

CITY COUNCIL AGENDA



DATE November 30, 2009 – 6 p.m.

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

PRESENTATION OF THE 2010 CITY OF GUELPH BUDGET

- a) Presentation by Hans Loewig: – Operating Budget
- b) Presentation by Margaret Neubauer:- Capital Budget Highlights
- c) Presentation by Ann Pappert:- Positioning the Central Library and South End Community Centre

“THAT Community Services Report #CS-AD-0924 be received;

AND THAT staff are authorized to continue their current efforts to position the new Central Library and the South End Community Centre project to become project ready in order to respond to future funding opportunities and partnerships;

AND THAT staff are directed to present a phased, detailed plan for each project no later than the end of February 2010 while ensuring that neither project plan will result in additional funding requests that would impact negatively on the 2010 budget.”

Discussion & Questions

Next Steps

ADJOURNMENT

2010 Tax Supported Budget

Overview With Council November 30, 2010

Agenda

1. Overview of 2010 Operating Budget
2. Update on 2010 Capital Budget
3. Long Term Planning
 - Main Library Branch
 - South End Community Centre
4. 2010 Budget Approval Process – Next steps

2010 Operating Budget

- Primary factor impacting budget is \$8.1 million revenue loss (=5.2% levy increase)
- Contractual obligations: (=4% levy increase)
- \$388 thousand in service efficiencies identified
- 2010 budget submitted for Council review requires levy of \$170.6 million
- Increase represents \$14.4M additional levy required (9.2%)
- Excludes growth/new service requests
- Proposals provided to reduce increase to 4.48%

2010 Operating Budget

- Proposals for reductions prepared on the basis of the following principles:
 - Protect core services
 - Minimize impact on services to the community
 - Mitigate impact to City staff with respect to job losses
 - Sensitivity to taxpayer regarding tax increase

2010 Operating Budget Proposed Reductions (\$7.4M)

1. Departmental Proposals (p. 2-2 to 2-13)
 - \$3.6 million
 2. Corporate Wide Reductions (p. 2-14)
 - \$3.5 million
 3. Library Board (p. 2-15)
 - \$300 thousand
- Staff available to provide details on proposals to assist in Council deliberations

2010 Operating Budget Other Considerations (p.2-16)

- A further \$2.48 million in potential new revenues or expenditure reductions identified for Council's consideration
- Will more deeply impact services to residents

2010 Operating Budget Growth/New Service Requests

- Requests for 2010 budget increases for new facilities currently under construction, and for other growth and new service expansions totalled \$2.7M (=1.8% levy increase)
- Expected 2011 annualized impact =\$3.6M
- These requests have not been included in the 9.2% draft budget
- Costs deferred to 2011, with funding strategies to be developed during 2010

2010 Budget Impact on Council Priority Projects (p. 1-9)

- CEP Implementation
- New Organic Waste Processing Facility
- Growth Management Plan/OP Update and development plans for York District/Downtown
- Waste Management Master Plan
- Urban Forest Master Plan
- City/County Shared Service agreements

- Scope of 2010 work reduced or timelines extended based on reduced financial resources available, however progress continues on these initiatives

2010 Capital Budget Capital Financing from Tax Levy

- Capital funding from City sources \$27.9 M
- Capital financing as a % of prior year taxation 18.1% (within 20% cap)

Pay as you go <i>(contribution to city reserves to fund capital projects – p. 21-1)</i>	\$ 17.0 M
Debt Servicing	\$ 12.3 M
Recovery from Elliott	(\$ <u>1.4 M</u>)
Total Tax Supported	<u>\$ 27.9 M</u>

2010 Capital Budget

- Capital from current/reserve funding remains at 2009 level due to 2010 budget constraints
- Introduced use of 'envelope' system for stable funding of service areas
- 5 year forecast complies with approved debt ratios
- Working towards targeted 1:1 reserve ratio within the 5 year forecast
- Part of 2010 workplan will include investigation of asset replacement requirements and alternate funding sources
- Priority setting model to be finalized during 2010 to assist with the analysis

2010 Capital Expenditures \$34.875 M

Grants/subsidy	\$ 3,422K
Federal Gas Tax	\$ 4,418K
Other Revenues	\$ 711K
Development Charges/Developer	\$ 3,585K
Reserve Funds	\$11,789K
New Debt Issue	<u>\$10,950K</u>
Total 2010 Capital Program	<u>\$34,875K</u>

- New capital works in addition to work continuing throughout 2010/2011 on approved RinC and Stimulus projects, as well as completion of prior years capital works in progress (\$146M unspent as of Nov 25, 2009)

2010 Capital Budget

- 2010 will be a busy construction year focused on completing prior approved works, stimulus projects and ongoing maintenance
- HCBP development and sale of service land will provide capacity for other works in later years of forecast
- Significant work required by each service area throughout 2010, to prioritize work not in forecast, and identify opportunities for increased revenues, or find capacity in other expenditures areas to complete the works

Positioning Guelph Public Library - Central and South End Community Centre

**Council Report # CS-AD-0924
November 30, 2009**

Current Situation

- **Both Projects have**
 - Motions – information needed - key questions
 - Concept – neither ‘project’ nor ‘shovel’ ready
- **Central Library intertwined with Baker St.**
 - Need to be disentangled to assess options
- **South End Community Centre**
 - Assessment of partnership options & operating principles = linked to ‘received’ Master Plan

Challenges

- To capitalize on future opportunities –need progress
- Progress impeded - inability to respond to key questions
- 5 year Capital project & 10 Year Capital projection
- Reluctance to undertake work that may be stale dated

Go Forward

- Report CS-AD-0924 outlines key next steps = readiness
- Staff seeking authority to continue detailing a workplan
- If approved, report back in Feb/10
- Actions to not impact negatively on 2010 budget

2010 Budget Next Steps

- Staff to provide more analysis in specific areas as directed by Council on November 30
- December 8 meeting - delegations
- December 14 – user pay budget
- December 15 – approval of tax supported budget

COUNCIL REPORT

TO Guelph City Council

SERVICE AREA Community Services
DATE November 30, 2009

SUBJECT Positioning the Central Library & South End
Community Centre

REPORT NUMBER CS-AD-0924

RECOMMENDATION

That Community Services Report # CS-AD-0924 be received; and

That staff are authorized to continue their current efforts to position the new Central Library and the South End Community Centre project to become project ready in order to respond to future funding opportunities and partnerships; and

That staff are directed to present a phased, detailed work plan for each project no later than the end of February 2010 while ensuring that neither project plan will result in additional funding requests that would impact negatively on the 2010 budget.

SUMMARY

This report proposes a general outline of the next phase of work required on both the Guelph Civic Library and the South End Community Centre projects, in order that these two projects might capitalize on future partnership and funding opportunities, while acknowledging the fiscal challenges faced in the 2010- 2014 capital budget. To progress a 'concept' of a capital project into a more practical reality requires a fairly linear sequence of key planning and business modeling exercises to move the concept into a 'project ready' state. Once this project ready state is achieved, leaders should have enough information to inform a decision on whether or not to proceed in detailing the design, costing and determining the method of building – otherwise known as "shovel ready."

The Guelph Civic Library and the South End Community Centre projects are both at the concept stage and require further incremental planning work in order to be 'project ready'. We know this because Council, staff and the community has identified key business and programming questions that impede the progress of the projects and must be answered so as to fully inform Council's future deliberations on moving these projects.

Therefore, this report summarizes those key questions and proposes broad next steps to be taken. If Council directs staff to continue, staff will report back with detailed work plans and any accompanying financial implications prior to the end of February 2010.

BACKGROUND

With regard to the new Central Library, Guelph City Council's most recent direction of February 17, 2009 adopted 'Concept C2' as described in Report 09.22 "*as the preferred redevelopment concept for a mixed use development including a new central library.*" Further, Council directed staff to report back with a review and recommendations "*regarding funding, implementation and a delivery method*" along with authorizing staff "*to negotiate the lands required to implement Concept CS with funding to come from debt.*"

A September 12, 2007 ECO report entitled South End Community Centre speaks to the phased development of new recreational facilities identified at the Bishop Macdonell High School, South End Community Park and Larry J. Pearson Baseball complex. The report advised that the future development of the community centre is contingent upon development charges (90%) and it highlighted progress made on the developed of ball diamonds and community park at that location. Prior to it proceeding further on the community centre, the report advises of the need for a feasibility study as market conditions were changing and that consultations were required to explore supply, demand and trends in order to inform future program and functional space design. Finally, a further concept designs and a financial plan would be required, considering development charges and the potential for community partnerships in order to raise required resources.

Subsequently, in 2008 Council directed staff to complete a Master plan for Recreation, Parks and Culture; a plan that would provide a 10 year forecast on supply, demand and trends affecting Guelph residents. It also approved the parallel development of a South End Component Study to produce a listing of guiding principles and a preliminary indoor space allocation list.

As per Report CS-FP-0914, on July 20, 2009 the Emergency, Community and Operations Services Committee (ECO) Councilors "*received and referred*" the Master plan for Recreation, Parks and Culture and the South End Component Study back to staff to comment and for staff to propose a strategic implementation plan to ECO prior to the end of 2009.

REPORT

At the October 20, 2009 presentation of the 2010-2014 Capital Budget: Preliminary Review of the 5 Year Forecast Council was advised that there was no capital funding available to proceed with either project at this time. A 10 Year Capital forecast remains to be developed. Council voiced concern about the limiting effect of the Preliminary 5 Year Forecast on the ability of these two projects to become 'shovel ready' and respond to alternative funding opportunities.

In response, staff began work to identify the necessary key next steps needed to position these projects into a further state of readiness.

Central Library

With Council's adoption of the Baker Street Redevelopment 'Concept C2 Phase 1,' the Baker Street and Central Library projects are physically and functionally intertwined; any 'go forward' decision by Council regarding the long term development of any one of these components requires consideration of the project development sequencing or phasing, business modeling, financing and the nature of any partnership relationship between the key components, on site.

Project readiness would be achieved by next undertaking a Library program and functional plan process; and by developing business model options: options would examine the synergies, distinctiveness and the inter- dependencies between the Central Library and the other key

components of the Baker Street Redevelopment such as parking, residential, commercial, parkland, road access, site preparation.

Further, a detailed business case and fundraising feasibility strategy is necessary to evaluate the potential merit of leveraging future capital development opportunities as they arise. Simply put, it is imperative to determine when and if the Central Library proceeds within the overall Baker Street Redevelopment or acts separately. There may also be a revised phased approach to development which may become more prudent.

Given our economic challenges, proceeding with these next steps does not result in the Central Library being 'shovel ready,' but rather it is a staged plan that puts the Concept C2 Phase 1 project into a state of project readiness, such that it could proceed with private or public partnerships that might assist in funding further architectural design development.

To position the new Central Library and address the questions arising from its inclusion in the Concept C2: Phase 1 Baker Street Redevelopment, staff would propose that a detailed work plan be created to delineate the following items:

1. Architectural Program – Phase 1 – Program & Functional Plan, Concept Design, Costing
2. Business Case – Phase 1 – Business Modeling – A Baker Street and Library Parallel Process
3. Business Case – Phase 2 – Budget & Funding Requirement/ Model Assessment & Targets
4. Fundraising Feasibility & Strategy
5. Site Assessment – Identification of Specific Site Issues and Risks, Zoning
6. Existing Facility Plan – Current Site Maintenance and Operational Development

The proposed project plan would not include any work on:

- Securing Architect Design Proposals nor undertaking Design Development
- Detailed Design & Tendering
- Further Land Assembly beyond what has been approved by Council
- Site Preparation for construction
- Construction

South End Community Centre

According to the received South End Component Study's '*Preliminary Indoor Space Program*' (Recreation, Parks and Culture Strategic Master plan/South End Component Study pg 124) a list of facilities proposes a square footage requirement of between 122,000 and 146,000 square feet for the new facility. Noting that this list may not be accommodated on the existing site, further work was identified, to establish a range of conceptual designs to evaluate the feasibility of locating all facilities on the same footprint.

The Study also recommended a series of guiding principles to establish the South End Community Center namely that it: a) serves active recreation and broader community needs') is multi-use and multi-generational in design and programming; c) balances the needs of the immediate community while recognizing its city-wide role; d) takes a collaboration approach between the city and community partners.

At the July 2009 ECO meeting, in response to some of these guiding principles, key questions were raised by Council and staff advised that a number of concerns raised were beyond the scope of the current Consultants' engagement. For example, the exploration of potential partnership with the Guelph Library, the YMCA and other recreational or social service partners

was out of scope. Detailed program and functional planning, concept designs and alternative land options were also not included in the projects scope. Staff identified these as 'next steps' to be undertaken at a later date.

Council requested future opportunities to dialogue with staff regarding:

- The distribution of services and facilities using a neighbourhood/village model vs. a clustered, district model;
- Building a framework of principles related to future business and development partnering on recreation facilities with private and non profit sector colleagues, educational institutions and developers;
- Quantifying the financial feasibility of implementing the vision of equitable accessibility for programs, services and facilities.

These three questions and resulting dialogue are intrinsic to the future development of the South End Community Centre and require additional discussions with our community partners, colleagues and the private sector. Unlike the new Civic Library project, the South End Community Centre requires these conversations to occur early in any work plan focused on positioning the centre to be "project ready."

Thus, to position the South End Community Centre project to proceed, staff would propose that a detailed work plan be created to delineate the following items and use internal staff resources over the next 12-18 months to complete:

- Discussions leading to a preliminary "Partnership Assessment and Development Options"
- Refined Proposal – Component Study List of Space needs

Upon completion of this work, staff would report back to Council for direction on proceeding.

Benefits of Proposed Approach

- Allows for exploration of future emerging practices to be reflected in both projects;
- Community will assist in defining future operating models & partnerships which may ultimately inform the design of functional space and business cases;
- Identifies, assesses and provides an evaluation on the probability of further capital costs along with interim or alternative solutions for providing the community with services, until such a time as a long term financial strategy is identified;
- Provides a needed and incremental work plan on both projects to proceed in a reasoned and logical manner to respond to opportunities for development and funding, while enabling the completion of key steps that will benefit decision making for the next term of Council.

CORPORATE STRATEGIC PLAN

FINANCIAL IMPLICATIONS

No expenditures are required at this time to continue detailing these work plans for Council's consideration early in 2010. Staff wishes to commit to moving forward on these two projects incrementally and with great sensitivity to not causing additional funding requests to impact on the 2010 budget.

DEPARTMENTAL CONSULTATION

Regarding the Civic Library
Community Design and Development Services
Corporate Services – Realty
Operations
Finance
Economic Development & Tourism

Regarding the South End Community Centre
Community Services
Representative of the Clairfields Neighbourhood Association

COMMUNICATIONS

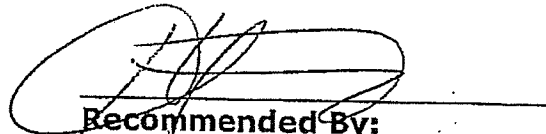
- Two meeting with representatives of the Library Board and working with the Interim Chief Librarian over the course of the past 4 weeks.

ATTACHMENTS

n/a



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