, Urban Design & Building
Services
Ms. S. Kirkwood, Manager of Development Planning
Mr. M. Witmer, Development Planner II
Ms. T. Agnello, Deputy Clerk
Ms. D. Black, Council Committee Coordinator

Also

Present: Ms. C. Van Andel, Consultant

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

Mayor Guthrie called the meeting to order.

Authority to Resolve into a Closed Meeting of Council

1. Moved by Councillor Billings
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 (d) of *the Municipal Act*, with respect to personal matters about an identifiable individual and labour relations or employee negotiations.

CARRIED

Closed Meeting (5:33 p.m.)

Disclosure of Pecuniary Interest and General Nature Thereof

There were no disclosures.

The following matters were considered:

CON-C-2015.38 OPSEU Contract Negotiations

CON-C-2015.39 IATSE Contract Negotiations

CON-C-2015.40 CAO Performance Appraisal Process

Rise and recess from Closed Meeting (6:59 p.m.)

Open Meeting (7:00 p.m.)

Mayor Guthrie called the meeting to order.

Disclosure of Pecuniary Interest and General Nature Thereof

There were no disclosures.

Consent Agenda

2. Moved by Councillor Hofland
Seconded by Councillor Allt

That the October 13, 2015 Consent Agenda as identified below, be adopted:

CON-2015.46 Proposed Demolition of 7 Young Street - Ward 5

1. That Report 15-83 regarding the proposed demolition of one (1) single detached dwelling at 7 Young Street, legally described as Plan 464 Pt. Lot 13 Pt. Lot 14; City of Guelph, from Infrastructure, Development and Enterprise dated October 13, 2015, be received.
2. That the proposed demolition of one (1) detached dwelling at 7 Young Street be approved.
3. That the applicant erect protective fencing at one (1) metre from the dripline of all existing trees on or adjacent to the property, to the satisfaction of the City's Environmental Planner, prior to commencing demolition, site alteration or construction.
4. That if tree removal is anticipated the applicant be requested to prepare and submit a Tree Preservation Plan undertaken by an arborist and provide tree compensation to the satisfaction of General Manager of Planning, Urban Design and Building Services and prior to undertaking activities which may injure or destroy trees.

5. 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.
6. That the applicant be requested to contact the General Manager of Solid Waste Resources, within Infrastructure, Development and Enterprise regarding options for the salvage or recycling of all demolition materials.

CON-2015.47 Councillor Mark Mackinnon Request for Funding to Attend AMO 2015 Ontario West Municipal Conference Linkages on November 20, 2015

That Councillor Mark MacKinnon be authorized to exceed his 2015 expense allocation of \$3,250.00 in order to attend the AMO 2015 Ontario West Municipal Conference Linkages to be held November 20, 2015.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Billings, Downer, Gibson, Gordon, Hofland, MacKinnon, 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.

1229 Victoria Road South Proposed Official Plan Amendment and Zoning By-law Amendment (File: OP1501/ZC1507) – Ward 6

Mr. Michael Witmer, Development Planner II, advised the applicant is requesting an Official Plan Amendment to redesignate a portion of the subject lands from the existing "General Residential" land use to the "Neighbourhood Commercial Centre" but retain the existing "General Residential" designation for the portion of the site proposed for the 101-unit residential apartment building.

Mr. Witmer explained that the applicant is proposing to rezone the property from the current Agricultural Zone to a Specialized General Apartment Zone for the residential block and to a Neighbourhood Commercial Zone for the commercial block. The exceptions that are being requested are:

- To permit a minimum rear yard setback of 7.5 metres from the required minimum of 21.52 metres;
- To permit a setback of 1.0 metres from a parking area to a property line; from the required 3.0 metres; and
- Despite Section 4.1 of the Zoning By-law, to permit access from a Building to a public Street by way of a private Street.

Discussion ensued regarding clarification of the location of the setbacks, the process for designating neighbourhood commercial zones, and the feasibility of access at the stub road to the north.

Mr. Hugh Handy, the applicant, advised they are proposing a four storey multi-unit residential building with 101 dwelling units and a commercial plaza of 807 square meters with a landscaped amenity area at the corner of Victoria Road and Clair Road. He noted the property is designed to provide built-form along the streetscape with parking screened to the rear and the site plan process will address specifics.

He noted that access from Victoria Road South between the two buildings is right in, right out only and City staff did not recommend any further access from Victoria Road South due to traffic concerns.

Dr. Hugh Whiteley raised the issue of water quality risk management for the City's water supply. He believes a Risk Assessment Officer is required to evaluate the Burke Well due to its proximity to the subject property. He raised concerns regarding the City's protocol for risk assessments as part of an Environmental Impact Study and suggested a Salt Management Plan be implemented. The Plan should require a risk assessment as part of all standard reviews, salt reduction measures and porous pavement parking areas. He provided information regarding the impacts of road salt on the water supply.

Council discussed the feasibility of staff investigating the option of porous pavement, evaluating waste collection, snow removal and storage, and addressing lighting issues – particularly pertaining to the commercial element and investigating salt management options.

3. Moved by Councillor Hofland
Seconded by Councillor Gibson

That Report 15-67 regarding an Official Plan Amendment and Zoning By-law Amendment application (File OP1501/ZC1507) by Reid's Heritage Homes Ltd. (on behalf of Westminster Woods Ltd.) to permit a four (4) storey, 101-unit apartment building as well as a neighbourhood commercial plaza with approximately 807 m² (8,686.5 square feet) of gross floor area in two (2) separate buildings at 1229 Victoria Road South, legally described as Part of Lot 10, Concession 8, Geographic Township of Puslinch, City of Guelph, County of Wellington from Infrastructure, Development and Enterprise dated October 13, 2015 be received.

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

CARRIED

By-laws

4. Moved by Councillor Salisbury
Seconded by Councillor Billings

That By-laws Numbered (2015)-19970 to (2015)-19972, inclusive, are hereby passed.

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

CARRIED

Mayor's Announcements

Councillor MacKinnon announced he and Councillor Wettstein will be hosting a Ward 6 Town Hall Meeting on Thursday, November 5th at the Clair Road Emergency Centre, 160 Clair Road West from 7:30 – 9 p.m.

Mayor Guthrie apologized to Councillor Salisbury, all of Council and staff for his reaction to the Point of Privilege raised at the Council meeting of September 28th.

Mayor Guthrie read the following statement:

"Earlier this evening, Council provided direction to staff to start collective bargaining with the Ontario Public Services Employees Union Local 231 (EMS Paramedics) and the International Alliance of Theatrical Stage Employees Local 357.

Council's bargaining mandate directs staff to negotiate contracts that are fair to our employees, whose work we value every day; reasonable and affordable to our citizens; and within the City's capacity to pay."

Rise and Recess (7:55 p.m.)

5. Moved by Councillor Allt
Seconded by Councillor Gibson

That Council recess and reconvene in closed session.

Closed Meeting (8:00 p.m.)

Council reconvened in closed session.

CON-C-2015.40 CAO Performance Appraisal Process

Council received information regarding the CAO Performance Appraisal Process.

Councillor Billings left the meeting. (9:20 p.m.)

Open Meeting (9:53 p.m.)

Closed Meeting Summary

The Mayor provided a summary of the matters addressed in the closed meeting.

CON-C-2015.38 OPSEU Contract Negotiations

Staff direction was given regarding the OPSEU Contract Negotiations.

CON-C-2015.39 IATSE Contract Negotiations

Staff direction was given regarding the IATSE Contract Negotiations.

CON-C-2015.40 CAO Performance Appraisal Process

Council received information regarding the CAO Performance Appraisal Process.

Adjournment (9:55 p.m.)

6. Moved by Councillor
Seconded by Councillor

That the meeting be adjourned.

CARRIED

Minutes to be confirmed on November 23 2015.

Mayor Guthrie

Tina Agnello, Deputy Clerk

**Minutes of Guelph City Council
Held in Council Chambers, Guelph City Hall
Wednesday, October 14, 2015 at 6:00 p.m.**

Attendance

Council: Mayor C. Guthrie
Councillor P. Allt
Councillor C. Billings
Councillor C. Downer
Councillor J. Gordon
Councillor D. Gibson
Councillor Hofland
Councillor L. Piper
Councillor M. MacKinnon
Councillor M. Salisbury
Councillor K. Wettstein

Absent: Councillor B. Bell
Councillor A. Van Hellemond

Staff: Ms. A. Pappert, Chief Administrative Officer
Ms. D. Jaques, City Solicitor
Mr. R. Kerr, Manager, Community Energy
Ms. T. Agnello, Deputy Clerk
Mr. D. McMahon, Council Committee Coordinator

Others: Mr. T. Stehl, Chair, Guelph Municipal Holdings Inc.

Open Meeting

Call to Order (6:04 p.m.)

Mayor Guthrie called the meeting to order.

Disclosure of Pecuniary Interest and General Nature Thereof

There were no disclosures.

Guelph Municipal Holdings Inc. – Update on the Asset

Ann Pappert, Chief Administrative Officer, provided background information on the creation and evolution of GMHI before discussing the nature of the merger between GMHI and Guelph Hydro.

In response to questions from Council, staff clarified the role of Council with regards to GMHI and GHESI and noted that Council retains final decision making authority with regard to GMHI and all of its assets.

Discussion ensued regarding the advantages and disadvantages of potential local distribution company consolidation in Guelph.

1. Moved by Councillor Billings
Seconded by Councillor Allt

That the Information Report entitled Consolidation of Local Distribution Companies (LDC) Guelph Hydro Electrical Systems Inc. (GHESI) dated October 14, 2015, be received.

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

VOTING AGAINST: (0)

CARRIED

Authority to Move Into Closed Meeting

2. Moved by Councillor MacKinnon
Seconded by Councillor Piper

That the Council of the City of Guelph now hold a meeting that is closed to the public, pursuant to Section 239 (2) (a) of the *Municipal Act* with respect to the security of the property of the municipality or local board.

CARRIED

Closed Meeting (6:38 p.m.)

Disclosure of Pecuniary Interest and General Nature Thereof

There were no disclosures.

The following matters were considered:

Guelph Municipal Holdings Inc. – Update on the Asset

Rise from Closed Meeting (8:58 p.m.)

Open Meeting (8:59 p.m.)

Mayor Guthrie called the meeting to order.

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

Guelph Municipal Holdings Inc. – Update on the Asset

Direction was given to staff.

Adjournment (9:00 p.m.)

3. Moved by Councillor Piper
Seconded by Councillor Gibson

That the meeting be adjourned.

CARRIED

Minutes to be confirmed on November 23, 2015.

Mayor Guthrie

Tina Agnello, Deputy Clerk

**Minutes of Guelph City Council
Held in Council Chambers, Guelph City Hall on
Wednesday, October 21, 2015 at 6:00 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 pm)
	Councillor C. Downer	Councillor M. Salisbury
	Councillor D. Gibson	Councillor A. Van Hellemond
	Councillor J. Gordon	Councillor K. Wettstein
Staff:	Ms. A. Pappert, Chief Administrative Officer	
	Mr. M. Amorosi, Deputy CAO, Corporate Services	
	Mr. D. Thomson, Deputy CAO, Public Services & Acting Deputy CAO	
	Infrastructure, Development & Enterprise	
	Ms. J. Sheehy, General Manager, Finance/Treasurer	
	Mr. B. Coutts, General Manager, Court Services	
	Mr. R. Reynen, Acting Chief Building Official	
	Ms. K. Dedman, General Manager, Engineering and Capital Infrastructure	
	Services	
	Mr. P. Busatto, Plant Manager, Water Services	
	Ms. K. Suresh, Plant Manager, Wastewater Services	
	Mr. W. Galliher, Manager of Technical Services, Water Services	
	Ms. T. Baker, Manager, Financial Reporting and Accounting	
	Mr. S. O'Brien, City Clerk	
	Mr. D. McMahon, Council Committee Coordinator	
Others:	Mr. J. Farwell, CAO, Grand River Conservation Authority	
	Mr. K. Murch, Assistant CAO, Grand River Conservation Authority	

Call to Order (6:00 p.m.)

Mayor Guthrie called the meeting to order.

Disclosure of Pecuniary Interest and General Nature Thereof

There were no disclosures.

2016 - 2025 Non-Tax Supported Operating Budget Presentation

Mark Amorosi, Deputy CAO, Corporate Services, provided an introduction to the role of Building Services, Court Services, Water Services and Wastewater Services at the City of Guelph.

Rob Reyen, Acting Chief Building Official, presented the 2016 Ontario Building Code Administration budget including key accomplishments of 2015, key changes in 2016 and expansions.

Mr. Brad Coutts, General Manager, Court Services, introduced the 2016 Court Services operating budget including a description of the courts operating model, funding structure, accomplishments of 2015, upcoming challenges, and trends and objectives for 2016.

Joe Farwell, CAO, Grand River Conservation Authority (GRCA), introduced the GRCA Draft 2016 Budget. Keith Murch, Assistant CAO, GRCA, presented the 2016 GRCA draft operating budget and highlighted GRCA sources of revenue, expenditures and current budget challenges.

Kealy Dedman, General Manager, Engineering and Capital Infrastructure Services, provided Council with information regarding strategies to address the infrastructure gap and uncommitted capital. In addition she described the concept of integrated capital planning, the need for an asset management strategy, funding factors that are within and outside of the City's control, the current multiyear approach to funding expensive projects and next steps to addressing the infrastructure gap.

Peter Busatto, Plant Manager, Water Services, discussed the provincially mandated standards of care relating to safe drinking water before presenting to Council the accomplishments of Water Services in 2015, objectives for 2016 and major operating budget changes for 2016.

Kiran Suresh, Plant Manager, Wastewater Services, presented Wastewater Services' major accomplishments of 2015 and the proposed 2016 Wastewater Services operating and capital budget.

Recommendation

1. Moved by Councillor Piper
Seconded by Councillor Gibson

That Council receives and refers Report No. CS-2015-80 entitled "2016 Non-Tax Supported Operating and Capital Budgets" to the October 28, 2015 Council meeting.

For Water and Wastewater Services the following is recommended:

1. Proposed expansion packages in the net amounts of \$259,900 for Water Services and \$115,000 for Wastewater Services;
2. 2016 Water and Wastewater Operating Budgets in the amounts of \$28,644,042 and \$29,799,028 respectively, inclusive of expansions;
3. 2016 Water and Wastewater Capital Budgets and 2017-2025 Forecasts in the amounts of \$204,581,700 and \$171,877,300 respectively;
4. A City of Guelph water volume charge of \$1.59 per cubic metre effective January 1, 2016 and a wastewater volume charge of \$1.73 per cubic metre, effective January 1, 2016;

5. That the City of Guelph water and wastewater basic service charges be set as per the attached Schedule "A" effective January 1, 2016; and
6. That the Water Services and Wastewater Services Fees and Services By-law be passed.

For Court Services the following is recommended:

7. A 2016 Court Services Operating Budget in the amount of \$3,721,800, and
8. A 2016 Court Services Capital Budget and 2017-2025 Capital Forecasts in the amount of \$398,200.

For the Ontario Building Code Administration the following is recommended:

9. A 2016 Ontario Building Code Administration Operating Budget in the amount of \$3,070,000, and
10. A 2016 Ontario Building Code Administration Capital Budget and 2017-2025 Capital Forecasts in the amount of \$131,800.

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

Adjournment (9:14 p.m.)

2. Moved by Councillor Bell
Seconded by Councillor Allt

That the meeting be adjourned.

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

Minutes to be confirmed on November 23, 2015.

Mayor Guthrie

Stephen O'Brien, City Clerk

**Minutes of Guelph City Council
Held in Meeting Room C, Guelph City Hall
Friday, October 23, 2015 at 9:00 a.m.**

Attendance

Council: Mayor C. Guthrie
Councillor P. Alt
Councillor B. Bell
Councillor C. Downer
Councillor J. Gordon
Councillor J. Hofland
Councillor M. MacKinnon
Councillor M. Salisbury
Councillor K. Wettstein

Absent: Councillor C. Billings
Councillor D. Gibson
Councillor L. Piper
Councillor A. Van Hellemond

Staff: Ms. A. Pappert, Chief Administrative Officer
Mr. M. Amorosi, Deputy CAO, Corporate Services
Mr. D. Thomson, Deputy CAO, Public Services and Acting
Deputy CAO, Infrastructure, Development and Enterprise
Mr. S. O'Brien, City Clerk

Closed Meeting (9:00 a.m.)

Authority to Resolve into a Closed Meeting of Council

1. Moved by Councillor Hofland
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 (3.1) (a) of *the Municipal Act* with regard to a meeting held for the purpose of educating or training Council members.

CARRIED

Disclosure of Pecuniary Interest and General Nature Thereof

There were no disclosures.

The following matter was considered:

Council Leadership Charter Workshop #2

Adjournment (11:42 a.m.)

2. Moved by Councillor Downer
Seconded by Councillor Allt

That the meeting be adjourned.

CARRIED

Minutes to be confirmed on November 23, 2015.

Mayor Guthrie

Stephen O'Brien, Deputy Clerk

**Minutes of Guelph City Council
Held in the Council Chambers, Guelph City Hall on
Monday October 26, 2015 at 5:30 p.m.**

Attendance

Council: Mayor Guthrie
Councillor P. Allt
Councillor B. Bell
Councillor C. Billings
Councillor C. Downer
Councillor D. Gibson
Councillor J. Gordon
Councillor J. Hofland
Councillor M. MacKinnon
Councillor L. Piper
Councillor M. Salisbury
Councillor A. Van Hellemond
Councillor K. Wettstein

Staff: Ms. A. Pappert, CAO
Mr. M. Amorosi, Deputy CAO of Corporate Services
Mr. D. Thomson, Deputy CAO of Public Services
Mr. S. O'Brien, City Clerk
Ms. J. Sweeney, 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

1. Moved by Councillor Allt
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) (a), (b), (c) and (e) of the *Municipal Act* with respect to the security of the property of the municipality, personal matters about identifiable individuals, proposed or pending acquisition or disposition of land and litigation or potential litigation including matters before administrative tribunals.

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.2015.40 Official Plan Amendment 48 – Proposed Settlement

C.2015.41 Guelph Junction Railway Update

C-2015.42 Development of Brant Hub

C-2015.43 Discussion Relating to Current and Past Employee Relations

Rise and recess from Closed Meeting (7:00 p.m.)

Council recessed.

Open Meeting (7:09 p.m.)

Mayor Guthrie called the meeting to order.

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

Minutes – Council Closed Session – dated September 14 and 28, 2015

These minutes were acknowledged by Council

C-2015.40 Official Plan Amendment 48 – proposed settlement

Staff were given direction on this matter.

C-2015.41 Guelph Junction Railway Update

Staff provided an update and were given direction.

C-2015.42 Development of Brant Hub

Staff were given direction.

C-2015.43 Discussion Relating to Current and Past Employee Relations

There was discussion on this matter and no direction was given.

Disclosure of Pecuniary Interest and General Nature Thereof

There were no disclosures.

Presentation

Suzanne Holder, Moshin Talpur, Dillion March and Vivian DeGiovanni provided information on the Dragons' Den program and highlighted the following resulting initiatives:

- Municipal Internship for Immigrants (MII@Guelph)
- Community Garden
- West End Community Centre Customer Service Improvements
- Expedited Deck Permit Approval Process
- Court Services Idea relating to court sentences enforcement

Confirmation of Minutes

1. Moved by Councillor Van Hellemond
Seconded by Councillor Gibson

That the minutes of the Council Meetings held September 14, 21, 23, 28 and 30, 2015 and the minutes of the Closed Meeting of Council held September 14 and 28, 2015 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

Corporate Services Committee Seventh Consent Report

The following item was extracted:

CS-2015.39 Guelph & District Labour Council re: Resolution on the Privatization of Ontario's Electricity System

Balance of Corporate Services Committee Consent Items

Councillor Hofland presented the balance of the Corporate Services Committee Seventh Consent Report.

2. Moved by Councillor Hofland
Seconded by Councillor Allt

That the balance of the October 26, 2015 Corporate Services Committee Seventh Consent Report as identified below, be adopted:

CS-2015.37 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.

CS-2015.38 Tax Rebates for Low Income Seniors and Persons with Disabilities

1. That report CS-2015-70 Tax Rebates for Low Income Seniors and Low Income Persons with Disabilities be received.
2. That the tax relief program for low-income seniors and low income persons with disabilities be amended, and staff prepare the appropriate by-law to amend the current By-Law (2005)-17727 as follows:

- AMEND 1.a) Lower the qualifying amount to \$200 from \$300 - "Eligible Amount" means the total tax increase related to assessment increase over the previous year which is equal to or greater than \$200 annually.
 - ADD 2.c) Both the owner and the owner's spouse must be an eligible person
 - ADD 2.d) If the property is owned by more than one person who are not married to each other, then all owners must apply and qualify.
 - ADD 2.e) The property assessment on the property is equal to or less than \$350,000.
 - ADD the following to the end of section 5: the cost to register the lien may also be deferred under this program.
3. That staff prepare and implement a communication strategy to inform taxpayers of this program.

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

The following items were extracted:

GOV-2015.15 Bill 8 Overview and Status of Integrity Commissioner and Ombudsman Position

GOV-2015.16 *Municipal Act and Municipal Conflict of Interest Act Review, Consultation and Comments*

Balance of Governance Committee Consent Items

Mayor Guthrie presented the balance of the Governance Committee Third Consent Report.

3. Moved by Councillor Gibson
 Seconded by Councillor Hofland

That the balance of the October 26, 2015 Governance Committee Third Consent Report as identified below, be adopted:

GOV-2015.12 Revisions to the Internal Audit Charter

That the revisions to the Internal Audit Charter, dated August 4, 2015 be approved.

GOV-2015.17 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.

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 Ninth Consent Report

The following item was extracted:

IDE-2015.36 Proposed Funding Alternatives for Stormwater Infrastructure

Balance of Infrastructure, Development & Enterprise Committee Consent Items

Councillor Bell presented the balance of the Infrastructure, Development & Enterprise Committee Ninth Consent Report.

4. Moved by Councillor Bell
Seconded by Councillor Salisbury

That the balance of the October 26, 2015 Infrastructure, Development & Enterprise Committee Ninth Consent Report as identified below, be adopted:

IDE-2015.37 Water Services Operational Plan Endorsement and 2015 Annual and Summary Report

1. That Guelph City Council endorse the Water Services' Operational Plan.
2. That Guelph City Council receive the 2015 Annual and Summary Water Services Report Update (compliance) for the period of January 1 to June 30.

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 Eighth Consent Report

The following items were extracted:

PS-2015.31 Goose Management Strategy

PS-2015.35 Adapted Blue Dot Movement Municipal Declaration: Right to a Healthy Environment

PS-2015.36 City of Guelph Council Representation on the County of Wellington Social Services Committee

Balance of Public Services Committee Consent Items

Councillor Downer presented the balance of the Public Services Committee Eighth Consent Report.

5. Moved by Councillor Downer
 Seconded by Councillor Gordon

That the balance of the October 26, 2015 Public Services Committee Eighth Consent Report as identified below, be adopted:

PS-2015.30 Land Ambulance Response Time Performance Plan for 2016

1. That Public Services Report # PS-15-47 "Land Ambulance Response Time Performance Plan for 2016" dated October 5, 2015, be received.
2. That the Response Time Performance Plan (RTPP) for 2016 be set as recommended in Public Services Report # PS-15-47.

PS-2015.33 Play Structure Replacement and Maintenance

1. That the Public Services Report # PS-15-50 "Play Structure Replacement" dated October 5, 2015 be received.
2. That staff be directed to identify \$4,732,300 in the capital budget to address 38 play structure replacements from 2016 – 2019 to meet Canadian Safety Association requirements and updated accessibility standards.
3. That Council direct staff to allocate a minimum of \$500,000 each year in capital budget for play structure replacement and that the funds are placed in a capital reserve to sustain the play structure replacement program.

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

Council Consent Agenda

The following items were extracted:

CON-2015. The Gummer Building, 1 Douglas Street, Guelph – Revised Heritage Grant Agreement

CON-2015.51 2016 Council and Committee Meeting Schedule

Balance of Council Consent Items

6. Moved by Councillor Allt
Seconded by Councillor Hofland

That balance of the October 26, 2015 Consent Agenda as identified below, be adopted:

CON-2015.48 Proposed Demolition of 297 Woodlawn Road West and 614 Silvercreek Parkway North, Ward 4

1. That Report 15-80 regarding the proposed demolition of one (1) single detached dwelling at 297 Woodlawn Road West, legally described as Div. D Con 5 Pt. Lot 1 Plan 630 Pt. Blk. B Rp. 61r374 Parts 3 - 5 Part 9; City of Guelph, AND the proposed demolition of one (1) single detached dwelling at 614 Silvercreek Parkway North, legally described as Div. D Con 5 Pt. Lot 2; City of Guelph, from Infrastructure, Development and Enterprise dated October 26, 2015, be received.
2. That the proposed demolition of one (1) detached dwelling at 297 Woodlawn Road West AND that the proposed demolition of one (1) detached dwelling at 614 Silvercreek Parkway North be approved.
3. That the applicant be requested to erect protective fencing at one (1) metre from the dripline of any existing trees to be retained on the property or on adjacent properties, to the satisfaction of the City's Environmental Planner, which may be impacted by demolition or construction activities.
4. That the applicant contact the City's Environmental Planner to inspect the tree protection fence prior to demolition and/or site alteration commences.
5. That if tree removal is anticipated that the applicant prepare and submit a Tree Preservation Plan undertaken by an arborist, in accordance with the Private Tree Protection By-law (2010-19058) prior to undertaking activities which may injure or destroy regulated trees.
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-2015.49 Proposed Demolition of 274 Kathleen Street, Ward 3

1. That Report 15-84 regarding the proposed demolition of one (1) single detached dwelling at 274 Kathleen Street, legally described as Plan 148 Pt.

Park Lot 14; City of Guelph, from Infrastructure, Development and Enterprise dated October 26, 2015, be received.

2. That the proposed demolition of one (1) detached dwelling at 274 Kathleen Street be approved.
3. That the applicant be requested to erect protective fencing at one (1) metre from the dripline of any existing trees to be retained on the property or on adjacent properties, to the satisfaction of the City's Environmental Planner, which may be impacted by demolition or construction activities.
4. That the applicant contact the City's Environmental Planner to inspect the tree protection fence prior to demolition and/or site alteration commencing.
5. That if tree removal is anticipated, that the applicant prepare and submit a Tree Preservation Plan undertaken by an Arborist , prior to undertaking actions that may injure or destroy trees.
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.

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

CS-2015.39 Guelph & District Labour Council re: Resolution on the Privatization of Ontario's Electricity System

Janice Folk-Dawson spoke on behalf of the Guelph & District Labour Council and expressed concern with respect to the potential sale of Hydro One. She requested Council endorse the resolution opposing the sale of Hydro One.

Paul Costello on behalf of the Council of Canadians expressed concern with the impact the sale of Hydro One would have on residents and businesses. He urged Council to join the other municipalities in opposition of the sale.

Terry O'Connor showed a video in opposition to the privatization of Hydro One.

Scarlett Raczyski was present on behalf of the University of Guelph Central Student Association and expressed concern with the impact the sale of Hydro One would have

on students, and encouraged Council to vote against the sale and privatization of local distribution companies.

Katrina Miller of Keep Hydro Public advised local municipalities are leading the fight to stop the privatization of Hydro One and urged Guelph to join with the other municipalities.

Sarah Whelan on behalf of United Steelworkers Local 4120, advised of concern with potential rate increases resulting from the sale of Ontario's electricity system. She urged Council to oppose the sale of Hydro One.

Andrew Cleary was not present.

Martha Inglis was not present.

Mark Berardine representing the Wellington Unit of the Ontario English Catholic Teachers Association, requested Council consider the long term effect if Hydro One is sold and urged Council to join with the other municipalities in speaking out against the sale.

Main Motion

7. Moved by Councillor Gordon
Seconded by Councillor Allt

Whereas the public electricity system in Ontario is a critical asset to the economy; and

Whereas Hydro One generates significant revenue for the provincial government and gives Ontario a competitive advance; and

Whereas Hydro One is a profitable, provincial public utility;

Therefore be it resolved that the City of Guelph call on the Provincial Government to:

- Stop the sale of any part of Hydro One, and maintain Hydro One as a wholly public asset for the benefit of all Ontarians;
- Strengthen Hydro One by investing in the next generation of workers and upgrading aging infrastructure; and

Be it further resolved that the City of Guelph circulate this resolution to the Association of Municipalities of Ontario (AMO) and the Electricity Distributors Association and the Province.

Amendment No. 1

8. Councillor Piper
Seconded by Councillor Allt

That the following clause be added:

That the City of Guelph call on the Provincial Government to immediately reinstate each of the oversight bodies that previously served to ensure accountability and regulatory compliance of Hydro One on behalf of the people of Ontario.

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

CARRIED

Amendment No. 2

9. Moved by Councillor MacKinnon
Seconded by Councillor Bell

That "investing in the next generation of workers and" be removed.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Bell, Billings, MacKinnon, Salisbury, Van Hellemond and Wettstein (7)
VOTING AGAINST: Councillors Allt, Downer, Gibson, Gordon, Hofland and Piper (6)

CARRIED

Main Motion as Amended

10. Moved by Councillor Gordon
Seconded by Councillor Allt

Whereas the public electricity system in Ontario is a critical asset to the economy; and

Whereas Hydro One generates significant revenue for the provincial government and gives Ontario a competitive advance; and

Whereas Hydro One is a profitable, provincial public utility;

Therefore be it resolved that the City of Guelph call on the Provincial Government to:

- Stop the sale of any part of Hydro One, and maintain Hydro One as a wholly public asset for the benefit of all Ontarians;
- Strengthen Hydro One by upgrading aging infrastructure; and

Be it further resolved that the City of Guelph circulate this resolution to the Association of Municipalities of Ontario (AMO) and the Electricity Distributors Association and the Province.

That the City of Guelph call on the Provincial Government to immediately reinstate each of the oversight bodies that previously served to ensure accountability and regulatory compliance of Hydro One on behalf of the people of Ontario.

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

VOTING AGAINST: Councillor MacKinnon (1)

CARRIED

PS-2015.35 Adapted Blue Dot Movement Municipal Declaration: Right to a Healthy Environment

Sarah De Vries, Cara Livingston and Mackenzie Ross showed a video and highlighted the Blue Dot movement calling upon local governments to sign declarations respecting people's right to live in a healthy environment and advised of participating Canadian municipalities.

As requested by Councillor Gordon they read the City of Guelph's proposed declaration.

It was requested that the clauses be voted on separately.

11. Moved by Councillor Downer
Seconded by Councillor Gordon

1. That the modified Blue Dot Declaration contained within report # CAO-I-1501, "Adapted Blue Dot Movement Municipal Declaration: Right to a Healthy Environment", Appendix 4, be adopted.

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

12. Moved by Councillor Downer
Seconded by Councillor Gordon

2. That the Mayor, on behalf of Council, be directed to forward a copy of the Declaration to the Federation of Canadian Municipalities and the Association of Municipalities of Ontario.

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 Gordon

3. That the Mayor, on behalf of Council, be directed to forward a copy of the Declaration to the Prime Minister of Canada, the Premier of Ontario and federal and provincial ministers of the Environment, calling for the development of provincial and federal legislation that recognizes that all people have the right to live in a healthy environment.

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

VOTING AGAINST: Councillors Gibson and MacKinnon (2)

CARRIED

IDE-2015.36 Proposed Funding Alternatives for Stormwater Infrastructure

Kealy Dedman, General Manager Engineering and Capital Infrastructure Services/City Engineer introduced the presentation.

Don Kudo, Manager Infrastructure Services/Deputy City Engineer, provided information on the city's stormwater and urban drainage system and outlined the typical causes of stormwater issues. He highlighted the city's legal responsibilities and the funding gap.

Arun Hindupur, Infrastructure Planning Engineer, outlined the purpose of the stormwater funding study purpose and objectives. He briefly highlighted the options being considered to address the funding gap.

14. Moved by Councillor Bell
Seconded Councillor Salisbury

That the October 6, 2015 Stormwater Funding Study presentation 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

GOV-2015.15 Bill 8 Overview and Status of Integrity Commissioner and Ombudsman Positions

It was requested that the clauses be voted on separately.

15. Moved by Councillor Hofland
Seconded by Councillor Downer
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.

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

VOTING AGAINST: Councillors Bell and Billings (2)

CARRIED

16. Moved by Councillor Hofland
Seconded by Councillor Downer

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.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Bell, Downer, Gordon, Hofland, Piper and Wettstein (8)

VOTING AGAINST: Councillors Billings, Gibson, MacKinnon, Salisbury and Van Hellemond (5)

CARRIED

17. Moved by Councillor Hofland
Seconded by Councillor Downer

3. That staff report back to a subsequent Governance Committee meeting on the details of an internal complaint resolution procedure.

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

18. Moved by Councillor Hofland
Seconded by Councillor Downer

4. That the CAO be directed to review and report back on the opportunity, benefits and costs of introducing the "Lobbyist Registrar" for Guelph.

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

GOV-2015.16 Municipal Act and Municipal Conflict of Interest Act Review, Consultation and Comments

Main Motion

19. Moved by Councillor Bell
Seconded by Councillor Hofland

1. That Report GOV-2015-95 entitled "*Municipal Act and Municipal Conflict of Interest Act Review, Consultation and Comments*" dated October 6, 2015 regarding the 2015 Ontario municipal legislative review, be received.
2. That response included as Attachment 1 be endorsed and that staff be directed to submit to the Ministry of Municipal Affairs and Housing by the October 31, 2015 deadline.

Amendment

20. Moved by Councillor Billings
Seconded by Councillor Gibson

That the reference with regard to the ability to collect highway tolls be removed from the submission to the Ministry of Municipal Affairs and Housing.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Billings and Gibson (3)

VOTING AGAINST: Councillors Altt, Bell, Downer, Gordon, Hofland, MacKinnon, Piper, Salisbury, Van Hellemond and Wettstein (10)

DEFEATED

Main Motion

21. Moved by Councillor Bell
Seconded by Councillor Hofland

1. That Report GOV-2015-95 entitled "*Municipal Act and Municipal Conflict of Interest Act Review, Consultation and Comments*" dated October 6, 2015 regarding the 2015 Ontario municipal legislative review, be received.
2. That response included as Attachment 1 be endorsed and that staff be directed to submit to the Ministry of Municipal Affairs and Housing by the October 31, 2015 deadline.

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

VOTING AGAINST: (0)

CARRIED

PS-2015.31 Goose Management Strategy

22. Moved by Councillor Downer
Seconded by Councillor Gordon

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.

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

VOTING AGAINST: Councillor Gibson (1)

CARRIED

PS-2015.36 City of Guelph Council Representation on the County of Wellington Social Services Committee

23. Moved by Councillor Hofland
Seconded by Councillor Wettstein

That Council refer to the Governance Committee the task of developing our governance options regarding the County of Wellington Social Services Committee and report back by Q1, 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

CON-2105.50 The Gummer Building, 1 Douglas Street, Guelph – Revised Heritage Grant Agreement

24. Moved by Councillor Downer
Seconded by Councillor Wettstein

1. That report number IDE-BDE-1509 titled 'The Gummer Building, 1 Douglas Street, Guelph, Revised Heritage Grant Agreement', be received.
2. That the Heritage Redevelopment Reserve grant approved in 2009 to Skyline Real Estate Holdings Inc. for up to \$2.05M to be paid over ten years for the restoration of the designated heritage elements at 1-7 Douglas Street and 67-71 Wyndham Street North (together known as the Gummer Building), be changed to a one-time payment of \$1.5M to be paid in January 2016 upon completion of the Financial Assistance Agreement and conditions therein.
3. That, while acknowledging the framework of the Heritage Redevelopment Reserve policy, the Financial Assistance Agreement for the Gummer heritage grant will be revised as outlined in this report, and that subject to

the satisfaction of the Deputy CAO of IDE and the City Solicitor, the Mayor and Clerk be authorised to execute the agreement.

Authority to Resolve into a Closed Meeting of Council

25. Moved by Councillor Downer
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) (e) of the *Municipal Act* with respect to the litigation or potential litigation including matters before administrative tribunals.

CARRIED

Closed Meeting (10:25 p.m.)

The following matter was considered:

The Gummer Building, 1 Douglas Street, Guelph – Revised Heritage Grant Agreement

Rise and recess from Closed Meeting (10:36 p.m.)

Council recessed.

Open Meeting (10:37 p.m.)

Mayor Guthrie called the meeting to order.

Mayor Guthrie advised that Council gave direction to staff with respect to The Gummer Building, Revised Heritage Grant Agreement.

Deferral

26. Moved by Councillor Downer
Seconded by Councillor Allt

That consideration of the Gummer Building, 1 Douglas Street, Guelph, Revised Heritage Grant Agreement be deferred until the Council meeting of November 9, 2015 to allow staff to bring back additional information.

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-2015.51 2016 Council and Committee Meeting Schedule

Main Motion

27. Moved by Councillor Hofland
Seconded by Councillor Salisbury

That the 2016 Council and Committee meeting schedule, attached as Schedule A, be approved.

Extension of Meeting Per Procedural By-law

28. Moved by Councillor Gibson
Seconded by Councillor Piper

That Section 21.1 of the Procedural By-law be invoked to allow Council to continue to 11:59 p.m.

CARRIED

Amendment No. 1

29. Councillor Hofland
Seconded by Councillor Salisbury

That the proposed Council Planning meeting scheduled for January 18, 2016 be removed from the 2016 Council and Committee schedule.

VOTING IN FAVOUR: Councillors Gibson, Gordon, Hofland and Piper (4)

VOTING AGAINST: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, MacKinnon, Salisbury, Van Hellemond and Wettstein (9)

DEFEATED

Amendment No. 2

30. Moved by Councillor Hofland
Seconded by Councillor Salisbury

That the proposed Council Planning meeting scheduled for August 8, 2016 be removed from the 2016 Council and Committee schedule.

VOTING IN FAVOUR: Councillors Allt, Billings, Downer, Gibson, Gordon, Hofland, Piper, Salisbury, Van Hellemond and Wettstein (10)

VOTING AGAINST: Mayor Guthrie, Councillors Bell and MacKinnon (3)

CARRIED

Amendment No. 3

31. Moved by Councillor Hofland
Seconded by Councillor Salisbury

That the proposed Corporate Services Committee and Public Services Committee meetings scheduled for June 6, 2016 be rescheduled to Wednesday June 8, 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

Amendment No. 4

32. Moved by Councillor Downer
Seconded by Councillor Van Hellemond

That a Council Planning Placeholder be scheduled for Tuesday September 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

Main Motion as Amended

33. Moved by Councillor Hofland
Seconded by Councillor Salisbury

That the 2016 Council and Committee meeting schedule, attached as Schedule A, be approved as amended.

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

Councillor Bell's motion for which notice was given September 28, 2015.

34. Moved by Councillor Bell
Seconded by Councillor Gibson

That the following resolution that was adopted by Council on August 25, 2014, be reconsidered:

1. That the Streetscape Manual (contained in Chapter 2 of Attachment 1) be adopted and that staff be directed to use the Streetscape Manual to guide the design of the City's public realm capital projects and private investments that impact the public realm in the Downtown.

Point of Order

A Point of Order with respect to Councillor Bell's presentation not addressing the reconsideration was brought forward and voted on which resulted as follows:

VOTING IN FAVOUR: Councillors Allt, Billings, Downer, Gordon, Hofland, Piper, Salisbury and Wettstein (8)

VOTING AGAINST: Mayor Guthrie, Councillors Bell, Gibson, MacKinnon and Van Hellemond (5)

CARRIED

Vote on Councillor Bell's Reconsideration Motion

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

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

DEFEATED

Suspending the Procedural By-law

35. Moved by Councillor Bell
Seconded by Councillor Allt

That the Procedural By-law be suspended to allow Council to continue beyond 12:00 a.m.

CARRIED

Councillor Gibson's motion for which notice was given September 28, 2015.

36. Moved by Councillor Gibson
Seconded by Councillor Billings

That the following resolution that was adopted by Council on August 25, 2014, be reconsidered:

1. That Council endorse the vision, principles and general design elements illustrated by the Conceptual Design for St. George's Square (contained in Chapter 4 of Attachment 1) (August 25, 2014 on the Downtown Streetscape Manual (Council Meeting)).

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

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

DEFEATED

By-laws

37. Moved by Councillor Wettstein
Seconded by Councillor Downer

That By-laws Numbered (2015)-19973 to (2015)-19976, 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

Councillor MacKinnon advised that he and Councillor Wettstein will be hosting a Town Hall meeting on November 5, 2015 at the Clair Road Emergency Centre 7:30 – 9:00 p.m.

Councillor Downer advised that she and Councillor Piper will be hosting a Town Hall meeting on November 17, 2015 at St. Michael's School 7:00 – 9:00 p.m.

Councillor Allt extended congratulations on the weekend's library fundraising event.

Notice of Motion

Mayor Guthrie advised he will be bringing a motion to a subsequent meeting of Council with respect to a progress report and governance options for the Community Energy Initiative.

Adjournment (12:05 a.m., Tuesday October 27, 2015)

38. Moved by Councillor Hofland
Seconded by Councillor Billings

That the meeting be adjourned.

CARRIED

Minutes to be confirmed on November 23, 2015.

Mayor Guthrie

Stephen O'Brien - City Clerk

ATT - 1

JANUARY					
Monday	Tuesday	Wednesday	Thursday	Friday	Saturday Sunday
				1 New Year's Day	2 3
4	5	6	7	8	9 10
11	12	13	14	15	16 17
18 Council Planning (Closed 6 pm Open 7 pm)	19	20	21	22	23 24
25 Council – Strategic Planning (6 pm)	26	27	28	29	30 31

FEBRUARY					
Monday	Tuesday	Wednesday	Thursday	Friday	Saturday Sunday
1 CS (2 pm) PS (5 pm)	2 AUD (2 pm) IDE (5 pm)	3	4	5	6 7
8 Council Planning (Closed 6 pm Open 7 pm)	9	10	11	12	13 14
15 Family Day	16	17	18	19	20 21
22 Council (Closed 6 pm Open 7 pm)	23	24 Council Placeholder (6 pm)	25	26	27 28
29 Council Placeholder (6 pm)					

MARCH					
Monday	Tuesday	Wednesday	Thursday	Friday	Saturday Sunday
	1 GOV (2 pm) IDE (5 pm)	2	3 CS (2 pm) PS (5 pm)	4	5 6
7 Council Planning (Closed 6 pm Open 7 pm)	8	9 Council Placeholder (6 pm)	10	11	12 13
14	15	16	17	18	19 20
	<div> <div>←</div> <div>March Break</div> <div>→</div> </div>				
21 Council (Closed 6 pm Open 7 pm)	22	23	24	25 Good Friday	26 27 Easter
28 Easter Monday	29	30	31		

APRIL					
Monday	Tuesday	Wednesday	Thursday	Friday	Saturday Sunday
				1	2
					3
4 CS (2 pm) PS (5 pm)	5 AUD (2 pm) IDE (5 pm)	6	7	8	9
					10
11 Council Planning (Closed 6 pm Open 7 pm)	12	13	14	15	16
					17
18 Council Placeholder (6 pm)	19	20 Council Placeholder (6 pm)	21	22	23
					24
25 Council (Closed 6 pm Open 7 pm)	26	27	28	29	30

MAY					
Monday	Tuesday	Wednesday	Thursday	Friday	Saturday Sunday
					1
2 CS (2 pm) PS (5 pm)	3 GOV (2 pm) IDE (5 pm)	4	5	6	7 8
9 Council Planning (Closed 6 pm Open 7 pm)	10	11	12	13	14 15
16 Council – Strategic Planning (6 pm)	17	18	19	20	21 22
23 Victoria Day	24 Council (Closed 6 pm Open 7 pm)	25	26	27	28 29
30 Council Placeholder (6 pm)	31				

JUNE					
Monday	Tuesday	Wednesday	Thursday	Friday	Saturday Sunday
		1	2	3 FCM Conference	4
					5
6	7 AUD (2 pm) IDE (5 pm)	8 CS (2 pm) PS (5 pm)	9	10	11
					12
13 Council Planning (Closed 6 pm Open 7 pm)	14	15	16	17	18
					19
20 Council Placeholder (6 pm)	21	22 Council Placeholder (6 pm)	23	24	25
					26
27 Council (Closed 6 pm Open 7 pm)	28	29	30		

JULY					
Monday	Tuesday	Wednesday	Thursday	Friday	Saturday Sunday
				1 Canada Day	2 3
4 CS (2 pm) PS (5 pm)	5 GOV (2 pm) IDE (5 pm)	6 Council Placeholder (6 pm)	7	8	9 10
11 Council Planning (Closed 6 pm Open 7 pm)	12	13 Council – Strategic Planning (6 pm)	14	15	16 17
18 Council (Closed 6 pm Open 7 pm)	19	20	21	22	23 24
25	26	27	28	29	30 31

AUGUST					
Monday	Tuesday	Wednesday	Thursday	Friday	Saturday Sunday
1 John Galt Day / Civic Holiday	2	3	4	5	6
					7
8	9	10	11	12	13
					14
15 AMO Conference	16	17	18	19	20
					21
22	23	24	25	26	27
					28
29	30	31			

SEPTEMBER					
Monday	Tuesday	Wednesday	Thursday	Friday	Saturday Sunday
			1	2	3
					4
5 Labour Day	6 CS (2 pm) PS (5 pm)	7	8 AUD (2pm) IDE (5 pm)	9	10
					11
12 Council Planning (Closed 6 pm Open 7 pm)	13 Council Planning Placeholder (7 pm)	14	15	16	17
					18
19 Council Placeholder (6 pm)	20	21 Council Placeholder (6 pm)	22	23	24
					25
26 Council (Closed 6 pm Open 7 pm)	27	28	29	30	

OCTOBER					
Monday	Tuesday	Wednesday	Thursday	Friday	Saturday Sunday
					1
					2
3 CS (2 pm) PS (5 pm)	4 GOV (2 pm) IDE (5 pm)	5	6	7	8
					9
10 Thanksgiving Day	11 Council Planning (Closed 6 pm Open 7 pm)	12	13	14	15
					16
17 Council – Strategic Planning (6 pm)	18	19	20	21	22
					23
24 Council (Closed 6 pm Open 7 pm)	25	26	27	28	29
					30
31 Council Placeholder (6 pm)					

NOVEMBER					
Monday	Tuesday	Wednesday	Thursday	Friday	Saturday Sunday
	1 AUD (2 pm) IDE (5 pm)	2	3 CS (2 pm) PS (5 pm)	4	5 6
7 Council Placeholder (6 pm)	8	9	10	11 Remembrance Day	12 13
14 Nominating Committee (6 pm)	15	16	17	18	19
Council Planning (Closed 6 pm Open 7 pm)					20
21 Council Placeholder (6 pm)	22	23	24	25	26 27
28 Council (Closed 6 pm Open 7 pm)	29	30			

DECEMBER					
Monday	Tuesday	Wednesday	Thursday	Friday	Saturday Sunday
			1 Council Placeholder (6 pm)	2	3 4
5 CS (2 pm) PS (5 pm)	6 GOV (2 pm) IDE (5 pm)	7	8	9	10 11
12 Council Planning (Closed 6 pm Open 7 pm)	13	14 Council Placeholder (6 pm)	15	16	17 18
19 Council (Closed 6 pm Open 7 pm)	20	21	22	23	24 25 Christmas Day
26 Boxing Day	27	28	29	30	31



**Minutes of Guelph City Council
Held in the Council Chambers, Guelph City Hall on
Wednesday, October 28, 2015 at 5:30 p.m.**

Attendance

Council: Mayor Guthrie
Councillor P. Allt
Councillor B. Bell
Councillor C. Billings
Councillor C. Downer
Councillor D. Gibson
Councillor J. Gordon
Councillor J. Hofland
Councillor M. MacKinnon
Councillor L. Piper
Councillor M. Salisbury
Councillor A. Van Hellemond
Councillor K. Wettstein

Staff: Ms. A. Pappert, Chief Administrative Officer
Mr. M. Amorosi, Deputy-CAO, Corporate Services
Mr. D. Thomson, Deputy-CAO, Public Services
Ms. J. Sheehy, General Manager, Finance, Treasurer
Ms. K. Dedman, General Manager/City Engineer
Mr. D. Wyman, General Manager, Solid Waste Services
Mr. I. Panabaker, Corporate Manager – Downtown Renewal
Mr. P. Busatto, Plant Manager – Water Services
Ms. K. Suresh, Plant Manager – Wastewater Services
Ms. T. Agnello, Deputy City Clerk
Ms. D. Black, Council Committee Coordinator

Open Meeting (5:30 p.m.)

Mayor Guthrie called the meeting to order.

Disclosure of Pecuniary Interest and General Nature Thereof

There were no disclosures.

2016 – 2025 Tax Supported Capital

The CAO provided a brief introduction and synopsis of the 2016 – 2025 Tax Supported Capital Budget.

The Deputy CAO of Corporate Services addressed the capital budget pressures and explained the correlation between the Capital budget and tax-supported budget regarding capital projects. He also addressed the City's policy updates.

The General Manager of Finance/City Treasurer presented the recommended 2016 capital budget forecast. She explained the funding breakdown for the recommended 2016 capital budget and the 2017-25 capital budget. She highlighted some key projects included within each of the proposed budgets within the three categories of infrastructure, growth, city building and infrastructure.

Discussion ensued regarding various expansions, prioritization, reserve funds, debt refinancing and risk factors.

Staff will provide information regarding the following:

- costs to install shelters at all bus stops and their installation priority plans
- the role of development charges for items identified within the budget
- reserves realignment/consolidation

Delegations:

Mr. David Newcombe, Riverhouse Condominium, stated that condo residents get lower service levels than other residents in Guleph and urged the city to abide by its Solid Waste Management Master Plan (SWMMP) and invest in capital equipment for solid waste collection at condos.

Mr. Ted Pritchard, Fair Tax Campaign, stated that between 60 and 66% of condominium owners do not receive waste collection and they want to see the recommendations of the SWMMP implemented. He suggested that a motion be brought forward to include funding in the 2016 – 2025 capital budgets to implement the recommendations from the 2014 SWMMP.

Ms. Maria Finoro, President and owner of MF Property Management, manages multiple properties in Guelph and stated that of approximately 1869 condominium units out of 4800 are not receiving waste collection and asked Council to invest in implementing the SWMMP. She advised that many residents lost the ability to recycle when the garbage collections was changed from bags to the bins.

Ms. Michelle Kelly, condominium lawyer, noted that condominiums are taxed at the residential tax rate but do not receive many of the same services and thus, pay double. She specifically noted waste collection, snow removal, fire hydrant inspection, asphalt maintenance, and catch basin cleaning. She stated that other municipalities will perform the tasks if adequate insurance for city employees is in place. She suggested a condominium advisory board be struck that would include Council representatives, similar to what the city of Brantford has in place. She urged the City to purchase garbage collection vehicles – or provide a rebate program for those who do not receive the service. She would also like the City to lobby the Provincial government for a new tax rate that reflects the different level of service provided.

Mr. John Holt, advised that waste collection issues for dead end streets has been addressed but not for condominiums and he urged the City to provide equal opportunity to condominium owners.

Ms. Yvette Tendick, Coalition for Active Transportation, supports the budget money being provided for active transportation, and was appreciative of the proposed multi-use track on Woodlawn and many trails being addressed.

Mr. Xander Huggins, Coalition for Active Transportation, appreciates the multi-use path on Woodlawn Road and supports the efforts to accommodate active transportation.

Mr. Ray Ferraro, spoke to the York Road reconstruction from Victoria Road to Watson Road. He explained the importance of keeping the arterial road in good shape due to risks and the impression it makes for the City as a whole. He stated the project should not be put off.

Discussion ensued regarding the need to replace and install new infrastructure, the correlation between policies and priority setting for various projects, the net present value of the Eastview Methane Collection System, the ratio for transits costs between taxes and user fees, and monies budgeted in the operating budget for waste collection.

Staff advised that there is an expansion package within the operating budget that will start to address the waste collection issues.

There was also discussion regarding the Niska Bridge including: consequences and risks of delaying any action until the completion of the Guelph Transportation Master Trails Plan (GTMTTP) its relation to the City's Official Plan, and the County's involvement. It was requested that the Niska Bridge report be presented to Council before budget deliberations if possible.

1. Moved by Councillor Hofland
Seconded by Councillor Bell

1. THAT the recommended 2016-2025 Tax-supported Capital Budget and Forecast, in the amount of \$670,147,849, including \$60,684,349 for 2016, be received for information.
2. THAT the recommended 2016-2025 Tax-supported Capital Budget and Forecast be referred to the December 9, 2015 Council meeting for final deliberation and approval of the 2016 requirements.

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

The meeting recessed at 7:15 p.m. and reconvened at 7:25 p.m.

Non-Tax Supported Operating and Capital Budget

2. Moved by Councillor Piper
Seconded by Councillor Hofland

1. The proposed expansion packages in the net amounts of \$259,900 for Water Services and \$115,000 for Wastewater Services.
2. The 2016 Water and Wastewater Operating Budgets in the amounts of \$28,644,042 and \$29,799,028 respectively, inclusive of expansions.
3. The 2016 Water and Wastewater Capital Budgets and 2017-2025 Forecasts in the amounts of \$204,581,700 and \$171,877,300 respectively.
4. The City of Guelph water volume charge of \$1.59 per cubic metre effective January 1, 2016 and the wastewater volume charge of \$1.73 per cubic metre, effective January 1, 2016.
5. The City of Guelph water and wastewater basic service charges be increased as per attached schedule "A", effective January 1, 2016.

6. The Water Services and Wastewater Services Fees and Services By-law as amended be passed.

First Amendment

3. Moved by Councillor MacKinnon
Seconded by Councillor Van Hellemond

That the City of Guelph water volume charge be changed to \$1.61 per cubic metre effective January 1, 2016 and a wastewater volume charge of \$1.79 per cubic metre effective January 1, 2016.

A request to vote on the rates separately was requested.

4. Moved by Councillor MacKinnon
Seconded by Councillor Van Hellemond

That the City of Guelph water volume charge be changed to \$1.61 per cubic metre effective January 1, 2016.

VOTING IN FAVOUR: Councillors Downer, MacKinnon, Piper and Van Hellemond (4)

VOTING AGAINST: Mayor Guthrie, Councillors Allt, Bell, Billings, Gibson, Gordon, Hofland, Salisbury and Wettstein (9)

DEFEATED

5. Moved by Councillor MacKinnon
Seconded by Councillor Van Hellemond

That the wastewater volume charge be changed to 1.79 per cubic metre effective January 1, 2016.

VOTING IN FAVOUR: Councillors Bell, Downer, Gordon, MacKinnon, Piper and Van Hellemond (6)

VOTING AGAINST: Mayor Guthrie, Councillors Allt, Billings, Gibson, Hofland, Salisbury and Wettstein (7)

DEFEATED

Main Motion

6. Moved by Councillor Piper
Seconded by Councillor Hofland

1. The proposed expansion packages in the net amounts of \$259,900 for Water Services and \$115,000 for Wastewater Services.
2. The 2016 Water and Wastewater Operating Budgets in the amounts of \$28,644,042 and \$29,799,028 respectively, inclusive of expansions.
3. The 2016 Water and Wastewater Capital Budgets and 2017-2025 Forecasts in the amounts of \$204,581,700 and \$171,877,300 respectively.

4. The City of Guelph water volume charge of \$1.59 per cubic metre effective January 1, 2016 and the wastewater volume charge of \$1.73 per cubic metre, effective January 1, 2016.
5. The City of Guelph water and wastewater basic service charges be increased as per attached schedule "A", effective January 1, 2016.
6. The Water Services and Wastewater Services Fees and Services By-law as amended be 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

Adjournment (9:30 p.m.)

7. Moved by Councillor Hofland
Seconded by Councillor Allt

That the meeting be adjourned.

CARRIED

Minutes to be confirmed on November 23, 2015.

Mayor Guthrie

Tina Agnello – Deputy City Clerk

CONSENT REPORT OF THE AUDIT COMMITTEE

November 23, 2015

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

Your Audit Committee beg leave to present their FIFTH CONSENT REPORT as recommended at its meeting of November 3, 2015.

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-2015.21 Appointment of the External Auditor

1. That the report titled CS-2015-84 Appointment of the External Auditor be received for information.
2. That KPMG LLP be appointed as the external auditor for the City of Guelph and its related entities for the fiscal years ending 2015 through 2019 and that the necessary By-Law be enacted.
3. That the Treasurer be authorized to annually execute the engagement letter with KPMG LLP subject to the terms 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 November 3, 2015 Audit Committee meeting.

STAFF REPORT

TO Audit Committee

SERVICE AREA Corporate Services, Finance

DATE November 3, 2015

SUBJECT Appointment of the External Auditor

REPORT NUMBER CS-2015-84

EXECUTIVE SUMMARY

PURPOSE OF REPORT

To outline the process followed for the selection and appointment of the external auditor, and to recommend an external auditor for the fiscal years ending December 31, 2015 to December 31, 2019.

KEY FINDINGS

As the five-year term of the City's external auditor expired with the completion of the 2014 audit, it was necessary to select and appoint an external auditor for the 2015 to 2019 fiscal years.

After following the process outlined in the Policy for the Selection and Appointment of the External Auditor, the Evaluation Committee recommends that KPMG LLP be selected as the City's external auditor for the 2015 to 2019 fiscal years.

FINANCIAL IMPLICATIONS

The fees quoted that are related to the City's audit are within the 2015 approved budget.

ACTION REQUIRED

The Audit Committee should receive the report and recommend that the City Council direct staff to proceed with the recommendation to appoint KPMG LLP and to execute the annual engagement letter.

RECOMMENDATION

1. That the report titled CS-2015-84 Appointment of the External Auditor be received for information.
2. That KPMG LLP be appointed as the external auditor for the City of Guelph and its related entities for the fiscal years ending 2015 through 2019 and that the necessary By-Law be enacted.

STAFF REPORT



3. That the Treasurer be authorized to annually execute the engagement letter with KPMG LLP subject to the terms approved.

BACKGROUND

The Municipal Act provides for municipalities to appoint the municipal auditors for a term not to exceed five years. The contract with the City's current auditors, Deloitte LLP, expired with the completion of the audit for the year ended December 31, 2014. During a meeting in April 2014, the Audit Committee approved a policy that outlined the process for the selection and appointment of the external auditor.

REPORT

In accordance with the policy, during the June 2, 2015 Audit Committee meeting an Evaluation Committee was formed to review the proposals and recommend a proponent to the Audit Committee. The Evaluation Committee consisted of two members of the Audit Committee and two members of City staff.

Staff prepared the Request for Proposal (RFP) and distributed it to the Evaluation Committee as well as to the Wellington Dufferin Guelph Public Health for feedback. Once finalized, the RFP was posted on the City's procurement website for three weeks beginning August 31, 2015. After the bid period closed, the proposals were distributed to the Evaluation Committee to independently evaluate the five submissions that were received. The evaluation criteria employed was consistent with the approved policy, and was outlined in the RFP document that was published and available to all proponents. The results of the evaluations were consolidated by the Manager of Purchasing, and a consensus meeting was held on October 5th, 2015. During this meeting the Evaluation Committee discussed any anomalies in the results.

The highest ranking submission received was from KPMG LLP. The cost of the City's 2015 annual audit and the Provincial Offences Court compliance report is \$60,000. The audit fees for the associated entities, Wellington Dufferin Guelph Public Health, Guelph Junction Railway, Guelph Downtown Business Association were competitive and have been communicated to their respective Boards. KPMG LLP is responsible for notifying the Purchasing Department of any future increases which are limited to the Consumer Price Index for the Toronto Region as published by Statistics Canada.

The Evaluation Committee recommends that KPMG LLP be appointed the external auditors for the period 2015-2019 pending an annual performance evaluation.

STAFF REPORT



CORPORATE STRATEGIC PLAN

2.3 Ensure accountability, transparency and engagement.

DEPARTMENTAL CONSULTATION

The RFP Evaluation Committee was comprised of two members of the Audit Committee, as well as the Manager and Senior Analyst of Financial Reporting and Accounting. The RFP process was overseen by the Manager of Procurement.

FINANCIAL IMPLICATIONS

The fees related to the City's annual audit are within the 2015 approved budget.

COMMUNICATIONS

The Evaluation Committee will follow-up with the proponents and the representatives from the associated entities following Council's final approval.

ATTACHMENTS

None

Jade Surgeoner, Senior Corporate Analyst,
Financial Reporting and Accounting
Report Author

Recommended By

Janice Sheehy
GM Finance and City Treasurer
Corporate Services
519-822-1260 Ext. 2289
janice.sheehy@guelph.ca

Approved By

Mark Amorosi
Deputy CAO, Corporate Services
519-822-1260 Ext. 2281
mark.amorosi@guelph.ca

CONSENT REPORT OF CLOSED MEETING OF COUNCIL

November 23, 2015

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

Your Council as Committee of the Whole beg leave to present their Fifth
CONSENT REPORT as recommended at its meeting of November 23, 2015.

*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 Council in Closed Meeting will be
approved in one resolution.*

C-2015.50 Citizen Appointments to Committee of Adjustment

That _____, _____, _____, _____, and _____ be
reappointed to the Committee of Adjustment for a term ending November 30, 2018
or until such time as successors are appointed.

C-2015.51 Citizen Appointments to Accessibility Advisory Committee, Downtown Advisory Committee, Economic Development Advisory Committee, Environmental Advisory Committee, Heritage Guelph, River Systems Advisory Committee, Waste Innovation Centre Public Liaison Committee and the Water Conservation & Efficiency Public Liaison Committee

Accessibility Advisory Committee

1. That _____, _____, _____, _____ and _____ be reappointed
to the Accessibility Advisory Committee for a term ending November 30, 2018
or until such time as successors are appointed.
2. That _____, _____, _____ and _____ be appointed to the
Accessibility Advisory Committee for a term ending November 30, 2016 or
until such time as successors are appointed.

Downtown Advisory Committee

3. That _____ and _____ be reappointed to the Downtown Advisory
Committee for a term ending November 30, 2018 or until such time as
successors are appointed.
4. That _____ and _____ be appointed to the Downtown Advisory
Committee for a term ending November 30, 2016 or until such time as
successors are appointed.

Economic Development Advisory Committee

5. That _____ and _____ be reappointed to the Economic Development Advisory Committee for a term ending November 30, 2018 or until such time as successors are appointed.

Environmental Advisory Committee

6. That _____, _____ and _____ be reappointed to the Environmental Advisory Committee for a term ending November 30, 2018 or until such time as successors are appointed.
7. That _____, _____, _____ and _____ be appointed to the Environmental Advisory Committee for a term ending November 30, 2016 or until such time as successors are appointed.

Heritage Guelph

8. That _____, _____, _____, _____ and _____ be reappointed to Heritage Guelph for a term ending November 30, 2018 or until such time as a successor is appointed.
9. That _____ be appointed to Heritage Guelph for a term ending November 30, 2016 or until such time as a successor is appointed.

River Systems Advisory Committee

10. That _____ be reappointed to the River Systems Advisory Committee for a term ending November 30, 2018 or until such time as successors are appointed.

Waste Innovation Centre Public Liaison Committee

11. That staff be directed to further recruit applicants to serve on the Waste Innovation Centre Public Liaison Committee.

Water Conservation Public Advisory Committee

12. That _____ and _____ be reappointed to the Water Conservation and Efficiency Public Advisory Committee for a term ending November 30, 2018 or until such time as successors are appointed.

C-2015.52 Citizen Appointments to Guelph Museums Advisory Committee, Guelph Sports Hall of Fame Board of Directors, Property Standards/Fence Viewers Committee, Public Art Advisory Committee, Tourism Advisory Committee and Transit Advisory Committee

Guelph Museums Advisory Committee

1. That _____ and _____ be reappointed to the Guelph Museums Advisory Committee for a term ending November 30, 2018 or until such time as successors are appointed.
2. That staff be directed to further recruit applicants to serve on the Guelph Museums Advisory Committee.

Guelph Sports Hall of Fame Board of Directors

3. That _____ and _____ be reappointed to the Guelph Sports Hall of Fame Board of Directors for a term ending November 30, 2018 or until such time as successors are appointed.
4. That _____ be appointed to the Guelph Sports Hall of Fame Board of Directors for a term ending November 30, 2016 or until such time as successors are appointed.

Property Standards/Fence Viewers Committee

5. That _____ and _____ be reappointed to the Property Standards/Fence Viewers Committee for a term ending November 30, 2018 or until such time as successors are appointed.

Public Art Advisory Committee

6. That _____, _____, _____, _____, _____, _____ and _____ be reappointed to the Public Art Advisory Committee for a term ending November 30, 2018 or until such time as successors are appointed.

Tourism Advisory Committee

7. That _____ be appointed to the Tourism Advisory Committee for a term ending November 30, 2016 or until such time as a successor is appointed.

Transit Advisory Committee

8. That _____, _____, _____ and _____ be reappointed to the Transit Advisory Committee for a term ending November 30, 2018 or until such time as successors are appointed.
9. That _____ and _____ be appointed to the Transit Advisory Committee for a term ending November 30, 2016 or until such time as successors are appointed.

All of which is respectfully submitted.

CONSENT REPORT OF THE CORPORATE SERVICES COMMITTEE

November 23, 2015

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

Your Corporate Services Committee beg leave to present their
EIGHTH CONSENT REPORT as recommended at its meeting of November 9,
2015.

*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-2015.40 BMA Financial Condition Assessment Report

1. That Corporate Services Committee receive Report CS-2015-75 'BMA Financial Condition Assessment Report'.
2. That Corporate Services Committee approve the action plans outlined in Attachment 1 – BMA Condition Assessment Action Plan of Report CS-2015-75.
3. That pursuant to the Guelph Council Meeting of June 22, 2015, Guelph Police Services be formally notified that Council does not support their request to retain their budget surplus monies or their request to create a police contingency reserve.
4. That per Report CS-2105-63, subsequent to considering the results of the BMA Study and to ensure highest and best use of City funds, that an additional contribution of \$500,000 to each of the tax rate stabilization reserve and operating contingency reserve be referred to the 2016 tax supported budget.

CS-2015.42 Property Tax Policy – Tax Ratios

1. THAT Report CS-2015-82 entitled 'Property Tax Policy – Tax Ratios' be received for information.
2. THAT staff prepare a 2016 Tax Policy Report and once the 2017-2020 four year phase in assessment cycle is finalized in 2016 staff bring forward a report analyzing tax shifts and seeking tax policy direction.

CS-2015.43 Review of Zero Based Budgeting and Other Options

1. THAT CS-2015-71 'Review of Zero Based Budgeting and Other Options' report be received.

Page 2
November 23, 2015
Corporate Services Committee – Eight Consent Report

2. THAT staff be directed to continue to implement zero line item based budgeting on selected line items in the budget as feasible.

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 November 9, 2015 Corporate Services Committee meeting.

STAFF REPORT

TO Corporate Service Committee

SERVICE AREA Corporate Services, Finance

DATE November 9, 2015

SUBJECT BMA Financial Condition Assessment Report

REPORT NUMBER CS-2015-75

EXECUTIVE SUMMARY

PURPOSE OF REPORT

The City of Guelph engaged BMA Management Consultants Inc. to provide an update to a previous Financial Condition Assessment Report completed in 2010. The report includes key financial, affordability and social-economic indicators to evaluate the existing financial health of the City, as well as to identify future challenges and opportunities.

At a special Council meeting on September 21, 2015, BMA presented the 2015 results to Council and on October 6, 2015 the full BMA report was distributed to the Mayor and Councillors, and made available to the public. Both the presentation and report can be found at:

http://guelph.ca/wp-content/uploads/council_consolidated_agenda_092115.pdf and

<http://guelph.ca/wp-content/uploads/BMAFinancialConditionAssessmentReportOctober2015.pdf>, respectively.

This staff report summarizes BMA's recommendations and outlines current and future actions the City will undertake to implement these recommendations.

KEY FINDINGS

Key findings from the report include:

Sustainability: "The ability to provide and maintain existing programs without resorting to unplanned increases in rates or cuts in service". Guelph has many positive financial sustainability indicators including low unemployment, modest population growth, a strong assessment base and a good mix of residential and non-residential construction. Two major risk areas the City needs to focus on are: developing a detailed strategy to address the ever-widening infrastructure gap, and the lower than recommended stabilization reserves.

Financial Flexibility: "The degree to which a municipality can issue debt or generate revenues without affecting the credit rating." Guelph is in a positive position on many indicators including low taxes receivable, low levels of debt, a

solid financial position and healthy non-tax reserves and reserve funds. To ensure on-going strong results and enhance current flexibility the City should focus on consolidating reserves and reserve funds where possible, providing adequate funding for asset renewal and finding the right balance between delivering services and affordability.

Vulnerability: "Minimizing the level of risk that could impact its ability to meet financial obligations and commitments including the delivery of service." BMA believes that the City needs to focus on the following objectives to reduce financial risk:

- Commit to maintaining infrastructure as a key corporate goal - the development of a detailed asset management plan will gradually address funding needs on a priority basis
- Commit to maintaining financial sustainability – over the next decade, the City will undergo managed growth while infrastructure renewal costs will increase at a much greater pace – strong financial policy will drive this focus through changing Council priorities

FINANCIAL IMPLICATIONS

The cost of the BMA Financial Condition Assessment was \$17,500 plus the unrecoverable portion of HST of \$308 for a total cost of \$17,808.

The Financial Condition Assessment Report will impact how staff approaches budget development. Additionally, many of the recommendations include reviewing and amending/enhancing the City's financial policies. All financial implications related to policy changes will be disclosed at the time of Council approval.

Further, there are two recommendations made related to a request from the Guelph Police Services and a previous Committee Report, respectively.

ACTION REQUIRED

1. That Corporate Service Committee receive Report CS-2015-75 BMA Financial Condition Assessment Report; and
2. That Corporate Service Committee approve the action plan outlined in Attachment 2 – BMA Condition Assessment Action Plan of Report CS-2015-75.
3. That pursuant to the Guelph Council Meeting of June 22, 2015, Guelph Police Services be formally notified that Council does not support their request to retain their budget surplus monies or their request to create a police contingency reserve.
4. That per Report CS-2015-63, subsequent to considering the results of the

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BMA Study and to ensure highest and best use of City funds, that an additional contribution of \$500,000 to each of the tax rate stabilization reserve and operating contingency reserve be recommended, and to refer this matter to the 2016 tax supported budget.

RECOMMENDATION

1. That Corporate Service Committee receive Report CS-2015-75 BMA Financial Condition Assessment Report; and
2. That Corporate Service Committee approve the action plans outlined in Attachment 2 – BMA Condition Assessment Action Plan of Report CS-2015-75.
3. That pursuant to the Guelph Council Meeting of June 22, 2015, Guelph Police Services be formally notified that Council does not support their request to retain their budget surplus monies or their request to create a police contingency reserve.
4. That per Report CS-2015-63, subsequent to considering the results of the BMA Study and to ensure highest and best use of City funds, that an additional contribution of \$500,000 to each of the tax rate stabilization reserve and operating contingency reserve be recommended, and to refer this matter to the 2016 tax supported budget.

BACKGROUND

BMA Management Consultants Inc. ("BMA") is primarily known for their work on the annual Municipal Study. Since 2000, BMA have co-ordinated the data from over 100 municipalities to provide comparative information that is used in making decisions or highlighting areas of concern. In addition, BMA perform the following services: financial management (including forecasting, modelling and risk assessment), organizational and operational reviews and the development of strategy and policies.

To obtain a third party independent and holistic analysis of the City's current financial situation, BMA was engaged to perform a financial condition assessment. The last financial condition assessment was completed in early 2010, which coincided with the new term of Council. Obtaining an assessment at the beginning of each new term of Council is a best practice, which management has committed to; as it provides new Councillors with a "financial state of the union".

The scope of the assessment includes a five year historical trend analysis on key financial and socio-economic indicators for Guelph, as well as a comparison with

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similar municipalities for the most current year. A review of existing financial policies for debt, reserves, asset management and capital also forms part of the financial analysis.

In addition, the financial condition assessment includes a detailed review of the major reserve/reserve fund groups (capital, stabilization, employee benefits, program specific and user-pay), and an analysis of capital requirements to identify infrastructure gaps and possible solutions that can be implemented to fill the gaps.

Many municipalities have used BMA to prepare a Financial Condition Assessment Report as a first step towards establishing policies and strategy that will ensure long-term financial sustainability.

REPORT

BMA's report provides an analysis of the City's finances by reviewing growth and socio-economic indicators, municipal levy and affordability indicators, as well as the City's overall financial position. The analysis compares the City's results to provincial trends and municipal comparators that BMA selected, as follows: Cambridge, Oakville, Burlington, London, Waterloo, St. Catherines, Kingston, and Barrie.

Below are the highlights of the BMA evaluation as well as BMA's recommendations to further develop the City's existing financial policies and procedures. For each group of recommendations staff has provided a response outlining how the recommendation will be implemented, and the timing of the implementation. All the recommendations included in the body of the report are further summarized in Attachment 1.

Growth and Socio-Economic Indicators

Growth and socio-economic indicators are largely beyond Council's control. However, it's important to understand them from a planning and forecasting perspective. The indicators can assist in identifying unique and shared characteristics of the City to help guide growth strategies, development planning, and support local services. The ratings below (positive, neutral and cautionary) are all relative to either similar municipalities or to the Provincial average, depending on the indicator as outlined in the detailed BMA report.

Indicator	2014 Results	2010 Results
Population Growth	Positive	Positive
Population Density	Neutral	Neutral
Demographics	Cautionary	Cautionary
Employment Rate	Positive	Neutral
Construction Activity	Positive	Positive
Assessment Composition	Positive	Positive

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Assessment Growth	Positive	Cautionary
Household Income	Positive	Positive

Areas of significance include:

- Although the percentage of Guelph's residents over 65 years of age was less than the provincial average, this percentage is increasing and implies that there will be an enhanced demand on public services in the future.
- Over the past five years, Guelph's population grew above the average and median compared to similar municipalities, which indicates that Guelph is an attractive city in which to work and live, but also indicates that Guelph will need additional infrastructure funds to accommodate the higher than average growth rate.
- Guelph's unemployment is considerably lower than the Provincial average which is indicative of the overall economic strength of the City.

Municipal Levy, Property Taxes and Affordability

The indicators below show the cost of municipal services compared to household income. These indicators do not provide any indication of value for money.

Indicator	2014 Results	2010 Results
Municipal Levy Per Capita	Neutral	Neutral
Municipal Levy Per \$100,000 of Weighted Assessment	Neutral	Neutral
Residential Affordability	Neutral	Neutral

Areas of significance include:

- The median house value in Guelph is above the average compared to similar municipalities.
- Guelph's property tax ratio to average household income is also slightly above the survey average.

FINANCIAL SUSTAINABILITY

The concept of financial sustainability is to meet Guelph's current needs without compromising the needs of the future residents. The City's reserves and reserve funds are a key component of the City's sustainability, and it will need to preserve and build these funds by challenging current practices and revising policies. Below is a summary of where reserve funds stand relative to the City's own policies and municipal trends, followed by a detailed analysis of each category.

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Indicator	2014 Results	2010 Results
Stabilization Reserve Funds	Cautionary*	Cautionary*
Employee Future Benefits Reserves	Cautionary*	Neutral
Tax Supported Capital Reserves	Cautionary*	Cautionary*
Discretionary Reserves as a % of taxation	Cautionary*	Cautionary*
Water/Wastewater Reserves	Positive **	Positive **

* Cautionary means a negative trend or a misalignment with the City's goals and municipal best practices/trends.

** Positive means that there is an alignment with the City's goals, policies and municipal best practices/trends.

Reserves & Reserve Funds

Reserves and reserve funds receive contributions from the operating budget to assist with creating a solid financial position to support the City's future cash requirements. The management of the reserves and reserve funds is an important factor in the City's overall financial position. Standard and Poor's acknowledged the City's highly liquid reserve and reserve fund levels and its relatively low levels of debt as contributing factors in achieving its AA+ credit rating. Maintaining a high credit rating is a key objective of the City to ensure it has access to funds at competitive borrowing rates. The BMA report separates the reserve and reserve funds into the main types and provides recommendations to preserve and grow the balances as summarized below.

Stabilization Reserves & Reserve Funds

Stabilization reserves are used to offset operating fluctuations in a given year instead of increasing tax rates to cover unforeseen events. To ensure that the funds are available when an unpredictable event occurs, the City aims to maintain a balance of between 8-10% of own source revenues.

Current State

- The City has multiple stabilization reserves with different target balances.
- The City's stabilization reserves as a percentage of own source revenues are 2.5% although internal policy is 8-10% and the recommended credit agency target is 10%-15%.

BMA Recommendations

- To preserve the current balances the use of stabilization reserves/reserve funds should be restricted to extraordinary events and not be used to fund ongoing operating expenditures.
- An appropriate level of stabilization reserves/reserve funds should be maintained to protect against service cuts or tax increases in years with unanticipated costs.
- Consolidation of the various stabilization reserves into one central reserve should be done to provide additional flexibility on administering funds.
- A weather event "climate control" reserve should be established to offset the costs associated with major storm events. The ceiling for this reserve should be 50% of the average of winter maintenance costs for the past five years.

Management's Response

Management accepts BMA's recommendations and commits to the following:

- Effective for the year ending 2015, staff will provide Council with an annual Reserve and Reserve Fund report outlining transfers of funds in and out of all reserves (including stabilization), as well as reporting on funding status compared to approved targets.
- Staff agrees that funds should be restricted to extraordinary events. During the 2016 budget, staff will begin to phase out the use of stabilization reserves to fund ongoing operating costs.
- As part of the 2016 budget, staff will continue to build the stabilization reserves through an increase in the dedicated transfer of \$500,000 to the tax stabilization reserve and \$500,000 to the operating contingency reserve to reduce the risk of not having reserves to fund emergency situations.
- Staff will review the General Reserve and Reserve Fund Policy in 2016 to consider amending corporate reserve targets.
- Staff will undertake a review of all the City's reserve and reserve funds to consider consolidation, implementing reserve specific targets and financing plans to achieve these targets. This will continue the reserve rationalization project that had already commenced in Finance prior to the engagement of BMA.

Employee Future Benefits Reserves

The City has a projected employee future benefit actuarial liability of approximately \$30.3 million as identified through the valuation reports prepared by Nexus Actuarial Consultants. The current reserves for employee future benefits are \$11.4 million leaving the unfunded portion of the liability to be financed from future revenues. Left unaddressed this liability will continue to grow as a result of

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additional accrued benefits and the increased value of accruals in current year dollars.

Current State

- The employee future benefits reserve balance declined by 30% since 2010.
- Workplace insurance, Land Ambulance Severance, and Early Retiree Benefits reserves are all below recommended targets.
- The major credit rating agencies have identified the unfunded portion of the liability as a negative rating factor.

BMA Recommendations

- A financial plan should be prepared for all employee future benefit reserves to ensure that there are adequate funds to sustain the operations. Plans will be reviewed annually in conjunction with the budget process. Depending on the extent of the liability, annual contributions should be made to the reserve, reflective of historical and forecasted requirements to ensure the liability does not continue to grow.
- That the Joint Job Evaluation Committee ("JJEC") reserve should be closed and any costs associated with job evaluation are absorbed within the department budgets.

Management's Response

Management accepts BMA's recommendations and commits to the following:

- Staff will review the JJEC funding process in 2016. Any recommendations will be communicated to departments in time to adjust their 2017 budgets.
- Staff will review reserve targets as well as opportunities for further consolidation by performing a review of the Employee Compensation Reserve Policy in 2016.
- As part of the annual budget process, staff considers the associated liabilities of the reserves and adjusts the annual contributions where possible. Due to other budget constraints the full deficit cannot always be addressed in a single budget year.
- Staff currently report annually on the funding position of these reserves on the audited financial statements and staff report accompanying these statements. In order to bring more attention to the reserves and their targets, staff will prepare an annual Reserve and Reserve Fund report that summarizes transfers in and out of the reserves as well as showing the funding status compared to approved targets.

Capital Reserves & Reserve Funds and Asset Management

Capital reserves and reserve funds are those that are generally established to fund expenditures of a capital nature including repairs, replacement, upgrading or construction of new asset infrastructure.

Current State

- Currently the City is not meeting the 20 per cent guideline to dedicate towards capital projects, nor is the City contributing to capital at a pace that would meet replacement needs on a historical cost basis.
- The Sustainable Infrastructure Report from 2012 identified a considerable infrastructure funding gap in water, wastewater, storm, and transportation.
- The decentralized approach of managing capital projects reduces flexibility making it harder to fund capital projects based on identified priorities.
- Since 2011 the combined capital reserve balance has been trending downwards.
- The City's reserves are particularly inadequate with respect to provisions for the rehabilitation and replacement of existing assets.

BMA Recommendations

- Currently the City is not meeting the 20 per cent guideline to dedicate towards capital projects. The annual contribution to the capital reserves should be at least equivalent to the annual amortization expense.
- The City should consolidate the various capital reserves in order to provide additional flexibility to address priority projects.
- The City should maintain one year's worth of the ten year average of the tax supported capital requirements in the consolidated Capital Reserve Fund. This will help ensure that funds are available if an opportunity arises such as a cost shared project with the provincial or federal government.
- The capital reserve and reserve funds should be segregated between funds available for existing assets and funds for new assets. For all new assets, a repayment schedule should be prepared outlining when funds will be repaid to the reserve from future operating budgets. This will help ensure funds will be available to replace all new assets once they are at the end of their useful life.
- As new assets are acquired by the City, an annual contribution to the reserve/reserve funds should be made based on the annual amortization and lifecycle costing.
- The City should focus on implementing a detailed asset management plan to drive the development of future capital budgets.

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Management's Response

In order to effectively manage the City's assets it is imperative that the City develops a comprehensive asset management strategy to make smarter decisions about building, operating, maintaining, renewing and replacing infrastructure. Management will be resubmitting an expansion package to the 2016 budget outlining the request for dedicated resources to develop and implement an asset management plan. A deliverable of the asset management team will be to develop a strategy to ensure the City's capital reserves are adequately funded.

In addition to the corporate need for dedicated asset management resources to develop a corporate asset management plan that will inform future capital budgets, the following actions are being committed to by staff:

- Staff will undertake a wholesome review of all the City's reserve and reserve funds to consider consolidation opportunities, implementing reserve specific targets and financing plans to achieve these targets.
- As per a recent resolution of Council, staff will be reporting capital project activity at the project level for significant projects as part of the capital variance reporting process. This will bring a further level of transparency to capital projects and capital reserve management.
- Staff have drafted capital project close and capital budget reallocation procedures that are currently being reviewed internally by senior management. These formalized procedures will help preserve capital reserve funds for use on corporate priorities by addressing unspent capital budgets in a timely manner. It is the intention of management to implement these procedures corporately in early 2016.
- As part of the General Reserve and Reserve Fund Policy review in 2016, consideration to changing the annual targeted capital reserve contribution thresholds will be undertaken.

Discretionary/Program Specific Reserves

Program specific and corporate reserves and reserve funds are established in order to achieve strategic objectives determined by Council.

Current State

- Relative to other municipalities, the City has a higher number of program specific reserve /reserve funds.
- A number of the reserves have limited balances and should be closed.
- Program specific reserves have declined since 2010.

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BMA Recommendations

- A financial plan should be developed to ensure that there are sufficient funds to obtain the program requirements to completion.
- Ensure spending in any given year does not exceed the uncommitted balance in the reserve at the end of the year.
- Rationalize the reserves and determine if there is the ability to consolidate or eliminate some of the balances.
- Upon conclusion of program specific projects, recommendations should be made to close the reserve/reserve fund and transfer any remaining balance to a comparable reserve.

Management's Response

Management accepts BMA's recommendations and will, as mentioned above, undergo a review of the City's reserve and reserve funds to determine which funds can be consolidated or eliminated, and which policies need to be adjusted to maximize availability of funds and ensure the funds are preserved for as long as possible. Additionally, staff will develop an internal policy with guidelines for when it is appropriate to create a new program reserve. This policy should limit the number of future reserves being created and force consideration of alternative ways to account for funds that is less administratively burdensome.

Water and Wastewater Reserves

Water and wastewater have stabilization, operating contingency and capital reserves. The intent of these reserves is to stabilize costs related to water supply and distribution and wastewater treatment and to fund capital projects.

Current State

- Water and wastewater capital reserves have increased over the past five years and this funding strategy is in line with the future replacement needs over the next ten years.
- Annual contributions have met the minimum target of covering amortization.
- The capital reserves have allowed the City to avoid issuing debt related to water and wastewater operations over the past five years.
- The water and wastewater stabilization funds are sufficiently funded to the 8% – 10% of expenditures target.

BMA Recommendations

- None specified.

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Management's Response

Although there are no specific recommendations from BMA, staff are undertaking long-term financial planning work in this area to ensure financial sustainability in the future.

FINANCIAL POSITION

Despite the longer term challenges identified by BMA above, the City remains in a strong financial position with prudent financial practices, low debt and good liquidity. The City continues to achieve a credit rating of AA+, which is among the best for Canadian Municipalities.

Indicator	2014 Results	2010 Results
Debt Management	Positive **	Positive **
Financial Position	Positive **	Positive **
Taxes receivable	Positive **	Positive **

** Positive means that there is an alignment with the City's goals, policies and municipal best practices/trends.

Debt Management

The City's capital financing goal is to maximize all funding from external sources including federal and provincial funding, development charges, and reserve funding before using the City's operating contributions or issuing debt. To date the City has enjoyed relatively low debt levels however, there is a growing gap between future capital infrastructure needs and ongoing sustainable operating sources. With the known infrastructure gap there is an increased need to revisit our current debt policy in order to obtain a holistic view.

Current State

- The City's debt policy is more conservative than the provincially mandated debt policy which states that debt servicing costs cannot exceed 25% of own source revenue.
- The City's debt levels are currently well within the existing policy limits.
- Guelph's debt charges as a percentage of own source revenue was lower than the survey's average of our municipal comparators.

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BMA Recommendations

- The City should prepare a long term capital financing plan that combines issued debt and pay-as-you-go financing that takes into consideration the City's current conservative debt policies as well as the best practice recommendations outlined in the BMA report. This report is dependent on the completion of an Asset Management Plan and the additional quantification of the infrastructure gap.

Management's Response

A wholesome review of the City's debt policy is scheduled to be performed in 2016. All recommendations included in the BMA assessment will be considered in the development of the revised policy. Management does caution that any changes to this current policy could have a significant impact on the City's credit rating. Staff will also be exploring other debt instrument options beyond the current practice of issuing serial debentures.

OTHER RECOMMENDATIONS

Throughout the condition assessment staff provided BMA with full access to the City's policies and procedures. In addition to the assessment, the following items were identified as items for consideration to align the City's procedures with municipal best practices.

- 1) The City should develop a long-term strategic financial plan to help strengthen its financial health. The long-term strategic plan will be reflective of corporate goals and objectives and will incorporate fiscal policies to ensure the organization is coordinating efforts to achieve its goals. A strong, long-term strategic financial plan will enable the City to maintain the current credit rating, while overcoming key challenges such as the infrastructure gap, rising costs, limited revenues, unforeseen events, and pressure to add new services with a limited ability to increase property tax revenues.

City staff will begin to develop a long-term strategic financial plan framework throughout 2016 and 2017 as policies are reviewed, with the understanding that this plan is closely tied to the development of the corporate asset management plan. Ultimate delivery of a completed long-term financial plan is likely achievable in 2018 or 2019, if the foundational asset management work is completed in a timely manner.

- 2) Management of reserve and reserve funds is largely driven through the on-going monitoring of capital and operating variances. Significant risk of cost-overruns can be identified and mitigation strategies can be implemented before the use of

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reserves or reserve funds is required due to overspending. The City's current practice of reporting to Council five (5) times a year for operating and four (4) times a year on capital variances is proving administratively to be burdensome and not adding considerable value as spending patterns do not necessarily coincide with fiscal quarters.

Instead, staff is recommending moving to a tri-annual variance reporting schedule that will align better with spending patterns and provides more in-depth information to Council for decision making purposes. Additional emphasis will be put on improved disclosure and mitigation plans to ensure all corporate risks are identified to Council in a timely manner and funding strategies are put in place to preserve reserve funds where possible. As such, although there will be fewer reports, the level of detailed analysis will be enhanced.

- 3) In response to outstanding Council resolutions that were deferred until the completion of the BMA Study, staff have considered the results of the BMA study and is recommending the following actions:
- That pursuant to the Guelph Council Meeting of June 22, 2015, Guelph Police Services be formally notified that Council does not support their request to retain their budget surplus monies or their request to create a police contingency reserve.
 - That as per Report CS-2015-63, subsequent to considering the results of the BMA Study and to ensure highest and best use of City funds, that an additional contribution of \$500,000 to each of the tax rate stabilization reserve and operating contingency reserve be recommended, and to refer this matter to the 2016 tax supported budget.

The City is facing a number of fiscal constraints including long-term capital replacement needs, underfunded stabilization reserves and on-going new capital development. As an organization we need to prioritize our funding requirements and direct these tax dollars to the highest priority area with a shared community mind-set. By supporting an environment where service areas keep their surplus monies for future use to themselves, we are not putting citizens first. Council should have the chance to decide annually where these surplus funds are directed based on need.

Additionally, with respect to determining the highest priority and best use of funds for contributions to reserves that are below the bench mark standards, staff have recommended an increase in reserve funding of \$1M as part of the 2016 tax supported budget to address these shortfalls. These funds have been directed to the tax rate stabilization reserve and the operating contingency reserve as these reserves were identified as the highest priority or most deficient by the BMA study.

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CORPORATE STRATEGIC PLAN

Organizational Excellence

1.3 Build robust systems, structures and frameworks aligned to strategy

DEPARTMENTAL CONSULTATION

Consultation was undertaken with non-tax program areas as well as Engineering and Capital Infrastructure and Facilities Management.

FINANCIAL IMPLICATIONS

The cost of the BMA Financial Condition Assessment was \$17,500 plus the unrecoverable portion of HST of \$308 for a total cost of \$17,808.

There are no financial implications resulting from this report. However, the Financial Condition Assessment Report will impact how staff approaches future budget development. Additionally, many of the recommendations include reviewing and amending/enhancing the City's financial policies. All financial implications of policy changes will be disclosed at time of Council approval.

Further, there are two recommendations made related to a request from the Guelph Police Services and a previous Committee Report, respectively.

COMMUNICATIONS

Communications have been released outlining the results of the BMA Management Consultants Financial Condition Assessment.

ATTACHMENTS

ATT-1 BMA Condition Assessment Action Plan

Tara Baker
Report Author

Recommended By

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Approved By

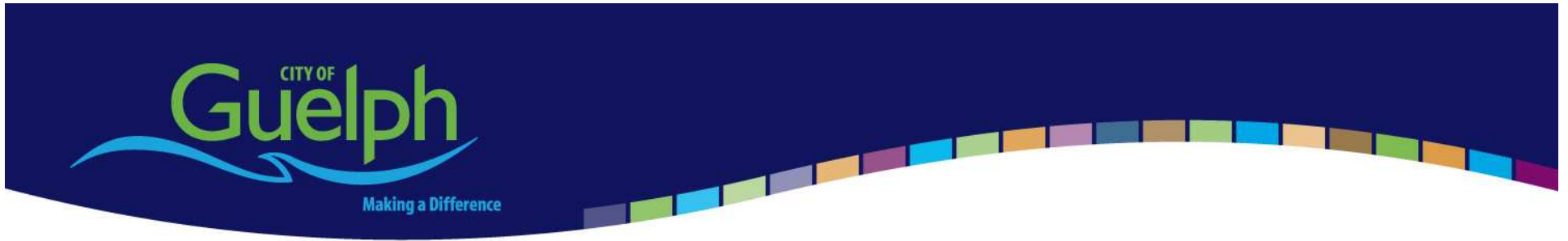
Mark Amorosi
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BMA CONDITION ASSESSMENT ACTION PLAN - ATT 1

Action Plan	Timeline	Alignment with the Council Shared Agenda
Reserves and Reserve Funds		
Staff will perform a review of the existing reserves and reserve funds that will include; evaluating the purpose of reserves and reserve funds, setting financial plans and target balances, improving policies relating to accessing funds and contributing to reserves, consolidating reserves and ensuring the structure of the reserves and reserve funds align with the long-term strategic financial plan.	Completed by Q3 2016	These recommendations are not directly identified in the Council Shared Agenda. Sustainable financial management and prudent financial practices will however help the organization meet the long term goals identified.
Staff will report to Council annually with a new Reserve and Reserve Fund report on all transfers of funds in and out of all reserves as well as reporting on funding status compared to the approved targets.	April / May 2016 for the year ended 2015	
Staff will begin to phase out the use of stabilization reserves to fund ongoing operating costs.	2017 budget process	
Staff will continue to build the stabilization reserves through an increase in the dedicated transfer of \$500,000 to the tax stabilization reserve and \$500,000 to the operating contingency reserve.	2016 budget process	
Staff will review the JJEC funding process in 2016 with recommendations being communicated to all departments in time for the 2017 budget.	2017 budget process	
Management will develop an internal policy with guidelines on when it is appropriate to create a new program reserve.	End of 2016	
Capital Reserve & Reserve Funds and Asset Management		
Pending the approval of the dedicated resources requested through the 2016 budget, a detailed asset management plan will be developed. An asset management plan is essential to assessing the capital needs of the municipality and aligning our needs with long term capital planning.	2018	Capital infrastructure was identified as one of the top priorities listed on the Council Shared Agenda.
Staff will begin reporting capital project activity at the project level for significant projects as part of the capital variance report process. This will bring a further level of transparency to capital project and capital reserve management.	Starting for Q3 2015 Capital Variance Report	These recommendations are not directly identified in the Council Shared Agenda. Sustainable financial management and prudent financial practices will however help the organization meet the long term goals identified.
Capital project close and capital budget reallocation procedures will be formalized.	Mid 2016	

BMA CONDITION ASSESSMENT ACTION PLAN - ATT 1

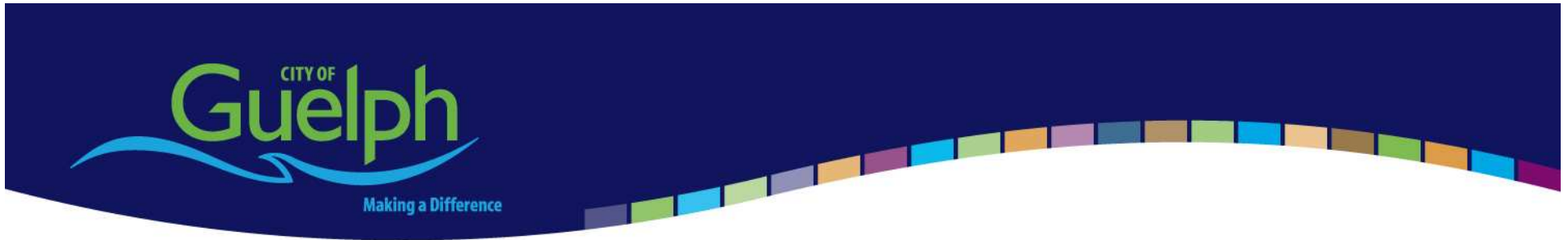
Action Plan	Timeline	Alignment with the Council Shared Agenda
Debt Management		
A wholesome review of the City's debt policy is scheduled to be performed in 2016. All recommendations included in the BMA assessment will be considered in the development of the revised policy.	2016	This recommendation was not directly identified in the Council Shared Agenda. Sustainable financial management and prudent financial practices will however help the organization meet the long term goals identified.
Other Recommendations		
Staff will develop a long term strategic financial plan that will incorporate all the fiscal policies.	2018-2019	<p>These recommendations were not directly identified in the Council Shared Agenda. Sustainable financial management and prudent financial practices will however help the organization meet the long term goals identified.</p>
<p>The number of capital variance reports will be reduced from four times a year to three reporting on month ending April 30th, September 30th, and December 31st.</p> <p>That the number of operating variance reports be reduced from five times per year to three (April, September, and December) but that the analysis be improved to specifically include mitigation strategies for each program area forecasting a negative variance.</p>	2016	
That pursuant to the Guelph Council Meeting of June 22, 2015, Guelph Police Services be formally notified that Council does not support their request to retain their budget surplus monies nor their request to create a police contingency reserve.	2015	
That as per Report CS-2015-63, subsequent to considering the results of the BMA Study and to ensure highest and best use of City funds, that an additional contribution of \$500,000 to each of the tax rate stabilization reserve and operating contingency reserve be recommended and to refer this matter to the 2016 tax supported budget.	2016 budget process	



BMA Financial Condition Assessment

Corporate Services

November 9, 2015



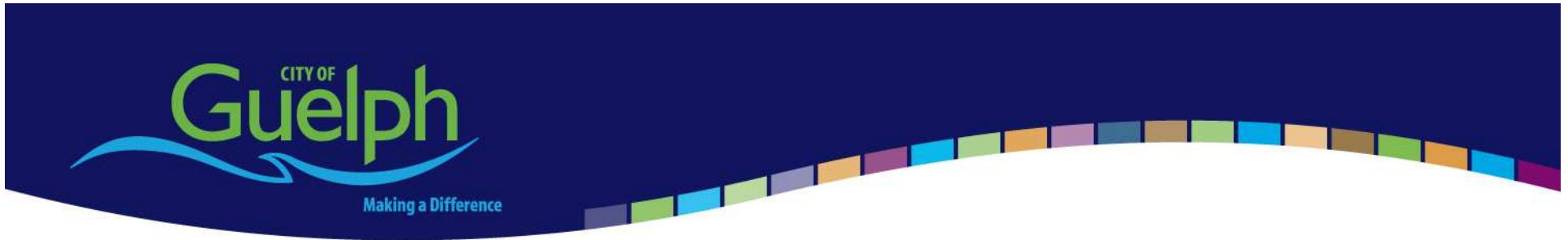
Introduction

- BMA Management Consulting Inc. (BMA) presented the results of the 2014 study to Council on September 21, 2015.
- BMA's full report was released to Council and the public on October 6, 2015.
- Staff report CS-2015-75 summarizes the results of the study compared to the 2010 study, and outlines management's action plan for addressing key recommendations.



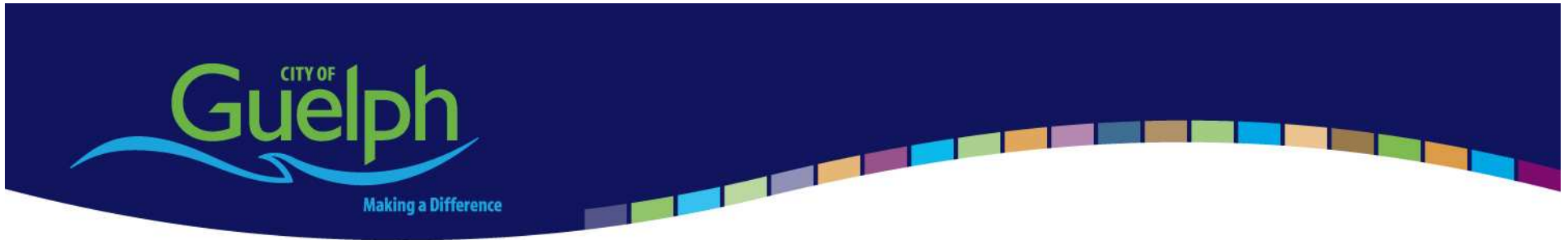
Growth and Socio-Economic Indicators

Indicator	2014 Results	2010 Results
Population Growth	Positive	Positive
Population Density	Neutral	Neutral
Demographics	Cautionary	Cautionary
Employment Rate	Positive	Neutral
Construction Activity	Positive	Positive
Assessment Composition	Positive	Positive
Assessment Growth	Positive	Cautionary
Household Income	Positive	Positive



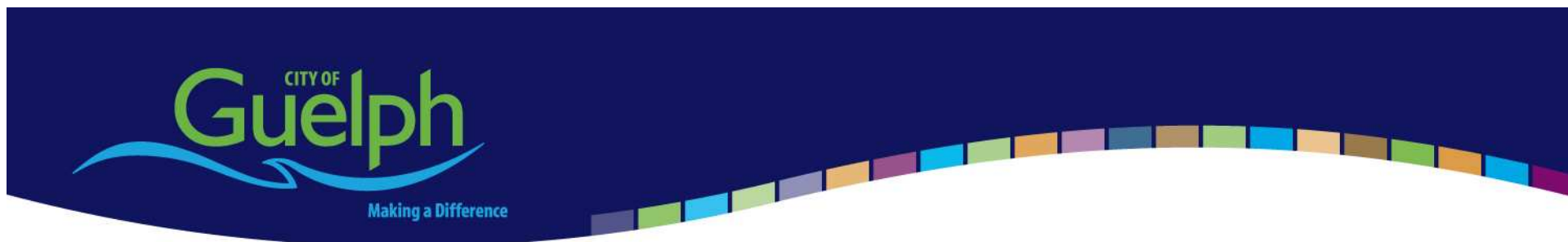
Municipal Levy and Affordability

Indicator	2014 Results	2010 Results
Municipal Levy Per Capita	Neutral	Neutral
Municipal Levy Per \$100,000 of Weighted Assessment	Neutral	Neutral
Residential Affordability	Neutral	Neutral



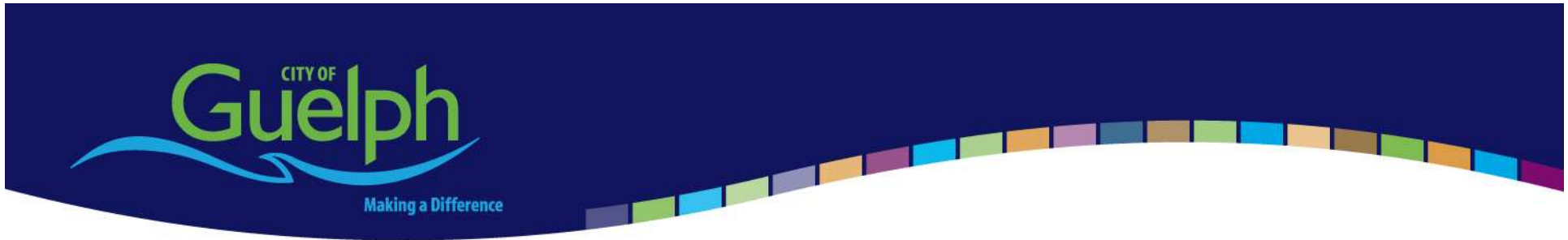
Financial Sustainability

Indicator	2014 Results	2010 Results
Stabilization Reserve Funds	Cautionary	Cautionary
Employee Future Benefits Reserves	Cautionary	Neutral
Tax Supported Capital Reserves	Cautionary	Cautionary
Discretionary Reserves as a % of Taxation	Cautionary	Cautionary
Water/Wastewater Reserves	Positive	Positive



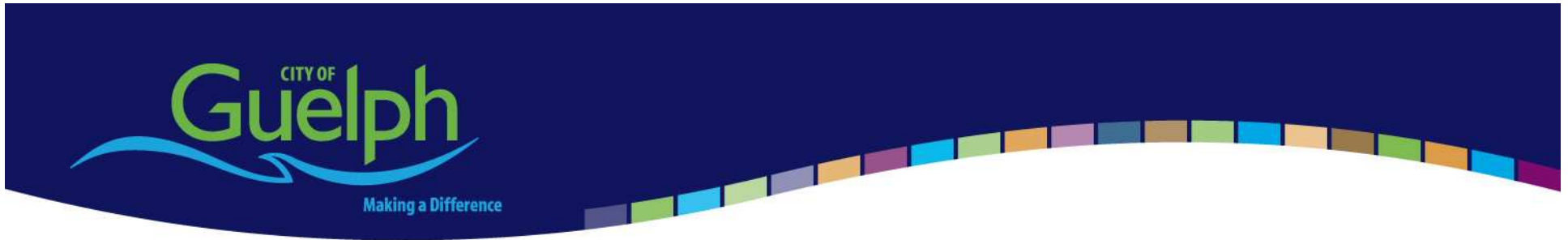
Action Items – Reserve and Reserve Funds

Action Item	Timeline
Perform a full review of our existing reserve and reserve funds	Q3 2016
Prepare an annual reserve and reserve fund report	April/May 2016 for 2015
Phase out the use of stabilization reserves to fund ongoing operational costs	2017 budget process
Annual budget transfer to the stabilization and contingency reserves	Proposed 2016 budget
Review JJEC funding process	2017 budget
Develop an internal policy on establishing program reserves	End of 2016



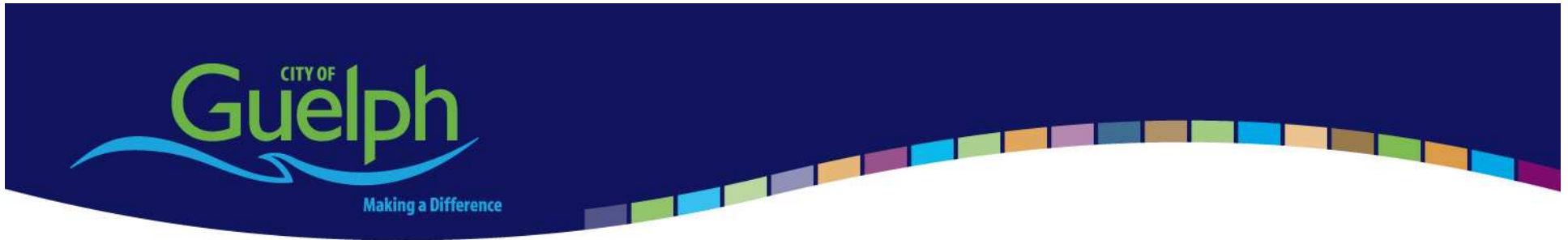
Action Items – Capital and Debt Management

Action Item	Timeline
Develop a detailed asset management plan	2018 pending 2016 budget request
Capital variance reports at the project level	Starting for Q3 2015
Formalize capital reallocation and project close procedures	Mid 2016
Review of the City's debt policy	2016



Action Items – Other Recommendations

Action Item	Timeline
Develop a long term financial strategic plan	2018-2019
Reduce frequency of variance reporting but provide more in-depth analysis	2016
Formally respond to police regarding reserve request	2015



Summary

Commitment to this action plan will ensure:

- The City preserves our current reserve/reserve fund balances and slowly grows the balances to the recommended funding levels.
- The City's strong financial position continues into the future.
- The City is following municipal best practices.

STAFF REPORT



TO Corporate Services Committee

SERVICE AREA Corporate Services, Finance

DATE November 9, 2015

SUBJECT Property Tax Policy – Tax Ratios

REPORT NUMBER CS-2015-82

EXECUTIVE SUMMARY

PURPOSE OF REPORT

To provide information as requested by Committee and Council related to Property Tax Policy direction for 2016. The attached reports prepared by Municipal Tax Advisory Group (MTAG) dated October 2015 and Municipal Tax Equity (MTE) Consultants Inc. dated January 2014, contain this information.

KEY FINDINGS

Two independent third party reports have provided a review of the City's current tax ratios; as well as the City's position among comparator groups. The general observation is that Guelph is sitting in the mid-range with its commercial, industrial and multi-residential class tax ratios.

In the absence of overwhelming data to suggest otherwise, altering the tax ratio policy direction now with the new reassessment for the 2017-2020 taxation years not due to be released until 2016, would be inadvisable. Thus the continuation of reducing multi-residential and industrial ratios is suggested for 2016.

A change to one tax ratio affects the tax burden of all other tax classes. The impact of reducing the multi-residential ratio as detailed the body of the report is a tax shift of .15%. The impact of reducing the industrial ratio as detailed in the body of the report is .37%. Reducing both ratios have a combined effect resulting in an overall tax shift of .52%.

For tax policy 2017-2020, detailed analysis will be done to measure the tax shifts due to the 2016 reassessment and at that time staff will seek direction on setting tax policy.

FINANCIAL IMPLICATIONS

There are no financial implications, tax ratios apportion the total tax to be levied among the different property tax classes.

STAFF REPORT



ACTION REQUIRED

The Corporate Services Committee receives Report CS-2015-82 entitled Property Tax Policy – Tax Ratios and approves the recommendations.

RECOMMENDATION

THAT Report CS-2015-82 entitled Property Tax Policy – Tax Ratios be received for information; and

THAT once the 2017-2020 four year phase in assessment cycle is finalized in 2016, staff bring forward a report analyzing tax shifts and seeking tax policy direction; and

THAT for the 2016 Tax Policy Report, that staff recommend reductions consistent with the first 3 years of the 2013-2016 four year assessment phase-in cycle reducing the multi-residential and the industrial tax ratios at the following rate of .042 and .1063 to 1.9979 and 2.2048 respectively.

BACKGROUND

Council is required to make a number of tax policy decisions annually. One of those decisions is to set the tax ratios before the rating by-laws can be adopted.

Tax ratio decisions are usually made in conjunction with reassessments. The current four year phase-in assessment cycle is 2013-2016.

At the Council meeting of April 29, 2013, City Council approved the 2013 City of Guelph Property Tax Policies and requested that “the Property Tax Policy, specifically as it relates to all classes ratio, be looked at to establish a long term objective and rationale for these categories in advance of the next tax policy annual review.”

In response to Council’s request, staff enlisted the assistance of Municipal Tax Equity (MTE) Consultants Inc., to both augment the body of research surrounding the City’s current tax ratios and to demonstrate the potential outcomes and impacts of any changes to the status quo. This was presented on March 3, 2014 as Report FIN-14-10 to the Corporate Administration, Finance and Enterprise Committee.

During the setting of Tax Policy for 2015, Corporate Services Committee and Council requested that a further report on tax ratios in advance of 2016 Tax Policy be brought forward.

In response to this request, staff engaged the services of Municipal Tax Advisory Group (MTAG) to have a subsequent look into comparators tax ratios and impacts.

STAFF REPORT

REPORT

An analysis of tax ratios cannot be done in isolation, and includes a review of annual tax assessment changes and the impact of the aggregate changes that one tax class experiences in relation to the other tax classes. Thus it is practice to look at these assessment changes in relation to reassessment cycles. The current reassessment cycle is 2013-2016, and as such we are going into the fourth and final year of that cycle. To change direction in tax ratio policy now without compelling evidence to do so would be ill-advised.

In the attached report from MTAG it compares the City of Guelph tax ratios to that of comparators; we find that we are situated in the mid-range. This information does not provide a compelling argument to drastically alter the City's approach to tax policy or any particular ratio.

The City of Guelph's commercial ratio while higher than the average in the overall ratio survey is situated well to major comparators along the 401 corridor. In conjunction with the previous report in 2014 it is determined at this time that no changes are recommended. Guelph's industrial ratio is currently higher than the median and the average in comparison to other municipalities on the 401 corridor and as shown in the overall ratio study. Thus a continuation of the policy to reduce the industrial ratio appears prudent. Guelph's multi-residential ratio, is placed in the middle of the group of comparators within the 401 corridor but higher than the average and median in the overall ratio study. City of Guelph staff working on affordable housing strategies are supportive of lowering the multi-residential ratio. It is reasonable to continue the reduction for the multi-residential class for 2016.

As outlined in Table 1, since 2013 the City of Guelph has annually reduced the industrial ratio by .1063 and the multi-residential ratio by .042, annually. For 2016 it is recommended that we to continue with the status quo from the previous 3 years and reduce the ratios further to 2.2048 for industrial and 1.9979 for multi-residential.

Table 1

City of Guelph Tax Ratios

Tax Year	Multi- Res	Commercial	Industrial
2008	2.740000	1.840000	2.630000
2009	2.596475	1.840000	2.630000
2010	2.453000	1.840000	2.630000
2011	2.309425	1.840000	2.630000
2012	2.165900	1.840000	2.630000
2013	2.123900	1.840000	2.523700
2014	2.081900	1.840000	2.417400
2015	2.039900	1.840000	2.311100
2016 Proposed	1.997900	1.840000	2.204800

There is a direct relationship between all tax ratios. The change of a tax ratio for one tax class shifts the tax burden to the other tax classes. Based on preliminary data the proposed changes to the ratios for 2016 will have the following impact:

Multi-Residential Class Ratio Reduction

The continued reduction of the multi-residential ratio from 2.0399 to 1.9979 will result in a tax shift of approximately 0.15% to all the other tax classes. This reduction will result in a reduction in the multi-residential tax class of 1.91%.

Industrial Class Ratio Reduction

With a movement to lower the industrial ratio from 2.311 to 2.2048 the total tax burden to the industrial class will reduce by 4.25% with a resulting tax shift to the other classes of .37%.

Combined Multi-Residential and Industrial Ratio Reduction

When combining the impact of both the multi-residential and industrial ratio reductions, the net results in the tax burden are that the multi-residential decreases by 1.54% and the tax burden to the industrial class decreases by 4.1% with an increase experienced by the other tax classes of .52%. This .52% will represents an increase of approximately \$17 to the average residential property.

CORPORATE STRATEGIC PLAN

City Building

3.2 Be economically viable, resilient, diverse and attractive to business

CONSULTATION

Guelph Chamber of Commerce

City Staff re: Affordable Housing and Multi-Residential

FINANCIAL IMPLICATIONS

There are no financial implications, tax ratios apportion the total tax to be levied among the different property tax classes.

COMMUNICATIONS

Communications as part of the Committee and Council agenda packages.

ATTACHMENTS

ATT-1 Tax Ratio Review, 2016 - Ratio Reduction Consideration – October 2016

ATT-2 FIN-14-10 Property Tax Policy – Tax Ratios

STAFF REPORT

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**TAX RATIO REVIEW, 2016
RATIO REDUCTION CONSIDERATION:
CITY OF GUELPH**

Prepared by:
Municipal Tax Advisory Group

October 2015

DISCLAIMER

The information, views, data and discussions in this document and related material are provided for general reference purposes only. Any regulatory and statutory references are, in many instances, not directly quoted excerpts and the reader should refer to the relevant provisions of the legislation and regulations for complete information.

The reader is cautioned that decisions should not be made in the sole consideration of or reliance on the information and discussions contained in this report. It is the responsibility of each individual in either of a decision-making or advisory capacity to acquire all relevant and pertinent information required to make an informed and appropriate decision with regards to any matter under consideration concerning municipal finance issues.

No attempt has been made by the Municipal Tax Advisory Group to establish the completeness or accuracy of the data prepared by the Municipal Property Assessment Corporation (MPAC) and the On-line Property Tax Analysis (OPTA) system, which have been relied upon for purposes of preparing this report. As a result, no warranties or guarantees are provided that the source data is free of error or misstatement.

Finally, the Municipal Tax Advisory Group is not responsible to the municipality, nor to any other party for damages arising based on incorrect data or due to the misuse of the information contained in this study, including without limitation, any related, indirect, special or consequential damages.

PREFACE

Over the last several years, the City of Guelph has been carefully examining its relative tax burden relationships, which has led to reductions in both the municipality's multi-residential and industrial tax ratios. With Ontario's current four year assessment cycle about to conclude in 2016 and a full general reassessment pending for 2017 taxation, it is timely for Council of the City of Guelph to contemplate the appropriateness of further tax ratio adjustments within this context.

The following report has been prepared, relying heavily on earlier analyses and other relevant material available, to further assist the City of Guelph in examining its tax ratios in an attempt to determine if current tax ratios result in a reasonable distribution of the overall tax burden between the various class taxes that comprise the City's total assessment base. The review also includes a windshield perspective on tax ratios from an economic competitiveness perspective when compared to other similar municipalities. Specific attention has been given to how the City compares to some of its neighbouring jurisdictions and other municipalities located on the Highway 401 corridor. This comparison has been undertaken against tax ratios, tax rates and the tax impact on specific property types.

The following document has been prepared to augment the existing body of analyses and literature available to the City of the Guelph in respect of this issue and to focus the discussion on a suggested course of action for the City based on the direction council would like to take.

To that end, the Municipal Tax Advisory Group respectfully offers Staff and Council the comparative analyses and observations required to assist with the development of both short and long term tax policies and strategies. This insight is provided within the context of:

- Tax ratio survey and 401 corridor comparison;
- Tax rate comparisons,
- Assessment Growth, and
- Class Tax Burden for Ratio Reductions

EXECUTIVE SUMMARY

Regular reassessments of all property are mandated by the Province in order to ensure that assessments relied upon for property tax purposes are in fact reflective of changing market conditions. The last comprehensive update was undertaken for 2013 taxation based on an effective valuation date of January 1, 2012; the next update is scheduled for 2017 taxation based on an effective valuation date of January 1, 2016. The Tax landscape will change for the 2017 taxation year. It will be imperative that a comprehensive sensitivity analysis be undertaken to quantify the scope and magnitude of tax shifts that result.

Guelph City Council has regularly reduced the ratio for the multi-residential class since 2009 and the industrial class ratio since 2013. These ratio changes redistribute the property tax to all other classes while at the same time reduce the tax burden for the ratio reduced classes. Based on comparisons with other municipalities, a ratio reduction following City Council's current practice will continue to position the municipality's class taxes for multi-residential and industrial to a more favourable position.

Guelph's multi-residential ratio ranks 13th from the top of the municipalities surveyed which suggests that the ratio is above average and median. Consequently, in keeping with City Council's current policy of controlled managed reduction, a further reduction in 2016 would be reasonable when compared with other municipalities.

The Municipal Tax Advisory Group does not recommend any changes to the City's commercial tax ratio at this time; however, this decision should be revisited when preliminary 2016 market value (for 2017 taxation) data becomes available.

The comparison of industrial ratios with other municipalities indicates that Guelph's industrial ratio is slightly above its closest comparables and on the higher end of the scale. While new CVA will be issued in 2016 for 2017 taxation, Council may wish to continue with its downward movement of the ratio or tax burden for the class to continue to improve market conditions for industrial expansion and growth

The Rationale, Rules and Restrictions on Tax Ratios

As part of the Harris Government's attempts in 1998 to improve the simplicity and transparency of Ontario's property tax regime, a system of unique property classes and variable tax rates was implemented as part of the new Ontario Fair Assessment System (OFAS). Seven main classes of property were created, including: residential, multi-residential, commercial, industrial, managed forest, farm and pipeline, together with the option to further employ a new multi-residential, shopping centre, office building, parking lot and large industrial class where desirable. As a starting point, the Province calculated and prescribed "transition ratios" for each class of property and for each upper and single tier municipality throughout Ontario to represent the relationship of each new class of property's previous share of the total tax burden (pre-OFAS) to that previously borne by residential property.

Since that time, each property class has remained eligible to be treated at a distinct rate of taxation for municipal purposes at the discretion of individual upper and single tier municipal governments. This variable tax rate scheme is governed by the setting of "tax ratios"; tax ratios dictate the relationship of each class's tax rate to the rate applied to residential property.

Municipalities are granted a certain degree of autonomy to establish tax rate and burden relationships for different property types to reflect local priorities on an annual basis. It should, however, be noted that the municipal community does not have unfettered authority to arbitrarily set variable tax rates at completely discretionary levels.

Consistent with the applicable regulations, the "Ranges of Fairness" prescribed by the Province for each class of property limit the City's ability to alter or vary tax rates. Where an existing tax ratio exceeds the prescribed range of fairness, tax ratio increases are only permitted to offset a shift in taxation that might result from a general reassessment. The calculation and setting of "Class Neutral Tax Ratios" is allowed by the Province, but only in accordance with a strictly regulated formula.

The City must also be mindful of the regulated "Threshold Ratios" that apply to the non-residential classes. Property classes with tax ratios exceeding the threshold ratios are protected to a certain extent from municipal budget increases until such time as their respective Council's approve tax ratio reductions to bring them to or below the established maximum.

These limitations on tax ratio setting flexibility must be respected by municipalities as part of their annual tax ratio setting exercise. As a consequence, municipalities charged with the responsibility of making decisions affecting the apportionment of the tax burden must be mindful of these business rules.

On the basis of these Provincial guidelines, Guelph Council in satisfying its 2016 tax ratio setting responsibility may choose to do one of the following for each class of property:

1. Adopt the previous year's actual tax ratio for the class for the current tax cycle in order to maintain the "status quo"; or
2. Establish a new tax ratio for any class that is closer to or within the Range of Fairness; or

3. Reset tax ratios at “revenue neutral” levels in order to mitigate any reassessment related tax shifts that may be occurring.

Table 1 illustrates current ratio status approved by City Council for the 2015 taxation year.

Table 1: 2015 Tax Ratio Summary

Class	2015 Tax Ratio	Ranges of Fairness		Provincial Threshold Ratio	Threshold Applicable
		Lower Limit	Upper Limit		
Residential	1.000000	1.0000	1.0000		
Farmland	0.250000	0.0000	0.2500		
Managed Forest	0.250000	0.2500	0.2500		
Multi-Residential	2.039900	1.0000	1.1000	2.7400	NO
New Multi-Residential	1.000000				
Commercial	1.840000	0.6000	1.1000	1.9800	NO
Industrial	2.311100	0.6000	1.1000	2.6300	NO
Pipeline	1.917500	0.6000	0.7000		

By changing the tax ratio for any class of property, Council has the ability to influence the overall apportionment of the tax burden between property classes. Moreover, ratio determination can be used as one of many tools available to assist in economic development within the City. Competitive advantage is always sought by business and industry and tax levels are one of numerous considerations for locating a business¹ and more importantly for support of existing commerce and industry as part of the City’s Business Retention and Expansion policies and initiatives.

Before any final decisions regarding tax ratios are made, the City should survey the tax burden landscape and make informed judgments about current effects and long term impacts. It should be noted that a comprehensive Province-wide reassessment will be completed in 2016 for the 2017 taxation year, at which time the rules can and may change.

If tax ratio changes are being contemplated, the consequential impact on taxpayers throughout the City must be analyzed. Additional support to prepare further tax ratio sensitivity specific to the City’s preferences is readily available upon request.

Before embarking on explicit tax rate sensitivity analysis, this report will survey the landscape to provide City Council with a reasonable level of assurance in respect of its current tax policies and ratio levels. To

¹ Empirical evidence does not necessarily support that property taxes are a major consideration for locating or expanding a business.

augment this analysis, Council should also carefully consider the following qualitative factors as part of the decision-making process affecting tax ratio treatment.

- Tax shifts will inevitably result each year based on the return of a newly revised assessment roll reflecting changes in property state, use, condition and assessed value; depending on the magnitude of such updates, the tax burden will shift both within and between property classes. Tax ratio changes may either exacerbate or offset tax shifts related to market updates and physical changes to property.
- Tax ratio changes approved by Council *only* affect the distribution of the municipal levy; tax rates for education purposes, which are annually regulated by the Province, are not subject to municipal tax ratio decisions.
- Tax ratio reductions may be *permanent* where an approved tax ratio falls outside of the Range of Fairness. The rules affecting tax ratio movement apply to any and all revised tax ratios.
- Tax ratio reductions for any class of property will trigger increases in tax rates/taxation for all other taxpayers within the same jurisdiction. The cost to other classes of property and the impact on payments-in-lieu of tax must be quantified and understood.
- Approved tax ratio decreases for any one class of property may result in additional requests for preferential tax ratio treatment from other classes of ratepayers. It is not uncommon once a reduction in a tax ratio for one class is approved for other classes to demand similar consideration.
- The existence of other compelling evidence, if any, to support tax ratio changes and the demands of special interests or specific stakeholder groups pertaining to the setting of tax rates must be carefully weighed.
- The competitiveness of each class of property's tax ratio relative to the treatment of that same class in neighbouring jurisdictions should be considered in determining if tax ratio adjustments are warranted.
- Impacts if any, on Ontario Municipal Partnership Fund need to be modelled and the results understood prior to ratio adjustment. Changes in ratios may have an impact on the City's OMPF revenue.
- Impacts on economic development initiatives and community improvement policies should be taken into consideration prior to considering tax ratio adjustments. A reduction in one class may negatively impact a class subject to economic development policies such as might be approved in City Community Improvement Policies under the *Planning Act*. Planning policies and economic development strategies need to be considered.
- Economic development strategies may need to be developed to advance a particular City Council directed focus through tax ratio adjustment or maintenance.

A survey of 2015 tax ratios employed by a broad cross section of upper and single tier municipalities in Southwestern Ontario has been undertaken to assist the City in determining the tax ratios to employ for the various property classes for 2016 based on Guelph's relative competitiveness. "Appendix 1" illustrates the results of this inter-jurisdictional scan of tax ratios in neighbouring jurisdictions.

City Council has the difficult task of not only balancing and managing the competing demands and tax burdens of various property classes, it must also look at its competitive advantage or disadvantage in

Ontario's market. To demonstrate Guelph's relative ratio position from an economic and geographic perspective, the Municipal Tax Advisory Group has prepared Table 2 to document Guelph's relative tax ratio relationships with other municipalities located along Ontario's artery of commerce and traffic, the Highway 401 Corridor. In these instances we have concerned ourselves with three classes: multi-residential; commercial; and industrial. Despite Hamilton not being on the 401 corridor but due to its proximity with Guelph, we have included Hamilton ratios for information.

Tax Ratio Survey Observations

In Appendix 1 we have listed all municipalities surveyed alphabetically for ease of reference. One important fact about ratio comparison is that there are several municipalities in Ontario (and contained within Appendix 1) where all classes are taxed at the same or similar level to their residential property. Those ratios are around 1.0. Historically, some of those municipalities opted for market value tax for all properties prior to the 1998 tax regime. These values tend to skew averages and readers are cautioned to be aware of the significant differences among Ontario's municipalities in this regard.

Multi-Residential Class

Of the municipalities sampled in the Appendix 1, Guelph's multi-residential ratio ranks 13th from the top, which suggests that the ratio is above average and median. Consequently, in keeping with City Council's current policy of controlled managed reduction, a further reduction in 2016 would be reasonable when compared with other municipalities. Guelph's multi-residential ratio also falls in the middle of the range for those municipalities surveyed located along the 401 corridor (Table 2) but is slightly above the closest municipalities within the corridor.

The conclusion that can be drawn from this comparative analysis is that Guelph is well situated and reasonably treating its multi-residential class. A further minor reduction would be in keeping with City Council's strategy in respect of the class tax. Guelph has annually reduced the multi-residential ratio since 2009. Council is aware that a reduction in ratio in one or more tax classes shifts tax burden to the other classes. Municipal Tax Advisory Group has quantified the shift illustrated in Tables 8, 9 and 10. Moreover, given that all new market value assessment will be returned in 2016 for 2017 taxation, the City will need to closely monitor the impacts from the change in CVA. Shifts in tax between classes are inevitable if any class values change at a greater or lesser rate than other classes.

Commercial Classes

Guelph's commercial ratio is in the top ten of the municipalities surveyed, ranking 9th (Appendix 1).

While the City might consider further discussion about moving the ratio for this class, the fact that its ratio is squarely in the centre of the sample group of municipalities located on the Highway 401 corridor suggests that no changes are warranted at this time (Table 2). Guelph's commercial ratio, unlike the multi-residential ratio, is on the lower end of the major comparators (London, Waterloo Region). Changing

ratios now without compelling reasons in the face of new assessment valuations in 2016 could create problems or issues resulting from the pending reassessment. On the positive side of this argument, Council can change the ratio in 2017 to mitigate potential problems from reassessment. A change at this time might exacerbate or mitigate new market value assessment shifts which may be irreversible.

The Municipal Tax Advisory Group does not recommend any changes to the City's commercial tax ratio at this time; however, this decision should be revisited when preliminary 2016 market value (for 2017 taxation) data becomes available.

Industrial Classes

The ratio comparison of Guelph with other municipalities in Table 2 indicates that Guelph's industrial ratio is slightly above its closest comparables and on the higher end of the scale. While new CVA will be issued in 2016 for 2017 taxation, Council may wish to continue with its downward movement of the ratio or tax burden for the class to continue to improve market conditions for industrial expansion and growth. A reduction in ratio supports economic development initiatives and helps to improve the climate for industry. Guelph ranks 11th on the list of municipalities in Appendix 1. A reduction in the ratio for the industrial class could be considered reasonable when also compared to closer municipalities on the 401 corridor that have any impact on Guelph economy (London, Waterloo Region for example).

**Table 2: Comparison of Tax Ratios for Municipalities on the 401 Corridor
(Sorted from Highest Ratio to the Lowest Ratio)**

Municipality	Multi-Residential	Municipality	Residual Commercial	Municipality	Residual Industrial
Hamilton City*	2.74	Hamilton City*	1.98	Hamilton City*	3.12
Oxford County	2.74	Chatham-Kent	1.95	Oxford County	2.63
Elgin County	2.35	London City	1.95	Wellington County	2.40
Halton Region	2.26	Waterloo Region	1.95	Halton Region	2.36
Chatham-Kent	2.15	Oxford County	1.90	Guelph City	2.31
Guelph City	2.04	Guelph City	1.84	Elgin County	2.23
London City	1.95	Elgin County	1.64	Chatham-Kent	2.22
Waterloo Region	1.95	Halton Region	1.46	London City	1.95
Wellington County	1.89	Wellington County	1.46	Waterloo Region	1.95
Middlesex County	1.77	Middlesex County	1.14	Middlesex County	1.75
Median	2.10	Median	1.87	Median	2.27
Average	2.18	Average	1.73	Average	2.29

*Hamilton added due to proximity and economic relationship with Guelph and Highway 401 Corridor

Tax Ratio Conclusions

City Council has embarked on a tax class management policy since 2009 that sees reduced ratios, hence class tax burden for the multi-residential class and more recently since 2013, the industrial class. The annual changes are minor in nature, but do compound over time to the benefit of the class but to the detriment of the other classes as they share in the shift in tax from multi-residential and industrial classes. However, continued reduction of the ratios on the current trajectory will continue to position Guelph's multi-residential and industrial classes to better competitive and comparative advantage, when compared to other area municipalities.

It will be imperative that a comprehensive sensitivity analysis be undertaken to quantify the scope and magnitude of tax shifts that result from the new CVA for 2017. Altering ratios now in the face of all new assessment in 2016 for 2017 taxation may have tax impacts which may be difficult to mitigate based on tax ratio decisions made in 2016. The City will want to assure itself that regardless of circumstances today, the class taxes should be reduced.

The City should be prepared to develop a comprehensive plan and strategy that will manage tax burdens by class, initiate economic development goals and objectives and establish a climate of managed and balanced competitive growth opportunities through long term tax ratio management. A ratio change brings a degree of permanency; the City cannot reverse the tax ratio decision and only in very limited cases can changes be made but with potentially significant impacts on other classes. The new CVA (preliminary CVA release in early 2016) for 2017 taxation will provide the City with measurable and quantifiable data with which to formulate long term strategy and goals. Depending on emerging assessment trends, tax shifts between classes should be anticipated.

Tax Rate Comparisons

The data in the following tables has largely been gleaned from past reports and other readily available sources of formation.²

Tax rates, levies and budgets vary considerably between jurisdictions making it extremely difficult to easily draw comparisons. For example, ambulance costs in Guelph appear on its levy. In two tier jurisdictions those costs are distributed proportionally among all lower tier municipalities within the upper tier. There are many examples of such circumstances; consequently, tax rate comparison must be undertaken with knowledge that rate variations are governed by both systemic municipal responsibilities and limitations, as well as local municipal directed policies and priorities, combined. As a result, caution must be exercised in interpreting the results of direct tax rate comparison knowing that there are these variations. Comparing tax rates between municipalities do not in themselves provide an indication that ratios should or should not be adjusted.

² Municipal Tax Advisory Group has not undertaken any detailed analysis to verify the correctness of the data produced by other firms or companies.

Municipal tax rates are difficult if not next to impossible to compare. As an example, and to simplify the discussion, assume there are two municipalities with identical properties. Due to location of the properties (one located on highway 401 corridor and the other in rural Ontario in this example), the market value of the two identical properties can be significantly different. If the same property was assessed at \$500,000 in one municipality and \$400,000 in rural Ontario municipality, the tax rates to raise the same amount of tax would be different.

Illustration of Tax Rate Differences

Municipality	Value	Tax Rate	Tax Levy
401 Corridor Property	500,000	0.1000%	\$ 500.00
Rural Ontario Property	400,000	0.1250%	\$ 500.00

In this illustration, to raise \$500, the tax rate for the \$500,000 property would be 0.1%. However, to raise the same tax probably for the same purposes (gasoline, supplies, operating costs, capital, etc.) the tax rate for the rural Ontario property would be 0.125% (higher) to raise the same tax. The rates cannot be compared. They raise the same tax for the same purpose, but the assessment value is different. Consequently, the tax and not the tax rates is the more appropriate tool to compare, although there are still differences due to municipal decisions and systemic requirements. Stir in assessment mix (greater industrial CVA in one municipality or high concentration of farm property in another municipality) and the comparing of tax rates becomes even more complex and difficult. This simple “Illustration of Tax Rate Differences” table demonstrates the difficulty in comparing tax rates.

In the following Tables 3, 4 and 5, the Municipal Tax Advisory Group has reproduced tax rates and displayed them in percentage format despite the difficulties in comparing tax rates.

Table 3: Upper and Lower Tier Combined Tax Rate

Municipality	Residential	Multi-Residential	Commercial			Industrial	
			Residual Commercial	Office Building	Shopping Centre	Residual Industrial	Large Industrial
Guelph City	1.0434%	2.1723%	1.9199%	1.9199%	1.9199%	2.5223%	2.5223%
Halton Hills	0.7087%	1.6031%	1.0323%	1.0323%	1.0323%	1.6725%	1.6725%
Waterloo	0.9762%	1.9037%	1.9037%	1.9037%	1.9037%	1.9037%	1.9037%
Kitchener	1.0001%	1.9502%	1.9502%	1.9502%	1.9502%	1.9502%	1.9502%
London	1.1648%	2.3063%	2.3063%	2.3063%	2.3063%	2.5858%	2.5858%
Summary results following are for all municipalities included in the 2014 BMA Municipal Study.							
Average	1.0821%	2.0563%	1.7326%	1.7554%	1.7554%	2.3007%	2.4322%
Median	1.0757%	1.9819%	1.6286%	1.6286%	1.6286%	2.1902%	2.1970%
Minimum	0.5200%	0.6285%	0.6941%	0.6941%	0.6941%	0.6941%	0.6941%
Maximum	2.5296%	5.6981%	3.3640%	4.5146%	3.7720%	5.2108%	7.4608%

Source: 2014 BMA Municipal Study

The reader must keep in mind that Education tax rates are prescribed by the Province of Ontario. Ratio changes (reductions) and adjustments by City Council cannot affect those rates.

Table 4: Education Tax Rate

Municipality	Residential	Multi-Residential	Commercial			Industrial	
			Residual Commercial	Office Building	Shopping Centre	Residual Industrial	Large Industrial
Guelph City	0.2030%	0.2030%	1.4022%	1.4022%	1.4022%	1.5600%	1.5600%
Halton Hills	0.2030%	0.2030%	0.9232%	0.9232%	0.9232%	1.5206%	1.5206%
Waterloo	0.2030%	0.2030%	1.4600%	1.4600%	1.4600%	1.5600%	1.5600%
Kitchener	0.2030%	0.2030%	1.4600%	1.4600%	1.4600%	1.5600%	1.5600%
London	0.2030%	0.2030%	1.4600%	1.4600%	1.4600%	1.5600%	1.5600%
Summary results following are for all municipalities included in the 2014 BMA Municipal Study.							
Average	0.2030%	0.2030%	1.2411%	1.2431%	1.2380%	1.4561%	1.4542%
Median	0.2030%	0.2030%	1.2200%	1.2200%	1.2200%	1.5600%	1.5600%
Minimum	0.2030%	0.2030%	0.6487%	0.6487%	0.6487%	0.7926%	0.7926%
Maximum	0.2030%	0.2030%	1.4609%	1.4600%	1.4600%	1.5600%	1.5600%

Source: 2014 BMA Municipal Study

Table 5: Combined Municipal and Education Tax Rate

Municipality	Residential	Multi-Residential	Commercial			Industrial	
			Residual Commercial	Office Building	Shopping Centre	Residual Industrial	Large Industrial
Guelph City	1.2464%	2.3753%	3.3221%	3.3221%	3.3221%	4.0823%	4.0823%
Halton Hills	0.9117%	1.8061%	1.9555%	1.9555%	1.9555%	3.1931%	3.1931%
Waterloo	1.1792%	2.1066%	3.3636%	3.3636%	3.3636%	3.4636%	3.4636%
Kitchener	1.2031%	2.1532%	3.4102%	3.4102%	3.4102%	3.5102%	3.5102%
London	1.3678%	2.5093%	3.7663%	3.7663%	3.7663%	4.1458%	4.1458%
Summary results following are for all municipalities included in the 2014 BMA Municipal Study.							
Average	1.2851%	2.2593%	2.9738%	2.9986%	2.9924%	3.7568%	3.8864%
Median	1.2787%	2.1849%	3.0004%	2.9945%	2.9945%	3.7502%	3.7570%
Minimum	0.7230%	0.8315%	1.6959%	1.6959%	1.6959%	1.8397%	1.8397%
Maximum	2.7326%	5.9011%	4.7529%	5.7346%	4.9920%	6.4308%	8.6808%

Source: 2014 BMA Municipal Study

Due to varied tax requirements by municipalities, the Municipal Tax Advisory Group has attempted to compare similar size municipalities or municipalities with “like services” where data are available in order to determine if there are any indicators that Guelph could use to consider tax ratio adjustments. Notwithstanding the limitations in rate comparisons, it appears that multi-residential and industrial rates are on the high side and ratio reduction would assist to reduce the rates.

Growth in Assessment

As we examine growth along the 401 corridor, the growth percentages increase as we move closer towards Toronto. There is no reason to suspect that this pattern will significantly change. As growth happens, so does assessment value. Guelph should carefully monitor the value changes for the 2017 taxation year.

Changes in assessment between CVA base years does not represent growth but rather a restatement of the current properties. This restatement of CVA will reflect differently between classes; for example, residential value may increase at a greater rate than industrial assessment. The effect of the CVA increase out stripping other classes effectively represents tax reduction in other classes, which may also represent notional ratio reductions by value. The City needs to closely monitor the new CVA. It is expected to see a preliminary roll in the spring of 2016 for 2017 taxation.

Table 6: Historical Growth Tables

Municipality	2012 Tax Year		Percent Change
	Returned 2008 CVA	Year End 2008 CVA	
Guelph City	14,928,619,267	15,225,625,385	1.99%
Halton Hills	8,889,954,695	8,966,799,095	0.86%
Waterloo City	13,742,240,800	13,980,471,220	1.73%
Kitchener City	21,893,266,617	22,292,908,149	1.83%
London	36,434,128,902	36,977,558,969	1.49%
Provincial	1,806,143,603,532	1,833,011,404,023	1.49%

Source: 2012 Market Change Profile

Municipality	2013 Tax Year		Percent Change
	Returned 2012 CVA	Year End 2012 CVA	
Guelph City	17,348,664,325	17,661,537,579	1.80%
Halton Hills	10,748,642,295	11,089,069,504	3.17%
Waterloo City	16,227,025,120	16,573,514,674	2.14%
Kitchener City	25,839,609,728	26,208,597,634	1.43%
London	40,831,534,634	41,301,004,273	1.15%
Provincial	2,178,178,085,900	2,204,054,858,110	1.19%

Source: 2013 Market Change Profile

Municipality	2014 Tax Year		Percent Change
	Returned 2012 CVA	Year End 2012 CVA	
Guelph City	17,661,537,579	17,986,360,898	1.84%
Halton Hills	11,089,069,504	11,247,315,013	1.43%
Waterloo City	16,573,514,674	17,016,332,886	2.67%
Kitchener City	26,208,597,634	26,821,056,343	2.34%
London	41,301,004,273	41,922,517,906	1.50%
Provincial	2,204,056,592,710	2,237,694,334,448	1.53%

Source: 2014 Market Change Profile

Tax Ratio Reduction

City Council has embarked on a program of tax ratio reduction for the multi-residential and industrial classes. Table 7 illustrates the historic ratio changes for the two classes. Should City Council decide to maintain this same trajectory of reduction, Municipal Tax Advisory Group has produced three tables to model the effect of tax ratio reductions: Table 8, multi-residential ratio reduction and impact on all classes; Table 9, industrial ratio reduction and impact on all classes; Table 10, combined multi-residential and industrial ratio reductions and impact on all classes.

Table 7: Historic Ratio Reduction

Realty Tax Class	2008	2009	2010	2011	2012	2013	2014	2015	2016
Multi-Residential	2.740000	2.596475	2.452950	2.309425	2.165900	2.123900	2.081900	2.039900	1.997900
Change		0.143525	0.143525	0.143525	0.143525	0.042000	0.042000	0.042000	0.042000
Industrial	2.630000	2.630000	2.630000	2.630000	2.630000	2.523700	2.417400	2.311100	2.204800
Change						0.106300	0.106300	0.106300	0.106300

Multi-Residential Class Ratio Reduction

The reduction of the multi-residential ratio from 2.0399 to 1.9979 will cause a tax shift of approximately 0.15% to all other classes. Table 8 details the change in tax using notional or revenue neutral taxes³. The multi-residential class will see a class tax burden reduction of 1.91%. This value is determined solely on the reduction of the multi-residential ratio and no other changes. Table 10 demonstrates the changes in tax burden by class if both multi-residential and industrial ratios are reduced.

**Table 8: Multi Residential Ratio Reduction
Tax Impact on other Classes**

Realty Tax Class	CVA Tax		Change in Tax	
	2016 Revenue Neutral Taxes	2016 Modelled Taxes (M.Res. @ 1.9979)	\$	%
Taxable				
Residential	\$134,541,965	\$134,747,130	\$205,165	0.15%
Farm	\$11,961	\$11,979	\$18	0.15%
Managed Forest	\$2,271	\$2,275	\$3	0.15%
Multi-Residential	\$15,353,730	\$15,061,007	-\$292,723	-1.91%
New Multi-Residential	\$522,670	\$523,467	\$797	0.15%
Commercial	\$36,218,315	\$36,273,547	\$55,232	0.15%
Industrial	\$16,592,675	\$16,617,974	\$25,299	0.15%
Pipeline	\$548,620	\$549,456	\$837	0.15%
Sub-Total Taxable	\$203,792,207	\$203,786,836	-\$5,371	0.00%
Payment In Lieu				
Residential	\$26,680	\$26,720	\$41	0.15%
Commercial	\$3,402,827	\$3,408,016	\$5,189	0.15%
Industrial	\$75,655	\$75,770	\$115	0.15%
Sub-Total PIL	\$3,505,161	\$3,510,506	\$5,345	0.15%
Total Taxable and PIL	\$207,297,368	\$207,297,342	-\$26	0.00%

³ Taxes are calculated using 2015 tax rates applied to the roll returned for 2015 taxes including phased CVA for 2016. The assessment roll for 2016 is not yet returned for 2016 taxation, therefore, mid-year CVA adjustments are not reflected in the tax calculations.

Industrial Class Ratio Reduction

The impact of reducing the Industrial Ratio from 2.311 to 2.2048 results in a tax shift to all other classes of approximately 0.37%. The industrial class will see a reduction in tax burden of 4.25%. Similar to the comments about ratio reduction for multi-residential, this reduction and tax shift value is determined solely on the reduction of the industrial ratio and no other changes. Table 10 demonstrates the changes in tax burden by class if both multi-residential and industrial ratios are reduced.

**Table 9: Industrial Ratio Reduction
Tax Impact on other Classes**

Realty Tax Class	CVA Tax		Change in Tax	
	2016 Revenue Neutral Taxes	2016 Modelled Taxes (Ind. @ 2.2048)	\$	%
Taxable				
Residential	\$134,541,965	\$135,041,319	\$499,354	0.37%
Farm	\$11,961	\$12,005	\$44	0.37%
Managed Forest	\$2,271	\$2,280	\$8	0.37%
Multi-Residential	\$15,353,730	\$15,410,710	\$56,981	0.37%
New Multi-Residential	\$522,670	\$524,610	\$1,940	0.37%
Commercial	\$36,218,315	\$36,352,739	\$134,425	0.37%
Industrial	\$16,592,675	\$15,888,234	-\$704,441	-4.25%
Pipeline	\$548,620	\$550,656	\$2,036	0.37%
Sub-Total Taxable	\$203,792,207	\$203,782,555	-\$9,652	0.00%
Payment In Lieu				
Residential	\$26,680	\$26,779	\$99	0.37%
Commercial	\$3,402,827	\$3,415,456	\$12,630	0.37%
Industrial	\$75,655	\$72,443	-\$3,212	-4.25%
Sub-Total PIL	\$3,505,161	\$3,514,678	\$9,517	0.27%
Total Taxable and PIL	\$207,297,368	\$207,297,232	-\$136	0.00%

Combined Multi-Residential and Industrial Ratio Reduction

The combined reduction of the multi-residential and industrial ratio reduces the tax in the multi-residential class by 1.54% and industrial class by 4.1%. As each of these classes share in the other class reductions, these percentages represent the cumulative effect of ratio reduction for both classes at the same time.

The overall impact to the residential and commercial classes will be an increase in tax burden for the classes of 0.52% for 2016 tax year. This change does not reflect any budget changes and levy adjustments that may occur in 2016.

**Table 10: Combined Multi-Residential and Industrial Ratio Reduction
Tax Impact on other Classes**

Realty Tax Class	CVA Tax		Change in Tax	
	2016 Revenue Neutral Taxes	2016 Modelled Taxes (MRes @ 1.9979, Ind @ 2.2048)	\$	%
Taxable				
Residential	\$134,541,965	\$135,248,072	\$706,106	0.52%
Farm	\$11,961	\$12,023	\$63	0.52%
Managed Forest	\$2,271	\$2,283	\$12	0.52%
Multi-Residential	\$15,353,730	\$15,116,998	-\$236,732	-1.54%
New Multi-Residential	\$522,670	\$525,414	\$2,743	0.52%
Commercial	\$36,218,315	\$36,408,398	\$190,083	0.52%
Industrial	\$16,592,675	\$15,912,566	-\$680,109	-4.10%
Pipeline	\$548,620	\$551,499	\$2,879	0.52%
Sub-Total Taxable	\$203,792,207	\$203,777,252	-\$14,955	-0.01%
Payment In Lieu				
Residential	\$26,680	\$26,820	\$140	0.52%
Commercial	\$3,402,827	\$3,420,686	\$17,859	0.52%
Industrial	\$75,655	\$72,554	-\$3,101	-4.10%
Sub-Total PIL	\$3,505,161	\$3,520,059	\$14,898	0.43%
Total Taxable and PIL	\$207,297,368	\$207,297,311	-\$57	0.00%

CONCLUDING REMARKS

Guelph City Council has regularly reduced the ratio for the multi-residential class since 2009 and the industrial class ratio since 2013. These ratio changes redistribute the property tax to all other classes while at the same time reduce the tax burden for the ratio reduced classes. Based on comparisons with other municipalities, a ratio reduction follows City Council's current practice and continues to position the municipality's class taxes for multi-residential and industrial to a more favourable position.

However, prior to making any further ratio changes for the 2017 year, Council ought to review the change in tax burden and the impact of the change in CVA. Reduction of ratios has a degree of permanency and mitigation of tax shifts arising from new market value assessment for 2017 may be challenging. The City should be able to review its preliminary data for 2017 expected in the spring of 2016. City Council, in conjunction with its planning and economic development initiatives will be able to survey the local and broad municipal tax landscape and approve long term policies and directives to give effect to an overall corporate strategy.

The Municipal Tax Advisory Group would be pleased to provide further detail, support and analysis on an as needed basis in response to local concerns or interests, which may be identified subsequent to the publication of this report. Additional support is also readily available to interpret and communicate the results of this analytical exercise to ensure informed decision making and to achieve locally desirable tax outcomes for the 2016 tax year and future budget cycles.

For further information, please do not hesitate to contact the undersigned.

Respectfully submitted,

Robert Heil
Vice-President
Municipal Tax Advisory Group

APPENDIX 1: Tax Ratio Survey

Municipality	Multi-Residential	Commercial				Industrial	
		Residual Commercial	Office Building	Shopping Centre	Parking Lot	Residual Industrial	Large Industrial
Brant County	1.70	1.92				2.57	
Bruce County	1.00	1.23				1.75	
Chatham-Kent Municipality	2.15	1.95	1.57	2.25	1.31	2.22	2.22
Dufferin County	2.68	1.22				2.20	
Durham Region	1.87	1.45	1.45	1.45		2.26	2.26
Elgin County	2.35	1.64				2.23	2.83
Essex County	1.96	1.08	1.16		0.56	1.94	2.69
Frontenac County	1.00	1.00				1.00	
Grey County	1.44	1.31				1.86	
Guelph City	2.04	1.84				2.31	
Haliburton County	1.39	1.48				1.72	
Halton Region	2.26	1.46				2.36	
Hamilton City	2.74	1.98			1.98	3.12	3.66
Hastings County	1.15	1.10				1.13	
Huron County	1.10	1.10				1.10	
Kawartha Lakes City	1.98	1.28				1.28	
Lambton County	2.40	1.63	1.54	2.08	1.09	2.05	3.00
Lanark County	2.33	1.68				2.57	
Leeds and Grenville	1.00	1.35		1.35		1.81	2.80
Lennox and Addington	2.22	1.42				2.17	2.73
London City	1.95	1.95				1.95	
Middlesex County	1.77	1.14				1.75	
Muskoka District	1.00	1.10				1.10	
Niagara Region	2.04	1.76				2.63	
Norfolk County	1.69	1.69				1.69	
North Bay City	2.21	1.88				1.40	
Northumberland County	2.22	1.52				2.63	
Oxford County	2.74	1.90				2.63	2.63
Perth County	2.15	1.25				1.97	
Peterborough County	1.78	1.10				1.54	
Prescott and Russell	2.04	1.44				3.10	4.17
Prince Edward County	1.44	1.11				1.39	
Renfrew County	1.94	1.81				2.93	3.65
Simcoe County	1.54	1.25				1.54	
Waterloo Region	1.95	1.95				1.95	
Wellington County	1.89	1.46				2.40	
York Region	1.00	1.12				1.31	
Average Ratio	1.84	1.47	1.43	1.78	1.24	1.99	2.97
Median Ratio	1.95	1.45	1.49	1.77	1.20	1.95	2.80

STAFF REPORT



TO Corporate Administration, Finance and Enterprise Committee

SERVICE AREA Finance and Enterprise Services

DATE March 3, 2014

SUBJECT Property Tax Policy – Tax Ratios

REPORT NUMBER FIN-14-10

EXECUTIVE SUMMARY

PURPOSE OF REPORT

To provide additional information as requested per Council resolution passed at the April 29, 2013 meeting of City Council. That resolution being "That Property Tax Policy, specifically as it relates to all classes ratio, be looked at to establish a long term objective and rationale for these categories in advance of the next tax policy annual review". The attached report prepared by Municipal Tax Equity (MTE) Consultants Inc. contains this additional information.

KEY FINDINGS

As a result of MTE's review of the City's historic ratio movement decisions, current ratios levels and the City's position among the comparator group, their general observation is that Guelph has managed its tax ratios in an active and thoughtful manner.

In terms of 2014 and future taxation years, MTE reports that there is no one overt indicator that suggests the City must reduce its business class tax ratios. No ratio is currently above or even at the provincial threshold and all seem reasonably positioned within those of the comparator group.

In summary, MTE does not recommend any changes to the city's tax ratios.

FINANCIAL IMPLICATIONS

There are no financial implications resulting from this report.

ACTION REQUIRED

Corporate Administration, Finance and Enterprise Committee to receive for information.

RECOMMENDATION

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

STAFF REPORT



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

BACKGROUND

Council is required to make a number of tax policy decisions annually. One of those decisions is to set the tax ratios before the rating by-laws can be adopted.

At Council meeting of April 29, 2013, City Council approved the 2013 City of Guelph Property Tax Policies. but requested that " the Property Tax Policy, specifically as it relates to all classes ratio, be looked at to establish a long term objective and rationale for these categories in advance of the next tax policy annual review."

In response to Council's request, staff enlisted the assistance of Municipal Tax Equity (MTE) Consultants Inc., to augment the body of research surrounding the City's current tax ratios and to demonstrate the potential outcomes and impacts of any changes to the status quo.

REPORT

In the attached report, MTE explores a broad range of quantitative and qualitative factors. Their analysis is presented in the following structure:

- Part 1: Overview and background related to tax ratios and ratio movement within Ontario's overall property tax system.
- Part 2: A qualitative review of the City's current and historical ratio circumstances and a detailed comparison and discussion as to how the City's ratios compare to other similar and dissimilar jurisdictions from within the broader region and across the province.
- Part 3: Discussion and quantification related to current assessment and tax trends, and future year projections. This analysis will provide a critical foundation for considering the potential impact of tax policy schemes that differ from the status quo.
- Part 4: Quantitative analysis modeling the potential impacts of various ratio change scenarios.

As a result of MTE's review of the City's historic ratio movement decisions, current ratios levels and the City's position among the comparator group, their general observation is that Guelph has managed its tax ratios in an active and thoughtful manner. Decisions to change, freeze and watch ratios have been made deliberately, on the basis of specific policy goals and in light of solid quantitative analysis.

In terms of 2014 and future taxation years, MTE reports that there is no one overt indicator that suggests the City must reduce its business class tax ratios. No ratio is currently above or even at the provincial threshold and all seem reasonably

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positioned within those of the comparator group. The City's ratios are not the lowest, but they are not dissimilar to what are being applied among the other jurisdictions.

Although MTE does not go as far as recommending any of the tax ratio change scenarios presented in their report, they do suggest that either Scenario 3 (the staged approach to the approximate average of the comparator group) or Scenario 4 (a continuation of the approach set in motion for 2013, being a phased in reduction of the multi-residential ratio and the industrial property class ratio to match that of the assessment phase in) would be reasonable choices if there is an interest in moving one or more of the business class ratios downward.

CORPORATE STRATEGIC PLAN

3.2 Be economically viable, resilient, diverse and attractive to business

FINANCIAL IMPLICATIONS

There are no financial implications

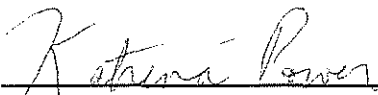
ATTACHMENTS

ATT-1 Tax Ratio Survey and Sensitivity Analysis



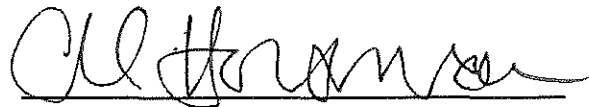
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Tax Ratio Survey and Sensitivity Analysis

Prepared For:
The City of Guelph

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Regulatory and statutory references are, in many instances, not directly quoted excerpts and the reader should refer to the relevant provisions of the legislation and regulations for complete information.

The discussion and commentary contained in this report do not constitute legal advice or the provision of legal services as defined by the *Law Society Act*, any other Act, or Regulation. If legal advice is required or if legal rights are, or may be an issue, the reader must obtain an independent legal opinion.

Decisions should not be made in the sole consideration of or reliance on the information and discussions contained in this report. It is the responsibility of each individual in either of a decision-making or advisory capacity to acquire all relevant and pertinent information required to make an informed and appropriate decision with regards to any matter under consideration concerning municipal finance issues.

MTE is not responsible to the municipality, nor to any other party for damages arising based on incorrect data or due to the misuse of the information contained in this study, including without limitation, any related, indirect, special or consequential damages.

INTRODUCTION

Overview

Single-tier municipalities in the Province of Ontario are charged with the task of establishing a host of property tax policies to apportion the tax burden within and between tax classes. The following tools may be used to change or achieve local tax policy objectives, target the benefits of growth, or redistribute the impacts of assessment change¹.

1. Tax ratios may be adjusted to affect the level of taxation on different tax classes;
2. Optional business property classes may be employed or collapsed to alter taxation within broad commercial or industrial tax classes;
3. A new multi-residential property class may be used to create tax differentials between new and existing buildings; and
4. Graduated taxation schemes for the business classes can be used to impose higher rates of taxation on properties with higher current value assessment in order to provide tax relief on properties with lower assessed values.

Of the myriad challenges created by this responsibility and the associated options, the City of Guelph has, for several years, been particularly interested in the tax burden relationship created by its tax ratios, which in many ways form the cornerstone of Ontario's tax rate system as they dictate the rates of municipal taxation for each property class, in relation to the rate at which property in the residential class is taxed.

The assistance of Municipal Tax Equity (MTE) Consultants Inc. has been enlisted to augment the body of research surrounding the City's current tax ratios and to demonstrate the potential outcomes and impacts of any changes to the status quo. In response, MTE has undertaken to prepare this report in order to consider and explore a broad range of quantitative and qualitative questions in respect of the issues at hand.

General Outline and Report Structure

In response to the priorities and requirements conveyed by City finance staff, MTE has structured our analytical efforts to focus on seven distinct avenues of enquiry. The results of these efforts are presented in each of the following sections, which comprise this report.

- Part 1: Overview and background related to tax ratios and ratio movement within Ontario's overall property tax system.
- Part 2: A qualitative review of the City's current and historical ratio circumstances and a detailed comparison and discussion as to how the City's ratios compare to other similar and dissimilar jurisdictions from within the broader region, and across the province.
- Part 3: Discussion and quantification related to current assessment and tax trends, and future year projections. This analysis will provide a critical foundation for considering the potential impact of tax policy schemes that differ from the status quo.
- Part 4: Quantitative analysis modeling the potential impacts of various ratio change scenarios.

¹ The by-law deadline for many tax policy decisions is December 31st of the subject taxation year.

Scope of the Study

This study has been prepared for the consideration of staff and Council to assist with the municipality's tax policy responsibilities. The core material is intended to provide a thorough analysis of the local tax ratio scheme, as well as the impact of reassessment, phase-in, and ratio changes.

The analysis contained in this report is based on the 2013 tax policy scheme adopted by the municipality, the general purpose municipal levy imposed for 2013, and on MPAC's 2013 (for 2014) Roll Based Market Change Profile (MCP) Data, which contains a number of sets of current value assessment (CVA) information for each property including:

- 2012 Full CVA as Revised, which becomes the Phase-In Base Value for the next four years;
- Phased and Full CVA values for each of the 2013, 2014 and 2015 taxation years; and
- Full 2016/Destination CVA's based on the new valuation date of January 1, 2012.

These various inputs and parameters will be relied upon to build a thorough quantitative model of the municipality's 2014 property assessment and taxation landscape as it would exist in the absence of any budgetary or tax policy changes. We will also model the impacts of various tax policy options and choices, to demonstrate how such changes could impact and influence final tax outcomes.

Assumptions and Limiting Conditions

In reviewing the results set out in this report, the following assumptions and limiting conditions should be considered.

While no significant property tax or assessment reforms are anticipated for the current taxation year, the possibility that changes in tax policy could be introduced by the Province does exist. Results presented in this report may be affected by Provincial regulatory and/or statutory changes or decisions about municipal tax policy that could occur subsequent to the publication of this document. MTE will update the analysis, upon request, in such an event.

Analysis contained in this report is based on the use of tax rates for general municipal purposes only. All municipal tax rate calculations and tax levies have been calculated based on the following protocol:

- 2013 tax calculations are based on actual 2013 tax rates as supplied by the municipality to MTE;
- Revenue neutral rates have been calculated for the purposes of 2014, 2015 and 2016;
- Tax amounts represent CVA taxes; no capping adjustments have been applied except where explicitly noted;
- Tax rate calculations have been based on taxable and grantable (payment in lieu) assessment as requested by the municipality; and
- Revenue from payments in lieu of taxes has been included at the full value of assessment times the appropriate tax rate. Recognizing that municipalities may be unable to recover the full amount of those revenues from the Federal or Provincial governments, appropriate allowances should be made in interpreting the results.

PART ONE: QUALITATIVE ISSUE OVERVIEW

Differential Tax Treatment – Municipal Tax Ratios

Property taxes are based on the assessed value of a property multiplied by the applicable tax rates for education and municipal purposes, both of which vary by class. While education rates are set by the Province via regulation, municipal purpose rates for each class are set in accordance with the applicable, municipally established tax ratios. The tax ratio for a class expresses the relationship of the class's rate to the tax rate for the residential class, which is the basis for determining all other rates.

The tax ratio for the residential class is legislated at 1.0, while the farm and managed forest classes have a prescribed tax ratio of 0.25. The farm ratio may be reduced to a level of 0.0, however, any reduction only applies to the municipal portion of the tax bill. In setting tax ratios for all other property classes, municipalities must do so within the guidelines prescribed by the Province. Council may choose to adopt either the status quo tax ratio for any class; or establish a new tax ratio for the year that is closer to or within the Range of Fairness, as shown in Table 1.

Table 1
2014 Starting Tax Ratios and Provincial Limits

Realty Tax Class	Status Quo Tax Ratios	Ranges of Fairness		Threshold Ratios	
		Lower Limit	Upper Limit	Threshold	Subject to Levy Restriction
Residential	1.0000	1.00	1.00	-	-
Farm	0.2500	0.00	0.25	-	-
Managed Forest	0.2500	0.25	0.25	-	-
New Multi-Residential	1.0000	1.00	1.10	-	-
Multi-Residential	2.1239	1.00	1.10	2.74	No
Commercial	1.8400	0.60	1.10	1.98	No
Industrial	2.5237	0.60	1.10	2.63	No
Pipeline	1.9175	0.60	0.70	-	-

Table 1 also includes a comparison of the municipality's status quo/starting tax ratios to the current Provincial Threshold Ratios. Where the ratio for a class exceeds the prescribed threshold ratio, municipal levy increases born by that class are constrained. As can be seen, the City is not currently subject to levy restriction for any class of property.

Class Neutral Transition Ratios

In addition to the two legislated options, which limit municipalities to using either their starting ratios, or ratios that are closer to/within the ranges of fairness, there has been some latitude provided over the past several years to assist municipalities to mitigate reassessment and phase-in related tax shifts. Under this program, municipalities have been able to *reset* their maximum tax ratios for a year in order to achieve, or approximate, year-over-year class neutrality.

This option has been strictly regulated and relies on a provincially mandated formula that determines new maximum transition ratios. While ratios calculated under this program may exceed a municipality's starting ratios, it is also possible for a new maximum ratio to be lower than the starting ratio. When this is the case, and the municipality chooses to increase one or more of its ratios beyond its starting level, it must also reduce any ratios that if left at their starting level, would exceed the new maximums. In the City of Guelph's case, MTE estimates that this would mean that the multi-residential tax ratio would have to be reduced if the commercial, industrial or pipeline were increased.

Another nuance of this program as it has existed in previous years is that the residential, farm, managed forest and new multi-residential ratios are held constant. As a result, the formula does not result a perfect rebalancing of taxes among all classes.

MTE has not included any specific quantitative models based on increasing any ratio under this program as the Province has yet to indicate if it intends to provide this flexibility for 2014. As such, there is no current option to increase tax ratios.

Optional Property Tax Classes

Optional tax classes give upper and single-tier municipalities the flexibility to set different tax ratios for property falling into different sub-categories of the broad commercial and industrial classes. The constituent classes for each are as follows:

Commercial Broad Class:

- Residual Commercial
- Office Building
- Shopping Centre
- Parking Lot

Industrial Broad Class:

- Residual Industrial
- Large Industrial

The City of Guelph does not currently employ any optional commercial or industrial property class; however, if it were to consider a change in this regard, the City could redistribute the tax burden within one, or both of these broad classes. That is, the City could alter the balance of taxation between properties classified as shopping centre and other commercial properties, but the overall burden of the commercial class would remain the same.

Where a municipality elects to use optional commercial or industrial tax classes, changes to tax ratios are regulated based on the relationship of the municipality's broad class ratios to the Ranges of Fairness (the weighted average of the industrial and large industrial ratios is deemed to be the broad industrial class ratio). The current starting ratio for each class would become the starting *Broad Class Ratio*.

The other optional property class available to the City, and which Guelph has already adopted is the new multi-residential class. This class functions differently than the optional commercial and industrial classes in that it stands apart from the multi-residential class and only includes newly built or converted multi-residential properties.

The adoption of the new multi-residential class does not impact the tax ratio or tax treatment of properties in the multi-residential class. Once adopted, properties that have qualified into the new multi-residential class will continue for the duration of the 35 year period, even if Council passes a by-law to discontinue the class for subsequent years.

Considering Tax Ratio Changes

With the exception of some extreme circumstances, there is rarely an instance where a tax ratio change is a clear and obvious policy choice. While this can be said for the majority of a council's decision making responsibilities, the fact that a change for any one class will impact the tax burden for properties in all other classes, make this particularly true when tax ratio changes are being considered. Decision makers must not only consider whether a ratio change favorable to one class is desirable, but also whether or not the reasons for that change are compelling enough to impose the cost of that change on other segments of the tax base.

This in mind, tax ratio decisions should not be made without a significant measure of consideration and a thorough understanding of the qualitative motivations behind the decision and a quantitative impact of Council's options and preferred choice. The following matrix has been prepared to organize some of the more common motivations that have been relied upon by municipalities in their decision to reduce, increase or maintain their tax ratios. These are not formulaic answers to ratio questions, but they can be helpful in assisting staff and decision makers frame their own thoughts and options.

Tax Ratio Decisions	Possible Motivating Policy Considerations
Ratio Reductions	<ul style="list-style-type: none"> - Compensation for assessment related tax shift onto one or more property classes; - Response to specific requests/demands from local business class property owners; - Establish or signal a <i>business friendly</i> atmosphere for existing and/or future or potential businesses; and/or - Competitiveness/equity considerations in light of ratios in other similar or neighbouring jurisdictions
Ratio Increases (where permitted)	<ul style="list-style-type: none"> - Increase tax ratios is generally made to avoid inter-class and inter-municipal tax shifts
Maintaining the Status Quo	<ul style="list-style-type: none"> - Concerns for the costs that will be shifted to other classes and the potential impact on PILs; - Tax ratio reductions carry with them a degree of permanence (i.e. Municipalities may not have the opportunity to move them back to their former levels in future years if preferences and/or assessment circumstances change); - The competitiveness of the municipality's current tax ratios - The absence of compelling reasons or evidence to suggest that the reductions are warranted; - The anticipated impact of tax shifts onto the residential and farm classes (This can be a particularly compelling consideration in light of the fact that property tax is a tax deductible expense for business class properties); and/or - The potential for ratio reductions to exacerbate reassessment/phase-in related tax shifts from non-residential to residential/farm classes

PART TWO: THE CITY OF GUELPH'S TAX RATIOS IN CONTEXT

Ratio History and Flexibility

The City's tax ratios have remained fairly stable over time, with the exception of a recent phased reduction to the multi-residential ratio and a downward adjustment to the industrial class ratio for 2013. A chronological summary of the City's tax ratios from 2008 through 2013 is contained in Table 2.

Table 2
City Tax Ratio Progression 2008-2013

Realty Tax Class	2008	2009	2010	2011	2012	2013
Residential	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
Farm	0.250000	0.250000	0.250000	0.250000	0.250000	0.250000
Managed Forest	0.250000	0.250000	0.250000	0.250000	0.250000	0.250000
New Multi-Residential	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
Multi-Residential	2.740000	↓ 2.596475	↓ 2.453000	↓ 2.309425	↓ 2.165900	↓ 2.123900
Commercial	1.840000	1.840000	1.840000	1.840000	1.840000	1.840000
Industrial	2.630000	2.630000	2.630000	2.630000	2.630000	↓ 2.523700
Pipeline	1.917500	1.917500	1.917500	1.917500	1.917500	1.917500

Inter-Jurisdictional Comparisons

As part of this study, MTE has conducted a survey of tax ratios employed by a group of comparator municipalities identified by the City. The complete list of jurisdictions is contained in Table 3, however, the majority of our comparative analysis will focus of the upper and single-tier municipalities, as they are the ones making the actual tax ratio decisions. Included in this listing is the tier level, size of total assessment base, population and household counts. This can assist the reader in determining which jurisdictions are most similar, or dissimilar to the City in terms of their general demographics, size and municipal status.

The 2013 tax ratios for each ratio setting jurisdiction are set out in Table 4. This table also serves to illustrate the optional tax class structure for each of the comparator municipalities. Where a commercial or industrial ratio is displayed in *grey italic text*, the municipality does not actively maintain that optional class and assessment within that class will attract the residual class ratio. No ratio has been included for municipalities that do not maintain the new multi-residential class as no properties will be classified as new multi-residential until the class has been adopted.

In reviewing and interpreting this information it is important for the reader to be aware that the residential and managed forest ratios for all jurisdictions are fixed at 1.0 and 0.25 respectively and that all ratios have been rounded to four (4) decimal places for ease of reference and comparability.

Table 3
Comparator Municipalities with 2012 Assessment and Population Stats²

Municipality	Tier Level	Total CVA (Billions)	Households (Thousands)	Population (Thousands)
Guelph C	Single-Tier	13.8	52.2	121.7
Barrie C	Single-Tier	14.8	52.2	143.0
Brantford C	Single-Tier	8.1	39.3	94.6
Chatham-Kent M	Single-Tier	9.2	47.2	104.1
Durham Region	Upper-Tier	69.5	225.5	644.9
<i>Ajax T</i>	Lower-Tier	11.8	36.1	117.1
<i>Oshawa C</i>	Lower-Tier	14.2	59.9	152.5
<i>Pickering C</i>	Lower-Tier	11.7	30.1	94.0
<i>Whitby T</i>	Lower-Tier	14.3	42.5	130.1
Greater Sudbury C	Single-Tier	13.1	74.1	161.9
Halton R	Upper-Tier	85.7	183.7	505.7
<i>Oakville T</i>	Lower-Tier	28.0	63.4	184.1
<i>Burlington C</i>	Lower-Tier	36.3	69.2	174.1
Hamilton C	Single-Tier	51.2	215.7	535.2
Kingston C	Single-Tier	12.7	53.2	124.6
London C	Single-Tier	33.4	169.1	369.9
Niagara Region	Upper-Tier	44.8	191.2	446.7
<i>Niagara Falls C</i>	Lower-Tier	9.2	35.2	83.0
<i>St. Catharines C</i>	Lower-Tier	12.0	59.0	131.4
Ottawa C	Single-Tier	115.9	387.7	935.1
Peel Region	Upper-Tier	174.4	412.0	1,382.0
<i>Brampton C</i>	Lower-Tier	56.9	152.8	540.1
<i>Mississauga C</i>	Lower-Tier	106.4	235.0	743.0
Thunder Bay C	Single-Tier	6.9	49.5	108.4
Waterloo R	Upper-Tier	54.8	199.5	559.0
<i>Cambridge C</i>	Lower-Tier	12.9	47.8	132.9
<i>Kitchener C</i>	Lower-Tier	20.8	88.5	234.1
<i>Waterloo C</i>	Lower-Tier	12.6	42.6	129.1
Wellington Co	Upper-Tier	12.0	32.2	94.6
Windsor C	Single-Tier	15.2	97.9	210.9
York Region	Upper-Tier	176.8	332.8	1,108.6
<i>Markham T</i>	Lower-Tier	49.2	94.1	323.8
<i>Richmond Hill T</i>	Lower-Tier	31.2	59.2	195.1
<i>Vaughan C</i>	Lower-Tier	56.6	88.5	311.2

² 2012 Financial Information Return as published by the Ministry of Municipal Affairs and Housing.

Table 4
2013 Tax Ratio and Optional Class Survey by Ratios Setting Authority

Municipality	Farm	Multi-Residential	New Multi-Residential	Commercial Residual	Shopping Centre	Office Building	Parking Lot	Industrial Residual	Large Industrial	Pipeline
Guelph C	0.2500	2.1239	1.0000	1.8400	1.8400	1.8400	1.8400	2.5237	2.5237	1.9175
Barrie C	0.2500	1.0000	N/A	1.4331	1.4331	1.4331	1.4331	1.5163	1.5163	1.1039
Brantford C	0.2500	2.0472	1.5000	1.8755	1.8755	1.8755	1.8755	2.4730	2.4730	1.7404
Chatham-Kent	0.2200	2.1488	N/A	1.9605	2.2629	1.5800	1.3120	2.4350	2.4350	1.2742
Durham Region	0.2000	1.8665	N/A	1.4500	1.4500	1.4500	1.4500	2.2598	2.2598	1.2294
Greater. Sudbury C	0.2500	2.2775	1.0000	2.2149	2.2149	2.2149	2.2149	3.1801	3.6044	2.0960
Halton R	0.2000	2.2619	2.0000	1.4565	1.4565	1.4565	1.4565	2.3599	2.3599	1.0617
Hamilton C	0.1927	2.7400	1.0000	1.9800	1.9800	1.9800	1.9800	3.2078	2.7615	1.7367
Kingston C	0.2500	2.3556	1.0000	1.9800	1.9800	1.9800	1.9800	2.6300	2.6300	1.1728
London C	0.2249	2.0475	N/A	1.9800	1.9800	1.9800	1.9800	2.6300	2.6300	1.7130
Niagara Region	0.2500	2.0440	1.0000	1.7586	1.7586	1.7586	1.7586	2.6300	2.6300	1.7021
Ottawa C	0.2000	1.6068	1.0000	1.8903	1.5723	2.2837	1.2385	2.6199	2.4986	1.6130
Peel R ³	0.2500	1.7788	N/A	1.4098	1.4098	1.4098	1.4098	1.5708	1.5708	1.1512
Thunder Bay C	0.2500	2.7400	N/A	1.9527	1.9527	1.9527	1.9527	2.4300	2.4650	2.1520
Waterloo R	0.2500	1.9500	1.0000	1.9500	1.9500	1.9500	1.9500	1.9500	1.9500	1.1613
Wellington Co	0.2500	1.9537	N/A	1.4198	1.4198	1.4198	1.4198	2.4440	2.4440	2.1423
Windsor C	0.2500	2.5715	N/A	2.0037	2.0623	2.0207	1.0903	2.4340	3.1291	1.9149
York Region	0.2500	1.0000	1.0000	1.1172	1.1172	1.1172	1.1172	1.3124	1.3124	0.9190
Average	0.2354	2.0285	1.1500	1.7596	1.7620	1.7612	1.6366	2.3670	2.3996	1.5445

³ The Cities of Brampton and Mississauga are lower tiers with delegated ratio setting authority and while they currently maintain matching ratios, they may choose to alter these independently.

In addition to the very general demographic information contained in Table 3, a basic understanding of the role each property class plays within a municipality's assessment and tax base can be very helpful in considering other jurisdictions' ratio and ratio decisions. Table 5 has been populated to summarize the following key assessment base variables:

- 1) Total 2012 CVA in billions of dollars;
- 2) The proportionate share of full (non-phased) CVA carried by each class⁴; and
- 3) The proportionate share of weighted and discounted CVA carried by each class.

Weighted and discounted CVA is calculated by multiplying Full CVA values by the applicable tax ratio and sub-class discount, which allows for an "apples to apples" comparison on assessment among classes or properties subject to differential tax treatment. Simply put, the Full CVA percentages tell us approximately how much of the total assessment base is made up by each class; the weighted and discounted (Wtd.) percentages tell us approximately how much of the total municipal tax burden each class carried.

Table 5
Assessment Distribution Survey by Ratios Setting Authority
(2012 Taxation Year)

Municipality	Total CVA Billions	Residential		Multi- Residential		Commercial		Industrial		Farm	
		Full	Wtd.	Full	Wtd.	Full	Wtd.	Full	Wtd.	Full	Wtd.
Guelph C	13.8	79%	64%	4%	8%	12%	18%	5%	10%	0%	0%
Barrie C	14.8	78%	73%	3%	3%	16%	21%	2%	3%	0%	0%
Brantford C	8.1	77%	62%	5%	8%	14%	21%	5%	9%	0%	0%
Chatham-Kent M	9.2	61%	63%	2%	5%	10%	21%	2%	5%	24%	6%
Durham R	69.5	82%	76%	2%	3%	11%	15%	2%	5%	2%	0%
Greater Sudbury	13.1	80%	64%	4%	7%	12%	21%	3%	8%	0%	0%
Halton R	85.7	82%	74%	2%	4%	12%	16%	3%	6%	1%	0%
Hamilton C	51.2	81%	66%	5%	10%	10%	17%	2%	6%	2%	0%
Kingston C	12.7	77%	62%	6%	11%	15%	24%	1%	2%	0%	0%
London C	33.4	80%	68%	5%	8%	12%	21%	1%	3%	1%	0%
Niagara R	44.8	79%	70%	3%	5%	14%	21%	2%	4%	3%	1%
Ottawa C	115.9	74%	61%	5%	8%	18%	29%	1%	2%	1%	0%
Peel R	174.4	74%	67%	3%	4%	18%	22%	5%	6%	0%	0%
Thunder Bay C	6.9	77%	61%	4%	8%	16%	24%	3%	6%	0%	0%
Waterloo R	54.8	77%	66%	5%	8%	12%	20%	4%	6%	2%	0%
Wellington Co	12.0	75%	80%	1%	2%	5%	7%	3%	7%	16%	4%
Windsor C	15.2	72%	56%	4%	8%	19%	27%	4%	8%	0%	0%
York R	176.8	81%	80%	1%	1%	13%	14%	4%	5%	1%	0%

⁴ New multi-residential assessment has been included with multi-residential, pipeline and managed forest classes are not shown.

Understanding the relative weighting or burden of a class within a jurisdiction can provide a whole host of information relevant to forming an opinion as to whether a move in one jurisdiction is comparable, or relevant to the ratio in another jurisdiction.

For example, we can see that the County of Wellington's commercial class represents approximately 7% of their weighted and discounted CVA while the City's commercial class represents approximately 18%. As this is an approximation of relative tax burden, it is possible to estimate that a 50% reduction to the County's ratio would shift approximately 3% to 3.5% of the existing tax burden onto other classes, while the same change in the City would result in a shift in the magnitude of 9%. Hence without even measuring actual tax dollars, this type of summary information can indicate if a ratio or ratio change in one jurisdiction is a relevant comparison. In this example, it would seem clear that a 50% reduction to the commercial ratio in the City would be a whole different exercise than for the County.

Class by Class Comparisons

In order to provide a more robust comparison and commentary, each of the multi-residential, commercial, industrial and farm classes will be considered independently. For each of these we have not only considered the current ratios, but have also layered on important details regarding ratio change trends. In addition to understanding where ratios might be moving to, this also allows for the measurement of "relative" ranking, which can change even when ratios do not move. That is, if the ratios among the group of comparators are moving in one direction, and the City's ratio is being held constant, it is possible for the City's ratio to be seen as being in relative incline, or decline vis-à-vis the sample group.

Multi-Residential Ratios

The multi-residential class ratio is one that has received a significant amount of attention in jurisdictions across the province for several years now. The property owners have been very successful in keeping the treatment of multi-residential ratios on many municipal agendas and these efforts have paid off in a general trend that sees the average ratio for the class being driven down.

The City of Guelph is one of the jurisdictions that have been reducing its multi-residential tax ratio systematically over a number of taxation years. The City has decreased the ratio for this class by almost 20% since it began incremental decreases in 2009.

As can be seen in reviewing Table 6 below, many other jurisdictions have been reducing ratios over time as well, with Southern municipalities above the comparator group average more prone to reductions than Northern municipalities, or those with ratios that are already lower than the group average.

Based on 2013 ratios, the City remains slightly above the comparator group average, however, it is important to note that the City's reductions have in fact been outpacing the reduction trends. This is evidenced by the fact that the magnitude of annual change to the City's ratio far outstrips the reduction to the group average, but also by the fact that the City's ranking among the group has changed as well. In 2009 Guelph's multi-residential ratio was ranked 15 out of 17 on a scale of lowest to highest, which means that this was the third highest ratio among these comparators. The City's 2012 ratio holds the 12th ranked position and it dropped to be 11 out of 17 in 2013.

Table 6
Multi-Residential Class Ratio and Ratio Change Comparison

Municipality	Multi-Residential Ratios				
	2009		2012		2013
Guelph C	2.5965	↓	2.1659	↓	2.1239
Barrie C	1.0787	↓	1.0197	↓	1.0000
Brantford C	2.1355	↓	2.0649	↓	2.0472
Chatham-Kent M	2.1488	→	2.1488	→	2.1488
Durham R	1.8665	→	1.8665	→	1.8665
Greater Sudbury C	2.1405	↑	2.3165	↓	2.2775
Halton R	2.2619	→	2.2619	→	2.2619
Hamilton C	2.7400	→	2.7400	→	2.7400
Kingston C	2.6112	↓	2.4195	↓	2.3556
London C	2.1240	↓	2.0700	↓	2.0475
Niagara R	2.0600	↓	2.0440	→	2.0440
Ottawa C	1.7500	↓	1.7000	↓	1.6068
Peel R	1.7050	→	1.7050	↑	1.7788
Thunder Bay C	2.7400	→	2.7400	→	2.7400
Waterloo R	2.0500	↓	1.9500	→	1.9500
Wellington Co	2.0000	→	2.0000	↓	1.9537
Windsor C	2.5500	↓	2.4589	↑	2.5715
York R	1.0000	→	1.0000	→	1.0000
Average	2.0866	↓	2.0373	↓	2.0285

As noted earlier on, the City also maintains the new multi-residential class ratio, which applies only to newly built or converted multi-residential properties. The City's ratio for the new multi-residential class is set at 1.00, a level from which there is no option for movement.

Commercial Ratios and Class Structure

In reviewing Table 7, which considers the ratios and class structure for the commercial classes, it is evident that there is, in general, less ratio movement within this class. The other observation that can be made is that there appears to be less of a systematic reduction effort, than a rebalancing that may involve an increase, or a decrease depending on the circumstances.

For example, the City of Ottawa moved its commercial ratio down in one year, and up in another and jumping ahead to industrial, they did the same thing with that class. This would only have been made possible by taking advantage of the Province's Class Neutral Transition Ratio program outlined in Part 2. What we don't see within this group, with the exception of Brantford, which has a long-term ratio reduction plan in place for all classes, is the stronger, more consistent downward trend of the multi-residential ratios.

The City's commercial class ratio, which applies to the entire broad class, is well below the Provincial threshold of 1.98 and is currently ranked 8th out of 17, which puts it in the lower half of the group. Guelph's commercial ratio is just above the current average for the commercial residual, shopping centre and office building classes (see also Table 4).

Without a complete detailed tax and assessment analysis, it is difficult to consider the relevance of the parking lot ratios because of the fact that commercial vacant land is treated differently when this class has been officially adopted. In the City of Guelph all commercial vacant land (CX and equivalent) is taxed at the CT rate discounted by 30%; in jurisdictions that maintain the parking lot class, these properties are taxed at the full parking lot (GT) rate. Coincidentally, the average parking lot ratio is approximately 31% lower than the average CT ratio. In all, the low parking lot ratios should not be given too much weight when considering the City's ratio in comparison to those of the group.

From a "*business friendly*" perspective, the City's commercial ratio can be viewed in a particularly favorable light when considered in comparison to many of its closest regional neighbours such as Waterloo, London, Hamilton, etc.... While the County of Wellington's ratio is lower than the City's, it has been increasing over time and also, when we consider the fact that the City's commercial class contributes approximately 4% of its property tax revenue, while the County's only accounts for around 1%, the relevance of such a comparison is somewhat tempered.

Table 7
Commercial Class Ratio and Ratio Change Comparison

Municipality	Commercial Residual Ratios					2013 Optional Class Ratios where Adopted		
	2009		2012		2013	Shopping Centre	Office Building	Parking Lot
Guelph C	1.8400	➔	1.8400	➔	1.8400	-	-	-
Barrie C	1.4331	➔	1.4331	➔	1.4331	-	-	-
Brantford C	1.9360	⬇	1.8876	⬇	1.8755	-	-	-
Chatham-Kent M	1.9671	⬇	1.9605	➔	1.9605	2.2629	1.5800	1.3120
Durham R	1.4500	➔	1.4500	➔	1.4500	1.4500	1.4500	-
Greater Sudbury C	1.8865	⬆	2.2116	⬆	2.2149	-	-	-
Halton R	1.4565	➔	1.4565	➔	1.4565	-	-	-
Hamilton C	1.9950	⬇	1.9800	➔	1.9800	-	-	-
Kingston C	1.9800	➔	1.9800	➔	1.9800	-	-	-
London C	1.9800	➔	1.9800	➔	1.9800	-	-	-
Niagara R	1.7586	➔	1.7586	➔	1.7586	-	-	-
Ottawa C	1.9893	⬇	1.8270	⬆	1.8903	1.5723	2.2837	1.2385
Peel R	1.2971	➔	1.2971	⬆	1.4098	-	-	-
Thunder Bay C	1.9527	➔	1.9527	➔	1.9527	-	-	-
Waterloo R	1.9500	➔	1.9500	➔	1.9500	-	-	-
Wellington Co	1.3689	⬆	1.3712	⬆	1.4198	-	-	-
Windsor C	1.9826	⬇	1.9173	⬆	2.0037	2.0623	2.0207	1.0903
York R	1.2070	⬇	1.1172	➔	1.1172	-	-	-
Average	1.7461	⬇	1.7428	⬆	1.7596	1.8369	1.8336	1.2136

Industrial Ratios and Class Structure

The reader will note that very similar observations can be made with respect to the industrial class ratio survey contained in Table 8 as were drawn from the commercial class survey (Table 7). Change patterns are not necessarily linear, and many jurisdictions have maintained consistent ratios over time.

One observation not discussed above, but which does apply equally to the commercial class comparison, is that we can see the impact of the Provincial levy restriction, or hard capping program with these classes. The reader will note that where a ratio is above the Provincial threshold of 1.98 for commercial or 2.63 for industrial, there is a natural downward pressure on that ratio. This is related to the mechanics of the levy restriction, which serves to ratchet ratios above a threshold down⁵. The other observation that can be made with regards to these commercial and industrial ratios and their relationship to hard capping is that many of the comparator municipalities maintain ratios that are at, but do not exceed the threshold, thereby maintaining the maximum allowable class burden, without entering into a hard-capped situation.

Table 8
Industrial Class Ratio and Ratio Change Comparison

Municipality	Industrial Residual Ratios				2013 Large Ind. Ratio where Adopted
	2009		2012	2013	
Guelph C	2.6300	→	2.6300	↓ 2.5237	-
Barrie C	1.5163	→	1.5163	→ 1.5163	-
Brantford C	2.9334	↓	2.5044	↓ 2.4730	-
Chatham-Kent M	2.4350	→	2.4350	→ 2.4350	2.4350
Durham R	2.2598	→	2.2598	→ 2.2598	2.2598
Greater Sudbury C	2.6924	↑	3.1627	↑ 3.1801	3.6044
Halton R	2.3599	→	2.3599	→ 2.3599	-
Hamilton C	3.3325	↓	3.2465	↓ 3.2078	2.7615
Kingston C	2.6300	→	2.6300	→ 2.6300	-
London C	2.6300	→	2.6300	→ 2.6300	-
Niagara R	2.6300	→	2.6300	→ 2.6300	-
Ottawa C	2.7000	↓	2.5745	↑ 2.6199	2.4986
Peel R	1.4700	→	1.4700	→ 1.5708	-
Thunder Bay C	2.4300	→	2.4300	→ 2.4300	2.4650
Waterloo R	2.1000	↓	1.9500	→ 1.9500	-
Wellington Co	2.4440	→	2.4440	→ 2.4440	-
Windsor C	2.3675	→	2.3601	↑ 2.4340	3.1291
York R	1.3737	→	1.3737	→ 1.3124	-
Average	2.3852	↓	2.3670	→ 2.3670	2.7362

⁵ Increases can only be made using approved Class Neutral Transition Ratios.

The City's industrial class ratio is further away from the comparator average than are either its commercial or multi-residential ratios. In 2013, the City reduced its ratio from 2.63 to 2.5237, which removed it from the group of comparators riding the maximum, non levy-restricted ratio; however, there are still 11 of the 17 jurisdictions that maintain ratios that are lower than Guelph's.

Farmlands Ratio

Of the comparator jurisdictions, very few maintain farm ratios below the default level of 0.25. If one were to consider this ratio province-wide, the incidence of adjusted ratios would be even lower on a percentage basis.

Table 9
Farm Class Ratio and Ratio Change Comparison

Municipality	Farm Class Ratios			
	2009		2012	2013
Guelph C	0.2500	→	0.2500	→ 0.2500
Barrie C	0.2500	→	0.2500	→ 0.2500
Brantford C	0.2500	→	0.2500	→ 0.2500
Chatham-Kent M	0.2200	→	0.2200	→ 0.2200
Durham R	0.2000	→	0.2000	→ 0.2000
Greater Sudbury C	0.2500	→	0.2500	→ 0.2500
Halton R	0.2000	→	0.2000	→ 0.2000
Hamilton C	0.2099	↓	0.1982	↓ 0.1927
Kingston C	0.2500	→	0.2500	→ 0.2500
London C	0.2500	→	0.2500	↓ 0.2249
Niagara R	0.2500	→	0.2500	→ 0.2500
Ottawa C	0.2000	→	0.2000	→ 0.2000
Peel R	0.2500	→	0.2500	→ 0.2500
Thunder Bay C	0.2500	→	0.2500	→ 0.2500
Waterloo R	0.2500	→	0.2500	→ 0.2500
Wellington Co	0.2500	→	0.2500	→ 0.2500
Windsor C	0.2500	→	0.2500	→ 0.2500
York R	0.2500	→	0.2500	→ 0.2500

Pipeline and Managed Forest

We have not included class specific analysis in respect of either the pipeline or the managed forest class ratios. In general, pipeline class ratios are rarely moved and there is no option to move the managed forest ratio, which is locked at 0.25.

PART THREE: TAX POLICY AND CHANGING MARKET VALUES

Without first making every effort to quantify and understand the impacts of reassessment and phase-in patterns, it is not possible for municipalities to make informed and effective decisions in respect of the tax policies that affect the apportionment of the tax burden within and between tax classes

In theory, when a market update or reassessment occurs, the new values assigned to properties reflect changes in the market value of property that have occurred during the period of time that has elapsed since the previous reassessment. Because real estate market conditions vary for different types of properties, it can be anticipated that each class of property within the municipality will experience a unique rate of assessment change with each reassessment cycle. The nature, scope and magnitude of reassessment change may also be greatly affected by regional and/or industry specific factors, and changes to assessment practices and methodologies that have been refined, challenged, and/or updated since the last reassessment.

Additionally, because the rate of change will be inconsistent from property class to property class, the proportion of total assessment (CVA) held by each class will change and shift with each market update. These reassessment related changes and inter-class shifts in assessment will inevitably result in tax shifts between individual properties and among tax classes.

Whether a change to one ratio or multiple ratios is being considered, it is important to understand how each class contributes to the City's overall assessment base and how they are changing in relation to one another. Understanding how assessment has and will change over time provides a necessary foundation for understanding how these valuation trends ultimately translate into taxation shifts even in the absence of any changes to municipal tax policy.

Market Value and Market Value Updates

Ideally, the CVA returned on the roll for each of the 2013 through 2016 taxation years should represent the amount for which each property would have sold between a willing buyer to a willing seller on January 1st, 2012. Table 10 provides a class-by-class summary of these values for the City of Guelph as most recently reported for the return of the 2014 roll. This table also includes a year-over-year comparison of 2012 and 2013 in order to demonstrate how the values for each class were impacted by the latest reassessment. This table relies on the full CVA value of all properties, exclusive of any assessment phase-in adjustments. While these values will not actually be used for taxation until the 2016 tax year, it is important to review the magnitude and pattern of pure value changes related directly to the market update.

Table 10
Summary of Latest Market Value Update⁶

Realty Tax Class	2012 Full CVA (1/1/2008)	2016 Full CVA (1/1/2012)	Current Reflection of Market Value Update	
			\$	%
<i>Taxable</i>				
Residential	11,310,057,817	13,057,665,899	1,747,608,082	15.45%
Farm	4,485,583	6,199,000	1,713,417	38.20%
Managed Forest	607,900	860,700	252,800	41.59%
New Multi-Residential	39,568,622	52,043,000	12,474,378	31.53%
Multi-Residential	559,921,766	747,155,300	187,233,534	33.44%
Commercial	1,718,172,460	1,875,396,610	157,224,150	9.15%
Industrial	716,752,131	719,921,870	3,169,739	0.44%
Pipeline	26,065,000	27,763,000	1,698,000	6.51%
Sub-Total Taxable	14,375,631,279	16,487,005,379	2,111,374,100	14.69%
<i>Payment In Lieu of Tax</i>				
Residential	2,353,800	2,851,100	497,300	21.13%
Commercial	170,358,316	183,151,230	12,792,914	7.51%
Industrial	3,657,000	3,602,000	-55,000	-1.50%
Sub-Total PIL	176,369,116	189,604,330	13,235,214	7.50%
Total	14,552,000,395	16,676,609,709	2,124,609,314	14.60%

Phased CVA

Where an increase in market value has materialized, the increase is added to the property's "Phased" CVA in twenty-five percent (25%) increments each year over the four-year period. As such, effected taxpayers will not be taxed on their new full market value until 2016, which is the last year of the new assessment cycle. Assessment decreases are not phased-in. Where a property's CVA has been reduced as a result of reassessment, the new, lower CVA has been set as the property's phased or effective CVA for the duration of the four-year assessment cycle. Tables 11 and 12 have been prepared to summarize how the phase-in program is expected to progress over the next four taxation years; upon review, the moderating impact of the assessment phase-in program can be clearly seen.

⁶ Values based on Roll as returned for 2014 taxation.

Table 11
Progression of Phased CVA: 2013 to 2016

Realty Tax Class	2012 Full CVA (Jan. 1, 2008 Base Value)	2013 Phased CVA	2014 Phased CVA	2015 Phased CVA	2016 Full CVA (Jan. 1, 2012 Destination Value)
<i>Taxable</i>					
Residential	11,310,057,817	11,739,385,145	12,178,812,348	12,618,239,111	13,057,665,899
Farm	4,485,583	4,913,938	5,342,293	5,770,645	6,199,000
Managed Forest	607,900	669,000	732,900	796,800	860,700
New Multi-Residential	39,568,622	42,687,217	45,805,811	48,924,406	52,043,000
Multi-Residential	559,921,766	606,729,472	653,538,080	700,346,694	747,155,300
Commercial	1,718,172,460	1,739,694,682	1,784,928,648	1,830,162,659	1,875,396,610
Industrial	716,752,131	702,339,736	708,200,449	714,061,166	719,921,870
Pipeline	26,065,000	26,489,500	26,914,000	27,338,500	27,763,000
Sub-Total Taxable	14,375,631,279	14,862,908,690	15,404,274,529	15,945,639,981	16,487,005,379
<i>Payment In Lieu of Tax</i>					
Residential	2,353,800	2,478,125	2,602,450	2,726,775	2,851,100
Commercial	170,358,316	170,708,795	174,856,273	179,003,752	183,151,230
Industrial	3,657,000	3,503,000	3,536,000	3,569,000	3,602,000
Sub-Total PIL	176,369,116	176,689,920	180,994,723	185,299,527	189,604,330
Total	14,552,000,395	15,039,598,610	15,585,269,252	16,130,939,508	16,676,609,709

Table 12
Year-Over-Year Change in Phased CVA

Realty Tax Class	2012 > 2013		2013 > 2014		2014 > 2015		2015 > 2016	
<i>Taxable</i>								
Residential	429,327,328	3.80%	439,427,203	3.74%	439,426,763	3.61%	439,426,788	3.48%
Farm	428,355	9.55%	428,355	8.72%	428,352	8.02%	428,355	7.42%
Managed Forest	61,100	10.05%	63,900	9.55%	63,900	8.72%	63,900	8.02%
New Multi-Residential	3,118,595	7.88%	3,118,594	7.31%	3,118,595	6.81%	3,118,594	6.37%
Multi-Residential	46,807,706	8.36%	46,808,608	7.71%	46,808,614	7.16%	46,808,606	6.68%
Commercial	21,522,222	1.25%	45,233,966	2.60%	45,234,011	2.53%	45,233,951	2.47%
Industrial	-14,412,395	-2.01%	5,860,713	0.83%	5,860,717	0.83%	5,860,704	0.82%
Pipeline	424,500	1.63%	424,500	1.60%	424,500	1.58%	424,500	1.55%
Sub-Total Taxable	487,277,411	3.39%	541,365,839	3.64%	541,365,452	3.51%	541,365,398	3.40%
<i>Payment In Lieu of Tax</i>								
Residential	124,325	5.28%	124,325	5.02%	124,325	4.78%	124,325	4.56%
Commercial	350,479	0.21%	4,147,478	2.43%	4,147,479	2.37%	4,147,478	2.32%
Industrial	-154,000	-4.21%	33,000	0.94%	33,000	0.93%	33,000	0.92%
Sub-Total PIL	320,804	0.18%	4,304,803	2.44%	4,304,804	2.38%	4,304,803	2.32%
Total	487,598,215	3.35%	545,670,642	3.63%	545,670,256	3.50%	545,670,201	3.38%

Tax Implications of Assessment Change

These differentials in market and phase-in related assessment change trigger on-going adjustments to the balance of taxation between condominiums and traditional multiple unit residential properties as market/assessed values of property respond and are updated over time. It is also important to note that the relationship between the rates of change among the classes differs significantly, and also varies from reassessment to reassessment. This is a critical observation when contemplating an “appropriate” tax ratio for a class because it solidifies the fact that the relationship between the classes is not static. A tax ratio that might seem appropriate in one year could exacerbate the impact of reassessment in the next, and/or produce a counter intuitive result.

For example, in the absence of any ratio or municipal levy changes, we can anticipate reassessment related tax shifts onto the multi-residential property class on an annual basis from now until 2016. The opposite assessment change dynamics predict tax shifts off of the commercial and industrial classes during the same period. Understanding and considering such trends and patterns helps to clarify why tax relationships among classes change from year-to-year. The assessment and the tax relationship among classes is a moving target; what appears to be the correct ratio to compensate for assessment changes in one year, could serve to compound or offset future trends.

PART FOUR: TAX RATIO SENSITIVITY ANALYSIS

Moving Tax Ratios

As discussed throughout this report, tax ratios govern the relationship between the rate of taxation for each affected class and the tax rate for the residential property class, which has a provincially prescribed ratio of 1.0.

When considering any tax ratio change, it is absolutely critical to be cognisant of the fact that a change to the tax ratio for any one class will impact the tax burden for properties in all other classes. For example, if a ratio reduction for the multi-residential class were to be approved, any tax savings passed onto that class will result in higher tax rates and tax shifts to other ratepayers across the remaining classes. These inter-class shifts must be quantified in order to fully understand the scope and magnitude of impacts associated with a ratio change for any property class.

Range of Flexibility

Barring the availability of Class Neutral Transition ratios, an alternate change to Provincial ratio legislation or a more fine-grained ratio adjustment scheme utilizing optional property classes, the City of Guelph's tax ratio flexibility for the 2014 taxation year may be summarized as follows.

Table 13
Range of Flexibility for 2014

Realty Tax Class	Current Ratio	Minimum	Maximum Change (%)
Residential	1.0000	1.0000	0.00%
Farm	0.2500	0.0000	-100.00%
Managed Forest	0.2500	0.2500	0.00%
New Multi-Residential	1.0000	1.0000	0.00%
Multi-Residential	2.1239	1.0000	-52.92%
Commercial	1.8400	0.6000	-67.39%
Industrial	2.5237	0.6000	-76.23%
Pipeline	1.9175	0.6000	-68.71%

The actual impact that a tax ratio adjustment for any one class will have on the apportionment of taxes to other classes is dependent on both the quantum of the actual change and the proportion of the overall tax levy carried by the subject class. A ratio change for a class that shoulders a large share of the overall tax burden is going to have a greater impact than the same change made in respect of a class that only carries a modest share of the total burden. These proportions are shown in Table 14.

Table 14
Distribution of CVA and 2014 Revenue Neutral/Status Quo Levy

Realty Tax Class	2014 Phased CVA		2014 Revenue Neutral Levy	
	\$	% of Total	\$	% of Total
<i>Taxable</i>				
Residential	12,178,812,348	78.14%	\$123,451,206	64.22%
Farm	5,342,293	0.03%	\$13,538	0.01%
Managed Forest	732,900	0.00%	\$1,857	0.00%
New Multi-Residential	45,805,811	0.29%	\$398,278	0.21%
Multi-Residential	653,538,080	4.19%	\$14,033,745	7.30%
Commercial	1,784,928,648	11.45%	\$32,901,988	17.12%
Industrial	708,200,449	4.54%	\$17,535,818	9.12%
Pipeline	26,914,000	0.17%	\$523,129	0.27%
Sub-Total Taxable	15,404,274,529	98.84%	\$188,859,559	98.25%
<i>Payment In Lieu of Tax</i>				
Residential	2,602,450	0.02%	\$26,380	0.01%
Commercial	174,856,273	1.12%	\$3,260,299	1.70%
Industrial	3,536,000	0.02%	\$80,893	0.04%
Sub-Total PIL	180,994,723	1.16%	\$3,367,572	1.75%
Total	15,585,269,252	100.00%	\$192,227,131	100.00%

A ratio change of significant magnitude for the farm class, which carries only a negligible portion of the overall levy is likely to have much less impact than a small change to the Commercial ratio, which is attached to a much larger portion of the City's property tax revenue. The sensitivity analysis that follows does confirm this expectation; however, in order to understand the precise impact of any potential policy change, it is necessary to establish a base-line against which to measure all alternate models. As part of this base-line foundation, we have calculated how the City's general levy will progress as a result of the assessment phase-in program between now and 2016. These results, set out in Table 15, rely on a status quo policy scheme and no change to year-over-year revenue requirements.

Table 15
Progression of General Levy under Status Quo Policy Scheme

Realty Tax Class	2013 CVA Tax As Revised		Revenue Neutral Levy / Status Quo Policy				
			2014		2015		2016
<i>Taxable</i>							
Residential	\$123,189,915	↑	\$123,451,206	↑	\$123,695,298	↑	\$123,923,812
Farm	\$12,892	↑	\$13,538	↑	\$14,142	↑	\$14,708
Managed Forest	\$1,755	↑	\$1,857	↑	\$1,953	↑	\$2,042
New Multi-Residential	\$382,429	↑	\$398,278	↑	\$413,082	↑	\$426,944
Multi-Residential	\$13,495,361	↑	\$14,033,745	↑	\$14,536,684	↑	\$15,007,568
Commercial	\$33,201,082	↓	\$32,901,988	↓	\$32,622,589	↓	\$32,361,013
Industrial	\$18,006,495	↓	\$17,535,818	↓	\$17,096,123	↓	\$16,684,453
Pipeline	\$533,020	↓	\$523,129	↓	\$513,888	↓	\$505,237
Sub-Total Taxable	\$188,822,949	↑	\$188,859,559	↑	\$188,893,759	↑	\$188,925,777
<i>Payment In Lieu of Tax</i>							
Residential	\$26,005	↑	\$26,380	↑	\$26,731	↑	\$27,059
Commercial	\$3,295,181	↓	\$3,260,299	↓	\$3,227,714	↓	\$3,197,208
Industrial	\$82,996	↓	\$80,893	↓	\$78,927	↓	\$77,087
Sub-Total PIL	\$3,404,182	↓	\$3,367,572	↓	\$3,333,372	↓	\$3,301,354
Total	\$192,227,131	➔	\$192,227,131	➔	\$192,227,131	➔	\$192,227,131

Sensitivity Analysis

To assist in evaluating the impact of any change to the multi-residential tax ratio, MTE has prepared a series of sensitivity models to highlight the potential impacts of altering the current tax ratio scheme. For the purposes of this analysis, MTE has utilized 2014 starting levy amounts and assessment values for 2014 through 2016 as contained on the roll as originally return for 2014. The tax ratios utilized for each model can be summarized as follows:

Scenario		Multi-Residential	Commercial	Industrial	Pipeline
Status Quo	All Years	2.123900	1.840000	2.523700	1.917500
1 Move to Provincial Ranges of Fairness	All Years	1.000000	1.100000	1.100000	0.700000
2 Move to Comparator Averages	All Years	2.000000	1.750000	2.400000	1.917500
3 Incremental Move to Comparator Averages over 3 Years	2014	2.082600	1.810000	2.482467	1.917500
	2015	2.041300	1.780000	2.441233	1.917500
	2016	2.000000	1.750000	2.400000	1.917500
4 Continue Moving Multi-Residential and Industrial Ratios at the Same Magnitude as 2013	2014	2.081900	1.840000	2.417400	1.917500
	2015	2.039900	1.840000	2.311100	1.917500
	2016	1.997900	1.840000	2.204800	1.917500

For each scenario the City's general levies have been calculated under a revised set of ratios and the results of that exercise are compared against the taxes and tax distribution calculated using 2014 status quo ratios and rates. This method of comparison provides a solid basis for analysis as it eliminates the influence of any other variables, such as assessment changes, growth, or levy differences from impacting the results.

Summary result tables have been prepared and are included for each scenario to demonstrate both the potential inter-class and year-over-year shifts that could result from the tax ratio changes being contemplated by the model. The core results of each model are set out in tables labeled with the suffix A through D.

A Tables demonstrate the difference between the City's status quo tax ratios and those associated with each scenario. Also included in these tables, are the general levy tax rates associated with the application of each ratio set, and the rate of change between them.

B Tables provide an estimate of the inter-class tax shifts of the general levy if the policy approach were to be adopted for taxation in 2014.

C Tables consider the cumulative year-over-year tax change stemming from phase-in and the ratio change being modeled. This cumulative change is displayed for both the status quo and the alternate ratio strategy for each scenario.

D Tables display the difference between the class level taxes under the alternate policy being modeled compared to what those taxes would be if the City held its ratios constant at their 2013 tax level. The reader should note, these change amounts are not year over year changes, they are the difference between the annual taxes as calculated under each respective scenario and the status quo taxes summarized in Table 15 above.

In considering the results of each scenario set out in this report, it is important for the reader to note that the model does not represent a suggested or recommended policy approach. MTE has prepared these sensitivity models to demonstrate the nature and magnitude of tax change that might occur under various possible policy scenarios.

Scenario 1: Immediate Equalization of Residential, Multi-Residential and New Multi-Residential Ratios and Movement of all other Ratios to the Top of the "Ranges of Fairness"

This is the most dramatic scenario and is intended to illustrate the impact of moving the multi-residential to 1.00 and moving all others to the Provincial "ranges of fairness". In considering the results of this scenario, it is important to note that these ranges were set by the Province in 2001, they have never been revisited, and no explanation exists as to what is meant by "fairness" within this context. As can be seen, such a move would fundamentally alter the balance of taxation within the City and would result in a tax shift of almost \$25 million dollars onto the residential class for 2014 alone. As such, this is not a viable policy approach but it is of value to consider how extreme a move to these ranges would be.

Table 16-A
Scenario 1: 2014 Rate and Ratio Change

Realty Tax Class	2014 Tax Ratios			2014 Revenue Neutral Rates		
	Status Quo	Alternate Model	Change %	Status Quo	Alternate Model	Change %
Residential	1.000000	1.000000	0.00%	0.01013666	0.01217784	20.14%
Farm	0.250000	0.250000	0.00%	0.00253417	0.00304446	20.14%
Managed Forest	0.250000	0.250000	0.00%	0.00253417	0.00304446	20.14%
New Multi-Residential	1.000000	1.000000	0.00%	0.01013666	0.01217784	20.14%
Multi-Residential	2.123900	1.000000	-52.92%	0.02152925	0.01217784	-43.44%
Commercial	1.840000	1.100000	-40.22%	0.01865145	0.01339562	-28.18%
Industrial	2.523700	1.100000	-56.41%	0.02558189	0.01339562	-47.64%
Pipeline	1.917500	0.700000	-63.49%	0.01943705	0.00852449	-56.14%

Table 16-B
Scenario 1: 2014 Inter-Class Tax Shifts
Status Quo Ratios vs. Alternate Ratios

Realty Tax Class	2014 Revenue Neutral Levy		Difference	
	Status Quo	Alternate Model	\$	%
<i>Taxable</i>				
Residential	\$123,451,206	\$148,310,065	\$24,858,859	20.14%
Farm	\$13,538	\$16,264	\$2,726	20.14%
Managed Forest	\$1,857	\$2,231	\$374	20.14%
New Multi-Residential	\$398,278	\$478,477	\$80,199	20.14%
Multi-Residential	\$14,033,745	\$7,950,716	-\$6,083,029	-43.35%
Commercial	\$32,901,988	\$23,641,927	-\$9,260,061	-28.14%
Industrial	\$17,535,818	\$9,182,400	-\$8,353,418	-47.64%
Pipeline	\$523,129	\$229,428	-\$293,701	-56.14%
Sub-Total Taxable	\$188,859,559	\$189,811,508	\$951,949	0.50%
<i>Payment In Lieu of Tax</i>				
Residential	\$26,380	\$31,692	\$5,312	20.14%
Commercial	\$3,260,299	\$2,341,573	-\$918,726	-28.18%
Industrial	\$80,893	\$42,358	-\$38,535	-47.64%
Sub-Total PIL	\$3,367,572	\$2,415,623	-\$951,949	-28.27%
Total	\$192,227,131	\$192,227,131	\$0	0.00%

Table 16-C
Scenario 1: Year-Over-Year Levy and Cumulative Tax Shift Comparison
Status Quo Ratios vs. Alternate Ratios

Realty Tax Class	2013 CVA Tax As Revised	Status Quo		Alternate Model	
		2014 Levy	Change vs. 2013	2014 Levy	Change vs. 2013
<i>Taxable</i>					
Residential	\$123,189,915	\$123,451,206	0.21%	\$148,310,065	20.39%
Farm	\$12,892	\$13,538	5.01%	\$16,264	26.16%
Managed Forest	\$1,755	\$1,857	5.81%	\$2,231	27.12%
New Multi-Residential	\$382,429	\$398,278	4.14%	\$478,477	25.12%
Multi-Residential	\$13,495,361	\$14,033,745	3.99%	\$7,950,716	-41.09%
Commercial	\$33,201,082	\$32,901,988	-0.90%	\$23,641,927	-28.79%
Industrial	\$18,006,495	\$17,535,818	-2.61%	\$9,182,400	-49.01%
Pipeline	\$533,020	\$523,129	-1.86%	\$229,428	-56.96%
Sub-Total Taxable	\$188,822,949	\$188,859,559	0.02%	\$189,811,508	0.52%
<i>Payment In Lieu of Tax</i>					
Residential	\$26,005	\$26,380	1.44%	\$31,692	21.87%
Commercial	\$3,295,181	\$3,260,299	-1.06%	\$2,341,573	-28.94%
Industrial	\$82,996	\$80,893	-2.53%	\$42,358	-48.96%
Sub-Total PIL	\$3,404,182	\$3,367,572	-1.08%	\$2,415,623	-29.04%
Total	\$192,227,131	\$192,227,131	0.00%	\$192,227,131	0.00%

Table 16-D
Scenario 1: Annual and Three Year Cumulative Tax Impacts
Status Quo Ratios vs. Alternate Ratios

Realty Tax Class	3 Year Difference Projection Alternate Model vs. Status Quo			
	2014	2015	2016	Cumulative (2014-2016)
<i>Taxable</i>				
Residential	\$24,858,859	\$24,799,165	\$24,743,060	\$74,401,084
Farm	\$2,726	\$2,836	2,937	\$8,499
Managed Forest	\$374	\$391	408	\$1,173
New Multi-Residential	\$80,199	\$82,818	85,245	\$248,262
Multi-Residential	-\$6,083,029	-\$6,304,568	-6,512,354	-\$18,899,951
Commercial	-\$9,260,061	-\$9,197,944	-9,139,523	-\$27,597,528
Industrial	-\$8,353,418	-\$8,150,511	-7,960,227	-\$24,464,156
Pipeline	-\$293,701	-\$288,678	-283,969	-\$866,348
Sub-Total Taxable	\$951,949	\$943,509	\$935,577	\$2,831,035
<i>Payment In Lieu of Tax</i>				
Residential	\$5,312	\$5,359	5,402	\$16,073
Commercial	-\$918,726	-\$911,240	-904,200	-\$2,734,166
Industrial	-\$38,535	-\$37,628	-36,779	-\$112,942
Sub-Total PIL	-\$951,949	-\$943,509	-\$935,577	-\$2,831,035
Total	\$0	\$0	\$0	\$0

Scenario 2: Immediate Move to Comparator Averages for Commercial, Industrial and Multi-Residential Classes

Scenario two is based on a more modest set of ratio changes, which we have drawn from the comparative exercise summarized within Part Two of this report. This scenario models the impact of moving the multi-residential, commercial, and industrial class ratios to the rough, rounded average ratios of the comparative group, which are 2.00, 1.75 and 2.40 respectively. The farm and pipeline ratios have not been adjusted.

Table 17-A
Scenario 2: 2014 Rate and Ratio Change

Realty Tax Class	2014 Tax Ratios			2014 Revenue Neutral Rates		
	Status Quo	Alternate Model	Change %	Status Quo	Alternate Model	Change %
Residential	1.000000	1.000000	0.00%	0.01013666	0.01032184	1.83%
Farm	0.250000	0.250000	0.00%	0.00253417	0.00258046	1.83%
Managed Forest	0.250000	0.250000	0.00%	0.00253417	0.00258046	1.83%
New Multi-Residential	1.000000	1.000000	0.00%	0.01013666	0.01032184	1.83%
Multi-Residential	2.123900	2.000000	-5.83%	0.02152925	0.02064368	-4.11%
Commercial	1.840000	1.750000	-4.89%	0.01865145	0.01806322	-3.15%
Industrial	2.523700	2.400000	-4.90%	0.02558189	0.02477242	-3.16%
Pipeline	1.917500	1.917500	0.00%	0.01943705	0.01979213	1.83%

Table 17-B
Scenario 2: 2014 Inter-Class Tax Shifts
Status Quo Ratios vs. Alternate Ratios

Realty Tax Class	2014 Revenue Neutral Levy		Difference	
	Status Quo	Alternate Model	\$	%
<i>Taxable</i>				
Residential	\$123,451,206	\$125,706,425	\$2,255,219	1.83%
Farm	\$13,538	\$13,786	\$248	1.83%
Managed Forest	\$1,857	\$1,891	\$34	1.83%
New Multi-Residential	\$398,278	\$405,553	\$7,275	1.83%
Multi-Residential	\$14,033,745	\$13,457,672	-\$576,073	-4.10%
Commercial	\$32,901,988	\$31,865,504	-\$1,036,484	-3.15%
Industrial	\$17,535,818	\$16,980,944	-\$554,874	-3.16%
Pipeline	\$523,129	\$532,685	\$9,556	1.83%
Sub-Total Taxable	\$188,859,559	\$188,964,460	\$104,901	0.06%
<i>Payment In Lieu of Tax</i>				
Residential	\$26,380	\$26,862	\$482	1.83%
Commercial	\$3,260,299	\$3,157,476	-\$102,823	-3.15%
Industrial	\$80,893	\$78,333	-\$2,560	-3.16%
Sub-Total PIL	\$3,367,572	\$3,262,671	-\$104,901	-3.12%
Total	\$192,227,131	\$192,227,131	\$0	0.00%

Table 17-C
Scenario 2: Year-Over-Year Levy and Cumulative Tax Shift Comparison
Status Quo Ratios vs. Alternate Ratios

Realty Tax Class	2013 CVA Tax As Revised	Status Quo		Alternate Model	
		2014 Levy	Change vs. 2013	2014 Levy	Change vs. 2013
<i>Taxable</i>					
Residential	\$123,189,915	\$123,451,206	0.21%	\$125,706,425	2.04%
Farm	\$12,892	\$13,538	5.01%	\$13,786	6.93%
Managed Forest	\$1,755	\$1,857	5.81%	\$1,891	7.75%
New Multi-Residential	\$382,429	\$398,278	4.14%	\$405,553	6.05%
Multi-Residential	\$13,495,361	\$14,033,745	3.99%	\$13,457,672	-0.28%
Commercial	\$33,201,082	\$32,901,988	-0.90%	\$31,865,504	-4.02%
Industrial	\$18,006,495	\$17,535,818	-2.61%	\$16,980,944	-5.70%
Pipeline	\$533,020	\$523,129	-1.86%	\$532,685	-0.06%
Sub-Total Taxable	\$188,822,949	\$188,859,559	0.02%	\$188,964,460	0.07%
<i>Payment In Lieu of Tax</i>					
Residential	\$26,005	\$26,380	1.44%	\$26,862	3.30%
Commercial	\$3,295,181	\$3,260,299	-1.06%	\$3,157,476	-4.18%
Industrial	\$82,996	\$80,893	-2.53%	\$78,333	-5.62%
Sub-Total PIL	\$3,404,182	\$3,367,572	-1.08%	\$3,262,671	-4.16%
Total	\$192,227,131	\$192,227,131	0.00%	\$192,227,131	0.00%

Table 17-D
Scenario 2: Annual and Three Year Cumulative Tax Impacts
Status Quo Ratios vs. Alternate Ratios

Realty Tax Class	3 Year Difference Projection Alternate Model vs. Status Quo			
	2014	2015	2016	Cumulative (2014-2016)
<i>Taxable</i>				
Residential	\$2,255,219	\$2,254,395	\$2,253,621	\$6,763,235
Farm	\$248	\$258	268	\$774
Managed Forest	\$34	\$35	37	\$106
New Multi-Residential	\$7,275	\$7,529	7,764	\$22,568
Multi-Residential	-\$576,073	-\$597,065	-616,753	-\$1,789,891
Commercial	-\$1,036,484	-\$1,028,924	-1,021,855	-\$3,087,263
Industrial	-\$554,874	-\$541,655	-529,232	-\$1,625,761
Pipeline	\$9,556	\$9,366	9,188	\$28,110
Sub-Total Taxable	\$104,901	\$103,939	\$103,038	\$311,878
<i>Payment In Lieu of Tax</i>				
Residential	\$482	\$487	492	\$1,461
Commercial	-\$102,823	-\$101,925	-101,085	-\$305,833
Industrial	-\$2,560	-\$2,501	-2,445	-\$7,506
Sub-Total PIL	-\$104,901	-\$103,939	-\$103,038	-\$311,878
Total	\$0	\$0	\$0	\$0

Scenario 3: Incremental Three Year Move to Comparator Averages for Commercial, Industrial and Multi-Residential Classes

Scenario three is based on the same target ratios as Scenario 2, which were derived from the comparator group, however, under this model, the move is incremental over the 2014, 2015 and 2016 taxation years. The ratios being changed under this scenario can be summarized as follows:

Year	Multi-Residential	Commercial	Industrial
2014	2.082600	1.810000	2.482467
2015	2.041300	1.780000	2.441233
2016	2.000000	1.750000	2.400000

Table 18-A
Scenario 3: 2014 Rate and Ratio Change

Realty Tax Class	2014 Tax Ratios			2014 Revenue Neutral Rates		
	Status Quo	Alternate Model	Change %	Status Quo	Alternate Model	Change %
Residential	1.000000	1.000000	0.00%	0.01013666	0.01019765	0.60%
Farm	0.250000	0.250000	0.00%	0.00253417	0.00254941	0.60%
Managed Forest	0.250000	0.250000	0.00%	0.00253417	0.00254941	0.60%
New Multi-Residential	1.000000	1.000000	0.00%	0.01013666	0.01019765	0.60%
Multi-Residential	2.123900	2.082600	-1.94%	0.02152925	0.02123763	-1.35%
Commercial	1.840000	1.810000	-1.63%	0.01865145	0.01845775	-1.04%
Industrial	2.523700	2.482467	-1.63%	0.02558189	0.02531533	-1.04%
Pipeline	1.917500	1.917500	0.00%	0.01943705	0.01955399	0.60%

Table 18-B
Scenario 3: 2014 Inter-Class Tax Shifts
Status Quo Ratios vs. Alternate Ratios

Realty Tax Class	2014 Revenue Neutral Levy		Difference	
	Status Quo	Alternate Model	\$	%
<i>Taxable</i>				
Residential	\$123,451,206	\$124,193,844	\$742,638	0.60%
Farm	\$13,538	\$13,620	\$82	0.60%
Managed Forest	\$1,857	\$1,868	\$11	0.60%
New Multi-Residential	\$398,278	\$400,674	\$2,396	0.60%
Multi-Residential	\$14,033,745	\$13,844,043	-\$189,702	-1.35%
Commercial	\$32,901,988	\$32,560,681	-\$341,307	-1.04%
Industrial	\$17,535,818	\$17,353,096	-\$182,722	-1.04%
Pipeline	\$523,129	\$526,276	\$3,147	0.60%
Sub-Total Taxable	\$188,859,559	\$188,894,102	\$34,543	0.02%
<i>Payment In Lieu of Tax</i>				
Residential	\$26,380	\$26,539	\$159	0.60%
Commercial	\$3,260,299	\$3,226,440	-\$33,859	-1.04%
Industrial	\$80,893	\$80,050	-\$843	-1.04%
Sub-Total PIL	\$3,367,572	\$3,333,029	-\$34,543	-1.03%
Total	\$192,227,131	\$192,227,131	\$0	0.00%

Table 18-C
Scenario 3: Year-Over-Year Levy and Cumulative Tax Shift Comparison
Status Quo Ratios vs. Alternate Ratios

Realty Tax Class	2013 CVA Tax As Revised	Status Quo		Alternate Model	
		2014 Levy	Change vs. 2013	2014 Levy	Change vs. 2013
<i>Taxable</i>					
Residential	\$123,189,915	\$123,451,206	0.21%	\$124,193,844	0.81%
Farm	\$12,892	\$13,538	5.01%	\$13,620	5.65%
Managed Forest	\$1,755	\$1,857	5.81%	\$1,868	6.44%
New Multi-Residential	\$382,429	\$398,278	4.14%	\$400,674	4.77%
Multi-Residential	\$13,495,361	\$14,033,745	3.99%	\$13,844,043	2.58%
Commercial	\$33,201,082	\$32,901,988	-0.90%	\$32,560,681	-1.93%
Industrial	\$18,006,495	\$17,535,818	-2.61%	\$17,353,096	-3.63%
Pipeline	\$533,020	\$523,129	-1.86%	\$526,276	-1.27%
Sub-Total Taxable	\$188,822,949	\$188,859,559	0.02%	\$188,894,102	0.04%
<i>Payment In Lieu of Tax</i>					
Residential	\$26,005	\$26,380	1.44%	\$26,539	2.05%
Commercial	\$3,295,181	\$3,260,299	-1.06%	\$3,226,440	-2.09%
Industrial	\$82,996	\$80,893	-2.53%	\$80,050	-3.55%
Sub-Total PIL	\$3,404,182	\$3,367,572	-1.08%	\$3,333,029	-2.09%
Total	\$192,227,131	\$192,227,131	0.00%	\$192,227,131	0.00%

Table 18-D
Scenario 3: Annual and Three Year Cumulative Tax Impacts
Status Quo Ratios vs. Alternate Ratios

Realty Tax Class	3 Year Difference Projection Alternate Model vs. Status Quo			
	2014	2015	2016	Cumulative (2014-2016)
<i>Taxable</i>				
Residential	\$742,638	\$1,493,835	\$2,253,621	\$4,490,094
Farm	\$82	\$171	268	\$521
Managed Forest	\$11	\$23	37	\$71
New Multi-Residential	\$2,396	\$4,990	7,764	\$15,150
Multi-Residential	-\$189,702	-\$395,634	-616,753	-\$1,202,089
Commercial	-\$341,307	-\$681,801	-1,021,855	-\$2,044,963
Industrial	-\$182,722	-\$358,917	-529,232	-\$1,070,871
Pipeline	\$3,147	\$6,207	9,188	\$18,542
Sub-Total Taxable	\$34,543	\$68,874	\$103,038	\$206,455
<i>Payment In Lieu of Tax</i>				
Residential	\$159	\$322	492	\$973
Commercial	-\$33,859	-\$67,539	-101,085	-\$202,483
Industrial	-\$843	-\$1,657	-2,445	-\$4,945
Sub-Total PIL	-\$34,543	-\$68,874	-\$103,038	-\$206,455
Total	\$0	\$0	\$0	\$0

Ratio Scenario 4: Reduction of the Multi-Residential and Industrial Ratios based on a Continuation of the Reduction Plan Adopted for 2013

Scenario four represents a continuation and extension of the City's 2013 reductions for the multi-residential and industrial ratios whereby the former is reduced by 0.04200 each year and the latter by 0.10630. The multi-residential and industrial ratios for this scenario may be summarized as follows; all other ratios are held constant.

Realty Tax Class	2014	2015	2016
Multi-Residential	2.081900	2.039900	1.997900
Industrial	2.417400	2.311100	2.204800

Table 19-A
Scenario 4: 2014 Rate and Ratio Change

Realty Tax Class	2014 Tax Ratios			2014 Revenue Neutral Rates		
	Status Quo	Alternate Model	Change %	Status Quo	Alternate Model	Change %
Residential	1.000000	1.000000	0.00%	0.01013666	0.01019069	0.53%
Farm	0.250000	0.250000	0.00%	0.00253417	0.00254767	0.53%
Managed Forest	0.250000	0.250000	0.00%	0.00253417	0.00254767	0.53%
New Multi-Residential	1.000000	1.000000	0.00%	0.01013666	0.01019069	0.53%
Multi-Residential	2.123900	2.081900	-1.98%	0.02152925	0.02121600	-1.45%
Commercial	1.840000	1.840000	0.00%	0.01865145	0.01875087	0.53%
Industrial	2.523700	2.417400	-4.21%	0.02558189	0.02463497	-3.70%
Pipeline	1.917500	1.917500	0.00%	0.01943705	0.01954065	0.53%

Table 19-B
Scenario 4: 2014 Inter-Class Tax Shifts
Status Quo Ratios vs. Alternate Ratios

Realty Tax Class	2014 Revenue Neutral Levy		Difference	
	Status Quo	Alternate Model	\$	%
<i>Taxable</i>				
Residential	\$123,451,206	\$124,109,196	\$657,990	0.53%
Farm	\$13,538	\$13,610	\$72	0.53%
Managed Forest	\$1,857	\$1,867	\$10	0.53%
New Multi-Residential	\$398,278	\$400,400	\$2,122	0.53%
Multi-Residential	\$14,033,745	\$13,829,950	-\$203,795	-1.45%
Commercial	\$32,901,988	\$33,077,369	\$175,381	0.53%
Industrial	\$17,535,818	\$16,886,725	-\$649,093	-3.70%
Pipeline	\$523,129	\$525,917	\$2,788	0.53%
Sub-Total Taxable	\$188,859,559	\$188,845,034	-\$14,525	-0.01%
<i>Payment In Lieu of Tax</i>				
Residential	\$26,380	\$26,521	\$141	0.53%
Commercial	\$3,260,299	\$3,277,678	\$17,379	0.53%
Industrial	\$80,893	\$77,898	-\$2,995	-3.70%
Sub-Total PIL	\$3,367,572	\$3,382,097	\$14,525	0.43%
Total	\$192,227,131	\$192,227,131	\$0	0.00%

Table 19-C
Scenario 4: Year-Over-Year Levy and Cumulative Tax Shift Comparison
Status Quo Ratios vs. Alternate Ratios

Realty Tax Class	2013 CVA Tax As Revised	Status Quo		Alternate Model	
		2014 Levy	Change vs. 2013	2014 Levy	Change vs. 2013
<i>Taxable</i>					
Residential	\$123,189,915	\$123,451,206	0.21%	\$124,109,196	0.75%
Farm	\$12,892	\$13,538	5.01%	\$13,610	5.57%
Managed Forest	\$1,755	\$1,857	5.81%	\$1,867	6.38%
New Multi-Residential	\$382,429	\$398,278	4.14%	\$400,400	4.70%
Multi-Residential	\$13,495,361	\$14,033,745	3.99%	\$13,829,950	2.48%
Commercial	\$33,201,082	\$32,901,988	-0.90%	\$33,077,369	-0.37%
Industrial	\$18,006,495	\$17,535,818	-2.61%	\$16,886,725	-6.22%
Pipeline	\$533,020	\$523,129	-1.86%	\$525,917	-1.33%
Sub-Total Taxable	\$188,822,949	\$188,859,559	0.02%	\$188,845,034	0.01%
<i>Payment In Lieu of Tax</i>					
Residential	\$26,005	\$26,380	1.44%	\$26,521	1.98%
Commercial	\$3,295,181	\$3,260,299	-1.06%	\$3,277,678	-0.53%
Industrial	\$82,996	\$80,893	-2.53%	\$77,898	-6.14%
Sub-Total PIL	\$3,404,182	\$3,367,572	-1.08%	\$3,382,097	-0.65%
Total	\$192,227,131	\$192,227,131	0.00%	\$192,227,131	0.00%

Table 19-D
Scenario 4: Annual and Three Year Cumulative Tax Impacts
Status Quo Ratios vs. Alternate Ratios

Realty Tax Class	3 Year Difference Projection Alternate Model vs. Status Quo			
	2014	2015	2016	Cumulative (2014-2016)
<i>Taxable</i>				
Residential	\$657,990	\$1,314,092	\$1,969,035	\$3,941,117
Farm	\$72	\$151	234	\$457
Managed Forest	\$10	\$21	33	\$64
New Multi-Residential	\$2,122	\$4,390	6,784	\$13,296
Multi-Residential	-\$203,795	-\$425,592	-664,251	-\$1,293,638
Commercial	\$175,381	\$346,635	514,231	\$1,036,247
Industrial	-\$649,093	-\$1,273,857	-1,876,658	-\$3,799,608
Pipeline	\$2,788	\$5,460	8,028	\$16,276
Sub-Total Taxable	-\$14,525	-\$28,700	-\$42,564	-\$85,789
<i>Payment In Lieu of Tax</i>				
Residential	\$141	\$284	430	\$855
Commercial	\$17,379	\$34,297	50,805	\$102,481
Industrial	-\$2,995	-\$5,881	-8,671	-\$17,547
Sub-Total PIL	\$14,525	\$28,700	\$42,564	\$85,789
Total	\$0	\$0	\$0	\$0

CONCLUSION

As noted in Part 1 of this report, tax ratios represent a critical and fundamental element of Ontario's property tax system with the ratio for each class dictating the rate at which a property will be taxed⁷ in relation to the tax rate applied to residential properties for municipal purposes within any given jurisdiction. For this reason, and due to their outwardly simple function, it is often a municipality's choice of tax ratios that attract the most attention from stakeholders, particularly those attempting to critique or influence a municipality's tax landscape.

Making a change to a tax ratio is not, however, simply an exercise in conveying a benefit upon, or satisfying the interests of one segment of the property tax landscape. When making tax ratio decisions, it is absolutely critical to be cognisant of the fact that a change to the tax ratio for any one class will impact the tax burden for properties in all other classes. For example, if a ratio reduction for the multi-residential class were to be approved, any tax savings passed onto that class would result in higher tax rates and tax shifts to other ratepayers within the City.

This in mind, decision makers must not only consider whether or not a ratio change favorable to one class is desirable, but also whether or not the reasons for that change are compelling enough, or important enough to impose the cost of that change on other segments of the tax base. The goal of this report has been to provide a more robust foundation on which such decisions can be made.

The primary and overriding priority of this report has been to ensure that the concepts and implications of tax ratio movement, or non-movement, have been well communicated and documented. We have also striven to provide a significant amount of detail and analysis with respect to a range of quantitative outcomes that might result from various policy choices, including adherence to status quo options. Having this theoretical and quantitative background is critical to those charged with an advisory or decision making role in respect of such tax policies. Regardless of where one feels a ratio should be set, or whether ratio changes are even being considered, it is absolutely critical to understand how ratios work and how the balance of taxation reacts to changes.

What this report has not done, and was not intended to do, was to identify or recommend specific tax ratios as ones which the City should adopt. Decisions regarding the balance of taxation have been assigned to the political realm under the *Municipal Act*, and it would be inappropriate for a removed, third party to suggest specific policy decisions. Instead, what we endeavored to accomplish was to add additional layers of information to the discussion surrounding the City's tax ratios. The goal being to provide a host of information to support, enrich and inform that decision making process.

As a general observation, our review of the City's historic ratio movement decisions, current ratio levels, and the City's position among the comparator group all indicate that Guelph has managed its tax ratios in an active and thoughtful manner. Decisions to

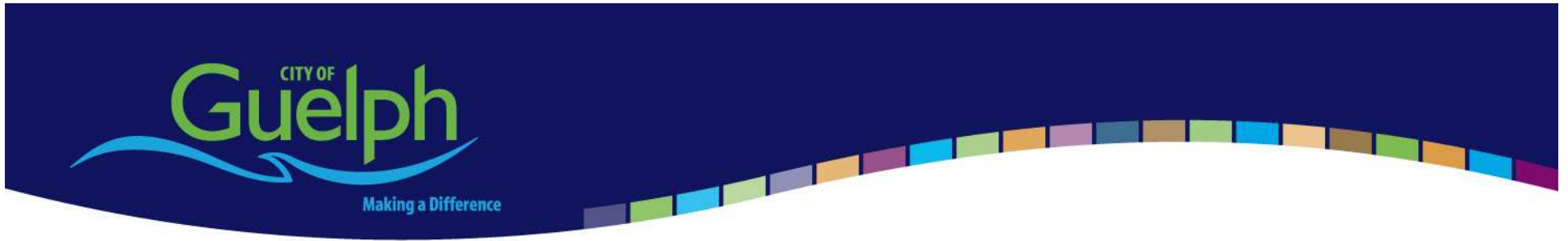
⁷ Final tax rates may also be impacted by levy restriction rules and/or a property's inclusion in a discounted sub-class.

change, freeze and watch ratios have been made deliberately, on the basis of specific policy goals and in light of solid quantitative analysis.

In terms of 2014 and future taxation years, there is no one, overt indicator that suggests the City must reduce its business class tax ratios. No ratio is currently above, or even at the provincial threshold and they all seem reasonably positioned within those of the comparator group. While they are not the lowest, they are not altogether dissimilar to what are being applied among the other jurisdictions.

While none of the tax ratio change scenarios presented in Part Four are set out as recommended, we would go as far as to suggest that either Scenario 3, which represents as staged approach to the approximate average of the comparator group, and Scenario 4, which is a continuation of the approach set in motion for 2013, would be reasonable choices **if** there is an interest in moving one or more of the business class ratio downward.

If further ratio changes (reductions) are going to be considered, it is recommended that a specific goal or purpose for such change is identified. By doing this, it is possible to know when that goal/purpose has been met. For example, if the decision is that ratios are to be lowered but no goal, destination, or specific outcome is identified, how is one to know when the decreases should cease. In contrast, if the City sets a goal to target the comparator average at the onset of each four-year reassessment cycle, specific ratio changes could be identified, quantified and progress tracked.



City of Guelph

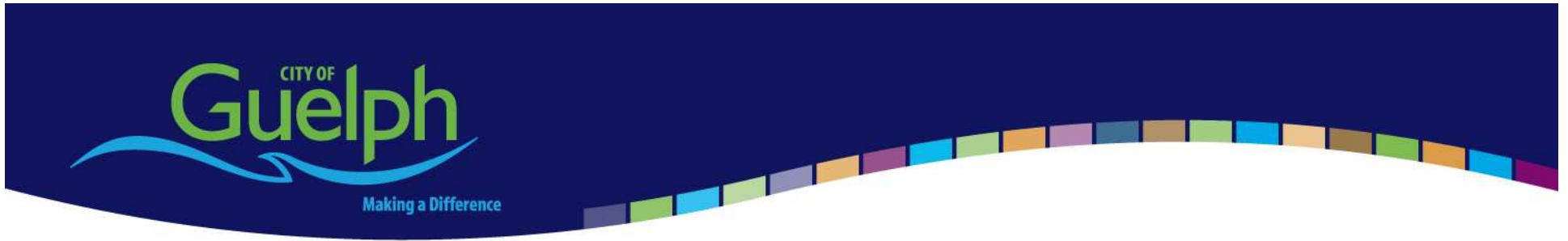
Property Tax Policy

-

Tax Ratios

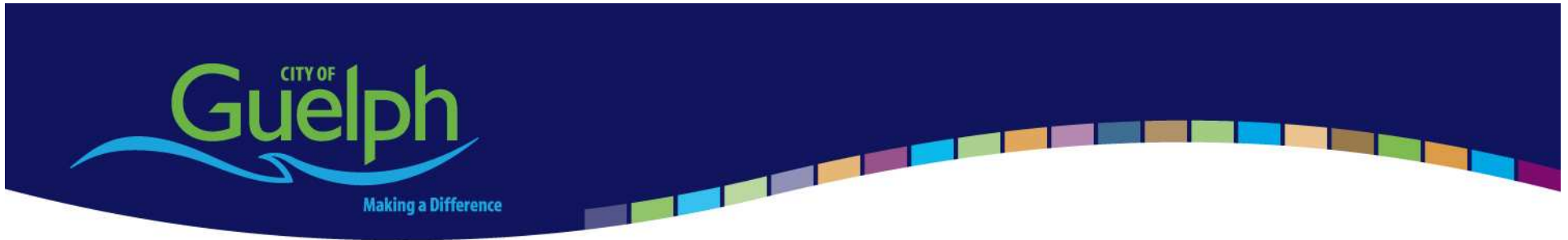
Corporate Services Committee

November 9, 2015 1



Property Tax Policy

- Property Tax Policy – Tax Ratios Report - Now
- 2016 Tax Policy - March 2016 - CS Committee
- 2016 Tax Bylaws – March 2016 - Council
- 2016 Capping Bylaw – April 2016 - Council



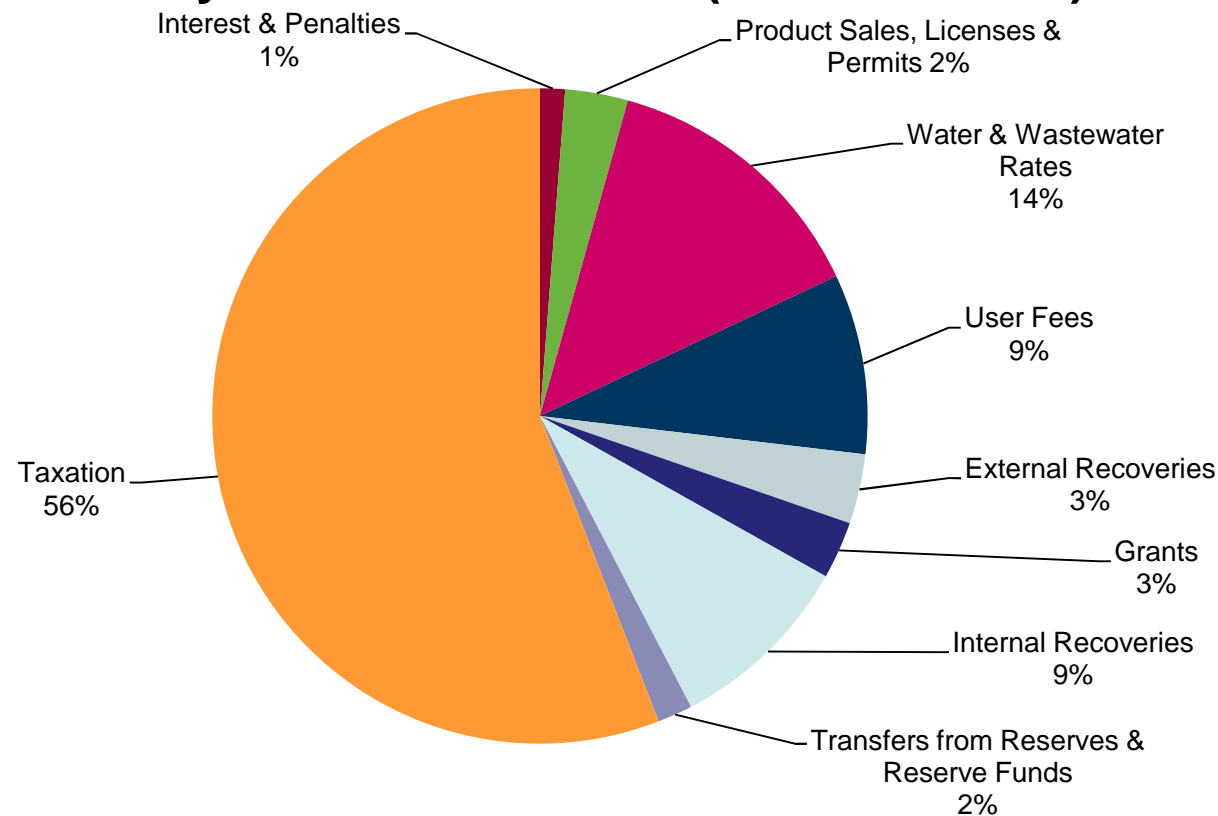
Property Taxes

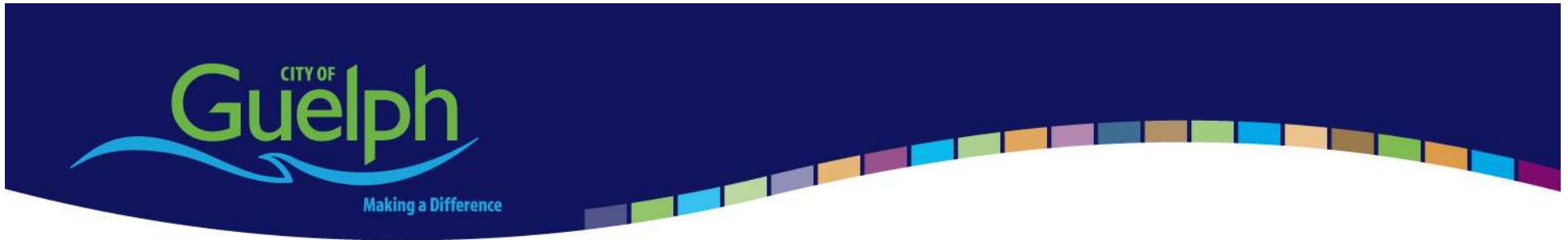
- Property taxes are the principal means by which a municipality funds its budget.
- Property taxes are calculated by using the assessment of a property as determined by the Municipal Property Assessment Corporation (MPAC) and the tax rate approved by Council.
- In Guelph, property taxation raises approximately 56% of the net operating budget requirement.

Operating Budget: Revenues

- Graph below shows how funds were received based on 2015 budget

2015 City Revenue Sources (\$381.6 million)

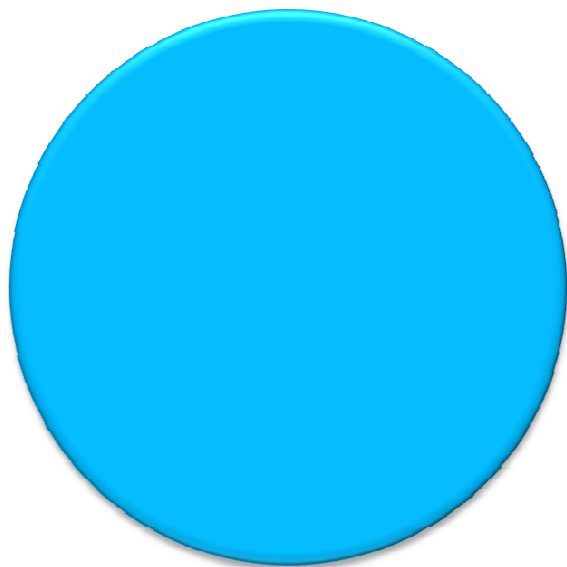




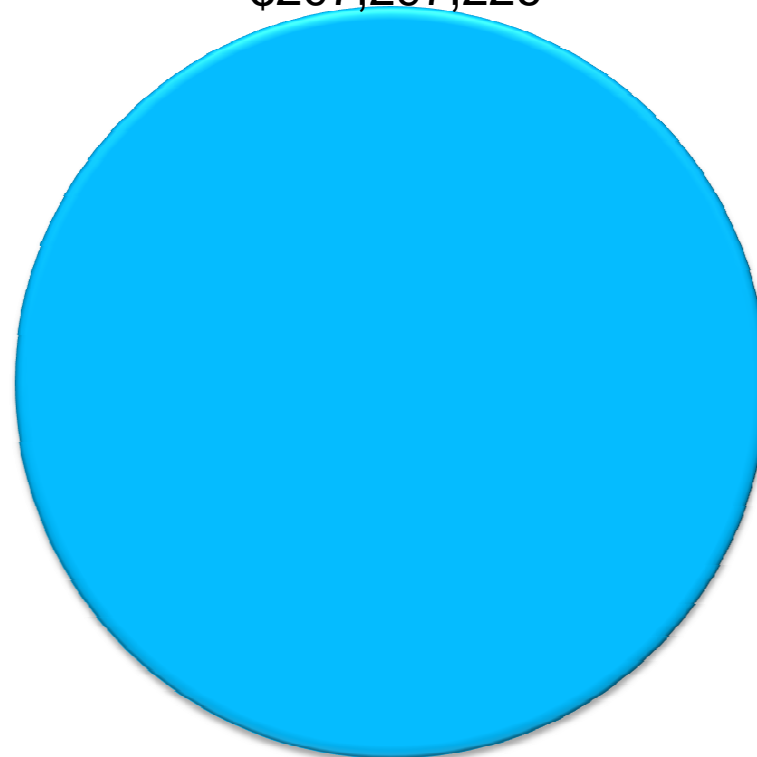
Tax for General Municipal Purposes

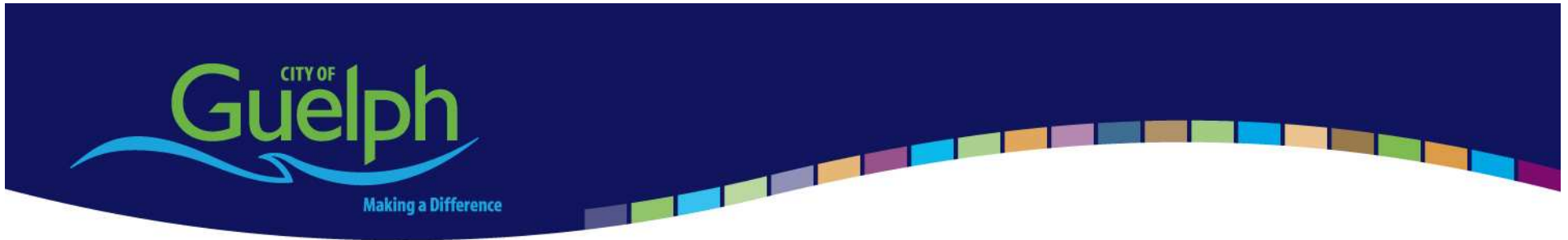
- Tax rates are calculated after the budget is determined once the final assessment roll is received from MPAC and tax policy is approved.
- Even in cases where the budget remains constant from one year to the next, taxes may change because of property reassessments or assessment phase-in.

**Net 2007 Amount
raised from
Taxation and PIL's
\$135,717,668**



**Net 2015 Amount
raised from
Taxation and PIL's
\$207,297,226**





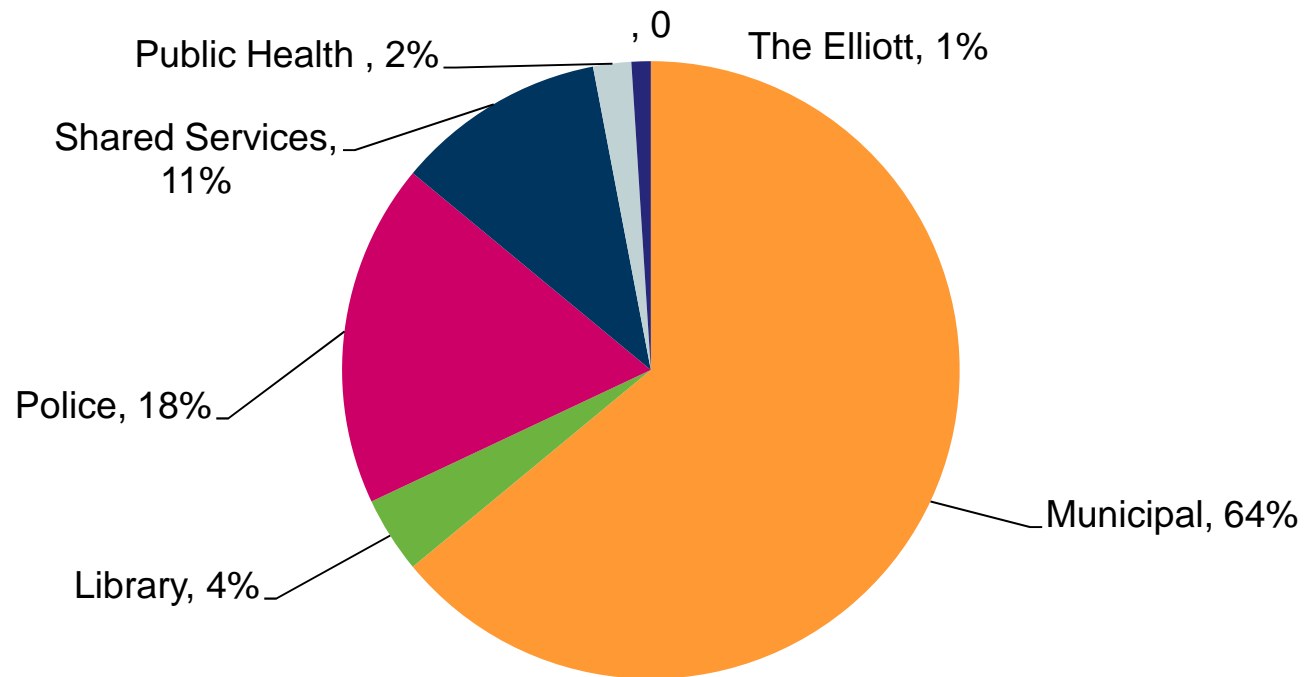
How are Tax Rates set?

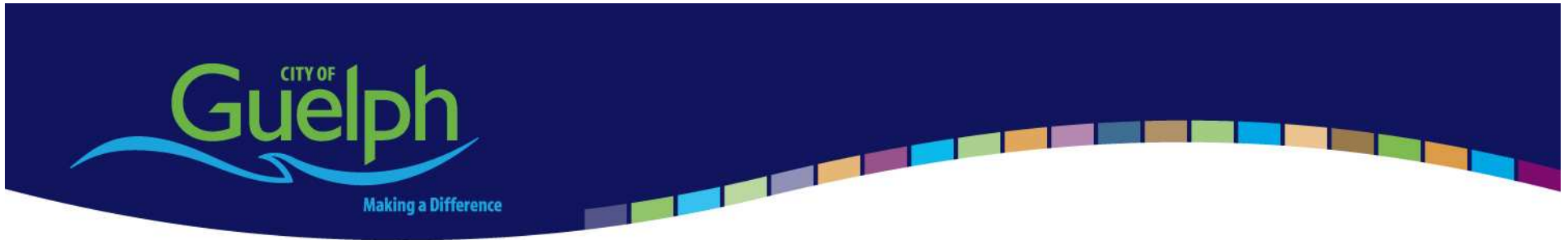
- Tax Rates have three components that play a role in what the tax rate is. These Are:
 - The Assessment Base
 - The Tax Ratios
 - The Levy Requirement from the Budget

“the amount to raise from Taxation and PIL’s”

- The Assessment Base is weighted by the tax ratios and then divided by the **“the amount to raise from Taxation and PIL’s”** in order to come up with the base tax rate (residential rate).

2015 Distribution of amount to raise from Municipal Tax & Payment in Lieu of Tax Dollars (\$207.3 million)





Property Tax Classes

- Residential and Farm
- Multi-Residential
- Commercial: Occupied, Excess land and Vacant Land
- Industrial: Occupied, Excess land and Vacant Land
- Pipelines
- Farmlands
- Managed Forests

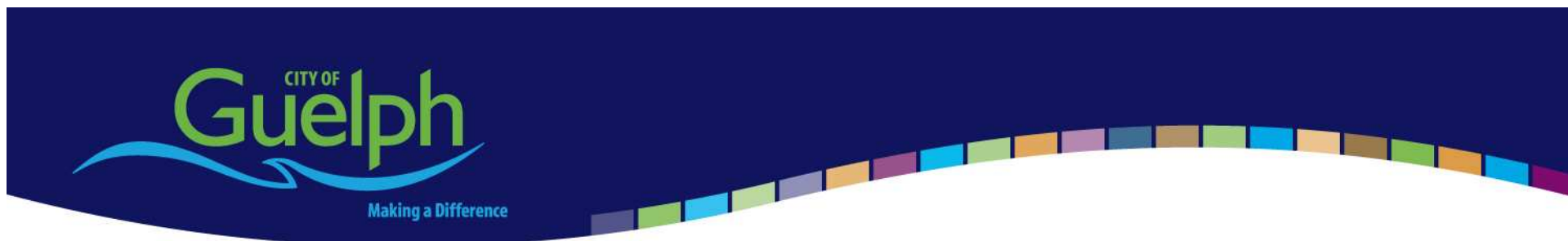
Optional Property Classes in Guelph

- New Multi-Residential



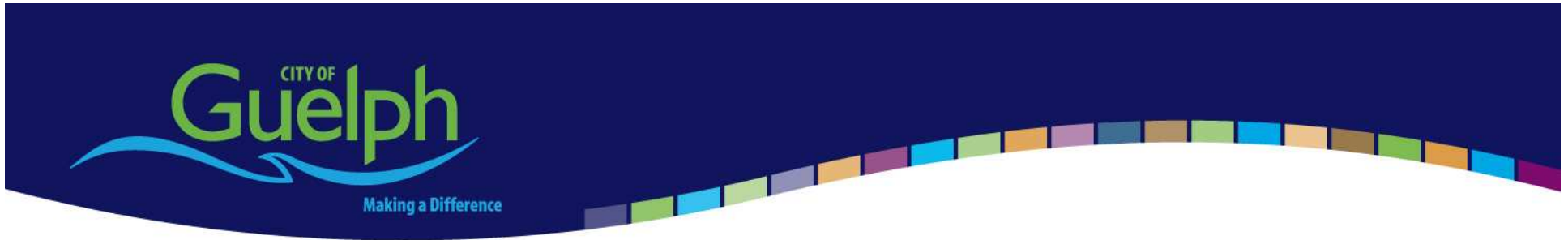
Assessment Composition

- Assessment composition shows what the percentage of assessment is in each of the 7 main property tax classes.
- Guelph's assessment composition represents a diverse assessment.
- There is a strong industrial sector presence in Guelph



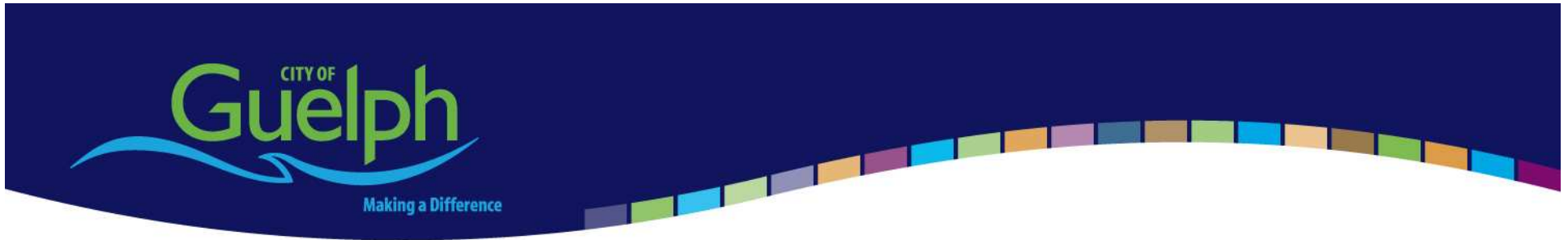
Unweighted Taxable Assessment Composition 2014

Municipality	Res	Multi-Res	Com	Ind	Pipe	Farm	Forest
Niagara Falls	70.70%	2.90%	24.30%	1.10%	0.40%	0.50%	0.00%
Mississauga	71.60%	3.10%	20.80%	4.30%	0.10%	0.00%	0.00%
Windsor	73.50%	3.80%	18.30%	3.80%	0.40%	0.20%	0.00%
Cambridge	75.10%	4.10%	14.60%	5.80%	0.20%	0.20%	0.00%
Kingston	75.60%	6.30%	16.30%	1.10%	0.30%	0.30%	0.00%
Barrie	77.00%	3.20%	17.20%	2.20%	0.20%	0.20%	0.00%
Oshawa	78.00%	4.80%	14.10%	2.40%	0.20%	0.50%	0.00%
Waterloo	78.70%	5.00%	13.50%	2.60%	0.20%	0.00%	0.00%
Kitchener	78.90%	6.80%	12.30%	1.80%	0.00%	0.10%	0.00%
Guelph	79.10%	4.50%	11.60%	4.60%	0.20%	0.00%	0.00%
London	80.50%	5.10%	12.20%	1.40%	0.20%	0.60%	0.00%
Hamilton	80.50%	4.80%	10.60%	1.90%	0.40%	1.70%	0.00%
Oakville	83.90%	2.10%	11.60%	2.20%	0.10%	0.10%	0.00%
Whitby	84.20%	2.00%	11.20%	1.90%	0.20%	0.50%	0.00%



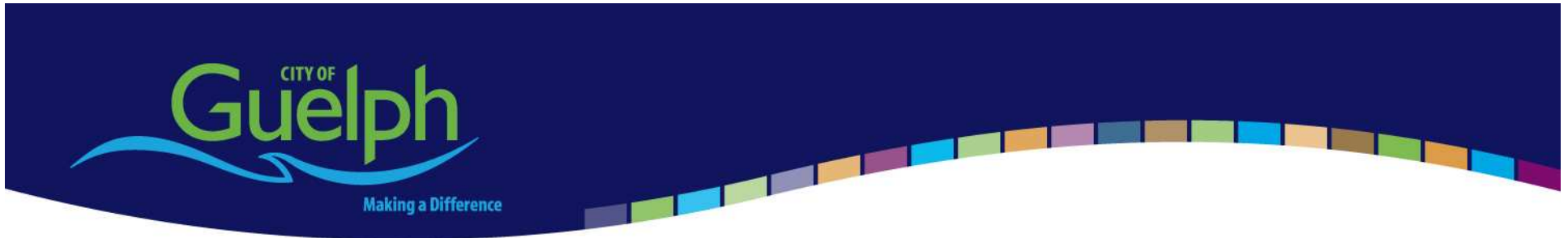
Re-assessment

- Re-assessments are currently being conducted by MPAC on a four year schedule.
- The current re-assessment is being phased in over the 2013-2016 taxation years using a 2012 CVA (Current Value Assessment) as the end point for 2016.
- Any increase in assessment is phased in at 25% per year, any decrease in assessment is effective the 1st and subsequent years of the phase in.
- The next cycle is 2017-2020 phasing in to a 2016 CVA. Preliminary assessment values from MPAC mid 2016.



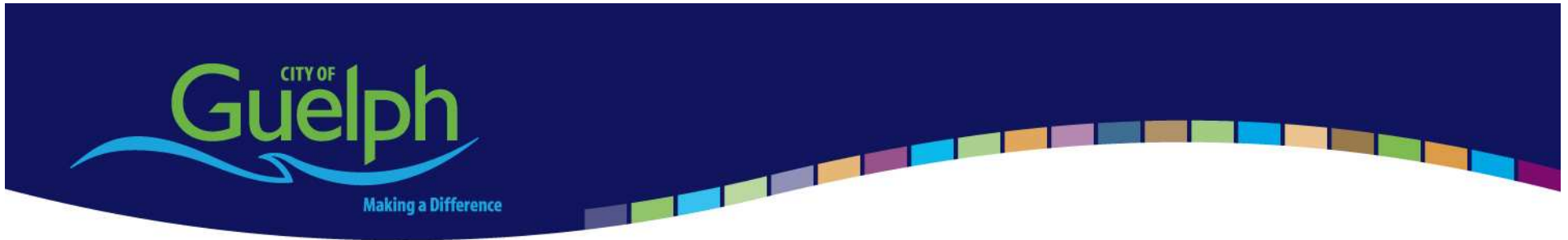
Impacts of Re-assessment

- Re-assessment can result in tax shifts, which is a change in the burden of one tax class compared with the other tax classes. Tax ratios can amplify this tax shift.
- Historically re-assessment results in higher volumes of tax write-offs in the first couple years of phase in as MPAC corrects any errors in values or tax classes.
- In an effort to mitigate these issues MPAC is committed to a more transparent and timely process. Methodology guides for certain sectors and preliminary values released in advance of roll return to allow for discussion and resolution.



Setting Tax Ratios for Annual Tax Policy

- Subsection 308(4) of Municipal Act, 2001
 - Requirement for all single tier municipalities to set tax ratios annually.
- Municipalities can set different tax ratios for different classes of property. (except for residential, farmland and managed forests)
- Tax ratios use the residential class as a base.
- Historically business classes have higher tax ratios and pay more tax.

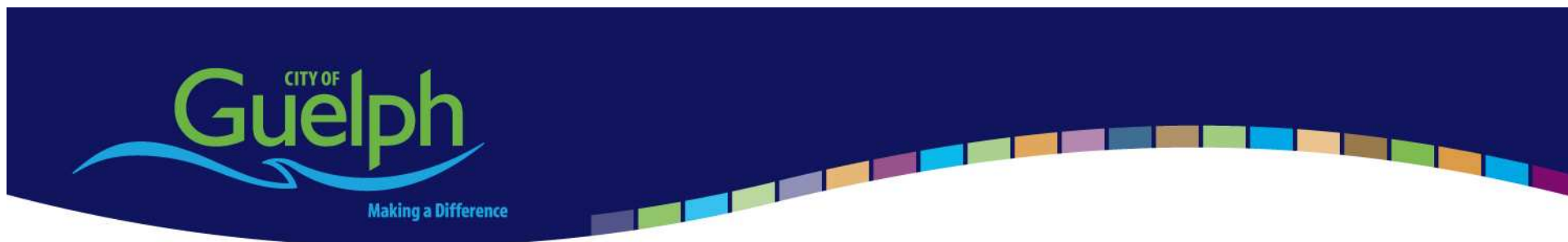


What is a Tax Ratio?

- Relative tax burden across the property classes.
- Mathematical relationship between the tax rate for the residential class and the tax rates for other property classes.
- Residential class is the basis for comparison for other classes, its' tax ratio is always 1.0
 - If the tax ratio for a class has a value of 2.0, the tax rate for the class when measured against the residential rate is two times more.
- Tax ratio for farmlands and managed forests will be 25% of the residential tax rate or .25.

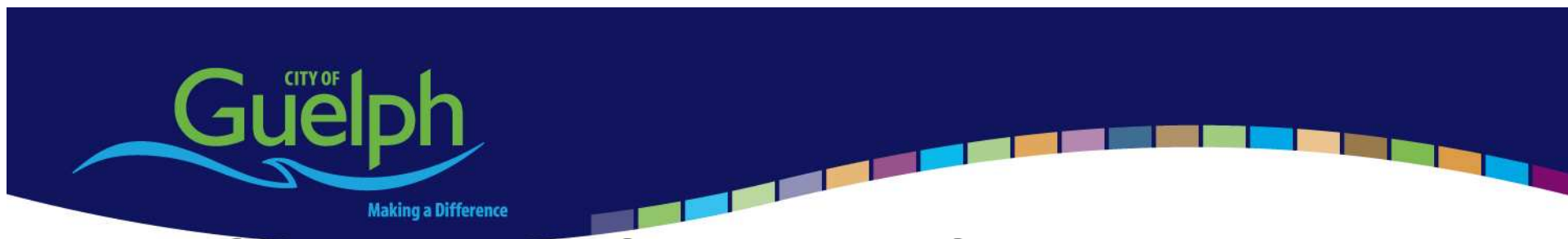
Tax Policy and Tax Ratios

- Changing the tax ratios changes the distribution of taxes to be collected from each property class.
- Over the past number of years progress has been made on reducing the multi-residential and industrial tax ratios to better align with other comparable municipalities.
- As one tax ratio decreases the amount of taxes the other tax classes have to pay increases.



Guelph's Tax Ratios

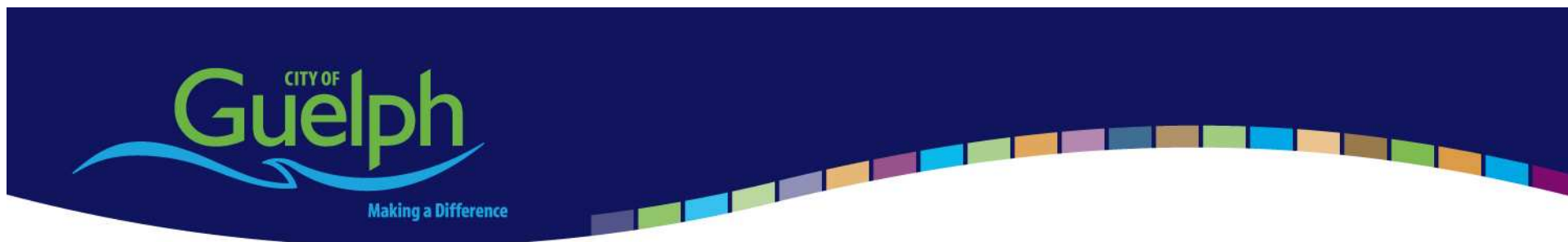
Tax Year	Multi- Res	Commercial	Industrial
2008	2.740000	1.840000	2.630000
2009	2.596475	1.840000	2.630000
2010	2.453000	1.840000	2.630000
2011	2.309425	1.840000	2.630000
2012	2.165900	1.840000	2.630000
2013	2.123900	1.840000	2.523700
2014	2.081900	1.840000	2.417400
2015	2.039900	1.840000	2.311100
Proposed 2016	1.997900	1.840000	2.204800



Guelph vs. Selected Comparators

2014 Tax Ratios

Municipality	Multi- Res	Commercial	Industrial
Barrie	1.0000	1.4331	1.5163
Brantford	2.0472	1.8755	2.4730
Durham Region	1.8665	1.4500	2.2598
Guelph	2.0819	1.8400	2.4174
Halton Region	2.2619	1.4565	2.3599
Hamilton	2.7400	1.9800	3.1752
Kingston	2.2917	1.9800	2.6300
London	1.9800	1.9800	2.2200
Niagara Region	2.0440	1.7586	2.6300
Waterloo Region	1.9500	1.9500	1.9500
Average	2.0263	1.7704	2.3632

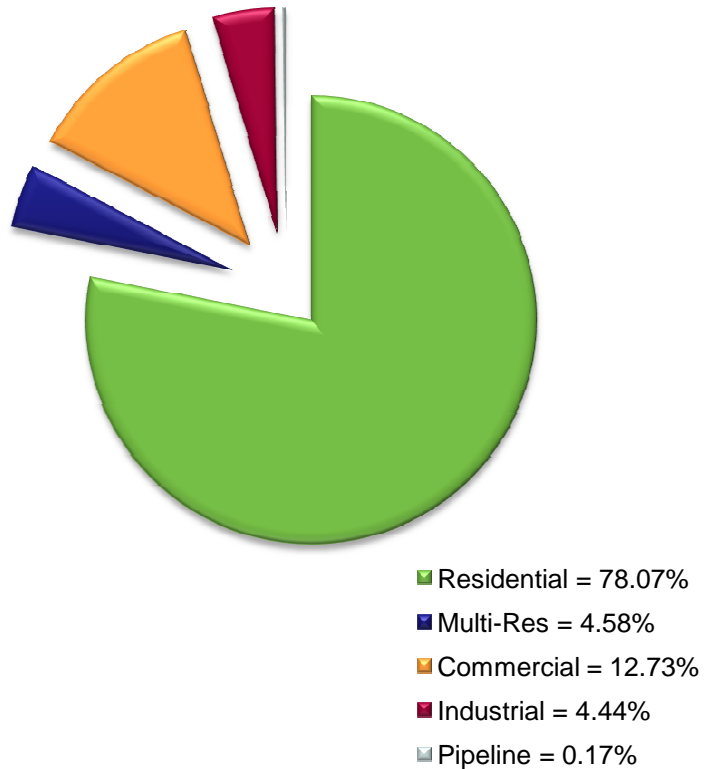


**Table 2: Comparison of Tax Ratios for Municipalities on the 401 Corridor
(Sorted from Highest Ratio to the Lowest Ratio)**

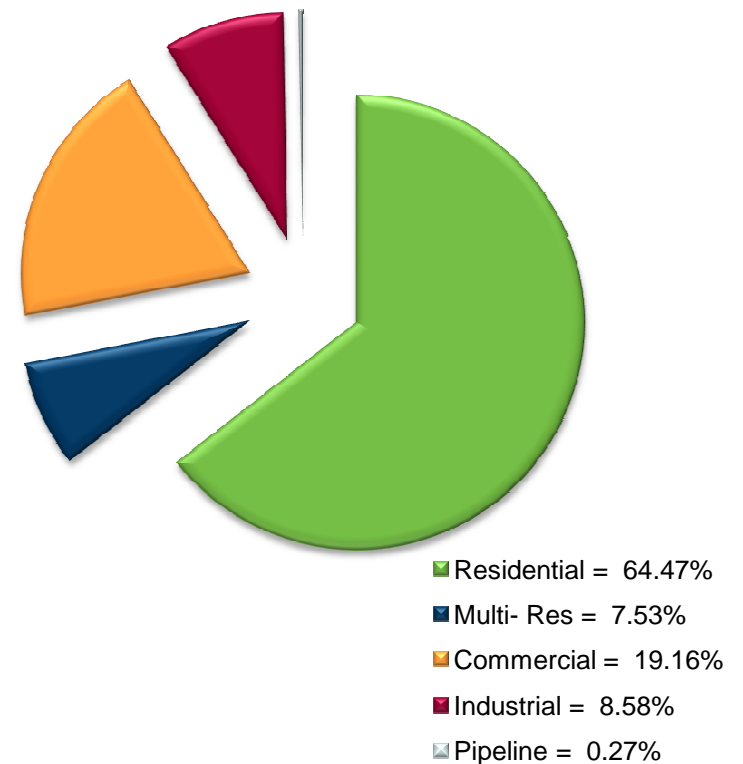
Municipality	Multi-Residential	Municipality	Residual Commercial	Municipality	Residual Industrial
Hamilton City*	2.74	Hamilton City*	1.98	Hamilton City*	3.12
Oxford County	2.74	Chatham-Kent	1.95	Oxford County	2.63
Elgin County	2.35	London City	1.95	Wellington County	2.40
Halton Region	2.26	Waterloo Region	1.95	Halton Region	2.36
Chatham-Kent	2.15	Oxford County	1.90	Guelph City	2.31
Guelph City	2.04	Guelph City	1.84	Elgin County	2.23
London City	1.95	Elgin County	1.64	Chatham-Kent	2.22
Waterloo Region	1.95	Halton Region	1.46	London City	1.95
Wellington County	1.89	Wellington County	1.46	Waterloo Region	1.95
Middlesex County	1.77	Middlesex County	1.14	Middlesex County	1.75
Median	2.10	Median	1.87	Median	2.27
Average	2.18	Average	1.73	Average	2.29

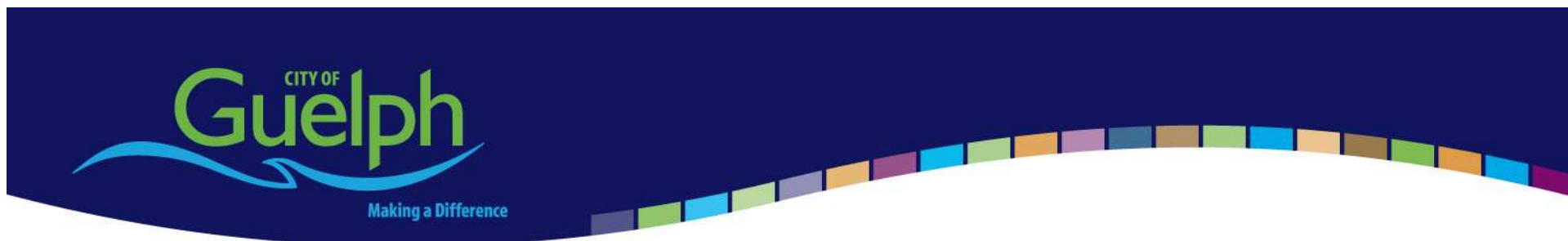
*Hamilton added due to proximity and economic relationship with Guelph and Highway 401 Corridor

2015 - Assessment Only if All Tax Ratios =1.00



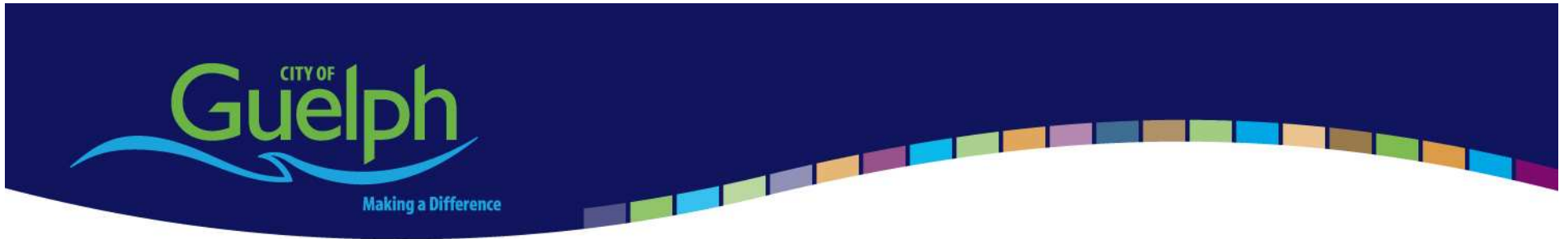
2015 - Weighted Assessment – Who Paid in 2015





Taxable Assessment Composition - 2014

Municipality	Res Unweighted Assessment	Res Weighted Assessment
Niagara Falls	70.70%	58.0%
Mississauga	71.60%	63.5%
Windsor	73.50%	57.1%
Cambridge	75.10%	61.5%
Kingston	75.60%	61.3%
Barrie	77.00%	71.5%
Oshawa	78.00%	66.4%
Waterloo	78.70%	66.2%
Kitchener	78.90%	66.5%
Guelph	79.10%	65.7%
London	80.50%	68.2%
Hamilton	80.50%	66.0%
Oakville	83.90%	76.3%
Whitby	84.20%	77.8%

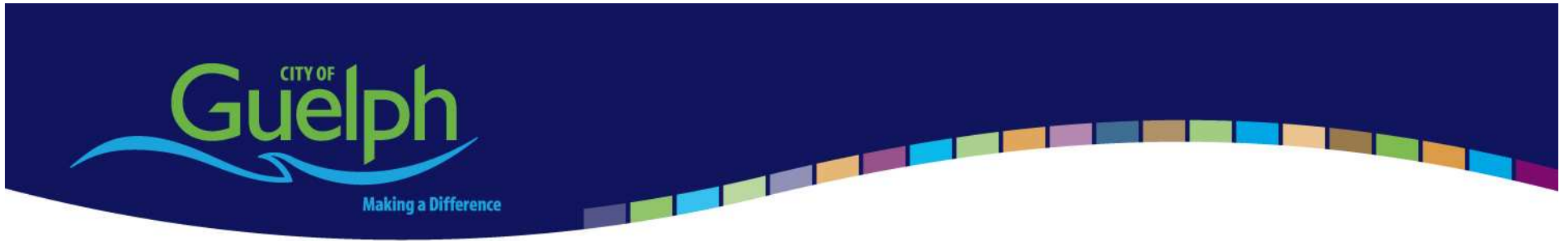


Points to Consider

- Diversify the Revenue Sources
 - Higher tax ratios and therefore higher tax rates result in a greater dependency for taxation revenue on large individual properties.
- Comparison across the province
 - City of Guelph's commercial, industrial and multi-residential ratios remain higher than the provincial average and some of our neighbouring Municipalities.

Tax Policy for 2016

- The City of Guelph has been working towards lowering the industrial and multi-residential ratios to better align with other comparable municipalities, with the recognition that reducing our tax ratios is imperative for the sustainability of the business sector in Guelph while mitigating the transitional impact on the residential class.
- For the 2016 tax policy, staff recommend to continue to lower tax ratios on multi-res and industrial tax classes as in the previous three years.



The End

STAFF REPORT



TO Corporate Services Committee

SERVICE AREA Corporate Services, Finance

DATE November 9, 2015

SUBJECT Review of Zero Based Budgeting and Other Options

REPORT NUMBER CS-2015-71

EXECUTIVE SUMMARY

PURPOSE OF REPORT

To provide Council with an overview of the application of zero based budgeting (ZBB), and to highlight other approaches to budgeting currently in use in the municipal sector.

KEY FINDINGS

- The popularity of Incremental Budgeting has declined in recent years because it does not provide a rational and strategic approach to cutting the budget or controlling annual budget increases.
- ZBB rationalizes budget cuts and can effectively re-allocate resources within a department, however, ZBB does not provide a structured method for addressing the community's or elected officials' views and long term priorities, and it is a very involved and time consuming process.
- Many municipalities are using selected components of ZBB only because they require a more manageable level of effort and paperwork from staff.
- The key to improving a budget process is having clear and focused community goals and a solid understanding of the relationship between inputs and performance.
- Full ZBB and other alternative budgeting methods require seed money to develop and implement effective information technology systems, staff capacity, and a willingness to dedicate significant time and resources to the budget process.
- Existing Financial Information Systems at the City of Guelph are legacy systems that do not have the capacity to provide all the information required to implement a ZBB program. The City's IT Strategic Plan is addressing this legacy system issue through a review of the Work Asset Management functionality and a possible reimplementation of JD Edwards that will allow the City to be better positioned to consider alternative budgeting strategies in the future.

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FINANCIAL IMPLICATIONS

There are no financial implications to this report.

ACTION REQUIRED

That Corporate Services Committee receive the report, that staff be directed in the interim to continue to implement zero line item based budgeting on selected line items in the budget, as feasible.

RECOMMENDATION

THAT CS-2015-71 Review of Zero Based Budgeting and Other Options Report be received;

THAT staff be directed to continue to implement zero line item based budgeting on selected line items in the budget, as feasible.

BACKGROUND

At the December 5, 2013 Council meeting the following motion was made:

“That the Chief Administrative Officer report back to the CAFE Committee with a review of the value of introducing additional zero-based budgeting processes.”

The City currently uses an incremental approach to calculating the annual budget. Each year, most line items are increased by an economic adjustment factor (e.g. 1%) to account for inflationary increases in expenditures. The current budget process does not require a review of each program or service to determine if it a) still meets community needs and priorities, b) is the appropriate level of service and c) is being offered as efficiently as possible. Instead, City departments try to meet corporate budget guidelines by trimming line items within their department, and the result is that service areas end up providing the same services, at the same levels, with less money. ZBB and other budget alternatives offer a more rational and strategic means of meeting budget targets.

Staff have researched best practices with respect to ZBB and performed an environmental scan to determine its applicability to the municipal sector. As a result of this scan, six other budgeting options have been identified and reviewed as possible alternative approaches to the current incremental budgeting process used by the City. The six alternatives are:

1. Zero Line Item Budgeting
2. Service Level Budgeting
3. Priority Budgeting (results based budgeting)
4. Program Review (also known as a Service Delivery Review or Service Rationalization)
5. Target Based Budgeting
6. Multi-year budgeting

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REPORT

There have been significant fiscal challenges facing local governments in recent years that have resulted in a growing interest in ZBB and other alternative budgeting processes. Many governments are seeking budgeting options that control annual increases and improve resource allocation decisions.

This report provides a detailed description of ZBB and summarizes the key highlights of alternative budget approaches that have been used by local governments to improve financial planning and budgeting decisions in times of financial constraint.

Table 1 Summarizes the Alternative Budgeting Models (to a zero based approach) and identifies which key budgeting questions each method is best for answering.

This report will evaluate each alternative.

Table 1

		Questions		
Type	Selected Users	What services should the City provide?	What level of service should be provided?	Are we providing services efficiently?
Incremental Budgeting	Most municipalities including the City of Guelph			
Zero Based Budgeting – Full Implementation	No one in Ontario	X	X	X
Zero Line Item Budgeting – Selected Line Items	City of Guelph (OT, consulting and training)			X
Service Level Budgeting	City of Windsor	X	X	
Priority-Driven Budgeting	No one in Ontario	X		
Program Review	Region of Peel City of Toronto City of London	X	X	X
Target Based Budgeting	City of Edmonton	X	X	
Multi-Year Budgeting	City of London 2015			X

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Zero Based Budgeting (ZBB)

The term ZBB is often used to refer to a budget that has a zero percent increase (when compared to the prior year).

In reality, *ZBB is a process and not a result*. It builds a budget from the ground up, starting at zero. It moves an organization away from the practice of “incremental budgeting” where the previous year’s budget is used as the starting point. Historical patterns of spending are no longer accepted as a given.

An organization is divided up into “decision units”. Decision units represent the lowest level at which budget decisions can be made. Each manager of a decision unit prepares an evaluation of all activities performed including alternative ways to deliver the service along with the spending plans necessary. This information is then used to create “decision-packages”. In most cases there are three decision packages for each decision unit (but there can be as many as ten or more). The most common category of decision packages are as follows:

- Base package – representing basic services at a minimum level and an estimate of the funding needed to remain viable.
- Current service package – what is needed to continue the level of service currently being provided.
- Enhanced package – providing information on what is needed to expand services beyond current levels.

In addition to a detailed estimate of the resource requirements (inputs), decision packages include performance measures to express the impact on service levels; therefore a strong understanding of the relationship between costs and performance is required.

Because numerous decision packages are being created, a frequent criticism of ZBB relates to the volume of documentation required. In addition, as the packages are created at the lowest level of the organization, there is greater involvement from line managers. Hence, there is significant debate as to whether the value derived from the analysis justifies the costs.

After the packages are created, they are ranked within each organizational unit the decision unit resides in. In the case of the City, this would be at a departmental level. Finally, each department’s rankings would be used to formulate a recommended budget submission.

The advantages of ZBB are that cuts can be made by evaluating different services based on their value to the organization; it also provides management with detailed information on the operations of each decision unit. (Note selected material courtesy of “Zero Based Budgeting and Local Government: White Paper”. Questica)

STAFF REPORT

The Government Finance Officers Association has produced research in this area and came to a number of conclusions:

- ZBB results in budget discussions that focus on more than just incremental changes in spending.
- It enables the identification of more optimal uses of available resources within a department's budget.
- Managers become more engaged in the budget process.
- It is better suited to smaller governments.
- There is a lot of paperwork for front line managers and senior leadership.
- ZBB has no means of ensuring managers provide honest decision packages.
- ZBB does not provide a structured method for taking account of the community's or elected officials' views, and long term strategic priorities.
- ZBB reallocates resources within a department, but it does not facilitate reallocations between service areas.

ZBB is not recommended at this juncture due to the time consuming nature of the approach, requiring significant staff processes and capacity as well as a review of the capability of our information technology systems to handle this change.

Some of the outcomes related to a revaluation of service levels associated with this approach could be realized through the Service Delivery Review/Service Rationalization implementation that was considered by Council on September 28, 2015 in Report CS-2015-74 entitled Service Rationalization Options. Through this review, current services and their value to the organization and the community would be evaluated.

It is prudent at this time to review other methods of creating a budget that have built on the advantages of ZBB.

Alternative Budget Process

1. Zero Line Item Budgeting

This approach to budgeting is also derived from ZBB and requires departments to build each budget line item from zero and justify each line item. Where possible, departments must identify cost drivers and service goals to give a central budgeting team a better sense of what the output received for the input will be.

Major conclusions about zero line item budgeting:

- Focused on providing services efficiently
- This process is not directly tied to strategic goals and objectives
- Best suited for small governments
- Increases transparency and improves variance reporting
- Unlike ZBB, zero line-item budgeting does not consider different service level options (decision options)

Case Study

The City of Guelph currently applies zero line item based budgeting for particular expenses (overtime, training, consulting) and has found that it improves the quality of information and enhances our understanding of how inputs relate to performance. Lines are “zeroed out” and managers are asked to rebuild the budget estimate and provide detailed justification for their request. It is recommended that this practice continue and where applicable, be expanded to include but not be limited to other discretionary line items such as office supplies, printing and corporate memberships.

The City of Guelph also uses zero line based budgeting for compensation costs in each budget as annually both the salaries and benefit budgets are built from zero based on actual staff complements, wage rates and current benefit costs.

2. Service Level Budgeting

This approach to budgeting is a derivative of ZBB and emphasizes the creation of decision packages, but with less emphasis on the estimate of inputs. Each package contains supporting documentation including: positions; estimated costs by major category of expenditure (salaries, capital, etc.); performance measures; and a narrative describing the impact of the package and changes to revenue, if any. Once completed the departments rank the packages top to bottom and management uses the information to create a recommended budget.

Major conclusions about service level budgeting:

- The decision packages result in service level choices
- A detailed and quantified understanding of service levels and the relationship between service levels and cost are required
- Translating service levels from what is currently offered can be a challenge
- It is paperwork intensive
- Efficiency is not directly addressed
- Unlike ZBB, it doesn’t have strong connections to an organization-wide strategy (bottom up rather than top down approach), but this approach can be tied to the strategic plan

Case Study

The City of Windsor used a modified version of this approach for three years. The City prepared “loosely derived scenarios that gave a fair understanding of the spending, without dedicating an extreme amount of time that would otherwise be required with ZBB”; however they did not find it useful in terms of determining what services the City should be in the business of providing.

3. Priority-Driven Budgeting (PDB)

Under this method, the organization must first determine how much revenue it will have available and the key corporate/community priorities for that year. All programs and services are then ranked according to how well they align with the corporate/community priorities and resources are allocated in accordance with the ranking.

Major conclusions about service level budgeting:

- Understanding community need and having a clear and focused set of priorities is critical to the success of PDB
- PDB provides a flexible and transparent approach to allocating funding between departments and programs to fund programs within the organization's means
- GFOA has recognized priority-focused budgeting as a public finance "best practice"
- A detailed and quantified understanding of service levels and the relationship between service levels and cost is required
- The philosophy is to do the important things well and cut back on the rest

Staff was unable to locate a municipality in Canada that has successfully implemented PDB.

4. Program Review (also known as a Service Delivery Review or Service Rationalization)

A program review is a method of examining, outside of the budget process, how a program is being provided. It is often used to identify alternative service delivery or efficiency opportunities.

Major conclusions about program review budgeting:

- Offers an in-depth look at community need, service levels and efficiency
- Because the review is done outside the budget process, there is no mechanism to integrate results to the annual budget
- Results in additional work for management

Case Study

Program Reviews are common among local governments. The Region of Peel, City of Toronto and the City of London have used Program Reviews to improve service delivery and manage annual budget increases. The City of Toronto successfully used program reviews to evaluate: the degree of discretion for each service (is it legislated? Is the level of service consistent with the legislation?); how efficiently is the service being delivered; and how are program costs recovered (user fees, grants, tax supported sources) that resulted in savings through outsourcing, consolidating similar services and divestment in programs.

STAFF REPORT

Please see Report CS-2015-74 entitled Service Rationalization Options for more information.

5. Target Based Budgeting (TBB)

In a TBB process, each decision unit (department) is given a target spending amount (e.g. 90% of last year's spending) and is asked to submit a budget for that amount. The total target for the organization is necessarily less than what is affordable because the difference between the target and what is affordable is used to fund additional activities through decision-packages.

Major conclusions about target based budgeting:

- Budget decisions are based on corporate priorities and service levels
- Like ZBB, departments prioritize their decision packages, but unlike ZBB, the prioritization is based on a set of organization-wide goals distributed by central management
- There is less work involved as fewer decision packages are produced and spending is not scrutinized
- Unlike ZBB, there is no emphasis on discovering and examining the minimum feasible funding

Case Study

City of Edmonton used TBB to find efficiencies and control the annual budget increase. Edmonton selected 80% as their target because their forecast showed that the City would have to make a 20% cut to balance their budget without increasing taxes. Each department was asked to develop four decision-packages of 5% net impact to the budget (either revenue enhancements or spending cuts), thereby equaling 20%. Departments prioritized their decision-packages and the City's central management then reviewed them and made the decision on which packages to accept. Ultimately, just under half of the packages were selected and new taxes were used to cover the rest.

6. Multi-year budget

A multi-year budget is the development and formal adoption of an expenditure and revenue document that spans two or more years.

Major conclusions about multi-year budgeting:

- There is alignment of longer-term goals and objectives with longer term funding plans
- Provides greater certainty to tax payers and residents about the future direction of the city and taxes
- Presents better links between capital and operating
- Improves program monitoring and evaluation
- Improves accountability and transparency over spending plan changes

STAFF REPORT

Case Study

The City of London will be implementing a multi-year budget in 2016 that will cover a span of four years (2016-2019). Council will approve a four year spending envelope in 2016, and only significant adjustments will be brought back for Council's consideration annually.

Conclusion

At this time, given the current legacy information systems in place, implementation of a new full scale budgeting option is not feasible.

As the City of Guelph continues to grow in size and complexity, financial and operational staff is being hindered in their ability to meet demands for increased transparency, data and analysis due to the fragmented nature of the systems in place. It is apparent that the City has outgrown its existing IT infrastructure and additional requests for information to support informed decision making are not being met.

Existing Financial Information Systems at the City of Guelph are legacy systems that do not have the capacity to provide all the information required to implement a ZBB program. The City's IT Strategic Plan is addressing this legacy system issue through a review of the Work Asset Management functionality and a possible reimplementing of JD Edwards that will allow the City to be better positioned to consider alternative budgeting strategies in the future.

In the interim staff will recommend continuation of the implementation of zero line item based budgeting on selected line items in the budget, as feasible.

CORPORATE STRATEGIC PLAN

Innovation in Local Government

2.2 Deliver public services better.

2.3 Ensure accountability, transparency and engagement.

DEPARTMENTAL CONSULTATION

The executive team have been consulted in the development of this report.

FINANCIAL IMPLICATIONS

There are no financial implications associated with this report.

COMMUNICATIONS

none

ATTACHMENTS

none

STAFF REPORT



Christel Gregson, Sr. Corporate Analyst Development Charges and Long Term Planning

Report Author

A handwritten signature in black ink that reads "Mark Amorosi".

Approved By

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CONSENT REPORT OF THE INFRASTRUCTURE, DEVELOPMENT & ENTERPRISE COMMITTEE

November 23, 2015

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

Your Infrastructure, Development & Enterprise Committee beg leave to present their TENTH CONSENT REPORT as recommended at its meeting of November 3, 2015.

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-2015.38 Frozen Water Pipe Policy

1. That Guelph City Council endorses the program components and customer service levels detailed in the Frozen Water Pipe Policy.
2. That Water Services develops a program to replace municipal water piping vulnerable to freezing as part of the Engineering Services Linear Asset Replacement program for consideration as part of the 2017 Non-Tax Supported Budget deliberations.
3. That Water Services develop a pilot program to encourage the replacement of privately owned piping that is vulnerable to freezing for consideration as part of the 2017 Non-Tax Supported Budget deliberations.

IDE-2015.39 2015 Building By-Law Update

1. That report 15-90 regarding the 2015 Building By-law Update, dated November 3, 2015 be received.
2. That a new Building By-law, shown as Attachment 1, being a by-law to repeal and replace By-laws (2012)-19356, as amended, and (1987)-12602, as amended, be enacted.

IDE-2015.40 Intersections Warranted for Traffic Signal Installation

1. That the report from Infrastructure , Development and Enterprise dated November 3, 2015, titled "Intersections Warranted for Traffic Signal Installation" be received.

Infrastructure, Development & Enterprise Committee Tenth Consent Report

2. That traffic signals be installed at the intersection of Victoria Road South at Clair Road East in 2016, funded through capital account TF0014 of the 2016 Capital Budget.

**IDE-2015.41 Municipal Council Support
Resolution (Blanket): Notice to Proceed
(NTP) for Projects Previously Supported
by Council Under Feed-In-Tariff Program
3.1 (FIT)**

WHEREAS the Province's FIT Program encourages the construction and operation of rooftop solar photovoltaic and ground mount solar photovoltaic projects (the "Projects");

AND WHEREAS certain projects approved under the Province's FIT Program 3.1 will be constructed and operated in the City of Guelph;

AND WHEREAS, pursuant to the FIT Rules, Version 3.1, successful applicants whose Projects have been approved require Municipal Council resolutions, referred to as "Notice to Proceed" in order to complete their contract obligations with the Independent Electricity System Operator

NOW THEREFORE BE IT RESOLVED:

1. That Report IDE-BDE-1511 from Infrastructure, Development and Enterprise, dated November 3, 2015 be received.
2. That Council of the City of Guelph supports without reservation the construction and operation of the Projects anywhere in the City of Guelph.
3. That Council direct the City Clerk to sign the attached "Municipal Council Support Resolution (Blanket) - Notice to Proceed" (Attachment #1).
4. That Council direct the Manager, Community Energy to provide a completed and signed "Municipal Council Support Resolution (Blanket) - Notice to Proceed" (Attachment #1) to applicants requesting same for the purposes of completing their contract obligations to the Independent Electricity System Operator's Feed-In-Tariff 3.1 Program.

Infrastructure, Development & Enterprise Committee Tenth Consent Report

5. That the Municipal Council Blanket Support Resolution remain in effect for one year from the date of adoption.

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 NOVEMBER 3, 2015 INFRASTRUCTURE,
DEVELOPMENT & ENTERPRISE COMMITTEE MEETING.***

STAFF REPORT

TO Infrastructure, Development and Enterprise Committee

SERVICE AREA Infrastructure, Development and Enterprise

DATE November 3, 2015

SUBJECT Frozen Water Pipe Policy

REPORT NUMBER

EXECUTIVE SUMMARY

PURPOSE OF REPORT

To present the staff recommended Frozen Water Pipe Policy for consideration by Council and share future actions being undertaken by staff.

KEY FINDINGS

With severe winter temperatures experienced through the winter of 2015, Water Services received a significant number of customer service requests to restore water servicing in response to frozen City and privately owned water piping. To support impacted customers, Water Services suspended non-core operational activities in February and convened an Emergency Operations Control Group (EOCG) to address emerging issues and steer response activities. With hundreds of customers reporting frozen pipes within days, the EOCG developed and implemented new customer support programs to provide affected customers with a restored or alternative source of potable water for personal consumption, food preparation, and sanitation.

Emergency response efforts continued until May 1, 2015. Overall incident response costs totalled approximately \$545,000 which included both budgeted and unbudgeted work. Additionally, requirements for customers to continually run water to prevent service freezing under the Freeze Prevention and Temporary Water Service Programs resulted in approximately \$80,000 in lost anticipated water and wastewater volumetric revenues.

In May 2015 incident response debrief sessions were conducted to identify opportunities for improvement and develop an action plan to decrease the impact of frozen service issues moving forward. As a key recommendation of the debrief action plan, staff developed a comprehensive Frozen Water Pipe Policy to define response actions, customer service levels, and resourcing to prevent and manage interruptions to the supply of municipal water caused by the temporary freezing of City-owned and customer-owned water distribution piping.

STAFF REPORT

The detailed Frozen Water Pipe Policy is provided (see Attachment 1) and is comprised of sub-programs to support Water Services customers impacted by frozen water services. Specific Programs defined through the Policy include:

- Freeze Prevention Program;
- Frozen Water Pipe Thawing Program;
- Temporary Water Service Program;
- Temporary Water Access Program, and;
- Special Assistance Program.

The following core service improvements are recommended:

- Introduction of Freeze Prevention Triggers to inform conditions under which properties with previous frozen service issues would be instructed to run water to prevent service freezing, thus reducing non-revenue water volumes and impacts to our finite groundwater resources;
- Transition of the Temporary Water Access Program to offer bulk water filling stations at designated City facilities;
- Ability to extend Temporary Water Services for all potable uses where water quality standards are met;
- Implementation of the Special Assistance Program to support the needs of vulnerable populations and critical customers, and;
- Introduction of formal customer billing practices for Freeze Prevention Program participants and other program cost recovery models.

FINANCIAL IMPLICATIONS

The total cost of Frozen Service Emergency Response equaled \$625,000 in 2015. To date \$200,000 of response costs have been funded through the Water Services emergency contingency reserve approved by City Council as part of the 2015 Non-Tax Operating Budget. To address remaining unbudgeted expenses staff have amended 2015 work programs to mitigate a year end negative operating variance. Should a remaining negative variance be realized at year end staff will seek Council approval to access the Water and Wastewater Rate Stabilization Reserve to offset the variance present, where applicable.

ACTION REQUIRED

That Council endorse the Frozen Water Pipe Policy and that staff be directed to develop programs to replace linear infrastructure and encourage the replacement of privately owned piping which are vulnerable to freezing for consideration as part of the 2017 Non-Tax Supported Budget deliberations.

RECOMMENDATION

1. That Guelph City Council endorses the program components and customer service levels detailed in the Frozen Water Pipe Policy.

STAFF REPORT

2. That Water Services develops a program to replace municipal water piping vulnerable to freezing as part of the Engineering Services Linear Asset Replacement program for consideration as part of the 2017 Non-Tax Supported Budget deliberations.
3. That Water Services develop a pilot program to encourage the replacement of privately owned piping that is vulnerable to freezing for consideration as part of the 2017 Non-Tax Supported Budget deliberations.

BACKGROUND

With severe winter temperatures experienced through the winter of 2015, Water Services received a significant number of customer service requests to restore water servicing in response to frozen City and privately owned water piping. These requests were received despite the City's efforts to prevent frozen piping through the Freeze Prevention Program implemented in November 2014. This successful program instructed customers affected by frozen piping in past years to run water to prevent the piping from freezing. During the record setting cold winter of 2015, 145 of 148 participating customers were able to prevent their pipes from freezing.

To support impacted customers, Water Services suspended non-core operational activities in February and convened an Emergency Operations Control Group (EOCG) to address emerging issues and steer response activities. With hundreds of customers reporting frozen pipes within days, the EOCG worked to develop and implement new customer support programs to provide affected customers with a restored or alternative source of potable water for personal consumption, food preparation, and sanitation. These new programs included the following:

- **Temporary Water Access Program**, which provided:
 - bottled water and vouchers for potable water purchase at local grocers for personal consumption and food preparation,
 - access to shower facilities at City recreation centres, and
 - access to retail laundry facilities;
- **Frozen Water Pipe Thawing Program** where, circumstances permitting, staff would attempt to thaw frozen City and customer owned piping with the use of hot water thawing machines; and
- **Temporary Water Service Program**, where food-grade hoses were connected to the plumbing of adjacent homes to provide frozen customers with an alternative, continuous supply of water (in some cases for up to two months).

With close to 400 Freeze Prevention and Temporary Line customers running water to prevent frozen pipes, and close to 50 watermain and service leaks driven by the severely cold weather, the City's water production volumes increased significantly, with the peak production day (59,737 cubic meters per day) occurring on March 12, 2015 (peak production normally is experienced in mid-summer).

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Managing a large number of watermain breaks and leaks as well as the programs described above created additional staffing challenges. The EOCG obtained support from other City departments including Emergency Services, Engineering Services, Public Works, Wastewater Services, Solid Waste Resources, Community Services, Service Guelph, By-law and Security Services, Legal Services, Purchasing, Corporate Communications, Human Resources, Building Services, and Finance. Where required, local contractors and temporary staffing agencies were also employed and priority support was also given to businesses reliant on municipal water supply. Both Wellington Dufferin Guelph Public Health (WDGHU) and Wellington County Social Services provided support as needed to vulnerable customers (elderly, infirm, pregnant women, those with infants) to address their unique needs, including access to alternative accommodations and personal care support in some circumstances.

Emergency response efforts continued until May 1, 2015. Overall incident response costs totalled approximately \$545,000 and included both budgeted and unbudgeted work. Additionally, requirements for customers to run water to prevent service freezing under the Freeze Prevention and Temporary Water Service Programs resulted in approximately \$80,000 in lost water and wastewater volumetric revenues. In response to these unplanned expenses, Water Services has reprioritized and delayed 2015 work plans and maintenance programs to mitigate in-year cost (approximately \$80,000 in reductions). With Council support in May 2015, staff also applied for Ontario Disaster Relief Assistance Program (ODRAP) funding. Unfortunately, the ODRAP application was denied by the Ontario Ministry of Municipal Affairs and Housing. During the 2015 budget closure process, staff will recommend that Council approve the use of the Rate Stabilization Reserve to offset this projected year-end variance.

In May 2015, incident response debrief sessions were conducted to identify opportunities for improvement and develop an action plan to decrease the impact of frozen service issues moving forward. To assist with action planning, staff conducted a survey of Council approved comparator communities to identify the scope, programs, and service levels provided for frozen services response.

As the main recommendation of the debrief action plan, staff began development of a comprehensive Frozen Water Pipe Policy aiming to define response actions, customer service levels, and resourcing to prevent and manage interruptions to the supply of municipal water caused by the temporary freezing of City-owned and customer-owned water distribution piping. This report presents the recommended Frozen Water Pipe Policy for Council approval and identifies future actions to address frozen service related issues moving forward.

STAFF REPORT

REPORT

The purpose of the Frozen Water Pipe Policy is to prevent and manage interruptions to the City's supply of water, caused by the temporary freezing of City and/or Customer Water Pipes, to ensure that Customers maintain reliable, continuous access to water.

Core Goals of the Policy include:

1. To implement proactive, first priority measures to prevent the freezing of Water Pipes.
2. To provide Customers who have frozen Water Pipes with timely access to continuous, reliable, safe, Potable water.
3. To recognize the special needs of Vulnerable Customers and implement processes to expedite resources required to restore their access to continuous, reliable, safe, and Potable water in frozen Water Pipe events.
4. To implement the elements of this Policy in an effective and efficient manner with available resources.
5. To improve the impact and value of this Policy through the engagement, beyond Water Services, of other City departments, public agencies, and third parties as part of response efforts.
6. To maintain compliance with utility regulations and health guidelines, while best managing the City's water resources during responses to frozen Water Pipe events.

The Frozen Water Pipe Policy is comprised of Programs that are implemented to achieve the above purpose and goals. Often the programs overlap and work in tandem.

Specific Programs include the following:

- a) **Freeze Prevention Program:** Requires customers to take specific actions to prevent the freezing of Water Pipes.
- b) **Frozen Water Pipe Thawing Program:** Water Services may, based on available technology, and where resources allow, attempt to thaw frozen Water Pipes which are readily accessible.
- c) **Temporary Water Service Program:** Includes the installation of temporary water service lines providing temporary water supplies to customers who are without water due to frozen Water Pipes.
- d) **Temporary Water Access Program:** Provides eligible customers with access, for domestic use, to temporary water supplies, other than by means of temporary water service.
- e) **Special Assistance Program:** May be available in special circumstances to vulnerable/critical customers.

The following sections of this Report highlight core changes to response actions undertaken in 2015 as presented through the Policy.

Freeze Prevention Program Triggers:

Through survey of comparator municipalities, the presence of environmental and others triggers were identified as an area of opportunity for continuous improvement of the City's preventative program elements. To date, the County of Wellington has adopted a trigger system which has been implemented with a good degree of success in protecting customers historically experiencing frozen service issues and severe weather-related elements of its water operations. This approach, adopted by Water Services through its policy, sees the monitoring and cumulative addition of experienced daily mean temperatures to a total of -400°C following the first frost of the fall season, as well as monitoring of treated water temperature to a threshold of 4°C at City water towers and other source monitoring locations. Should either of these thresholds be met, customers experiencing past issues would be instructed to start running water to prevent freezing, while other operational strategies would be enacted by the City such as increased cycling of water stored in water towers. This approach is anticipated to significantly reduce excess production volumes stemming from customers starting to run water as of a defined start date, and it maintains a level of prudence in forecasting the point of potential customer issues.

Through implementation of this new Policy component, staff plan to weigh these triggers against other field indicators such as frost level and will enact necessary freeze prevention activities should customer impacts be realized or other threats to servicing be anticipated prior to trigger thresholds being met.

Temporary Water Access Program:

Further to the resources offered through the Temporary Water Access Program (TWAP) in 2015, the scope of program resources has been expanded to offer formal filling stations for impacted customers seeking bulk water for non-potable purposes such as toilet flushing. Filling stations are to be established at City recreation centres and other feasible City facilities in order to ensure local access to bulk water various locations across the City. Furthermore, through changes in the administration of all sub-programs under TWAP, the allocation of resources will be transitioning to a customer request-based model. This administration approach best aligns with customer service experiences of the 2015 emergency response where customers sought access to some sub-programs but not others, and reduces program costs and administrative staff time investments of program delivery.

Temporary Line Installation Program:

As part of 2015 incident response, 257 temporary water services lines were installed to provide an alternate running water supply to impacted customers from neighbouring properties unaffected by frozen services. Due to the overall call for response and the need for expediency of temporary line installations, water provided via temporary lines was deemed to be non-potable and alternate resources for potable water were provided to affected customers for drinking and cooking needs. Through consultation with WDGPH, a procedure has been developed through which staged chlorine residuals and other distribution system samples will be taken during temporary line installations to provide delivery of potable water

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through temporary services lines where water quality standards are met. If water leaving the hose bib of a donor home is determined to be softened, or does not have an adequate chlorine residual, temporary servicing will be provided under notice that the water is non-potable. Under such circumstances, the customer would be registered under TWAP to receive alternate resources for access to potable water.

With residential households commonly having an untreated, hard water line to exterior hose bibs, it is anticipated that this new procedure will greatly aid impacted customers by allowing the water provided via temporary lines to be used for all potable and non-potable end uses in the home just as regular water service would be. Furthermore, with potable water servicing restored to properties under alternate servicing models, staff anticipate a significant decrease in administrative expenditures previously experienced for the supply of alternate sources of potable water.

Special Assistance Program:

In recognition of unanticipated circumstances which may be required to assist vulnerable and critical customers during future frozen service issue response, a Special Assistance Program has been defined through the Policy for the provision of further support services as required. Guided by the City's Procurement By-law, this program provides the opportunity to leverage additional support services in consultation with the City's Community Emergency Management Coordinator, WDGPH, and Wellington County Social Services.

Program Cost Recovery:

To date in 2014 and 2015, customers who have received temporary water servicing and/or who have been instructed to run water to prevent freezing have been required to pay only basic water and wastewater charges (these are the daily, flat-rate charges as opposed to the volumetric charges based on use). In the absence of active cost recovery for volumetric water use in 2015 it is estimated that \$80,000 in lost revenues was incurred through incident response. Staff acknowledges that excess water use from running water to prevent service freezing is an economical response tool and should not be focused on cost recovery policies. However, with properties under such directives still receiving potable, municipal water servicing for all water needs, the Policy recommends that water and wastewater volumetric billing based on average demands of the customer account for similar historic billing periods be introduced. This approach is consistent with the City's water and wastewater billing practices for temporary water servicing provided to customers during other water main or pipe construction projects. Furthermore, through the survey of Council-approved comparator municipalities, this proposed billing and collection procedure was found to be used by the majority of comparators (53.8 per cent of respondents), followed by billing water and wastewater volumes based on actual premise metered consumption at (23.1 per cent).

Further to the billing practices proposed above for customers instructed to run water, the policy does recognize the important role which donors of temporary

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water service lines play in restoring water servicing to neighbouring properties. In recognition of such benefit and service provided by these customers, the policy further recommends that a credit for all water and wastewater volumetric use be extended to service donor properties throughout the duration of service provided. This too is consistent with the practice of many comparator municipalities as found through the survey.

Next Steps:

Following the infrastructure-based recommendations of the incident debrief, Water Services has initiated consultation with Engineering Services regarding linear water infrastructure (mains and pipes) which may continue to be vulnerable during extreme weather conditions due to design and construction standards in place at the time of installation, and other field conditions which may influence infrastructure integrity. In follow-up to this consultation, an assessment of infrastructure vulnerability, which aims to prioritize and phase future infrastructure upgrades, is planned, with supporting financial needs to be brought forward for Council's consideration as part of the 2017 Non-Tax Supported Capital Budget. Furthermore, to ensure that new infrastructure construction provides appropriate safeguards to mitigate severe weather servicing impacts, Building Services and Engineering Services will be reviewing new construction site plan approvals and field inspection processes. Opportunities for the integration of further controls to ensure that the depths of new property services defined through construction drawings meet such standards in the field, as well as other standards for service insulation in the field where site environmental conditions merit, will be of specific focus through this review. Although issues experienced in newer developments were minimal by comparison to those in older building stock, outcomes of this review are seen to best safeguard all property owners and the City against future unknown severe winter conditions resulting from climate change.

Looking to future City infrastructure replacement in susceptible areas of the city, there exists a great opportunity for properties with private infrastructure issues that contribute to susceptibility of frozen services, such as external water pipes buried at shallow depths, to replace private pipes in tandem with future City capital works. In recognition of the potential property owner cost barrier for replacing private infrastructure, Water Services will investigate the feasibility of a program to encourage and assist property owners in replacing private infrastructure concurrently with public infrastructure. This approach has been very successful in encouraging the replacement of lead pipes where present in the city, and it is anticipated that if these works are aligned it would minimize cost to both the City and private landowners when looking to field excavation and other labour costs. Water Services will assess the feasibility of this program in more detail over the winter of 2015/2016 with further updates and formal recommendations brought forward for Council consideration in advance of the 2017 Water Services Non-Tax Supported Budget deliberations.

To address potential infrastructure challenges in the interim, Water Services will pilot field-based automated flushing devices in areas of the water distribution

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system which experienced freezing infrastructure and/or contained clusters of frozen water services with hopes of sustaining servicing during prolonged, extreme cold winter temperatures. This would help mitigate costly and complicated infrastructure repair and replacement work during challenging winter construction conditions. To minimize water loss, these devices will work on an as-needed basis with annual operation to begin as per the triggers defined as part of the Frozen Pipe Policy. Furthermore, to maximize value of device installations, Water Services will also be assessing opportunities to maximize water circulation in the distribution system in order to reduce the time treated water spends in the distribution system prior to delivery to customers. Water Services will also evaluate other operational strategies to increase water circulation within the distribution system with the goal of avoiding water temperature decreases that contribute to freezing conditions. These strategies will begin once Frozen Pipe Policy triggers are met and will focus primarily on decreasing water holding times in the City's water towers (where possible) where stored water is most influenced by surrounding temperatures.

CORPORATE STRATEGIC PLAN:

- 1.2 Develop collaborative work teams and apply whole systems thinking to deliver creative solutions.
- 2.2 Deliver public services better.
- 2.3 Ensure accountability, transparency and engagement.
- 3.1 Ensure a well-designed, safe, inclusive, appealing and sustainable City.

FINANCIAL IMPLICATIONS:

In 2015 total costs of frozen service emergency response equaled \$625,000. To date \$200,000 of response costs have been funded through the Water Services emergency contingency reserve approved by Council as part of the 2015 Non-Tax Operating Budget. To address remaining unbudgeted expenses, staff have amended 2015 work programs to help mitigate a year-end negative operating variance. Should a remaining negative variance be realized at year-end, staff will seek Council approval to access the Water and Wastewater Rate Stabilization Reserve to offset the variance present, where applicable.

Contents of the Report focus specifically to operational elements of the Frozen Water Pipe Policy. Further funding implications of ongoing capital and operating programs will be brought forward to City Council for consideration in advance of the 2017 Water Services Non-Tax Supported Budget deliberations.

DEPARTMENTAL CONSULTATION:

Consultation completed in support of the Frozen Water Pipe Policy included the following City departments:

Building Services
Corporate Communications
Engineering Services

Emergency Services
Finance Services
Legal Services

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Further to City departmental stakeholders, consultation was also completed with representatives of the Wellington, Dufferin, Guelph Public Health and Guelph/Eramosa Township.

COMMUNICATIONS:

Water Services and Corporate Communications are developing a plan to communicate frozen plumbing prevention and general emergency preparedness. Communications will be aimed at informing private property owners and tenants of common issues which put indoor plumbing at risk during extreme winter weather, proactive steps they can take to help prevent frozen pipes, and being prepared in the case that pipes freeze and water service is interrupted. Communications will begin in November 2015 with supporting information available at guelph.ca/frozenwater.

In alignment with the terms of the Frozen Water Pipe Policy, Water Services will be communicating with customers who have previously experienced frozen services by November 1, 2015 to communicate terms and customer requirements of preventative programming. Further communication to these customers, including the instruction to begin running water, will be initiated once triggers of the Frozen Water Pipe Policy are met.

ATTACHMENTS

ATT-1 Frozen Water Pipe Policy

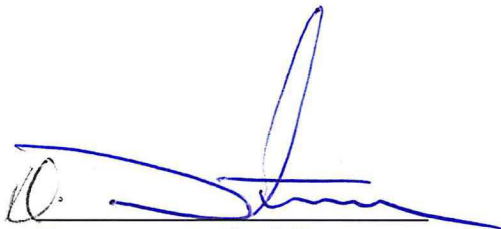
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CORPORATE POLICY AND PROCEDURE



POLICY	Frozen Water Pipe Policy
CATEGORY	IDE – Environmental Services, Water Services
APPROVED BY	Guelph City Council (pending)
EFFECTIVE DATE	November 2015
REVISION DATE	November 2018

POLICY PURPOSE AND GOALS

The overall purpose of this Frozen Water Pipe Policy is to prevent and manage interruptions to the City’s supply of water, caused by the temporary freezing of City and/or Customer Water Pipes, so that Customers maintain reliable, continuous access to water.

Core goals of this Policy include:

- 1) To implement proactive first priority measures to prevent the freezing of Water Pipes.
- 2) To provide Customers who have frozen Water Pipes with timely access to continuous, reliable, safe, Potable water.
- 3) To recognize the special needs of Vulnerable Customers and implement processes to expedite resources required to restore their access to continuous, reliable, safe, and Potable water in frozen Water Pipe events.
- 4) To implement the elements of this Policy in an effective and efficient manner with available resources.
- 5) To improve the impact and value of this Policy through the engagement, beyond Water Services, of other City departments, public agencies, and third parties as part of response efforts.
- 6) To maintain compliance with utility regulations and health guidelines, while best managing the City’s water resources during responses to frozen Water Pipe events.

POLICY DESCRIPTION

This Frozen Water Pipe Policy is comprised of programs that are implemented to achieve the above purpose and goals. Often the programs overlap and work in tandem.

The specific programs comprising this Policy include the following:

- 1) *Freeze Prevention Program*: a program that requires Customers to take specific actions to prevent the freezing of Water Pipes.
- 2) *Frozen Water Pipe Thawing Program*: a program whereby Water Services may, based on available technology, and where resources allow, attempt to thaw frozen Water Pipes which are readily accessible.
- 3) *Temporary Water Service Program*: a program that includes the installation of Temporary Water Service Lines providing temporary water supplies to Customers who are without water due to frozen Water Pipes.
- 4) *Temporary Water Access Program*: a program to provide eligible Customers with access, for domestic use, to temporary water supplies, other than by means of Temporary Water Service.
- 5) *Special Assistance Program*: a program that may be available in special circumstances to Vulnerable Customers and Critical Customers.

These programs are more fully described below.

DEFINITIONS

Critical Customer: any Customer requiring water for direct product inputs or core operational processes which may be affected if changes in quantity are experienced. Critical Customers include the following service areas:

- Food handling and processing facilities
- Arenas, stadiums and other large venues
- Colleges and universities
- Correctional facilities
- High volume industrial Customers
- Hotels
- Ice production facilities.

Customer: any person who has an active water and/or wastewater customer account, in good standing, with the City through Guelph Hydro Electric Systems Inc.

Non-potable: usable for non-consumptive uses (for example, water which can be used for toilet flushing, but not for drinking or cooking).

Potable: usable for all consumptive uses (for example, water which can be used for drinking or cooking).

Temporary Water Service: a temporary supply of water to a Customer who is without water due to frozen Water Pipes.

Temporary Water Service Donor: a Customer with an active water supply who provides a Temporary Water Service to a neighbour through a Temporary Water Service Line connected to the donating Customer's own Water Pipes.

Temporary Water Service Line: a Water Pipe used to provide a Temporary Water Service.

Vulnerable Customer: any Customer with a water-dependent medical condition or similar vulnerability; Vulnerable Customers include:

- Elderly residents
- Health care facilities such as hospitals, clinics, dialysis centres and other medical facilities
- Nursing homes
- Pregnant customers or those with infants
- Schools and day care centres
- Veterinary clinics.

Water Pipe: any pipe, main, plumbing, hose or appurtenance through which water from the City is provided to Customers.

Water Services: the City's Water Services Department, including all applicable directors, officers, employees and contractors.

RESPONSIBILITIES

Water Services will:

- Respond to Customer frozen Water Pipe issues in accordance with this Policy and provide timely service and communication to Customers.

Each applicable Customer will:

- Comply with this Policy.
- Ensure that the Customer's own Water Pipes meet the Building Code standards in place to prevent freezing.
- Take proactive actions to maintain the Customer's own Water Pipes to prevent freezing.

-
- Maintain adequate heat to the Customer's own Water Pipes to reduce the threat of internal freezing.
 - Pay all home-based energy costs incurred when the Customer applies heat to exposed Water Pipes on the Customer's property to cure or prevent Water Pipe freezing, whether instructed to do so by Water Services or voluntarily doing so.
 - Permit safe access to the Customer's property by Water Services if the Customer has requested assistance in addressing frozen Water Pipes.
 - Follow the provisions of this Policy and any instructions provided by Water Services.
 - Operate and maintain the Water Pipes on the Customer's property.
 - Contribute to the costs of these programs as set out in this Policy.

Each applicable Temporary Water Service Donor will:

- Allow Water Services safe entry to the Donor's property to install Temporary Water Services.

CUSTOMER SERVICE

In frozen Water Pipe events, Water Services will provide the following special customer service functions:

1. Customer Service Desk

- Water Services will maintain an open customer service desk accessible by telephone, email and walk-in on Monday to Friday between 8:00 am and 4:00 pm.
- In emergency situations, Water Services may offer extended customer service centre hours with hours of operation posted on the City's Frozen Water Pipe Policy webpage.

2. After Hours On-call Operator Support

- Customers impacted by frozen Water Pipes from 4:00 pm to 8:00 am may contact the Water Pipe On-call Operator at 1-888-630-9242.

3. Service Request Response Priorities

- Water Services will address Customer service requests on a "first come, first served" basis. Upon receipt of a service request regarding a frozen Water Pipe, Water Services will aim, wherever feasible, to initiate a response within twenty-four hours.
- Water Services may accelerate its response efforts to a service request from a Vulnerable Customer. Upon receipt of a service request from a Vulnerable

Customer regarding a frozen Water Pipe, Water Services will aim to initiate a response within twelve hours.

- Water Services will place recurring Customer service requests regarding frozen Water Pipes into the “first come, first served” queue for response.

4. Communications

- Water Services will provide specific updates and timely communications to Customers with frozen Water Pipes for the duration of the frozen Water Pipe event (for example, via e-mail or delivered hard copy letter).
- Water Services will provide general updates through appropriate media (for example, social media, City’s website, radio, and newspaper) as appropriate for the scale of the event and where capacity exists.

SPECIFIC PROGRAMS

1. Freeze Prevention Program

The Freeze Prevention Program requires Customers to take specific actions to prevent the freezing of Water Pipes.

In the late fall of each year, Water Services will provide advance communication to Customers regarding this program, including Customer obligations.

FREEZE PREVENTION PROGRAM TRIGGERS

Water Services will activate the Freeze Prevention Program under either of the following conditions:

- If the cumulative mean daily temperature reaches -400°C following the first confirmed fall frost event, or
- If the treated water temperature reaches 4°C, as measured at City water towers and distribution system temperature monitoring locations.

Once a Freeze Prevention Program trigger has been reached, Water Services will communicate with Customers, particularly those Customers whose properties have historically experienced interruptions in water supply as a result of frozen Water Pipes, requesting them to take the actions set out in this program.

Once a Freeze Prevention Program trigger has been reached, each applicable Customer will:

- i. Ensure that the Customer has plumbing and drains that will accommodate continuous, unattended running of water.

-
- ii. Begin running water at the Customer's property when instructed by Water Services in order to prevent Water Pipe freezing, as well as take meter readings and/or provide other information as requested to support administration of the Freeze Prevention Program.
 - iii. Notify Water Services at the earliest opportunity when an interruption in water supply occurs at the Customer's property.

2. Frozen Water Pipe Thawing Program

Under the Frozen Water Pipe Thawing Program, Water Services may, based on available technology, and where resources allow, attempt to thaw frozen Water Pipes which are readily accessible.

Water Services:

- i. Will receive each Customer request for thawing and assess whether thawing is feasible in the particular circumstances, and if so, provide the thawing service.
- ii. If conditions do not continue to support the safe use of existing thawing technology or if thawing stops being technically feasible, cease the thawing activities.
- iii. If notified by a Customer that the Customer has had a third party undertake thawing before Water Services was able to do so, may close the Customer's pending service request and/or determine what (if any) further field actions should be undertaken to address frozen Water Pipe issues at the Customer's property.

Each applicable Customer with frozen Water Pipes:

- i. Will ensure that the Customer's property is safe and accessible for Water Services to carry-out the thawing activity.
- ii. May, in accordance with the Program Costs set out in this Policy, initiate third party thawing of Water Pipes.
- iii. Will notify Water Services of any third party thawing of Water Pipes.

3. Temporary Water Service Program

The Temporary Water Service Program includes the installation of Temporary Water Service Lines providing temporary water supplies to Customers who are without water due to frozen Water Pipes.

Water Services will consider field conditions and technical constraints and may decide not to install a Temporary Water Service if field conditions or technical feasibility are unsatisfactory.

Out of concern for public health, Water Services does not condone or endorse the private installation of temporary water supplies. Any Customer who installs or operates a private temporary water supply does so at that Customer's own sole risk and expense.

Water Services will:

- i. If field conditions are appropriate and the installation is technically feasible, install a Temporary Water Service Line for a Customer with frozen Water Pipes, and provide the following at no cost to the Customer or the Temporary Water Service Donor:
 - o Materials, labour, Temporary Water Service Line installation, chlorine residual measurement, water quality sampling and meter readings;
 - o A Temporary Water Service Program information package; and
 - o If the Customer with the frozen Water Pipes receives a Temporary Water Service Line supplying Non-potable water, information regarding the Temporary Water Access Program.
- ii. Provide and install a hose bib backflow prevention device in any instance where a backflow prevention device was removed by the City to accommodate a Temporary Water Service Line installation.
- iii. At the end of the frozen Water Pipe event, remove the Temporary Water Service Line and take water meter readings.

Customers receiving the Temporary Water Service will:

- i. Provide written authorization to Water Services to install a Temporary Water Service Line.
- ii. Identify and obtain approval from the Temporary Water Service Donor and the owners and/or occupants of all other properties (if any) impacted by the installation or routing of the Temporary Water Service Line and provide this information to Water Services in a timely fashion.
- iii. Prepare for Water Services' installation of a Temporary Water Service Line by:

-
- Providing clear walkways and clear access to exterior unfrozen and undamaged hose bibs for the installation;
 - Turning off the internal water supply; and
 - Coordinating necessary plumbing modifications to support water servicing through a Temporary Water Service Line, including, but not limited to, removal of backflow prevention devices at outdoor hose bibs.
- iv. Run water continuously to prevent freezing of the Temporary Water Service Line as instructed by Water Services.
- v. Retain or de-install the Temporary Water Service Line as instructed by Water Services.

Temporary Water Service Donors providing water to a Customer will:

- i. Provide written authorization to Water Services to install a Temporary Water Service Line.
- ii. Prepare for Water Services' installation of a Temporary Water Service Line by:
 - Providing clear walkways and clear access to exterior unfrozen and undamaged hose bibs for the installation;
 - Turning on the internal water supply to external hose bibs upon instruction by Water Services; and
 - Coordinating necessary plumbing modifications to support water servicing through a Temporary Water Service Line, where appropriate.
- iii. Continue to maintain active supply of water to the Temporary Water Service Line as instructed by Water Services to prevent freezing.

4. Temporary Water Access Program

The Temporary Water Access Program provides eligible Customers with access, for domestic use, to temporary water supplies other than by means of Temporary Water Service.

To be eligible for this program, the Customer must have:

- A water servicing issue that cannot be verified by Water Services as limited to the Customer's own Water Pipes,
- A frozen Water Pipe, and
- No Temporary Water Service supplying Potable water.

Water Services will:

- i. After initial notification by a Customer of a frozen Water Pipe, and if the Customer is eligible under this program, register the Customer under this program.
- ii. Provide each eligible Customer with an overview package that outlines resources available under this program and includes the first water voucher and instructions on how to access resources (for example, future water vouchers, shower facilities, filling stations and laundry). Water Services will provide the overview package by e-mail for each Customer with e-mail access, and make it available for pick-up at Water Services by each Customer without e-mail access.

Each eligible Customer will:

- i. Notify Water Services at the earliest opportunity when an interruption in water supply occurs at the Customer's property.
- ii. Provide notice to Water Services within 48 hours after normal water supply has been restored to the Customer's property. Upon such notice, Water Services will terminate that Customer's access to the resources under this program.

Various resources are available to Customers eligible for this program. Instructions on how, when and where to access these resources are included in the overview package. The resources include:

Fill stations (for Non-potable water only) –available at designated facilities during designated time periods.

Grocery Store Vouchers for Potable water purchase – provided by e-mail or in-person.

- Water Services will provide only the initial water voucher with the overview package, and will provide subsequent vouchers only upon Customer request.
- The conditions of voucher distribution are as follows:
 - They can only be used for the purchase of Potable water,
 - They can be provided on a weekly basis, upon Customer request,
 - They cannot be issued retroactively,
 - They will not surpass a weekly maximum value of \$50 per household, and
 - They will expire on the next April 30th.

Laundry Facilities for household washing

-
- Upon Customer request, Water Services will provide access to laundry facilities for household washing.
 - Laundry services will be limited to six (6) laundry loads per week per household.

Shower Facilities – will be available at Customer request at the City’s community centres.

- Water Services will sponsor showering facilities only to a maximum of one (1) shower per person per day.

Water Services will:

- i. Make the resources available to eligible Customers only as set out above and in the overview package.

Each applicable Customer will:

- i. Obtain and transport suitable, personal use water containers for filling at City Fill Stations.
- ii. Obtain the Customer’s own transportation to and from all locations where the resources under this program are available.

5. Special Assistance Program

The Plant Manager of Water Services may, in special circumstances, approve the use of additional resources, beyond those available in the foregoing programs, for Vulnerable Customers and Critical Customers. Any such special assistance will be consistent with provisions of the City’s Procurement By-law and in consultation with the City’s Community Emergency Management Coordinator, the Wellington Dufferin Guelph Public Health Unit, and Wellington County Social Services.

PROGRAM COSTS

Customers who participate in the frozen Water Pipe programs will share in the costs as set out below.

If a Customer is not eligible under any program under this Policy, yet submits service requests for assistance with frozen Water Pipes on the Customer’s property or for access to the resources of any program under this Policy, then Water Services will seek full cost recovery from such Customer.

If a Customer has chosen not to participate in the programs under this Policy or to follow the direction of Water Services, Water Services will bill to that Customer any

recurring service request calls, at call-out rates set out in the City's Water and Wastewater Rate By-law.

The costs of Water Services are based on actual labour costs, payroll burden costs, overhead and administration costs, vehicle, equipment, materials and all property restoration costs.

1. Freeze Prevention Program

A Customer instructed by Water Services to run water is responsible for the payment of water and wastewater basic charges and the payment of volumetric charges, as defined in the City's Water and Wastewater Rate By-law, but based on the Customer's average historical account consumption for similar annual periods.

A Customer who runs water to prevent freezing, without the direct instruction of Water Services, will be responsible for the full payment of water and wastewater basic charges and volumetric charges, as defined in the City's Water and Wastewater Rate By-law.

2. Frozen Water Pipe Thawing Program

If Water Services thaws a frozen Customer Water Pipe that had been supplied with water by a City Water Pipe that froze, then Water Services will pay the costs of the thawing. If Water Services thaws a frozen Customer Water Pipe that had been supplied with water by a City Water Pipe that did not freeze, then the Customer will pay the costs of the thawing.

If a Customer wishes a more immediate thawing of only the Customer's Water Pipes, than Water Services can provide, then the Customer may retain a third party to thaw the Customer's Water Pipes at the Customer's own cost.

If a Customer wishes a more immediate thawing of both the Customer's Water Pipes and the City's Water Pipes supplying them, than Water Services can provide, then the Customer may retain a third party to thaw the Customer's Water Pipes and the City's Water Pipes, with the costs shared equally between Water Services and the Customer, as long as:

- The Customer provides, in advance, the particulars of the proposed thawing;
- Water Services approves the particulars of the proposed thawing;
- The Customer proceeds with the thawing as proposed; and
- The Customer reports the outcome of the thawing to Water Services.

3. Temporary Water Service Program

Each Temporary Water Service Donor is responsible for the payment of water and wastewater basic charges and the payment of volumetric charges, as defined in the City's Water and Wastewater Rate By-law, but based on the Donor's average historical account consumption for similar annual periods. In remuneration for extending water servicing to a neighbour, the Temporary Water Service Donor will receive a full volumetric credit for all water and wastewater used during the service period. This credit will be applied to the Donor's water and wastewater Customer accounts by May 30th of the year in which the frozen Water Pipe event ends.

4. Temporary Water Access Program

Use of the resources under the Temporary Water Access Program is, as long as such use is within the limitations set out in this Policy, free to qualifying Customers.

WATER SERVICES FROZEN WATER PIPE POLICY

Infrastructure, Development and Enterprise
Committee
November 3, 2015



BACKGROUND

- First reports of frozen services began February 13, 2015 and quickly escalated.
- Due to the volume of service requests Water Services initiated an EOCG on February 27th.
- EOCG worked to promptly develop and implement new customer support programs with core focus of providing affected customers with restored or alternative sources of potable water.



BACKGROUND

- In total 376 properties were impacted by frozen services through the incident.
- City distribution crews also responded to 49 main breaks as extreme conditions persisted.
- Emergency response efforts continued until May 1, 2015 with overall incident response costs totalling \$545k as well as \$80k in lost revenues due to freeze prevention activities.



BACKGROUND

- In May 2015 Water Services initiated formal incident response debrief with action plan formed to decrease future impact of frozen service issues.
- Core recommendation: development of Frozen Water Pipe Policy to define response actions, customer service levels, and resourcing to prevent and manage service interruptions to customer and City-owned water distribution piping.



POLICY GOALS

Core goals of the Frozen Water Pipe Policy Include:

1. To implement proactive first priority measures to prevent service freezing.
2. To provide impacted customers with timely access to continuous, reliable, safe, Potable water.
3. To recognize the special needs of Vulnerable Customers and expedite response where possible.
4. To implement the Policy in an effective and efficient manner with available resources.
5. To improve response impact through the engagement, of other City departments, public agencies, and third parties.
6. To maintain regulatory compliance, public health guidelines, and best managing the City's water resources.



POLICY PROGRAMS

The Frozen Water Pipe Policy is comprised of specific programs implemented to achieve the policy purpose and goals. Specific programs including the:

- Freeze Prevention Program
- Frozen Water Pipe Thawing Program
- Temporary Water Service Program
- Temporary Water Access Program
- Special Assistance Program.



PROGRAM ENHANCEMENTS

Based on 2015 incident debrief a number of program improvements have brought forward through the policy, including the following:

- Expanding customer # under Freeze Prevention Program
- Introduction of environmental triggers to inform freeze prevention program and operational actions
- Extension of Temporary Water Access Program resources to include Bulk Water Filling Stations
- The ability to extend water for all potable uses through the Temporary Line Installation Program provided water quality standards are met.



PROGRAM COST RECOVERY

- To date customers running water have paid daily basic charges only.
- Policy recommends that billing practices be extended to include volumetric charges based on historic customer consumption for similar periods.
- Approach reinforces the value of the service, is consistent with other industry practice and supports the council approved user pay basis focus of the City's Water and Wastewater utilities



PROGRAM COST RECOVERY

- With important role which donors of temporary water service lines play in restoring water servicing to neighbouring properties, policy recommends that a credit for all water and wastewater volumetric use be extended to service donor properties
- Policy also defines opportunities for cost sharing with property owners for mutually beneficial thawing activities and formalizes billable rates where City assistance is requested to address private property based issues.



NEXT STEPS

- Vulnerability assessment of public servicing infrastructure
- Evaluation of City design standards to mitigate extreme cold weather impacts of Climate Change
- Feasibility assessment of program to encourage and assist property owners to replace substandard private infrastructure concurrently with public infrastructure upgrades



NEXT STEPS

- Implementation of Water system operational improvements and strategies:
 - Distribution bleeder trails in areas of past issue
 - Increased cycling of City water towers to manage distribution water temperature
- Implementation of Frozen Services Emergency Preparedness Public Engagement Campaign



THANK YOU

QUESTIONS/COMMENTS?

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STAFF REPORT



TO Infrastructure, Development and Enterprise Services Committee

SERVICE AREA Infrastructure, Development and Enterprise Services

DATE November 3, 2015

SUBJECT 2015 Building By-law update

REPORT NUMBER 15-90

EXECUTIVE SUMMARY

PURPOSE OF REPORT

To create an updated Building By-law, to repeal Building By-law number (2012)-19356, as amended, and to repeal Plumbing By-law number (1987)-12602, as amended.

KEY FINDINGS

The updated Building By-law includes the addition of occupancy permits, additional and increased administration fees, the requirement to submit surveys upon the completion of new buildings, a new sewage system maintenance inspection program, and additional permit drawing submission requirements.

FINANCIAL IMPLICATIONS

The implementation of new administration fees and increases to existing administration fees will compensate the City for additional work that staff perform.

ACTION REQUIRED

Infrastructure, Development and Enterprise Services Committee to approve the recommended updated Building By-law and to repeal the existing Building By-law and Plumbing By-law.

RECOMMENDATION

1. That report 15-90 regarding the 2015 Building By-law update, dated November 3, 2015 be received.
2. That a new Building By-law, shown as Attachment 1, being a by-law to repeal and replace by-laws (2012)-19356, as amended and (1987)-12602 as amended, be enacted.

STAFF REPORT

BACKGROUND

Under the Building Code Act, 1992, the council of a municipality may pass a Building By-law for the enforcement of the act. The Building By-law prescribes classes of permits, fees, inspections and the appointment of inspectors. The Building By-law needs to be periodically updated to include changes to current practices, to reflect existing practices currently in place and to include regulatory changes.

Proposed changes to the Building By-law include the addition of occupancy permits, additional and increased administration fees, the requirement to submit surveys upon the completion of new buildings, a new sewage system maintenance inspection program, additional permit drawing submission requirements and editorial changes.

In addition to creating an updated Building By-law, an outdated plumbing by-law is also being repealed, which is no longer relevant.

REPORT

Plumbing By-law (1987)-12602:

The requirements of the Plumbing Code were added to the Building Code in 1993. Previous to this, the Plumbing Code was a stand-alone document.

All aspects of plumbing on private property are now regulated by the Building Code. Other requirements in this Plumbing By-law are now captured by subdivision agreements, development agreements, development standards and the Wastewater By-law. The requirement to licence plumbers and drainlayers was added to the Business Licence By-law, but were subsequently removed.

After consultation with Legal Services and Engineering Services, it was agreed that this Plumbing By-law can be repealed since it is now deemed redundant.

Building By-law (2012)-19356:

Numerous amendments to this Building By-law have resulted in various items being relocated, and subsequently renumbered. With the addition of the recommended new items to the Building By-law, further renumbering would be required.

Due to the numerous additions and amendments to the current Building By-law, this by-law should be repealed in favour of an updated Building By-law in order to establish a new numbering system.

Building By-law (2015)-XXXXX: (Attachment 1)

A number of editorial changes are proposed for the updated Building By-law which do not impact the intent of the by-law, but rather provide greater clarity. The following paragraphs provide background and rationale for the substantive changes being recommended to the Building By-law.

STAFF REPORT

Section 3.5 - Occupancy Permit

Changes to the Building Code in 2012 require occupancy permits to be issued for low-rise residential dwelling units even if the provisions were not contained in a building by-law.

The addition of this section will allow the City to require occupancy permits for all other building types in order to ensure the health and safety requirements are met for building occupants.

Section 6.3 - Administration Fee: Occupancy without a Permit

The Building By-law was amended in 2012 to allow the City to collect an administration fee when low-rise residential dwellings were occupied prior to an occupancy permit being issued. This revised section will allow the City to collect an administration fee for all other building types where occupancy has occurred without the requisite permit being issued.

The administration fee is to compensate the City for the additional work incurred due to the unauthorized occupancy of a building. It is proposed to increase this fee from \$300 to \$500 for all building types. Staff intend to implement the increased administration fee in the first quarter of 2016. Appropriate advance notice will be provided to customers affected by the increased fee.

Section 6.4 - Administration Fee: Additional Occupancy Inspections

Construction projects are often incomplete at the time of the first occupancy inspection. The City is being requested to conduct additional occupancy inspections for varying parts of the building which results in significant additional work compared to a building that is granted occupancy on a single inspection.

The administration fee is to compensate the City for the work incurred by these additional inspections. It is proposed to create a \$300 fee for each additional occupancy inspection requested. Staff intend to implement the new administration fee in the first quarter of 2016. Appropriate advance notice will be provided to customers affected by the new fee.

Section 8.3 - Submission of Surveys

Permit applications for new buildings are required to be accompanied by a drawing of the proposed building location prior to construction, however a survey of the as-constructed building location is not currently required to be submitted.

After the original construction is complete, subsequent construction often takes place. For example, home owners building a deck or shed, or installing a swimming pool. In order to review these building permit applications, a site plan is required to be submitted to verify compliance with certain applicable laws, such as the Zoning By-law. A building location survey illustrates the actual boundaries of a given lot, as well as any buildings or structures located on the lot. A survey is a more accurate

document and will assist staff in ensuring any subsequent construction meets by-law requirements.

Upon consultation with the Guelph and District Home Builders Association, it appears as though surveys are completed for the vast majority of new buildings. Therefore the requirement to submit a survey for new buildings should come at no additional cost to the City's customers. The process of submitting a survey to Building Services is similar to the submission of foundation certificates as required by Subsection 8.2 of the Building By-law, and quite possibly could be done in tandem. Staff intend to commence with survey submission requirements in the first quarter of 2016.

Section 10.1 - Sewage System Maintenance Inspection Program: Mandatory

Changes to the Building Code Act require properties that contain a private sewage system to undergo a maintenance inspection when these properties are located in the highest vulnerable areas within a source protection area. These inspections are considered mandatory and there is no discretion permitted by the municipality.

These vulnerable areas have been identified in the City's source water protection plan. Staff are working to identify the number of properties with private sewage systems in these areas. Staff estimate that approximately 50 properties may be affected, however further research is required. The Building Code requires these properties to have the initial maintenance inspections completed by September of 2017 and will require follow-up inspections every 5 years thereafter.

Building Services will implement this program in 2016. The proposed wording in the by-law will allow the City to accept an inspection certificate by a qualified person in lieu of having City staff conduct these inspections.

Section 10.2 - Sewage System Maintenance Inspection Program: Discretionary

Changes to the Building Code Act allow the City to require properties containing a private sewage system to undergo a maintenance inspection. These inspections are not required to be completed unless the municipality decides to establish a discretionary inspection program.

City staff believe that all private sewage systems within the City should undergo a maintenance inspection. This will ensure these systems are functioning properly and are not contaminating private wells, surface water, ground water or adjacent properties. Malfunctioning sewage systems are deemed to be an unsafe condition in the Building Code Act and this program will enable the City to ensure any unsafe conditions are rectified.

STAFF REPORT



Staff are working to identify the number of properties with private sewage systems that would be affected by a discretionary program. Staff estimate that approximately 200 properties may be affected, however further research is required.

Building Services would implement this program in 2017 after the mandatory inspections are completed. There is no deadline established in the Building Code for these inspections to be completed. It is the intent of staff to have them complete by the end of 2018 with follow up inspections done every 5 years thereafter. The proposed wording in the by-law will allow the City to accept an inspection certificate by a qualified person in lieu of having City staff conduct these inspections.

Schedule "B" – 1. Plans and Working Drawings

Roof Truss Layout Plan

Obtaining roof truss layouts at time of permit application submission will allow staff to identify framing deficiencies before the building is constructed. This will save both the customer and staff time. Past practice has required the submission of the roof truss layout on site at time of framing inspection.

All building permit application submissions shall be accompanied by a roof truss layout plan. This is consistent with practices in adjacent municipalities.

Air Barrier Details

Enhanced air barrier requirements were introduced into the Building Code in 2012. In addition to these requirements, the air barrier system was added to the list of mandatory inspections to be carried out. All buildings now require a separate inspection of all required air barrier systems.

In order to ensure that the complete air barrier system has been designed in accordance with the Building Code, separate air barrier drawings and/or details are required to be submitted. The requirement to include air barrier drawings with permit application submissions commenced in 2012.

Soil Gas Control Details

Building Services launched a Radon Gas Mitigation Program on September 1, 2015. This program was the result of recent cross-country surveys carried out by Health Canada. The result of the surveys indicated that 18% of the randomly tested buildings in Guelph exceed the national guideline for radon exposure.

Most building permit applications submitted after August 31, 2015 are required to include certain measures to address the potential for elevated levels of radon gas in the building. The design of specific radon mitigation elements shall be indicated on the building permit application drawings.

STAFF REPORT

CORPORATE STRATEGIC PLAN

- 1.3 Build robust systems, structures and frameworks aligned to strategy.
- 3.1 Ensure a well-designed, safe, inclusive, appealing and sustainable City.

DEPARTMENTAL CONSULTATION

City Clerk's Office
Legal, Realty & Risk Services
Engineering and Capital Infrastructure Services

FINANCIAL IMPLICATIONS

The implementation of new administration fees and increases to existing administration fees will compensate the City for additional work that staff perform.

COMMUNICATIONS

Information notices will be sent to relevant industry stakeholders which will allow sufficient time to adapt to the changes included in the updated Building By-law. Existing practices which are currently in place do not need to be communicated to stakeholders.

ATTACHMENTS

Attachment 1 – Building By-law (2015) - XXXXX

Report Author

Rob Reynen
Acting Chief Building Official
Building Services

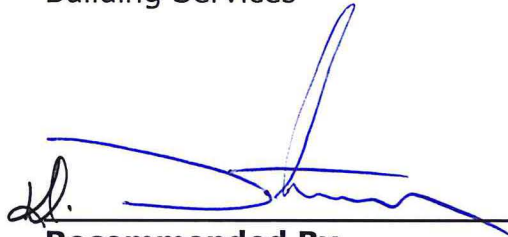


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THE CORPORATION OF THE CITY OF GUELPH

By-law Number (2015) – XXXXX

A by-law respecting Building, Demolition, Conditional, Change of Use and Occupancy Permits, Payment of Fees, Inspections, Appointment of Inspectors and a Code of Conduct which repeals By-law number (2012) – 19356, as amended and By-law number (1987) – 12602, as amended.

WHEREAS Subsection 7.(1) of the *Building Code Act*, S.O. 1992, Chapter 23, as amended, authorizes Council to pass certain by-laws respecting Building, Demolition and Change of Use Permits and Inspections;

AND WHEREAS Subsection 3.(2) of the *Building Code Act*, S.O. 1992, Chapter 23, as amended, requires Council to appoint a Chief Building Official and Inspectors for the enforcement of the *Building Code Act*;

AND WHEREAS Subsection 7.1(1) of the *Building Code Act*, S.O. 1992, Chapter 23, as amended, requires Council to establish and enforce a Code of Conduct for the Chief Building Official and Inspectors;

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

1. **Short Title**

This By-law may be cited as the "Building By-law".

2. **Definitions**

In this By-law,

"Act" means the *Building Code Act*, S.O. 1992, Chapter 23, as amended.

"Applicant" means the Owner of a property or Building who applies for a Permit or any person authorized by the Owner to apply for a Permit on the Owner's behalf, as defined in Division C, Article 1.3.1.2. of the Building Code.

"Architect" means an Architect as defined in Division A, Article 1.4.1.2. of the Building Code.

"As Constructed Plans" means As Constructed Plans as defined in Division A, Article 1.4.1.2. of the Building Code.

"Building" means a Building as defined in Subsection 1.(1) of the Act.

"Building Code" means the regulations made under Subsection 34.(1) of the Act.

"Change of Use" means a Change of Use as referenced in Subsection 10.(1) of the Act.

"Chief Building Official" means the Chief Building Official or his or her designate, appointed by a by-law of the City for the purposes of enforcement of the Act.

"Construct" means Construct as defined in Subsection 1.(1) of the Act and Construction shall have the same meaning.

"City" means the Corporation of the City of Guelph.

"Demolish" means Demolish as defined in Subsection 1.(1) of the Act and Demolition shall have the same meaning.

"Designated Structure" means structures designated for the purposes of clause (d) of the definition of Building in Subsection 1.(1) of the Act.

"Farm Building" means a Farm Building as defined in Division A, Article 1.4.1.2. of the Building Code.

"Inspector" means an Inspector appointed by this by-law, as described in Schedule "C", for the purposes of enforcement of the Act.

"Owner" means an Owner as referenced in Division C, Sentence 1.3.1.2.(3) of the Building Code.

"Permit" means written permission from the Chief Building Official to perform work regulated by this by-law and the Act, or to change the use of a Building, or part of it, as regulated by the Act.

"Plumbing" means Plumbing as defined in Subsection 1.(1) of the Act.

"Professional Engineer" means a Professional Engineer as defined in Division A, Article 1.4.1.2. of the Building Code.

"Sewage System" means a Sewage System as defined in Division A, Article 1.4.1.2. of the Building Code.

Any word or term not defined in this by-law, which is defined in the Act or Building Code, shall have the meaning ascribed to it in the Act or the Building Code. Any word or term not defined in this by-law, the Act or the Building Code, shall have the meaning commonly assigned to it in the context in which it is used.

3. **Classes of Permits**

Classes of Permits with respect to the Construction, Demolition, Change of Use and Occupancy of a Building, or part of it, and the associated Permit fees shall be as set out in Schedule "A" of this by-law and include the following:

3.1 Building Permit

This Permit is required under Subsection 8.(1) of the Act and may include Plumbing, heating, ventilation and air conditioning systems, Sewage Systems, Farm Buildings and Designated Structures as set out in Division A, Sentence 1.3.1.1.(1) of the Building Code and signs as set out in Division B, Section 3.15. of the Building Code.

3.2 Demolition Permit

This Permit is required under Subsection 8.(1) of the Act.

3.3 Conditional Permit

This Permit may be issued by the Chief Building Official in accordance with Subsection 8.(3) of the Act to authorize any stage of Construction, even though all of the requirements under Subsection 8.(2) of the Act have not been met.

3.4 Change of Use Permit

This Permit is required under Subsection 10.(1) of the Act when a change in use of a Building or part of it will result in an increase in hazard as determined under the Building Code even though no Construction is proposed.

3.5 Occupancy Permit

This Permit is required under Division C, Subsection 1.3.3. of the Building Code where all or part of a building will be occupied.

4. **Administrative Procedures Relating to Permits**

4.1 Revisions to Permits

After the issuance of a Permit under the Act, notice of any material change to a plan, specification, document or other information on the basis of which the Permit was issued, must be provided by the Applicant in writing to the Chief Building Official together with the details of such change. The change shall not be made without obtaining written authorization of the Chief Building Official as required under Subsection 8.(12) of the Act.

4.2 Transfer of Permit Applications and Permits

Where the ownership of land changes after a Permit application has been submitted and fees paid or where a Permit has been issued, the Applicant for the Permit or the person to whom the Permit was issued, may submit a request to the Chief Building Official requesting a transfer of the Permit application and fees or the Permit as identified in Clause 7.(1)(h) of the Act by submitting the following information:

- a) the name and address of the person to whom the Permit application and fees or the Permit are to be transferred;
- b) the name and address of any contractors that have changed from those listed on the Permit application or the Permit;
- c) the name and address of Architect(s) and Professional Engineer(s) responsible for the design and field review of the Construction that have changed from those listed on the Permit application or the Permit; and,
- d) name and address of the person who paid the Permit fees.

4.3 Revocation of Permits

The Chief Building Official, subject to provisions outlined in Subsection 8.(10) of the Act, has the authority to revoke a Permit issued under the Act.

5. **Requirements for Applications**

5.1 Building, Demolition, Conditional and Change of Use Permits

Where an application is made for a Building or Demolition Permit under Subsection 8.(1) of the Act, a Conditional Permit under Subsection 8.(3) of the Act, or a Change of Use Permit under Subsection 10.(1) of the Act, the application shall comply with Division C, Sentence 1.3.1.3.(5) of the Building Code and be complete with documents and other information as required in this by-law.

5.2 Prescribing Forms

The forms required for an application for a Permit, unless otherwise specified by the Chief Building Official, shall be those forms as set out in Schedule "B" of this by-law.

5.3 Plans and Specifications

Sufficient information shall be submitted with each application for a Permit to enable the Chief Building Official to determine whether or not the proposed Construction, Demolition or Change of Use will conform with the Act, the Building Code and any other applicable law.

Each application shall, unless otherwise specified by the Chief Building Official, be accompanied by two complete sets of working drawings and information as set out in Schedule "B" of this by-law.

5.4 Alternative Solutions

Where a person proposes the use of an Alternative Solution as defined in Division A, Article 1.4.1.2. of the Building Code, the proposal shall:

- a) Include all documentation requirements as set out in Division C, Subsection 2.1.1. of the Building Code, and
- b) Be submitted on the application form as set out in Schedule "B" of this by-law.

5.5 Inactive Permit Applications

Where an application for a Permit remains inactive for six months after it is submitted, the application may be deemed by the Chief Building Official to have been abandoned and notice thereof shall be given to the Applicant. Once an application is deemed to be abandoned, it may be cancelled and a new application will be required for the proposed work.

6. **Payment of Fees**

- 6.1 Fees for a required Permit shall be as set out in Schedule "A" of this by-law and are due and payable upon submission of an application for a Permit.
- 6.2 Administration fees for an Application for an Alternative Solution shall be as set out in Schedule "A" of this by-law and are due and payable upon submission of an Application for an Alternative Solution.
- 6.3 An administration fee, where occupancy of a Building, or part of it, has occurred without an occupancy permit being issued as required by Division C, Articles 1.3.3.1., 1.3.3.4. and 1.3.3.5. of the Building Code, shall be as set out in Schedule "A" of this by-law and is due and payable by the Permit Applicant upon issuance of the occupancy permit. This administration fee is in addition to any other penalty under the Act, Building Code or this by-law, and is to compensate the City for the additional work incurred due to the unauthorized occupancy of the Building.
- 6.4 An administration fee, where more than one occupancy inspection is required for a Building, or part of it, shall be as set out in Schedule "A" this by-law and is due and payable upon issuance of each additional occupancy permit. This administration fee is intended to compensate the City for additional work incurred due to additional occupancy inspections.
- 6.5 An administration fee, where any person has commenced Construction or Demolition, or has caused the Change of Use of a Building prior to receiving a Permit, shall be as set out in Schedule "A" of this by-law and is due and payable by the Permit Applicant prior to the issuance of the Permit. This administration fee will be charged if an order has been issued under Subsections 12.(2) or 14.(1) of the Act. This administration fee is in addition to any other penalty under the Act, Building Code or this by-law and is to compensate the City for the additional work incurred due to the premature commencement of the Construction or Demolition, or the Change of Use of a Building.

7. **Refund of Permit Fees**

In the case of withdrawal or abandonment of an application for a Permit or abandonment of all or a portion of the work or the non-commencement of any project, the Chief Building Official shall, upon written request of the Owner or Applicant, determine the amount of paid Permit fees that may be refunded to the Owner or Applicant, if any, in accordance with Schedule "A" of this by-law.

8. **As Constructed Plans**

- 8.1 The Chief Building Official may require that a set of As Constructed Plans of a Building be filed with the Chief Building Official on completion of Construction under such conditions as may be prescribed in the Building Code.
- 8.2 Upon completion of Construction of the foundation for single detached dwellings, semi-detached dwellings, duplexes or townhouses, a certificate from an Ontario Land Surveyor, Professional Engineer or Architect shall be submitted to the Chief Building Official confirming that the elevation of the foundation conforms to the Ontario Building Code and to the subdivision grading plan or lot grading plan approved by the City.
- 8.3 Upon completion of Construction of all new buildings, a survey from an Ontario Land Surveyor shall be submitted to the Chief Building Official confirming that the location of the building conforms to the Guelph Zoning By-law.

9. **Notice Requirement for Inspections**

The Applicant or an authorized agent shall notify the Chief Building Official of the prescribed notices under Division C, Article 1.3.5.1. of the Building Code and every additional notice under Division C, Article 1.3.5.2. of the Building Code, at least one business day prior to each stage of Construction.

10. **Sewage System Maintenance Inspection Program**

- 10.1 In respect of the mandatory maintenance inspection program described in Division C, Subsection 1.10.2 of the Building Code:
 - (a) Pursuant to paragraph 7(1)(b.2) of the Building Code Act, 1992, Council shall administer the said mandatory maintenance inspection program; and
 - (b) Council may, as an alternative to conducting an inspection, accept an inspection certificate from a property owner under Division C, Article 1.10.2.5 of the Building Code.
- 10.2 In respect of the discretionary maintenance inspection programs described in Division C, Subsection 1.10.1 of the Building Code:
 - (a) Pursuant to paragraph 7(1)(b.1) of the Building Code Act, 1992, Council hereby establishes a discretionary maintenance inspection program for all sewage systems in the City not included in the mandatory maintenance inspection program;
 - (b) Subject to Division C, Subsection 1.10.1 of the Building Code, Council shall administer its discretionary maintenance inspection program; and
 - (c) Inspectors shall inspect all sewage systems affected by the discretionary maintenance inspection program for compliance with the applicable standards prescribed under paragraph 34(2)(b) of the Building Code Act, 1992, provided that Council may, as an alternative to conducting an inspection, accept an inspection certificate from a property owner under Division C, Article 1.10.1.3 of the Building Code.

11. **Appointment of Inspectors**

The persons listed in Schedule "C" of this By-law are appointed to enforce the Act.

12. **Code of Conduct**

The Code of Conduct for the Chief Building Official and Inspectors, as required under Subsection 7.1(1) of the Act, is set out in Schedule "D" of this by-law.

13. **Severability**

Where a court of competent jurisdiction declares any section or part of a section of this by-law to be invalid, or to be of no force and effect, it is the intention of City Council in enacting this by-law that the remainder of this by-law shall continue in force and be applied and enforced in accordance with its terms to the fullest extent possible according to law.

14. **Repeal and Replacement of Previous By-laws**

By-law number (2012)-19356 and all its amending by-laws are hereby repealed and replaced by this by-law as of the date and time of this by-law coming into effect.

By-law number (1987)-12602 and all its amending by-laws are hereby repealed and replaced by this by-law as of the date and time of this by-law coming into effect.

PASSED this THIRD day of NOVEMBER, 2015.

- Mayor

- City Clerk

SCHEDULE “A”
of By-law Number (2015)- XXXXX

Fees for a required Permit are set out in this Schedule and are due and payable upon submission of an application for a Permit.

Classes of Permits	Permit Fee (\$ per ft²)	Flat Fee (\$)
NEW BUILDINGS, ADDITIONS, MEZZANINES		
Group A: <i>Assembly Buildings</i>		
(Shell)	2.04	
(Finished)	2.35	
Outdoor Patio/Picnic Shelter		190.00
Outdoor Public Pool		760.00
Group B: <i>Detention, Care & Treatment and Care Buildings</i>		
(Shell)	2.21	
(Finished)	2.53	
Group C: <i>Residential</i>		
Single Detached Dwelling, Semi Detached Dwelling, Duplex Dwelling and Townhouses	1.25	
Garage/Carport (per bay), Shed, Deck, Porch, Ext. Stairs, Ext. Ramps		95.00
Hot Tubs, Low-Rise Residential Solar Collectors (per application)		95.00
Other Residential Solar Collectors (per application)		380.00
Swimming Pools		190.00
Apartment Building	1.19	
Hotels/Motels	1.97	
Residential Care Facility	1.62	
Group D: <i>Business and Personal Services Buildings</i>		
Office Buildings (Shell)	1.67	
Office Buildings (Finished)	1.97	
Group E: <i>Mercantile Buildings</i>		
Retail Stores (Shell)	1.11	
Retail Stores (Finished)	1.39	
Group F: <i>Industrial Buildings</i>		
Warehouse, Factories	0.87	
Parking Garage	0.74	
Farm Building	0.42	
Foundation, Conditional Permit	0.12	
INTERIOR FINISHES: <i>All Classifications</i>		
Interior finishes to previously unfinished areas (including finishing of residential basements and major renovations)	0.39	
ALTERATIONS/RENOVATIONS: <i>All Classifications</i>		
Alterations and renovations to existing finished areas, new roof structures, rack storage	0.35	
MINOR ALTERATIONS: Partitions, Washrooms, New Entry, Minor Demolitions (500 sq. ft. or less)		95.00
SPECIAL CATEGORIES:		
Accessory Apartments / Lodging Houses	0.35/190.00 min.	
Air Supported Structures	0.44	
Temporary Tents - per application		190.00
Temporary Buildings		380.00
Portables – per application (excludes port-a-pak)		190.00
Major Demolitions (more than 500 sq. ft.)	0.03/190.00 min.	
Change of Use Permit (with no renovations)		190.00
MISCELLANEOUS:		
Fireplace / Woodstove (each)		95.00
Elevator, Escalator, Lift		380.00
Demising Wall/Firewall		95.00
Ceiling (new or replace per square foot)	0.06	
Exterior Ramps (excluding Low-Rise Residential Ramps)		190.00
Balcony Guard (replace per linear foot)	0.72	
Window Replacement (each)		15.00
Storefront Replacement		190.00
Reclad Exterior Wall (per square foot)	0.06	
Retaining Wall (per linear foot)	3.61	
All Designated Structures – including Non-Residential Solar Collectors (per application) except Retaining Walls, Public Pools, Signs & Residential Solar Collectors		380.00
MECHANICAL WORK: (independent of Building Permit)		
HVAC Permit (residential per suite)		95.00
HVAC Permit (non-residential)	0.12	
New Sprinkler System or New Standpipe System	0.05/190.00 min.	
Alterations to existing Sprinkler System or existing Standpipe System	0.03/190.00 min.	
Commercial Kitchen Exhaust Systems, Spray Booths, Dust Collectors		190.00
ELECTRICAL WORK: (independent of Building Permit)		
New Fire Alarm System	0.05/190.00 min.	
Alterations to existing Fire Alarm System or existing Electrical Work		190.00
Electromagnetic Locks (each) and Hold Open Devices (each)		45.00
PLUMBING WORK: (independent of Building Permit)		
Plumbing Permit (per fixture)		15.00
Hot Water Heaters (each)		45.00
Testable Backflow Prevention Devices (each)		95.00
Catchbasins/Manholes/Roof drains (each)		15.00
Building Services (per group) -SDD, Semi-Detached, Duplex		95.00
Building/Site Services (per linear foot), excluding SDD, Semi-Detached, Duplex	0.75	
SEWAGE SYSTEMS:		
New Installations		570.00
Replacement or Alteration		285.00

(SCHEDULE “A” – continued)

Administration Fees	Flat Fee (\$)
Alternative Solutions (as per Subsection 6.2 of this by-law)	
All Buildings/systems within the scope of Division B, Part 9 of the Building Code	500.00
All other Buildings/systems	1,000.00
Note: Fifty percent (50%) of the Administration Fee for an approved Alternative Solution will be refunded, where in the opinion of the Chief Building Official, the proposal has supported the Community Energy Initiative.	
Occupancy without a Permit (as per Subsection 6.3 of this by-law)	
Occupancy of a building, or part of it, without the required occupancy permit	500.00
Additional Occupancy Inspections (as per Subsection 6.4 of this by-law)	300.00
Work without a Permit (as per Subsection 6.5 of this By-law)	
Building, Demolition or Change of Use without the required Permit	50% of the required Permit fee, to a maximum of \$5,000.00

Rules for Determining Permit Fees:

- A minimum Permit fee of \$95.00 shall be charged for all work where the calculated Permit fee is less than \$95.00.
- For classes of Permits not described in this Schedule, a reasonable Permit fee shall be determined by the Chief Building Official.
- Floor area of the proposed work is to be measured to the outer face of exterior walls (excluding residential attached garages) and to the centre line of party walls, firewalls or demising walls.
- In the case of interior finishes, alterations or renovations, area of proposed work is the actual space receiving the work, e.g. tenant suite.
- Mechanical penthouses and floors, mezzanines, lofts, habitable attics and interior balconies are to be included in all floor area calculations.
- Except for interconnected floor spaces, no deductions are made for openings within the floor area (e.g. stairs, elevators, escalators, shafts, ducts, etc.).
- Unfinished basements for single detached dwellings, semi-detached dwellings, duplex dwellings and townhouses are not included in the floor area.
- Attached garages and fireplaces are included in the Permit fee for single detached dwellings, semi-detached dwellings, duplex dwellings and townhouses.
- Where interior alterations and renovations require relocation of sprinkler heads, standpipe components or fire alarm components, no additional charge is applicable.
- Ceilings are included in both new shell and finished (partitioned) Buildings. The Permit fees for ceilings only apply when alterations occur in existing Buildings. Minor alterations to existing ceilings to accommodate lighting or HVAC improvements are not chargeable.
- Where Demolition of partitions or alterations to existing ceilings are part of an alteration or renovation Permit, no additional charge is applicable.
- Corridors, lobbies, washrooms, lounges, etc. are to be included and classified according to the major occupancy for the floor area on which they are located.
- The occupancy categories in this Schedule correspond with the major occupancy classifications in the Ontario Building Code. For multiple occupancy floor areas, the Permit fees for each of the applicable occupancy categories may be used, except where an occupancy category is less than 10% of the floor area.
- For rack storage use, with platforms or mezzanines, apply the square footage charge that was used for the Building.
- A temporary Building is considered to be a Building that will be erected for not more than three years.
- Additional Permit fees are not required when the Sewage System is included with the original Building Permit.

Refund of Permit Fees:

In the case of withdrawal or abandonment of an application for a Permit or abandonment of all or a portion of the work or the non-commencement of any project, the Chief Building Official shall, upon written request of the Owner or Applicant, determine the amount of paid Permit fees that may be refunded to the Owner or Applicant, if any, as follows:

- a) 80 percent (80%) if administrative functions only have been performed;
- b) 70 percent (70%) if administrative and zoning functions only have been performed;
- c) 50 percent (50%) if administrative, zoning and plans examination functions have been performed;
- d) 35 percent (35%) if the Permit has been issued and no field inspections have been performed subsequent to Permit issuance;
- e) 5 percent (5%) shall additionally be deducted for each field inspection that has been performed after the Permit has been issued;
- f) No refund shall be made of an amount that is less than the minimum Permit fee applicable to the work;
- g) No refund shall be made after two years following the date of Permit application where the Permit has not been issued or one year following the date of Permit issuance.

SCHEDULE "B"
of By-law Number (2015) - XXXXX

The following are list of plans, working drawings, information and forms that may be required to accompany applications for Permits according to the scope of work;

1. Plans and Working Drawings

- | | |
|----------------------------|-----------------------------|
| a) Site plan/Survey | l) Soil gas control details |
| b) Key plan | m) Building elevations |
| c) Lot grading plan | n) Structural drawings |
| d) Floor plans | o) Architectural drawings |
| e) Foundation plan | p) Electrical drawings |
| f) Framing plans | q) HVAC drawings |
| g) Roof truss layout plan | r) Plumbing drawings |
| h) Roof plan | s) Fire alarm drawings |
| i) Reflected ceiling plans | t) Sprinkler drawings |
| j) Sections and details | u) Travel distance plans |
| k) Air barrier details | v) Exit capacity plans |

Two sets of drawings shall be submitted on paper or other durable material. One full-sized set of drawings to a legible, recognized scale and one 11"x17" reduced set of drawings are required. Two sets of 11"x17" drawings may be submitted if to a legible, recognized scale. Electronic drawings may be submitted, or may be required to be submitted, at the discretion of the Chief Building Official.

If applicable, drawings must be sealed by an Architect and/or Professional Engineer and/or stamped by a qualified/registered designer.

All drawings shall be fully dimensioned, noting all sizes and types of construction materials to be used and their respective locations, all finishes to all walls, ceilings and floors and all existing and proposed fire separations. Alterations, renovations and additions must differentiate between the existing Building and new Construction being proposed.

2. Information

- a) Spatial separation calculations
- b) Fire protection reports
- c) Building Code related reports

3. Forms

- a) Application For An Alternative Solution
- b) City of Guelph Ontario Building Code Analysis
- c) Commitment To General Reviews By Architects And Engineers
- d) Demolition Permits Utility Sign-Off Sheet
- e) Energy Efficiency Form(s)
- f) Radon Mitigation Certification Form
- g) Information Sheet For Group Homes
- h) Information Sheet For A Sewage System

**SCHEDULE “C”
of By-law Number (2015) – XXXXX**

- 1. The Chief Building Official position is currently vacant.
- 2. The persons listed in this Schedule are hereby appointed to the positions identified therein and these persons shall be responsible to the Chief Building Official for the enforcement of the Act.
- 3. An appointment authorized under this by-law shall be deemed to be revoked if the individual ceases to be employed by the City of Guelph in the positions listed below.
- 4. The Manager of Inspection Services, Program Manager of Permit Services and Supervisor of Inspections are hereby appointed designates of the Chief Building Official and shall have the authority to carry out any duties of the Chief Building Official in his or her absence or as directed by him or her, including the authority to issue Permits and Stop Work Orders.
- 5. The HVAC Inspector III shall have the authority to issue Permits for the construction of heating, ventilating and air conditioning systems on behalf of the Chief Building Official.
- 6. The Plumbing Inspector III shall have the authority to issue Permits for the construction of plumbing and sewage systems and for the installation of backflow prevention devices on behalf of the Chief Building Official.
- 7. The Backflow Prevention Officer shall have the authority to issue Permits for the installation of backflow prevention devices on behalf of the Chief Building Official.

Title of Position	Appointed Person
Manager of Inspection Services	Rob Reynen
Program Manager of Permit Services	Jeremy Laur
Supervisor of Inspections	Adrian vanEck
HVAC Inspector III	John Bosyj
Plumbing Inspector III	David Auliffe
Backflow Prevention Officer	Jeff Crossman
Inspectors	Bruce Aubrey David Auliffe Bill Bond Ray Borthwick John Bosyj Chris Catteau Jeff Crossman David Gooch Henry Hess Tammy Hogg Stephen Jamieson Biljana Jovanov Jason Lapier Jeremy Laur Daewon Lee Greg Leskien Ian Malcolm Justin Masecar Gerald Moore Greg Pieczewski Peter Pieczewski Rob Reynen Nicholas Rosenberg Patrick Sheehy Mark Shody Adrian vanEck

SCHEDULE "D"

of By-law Number (2015) – XXXXX

Code of Conduct for the Chief Building Official and Inspectors

1. Purpose

- a) To promote appropriate standards of behavior and enforcement actions by all Building Services staff in the exercise of a power or the performance of a duty.
- b) To prevent practices which may constitute an abuse of power, including unethical or illegal practices, by all Building Services staff in the exercise of a power or the performance of a duty.
- c) To promote appropriate standards of honesty and integrity in the exercise of a power or the performance of a duty by all Building Services staff.

2. Scope

This policy applies to all Building Services staff.

The Code of Conduct must provide for its enforcement and include policies or guidelines to be used when responding to allegations that the Code of Conduct has been breached and disciplinary actions that may be taken if the Code of Conduct is breached.

3. Contents

Conduct

- a) Always act in the public interest.
- b) Apply all relevant laws, codes and standards in an impartial, consistent, fair and professional manner, independent of any external influence and without regard to any personal interests.
- c) Maintain required legislated qualifications, discharging all duties in accordance with recognized areas of competency.
- d) Extend professional courtesy to all.
- e) Ensure interactions are in keeping with the City's Corporate Values and associated behaviours, particularly related to integrity and excellence.

4. Breaches of the Code of Conduct

Lodging a Complaint

A complaint must be in writing and must be signed by the person making the complaint. The complaint may be a letter, e-mail, facsimile or submitted via the form that is in Section 4.

Withdrawal of a Complaint

A complainant may withdraw his/her complaint at any time; although the City may continue to investigate the complaint if deemed appropriate to do so.

Confidentiality

The entire investigation process will be handled in as confidential a manner as possible by all parties involved. All records are subject to the provisions of the *Municipal Freedom of Information and Protection of Privacy Act* and may be subject to disclosure under the Act or by a court of law.

Review of Allegations

The Chief Building Official will review any allegations of breaches of this Code of Conduct made against a Building Services staff member. Where the allegations are against the Chief Building Official, senior management of the City will review the allegations.

Disciplinary action arising from violations of this Code of Conduct is the responsibility of the City and will be based on the severity and frequency of the violation in accordance with relevant employment standards and the provisions of any collective agreement.

The Chief Building Official or senior management of the City will provide a written response to the complainant within 30 calendar days of receipt of the written complaint.

Review of Decision

If, upon receipt of the results of the review, the complainant is not satisfied, he/she may forward his/her concerns to senior management of the City.

STAFF REPORT

TO Infrastructure, Development and Enterprise Committee

SERVICE AREA Infrastructure, Development and Enterprise

DATE November 3, 2015

SUBJECT Intersections Warranted for Traffic Signal Installation

REPORT NUMBER

EXECUTIVE SUMMARY

PURPOSE OF REPORT

To report on the status of warranted traffic signals in the City of Guelph.

KEY FINDINGS

Staff regularly receive requests to install traffic signals at various locations throughout the City. In order to determine locations that would benefit from the installation of traffic signals, staff continually monitors the vehicle, cyclist and pedestrian volumes and collision occurrences at intersections. The City of Guelph follows the Ministry of Transportation of Ontario's warrants to determine if a traffic signal should be installed. Currently there are two (2) locations that satisfy the MTO warrant criteria for the installation of a traffic signal.

FINANCIAL IMPLICATIONS

There are no financial implications for the 2015 budget. Approved traffic signal installation(s) will be funded through capital account TF0014 in the 2016 budget (if approved). Routine maintenance and ongoing operational costs will be funded through the annual operating budget.

ACTION REQUIRED

Receive and approve recommendation to install traffic signals at the intersection of Victoria Road South at Clair Road East.

RECOMMENDATION

1. That the report from Infrastructure, Development and Enterprise dated November 3, 2015, titled "Intersections Warranted for Traffic Signal Installation" be received.
2. That traffic signals be installed at the intersection of Victoria Road South at Clair Road East in 2016, funded through capital account TF0014 of the 2016 Capital Budget.

STAFF REPORT

BACKGROUND

Properly located, designed, operated and maintained traffic signals provide for the orderly movement of traffic and reduce the frequency of certain types of collisions (i.e. right angle, pedestrian and left turn).

Improperly located, designed, operated and maintained traffic signals have proven to increase delay and fuel consumption, increase certain types of collisions (i.e. read-end, lane change), cause driver frustration and disrespect for traffic control devices.

It is, therefore, important that new traffic signals be installed after thorough analysis and careful consideration.

REPORT

The Ministry of Transportation of Ontario traffic signal warrant guidelines uses the following criteria to determine whether or not a traffic signal is justified:

- Justification 1 - Minimum Eight Hour Vehicle Volume
- Justification 2 - Delay to Cross Traffic
- Justification 3 - Combination Volume/Delay
- Justification 4 - Minimum Four Hour Volume
- Justification 5 - Collision Warrant
- Justification 6 - Pedestrian Volume and Delay Warrant
- Justification 7 - Projected Volumes

Justifications 4 and 7 are recent additions to the Ministry of Transportation of Ontario traffic signal warrant guidelines. Staff will report to Council in 2016 with a recommendation regarding the adoption of these two warrant justifications.

An intersection is considered justified for traffic signal installation when any one of the following criteria is met:

- Justification 1 - Minimum Eight Hour Vehicle Volume is satisfied 100%
- Justification 2 - Delay to Cross Traffic is satisfied 100%
- Justification 3 - Combination Volume/Delay; if justifications 1 and 2 both fulfilled to the extent 80% or greater
- Justification 5 - Collision Warrant is satisfied 100% (total of 15 collisions reported over 36 month period correctable by installation of a traffic signal)
- Justification 6 - Pedestrian Volume and Delay Warrant is satisfied 100%

The following intersections currently satisfy the warrant for the installation of a traffic signal when using justifications 1,2,3,5 and 6:

- Victoria Road South at Clair Road East. Justification 3 - Combination Volume/Delay is satisfied.

STAFF REPORT

- York Road at Elizabeth Street. Justification 2 - Delay to Cross Traffic is satisfied.

Staff recommend the installation of a traffic signal at the intersection of Victoria Road South at Clair Road East in 2016 for the following reasons:

- The intersection is located in an area of rapid development, and it is projected that both justifications 1 and 2 will be 100% satisfied by the end of 2016;
- Collisions at this intersection are likely to be serious in nature given the higher vehicle speeds on Victoria Road South.

Staff do not recommend installing a traffic signal at the intersection of York Road at Elizabeth Street in 2016 for the following reasons:

- No collision history over the previous 36 month period;
- Plans to reconstruct York Road, in the vicinity of Elizabeth Street in the future, may include intersection re-alignment;
- Elizabeth Street will be impacted by construction, reducing traffic volumes for the majority of 2016;
- No requests from the public to install a traffic signal at this intersection.

TRAFFIC SIGNAL PRIORITY RANKING

Staff maintain a priority list that ranks unsignalized intersections in the City that have been assessed for the installation of traffic signals. Intersections are ranked by summing the percentages from justifications 1, 2 and 5. The priority list is updated annually. The current Traffic Signal Priority Ranking list is included as Attachment A to this report.

CORPORATE STRATEGIC PLAN:

2.2 Deliver public services better

3.1 Ensure a well-designed, safe, inclusive, appealing and sustainable City

FINANCIAL IMPLICATIONS:

The estimated cost of a new traffic signal installation at the intersection of Victoria Road South at Clair Road East is \$100,000 to be funded through the 2016 Capital Budget, item TF0014 "New Traffic Signal Installation".

The annual cost to operate and maintain each traffic signal in the City is approximately \$4,000 per year, funded through the annual operating budget.

STAFF REPORT

DEPARTMENTAL CONSULTATION:

N/A

COMMUNICATIONS:

A public communication plan will be prepared in advance of traffic signal installations.

ATTACHMENTS

Appendix A – 2015 Traffic Signal Priority Guide

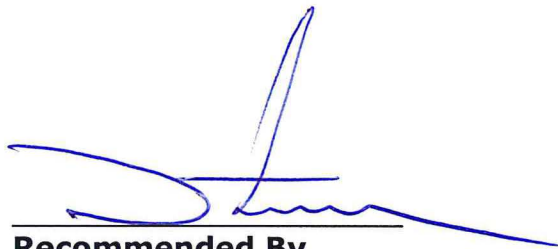
Report Author

Rob Barr, C.E.T.
Supervisor, Traffic Engineering



Approved By

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General Manager/City Engineer
Engineering and Capital
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Recommended By

Derrick Thomson
Interim Deputy CAO
Infrastructure, Development
and Enterprise
519-822-1260, ext. 2665
derrick.thomson@guelph.ca

Attachment A: 2015 Traffic Signal Priority Ranking

Rank	Location	Year	Justification Pct			Collisions (Justification 5)				Justified ?	Score
			1	2	3	2011	2012	2013	Total		
1	Victoria at Clair	2014 2012 2008	98 90 70	95 90 64	100	1	2	0	3 20%	Yes	213
2	York at Elizabeth	2012 2004 2001	55 74 57	100 98 95	0	0	0	0	0	Yes	155
3	Imperial at Massey	2014 2012 2008	95 94 95	77 77 74	0	4	3	0	7 47%	No	219
4	Stone at Watson	2014 2009 2006	90 81 82	65 48 55	0	0	2	1	3 20%	No	175
5	Woodlawn at Arrow	2014 2012 2008	61 62 60	56 79 44	0	0	3	2	5 33%	No	174
6	Gordon at Surrey	2001	66	58	0	1	4	2	7 47%	No	171
7	Downey at Laird	2014 2011 2008	84 87 82	78 76 68	0	1	0	0	1 7%	No	169
8	Goodwin at Farley	2014	73	47	0	2	3	2	7 47%	No	167
9	Scottsdale at Ironwood	2014 2012 2008	68 73 55	49 57 36	0	3	3	1	7 47%	No	164
10	Willow at Marksam	2014 2007 2003	68 66 69	68 65 64	0	1	1	2	4 27%	No	163
11	Watson at Eastview	2014 2012	81 71	62 53	0	3	0	0	3 20%	No	163
12	Elmira at Independence	2013	64	72	0	2	1	1	4 27%	No	163
13	Downey at Niska	2010 2008 2004	65 56 59	80 89 88	0	0	0	1	1 7%	No	152
14	Stevenson at Cassino	2005 2000	75 68	59 56	0	2	0	0	2 14%	No	148
15	Norfolk at Cork	2003	69	60	0	2	0	0	2 14%	No	143
16	Speedvale at Metcalfe	2014 2012 2008	66 61 58	56 71 61	0	2	1	0	3 20%	No	142
17	Watson at Speedvale	2014 2010 2009	73 86 92	40 56 54	0	0	2	2	4 27%	No	140
18	College at Caledonia	2012 2006	58 57	79 81	0	0	0	0	0	No	137

Justification 1: Minimum Vehicle Volume (if 100% satisfied, traffic signal installation is justified)

Justification 2: Delay To Cross Traffic (if 100% satisfied, traffic signal installation is justified)

Justification 3: Combination Justification (if Justifications 1 and 2 are 80% satisfied, traffic signal installation is justified)

Justification 5: Motor Vehicle Collisions (total of 15 collisions over a 3 year period correctable by installation of a traffic signal. If 100%, traffic signal installation is justified)

(F) = fatal motor collision

Rank	Location	Year	Justification Pct			Collisions (Justification 5)				Justified ?	Score
			1	2	3	2011	2012	2013	Total		
19	Edinburgh at Suffolk	2012 2008	66 63	71 55	0	0	0	0	0	No	137
20	Wyndham at Surrey	2005	53	63	0	1	2	0	3 20%	No	136
21	Woodlawn at Regal	2012 2003	69 47	51 35	0	1	0	1	2 14%	No	134
22	Scottsdale at Janefield	2009 2005	83 58	50 50	0	0	0	0	0	No	133
23	Paisley at Glasgow	2014	47	57	0	2	1	1	4 27%	No	131
24	Downey at Woodland Glen	2014 2008 2005	49 53 56	82 73 78	0	0	0	0	0	No	131
25	Delhi at Emma	2012 2002	68 76	51 58	0	0	0	1	1 7%	No	126
26	Silvercreek at Westwood	2011 2007 2003	56 54 57	54 38 37	0	1	0	1	2 14%	No	124
27	Woodlawn at Michener	2014 2007 2002	56 66 59	58 65 63	0	1	0	0	1 7%	No	121
28	Silvercreek at Curtis	2007 2002	58 61	55 58	0	0	0	1	1 7%	No	120
29	Scottsdale at Cole	2009 2008 2005	59 62 66	59 73 60	0	0	0	0	0	No	118
30	London at Yorkshire	2005 2001	53 65	63 81	0	0	0	0	0	No	116
31	Stevenson at Emma	2007	42	52	0	1	1	0	2 14%	No	108
32	Wyndham at Cork	2003	52	54	0	0	0	0	0	No	106
33	Grange at Auden	2014 2012 2007	57 57 59	48 79 44	0	0	0	0	0	No	105
34	Edinburgh at Rickson	2008 2005 2004	32 36 31	64 70 62	0	0	1	0	1 7%	No	103
35	Stone at Evergreen	2012 2007 2002	60 65 48	52 30 23	0	0	0	0	0	No	102
36	Imperial at West Acres	2007 2002	46 42	51 68	0	0	0	0	0	No	97
37	Speedvale at Marlborough	2014	22	28	0	2	3	2	7 47%	No	97
38	Eastview at Auden	2004	33	62	0	0	0	0	0	No	95
39	Edinburgh at Chancellors	2014	30	49	0	1	0	1	2 14%	No	93
40	Starwood at Watson	2013 2009	57 46	35 20	0	0	0	0	0	No	92
41	Cassino at William	2013 2005	52 50	32 33	0	1	0	0	1 7%	No	91

Justification 1: Minimum Vehicle Volume (if 100% satisfied, traffic signal installation is justified)

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(F) = fatal motor collision

Rank	Location	Year	Justification Pct			Collisions (Justification 5)				Justified ?	Score
			1	2	3	2011	2012	2013	Total		
42	Niska at Ptarmigan	2008 2001	39 43	41 40	0	0	0	0	0	No	90
43	Victoria at Summerfield	2008 2005	38 49	48 67	0	0	0	0	0	No	86
44	Gordon at Maltby	2012	32	40	0	2	0	0	2 14%	No	86
45	Downey at Pheasant Run	2010	32	52	0	0	0	0	0	No	84
46	Speedvale at Lewis	2006 2001	28 33	42 73	0	0	0	1	1 7%	No	77
47	Gordon at University	2011 2008 2002	28 23 28	39 27 34	0	1	0	0	1 7%	No	74
48	Eramosa at Arthur	2009 2002	32 48	32 50	0	1	0	0	1 7%	No	71
49	Woodlawn at Country Club	2004 2002	43 34	26 22	0	0	0	0	0	No	69
50	Victoria at Brant	2009	34	35	0	0	0	0	0	No	69
51	Speedvale at Marksam	2008 2003	40 41	25 32	0	0	0	0	0	No	65
52	Paisley at Candlewood	2009	31	33	0	0	0	0	0	No	64
53	Watson at Fleming	2013	24	32	0	0	0	0	0	No	56
54	Edinburgh at Forest	2014	11	19	0	2	0	1	3 20%	No	50
55	Stevenson at Balsam	2014 2005	4 5	37 22	0	0	0	0	0	No	41

Justification 1: Minimum Vehicle Volume (if 100% satisfied, traffic signal installation is justified)

Justification 2: Delay To Cross Traffic (if 100% satisfied, traffic signal installation is justified)

Justification 3: Combination Justification (if Justifications 1 and 2 are 80% satisfied, traffic signal installation is justified)

Justification 5: Motor Vehicle Collisions (total of 15 collisions over a 3 year period correctable by installation of a traffic signal. If 100%, traffic signal installation is justified)

(F) = fatal motor collision

STAFF REPORT



TO Infrastructure, Development and Enterprise Committee

SERVICE AREA Infrastructure, Development and Enterprise

DATE November 3, 2015

**SUBJECT MUNICIPAL COUNCIL SUPPORT RESOLUTION (BLANKET):
NOTICE TO PROCEED (NTP) FOR PROJECTS PREVIOUSLY
SUPPORTED BY COUNCIL UNDER FEED-IN-TARIFF
PROGRAM 3.1**

REPORT NUMBER IDE-BDE-1511

EXECUTIVE SUMMARY

PURPOSE OF REPORT

To seek Council's approval of a Municipal Council Support Resolution (Blanket) – Notice to Proceed (Attachment #1) in support of construction and operation of renewable energy projects within the City of Guelph that have been approved by Version 3.1 of the Independent Electricity System Operator's (IESO) Feed-In-Tariff (FIT) program.

KEY FINDINGS

A Municipal Council Support Resolution (Blanket) – Notice to Proceed (Attachment #1) will assist proponents of local renewable energy generation projects in obtaining final contracts from the IESO for projects previously approved under FIT 3.1. Where such projects are successful in obtaining final contracts with the IESO, they will in turn contribute to goals for renewable energy generation contained in the Community Energy Initiative.

FINANCIAL IMPLICATIONS

N/A

ACTION REQUIRED

With Council's support, through the recommendations below, renewable energy projects that contribute to the goals of the Community Energy Initiative will be supported.

RECOMMENDATIONS

WHEREAS the Province's FIT Program encourages the construction and operation of rooftop solar photovoltaic and ground mount solar photovoltaic projects (the "Projects");

AND WHEREAS certain projects approved under the Province's FIT Program 3.1 will be constructed and operated in the City of Guelph;

AND WHEREAS, pursuant to the FIT Rules, Version 3.1, successful applicants whose Projects have been approved require Municipal Council resolutions, referred to as "Notice to Proceed" in order to complete their contract obligations with the Independent Electricity System Operator

NOW THEREFORE BE IT RESOLVED:

That Report IDE-BDE-1511 from Infrastructure, Development and Enterprise, dated November 3, 2015 be received.

That Council of the City of Guelph supports without reservation the construction and operation of the Projects anywhere in the City of Guelph.

That Council direct the City Clerk to sign the attached "Municipal Council Support Resolution (Blanket) – Notice to Proceed" (Attachment #1).

That Council direct the Manager, Community Energy to provide a completed and signed "Municipal Council Support Resolution (Blanket) – Notice to Proceed" (Attachment #1) to applicants requesting same for the purposes of completing their contract obligations to the Independent Electricity System Operator's Feed-In-Tariff 3.1 Program.

That the Municipal Council Blanket Support Resolution remain in effect for one year from the date of adoption.

BACKGROUND

Council endorsed the Guelph Community Energy Plan, now the Community Energy Initiative (CEI), in April 2007. Among its goals is a number of targets related to local renewable energy generation.

"Within fifteen years, at least a quarter of Guelph's total energy requirement will be competitively sourced from locally created renewable resources."

"Renewable" energy sources, in the context of the CEI and the Independent Electricity System Operator (IESO) Municipal Council Blanket Support Resolution, means rooftop solar photovoltaic and ground mount solar photovoltaic generation.

At the time of the CEI endorsement, it was expected that renewable energy activities would start evolving sometime in the second half of the 15 year timeframe as market conditions became favourable to the development of projects.

However, in May 2009, the Province of Ontario passed Bill 150, The Green Energy and Economy Act, to expand renewable energy generation, encourage energy conservation and promote the creation of clean energy jobs.

In September, 2009, as directed by the Ontario Minister of Energy, the Ontario Power Authority (OPA) announced the Feed-In-Tariff Program that provided fixed pricing for electricity generated by renewable sources. In January of 2015, the OPA merged with the IESO and resumed operation under the latter name.

The Province continues to manage their Feed-In-Tariff program under three categories of solar photovoltaic system capacity:

1. MicroFIT (under 10 kW);
2. Small FIT (10 kW to 500 kW);
3. Large Renewables Procurement (500 kW to 10 MW).

This report is focused on the second category – Small FIT (10 kW to 500 kW).

Council has previously received a report recommending approval of a blanket support resolution for proposed solar projects under the initial **application** process under the Version 3.1 of the FIT program.

Guelph-based projects that were successful in their application under FIT 3.1 are subsequently required to obtain a second Council support resolution (Municipal Council Support Resolution (Blanket) – Notice to Proceed) prior to finalizing their solar electricity supply contracts with the IESO.

REPORT

The attached "Municipal Council Support Resolution (Blanket) – Notice to Proceed" (Attachment #1) is provided by the IESO. Municipalities who pass a resolution that reflects the wording in the Template can provide a copy to the successful applicants to Version 3.1 of the Feed-In-Tariff Program.

The Rules to the FIT 3.1 Program are rigorous in ensuring appropriate development of renewable energy projects, particularly in an urban environment. Projects that are on, or abut, residential property are not allowed. Projects that are on industrial employment lands are not allowed. Also projects on provincially-defined Agricultural

STAFF REPORT

Land, Levels 1, 2 or 3 (as is the case in some of the City's Urban Reserve lands) are not allowed.

Staff is confident that the FIT 3.1 rules are rigorous in ensuring appropriate renewable energy development. Because of this, the risk of the City inadvertently supporting, and providing a program advantage, to renewable energy projects that are inappropriate remains extremely low.

Under the FIT 3.1 rules, ground-mounted solar energy projects require an additional formal confirmation from the City of the proposed ground-based solar project site's zoning status, along with an opinion of a registered Land Use Planner. In such cases, the Manager, Community Energy will liaise with the City's Chief Building Official and General Manager of Planning, Urban Design and Building Services to complete the required forms.

At the time of writing this report, staff is aware of one solar developer with two specific projects, approved under FIT 3.1 located at:

- 367 Michener Rd.
- 32 Airpark Place

Further requests for the resolution may come from other successful FIT 3.1 applicants. This is the main reason for the request from a blanket resolution rather than a project(s) specific resolution.

Through this mechanism of formally indicating municipal support for renewable energy projects across the community, the City of Guelph has a significant opportunity to accelerate progress toward the renewable energy goals of the Community Energy Initiative.

CORPORATE STRATEGIC PLAN

Innovation in Local Government

- Build an adaptive environment for government innovation to ensure fiscal and service sustainability.

City Building

- Be economically viable, resilient, diverse and attractive for business.
- Strengthen citizen and stakeholder engagement and communications.

STAFF REPORT

DEPARTMENTAL CONSULTATION

Community Energy
Legal and Realty Services
City Clerk's Office
Planning Services

FINANCIAL IMPLICATIONS

N/A

COMMUNICATIONS

N/A

ATTACHMENTS

Attachment 1: "Municipal Council Support Resolution (Blanket) – Notice to Proceed"

Report Author

Rob Kerr
Manager, Community Energy



Approved By

Peter Cartwright
General Manager
Business Development and Enterprise
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Recommended By

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Deputy CAO
Infrastructure, Development
and Enterprise
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TEMPLATE: MUNICIPAL COUNCIL SUPPORT RESOLUTION (BLANKET) - NOTICE TO PROCEED
(Section 2.4(d)(vii) of the FIT Contract, Version 3.1)

Resolution NO: _____

Date: _____

[WHEREAS] capitalized terms not defined herein have the meanings ascribed to them in the FIT Contract, Version 3.1;

[AND WHEREAS] the Province's FIT Program encourages the construction and operation of
_____ insert renewable fuel (e.g., rooftop solar PV and ground mount solar PV) _____ generation projects (the "Projects");

[AND WHEREAS] one or more Projects may be subject to FIT Contracts and may be constructed and operated in
_____ The City of Guelph _____ ("Local Municipality");

[AND WHEREAS] in accordance with the FIT Rules, Version 3.0, the Council of the Local Municipality ("Council") had previously indicated, by a resolution, its support for Projects in the Local Municipality (the "Prior Resolution");

[AND WHEREAS] Council now indicates, by a resolution dated no earlier than June 10, 2015, Council's continued support for the construction and operation of the Projects anywhere in the Local Municipality (the "New Resolution");

[AND WHEREAS], pursuant to the FIT Contract, where a New Resolution is received in respect of the Projects in the Local Municipality, Suppliers will be recognized as fulfilling the requirements under Section 2.4(d)(vii) of the FIT Contract, which may result in Suppliers being offered Notice to Proceed in accordance with the terms of their respective FIT Contract(s);

[NOW THEREFORE BE IT RESOLVED THAT]:

Council of the _____ The City of Guelph _____ supports the construction and operation of the Projects
anywhere in the _____ The City of Guelph _____.

This resolution's sole purpose is to enable Suppliers to achieve Notice to Proceed under their FIT Contracts and may not be used for the purpose of any other form of municipal approval in relation to a FIT Contract or Project or for any other purpose.

This resolution shall expire twelve (12) months after its adoption by Council.

Title:

Title:

(signature lines for elected representatives.)

FIT Contract ID #: _____

INSTRUCTIONS: TEMPLATE: MUNICIPAL COUNCIL SUPPORT RESOLUTION (BLANKET) - NOTICE TO PROCEED **(Sections 2.4(d)(vii) of the FIT Contract, Version 3.1)**

Capitalized terms not defined herein have the meanings ascribed to them in the FIT Contract.

INSTRUCTIONS SPECIFIC TO THE TEMPLATE: MUNICIPAL COUNCIL SUPPORT RESOLUTION (BLANKET) - NOTICE TO PROCEED (THE "TEMPLATE")

1. Where a Prior Resolution (as defined in the Template) was passed in respect of a Project and a Municipal Council Support Resolution is required as per the FIT Contract Cover Page, a New Resolution must be provided to the IESO for the purposes of achieving Notice to Proceed ("NTP") under Section 2.4(d)(vii) of the FIT Contract, Version 3.1.
2. Local municipal councils have the option of drafting the New Resolution (as defined in the Template) on the council or equivalent governing body letterhead or submitting a completed Template.
3. Words in between square brackets (i.e. "[" and "]") are immaterial to the intent of the Template and may be modified to follow standard procedure of the issuing body. Wording not contained within square brackets must not be changed in order for the New Resolution to be acceptable for the purposes of achieving NTP. No additional wording (aside from completing the blanks) may be added.
4. All information provided in the New Resolution must be consistent with the information contained in the Prior Resolution. The Local Municipality named in the New Resolution must be the Local Municipality in which the Project is located. The Renewable Fuel type named in the New Resolution must be the same as that contained on the Supplier's FIT Contract Cover Page.
5. No Prior Resolution related to the Project will be accepted for the purposes of achieving NTP.
6. The entirety of the Template (all blanks) must be completed and it must be signed by authorized individual(s). There should be no delegation of authority contained in the New Resolution.
7. This instruction page is not required to be submitted to the IESO.

**CONSENT REPORT OF THE
PUBLIC SERVICES COMMITTEE**

November 23, 2015

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

Your Public Services Committee beg leave to present their EIGHTH
CONSENT REPORT as recommended at its meeting of November 2, 2015.

*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-2015.34 City of Guelph Submission to Ontario Culture Strategy

1. That Public Services Report #PS-15-57 "City of Guelph Submission to
Ontario Culture Strategy" dated November 2, 2015 be received.
2. That approval be given for the submission of the attached letter, addressed
to the Ministry of Tourism, Culture and Sport, in support of the development
of the Ontario Culture Strategy.

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
November 2, 2015 Public Services Committee meeting.***

STAFF REPORT

TO Public Services Committee

SERVICE AREA Public Services – Culture, Tourism and Community Investment

DATE November 2, 2015

SUBJECT City of Guelph Submission to Ontario Culture Strategy

REPORT NUMBER PS-15-57

EXECUTIVE SUMMARY

PURPOSE OF REPORT

To request approval for the supporting letter of submission regarding the Ontario Culture Strategy.

KEY FINDINGS

The Ministry of Tourism, Culture and Sport is developing its first Ontario Culture Strategy and is inviting municipalities to participate in the development of the strategy through written submissions. The attached letter, submitted as the City's contribution, emphasizes the important role of local government in supporting local culture and encourages the province to support municipalities through financial investment and provision of resources.

FINANCIAL IMPLICATION

There are no financial implications.

ACTION REQUIRED

Receive the report for information and approve the attached letter of submission.

RECOMMENDATION

1. THAT Public Services Report #PS-15-57 "City of Guelph Submission to Ontario Culture Strategy" dated November 2, 2015 be received
2. THAT approval be given for the submission of the attached letter, addressed to the Ministry of Tourism, Culture and Sport, in support of the development of the Ontario Culture Strategy

STAFF REPORT

BACKGROUND

Ontario is seeking input from across the province to develop its first culture strategy, which will set out a vision for arts and culture in Ontario to build healthier, more vibrant and prosperous communities. Cultural organizations, arts groups, artists, cultural industries, libraries and municipalities have been invited to become involved in the development of the Ontario Culture Strategy through written submission and also through participation in town hall meetings presented in various locations across Ontario.

REPORT

In response to the Ministry's call for input into the Ontario Culture Strategy, 37 Ontario municipalities collaborated to create a common message to the Ontario Ministry of Tourism, Culture and Sport. The City of Guelph has been represented on a small working team of culture staff from 15 municipalities to draft a common message that highlights the important role of local government in local culture. The message includes a series of recommendations for inclusion in the guiding principles of the provincial strategy. The recommendations from the City of Guelph to the province, as outlined in the attached letter, emphasizes the importance of providing support to municipalities through financial investment, new tools and resources, knowledge sharing, enhanced incentives, and measurements to communicate the economic and social value of culture.

To foster broad participation by Guelph citizens in the development of the strategy, City staff has reached out to the community to raise awareness of the Ministry's call for input from local communities and to encourage artists, arts groups, cultural industries and anyone who is interested, to submit written letters to the Ministry by the deadline of December 7, 2015.

CORPORATE STRATEGIC PLAN

City Building

3.1 Ensure a well designed, safe, inclusive, appealing and sustainable City

DEPARTMENTAL CONSULTATION

Guelph Public Library
Intergovernmental Relations, Policy and Open Government
Infrastructure, Development and Enterprise (Downtown Renewal)
Planning, Urban Design and Building Services

FINANCIAL IMPLICATIONS

There are no financial implications.

STAFF REPORT

COMMUNICATIONS

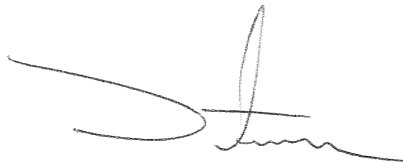
N/A

ATTACHMENTS

ATT-1 City of Guelph letter of submission

Report Author

Ella Pauls
Manager, Cultural Affairs and Tourism
Public Services



Approved By

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General Manager
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Recommended By

Derrick Thomson
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Public Services
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November 2, 2015

Mr. Kevin Finnerty
Assistant Deputy Minister
Ministry of Tourism, Culture and Sport, Culture Division
Culture and Strategic Policy Branch, Culture Policy Unit
401 Bay Street, Suite 1800
Toronto, ON M7A 0A7

From: The City of Guelph Mayor and Council

Re: Ontario's Culture Strategy

The City of Guelph congratulates the Ontario Premier Kathleen Wynne and the Honourable Michael Coteau, Minister of Tourism, Culture and Sport (MTCS), for inviting all Ontarians, including artists, community organizations and municipalities to actively participate in the development of an Ontario Culture Strategy and Arts Policy Framework that maximizes the economic benefits of arts and culture to individuals and communities.

We urge MTCS to recognize that the contributions of local governments have a major direct impact on Ontario's cultural development. While we appreciate that every municipal government is different and that every community has its own unique cultural values and institutions, we know that culture contributes to a dynamic quality of place and robust business environment, and that it engages youth in our communities all across the province. Guelph is proud of its unique reputation as a vibrant arts and culture hub that specializes in creating one-of-kind festivals, such as Hillside Festival, Guelph Jazz Festival and Guelph Dance Festival, that have established international renown for original programming. We are also celebrated as a community that understands the importance of cultivating an environment where artists can live and work.

Our municipal contribution to culture is most evident in the City's investment in six signature cultural venues. The municipality owns and operates:

- Guelph Civic Museum – where citizens and visitors learn about the history of Guelph
- McCrae House – a newly renovated museum, historic birth place of John McCrae
- River Run Centre – a premier performing arts centre
- Sleeman Centre – a sports and entertainment centre
- Market Square – Guelph's newest outdoor public gathering space in front of City Hall
- Guelph Public Library – a vibrant and well-used cultural hub and information centre

Through creative programming and careful stewardship of these public venues, our municipality contributes to the economic and social well-being of our community throughout the year. With the support of the province we have developed the Guelph Culture Map and most recently Council approved a revised Public Art Policy to guide the process for art in public space.

Our municipal investment aims to ensure that culture is for everyone, regardless of age, geography, background or income. To that end, the City supports about 20 arts organizations annually through its community wellbeing grants program. In addition the City supports the Art Gallery of Guelph, Guelph Arts Council and Guelph Youth Music Centre through multi-year community benefit agreements.

In total the City contributes over \$2 million annually in direct funds to support arts and culture its community.

With Downtown Guelph designated by the province under Ontario's Places to Grow as an Urban Growth Centre, the City of Guelph recognizes that a vibrant cultural environment will play an increasingly critical role in advancing our community's ability to attract businesses, investors, residents and visitors. To that end, we have worked with our community stakeholders to develop a series of strategies and plans that integrate urban design, place making, built form and streetscape guidelines, public art, and heritage and landscaping planning to create a unified approach to developing and animating our city, in particular our historic downtown. We have just launched DestinationNEXT, an innovative culture-led tourism initiative, with the support of our regional tourism office, to further advance culture as an economic strength.

To help achieve Guelph's goal as one of Ontario's successful Urban Growth Centres, we strongly urge MTCS, Culture Division, to reflect the role the City of Guelph and all local governments play in Ontario's Culture Strategy. Specifically, the Ontario Culture Strategy should:

- *Emphasize* the importance of local governments in the Ontario Culture Strategy Guiding Principles by recognizing that culture is different everywhere and highlighting the unique role of local governments in supporting Ontario's diverse municipalities;
- *Invest* in funding for municipalities to boost the development and implementation of municipal cultural plans and culture-led tourism strategies, support cultural infrastructure and strengthen the management and development of local cultural resources; and
- *Advance* the role of local governments in fostering an environment in which arts, cultural industries, cultural heritage, and public libraries thrive in communities by partnering with relevant professional networks and organizations on the creation of new resources and tools, professional training, and knowledge sharing opportunities.

Our City staff has been actively engaged in contributing to the Ontario Culture Strategy, by:

- working with a leadership team to develop a common message on behalf of the 38 Ontario municipalities that are members of the Creative City Network of Canada
- participating in the Hamilton town hall meeting
- partnering with Guelph Arts Council to encourage organizations and individuals in Guelph to make written submissions

Guelph has an important role to play in supporting the value of culture in Ontario. Our competitive ability to cultivate quality of place and create a robust business environment is crucial to Ontario's long-term success.

We thank you for undertaking the Ontario Culture Strategy, and for the opportunity for the City of Guelph and its citizens to contribute to such an important initiative.

BYLAWS

November 23, 2015

<p>By-law Number (2015)-19984 A by-law to appoint KPMG LLP as Auditors for The Corporation of the City of Guelph.</p>	<p>To appoint an auditor as per the Audit Committee 5th Consent Report.</p>
<p>By-law Number (2015)-19985 A by-law respecting Building, Demolition, Conditional, Change of Use and Occupancy Permits, Payment of Fees, Inspections, Appointment of Inspectors and a Code of Conduct which repeals By-law Number (2012)-19356, as amended and By-law Number (1987)-12602, as amended.</p>	<p>To update the Building By-law as per the Infrastructure, Development & Enterprise Committee 10th Consent Report.</p>
<p>By-law Number (2015)-19986 A by-law to remove Block 38, Plan 61M191 designated as Parts 17 to 24 inclusive, and Parts 41 to 48 inclusive, Reference Plan 61R20450 and Parts 2, 3, 7 and 8 Reference Plan 61R20532 in the City of Guelph from Part Lot Control. (694, 696, 698, 700, 702, 704, 706 and 708 Victoria Road North)</p>	<p>To remove land from part lot control to create separate parcels for multiple townhouse units to be known municipally as 694, 696, 698, 700, 702, 704, 706 and 708 Victoria Road North.</p>
<p>By-law Number (2015)-19987 A by-law to establish property tax pre-authorized plans and to repeal By-law Number (1998)-15906, being a by-law to provide the City of Guelph taxpayers with an alternative (pre-authorized) tax payment program.</p>	<p>To establish property tax pre-authorized plans as approved by Council.</p>
<p>By-law Number (2015)-19988 A by-law to provide for the deferrals of tax increases on property in the residential property class for low-income seniors and low-income persons with disabilities and to repeal By-law Number (2005)-17727.</p>	<p>To provide for tax rebates for low income seniors and persons with disabilities as approved by Council.</p>