

Committee of the Whole Meeting Agenda

Monday, May 6, 2019 – 2:00 p.m.
Council Chambers, Guelph City Hall, 1 Carden Street

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Call to Order – Councillor Gibson

Disclosure of Pecuniary Interest and General Nature Thereof

Recognitions:

1. Silver Level Recognition for the Wastewater Treatment Plant for 2017 Performance
Jared Karr, Supervisor, Wastewater Services
Tim Robertson, Divisional Manager, Wastewater Services
-

Consent Agenda – Infrastructure, Development and Enterprise

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

IDE-2019-21 Sign By-Law Variances - 950 Paisley Road

Recommendation:

1. That the request for variances from Table 1, Row 1 of Sign By-law Number (1996)-15245, as amended, to permit three (3) interchangeable building signs, each with an area of 1.99m², to be located 1m from the ground at 950 Paisley Road, be approved.

2. That the request for variances from Table 2, Row 12 of Sign By-law Number (1996)-15245, as amended, to permit 2 menu boards; one with a height of 3.64m above the adjacent roadway and a distance of 3m from the nearest road allowance; and one with a height of 3.96m above the adjacent roadway, a sign face area of 3.6m² and a distance of 3.5m from the nearest road allowance at 950 Paisley Road, be approved.

IDE-2019-48

Sign By-law Variances - 630 Scottsdale Drive

Recommendation:

That the request for variances from Sign By-law Number (1996)-15245, as amended, to permit an illuminated building sign with an area of 3.07m² to be a height of .61m above the ground surface at 630 Scottsdale Drive, be approved.

IDE-2019-45

New Outdoor Swimming Pool and Hot Tub By-Law

Correspondence:

Ron Ferraro

Recommendation:

That Council approve the recommended Outdoor Swimming Pool and Hot Tub By-law included as Attachment-1 to Report Number IDE-2019-45 titled "New Outdoor Swimming Pool and Hot Tub By-law".

IDE-2019-43

**2018 Building Permit Revenue and Expenditures,
Building Services OBC Stabilization Reserve Fund
and Annual Setting of Building Permit Fees**

Recommendation:

1. That Council approve the recommended building permit fees, included as Attachment 2, report IDE-2019-43 titled "2018 Building Permit Revenue and Expenditures, Building Services OBC Stabilization Reserve Fund and Annual Setting of Building Permit Fees" dated May 6, 2019, effective June 1, 2019.
2. That Council approve adjusting the Building Services OBC Stabilization Reserve Fund target to be within the range of 100 to 150 per cent of prior year budget operating expenditures and that Appendix A of the General Reserve and Reserve Fund Policy be updated accordingly.
3. That Council approve the recommended automatic fee indexing methodology for 2020 and subsequent years, as described in report IDE-2019-43.

Recommendation:

That the terms of reference for the Solid Waste Management Master Plan Public Advisory Committee included as Attachment 1 to IDE-2019-52, dated May 6, 2019, be approved.

Items for Discussion – Infrastructure, Development and Enterprise

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

IDE-2019-47**Community Energy Initiative Update: Pathway to Net Zero Carbon****Presentation:**

Antti Vilkkö, General Manager, Facilities Management
Alex Chapman, Manager, Climate Change Office

Recommendation:

That staff pursue a service agreement with Our Energy Guelph (OEG) to act as the City's Community Energy Initiative (CEI) delivery partner.

IDE-2019-44**Corporate 100% Renewable Energy Target by 2050****Presentation:**

Bryan Ho-Yan, Program Manager, Corporate Energy

Recommendation:

1. That the Corporate 100% Renewable Energy Target (100RE Target) definition be received and adopted.
2. That staff be directed to develop a capital reserve fund strategy to support the Corporate energy optimization projects through the 2020 capital budget process.
3. That the capital and operating costs to enable progress towards the 100RE Target be referred to the 2020 budget process.
4. That staff provide a Corporate Energy Progress Report on an annual basis.

Reducing Plastics and Waste

Mayor Guthrie will speak to this item.

Recommendation:

1. That Council direct staff to explore alternative and viable ways to promote and provide drinking water to users.

2. That Council direct staff to install and promote water filling stations or reusable water bottle vending machines at key high usage City owned facilities/parks and to fund the associated costs through upcoming capital/operating budgets and future capital plans.
3. That Council direct staff to phase out over a three-year period the sale, by the City, of all single use plastic beverage containers from locations at City owned facilities/parks and city-run events.
4. That Council direct staff to negotiate any required changes to the current agreements between the City and/or vendors/leaseholders resulting from the sale of all single use plastic beverage containers.
5. That Council direct staff to phase out all procurement of single-use plastics and packaging used by consumers (i.e. bags, straws) for use in City owned facilities over a three-year period.
6. That Council direct staff to partner with the University of Guelph IdeasCongress (ICON) Program to explore viable solutions and report back to Council with updates or further recommendations as part of Solid Waste Management Master Plan update reporting by Q4 of 2019.
7. That Council direct staff to facilitate further engagement with both citizens and businesses on reducing or eliminating single use plastics and packaging within the City of Guelph specifically through the Solid Waste Management Master Plan update and for staff to report these findings within the final report for further considerations.
8. That Council direct staff to explore the issue of single-use plastics and packaging as an opportunity to leverage the Civic Accelerator, to help realize further options to reduce waste in the City of Guelph.
9. That Council direct the Mayor to send these motions to the Minister of Environment, Conservation and Parks, Guelph's MPP and Guelph's MP along with AMO and LUMCO.

Service Area Chair and Staff Announcements

Please provide any announcements to the Chair in writing, by 12 noon on the day of the Committee meeting.

Ten-Minute Break for Service Area Change

Consent Agenda – Corporate Services

Chair – Councillor MacKinnon

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

CS-2019-11 2018 Year-end Operating Variance Report and Surplus Allocation

Correspondence:

Don Drone, Chair, Guelph Police Services Board

Recommendation:

1. That the tax supported surplus of \$3,255,971 be allocated to the reserves and reserve funds as follows:

Tax Rate Operating Contingency Reserve (180)	\$816,000
Environment and Utility Contingency Reserve (198)	\$400,000
Police Operating Contingency Reserve (115)	\$39,000
Infrastructure Renewal Reserve Fund (150)	\$2,000,971
Total	\$3,255,971

2. That the Water Services surplus of \$578,081 be allocated to the Water Capital Reserve Fund (152).
3. That the Wastewater Services surplus of \$2,787,381 be allocated to the Wastewater Capital Reserve Fund (153).
4. That the Stormwater Services surplus of \$313,835 be allocated to the Stormwater Capital Reserve Fund (165).
5. That the Ontario Building Code (OBC) deficit of \$608,582 be funded from the Building Services OBC Stabilization Reserve Fund (188).
6. That the Court Services surplus of \$88,950 be allocated to the Court Contingency Reserve (211).

CS-2019-12 2018 Year-end Capital Variance Report

Recommendation:

That report CS-2019-12, 2018 Year-end Capital Variance Report, dated May 6, 2019, be received.

CS-2019-13 2018 General Reserve and Reserve Fund Report

Recommendation:

That the City’s General Reserve and Reserve Fund Policy be amended to reflect the addition of the Ontario Municipal Commuter Cycling Reserve Fund (350) as at December 31, 2018.

Recommendation:

1. That the one-time special dividend to be declared by Guelph Municipal Holdings Inc. (GMHI) be allocated as follows:
 - a. 45 per cent, to a maximum of \$6 million, be directed to the City Building Reserve Fund; and
 - b. 10 per cent, to a maximum of \$1.3 million, be directed to the Community Investment Program; and
 - c. \$700 thousand be directed to support the Community Energy Initiative; and
 - d. The remaining funds be directed to the Infrastructure Renewal Reserve Fund.
2. That any net new ongoing dividend revenues from the City's municipal services corporations be directed to the City's Infrastructure Renewal Reserve Fund and be approved until such time that sustainable tax supported capital funding levels are achieved.
3. That a strategy, to redirect the base operating dividend revenue (\$1.9 million in 2019) from the City's municipal services corporations into the Infrastructure Renewal Reserve Fund, be approved.

Service Area Chair and Staff Announcements

Please provide any announcements to the Chair in writing, by 12 noon on the day of the Committee meeting.

Notice of Motion

Notice of Motion for Reconsideration provided by Councillor Gordon.

Adjournment

Staff Report



To **Committee of the Whole**
Service Area Infrastructure, Development and Enterprise Services
Date Monday, May 6, 2019
Subject **Sign By-law Variances - [950 Paisley Road](#)**
Report Number IDE-2019-21

Recommendation

1. That the request for variances from Table 1, Row 1 of Sign By-law Number (1996)-15245, as amended, to permit three (3) interchangeable building signs, each with an area of 1.99m², to be located 1m from the ground at 950 Paisley Road, be approved.
 2. That the request for variances from Table 2, Row 12 of Sign By-law Number (1996)-15245, as amended, to permit 2 menu boards; one with a height of 3.64m above the adjacent roadway and a distance of 3m from the nearest road allowance; and one with a height of 3.96m above the adjacent roadway, a sign face area of 3.6m² and a distance of 3.5m from the nearest road allowance at 950 Paisley Road, be approved.
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Executive Summary

Purpose of Report

To advise Council of sign by-law variance requests for 950 Paisley Road.

Key Findings

The subject property is located in a Neighbourhood Commercial (NC) Zone. The City of Guelph Sign By-law Number (1996)-15245, as amended, requires signs larger than 1m² to have a minimum clearance of 2.4m from the ground surface and does not permit such signs to have interchangeable copy. The Sign Bylaw also restricts the number of menu boards permitted per property to one, with a maximum sign face area of 2.3m², a height of 2m above the adjacent roadway and a minimum setback of 9m from the nearest road allowance.

Steel Art Signs Corporation has submitted a sign by-law variance application on behalf of the Armel Corporation to permit three (3) interchangeable building signs, each with an area of 1.99m², to be located 1m from the ground. Additionally, Steel Art Signs, on behalf of Armel Corporation, has requested variances to permit 2 menu boards; one pre-sell/preview menu with a height of 3.64m above the adjacent roadway and a distance of 3m from the nearest road allowance, and one integrated menu board with a height of 3.96m above the adjacent roadway, a sign face area of 3.6m², and a distance of 3.5m from the nearest road allowance.

The requested variances from the Sign By-law are recommended for approval for the following reasons:

- The interchangeable building signs will be located adjacent to the drive thru and are not designed to move, flash, or otherwise dangerously distract drivers;
- The location of the building signs will not detract from the appearance of the building;
- The height request of the menu signs is reasonable given that the signs are 1.82m and 2.13m in height and it is the grading of the property that elevates them to the height 3.64m and 3.96m above the adjacent road;
- The locations of the menu boards were reviewed during the site plan process and were found to compliment the configuration of the site;
- The approved Site Plan requires plantings between the menu boards and the property line, which will minimize their visual impact from the street once planted;
- The signs are part of TDL's corporate standards and similar variance requests have previously been approved for other Guelph locations; and
- The proposed signs will not have a negative impact on the streetscape or surrounding area.

Financial Implications

Not applicable.

Report

The subject property is located in a Neighbourhood Commercial (NC) Zone. The City of Guelph Sign By-law Number (1996)-15245, as amended, requires signs larger than 1m² to have a minimum clearance of 2.4m from the ground surface and does not permit such signs to have interchangeable copy. The Sign Bylaw also restricts the number of menu boards permitted per property to one, with a maximum sign face area of 2.3m², a height of 2m above the adjacent roadway and a minimum setback of 9m from the nearest road allowance.

Steel Art Signs Corporation has submitted a sign by-law variance application on behalf of the Armel Corporation to permit three (3) interchangeable building signs, each with an area of 1.99m², to be located 1m from the ground. Additionally, Steel Art Signs, on behalf of Armel Corporation, has requested variances to permit 2 menu boards; one pre-sell/preview menu with a height of 3.64m above the adjacent roadway and a distance of 3m from the nearest road allowance, and one integrated menu board with a height of 3.96m above the adjacent roadway, a sign face area of 3.6m², and a distance of 3.5m from the nearest road allowance.

Please see "Attachment 2 – Sign Variance Drawings"

Table 1 - The requested variances are as follows:

	By-law Requirements	Request
Copy on building signs	Interchangeable copy not permitted	To permit interchangeable copy on three (3) building signs
Minimum clearance above ground surface for signs exceeding 1 square metre	2.4m	To permit three building signs with a total area of 6.01m ² to be located 1m from the ground surface
Number of menu boards permitted	1	1 pre-sell/preview, 2 integrated menu boards
Maximum height permitted above an adjacent roadway (menu board)	2.0m	To permit one (1) pre sell/preview menu with a height of 3.64m and one (1) integrated menu board with a height of 3.96m above the adjacent roadway
Maximum sign face area per face (Menu boards)	2.3m ²	To permit one (1) integrated menu Board with a sign face area each of 3.6m ²
Permitted location on private property	9m away from the nearest public road allowance (property line adjacent to a street) and 3 metres from an adjacent property	To permit one (1) pre-sell/preview menu to be 3m and one (1) integrated menu board to be 3.5m from the public road allowance

The requested variance from the Sign By-law are recommended for approval for the following reasons:

- The interchangeable building signs will be located adjacent to the drive thru and are not designed to move, flash, or otherwise dangerously distract drivers;
- The location of the building signs will not detract from the appearance of the building;
- The height request of the menu signs is reasonable given that the signs are 1.82m and 2.13m in height and it is the grading of the property that elevates them to the height 3.64m and 3.96m above the adjacent roadway;
- The locations of the menu boards were reviewed during the site plan process and were found to compliment the configuration of the site;
- The approved Site Plan requires plantings between the menu boards and the property line, which will minimize their visual impact from the street once planted;

- The signs are part of TDL's corporate standards and similar variance requests have previously been approved for other Guelph locations; and
- The proposed signs will not have a negative impact on the streetscape or surrounding area.

At present, City staff are working to resolve a residential complaint regarding vehicular headlights impacting the privacy of residential properties to the south as vehicles enter the site from Paisley Road to use the Tim Horton's drive-thru. The owner has agreed to install a wood privacy fence to help mitigate this issue. The drive-thru menu signage, which is lit during the evening and overnight hours, was reviewed by staff and due to its distance from the residential properties to the south and the existing ambient levels of nighttime lighting, staff are of the opinion that this signage will not increase existing light impacts to residential properties. Therefore, staff is not recommending mitigation measures related to the light emitted from the menu boards.

Financial Implications

Not applicable.

Consultations

Not applicable.

Corporate Administrative Plan

Overarching Goals

Service Excellence

Service Area Operational Work Plans

Our People - Building a great community together

Attachments

Attachment-1 Location Map

Attachment-2 Sign Variance Drawings

Departmental Approval

Not applicable.

Report Author

Bill Bond

Zoning Inspector III/Senior By-law Administrator

Approved By

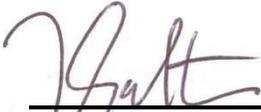
Patrick Sheehy

Program Manager – Zoning

Approved By

Jeremy Laur

Chief Building Official



Approved By

Todd Salter

General Manager, Planning and Building Services

Infrastructure, Development and Enterprise Services

519-837-5615, ext. 2395

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Recommended By

Kealy Dedman, P.Eng. MPA

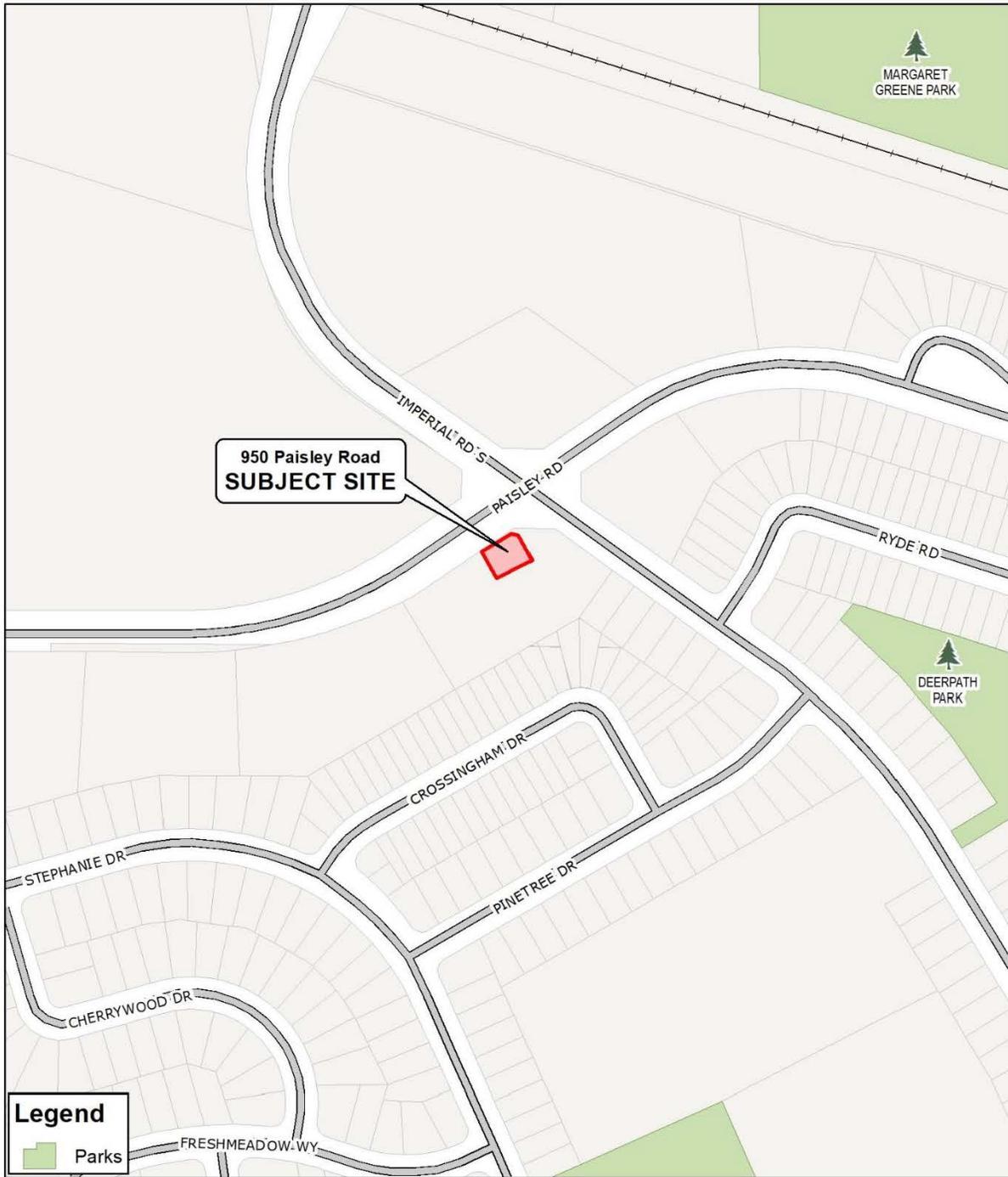
Acting Deputy Chief Administrative Officer

Infrastructure, Development and Enterprise Services

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Attachment-1 Location Map



0 15 30 60 90 120 m

Produced by the City of Guelph
Development Planning, Planning and Building Services
January 2019

950 Paisley Road

CITY OF Guelph
Making a Difference

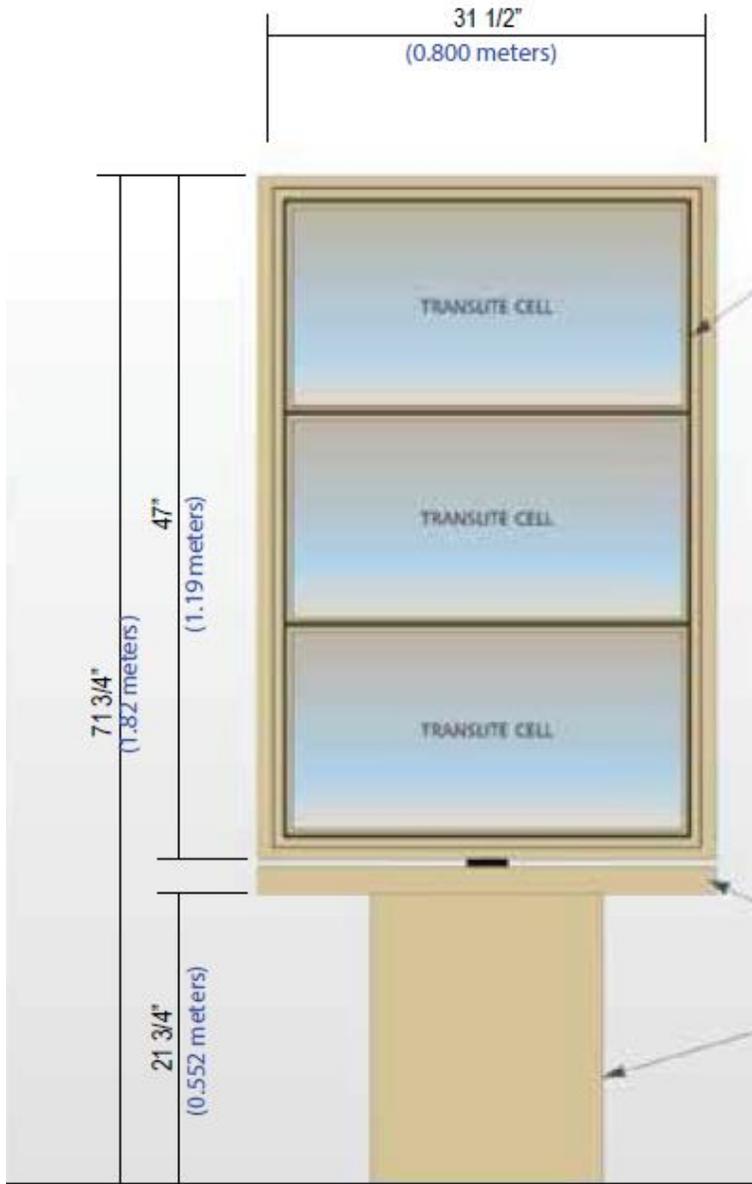
Attachment- 2 Sign Variance Drawings

Interchangeable building signs (provided by the Applicant)



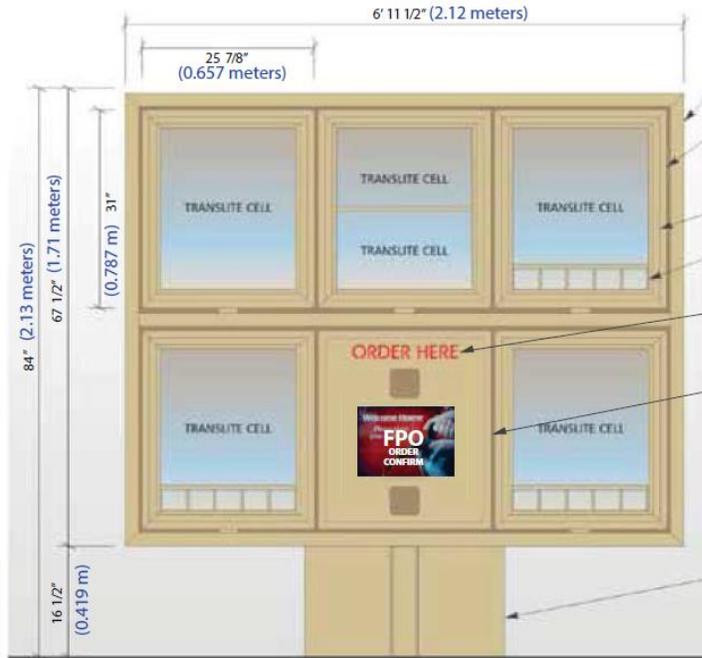
Attachment- 2 Sign Variance Drawings

Pre-sell/preview menu sign (provided by the Applicant)

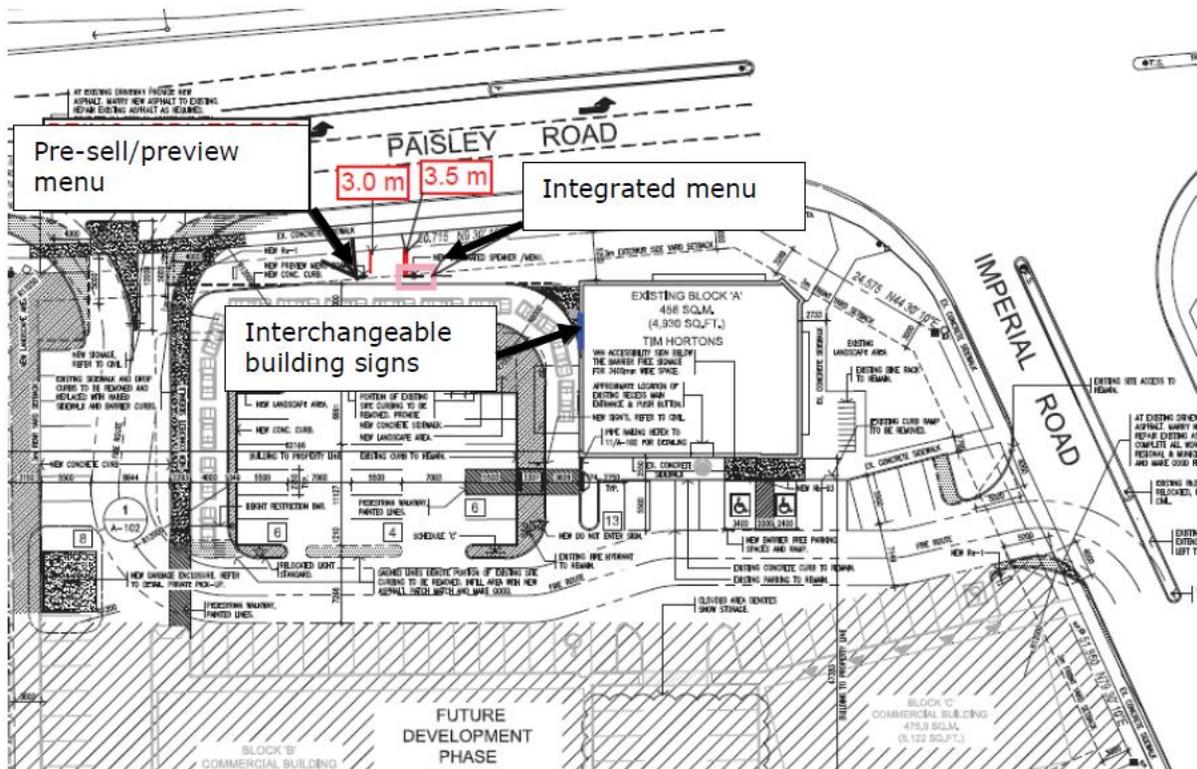


Attachment- 2 Sign Variance Drawings

Integrated menu board (provided by the Applicant)



Proposed location on the property



Staff Report



To **Committee of the Whole**
Service Area Infrastructure, Development and Enterprise Services
Date Monday, May 6, 2019
Subject **Sign By-law Variances - [630 Scottsdale Drive](#)**
Report Number IDE-2019-48

Recommendation

That the request for variances from Sign By-law Number (1996)-15245, as amended, to permit an illuminated building sign with an area of 3.07m² to be a height of .61m above the ground surface at 630 Scottsdale Drive, be approved.

Executive Summary

Purpose of Report

To advise Council of sign by-law variance requests for [630 Scottsdale Drive](#).

Key Findings

The subject property is located in a Service Commercial (SC. 1-14) Zone. The City of Guelph Sign By-law Number (1996)-15245, as amended, requires that building signs larger than 1m² in a Service Commercial Zone have a minimum of 2.4m of clearance above the ground surface.

Lovett Signs Inc. has submitted a sign by-law variance application on behalf of 2286294 Ontario Inc. (Scottsdale Dental Centre) to permit an illuminated building sign with an area of 3.07m² to be a height of .61m above the ground surface at 630 Scottsdale Drive

The requested variances from the Sign By-law are recommended for approval for the following reasons:

- The sign is proposed to be located over landscaping, therefore will not pose a hazard to any persons entering or exiting the building;
- The design of the building makes it difficult to have a building sign that complies with the Sign By-law;
- The location of the proposed sign does not detract from the appearance of the building; and
- The proposed sign does not have a negative impact on the streetscape or surrounding area.

Financial Implications

Not applicable.

Report

The subject property is located in a Service Commercial (SC. 1-14) Zone. The City of Guelph Sign By-law Number (1996)-15245, as amended, requires that building signs larger than 1m² in a Service Commercial Zone have a minimum of 2.4m of clearance above the ground surface.

Lovett Signs Inc. has submitted a sign by-law variance application on behalf of 2286294 Ontario Inc. (Scottsdale Dental Centre) to permit an illuminated building sign with an area of 3.07m² to be a height of .61m above the ground surface at 630 Scottsdale Drive

The requested variances from the Sign By-law are recommended for approval for the following reasons:

- The sign is proposed to be located over landscaping, therefore will not pose a hazard to any persons entering or exiting the building;
- The design of the building makes it difficult to have a building sign that complies with the Sign By-law;
- The location of the sign does not detract from the appearance of the building; and
- The sign does not have a negative impact on the streetscape or surrounding area.

Please see "Attachment 2 – Sign Variance Drawings"

Table 1 - The requested variances are as follows:

	By-law Requirements	Request
Location of sign	Minimum clearance of 2.4m above ground surface for signs exceeding 1m ²	To permit 1 sign with an area of 3.07m ² to be located .61m above the ground surface

The requested variances from the Sign By-law are recommended for approval for the following reasons:

- The sign is proposed to be located over landscaping, therefore will not pose a hazard to any persons entering or exiting the building;
- The design of the building makes it difficult to have a building sign that complies with the Sign By-law;
- The location of the proposed sign does not detract from the appearance of the building; and
- The proposed sign does not have a negative impact on the streetscape or surrounding area.

Financial Implications

Not applicable.

Consultations

Not applicable.

Corporate Administrative Plan

Overarching Goals

Service Excellence

Service Area Operational Work Plans

Our People - Building a great community together

Attachments

Attachment-1 Location Map

Attachment-2 Sign Variance Drawings

Departmental Approval

Not applicable.

Report Author

Bill Bond
Zoning Inspector III/Senior By-law Administrator

Approved By
Patrick Sheehy
Program Manager – Zoning

Approved By
Jeremy Laur
Chief Building Official



Approved By

Todd Salter
General Manager, Planning and
Building Services
Infrastructure, Development and
Enterprise Services
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Recommended By

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Acting Deputy Chief Administrative
Officer
Infrastructure, Development and
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Attachment-1 Location Map



0 12.5 25 50 75 100 m

Produced by the City of Guelph
Planning, Urban Design and Building Services - Development Planning
October 19, 2017

630 Scottsdale Drive

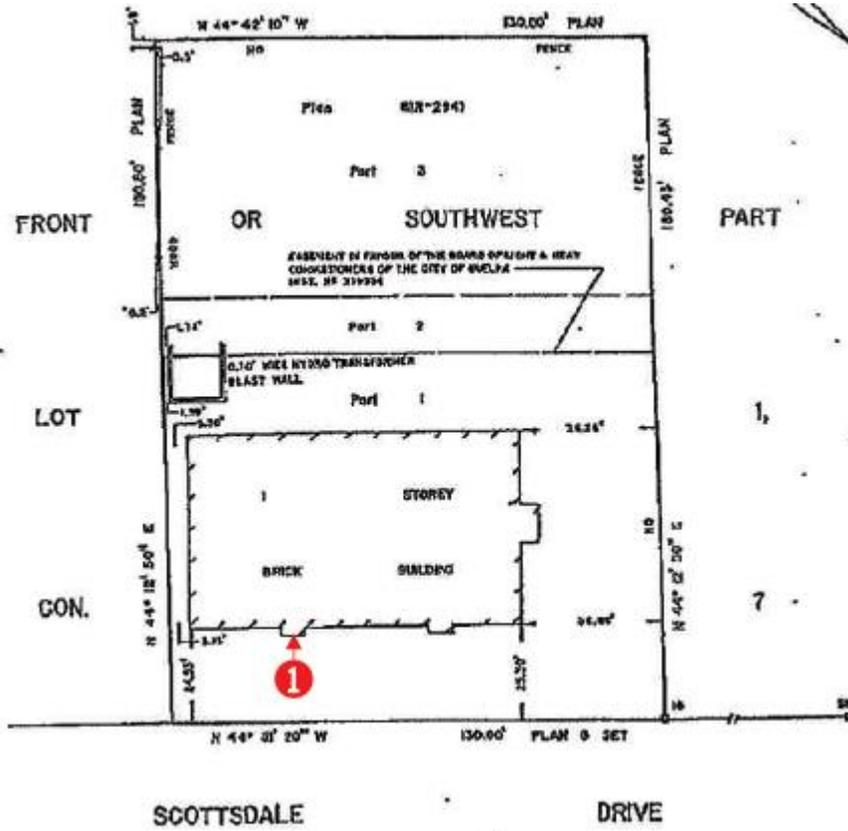
Attachment- 2 Sign Variance Drawings

Proposed illuminated building sign



Attachment- 2 Sign Variance Drawings

Proposed location on the property



Staff Report



To **Committee of the Whole**
Service Area Infrastructure, Development and Enterprise Services
Date Monday, May 6, 2019
Subject **New Outdoor Swimming Pool and Hot Tub By-Law**
Report Number IDE-2019-45

Recommendation

That Council approve the recommended Outdoor Swimming Pool and Hot Tub By-law included as Attachment-1 to Report Number IDE-2019-45 titled "New Outdoor Swimming Pool and Hot Tub By-law".

Executive Summary

Purpose of Report

This report seeks Council approval of the staff recommended proposed New Outdoor Swimming Pool and Hot Tub By-law included as Attachment 1 to this report (the "Proposed By-law") which will also have the effect of repealing the Swimming Pool By-law (1994)-14660 (the "Current By-law").

Key Findings

The Proposed By-law is intended to protect lives by reducing the risk of drowning or injury in outdoor swimming pools and hot tubs.

The Proposed By-law will include the following new safety requirements:

- Protecting openings where a house wall forms part of a pool enclosure,
- Providing life saving devices, specifically a rescue pole or life ring,
- Displaying safety rules signage,
- Ensuring the safe storage of chemicals,
- Reducing the risk of children from being trapped in pool drain and suction fittings,
- Ensuring electrical installations are safe, and
- Requiring the installation of backflow prevention devices on outside water taps to protect house water from contamination when topping up pools and hot tubs.

Financial Implications

There are no financial implications to the City because of these changes. Building Services enforces the Current By-law and will also enforce the Proposed By-law if it is approved by Council.

The cost to property owners to install a new in-ground and above-ground pool in the city of Guelph will increase by approximately \$185 to pay for the required safety measures.

The cost to install a new hot tub in the City of Guelph will increase by approximately \$35.

Report

Building Services currently administers and enforces the Swimming Pool By-law regulations under the Current By-law which has been in effect for almost 25 years. There are gaps in the Current By-law provisions and opportunities to recognize some new products and safety devices that were not in existence in 1994, when the Current By-law was enacted.

Building Services has identified this as a continuous improvement initiative intended to enhance safety around swimming pools and hot tubs. The primary goal is to provide a reduction in risk to the loss of life or injury particularly for children under five years of age.

In Canada, there were an average of 32 private pool and eight hot tub deaths per year between 2010 and 2014. Drowning is the leading cause of accidental death among children one to four years of age, with this age group accounting for approximately 21 percent of drowning fatalities related to unexpected falls into water. Backyard pools are a common location for this to occur.

Children under five are also more likely to suffer a non-fatal drowning occurrence, requiring an emergency department visit and/or hospitalization.

Ninety-two percent of injuries or drownings occurred, where adult supervision was absent or distracted.¹

Staff have worked to identify strengths and weaknesses/gaps in the Current By-law, and to prepare the Proposed By-law based on those findings.

The critical success factors for this By-law review were:

- engagement of stakeholders,
- review of best practices,
- enhancements to the protection of life and safety, and
- creation of tools to ensure the bylaw is easy to use and apply.

Building Services worked with the Community Engagement Division to create a suitable engagement approach to gather input from key industry stakeholders.

Community engagement efforts included:

- Best practices review workshop,
- Online best practices survey for industry partners who could not attend the workshop,
- Direct feedback from workshop participants, and,
- Phone conversations with industry partners.

Some municipalities in Ontario, including the City of Toronto, require that a four-sided fence enclose a pool. This is an option for Guelph pool owners; however, the proposed By-law also allows for a house wall to be used as part of the pool enclosure. Safety measures are present in the Proposed By-law to protect these openings.

Additional concerns noted by inspectors included poorly constructed guards around above-ground pools and flip-up ladders left in the down position.

Safety measures to be included in the Proposed By-law

If approved by Council, the Proposed By-law would add the following safety requirements:

1. Require safety equipment to be provided in the pool area to aid in rescue, specifically a rescue pole or life ring buoy,
2. Ensure safety rules signage is displayed in close proximity to a pool,
3. Ensure pool design prevents the risk of being trapped in pool drain and suction fittings,
4. Ensure that the water tap used to top-up outdoor pool or hot tub is installed to prevent contamination of potable water,
5. Require permanent fencing around above ground pools. These previously could have just been a structurally weak plastic guards installed above the sides of the pool to prevent access to the pool and flip-up ladder,
6. Ensure pool chemicals are safely stored out of reach of children,
7. Ensure safe electrical work associated with the pool or hot tub installation,
8. Have provisions for temporary fencing during construction,
9. Requiring the pool owner to conduct an annual inspection to ensure all requirements of the Proposed By-law are remain compliant,
10. Provide relief when non-penetrating pool covers are installed with controls which are out of reach of children, and,
11. Provide for the protection of openings where house wall forms the fourth side of a pool enclosure including:
 - a. self-closing, self-latching device and audible alarm on swinging man doors leading directly into pool area,
 - b. audible alarm on all sliding doors providing direct access to a pool area,
 - c. require secure screens, limiters or alarms on windows providing direct access to pool area, and,
 - d. prohibit pet doors in the house wall leading directly into pool area.

The Proposed By-law would apply only to new pool and hot tub installations and fence replacements.

The Proposed By-law is in general alignment with most of the leading recommendations of industry safety associations in North America and with some of leading regulations from countries like New Zealand and Australia. The Proposed By-law will provide an improved level of safety above what is provided in the Current By-law. The primary responsibility for supervision of children using private pools or hot tub rests with parents or guardians.

Comments on the community engagement process and the Proposed By-law from our industry partners include:

“I think we can all work with this to make the purchase, installation and operation safer for the consumer but at the same time, easier for the retailers.”

Christian Gareau, President, World of Hot Tubs

“The Pool & Hot tub Council of Canada is proud of its involvement and contributions to the City of Guelph’s Swimming Pool and Hot Tub by-Law. Together with the City of Guelph and Industry participants, the PHTCC helped produce a bylaw that takes into account alternative safety measures and new technology. This bylaw gives swimming pool owners a layered approach to safety which translates into more options on how to keep their loved ones safe.”

Pool and Hot Tub Council of Canada (P.H.T.C.C.)

“Given the high risk of injuries and drownings associated with private pools and hot tubs Wellington-Dufferin-Guelph Public Health supports the recommended changes to the Outdoor Swimming Pool and Hot Tub by-law”.
Wellington Dufferin Guelph Health Unit

¹ Source: Canadian Drowning Prevention Plan, Canadian Drowning Coalition, October 2017 and 2018 editions

Financial Implications

There is no anticipated financial impact to the City because of these changes. Building Services will continue to enforce the requirements for private outdoor pools and hot tubs.

To add the additional layers of safety as set out in the Proposed By-law for property owners who install a new in-ground pool for whom the house wall forms part of the pool enclosure will be approximately \$185.

To add the additional layers of safety as proposed in this bylaw for property owners who install a new aboveground pool for whom the house forms part of pool enclosure is approximately \$185. The cost of installing the new required permanent pool fence would be between \$1,000 and \$2,400 if the property wasn’t already planning on installing such a fence. The cost would depend on if the homeowner were to do the work themselves versus if they contracted someone to do it.

The anticipated cost implications to add the additional layers of safety as proposed in this By-law for property owners who install a new hot tub is approximately \$35.

Consultations

Building Service’s best practice review included:

- Pool and Hot Tub Council of Canada
- Comparator municipalities who have enacted a new By-law in the last five years
- Safety Associations in Canada and the USA
- Pool regulations recently developed and adopted in New Zealand and Australia

Once a list of best practice recommendations was developed, an industry workshop was used to shortlist the recommendations before the Proposed By-law was drafted. Consultation based on the best practice review included a facilitated workshop on December 13, 2018 at the Victoria Road Recreation Centre.

Parties that participated in a review of best practice recommendations included:

- Pool and Hot Tub Council of Canada
- Wellington Dufferin Guelph Health Unit
- Pool Companies

- Hot Tub Companies
- Fencing Companies
- Pool owners and general public

A further review phase occurred with workshop participants once the Proposed By-law was in draft form.

Consultation with City departments included:

- Legal, Realty and Court Services
- Community Engagement
- Communications
- Zoning Services
- Environmental Services

A communications plan has been developed to inform the community and industry partners of the Proposed By-law, if it is approved by Council.

Corporate Administrative Plan

Overarching Goals

Service Excellence

Innovation

Service Area Operational Work Plans

Our Services - Municipal services that make lives better

Attachments

Attachment-1 Outdoor Swimming Pools and Hot Tubs By-law

Departmental Approval

Not applicable.

Report Author

Adrian van Eck, Program Manager of Inspection Services

Approved By

Jeremy Laur, Chief Building Official



Approved By

Todd Salter
General Manager, Planning and
Building Services
Infrastructure, Development and
Enterprise Services
519.822.1260 extension 2395
todd.salter@guelph.ca



Recommended By

Kealy Dedman, P.Eng. MPA
Acting Deputy Chief Administrative
Officer
Infrastructure, Development and
Enterprise Services
519.822.1260 extension 2248
kealy.dedman@guelph.ca

THE CORPORATION OF THE CITY OF GUELPH

By-law Number (2019) -

A By-law respecting outdoor swimming pools and hot tubs and to repeal By-law Number (1994)-14660.

WHEREAS under Subsection 10(2) of the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended, the City of Guelph may pass by-laws respecting health, safety and well-being of persons, protection of persons and property, and structures, including fences and signs;

AND WHEREAS the City of Guelph adopted By-law Number (1994)-14660, being a By-law respecting fences and gates around swimming pools;

AND WHEREAS the City of Guelph wishes to replace that By-law;

NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE CITY OF GUELPH ENACTS AS FOLLOWS:

DEFINITIONS

1. For the purposes of this By-law the following terms shall have the corresponding meanings:
 - (a) **“Adult”** means a responsible person who is 18 years of age or older or is at least 16 years of age and is a qualified lifeguard according to the Lifesaving Society of Canada;
 - (b) **“Chief Building Official”** means the City’s Chief Building Official or his or her designate;
 - (c) **“Compliant Audible Alarm”** means, in respect of a window or door opening, an alarm which:
 - i. Sounds when the opening is opened,
 - ii. Meets the requirements of UL 2017 General-Purpose Signalling Devices and Systems, Section 77,
 - iii. Starts within seven seconds after the opening opens,
 - iv. Sounds for at least 30 seconds,
 - v. Produces a sound of at least 85 decibels in volume when measured 3 m from the alarm mechanism,
 - vi. Has a sound distinct from other sounds in the house, such as the telephone, doorbell and smoke alarm,
 - vii. Has an automatic reset feature which permits the alarm to be deactivated for up to 15 seconds to allow a person to pass through the opening without setting off the alarm, and
 - viii. Is located at least 1.4 m above the interior finished floor surface;
 - (d) **“Compliant Safety Cover”** means a cover for a Hot Tub which is:
 - i. In compliance with ASTM F1346-91 (2018) Standard Performance Specification for Safety Covers and Labelling Requirements for All Covers for Swimming Pools, Spas and Hot Tubs,
 - ii. Permanently attached to the Hot Tub or the Hot Tub’s supporting structure, and
 - iii. Locked to prevent unauthorized entry when not in use;

Attachment-1 Outdoor Swimming Pools and Hot Tubs By-law

- (e) **"Fence"** means a fence that completely or partially surrounds a Pool or Hot Tub;
- (f) **"Fire Egress Window"** means a window required under the Ontario Building Code, Ontario Fire Code or Property Standards By-law;
- (g) **"Gate"** means a gate in a Fence;
- (h) **"Hot Tub"** means a hot tub, whirlpool, hydro massage pool, or spa;
- (i) **"House Wall"** means a wall of a house or accessory structure;
- (j) **"Inspector"** means the Chief Building Official and any individual appointed by the Chief Building Official to carry out inspections under this By-law;
- (k) **"Owner"** means the owner of the applicable Pool or Hot Tub, and includes the lessee, tenant, occupant, mortgagee in possession or property manager of the property where the Pool or Hot Tub is located;
- (l) **"Pool"** means an artificial outdoor body of water, including a swimming pool, capable of containing water at least 0.6 m deep, but does not include:
 - i. A pond used only for an ornamental, agricultural, horticultural or industrial purpose, for stormwater retention, or as a reservoir for firefighting,
 - ii. A pond located in an agricultural zone, or
 - iii. A swimming pool or Hot Tub which is subject to the Ontario Building Code; and
- (m) **"Temporary Enclosure"** means a temporary enclosure around a Pool or Hot Tub which comprises:
 - i. Prefabricated interlocking steel fence sections or metal chain link fencing securely attached to posts no more than 2.4 m apart and supported at the top and bottom to prevent sagging or lifting, in either case at least 1.5 m in height, or
 - ii. A functioning non-penetrable Pool cover complying with ASTM F1346-91 (2018) Standard Performance Specification for Safety Covers and Labelling Requirements for All Covers for Swimming Pools, Spas and Hot Tubs.

SEVERABILITY

- 2. If a court of competent jurisdiction declares any provision or part of a provision of this By-law to be invalid, illegal, unenforceable or of no force and effect, it is the intention of Council in enacting this By-law that the remainder of this By-law will continue in force and be applied and enforced in accordance with its terms to the fullest extent possible according to law.

INSTALLATION OF POOLS AND HOT TUBS

- 3. Every person who intends to have a Pool or Hot Tub, and, if applicable, a Fence, installed, whether as an original or a replacement, shall, before such installation, obtain the applicable permit from the City.
- 4. Every Owner who has a Pool or Hot Tub installed shall ensure that such installation complies with:
 - (a) The applicable permit;
 - (b) This By-law;
 - (c) All other applicable City By-laws, including, but not limited to, the Zoning By-law, Standing Water By-law, Storm Water Disposal By-law, Sewer Use By-law and Property Standards By-law; and
 - (d) All other applicable law.

POOL DESIGN

4. Every Owner shall ensure that, in respect of the Owner's Pool:
 - (a) The Pool design complies with the ANSI/APSP/ICC-7 Standard for Entrapment Avoidance;
 - (b) If the Pool has main drains or wall suction fittings, at least 2 main drains or wall suction fittings are provided, and are located at least 0.914 m apart, each complying with ANSI/APSP-16 Standard for Suction Fittings;
 - (c) Every plumbing connection (including exterior hose bibs) between any potable water supply and the Pool is equipped with a backflow prevention device; and
 - (d) All water from the Pool discharges to a sanitary sewer system in accordance with the City's Sewer Use By-law, and does not discharge:
 - i. Onto any adjacent property,
 - ii. Into any stream, river, pond, ditch or lake, or
 - iii. Directly into a storm sewer system.

INSPECTIONS

5. Every Owner of a Pool or Hot Tub shall arrange the following inspections:
 - (a) A final electrical inspection of all electrical wiring and electrical connections associated with the Pool or Hot Tub, to be carried out by the Electrical Safety Authority; and
 - (b) A final inspection of the Pool and/or Hot Tub and all enclosures, to be carried out by an Inspector.

FILLING WITH WATER

6. Every Owner of a Pool or Hot Tub shall ensure that the Pool or Hot Tub is not filled with water before written approval for filling with water has been received from an Inspector.
7. An Inspector may approve a Hot Tub for filling with water before the usual final approval if:
 - (a) The Hot Tub has been fitted with a Compliant Safety Cover;
 - (b) The Owner has arranged the final electrical inspection by the Electrical Safety Authority to take place upon an agreed date; and
 - (c) The Owner agrees that:
 - i. The Hot Tub will not be filled with water until no more than one business day before the planned final electrical inspection by the Electrical Safety Authority,
 - ii. The Compliant Safety Cover will be locked in closed position immediately after the Hot Tub is filled with water, and
 - iii. Except during the final electrical inspection, the Compliant Safety Cover will be kept locked in place until the Hot Tub has been approved by the Electrical Safety Authority and the Inspector.

USE OF POOLS AND HOT TUBS

8. Every Owner of a Pool or Hot Tub or replacement fence shall ensure that the Pool or Hot Tub is not used before written approval for use has been received from an Inspector.

Attachment-1 Outdoor Swimming Pools and Hot Tubs By-law

9. An Inspector may approve a Pool or Hot Tub for use before the usual final approval if:
 - (a) Installation or construction of the electrical system for the Pool or Hot Tub has not been completed; and
 - (b) The Owner agrees to:
 - i. Arrange a final inspection of the electrical system by the Electrical Safety Authority, and
 - ii. Ensure that the final inspection report from the Electrical Safety Authority is submitted to the Inspector within 10 business days following the inspection of the electrical system.
10. Every Owner of a Pool or Hot Tub shall ensure that the electrical system serving the Pool or Hot Tub is not actively used before written approval for use has been received from the Electrical Safety Authority and an Inspector.

FENCES

11. Every Owner who has a Fence installed around a Pool or Hot Tub shall ensure that such installation complies with:
 - (a) The applicable permit;
 - (b) This By-law;
 - (c) All other applicable City By-laws, including, but not limited to, the Zoning By-law; and
 - (d) All other applicable law.
12. Every Owner shall ensure that the Owner's Fence:
 - (a) On a property containing a single detached dwelling, a semi-detached dwelling, or an on-street townhouse dwelling, has a height of at least 1.5 m above ground level, and, on any other property, has a height of at least 1.8 m above ground level;
 - (b) If a chain link fence, does not contain any diamond mesh opening greater than 50 mm in any dimension;
 - (c) Has no barbed wire forming any part of it;
 - (d) Does not project electric current through any part of it;
 - (e) If constructed of vertical members, has no more than 100mm of separation between such vertical members;
 - (f) Has a maximum opening of 100mm between the bottom of the Fence and the ground;
 - (g) Has horizontal members located at least 1.2 m apart, or, if located less than 1.2 m apart, has no more than 50mm of separation between the vertical members;
 - (h) Is erected and maintained in a structurally sound condition; and
 - (i) Is constructed and maintained in such a state as to prevent it from being climbed.

ENCLOSURES AROUND POOLS AND HOT TUBS

13. Every Owner of a Pool shall ensure that the Pool is enclosed completely on all sides by a Fence.
14. Despite the foregoing requirement, a House Wall may be used in place of part of a Fence if:
 - (a) The House Wall and Fence together enclose the Pool completely on all sides; and

Attachment-1 Outdoor Swimming Pools and Hot Tubs By-law

(b) The House Wall satisfies all the requirements of this By-law in respect of House Wall openings.

15. Despite the foregoing requirement for a permanent enclosure, an Owner of a Pool may use a Temporary Enclosure in place of a Fence if:
- (a) The Pool Owner is required to fill a Pool with water before the Fence can be fully installed;
 - (b) The Temporary Enclosure is removed only to allow construction access during normal work hours, and is reinstalled at the end of each work day; and
 - (c) The Temporary Enclosure is only in place for a maximum of four weeks, unless otherwise approved in writing by an Inspector.
16. Every Owner of a Hot Tub shall ensure that the Hot Tub:
- (a) Is enclosed completely by a Fence and/or House Wall; or
 - (b) Has a Compliant Safety Cover.

GATES

17. Every Owner shall ensure that the Owner's Fence contains at least one Gate, unless the Owner's property contains an on-street townhouse dwelling where a Gate cannot be installed.
18. Every Owner shall ensure that each Gate:
- (a) Complies with all the requirements of a Fence set out in this By-law;
 - (b) Is self-closing and self-latching;
 - (c) Automatically returns the Gate to the closed and latched position from a 150mm open position;
 - (d) If the latch release mechanism of the self-latching device is less than 1.4 m from the bottom of the Gate, has a latch release mechanism that is at least 75mm below the top of the Gate, and on the side of the Gate facing the Pool;
 - (e) Has no opening within 0.45 m from the latch release mechanism that is greater than 12mm in width;
 - (f) Is clear of any obstruction or any other means that could hold the Gate open;
 - (g) When lifted up or pulled down, does not:
 - i. Activate the latch release mechanism,
 - ii. Come off its hinges, or
 - iii. Expose a ground clearance greater than 100mm;
 - (h) Is locked at all times except when an Adult is supervising use of the Pool or Hot Tub; and
 - (i) If it comprises a double Gate, has:
 - i. One side of the double Gate which satisfies all the requirements of a Gate under this By-law, and
 - ii. The other side of the double Gate, which is equipped with a securing device affixed to the ground or another immovable object, which prevents access through this side of the Gate without the lifting or removal of this securing device.

HOUSE WALL OPENINGS

19. Every Owner whose Pool or Hot Tub enclosure includes a House Wall shall ensure that every swinging person door in the House Wall which provides direct access through the House Wall to the Pool or Hot Tub is:

Attachment-1 Outdoor Swimming Pools and Hot Tubs By-law

- (a) Equipped with a self-closing and self-latching device that automatically returns the swinging door to the closed and latched position from a 150mm open position;
 - (b) Clear of any obstruction or other means that could hold the swinging door open; and
 - (c) Equipped with a Compliant Audible Alarm.
20. Every Owner whose Pool or Hot Tub enclosure includes a House Wall shall ensure that every sliding door in the House Wall which provides direct access through the House Wall to the Pool or Hot Tub is equipped with a Compliant Audible Alarm.
21. Every Owner whose Pool or Hot Tub enclosure includes a House Wall shall ensure that every openable window, other than a Fire Egress Window, in the House Wall, located less than 1.4 m above the finished floor surface, which provides direct access through the House Wall to the Pool or Hot Tub, has at least one of the following:
- (a) A secure screen;
 - (b) A device that limits its initial opening width to 100mm, and if such device has a manual over-ride (as opposed to an over-ride that requires a key or other specialized tool to operate it), an over-ride which is located less than 1.4 m above the finished floor surface; or
 - (c) A Compliant Audible Alarm.
22. Every Owner whose Pool or Hot Tub enclosure includes a House Wall shall ensure that every Fire Egress Window in the House Wall which provides direct access through the House Wall to the Pool or Hot Tub is:
- (a) Equipped with a secure screen or a Compliant Audible Alarm; and
 - (b) Not equipped with a device that limits its initial opening width.
23. The foregoing sections relating to House Wall Openings do not apply if the Pool or Hot Tub is fitted with an automatic safety cover which:
- (a) Complies with ASTM F1346-91 (2018) Standard Performance Specification for Safety Covers and Labelling Requirements for All Covers for Swimming Pools, Spas and Hot Tubs;
 - (b) Is in place when the Pool or Hot Tub is not in use; and
 - (c) Has its controls located at least 1.524 m above grade or the finished floor surface.
24. Every Owner of a Pool or Hot Tub shall ensure that no pet door provides direct access to the Pool or Hot Tub enclosure.

POOL AND HOT TUB EQUIPMENT

25. Every Owner of a Pool shall ensure that the following safety equipment is mounted in a clearly visible location within 3 m of the Pool:
- (a) A rescue pole at least 4.9 m in length, equipped with a shepherd's crook; or
 - (b) A Canadian Coast Guard approved life ring buoy at least 0.6 m in diameter, attached to a buoyant line at least 15 m long.
26. Every Owner shall ensure that no Pool or Hot Tub equipment or any other item is attached to, or placed within 0.6 m of the exterior of a Fence, if it might:
- (a) Facilitate climbing over the Fence or into the Pool or Hot Tub; or
 - (b) Diminish the structural integrity of the Fence, Pool or Hot Tub.

Attachment-1 Outdoor Swimming Pools and Hot Tubs By-law

27. Every Owner shall ensure that every Pool or Hot Tub chemical is stored in a safe, vented and locked container, or in a building out of the reach of children.
28. Every Owner shall ensure that:
 - (a) A Pool safety rules sign approved by the Pool and Hot Tub Council of Canada is permanently affixed in a visible location near the Owner's Pool; and
 - (b) A Hot Tub safety rules sign approved by the Pool and Hot Tub Council of Canada is permanently affixed in a visible location near the Owner's Hot Tub.

POOL AND HOT TUB OPERATION

29. Every Owner shall ensure that all Fences, Gates, House Walls, Pool and Hot Tub equipment, covers and all associated access devices, controls, safety equipment and signage, and all other items required under this By-law are:
 - (a) Maintained in such condition that they are structurally sound;
 - (b) Operational and able to perform their intended functions; and
 - (c) Inspected annually by the Owner.
30. Every Owner shall ensure that the Owner's Pool or Hot Tub remains in compliance with:
 - (a) This By-law;
 - (b) All other applicable City By-laws, including, but not limited to, the Zoning By-law, Standing Water By-law, Storm Water Disposal By-law, Sewer Use By-law and Property Standards By-law; and
 - (c) All other applicable law.

IN-GROUND POOL REMOVAL

31. Every Owner who intends to have an in-ground Pool permanently removed shall:
 - (a) Before such removal, obtain the applicable permit from the City for such removal; and
 - (b) During the removal, comply with all requirements of the permit.

ADMINISTRATION AND ENFORCEMENT

32. The Chief Building Official may take any actions, make any decisions and delegate any authority, necessary to carry out this By-law. Without limiting the generality of the foregoing, the Chief Building Official may, in respect of this By-law:
 - (a) Determine what information and material will be required in an application for a permit;
 - (b) Determine what information and material will be provided in a permit;
 - (c) Determine any fees to be associated with applications for permits, issuances of approvals, and any other matters involving City activity under this By-law; and
 - (d) Authorize individuals to act as Inspectors under this By-law.
33. The City's Power of Entry By-law applies to enforcement of this By-law by every Inspector.
34. Every person who contravenes any provision of this By-law is guilty of an offence, and, on conviction, is liable to a fine as provided in section 429 of the *Municipal Act*. Such offence shall be designated as a continuing offence for

Attachment-1 Outdoor Swimming Pools and Hot Tubs By-law

each day or part of a day that the contravention remains uncorrected, pursuant to subsection 429 (2) (a) of the *Municipal Act*.

GENERAL

35. By-law Number (1994)-14660 is hereby repealed.
36. This By-law shall come into force and take effect upon passage.
37. Despite the repeal of By-law Number (1994)-14660, its provisions shall continue to apply to any Pool, Hot Tub, Fence, Enclosure, Gate, House Wall, or Equipment which was the subject of a permit for which a complete application was received by the City prior to this By-law coming into force and taking effect.

PASSED this day of , 2019.

CAM GUTHRIE – MAYOR

STEPHEN O'BRIEN – CITY CLERK



April 15, 2019

Att: Guelph City Council

I am writing to bring to your attention several concerns I presently have with the proposed New Outdoor Swimming Pool and Hot Tub By-law recommended by Staff. Please note that my comments are specific to inground swimming pools only.

Rather than re-iterate my concerns, I would direct your attention to my correspondence with Mr. Adrian van Eck, Program Manager of Inspection Services with whom I have communicated on numerous occasions (please see attachments dated April 02/19, March 06/19). In particular, I have questioned two aspects of the proposed new safety requirements which I and many of my pool clients disagree with.

To date, many clients do have their pools enclosed with the proper fencing and self-closing gates in conjunction with their homes. The current by-law does allow for a house wall to be used as part of their pool enclosures. What is now proposed by Staff is the implementation of alarm systems on doors and windows on the house wall as a safety preventative measure. My many years of working with numerous swimming pool clients has shown that pool owners are definitely cognisant of their responsibilities in ensuring the safety of anyone using the pool and do take the necessary steps in doing so. As reported in the Staff report, "the primary responsibility for supervision of children using private pools... rests with parents or guardians". Both my clients and I feel that it is the City's responsibility to ensure that proper fencing and self-closing gates are enforced but yet we feel that the consideration of alarms systems goes beyond the City's mandate. Many clients already have installed expensive audible swimming pool alarm devices that float on the surface of the water should they feel a need for an additional layer of security. The suggestion that the cost to property owners to install door and



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window alarm systems would be “approximately \$185” is definitely not realistic. Upon investigation I have been informed that a service call for this purpose is in itself approximately \$60-\$80 notwithstanding the cost of specific equipment and electrical connections.

In short, swimming pool safety is definitely paramount. As a parent of 4 children, I concur with Staff that we need to “protect lives by reducing the risk of drowning or injury in outdoor swimming pools”, but that responsibility lies with me personally and other swimming pool owners. As a contractor, I think it would be wise for the City to consider that upon application for a swimming pool permit, additional information be provided to the client with respect to door and window alarms systems should they wish to consider.

I would ask that you consider my comments not only as a contractor but also as a concerned citizen who like many others in our City take the responsibility of owning a swimming pool and the protection of our children most seriously.

Most appreciated,

A handwritten signature in black ink, appearing to read "Ron Ferraro", is written over the typed name.

Ron Ferraro
President
Wyndham Pool & Spa Limited
36 Waverley Drive
Guelph, On. N1E 6C8



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April 02, 2019

Adrian van Eck,
Program Manager of Inspection Services,
Building Services, Planning and Building Services,
City of Guelph
Guelph, Ont.

Hi Adrian,

At the outset I thank you for the opportunity to comment on the latest version of the draft bylaw and council report.

As the draft report and bylaw presently reads, I am not in agreement with the timing aspect of the "filling with water" articles in the draft as they relate to the final inspection of the pool. In addition, I also disagree with the "house wall openings" articles identified in the draft bylaw. My concerns are outlined in the email forwarded to you on March 06, 2019 (see attachment) which we had discussed earlier. As I read the draft bylaw, I feel that it will impede the pool construction process as it relates to the filling of the pool in conjunction with the an ESA inspection.

Pool safety is definitely a priority with any pool owner and any measures to ensure the safety of the pool are the responsibility of the homeowner. Should our clients chose to have an alarm system by way of a pool alarm, that choice becomes their responsibility and one which I feel is not the responsibility of the City. It would be prudent on behalf of the City to provide the pool owner any relevant pool safety information as we currently do with fencing requirements. The suggestion regarding the application of door and window alarms would give a pool owner a false sense of security and could perhaps create a situation whereby the pool owner might feel somewhat relieved of his or her responsibility. As stated in the Staff Report, "**the primary responsibility for supervision of children using private pools or hot tubs rests with parents or guardians**".

Since we had last spoken, I took it upon myself to conduct a small survey with several existing pool owners who have small children; the conclusion was that all agreed with my concerns identified in the email forwarded to you in March and as equally important, they all agree that the safety of their children would not be accomplished with an alarm but rather with constant supervision. The question that arose repeatedly was such that "what happens when the alarm system fails". **In short, an alarm system was no substitute for supervision.**

I would appreciate if you would include this letter and its attachment in your council report. Once again I thank you for your consideration.

Regards,

A handwritten signature in black ink, appearing to read "Ron Ferraro", is written over the "Regards," text.

Ron Ferraro
President
Wyndham Pool & Spa limited
Guelph, Ont. N1E 6C8

Ron

From: Ron
Sent: April-02-19 2:25 PM
To: 'Adrian van Eck'
Cc: 'Jeff Ferraro'
Subject: bylaw follow-up
Attachments: Scan.pdf

Hi Adrian,

Attached please find a statement regarding our concerns with the proposed draft bylaw and council report.

Please keep me posted should you have any questions or concerns.

Thanks again,

Ron Ferraro
Wyndham Pool & Spa Limited

Ron

From: Ron
Sent: March-06-19 11:34 AM
To: 'building@guelph.ca'
Cc: 'Adrian van Eck'
Subject: Swimming Pool Bylaw

Good morning Adrian,

At the outset I thank you for providing the opportunity to assist in the drafting of the new Swimming Pool & Hot Tub bylaw for the City Of Guelph.

Detailed below please find several concerns with respect to the proposed draft:

1. Items #5, #6, #7: The swimming pool electrical equipment (i.e. pool pump, heater, pool lighting, etc.) are always hooked-up after the pool is filled with water and upon completion of hook-up, our certified electrical contractor then calls for an ESA inspection. This usually occurs a week or two after the call to ESA dependent upon their schedule. I would strongly suggest in the new bylaw that all electrical work must be performed by a certified electrical contractor and his name reported to the Inspector at final inspection before the pool is filled. To arrange an inspection with ESA and the Inspector prior to filling the pool would hinder the construction process and the timely co-ordination with both parties certainly would jeopardize construction scheduling.
2. Items # 15, #16, #17, #18: With reference to the house wall openings, I would suggest the removal of an alarm device from the bylaw and continue with the secure screen option. After many years of swimming pool and fence installations, homeowners are cognisant of the safety concerns with respect to swimming pools and do take the necessary steps to ensure the safety of their families which include secure gate closures, pool-side window and door securing mechanisms, and the on-going maintenance of pool fencing.
3. Item #27: A permit was previously not required for the removal of a swimming pool. I would suggest you include in the bylaw the rationale in doing so in order to justify the cost of the permit and highlight the pool removal permit requirements to the owner.

Summary:

I'm concerned that the bylaw as it presently reads with respect to the above items #5 to #7 would seriously impact the timely installation of a swimming pool , and items # 15 to #18 would present an enforcement issue once the installation of the swimming pool had received final inspection. I thank you for considering the concerns I presently have with this draft and if I can be of any further assistance please do not hesitate to contact me. I look forward to your reply and thank you once again for your consideration.

Regards,

Ron Ferraro
President

Wyndham Pool & Spa Limited
36 Waverley Drive
Guelph, On. N1E 6C8

Staff Report



To **Committee of the Whole**
Service Area Infrastructure, Development and Enterprise Services
Date Monday, May 6, 2019
Subject **2018 Building Permit Revenue and Expenditures, Building Services OBC Stabilization Reserve Fund and Annual Setting of Building Permit Fees**
Report Number IDE-2019-43

Recommendation

1. That Council approve the recommended building permit fees, included as Attachment 2, report IDE-2019-43 titled "2018 Building Permit Revenue and Expenditures, Building Services OBC Stabilization Reserve Fund and Annual Setting of Building Permit Fees" dated May 6, 2019, effective June 1, 2019.
2. That Council approve adjusting the Building Services OBC Stabilization Reserve Fund target to be within the range of 100 to 150 per cent of prior year budget operating expenditures and that Appendix A of the General Reserve and Reserve Fund Policy be updated accordingly.
3. That Council approve the recommended automatic fee indexing methodology for 2020 and subsequent years, as described in report IDE-2019-43.

Executive Summary

Purpose of Report

To present a summary on 2018 building permit revenue & expenditures, the Building Services OBC Stabilization Reserve Fund and outline building permit fees being proposed for the period from June 1, 2019 to December 31, 2019 as well as the new Reserve Fund Policy and automatic fee indexing methodology for subsequent years.

Key Findings

Staff is recommending changes to the OBC Stabilization Reserve Fund Policy and fee indexing methodology for the following reasons:

- To address a current systemic draw on the reserves.
- To better align with corporate budget practices for other non-tax supported operating units.
- To support achieving and maintaining a healthy reserve fund balance.
- To align with best practices amongst comparator municipalities while maintaining the City's competitive fee levels.

Financial Implications

Building permit fees are recommended to increase by 5% on June 1, 2019.

The proposed target balance of the Building Services OBC Stabilization Reserve Fund is within the range of 100 to 150 per cent of prior year budget operating expenditures, or \$3,515,670 to \$5,273,505, based on 2018.

The operating budget deficit for the administration and enforcement of the Building Code Act for 2018 was \$608,582. This amount will be transferred from the Building Services OBC Stabilization Reserve Fund to the operating budget to balance the Ontario Building Code (OBC) Administration budget.

As of December 31, 2018, the balance of the Building Services OBC Stabilization Reserve Fund, not including interest, was \$2,194,043 which is \$1,321,627 or 38% below the current one year "cap".

The Building Services OBC Stabilization Reserve Fund balance is at a level that requires a structural adjustment to the building permit fees which is the reason for the recommended 5% fee increase for 2019.

An increase in building permit fees will assist staff in balancing building permit fee revenues against expenses and maintain the Building Services OBC Stabilization Reserve Fund balance going into 2020.

Approval of the recommended automatic fee indexing methodology for 2020 and subsequent years is designed to assist in maintaining the reserve at healthy levels within the new target range and allow for mitigation measures to be recommended by staff if it falls outside this range.

Report

2018 Annual Report on Building Permit Fee Revenues and Costs

In accordance with Subsection 7.(4) of the Building Code Act (the *Act*), municipalities shall prepare an annual report on the total building permit fees collected, the direct and indirect costs of delivering services related to the administration and enforcement of the *Act* and the amount of an established reserve fund. All indirect costs (e.g. support and overhead costs) were reviewed utilizing the Ontario Municipal Benchmarking Initiative (OMBI) methodology in 2011.

See Attachment 1 for a summary of revenue collected, direct and indirect costs, the transfer from reserve fund to operating budget, and the balance of the reserve fund, not including interest, as of December 31, 2018. The balance has been reported without interest to be consistent with previous building code reserve fund reports. Finance Report CS-2019-13, 2018 Reserve and Reserve Fund Statement is reporting a year-end reserve fund balance of \$2,230,561 which includes interest of \$61,786 as well as capital commitments of \$25,268. The difference of \$36,518 does not impact the recommendations in this report.

Purpose of the Building Services OBC Stabilization Reserve Fund

The Act allows permit fees to be set to recover only the costs associated with the administration and enforcement of the Act, as well as reasonable contributions to a reserve fund. The reserve fund can be used to offset lean years, implement service enhancements and to cover unexpected expenses related to the administration and enforcement of the Act.

Funding of the Building Services OBC Stabilization Reserve Fund

Where building permit revenues exceed expenditures, the surplus is transferred to the reserve fund. Where expenditures exceed building permit revenues, funds are transferred from the reserve fund.

Building Services OBC Stabilization Reserve Fund Balance

The General Reserve and Reserve Fund Policy Appendix A currently outlines the target balance of the Building Services OBC Stabilization Reserve Fund to be one year of operating expenditures and to be "capped" at this level once reached. Staff is recommending changing the target balance to be within the range of 100 to 150 per cent of prior year budgeted operating expenditures. Based upon this change, the target balance for 2019 would be \$3,515,670 to \$5,273,505.

This change to the target balance is more aligned with other comparator municipalities, most of which have reserve fund targets ranging from 150 per cent to 250 per cent. It also provides more flexibility to strengthen the reserve during higher permit value years and better offset years with lower permit value activity.

The funding strategy for this reserve fund involves annual fee reviews with adjustments, as required, to maintain cost recovery levels.

Setting of Building Permit Fees

In 2010, City Council approved the automatic increase of building permit fees to be equal to the increase to the City of Guelph's tax-supported operating budget plus 20 percent. Staff are proposing to no longer use this formula as it is not reflective of the yearly expenditure increases, which are mainly due to total compensation increase amounts.

During the 2019 budget deliberations, a draw on the reserve fund was forecasted for the next three years as expenditures were projected to exceed revenues.

Recommended Fee Increase for 2019

For this year we are recommending a 5% increase as a structural adjustment to come into effect on June 1st, 2019 with the intent of reducing or eliminating the on-going budgeted reserve fund draw.

The recommended building permit fees, included as Attachment 2, are competitive and most fall within the middle percentile when compared to other comparator municipalities.

Recommended Fee Indexing Methodology for 2020 and Future Years

We are also recommending to align the timing of future Building Services permit fee adjustments with the budget process similar to other non-tax service areas. For the 2020 budget, given that it will be only a six month period since the June 1st fee

increase, we are recommending an increase equal only to the total compensation percentage increase as projected through the City's 2020 budget. This will come into effect on January 1st, 2020.

For subsequent budget years it is recommended that fee increases be automatically indexed to the total compensation percentage increase. Should the prior year end reserve fund balance fall outside of the recommended range, staff will recommend appropriate mitigation measures to Council.

Financial Implications

Building permit fees are recommended to increase by 5% on June 1, 2019.

The proposed target balance of the Building Services OBC Stabilization Reserve Fund is within the range of 100 to 150 per cent of prior year budget operating expenditures, or \$3,515,670 to \$5,273,505, based on 2018.

The operating budget deficit for the administration and enforcement of the Building Code Act for 2018 was \$608,582. This amount will be transferred from the Building Services OBC Stabilization Reserve Fund to the operating budget to balance the Ontario Building Code (OBC) Administration budget.

As of December 31, 2018, the balance of the Building Services OBC Stabilization Reserve Fund, not including interest, was \$2,194,043 which is \$1,321,627 or 38% below the current one year "cap".

The Building Services OBC Stabilization Reserve Fund balance is at a level that requires a structural adjustment to the building permit fees which is the reason for the recommended 5% fee increase for 2019.

An increase in building permit fees will assist staff in balancing building permit fee revenues against expenses and maintain the Building Services OBC Stabilization Reserve Fund balance going into 2020.

Approval of the recommended automatic fee indexing methodology for 2020 and subsequent years is designed to assist in maintaining the reserve at healthy levels within the new target range and to allow for mitigation measures to be recommended by staff if it falls outside this range.

Consultations

Finance

Communications

1. A Public Notice was advertised in the Guelph Mercury Tribune April 11, 2019, as required by the Building Code Act.
2. An information notice will be sent to industry partners affected by the increase in building permit fees.

Corporate Administrative Plan

Overarching Goals

Financial Stability

Service Excellence

Service Area Operational Work Plans

Our Resources - A solid foundation for a growing city

Our Services - Municipal services that make lives better

Attachments

Attachment-1 2018 Permit Fee Revenue, Expenditures and Reserve Fund

Attachment-2 Schedule of Permit Fees Effective June 1, 2019

Departmental Approval

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Report Author

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Attachment 1

2018 Permit Fee Revenue, Expenditures and Reserve Fund

1.	Total building permit fee revenue collected		\$2,719,418
2.	a) Total direct costs of administration and enforcement of the Building Code Act, including the review of permit applications and inspections of construction & demolition	\$2,839,900	
	b) Total indirect costs of administration and enforcement of the Building Code Act, including support and overhead costs	\$488,100	
	Total costs of delivering services related to the administration and enforcement of the Building Code Act		\$3,328,000
3.	Transfer from reserve fund to operating budget		\$608,582
4.	Total amount of Building Services OBC Stabilization Reserve Fund as of December 31, 2018 (not including interest)		\$2,194,043

Schedule of Building Permit fees effective June 1, 2019

Schedule "A" of By-law number (2015)-19985 – Attachment 2

Fees for a required Permit are set out in this schedule and are due and payable upon submission of an application for a Permit.

Table 1: Building Permit fees

Classes of Permits	Permit fee (\$ per ft²)	Flat fee (\$)
New Buildings, additions, mezzanines		
<i>Group A: Assembly Buildings</i>		
Shell	2.26	
Finished	2.60	
Outdoor patio/picnic shelter		210.00
Outdoor public pool		840.00
<i>Group B: Detention, care & treatment and care Buildings</i>		
Shell	2.46	
Finished	2.81	
<i>Group C: Residential</i>		
Low-rise residential (houses and row townhouses)	1.39	
Garage/carport (per bay), shed, deck, porch, exterior stairs, exterior ramps		105.00
Hot tubs		105.00
Solar collectors – low-rise residential (per application)		105.00
Swimming pools		210.00
Apartment Building, multiple attached dwelling (stacked townhouses)	1.80	
Hotels/motels	1.80	
Residential retirement home	1.80	
<i>Group D: Business and personal services Buildings</i>		
Shell	1.54	
Finished	1.80	
<i>Group E: Mercantile Buildings</i>		
Shell	1.54	
Finished	1.80	
<i>Group F: Industrial Buildings</i>		
Warehouse, factories	0.97	
Parking garage	0.82	
Farm Building	0.46	
Foundation, conditional Permit	0.13	
Interior finishes and alterations: <i>All classifications</i>		
New interior finishes to previously unfinished areas (including finishing of residential basements and major renovations)	0.43	
Alterations and renovations to previously finished areas	0.39	

Classes of Permits	Permit fee (\$ per ft²)	Flat fee (\$)
Special categories and miscellaneous: All classifications		
Accessory apartments, lodging houses	0.43/315.00 minimum	
Air supported structures	0.48	
Balcony guard (replace per linear foot) – excluding low-rise residential	0.80/315.00 minimum	
Balcony repair (per building)		315.00
Ceiling (new or replace per square foot)	0.06	
Change of use Permit (with no renovations)		210.00
Demising wall, firewall		210.00
Demolitions – minor (500 square feet or less)		105.00
Demolitions – major (more than 500 square feet)	0.03/315.00 minimum	
Designated Structures – ALL including solar collectors (per application) except retaining walls, public pools, signs and low-rise residential solar collectors		420.00
Elevator, escalator, lift		420.00
Exterior ramps (excluding low-rise residential)		210.00
Fireplace, woodstove (each)		105.00
Portables – per application (excludes port-a-pak)		210.00
Rack storage	0.39/315.00 minimum	
Reclad exterior wall (per square foot)	0.06	
Retaining wall (per linear foot)	4.00	
Roof structures	0.39	
Signs – 107 square feet or less (each)		210.00
Signs – more than 107 square feet (each)		420.00
Storefront replacement		210.00
Temporary Buildings		420.00
Temporary tents – per application		210.00
Window – new, replacement or enlargement (each)		15.00
Mechanical work: (independent of Building Permit)		
HVAC Permit (residential per suite)		105.00
HVAC Permit (non-residential)	0.13	
New sprinkler system or new standpipe system	0.06/315.00 minimum	
Alterations to existing sprinkler system or existing standpipe system	0.03/315.00 minimum	
Commercial kitchen exhaust systems, spray booths, dust collectors		315.00
Electrical work/fire alarm systems: (independent of Building Permit)		
New fire alarm system	0.06/315.00 minimum	
Alterations to existing fire alarm system or existing electrical work		315.00
Electromagnetic locks (each) and hold open devices (each)		50.00

Classes of Permits	Permit fee (\$ per ft²)	Flat fee (\$)
Plumbing work: (independent of Building Permit)		
Plumbing Permit, including hot water heaters (per fixture)		15.00
Testable backflow prevention devices (each)		105.00
Catchbasins, manholes, roof drains (each)		15.00
Building services (per group) – single detached dwellings (SDD), semi-detached dwellings, duplex dwellings		105.00
Building/site services (per linear foot), excluding SDD, semi-detached dwellings, duplex dwellings	0.83/315.00 minimum	
Sewage systems:		
New installations		630.00
Replacement or alteration		315.00

Table 2: Administration fees

Administration fees	Flat fee (\$)
Alternative solutions (as per Subsection 6.2 of this by-law)	
All Buildings/systems within the scope of Division B, Part 9 of the Building Code	500.00
All other Buildings/systems	1,000.00
Occupancy without a Permit (as per Subsection 6.3 of this by-law)	
Occupancy of a Building, or a part of it, without the required occupancy permit	500.00
Additional occupancy inspections (as per Subsection 6.4 of this by-law)	300.00
Work without a Permit (as per Subsection 6.5 of this By-law)	
Building, Demolition or Change of Use without the required Permit	50% of the required Permit fee, maximum of \$5,000.00
Occupancy Permit without Construction (as per Subsection 6.6 of this by-law)	300.00

Rules for determining Permit fees:

- A minimum Permit fee of \$105.00 shall be charged for all work for low-rise residential projects and \$210.00 for all other projects where the calculated Permit fee is less than these amounts.
- Fees identified as low-rise residential apply where there is not more than one dwelling unit above another dwelling unit in a single detached, semi-detached, duplex or row townhouse dwelling.
- For classes of Permits not described in this Schedule, the Chief Building Official shall determine a reasonable Permit fee.
- Floor area of the proposed work is to be measured to the outer face of exterior walls (excluding residential attached garages) and to the centre line of party walls, firewalls or demising walls.
- In the case of interior finishes, alterations or renovations, area of proposed work is the actual space receiving the work, e.g. tenant suite.
- Mechanical penthouses and floors, mezzanines, lofts, habitable attics and interior balconies are to be included in all floor area calculations.
- Except for interconnected floor spaces, no deductions are made for openings within the floor area (e.g. stairs, elevators, escalators, shafts, ducts, etc.).
- Unfinished basements for single detached dwellings, semi-detached dwellings, duplex dwellings and townhouses are not included in the floor area.
- Attached garages, fireplaces, decks, balconies, porches and exterior ramps are included in the Permit fee for single detached dwellings, semi-detached dwellings, duplex dwellings and townhouses.
- Basement finishes and exterior basement stairwells are not included in the Permit fee and will be charged the additional rate for single detached dwellings, semi-detached dwellings, duplex dwellings and townhouses.
- Where interior alterations and renovations require relocation of sprinkler heads, standpipe components or fire alarm components, no additional charge is applicable.
- Ceilings are included in both new shell and finished (partitioned) Buildings. The Permit fees for ceilings only apply when alterations occur in existing Buildings. Minor alterations to existing ceilings to accommodate lighting or HVAC improvements are not chargeable.
- Where Demolition of partitions or alterations to existing ceilings are part of an alteration or renovation Permit, no additional charge is applicable.
- Corridors, lobbies, washrooms, lounges, etc. are to be included and classified according to the major occupancy for the floor area on which they are located.
- The occupancy categories in this Schedule correspond with the major occupancy classifications in the Ontario Building Code. For multiple occupancy floor areas, the Permit fees for each of the applicable occupancy categories may be used, except where an occupancy category is less than 10% of the floor area.
- For rack storage use, with platforms or mezzanines, apply the square footage charge that was used for the Building.
- A temporary Building is considered to be a Building that will be erected for not more than three years.
- Additional Permit fees are not required when the Sewage System is included with the original Building Permit.

Refund of Permit fees:

In the case of withdrawal or abandonment of an application for a Permit or abandonment of all or a portion of the work or the non-commencement of any project, the Chief Building Official

shall, upon written request of the Owner or Applicant, determine the amount of paid Permit fees that may be refunded to the Owner or Applicant, if any, as follows:

- a) 80 percent (80%) if administrative functions only have been performed;
- b) 70 percent (70%) if administrative and zoning functions only have been performed;
- c) 50 percent (50%) if administrative, zoning and plans examination functions have been performed;
- d) 35 percent (35%) if the Permit has been issued and no field inspections have been performed subsequent to Permit issuance;
- e) 5 percent (5%) shall additionally be deducted for each field inspection that has been performed after the Permit has been issued;
- f) No refund shall be made of an amount that is less than the minimum Permit fee applicable to the work;
- g) No refund shall be made after two years following the date of Permit application where the Permit has not been issued or one year following the date of Permit issuance.

Note: In most cases, a building and/or zoning inspection will be required prior to issuance of a refund.

Alternate formats are available as per the Accessibility for Ontarians with Disabilities Act by contacting Building Services at 519-837-5615.

Staff Report



To **Committee of the Whole**
Service Area Infrastructure, Development and Enterprise Services
Date Monday, May 6, 2019
Subject **Solid Waste Management Master Plan Advisory Committee**
Report Number IDE-2019-52

Recommendation

That the terms of reference for the Solid Waste Management Master Plan Public Advisory Committee included as Attachment 1 to IDE-2019-52, dated May 6, 2019, be approved.

Executive Summary

Purpose of Report

This report provides the staff recommended terms of reference for the Solid Waste Management Master Plan (SWMMP) Public Advisory Committee for Council approval.

This report also provides additional information related to Council's direction to investigate a strategy for the elimination of single-use plastic grocery bags in Guelph through the SWMMP.

Key Findings

The Solid Waste Management Master Plan process, and the deliberations and consultation leading up to the Plan's recommendations and outcomes, are an important part of the City's efforts to effectively plan and implement Solid Waste programs for both existing customers and to service growth. The SWMMP targets provide for care of the environment, support for sound business decisions with respect to programs and infrastructure, support for good customer service, and support for innovation and the community. Previous Plan recommendations have resulted in significant advances in waste diversion and program management for the City.

The scope of work for the five-year review of the Plan includes preparation and strategic positioning related to the changing legislative landscape, maintaining and improving environmental outcomes, and formal incorporation of the Business Service Review recommendations. The SWMMP scope will also address Council's direction to investigate a strategy to eliminate single-use plastic grocery bags in Guelph.

Due to the complexity of the issues facing waste management today, and the relevance of waste management service to the community, staff are recommending the establishment of a formal Public Advisory Committee to be appointed by Council

as per the recommended Terms of Reference and mandate as outlined in Attachment 1.

The Committee mandate focuses on the review, discussion and provision of advice to the City on waste management issues, outcomes and recommendations. The Committee membership will consist of nine members who are all residents and/or represent an industrial, commercial or institutional entity within the City of Guelph.

The Committee will be governed by the City's Procedural By-law, the Advisory Committee Meeting Procedures and the Public Appointment Policy.

Financial Implications

Funding of \$400,000 is included in the Council approved Capital Budget (WP0008) to initiate the Solid Waste Management Master Plan Update. The updated Plan will provide capital and operational costs for short-term and long-term options for the next 25 years.

Report

The Solid Waste Management Master Plan process, and the deliberations and consultation leading up to the Plan's recommendations and outcomes, are an important part of the City's efforts to effectively plan and implement programs targeting care for the environment, support for sound business decisions, support for good customer service, and support for innovation and the community. Previous Plan recommendations have resulted in significant advances in waste diversion and program management for the City.

In August, 2018 Council received the information report, IDE-2018-130 (Attachment 2), which provided the background and the scope of work for the five year review on the Solid Waste Management Master Plan. City Council approved the 2019 capital program of work in February 2019 for the Plan update. Staff are now in the process of issuing the request for proposal for the scope of work as outlined in the information report and have developed the documentation required to establish the related Public Advisory Committee.

Master Plan Scope of Work

The scope of work includes preparation and strategic positioning related to the changing legislative landscape, formal incorporation of the Business Service Review recommendations, as well as, Council's resolution regarding investigating a strategy for the elimination of single-use plastic grocery bags in Guelph. A brief outline of the program objectives are summarized:

- Establish the strategic direction for the next 25-year planning period;
- Identify and explore strategic positioning for services and programs related to legislative changes and emerging issues;
- Review target of diverting 70 per cent of waste by 2021 and establish updated target(s) as required;
- Validate the diversion target and identify costs associated with meeting the target;
- Identify, develop and evaluate strategies and programs to improve diversion rates, optimize customer service and seek cost efficiencies;
- Develop a long-term forecasting model in line with the existing Development Charges and Development Priority Planning processes, internal finance

processes and Asset Management policy to identify growth impacts across all waste service elements;

- With respect to waste disposal options and diminishing landfill capacity in the province, review potential alternatives and emerging technologies;
- Conduct a cost of service study to ensure the appropriate customers are funding the right service;
- Explore and evaluate potential options associated with the development of a User Pay waste collection system, including options for implementation and suitable financial and cost allocation models;
- Examine the current collection methodology and service level for waste collection in the downtown;
- Determine and establish service levels and eligibility requirements for specified classes of industrial, commercial and institutional establishments;
- Align with other City strategies and initiatives such as the City's goal to strive to achieve 100% of its energy needs through renewable sources by 2050; and
- Investigate a strategy for the reduction or elimination of single use plastics.

Council Resolution and Update on Single Use Plastics

In July 2018, City Council approved the following resolution:

That staff, through the recommendations of the Solid Waste Management Master Plan 2018/2019, in particular recommendation number five [from the business service review], ensure the scope of activity includes investigating a strategy for the elimination of single use plastic grocery bags in Guelph and report back to Council with this strategy by the end of Q2, 2019.

Funds for the SWMMP were approved in Q1 2019. Activities supporting the SWMMP including development of the RFP, which is currently underway, and procuring a consultant, are required to be completed before the SWMMP and the associated single-use plastics strategy can be undertaken. It is expected that the consultant will be in place by June 2019 and preliminary research can be conducted in preparation for consideration by the Public Advisory Committee and eventually Council, in Q4 of 2019.

This timing will allow the City team to assess recent developments and related potential actions that might be undertaken by the province of Ontario, assuming the province's own consultation leads to a proposed action plan in a timely fashion. In March 2019, the province of Ontario announced that it may consider a ban on single-use plastics as part of a broader strategy to send less waste to landfills. In their discussion paper entitled *Reducing Litter and Waste in Our Communities*, the Ministry of the Environment, Conservation and Parks addresses the issue and calls for a coordinated approach, not just in Ontario, but also across Canada.

In November of 2018, the Canadian Council of Ministers of the Environment released its *Strategy on Zero Plastic Waste*. The Strategy includes 10 "priority result areas", one of which is single-use plastics:

Result Area 2: The responsible use and recycling of single-use products is significantly increased

The Strategy notes "Diverse measures, such as the provision of reusable alternatives, the introduction of fees or restrictions on the use of some products,

awareness campaigns, and the implementation of government and corporate operations initiatives can increase the responsible use of plastics and prevent plastic waste.”

Where possible, it would be preferable that outcomes from the provincial and CCME strategies are used to inform the City’s plastics strategy and the overall SWMMP.

There are other recent international developments concerning single-use plastic. In 2018, the Group of Seven released their Ocean Plastics Charter, and on March 27, 2019, the European Union announced the adoption of new rules on single-use plastics to reduce marine litter.

The SWMMP will include the investigation of strategies that support, among other things, the reduction of single-use plastics, including plastic bags, as well as other single use commodities. The plan will be exploring recent provincial, federal and international developments on single use plastics and what role the City can play in supporting the development of circular economics for:

- the recyclables stream in the context of the envisioned full producer responsibly per the Waste Free Ontario Act; and
- the organic stream as outlined in the Joint City County Smart Cities application.

Financial Implications

Funding of \$400,000 is included in the Council approved Capital Budget (WP0008) to initiate the Solid Waste Management Master Plan Update. The updated Plan will provide capital and operational costs for short-term and long-term options for the next 25 years.

Consultations

Staff are recommending the establishment of a Solid Waste Management Master Plan (SWMMP) Public Advisory Committee as per the recommended Terms of Reference and mandate for the Committee as outlined in Attachment 1.

Upon approval of Council for the formation of a Public Advisory Committee, staff will work with the City Clerk’s Office to invite representation on the Committee. Once applications from interested individuals have been received by the City Clerk’s Office, individuals will be appointed to the Committee by Council, in accordance with the City’s Policies and Procedures governing public appointments to Committees. It is expected that a call for members will be advertised at the end of Q2 or early in Q3, with selection made by mid-September and members notified. The Public Advisory Committee will be active for the duration of the SWMMP, expected to be 12 to 18 months.

The Committee mandate focuses on the review, discussion and provision of advice to the City.

This includes in-depth discussion of key study areas, concerns and solutions pertaining to the development of scope-related study elements, and participation in the evaluation of recommendations proposed during the study. The Committee will provide City Council with advice and comments on waste management issues, outcomes and recommendations prior to completion of the final report.

Committee members, as residents and/or business representatives within the City interested in solid waste management programs, will have the opportunity to provide their opinions and advice to staff and City Council.

The membership of the Committee will consist of nine members who are:

All residents and/or representatives of an industrial, commercial or institutional entity within the City of Guelph, and consideration for membership will include:

- Diversity and inclusiveness of City Wards and of geographic areas of the city;
- Segmentation based on housing type, density and representation based on the various ways waste service is delivered (single family, multi-residential, etc.);
- Three members will be selected for their professional experience in the solid waste management field or based on a current affiliation with waste programs; and further the City will encourage participation from:
 - The University of Guelph
 - The Environmental Advisory Committee
 - The Chamber of Commerce
 - Representatives from the County of Wellington solid waste administration and community

Members will be encouraged to represent themselves as individuals and not represent any specific interest or stakeholder group, although sharing of experience for the benefit of a well-devised Plan will be allowed where it is employment or professionally based. Including members with subject-matter experience will allow for mutual learning and enhanced discourse on related topics. Members from different geographic areas, Wards and/or housing types will allow perspectives related to specific neighbourhood circumstances and demographics to be explored and discussed, as these factors influence the delivery of waste management services.

The Committee will meet eight times throughout the course of the study.

Committee meetings will be held in the evening and it is anticipated that there will be eight Committee meetings held throughout the course of the review. Additional meetings may be called at the discretion of the Divisional Manager, Solid Waste Resources. The Committee meeting schedule will be set out early in the process and agendas will focus on issues and content related to the scope of the Plan.

The Committee is governed by the City's Procedural By-law and the Advisory Committee Meeting Procedures.

The terms of reference set out the governance of order and procedure for the Committee. As such, references are made to the City's Procedural By-law and the Advisory Committee Meeting Procedures. This allows for consistency in the application of rules for governing the order and procedures of the Committee.

The only exception to this is the matter of public delegations. Public delegations will not be permitted at Committee meetings. The Committee is an advisory and consultative committee that has been established to obtain the perspectives, opinion and advice of its members for staff and City Council. This committee enhances the community engagement component of the Plan. The opportunities for broad community engagement will continue to be an essential component of the Plan and residents and stakeholders will be able to participate and provide their

input through project specific engagement and through the Committee of the Whole and City Council delegation process. Committee meetings will be open to the public allowing for members of the public to observe. Meeting agendas and minutes will also be posted on the City website so that residents and stakeholders are aware of the matters being discussed.

The terms of reference set out the Committee’s reporting relationship with City Council

As an advisory committee of City Council, the Committee is required to report to Council in accordance with the City’s Advisory Committee Meeting Procedures.

Broader Community Engagement

An important component of the Plan update is the broader public engagement program. This engagement will inform both the Committee and City Council when considering the Plan’s recommendations.

Additional stakeholder engagement approaches will include:

- A Plan dedicated project link on the City’s Engagement Headquarters (EHQ) consultation platform;
- A dedicated web page on the City’s website;
- Public engagement opportunities to introduce the project, provide updates and to discuss and present preliminary findings in order to encourage public review and comment on recommendations;
- Sector-specific workshops; and,
- Electronic surveys and telephone public opinion surveys.

A key and unique feature of the Solid Waste Management Master Plan engagement process will be the opportunity to incorporate a Civic Accelerator challenge process with respect to bolstering the circular economy as related to waste-related issues and commodities such as recyclables, organics, and reduction of single use plastics. Guelph has pioneered approaches through the Civic Accelerator to work with partners and companies, of all sizes, in order to explore what solutions exist and determine how they are able to be adapted, invented, or adopted to the City or our community.

A broad scope of engagement options are available. Additional engagement techniques will be considered pending submissions in response to the City’s Request for Proposal to conduct the update to the Plan, and based on continuing collaboration with the City’s Communications and Community Engagement team.

Downtown Stakeholder Group

The Plan will also solicit the assistance of a Downtown Stakeholder Group to act as a community and sector-based liaison with a focus on the collection method and service level for waste collection in the downtown. The group is expected to provide a forum for discussion of downtown issues, concerns and solutions that will be brought forward to the Committee.

Corporate Administrative Plan

Overarching Goals

Service Excellence

Financial Stability

Innovation

Service Area Operational Work Plans

Our Services - Municipal services that make lives better

Our People - Building a great community together

Our Resources - A solid foundation for a growing city

Attachments

Attachment-1 Terms of Reference

Attachment-2 Information Report, IDE-2018-130 - Initiate Update to Solid Waste Management Master Plan

Departmental Approval

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Solid Waste Management Master Plan

Public Advisory Committee Terms of Reference



1. Purpose

The purpose of the Solid Waste Management Master Plan Public Advisory Committee is to facilitate greater collaboration and exchange of ideas between Council and the public with respect to the Plan's process and outcomes. The Committee allows for input and perspectives on related matters from members of the public and local business with an interest in solid waste management and/or the delivery of the City's waste management programs.

2. Mandate

The Committee is established as part of the Plan update and endorsed by City Council.

The Committee will be a forum for in-depth discussion of key study issues, concerns and solutions. As with all advisory committees within the City of Guelph, the Committee is not a decision-making body and will not have the authority to vote or commit City resources.

3. Composition of the Committee

The membership of Committee will consist of nine members appointed by Guelph City Council as per the Citizen Appointment Policy. Members may not be employees of the City of Guelph or members of City Council. The membership shall, where possible, include:

- All residents and/or representatives of an industrial, commercial or institutional entity within the City of Guelph, and consideration for membership will include:
 - Diversity and inclusiveness of City Wards and of geographic areas of the city;
 - Segmentation based on housing type, density and representation based on the various ways waste service is delivered (single family, multi-residential, etc.);
- Three members will be selected for their professional experience in the solid waste management field or based on a current affiliation with waste programs; and further the City will encourage participation from:
 - The University of Guelph
 - The Environmental Advisory Committee
 - The Chamber of Commerce
 - Representatives from the County of Wellington solid waste administration and community

Members will be encouraged to represent themselves as individuals and not represent any specific interest or stakeholder group, although sharing of experience for the benefit of a well-devised Plan will be allowed where it is employment or professionally based. Including members with subject-matter experience will allow for mutual learning and enhanced discourse on related topics. Members from different geographic areas, Wards or housing types will allow perspectives related to specific neighbourhood circumstances and demographics to be explored and discussed, as these factors influence the delivery of waste management services.

4. Responsibilities of Committee Members

The Committee will be responsible for:

1. Completion of a review of the Solid Waste Management Master Plan, including monitoring and measuring achievement of individual project tasks;
2. Providing guidance and communications related to project issues to those directly involved in the review;
3. Reconciling differences in opinion/approach and resolve disputes;
4. Reporting on the review process and make recommendations, as appropriate, to the Committee of the Whole or Council; and
5. Ensuring a public consultation process which is consistent with the City's policies and best practices.

The Committee is supported by a Project Management Team consisting of Solid Waste Resources staff and external consultants. Additional inputs from public engagement activities, working groups, opinion surveys and focus groups, as available, may also be shared with the Committee.

5. Responsibilities of the Committee Chair

The Chair will be a voting member of the committee, elected at the committee's first meeting, and will preside over the meetings of the Committee and facilitate meeting discussions to ensure that all members have an opportunity to express their views and to ensure that the matters at hand are discussed in accordance with the meeting agenda. It is the responsibility of the Chair to preserve order at the meeting and his or her ruling is final on all matters.

6. Term

The Committee will serve until the completion of the review.

7. Terms of Office

Appointments to the Committee shall be consistent with the Public Appointment Policy. The Committee will elect a Chair and Vice-Chair for a term consistent with the City's Procedural By-law or any successor thereof.

8. Meetings

It is anticipated that there will be eight (8) Committee meetings held throughout the course of the review. The meeting schedule will be set at the outset of the study. Additional meetings may be called at the discretion of the Divisional Manager, Solid Waste Resources. Notice of any changes to meeting dates/times will be provided in advance. Length of meetings shall not exceed two hours unless agreed upon by a majority of members present through a motion and vote.

Meeting schedule and agendas will be set by the staff liaison in consultation with the Chair. Committee meetings shall not conflict with Council or Committee of the Whole meetings.

9. Meeting Minutes

A written summary of discussion and comments from each meeting will be prepared by staff and approved by the Committee at their subsequent meeting. Meeting minutes will describe highlights of the meeting and recommendations or options. All motions as well as the members who moved and seconded them, shall be included as part of the minutes.

10. Conduct

The conduct of the members of the Committee shall be in keeping with the City's Procedural By-law and Code of Conduct for Council and Local Boards.

11. Delegations

Notwithstanding the City of Guelph Procedural By-law, delegations are not permitted at Committee meetings.

12. Remuneration

Committee members are volunteer appointments and receive no remuneration.

13. Conflict of Interest

Committee members have an obligation to disclose any conflicts of interest relative to the matters under discussion. Members have an obligation to disclose all extraordinary pecuniary interests. Extraordinary pecuniary interests are interests which are beyond those interests that the City could reasonably assume exist.

14. Amendments

An amendment to this Terms of Reference is subject to the approval of Council prior to its implementation.

15. Procedural Bylaw

The Committee is subject to the City of Guelph Procedural By-law and its associated policies and procedures.

Information Report



Service Area	Infrastructure, Development and Enterprise Services
Date	Friday, August 31, 2018
Subject	Initiate Update to Solid Waste Management Master Plan
Report Number	IDE-2018-130

Executive Summary

Purpose of Report

The Council approved 2018 Solid Waste Resources capital work program includes an initiation of the update to the 2014 Solid Waste Management Master Plan (SWMMP). Supported by the recent recommendations of the Solid Waste Resources Business Service Review, staff will initiate the master plan update with a focus on updating the status of recommendations for waste minimization, diversion and disposal established in the previous master plan. This information report has been prepared to provide Council with a brief summary of the process that will be followed to update the SWMMP.

Key Findings

Solid Waste Resources follows a five-year planning cycle for review and updating of the SWMMP. Previous SWMMP recommendations have resulted in significant advances in waste diversion and program management for the City. Plan updates and reviews are necessary based on a number of factors including:

- ✓ The continuing evolution of provincial legislation and the need for the City to anticipate the impacts of recently approved regulatory changes and adjust plans accordingly;
- ✓ Changing technology and approaches to waste management, minimization and diversion;
- ✓ The ever-changing nature of packaging, products and waste;
- ✓ Local requirements, including the Solid Waste Resources Business Service Review and public interests including plastics disposal;
- ✓ Changes to projected local demographics and growth; and
- ✓ Other emerging issues and trends.

Pending Council approval of the 2019 Budget in Q1 of 2019, staff will then proceed to issue and award the RFP for consultant support required to initiate the SWMMP update. Staff will also bring forward a Council report to establish the Public Advisory Committee (PAC) for the SWMMP and will keep Council informed with updated information on SWMMP progress, community engagement opportunities and ultimately SWMMP recommendations for consideration. The timeframe from

SWMMP update initiation to completion is expected to be approximately 12 months and recommendations may influence the 2020 budgets and beyond.

Financial Implications

Funding for \$50,000 is included in the 2018 Council approved Capital Budget (WP0008) to initiate the SWMMP. An additional funding request for \$350,000 is included in the proposed 2019 capital program of work and will be presented for approval as part of the 2019 capital budget deliberations.

The SWMMP Update will provide updated capital and operational costs for short-term and long-term options for the next 25 years.

Report

In 2008, the City completed the first Solid Waste Management Master Plan (SWMMP) project. The 2008 SWMMP established waste minimization, diversion and disposal targets identified both short-term and long-term programs designed to achieve the targets, and provided an estimate of the extent to which each component would move the City towards achieving the overall goals. The implementation of the 2008 SWMMP resulted in an increase in the City's residential diversion rate by 30 per cent. This was largely attributed to Guelph's three stream sorting and a number of City initiatives including the opening of the Organic Waste Processing Facility, reuse and recycling of construction and demolition materials, and new sorting equipment for glass and electronic waste recycling.

In 2014, staff completed the five year review of the SWMMP, reaffirming Guelph's waste diversion target of 70 per cent by 2021. The Review renewed Guelph's strategic direction and leadership and provided new recommendations that built on the initial 2008 SWMMP for waste minimization and diversion initiatives for a sustainable, service-focused and economically viable future. The 2014 SWMMP Review is available on the City's web site at: [guelph.ca/ 2014 SWMMP Final Report.pdf](http://guelph.ca/2014-SWMMP-Final-Report.pdf). The status of the recommendations since the adoption of the SWMMP is shown in the attached project dashboard. Some of the highlights include:

- Completion of a four season waste audit for single family, multi-residential properties and public drop off to better understand issues of waste generation, contamination of materials, and diversion opportunities;
- Roll-out of automated collection in the downtown core to ensure effective recycling approaches, consistent containers, promotion and educational materials;
- Continuing enforcement of proper waste sorting practices and introduction of the educational curbside audit program;
- Development of an enhanced promotion and education program including contamination campaigns for problematic materials, and the development of a waste application that provides useful information about Guelph's collection schedules, notices and waste diversion opportunities;
- Advocacy for full producer responsibilities at the provincial level;
- Reinstatement of twice per year curbside yard waste collection service; and
- Council approval for expansion of front-end collection service at multi-residential properties.

Waste management continues to be a dynamic and evolving field, with a broad range of stakeholders including provincial legislators, service providers, customers, and the general public, material markets, contractors to the City, and City staff and Council.

Since the 2014 SWMMP Review, provincial legislation has changed with the establishment of the Waste-Free Ontario Act; the Act established both the Resource Recovery and Circular Economy Act and the Waste Diversion Transition Act. Staff anticipate that under the Resource Recovery and Circular Economy Act the industry will move to full producer responsibility as well as the development of the Food and Organic Waste Framework. Also, the former Waste Diversion Ontario (WDO) has been replaced by the Resource Productivity and Recovery Authority (RPRA), and the province has notified all Industry Funding Organizations (IFO) (e.g., Stewardship Ontario, Ontario Tire Stewardship and Ontario Electronic Stewardship) that they are to wind-up their mandates between now and 2023. These IFO will be replaced by Producer Responsibility Organizations (PRO). There will be specific regulations that will make producers directly responsible for material recovery and management. The SWMMP Update will consider and accommodate the changing regulatory landscape as it pertains to activities in the City of Guelph.

In addition, the SWMMP Update scope will incorporate direction received from the recent Solid Waste Resources Business Service Review that was approved by Council on May 28, 2018. The SWMMP will specifically address Service Review recommendation number 5:

- a. Identify, enhance and/or implement programs to improve diversion rates, optimize customer service and seek cost efficiencies; and,
- b. Develop a long-term growth forecasting model, in line with the existing Development Charges and Development Priority Planning processes, internal Finance processes and Asset Management policy, to proactively identify growth impacts across all waste service elements.

Furthermore, as per the July 23, 2018 Council meeting, the scope was further refined to include the following adopted resolution: *"That staff, through the recommendations of the Solid Waste Management Master Plan 2018/2019, in particular recommendation number five, ensure the scope of activity includes investigating a strategy for the elimination of single-use plastic grocery bags in Guelph and report back to Council with this strategy by the end of Q2, 2019".*

The Solid Waste Management Master Plan Update is intended to update and revise the 2014 SWMMP and identify and refine City policies, programs, and practices related to waste minimization and management. This project will update the following components of the SWMMP:

- Public consultation;
- Population and waste generation projections;
- Future waste management requirements;
- Waste diversion, reduction and disposal alternatives;

- Potential impacts and strategies associated with ongoing legislative change in Ontario; and,
- Implementation recommendations including related infrastructure requirements and cost estimates.

The Solid Waste Management Master Plan Update scope is currently in development and is expected to consist of the following base-level tasks:

- A stakeholder consultation program to collect and incorporate public, agency and business input, including the creation of a Public Advisory Committee (PAC) comprised of public, academia and business stakeholders. Additional stakeholder engagement approaches will include:
 - A SWMMP dedicated web page;
 - Public Information Centres (PICs) to introduce the project, provide updates and to discuss and present preliminary findings in order to encourage public review and comment on recommendations;
 - Sector-specific workshops;
 - Municipal peer workshops; and,
 - Electronic surveys.
- Review of projected residential population and industrial, commercial and institutional (ICI) sector growth along with related service demands;
- Summary of current system performance;
- Identifying and evaluating feasible concepts that further support waste minimization, and approaches to enhance existing operations issues, including but not limited to:
 - Cross-contamination of waste streams;
 - Cost of service study to ensure the right customers are funding the right service;
 - Service delivery financial models such as user fees;
 - Program optimization;
 - Strategies for disruptive materials and problematic materials;
 - Disposal bans;
 - Emerging issues and trends;
 - Emerging technologies; and,
 - Sector related strategies and updates;
- Develop an implementation plan related to the recommendations and priorities emerging from the SWMMP Review; and
- Delivery of a Solid Waste Management Master Plan Update report.

An important component of the SWMMP Update is the public engagement program. A PAC will provide a forum for ongoing community input and guidance to the Project Team and will be established at the outset of the Project. The PAC will help the Project Team understand and consider the aspirations and concerns of the community as they relate to our current waste management system, community

priorities and evolving report recommendations. The PAC will provide input directly on the following scope of the update:

- Objectives and scope of the SWMMP Review;
- Issues and opportunities to be addressed;
- Alternative solutions to be assessed;
- Evaluation method and criteria to be applied;
- Preferred alternatives for public consideration; and,
- Review of the final report prior to forwarding to Council for approval.

Next Steps:

Preparatory activities using approved funds will include:

- Staff and internal workshops for scope refinement;
- Development of PAC Expressions of Interest (EOI), PAC Terms of Reference (ToR), and appointments by Council following budget approval; and,
- Consulting support RFP document review and development.

Pending confirmation of budget through planned capital budget deliberations in Q1 of 2019, staff will proceed to:

- Engage in a competitive proposal process to acquire professional services related to Stakeholder Engagement and Technical Support for SWMMP development;
- Recruit PAC members to be recommended and approved by Council; and,
- Initiate the SWMMP in Q2 of 2019.

Financial Implications

Funding of \$50,000 is included in the 2018 Council approved Capital Budget (WP0008) to initiate the Solid Waste Management Master Plan Update with an additional request for \$350,000 included in the proposed capital program of work and to be presented as part of 2019 capital budget deliberations.

The SWMMP Update will provide updated capital and operational costs for short-term and long-term options for the next 25 years.

Consultations

Staff have had preliminary consultations with Finance staff in the preparation of this report. Staff will conduct further consultation with Finance and with all other affected City departments including Corporate Services, Infrastructure, Development and Enterprise Services, and Community Services to solicit input and participation where appropriate in the update.

Corporate Administrative Plan

Our Services – municipal services that make lives better
Our Resources – a solid foundation for a growing City

Overarching Goals

Service Excellence
Financial Stability
Innovation

Service Area Operational Work Plans

Our Services - Municipal services that make lives better

Attachments

ATT-1 SWMMP Project Status Dashboard

Departmental Approval

Cameron Walsh, Solid Waste Resources

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SWMMP Project Status Dashboard

Legend

- complete
- in progress
- project at initial stages or not yet scheduled

Status	TASK	Recommendation Name and Description	2014		2015				2016				2017				2018				2019			
			Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	27.6	- support the development of Eco-Industrial zones or networks, where local business coordinate complementary exchanges of useful products and by-products to avoid waste and add value to their process; and																						
	27.7	- enhanced/target P&E and outreach campaigns for business sector																						
●	28.0	Explore requirements as part of the permit process for new building construction and demolition (C&D) that would result in waste diversion																						
		The City would explore a number of requirements as part of the permit process for new building construction and demolition that would result in waste diversion. May include																						
	28.1	- municipal construction and demolition project must submit a waste diversion plan																						
	28.2	- mandatory waste diversion targets for all new municipal construction, demolition and renovations																						
	28.3	- mandate that all C&D materials associated with municipal construction must be diverted to a C&D recycling facility																						
	28.4	- feebates in which buildings that achieve a certain waste diversion and other green targets receive rebates back from the municipality during construction																						
	28.5	- establish policies such as fast tracking permits for achieving waste diversion targets during construction or issuing occupancy permit upon receipt of waste diversion invoices																						
	28.6	- refundable deposit programs require that all construction projects (usually above a specified size) pay a deposit as part of the building permit.																						
●	29.0	Develop a construction and demolition (C&D) waste diversion strategy																						
		Offer assistance to C&D businesses to promote and help them develop more effective waste diversion programs. Services may include																						
	29.1	- establish on site waste reduction and diversion programs																						
	29.2	- develop waste reduction training and/or provide waste diversion consultation																						
	29.3	- provide assistance to help educate developers about waste diversion in green building design standards																						
	29.4	- establish a C&D sector working group to facilitate discussions to address common waste reduction and diversion challenges																						

Staff Report



To **Committee of the Whole**
Service Area Infrastructure, Development and Enterprise Services
Date Monday, May 6, 2019
Subject **Community Energy Initiative Update: Pathway to Net Zero Carbon by 2050**
Report Number IDE-2019-47

Recommendation

That staff pursue a service agreement with Our Energy Guelph (OEG) to act as the City's Community Energy Initiative (CEI) delivery partner.

Executive Summary

Purpose of Report

To update Council on CEI progress and to provide additional detail on the proposed approach of OEG acting as the CEI delivery partner.

Key Findings

Work on the CEI is progressing well, most recently with the sold-out Local Action on Climate Change event presented in partnership with the University of Guelph. The CEI pathway to net zero carbon has the potential not just to mitigate our community's contribution to climate change, but to deliver potential benefit for the Guelph economy (albeit with significant complexity including a variety of stakeholders and a very significant financial investment). If the City of Guelph (City) were to fund an Executive Director (ED) position with OEG, it would accelerate CEI progress and allow further development of the CEI pathway investment strategy.

Financial Implications

Funding the OEG ED would require an operating budget allocation of \$175000 in 2020, declining to \$94,713 in 2024. At that time, the Climate Change Office (CCO) will evaluate the relationship between the City and OEG, and will make recommendations regarding ongoing funding (if any).

The CEI pathway program itself does not require City capital investment.

Report

Launched in 2007, the CEI aims to mitigate the community's contribution to climate change by eliminating net emissions of greenhouse gases. The City commissioned a task force in 2016 to update the CEI. When the task force, which renamed itself OEG, delivered the CEI update in May of 2018, it proposed to lead the implementation of the CEI in partnership with the City. OEG is now in the process of

becoming an incorporated, not-for-profit enterprise. OEG expects to receive the incorporation documentation in May 2019.

OEG will present a separate update to Council along with this report. That update will provide the status of key actions arising from the May 2018 CEI update, a detailed pathway to achieve the goal of net zero carbon, and an explanation of what is required organizationally to position OEG for success.

The CEI update of May 2018 sets a community-wide goal of net zero carbon by 2050. Guelph has established itself as a climate mitigation leader. It created the first community energy plan (CEP) in Canada in 2007, and now more than half of the nation's population lives in a municipality that has a CEP. If the CEI continues, it will benefit not just Guelph citizens, but also those of communities in Ontario and across Canada that look to Guelph for leadership. Approving the OEG funding request will provide the CEI with the community positioning and dedicated leadership it will require to be successful.

Financial Implications

The principal financial implication for the City operating budget is an annual cost of \$175,000 in 2020, declining to \$94,731 in 2024, for an overall contribution of just less than \$700,000.

The CEI pathway program itself does not require City capital investment.

There will be specific and significant capital requests in the future that will be necessary for the City to achieve its portion of the requirements to be a Net Zero Carbon community by 2050.

Consultations

Finance – James Krauter Deputy Treasurer/ Manager of Revenue and Taxation

Planning and Building Services – Todd Salter, General Manager Planning & Building Services; Jeremy Laur, Chief Building Official; Melissa Aldunate, Manager of Policy Planning and Urban Design

OEG – Kirby Calvert, co-chair; Jonathan Knowles, co-chair

Corporate Administrative Plan

Overarching Goals

Financial Stability

Innovation

Service Excellence

Service Area Operational Work Plans

Our Resources - A solid foundation for a growing city

Our People - Building a great community together

Our Services - Municipal services that make lives better

Attachments

Attachment-1 Our Energy Guelph CEI Update Part 2

Departmental Approval

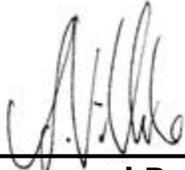
N/A

Report Author

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Community Energy Initiative (CEI) Update Part 2



MEETING	City of Guelph Committee of the Whole
DATE	May 6, 2019
LOCATION	City of Guelph Council Chambers
TIME	2:00 PM
PRESENTERS	Kirby Calvert, Jonathan Knowles

Executive summary

Our Energy Guelph (OEG) is progressing well with the Community Energy Initiative (CEI). Our recent work focused on awareness-raising, and encouraging community volunteers to participate in efforts to support the CEI. The most visible example of this was the sold-out Local Action on Climate Change event. Presented in partnership with the University of Guelph, key community partners (e.g., the My World, My Choice sustainability mentorship program) were able to recruit volunteer resources at this event.

Our next steps are toward program and project implementation as laid out in the CEI pathway to net zero carbon. This pathway represents not just a critical way to mitigate climate change, but also an investment opportunity with considerable potential benefit for the Guelph economy. Seizing this investment opportunity will require a collaborative approach involving multiple stakeholders, underpinned by a strong and carefully-scoped role for the City of Guelph. In short, it can only be seized by an approach that is community led, and municipally resourced.

This approach is not new, nor is it untested or experimental. The Regional Municipality of Waterloo is currently taking a very similar approach with its Community Energy Investment Strategy.

A fully-funded OEG Executive Director (ED) position is critical to speed up progress on CEI targets and initiatives, and to act on investment opportunities. The ED will effectively work for the CEI, carrying projects and initiatives forward that are beyond the scope of any single entity in our community. The specific and immediate actions taken by the ED are laid out in *Table 5: ED work plan*. Broadly, the ED will improve situational awareness around specific initiatives, and facilitate the multi-sectoral partnerships that are required to unlock the significant economic potential that has been identified through the CEI update.

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Background

In October of 2018, the Intergovernmental Panel on Climate Change (IPCC) released a special report emphasizing the urgency of limiting global warming to 1.5°C to avoid catastrophic impacts on human health and well-being, sea levels, and ecosystems. The report stated that to achieve this goal, “Global net human-caused emissions of carbon dioxide (CO₂) would need to fall by about 45 percent from 2010 levels by 2030, reaching ‘net zero’ around 2050.”¹

Climate change mitigation is all about reducing the greenhouse gas (GHG) emissions that cause the greenhouse effect. For climate change mitigation action to

¹ Intergovernmental Panel on Climate Change. (2018, October 8). Summary for Policymakers of IPCC Special Report on Global Warming of 1.5°C approved by governments. Retrieved February 24, 2019, from <https://www.ipcc.ch/2018/10/08/summary-for-policymakers-of-ipcc-special-report-on-global-warming-of-1-5c-approved-by-governments/>

succeed in Guelph, the community and the municipality must both take responsibility for moving the CEI forward in partnership.

Guelph blazed a trail in 2007 with the first-of-its-kind Community Energy Plan (later the CEI). We updated the CEI in 2018 and, after consulting extensively with the citizens of Guelph, proposed an ambitious new target - to become a Net Zero Carbon community by 2050. We also named next steps to move toward the target. Now that Guelph City Council has accepted that target, our next step is to present a pathway to get from where we are today, to where we want to be in 2050. That's the purpose of this document.

We'll start with an overview of the pathway to net zero, some commentary on the actions that make up that pathway, an update on what we've accomplished over the past year, and next steps.

The pathway to net zero carbon

On our behalf, the City of Guelph Climate Change Office hired Sustainability Solutions Group (SSG) to prepare the pathway. SSG used a sophisticated computer model called City Insight, that accounted for factors like employment, vehicle movements, building codes, and industry. What they came up with is more than just a carbon reduction plan - it is a significant (and exciting) investment opportunity.

Some say that it costs a lot to care for the environment. That's true. It also costs a lot to have an RRSP. But in both cases, you get your money back, and more.

Here are the highlights from the low-carbon pathway:

Item	2016	2050	
	Baseline	Business as Usual	CEI
Energy use (petajoules)	24.3	24.6	12.1
Annual energy spending	\$499M	\$677M	\$405M
GHG emissions (kilotonnes of carbon dioxide equivalent)	1,104	1,032	92

Table 1: Highlights of the low-carbon pathway

- In the business-as-usual case, rising population cancels out anticipated energy efficiency improvements (as was already shown in the Baseline and Business As Usual Report, part of the 2018 CEI update)
- In the CEI case, 69.5% of 2050 energy spending is local
- In the CEI case, continued natural gas electricity generation is responsible for the remaining GHG emissions. Possible ways to address this are:
 - New technology that we haven't anticipated
 - Buying green electricity generated outside of the city
 - Buying carbon credits (also called offsets)

There are 25 actions in the plan; 22 produce a positive net present value (NPV) using a discount rate of 3%. The entire program has an internal rate of return of 8.5%. Over the plan's 30-year duration, total investment is \$3.2 billion while total savings and revenues are \$4.9 billion. This leaves a net benefit of \$1.7 billion (note that all these figures are in 2019 dollars). Hence, the pathway can be accomplished without imposing any net cost to the taxpayer. Instead, it is an opportunity for third-party investors, offering a high rate of return with comparatively low risk.

Three of the actions have a negative NPV, so if you look at them on their own, they aren't attractive investment opportunities. However, by rolling all actions into one program, the high-return items more than make up for the low-return ones. The blended rate of return for entire program is still quite attractive. This is a common approach in energy management programs, which combine low-return and high-return projects into a single program with a blended rate of return high enough to meet investment cutoffs.

Of the 25 actions, 21 do not explicitly involve City assets. However, City may still have some role in some of these actions. For example, in the case of electrifying the privately-owned passenger vehicle fleet, the City could install electric vehicle (EV) chargers on municipal parking lots to encourage adoption of EVs.

We expect that the plan will create an average of 1,300 full-time-equivalent jobs over its 30-year duration.

The three actions that will contribute the most to GHG reductions are:

1. Installing heat pumps (air and ground source)
2. Replacing internal combustion engine personal vehicles with EVs

3. Producing as much renewable natural gas as possible

Some actions will produce co-benefits. These were not included in the calculations, and will improve the economic case. For example, we expect that increased transit will help with economic development by attracting and retaining business. Some enterprises struggle to attract and retain qualified staff, since there is very low unemployment in Guelph. These businesses need to look beyond Guelph to find employees. If they don't drive, and transit is inadequate, it be hard for those potential employees to get to work. Improving transit can help.

Actions to get us rolling

25 actions is a long list. Some items are more urgent than others, mainly because they will take a long time to implement (maybe even all 30 years in the planning period) and the sooner we start, the better. Some are already moving along without our involvement. For example, a number of Guelph home builders are already offering net zero homes. If the share of new homes that are net zero grows quickly enough, Guelph will reach the Action #1 target. Our task will be to measure that growth rate and decide if we need to take any action.

The most pressing action is to retrofit our residential buildings (Actions 3 and 4). There are a lot of these buildings, and retrofitting every one of them will take quite a while. The availability of skilled labour will limit how quickly this will progress. We have a limited number of contractors that can do the work, although this will increase as the market grows. Retrofit materials and equipment may also become harder to source as the volume of retrofit work increases. On the other hand, we may have to work hard to convince homeowners (and rental property owners) to sign up.

Retrofitting industrial, commercial, and institutional buildings (Action 5) will also be a high priority. However, it will likely be best to wait until after we build some momentum with residential buildings.

Action 17, electrifying transit, will require City leadership. It's unclear what role, if any, we would be able to play. For now we expect to encourage the City and to help spread the word as they move forward on this item.

Some actions may be politically challenging, the most notable being the car-free downtown (Action 20). This would involve changes to the Downtown Secondary Plan, the Urban Streetscape Manual, and potentially the Official Plan; all of these were prepared before the new CEI target was set. There may not be the political will to undertake these changes. If so, we will have to find a way to take some other

action (or augment the actions already on the list) that will make up for the contribution from the abandoned action.

The recent Government of Ontario announcement centralizing conservation programs makes it that much more important to develop local energy management capacity. Without such capacity, many conservation opportunities will not be exploited. OEG can play a role in building this capability through programs such as the Regional Sustainability Initiative.

A capital idea

The most significant undertaking will be financing the program. We expect that third-party investors will be eager to supply the necessary capital. Annual net investment will average \$90M over the period from 2019 to 2031, with a peak of \$308M in 2026. Cumulative net investment will peak at \$1.3B by 2031, and will decline after that as annual savings and revenues exceed investments.

The key challenges in mobilizing investment on this scale will be:

1. Establishing relationships with institutional investors that consider projects on this financial scale
2. Partnering with an investment manager with enough experience and brand/reputation to manage an investment portfolio this big
3. Building sufficient capacity to implement this scale and number of projects

Regarding item #1, some possible partners include pension plans, life insurance companies, and credit unions. Regarding item #2, there are both for-profit and not-for-profit organizations that have the capabilities we will need. We have not approached any of these organizations yet.

Regarding item #3, the ability to execute a project will vary from one action to the next. In some cases there may be enough talent in the local area. In others, local organizations may not have enough capacity to start, but by participating in the program these organizations may be able to grow their businesses significantly over time. In still others, we may have to contract with providers outside of Guelph and the nearby area.

We expect that availability of investment capital will not be a barrier. There is plenty of pent-up demand for investment opportunities like this; for example, the 2014 Eglinton Light Rail Transit \$500M green bond issue was five times oversubscribed, and demand for green bonds has only increased since then.

The year in review

The CEI update made a number of recommendations. Here's how we're doing with each of them:

Item	Description	Status
1	Appoint interim board	<p>The interim board was launched in January 2019, including the following members:</p> <ul style="list-style-type: none"> • Kirby Calvert (co-chair) • Jonathan Knowles (co-chair) • Amanda Hardcastle • David Estill • Alex Chapman <p>The permanent board is being recruited, and we plan to have our first meeting in May 2019.</p>
2	Identify host organization	<p>10C is the most likely home for OEG. It has all the facilities we need, many other social enterprises call it home (including eMerge Guelph), and it is close to City Hall.</p>
3	Develop budget and funding sources	<p>Our interim board will develop a budget and funding sources as part of proposed service agreement with the City of Guelph.</p>
4	Appoint key volunteer roles	<p>We have filled the following volunteer roles:</p> <ul style="list-style-type: none"> • Volunteer Coordinator - Megan Moore • Business/Stakeholder Relationship Manager - Trevor Kanerva <p>Alex Chapman, manager of the City's Climate Change Office, is temporarily filling these roles:</p> <ul style="list-style-type: none"> • Executive Director • Education, Communication, Outreach and Awareness (ECO) Coordinator • Project and Program Coordinator • Metrics and Reporting Coordinator • Advocacy/Intergovernmental Coordinator.

5	Create City implementation team	Led by the Climate Change Office, the City will build a team for each relevant action and oversee the work of those teams.
6	Create Community Energy Coordinator staff role	We've changed the name of this role to Executive Director, and we're proposing to draw up a service agreement with the City to fund the position. The Climate Change Office will continue to be link between us and the City, and it will coordinate all City CEI activities.
7	Launch technical sub-team: Energy efficiency retrofits	This is completed. The Climate Change Office convened the Guelph Energy Efficiency Retrofit Strategy (GEERS) Advisory Group in February of 2019, and will support OEG as it prepares a report slated for Q4 of 2019. The team members are: <ul style="list-style-type: none"> • Erik Venneman (Alectra) • Evan Ferrari (eMerge) • Gavin Baxter (SHED Design) • Andy Goyda (Owens Corning) • Heather Yates (CoG Water Services) • Ian Dunbar (Union Gas; to be replaced) • Irene Szabo (Home Group Realty Inc.) • James Krauter (CoG Finance) • Patrick Andres (CoG Building Services) • Alex Chapman (CoG Climate Change Office)
8	Launch technical sub-team: Building code	This item is on hold until we complete the service agreement with the City, and appoint the ED.
9	Launch technical sub-team: Photovoltaic net metering	Same as item #8.
10	Launch technical sub-team: Electric transit	The City is exploring the idea, and so far we have not needed to be involved.

11	Launch technical sub-team: District energy	Same as item #8. The first order of business will be to capture the lessons we've already learned; it will likely be quite some time before there is any further investment.
12	Launch ECOA sub-team	This team has the most stories to tell! Its successes so far include the Local Action on Climate Change event, and getting funding from Alectra to help with the My World, My Choice mentorship program.
13	Maintain current leadership from CCO	The CCO has provided leadership, and will continue to do so until/unless we receive funding and fill the ED role.
14	Maintain progress reporting	This report is the first annual CEI progress report. The CCO reports on emissions performance annually via CDP (formerly the Carbon Disclosure Project), which it is required to do to be a member of the Global Covenant of Mayors on Climate and Energy.
15	CCO to maintain advocacy support	The CCO collaborates on advocacy work with other City departments, and with other cities through the Clean Air Partnership and Quality Urban Energy Systems of Tomorrow.
16	Business relationships	We've created a community of practice called Guelph Energy Managers, which currently includes eight of Guelph's top ten employers. We're also working with Sustainable Waterloo Region to bring the Regional Sustainability Initiative to Guelph.

Table 2: Status of recommendations from May 2018 CEI Update

The ECOA team (item #12 above) scored the most visible success since the CEI update, with the Local Action on Climate Change event on January 22nd, 2019. UofG hosted the event, which started with a keynote by Diane Saxe, the now-former Environmental Commissioner of Ontario. Next was a panel discussion including Ms. Saxe, Mayor Cam Guthrie, MPP Mike Schreiner, and MP Lloyd Longfield. After some

audience Q&A, the event wrapped up with a mini-trade show featuring the following exhibits:

- The City of Guelph (Water Services, Solid Waste Services, and the Smart Cities Challenge)
- Alectra Utilities
- OEG
- Project Neutral (a household carbon footprint calculator and action planner)
- The University of Guelph College of Business and Economics
- Sustainable Citizen (a mobile device app that will encourage individual sustainable action)
- My World, My Choice (a program featuring University of Guelph students mentoring high school and middle school students on sustainability)

The event sold out over one week in advance although we didn't do much publicity. We got some coverage from the Guelph Mercury-Tribune, and a video recording is posted on our website (www.ourenergyguelph.ca). The event's objective was to encourage people to explore volunteering opportunities with exhibitors, particularly My World, My Choice. Mission accomplished!

The CEI Update staff report mentioned that a summary report was forthcoming, and would hit the high points of the CEI in an easy-to-read format with lots of infographics. We decided that this summary report should include the pathway to the net zero carbon target, so we've held off until after we present this report.

Where we go from here

When we presented the CEI Update to Council in May 2018, we and Council decided to write up an agreement between OEG and the City, which would define how we would take on the role of the City's implementation partner. To sum this up, we said OEG should be "community led, and municipally resourced". The table below gives some more details on how we think OEG should be organized:

Organizational component	Details
Governance	A Board of Directors made up of members of the community volunteering their time
ED	A paid staff member funded by the City to start, with other major Guelph organizations gradually contributing more over time

Staff and program execution resources	Community members volunteering in some cases, and in others paid under a self-funded, social enterprise/social entrepreneurship model
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Table 3: Organization of OEG

Council proposed the Community Benefit Agreement as a potential model for this agreement. However, after discussing this with City staff, we collectively decided that a different model may be required. This model would include a legal agreement defining:

- The expectations and deliverables that the Corporation has of OEG
- The financial support the Corporation will provide to OEG
- The oversight expectations that the Corporation will have to ensure that OEG manages the supplied funds appropriately and effectively

We propose to begin with 100% City funding, stepping down to 50% over five years. The table below shows an initial estimate of costs, and illustrates the declining City contribution.

Year	OEG budget (incl. 2% CPI)	City share	Operating budget contribution
2020	\$150,000-200,000	100%	\$150,000-200,000
2021	\$153,000-204,000	90%	\$138,000-184,000
2022	\$156,000-208,000	80%	\$125,000-166,000
2023	\$159,000-212,000	65%	\$103,000-138,000
2024	\$162,000-216,000	50%	\$81,000-108,000

Table 4: Initial OEG operating budget estimate

One of the first tasks of our permanent Board of Directors will be to set a budget, considering the typical salary and benefits of a full-time nonprofit ED with this sort of a scope of responsibilities; occupancy and administrative costs; and allocations for hosting meetings, travel, conferences, and professional development.

One of the first priorities for the new ED will be to sign up additional organizations to make a financial contribution to OEG. This would supplement the City funding, reduce OEG’s dependence on the City, and provide clear evidence of support from the business community.

This will be part of a combined effort that will include running and growing GEMS, as well as launching Sustainable Waterloo Region programming here in Guelph. These and other tasks are included in the following draft work plan for the ED:

Item	Description	Timing
1	Coordinate and support OEG Board of Directors	Immediate
2	Take up residence at 10C, including negotiation of any applicable occupancy agreements	Immediate
3	Establish framework for performance and budget reporting to Board and City, including Key Performance Indicators (KPIs) and reporting schedule	Immediate
4	Convene CEI Investment Strategy working group to re-evaluate technical action prioritization, develop a detailed business case for each action, develop implementation plans, establish action-specific governance, and execute	Immediate
5	Provide direction to existing volunteer leaders	Immediate
6	Recruit additional volunteer leaders	Medium term
7	Coordinate with CCO for any additional roles/tasks that may be performed by City staff	Medium term

8	Assist as required with Q4 GEERS Staff Report in coordination with CCO	Immediate
9	Convene advisory group for new construction; determine if Canadian Home Builders Association Net Zero Home adoption rate is expected to meet target of action#1	Immediate
10	Convene advisory group for on-site renewable generation; develop action plan to meet targets of actions #8 and #10	Immediate
11	Determine appropriate role for us (if any) with respect to electrification of transit, in coordination with CCO and Guelph Transit	Immediate
12	Convene DE team and deliver DE Lessons Learned report	Medium term
13	Perform detailed feasibility study for downtown DE system per action#11	Medium to long term
14	Assume leadership of the ECOA team and programs such as Sustainable Citizen and My World, My Choice	Immediate
15	Establish regular status update schedule with CCO	Immediate
16	Establish schedule and approach for status reporting to Council, in coordination with CCO	Immediate
17	Establish approach to coordinate advocacy efforts with CCO	Immediate
18	Assume leadership of GEMs	Immediate

19	Continue Sustainable Waterloo Region expansion project	Immediate
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Table 5: ED work plan

Summing up

We are making good progress with establishing a brand, reputation, and profile in the community. The Local Action on Climate Change event is a great example. The low carbon pathway that we propose in this report is an excellent investment opportunity offering jobs, reduced energy costs, and near-elimination of carbon emissions. With an initial boost from the City of Guelph, we can turn this opportunity into a reality.

Appendix: Actions in the low carbon pathway

The low carbon pathway consists of 25 actions, each with its own target:

Action	Description
	BUILDINGS
	New buildings
1	Incrementally increase the number of net zero new homes to 100% by 2030.
2	Incrementally increase the number of non-residential buildings that achieve Passive House levels of performance to 100% by 2030.
	Existing buildings
3	Retrofit 98% of pre-1980 dwellings by 2050, with retrofits achieving thermal and electrical savings of 50%.
4	Retrofit 98% of dwellings built between 1980-2017 by 2050, with retrofits achieving average thermal and electrical savings of 50%.
5	Retrofit 98% of pre-2017 industrial, commercial, and institutional buildings by 2050, with retrofits achieving average thermal and electrical savings of 50%.
6	Every building will be recommissioned on a ten-year cycle, achieving energy savings of 15% on pre-2017 building stock.
	ENERGY SYSTEM
7	Air source heat pumps are added to 50% of residential buildings and 30% of commercial buildings by 2050. Ground source heat pumps are added to 20% of residential and 40% of commercial buildings by 2050.
8	Solar photovoltaic (PV) systems are installed on 80% of all buildings by 2050. These PV systems provide on average 30% of consumption for building electrical load for less than 5 storeys and 10% for multi-unit buildings greater than 5 storeys and commercial buildings.

9	Heat pumps for hot water installations are scaled up to 80% of residential buildings by 2050, and 50% of commercial buildings by 2050.
10	20 megawatts (MW) of commercial scale ground mounted solar PV is installed per year between 2018 and 2050.
11	A 16 MW seasonal storage district energy system is installed in the downtown area.
12	67 MW of energy storage is installed by 2050 to reduce the curtailment of the ground-mounted PV.
13	50 MW of wind energy is installed by 2050 outside of city limits.
14	Local production is maximised, and additional renewable natural gas is imported to displace natural gas consumption in buildings.
15	100 kilowatts of run of river hydro electricity generation is added.
	TRANSPORTATION
16	Transit is introduced in areas with high density and insufficient transit.
17	The transit fleet is fully electrified by 2050.
18	The cycling and walking mode share is increased.
19	The percentage of trips that are rideshare is doubled by 2050.
20	A car-free downtown is created by 2040.
21	The municipal fleet is electrified by 2050.
22	100% of new passenger vehicles are electric by 2030.

23	95% commercial vehicles are electric by in 2030.
24	100% of new vehicles are autonomous by 2035.
	INDUSTRY
25	The efficiency of process motors is increased by 50% by 2050.



Community Energy and Corporate Energy Update

May 6, 2019
IDE Committee of the Whole

Antti Vilkkö, P.Eng. MBA
General Manager, Facilities Management



Agenda

1. Introduction

2. Community Energy Initiative (CEI) Update

- Our Energy Guelph
- City Staff

3. Corporate Energy Update on 100% Renewable Energy

Corporate Environmental-Related Work

Page 1

Department/Location	Project Name	Brief Description	Status of Work
Bylaw	Light Pollution Bylaw	Bylaw will be conducting a review for light pollution	Not started
Clerks	LED Lighting in Council Chambers	Replacement of existing studio lights with LEDs	Included in 2022 capital budget
City Hall	Parking Level - LED Lighting Retrofit	Lighting upgrade to LED lights for the entire City Hall parking level. Sensors installed to control light operation based on occupancy. Energy efficiency, improved light quality and reduced maintenance cost.	Completed
City Hall	Workspace - LED Lighting Retrofit	Lighting upgrade to LED lights for the entire City Hall workspace areas. Energy efficiency, improved light quality and reduced maintenance cost.	Preliminary Design Stage
City Hall	Exterior - LED Lighting Retrofit	Lighting upgrade to LED lights for the City Hall exterior lights. Energy efficiency, improved light quality and reduced maintenance cost.	Completed
Corporate Building Maintenance	Preventative Maintenance	Corporate Building Maintenance completes preventative maintenance activities such as air filter and belt changes and inspections of equipment. This ensures equipment run optimally to reduce energy waste and mitigate risk of catastrophic failure	Continuous

Corporate Environmental-Related Work

Page 2

Department/Location	Project Name	Brief Description	Status of Work
River Run Centre	BAS Optimization	River Run Building Automation System hardware upgrade with sensors checked and calibrated and replaced as necessary to ensure the system runs optimally and reduce energy consumption	Completed
River Run Centre	Demand Control Ventilation	CO2 sensors installed to measure levels of CO2 as indicator of occupancy levels and to ensure fresh air supply is optimized to meet air quality requirements . Reduces energy consumption by optimizing fresh air amounts and the energy to condition the fresh air.	Completed
River Run Centre	LED Lighting retrofit	Lighting upgrade to LED lights for most of the facility including some theatrical lighting. Energy efficiency, improved light quality and reduced maintenance cost.	Completed
River Run Centre	Solar Powered Domestic Hot Water	Domestic hot water service to the full building powered renewable energy by solar panels, reduction in maintenance costs	Completed
River Run Centre	Chiller Replacement	Placement to chiller (cooling tower), energy efficiency, reduction in maintenance costs	Not Started

Corporate Environmental-Related Work

Page 3

Department/Location	Project Name	Brief Description	Status of Work
CAO/Intergovernmental Services	Alectra Inc. Green Energy & Technology Centre	Alectra Inc., in collaboration with the City of Guelph, is establishing a Green Energy and Technology Centre, which will act as a Clean Growth Hub or Innovation Centre that identifies, evaluates, develops and deploys emerging, green and customer-friendly energy solutions.	Q1 2019 – soft launch of centre completed Q2/Q3 2019 - preparing for the Official Launch of the GRE&T Centre - currently continuing to build partnerships and conducting community engagement and completing the hiring of the GRE&T Centre team
Intergovernmental Services	City of Guelph/County of Wellington Smart Cities Initiative: Circular Food Economy	In partnership with the County of Wellington, the City of Guelph is collaborating with businesses, community leaders researchers and educational institutions, government, and Stakeholders to create Canada’s first data and tech-driven circular food economy. The project will uncover opportunities to reduce our community’s environmental impact by creating new and innovative methods for reducing food transportation and waste transferred to our landfills, which cause GHG emissions.	Proposal submitted to Infrastructure Canada; decision for funding anticipated for May 14, 2019; implementation will commence Q3 2019 and continue to 2025

Corporate Environmental-Related Work

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Department/Location	Project Name	Brief Description	Status of Work
Street Lights	LED Streetlights and Adaptive Controls	Non-decorative lighting upgrades to LED lights to reduce energy consumption. Adaptive controls to also be installed to enhance maintenance efforts and allow for the dimming of light levels while meeting roadway lighting standards	In Progress
Solar	Solar PV MicroFIT Sites	City purchase of 78 kW of solar photovoltaics and repairs to Lawn Bowling and Lyons Pool systems to generate more renewable energy.	Completed
45 Municipal	LED Lighting Retrofit	Lighting upgrade to LED lights for the whole facility. Energy efficiency, improved light quality and reduced maintenance cost.	Preliminary Design Stage
45 Municipal	Renovation Design Energy Review	Energy design review to ensure energy efficiency measures are incorporated into the design.	Completed
50 Municipal	Renovation Design Energy Review	Energy design review to ensure energy efficiency measures are incorporated into the design.	Completed

Corporate Environmental-Related Work

Page 5

Department/Location	Project Name	Brief Description	Status of Work
Farmers' Market	Reduce Plastics	Working with vendors to reduce all single use plastics including grocery and carrier bags	Not started
Farmers' Market	Destratification Fans	High volume low speed fans installed throughout Farmers Market to significantly improve air circulation and thermal comfort. Will reduce energy used to heat the building.	In Progress
Farmers' Market	Airsource Heat Pump	High efficiency air source heat pump installed to heat and cool the office area. Will reduce heating energy for the building since whole building heating is no longer required to heat the occupied office during non market hours.	Completed
Farmers' Market	LED Lighting Retrofit	Lighting upgrade to LED lights for the entire Farmers Market interior. Energy efficiency, improved light quality and reduced maintenance cost.	Completed
Main Branch Library	Renovation Design Energy Review	Energy design review to ensure energy efficiency measures are incorporated into the design.	In Progress

Corporate Environmental-Related Work

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Department/Location	Project Name	Brief Description	Status of Work
Engineering and Transportation	Solar powered Pay and Display machines in Wyndham, East Surface and Macdonell lots	Installation of 6 new pay by plate parking kiosks powered solely by solar	Underway – completion Q4, 2019
Engineering and Transportation	Employee transit passes instead of parking	A program to encourage employees to return their parking pass and use Guelph Transit, 43 City Hall and some transit employees use passes	Ongoing program
Engineering and Transportation	EV charging stations in Wilson Parkade	First EV installation of charging stations in municipal parking facility, four stalls for EV charging to be installed in new parkade	Underway – completion Q4, 2019
Engineering and Transportation	Servicing Master Plans	Will evaluate and optimize energy consumption for systems (e.g., pump stations)	Initiation in 2019
Engineering and Transportation	LED conversion at the West Parkade	Conversion of parkade lighting, forecast to save conservatively 100,000 kWh/ year or approximately \$15, 000 per year in reduced expenditure for the City of Guelph	Underway – completion Q4, 2019

Corporate Environmental-Related Work

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Department/Location	Project Name	Brief Description	Status of Work
Engineering and Transportation	Active and Safe Routes to School	Support consortium of regional partners to increase the number of children who walk to school; Mostly focused on education and awareness to children and school communities about benefits of walking/cycling to school (environment, health, safety).	Ongoing since early 2000s. Currently co-managing a pilot project to establish paid adult-led walking school busses in two Guelph schools.
Engineering and Transportation	Active Transportation Preliminary Design Study	Feasibility study and design of active transportation facilities in several locations.	RFP In development
Engineering and Transportation	Woodlawn Rd W - Phase 3 - Imperial Rd N to Elmira Rd N	Installation of a fully separated, multi-use path along Woodlawn Road West.	In design
Engineering and Transportation	Natural Capital Asset Management Strategy	Development of an asset-specific asset management plan for Natural Capital assets. This will be a plan at the appropriate Level of detail that can capture the operating context of the service and support the Capital budget.	To be tendered in 2019
Engineering and Transportation	Asset Management Policy Objectives re Climate Change	Mitigate risk by understanding potential vulnerabilities to climate change and implement appropriate climate change adaptation and mitigation strategies	Ongoing

Corporate Environmental-Related Work

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Department/Location	Project Name	Brief Description	Status of Work
Engineering and Transportation	LED conversion at the East Parkade	Conversion of parkade lighting, forecast to save conservatively 100,000 kWh/ year or approximately \$15, 000 per year in reduced expenditure for the City of Guelph	Completed August, 2018
Engineering and Transportation	Solar power in Traffic control network	Currently implementing solar powered: <ul style="list-style-type: none"> • Flashing beacons • Flashing 40km/h school zone signs • Rapid Rectangular Flashing Beacons at Pedestrian Cross Overs • Some Speed Radar display boards (40% of our existing stock) 	Ongoing
Engineering and Transportation	Transportation Master Plan Update	Substantial update to the 2005 Guelph Wellington Transportation Strategy with a strong focus on sustainable transportation to address transportation pressures from projected population and employment growth and technological change. Modeling and recommendations will take into consideration GHG emissions of various alternatives explored.	Underway with completion anticipated in 2020
Engineering and Transportation	Carshare	Established contract and process for supporting expansion of car-sharing services in Guelph public parking facilities to support lower car ownership and increase in non-auto transportation modes.	One service provider with at least 7 vehicles in its Guelph fleet.

Corporate Environmental-Related Work

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Department/Location	Project Name	Brief Description	Status of Work
Engineering and Transportation	Active Transportation	Implementation of the Cycling Master Plan, Sidewalk Needs Assessment, and Active Transportation Network. Facilitates zero-carbon transportation options.	CMP ~60% complete; includes physical infrastructure (cycling network) and soft goals of educational awareness, enforcement, public events and incentives. ATN initiated in 2018 – Approximately 14% implemented as of end of 2018; SNA has completed most of the highest-ranked sections of missing sidewalk (~7% of the proposed work).
Waterworks	LED Lighting Retrofit	Lighting upgrades to LED lights for all pumping stations to reduce energy consumption and maintenance	Preliminary Design Stage

Corporate Environmental-Related Work

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Department/Location	Project Name	Brief Description	Status of Work
Waterworks	Storage Facility Design Energy Review	Energy design review to ensure energy efficiency measures are incorporated into the design.	Completed
Waterworks	Heritage Building Design Energy Review	Energy design review to ensure energy efficiency measures are incorporated into the design.	In Progress
Waterworks	Booster Pump VFD	Variable frequency drive installed for booster pump. Allows for modulation of water pumping to optimally meet water demand and greatly reduce energy use.	In Progress
Waterworks	Well Pump VFD	Variable frequency drive installed for well pump. Allows for modulation of water pumping to optimally meet water demand and greatly reduce energy use.	In Progress
Waterworks	Cooling System Right-Sizing	UV electrical room cooling equipment was oversized. Cooling equipment was right-sized to provide cooling at multiple stages as needed and reduce energy use	Completed

Corporate Environmental-Related Work

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Department/Location	Project Name	Brief Description	Status of Work
Street Lights	LED Streetlights and Adaptive Controls	Non-decorative lighting upgrades to LED lights to reduce energy consumption. Adaptive controls to also be installed to enhance maintenance efforts and allow for the dimming of light levels while meeting roadway lighting standards	In Progress
Solar	Solar PV MicroFIT Sites	City purchase of 78 kW of solar photovoltaics and repairs to Lawn Bowling and Lyons Pool systems to generate more renewable energy.	Completed
45 Municipal	LED Lighting Retrofit	Lighting upgrade to LED lights for the whole facility. Energy efficiency, improved light quality and reduced maintenance cost.	Preliminary Design Stage
45 Municipal	Renovation Design Energy Review	Energy design review to ensure energy efficiency measures are incorporated into the design.	Completed
50 Municipal	Renovation Design Energy Review	Energy design review to ensure energy efficiency measures are incorporated into the design.	Completed

Corporate Environmental-Related Work

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Department/Location	Project Name	Brief Description	Status of Work
Sleeman Centre	District Energy	Shared heating and cooling towers, reducing carbon footprint, heat exchanger tied in to reduce energy consumption in the disposal of snow from ice resurfacing	Complete
Sleeman Centre	LED Lighting retrofit	Lighting upgrade to LED lights for most of the facility including for the ice / pad surface, dimmable features for greater control, all exit lights. Energy efficiency, improved light quality and reduced maintenance cost.	Complete
Sleeman Centre	Refrigeration replacement	Replacement to ice surface refrigeration units, Energy efficiency, upgrades to BAS control systems for great monitoring, improved light quality and reduced maintenance cost.	Complete
Solid Waste	LED Lighting Retrofit	Lighting upgrades to LED lights for Household Hazardous Waste and Transfer Station areas to reduce energy consumption and maintenance	In Progress
Solid Waste	Demand Response	Interval meters installed on electrical meters to monitor electrical demand of the Materials Recovery Facility and the Organics Facility. This allows for real-time monitoring to reduce electrical peak demands during provincial electrical peaks and reduce electricity cost but also reduce electrical demand on the grid.	Completed

Corporate Environmental-Related Work

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Department/Location	Project Name	Brief Description	Status of Work
Parks	Parks Washroom Facility Renovations Energy Reviews	Energy design review to ensure energy efficiency measures are incorporated into the design.	Completed
Parks	Sportsfield LED Lighting Retrofit	Lighting upgrades to LED sportsfield lighting to enhance light quality, reduce maintenance cost and reduce energy consumption	Preliminary Design Stage
Parks	Splashpad VFD	Variable frequency drive installed for splash pad pump. Greatly reduces energy and water use.	Completed
Riverside Park	Carousel - LED Lighting Retrofit	Lighting upgrade to LED lights to improve light quality for maintenance activities but also introduce decorative lighting to enhance user experience	In Progress
Recreation	Energy Efficiency Operator Training	Hold relevant energy awareness training for Recreation Operator Staff to identify energy efficiency opportunities and implement measures.	Detailed Design Stage

Corporate Environmental-Related Work

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Department/Location	Project Name	Brief Description	Status of Work
West End Community Centre	High Efficiency Hot Water Heaters	Old energy inefficient draft appliances replaced with condensing high efficient water heaters to lower natural gas consumption	Completed
West End Community Centre	Cooling Tower Upgrade	Cooling tower for the WECC ice plant is due for replacement. The Cooling tower is to be replaced and upgraded to include a variable frequency drive to enable the system to run optimally and energy efficiently (floating head pressure)	Detailed Design Stage
West End Community Centre	Pool Drain Water Heat Recovery	Systems installed on the lap pool and leisure pool to recover heat from the pool drain water and use it to preheat the incoming cold freshwater. The system also optimizes water drainage volumes based on bather head counts to meet pool regulations and conserve water	Completed
West End Community Centre	LED Lighting Retrofit	Lighting upgrade to LED lights for the remaining areas to have the whole facility retrofitted. Energy efficiency, improved light quality and reduced maintenance cost.	In Progress
South End Community Centre	Energy Modelling and Energy Design Review	Energy design review to ensure energy efficiency measures are incorporated into the design. Energy modelling completed to inform business case decisions on energy measures.	In Progress

Corporate Environmental-Related Work

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Department/Location	Project Name	Brief Description	Status of Work
Victoria Road Recreation Centre	Ice Plant Controller	Controller installed at the VRRC ice arena to vary the fan speeds of the cooling tower to cool refrigerant at the optimal levels and operate the compressors at higher energy efficient levels	Completed
Victoria Road Recreation Centre	Cool Water Ice Flooding	Install device that deaerates water to allow for reduced water heating for ice flood water. Water is normally heated to high temperatures to remove air bubbles and uses energy for heating. By mechanically deaerating less energy is required for heating.	Preliminary Design Stage
Victoria Road Recreation Centre	Pool Dehumidification Heat Recovery	Dehumidification system was installed to recover heat from humidity in the pool area and use the recovered heat to preheat the cold pool water. Reduces natural gas consumption.	Completed
Victoria Road Recreation Centre	Air Handler VFDs and ERVs	Air handlers installed equipped with energy recovery ventilators to recover energy in the exhaust air and use it to preheat unconditioned fresh air. Air handlers are also equipped with variable frequency drives to modulate fan speeds to supply air on an on-demand basis	Completed

Corporate Environmental-Related Work

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Department/Location	Project Name	Brief Description	Status of Work
Clair Road Emergency Services Centre	Exterior - LED Lighting Retrofit	Lighting upgrade to LED lights for the CRESC exterior lights and parking lot lights. Energy efficiency, improved light quality and reduced maintenance cost.	Completed
Clair Road Emergency Services Centre	Building Envelope and HVAC Investigation	Building science engineers retained to review building envelope and HVAC systems to improve building energy performance.	In Progress
Fire Hall Headquarters	LED Lighting Retrofit	Lighting upgrade to the Fire Hall apparatus floor area. Significantly improved light quality in the area where fire vehicle maintenance and repairs are conducted.	Completed
POA Courts	Exterior - LED Lighting Retrofit	Lighting upgrade to LED lights for the POA Courts facility exterior lights. Energy efficiency, improved light quality and reduced maintenance cost.	Completed
POA Courts	Submetering	Energy submeter installation to track electrical , hot water and chilled water energy consumed by each facility Courts and City Hall	In Progress

Corporate Environmental-Related Work

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Department/Location	Project Name	Brief Description	Status of Work
Transit Garage	BAS Optimization	Improvements to the building automation system logic to provide the required fresh air supply to maintain air quality standards in the bus barn area. Reduces energy consumption by optimizing fresh air amounts and the required energy to condition the fresh air.	Completed
Transit Garage	LED Lighting Retrofit	Lighting upgrade to the Mechanics area. Significantly improved light quality in the area where vehicle maintenance and repairs are conducted.	Completed
Transit	Solar Powered Bus Shelters	New lights at bus shelters powered by renewable energy from solar panels	In Progress

Corporate Environmental-Related Work

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Department/Location	Project Name	Brief Description	Status of Work
Guelph Museums	LEEDs silver certification	Building awarded Lead in Energy and Environmental Design (LEED) Silver certification when opened the Civic Museum in 2012.	Completed
Guelph Museums	Masonry Project	Upgrades to all exterior walls, increasing heating and cooling energy efficiency, increased humidity control as required for collection	Completed
Guelph Youth Music Centre	Exterior - LED Lighting Retrofit	Lighting upgrade to LED lights for the Navy Club and Guelph Youth and Music facility exterior lights. Energy efficiency, improved light quality and reduced maintenance cost.	Preliminary Design Stage
Evergreen Seniors Centre	Exterior - LED Lighting Retrofit	Lighting upgrade to LED lights for the Evergreen exterior lights and parking lot lights. Energy efficiency, improved light quality and reduced maintenance cost.	In Progress

Corporate Environmental-Related Work

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Sustainable Service Delivery Programs	Brief description	Reoccurring or New Project	Project Lead
Royal Flush Rebate Program	As per the Water Efficiency Strategy, rebate replacement of inefficient toilets with WaterSense labelled models to reduce water consumption permanently	Reoccurring	Water Services
Residential Water Audits - eMERGE Home Tune-up	As per the Water Efficiency Strategy, offer free water audits in home for Guelph residents to identify possibilities for water savings and personalize report to include tailored recommendations for applicable rebates	Reoccurring	Water Services
Blue Built Home	As per Water Efficiency Strategy, voluntary standard and rebate program for new, retrofitted single family home and retrofitted multi-residential buildings to be water efficient. (2019 - program enhancement to include new multiresidential construction)	Reoccurring	Water Services
Multi-residential Water Audit Program	As per Water Efficiency Strategy, program to allow for auditing of multi-residential units to recommend changes to improve water efficiency and tailor program recommendations to access rebates.	Reoccurring	Water Services
Residential Sub-water Meter Rebate Program	As per Water Efficiency Strategy, program to provide Guelph residents real-time information on their water use, to decrease demand.	Reoccurring	Water Services
Outside Water Use Program	Delivering on the program requirements of the Outside Water Use Bylaw, restricting outside water use during peak season demand for water; facilitate permits and customer service	Reoccurring	Water Services

Corporate Environmental-Related Work

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Sustainable Service Delivery Programs	Brief description	Reoccurring or New Project	Project Lead
Healthy Landscapes - Visits, Speaker Series, Design Course	Offers free information and backyard visits to support residents in designing and installing landscapes that are water efficient, reducing their dependence on treated drinking water during peak season demand; NEW! Container and Condo Gardening Pilot course(s).	Reoccurring	Water Services
Healthy Landscapes Demonstration Gardens	Maintaining and promoting perennial demonstration gardens around the city; NEW! Online map with Community Gardens.	Reoccurring	Water Services
Healthy Landscapes program revision - Industrial, Commercial, Institutional customers (coming 2020)	In line with NHAP, offer free landscape visits to support ICI water users in designing and installing landscapes that are water efficient, reducing their dependence on treated drinking water during peak season demand.	New; reoccurring	Water Services
Residential Raingarden Rebate Program: Stormwater led; Outside Water Use supported	As per Water Efficiency Strategy, Water Services and Stormwater are collaborating on an incentive, rebate program for residents who manage stormwater on their property, diverting water to the storm sewer system and reduce use of treated drinking water. Pilot 2019.	NEW	Water Services
Water Loss Management (leak detection)	Proactive annual sounding and correlation leak detection and repair program to capture wasted treated water (unbilled). Ongoing work with bringing District Metered Areas online to track, monitor and correct for (i.e. resolve water main, valve and hydrant leaks) wasted treated water sent to system.	Reoccurring	Water Services

Corporate Environmental-Related Work

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Sustainable Service Delivery Programs	Brief description	Reoccurring or New Project	Project Lead
Water Smart Business Program	As per the Water Efficiency Strategy, program to support Industrial, commercial and institutional water users in Guelph to review, audit and provide incentives to buy back water capacity when capital upgrades to permanently reduce water demand of facility. Offers workshop for technical information, program promotion.	Reoccurring	Water Services
Municipal Water Efficiency Upgrades	As per the Water Efficiency Strategy, staff to support Facilities in completing water audits/reviews and integrating water efficient technologies, fixtures and plumbing practices to City-facilities; pilot projects at City-facilities, where feasible.	Reoccurring	Water Services
Public and Youth-based event programming	As per the Water Efficiency Strategy and Source Protection Plan, ongoing programming to engage community to increase local water literacy, and use water wisely. 2019 programming includes: H2Awesome, H2O Go Festival, Water Services Open House, Wacky Water Week (formerly Canada Water Week), Tap Water Promotion campaigns and NEW! Imagine a Day Without Water; Summer Camp program design; Girl Guide/Boy Scout Badge program	Reoccurring	Water Services
Well Decommissioning Rebate Program	Program for incentivizing residents, businesses to properly cap and decommission private wells.	New	Water Services

Corporate Environmental-Related Work

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Projects	Brief description	Reoccurring or New Project	Project Lead
Water Softener Study	As per the Water Efficiency Strategy. Study to determine if both the Region of Waterloo and the City of Guelph should pursue rebates/ programming with respect to alternative technologies to soften water, which do not use salt.	New	Water Services
Water Energy Nexus Study	As per Water Efficiency Strategy, establish full cost of water provision, and communication methods to support Guelph residents and businesses to achieve water savings.	New	Water Services
Water Reuse Research: in partnership with Wastewater	Research and potential pilot to use high quality treated effluent from the wastewater treatment plant to offset use of drinking water for non-potable needs (i.e. sewer flushing, and other centralized water reuse applications). 2018-2019 Research with University of Guelph	New	Water Services
Cooling Tower Research	As per Water Efficiency Strategy, research with Alliance for Water Efficiency to support the development of efficient cooling tower standards (known water wasters) to establish a conductivity sensor/meter rebate (for 2022).	New	Water Services

Corporate Environmental-Related Work

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Tracking and Monitoring	Brief description	Reoccurring or New Project	Project Lead
Compliance and KPI Tracking - Integrated Water Mapping	Monitoring water use and demand trends, including tracking of program uptake and quantifiable savings/capacity buyback. Integrating all water data from different areas within and external to the organization e.g. avg. daily consumption, to inform key performance indicators.	Reoccurring	Water Services
Water Balance	annual reconciliation of KPIs to determine revenue/non-revenue water used in the system; data supports come from internal and external reportees - wastewater, fire, facilities, Public Works	Reoccurring	Water Services
Guelph Water Wagon	Provision of drinking water for large, outdoor community events with 500+ attendees where access to tap water otherwise is limited; waste reduction initiative.	Reoccurring	Water Services
Access to water fountains with bottle fillers: in partnership with Parks	Lead by Parks and Open Space Planning, Water Services financially supports the installation of water fountains with bottle fillers in several public spaces to ensure public access to tap water. They are wrapped with the Bring, Fill, Drink imaging. 2018 - Riverside Park; 2019 - Larry Pearson; waste reduction initiative.	Reoccurring	Water Services

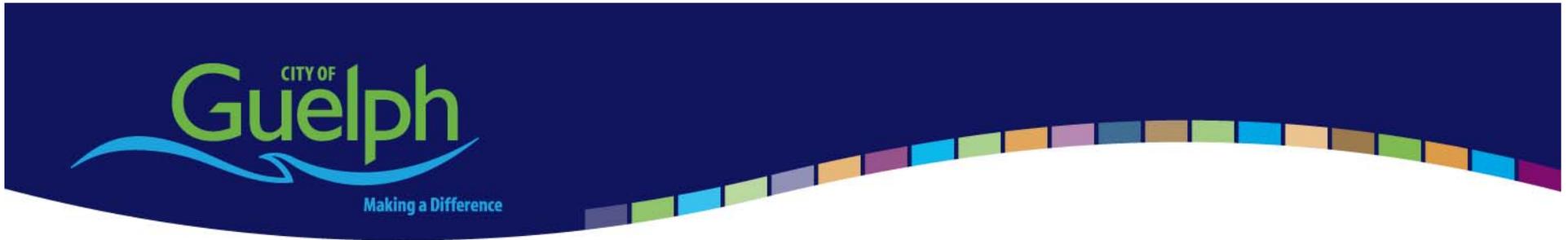
Corporate Environmental-Related Work

Page 24

Construction Projects, other initiatives	Brief description	Reoccurring or New Project	Project Lead
FM Woods Station, other well house Upgrades - captured by Facilities	Woods station upgrades to pumps, valves, office space, motor control centre (makes the pumps work) to be completed based on asset life exceedances of essential equipment and optimize performance. 5-10 year project.	New	Water Services
Arkell Springs Master Plan	The Arkell Spring Grounds are in important area to protection water supply. Many activities currently occur on the property which need to be managed. This plan will aim to coordinate a long-term plan for the property for management and budget development.	New	Water Services
Water Services Energy Efficiency Program	To look at the entire water services system and determine where optimization can take place to reduce energy use. Working with Corporate Energy (Bryan Ho-Yan) on facility audits and find opportunities to be implemented when planned capital works are completed. Monitor energy use for creating efficiency for future funding opportunities.	Reoccurring	Water Services

Energy Targets

1. Community Energy Target:
 - Net Zero Carbon by 2050
 2. Corporate Energy Target:
 - 100% Renewable Energy by 2050
- Both targets align with environmental sustainability
 - Both the community and the corporation have specific approaches on how to tackle each target



Community Energy Initiative Update: Pathway to Net Zero Carbon by 2050

May 6, 2019
IDE Committee of the Whole

Alex Chapman, BAsC, MBA, CEM, REP
Manager, Climate Change Office

Starting OEG on the right foot

Putting the “Community” back in Community Energy Initiative

- The new pathway to net zero carbon combines climate action with economic development, including job creation
- Continued support from the City will position Our Energy Guelph for success
- A service agreement with Our Energy Guelph is requested
- Funding the Executive Director position over five years will allow Our Energy Guelph to implement the actions in the low carbon pathway and achieve the CEI objectives

Paving the way

Setting the stage for broad community support/participation

Year	OEG budget	City share	City contribution
2020	\$175,000	100%	\$175,000
2021	\$178,500	90%	\$161,000
2022	\$182,100	80%	\$145,500
2023	\$185,700	65%	\$120,500
2024	\$189,400	50%	\$94,500
Total			\$696,500

Staff Report



To **Committee of the Whole**
Service Area Infrastructure, Development and Enterprise Services
Date Monday, May 6, 2019
Subject **Corporate 100% Renewable Energy Target By 2050**
Report Number IDE-2019-44

Recommendation

1. That the Corporate 100% Renewable Energy Target (100RE Target) definition be received and adopted;
 2. That staff be directed to develop a capital reserve fund strategy to support the Corporate energy optimization projects through the 2020 capital budget process;
 3. That the capital and operating costs to enable progress towards the 100RE Target be referred to the 2020 budget process; and
 4. That staff provide a Corporate Energy Progress Report on an annual basis.
-

Executive Summary

Purpose of Report

- To respond to the May 28, 2018 and June 26, 2017 (Clause 1) council motions;
- To clearly define the Corporate 100% Renewable Energy Target (100RE Target);
- To detail how to effectively strive towards the 100RE Target;
- To identify capital budget planning impacts;
- To identify operating resource needs;
- To recommend a process for the review of new program and policy development initiatives through the establishment of a Corporate Energy Management System.

Key Findings

- The 100RE Target has been clearly defined in this report;
- An energy management system is recommended to effectively move the Corporation towards achieving the 100RE Target. Critical items include:
 - Commitment from top management;
 - Annual reviews for continuous improvement;
 - Training and awareness building for staff;
 - Regular communication of results to the entire Corporation;
- Over 23% of the Corporation's energy use is supplied by renewable energy sources;
- Adopting the 100RE Target and the methodology of prioritizing energy conservation is a key pathway towards significantly reducing Corporate carbon emissions.

Financial Implications

A pathway to the 100RE Target will require both human and fiscal resources. A dedicated project manager is needed to work with our service delivery managers and make incremental change over time and to consider energy management functionality on projects across the City. This project management position will be referred to the 2020 operating budget process.

From a capital budget perspective, staff recommend that at least \$500,000 on an annual basis be dedicated to fund energy management projects. To support the 100RE Target, a Corporate reserve fund strategy will be required in order to report and account for initiatives across the City. Similar to the City Building, Growth and Infrastructure Renewal Reserve Funds already in place, staff are considering a new reserve fund for 100RE. This estimated \$500,000 is a mix of both tax and non-tax supported funding and the division of this funding requires further analysis. The allocation of these funds to capital projects will occur through the capital budget process and will be identified through an annual energy review and appropriate business case justification. This capital funding allocation will also be considered through the 2020 operating tax and non-tax budgets.

Report

Background

At the Council meeting on May 28, 2018, the following motion was passed:

1. That the Corporation of the City of Guelph will strive to achieve one hundred percent of its energy needs through renewable sources by 2050.
2. That Staff be directed to report back to the next term of Council on the most effective way for the Corporation to work towards achieving this goal, including information on, but not limited to, the impact on capital budget planning, potential resource needs, and a recommended process for the review of new program and policy development initiatives.

Prior to the above motion, at the June 26, 2017 Council meeting, Council had directed staff to:

1. Explore pathways for transitioning the Corporation to net zero, or similar, low carbon designation;

The purpose of this report is to directly address the May 28, 2018 motion and provide further detail on the Corporate 100% Renewable Energy Target (100RE Target) for the Corporation of the City of Guelph (the Corporation). Given the similar nature of both motions, the June 26, 2017 – Clause 1 motion will also be addressed through this report.

What is 100% Renewable Energy?

As a general guideline, a 100% renewable energy target is fully achieved when the annual energy consumed by a defined area is equal to or exceeded by the amount of renewable energy generated within or imported into the defined area.

The above is a broad definition and is intended to be further defined by the organization adopting this target. For an organization to be effective in achieving a target, the organization must first clearly define the target. Setting this foundation will enable the organization to make strategic decisions to progress towards the target.

The City of Guelph's Corporate 100% Renewable Energy Target – Defined

As per the Council May 28, 2018 motion, the City of Guelph's Corporate 100% Renewable Energy Target (100RE Target) is as follows:

- **“The Corporation will strive to achieve one hundred percent of its energy needs through renewable sources by 2050”**

This is further defined as, the Corporation's annual (calendar year) energy consumption is to be equal to or less than the amount of renewable energy generated within or imported into the defined scope and boundary.

It is to be recognized that striving towards the 100RE Target in the proposed manner (detailed later in this report) will be a key pathway towards significantly reducing Corporate carbon emissions.

Timing

The Corporation will strive to improve its energy performance towards the 100RE Target and is to be achieved by 2050.

Scope and Boundaries

The system scope and boundaries of the 100RE Target are to be clearly defined to accurately track progress against the target. The system scope and boundaries are illustrated in Figure 1, and will include the following:

- Corporate facility energy use
 - Building systems;
 - Process systems;
 - Streetlights;
- Corporate fleet vehicle energy use;
- Renewable energy generated by the Corporation;
- Renewable energy imported into the scope and boundaries.

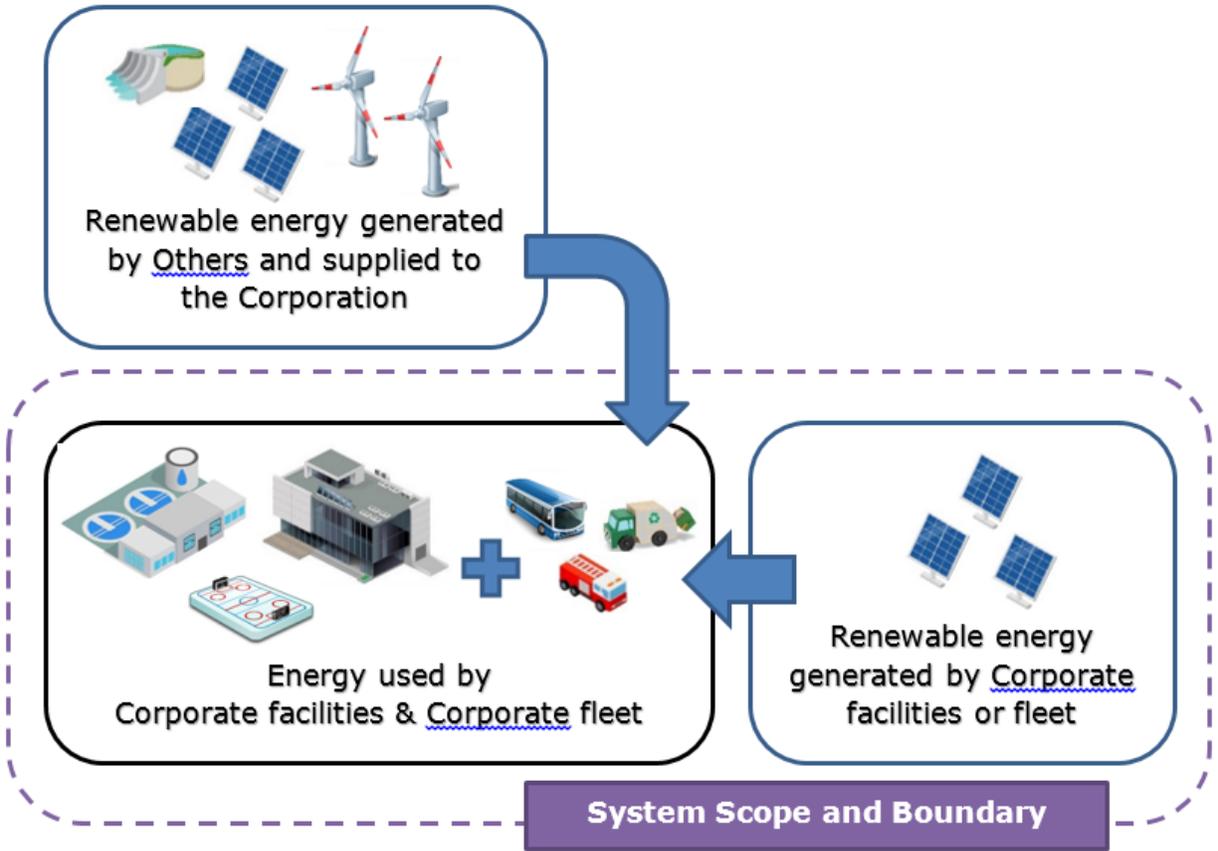


Figure 1: Corporate energy system scope and boundaries

Types of energy supplies

The Corporation uses different types of energy supplies. Kilowatt-hour equivalent (kWh_e) will be used as the common unit of energy for accounting purposes and measuring performance against the 100RE Target.

The following types of energy supplies are included within the 100RE Target:

Table 1: Types of energy supplies

Energy supply	Typical unit of measure	Equivalent energy content ¹ (kWh _e /unit of fuel)
Electricity	kWh (kilowatt-hours)	1.00
Natural gas	m ³ (cubic metres)	10.78
District energy (heating and cooling)	MMBtu (million British thermal units)	293.07
Propane	L (litres)	7.07
Diesel	L	10.64
Gasoline	L	9.33
Digester gas	m ³	6.76

Types of Renewable Energy Sources

There are several types of renewable energy sources. Energy supplies from the following sources will be recognized as renewable energy supplies:

- Hydro
- Wind
- Biofuel (includes digester gas, biodiesel and ethanol)
- Solar

Energy accounting principles

Energy accounting will consider the ratio of the total renewable energy supplied to or generated by the Corporation to the total energy consumed by the Corporation.

$$\frac{\text{Total renewable energy supplied to or generated by the Corporation}}{\text{Total energy consumed by the Corporation}} = \text{Corporate energy percentage renewable}$$

Equation 1: 100RE Target calculation

Total Energy Consumed:

This is the total energy consumed by the Corporation as defined by the scope and boundary. This will be based strictly on utility bills, metered data and invoices from bulk fuel purchases.

¹ Source: Energy Units and Calculators Explained, US Department of Energy, 2017

Total Renewable Energy:

Energy supplies can be broken down into two categories - (i) supplied to; and (ii) generated by.

(i) Supplied to -

- As mentioned, the Corporation imports and consumes different types of energy supplies from different energy sources. The imported energy is from both renewable and non-renewable sources. The imported renewable energy supplies will be accounted for based on the proportion of renewable energy of the given energy source type for that year. For example, if Ontario's annual electrical energy² is supplied by 30% renewable sources and 70% non-renewable sources, then the Corporation will consider 30% of the electricity imported for that same year to be supplied by renewable sources.

(ii) Generated by -

- Renewable energy generation within the boundary will be considered as 100% renewable energy generation for the Corporation.
- This would include Feed-In-Tariff (FIT) and net-metered situations. Care is to be taken that double accounting does not occur.

Current State

Based on the 100RE Target definition and the accounting principles, the current state (2018 calendar year) of the Corporation is as follows:

² Independent Electricity System Operator (IESO) releases an annual report of transmission connected electricity supply detailing the proportion of electricity supplied by each different renewable and non-renewable resource.

100RE Target Performance Tracking

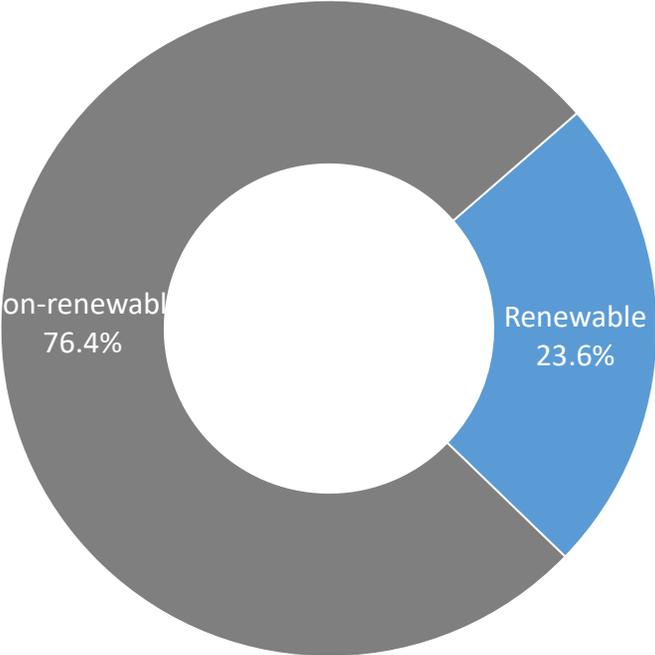


Figure 2: 2018 Corporate energy 100RE target performance

As seen in Figure 2, over 23% of the Corporation’s total energy consumption is currently sourced from renewable energy sources.

The renewable sources include:

Table 2: Corporate renewable energy supplies

Renewable Energy Source	Location	Ownership	Renewable Energy Amount (kWh_e)	Percent Contribution
Multiple	Electricity Grid	IESO	18,379,539	49.3%
Solar Photovoltaics	<ul style="list-style-type: none"> • 45 Municipal • Fire Hall #3 • Fire Hall #5 • Fire HQ • Lawn Bowling Club • Lyon Park Pool • River Run Centre • Speedvale Tower 	Corporate	78,299	0.2%
Solar Thermal	<ul style="list-style-type: none"> • Clair Road Emergency Services Centre • Fire HQ • River Run Centre • Transit Garage 	Corporate	6,000 (estimated)	0.02% (estimated)
Digester Gas	Wastewater Treatment Plant	Corporate	16,427,169	44.0%
Biodiesel	Fuel Supply	Fuel Supplier	1,613,076	4.3%
Ethanol	Fuel Supply	Fuel Supplier	794,477	2.1%
Total	n/a	n/a	37,298,560	100%

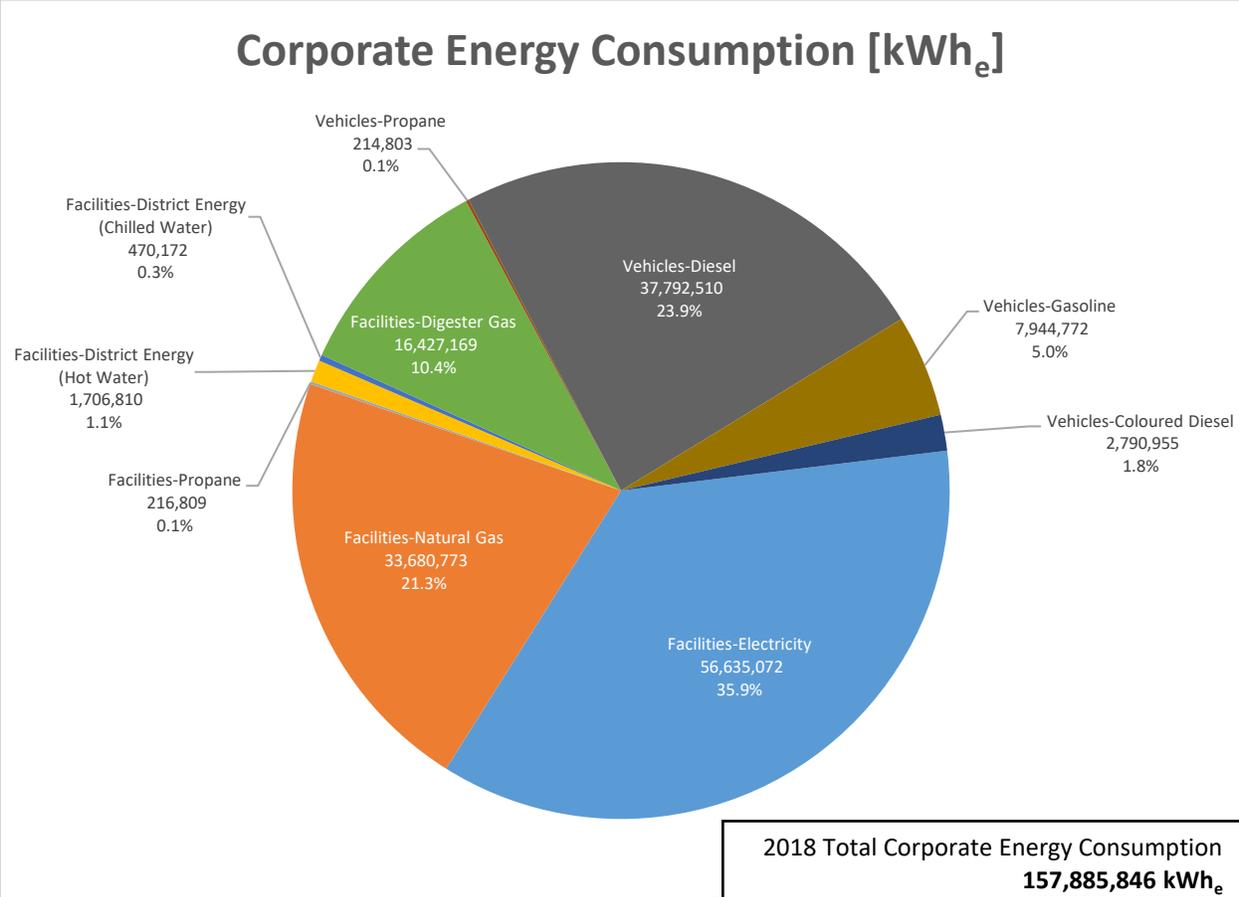


Figure 3: Corporate energy consumption

The breakdown of total energy consumption can be seen in Figure 3. Nearly 70% is attributed to facility and infrastructure energy use and over 30% to vehicle energy use. The highest energy type consumed by the Corporation is electricity followed by diesel fuel and natural gas.

Working towards 100% renewable (next steps)

The following model is to be adopted to effectively strive towards the 100RE Target.

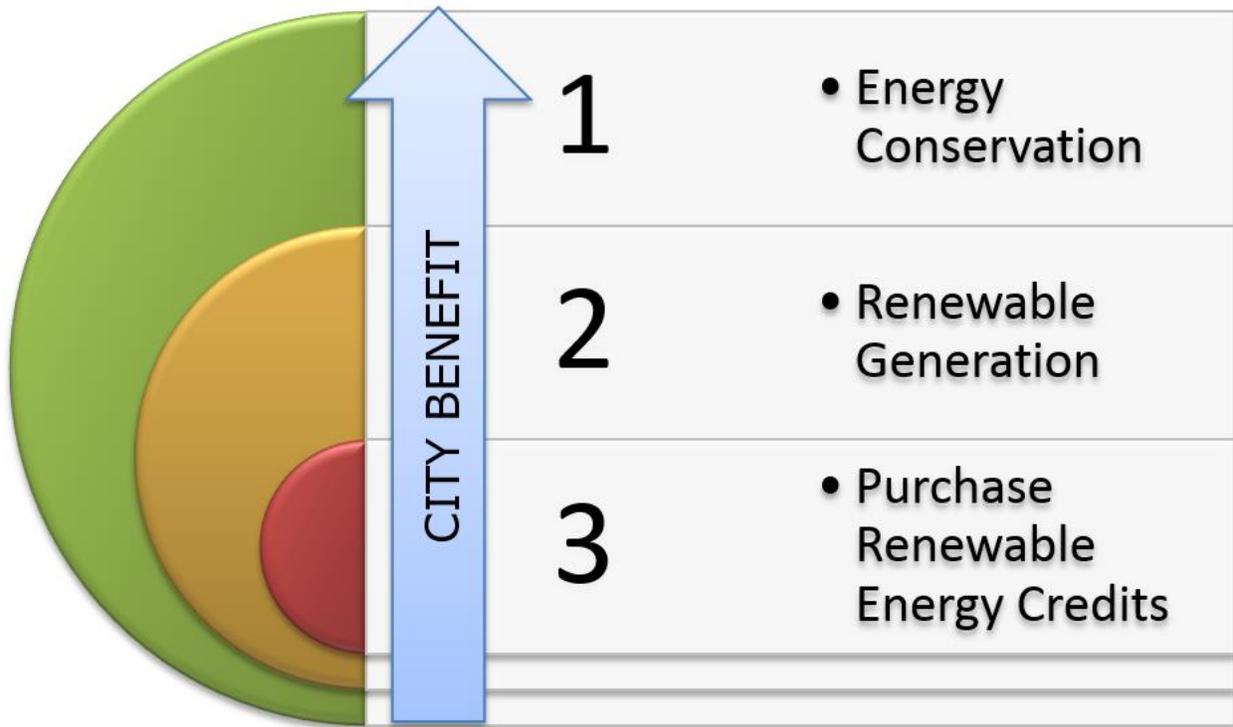


Figure 4: Corporate 100RE model

1. **Energy conservation** – priority is to be placed on energy conservation efforts. This would include operational and capital activities. By focusing on conservation first, the Corporation can right-size operations, reduce utility costs and carbon emissions, while avoiding the purchase of unnecessary renewable generation or renewable energy credits.
2. **Renewable generation** – this is to be a secondary consideration following energy conservation. Renewable generation is to provide renewable energy supplies for Corporate energy consumption.
3. **Purchasing renewable energy credits** – renewable energy credits (RECs) are paying a premium on top of standard electricity, natural gas and other fuel utility costs to a third party. The third party will invest these funds in renewable energy generation projects (likely in other regions). In the event that RECs are purchased, the third party offerer must be accredited with all RECs validated. At time of writing, the premium for renewable energy credits is in the range of 17% to 52% of utility costs. This should be used as a last resort as there is no long-term benefit to the Corporation.

Establish Corporate Energy Management System

A systematic continuous-improvement approach to manage Corporate energy use is needed to reach the 100RE goal. The Corporate Energy Management System (EnMS) should include the following critical elements:

- Corporate EnMS policy
 - Includes a commitment to continuous improvement in the Corporate energy performance;
 - Includes a commitment to ensure the availability of information and necessary resources;
 - Documented and communicated at all levels within the organization

- Top management support
 - Executive team support of the Corporate EnMS policy;
 - Top management to communicate the importance of energy management to those in the organization;
 - Top management to conduct regular (at least annual) reviews of the Corporate EnMS and its effectiveness and identifying and addressing continuous improvements;
- Clear definition of the 100RE Target and stated objectives that move the organization towards the 100RE Target;
- Use of data to better understand and make decisions about energy use;
- Measurement and communication of the Corporate energy performance results to the entire organization;

Capital budget planning impact

The Corporate Energy division works closely with the different City departments to integrate energy efficiency thinking into capital projects. It is through these partnerships that the Corporate Energy division gain a better understanding of the facilities and processes, and that the Corporation can achieve the 100RE goal.

Capital projects generally exist in three different manners:

- Planned lifecycle replacement/retrofit
 - The Corporate Energy division must continue to actively participate in the capital planning and review process. This is to identify key projects where energy efficiency measures are to be integrated into the design to improve the operations that will impact the Corporation's energy consumption.
- New construction
 - The Corporate Energy division should continue to provide subject matter expertise for new construction projects so that energy efficient design can be effectively incorporated. As new construction projects come online, the Corporate energy consumption will increase. High energy standards should be applied effectively to ensure the energy impacts are managed and align with the 100RE Target and throughout the life of the asset.
- Energy optimization projects
 - These projects are identified when conducting energy reviews of Corporate facilities and processes with the expert staff within different departments. Once again, by gathering an understanding of the business needs of the facility or process, the energy management lens can be applied and identify changes to optimize a process while reducing energy consumption. To progress towards the 100RE Target, the Corporation must commit capital funding towards energy optimization. The projects are to be evaluated based on energy savings and business case.

It is proposed that a dedicated 100RE Reserve Fund be investigated and considered through the 2020 budget process. The 100RE Reserve Fund will be designed to provide capital funding support for the implementation of Corporate energy optimization capital projects as detailed above.

- Near term, 100RE funding is estimated to be \$500,000 for 2020, and at least \$500,000 per year for 2021 and 2022. This \$500,000 is a mix of both tax

and non-tax supported funding. The initial amount of \$500,000 is to be used to implement Corporate energy optimization projects and is based on targeting 1,000,000 kWh_e annual reduction and assuming an average energy utility rate of \$0.10 per kWh_e with an average 5 year financial payback.

- As mentioned, annual Corporate EnMS reviews are to be held and will include a report of projects implemented, amount of capital mobilized, estimated energy savings, expected project paybacks, and future projects and capital requests. Based on the review, 100RE energy optimization capital funding will be adjusted accordingly.
- The following project priorities are envisioned for 2020 and 2021 to enable progress to the 100RE Target:

Table 3: Envisioned 2020 and 2021 Corporate Energy projects

Proposed project	Estimated energy savings [kWh_e]	Estimated Individual Project 100RE Target Contribution	Estimated Capital Cost	Project Type
Wastewater Aeration Upgrades	6,746,178	1.05%	\$3,850,600 ³	Energy Conservation
5 Whole Building Retro-commissioning	375,000	0.06%	\$175,000	Energy Conservation
5 Whole Building Lighting Retrofits	500,000	0.08%	\$375,000	Energy Conservation
180 kW Solar PV Installation	198,000	0.13%	\$450,000	Renewable Generation
Total - 100RE Funded Projects	1,073,000	0.26%	\$1,000,000	n/a
Total - All Listed Projects	7,819,178	1.31%	\$4,850,600	n/a

Operating resource needs

To date, the Corporate Energy division has done an effective job of building relationships with the various departments throughout the Corporation and implementing energy projects. The Corporate Energy division is currently made up of the Corporate Energy, Program Manager and utilizes a Project Manager (contract position) from the Facilities Management department. To effectively move the organization towards the 100RE Target, additional Corporate Energy resources are required:

³ Wastewater Services funded project

- Hire an additional Project Manager for the Corporate Energy division. Have this position as a permanent full-time position.

The following tasks are to be fulfilled by the Corporate Energy division resources:

- Collaborate and support staff to apply energy management into daily operations and maintenance activities;
- Energy review and advisory of asset renewal projects;
- Energy review and advisory of new construction projects;
- Project development in partnership with other departments of energy optimization projects;
- Project management for energy optimization project implementation;
- Effective handover and ongoing support to energy optimization project users and after projects are implemented;
- Energy data management
- measure and track Corporate energy performance;
- inform decision making;
- Communicate 100RE performance;
- Provide awareness training to all staff of the Corporate EnMS and 100RE Target;
- Maintain the Corporate EnMS.

Financial Implications

A pathway to the 100RE Target will require both human and fiscal resources. A dedicated project manager is needed to work with our service delivery managers and make incremental change over time and to consider energy management functionality on projects across the City. This project management position will be referred to the 2020 operating budget process.

From a capital budget perspective, staff recommend that at least \$500,000 on an annual basis be dedicated to fund energy management projects. To support the 100RE Target, a Corporate reserve fund strategy will be required in order to report and account for initiatives across the City. Similar to the City Building, Growth and Infrastructure Renewal Reserve Funds already in place, staff are considering a new reserve fund for 100RE. This estimated \$500,000 is a mix of both tax and non-tax supported funding and the division of this funding requires further analysis. The allocation of these funds to capital projects will occur through the capital budget process and will be identified through an annual energy review and appropriate business case justification. This capital funding allocation will also be considered through the 2020 operating tax and non-tax budgets.

Consultations

Members of staff that were consulted and provided information, review and insight include:

- Tara Baker – General Manager, Finance;
- Greg Clark – Manager Financial Strategy Long Term Planning, Finance;
- Brent Andreychuk – Corporate Analyst, Finance;
- Chris Hill – Program Manager Fleet Planning, Operations;
- Joe Amaral – Manager Fleet Services, Operations;
- Jean Starchuk – Project Manager Facilities, Facilities Management;
- Tim Robertson – Division Manager, Wastewater Services;

Corporate Administrative Plan

Overarching Goals

Service Excellence

Financial Stability

Innovation

Service Area Operational Work Plans

Our Services - Municipal services that make lives better

Our People - Building a great community together

Our Resources - A solid foundation for a growing city

Attachments

None

Departmental Approval

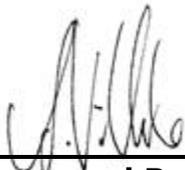
Not applicable

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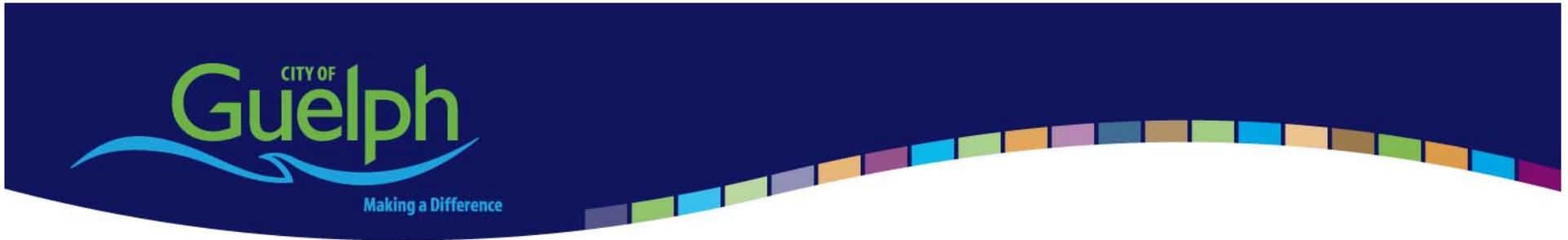


Recommended By

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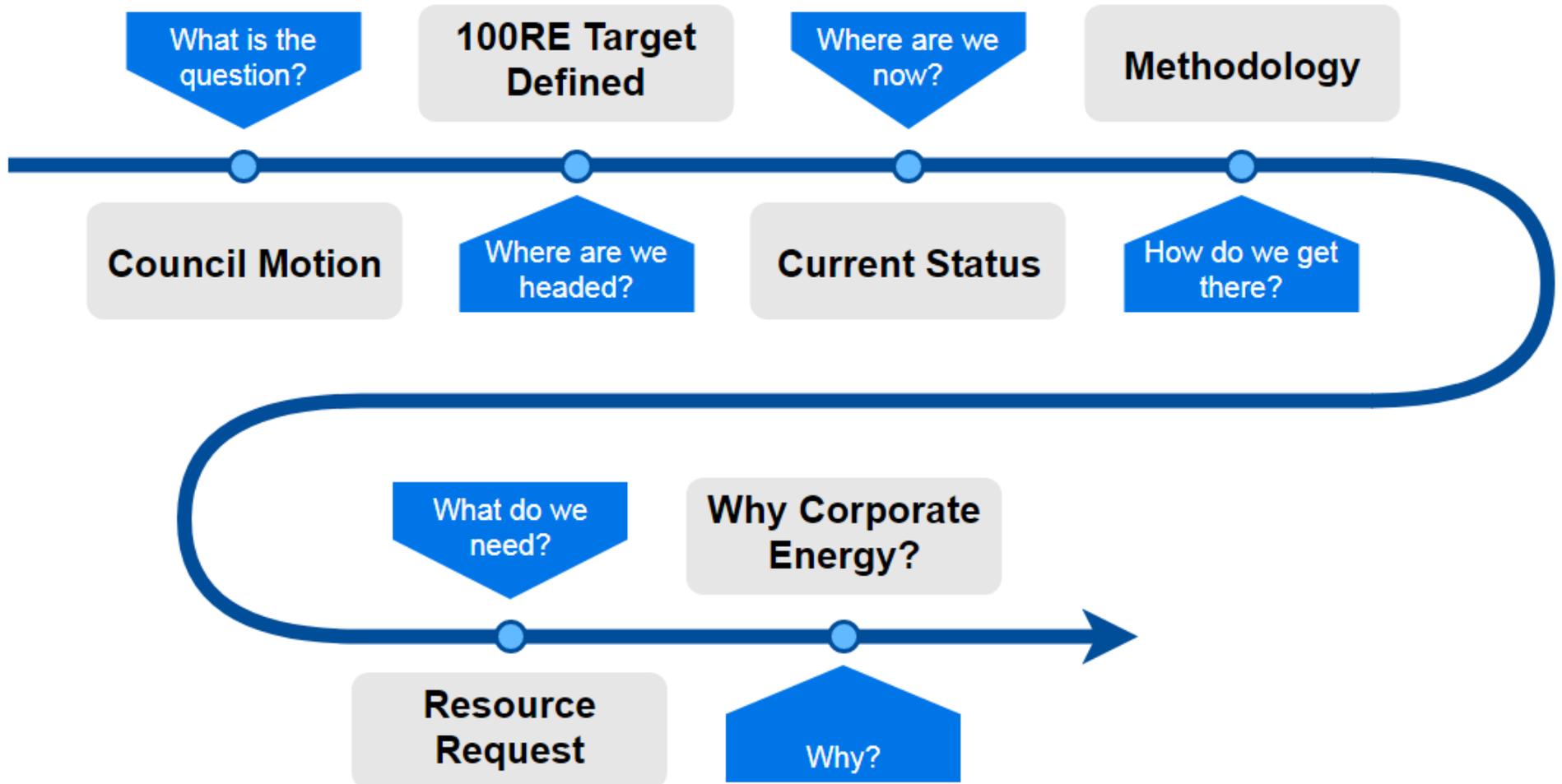
Corporate 100% Renewable Energy Target By 2050

- Organizational Focus
- Strategic
- Real Action
- Continuous Improvement

May 6, 2019
IDE Committee of the Whole

Bryan Ho-Yan, M.A.Sc., P.Eng., CEM
Program Manager, Corporate Energy

Agenda



Council Motion

1. That the Corporation of the City of Guelph will strive to achieve one hundred percent of its energy needs through renewable sources by 2050.
2. That Staff be directed to report back to the next term of Council on the most effective way for the Corporation to work towards achieving this goal, including information on, but not limited to, the impact on capital budget planning, potential resource needs, and a recommended process for the review of new program and policy development initiatives.

Corporate 100% Renewable Energy Target Defined

"Could the city of Guelph run solely on renewable energy?"... CBC

"Guelph councillors vote to strive for 100% renewable energy by 2050"... Guelph Mercury Tribune

"City of Guelph committee OKs plan to become 100% renewable by 2050"... CBC

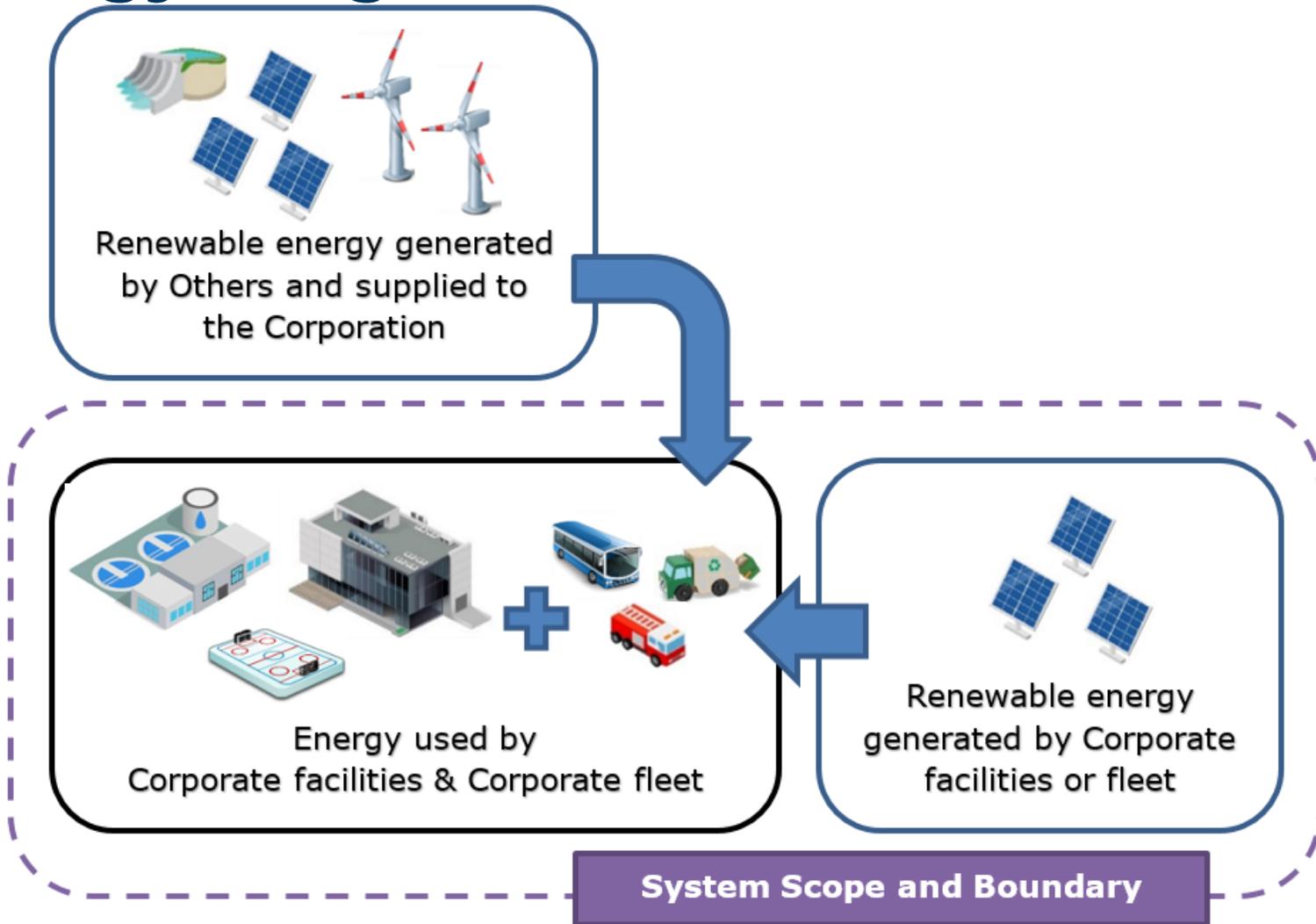
"Guelph forges ahead on renewable energy goals despite changes provincially"... Guelph Today

Corporate 100% Renewable Energy Target Defined

100RE Target:

“The Corporation will strive to achieve one hundred percent of its energy needs through renewable sources by 2050”

Corporate 100% Renewable Energy Target Defined

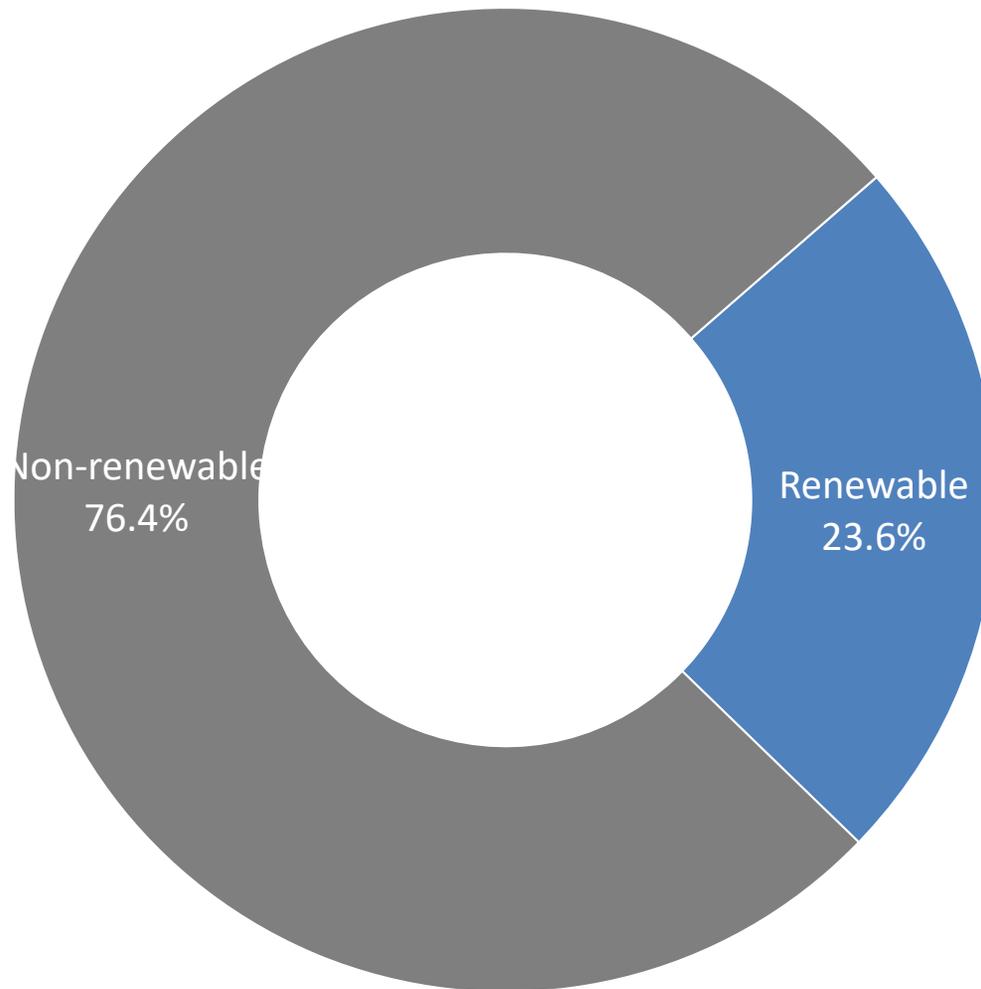


Corporate 100% Renewable Energy Target Defined

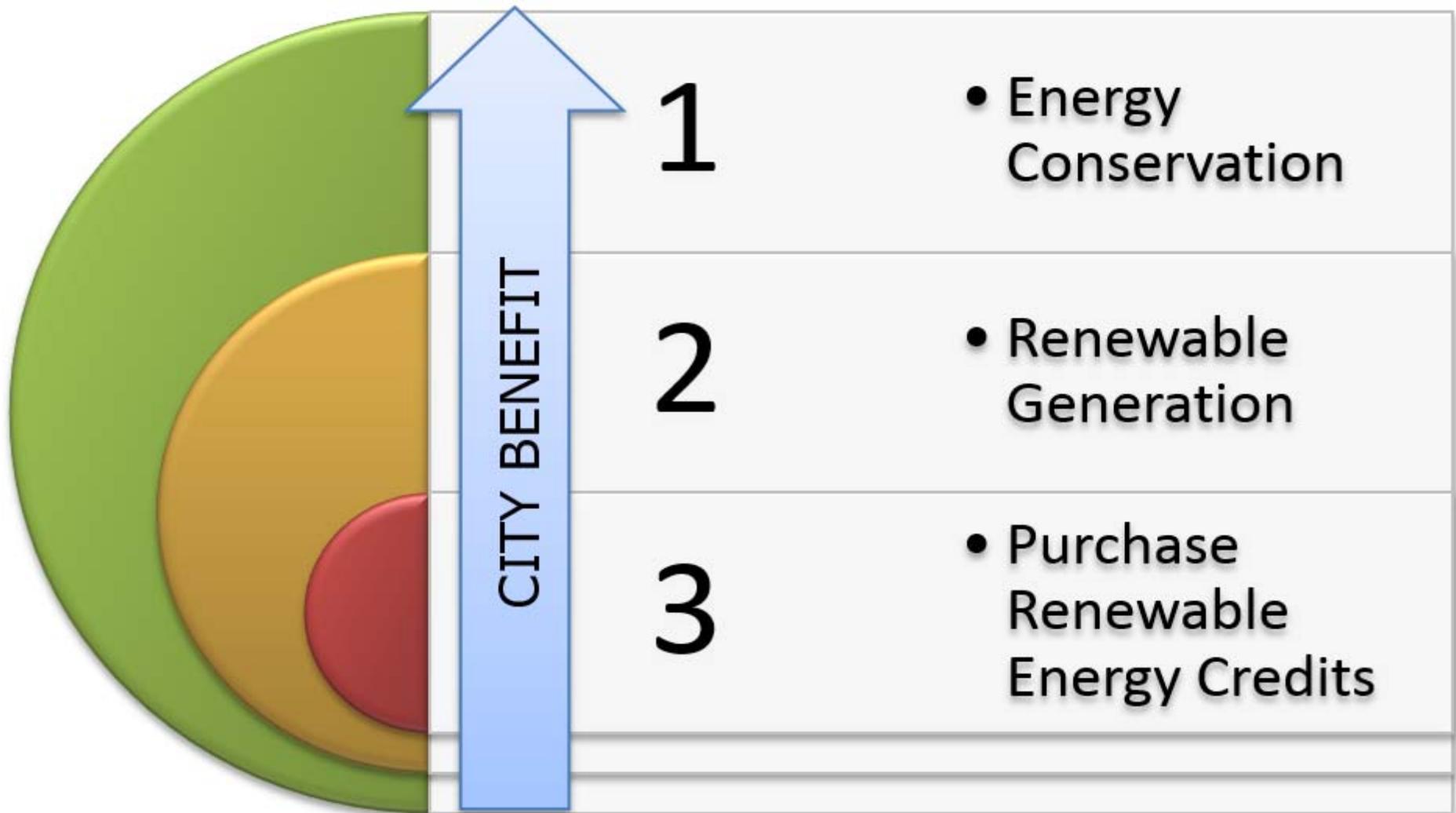
$$\frac{\text{Total renewable energy supplied to or generated by the Corporation}}{\text{Total energy consumed by the Corporation}} = \text{Corporate energy percentage renewable}$$

How Are We Doing?

100RE Target Performance Tracking



How Do We Get There?



How Do We Get There?

- Establish Corporate Energy Management System
 - Top management support
 - Communicated at all levels
 - Continuous improvement



Corporate Energy Resource Needs

- Dedicated 100RE Reserve Fund
- Capital Budget Planning
 - FY2020: \$500,000
 - FY2021: \geq \$500,000
 - FY2022: \geq \$500,000
- Operating Resource Needs
 - New full-time permanent Corporate Energy Project Manager



Why Corporate Energy?

- Defined boundaries with direct control
- Real action and real results
- The Corporation is a key member of the Community
- History of success that can be built on
- Fiscally responsible
- Environmental stewardship
- Investment in our assets



Thank you

- Organizational Focus
 - Strategic
 - Real Action
- Continuous Improvement



In Summary

1. Community Energy Target:
 - Net Zero Carbon by 2050

 2. Corporate Energy Target:
 - 100% Renewable Energy by 2050
- Both the community and the corporation have specific approaches on how to tackle each target

Staff Report



To **Committee of the Whole**
Service Area Corporate Services
Date Monday, May 6, 2019
Subject **2018 Year-end Operating Variance Report and Surplus Allocation**
Report Number CS-2019-11

Recommendation

1. That the tax supported surplus of \$3,255,971 be allocated to the reserves and reserve funds as follows:

Tax Rate Operating Contingency Reserve (180)	\$816,000
Environment and Utility Contingency Reserve (198)	\$400,000
Police Operating Contingency Reserve (115)	\$39,000
Infrastructure Renewal Reserve Fund (150)	\$2,000,971
Total	\$3,255,971

2. That the Water Services surplus of \$578,081 be allocated to the Water Capital Reserve Fund (152).
 3. That the Wastewater Services surplus of \$2,787,381 be allocated to the Wastewater Capital Reserve Fund (153).
 4. That the Stormwater Services surplus of \$313,835 be allocated to the Stormwater Capital Reserve Fund (165).
 5. That the Ontario Building Code (OBC) deficit of \$608,582 be funded from the Building Services OBC Stabilization Reserve Fund (188).
 6. That the Court Services surplus of \$88,950 be allocated to the Court Contingency Reserve (211).
-

Executive Summary

Purpose of Report

To provide the 2018 year-end operating position of the City's tax supported and non-tax supported departments subject to any adjustments resulting from the year-end external audit. Additionally, this report serves as Council's opportunity to approve the allocation of the 2018 surplus and deficit as outlined in the Council-approved Surplus Allocation Policy and in accordance with the General Reserve and Reserve Fund Policy.

Key Findings

The preliminary net operating result for tax-supported departments is a surplus of \$3,255,971 or 0.9 per cent of the 2018 total tax supported gross expenditures. This

surplus is larger than projected at the third quarter (Q3) as more revenue and additional savings were realized by the City departments.

The preliminary net operating result for non-tax supported departments is a surplus of \$3,159,665 or 4.4 per cent of the 2018 total non-tax supported budget. The surplus is larger than was projected at Q3 due to additional savings realized at Wastewater Services.

ATT-1 2018 Operating Budget Variance provides the actual year-end results by department.

Measures put in place after the Solid Waste Service Review have resulted in a favourable year-end position of \$1,595,761, and staff recommend transferring a part of the surplus to the Environment and Utility Contingency Reserve.

Some notable variance drivers are:

- a) Positive revenue related variances contributing to departmental results mainly in the areas of supplementary taxation, stormwater rates, and water and wastewater basic and consumption usage.
- b) A favourable year-end position for salaries, wages and benefit costs due to the naturally occurring recruitment process for hiring vacant positions and lower than budgeted benefit costs.
- c) A favourable year-end position for hydro mainly due to sustained energy conservation and efficiency measures.

Financial Implications

The year-end operating position and the reserve and reserve fund positions are important factors considered in determining the City's overall fitness as assessed by an external credit rating agency. This credit rating affects the price at which the City can issue debt and therefore impacts the affordability of long-term capital projects for the tax and rate payers of the City.

Over the last few years, the financial stability of the City has been improving through right-sizing of budgets, updating financial policies, and focusing on long-term financial planning.

Report

The year-end operating variance report provides information on the year-end position prior to the completion of the annual external audit and provides recommendations for the allocation of any surplus or funding of any deficit subject to Council approval.

Council received the 2018 Q3 operating variance report on December 10, 2018. At that time staff projected a year-end favourable surplus of \$1,530,500 for tax supported operating departments, and \$2,630,000 projected year-end surplus for non-tax supported operating departments. The year-end forecast was based on September actuals and best estimates for the last quarter of 2018 and the full comparison results are shown in Table 1.

Table 1: Q3 Year-end Projection Compared to Actual Year-end Results

	Q3 Projected Year-end Variance	Actual 2018 Year-end Variance
Tax Supported Budget		
City Departments	\$(325,500)	\$(2,101,978)
General Revenues and Expenses	\$(1,105,000)	\$(1,378,808)
Local Boards	\$(100,000)	\$195,304
Grants, Outside Boards and Agencies	\$0	\$29,511
Total Tax Supported Surplus	\$(1,530,500)	\$(3,255,971)
	Q3 Projected Year-end Variance	Actual 2018 Year-end Variance
Non-tax Supported Budgets		
Water Services	\$(880,000)	\$(578,081)
Wastewater Services	\$(1,415,000)	\$(2,787,381)
Ontario Building Code (OBC)	\$300,000	\$608,582
Court Services	\$(25,000)	\$(88,950)
Stormwater Services	\$(610,000)	\$(313,835)
Total Non-tax Supported	\$(2,630,000)	\$(3,159,665)
(Brackets indicate a favourable variance)		

As part of the City's regular variance reporting process, departments were asked to provide comments on their financial results for the year-ending December 31, 2018. Table 2 provides a high-level summary for the year-end position of the City's tax supported and non-tax supported operations. More detailed information is provided in ATT-1 2018 Operating Budget Variance.

Table 2: Summary of 2018 Operating Variance

	Total Approved 2018 Budget	2018 Year-end Variance	2018 Variance as a percentage of Budget
Tax Supported Budget			
City Departments	\$128,341,917	\$(2,101,978)	(1.6%)
General Revenues and Expenses	\$(208,124,626)	\$(1,378,808)	(0.7%)
Local Boards	\$50,904,919	\$195,304	0.4%
Grants, Outside Boards and Agencies	\$28,877,790	\$29,511	0.1%
Total Tax Supported	\$0	\$(3,255,971)	(0.9%)
Non-tax Supported Budgets			
Water Services	\$0	\$(578,081)	(2.0%)
Wastewater Services	\$0	\$(2,787,381)	(8.9%)
OBC	\$0	\$608,582	18.2%
Court Services	\$0	\$(88,950)	(4.3%)
Stormwater Services	\$0	\$(313,835)	(5.2%)
Total Non-tax Supported	\$0	\$(3,159,665)	(4.4%)

(Brackets indicate a favourable variance)

Corporate Variance Drivers

The identified drivers below were significant, resulting in variances in both the non-tax supported and tax supported budgets.

1. Revenues

Year-end favourable revenue variances:

- By-law Compliance, Security and Licensing due to increased volume of animal tags and higher parking fine enforcement revenue due to additional by-law coverage;
- Guelph Police Services experienced higher than anticipated special duty, record checks and alarm fee revenue;
- Planning and Building Services due to higher activity levels;
- Environmental Services was successful in increasing the Stewardship Ontario grant revenues for the blue box program because of better diversion rates;
- Guelph-Wellington Paramedic Services due to additional funding for Paramedicine program;
- Water and Wastewater Services due to higher billable consumption revenue;
- Stormwater Services due to an increase in impervious area billable units;
- City taxation due to increased supplementary revenue from increased building growth, implementation of Assessment Based Management and continued relationship building with the Municipal Property Assessment Corporation; and
- Investment and dividend revenues are favourable due to Guelph Junction Railway declaring a dividend to the City of \$100,000 that was not anticipated and the increased Bank of Canada interest rates, which improved the City's cash and investment portfolio returns.

Year-end unfavourable revenue variances;

- Environmental Services recyclable revenue due to international trade policies banning paper products in certain markets; and
- Parking revenue shortfalls resulting from the longer than anticipated closure of the West Parkade.

2. Compensation

Overall compensation was lower than budget at year-end, inclusive of savings experienced from the length of time it takes to fill vacancies.

Within the compensation expenditures, overtime was significantly higher than planned. Departments were able to meet service requirements through the deployment of overtime within the context of the overall compensation budget. Major factors that contributed to increased overtime costs include:

- Unplanned storm events that required service levels or statutory requirements to be met;
- Special events such as parades, homecoming and festivals;
- Short-term and long-term staffing leaves, and the critical nature of backfilling emergency services, law enforcement and transit operations absences; and
- Emergency repairs to critical infrastructure including water mains.

3. Utilities

Overall energy cost was \$1,196,000 or 11% below budget. The surplus for tax-supported operations (\$440,177) was transferred to the Environment and Utility Reserve as per the reserve and reserve fund policy. Facilities Management and Corporate Energy staff continued energy conservation efforts including building organizational awareness, facility LED lighting retrofits, recommissioning of facility HVAC systems, preventative maintenance, and ice arena controls upgrades. Reduced energy rates at the Wastewater Treatment Facility and the Waste Resource Innovation Centre continued due to the renewed subscription to the Industrial Conservation Initiative (ICI). Staff will continue to monitor the impact of the Provincial strategies and programs on the budget.

4. Repairs and Maintenance

An overall net budget deficit of \$1,044,000 attributed mainly to buildings, and vehicle repairs and general maintenance at several City-owned facilities.

City Departmental Variances

Tax Supported

Infrastructure, Development and Enterprise Services

Environmental Services, Solid Waste favourable \$1,595,761

The variance is primarily related to the cancellation of the third party recycling contract, lower than budgeted property tax expenses from an appeal, and savings in other expenditures largely related to recyclable material, parts, promotions, equipment and operator, and additional blue box revenue from Stewardship Ontario; partially offset by the sale of recyclable goods and waste processing fees. Staff are recommending a transfer of \$400,000 to the Environment and Utility Contingency Reserve to mitigate future commodity price fluctuations in line with the Service Review recommendations.

Public Services

Culture, Tourism & Community Investment unfavourable \$436,488

Lower than anticipated grant and sponsorship revenues as well as higher event costs compared to associated revenues, and repairs and maintenance expenses.

Fire Services unfavourable \$221,821

Higher consumables costs due to increased call volume, a secondment in mechanical and fire prevention, and unanticipated vehicle repair costs, partially offset by savings in consulting.

General Expenditures

General Expenditure's unfavourable variance of \$844,510

- o higher negotiation costs due to the number of collective agreements being bargained and in some cases, bargaining going to arbitration;
- o legislative compliance costs related to pay equity and the first phase of implementing Bill 148;
- o corporate severance costs;
- o Council-approved settlement of the Canada Revenue Agency taxable benefit payroll audit; and
- o higher than budgeted expenses for property tax appeal decisions and rebates.

Local Boards and Shared Services

Guelph Public Library unfavourable \$234,104

Due to increased staffing costs and higher exchange costs for library book purchases (USD company).

Non-tax Supported

Infrastructure, Development and Enterprise Services

Water Services favourable \$578,081

Higher than planned billable consumption revenue and new growth demands, and savings in promotion and training.

Wastewater Services favourable \$2,787,381

Higher billable consumption revenue and new growth demands, utility savings due to participation in the Industrial Conservation Initiative which resulted in a Global Adjustment Class A reclassification, lower than budgeted property taxes, and negotiation of a new bio-solids contract.

Stormwater Services favourable \$313,835

Mainly due to lower uptake of the of the stormwater credit/rebate fee program and higher than projected impervious area billing units.

Ontario Building Code (OBC) unfavourable \$608,582

The variance is attributed to a decline in the number of significant permit applications at the beginning of the year, and substantial deferral of permit revenue into 2019 due to timing. In accordance with the General Reserve and Reserve Fund Policy, this deficit will be funded from the Building Services OBC Stabilization Reserve Fund.

Allocation of the 2018 Operating Surplus and Deficit

In accordance with City Council's approved Year-end Operating Surplus Allocation Policy, a primary consideration for the allocation of any year-end surplus is to transfer funds to operating reserves to smooth future volatility in operating costs and tax increases. This is provided as a general guideline and may be superseded in order to address more immediate financial needs as identified by the City Treasurer.

The surplus/deficit allocation recommendations are heavily influenced by the General Reserve and Reserve Fund Policy review that was received by Council in May 2018. The City now has identified and measurable targets for our funds, which have enabled evidence-based recommendation for the operating budget transfer. The benefit of this cannot be emphasized enough as it moves the City further along the maturity path of strategic financial management.

Surplus Allocation Recommendations

For 2018, the City has returned an operating surplus from the tax supported budget, and four of the five non-tax supported budgets; Water Services, Wastewater Services, Stormwater Services, and Court Services. In accordance with the Council-approved Year-end Surplus Allocation Policy, the following recommendations are being made:

(A) Tax Supported Operating Surplus Allocation - \$3,255,971

It is recommended that the surplus be allocated to reserves that are below the recommended target, towards expenses that were recommended and approved by Council during 2019 budget deliberations, and/or had funds withdrawn to alleviate financial pressures in the current or future budget year. The recommended allocation is provided for in Table 3.

Table 3: Tax Supported Surplus Allocation

Reserve	Recommended Allocation	Reserve Balance After Allocation	Funded Status
Tax Rate Operating Contingency Reserve (180)	\$816,000	\$7,000,654	70%
Police Operating Contingency Reserve (115)	\$39,000	\$189,000	N/A
Environment and Utility Reserve (198)	\$400,000	\$2,882,196	85%
Infrastructure Renewal Reserve Fund (150)	\$2,000,971	\$2,302,906	10%
Total	\$3,255,971		

Tax Rate Operating Contingency Reserve (180): This reserve is required to provide the City sufficient liquidity and cash flow and to offset extraordinary and unforeseen corporate expenditures in order to mitigate fluctuations to the tax rate. During the 2019 budget deliberations, Council approved the following to be funded from the 2018 surplus:

- Addiction court support worker
- Support recovery room
- Welcoming Streets Initiative
- Route review (two years)
- Rotary Trail; and
- One-time Strategic Initiative Reserve funding

Staff is recommending that \$816,000 of the 2018 surplus be allocated to the Tax Rate Operating Contingency Reserve to flow funding through to these 2019 initiatives accordingly.

Police Operating Contingency (115): This reserve is intended to mitigate fluctuations to the tax rate for planned one-time operating budget impacts, and to offset extraordinary and unforeseen Police expenditures. Staff is recommending that \$39,000 of the 2018 operating surplus be allocated to the reserve to replenish the one-time funding approved through the 2019 budget or for a future public art project.

Environment and Utility Contingency (198): This reserve is intended to offset the impact of volatile operating expenditures relating to energy, fuel, recycling revenues, winter control and other weather related events. Staff are recommending \$400,000 of the 2018 operating surplus be allocated to this reserve to have appropriate funds on hand to mitigate against this volatility.

Infrastructure Renewal Reserve Fund (150): This reserve is used to fund the replacement and rehabilitation of the City's tax supported infrastructure including all tax supported debt servicing including principle and interest. This reserve fund is currently the most under-funded reserve fund within the City's portfolio and is therefore being recommended to receive the remainder of the 2018 surplus funds of \$2,000,971.

(B) Non-tax Supported Operating Surplus Allocation

It is a fundamental principle that the non-tax supported businesses are self-sustaining; meaning that any surplus or deficit will be kept within the business and incorporated into future budgets. The reserve and reserve funds for each business are assessed and staff are recommending surplus transfers in Table 4 based on the highest need.

Table 4: Non-tax Supported Operating Surplus Allocation

Non-tax Department	Reserve Fund	2018 Surplus Allocation	Reserve Fund Balance after Allocation	Funded Status
Water Services	Water Capital Reserve Fund (152)	\$578,081	\$22,613,158	174%
Wastewater Services	Wastewater Capital Reserve Fund (153)	\$2,787,381	\$50,131,161	212%
Stormwater Services	Stormwater Capital Reserve Fund (165)	\$313,835	\$789,950	11%
Court Services	Court Services Contingency Reserve (211)	\$88,950	\$573,076	143%

Deficit Allocation Recommendations

For 2018, the City had an operating deficit in the Ontario Building Code (OBC) budget of \$608,582. More information on this can be found in staff report IDE-2019-43.

To fund the OBC deficit, a transfer from the Building Services OBC Stabilization Reserve Fund (188) will be made in accordance with the provincial legislation. The balance of the reserve (including commitments) will be \$2,230,559 after the transfer.

Financial Implications

The year-end operating surplus represents one-time funding that cannot be relied on to recur on an ongoing basis, as such; year-end surplus should only be allocated to fund one-time, non-recurring expenditures. Actual financial results vary from year-to-year based on various external and internal factors. A year-end position within the one to two per cent range from budget on an annual basis is a reasonable and prudent result.

Over the past five years, the City's year-end tax supported operating position has been within this range as presented in Table 5.

Table 5: Five-year Historical Tax Supported Year-end Position

	2014	2015	2016	2017	2018
City Departments	\$5,339,766	\$3,705,277	\$1,942,677	(\$502,860)	(\$2,101,978)
General Revenues and Capital Financing	(\$1,399,035)	(\$1,292,809)	(\$2,668,753)	(\$1,628,957)	(\$1,378,808)
Local Boards	(\$563,556)	(\$726,036)	(\$369,077)	(\$279,280)	\$195,304
Shared Services	(\$2,282,148)	(\$2,829,555)	(\$1,984,787)	(\$1,135,098)	\$29,511
Total	\$1,095,027	(\$1,143,123)	(\$3,079,940)	(\$3,546,195)	(\$3,255,971)

The budget process includes review of actual spending trends and considers future need requirements each year so that trends can be adjusted; collectively determining the budget required in any given year to meet the Council-approved service levels. Financial policies are in place to allow the City to manage any surplus or deficit in a fiscally responsible manner.

As part of the 2019 budget, Council will recall that adjustments were made to corporately budgeted items like insurance, supplementary taxes, fuel and risk management. These have historically been key drivers of surplus and have contingency reserves to support any variance. As a result, the 2019 budget includes more risk for negative variance and this will likely result in a lower year-end variance.

Consultations

Departments are responsible for managing their programs according to municipal standards and within the approved budget. The responsibility for monitoring the operating budget is shared by the operating departments and the Finance Department. Department managers were provided financial reports based on their actual revenue and expenditures to December 31, 2018, which they provided a year-end commentary in consultation with the Finance Department.

Corporate Administrative Plan

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

Overarching Goals

Financial Stability

Service Excellence

Service Area Operational Work Plans

Our Services - Municipal services that make lives better

Our Resources - A solid foundation for a growing city

Attachments

ATT-1 2018 Operating Budget Variance

Departmental Approval

Karen Newland, Manager, Finance Client Services

Report Author

Ron Maeresera, Senior Corporate Analyst



Approved By

Tara Baker, CPA, CA
General Manager Finance/City
Treasurer
Corporate Services
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Recommended By

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Deputy Chief Administrative Officer
Corporate Services
519-822-1260 ext. 2281
trevor.lee@guelph.ca

ATT-1 to report CS-2019-11

Operating Budget Variance based on December 31, 2018

Department	Annual Budget 2018	Net Expenditures December 31, 2018 (\$)	Variance for Dec 31, 2018 (Favourable) / Unfavourable (\$)	Net Variance for Dec 31, 2018 (%)
TAX SUPPORTED				
CAO				
MAYOR AND COUNCIL	\$ 979,505	\$ 901,604	\$ (77,901)	
CAO ADMINISTRATION	\$ 731,475	\$ 616,337	\$ (115,138)	
STRATEGY, INNOVATION & INTERGOVERNMENTAL SERVICES	\$ 1,027,920	\$ 1,097,674	\$ 69,754	
INTERNAL AUDIT	\$ 367,473	\$ 337,463	\$ (30,010)	
CORPORATE COMMUNICATIONS AND CUSTOMER SERVICE	\$ 996,790	\$ 977,878	\$ (18,912)	
BUSINESS PROCESS MANAGEMENT (BPM)	\$ 393,907	\$ 330,216	\$ (63,691)	
SUB-TOTAL CAO	\$ 4,497,070	\$ 4,261,172	\$ (235,898)	(5.2%)
INFRASTRUCTURE, DEVELOPMENT & ENTERPRISE				
IDE ADMINISTRATION	\$ 245,670	\$ 298,748	\$ 53,078	
PLANNING AND BUILDING SERVICES	\$ 3,360,975	\$ 2,924,487	\$ (436,488)	
FACILITIES MANAGEMENT	\$ 5,402,470	\$ 5,462,150	\$ 59,680	
ENGINEERING AND TRANSPORTATION SERVICES	\$ 1,994,808	\$ 2,029,604	\$ 34,796	
ENVIRONMENTAL SERVICES	\$ 11,940,318	\$ 10,344,557	\$ (1,595,761)	
BUSINESS DEVELOPMENT & ENTERPRISE SERVICES	\$ 1,439,590	\$ 1,364,630	\$ (74,960)	
SUB-TOTAL INFRASTRUCTURE, DEVELOPMENT AND ENTERPRISE	\$ 24,383,831	\$ 22,424,176	\$ (1,959,655)	(8.0%)
PUBLIC SERVICES				
PS ADMINISTRATION	\$ 430,560	\$ 395,831	\$ (34,729)	
PARKS & RECREATION SERVICES	\$ 13,275,006	\$ 13,287,012	\$ 12,006	
CULTURE, TOURISM AND COMMUNITY INVESTMENT	\$ 6,153,931	\$ 6,502,557	\$ 348,626	
GUELPH TRANSIT	\$ 17,698,350	\$ 17,646,584	\$ (51,766)	
OPERATIONS	\$ 14,659,039	\$ 14,858,276	\$ 199,237	
FIRE SERVICES	\$ 26,575,910	\$ 26,797,731	\$ 221,821	
GUELPH-WELLINGTON PARAMEDIC SERVICES	\$ 6,629,395	\$ 6,268,416	\$ (360,979)	
SUB-TOTAL PUBLIC SERVICES	\$ 85,422,191	\$ 85,756,407	\$ 334,216	0.4%
CORPORATE SERVICES				
CS ADMINISTRATION	\$ 331,610	\$ 330,257	\$ (1,353)	
HUMAN RESOURCES	\$ 2,580,585	\$ 2,580,714	\$ 129	
INFORMATION TECHNOLOGY	\$ 5,291,715	\$ 5,321,473	\$ 29,758	
CITY CLERK'S OFFICE	\$ 1,628,530	\$ 1,546,577	\$ (81,953)	
FINANCE	\$ 2,369,865	\$ 2,324,082	\$ (45,783)	
LEGAL, REALTY AND COURT SERVICES	\$ 1,836,520	\$ 1,695,081	\$ (141,439)	
SUB-TOTAL CORPORATE SERVICES	\$ 14,038,825	\$ 13,798,184	\$ (240,641)	(1.7%)
TOTAL CITY DEPARTMENTS (excl Financing)	\$ 128,341,917	\$ 126,239,939	\$ (2,101,978)	(1.6%)
CAPITAL FINANCING	\$ 31,189,405	\$ 31,193,316	\$ 3,911	
GENERAL AND CAPITAL FINANCING	\$ (208,124,626)	\$ (209,503,434)	\$ (1,378,808)	0.7%
TOTAL CITY DEPARTMENTS (incl Financing)	\$ (79,782,709)	\$ (83,263,495)	\$ (3,480,786)	
LOCAL BOARDS				
GUELPH POLICE SERVICES	\$ 40,301,300	\$ 40,262,161	\$ (39,139)	
GUELPH PUBLIC LIBRARY	\$ 9,089,062	\$ 9,323,166	\$ 234,104	
THE ELLIOTT COMMUNITY	\$ 1,514,557	\$ 1,514,896	\$ 339	
SUB-TOTAL LOCAL BOARDS	\$ 50,904,919	\$ 51,100,223	\$ 195,304	0.4%
SHARED SERVICES				
WDG PUBLIC HEALTH	\$ 3,868,974	\$ 3,868,974	\$ -	
COUNTY OF WELLINGTON (SOCIAL SERVICES)	\$ 22,341,117	\$ 22,341,117	\$ -	
SUB-TOTAL SHARED SERVICES	\$ 26,210,091	\$ 26,210,091	\$ -	0.0%
GRANTS				
GRANTS - SPECIAL PROJECTS	\$ 2,667,700	\$ 2,697,210	\$ 29,511	
Sub-total Grants, Local Boards and Shared Services	\$ 79,782,709	\$ 80,007,524	\$ 224,815	
TOTAL TAX SUPPORTED	\$ -	\$ (3,255,971)	\$ (3,255,971)	(0.9%)
NON-TAX SUPPORTED				
WATER SERVICES	\$ -	\$ (578,081)	\$ (578,081)	-2%
WASTEWATER SERVICES	\$ -	\$ (2,787,381)	\$ (2,787,381)	-9%
ONTARIO BUILDING CODE	\$ -	\$ 608,582	\$ 608,582	18%
COURT SERVICES	\$ -	\$ (88,950)	\$ (88,950)	-4%

Department	Annual Budget 2018	Net Expenditures December 31, 2018 (\$)	Variance for Dec 31, 2018 (Favourable) / Unfavourable (\$)	Net Variance for Dec 31, 2018 (%)
STORMWATER SERVICES	\$ -	\$ (313,835)	\$ (313,835)	-5%
TOTAL NON-TAX SUPPORTED	\$ -	\$ (3,159,665)	\$ (3,159,665)	(4.4%)



Guelph Police Services Board

PO Box 31038, Willow West Postal Outlet, Guelph, Ontario N1H 8K1

Telephone: (519) 824-1212 # 213 Fax: (519) 824-8360

TTY (519) 824-1466 Email: board@police.guelph.on.ca

April 23, 2019

Mayor Cam Guthrie
Guelph City Hall
1 Carden Street
Guelph, ON N1H 3A1

Your Worship:

At its meeting on April 18, 2019, the Guelph Police Services Board was advised that there is an anticipated year end surplus in the Guelph Police Service 2018 operating budget. The Board passed the following motion:

THAT the Guelph Police Services Board forward a request to City Council that entire positive variance estimated to be \$39,000, of the 2018 year-end surplus be transferred to a Police Operating Contingency Reserve.

-CARRIED-

The Guelph Police Services Board would respectfully request consideration of the aforementioned recommendation by Guelph City Council.

I look forward to hearing from you.

Sincerely,

A handwritten signature in black ink, appearing to read "Don Drone", with a long horizontal flourish extending to the right.

Don Drone, Chair

Copies: Tara Baker, General Manager/City Treasurer, City of Guelph
Gord Cobey, Chief of Police
Lisa Pelton, Temporary Finance Manager, Guelph Police Service

Staff Report



To	Committee of the Whole
Service Area	Corporate Services
Date	Monday, May 6, 2019
Subject	2018 Year-end Capital Variance Report
Report Number	CS-2019-12

Recommendation

That report CS-2019-12, 2018 Year-end Capital Variance Report, dated May 6, 2019, be received.

Executive Summary

Purpose of Report

This report provides a summary of the 2018 capital spending for the year-ended December 31, 2018, and highlights significant capital project activity and milestones.

This report also serves to notify of any deviations from the approved capital plan.

Key Findings

On an annual basis, the City approves the capital budget. The 2018 capital budget is the City's plan to take care of its assets and plan for future growth while also focusing on the community's health and safety and meeting legislative requirements all while balancing affordability for our citizens and businesses.

For 2018, City Council approved a capital budget of \$90.3 million and as of December 31, 2018, had approved an additional \$13.3 million through special motions and/or due to receipt of additional funding. This is in addition to the carry-over budget amount from 2017 unspent capital of \$166.4 million.

This report reflects the 2018 spending totalling \$100.1 million; an increase in spending over 2017 by \$3.7 million.

Below is the capital activity for 2018 as at each of April 30, August 31 and December 31, all numbers are in thousands.

Details are provided in ATT-2.

Capital variance	Tri-annual 3 December 31	Tri-annual 2 August 31	Tri-annual 1 April 30
2017 carry-over budget	166,394	166,394	166,394
2018 capital budget, approved	90,308	90,308	90,308
2018 additional approved funding	13,309	6,846	3,241
Available capital funding for 2018	270,011	263,548	259,943
2018 capital spending	100,064	45,895	11,331
Open purchase orders	47,116	78,361	77,276
Projects closed	4,687		
Total spending and commitments	151,867	124,256	88,607
Uncommitted approved budget	118,144	139,292	171,336

Financial Implications

Ongoing monitoring of capital spending ensures that projects are delivered as intended and that any financial impacts are addressed proactively.

Report

Details

Staff is reporting on a tri-annual basis to ensure timely, transparent and meaningful reporting. This report provides a summary of the 2018 capital spending as of December 31, 2018, and highlights significant capital project activity and milestones.

Budget carried over from 2017 was \$166.4 million; this differs from the year-end report due to a change in accounting policy relating to approved capital budget for certain land acquisition. The City no longer discloses this in stand-alone capital projects in order to maintain a competitive position in the market. Instead, commitments will be carried against the City's available debt capacity or within the reserve fund schedules.

Council approved a 2018 capital budget of \$90.3 million in November 2017; as well, capital budget additions of \$13.3 million have been made since that time; details are provided in ATT-1.

In total, this provides for a total available budget in 2018 of \$270.0 million.

The total year-to-date capital spending is \$100.1 million, which is \$3.7 million higher than the same period last year.

Outstanding purchase order (PO) commitments total \$47.1 million as of December 31, which is \$26.2 million less than year-end 2017.

City departments closed 66 projects in 2018 resulting in a total net positive variance of \$4.7 million being returned to their respective sources and in some cases, available for future budgets. ATT-3 shows the detailed breakdown of these projects by Program of Work (Program). This is an improvement over 2017 year-

end where \$430 thousand was returned to source related to normal capital project closure; however in total, \$17.5 million was returned to the reserve funds in the prior year due primarily to a review and priority assessment for Wastewater Services.

As in the previous tri-annual capital variance reports, this report follows the Program format that was used during the 2019 budget and will continue to be used for future capital planning purposes. This format aligns the capital reporting with the fully service-oriented structure that is presented in the Corporate Asset Management Plan (CAMP).

Each Program provides a summary of available funding, spending year-to-date and outstanding PO commitments in the purchasing system. They also include summaries regarding key projects and issues. Any significant differences from the approved capital budget are included.

Program of Work Summaries

(all figures reported in thousands unless otherwise noted)

Contaminated Sites

This Program focus is on managing the City's contaminated site liabilities in order to: protect the City's drinking water, reduce public health and safety risks, invest in land for potential divestiture or redevelopment, revitalize neighborhoods, and be compliant with the Ministry of the Environment, Conservation and Parks (MECP) guidelines.

Capital variance	Tri-annual 3	Tri-annual 2	Tri-annual 1
2017 carry-over budget	3,062	3,062	3,062
2018 capital budget, approved	2,645	2,645	2,645
2018 additional approved funding	70	0	0
Available capital funding for 2018	5,777	5,707	5,707
2018 capital spending	1,938	681	179
Open POs	1,801	2,767	1,826
Projects closed	-	-	-
Total spending and commitments	3,739	3,448	2,005
Uncommitted approved budget	2,038	2,259	3,702

Total spending level increased by \$1.2 million since the second tri-annual report, mainly due to progress on the 200 Beverley Street and 45 Municipal Street projects.

The removal of the existing fueling system at 45 Municipal Street is under way with expected completion in the third quarter (Q1) 2019. Total spending incurred from August is \$663, for a total year-to-date spending of \$818.

The scope of work for the 200 Beverley Street's Remedial Action Plan was revised based on findings and discussion with MECP. It is estimated that remediation work will begin in the third quarter of 2019 and continue well into the year-end. Total spending since August is \$415, for a year-to-date spending of \$542.

Total spending for these two projects, makes up 70 per cent of the total \$1.9 million spent in 2018.

In addition to these two initiatives, progress was made on the remediation of Goldie Mill Park, the design is 80 percent complete and construction will begin by May 2019 and finalized by the end of the year.

Environmental, archeological, geotechnical investigation and remediation of the Baker Street parking lot site will be undertaken between the second quarter (Q2) and the fourth quarter (Q4) 2019 in preparation of the site for the Baker Street redevelopment being planned in partnership with Windmill Development Group.

Additional work for the Fountain Street environmental and historical landfill investigations will be undertaken starting in the second quarter of 2019.

There are no projects currently at risk of budget overage. The unknown conditions of the sites are the driver of the delays on some projects, which makes it difficult to predict the exact time of project completion.

Corporate Projects

Focused on ensuring the overall administrative operations of the corporation are able to effectively deliver service and guidance to the City's external facing service delivery areas. Providing corporate standards ensure that citizens experience a consistent look and feel in their interactions with the corporation.

Capital variance	Tri-annual 3	Tri-annual 2	Tri-annual 1
2017 carry-over budget	13,254	13,254	13,254
2018 capital budget, approved	7,672	7,672	7,672
2018 additional approved funding	5,952	5,324	1,043
Available capital funding for 2018	26,878	26,250	21,969
2018 capital spending	11,309	5,667	1,963
Open POs	3,528	6,060	5,281
Closed projects	(244)		
Total spending and commitments	14,593	11,727	7,244
Uncommitted approved budget	12,285	14,523	14,725

Total spending increased by \$5.8 million since the second tri-annual report.

The City's corporate technology projects are one of the main drivers of this increase, specifically the server and software replacement initiatives (\$1.5 million) and a combination of other smaller projects totaling \$500 including mobile device replacement, network updates, council chambers live-streaming system and other Information Technology (IT) Strategic Plan initiatives. Total IT spending in 2018 was \$3.4 million. Additional work will continue in 2019 with upgrades to JD Edwards and the implementation of new purchasing and inventory modules. Further, planning and sourcing of a new Corporate Maintenance Management System (CMMS) is planned for 2019, with implementation expected in 2020.

In 2018, the Municipal Innovation Exchange (MIE) and the SMART Cities Challenge (SMART) were incorporated to City's capital portfolio. Total expenses at year-end collectively were \$815. The MIE and SMART projects will continue in 2019 with the announcement of the SMART competition results in spring 2019. Additional information is available here: <https://guelph.ca/2019/03/guelph-wellington-submits-our-food-future-smart-cities-challenge-application/>

The development of data and tools continue for the Corporate Asset Management division with spending of \$500, including the acquisition of the Decision Support System and the Enterprise Asset Management software.

In order to ensure appropriate asset management principles were being applied, the annual vehicle and equipment replacement program was paused while the life cycle assumptions of all vehicles were assessed; this led to lower than budgeted spending of only \$1.2 million in 2018.

Significant planning work was undertaken related to Clair/Maltby secondary plan (\$785), including presentations to Council of development options, additional work continues regarding environmental assessment and infrastructure planning.

The Hanlon Creek Business Park project update was recently approved by Council, with environmental monitoring, appraisals and minor construction work to be completed in 2019.

Emergency Services

Ensuring that our emergency service providers have the vehicles, equipment and facilities required to effectively deliver critical community services. This requires that their assets are in working and reliable condition and are replaced at the right time. Projects in this program are directed by industry best practice and service-specific legislation.

Capital variance	Tri-annual 3	Tri-annual 2	Tri-annual 1
2017 carry-over budget	16,268	16,268	16,268
2018 capital budget, approved	3,524	3,524	3,524
2018 additional approved funding	136	99	0
Available capital funding for 2018	19,928	19,891	19,792
2018 capital spending	11,087	7,215	2,517
Open POs	3,799	7,414	9,914
Closed projects	180		
Total spending and commitments	15,066	14,629	12,431
Uncommitted approved budget	4,862	5,262	7,361

Total spending increased by \$3.8 million since the second tri-annual report and this is mainly related to Guelph Police Services (GPS) and Guelph-Wellington Paramedic Services (GWPS).

In 2018, the GPS Headquarter renovation expenses were \$6.8 million, or \$2.6 million since August. Additional information is available through the City's Tier-1 process City's webpage:

<http://guelph.ca/living/construction-projects/guelph-police-headquarters-renovation/>

Additional GPS project spending totalled \$1.3 million for 2018 or \$320 since the August capital report. This spending was focused on IT infrastructure upgrades and vehicle and equipment replacement. These projects allow officers to have critical information and tools available when needed.

Guelph-Wellington Paramedic Services spent \$721 on vehicle and equipment replacement. Fire Services spent \$705 on hazardous materials equipment, extraction tools and small kit replacement.

Continued spending on equipment and vehicle lifecycle related projects is planned through 2019.

Open Spaces, Recreation, Culture & Library

Leisure and active living play a critical role in providing Guelph residents and visitors options to support their quality of life, health and well-being. Social, cultural and recreational infrastructure is a key indicator for quality of life and serves as visitor destinations, which stimulates the local economy.

Capital variance	Tri-annual 3	Tri-annual 2	Tri-annual 1
2017 carry-over budget	15,628	15,628	15,628
2018 capital budget, approved	7,905	7,905	7,905
2018 additional approved funding	3,443	1,146	1,920
Available capital funding for 2018	26,976	24,679	25,453
2018 capital spending	12,785	5,882	1,684
Open POs	3,078	5,933	4,726
Closed projects	882		
Total spending and commitments	16,745	11,815	6,410
Uncommitted approved budget	10,231	12,864	19,043

Total spending increased by \$7.0 million since the second tri-annual report, mainly related to Parks and Recreation programs (\$4.6 million) and facilities renewal (\$1.7 million).

The annual playground equipment replacement program replaced 18 playgrounds in 2018 (\$3.5 million). Work was also completed on Mico Valeriotte Park, tennis court replacement and the track at St. James School totalling \$1.2 million. The City also acquired a property on Gordon Street (\$1.5 million) which is designated for parkland development in the future.

The design for the South End Community Centre continued through 2018 (\$1.3 million), additional information can be found on the City's webpage here:

<https://guelph.ca/living/construction-projects/south-end-recreation-centre/>

The Emerald Ash Borer treatment is working as expected and trees are being removed and replaced in a proactive manner where required. Limited capital spending was required in 2018, however there is a potential for future costs as further progress is made on addressing all affected areas.

Facilities renewal work (\$2.1 million) at the main library branch, recreation facilities and the River Run Centre. This work is to keep facilities in a state of good repair, ensuring continuous availability for the public and a safe environment for all users.

Solid Waste Services

The program provides for continued customer service, growth, site compliance and maintenance of critical infrastructure required to maintain diversion of waste from landfill. It minimizes landfill disposal costs while reducing the environmental footprint of waste management operations in the City.

Capital variance	Tri-annual 3	Tri-annual 2	Tri-annual 1
2017 carry-over budget	1,540	1,540	1,540
2018 capital budget, approved	3,720	3,720	3,720
2018 additional approved funding	1,628	278	278
Available capital funding for 2018	6,888	5,538	5,538
2018 capital spending	940	224	50
Open POs	615	1,554	563
Closed projects	0	0	0
Total spending and commitments	1,555	1,778	613
Uncommitted approved budget	5,333	3,760	4,925

Total spending level increased by \$716 since the second tri-annual report, mainly due to work completed at the Materials Resource Innovation Centre \$128 and progress on the site asphalt resurfacing \$387.

The inventory and condition assessment at the Dunlop Drive site was anticipated to be completed in June 2018, due to the level of detail being applied in collecting the data the project was not completed until Q4. This information will be used to prioritize work within the capital forecast for 2019 and 2020.

Construction of a new waste packer vehicle storage facility has been paused while further evaluation of the Dunlop Drive site is completed and corporate opportunities are explored.

As mentioned on the second tri-annual report, the purchase of a new front-load waste packer will be completed in early 2019, the vehicle will be put into operation shortly after to introduce the City's new waste collection program for residents not able to be serviced by the current side load trucks.

Total spending for the year, for the public drop off scale and software upgrade is \$154, work on this project will continue in 2019, specifically the improvement and expansion of the scales.

Spending on equipment and facility lifecycle is planned to continue in 2019.

Stormwater Services

The program of work involves constructing, operating, maintaining and improving the City's existing Stormwater Management (SWM) infrastructure for the purpose of providing flood and erosion control, water quality treatment and environmental protection.

Capital variance	Tri-annual 3	Tri-annual 2	Tri-annual 1
2017 carry-over budget	8,755	8,755	8,755
2018 capital budget, approved	3,991	3,991	3,991
2018 additional approved funding	0	0	0
Available capital funding for 2018	12,746	12,746	12,746
2018 capital spending	2,546	855	263
Open POs	1,513	2,142	1,291
Closed projects	40		
Total spending and commitments	4,099	2,997	1,554
Uncommitted approved budget	8,647	9,749	11,192

Total spending increased by \$1.7 million since the second tri-annual report, significant spending for 2018 mainly related to the pre-design of the snow disposal facility(\$72), pond repairs and sediment removal (\$223) and work related to road reconstruction (\$2.2 million).

The construction of the snow disposal facility located west of the Wastewater Treatment Plant is awarded and scheduled to be completed by the third quarter of 2019. The construction of this facility began April 1, 2019 with the goal to begin operations in 2019/2020 winter season.

Stormwater pond rehabilitation work continued through the year. Approval was received from the Federal and Provincial governments to complete work at additional ponds due to a surplus of funds (\$873) through the Clean Water and Wastewater Fund program, total spending was \$166 on the previously approved ponds, these additional pond works will be tendered in 2019.

In coordination with other linear reconstruction work, significant stormwater infrastructure was replaced and upgraded; Arthur Street (\$1.2 million), Bull Frog at Elizabeth Streets (\$349), Niska Road (\$119) and Woodlawn Road (\$146).

The extensive condition assessment for the stormwater system infrastructure completed in 2017, provided an overview of the system structure. City staff continues reviewing the impact of the study and prioritizing activities accordingly. This is the case with the sewer rehabilitation project, which requires further investigation in 2019. The results will guide staff in tendering future work to maintain assets in compliance with the MECP.

Transportation Services

This program of work captures the network of services and assets that enable the flow of people and goods throughout the city, including: Guelph Transit, Parking, Traffic Management and Infrastructure Development both above and below ground in the road and right-of-way.

The program provides for the rehabilitation, renewal, replacement and construction of assets ranging from road surfaces and traffic signals to buses and bus shelters, as well as active transportation routes and parking facilities.

Capital variance	Tri-annual 3	Tri-annual 2	Tri-annual 1
2017 carry-over budget	46,115	46,115	46,115
2018 capital budget, approved	21,209	21,209	21,209
2018 additional approved funding	1,726	0	0
Available capital funding for 2018	69,050	67,324	67,324
2018 capital spending	27,151	10,904	2,499
Open POs	20,390	28,574	30,328
Closed Projects	2,158		
Total spending and commitments	49,699	39,478	32,827
Uncommitted approved budget	19,351	27,846	34,497

Total spending increased by \$16.2 million since the second tri-annual report, mainly due to the completion of the summer construction season. Significant spending for 2018 related to; major road reconstruction and resurfacing work (\$9.6 million), Wilson Parkade construction (\$8.8 million), active transportation improvements (\$1.6 million) and Transit-related purchases (\$1.6 million).

Additional information on the Wilson Street reconstruction and parkade, and the Norfolk Street Foot Bridge can be found here: <http://guelph.ca/living/construction-projects/wilson-street-reconstruction-and-parkade/>

The Niska Road-City boundary / Downey Road project continue, with the construction of the road component completed and the two-lane bridge replacement currently under way; it is estimated that the project will be completed in June 2019. Total year-to-date spending is \$2.6 million.

Progress continues to be made on the multi-use path along Woodlawn Road, with the section between Silver Creek Parkway and Regal being partially completed in 2018 (\$1.0 million); the balance is expected to be completed in spring 2019.

The renewal of mobility buses, completed early in 2018, has significantly improved the reliability and service level of these critical assets. Total year-to-date spending on Transit is \$1.3 million, including bus stop upgrades, transit bus replacement and purchase of an additional mobility bus.

Wastewater Services

City staff continue to focus on the maintenance of critical infrastructure to avoid the risk of non-compliance and the higher costs of unplanned maintenance. Further benefits of this program include: optimizing and increasing capacities of existing systems, reducing infiltration, protecting the natural environment, enhancing asset management, and ensuring wastewater can be conveyed in a manner to satisfy capacity requirements for the City's wastewater treatment plant.

Capital variance	Tri-annual 3	Tri-annual 2	Tri-annual 1
2017 carry-over budget	22,499	22,499	22,499
2018 capital budget, approved	13,115	13,115	13,115
2018 additional approved funding	100	0	0
Available capital funding for 2018	35,714	35,614	35,614
2018 capital spending	6,114	2,774	603
Open POs	2,467	4,211	4,859
Closed projects	984		
Total spending and commitments	9,565	6,985	5,462
Uncommitted approved budget	26,149	28,629	30,153

Total spending of \$6.1 million is made up of work to decommission the Gordon Sewage Pumping Station (\$1.3 million), York Trunk sewer construction (\$1.5 million) and trunk sewers on Arthur and Bristol Streets (\$1.2 million).

Construction continued on the York Trunk Sewer Phase 2B across the city with a year-to-date spend of \$1.5 million. This is a multi-year project which will provide the east side of the city with growth capacity for the Guelph Innovation District. The current phase is expected to be completed by August 2019.

Significant design work was completed related to linear systems and plant equipment renewal during the year, but the major portion of this lifecycle work will continue in 2019. Included is siphon rehabilitation, plant generators, digester structural repairs, gas proofing and the aeration efficiency program.

The Corporate Asset Management division is continuing to work on the condition assessment of the Wastewater Treatment Plant. Progress has been made on the condition of the assets, although there is a delay due to a late start and inclement weather conditions. The project is expected to be completed by December 2019.

Consultation with the MECP continues regarding the re-rating of the current treatment plant capacity, a successful outcome will see the plant continue to meet growth demands without the requirement to significantly expand in the near future. This would provide long-term cost savings to residents and businesses.

Water Services

By proactively creating additional supply and renewing our existing systems, the City is focused on ensuring a safe and reliable source of water for existing customers and to meet the needs of growth.

Capital variance	Tri-annual 3	Tri-annual 2	Tri-annual 1
2017 carry-over budget	39,271	39,271	39,271
2018 capital budget, approved	26,528	26,528	26,528
2018 additional approved funding	254	0	0
Available capital funding for 2018	66,053	65,799	65,799
2018 capital spending	26,193	11,694	1,573
Open POs	9,924	19,706	18,487
Closed Projects	687		
Total spending and commitments	36,804	31,400	20,060
Uncommitted approved budget	29,249	34,399	45,739

Total year-to-date spending is driven by the new Burke Well Treatment Facility (\$4.4 million), upgrades to other treatment facilities (\$6.9 million) and linear growth and replacement work (\$11.4 million).

Construction continued through the year on the Paisley feeder main to the west portion of the city (\$2.3 million); Phase 1 is currently under construction with Phase 2 awaiting developer and Ministry of Transportation approvals. Once completed in 2020, this multi-year project will provide the west side of the City with required redundant water supply and growth capacity.

Construction of the Burke Well Treatment facility (\$4.4 million) is under way and expected to be completed in the first quarter of 2019. Combined with ongoing distribution system, flushing and swabbing activities, this new treatment facility provides residents in the south end with clear, colour-free water.

Replacement of water pipes in conjunction with road reconstruction for Bristol Street (\$900), Metcalfe Street (\$1.3 million) and York Road (\$5.1 million) projects is progressing as expected. Activities for the Bristol project is completed, but spending will continue in 2019 for Metcalfe Street and York Road.

Financial Implications

Key to the successful management of capital projects is ongoing monitoring and reporting to ensure projects are completed within budget, on time and deliver expected outcomes. No specific financial implications are resulting from this report.

Funding available in reserves and reserve funds due to closure of projects will be allocated capital projects through future capital budgets. This ensures a consistent application of the funding allocations used to develop the 2019-2028 capital budget and forecast.

Consultations

Corporate Management Team

Corporate Administrative Plan

Overarching Goals

Financial Stability

Service Area Operational Work Plans

Our Services - Municipal services that make lives better

Our Resources - A solid foundation for a growing city

Attachments

ATT-1: 2018 Additional Approved Capital Funding

ATT-2: Capital Spending as at December 31, 2018

ATT-3: 2018 Closed Capital Projects

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ATT-1 2018 Additional Approved Capital Funding

(all figures reported in thousands)

Program of Work	Details	Budget Reallocations	Additional Budget Approved	Total
Contaminated Sites				
Project reallocation	From Corporate Projects	70		70
Corporate Projects				
Guelph Innovation District	Approved by Council in 2018		902	
Municipal Innovation Exchange	Successful grant application		1,987	
Smart Cities Challenge	Approved by Council June 11, 2018		684	
Metrolinx sale of VIA Station	Sale of asset completed on May 30, 2018		3,152	
Baker Street Pre-Development Agreement	Approved by Council July 13, 2018		500	
Project reallocation	To Solid Waste Services	(1,350)		
Corporate Energy Rebates	Additional funding from rebates		78	
Funding reallocation	IT and vehicle funding	69		
Project reallocation	To Contaminated Sites	(70)		
Subtotal		(1,351)	7,303	5,952

Program of Work	Details	Budget Reallocations	Additional Budget Approved	Total
Emergency Services				
Funding Reallocation from Corporate Projects	Paramedic vehicles & Fire IT	136		
Open Spaces, Recreation, Culture and Library				
Main Library plan and design	Approved by Council February 13, 2018		1,900	
Kiwanis Club of Guelph	Donation for sports fields - received April 12, 2018		20	
Land acquisition – future parkland	Approved by Council in 2018		1,523	
Subtotal			3,443	3,443
Solid Waste Services				
Front-load garbage packer	Approved by Council December 6, 2017		278	
Reallocation of project from Corporate Projects		1,350		
Subtotal		1,350	278	1,628
Transportation Systems				
Ontario Commuter Cycling Funding	Successful grant application		1,191	
Additional funding received from developers	Turning lanes, traffic signals and annual asphalt		908	

Program of Work	Details	Budget Reallocations	Additional Budget Approved	Total
GO Bus stop partnership funding	Bus shelters		32	
Funding reallocation	From/To Corporate Projects, Water Services and Wastewater Services	(405)		
Subtotal		(405)	2,131	1,726
Wastewater Services				
Funding reallocation	From Transportation Systems	100		100
Water Services				
Funding reallocation	From Transportation Systems	100		
Grand River Conservation Authority Contribution	Received in 2018		154	
Subtotal		100	154	254
Total		0	13,309	13,309

ATT-2 Capital Spending as at December 31, 2018

Program of Work	2018 Available Budget	2018 Actual Spending	Closed Projects	December 31, 2018 Balance	Open Purchase Orders	Uncommitted Approved Budget
Contaminated Sites	5,776,764	1,937,595	0	3,839,170	1,801,305	2,037,865
Corporate Projects	26,877,827	11,309,280	(244,359)	15,812,906	3,527,588	12,285,318
Emergency Services	19,928,308	11,087,449	180,481	8,660,378	3,799,435	4,860,943
Open Spaces, Recreation, Culture and Library	26,976,407	12,785,240	882,221	13,308,946	3,078,439	10,230,507
Solid Waste Services	6,887,901	939,733	0	5,948,168	614,977	5,333,191
Stormwater Management	12,745,818	2,546,136	40,017	10,159,665	1,512,848	8,646,816
Transportation Systems	69,050,004	27,151,460	2,157,700	39,741,406	20,389,858	19,351,549
Wastewater Services	35,714,370	6,113,792	983,650	28,616,928	2,467,344	26,149,585
Water Services	66,053,279	26,192,913	687,492	39,172,874	9,923,761	29,249,113
Total	270,010,678	100,063,598	4,687,202	165,260,441	47,115,554	118,144,887

ATT-3 2018 Closed Capital Projects

Program	# Closed	Total Approved Budget (\$)	2018 Final Spending (\$)	Positive/Negative Variance as at December 31, 2018 (\$)	Grants	Development Charges	Rate Funding	Other	Tax Funding	Total Unused Funding
Contaminated Sites	2	-	-	-	-	-	-	-	-	-
Corporate Projects	14	447,839	692,198	(244,359)	-	-	806	(857)	(244,308)	(244,359)
Emergency Services	12	1,497,448	1,316,967	180,481	-	-	-	-	180,481	180,481
Open Spaces, Recreation, Culture and Library	8	2,451,250	1,569,029	882,221	-	640,000	-	-	242,221	882,221
Stormwater Management	2	55,373	15,356	40,017	-	-	40,017	-	-	40,017
Transportation Systems	20	3,065,969	908,269	2,157,700	17,498	558,933	1,202,171	348,600	30,498	2,157,700
Wastewater Services	3	1,034,922	51,272	983,650	-	584,888	398,762	-	-	983,650
Water Services	5	817,775	130,283	687,492	-	286,254	401,238	-	-	687,492
Total Closed	66	9,370,576	4,683,374	4,687,202	17,498	2,070,075	2,042,994	347,743	208,892	4,687,202

Staff Report



To	Committee of the Whole
Service Area	Corporate Services
Date	Monday, May 6, 2019
Subject	2018 General Reserve and Reserve Fund Report
Report Number	CS-2019-13

Recommendation

That the City's General Reserve and Reserve Fund Policy be amended to reflect the addition of the Ontario Municipal Commuter Cycling Reserve Fund (350) as at December 31, 2018.

Executive Summary

Purpose of Report

The purpose of this report is to provide an annual statement of the closing balances and activity of the City's collective reserves and reserve funds for the 2018 year. It also evaluates the condition of the accounts against the approved targets identified in the City's General Reserve and Reserve Fund Policy as well as seeks approval to add new accounts where appropriate, and remove inactive accounts where necessary.

Key Findings

The City has 64 reserves and reserve funds that collectively have a closing balance of \$272.4 million and balance of \$120.8 million after outstanding budget commitments as at December 31, 2018 (see ATT-2 2018 Reserve and Reserve Fund Activity for complete details). This is a stronger position than in 2017 as the City continues to make long-term financial planning and reserve fund management a fiscal priority embedded into the budgeting process.

The balance in the tax supported reserves and reserve funds is \$70.7 million before outstanding budget commitments and \$30.8 million after commitments. Tax supported capital reserve funds collectively have a year-end uncommitted balance of \$7.1 million, which is \$31.9 million lower than the targets identified in the General Reserve and Reserve Fund Policy. The City has successfully increased the tax supported operating reserves to a funded level of 7.1 per cent of own-source revenues, this is just below the targeted level of 8 to 10 per cent.

The balance in the non-tax supported reserves and reserve funds is \$137.3 million before outstanding budget commitments and \$80.5 million after commitments. The non-tax supported operating reserves and reserve funds continue to hold balances above the targets identified in the General Reserve and Reserve Fund Policy and as a result, staff recommended using these reserves to decrease the Water and Wastewater rate increases in the 2019 budget.

The City also maintains obligatory reserve funds for a number of sources of external revenue held for future use and the year-end balance before commitments was \$64.4 million and \$9.5 million after commitments. These funds are primarily development charges, parkland dedication and gas tax funds from both the federal and provincial programs.

Financial Implications

Reserves and reserve funds are established by Council to assist with long-term financial stability, predictable operating and capital budgeting and to absorb unexpected shifts in revenue or expenditures.

The reserves and reserve funds after commitments represent the true amount of funding available for contingency and capital planning. They are used to determine debt capacity limits and influences the City's credit rating score on an annual basis. The closing balance of the collective reserves and reserve funds before commitments is what is reported on the City's annual audited financial statements and is used to allocate the investment income earned during the year.

Report

Reserves and reserve funds are established by Council to assist with long-term financial stability, predictable operating and capital budgeting and to absorb unexpected shifts in revenue or expenditures. Reserves are established for a pre-determined use and are applied at the discretion of Council for that purpose while reserve funds are restricted by statute or by Council and must be segregated from general revenue. Reserve funds are interest-bearing while reserves are not.

The following provides an update on key reserves and reserve funds that experienced noteworthy activity or have critical balances.

Tax Supported Corporate Contingency Reserves

		% of Target	2018	2017
180	Tax Rate Operating Contingency	62%	\$6,185,254	\$8,173,883
131	Compensation Contingency	109%	\$5,532,858	\$4,824,950
198	Environment and Utility Contingency	83%	\$2,482,196	\$2,050,000
193	Legal and Insurance	96%	\$2,723,225	\$2,714,867
102	Library Contingency	0%	0	0
115	Police Contingency	N/A	\$150,000	\$150,000
208	Social Housing Contingency	N/A	\$1,574,136	\$521,800
	Total	88%	\$18,647,669	\$18,435,500

Overall, the Tax Supported Corporate Reserves have maintained a comparable overall balance from 2017. The collective balance in these reserves is 7.39 per cent of the City's own-source revenue, which is slightly below the City's targeted balance and municipal best practice of 8 to 10 per cent of own-source revenues.

Notable reserve activity is as follows:

Tax Rate Operating Contingency Reserve (180) – This reserve is required to provide the City sufficient liquidity and cash flow and to offset extraordinary and unforeseen corporate expenditures in order to mitigate fluctuations to the tax rate. As part of the 2018 Year-end Surplus allocation, staff are recommending transferring \$815,400 to this reserve to fund items approved in the 2019 operating budget.

In 2018 the following items were funded from the reserve in accordance with Council approval:

1. 0.5 per cent of Infrastructure Levy \$1,164,826 (2018 budget approval)
2. one-time Library security \$70,000 (2018 budget approval)
3. one-time Police expenditures \$36,000 (2018 budget approval)
4. Route 3 reinstatement \$140,803 (in-year approval)
5. Business Service reviews \$100,000 (2018 budget approval)
6. Guelph Innovation District project funding \$174,965 (in-year approval)

Compensation Contingency (131) – This reserve is required to manage operating budget variances relating to employee benefits and other compensation related costs including:

- medical and dental benefits
- short-term and long-term disability
- severance
- employee assistance program (EAP)
- arbitration related costs
- regulatory audit decisions
- variances resulting from job evaluations

In 2018, a \$708 thousand surplus from employee benefits was transferred from the operating budget to the compensation reserve as per the approved policy.

Environment and Utility Contingency (198) – This reserve is intended to offset the impact of volatile operating expenditures relating to energy, fuel, winter control and other weather related events. In 2018, the City realized an overall favourable variance in utilities. As per the policy, the surplus of \$432 thousand was transferred to the reserve in order to strategically manage the utility budget. In 2018, Council approved this reserve to also mitigate the risk associated with recycling commodity revenue and the reserve policy was updated accordingly. To support this, staff are recommending \$400 thousand of the 2018 operating surplus be allocated here. Currently this reserve is below target by \$899 thousand and this transfer will move this reserve closer to the City's goal.

Social Housing Contingency (208) – This reserve holds funds for County of Wellington managed capital projects budgeted but not yet spent in addition to the ongoing savings created through the exemption of the property taxes on County-owned social housing units. These funds will be transferred to the County as the capital projects progress to completion. In 2018, \$1.05 million was transferred into

this reserve; \$932 thousand for approved, but not-yet spent capital funding and \$120 thousand for savings from the exemption of property taxes.

Tax Supported Program Specific Reserves

		% of Target	2018	2017
100	Accumulated Sick Leave (Fire)	116%	\$6,324,088	\$5,752,694
101	Accumulated Sick Leave (Police)	98%	\$4,005,334	\$4,020,973
330	WSIB	84%	\$3,313,186	\$3,133,385
338	Paramedic Retirement	152%	\$1,445,940	\$1,041,725
195	Election Costs	33%	\$200,156	\$518,150
345	Westminster Woods	100%	\$35,000	\$35,000

Notable reserve activity is as follows:

Program Specific Compensation Reserves (100, 101, 330 and 338) - The City maintains reserves to fund the cost of certain employee benefits that are incurred today, but payable in the future. These liabilities are generated through legislation and terms of collective agreements. The balances in the sick and paramedic retirement reserves are close to the targets identified in the reserve and reserve fund policy. The WSIB reserve continues to fall below the recommended target of \$3.93 million and this is being addressed through an operating budget strategy over time.

Election Costs reserve (195) – This reserve was established to amortize the cost of a municipal election over four years, rather than expensing the entire amount in the year of the election. Each year, a budgeted contribution from operating is transferred to the reserve. In 2018, \$449 thousand was transferred out of the reserve to offset the cost of the October 22, 2018 election.

Tax Supported Strategic Reserves

		% of Target	2018	2017
119	Affordable Housing	N/A	\$971,467	\$984,052
122	Redevelopment Incentives	100%	\$0	\$0
194	Downtown Improvements	N/A	\$266,677	\$230,819
352	Greenhouse Gas	N/A	\$92,160	\$120,610
179	Strategic Initiatives	N/A	\$29,503	\$616,283

332	Industrial Land	N/A	\$(14,814,609)	\$(15,682,906)
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Notable reserve activity is as follows:

Redevelopment Incentives Reserve Fund (122) – This reserve has a year-end balance of \$8.39 million that has been completely committed by the Council-approved Community Improvement Plan (CIP) grants for redevelopment projects that have signed legal agreements with the City. As part of the long-term funding strategy for the Tax Increment Based Grants (TIBGs), the largest grant options available within the CIPs, \$2.6 million was transferred to this reserve fund as part of the City's 2018 budget. In 2018, TIBGs were paid to the developers of Market Commons at 5 Gordon Street, the Plaza at 40 Wellington Street and the first Tricar building at 160 MacDonnell totaling \$1.0 million.

Strategic Initiatives Reserve (179) – This reserve is used to fund the implementation of the Corporate Administration Plan (previously the Corporate Strategic Plan). In 2018, the reserve was used to fund the following initiatives totaling \$192,990:

- Smart Cities
- Community Plan
- Service Simplified
- Innovation Fund
- Integrated Operational Review

Downtown Improvement Reserve (194) – This reserve supports initiatives intended to spur investment in the downtown. Historically, this reserve has been used to manage the Downtown CIP minor activation grants, however, because the Downtown CIP has expired, there is approximately \$267 thousand available for future program incentives. In 2018, the City used this reserve to account for the Main Street Revitalization grant totaling \$146 thousand.

Industrial Land Reserve Fund (332) – In 2018, the City realized \$1.98 million in land sale revenues from the Hanlon Creek Business Park (HCBP), which after related expenditures, improved the position of the reserve fund from \$(15,682,906) to \$(14,814,609). Recent projections anticipate this reserve fund will return to a positive position once all current land holdings are sold.

Tax Supported Program Specific Reserve Funds

		% of Target	2018	2017
Operating				
135	Museum Donations	N/A	\$126,101	\$150,020
356	Public Art	N/A	\$48,449	\$152,411
205	Community Investment	N/A	\$91,233	\$89,278

138	Library Bequests	N/A	\$523,984	\$433,130
206	Rental Property	N/A	\$642,382	0
Capital				
157	Library	N/A	\$188,166	\$578,637
158	Police	N/A	\$1,227,477	\$1,964,169
162	Sleeman Centre Naming Rights	N/A	\$33,142	\$27,964
189	Sleeman Centre	N/A	\$28,491	\$17,021
210	Information Technology	N/A	\$0	\$847,858
340	River Run	N/A	\$229,437	\$146,209
350	Ontario Municipal Commuter Cycling	N/A	\$30,086	\$23,741
360	Paramedic Services Provincial Capital	N/A	\$47,936	N/A

Program specific reserves and reserve funds are used to allocate funding for certain, Council-approved, purposes. All program specific reserves and reserve funds do not have established balance targets, but the balances are managed to ensure sufficient funding for the program they support.

Notable reserve and reserve fund activity:

Police Capital Reserve Fund (158) - this is required to assist in financing the cost of construction, reconstruction or acquisition of Police assets. Spending in 2018 reached \$1.7 million relating primarily to the headquarters renovation, vehicle replacement and IT related investments.

Rental Property Reserve Fund (206) - this is a new reserve fund intended to improve the management of lease and rental revenues generated from City-owned properties and ensure those funds are used to pay for capital maintenance to those buildings. During the year \$600 thousand was transferred after completion of the transactions related to two-way GO and sale of land to Metrolinx and was approved for the Drill Hall stabilization project through the 2019 capital budget. At year-end 2018, \$42 thousand was transferred to the reserve from the following City-owned properties:

- 110 Gordon (Animal Hospital)
- Boathouse and Speed River Paddle

Ontario Municipal Commuter Cycling Reserve Fund (350) - this is a new reserve fund opened due to the receipt of a provincial grant. In 2018, the City received a \$1,191,335 grant for cycling infrastructure improvements that is being applied to the multi-use path on Woodlawn Road (PN0059).

Paramedic Services Provincial Capital Reserve Fund (360) - This is a new reserve fund approved in 2018 intended to manage the provincial funding received for paramedic services. This reserve fund is required due to this funding being shared with the County of Wellington and this will improve the tracking, reporting and recovery of capital costs relating to paramedics.

Tax Supported Corporate Capital Reserve Funds

		% of Target	2018	2017
150	Infrastructure Renewal	1%	\$301,934	\$2,851
155	City-owned Contaminated Sites	36%	\$972,817	\$1,015,265
156	Growth	24%	\$682,662	\$(61,354)
159	City Building	0%	\$(156,098)	\$21,941
351	Efficiency, Innovation and Opportunity (EIO)	106%	\$5,313,800	\$4,093,390
	Total	18%	\$7,115,115	\$5,072,093

The 2018 balance in the Tax Supported Corporate Capital Reserve Funds has increased from 2017 by just over \$2 million showing Council's dedication to addressing the tax supported capital reserve fund deficit. However, these reserve funds continue to be the most underfunded compared to the targets recommended in the General Reserve and Reserve Fund Policy. This could impact the City's level of service, reduce the City's ability to respond to opportunities for grants or infrastructure projects, and reduce the total debt-to-reserve ratio prescribed in the City's Debt Policy. As part of the Long-term Capital Plan used to create the 10-year Capital budget, a strategy is in place to build these balances over the next 10 years. In the short-term, staff recommend that \$2 million of the 2018 tax supported operating surplus be allocated to the Infrastructure Renewal Reserve Fund as the City's highest funding need/priority. City staff continue to work on other strategies to build these reserve funds to a sustainable level including a Dividend Allocation Policy and considering a different model for the EIO Reserve Fund.

Notable reserve fund activity is as follows:

Infrastructure Renewal Reserve Fund (150) – This is used to fund the replacement and rehabilitation of the City's tax supported infrastructure. It also funds all tax

supported debt servicing including principle and interest. The target balance in this reserve fund is \$22 million, based on an average annual capital requirement. After prior year commitments have been applied, the balance in the reserve fund is \$302 thousand, representing a \$21.7 million shortfall from the target. The City is addressing this funding shortfall through a long-term capital strategy that is the basis for the 10-year 2019-2028 capital budget and forecast. Further, staff are recommending a large portion of the year-end operating surplus be dedicated to this reserve fund.

City-owned Contaminated Sites Reserve Fund (155) – This corporate capital reserve fund is used to manage liabilities associated with City-owned environmentally contaminated sites. The target balance for this reserve fund is 10 per cent of the total liability reported on the City's financial statements that is based on the estimated cost of remediation. As of December 31, 2018, the City-owned Contaminated Sites Reserve Fund is \$1.7 million underfunded. This shortfall is a risk as the City may be compelled to remediate land by other levels of government or local property owners could be impacted by the sites.

Growth Capital Reserve Fund (156) – This reserve fund is used to fund the tax supported gap between required capital funding for growth-related capital projects and the amounts the City can collect in development charge (DC) revenues as prescribed by the Development Charges Act (DCA), 2017. This gap is a result of legislation that requires mandatory DC exemptions, reductions and service eligibility limitations. In 2018, \$449 thousand was transferred out of this reserve fund to fund growth-related capital projects and \$1.76 million was transferred to the DC reserve fund to compensate for DC exemptions given. The balance in the reserve fund is \$683 thousand, which is significantly below the recommended target of \$2.85 million or 25 per cent of annual DC collection for all tax supported DC services. As previously communicated, staff will be providing Council with a recommendation on achieving sustainable funding for this reserve fund as part of the 2020 operating budget.

Efficiency, Innovation and Opportunity (EIO) Reserve Fund (351) – this is intended to provide funding for corporate investment opportunities that generate efficiencies and/or savings or to leverage other levels of government grant funding. In 2016 it was approved to support both the Public Transit Infrastructure Funding (PTIF) and the Clean Water and Wastewater Funding (CWWF) programs.

The following projects received funding from the EIO Reserve Fund in 2018:

- Smart Cities (CA0002)
- Bus Stop Upgrades PTIF (TC0050)
- Corporate Energy Projects (FM0002)
- Metcalfe-Speedvale-Eramosa Phase 1 CWWF (PN0042)

\$367 thousand was transferred into the reserve fund as repayment for the joint wireless project and various other energy efficiency projects.

Non-tax Supported Program Specific Operating Reserves

		% of Target	2018	2017
181	Water Contingency	127%	\$3,897,285	\$3,897,285
182	Wastewater Contingency	159%	\$4,733,839	\$4,733,839
359	Stormwater Contingency	70%	\$421,900	\$421,900
211	Court Contingency	121%	\$484,126	\$484,126

The Non-tax Supported Program Specific Operating Reserves are, in most cases, funded in excess of the target identified in the General Reserve and Reserve Fund Policy. Staff recommended the use of the Water and Wastewater Reserves as part of the 2019 non-tax operating budget in order to reduce the rate increases accordingly.

Non-tax Supported Program Specific Capital Reserve Funds

		% of Target	2018		2017
152	Water Capital	170%	\$22,035,077		\$28,956,000
153	Wastewater Capital	201%	\$47,343,780		\$38,280,331
165	Stormwater Capital	7%	\$476,115		\$209,329
120	Court Capital	N/A	\$1,114,106		\$1,118,870

The Non-tax Program Specific Capital Reserve Funds increased \$2.4 million in 2018 to a total of \$71 million after all prior year capital commitments. In addition to funding capital projects of \$27 million in 2018, \$2.2 million was transferred to the Water (311) and Wastewater (312) DC reserve funds to offset the lost revenue from legislated DC exemptions.

As detailed in ATT-1, Reserve and Reserve Fund Targets, the Non-tax Supported Program Specific Capital Reserve Funds collectively exceed the policy targets. The current status of these reserve funds is the result of the successful implementation of a long-term capital plan and financial sustainability model that the City is endeavoring to replicate for the tax supported business. This enables flexibility in capital project management, reduced debt costs, and the ability to leverage other levels of government funding. While these funds are not formally committed through the 2018 capital budget, they are fully committed through the long-term

capital plan and are required to address significant infrastructure replacement projects that will be coming on-line in the next five years.

Budgeted transfers to Reserve Funds from Operating

In addition to target balances in the reserves and reserve funds there is a need to evaluate the level of annual transfers to the capital reserve funds. As addressed during the capital and operating budget presentations, the City is not at a sustainable level of annual capital funding. This shortage of funding is what limits the ability to both increase reserve balances and expand the capital budget to directly impact the outstanding infrastructure renewal needs across the City as well as achieve the community’s long-term Growth and City Building vision.

Capital Transfers from Tax and Non-tax Operating Budgets

	Reserve Fund	Transfer In	Net to Reserve	Transfer as % of Target
150	Infrastructure Renewal	\$25,443,477	\$474,057	47%
155	Contaminated Sites	\$1,045,000	\$591,719	40%
156	Growth	\$2,934,321	\$582,297	78%
159	City Building	\$3,166,581	\$(1,509,524)	49%
	Tax	\$32,589,379	\$138,550	47%
152	Water	\$14,400,000	\$(6,014,924)	111%
153	Wastewater	\$13,500,000	\$7,358,760	57%
165	Stormwater	\$4,494,860	\$1,790,270	63%
	Non-tax	\$32,394,860	\$3,134,105	74%
	City Total	\$64,984,239	\$3,272,655	59%

As part of the overall Corporate Asset Management Plan and Long-term Capital Plan, the City is working to address these funding transfer shortfalls via the annual operating budgets. Increased capital transfers over a 10-year period are working to address the tax funded deficit and the non-tax businesses long-range plans contain strategies to eliminate their deficits. Current forecasts expect the Stormwater transfer to be 100 per cent sustainable in 2023, the Wastewater transfer in 2035 and the tax supported Infrastructure Renewal in 2036. Additions to existing federal and provincial annual funding programs or introduction of new programs could potentially shorten this period and reduce the need for tax and rate supported increases in the future.

Reaching sustainable funding will enable capital spending at a level that will stop the growth in the infrastructure backlog and funding above the sustainable level, will enable the City to reduce and eventually eliminate the backlog. At this time, the City is working diligently to improve systems and processes to improve the understanding of the backlog and annual need to validate the path we are on.

Obligatory Reserve Funds

		% of Target	2018	2017
300	Parkland Dedication	N/A	\$5,137,525	\$3,642,743
301	Downtown Parkland Dedication	(123)%	\$(917,142)	\$612,957
188	Building Services OBC	85%	\$2,230,561	\$2,839,951
342	Dedicated Gas Tax	N/A	\$539,899	\$(225,181)
343	Federal Gas Tax	N/A	\$714,998	\$1,306,279
311-327	Development Charge Reserve Funds	N/A	\$1,772,061	\$(5,644,728)

Obligatory Reserve Funds are established when a provincial statute requires that revenue received for specific purposes is to 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. The City has Obligatory Reserve Funds for DCs, parkland dedication, Building Services and gas tax.

Notable reserve fund activity is as follows:

Downtown Parkland Dedication Reserve Fund (301) – This is intended to manage the funds collected to provide parkland to the population growth in the downtown. The Downtown Secondary Plan identifies the preferred location for the future Wellington Park in the downtown. In October of 2018, the City purchased 110 Gordon Street at a cost of \$1.5 million which was funded from this reserve fund. This transaction has led to the planned over-drawn position of \$917 thousand and Council agreed that this was appropriate given the projected revenues to be generated through future growth. There were no cash-in-lieu revenues received from development in the downtown in 2018. The City will be preparing a more detailed report for Council detailing all Parkland Dedication activity for 2018 later in the month.

Development Charge Reserve Funds (311-327) – The collective balance in the DC reserve funds after the prior year capital commitment increased from an over-drawn position of \$5.6 million in 2017 to a positive position of \$1.77 million in 2018. This is the result of increased revenue collection, better investment returns and better aligning capital project approval with actual pace of growth.

The 2018 Development Charge Reserve Fund Statement Report, CS-2019-14, is a legislated requirement that will be provided to Council in May, 2019 and will include a detailed report of all DC activity.

Financial Implications

Reserves and reserve funds are established by Council to assist with long-term financial stability, predictable operating and capital budgeting and to absorb unexpected shifts in revenue or expenditures.

Consultations

Economic Development

Corporate Administrative Plan

Overarching Goals

Financial Stability

Service Area Operational Work Plans

Our Resources - A solid foundation for a growing city

Attachments

ATT-1 Reserve and Reserve Fund Targets as at December 31, 2018

ATT-2 2018 Reserve and Reserve Fund Activity

Departmental Approval

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ATT-1: Reserve and Reserve Fund Target as at December 31, 2018

Name	#	Purpose	Target Balance	Target	Uncommitted Balance	Sufficiently / (Under) Funded	Funding Strategy	
Tax Supported								
Reserves								
Operating								
Corporate Contingency	Tax Rate Operating Contingency	180	Provide cash flow, working capital, sufficient liquidity, offset extraordinary and unforeseen corporate expenditures. Mitigate fluctuations to the tax rate for planned one-time operating budget impacts.	8-10% of own source revenue less other tax-supported corporate operating contingency reserves. Balance cannot fall below \$5 million in order to maintain sufficient corporate liquidity.	9,978,444	6,185,254	(3,793,190)	Operating base budget contributions and annual surplus allocations.
	Compensation Contingency	131	Manage operating budget variances relating to employee benefits and other compensation related costs including: Medical / Dental benefits, Short Term and Long Term Disability Severance, Employee Assistance Program (EAP), Arbitration related costs, Regulatory audit decisions, Joint Job Evaluation Committee, Pay Equity.	2.5% of total annual corporate salary and benefit budget.	5,053,616	5,532,858	479,242	Automatic transfer of actual benefit costs compared to budgeted estimates. Annual compensation benefit budget reflects adjustments for historical experience. Year end surplus transfers as required.
	Environment And Utility Contingency	198	Offset the impact of volatile operating expenditures relating to energy, fuel, winter control and other weather related events and recyclables commodity prices.	Up to 25% of three year average hydro & winter control expense plus the difference between the high and low commodity proceed projections	3,380,873	2,482,196	(898,677)	Automatic transfer of operating variance surplus and operating base budget contributions.
	Legal And Insurance	193	Manage operating budget variances relating to external legal expenditures and settlements, large insurance claims, insurance deductible costs and other costs not recoverable through insurance (lost revenue, business interruption).	Average of the past five years legal and insurance claims.	798,065	2,723,225	1,925,160	Automatic transfer of external legal and insurance claim cost variances year to year. Operating base budget contributions and annual surplus allocations.
	Library Operating Contingency	102	Mitigate fluctuations to the tax rate for planned one-time operating budget impacts. Offset extraordinary and unforeseen Library expenditures.	Not more than 1% of the Library annual operating budget.	0	0	0	As recommended by the Guelph Public Library Board and approved by Council through the operating budget or year-end surplus / deficit allocation.
	Police Operating Contingency	115	Mitigate fluctuations to the tax rate for planned one-time operating budget impacts. Offset extraordinary and unforeseen Police expenditures.	Not more than 1% of the Police annual operating budget.	0	150,000	150,000	As recommended by the Police Services Board and approved by Council through the Capital Budget
	Social Housing	208	Manage funds for investment in social housing, including County owned facilities.	Not more than 10% of the Social Housing budget.	0	1,574,136	1,574,136	Council approved transfers during budget, in-year or end of year.
Program Specific	Accumulated Sick Leave (Fire)	100	Accumulate funds over the service life of an employee to fund sick leave hours that are payable in the future.	Minimum = 95% of the Liability for Sick Leave.	5,444,722	6,324,088	879,366	Annual compensation budget allocation for this reserve.
	Accumulated Sick Leave (Police)	101	Accumulate funds over the service life of an employee to fund sick leave hours that are payable in the future.	Minimum = 95% of the Liability for Sick Leave.	4,107,422	4,005,334	(102,088)	Annual compensation budget allocation for this reserve.
	WSIB	330	Accumulate funds throughout the service life of an employee to fund the expected cost of WSIB claims.	Minimum = 50% of the WSIB Liability .	3,925,173	3,313,186	(611,987)	Annual compensation budget allocation for this reserve. Year end surplus transfers.
	Paramedic Retirement	338	Accumulate funds over the service life of an employee to fund the future cost of retirement benefits. Paramedic employees hired before July 1, 2010 receive a lump sum retirement benefit based on years of service.	Equal to the long term funding plan required to fund retirement payments over the remaining service life of the paramedics.	1,098,817	1,445,940	347,123	Annual compensation budget allocation for this reserve.
	Election Costs	195	Amortize the cost of a municipal election over four years, rather than funding the entire amount in the year of the election.	Prior election cost total plus accumulated annual inflation to be achieved by next election year.	604,000	200,156	(403,844)	Annual operating budget allocation for this reserve.
	Westminster Woods	345	This reserve is required, as per the Licence Agreement (September 2006) between the City and Westminster Woods Ltd.	\$35,000	35,000	35,000	0	No funding strategy required.
Affordable Housing	Affordable Housing	119	To provide incentives to developers that encourage the creation of affordable rental units. Refer to separate Council approved policy.	As mandated by the affordable housing Financial Incentive Program approved by Council 2017.	2,500,000	971,467	(1,528,533)	Budgeted transfers through operating budget and surplus allocations
	Redevelopment Incentives	122	Incentive program aimed at encouraging redevelopment of brownfield sites, heritage sites and high density developments in the downtown	Please see the TIBG fiscal impact schedule for the program funding requirements (based on committed and completed projects). Balance must be positive.	0	0	0	Long-term Council approved financial strategy in place through annual operating budget contributions to this reserve.

ATT-1: Reserve and Reserve Fund Target as at December 31, 2018

Name	#	Purpose	Target Balance	Target	Uncommitted Balance	Sufficiently / (Under) Funded	Funding Strategy	
Strategic	Downtown Improvement	194	Downtown CIP incentive program supports private sector investments in the form of façade improvement, feasibility studies and large scale renovations	Reserve is intended to accommodate longer term grant commitments over a year-end.	0	266,677	266,677	As approved annually through the operating budget.
	Greenhouse Gas	352	Accumulate revenues from the sale of Greenhouse gas credits for improvements to the Eastview Landfill.	No established maximum limit, reserve balance must be positive.	0	92,160	92,160	Currently under review.
	Strategic Initiatives	179	Enable the development and execution of corporate initiatives.	No established maximum limit, reserve balance must be positive.	0	29,503	29,503	Annual operating budget allocation for this reserve.
	Industrial Land	332	Manage funds for the development of the Hanlon Creek Business Park, including proceeds from sale of land within the park.	Value of future land sales must be equal to or greater than cost of servicing less life to date land sales.	0	(14,814,609)	(14,814,609)	Proceeds from City-owned industrial lands are automatically transferred to this reserve. The City holds land assets that will be sold to recover this deficiency.
Tax Supported								
Operating								
Program Specific	Museum Donations	135	Accumulate donations for the Civic Museum and McCrae house to be used for future operating or capital projects, including artifacts.	No established maximum limit, reserve balance must be positive.	0	126,101	126,101	No funding strategy required.
	Public Art	356	Accumulate funds for the purpose of investing in public art.	No established maximum limit, reserve balance must be positive.	0	48,449	48,449	No funding strategy required.
	Community Investment	205	Support community programs and initiatives.	No established maximum limit, reserve balance must be positive.	0	91,233	91,233	No funding strategy required.
	Library Bequests	138	Accumulate funds to be used for one-time library related capital or operating expenses.	No established maximum limit, reserve balance must be positive.	0	523,984	523,984	No funding strategy required.
	Rental Property	206	Accumulate funds from the lease and rental revenues generated from city-owned properties that will be used to fund maintenance those buildings	No established maximum limit, reserve balance must be positive.	0	642,382	642,382	No funding strategy required.
Capital								
Program Specific	Library	157	Fund capital projects related to the Gueph Public Library.	No established maximum limit, reserve balance must be positive.	0	188,166	188,166	No funding strategy required.
	Police	158	Fund capital projects related to the Gueph Police Services.	No established maximum limit, reserve balance must be positive.	0	1,227,477	1,227,477	No funding strategy required.
	Sleeman Centre Naming Rights	162	Hold funds received through Naming Rights agreement, to fund capital enhancements at the Sleeman Centre	No established maximum limit, reserve balance must be positive.	0	33,142	33,142	No funding strategy required.
	Sleeman Centre	189	Accumulate funds from Capital surcharge to fund non-lifecycle capital projects at the Sleeman Centre	No established maximum limit, reserve balance must be positive.	0	28,491	28,491	Capital surcharge added to ticket price for events at the Sleeman Centre.
	Information Technology	210	Closed in 2018		0	0	0	
	River Run	340	Accumulate funds from the Capital Surcharge, to fund capital enhancements at the River Run Centre.	No established maximum limit, reserve balance must be positive.	0	229,437	229,437	Capital surcharge added to ticket price for events at the River Run Centre.
	Ontario Municipal Commuter Cycling	350	Provincial funding to develop strategies to move the modal split within the City towards Council targets.	No established maximum limit, reserve balance must be positive.	0	30,086	30,086	One time funding from the Province in 2018.
Paramedic Services Provincial Capital	360	Funding from the Ministry of Health to support replacement of Paramedic capital assets	No established maximum limit, reserve balance must be positive.	0	47,936	47,936	Annual amount based on 50% of prior years amortization cost of Paramedic capital assets.	
Corporate	Infrastructure Renewal	150	Fund the replacement and rehabilitation of the City's infrastructure	Annual capital transfer equal to 100 year average total tax supported asset replacement cost; Balance equal one year's worth of tax supported capital requirement based on ten year average.	22,000,000	301,934	(21,698,066)	Long-term capital transfer strategy to increase transfer to a sustainable level. Dedicating 80% of the annual capital transfer. Asset Management Office strategies for capital replacement prioritization, service level standards and long-term asset replacement plans.
	City-Owned Contaminated Sites	155	Allocation of funds to manage liabilities associated with city-owned environmentally contaminated sites.	10% of the current outstanding liability.	2,700,000	972,817	(1,727,183)	Funded through capital reserve transfers on an annual basis. Annual planned costs of monitoring, assessments and clean up are budgeted as required.
	Growth	156	Funds to cover shortfalls in growth-related capital funding relating to exemptions, reductions and limitations mandated by the Development Charge Act, 1997 and exemptions prescribed by the City's DC By-law.	25% of annual DC collections (based on three year average before exemptions).	2,851,639	682,662	(2,168,977)	Dedication of 10% of the annual capital transfer. Refinement of costing model and the tax cost of growth through the DC Background Study in 2018.
	City Building	159	Fund enhancements to City assets that are non-growth related and not asset renewal, including those related to accessibility.	Average 10 year annual requirement.	6,500,000	(156,098)	(6,656,098)	Dedication of 10% of the annual capital transfer. Utilizing debt to cash flow significant City Building projects.

ATT-1: Reserve and Reserve Fund Target as at December 31, 2018

Name	#	Purpose	Target Balance	Target	Uncommitted Balance	Sufficiently / (Under) Funded	Funding Strategy	
Efficiency, Innovation And Opportunity Fund	351	Provide funding for corporate investment opportunities that generate efficiencies and/or savings or avoided costs that may be repaid to the reserve in full or part over a period of time.	Minimum \$5 million	5,000,000	5,313,800	313,800	Subject to budget approval, an annual operating transfer to invest in efficiency and cost avoidance projects. Annual approved repayment plans for certain capital related projects such as energy. Current repayment plan over 10 years totals \$2 million.	
Non-Tax Supported Operating								
Program Specific	Water Contingency	181	Emergency and unplanned operating costs to minimize fluctuations in the rate.	10% of annual gross operating expenditures.	3,076,399	3,897,285	820,885	At sustainable level
	Wastewater Contingency	182	Emergency and unplanned operating costs to minimize fluctuations in the rate.	10% of annual gross operating expenditures.	2,974,582	4,733,839	1,759,257	At sustainable level
	Stormwater Contingency	359	Emergency and unplanned operating costs to minimize fluctuations in the rate.	10% of annual gross operating expenditures.	598,746	421,900	(176,846)	Annual budget surplus transfers.
	Court Contingency	211	Emergency and unplanned operating costs to minimize fluctuations in the rate.	10% of City's share of Court's gross operating expenditures.	400,281	484,126	83,845	At sustainable level
Capital								
Program Specific	Water	152	Funding for the capital program, including infrastructure renewal, city building and DC exemption amounts.	Annual capital transfer equal to 100 year average total water asset replacement cost; Balance equal to the average 3% of total water asset replacement cost.	13,000,000	22,035,077	9,035,077	10 year capital plans that are supported by the Asset Management Office practices and policies. Annual sustainable budget transfers and year-end budget surplus.
	Wastewater	153	Funding for the capital program, including infrastructure renewal, city building and DC exemption amounts.	Annual capital transfer equal to 100 year average total wastewater asset replacement cost; Balance equal to the average 3% of total wastewater asset replacement cost.	23,600,000	47,343,780	23,743,780	10 year capital plans that are supported by the Asset Management Office practices and policies. Annual sustainable budget transfers and year end budget surplus. Significantly above targeted balance due to delays in executing needed capital work.
	Stormwater	165	Funding for the capital program, including infrastructure renewal, city building and DC exemption amounts.	Annual capital transfer equal to 100 year average total stormwater asset replacement cost; Balance equal to the average 3% of total Stormwater asset replacement cost.	7,100,000	476,115	(6,623,885)	10 year capital plans that are supported by the Asset Management Office practices and policies. Annual sustainable budget transfers and year end budget surplus.
	Courts	120	Funding for capital renewal of assets directly related to the Provincial Offences Act (POA) Court operations.	Asset inventory of operational items being completed, target balance to be average one year capital requirement.	0	1,114,106	1,114,106	Strategy to achieve sustainable funding to be presented as part of Long-Term Capital plan discussions with Council.
Obligatory Reserve Funds								
Corporate	Parkland Dedication	300	Created in accordance with subsection 42 (14) and (15) of the Planning Act for the purpose of requiring the payment of cash-in-lieu of conveyance of land for a park or other public recreation purpose.	No specific target, City receives parkland or cash-in-lieu of parkland unique to each development application. Balance must stay positive.	0	5,137,525	5,137,525	Cash-in-lieu payments
	Downtown Parkland Dedication	301	Created in accordance with subsection 42 (14) and (15) of the Planning Act for the purpose of requiring the payment of cash-in-lieu of conveyance of land for a park or other public recreation purpose in the downtown.	25% of the planned parkland purchase cost in accordance with the Downtown Secondary Plan.	4,000,000	(917,142)	(4,917,142)	Cash-in-lieu payments, bonusing payments from downtown development, rental property income from properties held for future development.
	Building Services OBC Stabilization	188	As mandated by O.Reg.305/03 of the Building Code, a building services stabilization reserve fund is required for managing fluctuations in City building activity that may impact operations.	100-150% of prior-year budgeted operating expenditures.	3,515,670	2,230,561	(1,285,109)	Annual rate reviews and adjustments to maintain cost recovery level. Annual surplus allocations.
	Dedicated Gas Tax	342	Monies received from the Provincial government that are to be used to support increased public transportation ridership and investments in the renewal and expansion of public transportation.	No established maximum limit, reserve balance must be positive.	0	539,899	539,899	No funding strategy required.
	Federal Gas Tax	343	Infrastructure construction, renewal or enhancement within 17 eligible categories.	No established maximum limit, reserve balance must be positive.	0	714,998	714,998	No funding strategy required.
	Development Charges	311 to 327	As prescribed by the DCA, 1997, reserve funds are used to facilitate the collection of development charges from growth within the City and the funding of capital infrastructure required to accommodate that growth.	Reserve fund balance must be zero by build out and debt interest cannot exceed 20% of annual DC revenues.	0	1,772,061	1,772,061	Specific reserve balance targets to be established through evolution of Long Term Capital plan, to be presented as part of Capital discussions with Council.

ATT 2: 2018 RESERVE AND RESERVE FUND ACTIVITY	Transfers In/(Out)			External Revenue			Debenture Costs		Closing Balance	Outstanding Budget Commitments	Closing Balance After Outstanding Commitments	Proposed Surplus Allocation	Closing Balance after Surplus
	Opening Balance	Operating	Capital	Reserves and Reserve Funds	Development Charges	Other	Interest Earned	Principal					
Tax Supported Reserves													
Corporate Contingency													
180 Tax Rate Operating Contingency	8,173,883	(1,086,629)	(174,965)	-	-	-	-	-	6,912,289	(727,035)	6,185,254	816,000	7,001,254
131 Compensation Contingency	4,824,950	707,908	-	-	-	-	-	-	5,532,858	-	5,532,858	-	5,532,858
198 Environmental & Utility Contingency	2,050,000	432,197	-	-	-	-	-	-	2,482,196	-	2,482,196	400,000	2,882,196
193 Legal And Insurance	2,714,867	8,358	-	-	-	-	-	-	2,723,225	-	2,723,225	-	2,723,225
102 Library Contingency	-	-	-	-	-	-	-	-	-	-	-	-	-
115 Police Contingency	150,000	-	-	-	-	-	-	-	150,000	-	150,000	39,000	189,000
208 Social Housing Contingency	521,800	1,052,336	-	-	-	-	-	-	1,574,136	-	1,574,136	-	1,574,136
	18,435,499	1,114,169	(174,965)	-	-	-	-	-	19,374,704	(727,035)	18,647,669	1,255,000	19,902,669
Program Specific													
100 Accumulated Sick Leave (Fire)	5,752,694	571,393	-	-	-	-	-	-	6,324,088	-	6,324,088	-	6,324,088
101 Accumulated Sick Leave(Police)	4,020,973	(15,639)	-	-	-	-	-	-	4,005,334	-	4,005,334	-	4,005,334
330 WSIB	3,133,385	179,801	-	-	-	-	-	-	3,313,186	-	3,313,186	-	3,313,186
338 Paramedic Retirement	1,041,725	404,215	-	-	-	-	-	-	1,445,940	-	1,445,940	-	1,445,940
195 Election Costs	518,150	(317,995)	-	-	-	-	-	-	200,156	-	200,156	-	200,156
345 Westminister Woods	35,000	-	-	-	-	-	-	-	35,000	-	35,000	-	35,000
	14,501,928	821,776	-	-	-	-	-	-	15,323,704	-	15,323,704	-	15,323,704
Strategic													
119 Affordable Housing	984,052	-	-	(12,585)	-	-	-	-	971,467	-	971,467	-	971,467
122 Redevelopment Incentives	6,614,546	1,771,974	-	-	-	-	-	-	8,386,520	(8,386,520)	-	-	-
194 Downtown Improvements	230,819	276,180	-	-	-	-	-	-	507,000	(240,323)	266,677	-	266,677
352 Greenhouse Gas	120,610	125,000	13,331	-	-	-	-	-	258,941	(166,781)	92,160	-	92,160
179 Strategic Initiatives	616,283	(68,260)	(60,000)	-	-	-	-	-	488,022	(458,519)	29,503	-	29,503
332 Industrial Land	(15,682,906)	1,984,611	(255,916)	-	-	-	(324,526)	-	(14,278,737)	(535,872)	(14,814,609)	-	(14,814,609)
	(7,116,595)	4,089,505	(302,586)	(12,585)	-	-	(324,526)	-	(3,666,787)	(9,788,015)	(13,454,802)	-	(13,454,802)
Reserve Funds													
Program Specific - Operating													
135 Museum Donations	150,020	(26,910)	-	-	-	-	2,991	-	126,101	-	126,101	-	126,101
356 Public Art	152,411	-	(78,708)	-	-	-	2,476	-	76,179	(27,730)	48,449	-	48,449
205 Community Investment	89,278	-	-	-	-	-	1,955	-	91,233	-	91,233	-	91,233
138 Library Bequests	433,130	80,487	-	-	-	-	10,367	-	523,984	-	523,984	-	523,984
206 Rental Property	-	42,382	600,000	-	-	-	-	-	642,382	-	642,382	-	642,382
	824,840	95,959	521,292	-	-	-	17,789	-	1,459,879	(27,730)	1,432,149	-	1,432,149

ATT 2: 2018 RESERVE AND RESERVE FUND ACTIVITY	Transfers In/(Out)			External Revenue			Debenture Costs		Closing Balance	Outstanding Budget Commitments	Closing Balance After Outstanding Commitments	Proposed Surplus Allocation	Closing Balance after Surplus	
	Opening Balance	Operating	Capital	Reserves and Reserve Funds	Development Charges	Other	Interest Earned	Principal						Interest
Program Specific - Capital														
157 Library	883,413	-	(66,414)	-	-	-	18,620	-	835,618	(647,452)	188,166	-	188,166	
158 Police	3,929,657	-	(1,401,358)	-	-	-	70,715	-	2,599,013	(1,371,536)	1,227,477	-	1,227,477	
162 Sleeman Centre Naming Rights	27,964	56,840	(52,324)	-	-	-	662	-	33,142	-	33,142	-	33,142	
189 Sleeman Centre	26,955	10,756	481	-	-	-	713	-	38,906	(10,415)	28,491	-	28,491	
210 Information Technology	847,858	-	(847,858)	-	-	-	-	-	-	-	-	-	-	
340 River Run	165,057	78,834	(7,643)	-	-	-	4,394	-	240,642	(11,205)	229,437	-	229,437	
350 Ontario Municipal Commuter Cycling	23,741	1,191,335	(659,413)	-	-	-	6,344	-	562,008	(531,922)	30,086	-	30,086	
360 Paramedic Services Provincial Capital	-	335,300	(249,849)	-	-	-	936	-	86,387	(38,451)	47,936	-	47,936	
	5,904,645	1,673,065	(3,284,377)	-	-	-	102,384	-	4,395,717	(2,610,981)	1,784,736	-	1,784,736	
150 Infrastructure Renewal	21,179,792	25,443,477	(16,849,406)	-	-	427,474	482,853	(6,586,395)	(1,533,619)	22,564,176	(22,262,242)	301,934	2,000,971	2,302,906
155 City Owned Contaminated Sites	1,532,755	1,045,000	(453,281)	-	-	-	40,047	-	2,164,521	(1,191,704)	972,817	-	972,817	
156 Growth	1,009,457	2,934,321	(448,593)	(1,755,835)	-	-	28,483	(135,406)	(12,189)	1,620,238	(937,576)	682,662	-	682,662
159 City Building	1,340,596	3,166,581	(1,892,583)	-	-	-	12,830	(2,472,793)	(310,729)	(156,098)	-	(156,098)	-	(156,098)
351 Efficiency, Innovation & Opportuntiy	6,613,619	355,118	524,760	-	-	-	154,473	-	7,647,969	(2,334,169)	5,313,800	-	5,313,800	
	31,676,219	32,944,497	(19,119,103)	(1,755,835)	-	427,474	718,686	(9,194,594)	(1,856,537)	33,840,806	(26,725,691)	7,115,115	2,000,971	9,116,087
Total Tax Supported	64,226,535	40,738,971	(22,359,738)	(1,768,421)	-	427,474	514,332	(9,194,594)	(1,856,537)	70,728,023	(39,879,452)	30,848,571	3,255,971	34,104,542
Non-Tax Supported Reserves														
Program Specific														
181 Water Contingency	3,897,285	-	-	-	-	-	-	-	3,897,285	-	3,897,285	-	3,897,285	
182 Wastewater Contingency	4,733,839	-	-	-	-	-	-	-	4,733,839	-	4,733,839	-	4,733,839	
359 Stormwater Contingency	421,900	-	-	-	-	-	-	-	421,900	-	421,900	-	421,900	
211 Court Contingency	484,126	-	-	-	-	-	-	-	484,126	-	484,126	88,950	573,076	
	9,537,149	-	-	-	-	-	-	-	9,537,149	-	9,537,149	88,950	9,626,100	
Reserve Funds														
Program Specific														
152 Water Capital	49,494,435	14,400,000	(19,142,877)	(1,272,047)	-	-	1,018,065	-	44,497,576	(22,462,499)	22,035,077	578,081	22,613,158	
153 Wastewater Capital	68,893,676	13,500,000	(5,205,604)	(935,637)	-	-	1,589,350	-	77,841,785	(30,498,005)	47,343,780	2,787,381	50,131,161	
165 Stormwater Capital	2,420,301	4,494,860	(2,594,441)	-	-	-	72,608	(98,569)	(11,580)	4,283,179	(3,807,064)	476,115	313,835	789,950
120 Court Capital	1,143,249	401,579	(26,345)	-	-	-	24,798	(195,076)	(202,000)	1,146,205	(32,099)	1,114,106	-	1,114,106
	121,951,661	32,796,439	(26,969,267)	(2,207,684)	-	-	2,704,821	(293,645)	(213,580)	127,768,745	(56,799,667)	70,969,078	3,679,297	74,648,375
Total Non-Tax Supported	131,488,811	32,796,439	(26,969,267)	(2,207,684)	-	-	2,704,821	(293,645)	(213,580)	137,305,894	(56,799,667)	80,506,227	3,768,248	84,274,474

ATT 2: 2018 RESERVE AND RESERVE FUND ACTIVITY	Transfers In/(Out)			External Revenue			Debenture Costs		Closing Balance	Outstanding Budget Commitments	Closing Balance After Outstanding Commitments	Proposed Surplus Allocation	Closing Balance after Surplus	
	Opening Balance	Operating	Capital	Reserves and Reserve Funds	Development Charges	Other	Interest Earned	Principal						Interest
Obligatory Reserve Funds														
Corporate														
300 Parkland Dedication	3,642,743	-	(15,720)	-	-	1,415,400	95,103	-	5,137,525	-	5,137,525	-	5,137,525	
301 Downtown Parkland Dedication	612,957	-	(1,526,804)	-	-	-	(3,295)	-	(917,142)	-	(917,142)	-	(917,142)	
188 Building Services OBC Stabilization	2,839,951	(608,582)	(37,326)	-	-	-	61,786	-	2,255,829	(25,268)	2,230,561	-	2,230,561	
342 Dedicated Gas Tax	-	3,041,721	(710,045)	-	-	-	25,532	-	2,357,208	(1,817,309)	539,899	-	539,899	
343 Federal Gas Tax	11,896,564	7,751,758	(10,697,580)	-	-	-	228,278	-	9,179,020	(8,464,022)	714,998	-	714,998	
	18,992,215	10,184,897	(12,987,476)	-	-	1,415,400	407,404	-	18,012,440	(10,306,599)	7,705,841	-	7,705,841	
Development Charges														
311 Water Services	29,033,406	-	(7,279,995)	1,276,319	7,092,599	-	670,755	(61,419)	30,731,665	(17,404,260)	13,327,405	-	13,327,405	
312 Wastewater Services	19,613,065	-	(1,295,283)	939,061	5,217,041	-	503,860	(59,278)	24,918,465	(6,870,669)	18,047,796	-	18,047,796	
313 Stormwater	(1,450,598)	-	(13,954)	17,917	99,222	-	(30,638)	-	(1,378,051)	(499,575)	(1,877,626)	-	(1,877,626)	
314 Services Related To A Highway	(14,087,277)	-	(2,310,131)	504,875	2,805,682	-	74,804	(348,047)	(13,360,092)	(4,028,526)	(17,388,618)	-	(17,388,618)	
315 Fire Services	(1,405,577)	-	(18,287)	42,030	215,013	-	(24,734)	(9,170)	(1,200,725)	(24,412)	(1,225,137)	-	(1,225,137)	
316 Library Services	3,192,519	-	(83,018)	75,224	361,750	-	73,792	-	3,620,267	(424,353)	3,195,914	-	3,195,914	
317 Transit Services	925,159	-	(159,339)	75,415	389,170	-	23,603	-	1,254,009	(183,264)	1,070,745	-	1,070,745	
318 Administration	746,782	-	(1,140,234)	47,376	243,481	-	7,054	-	(95,541)	(2,317,487)	(2,413,028)	-	(2,413,028)	
319 Indoor Recreation Services	14,329,548	-	(1,021,924)	356,363	1,717,352	-	325,334	-	15,706,673	(2,157,417)	13,549,256	-	13,549,256	
320 Outdoor Recreation Services	2,891,031	-	(1,088,762)	465,702	2,243,195	-	81,054	-	4,592,221	(2,094,032)	2,498,189	-	2,498,189	
323 Parking Services	5,979,265	-	(4,357,345)	102,207	526,964	-	90,122	-	2,341,213	(5,519,148)	(3,177,935)	-	(3,177,935)	
324 Police Services	(10,769,785)	-	(2,962,202)	59,050	302,584	-	(91,887)	(172,287)	(13,634,527)	(3,076,914)	(16,711,441)	-	(16,711,441)	
325 Ambulance Services	(1,379,358)	-	-	4,239	21,069	-	(29,931)	-	(1,383,980)	-	(1,383,980)	-	(1,383,980)	
326 Court Services	(73,233)	-	-	1,250	5,370	-	(1,531)	-	(68,144)	-	(68,144)	-	(68,144)	
327 Health Unit	(5,615,038)	-	-	9,076	44,993	-	(57,489)	(52,877)	(5,671,335)	-	(5,671,335)	-	(5,671,335)	
	41,929,910	-	(21,730,474)	3,976,104	21,285,487	-	1,614,168	(703,078)	46,372,118	(44,600,057)	1,772,061	-	1,772,061	
Total Obligatory	60,922,125	10,184,897	(34,717,950)	3,976,104	21,285,487	1,415,400	2,021,572	(703,078)	64,384,558	(54,906,656)	9,477,902	-	9,477,902	
Grand Total	256,637,471	83,720,307	(84,046,955)	-	21,285,487	1,842,874	5,240,725	(9,488,240)	(2,773,195)	272,418,474	(151,585,775)	120,832,699	7,024,219	127,856,918

Staff Report



To	Committee of the Whole
Service Area	Corporate Services
Date	Monday, May 6, 2019
Subject	Dividend Allocation Policy
Report Number	CS-2019-56

Recommendation

1. That the one-time special dividend to be declared by Guelph Municipal Holdings Inc. (GMHI) be allocated as follows:
 - a. 45 per cent, to a maximum of \$6 million, be directed to the City Building Reserve Fund; and
 - b. 10 per cent, to a maximum of \$1.3 million, be directed to the Community Investment Program; and
 - c. \$700 thousand be directed to support the Community Energy Initiative; and
 - d. The remaining funds be directed to the Infrastructure Renewal Reserve Fund.
 2. That any net new ongoing dividend revenues from the City's municipal services corporations be directed to the City's Infrastructure Renewal Reserve Fund and be approved until such time that sustainable tax supported capital funding levels are achieved.
 3. That a strategy, to redirect the base operating dividend revenue (\$1.9 million in 2019) from the City's municipal services corporations into the Infrastructure Renewal Reserve Fund, be approved.
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Executive Summary

Purpose of Report

To provide clarity on past motions related to dividend revenues and to seek Council approval for the allocation of dividends declared payable to the City from its municipal services corporations.

Key Findings

Staff have reviewed past motions approved by Council as shareholder of GMHI, and motions referred and/or considered by Council related to the allocation of dividend revenues in the 2018/2019 period and believe them to be overlapping and in some cases contradictory.

Staff have also reviewed the City's outstanding funding needs that have been raised through the 2019 capital and operating budget process and provided an updated one-time special dividend recommendation that aligns to these priorities. Utilizing the one-time special dividend to further both the Community Investment and

Community Energy priorities is consistent with the original intent to invest a portion of the funds to achieve community goals. The balance of the one-time dividend as well as the ongoing dividends from all our business enterprises has been dedicated to the City's capital infrastructure needs and will be leveraged where possible to access grants from other levels of government.

Financial Implications

Reliable, consistent funding is required in order to develop meaningful operating and capital plans. A Council-approved Dividend Allocation Policy provides the stability and reliability that staff require to incorporate this revenue stream into the base assumptions of the long-term capital plan.

The estimated one-time dividend could yield City revenues in the range of \$12 to \$15 million, while the ongoing dividend from GMHI is estimated to increase from \$2.9 million in 2019 to \$5.5 million by 2038 generating an estimated additional \$10 million over the 20 year period.

Report

Background

The City has two municipal services corporations (Guelph Municipal Holdings Inc. (GMHI) and Guelph Junction Railway (GJR)) that provide dividend revenues to the City either in the form of a one-time special declaration or recurring planned quarterly declarations.

The City has, in the past, allocated this dividend revenue to the operating budget to offset the general property tax increase in any given year. Until 2018, the dividend revenue had not been strategically linked to achieving the Corporate Administrative Plan outcomes or the most critical financial pressures.

At a special meeting held on June 18, 2018, Council as shareholder of GMHI approved a direction for the one-time special dividend expected to be declared by GMHI related to the merger of Guelph Hydro Inc. with Alectra Utilities Corporation.

The recommendation approved from report GMHI-2018-04, entitled GMHI Special and Long-term Dividends, is as follows:

1. That the one-time, special GMHI dividend resulting from the merger with Alectra Inc. be allocated to City Reserve and Reserve Funds and programs as follows:
 - City Building Reserve Fund (159) – 45 per cent
 - Efficiency, Innovation, and Opportunity Reserve Fund (351) – 45 per cent
 - Community Investment Program – 10 per cent
2. That any future increase in the annual dividend received from Alectra Inc. by way of GMHI be directed to the annual tax supported transfer to the City's capital reserve funds in accordance with the Council-approved Capital Allocation Policy.

As a reminder for Council, the reasoning for staff recommendation at the time was as follows:

Recommendation #1 One-time Dividend Allocation:

- 45 per cent of one-time dividend to the Efficiency, Innovation, and Opportunity (EIO) Reserve Fund: The funds being directed to the EIO Reserve Fund were recommended because the Federal and Provincial governments had recently signed a bi-lateral agreement for transportation/transit funding that requires the City to contribute matching funds in order to access. Putting the money to this reserve enables the City to be ready to act on these other level of government funds immediately, knowing that the City has matching funds identified.
- 45 per cent of one-time dividend to the City Building Reserve Fund: At the time of this recommendation, Staff were developing the 10-year funded capital plan and noted that the City Building Reserve Fund allocation was not sufficient to meet Council's intended projects identified through master plans, design guidelines and the Official Plan. This funding provided certainty in the City's capital revenue stream that enabled many City Building initiatives to be included within the 10-year plan, including the Downtown Library, Downtown Streetscaping improvements, Transit enhancements and Active Transportation Network buildout. As indicated in the 2019 approved capital budget, prioritization of these remaining initiatives is required as these plans are deferred out over a longer period of time, or as other levels of government funding materialize.
- 10 per cent of the one-time dividend to the Community Investment Program: This program would offer funding, in-kind support, and support partnerships with a number of local not-for-profit organizations to achieve a variety of community and social goals. This funding would allow for significant one-time support to the community (possibly over a number of years), which would complement the City's Community Investment Strategy's implementation of the Wellbeing Grants and Community Benefit Agreement programs.

Recommendation #2 Ongoing Dividend Allocation:

Staff recommended that any increase in the ongoing dividend be directed toward the tax supported capital reserve funds in accordance with the already approved allocation policy of 80 per cent Infrastructure Renewal, 10 per cent Growth and 10 per cent City Building. Capital funding is a critical financial priority and having a reliable, increasing ongoing revenue source provides stability for the capital budget planning to be better and more efficient because, again, the City has a confirmed revenue stream that staff can plan with.

Upon review, it has been determined that City Council has the ultimate authority when making decisions regarding funding allocations of City resources and since these recommendations were approved by Council as a shareholder, Council still has the opportunity to deliberate and consider these recommendations as the governing body.

As part of the proposed 2019-2028 Capital Budget and Forecast, Council referred the following recommendation from report CS-2019-02 for consideration on March 5, 2019:

Any net new ongoing dividend revenues from Alectra Inc. or Guelph Junction Railway be directed to the City's Infrastructure Renewal Reserve Fund until such time that sustainable tax supported capital funding levels are achieved.

On March 5, 2019, the Mayor also moved the following motion for Council discussion (this was not seconded):

That staff report back with a Dividend Allocation Policy for the accounting of both the one-time dividend and the ongoing dividends from Alectra Inc. with the intent to direct this funding toward the Capital Infrastructure Renewal Reserve Fund.

Neither of these two motions were approved by Council and verbal confirmation was provided by staff that a report back to Council to provide clarity on this topic would be forthcoming.

Review of City Funding Needs

Through the past two years, the City has done a tremendous amount of work to quantify its infrastructure funding needs based upon empirical asset management data. These data were the basis for the 10-year capital plan and has led staff to prioritize capital renewal and replacement as its highest priority, given the magnitude of the backlog and the current gap from sustainable funding. In addition, the 10-year capital plan highlighted that the City also has a considerable gap in funding for City Building and Growth infrastructure projects.

Through the 2019 tax supported operating budget process, Council also identified a number of social, cultural, health and housing priorities that do not yet have an ongoing funding source. The 10 per cent allocation of the one-time dividend could yield approximately \$1.3 million for this purpose; however, this is not a sustainable source of funding. One-time funding can still go a long way toward supporting critical community goals and can be used to leverage other government revenues. Staff are completing a review of the Community Investment Strategy, and, when this is complete, further program-specific recommendations will be forthcoming. This one-time funding will not solve all the long-term community investment needs, as it is known that ongoing, sustainable funding is what non-profit organizations rely upon so that resources are focused on community deliverables instead of finding funding.

In addition to capital and community investment needs, in 2018, Council approved additional motions related to the City as a Corporation as well as the City on a wider scale with respect to renewable energy and reducing its carbon footprint. Namely, these motions passed are:

That Council acknowledge the role of Our Energy Guelph (OEG) as the implementer of the Community Energy Initiative going forward, in principle.

That Council approve the City of Guelph's continued association with OEG as a primary stakeholder and partner.

That Council acknowledge the target that OEG has proposed, namely for Guelph to become net zero carbon by 2050.

That the Corporation of the City of Guelph will strive to achieve one hundred percent of its energy needs through renewable sources by 2050.

These motions were referred to staff to investigate through the budget process, develop business cases and in some cases report back with more information and

updates. From a funding perspective, it is important to understand there are two separate and identifiable strategies:

1. The City as a Corporation target: 100 per cent renewable by 2050
 - Efficiency, Innovation and Opportunity (EIO) Reserve Fund
 - Incorporation in the City's long-term capital plan and funded from City capital reserve funds
2. The Community Energy target: net zero carbon by 2050
 - Our Energy Guelph (OEG) funded through a service delivery agreement

Further information is provided in staff report IDE-2019-47 entitled Community Energy Initiative Update Part 2: Pathway to Net Zero Carbon on the next steps and actions related to the second strategy, The Community Energy target and OEG. It is estimated that the five-year commitment to the OEG to execute the Community Energy Plan is not more than \$700,000.

There is also currently funding available to in the City's EIO Reserve Fund, which has a 2018 uncommitted year-end balance of \$5.3 million. These funds can be accessed to spur initial investment or can be leveraged for other grant funding to advance the direction of net zero carbon for the community and 100% renewable energy usage by the Corporation by 2050. In addition to this, as staff complete more investigation and action corporate policy changes, these initiatives will begin to be part of larger projects funded within the capital budget and it is anticipated that a new 100% Renewable Reserve Fund will be required to appropriately fund and account for these pieces of the projects accordingly. Staff report IDE-2019-44 entitled Corporate 100% Renewable Energy Target provides further information on this corporate initiative and the long-term pathway.

Recommended Dividend Allocation Policy

For the reasons above, staff are recommending that most of the one-time dividend, approximately 85 per cent, is best directed towards the City's capital infrastructure and City Building needs and funding the 10-year Capital Plan. The remaining 15 per cent will be dedicated to Community Investment and Community Energy initiatives for a maximum of \$1.9 million.

Staff confirm that funding can still be used to leverage other level of government grant funding when it becomes available. Depending on the specific requirements of the Federal/Provincial grant program, this revised dividend allocation enables these funds to be fully maximized for the City's highest infrastructure needs.

While these one-time dividend funds partially address the significant infrastructure backlog, Council understands the need to continue the path towards sustainable capital funding. For this reason, staff recommend the following, in addition to the tax supported Dedicated Infrastructure Levy strategy:

That any net new ongoing dividend revenues from the City's municipal services corporations be directed to the City's Infrastructure Renewal Reserve Fund and be approved until such time that sustainable tax supported capital funding levels are achieved;

That a strategy, to redirect the base operating dividend revenue budget of \$1.9 million into the Infrastructure Renewal Reserve Fund, be approved.

These recommendations are aligned with the already approved motion by Council as shareholder of GMHI, however, they are more broadly encompassing all dividends from City business enterprises.

In order to address any remaining ongoing funding needs of the Community Investment Strategy and the City's 100 per cent renewable energy commitment, staff would refer those decisions to the base operating and capital budget processes in order for the funding to be permanent and reliable.

Financial Implications

Reliable, consistent funding is required in order to develop meaningful operating and capital plans. A Council-approved Dividend Allocation Policy provides the stability and reliability that staff require to incorporate this revenue stream into the base assumptions of the long-term capital plan.

The estimated one-time dividend could yield City revenues in the range of \$12 to \$15 million, while the ongoing dividend from GMHI is estimated to increase from \$2.9 million in 2019 to \$5.5 million by 2038, generating an estimated additional \$10 million over the 20 year period.

Consultations

Strategy, Innovation and Intergovernmental Affairs
City Clerk's Office
Culture, Tourism and Community Investment
Facilities Management/Climate Change Office
Legal, Realty and Court Services

Corporate Administrative Plan

Overarching Goals

Financial Stability

Service Area Operational Work Plans

Our Resources - A solid foundation for a growing city



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NOTICE OF MOTION



Title of Motion: IDE-2018.56 Renewable Sources of Energy (for reconsideration)

Moved by: James Gordon

SUMMARY:

Whereas new information was released in September 2018 by the United Nations International Panel on Climate Change (IPCC), concluding that carbon emissions must be cut in half by 2031 in order to prevent an average global temperature increase beyond 1.5 Celsius; and

Environment and Climate Change Canada released its finding in April 2019 that Canada is warming at more than double the global average; and

That the leadership of cities is essential to meeting Canada's climate change targets as set out in the Paris Climate Accord commitment to reduce emissions by 30% below 2005 levels by 2030.

RECONSIDERATION:

In light of new information on the urgency of reducing greenhouse gas emissions that are responsible for the escalation of Climate Change, that the following resolution of May 28, 2018 be reconsidered:

1. That the Corporation of the City of Guelph will strive to achieve one hundred percent of its energy needs through renewable sources by 2050.
2. That Staff be directed to report back to the next term of Council on the most effective way for the Corporation to work towards achieving this goal, including information on, but not limited to, the impact on capital budget planning, potential resource needs, and a recommended process for the review of new program and policy development initiatives.

NOTICE OF MOTION



RECOMMENDATIONS:

If successful reconsideration motions are passed, the following replacement motions will be put on the floor:

Moved by James Gordon, seconded by Leanne Piper.

1. That the target date for the City of Guelph to achieve Net Zero status be set at 2035.
2. That the target date for the City of Guelph to meet 100% of its corporate energy needs through renewables be set at 2035.
3. That staff be directed to report back to Committee of the Whole by Q2 of 2020 on the most effective way for the Corporation to work towards achieving this goal, including information on, but not limited to, the impact on capital budget planning, potential resource needs, and a recommended process and timeline for the review of new program and policy development initiatives.

Date: May 6, 2019