

City Council Meeting Agenda



Monday, November 27, 2017 – 6:00 p.m.
Council Chambers, Guelph City Hall, 1 Carden Street

Please turn off or place on non-audible all electronic devices during the meeting.

Please note that an electronic version of this agenda is available on guelph.ca/agendas.

Authority to move into closed meeting

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

Confirmation of Minutes for the closed Council meetings held September 25 and October 5, 2017.

C-CON-2017.18 Public appointment to Guelph Sports Hall of Fame Directors
Section 239 (2)(b) personal matters about an identifiable individual, including municipal or local board employees

C-CON-2017.19 2018 Non-Union Compensation Increase
Section 239 (2)(d) labour relations or employee negotiations

Open Meeting – 6:30 p.m.

Closed Meeting Summary

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

Confirmation of Minutes: (Councillor Downer)

That the minutes of the open Council Meetings held October 5, 10, 23, 26 and November 2, 8, 2017 and the Committee of the Whole meeting dated October 2, 2017, be confirmed as recorded and without being read.

Committee of the Whole Consent Report:

The following resolutions have been prepared to facilitate Council's consideration of various matters and are suggested for consideration. If Council wishes to address a specific report in isolation of the Committee of the Whole Consent Report, please identify the item. It will be extracted and dealt with separately as part of the Items for Discussion.

COW-CS-2017.18 Shared Cost Allocation Basis – Wellington-Dufferin-Guelph Public Health

Recommendation:

That staff be directed to update the agreement among the County of Wellington, County of Dufferin and City of Guelph to reflect the continued use of the population numbers as produced by the Statistics Canada Census and to update the version of the Statistics Canada Census used in this calculation in the budget year following the year in which new information is released, as well as other administrative matters.

COW-CS-2017.19 Changes to the Vacant Unit Tax Rebate Program

Recommendation:

1. That the vacant unit tax rebate program be eliminated effective January 1, 2018.
2. That a reduction of \$470,000 be shown in the 2018 operating budget.

COW-CS-2017.20R Fall 2017 Public Appointments to Various Advisory Boards and Committees

Recommendation:

1. That Joanne O'Halloran be reappointed to the Accessibility Advisory Committee for a term ending November, 2018.
2. That Lynn Jeurond, Donna McMurdo and Deborah Stienstra be appointed to the Accessibility Advisory Committee for a term ending November, 2018.
3. That David Gundrum be appointed to the Committee of Adjustment for a term ending November, 2018.
4. That Alastair McCluskey be reappointed to the Downtown Advisory Committee for a term ending November, 2018.
5. That Robert Routledge be appointed to the Downtown Advisory Committee for a term ending November, 2018.
6. That Adam Miller be reappointed to the Environmental Advisory Committee for a term ending November, 2018.

7. That Jayne Osborn be reappointed to the Guelph Museums Advisory Committee for a term ending November, 2018.
8. That Brian Skerrett be appointed to Heritage Guelph for a term ending November, 2018.
9. That Julia Grady be appointed to the Public Art Advisory Committee for a term ending November, 2018.
10. That Alex Grosse be appointed to the River Systems Advisory Committee for a term ending November, 2018.
11. That staff be directed to conduct further recruitment to fill the remaining two vacancies on the River Systems Advisory Committee.
12. That Lynn Broughton and Jennifer Whyte be reappointed to the Tourism Advisory Committee for a term ending November, 2018.
13. That staff be directed to conduct further recruitment to fill the remaining vacancy on the Tourism Advisory Committee.
14. That Justine Kraemer, Dominica McPherson, Steven Petric and Kayla Weiler be reappointed to the Transit Advisory Committee for a term ending November, 2018.
15. That Bonnie Burgess be appointed to the Transit Advisory Committee for a term ending November, 2018.
16. That Bassim Abbassi be reappointed to the Waste Resource Innovation Centre Public Liaison Committee for a term ending November, 2018.
17. That staff be directed to conduct further recruitment to fill the remaining vacancy on the Waste Resource Innovation Centre Public Liaison Committee.
18. That David Worden be appointed to the Water Conservation and Efficiency Public Liaison Advisory Committee for a term ending November, 2018.

COW-PS-2017.13 Street Tree Ownership and Maintenance

Recommendation:

That the current street tree ownership and maintenance practices provided by Parks Operations and Forestry, as described in ATT-1 of the report titled Street Tree Ownership and Maintenance, dated November 6, 2017, be approved.

COW-PS-2017.14 Bicycle Skills Facility

Recommendation:

1. That staff be directed to engage the community, and plan and design a bicycle skills facility that will be owned and operated by the City of Guelph.
2. That Council endorse the staff recommendation that the Eastview Community Park be the preferred location for the bicycle skills facility.
3. That staff be directed to report to Council prior to the 2019 budget process.

COW-PS-2017.15 Speedvale Avenue Bridge Underpass

Recommendation:

1. That staff be directed to report back to Council in 2018 on alternative trail design options within the identified study area on the west side of the river. Alternative trail design options will have no minimum design criteria and will comply with the Official Plan, Zoning By-law and provincial legislation.
2. That staff consider future capital budget requirements for a possible alternative trail under Speedvale Avenue as part of the 2019 Capital budget process.

COW-AUD-2017.10 Internal Audit Work Plan 2018-2020

Recommendation:

That the report CAO-A-1708, "Internal Audit Work Plan 2018-2020" dated November 6, 2017 be approved.

Council Consent Agenda:

The following resolutions have been prepared to facilitate Council's consideration of various matters and are suggested for consideration. If Council wishes to address a specific report in isolation of the Consent Agenda, please identify the item. It will be extracted and dealt with separately as part of the Items for Discussion.

CON-2017.53 2017 Q3 Operating Variance Report

Recommendation:

That report CS-2017-37 titled 2017 Q3 Operating Variance Report and dated November 27, 2017, be received.

Items for Discussion:

The following items have been extracted from the Committee of the Whole Consent Report and the Council Consent Agenda and will be considered separately. These items have been extracted either at the request of a member of Council or because they include a presentation and/or delegations.

CON-2017.54 2018 Tax-Supported Operating Budget – Revised

Presentation:

Trevor Lee, Deputy CAO, Corporate Services

Recommendation:

That the recommendations referred on November 8, 2017 be amended as follows and be referred to December 5, 2017:

1. That the Executive Team recommended Tax-Supported Operating Budget with a net levy requirement of \$231,368,103 or 1.75 per cent above the 2017 net tax levy operating budget be approved, including:
 - i. A base operating budget, including reserve and reserve fund transfers (Tab 8), user fee increases, and assessment growth, totaling a net levy requirement of \$230,523,903 or 1.38 per cent above last year;
 - ii. Impacts from other levels of government and regulatory compliance totaling a net levy requirement of \$844,200 or 0.37 per cent above last year;
 - iii. That the proposed user fees (Tab 9) be approved.
2. That the 2018 Guelph Business Association budget with gross expenditures of \$655,410 and a total levy of \$605,000 be approved:

That the following budget submissions be considered:

1. City department budget expansions totaling a net levy requirement of \$3,194,028 or 1.40 per cent;
2. An additional contribution towards the City's long-term goal of sustainable capital funding in the form of the Dedicated Infrastructure Levy of 1.00 per cent of the overall 2018 net levy;
3. Local Board expansions totaling a net levy requirement of \$567,409 or 0.25 per cent.

Special Resolutions

By-laws

Resolution to adopt the By-laws (Councillor Allt).

| | |
|----------------------------|---|
| By-law Number (2017)-20227 | A by-law to designate portions of the building and property municipally known as 13 Stuart Street and legally described as Lots 6, 7, 8, 13, 14 & 15, Plan 235; Guelph, as being a property of cultural heritage value or interest. |
| By-Law Number (2017)-20228 | Being a By-law to amend By-law Number (2002) – 17017 – the Traffic By-law (to amend Lane Designations in Schedule VII, No Parking in Schedule XV and Restricted Parking in Schedule XVII). |

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 as Shareholder of GMHI
Held in the Council Chambers, Guelph City Hall on
Thursday, October 5, 2017 at 6:30 p.m.**

Attendance

Council: Mayor C. 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 A. Van Hellemond
Councillor K. Wettstein

Absent: Councillor M. Salisbury

Staff: Mr. C. Cooper, General Manager, Legal, Realty and Risk / City Solicitor
Ms. T. Sprigg, General Manager, Corporate Communications and Customer Service
Mr. D. McMahon, Acting Deputy Clerk
Ms. D. Tremblay, Council Committee Coordinator

Open Meeting (6:30 p.m.)

Call to Order

Mayor Guthrie called the meeting to order.

Disclosure of Pecuniary Interest and General Nature Thereof

There were no disclosures.

Authority to Move into Closed Meeting

1. Moved by Councillor Piper
Seconded by Councillor Gibson

That the Council of the City of Guelph as Shareholder of Guelph Municipal Holdings Inc. now hold a meeting that is closed to the public, pursuant to Section 239 (2)(b)(f) of the Municipal Act with respect to personal matters about an identifiable individual, including municipal or local board employees and advice that is subject to solicitor-client privilege, including communications for that purpose.

Carried

Closed Meeting (6:31 p.m.)

Disclosure of Pecuniary Interest and General Nature Thereof

There were no disclosures.

The following matters were considered:

C-GMHI-2017.3 Strategies and Options Committee –Recommendation on Potential Mergers

C-GMHI-2017.4 Project Governance and Budget: Negotiating Team

Rise and Recess from Closed Meeting (8:38 p.m.)

Open Meeting (8:39 p.m.)

Mayor Guthrie reconvened the meeting.

Attendance

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

Staff: Mr. D. McMahon, Acting Deputy Clerk

Closed Meeting Summary

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

C-GMHI-2017.3 Strategies and Options Committee –Recommendation on Potential Mergers

Staff were given direction on this matter.

C-GMHI-2017.4 Project Governance and Budget: Negotiating Team

Staff were given direction on this matter.

Adjournment (8:40 p.m.)

2. Moved by Councillor Bell
Seconded by Councillor Billings

That the meeting be adjourned.

Carried

Minutes to be confirmed on November 27, 2017.

Mayor Guthrie

Dylan McMahon – Acting Deputy City Clerk

**Minutes of Guelph City Council
Held in the Council Chambers, Guelph City Hall on
October 10, 2017 at 6:30 p.m.**

Attendance

| | | |
|----------|--|-------------------------|
| Council: | Mayor C. Guthrie | Councillor J. Gordon |
| | Councillor P. Allt | Councillor J. Hofland |
| | Councillor B. Bell | Councillor M. MacKinnon |
| | Councillor C. Billings | Councillor L. Piper |
| | Councillor C. Downer | Councillor K. Wettstein |
| Absent: | Councillor D. Gibson | |
| | Councillor M. Salisbury | |
| | Councillor A. Van Hellemond | |
| Staff: | Mr. S. Stewart, Deputy CAO, Infrastructure, Development and Enterprise | |
| | Mr. T. Salter, General Manager, Planning, Urban Design and Building Services | |
| | Mr. C. DeVriendt, Acting Manager, Development Planning | |
| | Mr. R. Dal Bello, Development Planner | |
| | Mr. D. McMahon, Acting Deputy Clerk | |
| | Ms. D. Black, Council Committee Coordinator | |

Call to Order (6:30 p.m.)

Mayor Guthrie called the meeting to order.

Disclosure of Pecuniary Interest and General Nature Thereof

There were no disclosures.

Councillor Piper arrived at the meeting. (6:32 p.m.)

Council Consent Agenda

The following items were extracted:

CON-2017.42 43 Arthur Street South: Notice of Intention to Designate Pursuant to Part IV of the Ontario Heritage Act

CON-2017.43 122 Cardigan Street (Kelly's Inn): Notice of Intention to Designate Pursuant to Part IV of the Ontario Heritage Act

Balance Council Consent Items

1. Moved by Councillor Piper
Seconded by Councillor Hofland

That the balance of the October 10, 2017 Council Consent Agenda as identified below, be adopted:

CON-2017.44 Review of City of Guelph Development Application Fees

1. That the Development Application Fee By-law be approved in accordance with ATT-2 of the Infrastructure, Development and Enterprise Report IDE-2017-116, dated October 10, 2017 and the enacted By-law come into full force and effect on January 1, 2018.
2. That the application fees be increased annually based on the Construction Price Index.
3. That the Development Application Fee by-law be formally reviewed once per Council term.

Voting in Favour: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gordon, Hofland, MacKinnon, Piper and Wettstein (10)

Voting Against: (0)

Carried

2. Moved by Councillor MacKinnon
Seconded by Councillor Bell

That the balance of the extracted October 10, 2017 Council Consent Agenda reports as identified below be adopted:

CON-2017.42 43 Arthur Street South: Notice of Intention to Designate Pursuant to Part IV of the Ontario Heritage Act

1. That the City Clerk be authorized to publish and serve notice of intention to designate 43 Arthur Street South pursuant to Section 29, Part IV of the Ontario Heritage Act and as recommended by Heritage Guelph.
2. That the designation by-law be brought before City Council for approval if no objections are received within the thirty (30) day objection period.

CON-2017.43 122 Cardigan Street (Kelly's Inn): Notice of Intention to Designate Pursuant to Part IV of the Ontario Heritage Act

1. That the City Clerk be authorized to publish and serve notice of intention to designate 122 Cardigan Street pursuant to Section 29, Part IV of the Ontario Heritage Act and as recommended by Heritage Guelph.
2. That the designation by-law be brought before City Council for approval if no objections are received within the thirty (30) day objection period.

Voting in Favour: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gordon, Hofland, MacKinnon, Piper and Wettstein (10)

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.

Items for Discussion

1300 Gordon Street Proposed Official Plan and Zoning By-law Amendment File: OP1704 and ZC1707

Rino Dal Bello, Development Planner advised the applicant is requesting variances from the Zoning By-law pertaining to the maximum density per hectare, the minimum front, side and rear yards, the number of visitor parking spaces provided above grade and the maximum floor space index as outlined within the report.

Astrid Clos, consultant on behalf of the applicant, provided an overview of the surrounding area and outlined the exemptions being requested by the applicant. She also addressed the ecological corridor linkage and concerns raised in correspondence provided with the agenda.

Les Schmidt, a neighbourhood resident, expressed concerns regarding the impact of the floor space index, building height, effects of designating the property as High Density Residential, lack of common outdoor space, loss of significant natural area, traffic and parking.

Discussion ensued regarding parking, waste management, the Community Energy Plan, snow storage and removal, rooftop mechanicals and lighting.

3. Moved by Councillor Bell
Seconded by Councillor MacKinnon

That Report IDE 2017-108 regarding a proposed Official Plan Amendment and Zoning By-law Amendment application (OP1704 & ZC1707) from Astrid J. Clos Planning Consultants on behalf of Carousel Estates Homes Inc. to permit a residential development on the property municipally known as 1300 Gordon Street and legally described as Part of Lot 6, Concession 8 (Geographic Township of Puslinch) City of Guelph, from Infrastructure, Development and Enterprise dated October 10, 2017, be received.

Voting in Favour: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gordon, Hofland, MacKinnon, Piper, and Wettstein (10)

Voting Against: (0)

Carried

By-laws

4. Moved by Councillor Piper
Seconded by Councillor Wettstein

That By-laws Numbered (2017) – 20213 to (2017) - 20218, inclusive, are hereby passed.

Voting in Favour: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gordon, Hofland, MacKinnon, Piper and Wettstein (10)

Voting Against: (0)

Carried

Mayor's Announcements

Adjournment (7:37 p.m.)

5. Moved by Councillor Bell
Seconded by Councillor MacKinnon

That the meeting be adjourned.

Carried

Minutes to be confirmed on November 27, 2017.

Mayor Guthrie

Dylan McMahon – Acting Deputy Clerk



**Minutes of Guelph City Council
Held in the Council Chambers, Guelph City Hall on
October 23, 2017 at 6:31 p.m.**

Attendance

Council: Mayor C. Guthrie
Councillor P. Allt
Councillor B. Bell
Councillor C. Downer
Councillor D. Gibson
Councillor J. Gordon

Councillor J. Hofland
Councillor M. MacKinnon
Councillor C. Billings
Councillor A. Van Hellemond
Councillor K. Wettstein

Absent: Councillor L. Piper
Councillor M. Salisbury

Staff: Mr. D. Thomson, Chief Administrative Officer
Mr. T. Lee, Deputy CAO of Corporate Services
Mr. S. Stewart, Deputy CAO of Infrastructure, Development and Enterprise
Mr. D. Godfrey, General Manager, Operations
Ms. B. Swartzentruber, Executive Director, Strategy, Innovation and Intergovernmental Services
Ms. J. Smith, Manager, Corporate, Community Strategic Initiatives
Mr. S. O'Brien, City Clerk
Ms. D. Tremblay, Council Committee Coordinator

Call to Order (6:31 p.m.)

Mayor Guthrie called the meeting to order.

Disclosure of Pecuniary Interest and General Nature Thereof

There were no disclosures.

CON-2017.46 Citizen Satisfaction Survey Results

Barbara Swartzentruber, Executive Director, Strategy, Innovation, and Intergovernmental Services provided information regarding the purpose, overall results current and future opportunities for improvement resulting from the survey results.

Mr. Martin Hrobsky Vice President, Ipsos provided a summary of the survey results.

1. Moved by Councillor Billings
Seconded by Councillor Bell

That the report titled Citizen Satisfaction Survey Results, dated October 23, 2017 be received.

Voting in Favour: Mayor Guthrie, Councillors Alt, Bell, Billings, Downer, Gibson, Gordon, Hofland, MacKinnon, Van Hellemond and Wettstein (11)

Voting Against: (0)

Carried

Confirmation of Minutes

2. Moved by Councillor Billings
Seconded by Councillor Bell

That the minutes of the Council Meetings held September 11, 13, 18, 25 and 26, 2017 be confirmed as recorded and without being read.

Voting in Favour: Mayor Guthrie, Councillors Alt, Bell, Billings, Downer, Gibson, Gordon, Hofland, MacKinnon, Van Hellemond and Wettstein (11)

Voting Against: (0)

Carried

Committee of the Whole Consent Reports

The following item was extracted:

COW-GOV-2017.2 2018 Council and Committee Meeting Calendar

Balance of Committee of the Whole Consent Items

3. Moved by Councillor Gibson
Seconded by Councillor Van Hellemond

That the balance of the October 2, 2017 Committee of the Whole Consent Report as identified below, be adopted:

COW-IDE-2017.37 Water and Wastewater Rate Review- Billing Exemptions Study

1. That the report titled Water and Wastewater Rate Review- Billing Exemptions Study (IDE-17-114) be received.
2. That staff prepare Terms and Conditions and related revisions to the Water and Wastewater by-laws for Council approval in Q1 2018 for two program recommendations: Sewer Abatement Rebate Program and Water Leak Forgiveness Program.

COW-IDE-2017.38 Pedestrian Crossover Implementation

That the implementation strategy for Level 2 Pedestrian Crossovers as outlined in Report IDE 17- 113 be approved.

COW-GOV-2017.3 Election Policies

1. That the Use of Corporate Resources during an Election Policy, included as ATT-1 to the report titled Election Policies and dated October 2, 2017, be approved.
2. That the Council Vacancy Policy, included as ATT-2 to the report titled Election Policies and dated October 2, 2017, be approved.

Voting in Favour: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, Hofland, MacKinnon, Van Hellemond and Wettstein (11)

Voting Against: (0)

Carried

Items for Discussion

COW-GOV-2017.2 2018 Council and Committee Meeting Calendar

Councillor Hofland requested the Monday, June 4, 2016 Committee of the Whole meeting be rescheduled to Tuesday, June 5, 2018 in order to accommodate those Council members attending the FCM conference.

4. Moved by Councillor Hoffland
Seconded by Councillor Billings

That the 2018 Council and Committee meeting schedule as shown in ATT-1 to Report CS-2017-78, dated October 2, 2017 be approved, as amended.

Voting in Favour: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, Hofland, MacKinnon, Van Hellemond and Wettstein (11)

Voting Against: (0)

Carried

CON-2017.45 Land Sale Transaction for 190 Hanlon Creek Blvd. between 1651807 Ontario Inc. and the Guelph Humane Society (GHS)

Adrienne McBride, Executive Director, Guelph Humane Society provided information regarding the Guelph Humane Society's plans for a new facility.

5. Moved by Councillor Billings
Seconded by Councillor MacKinnon

That the City's "Option to Repurchase" condition, found in the Agreement of Purchase and Sale between the City and 1651807 Ontario Inc. for a property at 190 Hanlon Creek Boulevard, to permit the sale of these lands to the Guelph Humane Society (GHS), be waived.

Voting in Favour: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, Hofland, MacKinnon, Van Hellemond and Wettstein (11)

Voting Against: (0)

Carried

By-laws

6. Moved by Councillor Bell
Seconded by Councillor Billings

That By-laws Numbered (2017)-20219 to (2017)-20223, inclusive, are hereby passed.

Voting in Favour: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, Hofland, MacKinnon, Van Hellemond and Wettstein (11)

Voting Against: (0)

Carried

Adjournment (7:35 p.m.)

7. Moved by Councillor Bell
Seconded by Councillor Hofland

That the meeting be adjourned.

Carried

Minutes to be confirmed on November 27, 2017.

Mayor Guthrie

Stephen O'Brien - City Clerk



**Minutes of Guelph City Council – Special Meeting
Held in the Council Chambers, Guelph City Hall on
October 26, 2017 at 2:00 p.m.**

Attendance

Council: Mayor C. 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: Mr. D. Thomson, Chief Administrative Officer
Ms. C. Clack, Deputy CAO of Public Services
Mr. T. Lee, Deputy CAO of Corporate Services
Mr. S. Stewart, Deputy CAO of Infrastructure, Development and Enterprise
Ms. T. Baker, General Manager, Finance/Treasurer
Mr. P. Busatto, General Manager, Environmental Services
Mr. P. Cartwright, General Manager, Business Development and Enterprise
Mr. B. Coutts, General Manager, Court Services
Ms. K. Dedman, General Manager, Engineering and Capital Infrastructure Services/City Engineer
Mr. D. Godfrey, General Manager, Operations
Mr. M. Petricevic, General Manager, Facilities Management
Mr. T. Salter, General Manager, Planning, Urban Design and Building Services
Mr. M. Spicer, General Manager, Guelph Transit
Mr. S. Kraft, Chief Executive Officer, Guelph Library Board
Mr. W. Galliher, Divisional Manager, Water Services
Mr. C. Walsh, Divisional Manager, Solid Waste Resources
Mr. T. Gayman, Manager, Development and Environmental Engineering
Mr. J. Krauter, Manager of Taxation and Revenue/Deputy Treasurer
Ms. K. Newland, Manager, Finance Client Services
Mr. G. Clark, Program Manager, Capital Accounting and Planning
Mr. D. McMahon, Acting Deputy Clerk
Ms. T. Di Lullo, Council Committee Coordinator

Special Council – Presentation and Delegations for Non-Tax Supported Budgets and Tax Supported and Non-Tax Supported Capital Budget

Call to Order (2:02 p.m.)

Mayor Guthrie called the special meeting to order.

Disclosure of Pecuniary Interest and General Nature Thereof

Mayor Guthrie declared a pecuniary interest in any discussions involving Hastings Stadium or fees related to recreation baseball as he is a co-owner of the Guelph Royals Baseball Club.

CON-2017.47**2018 Non-Tax Supported Operating Budget**

Trevor Lee, Deputy CAO, Corporate Services, provided opening remarks regarding the non-tax supported operating budget and the capital budget which includes both non-tax and tax supported projects.

Tara Baker, General Manager, Finance/Treasurer, presented an overview and timeline of the non-tax supported operating budget.

Kealy Dedman, General Manager, Engineering and Capital Infrastructure Services/City Engineer, presented the 2018 non-tax supported budget for the City's stormwater services, including accomplishments, initiatives, rate setting objectives and comparisons, and key changes for 2018.

Brad Coutts, General Manager, Court Services, introduced the 2018 Court Services budget including accomplishments, 2018 initiatives, shared funding models, and budgetary trends.

Todd Salter, General Manager, Planning, Urban Design and Building Services, presented the 2018 Ontario Building Code Administration budget including customer service improvements in 2017 and key changes for 2018.

Peter Busatto, General Manager, Environmental Services, presented the 2018 recommended Water and Wastewater budget including rate changes and forecasts, expansion request, and key 2018 initiatives.

The following delegates spoke regarding this item:

Dorothy Griggs

Rob Hildred

Pat Fung

The following delegates were not present:

Joe Farwell, CAO, Grand River Conservation Authority

Sonja Radoja, Manager of Finance, Grand River Conservation Authority

1. Moved by Councillor Bell
Secoded by Councillor Hofland

That Report No. CS-2017-29 titled '2018 Non-Tax Supported Operating Budget' be referred to the November 2, 2017 Council Budget meeting.

1. That for Stormwater Services the following be approved:
 1. 2018 Stormwater Services Operating Budget in the amount of \$6,052,000, inclusive of reserve transfers as outlined in Attachment 1 to Report No. CS-2017-29 titled '2018 Non-Tax Supported Operating Budget' dated October 26, 2017;
 2. A City of Guelph stormwater base charge of \$4.60 per month per Equivalent Residential Unit (ERU) effective January 1, 2018; and

3. That the Stormwater Fees and Services By-Law be passed.
2. A 2018 Court Services Operating Budget in the amount of \$3,940,300, inclusive of the reserve transfer, as outlined in Attachment 1 to Report No. CS-2017-29 titled '2018 Non-Tax Supported Operating Budget' dated October 26, 2017.
3. A 2018 Ontario Building Code Administration Operating Budget in the amount of \$3,515,670, inclusive of the reserve transfer, as outlined in Attachment 1 to Report No. CS-2017-29 titled '2018 Non-Tax Supported Operating Budget' dated October 26, 2017.
4. That for Water and Wastewater Services the following be approved:
 1. Proposed expansion package in the net amount of \$126,300 for Water Services as outlined in Attachment 2 to Report No. CS-2017-29 titled '2018 Non-Tax Supported Operating Budget' dated October 26, 2017;
 2. 2018 Water and Wastewater Services Operating Budgets in the amounts of \$30,966,468 and \$31,411,049 respectively, inclusive of the expansion request and reserve transfers, as outlined in Attachment 1 to Report No. CS-2017-29 titled '2018 Non-Tax Supported Operating Budget' dated October 26, 2017;
 3. A City of Guelph water volume charge of \$1.72 per cubic metre effective January 1, 2018 and wastewater volume charge of \$1.84 per cubic metre, effective January 1, 2018;
 4. That the City of Guelph water and wastewater basic service charges remain consistent with 2017 per Attachment 3 to Report No. CS-2017-29 titled '2018 Non-Tax Supported Operating Budget' dated October 26, 2017 effective January 1, 2018;
 5. That Water Services and Wastewater Services Fees and Services By-Law be passed.

Voting in Favour: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, Hofland, MacKinnon, Salisbury, and Van Hellemond (11)

Voting Against: (0)

Carried

CON-2017.48 2018-2027 Capital Budget and Forecast

Tara Baker, General Manager, Finance/Treasurer provided opening comments about the capital budget and described key concepts of the City's capital budget development and funding strategy. She provided an overview of projects that addressed the Council Shared Agenda priorities and the operating impacts expected from the 2018 capital budget.

Councillor Piper arrived at 4:22 p.m.
Councillor Wettstein arrived at 4:24 p.m.

Council recessed at 4:35 p.m. and reconvened at 5:00 p.m.

The following delegates spoke regarding this item:

Jim MacKenzie, Rotary Club of Guelph
Ted Pritchard
Glen Wilson
John Hart

Councillor Allt declared a point of order.

Councillor Van Hellemond left the meeting at 6:14 p.m.

The following delegates spoke regarding this item:

Lin Grist
Anne Gajerski-Cauley
Paul Costello, Council of Canadians Guelph Chapter
John Parkyn
Elaine Duignan
Susan Watson

Councillor Piper left the meeting at 6:41 p.m.

The following delegates spoke regarding this item:

Donna Jennison
Cynthia Bragg
Duncan MacKenzie
Susan Carey
Anne MacKay, Guelph Public Library Board
Emran Jamali
Ian Findlay
Mary Mulholland
Jonathan Webb
Jesse Tetrault, Out on the Shelf
Maggie Laidlaw
Mike Schreiner
Karen DeVecchio

The following delegates were not present:

Mira Clarke
CK Sharma
J.C. Blokhuis

2. Moved by Councillor Gibson
Seconded by Councillor Bell

That Report No. CS-2017-81 titled '2018–2027 Capital Budget and Forecast' be referred to the November 2, 2017 Council meeting;

1. That the 2018 Capital Budget in the gross amount of \$90,788,062 be approved;
2. 2019-2027 Capital Forecast in the gross amount of \$1,179,706,044 be received for information.

Voting in Favour: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, Hofland, MacKinnon, Salisbury, and Wettstein (11)

Voting Against: (0)

Carried

Adjournment (8:33 p.m.)

3. Moved by Councillor Bell
Seconded by Councillor Gibson

That the meeting be adjourned.

Carried

Minutes to be confirmed on November 27, 2017.

Mayor Guthrie

Dylan McMahon – Acting Deputy Clerk

**Minutes of Guelph City Council – Special Meeting
Held in the Council Chambers, Guelph City Hall on
November 2, 2017 at 2:03 p.m.**

Attendance

Council: Mayor C. 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: Mr. D. Thomson, Chief Administrative Officer
Ms. C. Clack, Deputy CAO of Public Services
Mr. T. Lee, Deputy CAO of Corporate Services
Mr. S. Stewart, Deputy CAO of Infrastructure, Development and Enterprise
Ms. T. Baker, General Manager, Finance/Treasurer
Mr. P. Busatto, General Manager, Environmental Services
Ms. K. Dedman, General Manager, Engineering and Capital Infrastructure
Services/City Engineer
Mr. M. Spicer, General Manager, Guelph Transit
Mr. W. Galliher, Divisional Manager, Water Services
Mr. C. Walsh, Divisional Manager, Solid Waste Resources
Mr. J. Krauter, Manager of Taxation and Revenue/Deputy Treasurer
Ms. K. Newland, Manager, Finance Client Services
Mr. G. Clark, Program Manager, Capital Accounting and Planning
Ms. R. Gurr, Corporate Analyst
Ms. P. Zukowski, Corporate Analyst
Mr. S. O'Brien, City Clerk
Ms. D. Tremblay, Council Committee Coordinator

**Special Council – Council Approval of Non-Tax Supported Budgets and Tax
Supported and Non-Tax Supported Capital Budget**

Call to Order (2:03 p.m.)

Mayor Guthrie called the special meeting to order.

Disclosure of Pecuniary Interest and General Nature Thereof

Mayor Guthrie declared a pecuniary interest in any potential discussions involving Hastings Stadium or fees related to baseball as he is a co-owner of the Guelph Royals Baseball Club.

Trevor Lee, Deputy CAO, Corporate Services, provided opening remarks regarding the non-tax supported operating budget and the capital budget which includes both non-tax and tax supported projects.

CON-2017.47**2018 Non-Tax Supported Operating Budget**

1. Moved by Councillor Hofland
Seconded by Councillor Bell

That for Stormwater Services the following be approved:

1. 2018 Stormwater Services Operating Budget in the amount of \$6,052,000, inclusive of reserve transfers as outlined in Attachment 1 to Report No. CS-2017-29 titled '2018 Non-Tax Supported Operating Budget' dated October 26, 2017;
2. A City of Guelph stormwater base charge of \$4.60 per month per Equivalent Residential Unit (ERU) effective January 1, 2018; and
3. That the Stormwater Fees and Services By-Law be passed.

Amendment to Motion

2. Moved by Councillor Gibson
Seconded by Councillor Billings

That the Stormwater Services Operating Budget in the amount of \$5,657,440, inclusive of reserve transfers as outlined in Attachment 1 to Report No. CS-2017-29 titled "2018 Non-Tax Supported Operating Budget" dated October 26, 2017, be approved.

Voting in Favour: Councillor Bell, Billings, Gibson and Van Hellemond (4)

Voting Against: Mayor Guthrie, Councillors Allt, Downer, Gordon, Hofland, MacKinnon, Piper, Salisbury, and Wettstein (9)

Defeated

Main Motion

3. Moved by Councillor Hofland
Seconded by Councillor Bell

That for Stormwater Services the following be approved:

1. 2018 Stormwater Services Operating Budget in the amount of \$6,052,000, inclusive of reserve transfers as outlined in Attachment 1 to Report No. CS-2017-29 titled '2018 Non-Tax Supported Operating Budget' dated October 26, 2017;
2. A City of Guelph stormwater base charge of \$4.60 per month per Equivalent Residential Unit (ERU) effective January 1, 2018; and
3. That the Stormwater Fees and Services By-Law be passed.

Voting in Favour: Mayor Guthrie, Councillors Allt, Bell, Downer, Gordon, Hofland, MacKinnon, Piper, Salisbury, Van Hellemond and Wettstein (11)

Voting Against: Councillor Billings, Gibson (2)

Carried

4. Moved by Councillor Billings
Seconded by Councillor Hofland

A 2018 Court Services Operating Budget in the amount of \$3,940,300, inclusive of the reserve transfer, as outlined in Attachment 1 to Report No. CS-2017-29 titled '2018 Non-Tax Supported Operating Budget' dated October 26, 2017.

Voting in Favour: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gordon, Gibson, Hofland, MacKinnon, Piper, Salisbury, Van Hellemond and Wettstein (13)

Voting Against: (0)

Carried

5. Moved by Councillor Allt
Seconded by Councillor Hofland

A 2018 Ontario Building Code Administration Operating Budget in the amount of \$3,515,670, inclusive of the reserve transfer, as outlined in Attachment 1 to Report No. CS-2017-29 titled '2018 Non-Tax Supported Operating Budget' dated October 26, 2017.

Voting in Favour: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gordon, Gibson, Hofland, MacKinnon, Piper, Salisbury, Van Hellemond and Wettstein (13)

Voting Against: (0)

Carried

6. Moved by Councillor Gordon
Seconded by Councillor Bell

That for Water and Wastewater Services the following be approved:

1. Proposed expansion package in the net amount of \$126,300 for Water Services as outlined in Attachment 2 to Report No. CS-2017-29 titled '2018 Non-Tax Supported Operating Budget' dated October 26, 2017;
2. 2018 Water and Wastewater Services Operating Budgets in the amounts of \$30,966,468 and \$31,411,049 respectively, inclusive of the expansion request and reserve transfers, as outlined in Attachment 1 to Report No. CS-2017-29 titled '2018 Non-Tax Supported Operating Budget' dated October 26, 2017;
3. A City of Guelph water volume charge of \$1.72 per cubic metre effective January 1, 2018 and wastewater volume charge of \$1.84 per cubic metre, effective January 1, 2018;

4. That the City of Guelph water and wastewater basic service charges remain consistent with 2017 per Attachment 3 to Report No. CS-2017-29 titled '2018 Non-Tax Supported Operating Budget' dated October 26, 2017 effective January 1, 2018;
5. That Water Services and Wastewater Services Fees and Services By-Law 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

CON-2017.48 2018-2027 Capital Budget and Forecast

Mayor Guthrie left the Chair and did not discuss or vote on this item.
Councillor Downer assumed the Chair.

7. Moved by Councillor MacKinnon
 Seconded by Councillor Vanhellemond

That the Parks and Recreation Master Plan Study item in the 2018 Capital Budget be approved in the amount of \$210,000.00.

Voting in Favour: Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, Hofland, MacKinnon, Piper, Salisbury, Van Hellemond and Wettstein (12)

Voting Against: (0)

Carried

Mayor Guthrie resumed the Chair.

8. Moved by Councillor MacKinnon
 Seconded by Councillor Hofland

1. That the 2018 Capital Budget in the gross amount of \$90,578,062 be approved;
2. 2019-2027 Capital Forecast in the gross amount of \$1,179,706,044 be received for information.

Amendment to the Motion

9. Moved by Councillor Hofland
 Seconded by Councillor Gibson

That that Council Chambers upgrades in the amount of \$480,000 be removed from the 2018 programs of work.

Voting in Favour: Mayor Guthrie, Councillors Allt, Bell, Billings, Gibson, Gordon, Hofland, Salisbury, and Van Hellemond (9)

Voting Against: Downer, MacKinnon, Piper and Wettstein (4)

Carried

Council recessed at 4:00 p.m. and reconvened at 4:17 p.m.

Main Motion as Amended

10. Moved by Councillor MacKinnon
Seconded by Councillor Hofland

1. That the 2018 Capital Budget in the gross amount of \$90,098,062 be approved;
2. 2019-2027 Capital Forecast in the gross amount of \$1,179,706,044 be received for information.

Voting in Favour: Mayor Guthrie, Councillors Allt, Downer, Gibson, Gordon, Hofland, MacKinnon, Piper, Salisbury, Van Hellemond and Wettstein (11)

Voting Against: Bell, Billings, (2)

Carried

11. Moved by Councillor Downer
Seconded by Councillor Hofland

That the matter of funding for detail design work regarding a new downtown library be referred for consideration by end of first quarter 2018, conditional upon Council approval of the library business case.

Voting in Favour: Mayor Guthrie, Councillors Allt, Bell, Downer, Gibson, Gordon, Hofland, Piper, Salisbury, and Van Hellemond (10)

Voting Against: Billings, MacKinnon, Wettstein (3)

Carried

12. Moved by Councillor Downer
Seconded by Councillor Piper

1. That City Council acknowledges the contributions to the community made by the Rotary Club of Guelph, and supports in principle the intention to construct a Link Trail in honour of their Centennial celebrations in 2020.
2. That Council direct staff to work with the Grand River Conservation Authority to determine the timeline and feasibility of construction of the proposed trail extension, including any potential land use agreements that are required, as well as agreement on responsibilities pertaining to trail construction and maintenance.
3. That staff proceed with undertaking the process necessary to name the trail The Rotary Club of Guelph Trail; and

4. That staff bring a proposal back for Council's consideration as part of the 2019 budget process to respond to the request from the Rotary Club of Guelph for funding for the trail in the amount of \$158,000.

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

By-laws

13. Moved by Councillor VanHellemond
Seconded by Councillor Gibson

That By-laws Numbered (2017)-20224 and (2017)-20226, 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

Adjournment (4:54 p.m.)

14. Moved by Councillor Bell
Seconded by Councillor Piper

That the meeting be adjourned.

Carried

Minutes to be confirmed on November 27, 2017.

Mayor Guthrie

Stephen O'Brien–City Clerk

**Minutes of Guelph City Council – Special Meeting
Held in the Council Chambers, Guelph City Hall on
November 8, 2017 at 2:00 p.m.**

Attendance

Council: Mayor C. 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 M. Salisbury
Councillor A. Van Hellemond
Councillor K. Wettstein

Absent: Councillor L. Piper

Staff: Mr. D. Thomson, Chief Administrative Officer
Ms. C. Clack, Deputy CAO, Public Services
Mr. T. Lee, Deputy CAO, Corporate Services
Mr. S. Stewart, Deputy CAO, Infrastructure, Development and Enterprise
Ms. T. Baker, General Manager, Finance/Treasurer
Ms. K. Newland, Manager, Finance Client Services
Mr. R. Maeresera, Senior Corporate Analyst
Ms. K. Dedman, General Manager, Engineering and Capital Infrastructure
Services/City Engineer
Mr. C. Walsh, Divisional Manager, Solid Waste Resources
Mr. D. Godwaldt, General Manager, Human Resources
Ms. D. Evans, General Manager, Culture, Tourism and Community Investment
Mr. T. Salter, General Manager, Planning, Urban Design and Building Services
Mr. D. Godfrey, General Manager, Operations
Mr. B. Labelle, General Manager, Information Technology
Mr. S. O'Brien, City Clerk
Ms. L. Cline, Council Committee Assistant

Special Council – Presentation of 2018 Tax Supported Operating Budget

Call to Order (2:00 p.m.)

Mayor Guthrie called the special meeting to order.

Disclosure of Pecuniary Interest and General Nature Thereof

Mayor Guthrie declared a pecuniary interest in any potential discussions involving Hastings Stadium or fees related to baseball as he is a co-owner of the Guelph Royals Baseball Club.

Trevor Lee, Deputy CAO, Corporate Services, provided opening remarks regarding the 2018 tax-supported operating budget.

Tara Baker, General Manager, Finance/Treasurer, outlined the presentation and provided an overview of how the operating budget was built. Ms. Baker also provided background information on the recommended budget increase of 2.19%.

Councillor Salisbury arrived at 2:07 p.m.

Mayor Guthrie left the Chair at 2:15 p.m. and Councillor Downer assumed the Chair.

Mayor Guthrie, on behalf of the Mayor's Office and Council, outlined several key initiatives undertaken by the Mayor's Office and the proposed budget for 2018.

Mayor Guthrie resumed the Chair at 2:23 p.m.

Councillor Gibson arrived at 2:23 p.m.

Derrick Thomson, Chief Administrative Officer, highlighted projects within the Office of the Chief Administrative Officer and their impact on the 2018 budget.

Scott Stewart, Deputy CAO, Infrastructure, Development and Enterprise Services, Colleen Clack, Deputy CAO, Public Services, and Trevor Lee, Deputy CAO, Corporate Services, provided an overview of their respective Service Areas and outlined 2018 initiatives and budget implications.

Mayor Guthrie left the room at 3:04 p.m. and Councillor Downer assumed the Chair during discussions surrounding the correlation between the minimum wage increase and user fees.

Mayor Guthrie returned and resumed the Chair at 3:09 p.m.

Tara Baker, General Manager, Finance/Treasurer, provided an overview of general and capital financing.

Council recessed at 3:50 p.m. and reconvened at 4:01 p.m.

Tara Baker, General Manager, Finance/Treasurer, introduced the 2018 service area expansions and their impact on the budget.

Mayor Guthrie on behalf of the Mayor's Office and Council, Derrick Thomson, Chief Administrative Officer, Scott Stewart, Deputy CAO, Infrastructure, Development and Enterprise Services, Colleen Clack, Deputy CAO, Public Services, and Trevor Lee, Deputy CAO, Corporate Services, provided an overview of the expansions for their respective Service Areas.

Council recessed at 5:59 p.m. and reconvened at 6:08 p.m.

Kealy Dedman, General Manager, Engineering and Capital Infrastructure Services/City Engineer, provided an overview of the dedicated infrastructure levy. Ms. Dedman outlined how the levy will be used to increase capital funding levels for infrastructure renewal and city building initiatives.

CON-2017.50 2018 Tax Supported Operating Budget

1. Moved by Councillor Salisbury
 Secoded by Councillor Alt

That report CS-2017-32 be received for information and referred to budget deliberation and approval on December 5, 2017:

1. That the Executive Team recommended Tax Supported Operating Budget with a net levy requirement of \$232,907,226 or 2.19 per cent above the 2017 net tax levy operating budget be approved, including:
 - i. A base operating budget, including reserve and reserve transfers, user fee increases and assessment growth, totaling a net levy requirement of \$232,063,026 or 1.82 per cent above last year;
 - i. Impacts from other levels of government totaling a net levy requirement of \$844,200 or 0.37 per cent above last year;
 - ii. That the proposed user fees (Tab 9) be approved:

That the following budget submissions be considered:

2. City department budget expansions totaling a net levy requirement of \$3,194,028 or 1.4 per cent;
3. An additional contribution towards the City's long-term goal of sustainable capital funding in the form of the Dedicated Infrastructure Levy of 1.0 per cent of the overall 2018 net levy;
4. Local Board expansions totaling a net levy requirement of \$567,409 or 0.25 per cent.

Voting in Favour: Mayor Guthrie, Councillors Alt, Bell, Billings, Downer, Gordon, Gibson, Hofland, MacKinnon, Salisbury, Van Hellemond and Wettstein (12)

Voting Against: (0)

Carried

CON-2017.49 Dedicated Infrastructure Levy

2. Moved by Councillor Alt
 Secoded by Councillor Downer

That report titled Dedicated Infrastructure Levy and numbered CS-2017-31 be received.

Voting in Favour: Mayor Guthrie, Councillors Alt, Bell, Billings, Downer, Gordon, Gibson, Hofland, MacKinnon, Salisbury, Van Hellemond and Wettstein (12)

Voting Against: (0)

Carried

Adjournment (6:57 p.m.)

Moved by Councillor Bell
Seconded by Councillor Hofland

That the meeting be adjourned.

Carried

Minutes to be confirmed on Monday, November 27, 2017.

Mayor Guthrie

Stephen O'Brien - City Clerk

**Minutes of Committee of the Whole Meeting
Held in the Council Chambers, Guelph City Hall on
October 2, 2017 at 2:03 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. C. Clack, Deputy CAO of Public Services
Mr. T. Lee, Deputy CAO of Corporate Services
Mr. S. Stewart, Deputy CAO of Infrastructure, Development and Enterprise
Ms. K. Dedman, General Manager of Engineering and Capital Infrastructure
Services/City Engineer
Mr. A. McIlveen, Manager, Transportation Services
Mr. T. Salter, General Manager, City Engineer, Engineering and Capital
Infrastructure
Mr. M. Petricevic, General Manager, Facilities Management
Mr. S. Anderson, Supervisor, Traffic Engineering
Mr. P. Busatto, General Manager, Environmental Services
Mr. W. Galliher, Division Manager, Environmental Services - Water
Ms. H. Flaherty, General Manager, Parks and Recreation
Mr. L. Jefferson, Manager of Open Space Planning
Mr. D. Godwalt, General Manager, Human Resources
Mr. C. Cooper, General Manager, Legal, Realty and Risk Services/City Solicitor
Ms. T. King, Manager, Corporate Project Management Office
Mr. S. O'Brien, City Clerk
Ms. D. Black, Council Committee Coordinator

Also

Present: Mr. G. Troughton, Director, Corridor Infrastructure, Metrolinx
Ms. E. Moroz, Director, Communications and Community Relations, Metrolinx

Call to Order (2:03 p.m.)

Mayor Guthrie called the meeting to order.

Disclosure of Pecuniary Interest and General Nature Thereof

There were no disclosures.

Presentations

Councillor Gibson, Chair, Infrastructure, Development and Enterprise recognized Peter Cartwright, General Manager, Business Development and Enterprise and staff from the department: Christine Chapman, the project lead, Laurie Iversen, Barb Maly, Kate

Wagler, Kurtis Wells, Martin Jewitt, Emily Keating, Tyson McMann, as well as Kim Lawrence of the City's Web Services team for receipt of the International Economic Development Council Award.

Councillor Gibson recognized Michael Witmer, Development Planner for obtaining his Master of Public Administration degree.

Sue Reid, Program Coordinator, Children's Groundwater Festival, presented a summary of their activities over the past year and thanked Council for the support of their program. She presented Council with a painting completed by children enrolled in their program.

Gord Troughton, Director, Corridor Infrastructure and Erin Moroz, Director Communications and Community Relations representatives from Metrolinx provided an update of their capital projects and forecast for the area.

Consent Agendas – Infrastructure, Development and Enterprise and Governance

1. Moved by Councillor Piper
Seconded by Councillor Bell

That the balance of the October 2, 2017 Consent Agendas – Infrastructure, Development and Enterprise and Governance, as identified below, be adopted:

COW-IDE-2017.36 Service Delivery Methods in the Context of Business Service Reviews

That the report IDE-17-104 "Service Delivery Methods in the Context of Business Service Reviews", dated October 2, 2017, be received.

COW-GOV-2017.2 2018 Council and Committee Meeting Calendar

That the 2018 Council and Committee meeting schedule as shown in ATT-1 to Report CS-2017-78, dated October 2, 2017 be approved.

Voting in Favour: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, Hofland, MacKinnon, Piper, Salisbury, Van Hellemond and Wettstein (13)

Voting Against: (0)

Carried

Items for Discussion – Infrastructure, Development and Enterprise

COW-CS-2017.38 Pedestrian Crossover Implementation

Steve Anderson, Supervisor, Traffic Engineering explained the pedestrian crossover implementation plan.

Deputy Chief Paul Martin, Guelph Police Services advised that Guelph Police Services support the implementation.

2. Moved by Councillor Bell
Seconded by Councillor Hofland

That the implementation strategy for Level 2 Pedestrian Crossovers as outlined in Report IDE 17-113, be approved.

Voting in Favour: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, Hofland, MacKinnon, Piper, Salisbury, Van Hellemond and Wettstein (13)

Voting Against: (0)

Carried

Items for Discussion – Public Services

Councillor Downer assumed the Chair.

COW-PS-2017.12 Speedvale Avenue Bridge Underpass

Colleen Clack, Deputy CAO, explained the regulatory issues considered and direction provided to staff regarding the Speedvale Avenue Bridge Underpass.

Mayor Guthrie raised a point of order regarding the order of further questions from Council and delegations speaking.

The following delegates spoke to this item:

Bill Mungall, Guelph Hiking Trail Club

Ken Chupa, Vice President, Guelph Wellington Seniors Association

John Marsden

Mike Darmon,

Suzanne Gates

Yvette Tendick, Guelph Coalition for Active Transportation

Martin Collier

Stan Kozak

Chuck Castillo

Taylor Moran, Guelph Wellington-Waterloo Regional Trail Committee was not present.

Councillor Gibson left the meeting (5:02 p.m.)

3. Moved by Councillor Salisbury
Seconded by Councillor Gordon

That the issue of the Speedvale Avenue Bridge Underpass be referred to the November 6, 2017 meeting.

Voting in Favour: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gordon, Hofland, MacKinnon, Piper, Salisbury, Van Hellemond and Wettstein (11)

Voting Against: Councillor Van Hellemond (1)

Carried

The meeting recessed at 5:55 p.m. and reconvened at 6:17 p.m.

Attendance

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

Absent: Councillor D. Gibson
Councillor A. Van Hellemond

Staff: Mr. T. Lee, Deputy CAO of Corporate Services
Mr. S. Stewart, Deputy CAO of Infrastructure, Development and Enterprise
Mr. P. Busatto, General Manager, Environmental Services
Mr. W. Galliher, Division Manager, Environmental Services - Water
Ms. T. King, Manager, Corporate Project Management Office
Mr. S. O'Brien, City Clerk
Ms. D. Black, Council Committee Coordinator

Councillor Van Hellemond left the meeting during the recess.

Consent Agenda – Infrastructure, Development and Enterprise

The Mayor resumed the Chair.

Items for Discussion – Infrastructure, Development and Enterprise

COW-IDE-2017.37 Water and Wastewater Rate Review – Billing Exemptions Study

Councillor Piper returned to the meeting. (6:18 p.m)
Councillor Wettstein returned to the meeting (6:19 p.m.)

Councillor Piper assumed the Chair.

Wayne Galliher provided an overview of the Water and Wastewater Rate Review – Billing Exemptions Study. He also explained the timelines and ramifications of the recommendations.

4. Moved by Mayor Guthrie
Seconded by Councillor Allt
 1. That the report titled Water and Wastewater Rate Review- Billing Exemptions Study (IDE-17-114) be received.
 2. That staff prepare Terms and Conditions and related revisions to the Water and Wastewater by-laws for Council approval in Q1 2018 for two program recommendations: Sewer Abatement Rebate Program and Water Leak Forgiveness Program.

Voting in Favour: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gordon, Hofland, MacKinnon, Piper, Salisbury, Van Hellemond and Wettstein (11)

Voting Against: (0)

Carried

COW-IDE-2017.39 Corporate Project Management Office Progress Update

Tomoko King, Manager Corporate Project Management Office provided an update of the Corporate Project Management Office Progress.

5. Moved by Mayor Guthrie
Seconded by Councillor Allt

That the report IDE-17-109, Corporate Project Management Office Progress Update, dated October 2, 2017 be received.

Voting in Favour: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gordon, Hofland, MacKinnon, Piper, Salisbury and Wettstein (11)

Voting Against: (0)

Carried

Mayor Guthrie resumed the Chair

Items for Discussion – Governance

COW-GOV-2017.3 Election Policies

Stephen O'Brien, City Clerk provided highlights of the Corporate Resources during an Election Policy and the Council Vacancy Policy.

6. Moved by Councillor Bell
Seconded by Councillor Salisbury
 1. That the Use of Corporate Resources during an Election Policy, included as ATT-1 to the report titled Election Policies and dated October 2, 2017, be approved.
 2. That the Council Vacancy Policy, included as ATT-2 to the report titled Election Policies and dated October 2, 2017, be approved.

Voting in Favour: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gordon, Hofland, MacKinnon, Piper, Salisbury and Wettstein (11)

Voting Against: (0)

Carried

Adjournment (7:38 p.m.)

7. Moved by Councillor Bell
Seconded by Councillor MacKinnon

That the meeting be adjourned.

Carried

Minutes to be confirmed on November 27, 2017.

Mayor Guthrie

Stephen O'Brien - City Clerk

Staff Report



To **City Council**

Service Area Corporate Services

Date Monday, November 27, 2017

Subject **2017 Q3 Operating Variance Report**

Report Number CS-2017-37

Recommendation

That report CS-2017-37 titled 2017 Q3 Operating Variance Report and dated November 27, 2017, be received.

Executive Summary

Purpose of Report

The purpose of this report is to provide an in-year projection of the 2017 year-end position for the Tax Supported and Non-Tax Supported programs based on financial information as of September 30, 2017.

Key Findings

Overall, a \$2,384,500 favourable variance is being projected for the City's Tax Supported Budget comprised of:

| | | |
|------------------------|----------------------|------------|
| City Departments | (\$34,500) | Favourable |
| Local & Outside Boards | <u>(\$2,350,000)</u> | Favourable |
| Total Variance | (\$2,384,500) | Favourable |

The City's Non-Tax Supported programs are projecting a \$2,494,000 net favourable variance.

ATT-1 (Operating Budget Variance based on September 20, 2017) provides a projected budget-to-actual variance by department.

Some notable variance drivers identified as contributing to budget variance are:

- a) Higher than anticipated revenues in advertising, parking, stormwater, supplementary taxation revenue, water and wastewater basic and consumption charges; and lower than anticipated ice rental and Transit ticket and cash sales;
- b) A favourable year-end position is projected for compensation as a whole despite an increase in overtime and temporary wages;

- c) Environmental Services is projecting an unfavorable variance due to increased expenses for third-party returned recyclables, haulage costs, and payment-in-lieu of taxes for the organics facility; offset by increased revenue from public drop-off and transfer station fees;
- d) A favourable year-end position is projected for County Social Services and Guelph Police Services.

The corporately identified variances are discussed along with the significantly impacted departments.

Financial Implications

Any surplus or deficit will be recommended to be transferred to or from the City's reserves at year-end in accordance with the Year-End Operating Surplus Allocation Policy.

Report

2017 YEAR-END PROJECTED OPERATING VARIANCE

Departments were provided financial reporting as of September 30, 2017. Current and projected expenditures and revenues were analyzed and related commentary was provided with Finance staff support.

As with any forecast, variance projections will become more accurate as the year unfolds. The chart below gives a high level indication of the current, projected 2017 year-end position.

Table 1: Summary of Projected Operating Variance for Dec 31, 2017

| | Total Annual Budget for Year 2017 (\$) | Projected Variance Dec 31, 2017 (\$) | Variance for Dec 31, 2017 (%) |
|---|---|---|--------------------------------------|
| ***Brackets indicate a favourable variance | | | |
| Tax Supported | | | |
| City Departments | \$120,161,687 | \$1,315,500 | 1.1% |
| General Revenues and Expenses | \$(199,130,580) | (\$1,350,000) | 0.7% |
| Sub-Total City Departments and Financing | \$(78,968,893) | (\$34,500) | 0.0% |
| Local Boards | \$49,362,909 | \$(750,000) | (1.5%) |
| Shared Services | \$29,605,984 | \$(1,600,000) | (5.9%) |
| Total Local Boards and Shared Services | \$78,968,893 | \$(2,350,000) | (3.0%) |
| Total Tax Supported | \$ | \$(2,384,500) | (1.1%) |
| Non-Tax Supported Budgets | | | |
| Water | \$ | \$(500,000) | (1.8%) |
| Wastewater | \$ | \$(1,312,000) | (4.2%) |
| Ontario Building Code Administration | \$ | \$(39,000) | (1.3%) |
| Court Services | \$ | \$7,000 | 0.3% |
| Stormwater | \$ | \$(650,000) | (15.4%) |
| Total Net Non-Tax Supported | \$ | \$(2,494,000) | |

Corporate Variance Drivers Overview

The identified drivers below were significant, resulting in variances in both the Non-Tax Supported and Tax Supported departments and the Local Boards and Shared Services.

1. Revenues

The year-end projection includes increased supplementary taxation revenue of \$1,200,000 due to the collective effort of staff working in conjunction with Municipal Property Assessment Corporation (MPAC) to ensure properties that should be included on the assessment roll are assessed and included in a timely manner. The increase in assessment will partially offset the increase in payment-in-lieu of City-owned properties in Environmental Services and Water Services that were assessed during the year.

2. Compensation

Overall total salaries, wages, overtime and temporary wages are currently trending lower than budget and are projected to be \$289,000 favourable at year-end, after salary gapping, due to logistical delays in filling vacancies.

The City is projecting an \$800,000 unfavourable variance related to WSIB costs in 2017. Contributing to this variance is a significant WSIB claim received in June of this year due to the Presumptive Legislation pertaining to specific cancers in firefighters. This claim will be funded from the WSIB Reserve at year-end in accordance with the Reserve Policy. Staff is working on a long-term funding strategy to ensure the City can meet its obligations under the Presumptive Legislation. An adjustment was included in the 2018 budget to reflect the potential increase in costs resulting from the Presumptive Legislation.

3. Hydro

Overall hydro is trending ten percent lower across the corporation. Facilities Management staff has worked to implement energy efficiency measures including facility LED lighting retrofits, recommissioning of facility HVAC systems, preventative maintenance, and cogeneration at the West End Community Centre.

As previously reported in Q2, as part of the Fair Hydro Plan and the Industrial Conservation Initiative (ICI), the Province re-allocated the global adjustment charges amongst the different classifications of electricity users. The mid-sized City facilities, or Class B customers, have been affected by this global adjustment and a portion of the electricity costs have escalated since July 2017, when the ICI was released. At this time, the impact to the City cannot be quantified but the charges are expected to continue on monthly hydro bills. Conversely, the Provincial Fair Hydro Plan offered a cost reduction for some electricity users such as residential and small businesses, which includes the small City facilities. In addition, our two largest facilities (Class A customers), the Wastewater Treatment Facility and the Waste Resource Innovation Centre, have significantly benefited from subscribing to the ICI and have seen significant decreases in cost. Staff will continue to monitor the financial impact of the provincial hydro strategies and programs on City budgets.

The 2018 budget included rate forecasts reflecting the energy efficiency measures with the help of third-party consultants who are monitoring the energy markets closer.

4. Fuel

The overall fuel variance across the Corporation is currently projected to be \$123,000 favourable at year-end based on the Q3 projection. However, due to the unpredictability of fuel markets, this could change over the remaining months.

City Departmental Variances

In addition to the corporate variance drivers as explained above, the following departments are projecting year-end variances greater than \$100,000:

Environmental Services

Environmental Services is projecting an unfavourable variance of \$1,171,000. This variance is due to higher than anticipated expenses including third-party returned recyclables, unbudgeted payment-in-lieu of taxes for 2015, 2016, and 2017, and higher than planned waste contracted haulage costs due to increased tonnage. The unfavorable variances in expenditures are partially offset by increased revenues related to public drop-off and transfer station fees. Adjustments have been included in the 2018 recommended operating budget for haulage costs and the annual impact for payment-in-lieu of taxes.

Staff are performing service reviews and working to optimize existing processing contracts and improve overall organics and recycling facility performance to mitigate this unfavourable variance. More information on these variances and mitigations will be provided by staff through an Information Report to Council in November 2017 and a Service Review Report to Council in April 2018.

Parks and Recreation Services

The Parks and Recreation Department is projecting \$406,000 unfavourable variance due to ending of the subdivision tree planting funding agreement with developers; staff recovery of capital projects; higher than anticipated equipment repairs and maintenance; lower ice, floor and daytime rentals mainly due to limited operating hours at the Victoria Road Recreation Centre during renovations; and a trend towards fewer bookings across the City-owned ice pads, partially offset by utility savings. The 2018 recommended budget was adjusted to reflect the perennial ice rental variance and the ending of the subdivision tree planting agreements.

Operations

Operations is projecting \$140,000 favourable variance due to fewer after hours and weekend weather events resulting in lower temporary wages and overtime for sidewalks and winter maintenance due to mild weather experienced earlier in the year. This variance may be impacted by weather in November and December. Additionally, there is higher than planned parking ticket fine revenue, which is partially offset by increased operating supplies and lower labour recoveries.

Local Boards and Shared Services Variances

Guelph Police Services are currently anticipating a \$750,000 favourable year-end variance, however staffing challenges, or the severity of crime, or if the level of crime increases, may impact overtime reducing the projected variance.

The County-delivered shared Social Services are currently projecting to be \$1,600,000 favourable. The year-end projected variance for the County-provided services is based on the actual City portion of expenses up to the end of September which were lower than anticipated. There is a risk of this variance fluctuating if

there is a significant capital expense or caseload increases before the end of the year.

Non-Tax Departmental Variances

Water Services

Water Services is projecting a \$500,000 favourable variance mainly due to increase in consumption revenue due to volume, and fewer repairs and maintenance costs as a result of a light main break season earlier in the year. If main breaks increase in the last quarter of the year, the variance could be impacted.

Wastewater Services

Wastewater Services is projecting a \$1,312,000 favourable variance due to increased overstrength and sewage agreement revenue due to an increase in volume, increased basic and consumption revenue due to community growth even with a very wet spring-summer season. Expense are lower than budget due to compensation savings related to a staff reorganization and positions remaining vacant longer than expected while the reorganization was done, fewer repairs and maintenance than budgeted, and hydro savings due to the reclassification of the facilities. Unexpected repairs or other process changes could impact this variance. In the 2018 approved budget, Wastewater services reduced their repairs and maintenance budget to align with historical actuals.

Stormwater Services

Stormwater Services is projecting a \$650,000 favourable variance due to an increase in impervious area billable units. Impervious area measurement units increased by approximately 21,000, resulting in an additional \$800,000 in revenue. The City has been working with Guelph Hydro to ensure all billable units are added to the billing system, and this may result in additional billable units.

Risks

In addition to the risks discussed earlier in the report, collective bargaining is another risk that may impact the actual financial results. As reported in the Q2 report, the Guelph Professional Firefighters' Association, Ontario Public Service Employee Union (OPSEU) Local 231 (Paramedics), and the Amalgamated Transit Union (ATU) Local 1189 Collective Agreements that expired on December 31, 2014, March 31, 2015, and June 30, 2017 respectively have not been ratified. The ATU Local 1189 and the City reached a tentative Collective Agreement on November 6, 2017. At the time of print, the Collective Agreement has not been ratified. Ratification by Council occurred on November 13, 2017, and ratification by the Union is expected to take place on November 19, 2017. The approved budget included a contingency for an anticipated economic increase; there is risk of negative variance if the final Agreements are higher than the anticipated increases.

Financial Implications

Fluctuations with actual revenues and expenditures will continue for the remainder of the year until the actual financial results are determined at year-end. The current financial projection based on September 30, 2017 actuals is indicating that the City should be in a surplus position at year-end. Any surplus or deficit will be recommended to be transferred to or from the City's reserves at year-end in accordance with the Year-End Operating Surplus Allocation Policy. The allocation of a year-end operating surplus can only be done as part of Council approving that year's Financial Statements. The year-end operating surplus represents one-time funding that cannot be relied on to recur on an on-going basis. As such, these year-end surpluses should only be allocated to fund one-time, non-recurring expenditures. Primary allocation considerations is to transfer to operating reserves, specifically the Tax Rate Stabilization Reserve, to smooth future volatility in operating costs and tax increases.

Consultations

Departments are responsible for managing their programs according to municipal standards and within the approved budget. The responsibility of monitoring the operating budget is shared by the departments and the Finance Department. Department Managers were provided financial reports based on their actual revenue and expenditures to September 30, 2017 with which they provided a projected year-end commentary in consultation with the Finance Department.

Corporate Administrative Plan

Budget monitoring and variance reporting are aligned with the City's strategic objectives. Providing Committee and Council with quarterly variance reports specifically aids the achievement of the following Corporate Administrative Plan directions:

Overarching Goals

Financial Stability
Service Excellence

Service Area Operational Work Plans

Our Services - Municipal services that make lives better
Our Resources - A solid foundation for a growing city

Overarching Goals

Financial Stability

Attachments

ATT-1 Operating Budget Variance based on September 30, 2017

Report Author
Ron Maeresera

Tara Baker



Approved By

Tara Baker, CPA, CA
GM Finance & City Treasurer
Corporate Services
519-822-1260 ext. 2084
tara.baker@guelph.ca

Recommended By

Trevor Lee
Deputy CAO, Corporate Services
Corporate Services
519-822-1260 ext. 2281
trevor.lee@guelph.ca

Operating Budget Variance based on September 30, 2017

| Department | 2016 YE Variance | Annual Budget 2017 | YTD Net Expenditures Sept 30, 2017 (\$) | Projected Variance for Dec 31, 2017 (\$) | Projected Variance for Dec 31, 2017 (%) |
|---|---------------------|----------------------|---|--|---|
| TAX SUPPORTED | | | | | |
| CAO | | | | | |
| MAYOR AND COUNCIL | \$ (9,335) | \$ 965,030 | \$ 695,461 | \$ - | |
| CAO ADMINISTRATION | \$ (10,407) | \$ 705,925 | \$ 391,815 | \$ (40,000) | - |
| INTERGOVERNMENTAL RELATIONS, POLICY AND OPEN GOVERNMENT | \$ (12,271) | \$ 985,198 | \$ 751,076 | \$ - | - |
| LEGAL, REALTY AND RISK SERVICES | \$ (122,167) | \$ 1,890,685 | \$ 1,056,938 | \$ (60,000) | - |
| INTERNAL AUDIT | \$ (10,793) | \$ 222,650 | \$ 184,266 | \$ 11,000 | - |
| CORPORATE COMMUNICATIONS | \$ (1,169) | \$ 935,800 | \$ 571,361 | \$ (10,000) | - |
| SUB-TOTAL CAO | \$ (166,142) | \$ 5,705,288 | \$ 3,650,916 | \$ (99,000) | (1.7%) |
| INFRASTRUCTURE, DEVELOPMENT & ENTERPRISE | | | | | |
| IDE ADMINISTRATION | \$ 22,623 | \$ 222,150 | \$ 161,377 | \$ 30,000 | - |
| PLANNING & BUILDING SERVICES | \$ (236,574) | \$ 3,149,700 | \$ 1,376,966 | \$ - | - |
| FACILITIES MANAGEMENT | \$ 66,660 | \$ 5,303,128 | \$ 3,628,400 | \$ (50,000) | - |
| ENGINEERING SERVICES | \$ 283,388 | \$ 1,600,864 | \$ 4,084,464 | \$ (40,000) | - |
| ENVIRONMENTAL SERVICES | \$ 1,599,991 | \$ 10,935,980 | \$ 8,111,071 | \$ 1,171,000 | - |
| BUSINESS DEVELOPMENT & ENTERPRISE SERVICES | \$ (49,296) | \$ 1,518,782 | \$ 1,102,264 | \$ - | - |
| PROJECT MANAGEMENT OFFICE | \$ 46,892 | \$ 510,575 | \$ 353,346 | \$ 30,000 | - |
| SUB-TOTAL INFRASTRUCTURE, DEVELOPMENT AND ENTERPRISE | \$ 1,733,685 | \$ 23,241,179 | \$ 18,817,889 | \$ 1,141,000 | 4.9% |
| PUBLIC SERVICES | | | | | |
| PS ADMINISTRATION | \$ 27,999 | \$ 503,900 | \$ 381,061 | \$ - | - |
| PARKS & RECREATION SERVICES | \$ 435,615 | \$ 12,050,194 | \$ 9,071,482 | \$ 406,000 | - |
| CULTURE, TOURISM & COMMUNITY INVESTMENT | \$ 1,060,589 | \$ 5,831,368 | \$ 5,093,561 | \$ 59,000 | - |
| TRANSIT | \$ (229,403) | \$ 17,113,450 | \$ 14,453,035 | \$ 35,000 | - |
| OPERATIONS | \$ (153,899) | \$ 14,520,689 | \$ 9,691,260 | \$ (140,000) | - |
| FIRE | \$ (332,563) | \$ 24,381,796 | \$ 18,218,830 | \$ (27,000) | - |
| LAND AMBULANCE | \$ 76,863 | \$ 5,409,901 | \$ 4,192,104 | \$ 99,500 | - |
| SUB-TOTAL PUBLIC SERVICES | \$ 885,201 | \$ 79,811,298 | \$ 61,101,333 | \$ 432,500 | 0.5% |

| Department | 2016 YE Variance | Annual Budget 2017 | YTD Net Expenditures Sept 30, 2017 (\$) | Projected Variance for Dec 31, 2017 (\$) | Projected Variance for Dec 31, 2017 (%) |
|--|-----------------------|-------------------------|---|--|---|
| CORPORATE SERVICES | | | | | |
| CS ADMINISTRATION | \$ 5,494 | \$ 360,200 | \$ 238,637 | \$ (79,000) | - |
| HUMAN RESOURCES | \$ 44,690 | \$ 2,545,525 | \$ 1,873,617 | \$ - | - |
| INFORMATION TECHNOLOGY | \$ (77,980) | \$ 4,699,742 | \$ 3,332,259 | \$ - | - |
| CITY CLERK'S OFFICE | \$ (17,638) | \$ 1,541,500 | \$ 1,131,664 | \$ - | - |
| FINANCE | \$ (464,633) | \$ 2,256,955 | \$ 1,232,554 | \$ (80,000) | - |
| SUB-TOTAL CORPORATE SERVICES | \$ (510,067) | \$ 11,403,922 | \$ 7,808,732 | \$ (159,000) | (1.4%) |
| TOTAL CITY DEPARTMENTS (excl Financing) | \$ 1,942,677 | \$ 120,161,687 | \$ 91,378,870 | \$ 1,315,500 | 1.09% |
| GENERAL AND CAPITAL FINANCING | \$ 411,187 | \$ (199,130,580) | \$ (183,272,773) | \$ (1,350,000) | 0.7% |
| TOTAL CITY DEPARTMENTS (incl Financing) | \$ 2,353,864 | \$ (78,968,893) | \$ (91,893,904) | \$ (34,500) | 0.0% |
| LOCAL BOARDS | | | | | |
| POLICE | \$ (392,393) | \$ 39,051,200 | \$ 28,434,698 | \$ (750,000) | - |
| LIBRARY | \$ 43,317 | \$ 8,822,700 | \$ 6,734,879 | \$ - | - |
| THE ELLIOTT LONG-TERM CARE | \$ (20,000) | \$ 1,489,009 | \$ 1,489,009 | \$ - | - |
| SUB-TOTAL LOCAL BOARDS | \$ (369,077) | \$ 49,362,909 | \$ 36,658,586 | \$ (750,000) | (1.5%) |
| OUTSIDE BOARDS & AGENCIES | | | | | |
| WELL DUFF GUELPH PUBLIC HEALTH | \$ 54,813 | \$ 3,756,284 | \$ 2,670,148 | \$ - | - |
| SOCIAL SERVICES (COUNTY) | \$ (2,029,900) | \$ 23,412,000 | \$ 13,692,407 | \$ (1,600,000) | - |
| SUB-TOTAL OUTSIDE BOARDS & AGENCIES | \$ (1,975,087) | \$ 27,168,284 | \$ 16,362,555 | \$ (1,600,000) | (5.9%) |
| GRANTS | | | | | |
| GRANTS - SPECIAL PROJECTS | \$ (9,700) | \$ 2,437,700 | \$ 2,000 | \$ - | 0.0% |
| Sub-total Grants, Local and Outside Boards & Agencies | \$ (2,353,864) | \$ 78,968,893 | \$ 53,023,141 | \$ (2,350,000) | (3.0%) |
| TOTAL TAX SUPPORTED | \$ (0) | \$ - | \$ (38,870,762) | \$ (2,384,500) | (1.1%) |

| Department | 2016 YE Variance | Annual Budget 2017 | YTD Net Expenditures Sept 30, 2017 (\$) | Projected Variance for Dec 31, 2017 (\$) | Projected Variance for Dec 31, 2017 (%) |
|--------------------------------|------------------|--------------------|---|--|---|
| NON TAX SUPPORTED | | | | | |
| WATER SERVICES | \$ 0 | \$ - | \$ 3,388,818 | \$ (500,000) | (1.8%) |
| WASTEWATER SERVICES | \$ - | \$ - | \$ 2,624,574 | \$ (1,312,000) | (4.2%) |
| ONTARIO BUILDING CODE | \$ 0 | \$ - | \$ (170,663) | \$ (39,000) | (1.3%) |
| COURT SERVICES | \$ 0 | \$ 0 | \$ 271,455 | \$ 7,000 | 0.3% |
| STORMWATER SERVICES | \$ 0 | \$ - | \$ (259,244) | \$ (650,000) | (15.4%) |
| TOTAL Non Tax Supported | \$ 0 | \$ 0 | \$ 5,854,939 | \$ (2,494,000) | |

Staff Report



To **City Council**

Service Area Corporate Services

Date Monday, November 27, 2017

Subject **2018 Tax-Supported Operating Budget - Revised**

Report Number CS-2017-90

Recommendation

That the recommendations referred on November 8, 2017 be amended as follows and be referred to December 5, 2017:

1. That the Executive Team recommended Tax-Supported Operating Budget with a net levy requirement of \$231,368,103 or 1.75 per cent above the 2017 net tax levy operating budget be approved, including:
 - i. A base operating budget, including reserve and reserve fund transfers (Tab 8), user fee increases, and assessment growth, totaling a net levy requirement of \$230,523,903 or 1.38 per cent above last year;
 - ii. Impacts from other levels of government and regulatory compliance totaling a net levy requirement of \$844,200 or 0.37 per cent above last year;
 - iii. That the proposed user fees (Tab 9) be approved.
2. That the 2018 Guelph Business Association budget with gross expenditures of \$655,410 and a total levy of \$605,000 be approved:

That the following budget submissions be considered:

1. City department budget expansions totaling a net levy requirement of \$3,194,028 or 1.40 per cent;
2. An additional contribution towards the City's long-term goal of sustainable capital funding in the form of the Dedicated Infrastructure Levy of 1.00 per cent of the overall 2018 net levy;
3. Local Board expansions totaling a net levy requirement of \$567,409 or 0.25 per cent.

Executive Summary

Purpose of Report

Since the time of releasing the 2018 Tax-Supported Operating Budget to Council on October 26, 2017, new information has been received by staff that requires an addendum to the information previously provided.

Key Findings

The changes to the 2018 recommended Tax-Supported Operating Budget revises the budget presented to Council on November 8, 2017. The total revised recommended change over the 2017 tax levy represents a recommended base operating budget increase of 1.38 per cent. The reason for the change is due to an increase in assessment growth and offset by the County Social Housing tax exemption. The revised operating budget is 0.44 per cent lower than the budget previously presented.

Financial Implications

If approved as recommended, the 2018 revised Tax-Supported Operating Budget, after assessment growth, would increase the net tax levy requirement by \$3,972,528 or 1.75 per cent to \$231,368,103 to allow for the continued delivery of City services.

Report

Staff presented the 2018 Tax-Supported Operating Budget, Expansions, and the Dedicated Infrastructure Levy on November 8, 2017. Local Boards and Shared Services Budgets were presented on November 15, 2017. In addition to the presentation nights, an additional night for Public Delegations was held on November 22, 2017. The latter provided the public with an opportunity to address Council. Similar to previous years, this input was further supplemented by the use of a message board on Guelph.ca that allowed the Mayor and Council to submit questions and receive information related to the recommended operating budgets, viewable by the public, and thus increasing accessibility and transparency of information.

The December 5, 2017 Council meeting marks the final stage of the 2018 budget process. At this meeting, Council will deliberate and may increase or decrease the budgets as presented, within their legislative authority. At this meeting, final approval of the 2018 Tax-Supported Operating Budget will be sought.

Since the time of releasing the 2018 Tax-Supported Operating Budget to Council on October 26, 2017, new information has been received by staff that requires an addendum to the 2018 recommended Tax-Support Operating Budget. This new information will be discussed below.

The County of Wellington Social Services

In September, County Council approved the exemption of property taxes for all County-owned social and affordable housing. This resulted in a reduction in gross expenditures in social housing of \$1,539,123 (City portion). However, this is offset by an assessment base drop in the City by \$1,408,660. The resulting budget implication is a net savings to the City of \$130,463, with the caveat that these funds must be directed towards future capital repairs of housing stock (as outlined by provincial regulation). City staff has already recommended that these savings are transferred to a new Social Housing Contingency Reserve.

The City estimated the social services year over year base budget increase at 2.00 per cent based on known information at that time, including historical actual variance experience on this budget line and communications with County staff. This 2.00 per cent decision resulted in the City budgeting for Social Services by \$550,000 less than the proposed County budget. Upon receiving the final budget from the County, excluding the impact from the Social Housing exemption as discussed above, the City position in relation to the County was a budget position of \$695,883 less than the proposed County budget. Staff are recommending the \$130,000 in the Social Housing Contingency Reserve could be used to mitigate any in-year negative variance in 2018. The 2017 Q3 variance report is projecting a positive variance for County-delivered social services of \$1.6 million but there is always risk that this will not be the final year-end position.

Assessment Growth

Assessment growth projections continue to evolve as the Municipal Property Assessment Corporation (MPAC) continues to assess new/enhanced properties and bring them onto the tax roll. The assessment tax roll is finalized the second Tuesday in December in any given year. For the 2018 recommended budget, the estimated assessment growth should increase to \$3,688,287 compared to the originally budgeted \$2,800,000 (an incremental increase of \$888,287). The increase in assessment growth is reduced by the County tax exemption of \$1,408,660, as discussed above, resulting in a final net assessment growth budget of \$2,279,627. The 2017 Q3 variance report is projecting a positive variance in supplemental tax revenue of \$1,200,000 which is directly linked to the increased assessment growth.

Revised Recommended Base Budget

The above changes to the 2018 recommended Tax-Supported Operating Budget revises the budget previously presented to Council on November 8, 2017. The total revised recommended change over the 2017 tax levy represents a recommended base operating budget increase of 1.38 per cent. Table 1 shows a reconciliation between the November 8, 2017 recommended budget and the current revised budget.

Table 1 – Revised Operating Budget Impact

| | \$ | Levy Percentage |
|-------------------------|--------------------|--------------------|
| Original Base Operating | 232,063,026 | 1.82 |
| Revised Base Operating | <u>230,523,903</u> | 1.38 |
| Net Change | (1,539,123) | (0.44) |

The breakdown of budgetary changes and the tax levy impact is shown in Table 2.

Table 2 – Revised Recommended 2018 Base Tax-supported Budget Highlights

| BUILD THE BUDGET MODEL | | | |
|--|--|--------------------|--------------------|
| | | \$ | |
| 2017 Approved Budget | | 225,115,948 | |
| Estimated Assessment growth | | <u>2,279,627</u> | |
| 2017 Levy Incl. Assessment growth | | 227,395,575 | |
| Base Budget | | | Levy Percentage |
| Revenue Adjustments | Revenue adjustments to user fees, external recoveries and grants to maintain current service | (3,097,665) | (1.36%) |
| Departmental Adjustments | Departmental adjustments to maintain current service, including part-time compensation | 2,358,280 | 1.03% |
| Council Prior Decisions | Full time compensation, and approved Tax Increment Based Grants | 4,586,066 | 2.02% |
| Corporate Adjustments | Corporate utilities, general and capital financing | 1,612,067 | 0.71% |
| Local Boards and Shared Services | Health Unit, County Services, The Elliott, Police & Library | (50,793) | (0.02%) |
| Assessment Growth | Estimated assessment growth | (2,279,627) | (1.00%) |
| 2018 Recommended Base Budget | | 230,523,903 | |
| 2018 Recommended Base Budget Increase | | 3,128,328 | 1.38% |

Financial Implications

Staff recommends a 1.75 per cent increase over the prior year's tax levy requirement, inclusive of assessment growth, to allow for the delivery of ongoing services in an affordable manner.

Consultations

Infrastructure, Development & Enterprise Services
Public Services

Corporate Administrative Plan

Overarching Goals

Financial Stability

Service Area Operational Work Plans

Our Services - Municipal services that make lives better

Our People- Building a great community together

Our Resources - A solid foundation for a growing city

Attachments

None

Report Author

Karen Newland,
Manager, Finance Client Services



Approved By

Tara Baker, CPA, CA
GM Finance & City Treasurer
519-822-1260 ext. 2084
tara.baker@guelph.ca



Recommended By

Trevor Lee
Deputy CAO, Corporate Services
519-822-1260 ext. 2281
trevor.lee@guelph.ca