

Council Caucus Room
October 26, 2009 6:00 p.m.

A meeting of Guelph City Council.

Present: Mayor Farbridge, Councillors Billings, Farrelly, Findlay, Kovach, Salisbury and Wettstein

Absent: Councillors Beard, Bell, Burcher, Hofland, Laidlaw and Piper

Staff Present: Mr. H. Loewig, Chief Administrative Officer; Chief S. Armstrong, Director of Emergency Services; Dr. J. Laird, Director of Environmental Services; Ms. A. Pappert, Director of Community Services; Mr. J. Riddell, Director of Community Design and Development Services; Ms. S. Smith, Associate Solicitor; Mrs. L.A. Giles, Director of Information Services/City Clerk; and Ms. J. Sweeney, Council Committee Co-ordinator

- 1. Moved by Councillor Billings
Seconded by Councillor Findlay
THAT the Council of the City of Guelph now hold a meeting that is closed to the public with respect to:

Guelph Junction Railway

S. 239 (2) (a) security of the property of the municipality

Carried

The meeting adjourned at 6:01 o'clock p.m.

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Mayor

.....
Clerk

Council Caucus Room
October 26, 2009 6:02 p.m.

A meeting of Guelph City Council closed to the public meeting as the Shareholder of Guelph Junction Railway.

Present: Mayor Farbridge, Councillors Bell, Billings, Farrelly, Findlay, Kovach, Piper, Salisbury and Wettstein

Absent: Councillors Beard, Burcher, Hofland and Laidlaw

Staff Present: Mr. H. Loewig, Chief Administrative Officer; Chief S. Armstrong, Director of Emergency Services; Dr. J. Laird, Director of Environmental Services; Ms. A. Pappert, Director of Community Services; Mr. J. Riddell, Director of Community Design and Development Services; Ms. S. Smith, Associate Solicitor; Mrs. L.A. Giles, Director of Information Services/City Clerk; and Ms. J. Sweeney, Council Committee Co-ordinator

DECLARATIONS UNDER MUNICIPAL CONFLICT OF INTEREST ACT

Security of the Property of the City

Mr. T. Sagaskie 1. Moved by Councillor Findlay
Seconded by Councillor Piper
THAT the report from the Guelph Junction Railway be received for information.

The meeting adjourned at 6:02 o'clock p.m.

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Mayor

.....
Clerk

Council Caucus Room
October 26, 2009 6:03 p.m.

A meeting of Guelph City Council.

Present: Mayor Farbridge, Councillors Beard, Bell, Billings, Farrelly, Findlay, Hofland, Kovach, Piper, Salisbury and Wettstein

Absent: Councillors Burcher and Laidlaw

Staff Present: Mr. H. Loewig, Chief Administrative Officer; Chief S. Armstrong, Director of Emergency Services; Dr. J. Laird, Director of Environmental Services; Ms. A. Pappert, Director of Community Services; Mr. J. Riddell, Director of Community Design and Development Services; Ms. S. Smith, Associate Solicitor; Mrs. L.A. Giles, Director of Information Services/City Clerk; and Ms. J. Sweeney, Council Committee Co-ordinator

- 3. Moved by Councillor Billings
Seconded by Councillor Findlay

THAT the Council of the City of Guelph now hold a meeting that is closed to the public with respect to:

Human Rights Tribunal

S. 239 (2) (e) Litigation or potential litigation, including matters before administrative tribunals

135 Oxford Street – Ontario Municipal Board Hearing

S. 239 (2) (e) Litigation or potential litigation, including matters before administrative tribunals

Report of the Finance, Administration & Corporate Services Committee

73-115 and 125 Delhi Street
Baker Street Redevelopment

S. 239 (2) (c) Proposed or pending acquisition or disposition of land

Resignation from the River Run Board of Directors

S. 239 (2) (b) Personal matters about an identifiable individual

Carried

The meeting adjourned at 6:04 o'clock p.m.

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Mayor

.....
Clerk

Council Caucus Room
October 26, 2009 6:05 p.m.

A meeting of Guelph City Council closed to the public.

Present: Mayor Farbridge, Councillors Beard, Bell, Billings, Farrelly, Findlay, Hofland, Kovach, Piper, Salisbury and Wettstein

Absent: Councillors Burcher and Laidlaw

Staff Present: Mr. H. Loewig, Chief Administrative Officer; Chief S. Armstrong, Director of Emergency Services; Dr. J. Laird, Director of Environmental Services; Ms. A. Pappert, Director of Community Services; Mr. J. Riddell, Director of Community Design and Development Services; Ms. S. Smith, Associate Solicitor; Mrs. L.A. Giles, Director of Information Services/City Clerk; and Ms. J. Sweeney, Council Committee Co-ordinator

DECLARATIONS UNDER MUNICIPAL CONFLICT OF INTEREST ACT

There were no disclosures of pecuniary interest.

Litigation or Potential Litigation, including matters before Administrative Tribunals

4. Moved by Councillor Findlay
Seconded by Councillor Piper

PASSED IN COUNCIL BY
SPECIAL RESOLUTION

THAT the Mayor and Clerk be authorized to execute Minutes of Settlement, dated September 30, 2009, in the matter of Tribunal File No. TR-0150-08.

Carried

Litigation or Potential Litigation, including matters before Administrative Tribunals

5. Moved by Councillor Kovach
Seconded by Councillor Hofland

PASSED IN COUNCIL BY
SPECIAL RESOLUTION

THAT City Council authorize appropriate City Staff to attend an upcoming Ontario Municipal Board hearing in support of the minor variances in application A-74/09 to accommodate the re-use of the existing building for 27 residential dwelling units;

AND THAT City Council authorize appropriate City Staff to attend any Ontario Municipal Board initiated mediation

discussions on the matter of the Committee of Adjustment application A-74/09 at 135 Oxford Street.

Carried

Proposed or Pending Acquisition or Disposition of Land

6. Moved by Councillor Beard
 Seconded by Councillor Billings
 PASSED IN COUNCIL BY SPECIAL RESOLUTION THAT the Mayor and Clerk be authorized to execute an Agreement between the City and the Guelph General Hospital for the transfer of the lands located at 73-115 and 125 Delhi Street from the City to the Guelph General Hospital;

AND THAT the City's Policy for the Sale and Disposition of Real Property Interests not apply to the transfer of the lands located at 73-115 and 125 Delhi Street from the City to the Guelph General Hospital.

Carried

Proposed or Pending Acquisition or Disposition of Land

7. Moved by Councillor Beard
 Seconded by Councillor Wettstein
 PASSED IN COUNCIL BY SPECIAL RESOLUTION THAT the Mayor and Clerk be authorized to execute an Agreement between Green Forest Investments Limited and the City for acquisition of the property known as 160-164 Wyndham Street North;

AND THAT the Manager of Realty Services be authorized to advertise, negotiate, and approve residential and commercial leases as may be required to lease the property known as 160-164 Wyndham Street North and that the Mayor and Clerk be authorized to execute a tenancy and lease agreements so approved.

Carried

Personal matters about an Identifiable Individual

8. Moved by Councillor Findlay
 Seconded by Councillor Kovach
 Mrs. L.A. Giles THAT the correspondence from Gary Gander advising of his resignation from the River Run Board of Directors, be received with regret.

Carried

The meeting adjourned at 6:15 o'clock p.m.

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Mayor

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Clerk

Council Chambers
October 26, 2009

Council reconvened in formal session at 7:00 p.m.

Present: Mayor Farbridge, Councillors Beard, Bell, Billings, Burcher, Farrelly, Findlay, Hofland, Kovach, Laidlaw, Piper, Salisbury and Wettstein

Staff Present: Mr. H. Loewig, Chief Administrative Officer; Mr. M. Amorosi, Director of Human Resources; Chief S. Armstrong, Director of Emergency Services; Dr. J. Laird, Director of Environmental Services; Mr. D. McCaughan, Director of Operations; Ms. M. Neubauer, Director of Finance; Ms. A. Pappert, Director of Community Services; Mr. J. Riddell, Director of Community Design and Development Services; Ms. S. Smith, Associate Solicitor; Mrs. L.A. Giles, Director of Information Services/City Clerk; and Ms. J. Sweeney, Council Committee Co-ordinator

DECLARATIONS UNDER MUNICIPAL CONFLICT OF INTEREST ACT

There was no declaration of pecuniary interest.

PRESENTATIONS

Jim MacKenzie was present on behalf of Hospice Wellington and provided an update on their building project. He advised that they expect to have their doors open to residents/clients by June 10, 2010.

1. Moved by Councillor Salisbury
Seconded by Councillor Hofland

THAT the minutes of the Council meetings held on September 14, and October 5, 2009 and the minutes of the Council meeting held in Committee of the Whole on September 14, and 28, 2009, 2009 be confirmed as recorded and without being read;

AND THAT the minutes of the Council meeting held on September 28, 2009 be amended to reflect Councillor Laidlaw and Councillor Kovach moving and seconding Resolution #1 and be confirmed as amended.

VOTING IN FAVOUR: Councillors Beard, Bell, Billings, Burcher, Farrelly, Findlay, Hofland, Kovach, Laidlaw, Piper, Salisbury, Wettstein and Mayor Farbridge. (13)

VOTING AGAINST: (0)

Carried

CONSENT REPORTS AND AGENDAS

The following items were extracted from the Community Development & Environmental Services Committee Seventh Consent Report to be voted on separately:

- CDES-2 – Deerpath Park Skateboard Area
- CDES-3 – 2009 Affordable Housing Discussion Paper
- CDES-4 – Guelph Source Protection Areas

Councillor Burcher presented the balance of the Community Development & Environmental Services Committee Seventh Consent Report.

2. Moved by Councillor Burcher
Seconded by Councillor Piper

THAT the balance of the October 26, 2009 Community Development & Environmental Services Committee Seventh Consent Report as identified below, be adopted:

- a) **Ferndale Park Redevelopment Master Plan**

Mr. J. Riddell

THAT the Community Design and Development Services Report 09-74 dated October 19, 2009, pertaining to the proposed Redevelopment Master Plan for Ferndale Park, be received;

AND THAT the Master Plan for the redevelopment of the Ferndale Park, as proposed in Appendix 3 of the Community Design and Development Services Report 09-74 dated October 19, 2009, be approved;

AND THAT staff be directed to proceed with the implementation of the Ferndale Park Redevelopment Master Plan.

VOTING IN FAVOUR: Councillors Beard, Bell, Billings, Burcher, Farrelly, Findlay, Hofland, Kovach, Laidlaw, Piper, Salisbury, Wettstein and Mayor Farbridge. (13)

VOTING AGAINST: (0)

Carried

The following items were extracted from the Emergency Services, Community Services & Operations Committee Seventh Consent Report to be voted on separately:

- ECO-2 – Wellington Guelph Drug Strategy
- ECO – 3 – Downtown Maintenance Service Review

Councillor Hofland presented the balance of the Emergency Services, Community Services & Operations Committee Seventh Consent Report.

3. Moved by Councillor Hofland
Seconded by Councillor Farrelly

THAT the balance of the October 26, 2009 Emergency Services, Community Services & Operations Committee Seventh Consent Report as identified below, be adopted:

- a) **Mutual Assistance Agreement between the City of Guelph, the County of Wellington and its Lower Tier Communities**

Mr. S. Armstrong
Ms. L.E. Payne

THAT the Mayor and Clerk are hereby authorized to execute on behalf of The Corporation of the City of Guelph and seal with the corporate seal, an Agreement between The Corporation of the City of Guelph and The Corporations of The County of Wellington, The Township of Centre Wellington, The Town of Erin, The Township of Guelph/Eramosa, The Township of Mapleton, The Town of Minto, The Township of Puslinch, The Township of Wellington North, to provide Mutual Assistance in emergency situations.

VOTING IN FAVOUR: Councillors Beard, Bell, Billings, Burcher, Farrelly, Findlay, Hofland, Kovach, Laidlaw, Piper, Salisbury, Wettstein and Mayor Farbridge. (13)

VOTING AGAINST: (0)

Carried

The following items were extracted from the Finance, Administration & Corporate Services Committee Sixth Consent Report to be voted on separately:

- FACS-1 – Long Term Capital Forecast Update #2 – Debt and Reserve Policies
- FACS-2 – 2010 Council and Committee meeting Schedule

Councillor Beard presented the balance of the Finance, Administration & Corporate Services Committee Sixth Consent Report.

4. Moved by Councillor Beard
Seconded by Councillor Wettstein

THAT the balance of the October 26, 2009 Finance, Administration & Corporate Services Committee Sixth Consent Report as identified below, be adopted:

a) **Tax Supported Operating Variance / Response to Council Questions**

Ms. M. Neubauer

THAT the report of the Director of Finance dated October 8, 2009 with respect to the Tax Supported Operating Variance – Response to Council Questions, be received for information.

VOTING IN FAVOUR: Councillors Beard, Bell, Billings, Burcher, Farrelly, Findlay, Hofland, Kovach, Laidlaw, Piper, Salisbury, Wettstein and Mayor Farbridge. (13)

VOTING AGAINST: (0)

Carried

The following items were extracted from the Governance Committee Sixth Consent Report to be voted on separately:

- GOV-1 – Notices of Motion
- GOV-2 – Council Remuneration

Councillor Burcher presented the balance of the Governance Committee Sixth Consent Report.

5. Moved by Councillor Burcher
Seconded by Councillor Hofland

THAT the balance of the October 26, Governance Committee Sixth Consent Report as identified below, be adopted:

a) **Region of Waterloo International Airport – Aeronautical Noise Management Committee – request for a City representative**

Mr. K. Campbell
Mrs. L.A. Giles

THAT no action be taken on the request of the Region of Waterloo International Airport for a city appointment to the Aeronautical Noise Management Committee.

VOTING IN FAVOUR: Councillors Beard, Bell, Billings, Burcher, Farrelly, Findlay, Hofland, Kovach, Laidlaw, Piper, Salisbury, Wettstein and Mayor Farbridge. (13)

VOTING AGAINST: (0)

Carried

Consent Agenda

The Mayor advised that the Consent Report A-1 "Debenture Issue" was withdrawn from the agenda.

The following items were extracted from the October 26, 2009 Consent Agenda to be voted on separately:

- A-1 – Creating Community Value: City of Guelph Holding Company

6. Moved by Councillor Findlay
Seconded by Councillor Burcher

THAT the balance of the October 26, 2009 Council Consent Agenda as identified below, be adopted:

a) **2010 Budget Review Process**

Ms. M. Neubauer
Mr. H. Loewig

THAT the process for the 2010 budget presentations be presented to Council as a Whole rather than through the Standing Committee process, and that the meeting scheduled as attached to this report be approved.

b) **Hanlon Creek Business Park – Request to MNR**

Mr. J. Riddell
Mr. P. Cartwright
Mayor Farbridge

THAT the Community Development and Design Services and Economic Development and Tourism report dated October 26, 2009, with respect to the Hanlon Creek Business Park – Council Request to the MNR, BE RECEIVED;

AND THAT Council request the Minister of Natural Resources for confirmation that the comprehensive Jefferson salamander monitoring program, that the City will be undertaking in consultation with the Guelph District Office of the Ministry of Natural Resources and Dr. Jim Bogart, between March and May of 2010, would be sufficient to determine the presence or absence of Jefferson salamander habitat within the Hanlon Creek Business Park;

AND THAT Council request the Minister of Natural Resources, if no Jefferson salamander habitat is established as a result of the 2010 monitoring program, to confirm that the Ministry of Natural Resources will not object to the City proceeding with the development of the Hanlon Creek Business Park as an approved plan of subdivision under the Planning Act;

AND THAT Council further request the Minister of Natural Resources, if the presence of Jefferson salamander habitat is established as a result of the 2010 monitoring program, to allow the City to enter into an agreement with the Minister even after the June 30, 2010, deadline for agreements as currently provided in the Ontario Regulation 242/08, in order for the development of the Hanlon Creek Business Park to proceed along with the implementation of a mutually agreed upon mitigation plan to minimize adverse impacts of development on the Jefferson salamander habitat;

AND THAT Council inform the Minister of Natural Resources that the City, in consultation with the MNR Guelph District office and independent of the 2010 monitoring program, is planning to carry out interim works in specific areas within the Hanlon Creek Business Park that are of no risk to any potential Jefferson salamander habitat within the Park;

AND THAT the Mayor write to the Minister of Natural Resources, Guelph MPP Liz Sandals, and MNR Guelph District Office Manager to convey Council's resolution and the background and circumstances thereto, as outlined in this report.

VOTING IN FAVOUR: Councillors Beard, Bell, Billings, Burcher, Farrelly, Findlay, Hofland, Kovach, Laidlaw, Piper, Salisbury, Wettstein and Mayor Farbridge. (13)

VOTING AGAINST: (0)

Carried

2009 Affordable Housing Discussion Paper

Lawrence Kuk, Policy Planner provided information on the provincial requirements relating to growth. He outlined the methodology used to determine the affordable housing target with the recommended target of 36% of housing being affordable. He highlighted the various implementation tools to reach the recommended target.

Councillor Burcher presented Clause 3 that was extracted from the Community Development & Environmental Services Committee Seventh Consent Report.

Mr. J. Riddell

7. Moved by Councillor Burcher
Seconded by Councillor Piper

THAT Community Design and Development Services Report 09-89 regarding the 2009 Affordable Housing Discussion Paper dated October 19, 2009 be received;

AND THAT staff be directed to circulate the 2009 Affordable Housing Discussion Paper for public and stakeholder input, in conjunction with the Official Plan Update public engagement process.

VOTING IN FAVOUR: Councillors Beard, Bell, Billings, Burcher, Farrelly, Findlay, Hofland, Kovach, Laidlaw, Piper, Salisbury, Wettstein and Mayor Farbridge. (13)

VOTING AGAINST: (0)

Carried

Long Term Capital Forecast Update #2 – Debt and Reserve Policies

The Director of Finance provided information relating to capital funding. She reviewed the Standard & Poors Municipal Report Card and the positive factors and the concerns. She highlighted the recommendations that would reduce the City's risk. She then reviewed the proposed debt and reserve policies.

Councillor Beard presented Clause 1 that was extracted from the Finance, Administration & Corporate Services Committee Sixth Consent Report.

8. Moved by Councillor Beard
Seconded by Councillor Wettstein

THAT the Debt Management Policy, attached as Appendix 1, and the General Reserve and Reserve Fund Policy, attached as Appendix 2 be approved and adopted by by-law;

AND THAT reserves and reserve funds as described in Schedule A to the report of the Director of Finance dated October 13, 2009 "Long Term Capital Forecast Update #2 – Debt and Reserve Policies", be established.

9. Moved in Amendment by Councillor Kovach
Seconded by Councillor Billings
THAT the debt policy be amended to be consistent with
Standard & Poors rating being that debt not exceed 50%
of operating revenues.

VOTING IN FAVOUR: Councillors Bell, Billings and Kovach
(3)

VOTING AGAINST: Councillors Beard, Burcher, Farrelly,
Findlay, Hofland, Laidlaw, Piper, Salisbury, Wettstein and
Mayor Farbridge. (10)

Defeated

Ms. M. Neubauer
Ms. L.E. Payne

10. Moved by Councillor Beard
Seconded by Councillor Wettstein
THAT the Debt Management Policy, attached as Appendix
1, and the General Reserve and Reserve Fund Policy,
attached as Appendix 2 be approved and adopted by by-
law;

AND THAT reserves and reserve funds as described in
Schedule A to the report of the Director of Finance dated
October 13, 2009 "Long Term Capital Forecast Update #2
– Debt and Reserve Policies", be established.

VOTING IN FAVOUR: Councillors Beard, Bell, Burcher,
Farrelly, Findlay, Hofland, Laidlaw, Piper, Salisbury,
Wettstein and Mayor Farbridge. (11)

VOTING AGAINST: Councillors Billings and Kovach (2)

Carried

Creating Community Value: City of Guelph Holding Company

Brenda Boisvert, Manager of Strategic Planning &
Corporate Initiatives provided background information on
the mandate to determine the appropriate structure
between the shareholder and the operating companies.
She reviewed the proposed holding company model and
structure.

Mr. H. Loewig
Ms. J. Urisk
Mr. P. Smith

11. Moved by Councillor Piper
Seconded by Councillor Salisbury
THAT Council approve the development of a business case
study to support the formation of a Holding Company for
current and future owned city assets and that staff
proceed with identified next steps as prescribed under the
Municipal Act;

AND THAT Council receive the attached revised Shareholder Declaration in support of the new governance structure which is designed to provide oversight and direction to GHI;

AND THAT staff continue to work with representatives of GJR to develop a revised Shareholder Declaration specific to their organization and the proposed Holding company;

AND THAT staff and representatives from GHI and GJR report back to Council within one year of the implementation of the structure, on the efficacy of the new structure;

AND THAT Council direct the establishment of a Memorandum of Understanding within the current term of Council with GHI to articulate their role in the implementation of the Community Energy Plan (CEP).

VOTING IN FAVOUR: Councillors Beard, Bell, Billings, Burcher, Farrelly, Findlay, Hofland, Kovach, Laidlaw, Piper, Salisbury, Wettstein and Mayor Farbridge. (13)

VOTING AGAINST: (0)

Carried

Councillor Burcher presented Clause 2 that was extracted from the Community Development & Environmental Committee Seventh Consent Report.

Deerpath Park Skateboard Area

12. Moved by Councillor Burcher
Seconded by Councillor Piper

Mr. J. Riddell

THAT the Community Design and Development Services Report 09-80 dated October 19, 2009 pertaining to the Deerpath Park Skateboard Area be received;

AND THAT the Deerpath Park Skateboard Area be relocated to an appropriate location in the City outside Deerpath Park;

AND THAT staff be directed to proceed with a study on the relocation of the Deerpath Park Skateboard Area including a review of locations, site treatments, costs and timing and opportunities for additional amenities such as a bicycle skills facility;

AND THAT Council approve the establishment of a working group of stakeholders and residents to assist staff with the Deerpath Park Skateboard Area relocation study;

AND THAT Council approve the establishment of a working group of stakeholders and neighbourhood residents to determine the future use of Deerpath Park;

AND THAT the Deerpath Park Skateboard Area be removed as soon as possible and a multi-department staff team continue to monitor park activities;

AND THAT the Skateboard Park relocation and Deerpath Park remediation matter be referred to the 2010 priority setting process for consideration as a new priority.

VOTING IN FAVOUR: Councillors Beard, Bell, Billings, Burcher, Farrelly, Findlay, Hofland, Kovach, Laidlaw, Piper, Salisbury, Wettstein and Mayor Farbridge. (13)

VOTING AGAINST: (0)

Carried

Councillor Burcher presented Clause 4 that was extracted from the Community Development & Environmental Committee Seventh Consent Report.

Guelph Source Protection Areas

13. Moved by Councillor Burcher
Seconded by Councillor Piper

Dr. J. Laird

THAT the Environmental Services Report dated October 19, 2009, pertaining to the Guelph Source Water Protection Areas, be received;

AND THAT Council approve the Wellhead Protection Areas and Intake Protection Zones, indicated in the attached maps, for the purposes of defining the eligible areas under the Ontario Drinking Water Stewardship Program.

VOTING IN FAVOUR: Councillors Beard, Bell, Billings, Burcher, Farrelly, Findlay, Hofland, Laidlaw, Piper, Salisbury, Wettstein and Mayor Farbridge. (12)

VOTING AGAINST: (0)

Councillor Kovach was not in the Council Chambers during the vote.

Carried

Councillor Hofland presented Clause 2 that was extracted from the Emergency Services, Community Services & Operations Committee Seventh Consent Report.

Wellington Guelph Drug Strategy

Ms. R. Devereaux

14. Moved by Councillor Hofland
Seconded by Councillor Farrelly
THAT the Wellington Guelph Drug Strategy presentation be received;

AND THAT the work of the Wellington Guelph Drug Strategy Committee be endorsed by Guelph City Council.

VOTING IN FAVOUR: Councillors Beard, Bell, Billings, Burcher, Farrelly, Findlay, Hofland, Laidlaw, Piper, Salisbury, Wettstein and Mayor Farbridge. (12)

VOTING AGAINST: (0)

Councillor Kovach was not in the Council Chambers during the vote.

Carried

Councillor Hofland presented Clause 3 that was extracted from the Emergency Services, Community Services & Operations Committee Seventh Consent Report.

Downtown Maintenance Service Review

Mr. D. McCaughan

15. Moved by Councillor Hofland
Seconded by Councillor Farrelly
THAT staff proceed with the service level review outlined in the Emergency Services, Community Services and Operations Committee report 'Downtown Maintenance Service Review' of October 19, 2009.

VOTING IN FAVOUR: Councillors Beard, Bell, Billings, Burcher, Farrelly, Findlay, Hofland, Kovach, Laidlaw, Piper, Salisbury, Wettstein and Mayor Farbridge. (13)

VOTING AGAINST: (0)

Carried

Councillor Beard presented Clause 2 that was extracted from the Finance, Administration & Corporate Services Committee Sixth Consent Report.

2010 Council and Committee Meeting Schedule

16. Moved by Councillor Beard
 Seconded by Councillor Wettstein
 THAT the 2010 regular meeting schedule for Council and Standing Committees be approved as per the attached calendar.

17. Moved in Amendment by Councillor Kovach
 Seconded by Councillor Bell
 THAT a tentative Council meeting date be scheduled for August 23, 2010.

VOTING IN FAVOUR: Councillors Bell, Billings, Farrelly, Kovach, Laidlaw, Piper, Salisbury, Wettstein. (8)

VOTING AGAINST: Councillors Beard, Burcher, Findlay, Hofland, and Mayor Farbridge (5)

Carried

Mrs. L.A. Giles

18. Moved by Councillor Beard
 Seconded by Councillor Wettstein
 THAT the 2010 regular meeting schedule for Council and Standing Committees be approved as per the attached calendar;

AND THAT a tentative Council meeting date be scheduled for August 23, 2010 if required.

VOTING IN FAVOUR: Councillors Beard, Bell, Billings, Burcher, Farrelly, Findlay, Hofland, Kovach, Laidlaw, Piper, Salisbury, Wettstein and Mayor Farbridge. (13)

VOTING AGAINST: (0)

Carried

Councillor Burcher presented Clause 1 that was extracted from the Governance Committee Sixth Consent Report.

Notices of Motion

Mrs. L.A. Giles

19. Moved by Councillor Burcher
 Seconded by Councillor Findlay
 THAT the procedural by-law be amended to provide that all notices of motion submitted to Council, other than a notice of motion for reconsideration of a Council decision, be in the form of a referral to a standing committee for a recommendation to Council unless the matter is time sensitive and requires a more immediate decision of Council.

VOTING IN FAVOUR: Councillors Beard, Bell, Billings, Burcher, Farrelly, Findlay, Hofland, Kovach, Laidlaw, Piper, Salisbury, Wettstein and Mayor Farbridge. (13)

VOTING AGAINST: (0)

Carried

Councillor Burcher presented Clause 2 that was extracted from the Governance Committee Sixth Consent Report.

Council Remuneration

Mr. M. Amorosi
Mrs. L.A. Giles

20. Moved by Councillor Burcher
Seconded by Councillor Beard

THAT a Citizen Committee be established to review and make recommendations to Council respecting Council remuneration for the 2011-2014 council term;

AND THAT the City Clerk be authorized and directed to advertise for citizen volunteers as per the City's policy on Citizen Appointments;

AND THAT the composition of the Citizen's Committee include individuals with a background in human resources and compensation experience;

AND THAT the Terms of Reference, attached as Appendix 3, be adopted to guide the work of the Citizen's Committee.

VOTING IN FAVOUR: Councillors Beard, Bell, Billings, Burcher, Farrelly, Findlay, Hofland, Kovach, Laidlaw, Piper, Salisbury, Wettstein and Mayor Farbridge. (13)

VOTING AGAINST: (0)

Carried

Councillor Kovach's Notice of Motion for which notice was given September 28, 2009.

Mr. J. Riddell

21. Moved by Councillor Kovach
Seconded by Councillor Laidlaw

WHEREAS the proliferation of signs creates a number of environmental concerns including an increase in visual pollution, and increase in landfill waste and an increase in green house gas emissions;

THEREFORE BE IT RESOLVED THAT Council refer the direction for staff to review the current Sign By-law and report back with enhancements to the regulations that will reduce and minimize the proliferation of all (municipal,

provincial and federal) election signs on private and public properties to the Community Development & Environmental Services Committee.

VOTING IN FAVOUR: Councillors Bell, Billings, Burcher, Kovach, Laidlaw, Piper and Wettstein. (7)

VOTING AGAINST: Councillors Beard, Farrelly, Findlay, Hofland, Salisbury and Mayor Farbridge (6)

Carried

Special Resolutions

Huinink v. The Corporation of the City of Guelph

Ms. L.E. Payne
Ms. A. Pappert

22. Moved by Councillor Kovach
Seconded by Councillor Laidlaw
THAT the Mayor and Clerk be authorized to execute Minutes of Settlement, dated September 30, 2009, in the matter of Tribunal File No. TR-0150-08.

VOTING IN FAVOUR: Councillors Beard, Bell, Billings, Burcher, Farrelly, Findlay, Hofland, Kovach, Laidlaw, Piper, Salisbury, Wettstein and Mayor Farbridge. (13)

VOTING AGAINST: (0)

Carried

135 Oxford Street – Upcoming Ontario Municipal Board Hearing

Mr. J. Riddell
Ms. L.E. Payne

23. Moved by Councillor Kovach
Seconded by Councillor Laidlaw
THAT City Council authorize appropriate City Staff to attend an upcoming Ontario Municipal Board hearing in support of the minor variances in application A-74/09 to accommodate the re-use of the existing building for 27 residential dwelling units;

AND THAT City Council authorize appropriate City Staff to attend any Ontario Municipal Board initiated mediation discussions on the matter of the Committee of Adjustment application A-74/09 at 135 Oxford Street.

VOTING IN FAVOUR: Councillors Beard, Bell, Billings, Burcher, Farrelly, Findlay, Hofland, Kovach, Laidlaw, Piper, Salisbury, Wettstein and Mayor Farbridge. (13)

VOTING AGAINST: (0)

Carried

73-115 and 125 Delhi Street

Ms. L.E. Payne

24. Moved by Councillor Beard
Seconded by Councillor Billings

THAT the Mayor and Clerk be authorized to execute an Agreement between the City and the Guelph General Hospital for the transfer of the lands located at 73-115 and 125 Delhi Street from the City to the Guelph General Hospital;

AND THAT the City's Policy for the Sale and Disposition of Real Property Interests not apply to the transfer of the lands located at 73-115 and 125 Delhi Street from the City to the Guelph General Hospital.

VOTING IN FAVOUR: Councillors Beard, Billings, Burcher, Farrelly, Findlay, Hofland, Kovach, Laidlaw, Piper, Salisbury, Wettstein and Mayor Farbridge. (12)

VOTING AGAINST: Councillor Bell (1)

Carried

Baker Street Redevelopment – Land Acquisition – 160-164 Wyndham Street North

Ms. L.E. Payne

25. Moved by Councillor Beard
Seconded by Councillor Wettstein

THAT the Mayor and Clerk be authorized to execute an Agreement between Green Forest Investments Limited and the City for acquisition of the property known as 160-164 Wyndham Street North;

AND THAT the Manager of Realty Services be authorized to advertise, negotiate, and approve residential and commercial leases as may be required to lease the property known as 160-164 Wyndham Street North and that the Mayor and Clerk be authorized to execute an tenancy and lease agreements so approved.

VOTING IN FAVOUR: Councillors Beard, Bell, Burcher, Farrelly, Findlay, Hofland, Laidlaw, Piper, Salisbury, Wettstein and Mayor Farbridge. (11)

VOTING AGAINST: Councillors Billings and Kovach (2)

Carried

BY-LAWS

26. Moved by Councillor Wettstein
Seconded by Councillor Bell

THAT By-laws Numbered (2009)-18874 to (2009)-18886, inclusive, are hereby passed.

VOTING IN FAVOUR: Councillors Beard, Bell, Billings, Burcher, Farrelly, Findlay, Hofland, Kovach, Laidlaw, Piper, Salisbury, Wettstein and Mayor Farbridge. (13)

VOTING AGAINST: (0)

Carried

MAYOR'S ANNOUNCEMENTS

Councillor Findlay advised that he and Councillor Beard will be hosting a Ward 2 townhall meeting at the Evergreen Seniors Centre on October 29, 2009.

Councillor Hofland advised that the Councillors for Wards 3 and 5 will be holding a joint ward meeting on November 4, 2009 at 7 p.m. at City Hall.

Mayor Farbridge advised that there is a vacancy on the Transit Growth Strategy & Plan Advisory Committee.

QUESTIONS

In response to questions by Councillor Kovach, with respect to the provincial non funding of community support workers, the Director of Community Services advised that they will be launching an operational review of the neighbourhood groups with recommendations coming to Council next summer.

In response to questions by Councillor Kovach with respect to garbage on Fife Road, the Director of Environmental Services advised of the actions taken with respect to the housing co-op who is the problem.

ADJOURNMENT

The meeting adjourned at 10:50 o'clock p.m.

Minutes read and confirmed November 23, 2009.

.....
Mayor

.....
Clerk

CORPORATE POLICY AND PROCEDURE



POLICY	Debt Management Policy
CATEGORY	Finance
AUTHORITY	Council
RELATED POLICES	General Reserve and Reserve Fund Policy Investment Policy
APPROVED BY	Council
EFFECTIVE DATE	26 October 2009
REVIEW DATE	Within one year of adoption (on or before October 26, 2010)

1. POLICY STATEMENT

It is the policy of the City of Guelph

- to minimize both debt servicing costs and significant annual budget impacts
- that new debt be planned at a level which will optimize borrowing costs and not impair the financial position of the City, and
- to maintain or improve the City's credit rating.

2. PURPOSE OF POLICY

The purpose of this debt management policy is to

- Enhance the quality of decisions by promoting consistency;
- Establish the parameters regarding the purposes for which debt may be issued, the types and amounts of permissible debt, the timing of issuance and method of sale that may be used, and the procedures for managing outstanding debt;
- Integrate with other long-term planning, financial and management objectives of the City; and
- Assist with ensuring that the municipality maintains a sound financial position and that the worthiness of the City's credit rating is protected.

3. DEFINITIONS

Business Case – means an analysis that demonstrates the necessity for and viability of a new project. A business case will include a financial analysis and a financial plan that identifies and confirms sources of funding to provide for the financing of the capital and operating costs of a new project.

Capital Expenditures – means expenditures incurred to acquire, develop, renovate, or replace capital assets as defined by the Public Sector Accounting Board, section 3150.

Debt Service Cost – means debt repayments, including interest and principal (per FIR 74-3099).

Direct Debt – means the total debt burden of the City (per FIR 74-9910). It includes all debt issued by the City and consolidated entities less all debt assumed by others

Flexibility – is the ability of the City to issue new debt in response to emerging financing needs.

Net Revenue Fund Revenues – means total revenue fund revenue per line 9910 of FIR schedule 10 less grants received (10-0699 and 10-0899), less revenue from other municipalities (10-1099).

Infrastructure – large-scale public systems, services, and facilities of the City that are necessary for economic activity in the community, including water and wastewater systems, roads, and buildings / facilities.

Operating Revenue – means total revenue fund revenue per line 9910 of FIR schedule 10 less other revenue (10-1899), less grants received (10-0699 and 10-0899), less revenue from other municipalities (10-1099).

Sustainable – means meeting present needs without compromising the ability to meet future needs.

Statutory Annual Debt Repayment Limit – means the annual debt and financial obligation limit for municipalities as described under Ontario Regulation 403/02. The regulation provides a formula which limits annual debt service costs to an amount equal to 25% of operating revenue.

Tax-Supported Debt - means debt issued for capital expenditures related to tax-supported operations. This debt is repaid using net revenue fund revenues.

Tax-Supported Operations - means civic programs that are funded through net revenue fund revenues, such as roads, transit, and parks.

4. PURPOSES FOR WHICH DEBT MAY BE ISSUED

4.1 Tax-supported Debt

The City may borrow by debenture, mortgage or other acceptable debt instrument to finance the City portion of growth-related infrastructure, and emerging capital needs to support corporate priorities and approved strategic plans under the following conditions:

- the individual project value exceeds \$500,000
- the estimated useful life of the asset is greater than ten years
- the project has been approved by Council as part of the annual capital budget and has been clearly identified as being funded by debt

- it is an appropriate means to achieve a fair allocation of costs between current and future beneficiaries or users
- the project is supported by a comprehensive business case including
- total cost of the project
- cash flow of the project including debt issuance
- operating costs after completion of the project
- benefits to the community
- funding cannot be accommodated within the tax-supported capital budget, and other internal sources (such as borrowing from reserve funds) and external sources (such as senior government grants and subsidies, private / public partnerships, or user-pay systems) have been thoroughly investigated

The City will not use long-term debt to fund current operations.

The City will not use long-term debt to fund the ongoing rehabilitation of existing infrastructure. This will be funded by reserves.

4.2 Reserve and Reserve Fund Debt

Debt servicing costs are not normally funded by reserves or reserve funds. Instead, debt shall be incurred and repaid through the operating fund with corresponding transfers to and from reserves. Any funding of debt costs shall be identified in the City's annual operating budgets. However, in accordance with the General Reserve and Reserve Fund Policy, there remains only one exception to this rule:

- Development Charge Reserve Funds – Under the Development Charges Act, debt may be included as a capital cost to leverage development charge revenue while waiting for DC collections to catch up to growth-related spending.

For the 5% Cash in Lieu of Parkland Reserve Fund and Industrial Land Reserve Fund, historically, debt has been permitted for the purchase of parkland, land or the servicing of City-owned land in anticipation of future Parkland Cash in Lieu or land sale revenues. This practice is no longer recommended in order to avoid the risk associated with uncertain revenue streams. Any new capital financing required for these purposes will be repaid through the operating fund.

5. LIMITATIONS ON INDEBTEDNESS

Debt limits will preserve borrowing capacity for future capital assets while maintaining maximum flexibility of current operating funds.

5.1 Statutory Limitations – Annual Repayment Limit (ARL)

The 2010 ARL is based on the City's 2008 Financial Information Return (FIR). The City is not allowed under Provincial regulation to issue debt which would result in the annual repayment limit being exceeded without OMB approval. In fiscal year 2008, principal and interest repayments totaled approximately 27% of the available legislated capacity.

5.2 Self Imposed Limitations

Notwithstanding the limits prescribed in the regulations, prudent financial management calls for more stringent criteria to limit debt. These criteria will assist in preserving borrowing capacity for future capital assets while maintaining maximum flexibility for current operating funds.

5.2.1 Direct Debt to Operating Revenue

This measure identifies the percentage of annual operating revenues that would be required to retire the City's net debt. It is also the prime measure used by Standard and Poor's when assessing the debt burden of the municipality. A target rate of **less than 55%** should be maintained.

5.2.2 Debt Service Cost to Net Revenue Fund Revenue

This ratio is a measure of the principal and interest payable annually as a proportion of revenue fund revenues. It should not exceed a target of **10%**.

5.2.3 Development Charge Debt Servicing Ratio

This ratio is a measure of the debt service cost of the debt issued to support the DC reserve funds as a percentage of the average revenue forecast as identified in the DC background study. It should not exceed a target of **20%** for hard services (Roads, Storm water, Water works, Waste water) and **10%** for all other Development Charge reserve funds. Note: additional capacity has been provided for the hard DC services in recognition of the substantial front end financing required.

5.2.4 Direct Debt to Reserve Ratio

This ratio compares direct debt to the total of all reserves and reserve funds. A generally accepted target ratio for municipalities is considered to be **1:1** and this level should be achieved within the next five years and maintained thereafter.

6. TYPES OF DEBT

6.1 Short-term Debt (under one year)

The City may use either of the following sources to fund short-term operational needs:

- Reserve and reserve fund loans
- Bank line of credit

6.2 Medium-term Debt (one to four years)

The City may use any of the following sources to fund medium-term needs:

- Reserve and reserve fund loans
- Operating and capital leases
- Term loans
- Promissory notes

6.3 Long-term Debt (five years or greater)

The City may use any of the following sources to fund long-term needs:

- Municipal serial or amortized debentures
- Term loans / mortgages with any Canadian bank
- Capital leases
- Reserve and reserve fund loans

6.4 Internal Borrowing from City Reserves and Reserve Funds

When an analysis of the reserve or reserve fund has determined that excess funds are available and that the use of these funds will not adversely affect the intended purpose of the reserve or reserve fund, the City's reserve funds may be used as a source of financing for short to long term purposes. The reserves will be repaid with interest at a rate based on the actual annual average balance of the reserve fund and the Royal Bank Prime rate minus 1.75% (which is the interest rate received on City accounts) as specified in the City's reserve policy.

Each such loan is to be authorized by a specific by-law passed by Council and set out the amount, interest, term of the loan, and the specific reserve or reserve fund from which the loan is made. Borrowing in this manner offers several advantages over traditional debenture financing including the following:

- Increased flexibility in setting loan terms,
- Lower interest cost, and
- Avoidance of legal and fiscal agent fees.

7. STRUCTURAL FEATURES

7.1 Debt Denomination

The City shall issue debt denominated in Canadian dollars only.

7.2 Fixed Interest

The City shall issue general obligation debt with a fixed rate of interest. Interest rate swap agreements may be used to exchange floating-rate interest payments for fixed-rate interest payments.

7.3 Repayment Terms

The repayment term will be dependent on the useful life of the asset being acquired by the City, but should not exceed ten years except for major capital construction of public facilities. In no case shall the amortization period exceed 25 years.

7.4 Debt Structure

7.4.1 Debt shall be structured for the shortest period consistent with a fair allocation of costs to current and future users.

7.4.2 Debt shall be structured to achieve the lowest possible net cost to the City given market conditions, the type of debt being issued, and the nature and type of the repayment source.

7.5 Repayment

- 7.5.1 Unless otherwise justified and deemed necessary by the City's Fiscal Agent, the repayment schedule should be structured on a level or declining payments basis.
- 7.5.2 Early repayment of debt may be considered if it is financially beneficial to do so.

8. CREDIT OBJECTIVES

8.1 Credit Rating

The City will continually strive to maintain or improve its current AA stable credit rating by adhering to sound financial management practices. This practice will ensure the long-term financial health of the City so that its borrowing costs are minimized and its access to credit is preserved. Standard and Poor's (S&P) is the City's debt rating agency. City staff carry out a review with S&P officials to provide updates on information affecting the City's financial position.

9. USE OF FINANCIAL ADVISORS

9.1 Fiscal Agent

The City will engage the services of a Fiscal Agent to develop the debt issuance strategy, determine the interest rate and method of calculating the interest rate, and to market bonds to investors.

9.2 Syndicate of Investment Dealers

The City will use the services of the syndicate of investment dealers principally managed by National Bank Financial (NBF) because of their substantial presence in the Canadian municipal market.

9.3 Formal Review of Financial Advisors

The Director of Finance will undertake a formal review of the Fiscal Agent or Syndicate as warranted. The formal review process may include establishing a set of criteria (including fee structures), presence in the capital markets, placement of bonds in volume, dollar terms, etc., and any other criteria that may be deemed to provide value to the City through the review process.

9.4 Notwithstanding Section 8.3, the City retains the ability to enter into a private placement for the sale of debentures or any other permitted debt financing product without the services of a Fiscal Agent or Syndicate should it be determined that this is in the City's best interests both from a cost and an administrative viewpoint.

9.5 External Legal Counsel

For all debt issues, the City will retain external legal counsel who will assist with the drafting and reviewing of the debt issue bylaw and related schedules.

10. COUNCIL AUTHORIZATION FOR DEBENTURE ISSUE

10.1 Approval of Funding for Capital Projects

The approval to fund an eligible capital project by debenture will generally be sought through the annual capital budget process. The funding of emerging strategic priorities outside of the traditional budget process shall be approved by specific by-law.

10.2 Debenture Issue

Each debenture issue shall be approved by specific by-law of Council including the term, rates of interest, debt servicing obligation, and general terms of issue.

11. ADMINISTRATION

11.1 The borrowing to finance capital projects will normally occur once the projects are essentially completed.

11.2 When feasible, debt issuances will be pooled to minimize issuance costs.

12. POLICY REVIEW

This policy will be reviewed within one year of adoption.

POLICY	General Reserve and Reserve Fund Policy
CATEGORY	Finance
AUTHORITY	Council
RELATED POLICES	Vehicle / Equipment Acquisition Reserve Policy Capital Closing Procedure Rate Stabilization Reserve Policy Investment Policy Debt Management Policy
APPROVED BY	Council
EFFECTIVE DATE	26 October 2009
REVIEW DATE	Within one year of adoption (on or before October 26, 2010)

1. POLICY STATEMENT

It is the policy of the City of Guelph

- to establish reserves and reserve funds for planned future capital expenditures, unexpected or unpredicted events, or extraordinary expenditures which would otherwise cause fluctuations in the operating or capital budgets,
- to manage reserves, reserve funds, and deferred revenue in a responsible manner, and
- to use reserves, reserve funds, and deferred revenue solely for the specific purpose previously determined.

2. PURPOSE OF POLICY

The purpose of this policy is to address some of the longer term funding strategies for the City and to ensure good financial and cash management for the ongoing financial stability of the Corporation. In conjunction with investment and debt management policies, this policy will inform decisions relating to long-range financial planning for capital projects in order to minimize both debt servicing costs and significant annual budget impacts by allocating costs to benefiting users over a number of years through the prudent use of reserves and reserve funds.

3. DEFINITIONS

In this policy,

“Deferred revenue” means revenue that is considered a liability on the City’s financial statements until, over time, it becomes relevant to current operations, such as a prepayment received for something that has not yet been provided. Deferred revenue is set aside in an obligatory reserve fund for a specific purpose by legislation, regulation, or agreement. Development charges and federal and provincial gasoline tax are examples of deferred revenue.

“Reserve” means an allocation from net revenue at the discretion of council, after the provision for all known expenditures, as part of an overall strategy for funding programs or projects that are set out in annual budgets or budget forecasts, and is authorized under

the provisions set out in the Municipal Act. It has no reference to any specific asset and does not require segregation as in the case of a reserve fund. A reserve may be established for a predetermined purpose and applied for that purpose at the discretion of council. Revenues set aside for working funds and for sick leave are examples of reserves.

“Reserve fund” means a fund with assets which are segregated and restricted to meet the purpose of the reserve fund. It is based on a statutory requirement or defined liability payable in the future and is usually prescriptive as to the basis for collection and use of monies in the fund. There are two types of reserve funds: obligatory reserve funds and discretionary reserve funds.

“Obligatory reserve fund” means a reserve fund created when a provincial statute requires that revenue received for special purposes be segregated from the general revenues of the municipality. Obligatory reserve funds are to be used solely for the purpose prescribed for them by statute. See “deferred revenue” for examples of obligatory reserve funds.

“Discretionary reserve fund” means a reserve fund created under the Municipal Act when Council wishes to earmark revenue to finance a future expenditure for which it has the authority to spend money, and to set aside a certain portion of any year’s revenues so that the funds are available as required. Revenues set aside for road widening and for acquisition of fixed assets are examples of discretionary reserve funds.

4. SCOPE

The General Reserve and Reserve Fund Policy applies to all departments and local boards (including Library, Guelph Museums, and Police Services) of the Corporation of the City of Guelph.

5. ADMINISTRATION

5.1 Creation

Council shall establish a reserve fund for liabilities of the City which are incurred but not payable until later years, as prescribed by any provincial statute (such as revenue from development charges), and may establish a reserve or reserve fund to be used for any other authorized exclusive purpose (such as funds set aside for employee future benefits). A discretionary reserve fund may be created where Council wishes to raise an amount from current revenue to finance future expenditures and this revenue is to be set aside from general operations to ensure that it will not be used for any other purpose and be available when needed. Otherwise, a reserve is preferable to a reserve fund in order to keep money available for financing daily operations, reduce accounting entries caused by inter-fund transfers, and simplify financial statement preparation. Reserves and reserve funds are created by specific by-laws or as part of other by-laws, such as those for development charges or annual budgets.

The use of reserves is one way of maintaining a sound financial position, but cash flow improvements, risk management, or other considerations may affect reserve requirements. Reserves must be supported by financial evidence indicating the extent of the reserves required. Reserves and discretionary reserve funds help to stabilize the general municipal tax levy and reduce the need for debentures. The assets of reserve funds can be can be invested to earn income, thus helping to reduce the amount of money to be set aside.

5.2 Intended Use

Any change to the purpose for which the reserve or reserve fund is designated must be permitted by provincial statute and approved by by-law of Council. Before creating a new reserve or reserve fund, the option of adding an incremental contribution to an existing reserve or reserve fund of a like nature will be considered. Reserves or reserve funds for different purposes shall be separate, but each may include a group of services in the same category. Flexibility can be achieved by defining, in the establishing by-law, the intended use in more general terms, such as “recreational purposes” rather than “swimming pool”. The *Development Charges Act* requires a separate reserve fund for each service, but permits services to be grouped into a category of services provided that services for which there is a 10 % reduction are not grouped with services for which there is no such reduction.

5.3 Limitations

- 5.3.1 Transfers shall be made into or from reserves or reserve funds as prescribed by provincial statute or approved by by-law, including but not limited to the Development Charges By-law and the annual budget by-law.
- 5.3.2 The annual budget shall set out the estimated portion of revenues considered necessary to be paid into City reserves and reserve funds.
- 5.3.3 For reserves and discretionary reserve funds, revenue shall come only from contributions from the operating fund, contributions from the capital fund, and investment income. For obligatory reserve funds, revenue may also come from development charges, developer contributions, or higher levels of government.
- 5.3.4 Money in a reserve or reserve fund shall be spent only for the predetermined purpose(s) of the reserve or reserve fund.

5.4 Transfer timing

Contributions from operating budgets to reserves shall be transferred upon the approval of the City's budget. Contributions from reserves and reserve funds to capital or operating accounts shall be transferred at least bi-annually (in June and December) or upon completion of a project. Transfers from a reserve or reserve fund shall not occur if the transfer would put the reserve or reserve fund into a negative balance. If such is the case, inter-fund borrowing will be investigated as a funding source.

5.5 Interest Allocation

Reserve funds must be invested in accordance with the City's approved investment policy. Earnings from combined investments shall be credited to each separate fund in proportion to the amount invested from it.

Interest shall be allocated to reserve funds, and to reserves where it is appropriate to adjust their balances for inflation, but no interest revenue will be credited to capital work-in-progress accounts. Interest allocation shall be based on the actual annual average balance of the reserve fund (calculated as the sum of the opening and closing balances divided by 2) and the actual average interest rate received on deposits.

5.6 Authorization

The Finance Department shall be responsible for monitoring the status of reserves and reserve funds, for determining the appropriate source of financing for the City's programs and capital works, and for making recommendations to Council on the use of reserves and reserve funds. Utilization of funds from a reserve or reserve fund must be identified in an approved annual budget or a separate report submitted to Council for approval outside the normal annual budget process. Transfers from contingency reserves to address unanticipated fluctuations in expenditures shall be authorized by Council through approval of staff recommendations in periodic variance reports.

5.7 Adequacy

The adequacy of an individual reserve or reserve fund shall be determined on a case-by-case basis using an estimate of the timing and magnitude of the costs to be incurred and a projection of expected contributions and interest earned. Updated forecasts of reserve or reserve fund balances will be provided to assist with the evaluation of any increases / decreases in revenue or expenditures. Forecasts will be developed for each reserve and reserve fund and will be updated at least annually.

5.8 Inter-Reserve Fund Borrowing

Temporary inter-fund borrowing to cover a reserve fund shortfall is permitted and encouraged to avoid external debt charges. However, borrowing from a reserve or reserve fund may occur only when an analysis of the reserve has determined that excess funds are available and that the use of these funds will not adversely affect the intended purpose of the reserve.

The *Development Charges Act* permits inter-fund borrowing between DC reserve funds, but amounts borrowed must be repaid with interest at a rate not less than the Bank of Canada rate on the day on which the Development Charges By-law comes into force updated on the first business day of every January, April, July, and October.

Other temporary inter-fund borrowing must be repaid with interest at a rate based on the actual annual average balance of the reserve fund and the Royal Bank Prime rate minus 1.75% (which is the interest rate currently received on City accounts).

5.9 Reserve Fund External Debt

Debt repayment is not normally funded through a reserve. Instead, debt shall be incurred and repaid through the operating fund with corresponding transfers to and from reserves. Any funding of debt costs shall be identified in the City's annual operating budgets. There are a few exceptions to this rule:

- 5.9.1 Development Charge Reserve Funds – Under the Development Charges Act, debt may be included as a capital cost to leverage development charge revenue while waiting for DC collections to catch up to growth-related spending.
- 5.9.2 Cash in Lieu of Parkland Reserve Fund – Historically, debt has been permitted for the purchase of parkland, but, under this policy, new debt will be incurred and repaid through the operating fund in order to reduce the risk from future undetermined contributions.
- 5.9.3 Industrial Land Reserve Fund – Historically, debt has been permitted for the purchase of land or the servicing of City-owned land while waiting for the sale of land to occur, but, under this policy, new debt will be incurred and repaid through the operating fund in order to reduce the risk from future undetermined contributions.

5.10 Reporting

- 5.10.1 Reserve and reserve fund balances, projected contributions, and planned expenditure withdrawals shall be presented with the annual budget.
- 5.10.2 Each year, the Treasurer shall provide Council with a financial statement related to the Development Charge By-law and development charge reserve funds. This statement will then be forwarded to the Minister of Municipal Affairs and Housing within sixty days after giving the statement to Council.
- 5.10.3 Balances of reserves, discretionary reserve funds, and deferred revenue (obligatory reserve funds) with comparative figures shall be disclosed by way of a note to the financial statements, with specific reference made on the financial statements to the note, in conformity with the requirements of Public Sector Accounting Standards.

6. TARGET RESERVE LEVELS

Reserves and reserve funds are a critical component of the City's long-term financing plan and offer liquidity which enhances the Corporation's flexibility in addressing operating requirements and in permitting the Corporation to fund capital projects internally. Municipal credit rating agencies recommend a debt to reserve ratio of \$1 in reserves for every \$1 in debt. The City will take steps to:

- limit its reliance on debt for financing infrastructure and to ensure that the total debt burden of the municipality (per Schedule 74 of the Financial Information Return) does

not exceed the total of all reserves and reserve funds (per Schedule 60 of the Financial Information Return).

- ensure that working and current-purpose reserves and reserve funds (per Lines 5010 to 5290 of the Financial Information Return) are at least 8% - 10% of operating revenue (per Line 9910 of the Financial Information Return).
- Target lifecycle reserve fund annual contributions to be based on a % of the value of the relevant assets (currently assets valued at historical cost)

3% Buildings

2-3% Transportation, Storm water, Waste water and Water

10% Vehicle and Equipment

7.0 POLICY REVIEW

This policy shall be reviewed within one year of adoption.

CITY OF GUELPH
REVIEW OF COUNCILLORS' REMUNERATION

TERMS OF REFERENCE

PURPOSE:

To appoint a Citizens' Committee to review and establish Elected Officials remuneration.

ACCOUNTABILITIES:

Supported by an External Consultant, the Committee will provide recommendations on base compensation for Elected Officials.

In developing its recommendations, the Committee will recognize that benefits currently provided to Elected Officials constitute an integral part of the overall compensation package.

FUNCTIONS:

- Reflect on fiscal and corporate objectives as outlined in the Compensation report for non-union staff.
- Review the matter of compensation as it relates to public office.
- Enable compensation adjustments are supported by market data and comparable municipalities in terms of scope, size and nature of work.
- Review data and proposals submitted by External Consultant
- Oversee preparation and presentation of a final report and recommendations to Council for its approval

MEMBERSHIP:

The Committee will consist of 5 members selected from the community, based on expressions of interest solicited by placing an advertisement in Guelph's local newspaper. The Chair of the Committee will be chosen by the members at its first meeting.

Members of the Committee will undertake to attend each meeting as required and the Committee will remain in force until Council approves recommendations on these matters, or such time as the Committee is formally disbanded.

In the event a member is unable or unwilling to continue to serve, a replacement will be appointed by the City Clerk from the expressions of interest previously received. The members of the Committee, including the Chair, shall serve in a volunteer capacity only with no remuneration other than for reasonable expenses incurred by attending meetings.

TIMEFRAME:

The Committee will be established by November 30th, 2009 and will make its
| recommendations in respect of compensation for elected officials by February 22, 2010.

FINANCIAL AND ADMINISTRATIVE:

The budget for the External Consultant, reimbursement of Committee Member expenses and any other incidental expenses arising from the operation of the Committee within the mandate outlined above, will be funded from the Human Resources Department.