

Committee of the Whole Meeting Agenda

Monday, October 2, 2017 – 2:00 p.m.
Council Chambers, Guelph City Hall, 1 Carden Street

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guelph.ca/agendas.

Call to Order – Mayor

Disclosure of Pecuniary Interest and General Nature Thereof

Presentation:

- a) Recognition of the International Economic Development Council Award
Peter Cartwright, General Manager, Business Development and Enterprise
and staff
 - b) Recognition of Michael Witmer, Development Planner, for obtaining his
Master of Public Administration degree
 - c) Children's Groundwater Festival
Sue Reid, Program Coordinator
 - d) Metrolinx Capital Projects Update
Nick Faieta, Senior Advisor, Communications and Stakeholder Relations
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Consent Agenda – Infrastructure, Development & Enterprise

Chair – Councillor Gibson

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.

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

Recommendation:

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

Items for Discussion – Infrastructure, Development & 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.

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

Presentation:

Emily Stahl, Manager Technical Services, IDE, Environmental Services Water
Wayne Galliher, Division Manager, IDE Environmental Services Water
Peter Busato, General Manager Environmental Services

Recommendation:

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

COW-IDE-2017.38 Pedestrian Crossover Implementation

Presentation:

Steve Anderson, Supervisor, Traffic Engineering

Recommendation:

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

COW-IDE-2017.39 Corporate Project Management Office Progress Update

Presentation:

Tomoko King, Manager Corporate Project Management Office

Recommendation:

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

Service Area Chair and Staff Announcements

Consent Agenda – Governance

Chair – Mayor Guthrie

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.

COW-GOV-2017.2 2018 Council and Committee Meeting Calendar

Recommendation:

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

COW-GOV-2017.3 Election Policies

Presentation:

Stephen O'Brien, City Clerk

Recommendation:

1. That the Use of Corporate Resources during an Election Policy, included as ATT-1 to the report titled Election Policies and dated October 2, 2017, be approved.
2. That the Council Vacancy Policy, included as ATT-2 to the report titled Election Policies and dated October 23, 2017, be approved.

Service Area Chair and Staff Announcements

Consent Agenda – Public Services

Chair – Councillor Downer

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.

COW-PS-2017.12 Speedvale Avenue Bridge Underpass

Recommendation:

1. That staff be directed not to proceed with the detailed design and construction of the Speedvale Avenue Bridge Underpass.
2. That staff be directed to continue to explore an alternative to the Speedvale Avenue Bridge Underpass in the Guelph Trail Master Plan Update.

3. That the \$50,000 approved in 2017 Capital Budget for detailed design be reallocated by the Finance Department.

Service Area Chair and Staff Announcements

Mayor as Chair

Adjournment

Waterloo Wellington Children's Groundwater Festival

May 25th – May 31, 2018



In 2015, we celebrated 20 years of water education!



Since 1996

- Over 90,000 elementary students
- 10,000 volunteers
- Over 20,000 teachers/ adult supervisors
- Over 1,000 elementary schools
- Over 120 high schools
- Direct links to the Ontario curriculum

Sponsors

Partners

City of Guelph
City of Kitchener
City of Waterloo
C.F. Crozier & Associates
Emerge Guelph
Earth Science Museum, University of Waterloo
Grand River Conservation Authority
MTE Consultants
Region of Waterloo
Waterloo Region Museum

Watershed (\$5,000+)

City of Guelph, Waterworks Dept.
Grand River Conservation Foundation
Kitchener Utilities
TD Friends of the Environment Foundation:
* K-W and Grand River Chapters
Region of Waterloo, Water Services
Region of Waterloo, Public Health

Lake (\$1000+)

Aevitas
City of Waterloo
City of Cambridge
Linamar Corporation
Ontario Clean Water Agency
Toyota Motor Manufacturing
Wellington Source Water Protection

River (\$500+)

AET Group Inc.
MTE Consultants Inc.
R.E. Poisson Engineering

In-Kind

Aardvark Drilling, AET Group Inc., CH2M
City of Guelph, City of Kitchener, City of Waterloo
Earth Science Museum, University of Waterloo
Grand River Conservation Authority
Local Kitchener-Waterloo Tim Hortons
Province of Ontario: MOE
Region of Waterloo
♦ Waterloo Region Museum ♦ Public Health
♦ Water Services ♦ EMS

Students arrive and they are ready to learn



Interactive Centres



High school volunteers + elementary students = a fun experience!



Centennial, St. James, Norwell high schools from Upper Grand and Wellington Catholic School Boards





"Fire!" Students learn in a historic setting -Bucket Brigade



Volunteers sharing knowledge



Guelph Partnership



Rainy Day in the Urban Forest





Developing key messages





Thank you

- Financial support
- Committee engagement
- Staff support
- Getting involved with environmental education
- Educating over 90,000 students!



Staff Report



To **Committee of the Whole**

Service Area Infrastructure, Development and Enterprise Services

Date Monday, October 2, 2017

Subject **Service Delivery Methods in the Context of Business Service Reviews**

Report Number IDE-17-104

Recommendation

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

Executive Summary

Purpose of Report

Provide Council with an overview of Service Delivery Methods and anticipated implications, risks and impacts related to changing service delivery methods.

Key Findings

- Alternative service delivery (ASD) is the process of public-sector restructuring to alter or transfer the method and/or responsibility for the delivery of service to a non-city or non-government entity.
- Municipal services can be provided in a variety of ways, the most common being direct responsibility, but also including purchase of service.
- While there are common considerations across all alternative service delivery models, selecting a method is dependent upon the nature of the service, impacts, risks and implications of each service delivery model.
- Considerations, risks and impacts include legislative requirements, labour relations, procurement and governance.

Financial Implications

This report is provided for information purposes only. Financial impacts will be unique to the service and the conditions of the selected service delivery method.

Report

The Business Service Review framework, approved by Council in October 2016 (CS-2016-61), provides an approach and methodology for examining the services delivered by the City, for relevance, effectiveness and efficiency by looking at the following:

- Service Basics: What services do we provide? Are they core to our business? What value are they offering? Do we offer the right services?
- Service Levels: What service level do we currently offer? How much would it cost to improve the service level? What is the impact if the service level is reduced?
- Improving Services: Can the efficiency, effectiveness and quality be improved? How do we deliver the service? Are there better ways? Can we learn from others?
- Alternate Service Delivery (ASD): Can services be delivered in other ways? This could include partnerships, in-source, out-source, volunteer, etc.

Municipal services can be provided in a variety of ways, the most common being direct responsibility; however, the other common methods used in municipal service delivery include;

- Purchase of Service
 - Outsourcing
 - Managed Competition
- Privatization
- Partnerships
- Municipal Business Corporations

This report will provide information on the implications, risks and impacts of various service delivery methods focusing on considerations related to **Direct Responsibility, Outsourcing, and Managed Competition**. Other service delivery methods, are defined in Attachment 3: Other Service Delivery methods.

Definitions¹

Alternative service delivery (ASD)

The process of public-sector restructuring to alter or transfer the method and/or responsibility for the delivery of service to a non-city or non-government entity.

Direct Responsibility (open & operate)

The municipality has full responsibility for producing, funding and providing the service or program, using municipal employees. Most municipal services and programs are provided in this way.

¹ Definitions taken from: *A Guide to Service Delivery Review for Municipal Managers*, Ministry of Municipal Affairs and Housing, Government of Ontario, August 2004

Purchase of Service

Services are purchased either externally or internally through the following:

- Contracting out (own & contract or contract) - It is usually initiated through competitive bidding or a negotiated contract. The municipality continues to pay for the service or program and is ultimately accountable for its provision.
- Managed Competition (public vs. private bidding) - Public Sector entities compete with Private Sector organizations to provide public services, resulting in service provision by one or the other.

Common Considerations of ASDs

Generally, ASD should be considered in circumstances where increased access to capital, specialized expertise and other resources allows the City to:

- Provide a service or project that it could not have provided on its own
- Provide a higher standard or quality of service than it could have provided on its own
- Provide services more cost effectively than it would have provided on its own
- Provide greater value to its customers by providing a higher level of service more cost effectively².

Certain commonalities exist when a service provision method changes.

1. Legislative considerations

Municipal service is governed by the provincial legislative and regulatory framework in which it operates. While such frameworks are often fairly flexible, they include constraints and requirements that will impact the ability of a municipal government to undertake alternative procurements of infrastructure and services. Further, the provincial legislative and regulatory framework governing a municipality often varies by sector and cannot be assumed to be uniform across all asset classes³.

2. Collective Bargaining Agreement (CBA)

The current CBAs limit the City's ability to sell, merge, lease or transfer any part of its operations to another organization.

- a. For example, some of the City's CBAs contain language that no employee with two or more years of seniority may be laid off for the purpose of contracting out. This means that employees who are displaced as a result of contracting out will have to be absorbed into the City's operations elsewhere. This could limit any financial savings

² Urban Services, *Background Paper: Best Practices for Moving Toward Change in the Delivery of Local Government Services*, June 2016

³ *Public-Private Partnerships | A Guide for Municipalities*, The Canadian Council for Public-Private Partnerships, November 2011

expected as a result of contracting out a service or operation in the short to medium term. The larger the service or operation is (in terms of the number of employees impacted), the greater the risk in this area.

- b. The CBAs provide employees the ability to bump in an open position or any employee below them in seniority of the same or lower classification provided that the employee bumping is qualified to perform the work. This exercise can take up to a year to finalize depending on the grade and seniority level of the employee initially affected, and the number of employees affected.
- c. Notwithstanding the City's CBA requirements, there are broader labour relation implications (discussed under point 3 below), that the City must consider.

3. Labour Relations Act Implications

The term "sale of a business" under the Ontario Labour Relations Act (the Act) is broadly defined.

The Act has ramifications that differ depending on the union or non-union status of the "purchaser", but a primary effect of the application of the Act is that the collective agreement and bargaining rights that exist with the City covering the affected employees flow through to the new employer.

Where the new employer is unionized, it is more complicated as there are competing rights between the two unions involved and the terms of their respective collective agreements.

The City would be a party to any issues and/or disputes filed by our Unions to the Ontario Labour Relations Board.

4. Procurement Process

All research points to the requirement for fair and transparent procurement processes with reasonable, fair and effective evaluation criteria. Contracts for service provision should address some or all of the following:

- Compensation formula
- Terms of the agreement
- Buy-back options
- Termination provisions
- Technical specifications
- Qualifications
- Training
- Ongoing communication
- Dispute resolution

- Capital versus operational or maintenance expenditures
- Assignment
- Security
- Insurance
- Owner's rights to inspect, audit and receive reports.

Procurement of third party service provision (contracting out or managed competition) would be conducted in compliance with the City's Purchasing Bylaw (2014)-19771. This includes development of a request for proposal (RFP), review of proposal, creation and execution of agreement. This process currently takes an average of 12 to 24 months to complete, dependant on the complexity of request.

The City's Purchasing Bylaw (2014)-19771 prohibits in-house bidding through the following:

- 4.5.h.3. The City shall reject any Bid submitted by a Service Area in competition with external Bidders for the provision of Goods and Services.
- 4.5.h.4. Without prior Council approval, the City shall reject any Bid submitted by:
 - An officer, employee or member of Council of the City; or
 - A business of which an officer, employee or member of Council of the City is a director or officer

This has the impact of prohibiting staff that have direct responsibility for the management of the service from participating in the bidding process. This language may allow the City's unions to submit a bid independent of City management.

5. Legal considerations

In the event ASD processes are considered and changes in the methods of service provision are contemplated, it is advised to seek support from the City's internal legal resources in the following, among other, respects:

- Interpretation of the relevant terms and condition of existing contracts and agreements
- Advice as to those situations, if any, where a contract or agreement may be terminated or assigned, as the case may be
- Contract/agreement negotiations and drafting
- Assistance in drafting Requests for Proposal and other procurement-related documents, if necessary
- Interpretations of the provisions of the City's Purchasing Bylaw (2014)-19771

6. Governance

Monitoring of the activity, quality of service and performance through performance measures should be established. For effective monitoring, the municipality may need to retain some internal expertise and capacity. Also, skills and capacity to manage the contracts and the necessary investment to deliver public goods and services by contract with an outside vendor are needed.

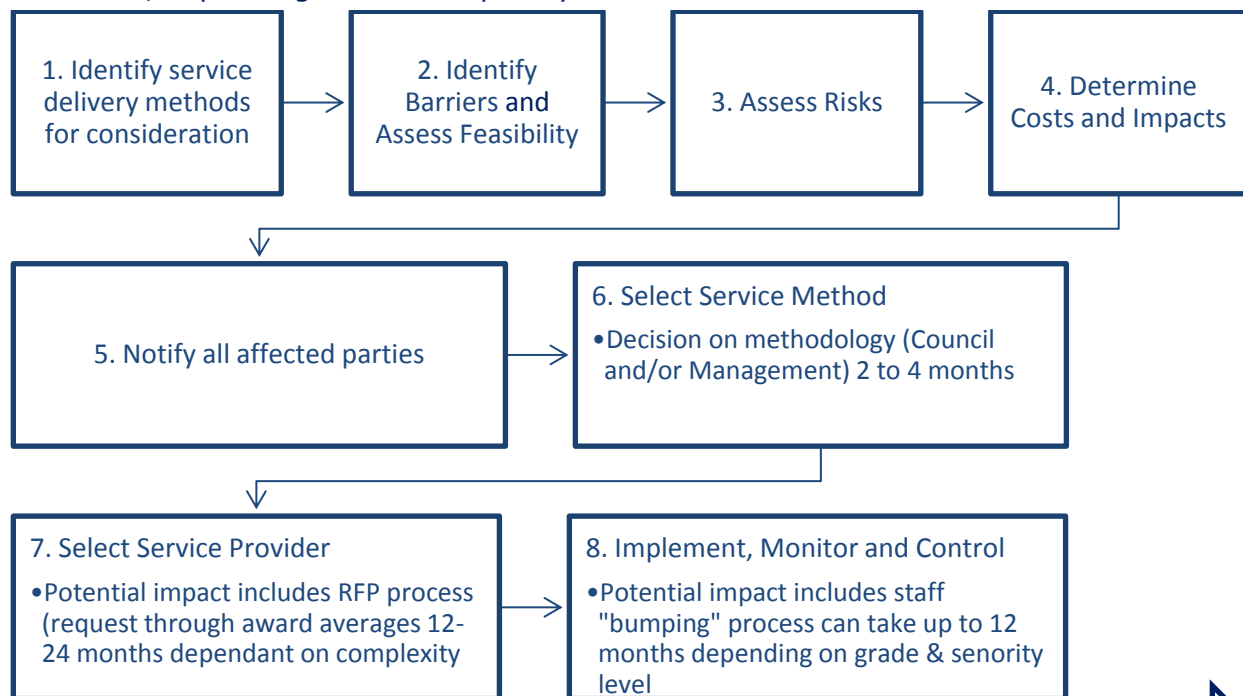
7. Community Perception

The community may have goals or perceptions that go beyond the fiscal, including environment and social goals, which may result in the community wanting a say in service delivery methods.

High Level Process for Service Delivery Method Analysis and Selection

Depending on the complexity of service, the service delivery method selected, various delivery considerations will impact the time to transition to a new delivery method; this timing can range from 18 months to several years. There are many steps involved, from analyzing methods to deciding to transition and then implementing the transition. The flow chart below illustrates, at a high level, the series of steps to assess, decide and implement a service delivery change.

Steps 1 through 4 occur as part of a business service review and can take 6 to 12 months, depending on the complexity of the service and review.



Timeline for implementing an alternative service delivery method is dependent on complexity of service and delivery method chosen. Realistic range of 18 months to 4 years

Comparison of Methods

Advantages, disadvantages and key considerations of service delivery methods were reviewed, with a focus on direct delivery, managed competition and outsourcing. Refer to Attachment 2: Service Delivery Method Comparison Table. For the purposes of this report, direct delivery was reviewed from the perspective of changing a service which includes external agreements, supports and/or operations to being 100% municipally-owned, operated and funded.

Privatization is considered to be the municipality getting out of the service completely. In other words, ownership of assets and operations is transferred to the private sector and the municipality ceases to fund or manage the service. Evaluation of privatization is excluded from this report.

Financial Implications

This report is provided for information purposes only. Financial impacts will be unique to the service and the conditions of the selected service delivery method.

Consultations

Legal Services
Procurement Services
Human Resources
Corporate Communications
Finance

Corporate Administrative Plan

Overarching Goals

Service Excellence
Financial Stability
Innovation

Service Area Operational Work Plans

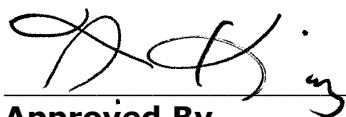
Our Services - Municipal services that make lives better
Our Resources - A solid foundation for a growing city

Attachments

Attachment 1: Resource List
Attachment 2: Service Delivery Methods Comparison Table
Attachment 3: Other Service Delivery Methods

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Service Delivery Methods Resource List

Alternative Service Delivery, Treasury Board of Canada Secretariat, 1996

A Guide to Service Delivery Review for Municipal Managers, Ministry of Municipal Affairs and Housing, Government of Ontario, August 2004

Public-Private Partnerships | A Guide for Municipalities, The Canadian Council for Public-Private Partnerships, November 2011

Kitchen, Harry, *Delivering Local/Municipal Services*, Department of Economics, Trent University, August 2004

Reynolds, Keith, Royer, Gaëtan and Beresford, Charley, *Back in House: Why Local Governments are Bringing Services Home*, Centre for Civic Governance, Columbia Institute, 2016

Skelly, Michael J., *Alternative Service Delivery in Canadian Municipalities*, Intergovernmental Committee on Urban and Regional Research, February 1997

Thurmaier, Kurt, *A Handbook of Alternative Service Delivery for Local Government*, Center for Governmental Studies, Northern Illinois University

Urban Services Ltd., *Background Paper: Best Practices for Moving Toward Change in the Delivery of Local Government Services*, June 2016

Report IDE-17-104 - ATTACHMENT 2: Service Delivery Methods Comparison Table

	Direct Responsibility	Contracting Out	Managed Competition
	Municipality has full responsibility for producing, funding and providing the service or program, normally using municipal employees	Municipality continues to pay for the service or program and is ultimately accountable for its provision without being directly responsible for its provision, which is provided by a third party.	Public Sector entities compete with Private Sector organizations to provide public services. Resulting in service provision by one or the other.
May be appropriate if...	<ul style="list-style-type: none"> ▪ A statutory duty to provide the service or there are compelling practical, policy or user issues ▪ Looking for: <ul style="list-style-type: none"> – Efficiency in operations – Problems with contractors – Cost savings – Better support for vulnerable citizens 	<ul style="list-style-type: none"> ▪ Looking for: <ul style="list-style-type: none"> – Cost savings – Improve quality – Obtain specialized services and expertise – Free organizational resources for other activities 	<ul style="list-style-type: none"> ▪ Looking for: <ul style="list-style-type: none"> – Cost savings – A way to determine the most cost-effective way to provide municipal services
Research suggests this model offers....	<ul style="list-style-type: none"> ▪ The highest level of direct control to be retained ▪ Better quality control ▪ Flexibility 	<ul style="list-style-type: none"> ▪ Access to external resources and knowledge ▪ Ability to draw upon specialized expertise ▪ Flexibility for staffing and hiring ▪ Expanded or improved existing services that would not be possible to replicate in-house at the same or lower price ▪ Potential for improved productivity ▪ Should have a financial benefit 	<ul style="list-style-type: none"> ▪ Allows municipality to determine if costs of service provision can be reduced ▪ Possible economic development benefits to the community if the contract is won by a private contractor ▪ Quality and efficiency of service provision can be improved, even when services are retained in-house
This model needs....	<ul style="list-style-type: none"> ▪ Need for improved performance ▪ Defined standards of work ▪ Political will ▪ Organizational culture that emphasizes performance measurement and accountability ▪ Access to internal resources and knowledge 	<ul style="list-style-type: none"> ▪ Higher capacity for risk ▪ Political will ▪ Organizational culture that emphasizes performance measurement and accountability, ▪ More appropriate for technical services (i.e. rather than social services) ▪ Services should: <ul style="list-style-type: none"> – Have easily measured outputs – Not be excessively complex – Be able to be broken down in to a number of different components 	<ul style="list-style-type: none"> ▪ Communication and transparency throughout the process ▪ Existing and sufficient competition in the private market for the service(s) <ul style="list-style-type: none"> – Without adequate competition, unlikely that sufficient cost savings will be realized
Other general considerations/ implications are...	<ul style="list-style-type: none"> ▪ Costs to purchase necessary equipment and resources ▪ Time and costs for recruitment and training of staff 	<ul style="list-style-type: none"> ▪ Possible lower service quality ▪ Lack of continuity in service delivery ▪ Possible loss of information on how to satisfy the needs and demands of residents ▪ Sense of a loss of control over the provision of services ▪ Gains in efficiency may be cancelled out by the costs of negotiating and evaluating the contract 	<ul style="list-style-type: none"> ▪ Initial implementation can be costly <ul style="list-style-type: none"> – Internal departments must be trained to bid – Costs must be standardized between the public and private bids
Other Legal and Procurement considerations/ implications are....	<ul style="list-style-type: none"> ▪ Capital investment – new capital purchase ▪ Assumption of assets from current provider – could be costly 	<ul style="list-style-type: none"> ▪ RFP process (can take up to 24 months to award) ▪ Need for in-house supplier and contract management process & skills 	<ul style="list-style-type: none"> ▪ Current by-laws prohibit staff responsible for service management to participate in bid process ▪ Degree of separation of in-house bidders from the bid process;
Other Human Resources / Labour Relations considerations/ implications are...	<ul style="list-style-type: none"> ▪ The City in this case could become responsible for its predecessor's rights, privileges and duties towards employees under existing collective agreements. ▪ Identification of staffing levels, skill sets and requirements and the recruitment of needed staff. 	<ul style="list-style-type: none"> ▪ Potential for fear and resistance from employees ▪ Labour Relations Act Implications ▪ The Act has ramifications that differ depending on the union or non-union status of the "purchaser" but a primary effect of the application of the Act is that the collective agreement and bargaining rights that exist with the City covering the affected employees flow through to the new employer. 	<ul style="list-style-type: none"> ▪ Often necessary to modify the organizational structure ▪ Does not always mean layoffs or employee/ union dissension <ul style="list-style-type: none"> – Employees can be empowered through the process ▪ Extra controls – in-house staff that are involved in providing the service that may bid cannot be involved in developing the RFP. If they are involved in developing specs or RFP than they cannot bid.

Report IDE-17-104 - ATTACHMENT 2: Service Delivery Methods Comparison Table

	Direct Responsibility	Contracting Out	Managed Competition
		<ul style="list-style-type: none">▪ Where the new employer is unionized it's more complicated as there are competing rights between the two unions involved and the terms of their respective collective agreements.▪ Regardless, the City would be a party to any issues and/or disputes filed by our Unions to the Ontario Labour Relations Board.▪ City's collective agreements, no employee with two or more years of seniority may be laid off for the purpose of contracting out. This means that employees who are displaced as a result of contracting out will have to be absorbed into the City's operations elsewhere. This could limit any financial savings expected as a result of contracting out a service or operation in the short to medium term. The larger the service or operation is (in terms of the number of employees impacted), the greater the risk in this area.▪ The collective agreements provide staff the ability bump in an open position or any employee below them in seniority of the same or lower classification provided that the employee bumping is qualified to perform the work. This exercise can take up to a year to finalize depending on the grade and seniority level of the employee initially affected.	<ul style="list-style-type: none">▪ The same implications regarding Labour Relations and Collective Agreements, as identified in Contracting Out, could apply to this method.
Time to implement	<ul style="list-style-type: none">▪ Could take long depending on the organization's culture of innovation and risk▪ Estimation of a minimum of 12-24 months	<ul style="list-style-type: none">▪ Could take long depending on the organization's culture of innovation and risk▪ Estimation of a minimum of 12-24 months	<ul style="list-style-type: none">▪ Longer than for traditional contracting out▪ Estimation of a minimum of 3-4 years

Report IDE-17-104 Attachment 3: Definitions of Other Service Delivery Methods

Other types of Service Delivery methods defined below, are rare decisions and will be further defined and analyzed if identified as a feasible service delivery method in future business service reviews.

Partnerships

In Partnership service delivery, the municipality joins with another party to provide municipal services and programs. These partnerships could be public-private or public-public partnerships. The partnerships are not necessarily characterized by a procurement process but by the establishment of long-term business relationships between the partners. Each partner contributes resources and shares risks and rewards.

These partnerships (sometimes called "P3s") are often used to design, finance, build and operate public facilities or services with both parties pooling their resources and sharing profits or losses from the enterprise. Such arrangements usually differ from conventional service contracting in that the private partner usually makes a significant cash-at-risk, or equity investment, while the municipality gains access to outside financing or expertise. In a P3, the municipality is ultimately accountable to the public for decisions and results while sharing responsibility for achieving planned objectives with its partner.

Privatization

City ceases providing the public service completely. Accountability for the delivery of service shifts from the municipality to the private sector. If the service is provided the receiver is a customer of the private service. This is in contrast to the Purchase of Service where the municipality continues to be accountable for the provision of the service.

Municipal Business Corporations

The *Municipal Act, 2001* permits municipalities to form municipal business corporations to provide municipal services and new facilities. The corporations may be wholly owned by the municipality or may have varying proportions of private and non-profit ownership (up to 49% external ownership). It is restricted to specific permitted objects which currently include the operation and maintenance of:

- Public transportation systems
- Residential waste management services
- Economic development promotion services
- Administrative services

Water & Wastewater Billing Exemptions Study

October 2, 2017
**Infrastructure, Development and Enterprise
Committee of the Whole Meeting**

Background

- Late 2015, Water and Wastewater began a multi- phase Water and Wastewater Rate Review
- Aim was to continue to ensure equity and fairness amongst the City's customers while ensuring long-term financial sustainability of both utilities.
- Significant time is spent by staff, senior management and Council addressing "grey areas" with respect to current billing practices.
- To address these, the Billing Exemption Study was commissioned in the Spring of 2017. Study included:
 - Peer Municipal Comparator Review
 - Community and Stakeholder Engagement
- Staff are seeking support to initiate next steps to implement recommended programs based on the outcome of this study.

Peer Municipal Comparator Review

- Peer municipal comparator analysis and benchmarking competed to determine potential billing exemption programs.
- Reviewed programs from the 16 Council approved comparator municipalities.
- Focus on understanding the general community metric benchmarking of comparator utilities, summary of the feasibility of high water bill forgiveness and social assistance policies, quantification of each customer sector to support various programs and analysis of anticipated revenue loss or operational impacts associated with policy/ program implementation.
- Strategies reviewed included: equalized billing plans, early payment discounts, temporary payment plans, lifeline rates, low/ no fixed monthly fee, social assistance programs, sewer abatement and water leak forgiveness programs.

Residential Community Engagement

- Focus was to explore the awareness of water and wastewater systems and associated billing structures; understand perceptions and feelings with respect to specific billing exemption programs; and determine the level of support for these programs.
- 500 telephone surveys (statistically significant) and four focus groups completed.

Key Results:

- Water Conservation is important and many residents have implemented programs today!
- Only 12 percent of residents feel they are knowledgeable about Guelph's water and wastewater systems
- Strongest support was for implementation of a water leak forgiveness program followed by temporary payment plans and lifeline rates
- Less support for a business exemption program when compared to residential programs

IC&I Engagement

- Focus was to explore what the customers rely on the City for, the desire for a sewer abatement program and determine potential impacts on the program would have on the City's revenue.
- Completion of eight interviews representing 30 IC&I customers (not statistically significant)- focus was on high water users and representation for all sectors.

Key Results:

- Most customer rely on the City for water supply and many make adjustments to the water for their process needs
- Estimated that 50 to 80 percent of water purchased is returned to the sanitary system
- Most IC&I customers are willing to complete the requirements of a sewer abatement program
- Most customers already have practices in place to conserve water
- Many are non-committal regarding paying higher rates to provide programming such as lifeline rates for households

Exemption Alternatives for City Customer Service Policy Reform

- Based on the overall goal to provide equity and fairness in billing practices and results of these three studies, two programs are recommended for implementation at this time pending program development, legal review and Council approved changes to the water and wastewater bylaws.
- Other programs will be included in the full rate review due to the complexity and greater impact on all customer groups and water/wastewater rates.

Water Leak Billing Forgiveness Program

- The intent of this program would be to provide billing forgiveness for water leaks that occur on a customer's property which result in an unexpected high consumption water bill.
- The studies indicated that this program is not common with respect to the peer municipal groups (4 of 16 have programs), however, was favored highly by the residential sector in the market research (overall 75 percent support).
- Funds currently received from leaks are not forecasted as incoming base revenues as part of the Water and Wastewater User Rate Forecasting process. Therefore, there is an opportunity to implement billing forgiveness without a negative impact on the water/wastewater volume revenue.

Water Leak Billing Forgiveness Program

Staff recommend the water leak billing forgiveness program is instituted for residential customers, not-for profits and institution customers where key program features include the following:

- A minimum water consumption increase of two times the average water consumption.
- A maximum of a 50 percent forgiveness adjustment.
- No financial cap for residential customers based on the developed adjustment criteria.
- A maximum financial cap for not-for-profits and institutional customers at \$5000.
- A limit of once per calendar year and two adjustments within a 10 year period.
- This program would not be retroactive once implemented.

Financial Impact

- The revenue the City receives from water leaks is currently unbudgeted.
- Therefore, no budget adjustment is required to be made to the 2018 budget.
- The City will see a reduction of approximately \$60,000 in surplus revenue once the water leak program is implemented.

Sewer Abatement Program

- Currently, the City has no provision for adjustments to the wastewater bill for water volumes that are consumed by product development, evaporated as a results of IC&I processes and other end use action(s) and not discharged to the sanitary sewer.
- This includes adjustments for pool filling and/or water used for irrigation.
- 9 of the 16 municipalities were found to provide a formal sewer abatement policy/ procedure that is offered to the IC&I sectors only.
- This type of program was strongly supported by all IC&I customers interviewed.
- Analysis of residential customers were somewhat supportive of this type of program for ICI customers (49 percent).

Sewer Abatement Program

Staff recommend that a sewer abatement program be instituted for City of Guelph for IC&I customers in alignment with the following industry best practices.

- Requirement for permanent flow meter installation for sewer outflows to be installed which would provide continuous measurements.
- Annual submission of an application for relief including an independent engineering consultant hired by the customer to determine any rebate.
- A 25 percent minimum level of inlet water use being diverted away from discharge to the sanitary sewer. The maximum amount of diversion eligible for a refund is 75 percent.
- Outdoor irrigation is excluded from this diversion amount.
- Water abated must come from a City source.

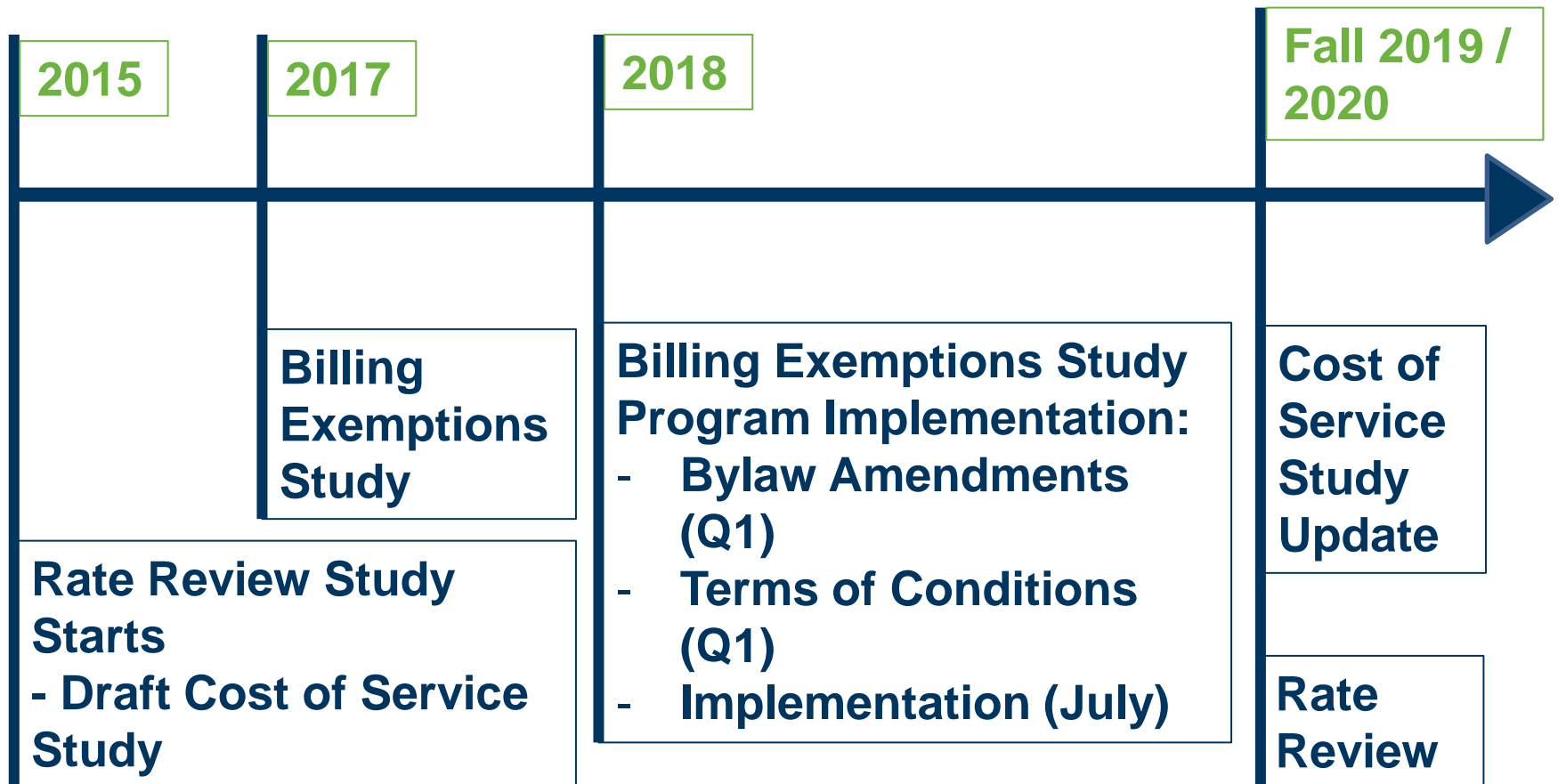
Sewer Abatement Program

- An administrative fee will be charged for program participation to support implementation.
- A 25 percent Inflow and Infiltration (I&I) percentage to be added back to the actual sewage discharge volume to ensure that all customers contribute to equally to I&I received by the City's Wastewater Treatment Plant.
- This program would not be retroactive once implemented.
- Program would be staged to monitor impacts on revenue and adjusted as necessary to avoid revenue risk.

Financial Impact

- It is anticipated that the implementation of the sewer abatement policy change recommendations will see an ongoing reduction of approximately \$720,000 in Wastewater Services revenues commencing in 2019.
- The impact to the 2018 budget would be approximately \$360,000 in lost revenue based on a July 1, 2018 implementation.
- At this time, the sewer abatement program has not been included in the 2018 Budget.
- Due to the timing of this program being brought forward for approval and implementation, staff are recommending that any deficit resulting from lost revenue related to this program will be offset by a transfer from the Wastewater Contingency Reserve in 2018.
- Further budget adjustments will be made as part of the 2019 budget.

Timeline- Water and Wastewater Rate Review



Resolutions for Council Approval:

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

Thank you!

Questions?

Further information can be found at:

<http://guelph.ca/living/environment/water/water-rates/water-wastewater-rate-review/>

Staff Report

To **Committee of the Whole**

Service Area Infrastructure, Development and Enterprise Services

Date Monday, October 2, 2017

Subject **Water and Wastewater Rate Review- Billing Exemptions Study**

Report Number IDE 17-114

Recommendation

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

Executive Summary

Purpose of Report

In late 2015, Water and Wastewater Services initiated the multi-phase Water and Wastewater Rate Review. This Review aims to ensure billing equity and fairness amongst the City's various customer sectors through the allocation of costs for water and wastewater services received while ensuring the long-term financial sustainability of both utilities.

Significant time is currently spent by Water and Wastewater customer service and management staff, and in some cases senior management staff and Council, in addressing customer contest of "grey areas" of current billing policies, most notably, high water bill forgiveness, cost relief for water volumes consumed/evaporated by customer end uses, and terms for approval/billing of water only and wastewater only customer accounts. To address these customer billing policy exemption requests, the Water and Wastewater Billing Exemptions Study was commissioned. With assistance from retained consultants, staff completed a formal evaluation of billing exemptions, associated potential revenue impacts, and operational and administration costs to support such policy outcomes; this work was prioritized to address current customer concerns and will support the next phase of the Rate Review Study.

Based on findings of the exemptions studies, two programs are recommended for implementation in 2018: a sewer abatement program and water leak forgiveness program. Staff are seeking Council support to initiate next steps in implementing these programs in 2018.

Key Findings

Key findings of the completion of the Billing Exemptions Study include the following:

- A peer municipal comparator review was completed which reviewed and summarized policies and practices with respect to water and wastewater rates across 16 comparator municipalities with a focus on understanding the general community metric benchmarking of comparator utilities, the feasibility of high water bill forgiveness and social assistance policies, the quantification of each customer sector to support various programs, and the analysis of anticipated revenue loss and operational impacts associated with policy/ program implementation.
- It was noted that many municipalities in the comparator group have water and wastewater affordability strategies for both residential and IC&I customers. These strategies include: equalized billing plans, early payment discounts, temporary payment plans, lifeline rates, low/ no fixed monthly fee, social assistance programs, and water leak forgiveness programs. Further, of the 16 municipalities surveyed, 9 currently have a formal sewer abatement policy/ procedure for Industrial, Commercial, and Institutional (IC&I) customers.
- A residential consultation engagement program was undertaken to explore the awareness of the water and wastewater systems and associated billing structures, understand perceptions and feelings with respect to specific billing exemption programs, and determine the level of support for these programs. This work involved the completion of four focus groups and 500 telephone surveys. The survey indicated that four of out five residents support the implementation of residential assistance programs such as lifeline rates (37 percent strongly support), water leak forgiveness (52 percent strongly support) and temporary payment plans (40 percent strongly support), with the strongest support for a water leak forgiveness program. There was less support for a business exemption program (35 percent very or somewhat important) when compared to residential programs (50 percent very or somewhat important).
- Community engagement for the IC&I sectors was completed through the completion on one- on- one interviews. In total, 23 stakeholders were engaged based on their water and wastewater fees and water consumption rates. Seven interviews were completed representing 30 IC&I customers. Other customers did not respond or declined to participate. Based on the sample size, the feedback is not considered statically significant. It was found that most IC&I customers make adjustments to water use to suit their unique needs and most interviewed discharged between 50 to 80 percent of purchased water back to the sanitary system. Most IC&I customers have meters and are willing to complete specific requirements for a sewer abatement program. Lastly, many of the IC&I stakeholders are non-committal regarding paying more in rates to support programs such as lifeline rates for households.

Financial Implications

Based on the exemption study findings it is anticipated that the implementation of the sewer abatement program would see an ongoing reduction of approximately \$720,000 in Wastewater Services revenues commencing in 2019. The impact to the 2018 budget would be approximately \$360,000 in lost revenue based on a July 1, 2018 implementation. At this time, the sewer abatement program has not been included in the 2018 Budget. Due to the timing of this program being brought forward for approval and implementation, staff are recommending that any 2018 deficit resulting from lost revenue related to this program be offset by a transfer from the Wastewater Contingency Reserve. Further budget adjustments would be made as part of the 2019 budget.

The revenue the City receives from water leaks is currently unbudgeted. Therefore, no budget adjustment is required to be made to the 2018 budget for the implementation of a water leak forgiveness program. The City would see a reduction of approximately \$60,000 in surplus revenue once the program is implemented.

Report

The American Water Works Association (AWWA) encourages all Water and Wastewater Utilities to complete a review of their water and wastewater user rates on a 5 year basis as part of industry best practice. The aim of this best practice is to ensure equity and fairness amongst the City's various customer sectors through the allocation of costs for water and wastewater services received. To that end, the AWWWA presents an industry standard three step methodology for development of a successful rate structure for water and wastewater services. This includes 1) determination of revenue requirements, 2) cost of service analysis, and 3) rate design analysis.

The City of Guelph Water and Wastewater Services Departments last completed a Water and Wastewater Rate Review in 2007. At that time no significant amendments to customer user rates were implemented as a result of the study.

As presented in Figure 1, in late 2015 Water Services and Wastewater Services initiated the multi-phase Water and Wastewater Rate Review Study. The Study will review the adequacy of the City's water and wastewater user rates and fees in recovering the cost of service provision to customers, and develop rates to ensure the long-term financial sustainability for both the water and wastewater utilities.

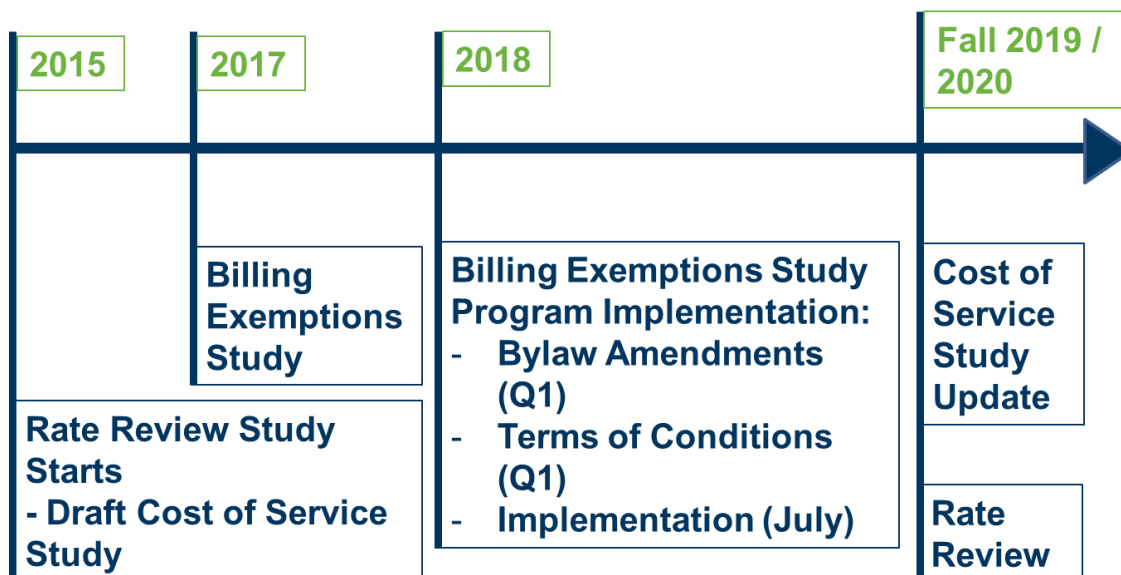


Figure 1: Timeline for the completion of the Water and Wastewater Rate Review

The first phase of this Water and Wastewater Rate Review included the completion of a detailed Cost of Service Study; this study evaluated the City's cost of service provision by service type and included an analysis of causative service cost drivers by customer sector, and associated service utilization costs by customer sector. The information collected outlines the costs of providing services to various customer groups, and consistent with user pay principles, informs rate development to fairly and accurately capture these costs. This phase was completed in the spring of 2017.

Significant time is currently spent by Water and Wastewater customer service and management staff, and in some cases senior management staff and Council, in addressing customer contest of "grey areas" of current billing policies, most notably, high water bill forgiveness, cost relief for water volumes consumed/evaporated by customer end uses and terms for approval/billing of water only and wastewater only customer accounts.

To address these customer requested billing policy exemptions, the Water and Wastewater Billing Exemptions Study was initiated with support from BMA Management Consulting Inc. (BMA), DFA Infrastructure International Inc. (DFA) and Metroline Research Group (Metroline). These consultants assisted staff with a formal evaluation of billing exemptions and associated impacts to future revenue requirements and City operational and administration costs to support such policy outcomes in advance of the full Water and Wastewater Rate Review Study which is scheduled for completion in 2019.

Water and Wastewater Billing Exemption Review Study

Based on customer interest, in December 2016 staff initiated the Water and Wastewater Billing Exemptions Study. This study makes up one key component of the complete Rate Review Study. Core tasks of this study included the following:

1. Development and implementation of a community engagement plan to collect and incorporate stakeholder input consistent with the City's Public Engagement Framework.
2. Analysis of Exemption Alternatives for City Customer Service Policy Reform:
 - a. Review of municipal comparator and industry best practices for Water and Wastewater Billing Exemptions;
 - b. Evaluation of the appropriateness/feasibility of high bill customer forgiveness policies, wastewater costs exemptions for consumptive or evaporative end uses, and the terms for water or wastewater only accounts, based on trends in customer sector demands and current business process impacts;
 - c. Analysis of anticipated revenue loss by policy alternative as well as potential impacts to other customer groups should revenue needs persist and be transitioned between customer groups as a result.
 - d. Quantification of operational and administrative investments where necessary to support policy investments; and
 - e. Quantification of customer sector support for policy alternatives of various types (as part of the community engagement program).
3. Completion of Study Reports.

For reference, the final report is included as Attachment 1 to this report, with supporting reports available at <http://guelph.ca/living/environment/water/water-rates/water-wastewater-rate-review/> .

Summary of Community Engagement

Consistent with the City's Community Engagement Framework, the engagement process consisted of numerous venues to attain valued stakeholder feedback. Further to public engagement, a cross departmental project team of internal stakeholders was formed to perform ongoing consultation throughout development of the Water and Wastewater Rate Review. Departments represented through project team include staff from Water Services, Wastewater Services, Engineering and Capital Infrastructure Services, Finance, Corporate Communications, and Community Engagement. This internal stakeholder team assisted in the detailed scoping, development and implementation of the study and reviewed the reports presented by the consulting team to help build the recommendations below.

Peer Municipal Comparator Review

BMA completed the peer municipal comparator analysis and benchmarking of potential billing exemption programs. BMA reviewed and summarized policies and practices with respect to water and wastewater rates across the Council approved 16 comparator municipalities with focus on understanding the general community metric benchmarking of comparator utilities, summary of the feasibility of high water bill forgiveness and social assistance policies, quantification of each customer sector to support various programs, and analysis of anticipated revenue loss or operational impacts associated with policy/ program implementation.

With reference to key policy drivers for this review process, it is noted that many municipalities in the comparator group have water and wastewater affordability strategies for both the residential and IC&I customers. These Strategies included: equalized billing plans, early payment discounts, temporary payment plans, lifeline rates, low/ no fixed monthly fee, social assistance programs and water leak forgiveness programs. Further, of the 16 municipalities surveyed, 9 currently have a formal sewer abatement policy/ procedure for IC&I customers.

Residential Community Engagement

Metrolina led the community engagement study for the Residential Sector on behalf of the City. The objective of the residential consultations was to explore the awareness of the water and wastewater systems and associated billing structures, understand perceptions and feelings with respect to specific billing exemption programs, and determine the level of support for these programs. This engagement component involved four focus groups and 500 telephone surveys (statically significant). In summary:

- residents found that water conservation was very important (49 percent of those surveyed) and many have adopted water saving behaviors;
- only 12 percent of residents feel that they are "very knowledgeable about the waste and wastewater system;
- four of out five residents support the implementation of residential assistance programs such as lifeline rates (37 percent strongly support), water leak forgiveness (52 percent strongly support) and temporary payment plans (40 percent strongly support), with the strongest support for a water leak forgiveness program; and
- there was less support for a business exemption program (35 percent very or somewhat important) when compared to residential programs (50 percent very or somewhat important).

Industrial, Commercial and Institutional Community Engagement

DFA led the community engagement for the Industrial, Commercial and Institutional (IC&I) sectors through the completion on one- on- one interviews. DFA complete this work by reviewing background information on the City's IC&I customers and developing and administrating market reach for small and large IC&I customers to determine recommendations for changes to current billing policies. DFA contacted 23 stakeholders based on their water and wastewater fees and water consumption rates to determine interest in discussing the survey. Seven interviews were completed representing 30 IC&I customers. All other customers were engaged with follow up emails and phone calls to solicit participation but ultimately were unresponsive or declined to participate. Based on the sample size, the feedback is not considered statically significant, thus the summary below provides some general statements based on the feedback received.

- Most IC&I customers rely on the City for their water supply and many make adjustments to the water use to suit their unique needs including deionization, reverse osmosis and water softening.
- Based on a review of the water consumption data and discussions with the stakeholders, water consumption is consistent throughout the year and most

customers discharge between 50 to 80 percent of purchased water back to the sanitary system.

- Most IC&I customers have meters and are willing to complete specific requirements for a sewer abatement program.
- Most industrial stakeholders have water conservation programs in place.
- Many of the IC&I stakeholders are non-committal regarding paying higher rates to support programs such as lifeline rates for households.

Exemption Alternatives for City Customer Service Policy Reform

Based on the completion of the three studies, the following two programs are recommended for implementation in 2018 pending program development, legal review, and Council approval of changes to the Water and Wastewater Bylaws. The remainder of programs reviewed, such as the implementation of social assistance programs and lifeline blocks, will be included in the full Rate Review scheduled to be initiated in Q4 2019. This next phase involves more complexity and could result in greater rate change impact on all customer groups.

Water Leak Billing Forgiveness Program Recommendation

The intent of this program would be to provide billing forgiveness for water leaks that occur on a customer's property which result in an unexpected high consumption and a resulting large water bill. The studies indicated that this program is not common with respect to the peer municipal groups (4 of 16 have programs), however, was favored highly by the residential sector in the market research (overall 75 percent support). Funds currently received from leaks are not forecasted as incoming base revenues as part of the Water and Wastewater User Rate Forecasting process. Therefore, there is an opportunity to implement billing forgiveness without a negative impact on the water/wastewater volume revenue.

For program implementation, staff supports BMA's recommendations which include development of eligibility criteria (identification of excess water use, eligible leaks, and eligible accounts), creation of an adjustment period where forgiveness would be applied, adjustment frequency (how often one can apply), adjustment calculations, and proof of the repair.

Consistent with programs currently existing in other municipalities for residential customers, staff recommend the water leak billing forgiveness program is instituted for residential customers, not-for profits, and institution customers where key program features includes the following as presented by BMA for the City's review:

- A minimum water consumption increase of two times the average water consumption for the period;
- A maximum of a 50 percent forgiveness adjustment;
- No financial cap for residential customers based on the developed adjustment criteria;
- A maximum financial cap for not-for-profits and institutional customers at \$5000;
- A limit of once per calendar year and two adjustments within a 10 year period; and
- This program would not be retroactive once implemented.

Sewer Abatement Program Recommendation

Currently, the City has no provision for adjustments to the wastewater bill for water volumes that are consumed by product development or evaporated by IC&I processes and other end use action(s) and not discharged to the sanitary sewer. This includes adjustments for pool filling and/or water used for irrigation. In the review completed by BMA, 9 of the 16 municipalities were found to provide a formal sewer abatement policy/procedure that is offered to the IC&I sectors only. In the interviews completed by DFA, this type of program was strongly supported by all customers interviewed. However, in Metroline's analysis, residential customers were somewhat supportive of this type of program (49 percent).

To support the principal of rate fairness , and with reference to the above, staff recommend that a sewer abatement program be instituted for City of Guelph for IC&I customers in alignment with the following industry best practices:

- Requirement for permanent flow meter installation for sewer outflows to be installed which would provide continuous measurements;
- Annual submission of an application for relief, including an independent engineering consultant hired by the customer to determine the applicable rebate;
- A 25 percent minimum level of inlet water use being diverted away from discharge to the sanitary sewer;
- Outdoor irrigation is excluded from this diversion amount;
- Water abated must come from a City source;
- An administrative fee will be charged for program participation to support implementation;
- The maximum amount of diversion eligible for a refund is 75 percent;
- A 25 percent Inflow and Infiltration (I&I) percentage to be added back to the actual sewage discharge volume to ensure that all customers contribute to equally to I&I received by the City's Wastewater Treatment Plant; and
- This program would not be retroactive once implemented.

Conclusion and Next Steps

Based on findings of the exemptions studies, it is anticipated that implementation of a sewer abatement program, would see the loss of approximately \$720,000 in wastewater volume revenue per year based on 2017 Wastewater Services budgeted revenues (based on the revenues currently received through the Council approved rate policy requiring all users to pay the full wastewater volume rate for all metered water used). Implementation of the proposed Water Leak Billing forgiveness program is not anticipated to impact on customer rates utility budgets. With the need to mitigate the financial impact of the sewer abatement program on non-ICI customers and the Wastewater annual operating budget, and policy administrative work needed before an exemption program can be rolled out, staff have developed a non-retroactive transition plan which targets rollout of both exemption programs on July 1, 2018.

As part of this transition plan, staff would report back to Council in Q1, 2018 seeking approval for amendments to the Water and Wastewater Customer Accounts By-law (By-law Number (2016)-20074), Water Supply By-law (By-law Number (1991)-13791, as amended), and Sewer Use By-law (By-law Number (1996)-15202, as amended) to support these policy outcomes; staff would also share with Council proposed program final terms and conditions.

Further, staff would explore the need to amend the City's agreement with Guelph Hydro Electric Systems Inc. as they currently collect the City's water and wastewater fees and charges. Based on the outcome of discussions, an amendment to this agreement may be necessary.

Although social assistance policies such as lifeline blocks were part of scope of work and supported by the residential community, it is acknowledged through the BMA report that they can be administered through separate tools. With tools already in place (such as payment plans and the proposed Leak Billing Forgiveness Plan), it is recommended that this policy objective be carried to the final phase of the Water and Wastewater Rate Review planned for 2019.

Rate Review Process Next Steps: Water and Wastewater Rate Review

The final phase of the Water and Wastewater Rate Review will be a technical analysis of rate-design alternatives. This review will determine how to equitably recover costs for the provision of water and wastewater serving from each customer sector so to ensure the representative costs of administering services and long-term financial sustainability of the City's public water and wastewater utilities.

The Review will assess the adequacy of the City's water and wastewater user rates and fees, evaluate user rate format alternatives and recommend a set of preferred rate structures and amended user fee values for both the water and wastewater utilities moving forward.

The Review is anticipated to commence in late 2018 with completion tentatively planned for Q4 2019.

Financial Implications

Based on the exemption study findings, it is anticipated that the implementation of the sewer abatement program would see an ongoing reduction of approximately \$720,000 in Wastewater Services revenues commencing in 2019. The impact to the 2018 budget would be approximately \$360,000 in lost revenue based on a July 1, 2018 implementation. At this time, the sewer abatement program has not been included in the 2018 Budget. Due to the timing of this program being brought forward for approval and implementation and the uncertainty of initial program take-up, staff are recommending any deficit resulting from lost revenue related to this program would be offset by a transfer from the Wastewater Contingency Reserve in 2018. Further budget adjustments as required would be proposed as part of the 2019 budget.

The revenue the City receives from water leaks is currently unbudgeted. Therefore no budget adjustment is required to be made to the 2018 budget for the implementation of a water leak forgiveness program. The City would see a reduction of approximately \$60,000 in surplus revenue once the water leak forgiveness program is implemented.

Consultations

Community Engagement conducted in support of Water and Wastewater Billing Exemptions Study is summarized as part of the Peer Municipal Comparator Review, Residential Community Engagement and Industrial, Commercial and Institutional Community Engagement sections of this report. Further information and outcome reporting of these engagement initiatives are provided on the City's website (<http://guelph.ca/living/environment/water/water-rates/water-wastewater-rate-review/>) for public reference.

Internal consultations were completed with Corporate Communications, Community Engagement, Wastewater Services, Water Services, Legal Services and Risk Services and Financial Services.

Corporate Administrative Plan

Overarching Goals

Service Excellence
Financial Stability

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

ATT-1 Water and Wastewater Billing Exemption Study- Peer Municipal Comparators

Departmental Approval

Finance- James Krauter, Deputy Treasurer, Manager Taxation Revenue
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WATER AND WASTEWATER BILLING EXEMPTION STUDY – PEER MUNICIPAL COMPARATORS

Prepared by BMA Management Consulting Inc.

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Executive Summary

Executive Summary

BMA Management Consulting Inc. was engaged by the City of Guelph to review and summarize policies and practices with respect to water and wastewater rates across 16 peer municipalities, including the City of Guelph, with a focus on providing general information about each system as well as programs directed at supporting affordability and sewer abatement. This research is being conducted in advance of a full rate structure review and the findings will be considered for future rate structure deliberations.

Two other consulting groups were involved in other aspects of the larger study including Metroline Research Group (Metroline) and DFA Infrastructure International Inc. (DFA) that were responsible for consultation with the community. Metroline Research Group was engaged to conduct a residential engagement study regarding water/wastewater billing exemptions. In a separate report, the results of the residential engagement study were summarized using the feedback from four focus groups and a random telephone survey with 450 Guelph residents. DFA was responsible for the completion of an engagement study of commercial, industrial and institutional customers in Guelph, with a focus primarily on sewer abatement options. A separate report prepared by DFA is also available. These two reports have been referenced to integrate community feedback into the process.

The report includes a summary of rate structures across the peer municipal comparator group, an overview of the water/wastewater systems, a cost of service comparison, an overview of the affordability of water/wastewater services, programs available with respect to water billing exemptions and recommendations for future programs that the City may wish to consider. This includes recommendations for the continuation of a number of existing programs to support affordability in the residential class including equal billing plans and temporary payment plans as well as consideration of lifeline rate structure and a water leak forgiveness program. Further, the report includes a recommendation for the introduction of a sewer rebate program based on leading practice research to support fairness and equity.

1 Introduction

Study Scope and Objectives

BMA Management Consulting Inc. was engaged by the City of Guelph to review and summarize policies and practices with respect to water and wastewater rates across 16 peer municipalities, including the City of Guelph, with a focus on providing general information about each system as well as programs directed at supporting affordability and sewer abatement. This research is being conducted in advance of a full rate structure review and the findings will be considered for future rate structure deliberations. Further, upon completion of this review, public consultation has been undertaken to receive feedback from the community. Specifically, the study includes the following:

1. General community metric benchmarking: customers served, water and wastewater system type/complexity (i.e. surface water versus groundwater, centralized vs. many decentralized systems, treatment and conveyance vs. treatment or conveyance only), average age of systems and replacement value, annual operating and capital budgets, reserve policies/structures.
2. Summary of appropriateness/feasibility of high bill customer forgiveness policies, social assistance subsidies for customers where service affordability is a challenge and sewer cost exemptions for water consumed in a product, evaporated or other end use actions.
3. Quantification of customer sector support for policy alternatives of various types (as part of community engagement program).
4. Analysis of anticipated revenue loss and/or operational impacts by policy alternative as well as potential impacts to other customer groups should revenue needs persist and be transitioned between customer groups as a result.

Note that two other consulting groups were involved in other aspects of the larger study including Metroline Research Group (Metroline) and DFA Infrastructure International Inc. (DFA) that were responsible for consultation with the community. Metroline Research Group was engaged to conduct a residential engagement study regarding water and wastewater and billing exemptions. In a separate

report, the results of the residential engagement study were summarized using the feedback from four focus groups and a random telephone survey with 450 Guelph residents. DFA was responsible for the completion of an engagement study of commercial, industrial and institutional customers in Guelph, with a focus primarily on sewer abatement options. These reviews have been referenced in this report.

Peer Municipalities

Figure 1 summarizes the municipalities that were included as part of the review process:

Figure 1 – Peer Municipalities Surveyed

Municipality	
Barrie	Kingston
Cambridge	Kitchener
Centre Wellington	Orangeville
Chatham-Kent	Durham Region
Greater Sudbury	Halton Region
Guelph	Peel Region
Guelph-Eramosa	Stratford
Hamilton	Waterloo

Every effort was made to gather the most current data available. Information was gathered using internet research, reviewing staff reports to Council, emails and discussions with staff in the peer municipal comparator group. Understandably, some of the requested information is not tracked or readily available by each of the peer municipalities and therefore has not been included in the summaries.

2 General System Information

General System Overview

This section of the report provides a high level overview of the peer municipalities included in the comparator analysis. Figure 2 provides a summary of the number of customers served, type of service provided by each municipality, the estimated replacement cost of the water and wastewater assets and the 2017 rate revenue requirements. The following provides key findings and observations:

- The number of customers served across the peer municipalities surveyed ranged from 1,900 in Guelph-Eromosa to 326,000 in Peel Region which also supplies water to portions of York Region. Guelph has approximately 42,300 customers (Source: 2017 Guelph Rate Model).
- As will be discussed later in the report, each system varies considerably in terms of assets, policies, capacity, cost of service and age of infrastructure.
- For the most part peer municipalities, similar to the City of Guelph, are responsible for water distribution, wastewater collection, supply of water and treatment of wastewater services, with the exception of the Waterloo Regional municipalities (Cambridge, Kitchener, Waterloo) whereby the systems are operated through a two-tier municipal structure. Waterloo municipalities are responsible for the distribution of water and the collection of wastewater and the Region is responsible for the supply of water and treatment of wastewater. In some cases, direct comparison of data is a challenge from a cost and capacity perspective as a result of this difference.
- Over the past several years, municipalities across Ontario have been undertaking asset management plans and are at various stages of implementation. Asset replacement costs have been included where information was available as well as when the replacement costs were established (ranging from 2011 to 2016). The system replacement costs ranged from \$25 million to \$11.9 billion in water and \$39 million to \$8.6 billion in wastewater operations across the peer municipal comparator group. Guelph's asset funding requirements continue to increase as existing infrastructure and equipment ages and new infrastructure is constructed. As of 2016, the estimated replacement cost for Guelph's water assets is \$615 million and \$560 million in wastewater operations.

Figure 2 – General Peer Municipal Comparator Overview


		System Type	Replacement Value (Millions)			2017 Rate Revenues (Millions)	
Municipality	# of Customers Served	Collection/ Distribution vs Treatment	Water	WW	Year of Calculated Replacement Value	Water	WW
Barrie	46,000	All	\$ 625.0	\$ 850.0	2011	\$ 26.2	\$ 34.1
Cambridge	40,000	Coll./Distrib.	\$ 337.8	\$ 354.5	2013	\$ 32.7	\$ 29.7
Centre Wellington	6,600	All	\$ 114.1	\$ 117.0	2016	\$ 4.6	\$ 1.8
Chatham-Kent	40,000	All	\$ 556.1	\$ 482.0	2012	\$ 20.9	\$ 16.1
Durham Region	172,400	All	\$ 3,457.0	\$ 4,148.0	2014	\$ 101.5	\$ 97.9
Greater Sudbury	51,000	All	\$ 1,020.6	\$ 1,329.4	2011	\$ 34.3	\$ 36.1
Guelph	42,300	All	\$ 615.4	\$ 559.7	2016	\$ 27.4	\$ 30.9
Guelph-Eramosa	1,900	All	\$ 25.3	\$ 39.1	2012	\$ 0.8	\$ 1.2
Halton Region	161,000	All	\$ 3,300.0	\$ 3,400.0	2014	\$ 87.7	\$ 101.0
Hamilton	149,000	All	\$ 2,771.0	\$ 4,419.0	2013	\$ 96.3	\$ 101.9
Kingston	38,000	All				\$ 25.6	\$ 29.4
Kitchener	64,000	Coll./Distrib.	\$ 147.6	\$ 184.5	2012	\$ 42.0	\$ 48.7
Orangeville	9,000	All	\$ 296.9	\$ 77.4	2015	\$ 6.1	\$ 5.9
Peel Region	326,000	All	\$ 11,900.0	\$ 8,600.0	2016	\$ 220.6	\$ 147.1
Stratford	12,900	All	\$ 76.5	\$ 185.1	2013	\$ 4.2	\$ 6.2
Waterloo	30,200	Coll./Distrib.	\$ 215.0	\$ 261.0	2016	\$ 19.4	\$ 23.2

Note: Hamilton wastewater rate revenue requirements also includes storm. Peel Region includes York billing revenue for services provided. Chatham-Kent revenues 2015 FIR.

3 Summary of Rate Structures

Summary of the Rate Structures

It is important that water and wastewater rates be based on sound policies and principles and that they are defensible by staff and Council. As stated by CWWA and AWWA, despite industry trends in rate setting, there is, and always will be, a lot of variation in rate setting practices given that there is no single rate setting approach or rate structure. Municipalities have different objectives in setting rates including, but not limited to:

- 
- | | |
|---|---|
| <ul style="list-style-type: none">• Conservation• Revenue Stability• Fairness & Equity• Economic Development | <ul style="list-style-type: none">• Financial Sufficiency• Affordability• Ease of Implementation• Transparency |
|---|---|

Key Components of a Water/WW Rate Structure

As stated by the CWWA, at the heart of the methodology for setting water rates is the concept of a two-part rate structure; ***a volumetric charge and a fixed charge***. The volumetric charge is based on the volume of water used by a customer. The fixed monthly charge is paid by each customer, regardless of the amount of water consumed.

The purpose of this report is to provide an overview of the rate structures in Guelph as well as the peer municipalities surveyed to identify the impact that the rate structure may have on the customer cost of service and to identify potential opportunities to improve affordability and support other objectives such as fairness and equity and revenue stability. This section of the report, along with the cost of service section will illustrate the key rate structure implications and how these may impact other policy decisions.

Volumetric Rate Structure

The volumetric or variable charge is based on the volume of water used by a customer. There are a number of different volumetric rate structures used by municipalities. The volume used by different customers can be subdivided into sections referred to as blocks. Block rates are determined to reflect the different customer types. Employing an inclining or declining block rate structure involves decisions to be made as to where to establish thresholds for changes in rates and the extent to which a premium or discount will be provided. These decisions will have an impact on the cost of service to customers, depending on their consumption. It should be noted that in setting rates and establishing the fee structure, the revenues to be recovered remain the same, however, changes to rate structures have an impact on each customer class and within a customer class depending on the amount of water consumed. The following summarizes the types of volumetric rate structures:

- Uniform Rate Structure (U in the table)—The most common rate structure is the uniform rate for water and wastewater services. A uniform rate structure means that the price per unit remains constant despite consumption and despite the customer class. The cost is calculated by dividing the total cost of

the service by the total volume of water consumed. This is the type of rate structure employed in 11 of the 16 municipalities in the peer municipal comparator group, including the City of Guelph.

- Declining Block Rate Structure (D in the table) — In a declining block rate structure, the unit price of water decreases as the volume consumed increases. This structure charges low volume users the highest rate, which are often residential consumers. This rate structure may be used to promote the objective of economic development however this approach does not encourage conservation. Two of the municipalities in the peer group have a declining rate structure (Chatham-Kent, Stratford), with considerably different approaches to establishing the thresholds and the amount of discount:
 - Chatham-Kent has a significant discount for large volume consumption customers (consuming over 2,010 m³ monthly). This approach appears to be designed to support economic development objectives.
 - Stratford's declining rate structure, with a threshold of 3 m³ per month appears to be designed to ensure that all customers are contributing toward the fixed monthly costs as opposed to being established for economic development purposes.
- Inclining Rate Structure (I in the table) — The main objective of an increasing block structure is to encourage conservation. The rates in an inclining rate structure increase as consumption increases by establishing thresholds or blocks at which the rate would change. For inclining block rate structures, the block (quantity) shift points are generally based upon the unique demand characteristics of each user class and are focused on user demand points to enhance water usage awareness. Customer awareness, combined with price incentives are critical elements in modifying consumption behavior. Challenges exist in identifying a fair approach for establishing thresholds as average consumption will vary based on family size. Typically, block rate thresholds for residential properties try to establish the first block to reflect indoor water use and the second block to reflect outdoor use. Inclining rate structures are also established to support affordability for low volume customers. Three of the municipalities in the peer group have an inclining rate structure (Barrie, Hamilton and Kingston) with

considerably different approaches to establishing the thresholds and the amount of premium:

- Barrie has a four block model for residential customers with the first threshold to represent the approximate amount that a typical residential customer would consume (15 m³ monthly), with incremental increases in each block to encourage conservation in the residential class. The premiums are significant. The Non-Residential class of customers has only two block rates. The rates are set below those in the Residential class to support economic development and an inclining rate structure supports water conservation.
- Hamilton's rate structure, which will be further described later in the report, supports affordability (to meet basic customer needs). The first block, set at 10 m³ monthly is at a rate of 50% of consumptions above 10 m³ monthly.
- Kingston's inclining rate structure is for residential customers only with a block rate increase for customers consuming over 25 m³ monthly being charged a 25% premium. This appears to support water conservation.
- Humpback Rate Structure — A humpback rate structure uses a combination of increasing and decreasing block rates: rates first increase, then decrease in steps as consumption increases. This approach targets high volume users, and then provides lower rates for high volume users. No municipalities in the peer survey have a humpback rate structure. None on the municipalities in the peer survey have a humpback rate structure.
- Seasonal Rate Structure - A seasonal rate structure applies a higher volume charge on all water used during the peak water demand period. This structure involves two charges, one for the peak season (i.e. summer) and another for the remaining time of the year. None on the municipalities in the peer survey have a seasonal rate structure.

Fixed Costs

Municipalities must determine whether to separately charge a fixed cost regardless of the amount of water used to its customers and to determine the types of costs that are to be recovered from a monthly charge. Decisions on how much to incorporate in the fixed charge should be based on the priority policy objectives of the municipality. For example, a high allocation to the fixed charge does not support conservation and can create affordability issues for low volume customers. A high allocation of costs to the volumetric rate will promote water conservation however revenue instability is increased and may create fairness and equity challenges.

As shown in figure 3:

- All but two municipalities surveyed have a fixed monthly fee (Kitchener and Peel Region). The City of Waterloo has a fixed monthly charge for water only, with no fixed cost for wastewater.
- Similar to the majority of municipalities surveyed and, consistent with CWWA/AWWA recommended practices, Guelph currently charges customers different monthly rates based on the size of the service (meter and pipe size) which is referred to a meter equivalency factor. Meter Equivalent (ME) ratios for the meters and services are based on representative metering costs for installing, maintaining and replacing customer meters. Costs increase with the size of the service and the corresponding equivalent meter ratio is calculated based on the increased costs relative to a 5/8" residential meter. Equivalent meter ratios for the meters and services are based on representative metering costs using 5/8" meter as a base. Stratford uses a meter equivalency factor for Water but not WW.
- Information on the amount of total water and wastewater recovered from the fixed and volumetric fee was not available for all municipalities surveyed; however, costs to be recovered from fixed and volumetric charges were calculated using a typical residential customer (180 m³ annual consumption which is Guelph's average). As shown in figure 3, the amount recovered from the fixed portion of the bill varied from 0% to 61%. Guelph's fixed costs at 25% are between the peer average and the median.

Figure 3 – Peer Municipal Comparator Fee Structure Summary

	Fixed	ME	Typical Residential 180 m ³ Fixed %	Rate Structure
Barrie	✓	✓	45%	I
Cambridge	✓	✓	20%	U
Centre Wellington	✓	✓	24%	U
Chatham-Kent	✓	✓	56%	D
Durham Region	✓	✓	37%	U
Greater Sudbury	✓	✓	46%	U
Guelph	✓	✓	25%	U
Guelph-Eramosa	✓	✓	21%	U
Halton Region	✓	✓	45%	U
Hamilton	✓	✓	40%	I
Kingston	✓	✓	61%	I
Kitchener	✗	✗	0%	U
Orangeville	✓	✓	21%	U
Peel Region	✗	✗	0%	U
Stratford	✓	✓ ✗	10%	D
Waterloo	✓ ✗	✓ ✗	5%	U
Average			29%	
Median			24%	

4 Customer Cost of Service

Residential Customer Cost of Service

Figure 4 provides a comparison of the 2017 customer cost of service for water and wastewater across the peer municipalities for residential customers consuming at different levels.

Figure 4 – Residential Customer Cost of Service

Annual Consumption	Residential			% fixed residential customer (180 m ³)
	72 m ³	120 m ³	180 m ³	
Barrie	\$ 525	\$ 640	\$ 784	45%
Cambridge	\$ 488	\$ 683	\$ 927	20%
Centre Wellington	\$ 591	\$ 812	\$ 1,088	24%
Chatham-Kent	\$ 699	\$ 809	\$ 946	56%
Durham Region	\$ 490	\$ 622	\$ 788	37%
Greater Sudbury	\$ 698	\$ 849	\$ 1,037	46%
Guelph	\$ 459	\$ 625	\$ 833	25%
Guelph-Eramosa	\$ 609	\$ 852	\$ 1,156	21%
Halton Region	\$ 511	\$ 624	\$ 765	45%
Hamilton	\$ 348	\$ 420	\$ 598	40%
Kingston	\$ 795	\$ 902	\$ 1,036	61%
Kitchener	\$ 352	\$ 586	\$ 879	0%
Orangeville	\$ 488	\$ 683	\$ 927	21%
Peel Region	\$ 156	\$ 259	\$ 389	0%
Stratford	\$ 402	\$ 530	\$ 690	10%
Waterloo	\$ 323	\$ 514	\$ 753	5%
Average	\$ 496	\$ 651	\$ 850	29%
Median	\$ 489	\$ 633	\$ 856	24%
Average	-8%	-4%	-2%	
Guelph Position	Lower	Lower	Lower	

- An analysis was undertaken of low to mid volume consumption residential customers to compare the cost of service across the peer municipal comparators.
- The consumption threshold based on research for **lifeline pricing** which is expected to cover a customer's basic water needs was included in the comparison (72 m³ – 120 m³ annually).
- This analysis also included comparison of a typical Guelph residential customer consuming 180 m³ annually (15 m³ per month).

- The cost of service in Guelph for residential consumers for basic water needs and for average Guelph residential customers is lower than the survey average and survey median in all cases.
- A determining factor impacting residential rates is the proportion of the bill related to fixed costs. A lower proportion of fixed costs benefits low consumption customers. Kitchener has been used for illustrative purposes as Kitchener has no costs recovered from a fixed monthly charge. As shown in figure 5, the cost of water and wastewater for a customer consuming 72 m³ annually in Guelph is 30% higher than in Kitchener. However, the cost of water and wastewater for a customer consuming 180 m³ annually in Guelph, which is an average residential customer, is 5% lower than Kitchener. This analysis has been included for illustrative purposes to help understand the impact of the rate structure, among other factors on the customer cost of service and to help understand the need for other affordability programs.

Figure 5 – Illustration of the Impact of Fixed Costs

Annual Consumption	72 m ³	84 m ³	120 m ³	180 m ³
Guelph	\$ 459	\$ 500	\$ 625	\$ 833
Kitchener	\$ 352	\$ 410	\$ 586	\$ 879
Guelph Difference to Kitchener	30%	22%	7%	-5%

Non-Residential Customer Cost of Service

Figure 6 summarizes the cost of service for Non-Residential customers in Guelph in relation to the peer municipalities surveyed for a number of different customer levels of consumption.

Figure 6 Non-Residential Customer Cost of Service

ICI	10,000 m ³ 2"	30,000 m ³ 3"	100,000 m ³ 4"	500,000 m ³ 6"	Rate Structure
Barrie	\$ 37,635	\$ 111,038	\$ 360,648	\$ 1,773,283	I
Cambridge	\$ 42,254	\$ 125,520	\$ 412,993	\$ 2,048,242	U
Centre Wellington	\$ 46,968	\$ 139,248	\$ 461,712	\$ 2,303,499	U
Chatham-Kent	\$ 24,358	\$ 64,892	\$ 154,392	\$ 663,718	D
Durham Region	\$ 26,205	\$ 75,617	\$ 232,315	\$ 1,071,025	U
Greater Sudbury	\$ 35,134	\$ 101,622	\$ 325,352	\$ 1,591,323	U
Guelph	\$ 36,529	\$ 107,873	\$ 353,653	\$ 1,747,488	U
Guelph-Eramosa	\$ 50,960	\$ 152,160	\$ 506,360	\$ 2,530,360	U
Halton Region	\$ 27,445	\$ 77,479	\$ 246,720	\$ 1,203,697	U
Hamilton	\$ 31,630	\$ 92,959	\$ 303,030	\$ 1,497,060	I
Kingston	\$ 22,884	\$ 65,225	\$ 208,902	\$ 1,022,354	I
Kitchener	\$ 48,846	\$ 146,538	\$ 488,460	\$ 2,442,300	U
Orangeville	\$ 41,188	\$ 122,485	\$ 406,979	\$ 2,030,979	U
Peel Region	\$ 23,086	\$ 69,257	\$ 230,858	\$ 1,154,290	U
Stratford	\$ 26,933	\$ 80,208	\$ 266,503	\$ 1,330,819	D
Waterloo	\$ 39,970	\$ 119,754	\$ 398,774	\$ 1,991,137	U
Average	\$ 35,126	\$ 103,242	\$ 334,853	\$ 1,650,098	
Median	\$ 35,831	\$ 104,747	\$ 339,503	\$ 1,669,406	
Average	4%	4%	6%	6%	
Guelph Position	Higher	Higher	Higher	Higher	

- The differential to the average in Guelph for non-residential customers is 4-6% higher than the survey average. For example, large volume customers (consuming 0.5 million m³) in Guelph pay approximately 6% more than the peer average. As shown previously, a typical residential customer pays approximately 2% lower than peer average. The differentials are driven by the overall cost of service as well as the rate structure.

Factors Impacting the Cost of Service

There are a number of characteristics and features of water/wastewater to consider with respect to the cost of service. Multiple sources of data were used to complete this section of the report including, but not limited, to 2015 Financial Information Returns (most current), year-end reports required under O. Reg. 170/03, Sch. 22; O. Reg. 249/03, s. 24; O. Reg. 253/05, s. 18, internet research, asset management plans and budget documents. It should be noted that, in some cases, there are different descriptions of the systems in a municipality using various sources of reports available and every effort has been made to accurately reflect the systems and costs. This section has been included to provide a general overview of the cost drivers and key differences in the systems to help understand controllable versus uncontrollable drivers. Some of the principal cost drivers include:

- ***Size of the Service Area and Density*** – Water and wastewater collection and distribution networks are a major investment and a service with relatively low consumption results in higher collection/distribution costs per m³.
- ***Physical Operating Environment*** – Geology and topography can have an impact on transportation costs.
- ***Complexity and Cost of the System*** - Water and wastewater consist of treatment facilities and network pipelines which are very capital intensive and costly. The fixed costs of water and wastewater systems are also very high (most research estimates the fixed costs to be over 90% of the total system costs). This is a significant factor to consider when comparing costs. Complexity considerations include the number of plants, size and complexity of the plants. A summary of the various municipal systems has been provided in figure 7 & 8.
- ***Source of Water Supply*** – Municipalities rely on different sources of water which impacts costs. Across the peer municipal comparators, there is surface water which is found above the earth's surface and includes lakes, streams, reservoirs, wetlands. Groundwater is another source of water found below the surface of the water. Groundwater is naturally filtered and generally requires less treatment than

surface water supplies. A summary of the systems has been provided in figures 7 & 8. This reflects different sources of water used across the peer municipal survey.

- ***Type of Wastewater Treatment*** – The type of treatment impacts the cost of service. This includes primary, secondary and tertiary treatment with tertiary being the most costly.

Appendix A provides a summary of the additional system descriptions of the systems in each peer municipality.

Figure 7 – Water System Overview

	Water ML Treated Millions	Water km	Distribution vs Treatment	Ground	Surface	Comments Source of Water	Ground	Wells	Surface	Booster Stations	Storage Facilities	Reservoirs
Barrie	13.5	626	Both	☑	☑	Approx 50/50	0	12	1	7	6	0
Cambridge	15.9	581	Distribution	See Region								
Centre Wellington	2.0	108	Both	☑		Groundwater	0	9	0	0	4	0
Chatham-Kent	14.6	1,710	Both	☑	☑	Primarily Surface	2	0	4	0	0	0
Durham Region	63.9	2,470	Both	☑	☑	Primarily Surface	0	22	6	18	22	0
Greater Sudbury	21.4	873	Both	☑	☑	Primarily Surface	0	21	2	0	10	0
Guelph	17.1	551	Both	☑		Two sources, groundwater and GUDI		21	0	0	3	5
Guelph-Eramosa	0.3	32	Both	☑		Groundwater	0	5	0	0	1	0
Halton Region	65.8	2,220	Both		☑	Primarily Surface	9	19	3	15	0	22
Hamilton	82.6	2,060	Both		☑	Primarily Surface	0	8	1	25	21	0
Kingston	24.1	600	Both	☑	☑	Primarily Surface	1	0	2	3	10	0
Kitchener	21.9	871	Distribution	See Region								
Orangeville	3.4	110	Both	☑		Groundwater 9 GUDI	0	12	0	0	2	0
Peel Region	217.0	4,552	Both	☑	☑	Primarily Surface	0	15	2	13	23	0
Stratford	3.6	184	Both	☑		Groundwater	0	11	0	6	2	0
Waterloo	12.3	431	Distribution	See Region								
Waterloo Region	54.0	443	Treatment	☑	☑	Primarily Ground (80%)	20	110	1	11	16	0

Figure 8 – Wastewater System Overview

	WW ML Treated Millions	WW km	Collection vs Treatment	Transfer Station	Treatment Plants	Pumping Stations	Biosolids Handling Facility	Lagoon System	Overflow/ CSO Tanks
Barrie	20	537	Both		1	6			
Cambridge	18	522	Collection		0	0			
Centre Wellington	2	101	Both		2	7			
Chatham-Kent	14	533	Both		8	0		2	
Durham Region	73	2,122	Both		11	52			
Greater Sudbury	28	793	Both		10	68		4	
Guelph	19	520	Both		1	6			
Guelph-Eramosa	0	33	Collection	1		4			
Halton Region	83	1,984	Both		7	88			
Hamilton	105	1,786	Both		1	72			9
Kingston	29	490	Both		3	33			9
Kitchener		824	Collection		0	23			
Orangeville	4	119	Both		1	4			
Peel Region	221	3,560	Both		4	32			
Stratford	6	160	Both		1	11			
Waterloo		461	Collection		0	6			
Waterloo Region		409	Treatment		13	6	1		

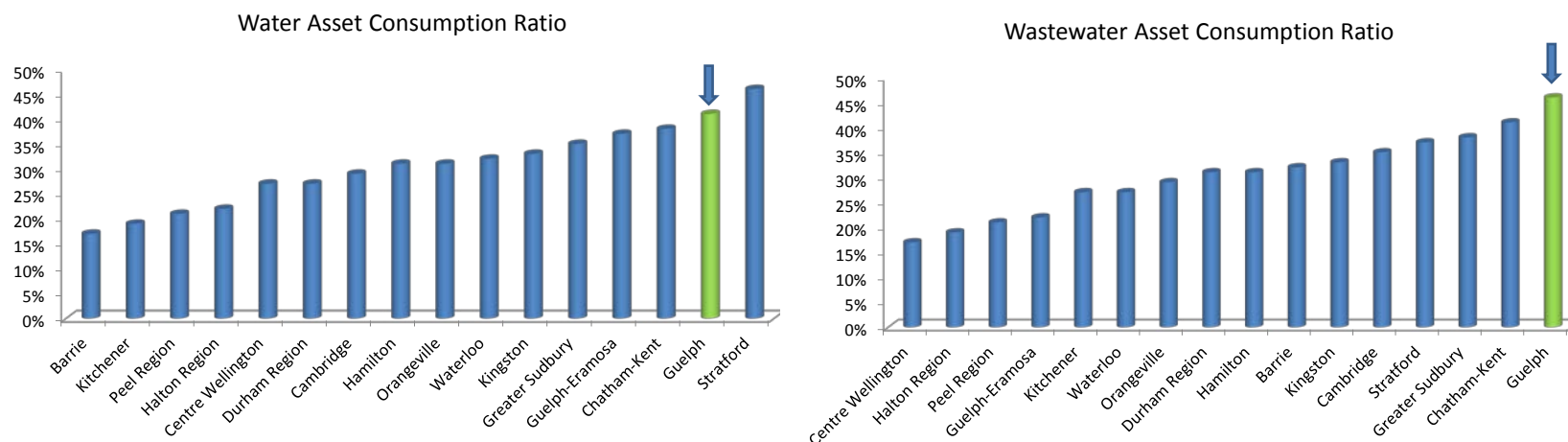
- **System Capacity** - The ability to raise revenues to support the system costs differ across the survey, depending on whether the facilities are at or below capacity or whether plants have been expanded or new plants added to support future growth. The stage that each municipality is at in its growth cycle varies and will contribute to differences in the cost per ML. With a high level of costs that are fixed, systems operating with higher flows in relation to the number of customers and km of watermains have a larger base upon which to raise revenues. Peel has the highest ML of water treated in relation to the number of kms of watermains and has the lowest operating costs per ML. This reduces the cost of service for customers serviced in Peel. Conversely, Guelph-Eromosa, with one of the lowest ML of water per km has the highest system cost per ML treated. Figure 9 provides a summary of the peer municipal range of ML of water treated per km of watermains and the water rate revenue requirements per ML treated.

Figure 9 – System Capacity

Peer Municipalities	Water ML Treated Per Km	2017 Water Operating Budget Rate Revenues/ML Treated
Average	26,780	\$ 1.65
Median	26,636	\$ 1.60
Min	8,512	\$ 0.98
Max	47,671	\$ 2.56
Guelph	31,050	\$ 1.60

- Asset Life Cycles** – New systems have lower requirements for asset maintenance and replacement compared to older systems. The asset consumption ratio indicator provides an estimate of the useful life left in the municipality's capital assets. Municipalities are facing significant infrastructure challenges; therefore, it is important to keep informed of the age and condition of its capital assets to ensure that a municipality is making timely and appropriate investments. The analysis is based on Schedule 51 of the 2015 Financial Information Return. As shown in figure 10, the asset consumption ratio in Guelph is the second highest in water and the highest in wastewater in relation to the peer municipalities surveyed, reflecting a relatively older system. A higher ratio indicates higher replacement needs.

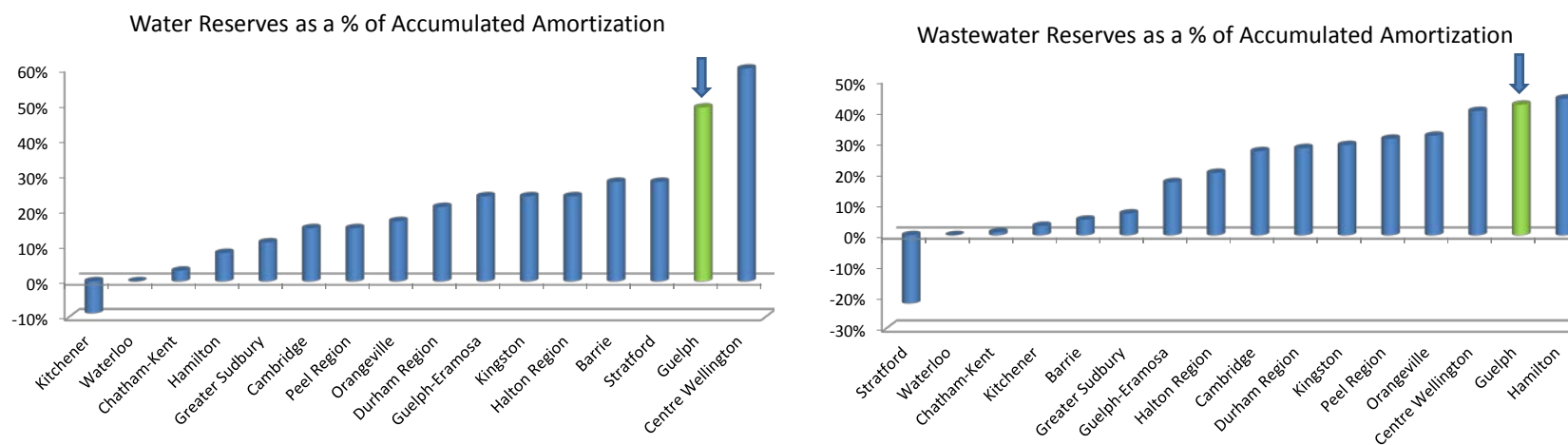
Figure 10 – Water and WW Asset Consumption Ratio



Further, the extent to which a municipality has maintained their respective assets and has set aside funds for future replacement of assets will impact the cost of service.

- A common financial indicator used to determine the adequacy of reserves that support infrastructure, is to compare the infrastructure reserve balances in relation to the accumulated amortization of the infrastructure (Infrastructure Sustainability Ratio). Amortization is based on the historical costs of assets and replacement costs are significantly higher, therefore, ideally, this ratio should be greater than 100%, meaning that the amount available in reserves is greater than the accumulated amortization. This is based on the principle that municipalities should set aside funds, on a regular and planned basis, to support infrastructure renewal.
- While the asset consumption ratio in Guelph is amongst the highest in the survey of peer municipalities, as shown in figure 11, so too is the reserve position in relation to the accumulated amortization, reflecting prudent financial management to set aside funds for replacement of assets. Appendix B provides a summary of the peer municipal water/ww reserves and associated policies.

Figure 11 – Infrastructure Sustainability Ratio



5 Affordability

Affordability Introduction

- Water affordability is a central element to water access. When the cost of service makes water unaffordable, there is the potential for health and safety concerns. When setting water/ww rates and rate structure, municipalities must balance competing goals and objectives, including financial sustainability, revenue stability and affordability.
- As stated in a report published by the Canadian Council of Ministers of the Environment, Municipal Wastewater Effluent Development Committee, the most prevalent method of assessing household affordability involves determining the annual amount spent on services as a percentage of household income.
- An affordability threshold value, which is expressed as a percent, is applied to a measure of income to determine the point at which the cost of water/wastewater becomes a financial burden. There is no one standard threshold percentage established in the industry. Depending on the source used, the affordability threshold range typically is from 1.5%-3.0% of household income.
- Based on our review of municipal water/ww operating budgets, rate increases have, for the most part, increased at a rate greater than inflation. This is driven by repairing and replacing aging infrastructure, complying with regulatory requirements, rising operating costs such as chemicals and hydro and the need to address historical infrastructure deficits. As such, it is important to review, on an ongoing basis, affordability metrics. Based on long range financial plans and operating budgets, the annual rate increases in 2018-2019 are estimated to range from 1.8%-10.8% across the peer municipalities surveyed. In general, the vast majority exceeded the anticipated rate of inflation.

Figure 12 - Residential Affordability Metric – Costs as a % of Household Income

	Water/WW Costs as a % of Income
Caledon	0.3%
Mississauga	0.4%
Brampton	0.4%
Oakville	0.5%
Halton Hills	0.6%
Milton	0.6%
Whitby	0.6%
Burlington	0.7%
Waterloo	0.7%
Hamilton	0.7%
Clarington	0.7%
Stratford	0.8%
Barrie	0.9%
Guelph	0.9%
Guelph-Eramosa	0.9%
Brock	0.9%
Orangeville	1.0%
Centre Wellington	1.0%
Kitchener	1.0%
Cambridge	1.0%
Greater Sudbury	1.1%
Kingston	1.2%
Chatham-Kent	1.3%
Average	0.8%
Median	0.8%

- The analysis is based on an average residential customer in Guelph that consumes 180 m³ of water annually. The analysis also uses the 2016 average household income (source: Manifold Data Mining).
- As shown in the analysis, the cost of water/ww as a percentage of average household income in Guelph is 0.9%; slightly above the survey average and survey median.
- The affordability metric across the peer survey ranged from 0.3% to 1.3% in Chatham-Kent. All municipalities in the peer review are below the affordability threshold of 1.5%-3.0%.
- It is recognized that the analysis addresses community affordability and the situation differs on a customer by customer basis.

Affordability Strategies

AWWA states in its Financing, Accounting & Rates Policy that “non-cost of service rate setting practices that achieve public policy goals and utility objectives may be appropriate in some situations.” Based on research into programs that support residential affordability beyond the rate structure which has already been addressed, a number of strategies were identified, as shown in figure 13 for each peer municipality.

Figure 13 – Affordability Strategies

	Equal Billing Plan	Early Payment Discounts	Temporary Payment Plans	Lifeline Rates	Low/No Fixed Monthly Fee	Social Assistance Relief Program/ Credit	Water Leak Forgiveness
Barrie	☑	☒	☑	☑	☒	☒	☒
Cambridge	☒	☒	☑	☒	☒	☒	☑
Centre Wellington	☑	☒	☑	☒	☒	☒	☒
Chatham-Kent	☑	☒	☑	☒	☒	☒	☑
Durham Region	☒	☒	☑	☒	☒	☒	☑
Greater Sudbury	☑	☒	☑	☒	☒	☒	☒
Guelph	☑	☒	☑	☒	☒	☒	☒
Guelph-Eramosa	☒	☒	☑	☒	☒	☒	☒
Halton Region	☑	☒	☑	☒	☒	☒	☒
Hamilton	☑	☒	☑	☑	☒	☒	☑
Kingston	☑	☒	☑	☒	☒	☒	☒
Kitchener	☑	☒	☑	☒	☑	☒	☒
Orangeville	☑	☒	☑	☒	☒	☒	☒
Peel Region	☒	☒	☑	☒	☑	☒	☒
Stratford	☑	☒	☑	☒	☑	☒	☒
Waterloo	☒	☒	☑	☒	☑	☒	☒
# with Program	11	0	16	2	4	0	4

There are a number of strategies that can be employed to provide assistance to support affordability. However, based on our research of the peer municipal comparators, there is limited use of a number of these strategies. As such, additional examples of municipal programs have been included in the report from municipalities outside the peer group.

As identified in the Metroline residential engagement report, the majority of residents surveyed feel that residential assistance programs are important.

Equal Billing Plan

Equalized billing for a calendar year takes the estimated prior year annual consumption and spreads this equally over the next 12 months of bills to create a predictable monthly bill. Budget billing removes uncertainty by averaging the bill over the year, thereby eliminating seasonal fluctuations. While this does not reduce the total cost of water over the course of the year, it can improve affordability in the summer months when water use typically increases. Of the peer municipalities surveyed, 11 municipalities provide this service, including the City of Guelph. The majority of those municipalities that offer this program are billed by a utility (hydro) service provider.

- Recommendation: That Guelph continue to offer an equal billing plan.

Early Payment Discounts

Some municipalities provide percentage discount for early payment (e.g. 2% discount before payment date). Within the peer municipal comparator group, no early payment discounts were identified. Examples existing in other Ontario jurisdictions include the Town of Georgina, the Town of Richmond Hill and the City of Toronto.

Temporary Payment Plans

It is a common practice for municipalities to provide an option to establish a payment plan for arrears or high water bills as a result of a leak, bill timing adjustments (e.g. to align with pension timing), and to provide a short-term or one-time program for households facing unexpected hardships. All peer municipalities, including Guelph, offer this program. Of the residents surveyed, 63% support the use of temporary payment plans.

- Recommendation: That Guelph continue to offer a temporary payment plan.

Lifeline Rates

A lifeline pricing strategy provides affordable water services to meet a customer's basic water needs. Lifeline rates are targeted subsidies based on the consumption level of households, i.e. subsidized rates for a first block of consumption, which is typically set to cover basic needs. Lifeline rates are a way of improving the design of increasing block rates since only the first block, covering basic needs, is subsidized. Anything above this threshold would be charged at the full rate. Defining the lower threshold for water consumption to meet basic needs is required. Based on our research across Ontario municipalities, the definition varies (from 5-15 m³). Some of the advantages of a lifeline rate approach include:

- Providing basic levels of service to all customers consuming at or below the threshold;
- Providing predictable support for customers that consume water within the first block of water consumption; and
- Being relatively easy to implement.

However, there are some challenges:

- Quantity-based consumption subsidies are primarily in place to assist low volume customers and will offer limited assistance to large, low income families whereby the basic need threshold may exceed the threshold established;
- It creates price distortions in term of marginal costing in that any discount offered for the first block must be recovered from the remaining rates. In effect, the rest of the customer base is required to offset the subsidy provided; and
- It is available to all customers, regardless of income and will be paid for by the general rate base consuming at higher levels, including low income families with higher consumptions.

Two examples in the peer municipal comparator have a lifeline rate structure:

- Hamilton has a two block rate structure whereby the first block, set at 10 m³ per month is 50% lower than the second block. The first block offered at a reduced rate is generally regarded as a sufficient amount to meet essential water requirements. Hamilton refers to this as a lifeline rate structure to support affordability. This approach was implemented in 2014.
- Barrie has a two block rate structure whereby the first block, set at 15 m³ per month is 50% lower than the second block. However, this rate structure was primarily implemented to support conservation goals and objectives as the threshold is aligned with the average usage as opposed to the minimum water required to meet basic needs.

Additional examples were identified in other Ontario municipalities including the following:

- The approach undertaken by the City of London is to include the first 7 m³ in the fixed monthly fee. As such, for the first 7 m³ monthly of water consumed, there is no volumetric rate but there is a fixed monthly fee for all customers. This approach was undertaken to support lifeline pricing and was implemented in 2013. This strategy was undertaken at the same time that the allocation of costs to be

recovered from fixed increased to support revenue stability and to better reflect that much of the system costs are fixed.

- The Blue Mountains has a block rate structure (set at 5 m³ monthly) whereby for the first 5 m³ there is no volumetric rate plus a fixed monthly fee.
- Town of Brockville has a block rate structure (set at 9 m³ monthly) whereby for the first 9 m³ there is no volumetric rate) plus a fixed monthly fee.
- Municipality of Middlesex Centre has a block rate structure (set at 8 m³ monthly) whereby for the first 8 m³ there is no volumetric rate) plus a fixed monthly fee.
- Municipality of Strathroy-Caradoc has a block rate structure (set at 11 m³ monthly) whereby for the first 11 m³ there is no volumetric rate) plus a fixed monthly fee.

The Residential Engagement Study, undertaken by Metroline reflects support in the community for a lifeline rate structure, with 64% of those surveyed by phone indicating that a lifeline structure is a fair option.

- Recommendation: That a lifeline rate structure be considered by the City during the next phase of the engagement (rate structure review).

Low/No Fixed Monthly Fee

Another way to support lifeline pricing through water and wastewater rates is to establish no fixed monthly fee or a very low monthly fixed fee. This approach allows customers to only pay for water that they consume. One of the challenges with this approach is that low volume customers may not be contributing to the full cost of sustaining the operations. For the purposes of this analysis, low/no fixed monthly fee was set at 10% of lower for a typical Residential customer (180 m³). Within the peer municipal group, the following municipalities provide this form of rate structure:

- Kitchener - 0% fixed
- Peel Region – 0% fixed
- Stratford – 10% fixed
- Waterloo – 5% fixed

A low cost recovery from the fixed portion of the bill supports **affordability** for low consumption customers but it may pose some challenges in terms **of fairness and equity** and **revenue stability** as the majority of the costs of the water and wastewater operations are fixed. A balanced approach in establishing the rate structure therefore must be considered.

Targeted Social Assistance Relief Programs

A Social Assistance Relief Program may be established for low income seniors and/or persons with disabilities to support affordability. None of the municipalities in the peer comparator group have a specific program in place for water/ww services but examples were identified in other Ontario municipalities including the City of Toronto, the City of St. Catharines, the Town of Newmarket, the City of London and the City of Thunder Bay. The following provides a high level summary of the key elements of these programs:

- Typically, these programs apply to seniors and persons with disabilities that are low income and is tied to receipt of Guaranteed Income Supplement and/or assistance under the Ontario Disability Support Program;
- Typically requires that it be the persons principal residence;

- A cap on the credit is in place for three of the five municipal programs ranging from \$100-\$288 per year which helps a municipality plan for the program costs;
- In one case, there is a requirement that the customer consume less than 400 m³ annually (Toronto); and
- In one case (London, there is a set amount of funds available (\$100,000) annually on a first come first serve basis) and is primarily available for high bill leaks.
- Recommendation: Water and wastewater rates should not be used for income redistribution and therefore a Social Assistance Relief Program is not recommended.

Appendix C provides additional detail on each of the programs.

Water Leak Billing Forgiveness

There are two main types of water leaks; unmetered water leaks that occur within the system (typically caused by broken pipes) and metered water leaks that occur within a customer's property (typically caused by broken pipes or faulty plumbing). The focus of this section is related to water leaks that occur within a customer's property, resulting in a high consumption bill. While not a common practice in the peer municipal comparator group, four municipalities have programs which will be highlighted in this section of the report.

Based on research undertaken, the following policy components were reviewed in other jurisdictions:

- Eligibility criteria: Outlines specific requirements that need to be met for a customer's water leak to be eligible for consideration for an adjustment. This may include identification of the excess amount of water usage to qualify for a leak adjustment (for example, the water usage must exceed twice the monthly average).
- Eligible leaks: Describes the specific types of leaks that are eligible for an adjustment.
- Eligible accounts: Outlines the specific billing account types that are eligible for an adjustment.
- Adjustment period: Describes the number of billing periods that can be adjusted and the requirements to take corrective action. This typically establishes a maximum number of billing periods that may be adjusted due to the leak.
- Adjustment frequency: Describes how often an account can be considered for an adjustment.
- Adjustment calculations: Describes how billing credits are calculated.
- Proof of Repair: Describes what is required in terms of providing proof that the repair has been corrected.

Of the 16 municipalities surveyed, surveyed, four have an approved High Water Bill Leak Forgiveness Policy. The following provides a brief overview of the programs available:

- **City of Hamilton** - The City of Hamilton's policy was implemented in 2007 with updates to the policy being undertaken in 2011. It is a comprehensive policy with all the key parameters, eligibility criteria, proof of repair, timelines, minimums and maximums clearly defined. Hamilton's program is available for Residential, Not-for-Profits and Institutional customers. Key features include a minimum consumption increase of two times the average consumption, a 50% forgiveness adjustment with no cap for residential customers (cap of \$5,000 of Not-for-Profits), limit of once every year and 2 adjustments in a 10 year period. The policy also includes a number of exclusions and a requirement for repairs to be undertaken within 120 days.
- **City of Cambridge** - The City of Cambridge implemented a similar policy to Hamilton's in 2015 based on research and a desire to provide financial forgiveness for customers with one-time leaks that created affordability issues. Cambridge's program is available for Residential, Rental Residential, Condominium Corporations and Not-for-Profits. Cambridge's policy is similar to Hamilton with a few notable differences; there is a cap of \$1,000 per customer and a shorter timeframe where repairs must be made (90 days).
- **Municipality of Chatham-Kent** - Chatham-Kent's program has a higher threshold to qualify, requiring 10 times the average use and provides a rebate of 50% of the usage over the customer's highest bill in the last 12 months.
- **Durham Region** - Durham Region provides a 50% rebate of the leakage.

Approximately 75% of residents surveyed by Metroline strongly or somewhat support a water leak forgiveness program.

- Recommendation: That the City institute a water leak forgiveness program for residential customers, not-for-profits and institutional customers. The following key features of the proposed program include:
 - minimum consumption increase of two times the average consumption
 - a 50% forgiveness adjustment
 - no cap for residential customers (cap of \$5,000 of Not-for-Profits)
 - limit of once every year and 2 adjustments in a 10 year period.

Appendix D provides additional program details for each municipality noted above.

6 Sewer Abatement Program

Sewer Abatement Program – Introduction

To encourage water conservation of the City's groundwater resources and ensure that adequate financial resources are available for the operational and capital costs of the water and wastewater system, the City has traditionally set rates based on the principles of full cost recovery. Further, to support the City's commitment to water conservation, Guelph, offers a capacity buyback program which provides ICI customers financial assistance for water use facility audits and potential one-time financial incentives up to a maximum of \$10,000 for the implementation of capital retrofits to permanently reduce water use.

As described earlier, Guelph currently charges for water services based on a fixed monthly charge and a per meter charge for volumes of water consumed based on the water meter reading and wastewater is applied based on the volume of water used. This is a standard practice across municipalities whereby wastewater charges are based on water consumed, irrespective of whether the water enters the system for treatment. However, there are exceptions to this calculation, on an application basis, that have been implemented across some Ontario municipalities where the customer, through the production or evaporative process, result in a considerable level of water abated from wastewater treatment and, as such, is provided a rebate. These are typically referred to as sewer abatement or rebate programs. As will be described in this section of the report, the terms, conditions and parameters vary considerably from municipality to municipality as does the uptake and interest in the program.

Currently there is no provision in Guelph for adjustments to the wastewater bill for water volumes consumed in a product, evaporated as a result of a process, or other end use actions. Interest has been expressed by some businesses and industries in Guelph for the City to consider implementing a sewer rebate program, similar to programs available in some of the peer municipal comparator municipalities whereby exemptions to sewer rates may be provided to business for measured quantities of wastewater consumed via private processes and not entering the sanitary sewer for treatment.

Sewer Cost Exemption Programs – Peer Municipal Comparators

A review of the policies and practices across the peer municipal comparator group was undertaken. This included a review of related by-laws, discussions with staff in peer municipalities and leading practice research. A summary of policy and current programming of other comparator peer municipalities possessing sewer surcharge rebates was undertaken to gain insight into scope and format of programming, customer eligibility requirements, program uptake and potential rebates which would need to be funded from the general ratepayer base. The focus on the peer municipal review included details (as available) in the following areas:

- Qualifications – classes of eligible customers;
- Application process and requirements (process schematics);
- Annual renewal process;
- Ongoing abatement monitoring;
- Length of time the program has been in place;
- Minimum monthly usage, minimum diversion limits;
- Requirement for sewer meter, maintenance and calibration;
- Treatment of irrigation water usage;
- Number of customers; and
- Impact on revenues.

Figure 14 - Sewer Abatement

	Sewer Abatement Rebate
Barrie	<input checked="" type="checkbox"/>
Cambridge	<input checked="" type="checkbox"/>
Centre Wellington	<input checked="" type="checkbox"/>
Chatham-Kent	<input checked="" type="checkbox"/>
Durham Region	<input checked="" type="checkbox"/>
Greater Sudbury	<input checked="" type="checkbox"/>
Guelph	<input checked="" type="checkbox"/>
Guelph-Eramosa	<input checked="" type="checkbox"/>
Halton Region	<input checked="" type="checkbox"/>
Hamilton	<input checked="" type="checkbox"/>
Kingston	<input checked="" type="checkbox"/>
Kitchener	<input checked="" type="checkbox"/>
Orangeville	<input checked="" type="checkbox"/>
Peel Region	<input checked="" type="checkbox"/>
Stratford	Under Review
Waterloo	Informal

General Findings – Peer Municipal Comparator Group

- Of the 16 municipalities surveyed, 9 have formal sewer abatement policies/procedures and one has an informal practice.
- The vast majority of municipalities offer the program to Commercial and Industrial customers only.
- 5 municipalities have a minimum level of diversion in order to qualify for the program; 20%-25% or greater must be diverted from the wastewater system and, in one municipality, there is a requirement to divert 100 m³ monthly or more.
- 2 municipalities have a cap on the amount of rebate related to the amount diverted; both at 75%.
- 2 municipalities make an adjustment to the rebate to take into consideration the impact of inflow and infiltration (I&I); 25% and 33% adjustment.
- All municipalities surveyed exclude water irrigation from the rebate programs.
- 4 municipalities charge an application fee.
- Most municipalities require a separate meter to be installed to measure sewage, however, a few municipalities allow for a consultant review to estimate the % diverted or other alternative methods.
- The number of customers participating in the program varies considerably across the peer municipalities and is impacted by the program criteria and the customer base.

Figure 15 - Peer Municipal Sewer Rebate Program Summary

	Customer Class Eligibility	Min Diversion Criteria	Cap	Sewer Meter Requirements	Rebate %	Application Fee	# of customers	Annual Program Cost
Barrie	MR (single Meter), ICI	Greater than 100 m ³ per month diverted	No	Yes and/or other measuring devices	Meter Differential	\$ 349.24	2	Not available
Cambridge	Commercial & Industrial	No	No	Yes, but exceptions	Meter Differential or Alternate Method	None	13	\$ 280,000
Durham Region	ICI and Res plumbing	Greater than 20% diverted	No	Technical Report required, meter optional	50% Residential, ICI Meter Differential Adjusted 25% I&I	\$650, one time	30	Not available
Greater Sudbury	ICI	No	No	Yes	Meter Differential	None	3	\$ 10,000
Halton Region	Commercial & Industrial	Greater than 25% diverted	75%	Not Required, Consultant Analysis	Consultant % Analysis	\$1,058.87 every 5 years	40	\$ 625,000
Hamilton	Commercial & Industrial	Greater than 25% diverted	75%	Not Required, Consultant Analysis	Adjusted 33% I&I, or Consultant %	\$578.80	9	\$ 790,000
Kingston	Commercial & Industrial	No	No	Yes	Meter Differential			Not available
Kitchener	Commercial & Industrial	No	No	Yes	Meter Differential	None	45	\$ 550,000
Peel Region	Industrial	Greater than 20% diverted	No	Yes	Meter Differential or Alternate Method			Not available
Waterloo	Commercial & Industrial	No	No	No	Consultant % Analysis	None		Not available

Appendix E provides additional detail on the programs in each of the area municipalities.

Sewer Abatement Consultation

Consultation with the ICI sector was undertaken by DFA. Approximately 23 stakeholders were contacted by telephone and/or email to indicate our interest in and purpose for meeting with them to discuss their operations. These included nineteen (19) industrial, one (1) commercial and three (3) institutional customers. Seven participated in the process and provided feedback. One of the responding stakeholders was a parent company in the auto manufacturing industry representing twenty four (24) high consumption customer accounts.

There was considerable support for the implementation of a sewer abatement program by those industries that participated in the consultation process. However, residents surveyed by Metroline are less supportive of a business program such as a Wastewater Volume Reduction program. Approximately 49% of residents surveyed either strongly support or might support a sewer rebate program.

DFA undertook a high level estimate of the volume of water that is diverted and may qualify for rebates under a sewage rebate program by first identifying customers who would potentially participate and secondly estimating the percentage of water that is diverted. Assumptions were made by DFA using the available data and feedback from the interviews. The following assumptions were made:

- Only the high volume customers that consistently divert a significant portion of water would participate. These would be mainly high volume manufacturing and food and beverage customers;
- Customers who have already been communicating with the City about cost exemptions (regardless of water consumption levels), would be interested in participating; and
- The sewage rebate program would apply mainly to industrial customers which is a common feature of most programs in use in other jurisdictions.

Sewer Abatement Program Recommendations

- Recommendation: That a sewer abatement program be implemented in the City of Guelph. The following summarizes the proposed parameters of the program:
 - Available for Commercial, Industrial and Institutional customers
 - Requirement for a permanent flow meter installation for sewer outflows to be installed and a requirement for continuous flow measurement be undertaken. Alternatively, an independent engineering consultant to be hired by the customer to prepare a report outlining the degree of water flows discharged into the system to define the discount factor.
 - A 25% minimum level of water diverted to be eligible for the program
 - Outdoor irrigation is excluded from the rebate program.
 - Water abated must come from a City source.
 - An administrative fee will be charged for program participation.
 - The maximum amount of diversion eligible for a refund is 75%.
 - A 25% I&I percentage to be added back to the actual sewage discharge volume to ensure that all customers contribute to I&I. Municipalities need to account for inflow and infiltration entering the sanitary sewer (i.e. groundwater flowing through pipe joints and cracks) which is delivered to the wastewater treatment plants. The inflow and infiltration flow must be treated with the wastewater and can cause high peak flows in older systems which are highly influenced during heavy rainfall events. These high peak flows can cause partially treated wastewater to enter the environment where the collection system and plant are unable to process higher than normal flows.

- Recommendation: That a transition plan be considered to help fully understand the implications of the program on rate revenues. This is required because the cost of the system is largely fixed and any reduction in the revenues that are currently recovered would have to instead be recovered from other customer groups.

Sewer Abatement Cost Analysis

An analysis of the potential cost of the program using the recommended policy noted above and using the assumptions included in the DFA report with respect to customer water and diversion rates was undertaken. The anticipated annual cost of the program is approximately \$720,000. Note that this analysis excluded commercial properties as the DFA report was based on the largest industrial and institutional customers. If implemented, the rebates would need to be funded from the entire customer base. This is equivalent to an increase of 1.2% on the water/wastewater rates. On a residential customer consuming 180 m³ annually, this is equivalent to an increase of \$10.

Appendix A – System Descriptions – Peer Municipal Comparators

City of Barrie

Water System	WW
<ul style="list-style-type: none"> • 1 Surface Water Treatment Plant (SWTP) and associated low lift pumping station (LLPS) • 12 groundwater wells • 7 booster stations • 3 in-ground storage facilities • 3 elevated storage towers • 626 of water mains • Treatment at the SWTP consists of primary screening, flocculation, membrane filtration, granular activated carbon contactors (for taste and odor control), and disinfection with chlorine gas. 	<ul style="list-style-type: none"> • Tertiary Treatment • 1 WW Treatment Facility - tertiary treatment plant that uses ultra violet disinfection to treat all sewage before sending it into Lake Simcoe. The facility receives domestic, commercial and industrial wastewater and provides a level of treatment to meet the water quality standards of Lake Simcoe • 6 major pumping stations • 537 km of sewer mains

City of Cambridge

Water System	WW
<ul style="list-style-type: none"> • Two-tier system, Cambridge is responsible for distribution system. Distribution system is divided into five individual pressure zones based on the water supply components and the varying elevations throughout the City • There are 38,990 service connections • 3,388 hydrants providing fire protection • 5,137 valves of various sizes for controlling water flow • 581 kilometres of watermains located within Cambridge, of which Cambridge owns 487 kilometres, the Region of Waterloo owns 62 kilometres, and there are 32 kilometres of dual-use mains 	<ul style="list-style-type: none"> • Two Tier system, Cambridge is responsible for collection system • 522 km of sewer mains

Municipality of Centre Wellington

Water System	WW
<ul style="list-style-type: none">• 9 groundwater well sources• Distribution system covers the village of Elora and the Town of Fergus and is connected by a booster station• 4 elevated storage towers• Watermain valves, service valves, fire hydrants, and water meters• 108 km of water mains	<ul style="list-style-type: none">• Tertiary treatment• Wastewater is treated at two plants and effluent is discharged into the Grand River• 7 pumping stations• 101 km of ww sewer mains

Municipality of Chatham-Kent

Water System	WW
<ul style="list-style-type: none"> Chatham-Kent draws from both surface and groundwater <ul style="list-style-type: none"> 6 drinking water systems <ul style="list-style-type: none"> 4 surface water 2 ground water facilities Standalone distribution system 3,321 hydrants 1,710 km water mains 	<ul style="list-style-type: none"> 11 Wastewater plants <ul style="list-style-type: none"> 3 Treatment/water Pollution Plants 3 Lagoon Systems Mitchell's Bay Sewage Lagoon System 533 km of sewer mains

Durham Region

Water System	WW
<ul style="list-style-type: none"> • 3 sources: Lake Ontario, Lake Simcoe and groundwater • 6 surface water treatment plants • 22 water storage facilities • 18 pumping stations • 22 groundwater wells • 2,470 km water mains 	<ul style="list-style-type: none"> • 11 Sewage Treatment Plants – each plant undergoes primary and secondary treatment to clean the water prior to release back into the Lake. Sludge from the system is treated using anaerobic digestion and sent for land application or to incineration • 52 Sewage Pumping Stations • 2,122 km of sewer mains

Greater Sudbury

Water System	WW
<ul style="list-style-type: none"> • 6 water systems • 2 surface water treatment plants • 2 fluoridation facilities • 21 deep wells • 10 treated water storage facilities • 873 km of watermains 	<ul style="list-style-type: none"> • 14 wastewater treatment facilities <ul style="list-style-type: none"> ◦ 10 wastewater treatment plants ◦ 4 sewage treatment lagoons • 68 lift stations • Biosolids management facility at the Sudbury WWTP • Rick tunnels to the Sudbury WWTP • 793 km of sewer mains

City of Guelph

Water System	WW
<ul style="list-style-type: none"> • Two main sources of water; groundwater and groundwater under the direct influence of surface water with effective in-situ filtration (GUDI-WEF) • 21 operational groundwater wells and a shallow groundwater collector system • 6.38 kilometres of 900-1,050 mm diameter water supply aqueduct • 5 underground storage reservoirs with a combined approximate capacity of 48,000 cubic metres (48 million litres) • 3 water towers with a combined approximate capacity of 11,200 cubic metres (11.2 million litres) • 4,184 watermain valves • 2,763 fire hydrants • 551 kms of water mains 	<ul style="list-style-type: none"> • 6 pumping stations • Tertiary treatment facility, having rated treatment capacity of 64 million litres (ML) of wastewater per day • 520 km of sewer mains

Guelph-Eromosa

Water System	WW
<ul style="list-style-type: none">• Hamilton Drive Water Supply System – 2 groundwater wells (Huntington and Cross Creek) each with its own pumphouse and grade-level reservoir• Rockwood Water Supply System – 3 municipal groundwater wells• 1 water tower• 32 km of water mains• Gazer Mooney operated by the City of Guelph (71 users)	<ul style="list-style-type: none">• 4 pumping stations• 1 transfer station• 33 km of sewer mains

Halton Region

Water System	WW
<ul style="list-style-type: none"> • 12 Treatment Plants • 3 surface (Burlington, Burloak, Oakville) • 9 groundwater (well source) • 19 municipal wells • 22 water reservoirs • 15 booster stations • 13,500 hydrants • 20,500 valves • 2,220 km of water mains 	<ul style="list-style-type: none"> • WWTP's <ul style="list-style-type: none"> ◦ 3 secondary ◦ 4 tertiary plants • 88 pumping stations • 1,984 kms of sewer mains

City of Hamilton

Water System	WW
<ul style="list-style-type: none"> • 1 treatment plant • 25 pumping stations • 21 storage facilities • 8 wells • 2 surge tanks • 2,060 kms of water mains 	<ul style="list-style-type: none"> • 2 WW Treatment plants • CSO tanks • 72 pumping stations • 20 ww control gates • 1,786 kms of sewer mains

City of Kingston

Water System	WW
<ul style="list-style-type: none"> • 2 water treatment plants with water supplied from Lake Ontario for the majority of the City and 1 smaller scale treatment plant. • 3 combined reservoir and booster stations • 10 water storage facilities • 600 kms of water mains 	<ul style="list-style-type: none"> • 3 treatment plants. • 33 pumping stations • 9 combined overflow tanks • 490 kms of sewer mains

City of Kitchener

Water System	WW
<ul style="list-style-type: none"> • Distribution system only, Region of Waterloo provides treatment • 871 km of water mains 	<ul style="list-style-type: none"> • 23 pumping stations • 824 km of sewer mains

Town of Orangeville

Water System	WW
<ul style="list-style-type: none"> • Water Pollution Control Plant • 12 wells <ul style="list-style-type: none"> ○ 9 well fields ○ 3 classified as groundwater wells ○ 9 classified as groundwater under the direct influence of surface water • 4 water storage and high lift stations • 110 kms of water mains 	<ul style="list-style-type: none"> • WW Pollution Control Plant • 4 pumping stations • 1,448 manholes • 175 kms of sewer mains

Peel Region

Water System	WW
<ul style="list-style-type: none"> • Water sourced from Lake Ontario, a Regionally owned well and a private well • 2 lake based treatment plants • 15 wells • 13 pumping stations • 23 storage facilities • 31,529 hydrants • 4,552 kms of water mains 	<ul style="list-style-type: none"> • 2 lake base treatment plants • 1 wastewater communal treatment plant • 1 groundwater water treatment plant • 32 sewage pumping stations • One odour control facility • 52,332 manholes • 3,560 km of sanitary sewers mains

City of Stratford

Water System	WW
<ul style="list-style-type: none"> • 2 elevated towers • 11 wells with 6 pumping stations • 887 fire hydrants • 184 km of watermains 	<ul style="list-style-type: none"> • Water Pollution Control Plant • 11 pumping stations • 2,000 manholes • 160 kms of sewer mains

City of Waterloo

Water System	WW
<ul style="list-style-type: none"> • Distribution system only, Region of Waterloo provides treatment • 431 kms of water mains 	<ul style="list-style-type: none"> • 6 sewage pumping stations • 409 km sewer mains

Waterloo Region

Water System	WW
<ul style="list-style-type: none"> • Responsible for the Region's water supply; the system includes 20 ground water supply systems • 110 water supply wells • 1 surface water treatment plant and North Dumfries and Wellesley distribution systems, (annually supplying 54 million cubic meters). • 443 kms water mains • 4 pumping stations • 3 storage facilities 	<ul style="list-style-type: none"> • Tertiary • Responsible for the Region's wastewater treatment (which treats 66 million cubic meters annually) • 13 wastewater treatment plants • 1 biosolids processing facility • 6 pumping stations and two collection systems (in North Dumfries and Wellesley). • 409 kms wastewater pipes

***Appendix B – Reserve Summary– Peer Municipal
Comparators***

Reserve Summary – Peer Municipal Comparators

Consolidated Reserve Year End Balance 2015 Millions			Policy/Target
	Water	Wastewater	
Barrie	\$ 18.77	\$ 8.81	No more that 10% of gross operating revenues in the Stabilization Reserves
Cambridge	\$ 3.60	\$ 10.45	Stabilization up to 5% of operating budget in water and 10% in wastewater. Capital Reserves funded through annual contributions which are increasing to address backlog and future renewal needs. City also has a meter reserve to support timely replacement of meters.
Centre Wellington	\$ 8.04	\$ 6.59	To provide a source of funding for user-pay planned and unplanned capital projects. There is also a meter replacement reserve and a grinder pump replacement reserve.
Chatham-Kent	\$ 3.27	\$ 0.99	Reserves for the full cost of replacement or rehabilitation of major assets will be funded from ongoing operations at a rate which reflects the consumption of that asset by current ratepayers. Contributions to these reserves will commence in the fiscal year that the asset is acquired or put into service and will be based on an estimate of the useful life of the underlying asset.
Durham Region	\$ 76.05	\$ 138.27	Durham Region's financial policies (pay as you go financing, use of reserves, commitment that growth-pays-for growth, and minimal debt issuance). Gradual increase in reserve contributions.

Consolidated Reserve Year End Balance 2015 Millions			Policy/Target
	Water	Wastewater	
Greater Sudbury	\$ 14.64	\$ 16.19	Capital Reserve contributions gradually being increased until such time as capital contributions equal 2% of infrastructure replacement value. Any net surplus generated from water and wastewater in any year shall be contributed to the Capital Reserve fund.
Guelph	\$ 48.75	\$ 59.61	Stabilization - recommended target of 8%-10% of gross operating revenues. Capital - 100% or greater of annual depreciation expense.
Guelph-Eramosa	\$ 1.11	\$ 0.87	To fund replacement of assets.
Halton Region	\$ 98.24	\$ 89.07	Stabilization target is 15% of gross expenditures. Capital Reserves are based on capital program with a pay-as-you go strategy to maintain assets in a state of good repair.
Hamilton	\$ 23.95	\$ 194.36	Capital Reserves funded through contributions from Operating for replacement of assets. Year end surpluses are also transferred to the capital reserves. Target Level: 0.5 - 2% of asset value replacement <ul style="list-style-type: none"> • Water Reserve: \$13 million - \$53 million • Wastewater Reserve: \$21 million - \$87 million
Kingston	\$ 28.06	\$ 36.51	

	Consolidated Reserve Year End Balance 2015 Millions		Policy/Target
	Water	Wastewater	
Kitchener	\$ (1.59)	\$ 1.39	Capital Reserve: Closing balance should not be less than \$4.5 million in water and \$6.8 million in wastewater. Rationale: 50% of the average annual balance of approved expenditures in the 10 year capital forecast which provides for unanticipated overruns. Maximum: Closing balance should not exceed 1.5 times the average annual approved capital expenditures. Rationale: allows for funding required to address backlog of infrastructure work and provides flexibility for funding of projects as needed. Stabilization Reserve: Closing balance should not be less than 10% of the Utility revenues Rationale: Based on best practices as determined by the Government Finance Officers ' Association (GFOA) Provides contingency for the fluctuations in revenues from year to year and unforeseen events Maximum: Closing balance should not exceed 15% of the Utility revenues
Orangeville	\$ 2.86	\$ 4.12	No established policies.
Peel Region	\$ 160.82	\$ 317.09	State of Good Repair (SOGR) reserve is for future repairs and replacements on the existing infrastructure, which is sourced from contributions through the annual operating budget and recovered through water retail rate. The types of capital projects supported by these reserves include replacement of
Stratford	\$ 3.47	\$ (4.23)	No established targets at this stage.

	Consolidated Reserve Year End Balance 2015 Millions		Policy/Target
	Water	Wastewater	
Waterloo	\$ -	\$ -	Currently the water and sanitary sewer utilities are operating under the parameters of one combined reserve which is intended to cover all costs including both operating and capital and any annual year-end deficits incurred. The current Council approved minimum target reserve level for the consolidated utilities reserve is \$4,000,000 (comprised of: \$1.5M for water, \$1.5M for sanitary sewer and \$1M for stormwater). This approved target level does not provide adequate coverage for all the funding needs and risk associated with operating the water and sanitary sewer utilities. Rate Report in 2016 recommended the following Capital: Preference for a minimum capital reserve balance of 1% of asset replacement value. Stabilization: Preference for a minimum reserve balance of 5% of annual rate revenue.
Waterloo Region	\$ 36.07	\$ 13.88	Recently reviewed policies and internal targets. Targeted stabilization reserve balance of 20% of gross expenditures. Capital Reserves are based on a review of the 10 year capital requirements to ensure that the Region can support the replacement of assets.

Appendix C – Social Assistance Relief Program – Ontario Examples

City of Toronto Water Rebate Program

A rebate program is available for low-income seniors and low-income persons with a disability. The following summarizes the key parameters:

- Available for principal residence only;
- Must provide SIN and an unaltered Notice of Assessment;
- Customer must consume less than 400 m³ annually;
- Have a combined income of \$50,000 or less;
- Must be 65 years of age or older; OR
- Be 60-64 years of age and in receipt of a Guarantee Income Supplement under the Old Age Security Act; if widowed, be in receipt of the Spouse's Allowance under the Old Age Security Act; OR
- Be 50 years of age or older and be receiving either a pension or a pension annually resulting from a pension plan under the Income Tax Act; OR
- Be a person with a disability and be in receipt of disability benefits
- Rebate is calculated as a product of the percentage reduction in the Block 2 rate over the Block 1 rate times the flat rate bill for accounts paid on or before the due date for the year in which the water rebate is being sought to a maximum water rebate that an eligible metered customer would be entitled to receive for a consumption of 400 m³.

City of St. Catharines

For residents 65 years of age and older, the City of St. Catharines offers a maximum \$100 annual credit on water/ww fees. A homeowner may submit an application if:

- The annual amount of the water/wastewater bill exceeds the \$100 maximum credit allowance.
- Applicants must own and occupy the property as their principal residence.
- The water/wastewater account must be for a residential, single family dwelling to be eligible.
- Applicants must be receiving benefits from the Guaranteed Income Supplement program to be eligible. Proof of receipt of benefits must be submitted with the application.
- One credit per individual account billed will be granted. Tax and water/wastewater accounts must be in good standing.
- Approved credits are applied to the water/wastewater account in January of the next year. It will appear on the first bill issued after the adjustment is applied to the account.
- No cash refunds and the credits are non-transferable. Owners are required to pay their bills as they come due.
- For those using monthly pre-authorized payments, the credit will be taken into consideration in the annual equalization of the account.
- Applications must be submitted to the City of St. Catharines each year between Oct. 1 and Nov. 30. No deadline exceptions will be made.

Town of Newmarket – Water Rebate Program

The Water and Wastewater Rate Rebate for qualified applicants is \$288 per year. To apply for this rebate, residents must provide proof annually to the Town of Newmarket to demonstrate eligibility for program and complete an application form. The program that is available to any property owner paying a Newmarket resident water bill for their property and qualifying for any of the following:

- The Guaranteed Income Supplement under the Old Age Security Act
- Support under the Ontario Disability Support Program
- Ontario Works Assistance
- A similar federal or provincial income support program

City of Thunder Bay – Water Credit Program for Low-Income Seniors and Low-Income Persons with Disabilities

If a customer qualifies, there is a \$100 credit available. Key elements include:

- Occupy residential property in the City of Thunder Bay and have been assessed as Owner of such property for at least one year immediately preceding the date of this application.
- Property is principal residence.
- The program is available to Low-Income Person with a Disability (Please attach proof of receipt of assistance paid under the Ontario Disability Support Program Act or proof of receipt of assistance paid under the Canada Pension Plan and
- Low-Income Senior (Please attach proof of age and receipt of an increment paid under the Guaranteed Income Supplement (GIS)).

City of London

The City has a 25-cent fixed fee that is applied to each monthly bill for all single family residential water customers in London. These funds are collected over the year and applied to the customer assistance program. If the money from these funds has been used-up at any point in the calendar year, then the program will be suspended until January 1st of the following year when the funds are topped up again. The charge contributes to a special reserve fund and will be drawn against for:

- Helping low-income Londoners deal with crisis situations on their monthly water bills using existing programs managed and delivered through partnerships with London Hydro, the Salvation Army, and the City. An annual fund of \$100,000 will be kept and topped up each year to help those in need;
- Helping low-income Londoners make changes to the fixtures in their homes to help lower their monthly water use. On average 40% of home water use is from the toilet; and
- Helping London's water customers pay for water and wastewater charges **one time** that have occurred as a result of a plumbing failure in their homes.
- Maximum of 3 months usage of water credited to bill and an application must be completed within 2 months of detecting the issues
- Eligibility:
 - The volume must be at least three times the average use
 - Cannot be as a result of pool or hot tub filling, irrigation, car washing, or other discretionary water uses
 - There must be proof of a repair
 - One time relief of the issue
 - A single family home paying the customer assistance rate

***Appendix D – High Water Leak Forgiveness Program – Peer
Municipal Comparators***

City of Cambridge

Policy	2015 - Corpserv/15-32, High Water Leak Adjustment Policy
Customer's Eligible	Residential, Rental Residential, Condominium, Corporations and Not-for-Profits
Min Consumption	Increase must be greater than 2x average consumption
Eligible Adjustment Amount	Adjustments will be based on 50% of the difference between the actual water consumption that the high water bill was based on and the customer's average consumption.
Proof of Repair Requirements	Proof of repair must be provided which may include pictures, receipts, and/or invoices from a licensed plumber. Public works may be required to visit the property to ensure that the leak has been repaired and must be granted access to the property for this purpose within 2 weeks of the request to gain access
Timing Limitations	Adjustment request must be received no later than 90 days following the issuance of a high bill. The Bill Issue Date indicated on the high bill will be used to determine if the submission date of an application is compliant with this requirement
Cap of Financial Adjustment	Adjustment amounts will be capped at a maximum of \$1,000.
Limit on # of Adjustments	Once every 12 consecutive months. 2 adjustments in any 10 year period
Exclusions	The property cannot be vacant or have been unattended during the timeframe when the leak occurred.
	High water bill cannot be a result of a "catch-up" bill where an actual reading was obtained following a minimum of 2 consecutive estimated bills. Customers are advised on their water bill if their bill was based on an ESTIMATE or ACTUAL read.
	Cannot be a result of filling a pool or hot tub, watering lawns/gardens, washing cars, or other outdoor or discretionary water uses
	Water loss due to theft, vandalism, or construction damage is not eligible for an adjustment.
Applicability	Applies to both the water and wastewater volumetric portion of the bill

City of Hamilton

Policy	2007 original policy, amended in 2011 - Water Leak Adjustment Policy PP-0005
Customer's Eligible	Residential, Not-for-Profits/Institutional
Min Consumption	Increase must be greater than 2x average consumption
Eligible Adjustment Amount	Adjustments will be based on 50% of the water consumption amount exceeding the AVERAGE of the similar period from the previous year.
Proof of Repair Requirements	An adjustment may occur only after all leaks have been repaired and verified with an actual water meter read by the City's agent
Timing Limitations	Must complete in full the Request Form and provide documentation of repairs made prior to being approved for an adjustment within 120 calendar days after the date of final repair(s)
Interim Arrangements	Customers are advised to pay the entire amount due with the normal payment period or enter into payment arrangements for the excessive amount in order to remain in good standing on all current billings. Reimbursements will only occur when an adjustment request is granted
Cap of Financial Adjustment	No cap on Residential, cap of \$5,000 on Not-For-Profit
Limit on # of Adjustments	Once every 12 consecutive months. 2 adjustments in any 10 year period
Exclusions	Excluded if properties are vacant more than 72 hours
	Excluding adjustments where high water usage is identified from a "catch-up" billing following a minimum of 2 consecutively estimated billings. Actual meter readings are necessary for bills to reflect actual higher water usage to trigger leak awareness that will drive the associated leak detection and subsequent leak repairs.
	Cannot be if usage above the customer's average monthly consumption is due to seasonal usage such as watering of sod, gardening, filling swimming pools or whirlpools, washing vehicles, etc.

	Water loss is due to theft, vandalism or construction damage as the responsibility to resolve these issues lies with the customer
	Leak was caused by a third party from whom the customer is able to recover their costs
Applicability to Water/WW	Applies to both the water and wastewater volumetric portion of the bill
Annual Estimated Cost of Program	\$50,000
Approximate # of customers	165

Municipality of Chatham-Kent

Policy	Original policy 1998, revised in 2011
Customer's Eligible	Residential
Min Consumption	Must be greater than 10 times average customer's consumption for accidental malfunction of a water fixture
Eligible Adjustment Amount	The rebate will be equal to one half (1/2) of the usage over the customer's highest bill in the last twelve (12)
Cap of Financial Adjustment	None stated
Limit on # of Adjustments	Only allowed once to the customer at that residence
Exclusions	N/A
Applicability to Water/WW	Where staff has confirmed that the excessive water did not flow into the sanitary sewer system, the customer will also qualify for a rebate of the sanitary sewage charge.

Durham Region

Policy	By-law 90-2003 Section 14(8-9)
Customer's Eligible	Residential
Min Consumption Increase Criteria	Residential Consumers who receive metered Regional Water may appeal for relief from the Sewer Surcharge Rates related to metered water not entering the Regional Water Pollution Control System, due to plumbing problems. There shall be no other basis for residential sewer appeals.
Eligible Adjustment Amount	Rebates of up to 50% of the estimated volume of metered water not entering the Regional Water Pollution Control System due to plumbing problems and the amount of such rebates shall be subsequently reported to Regional Council.

Appendix F – Sewer Abatement Program – Peer Municipal Comparators

City of Barrie

By-law/Procedure	By-law 2016-115, section 9.10
Qualification – classes	Multi-Residential with a single water meter, Commercial, Institutional and Industrial customers
Application process requirements	Application to be submitted to City by customer including schematics of process water use and metering information. This application is reviewed and approved by City's Operations Dept. Program ends when change of ownership or change related to the approved plumbing schematic. Must reapply for the exemption prior to the Approved Certification expiration in order to continue to be eligible
Monitoring	At the City's discretion
Program Inception	Unknown
Caps on rebates	None specified
Minimum/Maximum monthly diversion	Must divert more than 100 m ² per month away from the wastewater system due to evaporative losses in HVAC, water consumed in product and through cooling system
Sewer meter requirements	A sewer meter must be supplied and maintained at the sole expense of the customer. Meter type must be approved by City. Must get a meter permit from the City. Applicant responsible for maintaining meter.
Treatment of irrigation	Not eligible
Calculation	Meter Differential
# of customers	2
Impact on revenues	Not available
Application Fees	\$349.24

City of Cambridge

By-law/Procedure	Procedure TPW – 70-030
Qualification – classes	Commercial and industrial customers eligible for wastewater rate forgiveness for volumes diverted from sanitary sewer
Application process requirements	Process schematics required to support application.
Monitoring	Ongoing monitoring to ensure that the meters continue to operate accurately.
Program Inception	2007 (City assumed responsibility from the Region)
Caps on rebates	No cap identified
Minimum/Maximum monthly diversion	No diversion eligibility thresholds defined.
Sewer meter requirements	It is the responsibility of the proponent to install all required rebate meters in the location and manner defined by Public Works, including installation of all remote reading wiring and equipment. It is responsibility of the owner to repair/replace any faulty wiring for the remote reader. The proponent must monitor all rebate water meters throughout the year to verify they are operational. If a failure occurs estimations shall only be accepted at the City's discretion, and may require additional supporting documentation. Meter type and meter location to be approved by City with any meters over 1.5" to be purchased and installed at sole cost of customer. Meters to external touch pad to allow for ongoing readings, with monthly service costs for all meters to apply. Processes that cannot utilize meters may not be approved for rebate purposes. Public Works may, at their discretion approve such processes and may attach additional stipulations. Any such volumes relating to specific rebate must be forwarded to City staff, by the proponent, within 30 days of the new calendar year. Any change in site contact information is to be forwarded to City staff.
Treatment of irrigation	Not eligible
# of customers	13
Impact on revenues	\$280,000. Most rebates are issued once at the beginning of each year.
Application Fees	None

Durham Region

By-law/Procedure	By-law 90-2003 as amended section 14 (1)-(8)
Qualification – classes	Commercial, Industrial, Institutional. More than 20% of the water does not enter the pollution control system. Residential may apply only when there is problem due to plumbing whereby the water does not enter the pollution control system.
Application process requirements	Application
Monitoring	
Program Inception	2003 or earlier
Caps on rebates	Residential customers 50% of the estimated amount not entering the pollution control system. No cap on ICI
Minimum/Maximum monthly diversion	An infiltration allowance of 25% is added back to the amount that they discharge to account for normal flow differential experienced by most customers. The sanitary sewer bill shall be calculated on the basis of their total or actual direct discharge volume to the Regional Water Pollution Control System plus the infiltration allowance volume.
Sewer meter requirements	Private meter which is the sole responsibility of the customer to install, test, repair and replace. Note that it is not a requirement to have a meter. A technical report is submitted by the customer and reviewed and inspected by the Region.
Treatment of irrigation	Not eligible
Calculation	Meter Differential + 25% infiltration added back
# of customers	30
Impact on revenues	
Application Fees	Non-refundable application fee (\$650 + applicable taxes). One-time fee which is place until there is a change in process or a change in ownership.

Greater Sudbury

By-law/Procedure	By-law 2017-6, section 24 (1-2)
Qualification – classes	Non-Residential Properties upon application
Application process requirements	Application which will include proof that the majority of water is used in the production of a product. Based on feedback from staff, it is up to the discretion of the meter shop manager
Monitoring	At the discretion of City
Program Inception	Prior to 2000
Caps on rebates	No cap
Minimum/Maximum monthly diversion	Majority of the water used by the private property is utilized in the production of a product. Up to the discretion of Public Works
Sewer meter requirements	Private meter is required to be installed by the property owner to measure the water used in the production of the product in addition to the meter that measures water consumed.
Treatment of irrigation	Not applicable
Calculation	Based on the meter read differential, a reduction will be made at the time of billing
Number of customers	3
Impact on revenues	\$10,000
Application Fees	None

Halton Region

By-law/Procedure	By-law 184-95 section 37,38 and By-law 127-15
Qualification – classes	Commercial and Industrial customers only
Application process requirements	Customer must submit application for relief and pay an application fee. A site visit is held upon receipt of the application. The site visit would be attended by the engineering consultant retained by the Region and a representative from the Region's Public Works staff
Monitoring	Region hires independent consultant to visit site and conduct evaluation of wastewater diversion in comparison to metered water use at property. The engineering consultant prepares a report outlining the degree of water flows discharged into the Regional sanitary sewer system which will determine the discount factor.
Program Inception	1985 or earlier
Caps on rebates	75% maximum diversion
Minimum/Maximum monthly diversion	Must be greater than 25% diversion Maximum amount of diversion 75% eligible for rebate
Sewer meter requirements	Not required, Consultant analysis by third party service provider to estimate the % diverted
Treatment of irrigation	Water used for grounds maintenance/lawn watering will not be considered eligible for inclusion in such calculations.
Calculation	Based on the flow differential between metered consumption and the volume of effluent discharged into the wastewater system as determined in a manner satisfactory to the Commissioner
# of customers	40 applications
Impact on revenues	\$625,000
Application Fee	\$1,058.87 initial application and then an update every 5 years

City of Hamilton

By-law/Procedure	By-law 03-272 Section 26
Qualification – classes	Commercial and Industrial customers
Application process requirements	Application 5 year term
Monitoring	Consumer shall permit the City to conduct an inspection at any reasonable time. Consumer must submit annually verification of flow differential
Program Inception	2003
Caps on rebates	75% maximum diversion and adjusted for I&I of 133%
Minimum/Maximum monthly diversion	Must be greater than 25% diversion Maximum amount of diversion 75% eligible for rebate
Sewer meter requirements	It is not mandatory for participating program customers to install an effluent meter. In some cases, customer needs to engage a consultant (Wastewater has a roster list of acceptable firms) to conduct a "water balance study" whereby an engineering documents the water flows in and out of the customer's premise.
Treatment of irrigation	Not permitted
Calculation	<p>The abatement factor for each approved customer is applied to their monthly billing. In determining whether a Consumer appears to qualify for an Abatement under section 10 of this By-law, the Abatement shall be calculated in accordance with the following formula, based on data from the calendar year prior to the year of application for the Abatement:</p> <p>A = annual volume (m3) of water supplied to the property from the potable water supply B = annual volume of water that was sourced from the potable water supply and diverted from the City's sanitary sewage works (if B is less than 25% of A, the Consumer is not eligible for the Abatement; if B is greater than 75% of A, insert a value equal to 75% of A) C = annual wastewater discharged to the City's sanitary sewer and combined sewer system ($C = A - B$) or C=actual measured value using sewer flow monitoring if required by the Director D = infiltration and inflow add back ($D = C \times 133\%$: add back adjustment of 33% to the volumetric charge so that all ratepayers continue to pay an equal portion of the treatment costs associated with inflow and infiltration) E% = wastewater Abatement in percentage</p>

	<p>Step 1: $A - B = C$; or $C = \text{actual measured value using sewer flow monitoring if required by the Director}$</p> <p>Step 2: $D = C \times 133\%$</p> <p>Step 3: $E\% = (A - D) \times 100/A$</p> <p>If an Abatement is authorized for a Consumer in accordance with this Bylaw, the Abatement will be applied quarterly each year in accordance with the following formula: $F = \text{actual volume (m3) of potable water supplied to the property by the City during the previous quarter}$ $G = \text{volume (m3) of water eligible for the Abatement during the previous quarter}$ $H = \text{wastewater/storm treatment charge (see Schedule "A" to this Bylaw)}$ $\\$I = \text{dollar amount of Abatement for the billing period}$</p> <p>Step 4: $F \times E\% = G$</p> <p>Step 5: $G \times H = \\$I$</p>
Number of customers	9
Impact on revenues	\$790,000 (2016)
Application Fees	\$578.80 administrative fee annually if the abatement is greater than \$500 Application Processing Fee \$374.50 and full cost recovery for peer review

City of Kingston

By-law/Procedure	By-law 2015-27, section 2
Qualification – classes	Commercial/Industrial properties Program is currently under review
Application process requirements	Application but must meet the following criteria <ul style="list-style-type: none"> • the wastewater exempt water is metered separately (at the customer's expense); • there are no physical connections, beyond the metering point, between exempt and non-exempt systems; • the exempt water system is verified by Utilities Kingston staff; and • the wastewater exemption does not result in increased concentrations of waste.
Monitoring	Utilities Engineering staff
Program Inception	Not known
Caps on rebates	None stated
Minimum/Maximum monthly diversion	Not stated but a business case must be prepared
Sewer meter requirements	Required at the owners expense
Treatment of irrigation	Not eligible
Calculation	Meter differentials
# of customers	Not available
Impact on revenues	Not available
Application Fee	None

City of Kitchener

By-law/Procedure	Policy 1-785
Qualification – classes	Program is currently under review
Application process requirements	Customers may also need to submit process schematics and/or other process operation and production information to City to qualify. Annual sewer surcharge rebate is available if the following cases: <ul style="list-style-type: none"> o Industrial process water o Evaporation losses – cooling, humidification o Ice making (arenas and outdoor rinks) o Snow making and further
Monitoring	
Program Inception	1993
Caps on rebates	No cap
Minimum/Maximum monthly diversion	Exemption not provided in cases where the value exceeds \$100 in any given year
Sewer meter requirements	Customer must install internal meters for sewage flows at own expense with meter readings required to be submitted to City
Treatment of irrigation	Rebates are not available for public and private swimming pools and lawn watering
Calculation	Exemption defined and granted based on calculation by City, informed through supported information stated above.
# of customers	45
Impact on revenues	\$500,000-\$550,000
Application Fee	No application fee

Peel Region

By-law/Procedure	By-law 53-201, Part 20
Qualification – classes	Industrial. Residential appeals are not allowed. Wastewater charges for residential customers are based on 85% of water consumption.
Application process requirements	Written notice of appeal is launched by the Industrial customer and submit a certified notice from a professional engineer of the differential which must be at least 20% or greater that is being diverted from the sanitary sewer system
Monitoring	Annually must submit a full year of forms and materials to provide evidence of prior year inflow/outflow differential
Program Inception	2010 or prior
Caps on rebates	None
Minimum/Maximum monthly diversion	20% minimum differential between inflow and outflow
Sewer meter requirements	Required at the expense of the customer or an Approved Alternate Method of calculation
Treatment of irrigation	Not specified
Calculation	Inflow/Outflow Differential
# of Customers	Not available
Impact on revenues	Not available
Application Fee	

City of Waterloo

By-law/Procedure	Internal Process
Qualification – classes	Commercial and Industrial
Application process requirements	Internal process. Specific information required that will allow staff to determine level of diverted water
Monitoring	
Program Inception	
Caps on rebates	
Minimum/Maximum monthly diversion	None specified
Sewer meter requirements	Not required
Treatment of irrigation	Not eligible
Calculation	
# of customers	Not available
Impact on revenues	Not available
Application Fee	None

Pedestrian Crossover Implementation



Highway Traffic Act

R.S.O. 1990, c. H.8.

“Pedestrian Crossover” means any portion of a roadway distinctly indicated for pedestrian crossing by signs on the highway and lines or other markings on the surface of the roadway as prescribed by the regulations.

Pedestrian Crossover

Duties of driver

140 (1) When a pedestrian is crossing on the roadway within a pedestrian crossover, the driver of a vehicle approaching the crossover,

Shall stop before entering the crossover;

Shall not overtake another vehicle already stopped at the crossover; and

Shall not proceed into the crossover until the pedestrian is no longer on the roadway. 2015, c. 14, s. 39 (1).

(2) REPEALED: 2015, c. 14, s. 39 (1)

Highway Traffic Act Cont'd

Passing moving vehicles within 30 metres of pedestrian crossover

(3) When a vehicle is approaching a pedestrian crossover and is within 30 metres of it, the driver of any other vehicle approaching from the rear shall not allow the front extremity of his or her vehicle to pass beyond the front extremity of the other vehicle. 2015, c. 14, s. 39 (2)

Duty of pedestrian

(4) No pedestrian shall leave the curb or other place of safety at a pedestrian crossover and walk, run or move into the path of a vehicle that is so close that it is impracticable for the driver of the vehicle to comply with subsection (1). 2015, c. 14, s. 39 (2)

Municipal by-laws

(5) No municipal by-law that purports to designate a pedestrian crossover on a highway on which the speed limit is in excess of 60 kilometres per hour is valid. R.S.O. 1990, c. H.8, s. 140 (5); 2005, c. 26, Sched. A, s. 21 (1)

Highway Traffic Act Cont'd

Riding in pedestrian crossover prohibited

(6) No person shall ride or operate a bicycle across a roadway within a pedestrian crossover. 2015, c. 14, s. 39 (2)

Offence

(7) Every person who contravenes subsection (1) or (3) is guilty of an offence and on conviction is liable to a fine of not less than \$150 and not more than \$500. 2005, c. 26, Sched. A, s. 21 (2); 2015, c. 14, s. 39 (3).

Regulations

(8) The Minister may make regulations respecting pedestrian crossovers,
(a) providing for the erection of signs on any highway or any type or class of highway and the placing of markings on the roadway;
(b) prescribing the types of signs and markings and the location on the highway and roadway of each type of sign and marking;
(c) prohibiting the use or erection of any sign or type of sign that is not prescribed.
2015, c. 14, s. 39 (4).

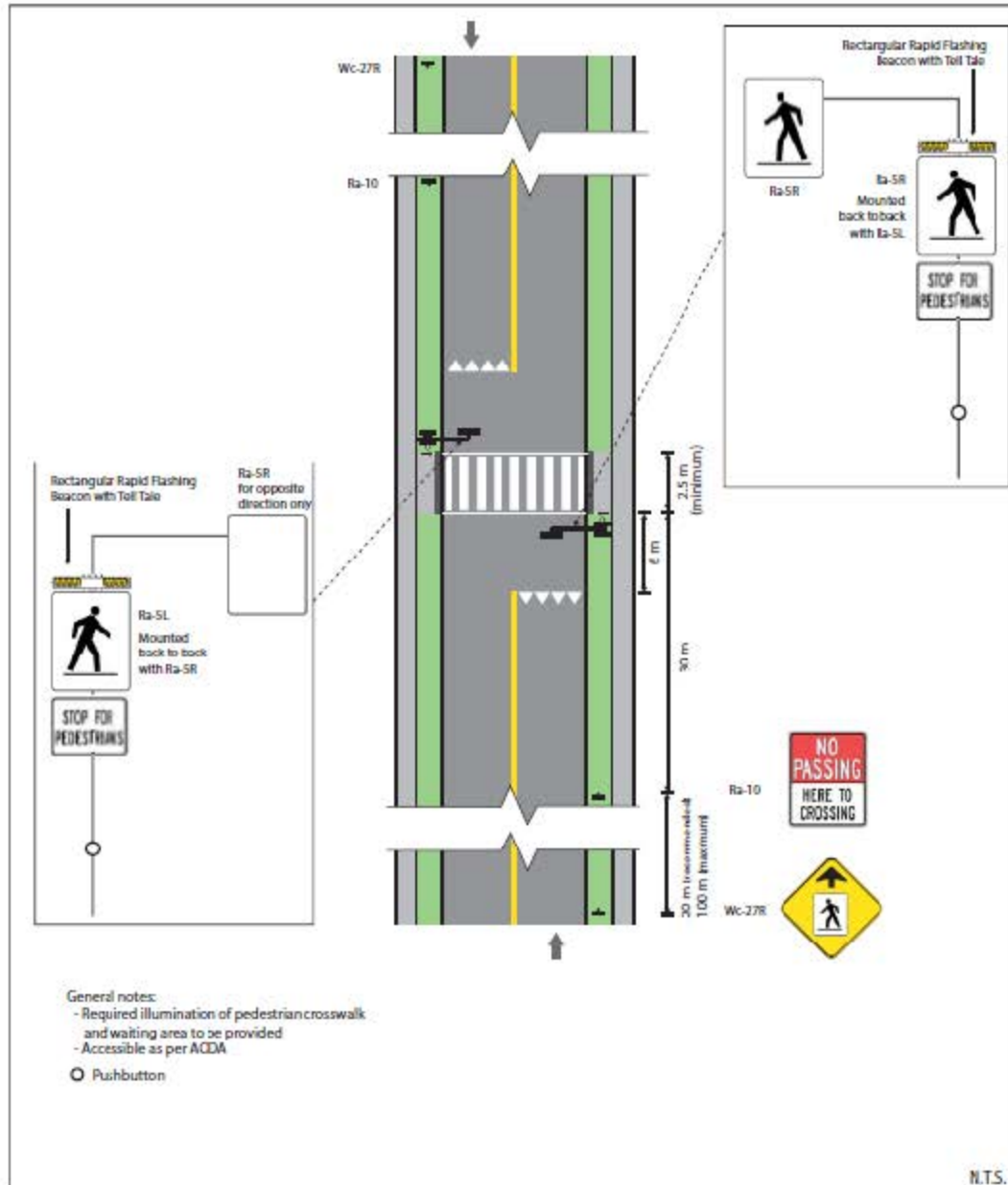
Types of Level 2 Pedestrian Crossovers

The Ontario Traffic Manual Book 15 Pedestrian Crossing Facilities (OTM Book 15), outlines the 3 different treatment types of Level 2 pedestrian crossovers. The 3 different treatment types are as follows:

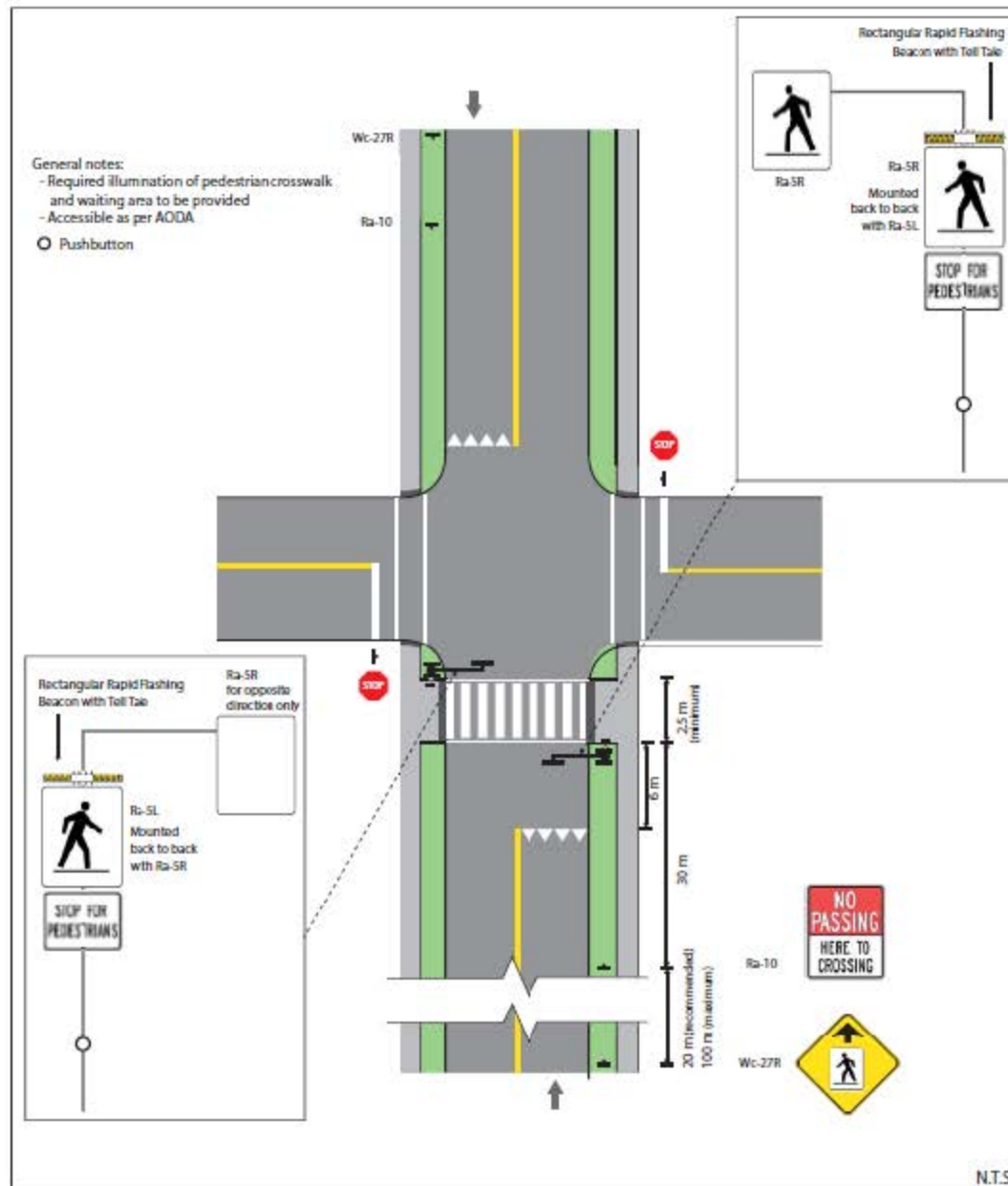
- **Level 2 Type B**
- **Level 2 Type C**
- **Level 2 Type D**

On January 1, 2016 the Highway Traffic Act was amended to allow municipalities to implement these level 2 pedestrian crossovers.

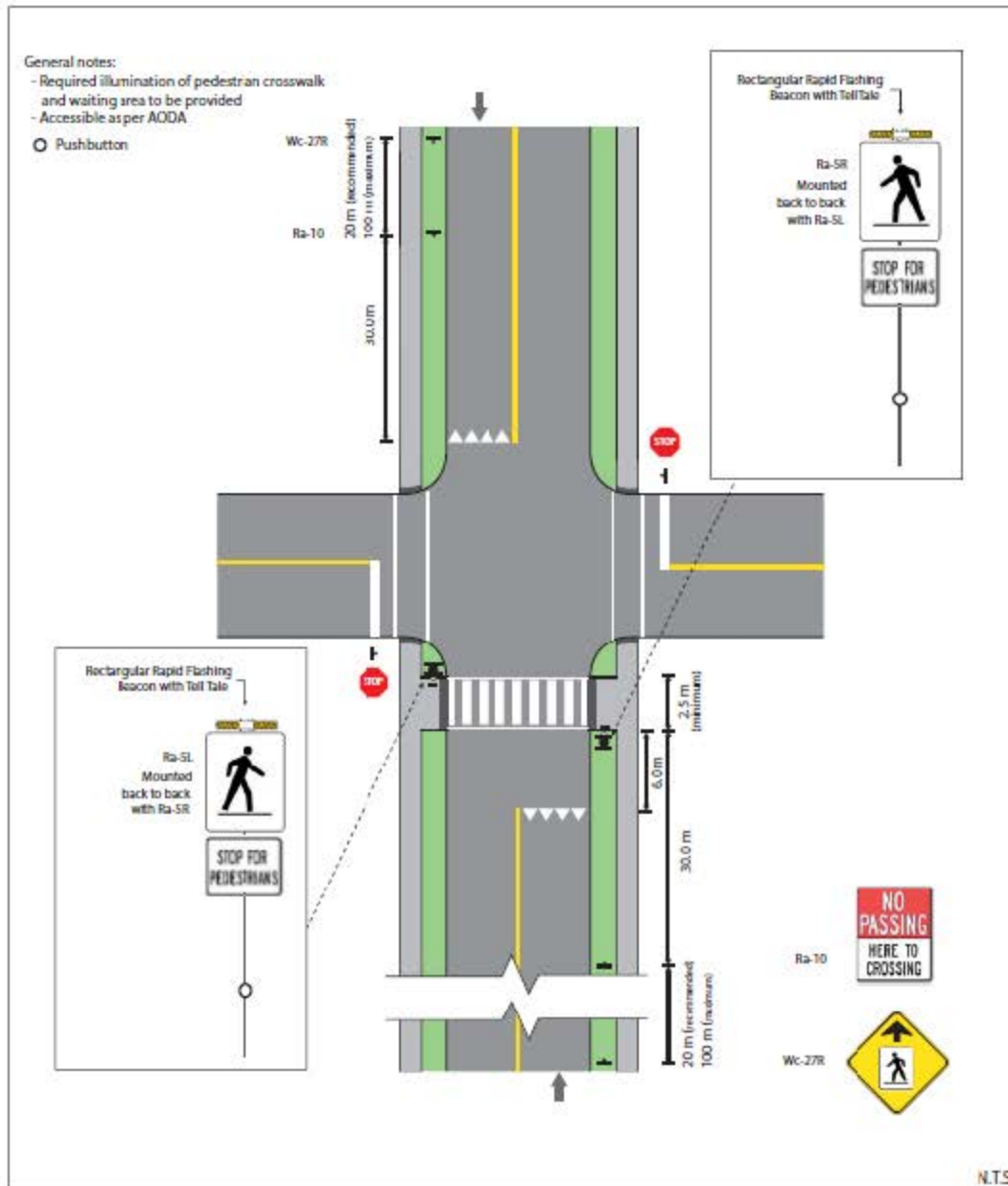
Level 2 Type B – Midblock (2-lane 2-way)



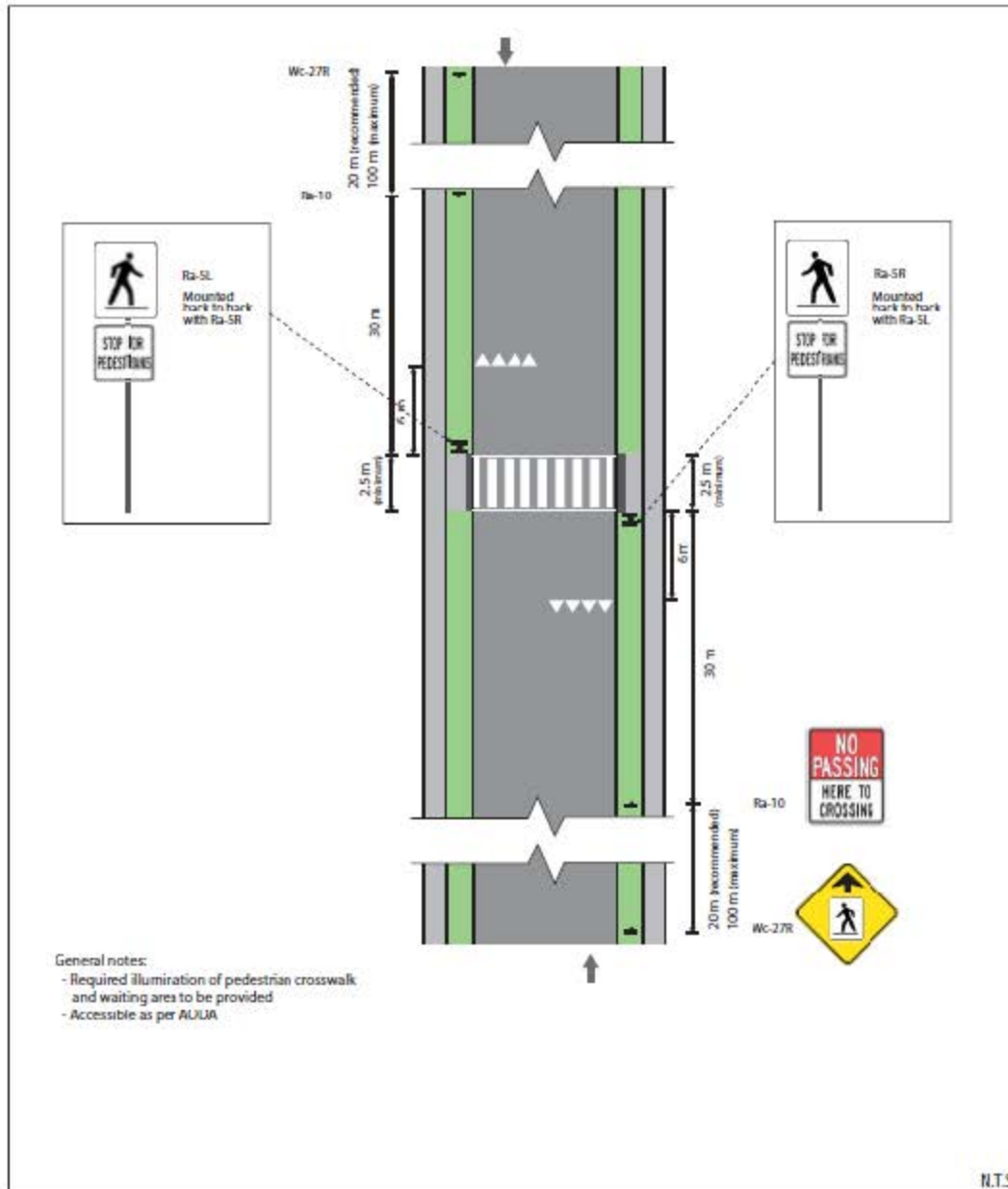
Level 2 Type B – Intersection (2-way)



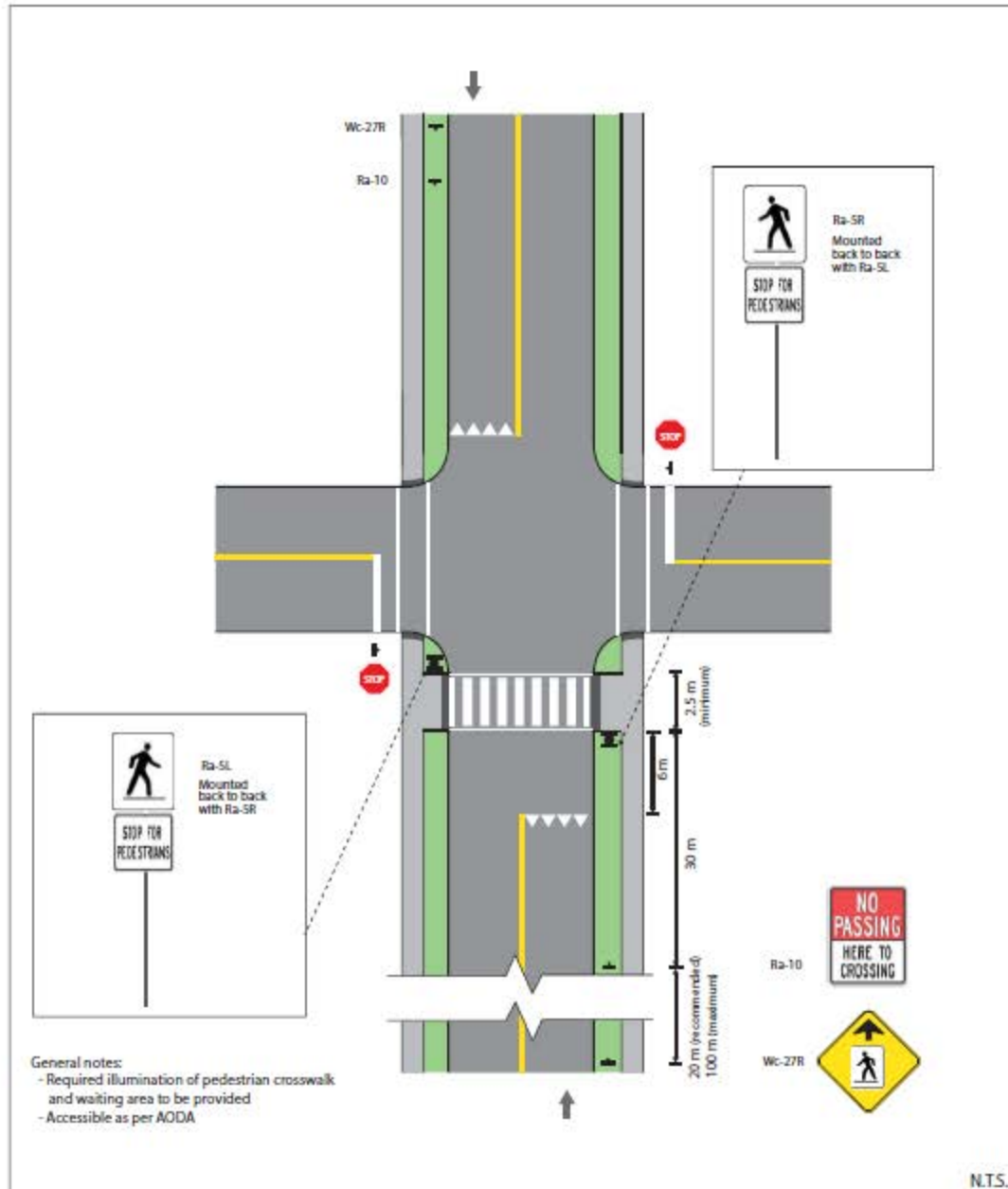
Level 2 Type C – Intersection (2-way)



Level 2 Type D – Midblock (2-lane, 2-way)



Level 2 Type D – Intersection (2-way)



Rapid Rectangular Flashing Beacons (RRFB)

Used by type B and type C level 2 pedestrian crossovers

<https://www.youtube.com/watch?v=bdabrTTnf3w>



The RRFB's will be activated by a pedestrian push button located on the pole, on both sides of the crossover

Proposed Locations for 2018

Staff reviewed 15 locations based on previous public requests for pedestrian crossings, and collected vehicular volume and pedestrian classification and volume data, over the span of an 8-hour period at each location.

The collected data for each location was evaluated using OTM Book 15.

It was determined that 5 of the 15 studied locations fit the criteria for the installation of a Level 2 pedestrian crossover.

Pedestrian Crossover Selection Matrix

OTM Book 15

Before a location can be reviewed through the selection matrix, the location must experience a minimum of 65 pedestrians in 4 hours, or 100 pedestrians in 8 hours.

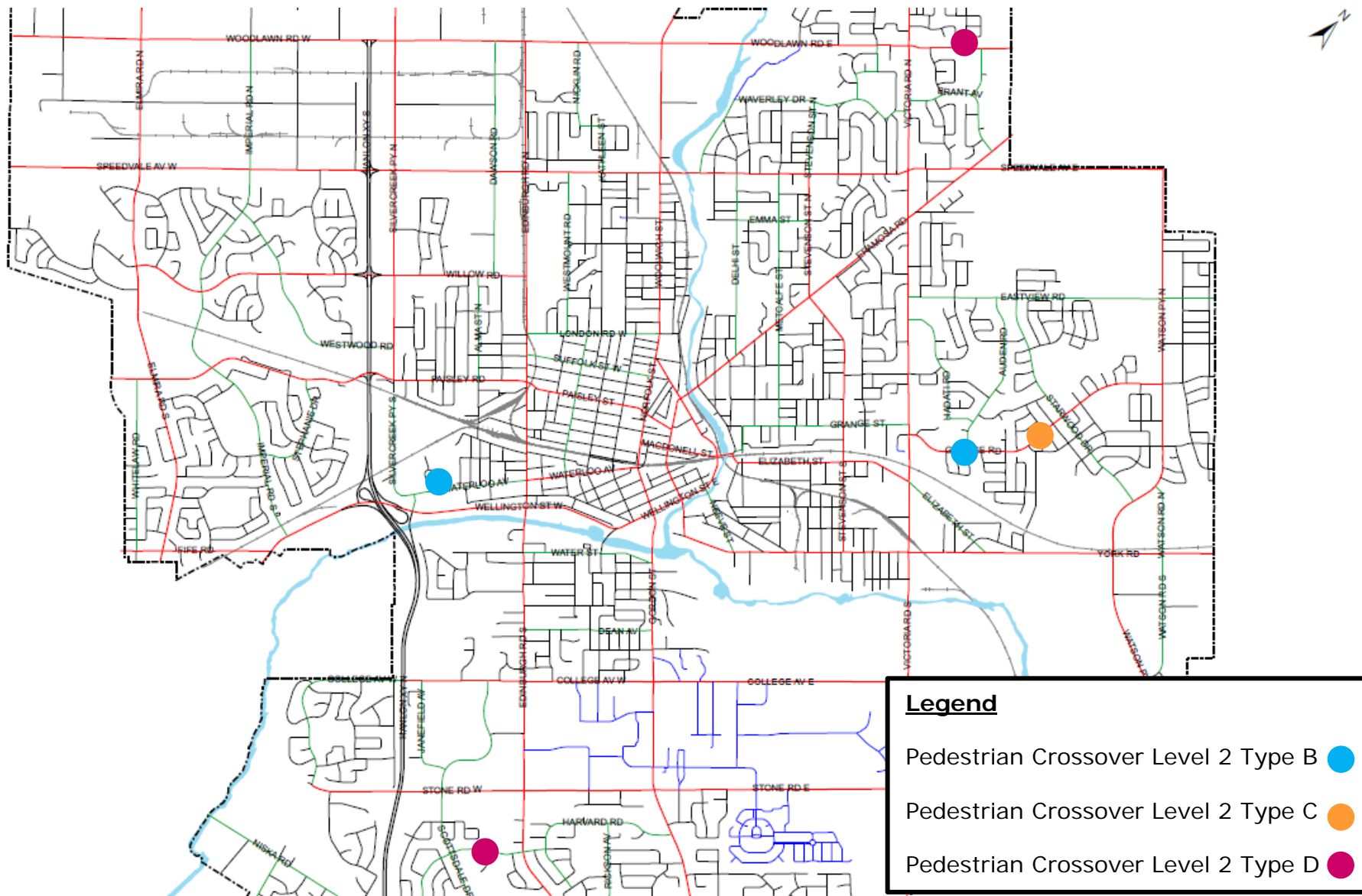
Two-way Vehicular Volume			Posted Speed Limit (km/h)	Total Number of Lanes for the Roadway Cross Section ¹			
Time Period	Lower Bound	Upper Bound		1 or 2 Lanes	3 lanes	4 lanes w/raised refuge	4 lanes w/o raised refuge
8 Hour	750	2,250	≤50	Level 2 Type D	Level 2 Type C ²	Level 2 Type D ²	Level 2 Type B
4 Hour	395	1,185					
8 Hour	750	2,250	60	Level 2 Type C	Level 2 Type B	Level 2 Type C ²	Level 2 Type B
4 Hour	395	1,185					
8 Hour	2,250	4,500	≤50	Level 2 Type D	Level 2 Type B	Level 2 Type D ²	Level 2 Type B
4 Hour	1,185	2,370					
8 Hour	2,250	4,500	60	Level 2 Type C	Level 2 Type B	Level 2 Type C ²	Level 2 Type B
4 Hour	1,185	2,370					
8 Hour	4,500	6,000	≤50	Level 2 Type C	Level 2 Type B	Level 2 Type C ²	Level 2 Type B
4 Hour	2,370	3,155					
8 Hour	4,500	6,000	60	Level 2 Type B	Level 2 Type B	Level 2 Type C ²	Level 2 Type B
4 Hour	2,370	3,155					
8 Hour	6,000	7,500	≤50	Level 2 Type B	Level 2 Type B	Level 2 Type C ²	Level 1 Type A
4 Hour	3,155	3,950					
8 Hour	6,000	7,500	60	Level 2 Type B	Level 2 Type B		
4 Hour	3,155	3,950					
8 Hour	7,500	17,500	≤50	Level 2 Type B	Level 2 Type B		
4 Hour	3,950	9,215					
8 Hour	7,500	17,500	60	Level 2 Type B			
4 Hour	3,950	9,215					

Proposed Locations for 2018

Location	Crossing Location	Level 2 Pedestrian Crossover Treatment Type
Grange Road at Kearney Street	At intersection (north leg)	Type C
Grange Road at Auden Road/Schroder Crescent	At intersection (west leg)	Type B
Waterloo Avenue between Woodycrest Drive and Beechwood Avenue	Midblock (west of driveway #364 Waterloo Avenue)	Type B
Ironwood Road near Reid Court*	Midblock (at Royal Recreation Trail Crossing, east of intersection)	Type D
Woodlawn Road East at Atto Drive	At intersection (west leg)	Type D

*Requires further review due to the bus stop on the north side of the intersection being removed after the September 2017 route realignment by Guelph Transit. The results could alter the installation location and type.

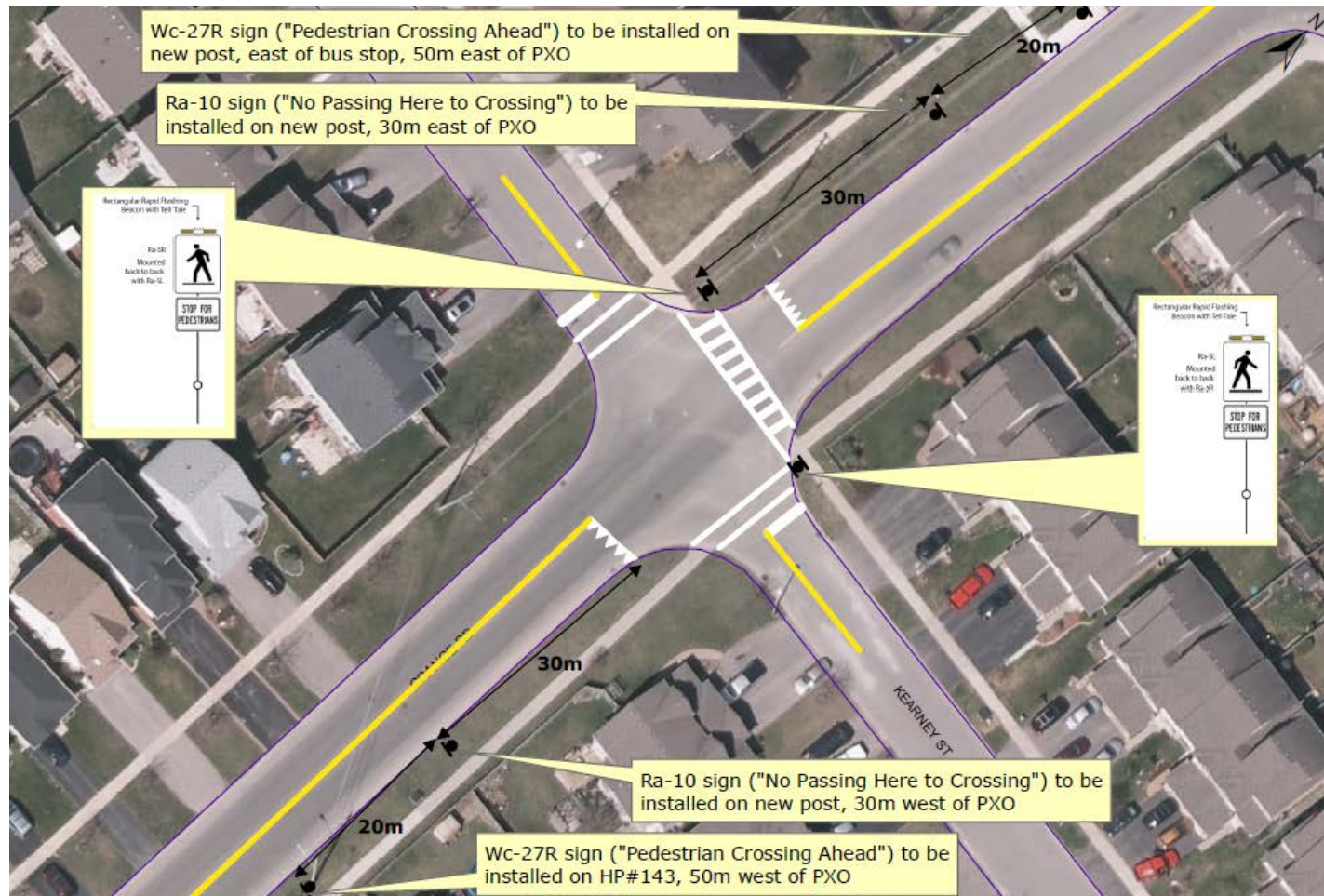
Location of New Proposed Crossovers



Grange Road at Kearney Street

Level 2 Type C

There have been no collisions in past 5 years at this intersection (January 2012 to August 2017).



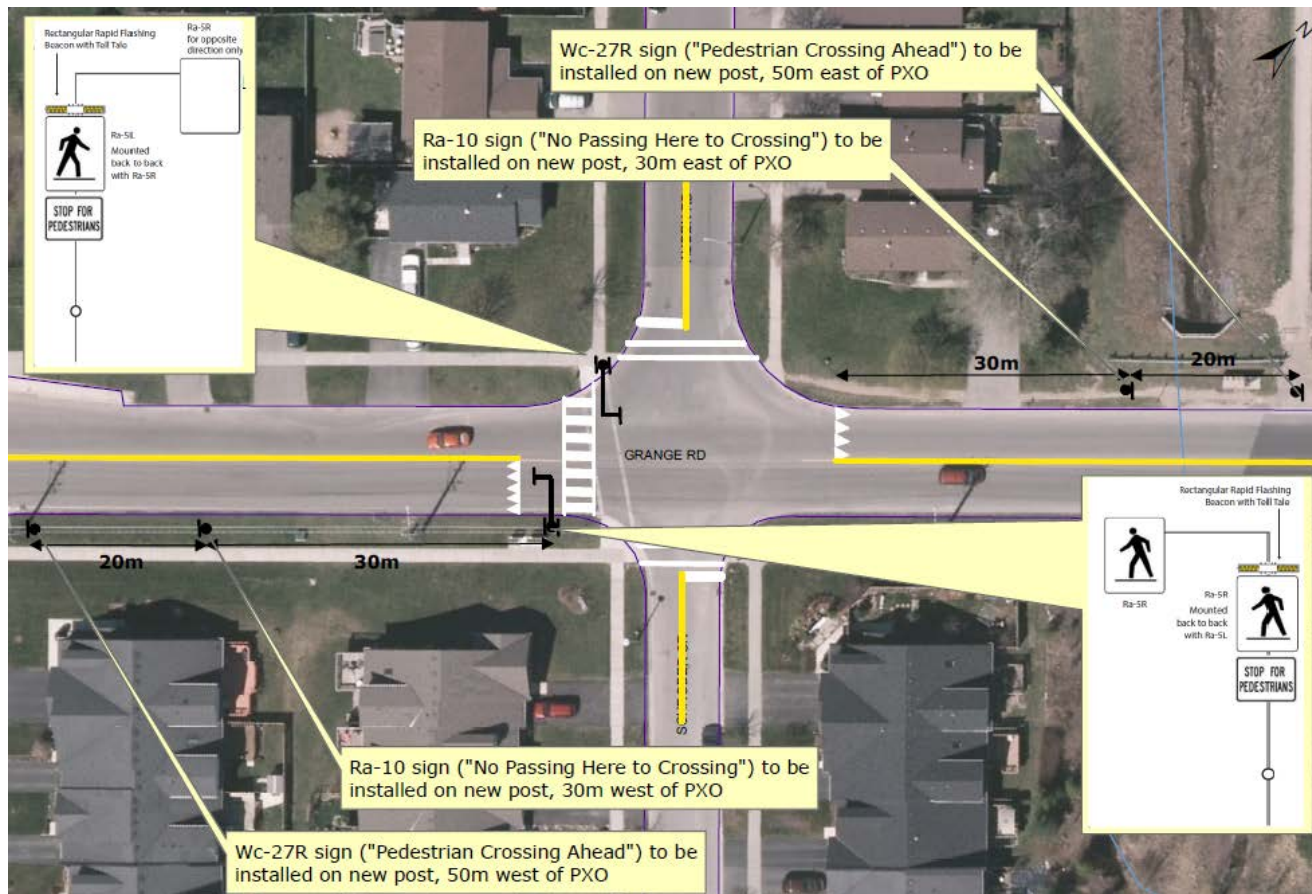
Grange Road at Kearney Street



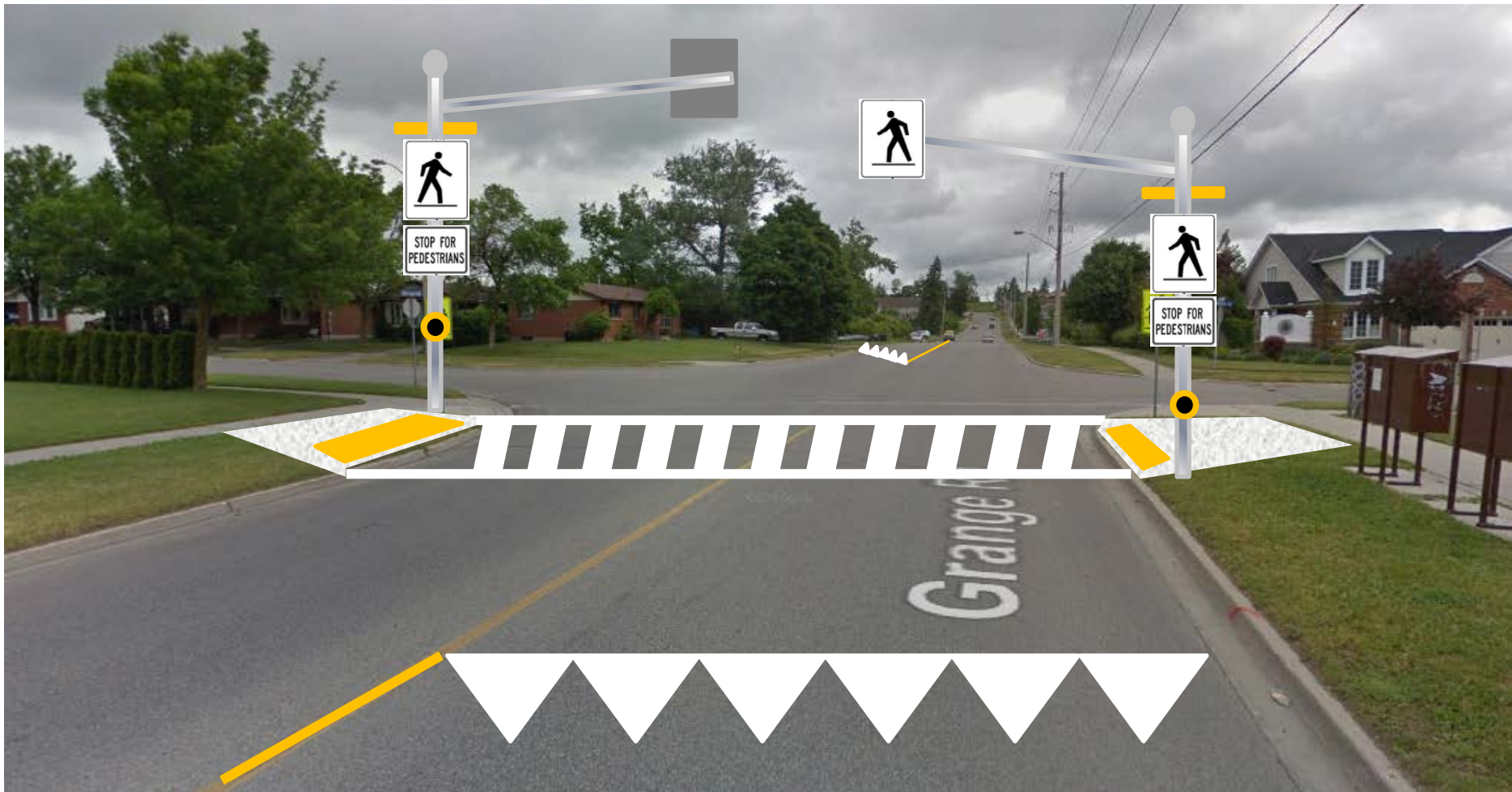
Grange Road at Auden Road/Schroder Crescent

Level 2 Type B

There have been 6 (six) collisions in past 5 years at this intersection (January 2012 to August 2017). None of these collisions involved pedestrians.



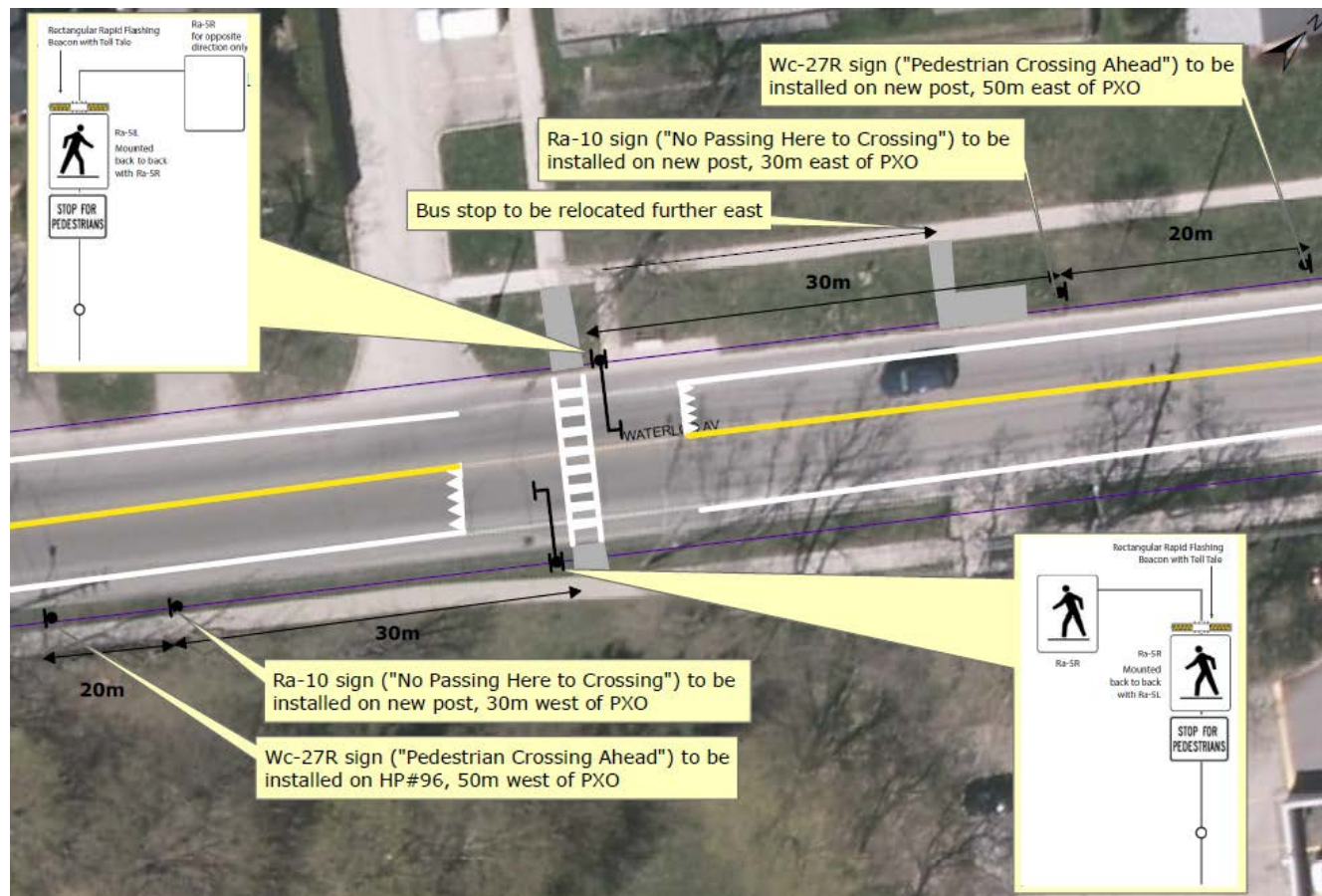
Grange Road at Auden Road/Schroder Crescent



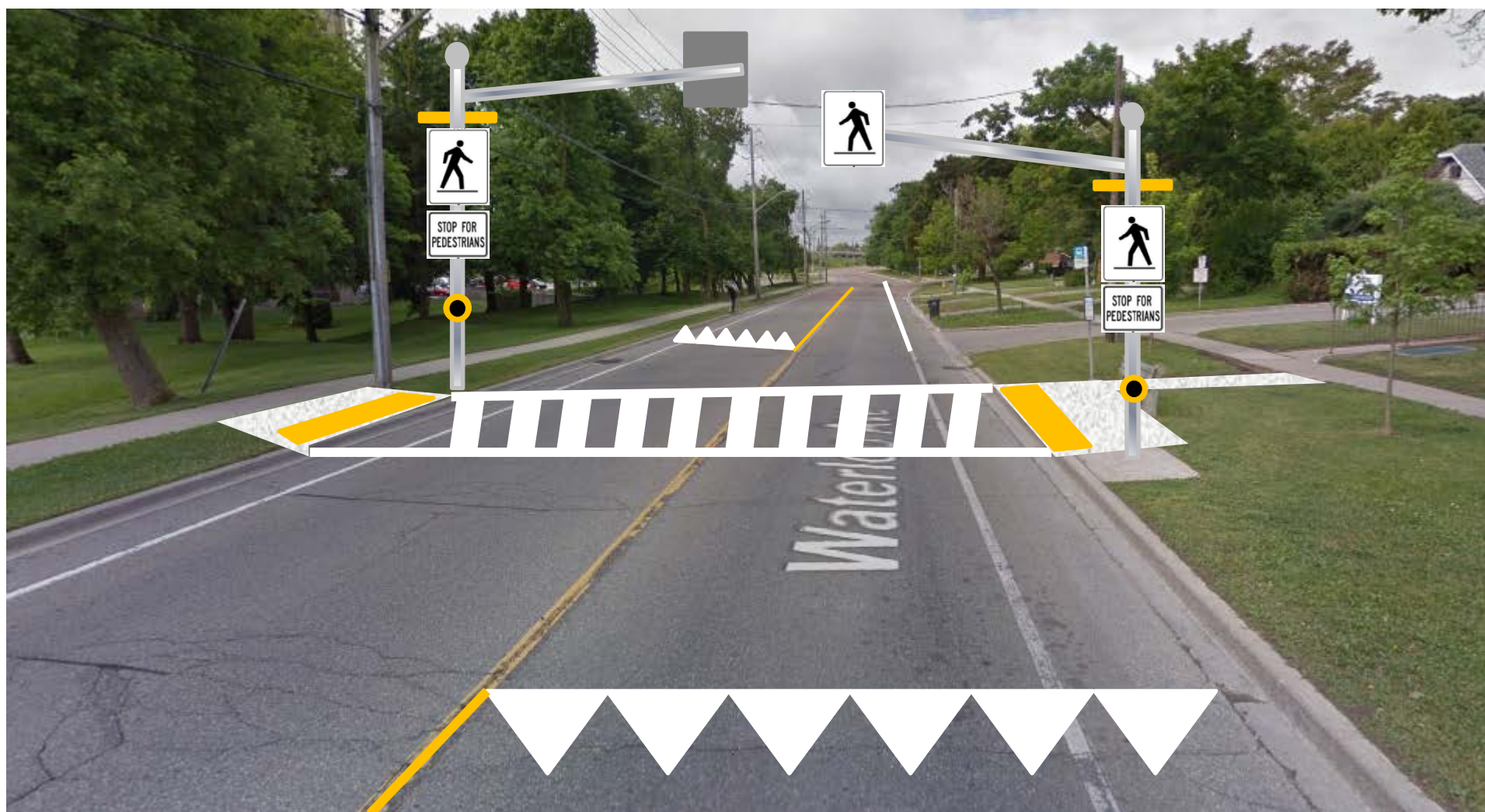
Waterloo Avenue between Woodycrest Drive and Beechwood Avenue

Level 2 Type B

There have been 4 (four) collisions in past 5 years at this location (January 2012 to August 2017). None of these collisions involved pedestrians.



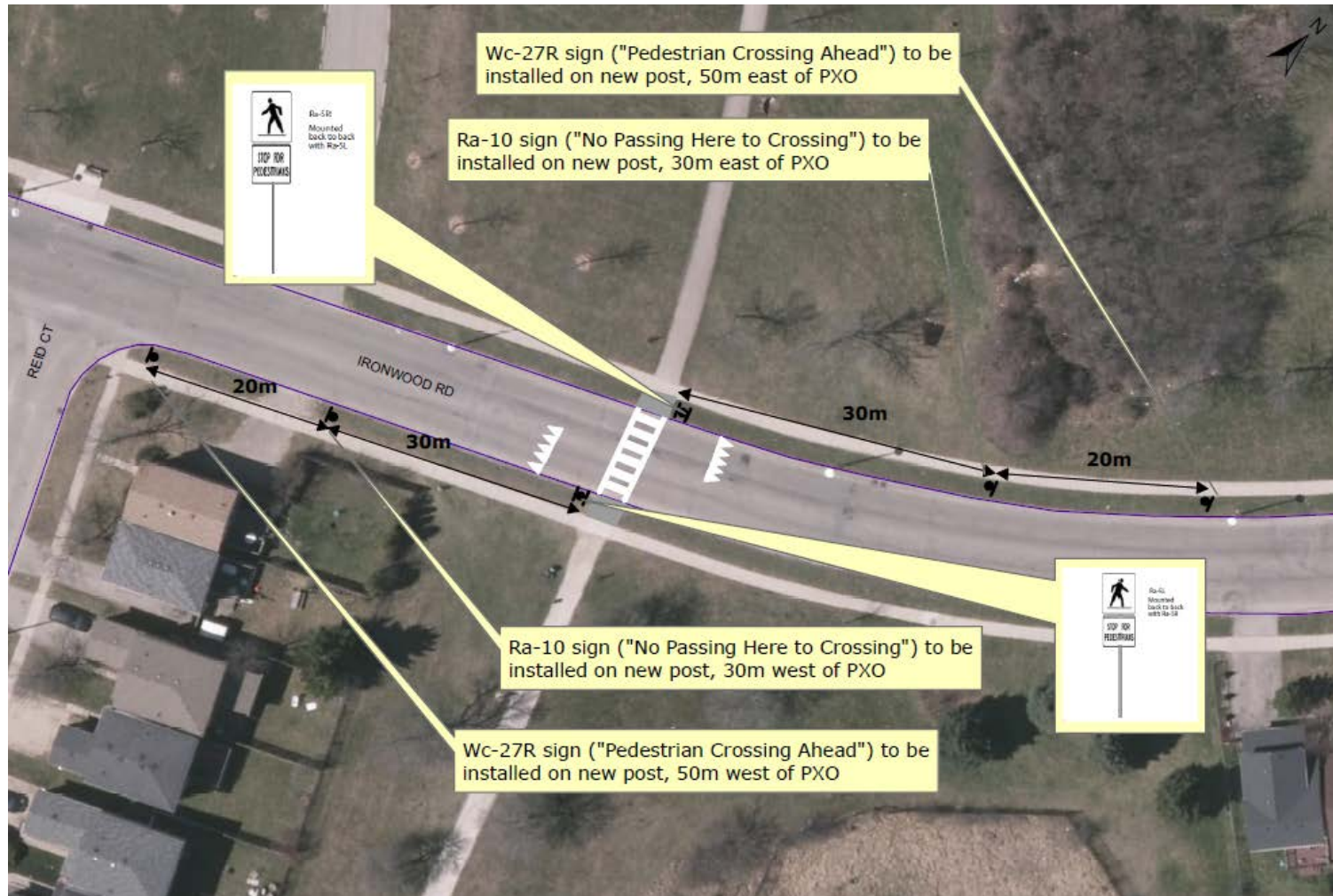
Waterloo Avenue between Woodycrest Drive and Beechwood Avenue



Ironwood Road near Reid Court

Level 2 Type D

There have been no collisions in past 5 years at this location (January 2012 to August 2017).



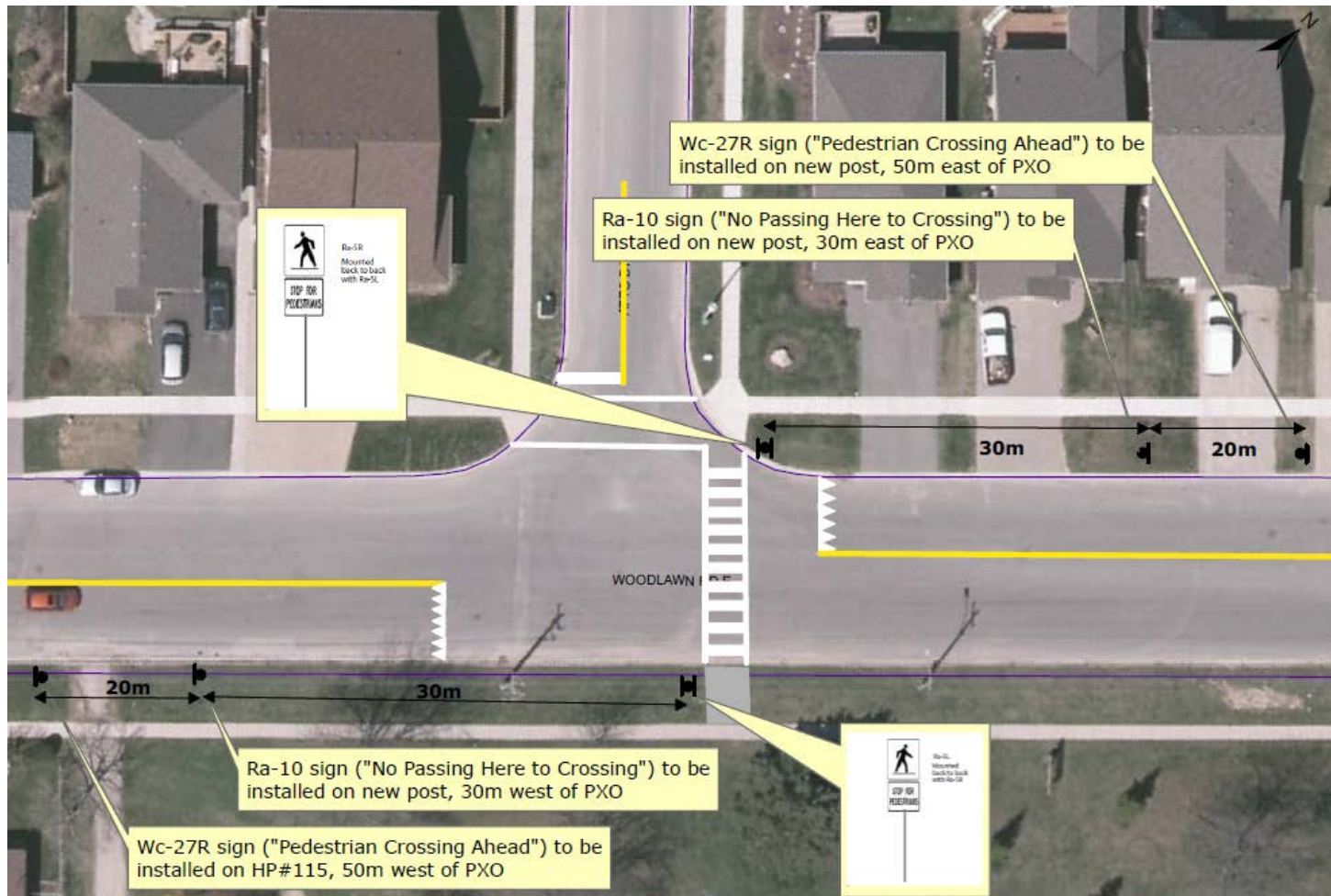
Ironwood Road near Reid Court



Woodlawn Road East at Atto Drive

Level 2 Type D

There have been no collisions in past 5 years at this intersection (January 2012 to August 2017).



Woodlawn Road East at Atto Drive



Pedestrian Crossovers in Neighbouring Municipalities

Staff reached out to the following municipalities, who have already begun to implement level 2 pedestrian crossovers. These municipalities were asked for their feedback regarding successes/things learned, from their experiences:

- City of Hamilton
- City of Kitchener
- Town of Milton

In addition, the following municipalities within Ontario have installed pedestrian crossovers:

- City of London
- City of Toronto
- City of Ottawa
- City of Kingston
- City of Greater Sudbury
- Town of Oakville
- Region of Waterloo

Pedestrian Crossovers in Neighbouring Municipalities

Municipality	Comments
City of Hamilton	<ul style="list-style-type: none">• Have installed 16 pedestrian crossovers, which were selected and designed following OTM Book 15• Public education is a critical part to rolling out the pedestrian crossovers• It's important to work closely with the ASCG program to ensure the guards are properly trained• Ensure councillors are given advance notice of each new pedestrian crossover implementation, along with an educational piece
City of Kitchener	<ul style="list-style-type: none">• Have installed 2 pedestrian crossovers , which were selected and designed following OTM Book 15• Thus far, there haven't been any complaints from the public• However, they have found that the RRFB's don't flash very brightly during the day
Town of Milton	<ul style="list-style-type: none">• Have installed 7 pedestrian crossovers, which were selected and designed following OTM Book 15• Currently working on a report to council on the operation of the pedestrian crossovers in the Town of Milton, but will share this report with the City of Guelph once completed

Pedestrian Crossovers in Hamilton – Educational Video

<https://www.youtube.com/watch?v=FNs44EGwukQ>

Thank you

Staff Report



To **Committee of the Whole**

Service Area Infrastructure, Development and Enterprise Services

Date Monday, October 2, 2017

Subject **Pedestrian Crossover Implementation**

Report Number IDE 17-113

Recommendations

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

Executive Summary

Purpose of Report

This report provides an overview of the recommended implementation strategy for the new Level 2 Pedestrian Crossover program.

Key Findings

On March 27, 2017, Council approved the installation warrants for Level 2 Pedestrian Crossovers in the City of Guelph and directed staff to report back with an implementation plan. Since then, traffic statistics were collected at 15 potential crossing locations throughout the City of Guelph. Based on the Ontario Traffic Manual Book 15, Pedestrian Crossing Treatments, it has been determined that five (5) locations warrant the installation of a Level 2 Pedestrian Crossover.

A comprehensive education program has been developed to create awareness and educate the public regarding the location and use of pedestrian crossovers. To monitor and confirm that both vehicles and pedestrians are following the new traffic control, a program has been proposed that is comprised of two types of data collection.

Financial Implications

The capital cost of implementing 5 Level 2 Pedestrian Crossovers is estimated to be \$84,000. An expenditure of \$10,000 is included in the plan to address the communication strategy proposed by staff. To expand the Pedestrian Crossover program in future years, a budget request of approximately \$50,000 - \$100,000 will be identified annually through the Capital Budget process.

Report

The new Level 2 Pedestrian Crossover treatments consist of a defined set of roadside signs and pavement markings which form a new passive treatment to provide pedestrians the right-of-way when crossing the roadway where the treatment is installed. Warrants for these treatments have been expanded to allow for pedestrian right-of-way on more road types and traffic conditions, including at roundabouts. At all Pedestrian Crossovers, drivers are required to yield the right-of-way when a pedestrian is at such crossing and has the intent to cross the roadway.

On March 27, 2017, Council approved the following recommendations regarding the use of the Level 2 Pedestrian Crossover in the City of Guelph:

1. That the City of Guelph adopt the installation warrants for the Level 2 Pedestrian Crossover as outlined in Report 17-32 dated March 6, 2017.
2. That staff be directed to report back to Council in the third quarter of 2017 with a comprehensive report recommending an implementation strategy with the following integral components for a Pedestrian Crossover Program:
 - Communication Plan (Public Education and Outreach)
 - Implementation priority list of locations
 - Program to monitor compliance and pedestrian safety
 - Financial implications based upon an assessment of each recommended location

The following information addresses recommendation #2 from the March 27, 2017 Council meeting.

Implementation Priority List of Locations

Staff reviewed 15 locations based on previous public requests for pedestrian crossings, and collected vehicular volume and pedestrian classification and volume data, over an 8-hour period at each location.

The collected data for each location was evaluated using the Pedestrian Crossover Selection Matrix from the Ontario Traffic Manual (OTM) Book 15, as outlined in Report IDE 17-32 http://guelph.ca/wp-content/uploads/cow_agenda_030617-2.pdf (Pages #163-174).

The analysis determined that 5 of the 15 studied locations met the criteria for the installation of a Level 2 Pedestrian Crossover. Attachment 1 to this report identifies the 15 locations studied.

Table 1 below summarizes the 5 locations recommended for a Level 2 Pedestrian Crossover, along with the recommended type of treatment:

Table 1: Recommended Pedestrian Crossover Implementation Locations

Location	Crossing Location	Pedestrian Crossover Treatment Type
Grange Road at Kearney Street	At intersection (north leg)	Level 2 Type C
Grange Road at Auden Road and Schroder Crescent	At intersection (west leg)	Level 2 Type B
Waterloo Avenue between Woodycrest Drive and Beechwood Avenue	Midblock (west of driveway 364 Waterloo Avenue)	Level 2 Type B
*Ironwood Road at Reid Court	Midblock (at Royal Recreation Trail crossing, east of intersection)	Level 2 Type D
Woodlawn Road East at Atto Drive	At intersection (east leg)	Level 2 Type D

*The recommended pedestrian crossover at Ironwood Road at Reid Court requires further review due to the bus stop on the north side of the intersection being removed after the September 2017 route realignment by Guelph Transit. The results may alter the treatment of which pedestrian crossover is implemented, the location of the crossover or remove the need for a pedestrian crossover. If a pedestrian crossover is not warranted based upon further studies staff will advise Council of the removal of this location.

Program to Monitor Compliance and Pedestrian Safety

To confirm that both vehicles and pedestrians are following the new traffic control, a program has been developed that is comprised of two types of data collection. The first would be vehicular and pedestrian volume/classification data. This data will be compared to the data previously collected at the locations to determine the effectiveness of each location. The second will include observations of both vehicles and pedestrians to determine the level of compliance at each Pedestrian Crossover location. This information will be collected during the first two weeks of operation and every other month for the first six months to establish a statistical data base that will assist in determining whether or not the new traffic control device has achieved the level of compliance that is expected and if not, will help identify what additional public outreach and or enforcement is required.

Communication Plan (Public Education and Outreach)

A tactical communications plan has been developed to educate the community on the proper use of these new crossovers and to share the locations and timing for installation of the first five crossovers.

The key objective of the plan is to educate the public about the new crossovers by targeting drivers and pedestrians.

The plan has two main strategies as follows:

- Use already available resources; and,
- Leverage connected stakeholder groups.

These strategies will use the following tactics to address, make aware and educate City of Guelph residents on pedestrian crossovers:

- Utilize the City of Hamilton's educational video on pedestrian crossovers;
- Utilize pedestrian crossover illustrations from the Province of Ontario;
- Weekly Guelph Tribune colour City News ad;
- Daily radio ads on CJOY and CIMJ;
- Place posters, two-sided flyers and postcards in City facilities, Guelph Transit, community centres and schools;
- Launch social media awareness blitz on Twitter and Facebook;
- Additional web content on pedestrian crossovers;
- Temporary coreplast signs at each crossover location, one month ahead of installation; and,
- Traveling library/event display set-up in Stone Road Mall and the Quebec Street Mall.

The estimated cost of implementing this communication plan is \$10,000.

Financial implications based upon an assessment of each recommended location

The estimated cost of implementing the five recommended Level 2 Pedestrian Crossovers is \$74,000. This cost includes the necessary roadwork that would be specific to each location (i.e. curb depressions, sidewalks, accessibility requirements, roadway lighting). The estimated cost for each location is identified below as well as the one-time cost of \$10,000 to implement the communication plan for a total cost of \$84,000.

Grange Road at Kearney Street	\$20,000
Grange Road at Auden Road and Schroder Crescent	\$21,000
Waterloo Avenue between Woodycrest Drive and Beechwood Avenue	\$26,000
Ironwood Road at Reid Court	\$3,000
Woodlawn Road East at Atto Drive	\$4,000
Communication Plan	\$10,000

In addition, staff is recommending that funding be identified annually in the Capital Budget for the continuation of the Pedestrian Crossover Program.

Financial Implications

The estimated capital costs to implement the five recommended Level 2 Pedestrian Crossovers is \$74,000. As well, a communication strategy is estimated to cost \$10,000.

The annual operating cost are unknown at this time but are estimated to be minimal during the first year of operation. Any adjustment to applicable operating budgets would be identified in subsequent years.

Consultations

Staff have and will continue to work closely with Guelph Police Services, Public Works staff and Communications staff through the design, implementation and monitoring of all Pedestrian Crossover locations.

Corporate Administrative Plan

Overarching Goals

Innovation

Financial Stability

Service Area Operational Work Plans

Our Services - Municipal services that make lives better

Our People- Building a great community together

Our Resources - A solid foundation for a growing city

Attachments

ATT-1 Pedestrian Crossover Study Locations

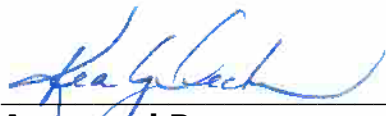
Departmental Approval

Allister McIlveen

Report Author

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Attachment 1

Pedestrian Crossover Study Locations

Studied Location
Grange Road at Kearney Street
Grange Road at Auden Road/Schroder Crescent
Watson Parkway North at Fleming Road
Waterloo Avenue between Woodycrest Drive and Beechwood Avenue
Starwood Drive at Thomson Drive
Paisley Road near Stephanie Drive
Ironwood Road near Reid Court
Summerfield Drive at Amsterdam Crescent
Victoria Road North near the Victoria Road Recreation Centre
Victoria Road North near the Trillium Waldorf School
Woodlawn Road East near Atto Drive
Scottsdale Drive near the Stone Road Mall
Stone Road at Colborn Street
Edinburgh Road South at Rodgers Road
Elmira Road South at Freshmeadow Way

Progress update



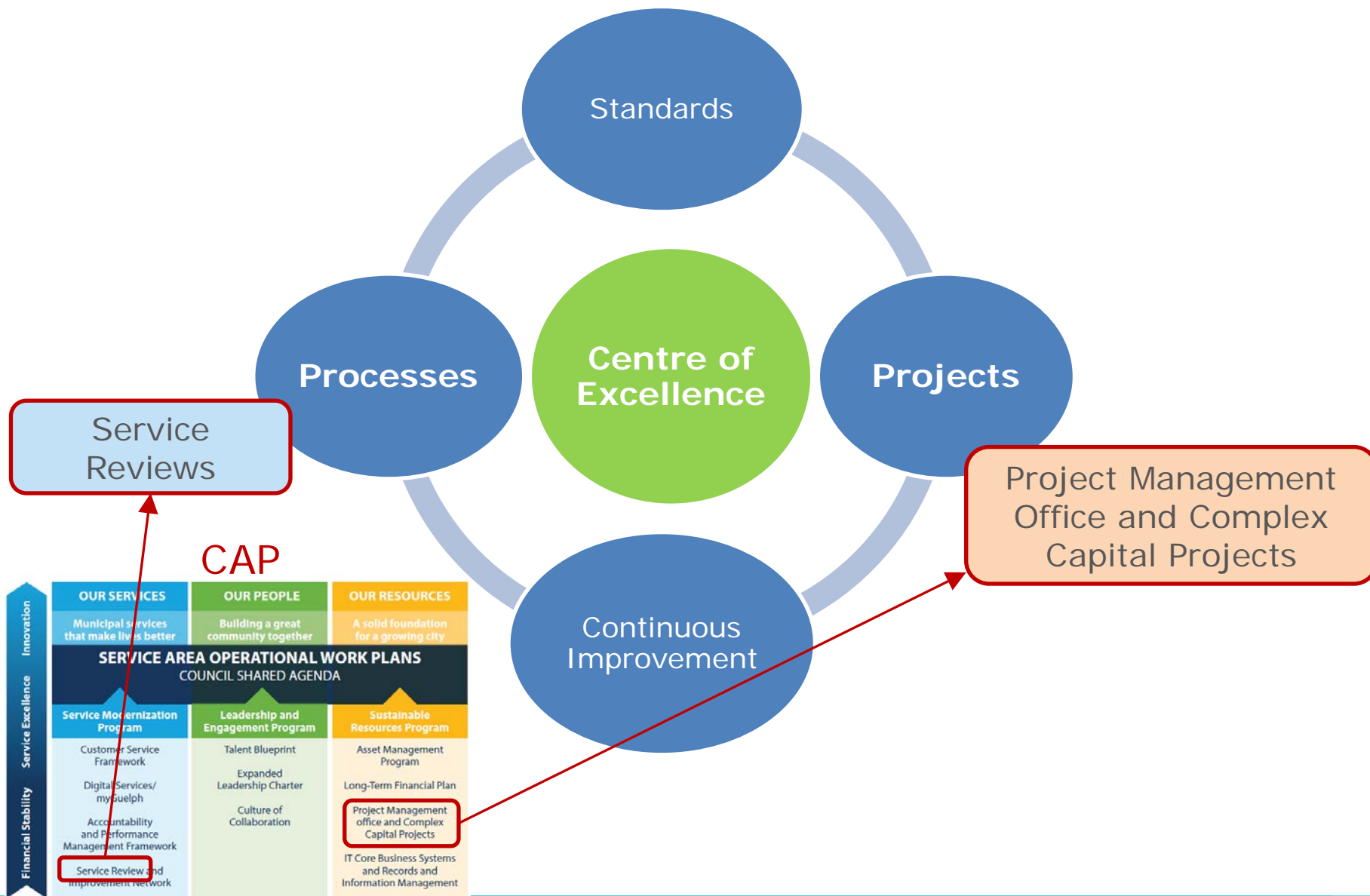
October 2, 2017

IDE Committee of the Whole

Guelph's Commitment & Corporate PMO

- November 2015
 - Project Management Office established (Deloitte recommendation)
- January 2016
 - Business Process Management (BPM) function integration
- October 2016
 - Service Review Framework Council approval
 - First PMO Annual Progress Report
- January 2017
 - 2 staff reallocated from the CAO's office
 - First pilot service review (Solid Waste Resources) started
- February 2017
 - PMO moved service areas (from CS to IDE)
 - Department name changed to Corporate Project Management Office (CPMO)

CPMO – Centre of Excellence



Corporate Project Management Office

Project and Program
Management (PPM) division
progress to date

**Delivering project
management excellence**

Championing Collaboration

- Complex Capital Projects Committee

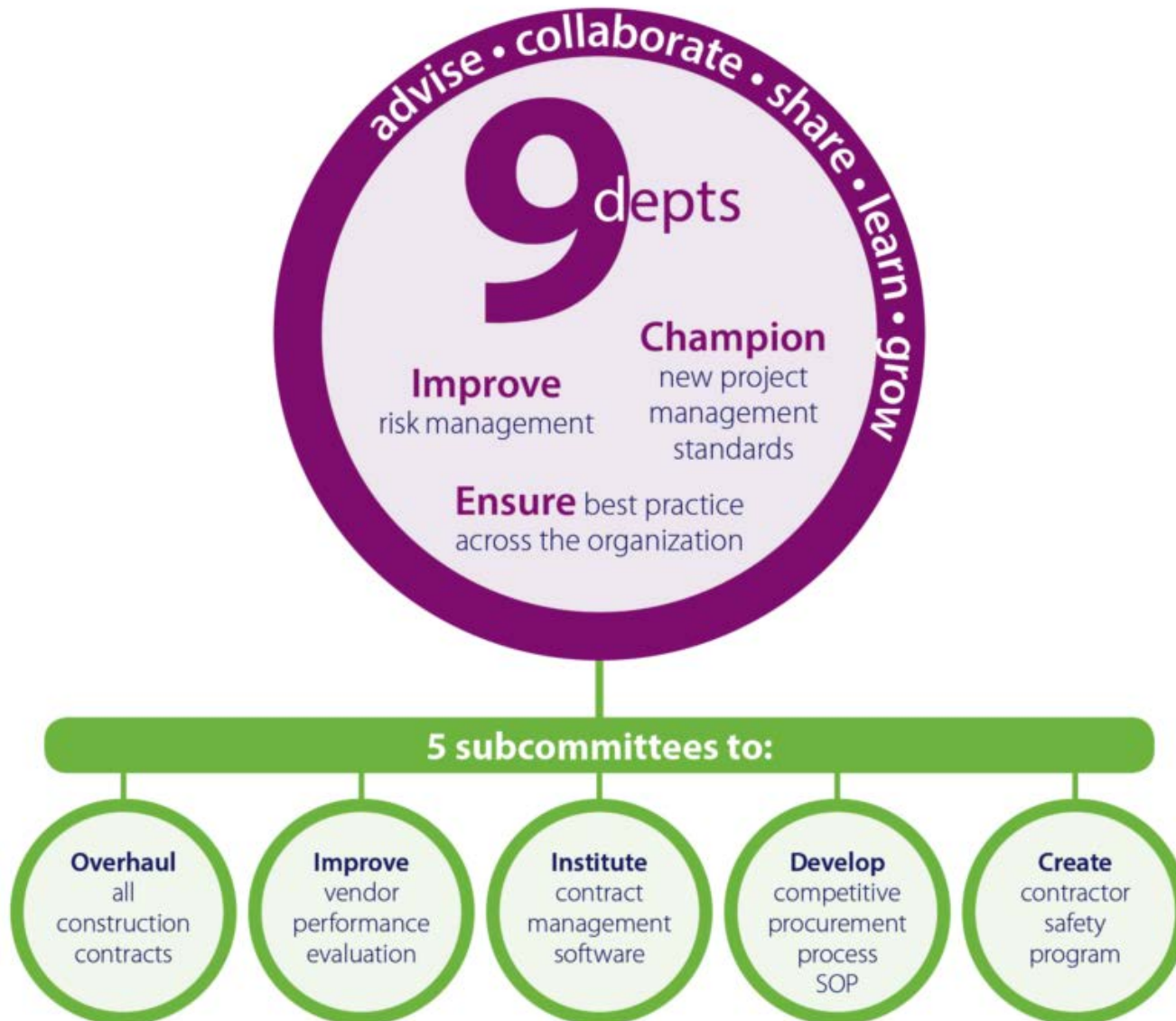


Project Profile (Tiers)

Project management rigour scale to tier level

Tier 1	Tier 2	Tier 3
<ul style="list-style-type: none"><input type="checkbox"/> ~\$10 million<input type="checkbox"/> Large complex scope<input type="checkbox"/> New initiatives<input type="checkbox"/> High profile<input type="checkbox"/> Major stakeholder impact<input type="checkbox"/> Prolonged service disruption<input type="checkbox"/> Major contracts<input type="checkbox"/> Highly controversial<input type="checkbox"/> Other (specified by ET)	<ul style="list-style-type: none"><input type="checkbox"/> ~\$1 — ~\$10 million<input type="checkbox"/> Medium complexity<input type="checkbox"/> Medium profile<input type="checkbox"/> Some stakeholder impact and service disruption<input type="checkbox"/> Minor contracts<input type="checkbox"/> Somewhat controversial<input type="checkbox"/> Other (specified by ET)	<ul style="list-style-type: none"><input type="checkbox"/> < ~\$1 million<input type="checkbox"/> Routine/operational scope<input type="checkbox"/> Low profile<input type="checkbox"/> Minimal stakeholder impact and service disruption<input type="checkbox"/> Internal focus<input type="checkbox"/> Not controversial
3–5 projects	~20 projects	~150 projects

Fostering Continuous Improvement



Enhancing Governance & Reporting (Tier-1 Projects)

Completed:

- Victoria Road Recreation Centre Renovations

Active:

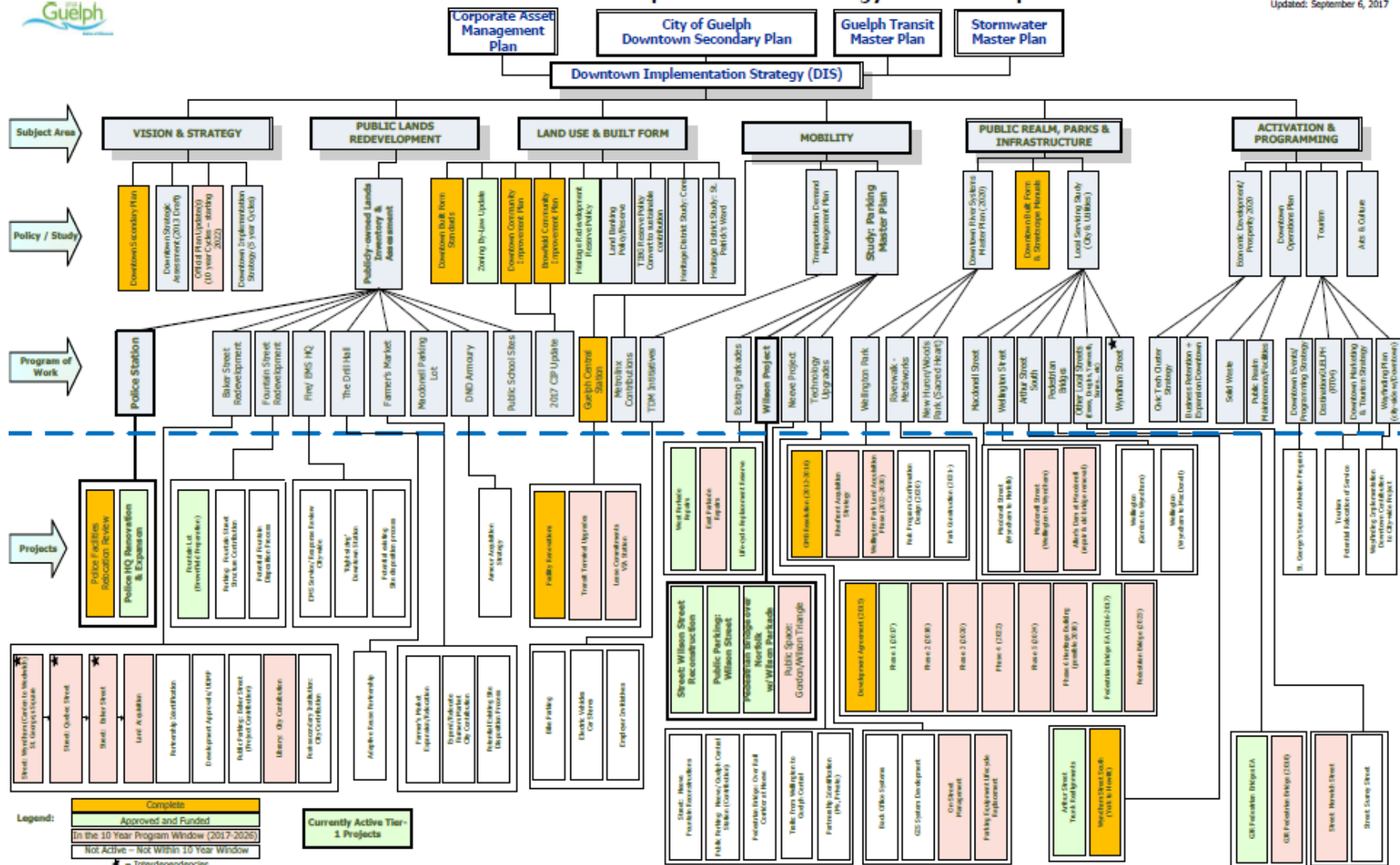
- Guelph Police Service Headquarters Renovations
- Wilson Street Reconstruction and Parkade

Initiation/Planning Stage:

- South End Community Centre Design Development
- Baker District Redevelopment
- Guelph Library Main Branch



PMO
Initial DRAFT: Aug 2016
Updated: September 6, 2017



- Project and Program Management Manual

templates

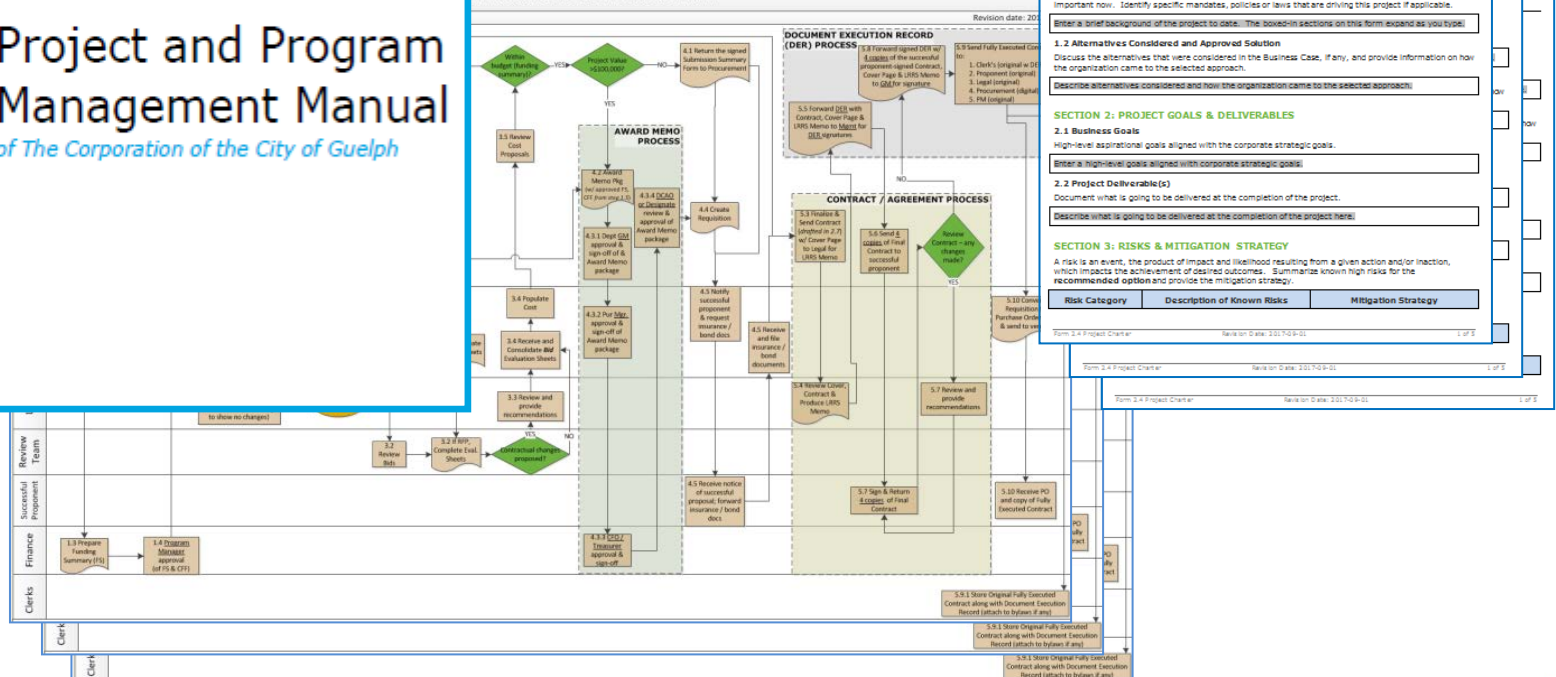



Project and Program Management Manual

of The Corporation of the City of Guelph

Flow charts

Procurement Process Flow





2.4 Project Charter

Project Name	Date
Project Manager	
Project Sponsor	Sponsor Title
Client Name	Client Dept
Project Start Date	Project End Date
Date 1.2 Preliminary Scoping was approved:	

SECTION 1: PROJECT BACKGROUND

1.1 Project Justification & Purpose

Provide a brief background of the project to date. Describe why the project is necessary and why it's important now. Identify specific mandates, policies or laws that are driving this project if applicable.

Enter a brief background of the project to date. The boxes in sections on this form expand as you type!

1.2 Alternatives Considered and Approved Solution

Discuss the alternatives that were considered in the Business Case, if any, and provide information on how the organization came to the selected approach.

Describe alternatives considered and how the organization came to the selected approach:

SECTION 2: PROJECT GOALS & DELIVERABLES

2.1 Business Goals

High-level aspirational goals aligned with the corporate strategic goals.

Enter a high-level goal aligned with corporate strategic goals:

2.2 Project Deliverable(s)

Document what is going to be delivered at the completion of the project.

Describe what is going to be delivered at the completion of the project here:

SECTION 3: RISKS & MITIGATION STRATEGY

A risk is an event, the product of impact and likelihood resulting from a given action and/or inaction, which impacts the achievement of desired outcomes. Summarize known high risks for the recommended option and provide the mitigation strategy.

Risk Category	Description of Known Risks	Mitigation Strategy
Form 2.4-F Project Charter	Revision Date: 2017-03-01	L.P.F.
Form 2.4-F Project Charter	Revision Date: 2017-03-01	L.P.F.
Form 2.4-F Project Charter	Revision Date: 2017-03-01	L.P.F.

Equipping Project Managers

- Training
- Workshops
- Coaching
- Guidance



PPM: Lessons Learned & Resource Requirements

- Difficult to develop/implement new standards on existing active projects
- Collaboration requires a greater investment of time as more players are invited and willing to participate in cross-functional continuous improvement efforts
- Temporary, two-year staffing expansion is under review for 2018 budget

Corporate Project Management Office

Business Process
Management (BPM) division
progress to date

**Leading process
excellence**

Business Service Reviews

- 2499 IT Service Desk



- Solid Waste Resources



- Boulevard Maintenance



- Transit Services



Growing a Continuous Improvement Culture

Process Reviews & Continuous Improvement:

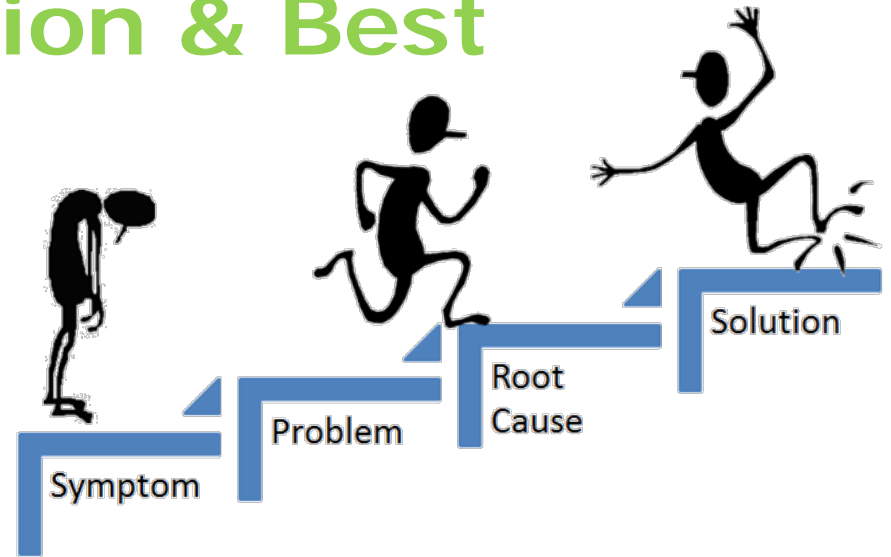
- HR Recruitment Process Review
- Workforce Planning
- Engineering Subdivision Process Change

Corporate Initiatives and CAP:

- Policy Round-table
- Corporate Performance Management Framework
- Improvement Network

Facilitating Innovation & Best Practices

- Problem-solving 101
- Process Mapping
- Risk Assessment (non-construction)



BPM: Lessons Learned & Resource Requirements

- Preconceived thoughts about the service reviews and outcomes
- Education and communication is key
- External expertise required for large and complex reviews
- An expansion package to increase the Consulting fee is under review for 2018 budget

Summary

- Both divisions are making good progress, working together leveraging tools, processes, resources, staff and lessons learned
- Organizational capacity and capability improvement through:
 - Corporate standard development
 - Risk management
 - A culture of continuous improvement and collaborative participation
- The culture of continuous improvement is growing across the organization

Questions?

Thank you

Staff Report

To **Committee of the Whole**

Service Area Infrastructure, Development and Enterprise Services

Date Monday, October 2, 2017

Subject **Corporate Project Management Office Progress Update**

Report Number IDE-17-109

Recommendation

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

Executive Summary

Purpose of Report

To provide Council with the second annual progress update on the Corporate Project Management Office (CPMO) activities including the implementation of Deloitte's Capital Project Risk Assessment recommendations (CAO-C-1507, Att-1) as well as the service reviews implementation status and other continuous improvement activities. Although this report is for receipt, it provides updates on the Council Shared Agenda (CSA) items; therefore it is presented as a staff report.

Key Findings

- Since its first annual progress report (CS-2016-75), the CPMO has expanded to two divisions: Project & Program Management (PPM) and Business Process Management (BPM).
- Progress updates on each division are provided including specific projects supported and processes reviewed, training offered, accomplishments made and lessons learned.
- To date, through cross-functional collaborative efforts, many accomplishments have been made to develop new corporate standards by incorporating significant continuous improvements and the culture of continuous improvement is starting to spread and embedded across the organization.

Financial Implications

There are no financial implications with respect to receipt of this report. Expenses were incurred for technical support during the pilot service reviews and resource requirements have been identified to continue to support the delivery of the CPMO mandate to implement Deloitte's recommendations. These financial impacts are being reviewed and considered for Council's deliberation of the 2018 budget.

Report

This is the second annual Project Management Office progress report brought to Council since the creation of the Corporate Project Management Office (CPMO).

BACKGROUND – Guelph’s Commitment

In response to Deloitte’s review and to deliver on the City of Guelph’s commitment to address issues identified during previous capital projects, the City established a corporate PMO in late 2015. Deloitte’s recommendations included the development and implementation of formal project management standard frameworks, processes and tools to improve the capacity and capability of City’s project management delivery.

The Executive Team, in full agreement with all 18 Deloitte’s recommendations, reported its commitment to providing annual progress reports to Council in the staff report CAO-C-1507. The first of which was presented in October 2016 (CS-2016-75) through the Corporate Services Committee of the Whole.

In January 2016, the Business Process Management (BPM) function was integrated within the PMO. Part of the BPM division’s mandate was the development and implementation of a Business Service Review Framework, to ensure the effective and efficient delivery of City’s services. In October 2016, the proposed Business Service Review Framework (CS-2016-61) was approved by Council, followed by the implementation plan received (CS-2016-82) in November 2016.

In February 2017, the PMO moved service areas to the Infrastructure Development and Enterprise Services (IDE). To better reflect the PMO mandate, scope and its corporate responsibility, the name of the department changed to the Corporate Project Management Office (CPMO). This second annual progress report and subsequent reports will be reported through the IDE Committee of the Whole.

CORPORATE PMO - Centre of Excellence

Acting as a Centre of Excellence, the CPMO department’s mission is to drive organizational success through the efficient and effective management of projects and processes by defining, developing and maintaining standard methodologies, processes and tools for the Corporation to build and maintain continuous improvement in project and process management.

The Project and Program Management (**PPM**) division focuses on improving corporate project management, initially supporting priority on high risk, large complex capital construction projects. This priority was included in the original Council Shared Agenda (CSA) and the City’s Corporate Administrative Plan (CAP). The PPM division currently has one temporary position, filled by a 12 month secondment assignment, supporting the department manager.

The Business Process Management (**BPM**) **division** focuses on reviewing and improving corporate processes and services, with its long-term work plan to review all City services. This work was also included in the original CSA, and is now part of the CAP. With strong support and commitment from the CAO and Executive Team to make this initiative a corporate priority, two staff were reallocated from CAO's office to this division in January 2017, to support the Program Manager of Business Process Management.

Both divisions provide training, coaching and guidance on project and process management. The two divisions work very closely to leverage resources, tools and processes and contribute to fostering a culture of continuous improvement.

PPM DIVISION PROGRESS TO DATE – Delivering Project Management Excellence

The PPM's work is planned and delivered based on the approved CPMO Mandate and Deloitte recommendations. Highlights of the activities and progress are included below and the details of the progress made to Deloitte's 18 recommendations are attached (ATT-1: Deloitte Recommendations – Progress to date).

PPM staff have been working closely with various cross-functional project managers to understand the current project management practices and facilitate continuous improvement ideas, in part by challenging the existing practices including some of the policies and bylaws. This learning and improvement has been compiled into a project management manual. In addition, topic specific training material is developed to provide training courses and workshops.

Championing Collaboration

In order to leverage the existing project management best practices, share lessons learned and promote input and discussions from the subject-matter-experts in the organization, a cross-functional governance committee was formed in early 2016.

Complex Capital Projects Committee, chaired by the Manager of CPMO, with DCAO of IDE as the Executive Sponsor, acts as a PMO advisory board for new ideas and proposed changes for project management improvement brought forward. As new standards are developed, the committee members have been disseminating and championing the changes across the organization (ATT-2: Complex Capital Projects Committee).

With its initial focus of complex capital construction projects, the committee undertook a review of the 2017 capital construction projects and categorized over 100 projects into tiers 1, 2 and 3, by determining the level of risk based on eight criteria: dollar amount, scope/complexity, City's experience, project profile, stakeholder impact, service delivery, resource requirements and political profile (see *Figure 1: City of Guelph Project Portfolio Framework*).

Project management rigour scale to tier level

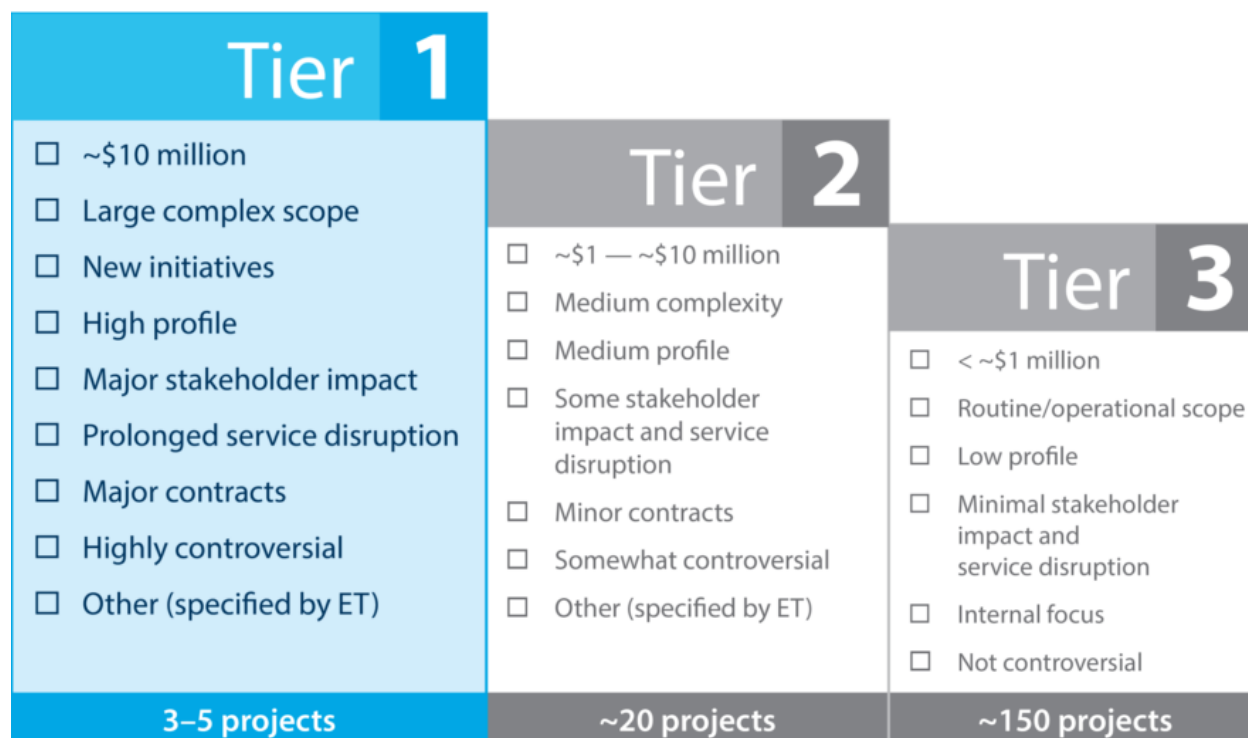
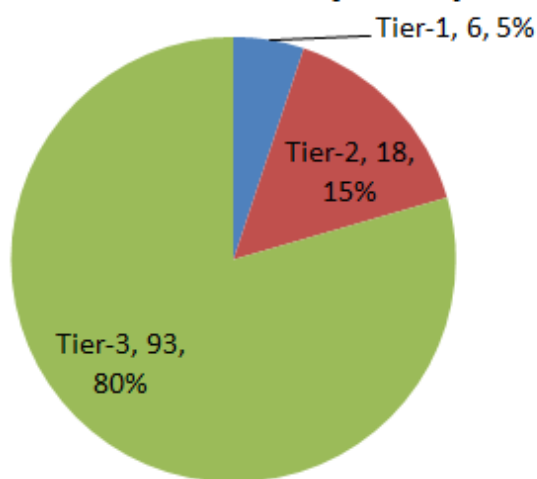


Figure 1: City of Guelph Project Portfolio Framework

Project Profile

Based on the above-mentioned work of Complex Capital Projects Committee, the City's 2017 capital construction projects were categorized, as depicted in Figure 2, 2017 Capital Construction Project Profile.

2017 Construction Projects by Tier



2017 Construction Projects:

Tier-1:	6
Tier-2:	18
Tier-3:	93
TOTAL:	117 projects

Figure 2, 2017 Capital Construction Project Profile

In order to streamline this lengthy manual categorization process, the PMO proposed incorporating the project categorization work into the 2018 budget request process. This integrated approach includes having the project managers categorize the capital projects into various project types and portfolios at the time of budget request, to answer frequently asked questions by Council, Executives and other stakeholders. The project attribute information includes:

- Project tiers (through using the Figure 1 framework)
- Project category (city building, infrastructure renewal or growth)
- Programs of work (project hierarchy)
- Project type (construction vs. non-construction)
- Project ownership (service owner vs. project manager)
- Project geographic locations and wards, etc.

Incorporating Complex Capital Projects Committee's input, the PPM staff worked with Finance to revamp the existing budget planning software (FMW) to incorporate this project categorization process as well as additional project management disciplines. A step-by-step user manual was created and a training module co-facilitated by Finance and PMO staff, was offered to project managers this summer as the 2018 budget work started.

Once the 2018 capital budget is approved by Council, project portfolio reporting can be easily done and appropriate project management rigour and financial variance reporting will be applied according to the project tier.

Complex Capital Projects Committee has been reviewing proposed project management rigour for each project tier and determining the appropriate level, in some cases, recommending higher level of rigour than what was proposed by PMO. This has been very encouraging and a positive indication of the desired change in corporate culture.

Fostering Continuous Improvement

Under the Complex Capital Projects Committee, a working group was formed with five sub-committees to tackle specific subject areas. The Construction Procurement Working Group, chaired by CPMO, along with the five sub-committees, is reviewing current processes to identify improvements and test proposed standards. The sub-committees are as follows;

- Contract / Agreements Reviews and Revisions (Lead: Legal): all existing construction contracts and agreements have been overhauled and updated. Release timeline: already in use.
- Vendor Performance Evaluation (Lead: CPMO): the current vendor performance evaluation forms, processes and application improvements have been implemented. Revised performance evaluation forms were developed and currently being tested by the working group members. Release timeline: end of September 2017

- Contractor Safety Administrative Program (Lead: Health and Safety): a new corporate program designed to ensure contractor companies working on behalf of the City of Guelph have acceptable safety management systems in place, and follow applicable legislation, codes and standards. Release timeline: December 2017
- Procurement Process Improvement (Lead: CPMO/Procurement): a Standard Operating Procedure, including instructions, a process flow chart and required templates, are being developed with many improvements and streamlining points incorporated, to clarify the process as well as to shorten the long lead-time. Release timeline: September 2017.
- Contract Management Software (Lead: Legal/IT): a corporate digital solution to allow management and systematic monitoring of contracts. A Project Charter and business requirements have been developed, along with process and agreement flow charts. A clearer understanding of process, roles and responsibilities needs to be arrived at. A demonstration was conducted in March 2017. A pilot to begin in Q1 2018. Release timeline: Q3 2018.

This collaboration with “front-line” project managers’ participation from all department representatives has been one of the key successes in our efforts to break-down silos as the corporation endeavours to improve the culture of project management practices and disciplines.

Enhancing Governance & Reporting (Tier-1 Projects)

PPM staff provide central coordinated management and oversight for high-risk complex capital projects. The City’s active Tier-1 projects are:

- Victoria Road Recreation Centre (VRRC) Renovations: successfully re-opened in June and fixing of building deficiencies are underway. The project has delivered the agreed-upon scope on time and within budget. Full close-out report to be completed in Q4 2017.
- Guelph Police Service Headquarters (GPS-HQ) Renovations: construction is progressing well, the east wing completion is anticipated in early 2018, the west wing completion end of April 2018, with the overall project completion target of spring of 2019.
- Wilson Street Reconstruction and Parkade: enhanced project scope with additional budget was approved by Council. Adjusted Project Charter finalized. A signed contract is in place and a kick-off meeting with Newton Group to be held in September to commence the detail design work.

Many of the Tier-1 project framework and tools have been developed and tested first on the GPS-HQ Reno project including the governance structure, change control process, budget tracking and reporting, document filing protocols and reporting framework. The feedback from the project steering committee and project team has been documented and incorporated into other Tier-1 projects.

To share the status of City's major projects with the community, the Tier-1 Project Quarterly report was introduced in July 2016. Since then, all Tier-1 projects have been reported quarterly through information report to Council and posted on gueph.ca for public viewing. This quarterly report design and format has been leveraged to design the Business Service Review Quarterly report as well as the CAP Quarterly report. Anecdotal feedback to date has been positive on this reporting frequency and digital format.

Through the 2017 project review, three more projects have been identified as Tier-1 projects. Lessons learned from the current Tier-1 projects are being incorporated into these newly identified Tier-1 projects that are in planning stage.

- South End Community Centre (SECC) Design Development: Tier-1 governance structure has been established and Project Charter developed. Request for Proposal (RFP) for design to be released in September, with target award timing of end of October 2017 to commence the design development work.
- Baker District Redevelopment: Staff is developing a Tier-1 governance structure as of writing of this report which is expected to be fully in place in Q4 2017. Scenario planning for approach with timeline and preparation for a proposal call for identifying a qualified developer to deliver the objectives in the approved Downtown Secondary Plan is underway, with a target to present the results to Council in June 2018.
- Guelph Main Branch Library: Tier-1 governance structure in partnership with Guelph Public Library (GPL) has been established. GPL is presenting an update on the development of their Business Case to Council on September 25, 2017 regarding the main branch library project.

Progress of these Tier-1 projects in the planning stage will be reported as they move to the execution stage and more information becomes available.

Portfolio and Program Management Support

In addition to supporting Tier-1 projects, PPM staff facilitates large corporate-wide portfolios and programs such as the Downtown Secondary Plan (DSP) Implementation plan. In order to raise awareness and understanding of the complexity and magnitude of the DSP Implementation work as well as the hierarchy and inter-dependencies between various programs and projects touching on all areas of the City's departments, the Downtown Implementation Strategy Portfolio Map (ATT-3) was developed and presented at the February 16, 2017 Council workshop. Once the 2018 capital project budget is approved in November 2017, PPM staff will update the map and support the Business Development and Enterprise department in facilitating the prioritization efforts with cross-functional groups to apply Council approved criteria on projects within the DSP program of work. The update of this is scheduled to be reported back to Council in Q1 2018.

Guiding Consistency and Standards

A large number of the Deloitte Recommendations (15 out of 18) are related to the development of corporate project management standards (framework, processes, tools and templates). PPM staff have led much of the cross-functional project process improvement work and developed corporate guidelines and tools to equip project managers.

The Project and Program Management Manual, outlines activities and project managers' responsibilities in each stage-gate within the project lifecycle as well as process flow charts, tools and templates for each stage-gate deliverable. It was developed, compiled and released in September 2017 and is now posted internally as a digital resource on the City's intranet.

Equipping Project Managers - Training and Workshops

As subject specific corporate project management standards are developed, PPM staff have been providing training sessions and facilitating workshops. Three of the project management training modules have been provided to date as below, and further training sessions are being planned for Q4 2017 and early 2018.

- Construction Project Risk Assessment: over 80 staff trained through several workshops between August 2016 and July 2017.
- Project Initiation and Budget Planning (Capital Budget 101): all departments responsible for capital budget including GPS and GPL trained in June/ July 2017.
- Procurement Process: review and clarification of procurement process (i.e. roles and responsibilities, signing authority, templates, expected timeline, etc.) including recent improvements implemented: scheduled for September 2017.

Coaching and Guidance

PPM staff are frequently requested by staff including members of City's local boards and partners, to provide coaching and guidance in various areas such as the development of business cases, project charters and risk assessments. The CPMO views this as an important part of the department services to promote the project management practices and consistency across the City and its partners.

Organizational Project Management Maturity

Once comprehensive corporate project management standards are in place and consistently adhered-to throughout the corporation, the organizational project management maturity level will be improved and adequately positioned to receive independent and objective audits to identify potential gaps in risk management, control and governance processes.

Contract Management Audit for capital projects was included in the 2017 Internal Audit (IA) work plan. This project, as communicated in the IA status report in September 2017, has been deferred due to resourcing issues. The CPMO and IA office are currently in discussions about the timing of this audit. Given that some of

the standards are still being rolled-out with training still to be offered, it may be best to have audits conducted later in 2018 or early 2019.

Lessons Learned and Resource Requirements

Each of the PPM projects and efforts listed in this section has taken much longer than the originally anticipated work plan timeline, as more players at different layers in the organization are invited and willing to participate. While staff's engagement level is encouraging, it is challenging to develop and implement new standards for existing active projects. In order to complete the implementation of CPMO mandate and Deloitte recommendations within the committed timeline (initial estimate 3 years) while continuing to lead and facilitate cross-functional continuous improvement efforts and move the organizational project management maturity to the next level, an expansion package for a 2-year temporary staffing position to support the department Manager, is being requested and internally reviewed for consideration to be included in the 2018 Council budget deliberation.

BPM DIVISION PROGRESS TO DATE – Leading Process Excellence

BPM provides support across the organization for continuous improvement through data analysis, process review and development, process re-engineering, change management, problem solving and business service reviews. Highlights of activities and accomplishments are included in this section.

BPM staff have been working with many departments and staff across the organization to understand the services provided, current processes and performance to support continuous improvement.

Business Service Reviews

Business Service Reviews examine the relevance, effectiveness and efficiency of City services to ensure resources are allocated to achieve the best outcomes for the City and to support long-term sustainability. Three business service reviews have been scheduled for completion in 2017 and a fourth to start, as described below.

- 2499 IT Service Desk
 - Review the processes for IT Help Desk services from intake of request to closure of ticket, to identify improvement opportunities and service level impacts.
 - Status: completed in August 2017. The final report with recommendations is being reported (IDE-17-110) in late September.
- Solid Waste Resources
 - Review the collections, waste processing and disposal services of Solid Waste Resources to inform service methods and opportunities for improvement.
 - Status: progressing well with an interim report (IDE-17-106) reported on September 18, 2017, with a final report and recommendations coming in November 2017.

- Boulevard Maintenance
 - Review of boulevard maintenance services and processes related to turf maintenance to define the service and inform service methods and opportunities for improvement.
 - Status: initial stages of planning and discovery underway, final report and recommendations target late December 2017.
- Transit Services
 - Review will look at service methods as well as improvements to the effectiveness and efficiency of the service. The review will include all critical functions of Transit including: scheduling, planning, administration, resources and service delivery
 - Status: this review is tentatively scheduled to begin once ATU negotiations are complete. The start timing may need to be adjusted, depending on the outcomes of the current service reviews and the 2018 budget process and work plan. Planned completion is expected 12 months from the start of the review.

To share the status of the business service reviews with the community, the Business Service Review quarterly report was developed and introduced in April 2017. Since then, all business service reviews have been reported quarterly through information report to Council and posted on gueph.ca for public viewing.

BPM is currently working with Asset Management to develop a service inventory. This inventory will provide a high level view of all City services to establish a baseline, which will be used to identify the services that should be reviewed, through the prioritization process.

The inventory will provide information on current services, their expected outputs and outcomes, service levels and standards, performance measures and controls, assets and resources as well as costs and revenues.

Growing a Continuous Improvement Culture

In addition to conducting business service reviews, the BPM staff support various continuous improvement activities in the corporation, the following are examples:

- HR Recruitment Process Review:
 - Recruitment refers to the process of attracting, assessing and selecting suitable candidates for jobs within an organization. The goal of this project was to review the current processes to identify possible efficiencies and improvement, risks and challenges. Information and opportunities were provided to the department late 2016.
- Workforce Planning:
 - The Policy Planning and Urban Design, and Development Planning divisions are reviewing short and long term workforce planning needs. This project, led by BPM staff, assesses current state, workforce demands and environmental impacts to develop a model/method that identifies

future organizational/workforce needs for the next two to five-year period and recommend an implementation strategy/method. Target timeline: October 2017.

- Engineering Subdivision Process Change
 - A business process review of the City's subdivision construction practices conducted in 2014/2015 identified that the current process had significant financial and service related risks. BPM staff are supporting the Engineering department with the transition to an assumption model that gives the developer responsibility to manage and administer the construction of the subdivision infrastructure, with the municipality only assuming ownership of the infrastructure upon inspection and formal acceptance, reducing risk to the City. Target completion: December 2017.

In addition, BPM staff participate in various corporate initiatives such as:

- Policy Round-table:
 - BPM staff co-led the round table that was formed with the mandate to address policy development and management. The cross functional team worked together to develop a report of recommendations and suggested path forward. The final report with recommendations was presented to Corporate Management Team in July 2017.
- Corporate Performance Management Framework (CAP initiative):
 - BPM Program Manager is part of the cross functional team to create a formal corporate performance management framework (PMF) and implementation plan to enable a consistent approach to performance monitoring and improve accountability.
- Improvement Network (CAP initiative):
 - BPM is an active member of the Innovation Network, a collaboration of improvement programs and practitioners who work together to build a culture of innovation. The network consists of the Innovation Fund, the Civic Accelerator, Business Process Management, Round Tables and the Guelph Lab. The network aims to provide learning opportunities, problem-solving expertise and peer-to-peer support.

Facilitating Innovation and Best Practices

BPM staff support internal professional development training and workshops on a number of subjects, including:

- Problem-Solving 101: This class was offered as part of the Fall Improvement Series in 2016 and reviews effective problem solving and decision making skills.
- Process Mapping: Upon request BPM staff provide process mapping support through workshops or training sessions.

- Risk Assessment (non-construction): Facilitation for workshops and/or training for risk assessment is provided by BPM staff upon request. To date, five sessions were offered based on requests.

Lessons Learned and Resource Requirements

The business service review pilots evaluate not only the services but the processes and methodologies of the framework, to identify areas of improvement. Business service reviews can have many outcomes. During the pilot reviews, it was apparent that there are many preconceived thoughts about what a service review is and what the outcomes should be. Continuous education regarding the service review process and ongoing communications about the service review status is key to prevent these preconceived opinions. In addition, the pilot reviews, have identified that large and complex reviews may require access to expertise external to City staff and resources. To reflect these lessons learned and to ensure sufficient funding to take on complex or large scope service reviews, an expansion package to increase the consulting fees within the CPMO operating budget is being requested and internally reviewed for consideration in the proposed 2018 budget.

SUMMARY

Both divisions, Project & Program Management and Business Process Management of the Corporate Project Management Office, are still in the start-up stage and are making good progress, while leveraging tools, resources, staff and lessons learned between the divisions. The fundamental principles of the departmental work aim for organizational capacity and capability improvement through corporate standard development and risk management of projects and processes by promoting a culture of continuous improvement and collaborative participation. To date, through cross-functional collaborative efforts, many accomplishments have been made to develop new corporate standards by incorporating significant continuous improvements and the culture of continuous improvement is growing across the organization.

Financial Implications

There are no financial implications with respect to receipt of this report. Any additional resource requirements to continue to deliver the CPMO mandate, to implement Deloitte's recommendations, and to reflect the service review pilot learning are subject to Council's deliberation of the proposed 2018 budget.

Consultations

Finance
Internal Audit
Legal, Realty and Risk Services
Health & Safety, Human Resources
Facilities Management
Business Development and Enterprise
Executive Team

Corporate Administrative Plan

Overarching Goals

Service Excellence
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

ATT-1 Deloitte Recommendations – Implementation Progress
ATT-2 Complex Capital Projects Committee
ATT-3 Downtown Implementation Strategy Portfolio Map

Report Author

Tomoko King, Manager
Corporate Project Management Office

A handwritten signature in blue ink, appearing to read 'Scott', is written over a horizontal line.

Approved and Recommended By

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Infrastructure, Development and Enterprise
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Deloitte's 18 Recommendations - Implementation Status (as of Sep. 2017)

✓

complete

■

in progress

○

not started

◆

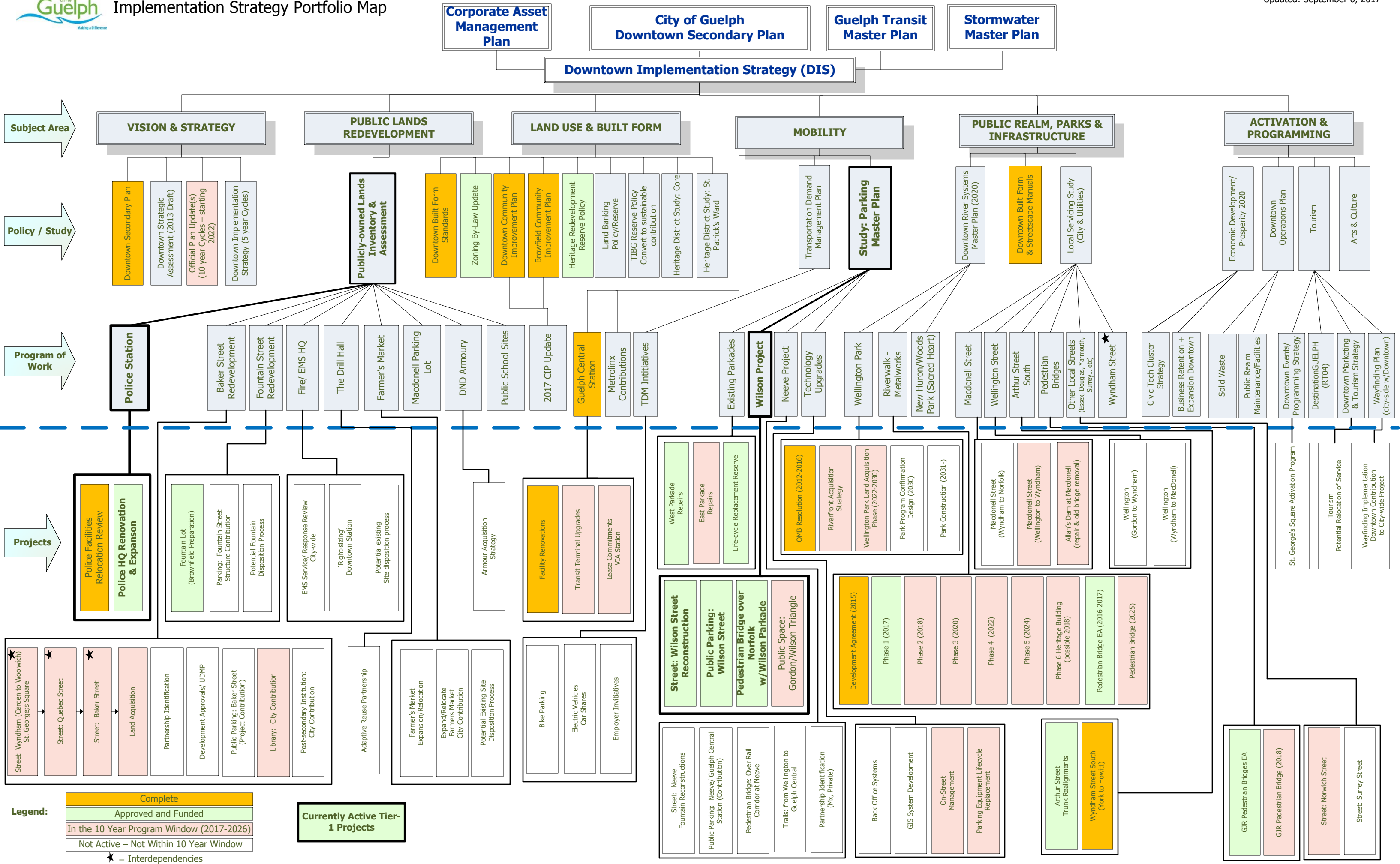
not active

Deloitte Recommendations (Verbatim)			Status	Progress to Date (as of Sep 2017)	Next Steps	Target Start	Target End
Key Recommendations	1	Develop and implement a Capital Projects portfolio management framework that identifies projects as Tier 1, 2 or 3 based on their risk and complexity profile.	✓	Capital Project Portfolio Framework developed with criteria (cost, risk, complexity, partnership, etc.) further refined and rolled-out with staff training.			
	2	Establish a Project Management Office that will specify standards, guidelines and principles for the delivery of Capital Projects, along with implementing governance and decision support requirements for each category of project Tier at each stage of the project lifecycle.	■	Corporate PMO created and is going through its start-up stage. Stage-gate project management standards and guidelines including governance and decision support requirements for Tier-1 developed.	Tier-2/3 requirements, scaled-down processes and templates to be discussed and developed.	Q1-2018	Q4-2018
	3	Develop and implement a formal risk management approach that is scalable to project Tier and aligned with a key milestone/multiple decision point framework (known as stage-gates), framework, business case requirements and corporate enterprise risk management program.	■	Construction Project Risk Assessment Tool developed training / workshops provided to staff. The risk assessment practices need to be further operationalized so that the developed risk registers stay active and revisited/updated.	Develop a process to monitor risk registers during the project. Tier-1 risk registers to be compiled to identify opportunities for lessons learned and future risk mitigation.	Q2-2018	Q3-2018
Recommendations	4	Review use of Health and Safety documentation on capital projects with the goal of ensuring there are no gaps.	✓	Contract Safety Administrative Program, a new corporate program designed to ensure contractor companies working on behalf of the City of Guelph have acceptable safety management systems in place, and follow applicable legislation, codes and standards.	Training sessions provisionally booked for October/November. Formal roll-out by end of the year.	Q4-2017	Q4-2017
	5	Continue to develop elements of the Project Management Centre of Excellence that are appropriate for the 3 Tiers of projects (i.e. process, PM training and reporting requirements)	■	Immediate focus on Tier-1 projects. Governance process, R&R, change control processes and monthly / quarterly reporting framework developed. Topic specific training started.	Continue to offer stage-gate topic specific training modules. Once all topics are offered, ongoing training (i.e. one topic a month) to be offered throughout the year.	Q3-2017	ongoing
	6	Establish audit coverage based on risk - i.e. all Tier 1 and selected Tier 2 projects and sampling of Tier 3 projects. Clearly define the role for Internal Audit in the overall project governance plan with a focus on assisting with improving the delivery of Capital Projects.	○	Internal Audit (IA) annual work plan is a risk based plan. Capital projects are considered as part of the development of the internal audit annual work plan.	Contract Management Audit on Tier-1 project - timing TBD	late 2018	2019
	7	Develop and implement reporting requirements, including templates and timelines, which is scalable according to the project Tier.	■	Tier-1 reporting framework developed. Monthly internal reporting and quarterly external reporting in place. Currently reviewing the use by PMs and adjustments to template being considered.	Adjust the templates as required.	Q4-2017	Q4-2017
	8	Conduct training for all personnel who are involved in Capital Projects delivery to build a greater understanding of project risk management.	■	Construction Project Risk Assessment Tool developed based on ERM framework. Training and workshops provided on how to conduct Risk Assessment and to develop a Risk Register. Further training is required to use Risk Register as part of ongoing tool throughout the project lifecycle to build a greater understanding of risk management.	Project risk management phase 2 to be developed and offered.	Q2-2018	Q3-2018
	9	Integrate resource management as part of a stage-gate process, including incorporating an initial resource plan in the Business Case.	■	Tier-1 project resource requirements (Exec sponsor, steering committee, project team) developed and implemented. Resource requirement identification incorporated into the Business Case and Project Charter templates.	Further discussions required for resource optimization for Tier-1 projects as well as Tier-2 projects.	Q1-2018	Q2-2018
	10	Develop and implement a model (e.g. centralized or decentralized) to deliver the portfolio of projects. This includes enhancement of the project management capability and capacity of the organization.	■	Facility Mgmt department is establishing a centralized model for facility construction projects and Engineering has an existing structure to deliver linear construction projects. IT has a centralized structure to deliver IT projects. Corporate PMO is centralized to coordinate Tier-1 portfolio dashboard and external reporting.	Revisit this model with new standards.	2019	2019
	11	Develop and implement a stage-gate process which incorporates a comprehensive, scalable scope and change management program.	■	Change authorization responsibility matrix and change-order process flow for Tier-1 developed. Enforcement process not yet in place. Scalable process for other tiers need to be developed.	Incorporate City's change management templates into the consultant agreement. Monitor and evaluate compliance as part of vendor perf evaluation process.	Q4-2017	Q2-2018
	12	Develop and implement a robust change management process to manage changes that may lead to cost and schedule overruns and other stakeholder impacts.	■	Change-order tracking and reporting for potential cost overruns in place. The same tracking and reporting rigour is not in place for potential schedule delays and stakeholder impacts.	To be developed and implemented with training.	Q2-2018	Q4-2018
	13	Develop and implement a schedule management process that is integrated with cost, change and risk management, and can be scaled to project Tiers.	■	Developing and adding Earned Value analysis to integrate schedule management (work completion) with cost status. Not yet integrated with change and risk.		Q2-2018	Q4-2018
	14	Develop and implement cost management tools, templates and reporting requirements that are scalable based on the project Tier.	■	Tier-1 monthly budget tracking process and template develop and in place. New process for project initiation / budget planning developed and rolled-out with "Capital Budget 101" training.	Develop Cash-flow forecast and budget variance reporting requirements and templates with Finance and roll-out with training.	Q4-2017	Q1-2018
	15	Develop and implement a commissioning process to validate requirements and facilitate the transition to operations.	○		With VRRC reno project lessons learned/close-out process, establish a transition/hand-over process.	Q4-2017	Q1-2018
	16	Develop and implement formal Quality Assurance and Quality Control procedures.	○		To be developed and implemented with training.	Q3-2018	Q4-2018
	17	Develop and implement an issue escalation process, which includes early engagement of legal resources for potential disputes.	■	Legal represented in all Tier-1 project teams as well as the Complex Capital Projects Committee. Early issue escalation process not formally established.	Work with Legal to develop issue escalation process / dispute resolution process and conduct training.	Q3-2018	Q4-2018
	18	Develop and implement document archiving requirements, including lessons learned for Capital Projects	■	Project document management standards developed and Tier-1 project documents being housed centrally on shared network drive project folder. Archiving and lessons learned process to be developed.	Develop archiving and lessons learned process. Revamp the project document management standards when Contract Management Software (EDMS upgrade) is rolled-out.	TBD	TBD

Complex Capital Projects Committee

Accomplishing **great things, together**





Staff Report



To	Committee of the Whole
Service Area	Corporate Services
Date	Monday, October 2, 2017
Subject	2018 Council and Committee Meeting Calendar
Report Number	CS-2017-78

Recommendation

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

Executive Summary

Purpose of Report

To set the 2018 Council and Committee meeting schedule.

Key Findings

Staff is presenting a meeting schedule for 2018 which is based on past practice, municipal election considerations and the governance structure adopted by Council.

Financial Implications

None

Report

Pursuant to the City of Guelph's Procedural By-law, Council is required to establish an annual Council and Committee meeting schedule by way of Council Resolution.

To support the legislative process for City Council, and for accountability and transparency to the public, it is recommended that Council approve a regular meeting schedule.

2018 Municipal Election Impact from September to December, 2018

The 2018 Municipal Election will be held on October 22, 2018 with Nomination Day being July 27, 2018. Advance voting will occur in early October. Committee of the Whole meetings have not been scheduled for the months of September, October, November and December and no Council meetings are scheduled for October. There are no meetings in August scheduled in order to provide a summer recess.

It is necessary to modify the Council and Committee schedule in order to accommodate the election period. The following rationale was used in determining these modifications:

A large volume of staff time is required to prepare for the election in the months leading up to October 2018. This commitment is amplified after Nomination Day on July 27th and holds steady until the October 22nd election and immediately beyond. Every staff person from the City Clerk's Office, and various other departments within the organization, is called upon to manage and administer the election during this time.

- There is a potential for Council to be limited by restricted acts after Nomination Day as per the Municipal Act (lame duck) which restricts certain decisions and actions of Council.
- Given that October is the month of the election; it is advisable to not hold any meetings.
- The November meeting will be reserved as the final meeting of the 2014-2018 term of Council.
- In December, given the requirement to hold an Inaugural meeting and a Striking Committee meeting, as well as there being a seasonal break, it is advisable not to hold any other meetings of Council.

In addition, it is noted that due to the municipal election, 2019 Budget deliberations will commence in January 2019. It is anticipated that a budget module will be offered to the incoming Council as part of the Council orientation process.

These modifications will only affect the 2018 meeting schedule and it is anticipated that a regular meeting schedule will resume in 2019.

The following principles guided the development of the proposed schedule:

1. Continuing the publication of agendas a minimum of ten days prior to the targeted meeting.
2. Committee of the Whole meetings generally scheduled the first Monday of the month.
3. Council Planning meetings generally scheduled the second Monday of the month.
4. Council meetings generally scheduled the fourth Monday of the month.
5. Committee of the Whole meetings to consist of two or three Service Areas reporting on alternating months with exceptions to be made for matters of a timely nature. Exceptions were also made to accommodate meeting schedule in the fall.

6. Maintaining two weeks between Planning Council and regular Council meetings.
7. Closed Council and closed Committee of the Whole meetings to be scheduled immediately prior to the corresponding open meeting. (Meeting cancellations and start times of closed meetings to be based upon agenda content.)
8. Changes to the meeting calendar will be publicly posted as soon as feasible.
9. Generally allowing for one special Council Meeting placeholder per month.
10. Council budget meetings will be scheduled in collaboration with the Finance Department.
11. The Municipal Elections Act was reviewed to ascertain dates.

Due to the 2018 Municipal Election, the meeting schedule has numerous anomalies from a non-election year schedule, however, whenever possible, a regular meeting date and time has been established as follows:

Committee of the Whole	2:00 p.m. on the 1 st Monday of the month
Council Planning	6:30 p.m. on the 2 nd Monday of the month
Council placeholders	6:00 p.m. on the 3 rd Monday of the month
Regular Council	6:30 p.m. on the 4 th Monday of the month

Financial Implications

None

Consultations

The Finance Department and Infrastructure, Development and Enterprise Service Area were consulted to ensure that legislated reporting is accommodated in Council's meeting schedule.

The final 2018 Council and Committee Meeting Schedule will be forwarded to the media, internal and community stakeholders, and published on the City's website. Any changes to the calendar will be posted to the City's website.

Corporate Administrative Plan

Overarching Goals

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 Council and Committee Meeting Schedule

Departmental Approval

n/a

Report Author

Dolores Black, Council Committee Coordinator



Approved By

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City Clerk

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Recommended By

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Deputy CAO of Corporate Services

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2018 COUNCIL AND COMMITTEE MEETING SCHEDULE



AUD - Audit

COW – Committee of the Whole

CS – Corporate Services

GOV - Governance

IDE – Infrastructure Development & Enterprise

PS – Public Services

As of October 2, 2017

JANUARY					
Monday	Tuesday	Wednesday	Thursday	Friday	Saturday Sunday
1 New Year's Day	2	3	4	5	6 7
8	9	10	11	12	13 14
15 COW (IDE/GOV) 2:00 pm	16	17	18	19	20 21
22 Council Placeholder 6:00 pm	23	24	25	26	27 28
29 Council/Council Planning 6:30 pm	30	31			

FEBRUARY					
Monday	Tuesday	Wednesday	Thursday	Friday	Saturday Sunday
			1	2	3 4
5 COW (CS/PS/AUD) 2:00 pm	6	7	8	9	10 11
12 Council Planning 6:30 pm	13	14	15	16	17 18
19 Family Day	20	21 Council Placeholder 6:00 pm	22	23	24 25
26 Council 6:30 pm	27	28			

2018 COUNCIL AND COMMITTEE MEETING SCHEDULE



AUD - Audit
COW – Committee of the Whole
CS – Corporate Services

GOV - Governance
IDE – Infrastructure Development & Enterprise
PS – Public Services

As of October 2, 2017

MARCH					
Monday	Tuesday	Wednesday	Thursday	Friday	Saturday Sunday
			1	2	3
					4
5 COW (GOV/IDE) 2:00 pm	6	7	8	9	10
					11
12 March Break	13 March Break	14 March Break	15 March Break	16 March Break	17
					18
19 Council Planning 6:30 pm	20	21 Council Placeholder 6:00 pm	22	23	24
					25
26 Council 6:30 pm	27	28	29	30 Good Friday	31

APRIL					
Monday	Tuesday	Wednesday	Thursday	Friday	Saturday Sunday
					1 Easter
2 Easter Monday	3 COW (PS/CS/AUD) 2:00 pm	4	5	6	7
					8
9 Council Planning 6:30 pm	10	11	12	13	14
					15
16 Council Placeholder 6:00 pm	17	18	19	20	21
					22
23 Council 6:30 pm	24	25	26	27	28
					29
30					

2018 COUNCIL AND COMMITTEE MEETING SCHEDULE



AUD - Audit
COW – Committee of the Whole
CS – Corporate Services

GOV - Governance
IDE – Infrastructure Development & Enterprise
PS – Public Services

As of October 2, 2017

MAY					
Monday	Tuesday	Wednesday	Thursday	Friday	Saturday Sunday
	1	2	3	4	5 6
7 COW (IDE/GOV) 2:00 pm	8	9	10	11	12 13
14 Council Planning 6:30 pm	15	16	17	18	19 20
21 Victoria Day	22 Council Placeholder 6:00 pm	23	24	25	26 27
28 Council 6:30 pm	29	30	31		

JUNE					
Monday	Tuesday	Wednesday	Thursday	Friday	Saturday Sunday
				1	2 3
4 COW (CS/PS/AUD) 2:00 pm	5	6	7	8	9 10
11 Council Planning 6:30 pm	12	13	14	15	16 17
18 Council Placeholder 6:00 pm	19	20	21	22	23 24
25 Council 6:30 pm	26	27	28	29	30

2018 COUNCIL AND COMMITTEE MEETING SCHEDULE



AUD - Audit

COW – Committee of the Whole

CS – Corporate Services

GOV - Governance

IDE – Infrastructure Development & Enterprise

PS – Public Services

As of October 2, 2017

JULY					
Monday	Tuesday	Wednesday	Thursday	Friday	Saturday Sunday
					1 Canada Day
2 Canada Day Observance	3 COW (all service areas) 2:00 pm	4	5	6	7 8
9 Council Planning 6:30 pm	10	11	12	13	14 15
16 Council Placeholder 6:00 pm	17	18	19	20	21 22
23 Council 6:30 pm	24	25	26	27 Nomination Day	28 29
30	31				

AUGUST					
Monday	Tuesday	Wednesday	Thursday	Friday	Saturday Sunday
		1	2	3	4 5
6 Civic Holiday/ John Galt Day	7	8	9	10	11 12
13	14	15	16	17	18 19
20	21	22	23	24	25 26
27	28	29	30	31	

2018 COUNCIL AND COMMITTEE MEETING SCHEDULE



AUD - Audit
COW – Committee of the Whole
CS – Corporate Services

GOV - Governance
IDE – Infrastructure Development & Enterprise
PS – Public Services

As of October 2, 2017

SEPTEMBER					
Monday	Tuesday	Wednesday	Thursday	Friday	Saturday Sunday
					1
					2
3 Labour Day	4	5	6	7	8
					9
10 Council/Council Planning 6:30 pm	11	12	13	14	15
					16
17	18	19	20	21	22
					23
24	25	26	27	28	29
					30

OCTOBER					
Monday	Tuesday	Wednesday	Thursday	Friday	Saturday Sunday
1	2	3	4	5	6
					7
8 Thanksgiving Day	9	10	11	12	13
					14
15	16	17	18	19	20
					21
22 Election Day	23	24	25	26	27
					28
29	30	31			

2018 COUNCIL AND COMMITTEE MEETING SCHEDULE



AUD - Audit
COW – Committee of the Whole
CS – Corporate Services

GOV - Governance
IDE – Infrastructure Development & Enterprise
PS – Public Services

As of October 2, 2017

NOVEMBER					
Monday	Tuesday	Wednesday	Thursday	Friday	Saturday Sunday
			1	2	3
					4
5	6	7	8	9	10
					11 Remembrance Day
12	13	14	15	16	17
					18
19 Council/Council Planning 6:30 pm	20	22	23	23	24
					25
26	27	28	29	30	

DECEMBER					
Monday	Tuesday	Wednesday	Thursday	Friday	Saturday Sunday
					1
					2
3 Council Inauguration Meeting 6:30 pm	3	5	6	7	8
					9
10 Striking Committee 5:30 **** Council Planning 6:30 pm	11	12	13	14	15
					16
17 Council 6:30 pm	18	19	20	21	22
					23 Christmas Eve
24 Christmas Eve	25 Christmas Day	26 Boxing Day	27 City Hall Closed	28 City Hall Closed	29
					30
31					

Election Policies

Corporate Use of Resources During an Election

Council Vacancy

October 2, 2017

Current processes/policies

- Current use of resources policies and protocols are contained within past and dated Council resolutions and in the Code of Conduct.
- Current rules apply mostly to City Council and not other candidates/staff and not to elections for other levels of government.
- The Municipal Act sets out minimum requirements for filling vacancies on Council but does not offer process or procedural clarity.

Corporate Use of Resources During an Election policy

- The Municipal Elections Act was amended to require a policy on the use of corporate resources during an election.
- Various pieces of legislation prohibit municipalities from contributing to election campaigns.
- The policy applies to members of Council and Local Boards as well as election candidates and City staff.
- Creating a stand-alone policy clarifies the rules and ensures the City of Guelph is complying with relevant election regulations.

Policy Highlights

Use of City Facilities

- The interior of City facilities may not be used for election related purposes unless rented in accordance with standard rental procedures.
- The exterior of City facilities may be used for election related purposes (distributing campaign literature, etc.).
- No election related activities are permitted to take place inside or outside of City Hall, including Market Square.

Policy Highlights

Technology

Corporate technology (cell phones, computers, etc.) may not be used for any election related purposes.

Communications

The City of Guelph logo, crest, flag, slogan, etc. may not be used for any election related purposes.

City of Guelph Employees

Employees may not engage in political activities while they are being remunerated by the City of Guelph.

Council Vacancy Policy

Councillor Vacancy

Council can choose to:

- a) Appoint the candidate who ran for the position that is vacant and received the next highest number of votes; or
- b) Hold an open call for individuals for consideration by Council through a public appointment process; or
- c) Hold a by-election.

Council Vacancy Policy

Mayoral Vacancy

Council can choose to:

- a) Appoint a current member of City Council; or
- b) The candidate who ran for Mayor who received the next highest number of votes; or
- c) Hold an open call for individuals for consideration by Council through a public appointment process; or
- d) Hold a by-election.

Questions?

Staff Report

To **Committee of the Whole**

Service Area Corporate Services

Date Monday, October 2, 2017

Subject **Election Policies**

Report Number CS-2017-74

Recommendation

1. That the Use of Corporate Resources during an Election policy, included as ATT-1 to the report titled Election Policies and dated October 2, 2017, be approved.
2. That the Council Vacancy policy, included as ATT-2 to the report titled Election Policies and dated October 23, 2017, be approved.

Executive Summary

Purpose of Report

To seek Council approval for new policies regarding the use of corporate resources during an election and the filling of Council seats left vacant midway through a term of Council.

Key Findings

Current policies and procedures regarding the use of corporate resources by members of Council and candidates during an election, found in the Code of Conduct for Council and Local Boards, should be removed and a separate policy should be established. Amendments to the Municipal Elections Act require the establishment of such a policy.

The Use of Corporate Resources during an Election policy, included as ATT-1, prohibits members, candidates and City of Guelph employees from using any City resources for election related purposes.

The City of Guelph has not historically had a policy which establishes the procedure by which a vacant Council seat is filled. The proposed Council Vacancy policy, included as ATT-2, establishes procedures for filling a vacant Council seat.

Section 263 of the Municipal Act provides two options for filling vacancies: the appointment of a qualified person who has consented to accept the office or the holding of a by-election. The proposed Council Vacancy policy includes options for appointments and by-elections for Councillor and Mayoral vacancies.

Financial Implications

By-elections are substantially more costly than appointments. Costs associated with the filling of a vacancy on Council, either by appointment or by by-election, would be provided to Council for consideration prior to determining how to fill a vacancy.

Report

In advance of the 2018 municipal election, and as part of a broader update of the Accountability and Transparency policy, there is a need to revise the existing Use of Corporate Resources during an Election policy and establish a Council Vacancy policy.

Use of Corporate Resources during an Election

Section 88.19 of the Municipal Elections Act mandates that municipalities and local boards establish rules and procedures with respect to the use of municipal resources during an election. The existing Code of Conduct for Council and Local Boards (the Code) establishes general rules regarding the use of corporate resources by members of Council and local boards (members) but does not apply to City staff or election candidates.

The proposed Use of Corporate Resources during an Election policy, included as ATT1, is a stand-alone policy that establishes for Council members, City staff, and election candidates (candidates) an expanded set of rules and principles regarding the use of corporate resources during a municipal, provincial or federal election campaign.

Related changes to the Code will include removing the section titled 'Work of a Political or Personal Nature' (which referenced elections specifically) in favour of a section titled 'Corporate Use of Resources' which establishes rules for the use of corporate resources outside of an election. These Code changes will be brought to Council for approval in early 2018.

By approving this as a stand-alone policy, instead of embedding it within the Code, there is a greater opportunity to expand on and clarify rules and principles as they relate specifically to Council members, City staff and candidates.

Policy Highlights

The Election Finance Act, 1990, as amended, and the Canada Elections Act, 2000, as amended, establish regulations for candidates and parties running in provincial and federal elections respectively. Section 29 (1) of the Election Finance Act and Section 363 (1) of the Canada Elections Act prohibit a municipal corporation from making campaign contributions to any candidate, political party or constituency association in a provincial or federal election. The Use of Corporate Resources during an Election policy is designed to ensure that the City of Guelph complies with the above-noted legislation.

Use of City Facilities

The proposed policy prohibits members and candidates from using the interior of any City-owned or run facility for any election related purpose unless rented in accordance with standard City of Guelph rental procedures. In addition, members and candidates may not engage in election related activities, such as the distribution of campaign literature, at any function hosted by the City or display any election materials in, or on the property of, any City-owned or run facilities.

Members and candidates may, however, engage in election related activities, such as the distribution of campaign literature, on City property such as parks or outside of City-owned or run facilities.

City Hall, as the seat of government in Guelph, has been identified as a location where campaigning of any kind should not be permitted. No election related activities are permitted inside or outside of City Hall.

Technology

The proposed policy prohibits members from using corporate technology resources (such as computers, tablets, laptops, or smart phones) for any election related purposes.

Communications

The proposed policy prohibits members from using the City of Guelph logo, crest, letter head, or other similarly branded corporate resources or property for any election related purposes.

Council Vacancies Policy

The City of Guelph does not have a policy for filling vacant Council seats.

Currently, if a vacancy was to occur, Council must declare the seat vacant in accordance with Section 262 of the Municipal Act and then choose to fill the vacancy by appointment or by-election in accordance with Section 253(5) of the Municipal Act.

City Council's discretion is restricted only if the vacancy occurs after March 31st in the year of a regular municipal election. In this case City Council must fill the vacancy by way of an appointment. The only time a municipality is not required to fill a vacancy is if it occurs 90 days or less before Voting Day in a regular election.

There are a number of different factors to consider when determining whether to fill a vacancy through appointment or by-election, including:

- Proximity to the next regular election;
- Costs;
- Public interest;
- Democratic process; and
- Time frame.

The recommended policy aims to strike a balance between the democratic process and cost-effectiveness so that vacancies can be filled in an expeditious and cost-efficient manner.

Councillor and Mayoral Vacancies

Using the current term of Council as an example, the following is a summary of the recommended policy as it relates to filling a seat left vacant by a Councillor or the Mayor.

Appoint Runner-Up or Appoint by Public Appointment Process

If a vacancy occurs during the term of office up to and including July 23, 2018 (90 days prior to next regular election), the vacancy shall be filled by offering the vacancy to the candidate who received the next greatest number of votes in the previous election. If this person is not able or does not want to accept the appointment then an open call for nominees will take place. The names of nominees interested in filling the vacant seat would be brought forward to Council for consideration.

By-Election

If a vacancy occurs during the term of office up to and including March 31, 2018, and a vacancy cannot be filled by offering the vacancy to the candidate who received the next greatest number of votes in the previous election or through an open appointment process, Council will then proceed with the adoption of a by-law authorizing a by-election.

Not filled

If the vacancy occurs on or after July 24, 2018, Council will not fill the vacancy.

Waive Policy

Council may waive the Council Vacancy policy by passing a resolution which requires a two-thirds majority vote to carry.

Mayoral Vacancy

If the Mayor's seat becomes vacant Council may fill the vacancy by appointing a sitting City Councillor. This is a practice which has been implemented in several comparator municipalities. The procedure for this appointment process is outlined in

Schedule 1 of the Council Vacancies policy. If a Council seat is left vacant by the appointment of a Councillor to the office of the Mayor, Council would then use the Council Vacancy policy to fill the seat vacated by the Councillor who was appointed as Mayor.

Filling vacancies by appointment is advantageous in that:

- The process can be completed very quickly thereby avoiding prolonged periods of time without ward representation;
- It may be possible to appoint an individual with experience or skills that would permit them to “get up to speed” more quickly; and
- Less labour intensive and costly procedure than conducting a by-election.

Pros and Cons of Appointment and By-Election Process

The most common concern regarding Council appointments is that they are not democratic as the appointee may never have run for office or ran and did not receive the highest number of votes. The proposed method of appointing candidates based on previous election results or through an open call for nominees does, however, give the public indirect input into the process. The by-election option will remain available for Council’s consideration if an appointment cannot be made.

During an election year Council has a reduced meeting schedule with only one meeting in September and November and no meetings in August or October. If a vacancy occurs within 90 days of a general election (July 23, 2018) staff are recommending that the vacancy not be filled as Council would have only one scheduled meeting remaining before a new Council is elected.

Financial Implications

The Municipal Elections Act requires that by-elections be conducted as much as possible in the same way as regular elections. The costs associated with making appointments or holding by-elections to fill vacant Council seats will be provided to Council for consideration prior to making a determination regarding how to fill a specific vacancy.

Consultations

Parks and Recreation
By-law Compliance, Security and Licensing

Corporate Administrative Plan

Overarching Goals
Financial Stability

Service Area Operational Work Plans

Our Resources - A solid foundation for a growing city

Attachments

ATT-1 Use of Corporate Resources during an Election policy
ATT-2 Council Vacancy policy

Departmental Approval

N/A

Report Authors

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Approved By

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City Clerk
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Recommended By

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CORPORATE POLICY AND PROCEDURE



POLICY	Use of Corporate Resources during an Election
CATEGORY	Corporate
AUTHORITY	City Clerk's Office
RELATED POLICIES	Code of Conduct for Council and Local Boards
APPROVED BY	Stephen O'Brien, City Clerk
EFFECTIVE DATE	October 23, 2017
REVISION DATE	

Policy Statement

The Municipal Elections Act (the Act), 1996, as amended, establishes regulations governing campaign finance for candidates running in a municipal election. Section 88.8 (4) of the Act prohibits municipalities from making campaign contributions to municipal candidates.

The Election Finance Act, 1990, as amended, and the Canada Elections Act, 2000, as amended, establish regulations for candidates and parties running in provincial and federal elections. Section 29 (1) of the Election Finance Act and Section 363 (1) of the Canada Elections Act prohibit a municipal corporation from making campaign contributions to any candidate, political party or constituency association in a provincial or federal election.

As a campaign contribution may take the form of money, goods or services, any use of corporate resources for election related purposes, by candidates or staff, is not permitted.

Purpose

The purpose of this policy is to ensure compliance with the Municipal Elections Act, the Election Finance Act and the Canada Elections Act, by clarifying for candidates, current members of City Council and City staff the legislative requirements relating to campaign finances.

The provisions identified in this policy are in effect throughout the duration of the campaign period in a municipal election year or in the event of a by-election and from the dropping of the writ to Voting Day in a provincial or federal election.

Definitions

“the Act” means the Municipal Elections Act, 1996, as amended.

“Campaign period” means the date a candidate files their nomination through to Voting Day in a municipal election year or in the event of a by-election.

“Candidate” means any individual running for an elected office, including Mayor, Councillor, School Board Trustee, Member of Provincial Parliament and/or Member of Parliament or anyone acting on their behalf.

“City of Guelph employee” means any individual working for, or receiving compensation from, the City of Guelph; including those in part-time, seasonal or contract positions.

“Election” means any municipal, federal or provincial election including by-elections.

“Election related purposes / activities” means any participation in an election that seeks to promote or oppose the candidacy of an individual seeking office.

“Members” means City Councillors, the Mayor or anyone acting on behalf of a City Councillor or the Mayor.

Members of Council and Candidates

The following section applies to members, candidates, and those acting on behalf of a member or candidate.

Use of City Facilities, Services and Property

City of Guelph facilities, services and property may not be used for any election related purposes except as identified in this policy.

This provision does not prevent members from conducting their regular duties as political representatives for their constituents.

City of Guelph Employees

- Members and candidates may not use City of Guelph employees for any election related purposes during regular business hours or while the employee is receiving compensation from the City.

Municipal Facilities and Property

- Members and candidates may not use the interior of any City-owned or run facilities for any election related purposes unless rented in accordance with standard City of Guelph rental procedures.

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- Notwithstanding the ability to use the interior of any City-owned or run facilities for election related purposes, if rented in accordance with standard City of Guelph rental procedures, no election related activities, including campaigning and the distribution of campaign literature, are permitted to take place inside City Hall.
 - Members and candidates may engage in election related activities, such as the distribution of campaign literature, outside of City-owned or run facilities.
 - Notwithstanding the ability to engage in election related activities outside of City-owned or run facilities, no election related activities, including campaigning and the distribution of campaign literature, are permitted to take place outside on the property of City Hall.
 - Members and candidates may not campaign, distribute campaign literature, or engage in election related activities at any function hosted by the City of Guelph.
 - Election signs, or other election material, may not be displayed in, or on the property of, any City-owned or run facilities.

Technology

- Corporate resources or services such as computers, cell phones, smart phones, telephones, tablets, printers, scanners, copiers, e-mail, file storage, voicemail, or any other equipment or technology owned by the City of Guelph, may not be used for any election related purposes.
- Websites and domains that are operated or funded by the City of Guelph shall not include any election related campaign materials or links to any sites which include election related campaign material.
- Notwithstanding the ban on election related campaign materials and links on websites and domains operated or funded by the City of Guelph, the City of Guelph election website which lists candidates may include one link per candidate to a website which features election related campaign material.
- When a current member of Guelph City Council registers as a candidate all links to social media accounts and personal external websites will be removed from City of Guelph run or funded websites and domains.

Communications

- The City of Guelph logo, crest, coat of arms, flag, slogan, or other similarly branded corporate resources or property shall not be used by any candidate for any election related campaign materials, including printed literature, signage and websites.

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- In any material printed or distributed by the City of Guelph, candidates may not convey that they, or any other individual, are a candidate in an election.

Employees of the Corporation of the City of Guelph

The following applies to all City of Guelph employees.

- Employees may not engage in election related activities during their normal working hours or anytime they are receiving remuneration from the City of Guelph. This includes providing administrative support to candidates such as photocopying campaign literature or providing technical assistance.
- Employees may engage in election related activities as long as those activities are separate from their official positions and duties. Employees must ensure that their political activities do not create a perceived or actual conflict of interest in their day-to-day work.
- While engaging in election related activities, City of Guelph employees shall not wear any clothing, such as a uniform or badge, which identifies them as a City of Guelph employee.
- While engaging in election related activities, City of Guelph employees shall not use any vehicles, technology, or other resources that are owned or leased by the City of Guelph.

CORPORATE POLICY AND PROCEDURE



POLICY	Council Vacancy
CATEGORY	Corporate
AUTHORITY	City Clerk's Office
APPROVED BY	Stephen O'Brien, City Clerk
EFFECTIVE DATE	October 23, 2017
REVISION DATE	

POLICY STATEMENT

The City of Guelph is committed to open, accountable and transparent government.

PURPOSE

In accordance with the Municipal Act, S.O. 2001, c.25, when the seat of a member of Council becomes vacant during the term of office, Council may fill a vacancy by appointing a person who has consented to accept the office if appointed, or requiring that a by-election be held to fill a vacancy in accordance with the Municipal Elections Act, S.O., 1996, c.32

The purpose of this policy is to provide for an accountable and transparent process for the filling of Council vacancies which occur during a term of office.

SCOPE

This procedure applies to any Council office declared vacant on City Council during the term of Council.

DEFINITIONS

"Act" means the Municipal Act, S.O. 2001, c. 25 as amended.

"Appointment" means the appointment of a qualified individual, by majority vote of Council, to fill a vacancy on Council for the remainder of the current Council term.

"By-Election" means an election, other than a regular election, held to fill a vacancy on Council and that is conducted in accordance with the Municipal Elections Act, 1996, as amended.

“Candidate” means an individual seeking to be appointed to fill a vacancy in the office of the Councillor, having met the eligibility requirements and who has completed the requisite documentation as required by this policy.

“Clerk” means the Clerk or his/her designate of the City of Guelph as appointed by Council.

“Council” means the Council of the City of Guelph.

“Eligible Elector” has the same meaning as defined by the Act, namely a person:

- a) Who is a resident of the City of Guelph, or an owner or tenant of land in the City or a spouse of such owner or tenant;
- b) Who is Canadian Citizen;
- c) Who is at least 18 years old; and
- d) Who is not prohibited from voting under any other Act or from holding municipal office.

“Lot” means a method of determination by placing the names of the nominees/candidates on equal size pieces of paper and placed in a container with one name being drawn by the Clerk, or his/her designate.

“Municipal Elections Act” means the Municipal Elections Act, S.O. 1996, c.32, as amended.

“Nominee” means those individuals seeking to fill a vacancy on Council who meet the eligibility requirements and who have completed the requisite documentation as outlined in this policy.

“Regular Election Year” means the year established for a regular municipal election in accordance with the Municipal Elections Act, 1996, as amended.

“Term of Office” means the period of time a Member is elected to hold office for which he/she is elected in accordance with the Municipal Elections Act, 1996, as amended.

“Vacancy” means when a seat on Council has become vacant in a manner described by the Act.

GENERAL

1. Council is required to declare a seat vacant in accordance with Section 262(1) the Act.
2. Council shall determine whether to fill the vacancy, within 60 days after the day a declaration of vacancy, in accordance with Section 263 of the Act, by either:
 - a) appointing a person who has consented to accept the office if appointed; or
 - b) passing a by-law requiring a by-election be held to fill the vacancy.

Exceptions to Section 263 include:

- a) Section 65(2) of the Municipal Elections Act that no by-election shall be held to fill an office if the vacancy occurs after March 31 in the year of a regular election; and
 - b) Section 263(5)(b) if a vacancy occurs within 90 days before Voting Day of a regular election, the municipality is not required to fill the vacancy.
3. The vote to appoint a member to the vacancy shall occur at an open Special Meeting of Council.
4. In making its determination, Council will consider the costs and timelines associated with filling a vacancy by appointment or by by-election.
5. Council may waive the Council Vacancy policy at any time, requiring a two-thirds majority vote to carry.
6. Appointment procedures with respect to this policy are contained as:

Schedules 1 - Appointment Procedure to Fill Council Vacancy Office of the Mayor; and

Schedule 2 - Appointment Procedure to Fill Council Vacancy Office of Councillor.

Eligibility Requirements

1. Any individual filling a vacancy must meet the eligibility requirements of office as outlined in the Act and the Municipal Elections Act as an eligible elector.
2. If an employee of the City of Guelph seeks appointment or by-election to Council, the employee shall give written notice, in advance, of his or her intention to take unpaid leave. If the employee is appointed to office, they will be deemed to have resigned from their position with the City immediately before making the declaration of office.

POLICY

A. Filling a Vacancy by Appointment

1. Office of the Mayor

If a vacancy in the Office of the Mayor is to be filled by appointment, Council may choose to fill the vacancy by appointing:

- a) A current member of Council in accordance with the Act; or
- b) The candidate who ran for the position that is vacant from the previous election who received the next greatest amount of votes but was not elected; or
- c) Any qualified individual as outlined by the Act.

2. Office of Councillor

If a vacancy in the Office of Councillor is to be filled by appointment, Council may choose to fill the vacancy by either:

- a) The Candidate who ran for the position that is vacant from the previous election who received the next greatest amount of votes but was not elected; or
- b) An open call for individuals for consideration by Council through a public appointment process.

B. Filling a Vacancy by By-election

If a vacancy for either Office of Mayor or Councillor is to be filled by by-election:

- a) Council shall first consider filling the vacancy by the appointment options outlined in Section A of this policy.
- b) If the vacancy cannot be filled by an appointment Council shall then:
 - i. Within 60 days of declaring the seat vacant, pass a by-law to fill the vacancy by by-election;
 - ii. A by-election shall be held in accordance with the Municipal Elections Act;
 - iii. The Clerk or designate shall be responsible for conducting any by-election in accordance with the Municipal Elections Act and all applicable policies and procedures.

RESPONSIBILITIES

Members of Council

Council is responsible for the adoption and application of this policy.

Clerk

The City Clerk or his/her designate shall be responsible for the administration and interpretation of this policy and where appropriate administering the Council Vacancies Procedures.

The City Clerk or his/her designate shall be responsible for conducting any by-election in accordance with the Municipal Elections Act and all applicable policy and procedure.

Schedule 1

Appointment Procedure to Fill Council Vacancy Office of the Mayor

The City Clerk, or designate, shall be responsible for interpreting and where appropriate, facilitating the appointment application process. For the purposes of this procedure, "lot" means a method of determination by placing the names of the candidates on equal size pieces of paper and placed in a container with one name being drawn by the City Clerk, or designate. The City Clerk has the authority to make minor technical amendments to this procedure as may be required from time to time.

Office of the Mayor

1. Council shall declare the seat of the Mayor to be vacant in accordance with the Municipal Act.
2. The vote to appoint a member to the position of Mayor shall occur at an open Special Council meeting.
3. Only written delegation correspondence will be accepted at the Special Council meeting to appoint.
4. Any member of Council wishing to be considered for appointment to the vacancy shall advise the Clerk in writing by 12:00 noon, five business days prior to the Special Council meeting.
5. If there are no members of Council who advise that they wished to be considered for appointment to the vacancy, Council may fill the vacancy by appointment from Previous Election Candidates as set out in Schedule 2 of the Council Vacancy policy.
6. At the meeting, the following shall take place:
 - a) The Chair shall make a short statement of the purpose of the meeting and the general order of proceedings to be followed.
 - b) Members of Council seeking appointment (candidates) shall declare a pecuniary conflict of interest.
 - c) The Clerk will provide to the Chair a list of the names of those Members of Council who have indicated in writing their interest in being appointed to the vacancy and the Chair will call for a motion from Council in the following form:

THAT the following candidates, who have signified in writing their interest in being appointed to the office of Mayor, be considered for

appointment to fill such vacancy.

- d) Each of the candidates shall be afforded the opportunity to address Council for a period of not more than five minutes. The order of speaking will be determined by lot.
- e) Each member of Council not being considered for the appointment will be allowed no more than one question to each candidate.
- f) Upon hearing all the submissions of the candidates, Council will proceed to vote as follows:
 - i. Members of Council will vote by way of public vote;
 - ii. If the candidate receiving the greatest number of votes cast does not receive more than one-half the votes of all voting members of Council, the candidate or candidates who received the fewest number of votes shall be excluded from consideration. The vote will be taken again by the Clerk and, if necessary, more than once, excluding in each successive vote the candidate or candidates who received the fewest number of votes. This shall be repeated until the candidate receiving the greatest number of votes has also received more than one-half of the votes of the voting members of Council;
 - iii. Where the votes cast are equal for all the candidates:
 - 1. If there are three or more candidates remaining, the Clerk shall by lot select one such candidate to be excluded from the subsequent voting;
 - 2. If only two candidates remain, the tie shall be broken and the vacancy shall be filled by the candidate selected by lot, as conducted by the Clerk.
- g) If there is only one person placing their name forward to fill the vacancy or upon conclusion of the voting and drawing of lots, the Clerk will declare the successful candidate.
- h) A by-law confirming the appointment shall be enacted by Council appointing the successful candidate to the office for the remainder of the term of the present Council.

Schedule 2

Appointment Procedure to Fill Council Vacancy Office of Councillor

The City Clerk, or designate, shall be responsible for interpreting and where appropriate, facilitating the appointment application process. For the purposes of this procedure, "lot" means a method of determination by placing the names of the candidates on equal size pieces of paper and placed in a container with one name being drawn by the City Clerk, or designate. The City Clerk has the authority to make minor technical amendments to this procedure as may be required from time to time.

A. Appointment from Previous Election Candidates

1. Council shall declare the seat of the member of Council to be vacant in accordance with the Municipal Act.
2. The City Clerk shall provide Council with a report including:
 - a) The details regarding the results of the most recent election for the office of the vacancy.
 - b) Information regarding whether the candidate who received the next greatest amount of votes to those who were elected would be agreeable and able to fill the vacancy.
 - c) If the candidate who received the next greatest amount of votes to those who were elected is able and agreeable to filling the vacancy Council will pass a resolution that that person shall be appointed to fill the vacancy;
 - d) A by-law confirming the appointment shall be enacted by Council appointing the successful nominee to the office for the remainder of the term of the present Council.
3. The vote to appoint a member to the position of Councillor from previous election candidates shall be held within 60 days from the declaration of the vacancy and shall occur at a Council meeting.

B. Appointment by Call for Nominees

1. Within 60 days of declaring a seat vacant, Council shall appoint a new member by by-law.

Notice:

2. The Clerk shall post a Council Vacancy Notice on the City's website, social media and in the local newspaper. The notice shall indicate Council's intention to appoint an individual to fill a vacancy, the requirements to be considered for an appointment and the application process.

Application:

3. Any individual wishing to be considered for appointment to fill the Council vacancy will complete and sign the Council Appointment Consent of Nominee Form and a Council Vacancy Declaration of Qualifications Form approved by the City Clerk. Applications for the vacant seat may be filed with the City Clerk commencing at 8:30 a.m. on the day following City Council's decision to adopt an appointment process. Candidates shall submit forms to the City Clerk in person by the deadline to be established by the City Clerk.
4. Any individual wishing to be considered for appointment to fill the Council vacancy will be required to provide identification to prove his or her identity and qualifying address to the satisfaction of the City Clerk.
5. Candidates may submit a personal statement of qualifications, to a maximum of 5 pages in length, with the application, for consideration of Council.
6. It is the candidate's sole responsibility to meet any deadline, complete the application or otherwise comply with any requirements of this procedure.
7. The City Clerk will create a list of all eligible candidates that have complied with the application process. All applications shall be considered public documents and will be made available for public viewing in the same way as a nomination form for a candidate in a municipal election or by-election and shall be available for viewing in the Clerk's Office at City Hall, 1 Carden Street, Guelph, Ontario.
8. Copies of all application documents will be included with the agenda package for the Special Council meeting and will be made available as part of the public agenda posted on the City's website.
9. A candidate who wishes to withdraw his/her application may do so in person and in writing to the City Clerk. The deadline for any withdrawal shall be any time up to 10:00 a.m. on the Friday before the date of the special City Council meeting to fill the vacancy.

Council Meeting:

10. The vote to appoint a candidate shall occur at an open Council Meeting. The meeting shall be a Special Council meeting called for that purpose. No verbal delegations are permitted only written delegation correspondence will be accepted. All qualified candidates who have submitted an application for the

vacant seat will be notified by the City Clerk of the date and time of the special meeting of Council, at which time they may address Council.

11. At the meeting, the following shall take place:

- a) The Chair shall make a short statement of the purpose of the meeting and the general order of the proceedings to be followed;
- b) The City Clerk will provide a list of qualified candidates who have completed the Council Appointment Consent of Nominee and Council Vacancy Declaration of Qualifications forms;
- c) Each candidate will be afforded an opportunity to address Council for a period not to exceed five minutes;
- d) The order of speaking will be determined by lot, where first drawn will be afforded the opportunity to speak first and so on;
- e) All candidates shall be asked the same four questions which will be pre-determined based on input by Council;
- f) Candidates will be sequestered in an adjacent room until it is their time to answer the questions posed by Council. Once a candidate has answered the questions, they may remain in the Council Chambers.
- g) Upon hearing all candidate submissions, Council will proceed to vote, by way of public ballot vote, in rounds of voting as follows:
 - i. Members of Council will vote by way of ballot;
 - ii. Candidate names will be displayed on the monitors in alphabetical order, in the Council Chamber by the City Clerk;
 - iii. Members of Council will vote for one candidate only;
 - iv. The City Clerk will provide each member of Council with a ballot, with the member's name pre-printed on the ballot;
 - v. The City Clerk will ask the members of Council to cast his or her vote by writing the full name of one (1) Candidate on the ballot;
 - vi. The member of Council shall then sign the ballot; and
 - vii. The City Clerk will collect all marked and signed ballots, and will tabulate the results on the tally sheet to be used for this purpose.
- h) The following procedure shall be used for counting the votes:
 - i. The candidate who receives the votes of more than one-half of the number of members of Council present and voting shall fill the vacancy.
 - ii. A spoiled or incomplete ballot will be rejected by the City Clerk and the vote taken on the remaining ballots.
 - iii. If the candidate receiving the greatest number of votes cast does not receive more than one-half the votes of all voting members of Council, the candidate or candidates who received the fewest number of votes will be excluded from further consideration. The

name of a candidate or candidates excluded shall be removed from the monitors. The vote will be taken again by the City Clerk and, if necessary, more than once, excluding in each successive vote the candidate or candidates who receive the fewest number of votes. This process will be repeated until the candidate receiving the greatest number of votes has also received more than one-half of the votes of the voting members of Council.

- iv. Where the votes cast are equal for all the candidates and if:
 - a) There are three or more candidates remaining, the City Clerk, will by lot select one such candidate to be excluded from the subsequent voting;
 - b) If only two (2) candidates remain, the tie will be broken by selecting a candidate by lot to fill the vacancy, as conducted by the City Clerk.
 - i) Upon conclusion of the voting, the City Clerk will declare the candidate receiving the votes of more than one-half of the number of voting members of Council or the candidate selected through section (g)(iv)(b).
 - j) The appointment of the candidate will be made by by-law. A by-law confirming the appointment will be enacted by Council.
 - k) The City Clerk will administer the Declaration of Office required by subsection 232(1) of the Municipal Act, at the meeting where the by-law referred to in subsection 11(i) of these procedures is enacted by Council, or as directed by Council.
12. Where a situation occurs that is not otherwise accounted for in these proceedings, the City Clerk shall recommend an alternate process to Council, which Council may adopt with a simple majority vote.

Staff Report



To	Committee of the Whole
Service Area	Public Services
Date	Monday, October 2, 2017
Subject	Speedvale Avenue Bridge Underpass
Report Number	PS-17-24

Recommendation

1. That staff be directed not to proceed with the detailed design and construction of the Speedvale Avenue Bridge Underpass.
2. That staff be directed to continue to explore an alternative to the Speedvale Avenue Bridge Underpass in the Guelph Trail Master Plan Update.
3. That the \$50,000 approved in the 2017 Capital Budget for detailed design be reallocated to account PK0002 Guelph Trails.

Executive Summary

Purpose of Report

In July of 2015 the Parks and Recreation Department presented Council with Report # PS-15-34 Speedvale Avenue Bridge Underpass regarding the expansion of the Trans Canada Trail (TCT) on the west side of the Speed River from Speedvale Avenue to Riverside Park (the project). Council provided direction for staff to proceed with preliminary design and an Environmental Impact Study for a trail and a bridge underpass. Further, staff were directed to complete detailed design of the project in conjunction with the Speedvale Avenue Bridge reconstruction project being led by Engineering and Capital Infrastructure Services.

This report is to provide an update on the study work completed for the project and to provide staff recommendations on next steps for Council consideration and direction.

Key Findings

The Open Space Planning division of the Parks and Recreation Department established three feasibility criteria that the project had to meet: policy compliance, public safety, and environmental sustainability.

Preliminary routing studies, environmental assessment work and policy review completed for the project have determined that all three criteria cannot be wholly achieved for the project. As a result of project findings, staff have provided a

recommendation to not proceed with the Speedvale Avenue Bridge Underpass and Trans Canada Trail route on the west side of the Speed River. Other routing alternatives through the Guelph Trail Master Plan Update (GTMP) will be studied.

Constraints affecting the project criteria include:

Policy Compliance – Zoning and Official Plan Policy identify the study areas as a One Zone Floodplain that includes valleyland, significant woodlands and locally significant wetland. Natural Heritage System, Areas of Scientific Interest and Floodplain policies apply to the study area. Staff's work completing studies regarding feasibility has determined that as a sensitive natural area, the establishment of a trail, trail structures and underpass does not conform to City policy for protection of the City's natural heritage systems.

Preliminary trail routing identified boardwalks to mitigate environmental disturbance and accommodate accessibility. Under City policy, boardwalks are considered a structure which is not permitted within a One Zone Floodplain. Further, the placement of structures in a floodplain may create a flood risk and negatively influence river conditions during flood events, threatening both public safety and environmental sustainability.

Public Safety – The introduction of a trail system within a floodplain creates risk for public safety because users are being encouraged to use a trail that is expected to be a safe and accessible route from what currently exists. However, the proposed route is prone to flooding; therefore creating a public safety risk.

Environmental Sustainability – In accordance with Ministry of Natural Resources and Forestry regulations, the study area supports designated Significant Wildlife Habitat, Species at Risk, Species of Concern, and Regionally and Locally Significant Species. Findings that confirm the inventory and existence of environmental sensitivities add a new emphasis to provide stewardship within the study area to ensure their sustainability versus the introduction of activities that can deliver a negative impact.

Alterations within the river valley as a result of trail development may impact the fish habitat, and negatively influence the geomorphological conditions and hydrological function of a significant wetland. Further, alternatives threaten the natural heritage system because of the introduction of built form and removal of the natural ecosystem. Notwithstanding the constraints identified above, investigative work on the project also identified:

Land acquisition would be required to accommodate a proper trail corridor in order to achieve user, operational, and accessibility needs.

Upon review of the project's Environmental Impact Study, the River Systems Advisory Committee recommended that "consideration be given to not pursuing" a trail and underpass and that "an alternative trail location be considered along the east side of the river."

The existing retaining wall along the west side of the river north of the Speedvale Bridge needs immediate repairs and maintenance to sustain its current function.

Financial Implications

Finance staff will reallocate the \$50,000 approved in the 2017 Capital Budget for detailed design of the Speedvale Avenue Underpass.

Report

Expansion of the Trans Canada Trail (TCT) on the west side of the Speed River from Speedvale Avenue to Riverside Park and including an underpass platform under the Speedvale Avenue bridge came to Council as an external stakeholder request from members of Guelph Coalition of Active Transportation (GCAT) and Guelph Hiking Trail Club (GHTC) in early 2015. The request sought a shorter and safer alternative to the current on-road TCT route.

In July 2015 staff presented Report # PS-15-34 'Speedvale Avenue Bridge Underpass' to the Public Services Committee and subsequently to City Council. At that time, Council directed staff to proceed with a preliminary design and environmental impact study (EIS) of the proposed expansion of the existing Trans Canada Trail up to Riverside Park along the west side of the Speed River including an underpass at Speedvale Avenue Bridge (the study area). Council also directed staff to complete the detail design of the trail including the underpass in conjunction with the Speedvale Avenue Bridge Reconstruction project (ATT-1). In conjunction with public interest and Council direction, the project was also included within the 2015 Council Shared Agenda.

The Open Space Planning division of the Parks and Recreation Department established three primary feasibility criteria that this project had to meet in order to proceed to detailed design and construction: policy compliance, public safety, and environmental sustainability.

Feasibility work that staff has completed includes:

- Topographic Survey
- Preliminary Trail Alignment and Design Options
- Environmental Impact Study
- Tree Inventory and Assessment
- River Wall Structural Condition Assessment
- Geotechnical Investigation
- Hydraulic Analysis
- Slope Stability Assessment
- Geomorphology Characterisation

The study documents listed above are available in digital format at the following link: <http://guelph.ca/plans-and-strategies/parks-trails-planning/speedvale-bridge-underpass>

In addition to the studies identified above, Open Space Planning staff have led project specific consultations with the Grand River Conservation Authority (GRCA); Planning, Urban Design and Building Services Department; Engineering and Capital Infrastructure Services; River Systems Advisory Committee (RSAC); and Legal Realty Risk Services.

Through the studies and consultation, staff have learned that there are significant concerns and constraints to establishing a trail along the west side of the Speed River from Speedvale Avenue to Riverside Park. Preliminary routing studies, environmental assessment work and policy review completed for the project have determined that all three criteria cannot be wholly achieved for the project. As a result of project findings, staff have provided recommendation to study other routing alternatives through the Guelph Trail Master Plan Update (GTMP). The concerns are detailed below:

Policy Compliance

Section 24 of the Ontario Planning Act requires that all municipal works and bylaws conform to the City's Official Plan; specifically City's Natural Heritage System policies, Significant Natural Area policies and Floodplain policies found within the Official Plan are applicable for the project.

Passive recreational uses are permitted within the Natural Heritage System policy and can include the construction of a trail, benches or boardwalks in accordance with the Guelph Trail Master Plan or are integral to the scientific, educational or passive recreational use of a property. The policy allows "passive" uses subject to an EIS being completed and demonstrating that there is no negative impact to natural heritage features and areas, the area of construction disturbance is kept to a minimum; and, disturbed areas shall be re-vegetated or restored with site-appropriate native plant species. The proposed trail is for a "primary trail" and not passive recreational use. It is to be designed for higher volume use and receive high level maintenance including winter; therefore in non-compliance.

Further restrictions on trails are also imposed through the Significant Natural Area policies where significant wetlands or woodlands exist. This study area includes both a designated wetland and woodland. The policies require that where trails are proposed in these features:

- That existing informal trails be considered as the preferred alignment and formalization
- That trail be considered essential to the City's trail system or integral to the scientific, education or passive recreational use of the property;
- The environmental impacts of the proposed trails have been assessed and mitigated through design that minimizes impacts to the natural heritage features and areas, and ecological functions; and,
- Where appropriate, they consist primarily of boardwalks and viewing platforms and are accompanied with educational signs.

Although the proposed trail could be argued as essential for active transportation

and commuting as an alternative to vehicular use, its establishment does create environmental impacts that includes significant tree removal and disturbance of habitats for species at risk and significant species; therefore in non-compliance.

The City's policies regarding development constraints related to the floodplain also apply to this project. Policy requires development and user intensification be directed away from a floodplain to appropriate areas and mitigate risks, while also protecting life and property from the impacts and effects of flooding.

The study area is located within the One Zone area. The One Zone area applies to those areas where development is prohibited within the entire floodplain and includes areas where buildings/structures do not currently exist within the floodplain. Outdoor recreation is permitted in the One Zone – excluding buildings and structures. Preliminary trail routing has identified boardwalks to mitigate environmental disturbance and accommodate accessibility. As a designated structure, boardwalks are not permitted within a One Zone area.

Public Safety

Hydraulic analysis confirmed that the trail alignment is within the floodplain and if constructed, will be subject to periods where it will be under water. This applies specifically to the underpass portion of the trail beneath Speedvale Avenue. The study did not determine the frequency and duration of flooding as further study and cost would be required.

The introduction of a trail system within a floodplain creates risk for public safety because users are being encouraged to use a trail that is expected to be a safe and accessible route from what currently exists. However, the proposed route is prone to flooding; therefore creating a different public safety risk.

Raising the Speedvale Avenue bridge platform was investigated to achieve a pedestrian route that was outside of the flood risk; however, the bridge cannot be raised above its current elevation because it would create negative drainage impacts and potential damage to adjacent private property.

Environmental Sustainability

The Speed River Valley with its associated valleyland, wetlands, woodlands, and fish and wildlife habitats is the most prominent natural heritage feature within the study area. In accordance with Ministry of Natural Resources and Forestry regulations, the study area supports designated Significant Wildlife Habitat, Species at Risk, Species of Concern, and Regionally and Locally Significant Species. The diversity of species compilation includes: Butternut, Common Snapping Turtle, Northern Rough-Winged Swallow and Waterfowl Overwintering to name a few.

A number of potential environmental concerns with respect to the trail development have been identified, including:

- Removal of a total of 146 trees, including 40 trees along the south section and 57 trees on the north side due to the proposed development, and 49 trees due to poor health;

- Impacts associated with winter maintenance;
- Long-term maintenance of the trail structures and associated impacts (hazard tree removal, retaining wall maintenance, etc.);
- Construction mitigation challenges as they relate to working within the river valley, maintaining slope stability, timing windows (fish, birds and other wildlife), as well as staging constraints due to access restrictions and need for specialized equipment to work in tight work zones areas and potential for in water work if required;
- The risks associated with locating structures within the One Zone floodplain, as well as the long term impacts, risk management, and maintenance challenges that would be associated with these structures (i.e. trail closure due to flooding, debris build up and removal, potential log jamming/damming) that could also impact or influence river conditions; and,
- The potential cumulative impacts to this stretch of the Speed River Valley, resulting from the potential combined disturbances from multiple projects (i.e. Emma to Earl Environmental Assessment)

A Slope Stability Assessment concluded that the construction of a multi-use trail north of Speedvale Avenue would involve alteration of the existing slope and woodland resulting in a negative impact to the stability of the steep slope by creating risk of slope failure. The use of boardwalks could be considered a mitigation measure for the slopes.

Additional Study Findings

In addition to realizing how the project positions with conformity to policy, public safety and environmental sustainability, feasibility work also revealed that preliminary trail routing within the woodland on the north side of Speedvale Avenue would require land acquisition to accommodate a trail that would not undermine the river retaining wall, meet year-round maintenance standards, and conform with current accessibility legislation.

An engineering consultant was retained to inspect and comment on the current condition of the retaining wall located north of Speedvale Avenue along the west side of the Speed River. The wall has been evaluated to be in a good to fair structural condition with few medium to severe localized defects, and light to moderate surface deterioration. Rehabilitation and maintenance work is recommended to restore the retaining wall to good condition. Budget for asset maintenance of the walls has been included in the 2018 Capital Budget for Council consideration and approval.

Engagement

The project work completed to date has included project specific consultations with the Grand River Conservation Authority (GRCA); Planning, Urban Design and

Building Services Department; Engineering and Capital Infrastructure Services; River Systems Advisory Committee (RSAC); and Legal Realty Risk Services.

GRCA

GRCA input on the project requested additional detail study work be completed to further make clear trail development impacts and mitigation measures. GRCA comments included: the need for further feasibility study of the Underpass as the design and treatment of it could have further impacts on the trail connections, evaluation of the underpass's "direct, indirect and induced impacts" and mitigation of long term impacts to the wetland from winter maintenance of the trails. The GRCA has identified that their comments can be studied through detailed design and providing an amendment to the EIS document. City staff have not proceeded with detailed design or GRCA recommendations, as they compound concerns already identified in this report for not proceeding further on the underpass or trail alignment. A copy of the GRCA comments is attached (ATT-2).

RSAC

RSAC has provided input throughout the study process and in June of this year suggested that "consideration be given to not pursuing" a trail and underpass and that "an alternative trail location be considered along the east side of the river." RSAC concerns included: implementation of a trail within the Speed River Corridor would not be in conformity with City policy, long term disturbance to a designated Significant Woodland, impacts to fish habitat and the geomorphological condition of the Speed River, impacts to the designated Significant Wetland, construction challenges for building a trail, risks of placing structures in a floodplain, and cumulative impacts to the Speed River valley because of combined disturbances from multiple projects (i.e. Emma to Earl EA). A copy of the Committee's motion passed at their meeting on June 21, 2017 is provided (ATT-3).

City Departments

Project discussions occurred with several internal City departments, specifically, Planning, Urban Design and Building Services; Engineering and Capital Infrastructure Services; and Legal Realty Risk Services. Internal discussion identified concerns with the project proceeding under its current scope because it does not conform with policy, it is constrained by current site conditions, and trail alternatives should be considered that provide appropriate mitigation measures which will avert human or property risk.

Conclusion

Since the study commenced, the feasibility for a proposed expansion of the existing Trans Canada Trail (TCT) up to Riverside Park along the west side of the Speed River including an underpass at Speedvale Avenue Bridge has garnered significant technical findings. Staff efforts have identified concerns with proceeding with the construction of an underpass and trail based on conflict with current City Policy, risk to public safety, and long term negative impact to the existing sensitive natural environment that is compiled of significant Woodlands, Wetlands and Species at Risk, Regionally and Locally Significant Species. Further, input from GRCA has requested additional study work be completed to satisfy the feasibility of a trail and

underpass development and the RSAC has recommended that alternatives continue to be explored.

Based on all of the information compiled and potential negative impacts to the public and study area, City staff are recommending that no further study work continue on the expansion of the Trans Canada Trail on the west side of the Speed River from Speedvale Avenue to Riverside Park, and instead, study other routing alternatives through the Guelph Trail Master Plan Update (GTMP).

Financial Implications

A budget of \$50,000 was approved in the 2017 Capital Budget for detail design, due to the findings it be reallocated to account PK0002 Guelph Trails.

As a result of the recommendation of this report not to proceed any further, staff will remove the 2019 and 2020 forecasted budgets of \$3,350,000 to construct the Speedvale Avenue Underpass.

Consultations

Staff consulted with the GRCA and presented the EIS and supporting studies to the River Systems Advisory Committee on June 21, 2017.

Internal Stakeholders:

Infrastructure, Development and Enterprise

- Planning, Urban Design and Building Services Department,
- Engineering and Capital Infrastructure Services
- Accessibility Services, Facilities Management

Office of the Chief Administrative Officer

- Legal Realty Risk Services

External stakeholders:

- Grand River Conservation Authority
- River Systems Advisory Committee

Corporate Administrative Plan

Overarching Goals

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 Council Resolution dated July 20, 2015
ATT-2 GRCA comments
ATT-3 RSAC Motion

Departmental Approval

Luke Jefferson, Manager, Open Space Planning
Melissa Aldunate, Manager, Policy Planning and Urban Design
Antti Vilkkö, Manager, Design and Construction, Engineering Services
Kealy Dedman, General Manager, Engineering Service
Brent Andreychuk, Financial Analyst

Report Author

Jyoti Pathak, Park Planner



Approved By

Heather Flaherty
General Manager
Parks and Recreation
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Recommended By

Colleen Clack
Deputy CAO
Public Services
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during market hours, providing that such operation complies with the Farmers' Market By-law (2009)-18874 and does not impede traffic flow on Wilson Street, with the exception of special events.

4. That after one year of implementation of the initial and the final amendments to the Business Licence By-law (2009)-18855 with respect to Food Vehicles and Temporary Food Sales as contained in Public Services Report # PS-15-36, staff be directed to engage the public along with representatives of the Food Vehicle, Temporary Food Sale industries to identify the effectiveness of the amended licensing regime.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, MacKinnon, Piper, Salisbury, Van Hellemond and Wettstein (12)

VOTING AGAINST: (0)

CARRIED

PS-2015.24 Speedvale Avenue Bridge Underpass

Mr. Mike Darmon requested that the City give consideration to exploring all options for trail connection. He further requested that the traffic signals at the fire station on Speedvale Avenue be retained.

Main Motion

17. Moved by Councillor Downer
Seconded by Councillor Billings

1. That the Public Services Report # PS-15-34 "Speedvale Avenue Bridge Underpass" dated July 6, 2015 be received.
2. That staff be directed to proceed with the preliminary design, environmental impact study of the proposed expansion of the existing Trans Canada Trail up to Riverside Park along the west side of the Speed River including an underpass at Speedvale Avenue Bridge.
3. That staff be directed to complete the detail design of the trail including the underpass in conjunction with the Speedvale Avenue Bridge Reconstruction project.

Amendment

18. Moved by Councillor Bell
Seconded by Councillor Gordon

That the bridge connection from the west side of the river to the east side be referred to the Trail Master Plan process.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, MacKinnon, Piper, Salisbury, Van Hellemond and Wettstein (12)

VOTING AGAINST: (0)

CARRIED

Main Motion as Amended

19. Moved by Councillor Downer
Seconded by Councillor Billings

1. That the Public Services Report # PS-15-34 "Speedvale Avenue Bridge Underpass" dated July 6, 2015 be received.
2. That staff be directed to proceed with the preliminary design, environmental impact study of the proposed expansion of the existing Trans Canada Trail up to Riverside Park along the west side of the Speed River including an underpass at Speedvale Avenue Bridge.
3. That staff be directed to complete the detail design of the trail including the underpass in conjunction with the Speedvale Avenue Bridge Reconstruction project.
4. **That the bridge connection from the west side of the river to the east side be referred to the Trail Master Plan process.**

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, MacKinnon, Piper, Salisbury, Van Hellemond and Wettstein (12)

VOTING AGAINST: (0)

CARRIED

IDE-2015.17 Speedvale Avenue East from Manhattan Court to Woolwich Street – Road Design – Referred from June 22, 2015 Council Meeting

Ms. Lindsay Core advised that as a cyclist she avoids using Speedvale Avenue in favour of using the trail. She expressed concern with the potential congestion that would be created by the reduction to two lanes, a turning lane and bike lanes.

Mr. Nathan Proper advised that Speedvale Avenue has a high volume of traffic and any reduction of the current four lanes would create a giant backup of traffic similar to what was experienced during the recent construction.

Ms. Marcia Santen requested that Council consider the need of cyclists who need direct and safe bike routes and just bike trails.

Ms. Vicki Beard spoke in support of three lane configuration with bike lanes. She expressed concern with the loss of property, house values, trees and increased traffic if Speedvale Avenue is designed with four lanes.

Mr. Martin Collier suggested implementing a road diet would improve the safety for cyclists and cost less which would provide funding for other projects.

Mr. Mike Darmon supported option 4 but without turning lanes in the area of Delhi and Metcalfe Streets. He urged Council to consider all options for modification to the design.



June 21, 2017

Ms. Jyoti Pathak
Parks Planner
City of Guelph
1 Carden Street
Guelph ON
N1H 3A1

Attention: Ms. Pathak

**Re: Speedvale Avenue – Trails Linkage Project
City of Guelph**

Grand River Conservation Authority (GRCA) staff have now had an opportunity to review the following documents:

- Scoped Environmental Impact Study (Revision 3), prepared by Aboud & Associates Inc., dated May 15, 2017;
- Geomorphic Characterization & Design Support, prepared by Aqualogic Consulting, dated May 22, 2017;
- Hydraulic Assessment & Drawings, prepared by Amec Foster & Wheeler Environment & Infrastructure, dated May 12, 2017;
- Geotechnical Investigation and Slope Stability Report, prepared by Amec Foster & Wheeler Environment & Infrastructure, dated May 12, 2017.

Based on our review of the above documents, we offer the following comments for your consideration:

Natural Heritage

1. EIS Section 4.1.1 South Side Option, all four proposed trail options make the assumption that the proposed Speedvale Bridge underpass is feasible and set at an established elevation. The City should be aware that the design and treatment of the underpass has the potential to directly impact the trail connections on the north and south side of Speedvale Avenue.
2. EIS Section 5.3 GRCA Wetland Policies, the report states “the provision of an underpass of Speedvale Avenue is required, no other feasible alternative is possible to provide safe, off road passage”. While the North and South side options have been evaluated in the scope of the EIS, the method and design of an underpass and its direct, indirect, and induced impacts have not been evaluated and should be addressed in a brief or EIS addendum at detailed design.
3. If plowing and salting of trails is required it has the potential to have long term indirect impacts on the adjacent wetland. This should be addressed.

4. The Geomorphic Characterization and Design Report recommends integrated scour protection of the Speedvale Avenue crossing and trail structure under the crossing as well as downstream on the easterly bank of the river. An addendum to the scoped EIS is needed at detailed design to interpret the findings and conclusions of the above report as they relate to the underpass and any proposed scour protection/potential work on the river bed.
5. The stated rationale for the selection of preferred options N2 and S4 is acceptable.

Engineering Comments

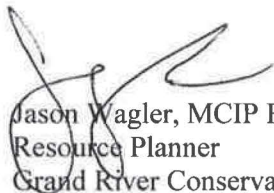
6. We have no comments or concerns with the geomorphic and hydraulic reports; however, a digital copy of the hydraulic model is needed for review.

Advisory Comments

7. The EIS should be amended to interpret how fish passage will be impacted as a result of the installation of the proposed bridge underpass.

Should you have any concerns or questions, please contact the undersigned at 519-621-2763 ext. 2320.

Yours truly,



Jason Wagler, MCIP RPP
Resource Planner
Grand River Conservation Authority

jw

RSAC DRAFT Motion – June 21 2017 – Speedvale Underpass Trail Linkage Project

Note: The motion below is a DRAFT and will remain as such until RSAC adopts it's minutes at its next meeting.

THAT the River System Advisory Committee accept the EIS and supporting studies contributing to the investigation of a multi-use trail underpass concept under Speedvale Ave and connecting north to Riverside Park, subject to the following:

THAT City staff report back to Council regarding the potential risks, negative impacts and implications associated with the proposed trail alternatives including the following concerns:

- The lack of policy conformity to the City's Natural Heritage System policies and One Zone flood plain policies;
- Broader negative construction and long term disturbance impacts to the Significant Woodland, including the full scope of tree removals and disturbance areas needed to complete the project – including hazard tree removals, invasive species management and associated restoration goals;
- Alterations that may impact fish habitat, alter or influence the geomorphological condition of the Speed River (including the backwater channel), associated flood functions and could pose additional risks that may undermine a proposed trail/boardwalk;
- Potential for these alterations to the river system to also impact the hydrological functions of the Significant Wetland;
- Construction challenges relating to working within the river valley, maintaining slope stability, timing windows (fish, birds and other wildlife), staging constraints, potential for in water work and the need for specialized equipment to be required;
- Long term disturbance related impacts resulting from ongoing maintenance of the trail structures (tree removal, vegetation control, erosion issues, retaining wall maintenance, etc.) that may contribute to a further deterioration of the river valley ecosystem;
- The risks associated with locating structures within the flood plain, as well as the long term impacts and maintenance challenges that would be associated with these structures (i.e. trail closure due to flooding, debris build up and removal, potential log jamming/damming) that could also impact or influence river conditions; and,
- That the potential cumulative impacts to this stretch of the Speed River valley, resulting from the potential combined disturbances from multiple projects (i.e. Emma to Earl EA and long term trail master plan connections) being studied at this time be considered and these impacts be minimized.
- That the flow data used in the hydraulic analyses consider data from near WSC stations to confirm the 87cms estimate provided in the geomorphic report

THAT consideration be given to not pursuing a Speedvale underpass trail and that mitigation, enhance and restoration opportunities be focused on enhancing the trail specific connectivity, design and associated plans for the Emma to Earl Street Bridge EA to contribute to the City's trail system and active transportation network.

That an alternative trail location be considered along the east side of the river, instead of the west side, which would also direct people to the existing road level crossing (which could potentially be improved/relocated etc.).

RSAC DRAFT Motion – June 21 2017 – Speedvale Underpass Trail Linkage Project

Note: The motion below is a DRAFT and will remain as such until RSAC adopts it's minutes at its next meeting.

THAT should detailed design be pursued, despite the recommendations above the following studies are undertaken to inform detailed design:

- A detailed tree preservation plan that includes the full range of removals required for the project and that seeks to preserve butternut trees in accordance with Provincial ESA requirements;
- A detailed landscape and compensation plan including details regarding the management of invasive species;
- Detailed Mitigation Plans for short-term and long-term impacts and including flood mitigation and scour protection;
- Investigations to confirm existing channel bed and native geology to contribute to the design of scour protection;
- A further analysis of the geomorphic conditions of the south west bank of the Speed River, where potential for flow expansion exists and may pose risk to the trail structure, alteration of the back channel and associated wetland;
- Detailed Restoration and Enhancement Plans, that include consideration for vegetation salvage; and,
- A wildlife construction protocol, dewatering plan, sediment and erosion control plan and a phasing/ staging plan;
- That the Speedvale road projects consider extending the bridge span so that the proposed trail would not encroach into the wetted width of the river.
- That proactive mitigation be undertaken along a different location along the Speed River.