

# Special City Council Meeting Agenda

**Consolidated as of November 8, 2019**



**Wednesday, November 13, 2019 – 4:00 p.m.  
Council Chambers, Guelph City Hall, 1 Carden Street**

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**Changes to the original agenda have been highlighted.**

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## **Open Meeting– 4:00 p.m.**

**O Canada**

**Silent Reflection**

**First Nations Acknowledgement**

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

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## **Special Council - Deliberation and Approval of Capital and Non-Tax Supported Operating Budget**

**CS-2019-79**

### **2020-2029 Capital Budget and Forecast**

(Referred from the October 23, 2019 Special Council Meeting – Presentation/Delegation of the Capital Budget)

### **Council Memo – Capital Budget Strategy for 110 Dunlop Drive**

### **Council Memo - City Building Funding Implications**

#### **Recommendation:**

- a) The 2020 Capital Budget in the gross expenditure amount of \$151,590,100 and the required capital reserve fund transfers to capital projects as identified in Attachment-3 be approved.
- b) The 2021-2029 Capital Forecast in the gross amount of \$1,732,967,110 be received.
- c) That the 2021 operating impacts from the 2020 Capital Budget totaling \$1,461,710 for the both the tax and non-tax supported budgets be

approved and included in the development of the 2021 base operating budgets.

- d) That the forecasted operating impacts from the 2021 and 2022 capital forecast totaling \$15,284,175 and \$6,397,000 respectively, be received.
- e) The Capital Transfer Allocation Policy as approved in report CS-2017-68 Capital Transfer Allocation Policy dated September 5, 2017 be repealed.
- f) That the tax supported City Building Funding Strategy be approved, totaling an annual increase of \$5,325,000 or 2.19 per cent levy impact, to be phased-in equally over a three-year period, starting with \$1,775,000 in 2020 and that this increase be included in the base operating budget representing a 0.73 per cent levy increase, with future year impacts being reduced if the City is successful in securing grant or other revenues for this purpose.
- g) That the tax supported Growth Funding Strategy be approved, totaling an annual increase of \$1,250,000 or 0.50 per cent levy impact, to be phased-in equally over a five-year period, starting with \$250,000 in 2020 and that this increase be included in the base operating budget representing a 0.10 per cent levy increase.
- h) That a new reserve, 100RE Reserve (355), be created and Appendix A of the of the City's General Reserve and Reserve Fund Policy be amended accordingly.
- i) The Parking Services operating budget transfer to Parking Capital Reserve Fund (151) of \$2,000,000 be approved.
- j) The Stormwater Services operating budget transfer to Stormwater Capital Reserve Fund (165) of \$5,546,060 be approved.
- k) The Wastewater Services operating budget transfer to Wastewater Capital Reserve Fund (153) of \$14,750,000 be approved.
- l) The Water Services operating budget transfer to Water Capital Reserve Fund (152) of \$15,150,000 be approved.
- m) The Ontario Building Code operating budget transfer to Building Services OBC Stabilization Reserve Fund (188) of \$53,360 be approved.
- n) The Court Services operating budget transfer to Courts Capital Reserve Fund (211) of \$475,720 be approved.

**CS-2019-80****2020 Non-tax Supported Operating Budget**

(Referred from the October 30, 2019 Special Council Meeting – Presentation/Delegation of Non-Tax Supported Operating Budget)

**Recommendations:**

1. Stormwater Services:
  - a) That the 2020 Stormwater Services operating budget in the gross amount of \$7,903,600 inclusive of reserve and reserve fund transfers be approved.
  - b) That a stormwater base charge of \$5.80 per month per equivalent residential unit (ERU) effective January 1, 2020 be approved.
  - c) That the 2020 Stormwater Fees and Services By-law be approved.
  
2. Water and Wastewater Services:
  - a) That the 2020 Water and Wastewater Services operating budgets in the gross amounts of \$32,445,849 and \$33,949,117 respectively, inclusive of reserve and reserve fund transfers be approved.
  - b) That a wastewater volume charge of \$1.92 per cubic meter, effective January 1, 2020 be approved.
  - c) That a water volume charge of \$1.77 per cubic meter, effective January 1, 2020 be approved.
  - d) That the 2020 water and wastewater basic service charges be approved at the 2019 rate.
  - e) That the 2020 Water Services and Wastewater Services Fees and Services By-law be approved.
  
3. Parking Services:
  - a) That the 2020 Parking Services operating budget in the gross amount of \$6,337,502 inclusive of reserve and reserve fund transfers be approved.
  - b) That the 2020 monthly off-street parking permit fees for the Arthur Street and Norwich Street lot be increased by 30.20 per cent and 42.60 per cent respectively to \$100.00 per month and that all remaining parking fees be approved at the 2019 rate.
  - c) That a Parking Services Operating Contingency Reserve (106) be created and that Appendix A to the General Reserve and Reserve Fund Policy be amended to reflect the policy language as identified in report CS-2019-80.
  - d) That the 2020 Parking Services By-law be approved.
  
4. Building Services:
  - a) That 2020 Ontario Building Code Administration operating budget in the gross amount of \$3,591,200 inclusive of reserve fund transfers be approved.
  - b) That the 2020 Ontario Building Code Administration fees be approved with an increase of 2.20 per cent.

- c) That the 2020 Ontario Building Code Administration fees by-law be approved.
5. That the 2020 Court Services operating budget in the gross amount of \$4,202,100 inclusive of reserve fund transfers be approved.

**By-laws**

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

That By-law Numbers (2019)-20447 to (2019)-20451, inclusive, are hereby passed.

By-law Number (2019)-20447	A By-law to amend By-law Number (2016)-20107, as previously amended, to change the Stormwater Rate Base Charge.
By-law Number (2019)-20448	A By-law to impose water and wastewater fees and charges in the City of Guelph, to set billing schedules and to repeal By-law Number (2017) – 20224.
By-law Number (2019)-20449	A By-law to impose user fees or charges for services or activities relating to Parking Services.
By-law Number (2019)-20450	A by-law to amend By-law Number (2015) - 19985, as amended, being a By-law respecting Building, Demolition, Conditional, Change of Use and Occupancy Permits, Payment of Fees, Inspections, Appointment of Chief Building Official and Inspectors, and a Code of Conduct. (Replaces Schedule "A".)
By-law Number (2019)-20451	A by-law to confirm the proceedings of Council held on November 13, 2019.

**Adjournment**

# Council Memo



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Date	November 13, 2019
To	City Council
From	Greg Clark
Service Area	Corporate Services
Department	Finance
<b>Subject</b>	<b>City Building Funding Implications</b>

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## Background

As per Council direction, the below memo outlines the implications of the current proposed City Building projects summarized in Attachment 2 of the Council Report CS-2019-79 titled 2020-2029 Capital Budget and Forecast. The amount shown in the table, \$144,037,450, represents the tax supported City Building funding portion of each portfolio of projects over the 10 years. As per recommendation 1.f in the same report, staff are recommending the following for approval on November 13, 2019:

That the tax supported City Building Funding Strategy be approved, totaling an annual increase of \$5,325,000 or 2.19 per cent levy impact, to be phased-in equally over a three-year period, starting with \$1,775,000 in 2020 and that this increase be included in the base operating budget representing a 0.73 per cent levy increase, with future year impacts being reduced if the City is successful in securing grant or other revenues for this purpose;

## City Building Funding Overview

The portfolios identified below represent a significant portion of the work that is required to achieve the City's Strategic Plan and without these capital works and related projects, achievement of the pillars aligned to each will be difficult, if not impossible to achieve, within Council's expected timeframes. Each of these portfolios of projects are driven by specific goals within the Strategic Plan that will be further developed through the first half of 2020, with further opportunity for Council to provide input and feedback on specific implementation and operational plans. The reason that staff have presented this funding recommendation for consideration during this budget, is that after a number of years of work in developing more robust and sophisticated capital funding strategies, it is clear now that current funding levels are not sufficient to deliver the outcomes that Council has previously endorsed.

The \$144 million of City Building funding within the 10 year forecast represents 7.6% of the overall capital funding envelope, however, it is 100% supported by property taxes. As staff have indicated, if grants or other sources of funding can be

secured, this will reduce the amount that would otherwise be required through the property tax base. This, in conjunction with affordability concerns, is why staff have proposed phasing the increase in over three years.

The projects included are not solely City Building projects and in most cases are intertwined with Infrastructure Renewal and Growth deliverables. Table 1 below shows the total budget for these projects, including the other sources of funding.

**Table 1 – Total Portfolio Budget and other sources of funding**

(Millions \$)	Total Project	CB	Grants	DC	GR	IR	100 RE	Non-Tax
<b>Active Transportation Network</b>	30.9	17.3	4.2	8.9	0	0	0	0.5
<b>Baker District</b>	100.7	44.6	0	23.3	1.8	17.0	0	14.0
<b>City Facility Enhancements</b>	7.8	5.5	0	0	1.8	0	0	0.5
<b>Information Technology Enhancements</b>	8.6	3.7	0	0	0	3.4	0	1.5
<b>Open Spaces and Culture Enhancements</b>	21.1	11.2	0	7.1	0	2.8	0	0
<b>Operations Campus</b>	197.3	24.8	34.6	58.2	12.0	67.7	0	0
<b>Streetscapes</b>	60.5	22.3	0	3.0	4.0	0	0	31.2
<b>Transit System Expansion</b>	59.1	14.7	22.4	14.2	0	1.1	6.7	0
	<b>486.0</b>	<b>144.1</b>	<b>61.2</b>	<b>114.7</b>	<b>19.6</b>	<b>92</b>	<b>6.7</b>	<b>47.7</b>

The projects directly involved in delivering these portfolios total almost \$500 million in budget over the 10-year forecast of which 36% of this budget is expected to be covered by grants and development charges. These funding streams have limited alternative uses and in most cases, would not be able to be used by the City, meaning forfeiting of grants and/or adjustments to future development charge studies to accommodate any significant changes in direction.

Staff have assembled the implications of delaying/deferring/cancelling the projects within the City Building portfolios identified above. In all cases there are interactions between projects which staff have attempted to identify to the best of their ability. Project details for each portfolio have also been distributed to Council via email for information.

## **Council Action**

To provide context for Council, in order to reduce the City Building funding strategy from the proposed 2.19%, a project would have to be moved out beyond the 10-year horizon or cancelled completely. For each \$5 million of City Building funding moved out in this way, there would be an approximate 0.2% reduction in the total tax levy requirement. A \$5 million City Building funding reduction may mean a much larger budget change as is shown by the table above due to the integrated projects.

As a reminder, staff have recommended a three-year phase-in of the 2.19%; meaning 0.73% has been included in the proposed tax supported budget. Staff will need specific direction to defer a project beyond the 10-year horizon or eliminate it completely. Recommended motion language is as follows:

That project number XXXX titled XXXX be deferred beyond 2029 for a total 2020 capital budget reduction of \$XXXX, and a total capital forecast reduction of \$XXXX, resulting in a reduction in the City Building funding requirement of \$XXXX.

In the case where Council would reduce the project scope rather than a deferral, the recommended motion language is as follows:

That project number XXXX titled XXXX be reduced in scope/size for a total 2020 capital budget reduction of \$XXXX, and a total capital forecast reduction of \$XXXX, resulting in a reduction in the City Building funding requirement of \$XXXX.

A decision on November 13, 2019 will inform the December 3, 2019 tax supported budget night deliberations and therefore it is critical to have a decision made on capital budget approval night. In many cases, there have been significant amounts of community engagement that Council considered during Master Plan approvals, design and guideline approvals, and even stand-alone council meeting deliberations. Staff believe Council has appropriate community feedback on these projects and delaying decisions on these matters will not benefit the City budget process.

## **Summary of City Building Funding Implications**

### **Active Transportation Network and associated projects**

2020 to 2029 Total Investment - \$34,217,400

City Building investment - \$17,300,610

Other Funding:

ICIP: Public Transit Stream - \$3,415,260

Federal Gas Tax - \$736,000

Development Charges - \$8,890,930

Non-tax Rate Funding - \$524,600

Background of how these items arrived in the 10-year plan, including associated Council approvals or direction

- The Active Transportation Network (ATN) Master Plan approved on July 24, 2017, at a total projected cost of \$12.3 million. This plan proposes 52 km of separated, off-road routes to travel within the city with minimal interaction with traffic. It builds on the approved Guelph Trail Master Plan network and the Cycling Master Plan proposed cycling network.
- The Cycling Master Plan was approved February 2013, with a total projected cost of \$10.4 million over 10 years. This was proposed to be achieved through road restriping and road reconstruction efforts. In 2017, the City received \$1.19 million from the Province for the Woodlawn Road Multi-use Path, which allowed staff to reallocate capital funds to implementing sections of the proposed cycling network that are not going to be repaved or reconstructed in the next 10 years.
- The Sidewalk Needs Assessment study approved by Council in July 2017 allocated \$240,000 per year over 6 years to implement the top ranking sections of missing sidewalk throughout the community. Since approval, some of the higher ranking segments also overlap with cycling network connections, and further studies are required to evaluate whether shared paths are warranted.
- PN0629 funds a feasibility and design study for Paisley Road West (Elmira to Silvercreek), Silvercreek Parkway North, Woodlawn Road West (Nicklin to Home Depot entrance), and Stone Road West (Edinburgh to Scottsdale) to recommend preferred design for cycling and pedestrian infrastructure to implement elements of the ATN Master Plan, Sidewalk Needs Assessment study and/or Cycling Master Plan. Capital budgets are projected in the 10-year forecast to construct these projects.

#### Implications of delaying project

- Delaying implementation of these plans pushes off the provision of affordable, separated and accessible routes for cycling and other non-motorized modes of transportation, which help residents travel across the City without using major roads. It delays providing first/last mile accessible connections to transit routes and places of work. It delays achieving an accessible sidewalk network to allow people of all ages and abilities to travel in Guelph by foot or mobility device. This challenges the City's ability to achieve the Official Plan mode share targets of 15% transit, 15% cycling/walking. This in turn puts more congestion on the road system and increases the demand for parking as development intensification continues. Delays in funding and implementing this program also challenges our ability to achieve net zero carbon by 2050. Finally, delaying this work inhibits improvements to road safety because implementing this program improves conditions for all road users by offering greater protection to those travelling by non-motorized forms of transportation.
- ICIP Transit Stream grant requires work to be completed by March 31, 2027, loss of funds would increase City's tax cost of implementing program.
- The Transportation Master Plan is being developed under the assumption that these works will be implemented as committed to in order to achieve baseline "business as usual" scenario.



## **Baker District**

2020 to 2029 Total Investment - \$100,700,000

City Building investment - \$44,609,000

Other Funding:

Development Charges - \$23,322,890

Infrastructure Renewal - \$9,784,000

Growth - \$1,824,000

Non-tax Rate Funding - \$13,960,110

Implications of delaying project

- The Downtown Secondary Plan approved in 2012: Baker District is named as the first priority for City Building investment in the downtown. To delay would likely spark public criticism; lost opportunity cost in the approximate \$7.3 million per year of retail spend, and the approximate \$900 thousand per year of property tax assessment increases; sunk/lost costs of \$13 million; considerable lost staff time; and continued parking issues for the downtown.
- Council endorsement of new Main Library branch at Baker: February 2018, Council approved the business case specifying the size and the estimated cost for the library. The delay would see costs escalate and likely public confidence erode.
- Financial commitments to Windmill: The pre-development management agreement includes a penalty if the City terminates the agreement for reasons other than the developer missing milestones. Windmill's proforma cites a construction start date in 2021. A delay would have the developer reconsider and perhaps terminate the deal and its vision of Baker District with its integrated public/private offering.
- Overall site development: To date, the environmental, archeological and geo-technical analysis, as well as preliminary design work has totaled approximately \$13 million. A delay in further analysis and remediation would result in higher costs when/if the project is restarted.
- A delay would see 21 years of Council-level discussions about the fate of the Baker surface parking lot extend further, potentially causing reputational deterioration for Council and the City.

## **City Facilities Enhancements**

2020 to 2029 Total Investment - \$7,763,000

City Building investment - \$5,485,900

Other Funding:

Growth - \$1,750,000

Non-tax Rate Funding - \$527,100

Implications of delaying project

- Drill Hall stabilization funding - \$800,000
  - Delay of this additional funding required to complete work to stabilize and ensure integrity of the facility until determination of future use would potentially jeopardize the building. If the City does not complete this work it would not be meeting the terms of its agreement with Metrolinx.
- City-wide accessibility improvements - \$2,000,000
  - This funding allows for work, in conjunction with other City facilities renewal activity, the enhancement of facilities to meet the City's accessibility standards as approved by Council on 2015.
  - Without this funding, only required work under the Ontario Building Code or the Accessibility Act would be undertaken for components being directly impacted by renewal work, opportunities for overall enhanced accessibility would be lost.
- Solid Waste transfer station enhancements - \$3,500,000
  - This work is required to improve the flow and efficiency of the existing Transfer Station at Solid Waste. Without this, the facility would continue to operate, however increased staff time is required to move materials through the facility.
- Corporate Project Management enhancements - \$1,300,000
  - Projects are directed by the findings of the 2019 Project Management Process Audit. They include work to establish training standards, provision of training to City staff, and implementation of tools and resources to support project management activities to ensure the City is aligned with industry best practices, and per the recommendations of the audit.
  - Delaying implementation of this work would mean non-compliance with the audit findings, both with regards to timing and recommendations. It will also delay the City's ability to align its project management practices with industry best practices.

## **Information Technology Enhancements**

2020 to 2029 Total Investment - \$5,449,000

City Building investment - \$3,699,000

Other Funding:

Infrastructure Renewal - \$250,000

Non-tax Rate Funding - \$1,500,000

Implications of delaying project

- Delays to implementation of security measures identified through cyber security audits which could increase the probability of cyber security event such as ransomware or network vulnerability attack
- Enhancements to the City's Enterprise Resource Management (ERP) systems

- Improved data integrity as core functionality is being consolidated into single system
- Improved system utilization through directed change management for both core functions and Computerized Maintenance Management functionality
- Expanded reporting capabilities and improved decision making support through greater data collection and integrity
- Upgrades and enhancements to City support systems to move service delivery forward to new digital and technology platforms. Less efficient manual processes will continue.

## **Open Spaces and Culture**

2020 to 2029 Total Investment - \$29,950,000

City Building investment - \$11,167,500

Other Funding:

Developer - \$6,475,000

Development Charges - \$652,500

Infrastructure Renewal - \$2,850,000

Non-tax Rate Funding - \$1,500,000

Implications of delaying project

- Locomotive - The Locomotive is required to move from its current location by December 2020.
  - As a centennial gift from CN railway in 1967, the Locomotive has been a treasured asset in the community and was accepted into the Museum's collection as an artifact in 2014. Not funding the project, would require to gift or dismantle as per the Museum's deaccessioning process, removing it from the collection. A cost not to exceed \$10,000 would still be required to restore the current site to its original state.
- Wellington Park land assembly – delay of implementing Downtown Secondary plan
  - The acquisition of these properties is identified in the Downtown Secondary Plan as a means to provide additional parkland to meet the needs of a growing population downtown as well as to achieve City-wide benefits of increased open space and greater access to the river.
  - The Downtown Secondary Plan states that the City will be prepared to acquire any or all of the lands in 2022, and that park development will occur as 2031 approaches, subject to actual growth rates downtown.
  - Delays to acquisition could impact the provision of parkland for a growing population downtown and City-wide benefits.

- Purchase agreements in place with some landowners, assembly of land is only first stage; the construction of the park will be an additional cost funded from development charges.
- Master plan redevelopment of existing parks
  - This funding allows for the provision enhanced park amenities in existing parks that are currently under serviced.
  - Without this funding, older parks will continue to provide a different level of service than more recent and future parks.
- Equipment for Market Square to allow for viewing of outdoor sporting/entertainment events on portable screen
  - Sponsorship funds were received in the spring of 2019 in support part of this project assigning to equipment and technical resources for special events.
  - Delaying may mean loss of sponsorship, though staff will work with organizations to potentially transfer to other events.
  - Equipment allows for quick turnaround for last minute special events and reduction in rental equipment.
- Urban Forestry Management Plan Implementation:
  - Capital funding in this area began in 2014 with funding to the City of Guelph's Emerald Ash Borer Plan. Since the implementation of this plan approximately 10,000 trees have been removed with approximately 1,500 trees identified for removal remaining (excluding natural areas). Peak removal was achieved in 2019. Approximately 1,200 ash trees have been treated biennially since 2014. Ash tree replacement works are at the early stages with a focus on homeowner tree replacement. Restoration works in our natural areas have yet to take place. Additional capital funding was provided in 2019 for the Urban Forest Study which will be completed in late 2019.

Decrease in requested capital funding for 2020 will impact this program in the following ways:

- Failure to meet the City's tree canopy goal of 40%; our most recent information indicates we are at 28%
- Increased risk to public safety
- Increase in third party claims made against the city
- Decrease ability to recover from the impacts of EAB
- Decrease ability to deliver services to the community

## **Operations Campus**

2020 to 2029 Total Investment - \$197,331,000

City Building investment - \$24,796,090

Other Funding:

ICIP: Public Transit Grant - \$34,670,698

Development Charges - \$58,165,779

Infrastructure Renewal - \$67,698,523

Growth - \$12,000,000

Implications of delaying project

- As per recent condition assessments, these facilities are beyond capacity and in the case of 45 and 50 Municipal Street, have reached their end of useful life.
- An expanded transit facility is required to meet the requirements of the proposed Transit System Expansion, as well as 100 per cent Renewable Energy target, and ensure eligibility of federal and provincial grant funding through ICIP: Public Transit Stream.
- Continued operation of these facilities will see increased costs for facility maintenance and operations due to inefficiencies and restrictions on what activities can be carried out in-house versus contracted out to external vendors.

## **Streetscapes**

2020 to 2029 Total Investment - \$61,196,000

City Building investment - \$21,817,200

Other Funding:

Development Charges - \$3,141,555

Downtown Local Servicing - \$4,086,100

Growth - \$38,700

Non-tax Rate Funding - \$31,384,145

Implications of delaying project

- Streetscaping elements are budgeted in accordance with the Downtown Guelph Streetscape Manual, Build Form Standards and St. George's Square Concept, approved by Council in August 2014. The City Building portion represents the incremental cost of construction compared to typical city standards. For example, the costs include structural soil cells for trees and plantings, widened sidewalks, paving stone finishes (parking, sidewalk), and improved furnishings. Reducing the City's streetscape design standards, or eliminating them altogether would be contrary to the Council direction and would not achieve the vision for urban design excellence as set out in the Downtown Secondary Plan.
- Per the City's asset management work (e.g., condition assessments), much of the subsurface linear infrastructure in downtown is beyond its lifecycle and needs to be replaced; delays would significantly increase the City's risk of unexpected asset failure, decreased levels of service (due to service disruption and poor performance due to condition), and higher maintenance and operating costs. Furthermore, delaying projects would hold up significant

linear underground infrastructure renewal and would delay the successful achievement of intensification as per the Downtown Secondary Plan.

- Extending the construction projects over a longer period of time would see a prolonged disruption to the downtown core, which could impact economic well-being for downtown businesses. It could also have negative economic impacts in terms of reducing the destination attraction of Downtown.

## Transit System Expansion

2020 to 2029 Total Investment - \$59,445,000

City Building investment - \$14,673,840

Other Funding:

ICIP: Public Transit Grant - \$22,430,660

Development Charges - \$14,187,232

Infrastructure Renewal - \$1,175,000

100RE Funding - \$6,678,268

Implications of delaying project

- This reflects the expansion of Transit as per the Dillon Consulting report prepared for the 2018 DC Background Study, timelines have been condensed to meet the requirements of the grant funding through ICIP: Public Transit Stream.
- The ICIP: Public Transit Stream grant is intended to support the expansion of Transit systems and encourages sustainable infrastructure within that portfolio. The City is expected to contribute 27% of the cost of projects. The application was made for the electrification of the fleet within this portfolio.
- Tied to this, and the new Transit facility, is an application to replace 35 existing diesel buses with electric buses prior to 2027, this is attached to an application for ICIP: Public Transit Stream grant funding in the amount of \$21,779,030.



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### Approved By

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### Recommended By

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