

TO Corporate Services Committee

DATE Monday May 2, 2016

LOCATION Council Chambers, Guelph City Hall, 1 Carden Street

TIME 2:00 p.m.

DISCLOSURE OF PECUNIARY INTEREST AND GENERAL NATURE THEREOF

CONFIRMATION OF MINUTES – April 4, 2016 meeting minutes

PRESENTATIONS (Items with no accompanying report)

None

CONSENT AGENDA

The following resolutions have been prepared to facilitate the Committee's consideration of the various matters and are suggested for consideration. If the Committee wishes to address a specific report in isolation of the Consent Agenda, please identify the item. The item will be extracted and dealt with separately. The balance of the Corporate Services Committee Consent Agenda will be approved in one resolution.

ITEM	CITY PRESENTATION	DELEGATIONS	TO BE EXTRACTED
CS-2016.12 Transfer of Railway Right of Way and Assignment of Other Interests to Guelph Junction	PRESENTATION		
Railway Limited CS-2016.13 Corporate Services Annual Reports	Mark Amorosi, Deputy CAO, Corporate Services		\checkmark
CS-2016.14 2015 Reserve and Reserve Fund Statement			
CS-2016.15 2015 Development Charge Reserve Fund Statement			

CS-2016.16		
Budget Impacts per Ontario		
Regulation 284/09 and		
Budget PSAB Reconciliation		

Resolution to adopt the balance of the Corporate Services Committee Consent Agenda.

ITEMS EXTRACTED FROM CONSENT AGENDA

Once extracted items are identified, they will be dealt with in the following order:

- 1) delegations (may include presentations)
- 2) staff presentations only
- 3) all others.

STAFF UPDATES AND ANNOUNCEMENTS

ADJOURN

NEXT MEETING – June 8, 2016



The Corporation of the City of Guelph Corporate Services Committee Monday April 4, 2016 at 2:00 p.m.

Attendance

Members:	Chair Hofland Mayor Guthrie Councillor Allt	Councillor Billings Councillor MacKinnon
Councillors:	Councillor Bell Councillor Downer Councillor Gordon Councillor Piper	Councillor Salisbury Councillor Van Hellemond Councillor Wettstein
Staff:	Ms. A. Pappert, CAO Mr. M. Amorosi, Deputy CAO, Corpor Mr. S. Stewart, Deputy CAO, Infrastr Mr. D. Thomson, Deputy CAO, Public Ms. T. Baker, Acting General Manage Mr. S. O'Brien, City Clerk Ms. J. Sweeney, Council Committee	ructure, Development & Enterprise : Services er Finance/City Treasurer

Call to Order (2:00 p.m.)

Chair Hofland called the meeting to order.

Disclosure of Pecuniary Interest and General Nature Thereof

There were no disclosures.

Confirmation of Minutes

1. Moved by Councillor Allt Seconded by Mayor Guthrie

That the open meeting minutes of the Corporate Services Committee held on March 3, 2016 be confirmed as recorded.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Billings, Hofland and MacKinnon (5) VOTING AGAINST: (0)

CARRIED

Consent Agenda

The following items were extracted:

CS-2016.72015 Preliminary Year End Operating Variance Report (Unaudited)CS-2016.8Solid Waste Resources 2015 Negative Variance

CS-2016.10 2016 Property Tax Policy

Balance of Consent Items

2. Moved by Councillor MacKinnon Seconded by Councillor Allt

That the balance of the Corporate Services Committee April 4, 2016 Consent Agenda, as identified below, be adopted:

CS-2016.9 2015 Year End Capital Variance Report

That report CS-2016-16 entitled "2015 Year End Capital Variance Report" be received for information.

CS-2016.11 2015 Year End Investment Performance Report

That Report No. CS-2016-15 entitled "2015 Year End Investment Performance Report" be received for information

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Billings, Hofland and MacKinnon (5) VOTING AGAINST: (0)

CARRIED

Extracted Items

CS-2016.7 2015 Preliminary Year End Operating Variance Report (Unaudited)

 Moved by Councillor Allt Seconded by Mayor Guthrie

That report CS-2016-14 entitled "2015 Preliminary Year End Operating Variance Report (Unaudited)" be received for information.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Billings, Hofland and MacKinnon (5) VOTING AGAINST: (0)

CARRIED

4. Moved by Mayor Guthrie Seconded by Councillor Billings

That staff be directed to report back to the Corporate Services Committee on an updated operating variance reporting system using best practices from other municipalities and that scope greater transparency and greater frequency of report to Council.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Billings, Hofland and MacKinnon (5) VOTING AGAINST: (0)

CARRIED

CS-2016.10 2016 Property Tax Policy

- 5. Moved by Mayor Guthrie Seconded by Councillor Allt
 - 1. That Report CS-2016.08 entitled '2016 Property Tax Policy' be received for information.
 - 2. That the maximum allowable capping parameters be used for 2016 allowing the City of Guelph to exit the capping program in the shortest time frame available.
 - 3. That the 2016 City of Guelph Property Tax Policies as set out in Schedule 1 be approved.
 - 4. That the tax policies be incorporated into the tax ratio, tax rate, and capping by-laws and submitted to Council on April 25, 2016

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Hofland and MacKinnon (4) VOTING AGAINST: Councillor Billings (1)

CARRIED

CS-2016.8 Solid Waste Resources 2015 Negative Variance

Mr. S. Stewart, Deputy CAO, Infrastructure, Development & Enterprise; Mr. C. Walsh, Interim Manager Solid Waste Resources; and Ms. R. Shaubel, Internal Auditor responded to questions with respect to the 2015 Solid Waste Resources negative variance.

6. Moved by Councillor Allt Seconded by Councillor Guthrie

THAT the report from Infrastructure, Development and Enterprise dated April 4, 2016 entitled "Solid Waste Resources 2015 Negative Variance" be received.

VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, Billings, Hofland and MacKinnon (5) VOTING AGAINST: (0)

CARRIED

Authority to Resolve into a Closed Meeting

 Moved by Mayor Guthrie Seconded by Councillor Allt

That the Corporate Services Committee now hold a meeting that is closed to the public with respect to Sec. 239(2) (b) of the *Municipal Act* with respect to personal matters about identifiable individuals.

CARRIED

Closed Meeting (3:43 p.m.)

The following matter was considered:

CS-C-2016. 1 Solid Waste Resources 2015 Negative Variance

Rise from Closed Meeting (4:58 p.m.)

8. Moved by Mayor Guthrie Seconded by Councillor Allt

That the Corporate Services Committee rise from its closed meeting.

CARRIED

Open Meeting (5:00 p.m.)

Chair Hofland called the meeting to order.

Closed Meeting Summary

Chair Hofland reported that staff provided information with regard to the closed item Solid Waste Resources 2015 Negative Variance.

Adjournment (5:03 p.m.)

9. Moved by Councillor Billings Seconded by Councillor Allt

That the meeting be adjourned.

CARRIED

Joyce Sweeney Acting Deputy Clerk

CORPORATE SERVICES COMMITTEE CONSENT AGENDA

May 2, 2016

Members of the Corporate Services Committee.

SUMMARY OF REPORTS:

The following resolutions have been prepared to facilitate the Committee's consideration of the various matters and are suggested for consideration. If the Committee wishes to address a specific report in isolation of the Consent Agenda, please identify the item. The item will be extracted and dealt with immediately. The balance of the Corporate Services Committee Consent Agenda will be approved in one resolution.

Reports from Administrative Staff

RE	PORT	DIRECTION
CS-	2016.12 Transfer of Railway Right of Way and Assignment of Other Interests to Guelph Junction Railway Limited	Approve
1.	That the transfer to Guelph Junction Railway Limited of the right of way lands previously owned by Canadian Pacific Railway and transferred to the City in 1999, except that portion of the right of way lands being used by the City as a trail, as shown on the draft reference plans attached to report CAO-LS-1610, is approved.	
2.	That the assignment to Guelph Junction Railway Limited of the City's interests in the various agreements assigned to the City by Canadian Pacific Railway in an agreement dated March 31, 1999 is approved.	
3.	That the transfer to Guelph Junction Railway Limited of the remaining right of way lands in the Northwest Industrial Park, as shown outlined in red and green on Schedule C to report CAO-LR-1610 is approved.	
4.	That the assignment to Guelph Junction Railway Limited of the City's interest in the Tri-Party Agreement between Canadian National Railway, Canadian Pacific Railway and Guelph Junction Railway dated October 22, 1956, as amended, including the City's ownership interest, operating rights and maintenance obligations in and for the track in the Northwest Industrial Park, is approved.	
5.	That the City Solicitor is authorized to approve and execute on behalf of the City any documents required to implement the above resolutions.	

6.	exec the (addi Limi Guel Aver D in char	cute a City t tiona ted ir lph Ju nue a Repo nge ir	General Manager Parks and Recreation is authorized to an agreement between Guelph Junction Railway Limited and hat provides the City with an opportunity to purchase I lands for trails in the event Guelph Junction Railway ntends to transfer to a non-affiliated third party any part of unction Railway Limited's right of way between Speedavle nd the City limits as shown outlined in orange on Schedule ort CAO-LR-1610 or in the event there is intended to be a n control of Guelph Junction Railway Limited from the City affiliated third party.	
CS-2	2016	.13	Corporate Services Annual Reports	Receive
That	the 2	2016	Corporate Services Annual Reports be received.	
CS-2	2016	.14	2015 Reserve and Reserve Fund Statement	Approve
1. and			ort CS-2016-24 dated May 2, 2016, entitled "2015 Reserve und Statement" be received for information.	
2.		solida Cons and Cons Affo Cons the Cons Func Clos	hcil approve the following reserve and reserve fund tions and closures as described throughout the report: solidate and close Accumulated Sick Leave Reserves 102 103 into Accumulated Sick Leave Reserve 100; solidate and close Social Housing Reserve 208 into the rdable Housing Reserve 119; solidate and close the Capital Fire Reserve Fund 173 into Equipment Replacement Fire Reserve Fund 111; solidate and close the Capital Transit Improvement Reserve d 161 into the Capital Transit Reserve Fund 172; ure of the Investing in Ontario Act Reserve Fund 200, as Is have been fully allocated to capital projects.	
CS-2	2016	.15	2015 Development Charge Reserve Fund Statement	Receive
	•		5-2016-23 dated May 2, 2016, entitled "2015 Development re Fund Statement" be received for information.	
CS-2	2016	.16	Budget Impacts per Ontario Regulation 284/09 and Budget PSAB Reconciliation	Approve
Onta	rio R	egula	pprove compliance report CS-2016-25, Budget Impacts per ation 284/09 and 2016 Budget PSAB Reconciliation included Attachment 1 respectively.	

attach.



TO Corporate Services Committee

SERVICE AREA Office of the Chief Administrative Officer Legal, Realty & Risk Services Legal Services

DATE May 2, 2106

SUBJECT Transfer of Railway Right of Way and Assignment of Other Interests to Guelph Junction Railway Limited

REPORT NUMBER CAO-LR-1610

EXECUTIVE SUMMARY

PURPOSE OF REPORT

To provide information to Council regarding a transfer of the City's interest in the railway right of way and the assignment of certain other interests to Guelph Junction Railway Limited in accordance with the agreement made in 1999 and to obtain Council's instruction to proceed with the transfer.

KEY FINDINGS

In 1999, the City purchased the railway right of way owned by Canadian Pacific Railway ("CPR") in the City of Guelph and the Township of Guelph Eramosa and the interest of CPR in a number of agreements, including the Tri-Party Agreement relating to the Northwest Industrial Park. Although there is not an executed agreement in place, it was agreed between the City and Guelph Junction Railway Limited ("GJR") at the time of the purchase that when GJR paid the City approximately \$800,000, the City would transfer and assign these interests to GJR.

The City had retained intended railway right of way lands in part of the Northwest Industrial Park for unknown reasons. Most of this right of way has existing railway lines on it. The vacant right of way may be required for a connection between the north and south lines as a result of the MTO expropriation.

The debt owing to the City, including interest, was paid in full in December, 2009. In 2011, the GJR Board requested the City transfer the former CPR railway right of way and the right of way in the Northwest Industrial Park to GJR. Council authorized this transfer on November 28, 2011. No action was



taken on the transfer due to the failure to identify the existing trail lands along one portion of the right of way and the cost of obtaining reference plans to do so.

In April, 2015, Legal and Realty Services commenced a project to determine ownership of the railway right of way and other railway interests. It was determined that in addition to the interest in the right of way, there were numerous agreements which had been assigned from CPR to the City in 1999, including CPR's interest in a Tri-Party Agreement between CPR, GJR and Canadian National Railway relating to construction and operation of railway services in the Northwest Industrial Park. Ownership and intended use for the Northwest Industrial Park right of ways was also determined.

In November, 2015, the GJR Board approved funding in the GJR 2016 budget for the reference plans and other costs required to effect the transfer of the City owned right of ways.

On February 12, 2016, the GJR Board approved the transfer of the railway right of way, less the existing trail and the interests in the agreements to GJR. Subsequently, the Parks and Recreation department requested that some provision be made for future City trails over parts of the right of way being transferred. On April 8, 2016, the GJR Board approved staff entering into an agreement between the City and GJR which provided the City with the right to purchase portions of the right of way for trail purposes in the future if GJR intended to sell the right of way or if there was a change in control of GJR.

FINANCIAL IMPLICATIONS

GJR has assumed the costs for the reference plans related to its' interests and the cost of registration.

The title search and related costs for determining the City owned railway related properties was funded through the Realty Services budget in 2015.

ACTION REQUIRED

To approve the transfer of the former CPR railway right of way, the Northwest Industrial Park right of way and the assignment of the City's interests in railway agreements to Guelph Junction Railway Limited and to approve an agreement for the future purchase by the City of portions of the railway lands for trail purposes.



RECOMMENDATIONS

- That the transfer to Guelph Junction Railway Limited of the right of way lands previously owned by Canadian Pacific Railway and transferred to the City in 1999, except that portion of the right of way lands being used by the City as a trail, as shown on the draft reference plans attached to report CAO-LR-1610 is approved.
- That the assignment to Guelph Junction Railway Limited of the City's interests in the various agreements assigned to the City by Canadian Pacific Railway in an agreement dated March 31, 1999 is approved.
- 3. That the transfer to Guelph Junction Railway Limited of the remaining right of way lands in the Northwest Industrial Park, as shown outlined in red and green on Schedule C to report CAO-LR-1610 is approved.
- 4. That the assignment to Guelph Junction Railway Limited of the City's interest in the Tri-Party Agreement between Canadian National Railway, Canadian Pacific Railway and Guelph Junction Railway dated October 22, 1956, as amended, including the City's ownership interest, operating rights and maintenance obligations in and for the track in the Northwest Industrial Park, is approved.
- 5. That the City Solicitor is authorized to approve and execute on behalf of the City any documents required to implement the above resolutions.
- 6. That the General Manager Parks and Recreation is authorized to execute an agreement between Guelph Junction Railway Limited and the City that provides the City with an opportunity to purchase additional lands for trails in the event Guelph Junction Railway Limited intends to transfer to a non-affiliated third party any part of Guelph Junction Railway Limited's right of way between Speedvale Avenue and the City limits as shown outlined in orange on Schedule D in Report CAO-LR-1610 or in the event there is intended to be a change in control of Guelph Junction Railway Limited from the City to a non-affiliated third party.

STAFF <u>REPORT</u>





For the purpose of this report, references to Canadian National Railway and Canadian Pacific Railway shall include that corporation and any of its subsidiaries or lessees from time to time.

Construction of the Railway

In the late 1880's, Guelph Junction Railway (GJR) constructed a railway line from Norwich Street in Guelph to Guelph Junction in Campbellville. This line was leased to Canadian Pacific Railway (CPR) for 100 years. CPR constructed a track from Norwich Street North to Fergus.

The Tri-Party Agreement

In 1956, Canadian National Railway (CNR) and CPR entered into an agreement with GJR (the "Tri-Party Agreement") for the construction and operation of a railway line in the Northwest Industrial Park (the "Northwest Industrial Lead"). The agreement provided that GJR would acquire the land for the railway right of way and pay the cost of construction for the track and CNR and CPR would operate on the track. CNR and CPR also agreed to share certain operating and maintenance costs and to pay \$5.00 per car to GJR until the cost of the construction of the track was repaid, at which time CNR and CPR would each become 50% owners of the track. GJR retained ownership of the right of way unless GJR terminated the agreement, in which case ownership of the right of way would vest in CNR and CPR. There were a number of amendments to this agreement for the construction of additional railway line in the Northwest Industrial Park.

In the mid-1990's, the cost of construction of the Northwest Industrial Lead was paid in full by CNR and CPR and the ownership of the track vested in these two companies.

City Lands in Northwest Industrial Park

The City was the "developer" of the lands in the Northwest Industrial Park. The City retained certain lands for the use of GJR for the construction of the Northwest Industrial Lead. Some of these lands were transferred to GJR in 1969. It is unknown why the City did not transfer all of the intended railway right of way lands to GJR.

STAFF <u>REPORT</u>



Transfer of the CPR Interests to the City

In 1997-98, CPR advised GJR that it would not be renewing its lease of the GJR right of way running to Campbellville. CPR also provided notice that it was abandoning the rail line running from Norwich Street to Fergus. As part of the requirements for rail line abandonment, the City was provided with the right to purchase the CPR right of way and track within the City limits. The City decided to purchase the right of way, including a portion extending beyond the City limits into Guelph Eramosa Township that was required for continued operation of the railway within the City. The intended purpose was to ensure rail service was available in the City and to provide for the development of part of the TransCanada Trail along the Speed River on the railway right of way. Although not clearly documented, the railway lands purchased by the City were intended to be transferred to GJR when GJR had repaid to the City the relevant portion of the purchase price, being approximately \$800,000.

As part of the purchase transaction, CPR assigned to the City numerous agreements relating to its right of way, mostly for utility and pipe crossings (the "CPR Agreements"). CPR's interest in the Tri-Party Agreement was also assigned to the City.

GJR Begins Operating

In 1999, GJR began operating the rail service from Campbellville through the City and into the Northwest Industrial Park. GJR contracted with Ontario Southland Railway to actually provide the rail service. No agreements were ever made between the City and GJR regarding the use by GJR of the City owned rights of way and track. GJR assumed CPR's responsibilities under the Tri-Party Agreement and the CPR Agreements, although there was no actual assignment of those agreements to GJR.

Repayment of the Debt and Request to Transfer

The debt owing to the City, including interest, was paid in full in December, 2009. In 2011, the GJR Board requested the City transfer the former CPR railway right of way to GJR. Council authorized this transfer on November 28, 2011. No action was taken on the transfer due to the failure to identify the existing trail lands along that portion of the right of way along the Speed River and the cost of obtaining reference plans to do so. At the time, no reference was made to the CPR Agreements or the Tri-Party Agreement.



REPORT

In April, 2015, Legal and Realty Services commenced a project to determine ownership of the railway rights of way and other railway interests and to create a list of the outstanding CPR agreements and other agreements affecting the railway. A full title search of the railway lands was completed. From this search, a map was created showing the ownership of the railway lands, excluding the CN/Metrolinx mainline, in the City. The map is attached as Schedule A.

In the fall of 2015, the GJR Board authorized funds in the 2016 GJR Budget to complete the reference plans required for the completion of the transfer of the former CPR right of way from the City to GJR.

The Speed River Lands

The reference plans for the railway right of way adjacent to the Speed River have now been completed in draft form and those showing trail lands are attached as Schedule B. The entire right of way between Norwich Street and Marcon Street will be transferred to GJR because there is no trail on this section of the right of way. The Parts on the reference plans showing the right of way between Marcon Street and Speedvale Avenue outlined in red are the trail lands and will be retained by the City with the balance of the right of way to be transferred to GJR. The City and GJR will negotiate a maintenance agreement to clarify the obligations of both parties with regard to this section of the right of way.

Northwest Industrial Park

The remaining lands owned by the City at the western end of the Northwest Industrial Park are shown on the map attached as Schedule C. The straight line outlined in blue running north and south contains infrastructure servicing Linamar and other businesses. With the exception of the infrastructure land outlined in blue and the curved section outlined in green, GJR has constructed tracks on the City lands outlined in red.

In 2015, the Ontario Ministry of Transportation expropriated one of the railway lines crossing the Hanlon Expressway. Without both lines as currently configured, a connection between the lines in the Northwest Industrial Park would need to be constructed to ensure continued rail service was available to the affected



customers. The future right of way held by the City, shown in green on Schedule C, is required to construct this connection.

The land shown in red and green on Schedule C are to be transferred to GJR with the City retaining the land shown in blue. This was part of the land Council approved to be transferred to GJR in 2011.

GJR Board Approval

On February 12, 2016, the GJR Board approved the transfer of the railway right of way, less the existing trail, and the NW Lands and the interests in the agreements to GJR.

City Infrastructure

The City has infrastructure in the railway rights of way throughout the Northwest Industrial Park, the former CPR right of way and the GJR right of way south of Norwich Street. Some of this is documented through the CPR agreements, however these agreements became void when they were assigned to the City. Realty Services is working with Engineering to identify all of the City infrastructure in the railway right of way. Once this work is completed, a master infrastructure crossing agreement will be put in place between the City and GJR which will identify all locations and provide the appropriate rights of entry to the City.

Future Trails

When CPR abandoned the railway line from the City limits to Fergus most of the right of way was purchased by Guelph Eramosa Township and the Province. The trail closest to the City is now known as Kissing Bridge Trail which is separated from the end of the operating railway line by a small portion of the abandoned right of way which is owned by the Province.

In discussions with the Parks and Recreation department regarding the actual limits of the trail lands to be retained by the City for the portion of the right of way along the Speed River, Parks and Open Space planning staff expressed an interest in potentially using the other parts of the right of way between Speedvale Avenue and the northerly City limits for future trails. Specifically, staff wanted to ensure that if the City decided in the future it wanted to construct trails along those right of ways, GJR would be willing to transfer the required portions of the right of way to the



City. The part of the right of way staff is interested in is shown in orange on the map attached as Schedule D.

On April 8, 2016, the GJR Board approved GJR entering into an agreement with the City for the purchase by the City of portions of the right of way for trail purposes in the event GJR was intending to sell the right of way or there was going to be a change in control of GJR to a non-affiliated third party.

The portion of the railway right of way north of the City limits which leads to the Kissing Bridge Trail is also a potential future trail, however there has been no interest to date by the Province or Guelph Eramosa Township in securing an interest in those lands prior to the City transfer to GJR.

Conclusion

In transferring the former CPR right of way and the remaining sections of the current and future Northwest Industrial Park right of way to GJR, the City will be completing the intended plan in 1999 that the railway lands were being held in trust for GJR until the cost of acquisition was paid by GJR at which time GJR would assume ownership of all rail related properties and interests held by the City. While the right of way is owned by the City, the City has some responsibility for any liability that arises relating to the lands, including liabilities relating to the railway operations. This is compounded by the City's ownership interest in the Northwest Industrial Lead railway line.

The railway agreements assigned to the City by CPR are part of railway operations and have been administered by GJR since GJR commenced the operation of rail service in 1999. It does not appear that there was ever any intention that the City retain any rights in these agreements.

CORPORATE STRATEGIC PLAN

3. City Building – 3.2 Be economically viable, resilient, diverse and attractive for business.

DEPARTMENTAL CONSULTATION

Business Development & Enterprise Finance Parks & Recreation



FINANCIAL IMPLICATIONS

GJR has assumed the costs of most of reference plans and the costs of registration.

The City's costs for title searches and reference plans relating to its lands were paid from Realty Services 2015 budget.

SCHEDULES

Schedule A – Map of Railway Rights of Way Schedule B – Draft Reference Plans Schedule C – Northwest Industrial Park Lands Schedule D– Future Trail Lands

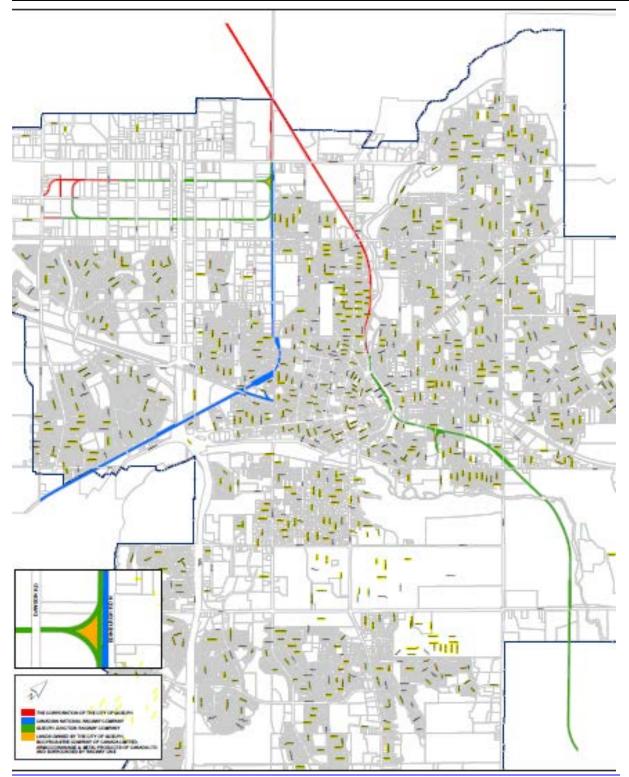
Report Author & Recommended By: Donna Jaques City Solicitor Ext. 2288 donna.jaques@guelph.ca

Recommended By: Peter Cartwright General Manager, Business Development & Enterprise Ext. 2820 peter.cartwright@guelph.ca

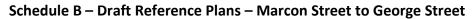


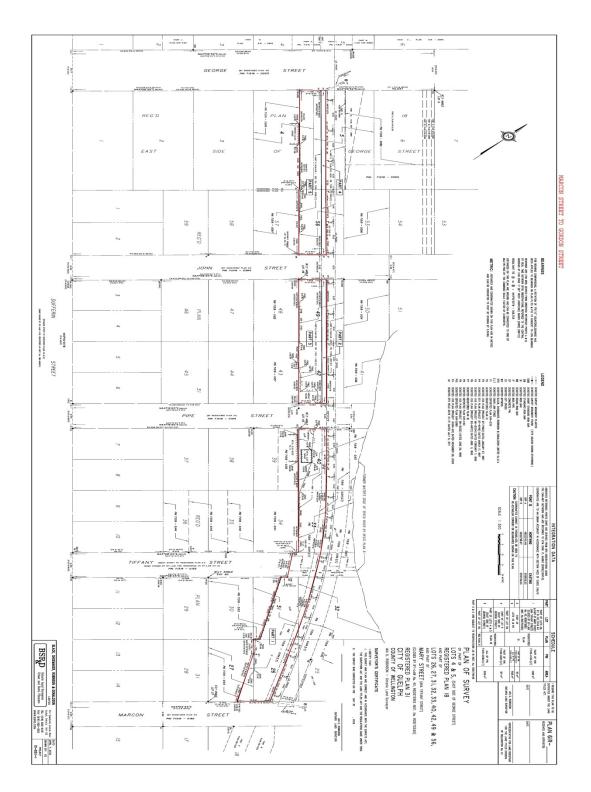
Schedule A – Railway Right of Way Map





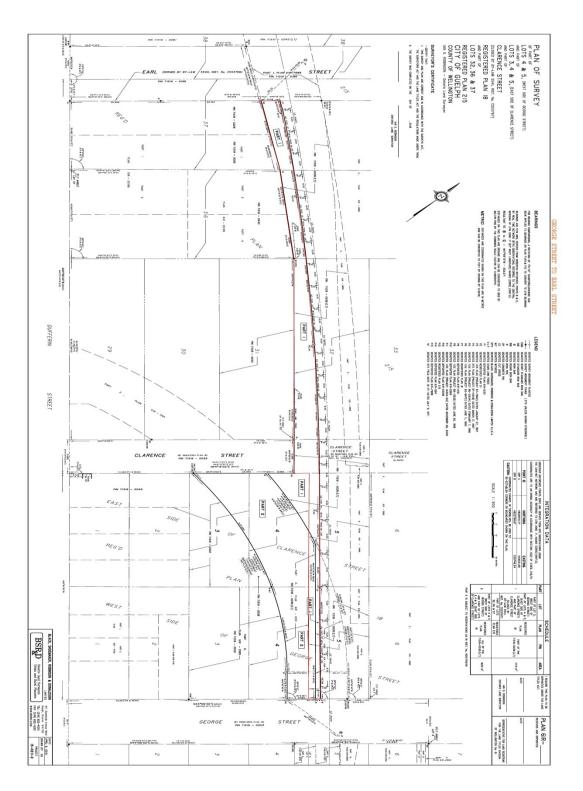




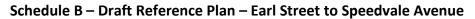


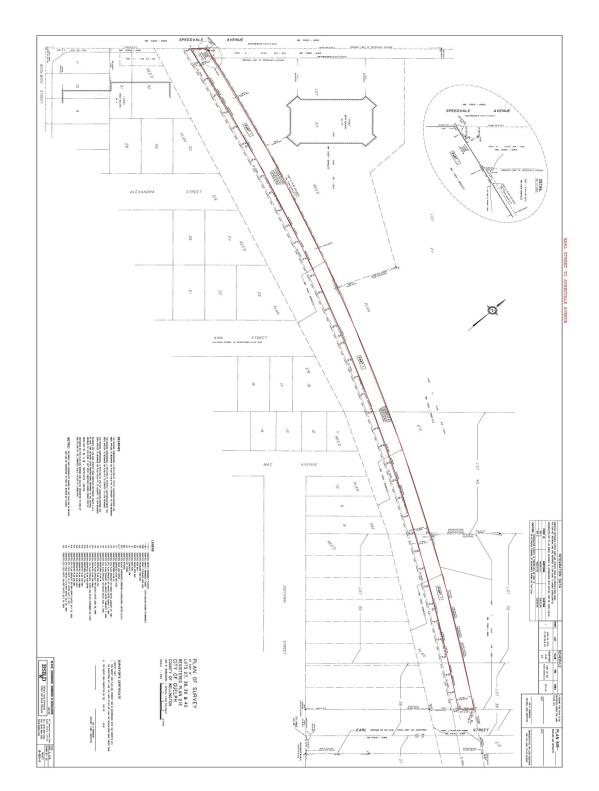


Schedule B – Draft Reference Plan – George Street to Earl Street











Schedule C – Western Portion of Northwest Industrial Park

Railway Tracks

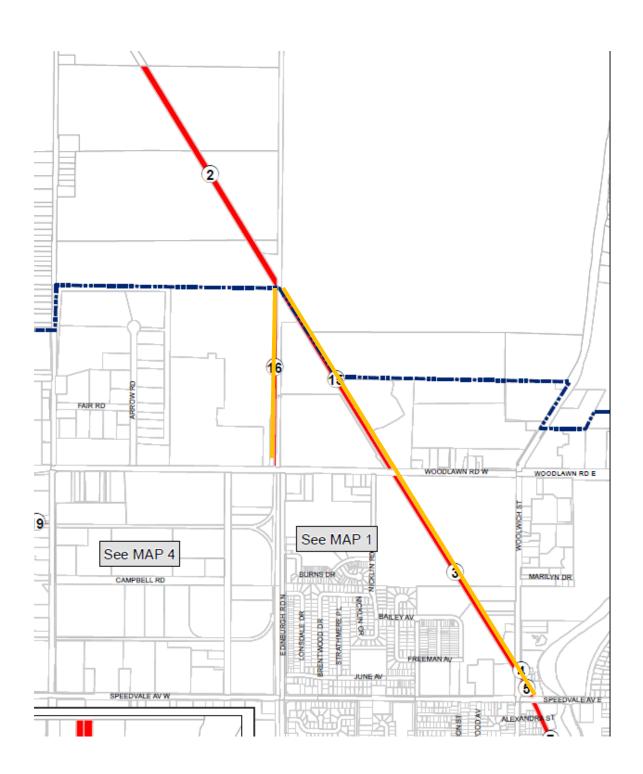
Infrastructure Lands

Vacant Right of Way





Schedule D – Future Trail Lands





TO Corporate Services Committee

SERVICE AREA Corporate Services

DATE May 2, 2016

SUBJECT Corporate Services Annual Reports

REPORT NUMBER CS-2016-20

EXECUTIVE SUMMARY

PURPOSE OF REPORT

To present to committee and Council the 2016 Corporate Services Annual Reports.

KEY FINDINGS

2015 Corporate Services Annual Reports are presented collectively under this single staff report. Staff will establish baseline standards across the service area to measure throughout 2017/2018 and report back accordingly to Committee and Council through future Corporate Services Annual Reports.

FINANCIAL IMPLICATIONS

All future funding requirements will be identified where applicable and incorporated as part of the 2017 budget process.

ACTION REQUIRED

Corporate Services Committee and City Council receive for information.

RECOMMENDATION

1. That the 2015 Corporate Services Annual Reports be received.

BACKGROUND

Each year the departments that comprise the Corporate Services service area prepare annual reports to demonstrate accountability for the delegated authority provided. This report provides information and analysis of performance measures for the activity, impact, value creation and cost management for the prior calendar year within each of the respective Corporate Services departments.

REPORT

Annual reports represent accountability to Council for the delegated authority provided to staff for the execution of administrative functions. They provide context



for informed management decision-making on priorities based on the identification of trends and assist in the development of remedial responses to improve performance areas that are trending negatively against available benchmark information.

Unlike the presentation of past years' reports, the 2015 Corporate Services Annual Reports are being presented collectively under this single staff report. Each of the Corporate Services departmental reports is attached as appendices to this staff report.

Corporate Services departments are moving towards a business engagement/partnership model in the delivery of services to corporate partners. This involves integrating more thoroughly into City service groups to align Corporate Services day-to-day work with the business outcomes of these service groups. This partnership allows for Corporate Services departments to become more aware and adaptive in supporting corporate colleagues which leads to the delivery of better public services.

Given this shift and the evolving nature of the services provided through Corporate Services, new metrics will be developed and reported on in future presentations of the Corporate Services Annual Report. In this report and the appendices, Council and the public will see familiar dashboard presentations of existing metrics within each department.

Summary of 2015 Successes

In 2015 and as a Service Area, Corporate Services departments saw great success in improving corporate support services and in the delivery of public services. Some successes include:

- Kick-start of the Customer Relationship Management (CRM) project which is a customer/citizen service initiative that involves improving digital services and making it easier for the public to access and seek service from the City.
- Delivery of the Records and Information Management (RIM) Strategy which is a key foundational body of work that will improve the delivery of public services by streamlining and standardizing records and information practices for staff. Implementation of key goals in this regard will carry out over 2016-2020.
- Delivery and implementation of the Geographical Information Systems (GIS) strategy which, amongst other things, has led to the delivery of the 311 GIS application for public and staff use to identify service requests for City departments.
- Ongoing work on leadership development amongst City staff including supporting work on the City's Leadership Charter and associated training and development programs for staff to ensure.



Highlights and Dashboards from Individual Corporate Service Departments

CITY CLERK'S OFFICE

- Council and Committee Support
 - The City Clerk's Office supported a 50% increase in meetings from 2014 to 2015. Additional meetings were necessitated as a result of two budget meeting approvals for the 2015 and 2016 budgets. Extra meetings were also required to orient a new council.
 - In 2016, staff will report on the findings of the Meeting Management Review (MMR) in an effort to find efficiencies and address "pain points" for the public, Council and staff in relation to Council and Committee meeting processes. Additional work will involve a review of the City's current governance structure and associated recommendations to Council.
- Records and Information Management (RIM) Program
 - In late 2014, City Clerk's Office staff began work on a Corporate Records and Information Management (RIM) Strategy. Staff was surveyed to further identify their challenges and priorities, the City's current program was benchmarked with comparator municipalities and senior leaders were engaged in a focus group session to highlight the risks and necessary steps associated with making the Strategy a reality.
 - The RIM Strategy was approved by Council in October 2015. With the first year of the five year strategy to start in 2016, key initiatives will involve developing governance and oversight, conducting a policy review, developing and updating policies and planning for multi-year projects around file cleanup and classification standards.

Mitigation measures:

Measures being implemented in relation to those areas indicated by red (agenda production) include pending revisions to the procedural by-law. A potential change to a Committee of the Whole structure will necessitate this change and will provide the opportunity to revise and update late report procedures. Ongoing staff training will also continue in order to update staff on changes and revised reporting procedures.

Access to Information	2013	2014	2015
Access and Privacy Program	N/A	🦲 Y +	● Y +
Records Management Program	• Y	● Y +	• Y +
Legislated Compliance	2013	2014	2015
FOI/Privacy Processes	• G	• G	• G



Records Retention	<u>о</u> Ү	<u>•</u> Y	• G
Public Notification	• G	• G	• G
Service Excellence	2013	2014	2015
Marriage Services	• G +	• G +	• G +
Agenda Production	• Y	<mark>-</mark> Y	• R
Business Excellence	2013	2014	2015
Agenda Printing Costs	• Y	<mark>-</mark> Y	• G
Staffing Requirements	• R	• R +	• Y +

CORPORATE COMMUNICATIONS AND CUSTOMER SERVICE

- Number of credible, skilled spokespeople in the organization
 - The number of skilled corporate spokespeople increased in 2015 with the delivery of focused training for all of the organization's senior leadership. Credible, skilled spokespeople are important in building trusting relationships with citizens.
- Call abandonment rate
 - This indicator is illustrated as cautionary. ServiceGuelph was unable to meet its fewer than 7 per cent call abandonment target in 2015. Call abandonment was at 20%, down only one per cent from 2014. This is reflective of several factors including an increase in call volume to the City's main switchboard over the last four years (17.5%). As in-person transactions increase, ServiceGuelph's ability to meet service targets for phone enquiries using the same staff complement has decreased both in terms of calls abandoned and calls handled.

Mitigation measures:

This is a trend we'd like to begin to reverse. In 2016 the department will begin work on a Citizen Experience Strategy; the organization will acquire its firstever Citizen Relationship Management tool; and foundational work in aid of a centralized call centre to improve citizen service, and in keeping with the recommendations of a third-party service needs assessment undertaken in 2015.

Departmental scorecard						
Capacity	2011	2012	2013	2014	2015	
Ratio of communications employees to residents		• Y	• G	• G	• G	



				Ma	aking a Difference
Ratio of communications employees to City employees		• Y	<mark>,●</mark> Y +	• G	• G
Capacity to meet organizational expectations			• R	<mark>-</mark> Y	• G
Client Satisfaction	2011	2012	2013	2014	2015
Quality of Corporate Communications' work			• G	• G -	• G -
Timeliness of Corporate Communications' work			<mark>.</mark> Y	🦲 Y -	• Y +
Access to Corporate Communications' services			• R	<mark>•</mark> Y +	• G
Client satisfaction with Corporate Communications' role in the IM process			• Y	• G +	• G -
Issues Management	2011	2012	2013	2014	2015
Department's time spent managing issues (by stage of IM cycle)			• Y	<mark>•</mark> Y +	• Y
Number of issues Corporate Communications involved in managing		• G	• G +	• G	• G
Strategic communications planning and management	2011	2012	2013	2014	2015
Number of strategic communications plans		• G	• G +	• G +	• G
Outreach channels	2011	2012	2013	2014	2015
Corporate advertising (number of City News wrote, designed and placed)		• G	• G -	• Y +	<mark>•</mark> Y +
Media output		• G	• G +	• G +	• G
Citizen service	2011	2012	2013	2014	2015
Calls handled					<mark>-</mark> Y
Calls abandoned					<mark>•</mark> Y +

City of Guelph communications scorecard						
Employee communication	2011	2012	2013	2014	2015	
Information flow between employees and leadership		• R		• R +		
Employee readiness for communication			<mark>•</mark> Y	● Y +	• G	



Number of credible, skilled spokespeople in the organization		<u> </u>	<mark>•</mark> Y	<mark>.</mark> Y	• G
Issues management	2011	2012	2013	2014	2015
Employee readiness for problem- solving		• R	• Y	• G	• G
Employees anticipate/respond to issues effectively	<u> </u>	<u>•</u> Y	<mark>-</mark> Y	<mark>-</mark> Y +	<mark>•</mark> Y +
Number of issues managed by category			<mark>-</mark> Y	• G +	• G
Number of employees through issue management training			• G	• G +	• G
Community engagement	2011	2012	2013	2014	2015
Public participation in the municipal process		• G	• G	• G +	• G +
Stakeholder relationships	2011	2012	2013	2014	2015
Public awareness of City programs and services	• G	• G	• G	• G	• G
Balanced media coverage	• G	• G +	• G	<u>е</u> Ү-	<mark>-</mark> Y -
Web and social media	2011	2012	2013	2014	2015
Number of weekly visits to Guelph.ca		• G	• G +	• G +	• G -
Number of followers on Twitter		• G	• G +	• G +	• G +
Number of fans on Facebook		• G	• G +	• G +	• G +
Number of Facebook impressions per month		• G	• G +	• G +	• G +

COURT SERVICES

- Charge volumes/Revenues/Cost Factor
 - These indicators are illustrated as cautionary. Decrease in charge volumes (down 30.6% from 12-year annual average) negatively affects revenues and raises the cost factor (i.e. the % of operating costs against gross revenue).

Mitigation measures:

- Enhanced enforcement efforts to recover outstanding defaulted fines.
- Strategic functional adjustments to lower costs (e.g. improve utilization of in-court time to increase number of cases on court dockets, which reduces adjudication costs paid to Province).
- Improve mechanisms to promote payment of fines (e.g. online payment systems).



• All other key performance measures remain positive

- Court Services continues to make operational improvements, streamline processes and adjust/re-focus resources to continue to:
 - Maintain low adjournment and time to trial rates, which has reduced transcript production and delay arguments.
 - Improve service transactions towards remote (i.e. self-serve) public access.

Public Access to Justice	2014	2015
Service Transactions	• G	• G +
Transcript Production	• G +	• G +
Community Impact	2014	2015
Charges Filed	• Y -	• R
Tickets Paid	• G +	• G
Tickets Disputed	• G +	• G +
Tickets – No Action (Defaulted Fines)	• G	• G -
Local Justice System	2014	2015
Time to Trial	• G +	• G +
Adjournment Rate (In-Court Results)	• G +	• G +
Business & Service Excellence	2014	2015
Employee/Case Ratio	• G +	• G +
Revenues	<mark>></mark> Y +	• R
Cost Factor	• G	● Y -

FINANCE

In 2015, finance removed a ratio previously reported on entitled "Discretionary Reserves as a % of Own Source Revenue" as this is a corporate ratio that the finance department has no direct control to influence and is reported annually through the "Corporate Financial Dashboard". Instead, two new indicators have been added that drive efficiency and are within finance's control: Number of Payments moved to Electronic Funds Transfer and the Finance surplus/deficit position as a department. In addition, other finance highlights include:



- Rate of return on cash and investments
 - The 2015 rate of return on investments increased from 2.395% in 2014 to 2.89% in 2015. While operating in an environment of low interest rates, Finance staff continued to aggressively pursue additional revenue.
- Credit Rating Score provided by Standards and Poors (S&P)
 - In 2015 S&P Rating Services reaffirmed Guelph's credit rating at AA+ with a stable outlook. S&P's report said rating was based on strong and diversified economy, exceptional liquidity, good financial management and robust financial policies, detailed operating and capital budgets and low debt burden. This indicator has moved into the cautionary range as staff are concerned about the low balances of the tax supported reserves and reserve funds and the decision to present an unfunded 9-year capital forecast during the 2016 budget.

Mitigation Measures:

In order to mitigate the cautionary rating, finance will continue to advocate to Council the importance of our tax supported reserves and to recommend that additional funding be directed to these reserves in future budgets to meet capital forecast needs.

Accountability & Transparency	2015
Amount of time budget is available for review by Council & the public	• G
Number of operating & capital variance reports to Council	• G
Number of payments moved to electronic funds transfer	New
Year-end position of the Finance Department budget	New
Cash Flow Management	2015
Rate of return on cash and investments	• G +
Taxes receivable as % of taxes levied	• G
Credit rating score provided by Standard and Poors	• Y
Procurement	2015
Controls in place to ensure purchases are linked to approved budgets	• G
Outcome of reviews conducted by internal audit	• G



HUMAN RESOURCES

- Attendance
 - The average number of paid sick days increased to 11.6 days per employee. This continues to track above the Human Resources Benchmark Network (HRBN) data of 9.2 days per employee.
 - Sick time can be looked at two ways:
 - Incidental Absence casual absences that occur intermittently throughout the year, and
 - Medically Supported Absences –absences supported by a physician and can be serious in nature i.e. surgeries, cancer, etc.
 - Employee incidental absences decreased in 2015 by 5% and the average number of days per employee is 5.7 days. Medically supported absences increased significantly in the same year. Short Term Disability (STD) increased by 30% and Long Term Disability (LTD) increased by 23.7%. These absences account for 5.9 days per employee. These absences are medically supported; therefore there are more challenging to address through the Attendance Support Plan.
- Grievance Rate
 - The total number of grievances was 87 (9.14%) in 2015. This number is down from 144 grievances (14.95%) received in 2014. The City continues to trend above the HRBN trend at 3.92% (2014 rate).
 - Both 2015 and 2016 are substantial bargaining years for the City, with 5 collective agreements to be negotiated. Typically organizations will experience an increase in the number of grievances filed leading up to bargaining.

A Well Workplace	2011	2012	2013	2014	2015
Voluntary Turnover	• G	• G -	• G	• G	• G
Sick Days per Employee	• R	• R	• Y +	• R	• R
Lost Time Incident Rate	• G	• G -	• G	• G	• G
Grievance Rate	<mark>.</mark> Y -	• R	• R	• R+	• R+
Leadership	2011	2012	2013	2014	2015
Employee Engagement	N/A	• R	N/A	<mark>•</mark> Y +	N/A
Management: Non-Management Ratio	• G	• G	• G	• G	• G



PDP Completion Rate	<mark>•</mark> Y +	• R	• G	• G	• G
A Learning Organization	2011	2012	2013	2014	2015
Training Cost per Employee	<mark>•</mark> Y +	• Y +	• Y	• G	• G
% of Positions filled Internally	<mark>•</mark> Y +	• G	• G	<mark>-</mark> Y	• G
Business & Service Excellence	2011	2012	2013	2014	2015
HR Staff: Employee Count	• G	• G	• G	• G -	• G
HR Expense	• G	• G	<mark>.</mark> Y	• G	• G*
Total Compensation as a % of Gross Operating Expenditures	• G	• G	• G	• G	• G*
Benefits Expense	• G	·Υ	<u> </u>	• Y-	• R
External Time to Fill	<mark>•</mark> Y +	• G	• G	• G	<mark>.</mark> Y *
Cost of Overtime	N/A	N/A	N/A	• R	• R

Mitigation Measures:

- Human Resources will be launching a new service delivery model in 2016 which will provide departments a trusted advisor to work on remedial actions on the areas that are trending negatively. This approach should improve the department's performance on the above metrics.
- Human Resources has built quarterly reports which will identify early areas that are exceeding the targets for 2016. This too will allow for early interventions which will improve the overall corporate performance.

INFORMATION TECHNOLOGY

- Application Management
 - A measure of how effectively the IT Department can provide and support critical business and productivity applications throughout their entire lifecycle with a focus on:
 - Long term strategic planning to ensure compatibility among existing systems and emerging technologies.
 - Alignment with existing and future operational and strategic requirements of the business.
 - Implementation of change management processes to ensure data integrity and application stability.
 - What we're doing:
 - Completion of Upgrades to WAM April 2016 and Kronos Aug 2016 will complete the upgrade of all core Corporate Applications.



- Full process review and standardization of ERP (JDE Finance and HR) and EAM (Enterprise Asset Management Function) in 2016.
- Re-implementation of ERP and EAM software and interfaces in 2017. Creation of more complete processes around promoting changes to production.
- Development of new test environments (GIS).
- Implementation of best practices around lifecycle upgrades frequency.
- Benefits:
 - o Increased compatibility among Corporate Applications.
 - Simplified Infrastructure as legacy platforms can be retired and efforts focused on new technology.
 - Overall system stability
 - $\circ\,$ The implementation of new functionality and best practices can be realized.
- Relationship Management A measure of the perceived value IT brings to the organization focusing on three areas: alignment with organizational strategy; developing the role of IT and a partner and enabler to technology with the rest of the organization; and, help balance the operational and strategic needs of all business areas in the organization.
 - What we're doing:
 - A new measure for IT in 2015. A targeted survey will be created and circulated in 2016 to benchmark IT's current performance. This survey will form the basis of future evaluations to monitor the program's effectiveness in the future.
 - Hiring of three relationship advisors to build relationships with key business leaders to develop technology strategies directly tied to their business needs as well as promote IT's vision, value, services and capabilities.
 - Benefits:
 - Increase awareness of emerging business requirements.
 - Increased insight into service and technology gaps.
 - Increased collaboration will result in better business alignment, increased credibility and more effective application of technology.

IT Governance	2012	2013	2014	2015
Committee Compliance	• R	• R+	• Y	• Y +
IT Process Compliance	• Y	<u>•</u> Y	<mark>-</mark> Y -	• Y +
Risk Management	• R+	• Y	<mark>•</mark> Y -	<mark>•</mark> Y +



Resource Management	• R+	• Y	• G	• G
Business Engagement	2012	2013	2014	2015
Strategic Alignment	• Y +	<mark>•</mark> Y +	• Y	<mark>•</mark> Y+
Business Value Delivery	• Y		• Y	<mark>•</mark> Y +
Service Desk Delivery	• Y	• Y	• G	• G
Relationship Management				
IT Sustainability	2012	2013	2014	2015
Applications Management	• R	• Y	<u>•</u> Y	<mark>•</mark> Y +
Infrastructure Availability	• G	• G	• G	• Y
Project Performance	• R+	<u> </u>	• G	• G
Financial Management	<mark>•</mark> Y +	<mark>●</mark> Y +	• G	• G
IT Innovation & Learning	2012	2013	2014	2015
Workforce Competency	• Y	• Y +	<mark>-</mark> Y	<mark>•</mark> Y+
Strategic Technology Adoption	Υ	<u> </u>	<mark>.</mark> Y	<u> </u>
Employee Engagement	• Y	• R	<u> </u>	<mark>•</mark> Y +

PROJECT MANAGEMENT OFFICE

- The Project Management Office (PMO) was brought under the Corporate Services Area in late 2015 and as such a 2015 dashboard is not available. Baseline key performance indicators will be established in 2016 and reported on in future Corporate Services Annual Reports. The following highlights of work are available:
 - Corporate Project Management Office (PMO) was established with an immediate mandate to develop governance and risk control for Complex Capital Projects
 - Capital Project Portfolio Management Framework Development (project tier categorization and project management rigor scalable according to the project tiers)
 - Business Process Management (BPM) functions were reallocated to the PMO with primary objectives of effective/efficient improvements through service / process reviews.

STAFF REPORT



Looking Ahead to 2016

Corporate Services departments will continue much of the work noted above and throughout the attached appendices. In addition and in line with the move towards a common Service Area wide report, staff will be establishing baseline standards to measure throughout 2017/2018 (for example, time to response in delivering service under the business engagement/partnership model) and report back accordingly to Committee and Council through future Corporate Services Annual Reports.

CORPORATE STRATEGIC PLAN

This report and the attached annual reports from the Corporate Services departments address the following strategic directions as outlined by the City's Corporate Strategic Plan:

- 2.2 Innovation in Local Government: Deliver public services better
- 2.3 Innovation in Local Government: Ensure accountability, transparency and engagement
- 3.3 City Building: Strengthen citizen and stakeholder engagement and communications

DEPARTMENTAL CONSULTATION

All Corporate Services departments consulted and collaborated on this report.

FINANCIAL IMPLICATIONS

All future funding requirements will be identified where applicable and incorporated as part of the 2017 budget process.

COMMUNICATIONS

Corporate and departmental performance reports are available at guelph.ca.

ATTACHMENTS

City Clerk's Office 2015 Annual Report Corporate Communications and Customer Service 2015 Annual Report Court Services 2015 Annual Report Finance 2015 Annual Report Human Resources 2015 Annual Report Technology and Innovation 2015 Annual Report

Stephen O'Brien, City Clerk **Report Author**

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City Clerk's Office 2015 Annual Report

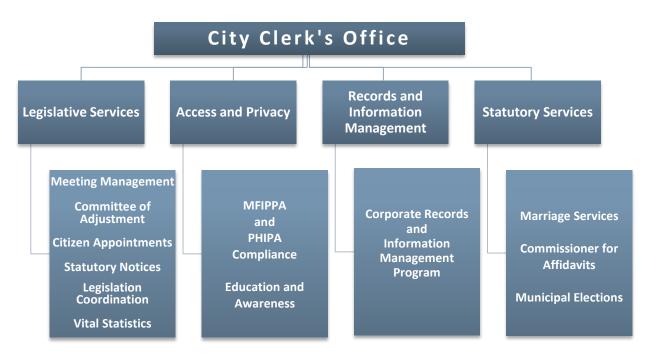


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INTRODUCTION

The City Clerk's Office is responsible for coordinating and supporting various statutory responsibilities provided by the *Municipal Act, Vital Statistics Act, Marriage Act, Municipal Freedom of Information and Protection of Privacy Act, Personal Health Information Protection Act, the Planning Act and the Municipal Elections Act.* Pursuant to these statutes, City policies and municipal best practice, the City Clerk's Office provides secretariat support to Council, its Committees and various Boards, documents the official record of the actions of Council, manages notice provisions related to public meetings and in response to other legislative requirements, has a mandate to manage the City's records and information holdings, processes Freedom of Information requests, serves as the returning office with respect to the administration of Municipal and School Board Elections and provides various other internal and public support services.



Functional Structure



Report Format

This is the 3rd Annual Report under the new format prepared by the City Clerk's Office. This report is working towards a transition from statistical reporting to performance measurement through the reporting of key performance indicators. This report is divided into the following five Sections:

Section 1: Key Initiative Summary

Supporting the Council Committee process, which included two budget cycles in 2015, was the main focus of the City Clerk's Office in 2015. In addition to continuing to meet its legislated obligations and support Council's decision making process, the City Clerk's Office took the final steps in the election by making public the final financial filings of candidates and processing a request for a compliance audit. Staff undertook the development of a Records and Information Management (RIM) Strategy to create a 5-year roadmap for the RIM program. Privacy training was expanded and included in orientation sessions for all full time and seasonal City staff. Staff completed background work, research and engagement process for a fulsome collection of information, required to make recommendations regarding improvements to the City's Meeting Management Process, which is to be reported in 2016. There was also a surge in volume for marriage ceremonies, which has been steadily increasing since the service was introduced in 2009.

The following is a list of key accomplishments for the City Clerk's Office in 2015:

- Research and background work for the Meeting Management Review (MMR) Process
- Completion of Municipal election responsibilities
- Development and initial implementation of a Records and Information Management (RIM) Strategy
- Access and privacy orientation training for all new full time and seasonal staff

Section 2: Dashboard and Scorecard

This section provides a visual representation of the data analysis, trends and targets.

Section 3: Performance Analysis Overview

This section provides further context, detail and analysis regarding the performance measures reported in the Dashboard and Scorecard. This section will also look at external trends that are either having an impact or are expected to impact the way we provide services in the coming years.

Section 4: 2016 and Beyond

This section includes a brief overview of the City Clerk's Office 2016 work plan including actions resulting from the analysis in Performance Analysis Overview section.

Section 5: Data Tables, Charts and Graphs

This section includes the data tables and charts that have traditionally been included in the City Clerk's Office annual reports of previous years.



SECTION 1: KEY INITIATIVE SUMMARY

Council and Committee Support

The Clerk's office was able to support a 50% increase in meetings from 2014 to 2015. The additional meetings were necessitated as a result of having two series of budget meeting approvals for the 2015 and 2016 budgets. In addition, extra meetings were required to orient a new council with more than 50% turnover in members. Despite this spike in the number of meetings, overtime was mitigated by instituting flex hour provisions for staff and print shop costs were mitigated through the implementation of recommendations from the 2015 Print Shop Audit, which included reducing the number of paper agendas and the amount of printing done in colour. In addition, corporate staff has begun to include links to associated documentation in reports, rather than including the documents to be reprinted in their entirety. As a result, the City Clerk's Office projects continued savings in printing costs in 2016.

2014 Election

The City Clerk's Office completed the management of the municipal election by providing the financial filing statements publically. As a result of an application for a financial compliance audit of one of the candidates, the Municipal Election Compliance Audit Committee was convened and an auditor hired to provide professional advice. Moving forward, staff continues to be involved in a series of AMCTO meetings respecting Municipal election reform and ranked balloting. The City Clerk has been involved in consultations with staff from the Ministry of Municipal Affairs and Housing in relation to voters' list enhancements, the introduction of ranked balloting and general Municipal Elections Act (MEA) reform.

Marriage Services

Volumes for marriage services and demand for off-site and off-hour marriage services has been steadily increasing since the City Clerk's Office started performing ceremonies in house. Services were commenced in 2009, with off-site and after hours being offered in 2013. Numbers of ceremonies have increased from 128 in 2009 to 212 in 2015 with revenues increasing from \$26,108 to \$49,588.

Access and Privacy Program

An Access and Privacy program fosters a culture of access and privacy throughout an organization. Without a strong privacy program, the organization risks the loss of trust with citizens, residents and stakeholders. A properly designed and implemented privacy management program will help proactively develop solutions before issues arise, as well as, identify and contain situations to minimize impact.

With the increasing amount of personal information collected and managed by the City, particularly around increasing interactive tools and applications used to engage

City Clerk's Office 2015 Annual Report



the public, it is essential to foster a culture of privacy that proactively mitigates risks and ensures compliance.

Following the policy review and development in 2014, policies were presented to the Corporate Management Team in November of 2015. With additional feedback received, the policies developed are planned for revision with additional staff input from impacted departments and will be presented to the Corporate Management Team again in 2016 for final approval. Privacy training was expanded and offered during the orientation training sessions for all new full-time and part-time seasonal staff. Due to staffing changes and capacity impacts, a corporate training plan for all staff that was to be implemented in 2015 will instead be developed and implemented in 2016.

Records and Information Management (RIM) Program

The development of the City's RIM Program began in 2012 and 2013 with the first City wide review of current recordkeeping practices as part of the Records Inventory Assessment. The goal was to better understand our current challenges and opportunities for staff to manage their information in new and more efficient ways.

These findings were used to inform the creation of a Corporate Records and Information Management (RIM) Strategy which began in the Fall of 2014. In the process of creating a five year roadmap for the City's RIM Program, staff was surveyed to further identify their challenges and priorities, the City's current program was benchmarked with comparator municipalities and senior leaders were engaged in a focus group session to highlight the risks and necessary steps associated with making the Strategy a reality.

Following a successful presentation to the Corporate Management Team in September 2015, the Strategy was approved by Council in October 2015. With the first year of the five year strategy to start in 2016, key initiatives will involve developing governance and oversight, conducting a policy review, developing and updating policies and planning for multi-year projects around file cleanup and classification standards.



SECTION 2: DASHBOARD AND SCORECARD

As illustrated below, several measures have been established and allocated to four performance areas within the City Clerk's Office. Items in the dashboard marked by **GREEN** indicate that the measure is reporting positively to benchmarks. **YELLOW** and **RED** indicate items that are not currently aligned to the benchmarks. **PLUS** and **MINUS** signs indicate the direction that these items are trending. For further context, the 2014 dashboard provides a comparison of the progress made on these measures from 2011 through to 2014.

2015 Dashboard

Access to Information	2013	2014	2015
Access and Privacy Program	N/A	• Y +	• Y +
Records Management Program	• Y	• Y +	• Y +
Legislated Compliance	2013	2014	2015
FOI/Privacy Processes	• G	• G	• G
Records Retention	• Y	• Y	• G
Public Notification	• G	• G	• G
Service Excellence	2013	2014	2015
Marriage Services	• G +	• G +	• +G
Agenda Production	• Y	• Y	• R
Business Excellence	2013	2014	2015
Agenda Printing Costs	• Y	• Y	• G
Staffing Requirements	• R	• R +	• Y +



2015 Scorecard

Value Creation

Measure	2014 Result	2015 Result	2016 Target		
Access and Privacy Program					
Internal requests	89 internal requests	97 internal requests	90 internal request		
Privacy process improvements	50 privacy process improvements	31 privacy process improvements	50 privacy process improvements		
Routine disclosure	447 routine disclosures	578 routine disclosures	600 routine disclosures		
Records Management					
Internal requests	12 requests for consultation and advice	46 requests for consultation and advice	40 requests for consultation and advice		
Records search	12,472 searches conducted	15,411 searches conducted	16,000 searches conducted		
By-laws digitized	No data collected	578 by-laws	3,000 by-laws		
		digitized	digitized		
		digitized	agitizea		
<i>Measure</i> Marriage Services	2014 Result 192 ceremonies were performed, including 149 on	2015 Result 212 ceremonies were performed,	2016 Target 220 marriage ceremonies		
	192 ceremonies	2015 Result 212 ceremonies	2016 Target 220 marriage		
	192 ceremonies were performed, including 149 on	2015 Result 212 ceremonies were performed, including 151 on	2016 Target 220 marriage		
Marriage Services	192 ceremonies were performed, including 149 on	2015 Result 212 ceremonies were performed, including 151 on	2016 Target 220 marriage		
Marriage Services Agenda Production Internal submission	 192 ceremonies were performed, including 149 on site and 43 off site 19 % average preview & recommendations 	2015 Result 212 ceremonies were performed, including 151 on site and 61 off site 14 % average preview & recommendations	2016 Target 220 marriage ceremonies 10% preview & recommendation		

FOI Requests Processed			
Initial 30 day	125/126 = 99%	152/152 = 100%	100%
timeline			
Extended timeline	5/5 = 100%	5/5 = 100%	100%
FOI Appeals		-	
Appeals received	New to scorecard	0	0
Appeals resolved	New to scorecard	0	0
Appeals ongoing	New to scorecard	0	0
Privacy Complaints			
Complaints received	New to scorecard	2	0
Complaints resolved	New to scorecard	1	0
Complaints ongoing	New to scorecard	1	0
Records Retention	335 boxes of records out of retention destroyed	757 boxes of records out of retention destroyed	Maintain rate of compliance
Statutory Public Notification			
Public Notices	29= 100%	25=100%	100%
OMB Appeals	8 = 100%	5=100%	100%
OMB Decisions	1 = 100%	3=100%	100%

Cost Control

Agenda Printing Costs					
Printing (physical costs)	\$20,049.24	\$12,278.53	\$12,000		
Staff Time (labour costs)	\$9,298.88 for 82 agenda (10,387 pgs.)	\$9,504.57 for 134 agenda (12,310 pgs.)			
	=\$113.39/agenda	=\$70.93/agenda	\$85.00/agenda		
Staff Complement* Council	4.8 FTE vs. 3 FTE for Guelph	3.5 FTE vs. 3 FTE for Guelph	3.5=100% FTE average		
Print Shop	2.1 FTE vs. 0 FTE for Guelph	1.5 FTE vs. 0 FTE for Guelph	2.25=100% FTE average		
Committee of Adjustment	2.6 FTE vs. 1 current FTE for Guelph	2.25 FTE vs. 2 FTE for Guelph	1.5=100% FTE average		
* (FTE complement vs. comparator municipalities with the same responsibilities)		·	J		





SECTION 3: DATA ANALYSIS OVERVIEW

Access to Information

Access to information should transcend beyond meeting legislated requirements in order to develop and support a culture that balances privacy and openness. These concepts are, in fact, complementary and are fundamental to the success of any open government. Developing an open by default approach, with limited exceptions, is essential to public accountability, transparency and customer focused service. As the Access, Privacy and RIM programs continue to evolve, the performance measures presented below may need to be adjusted in future years.

Access and Privacy Program

This measure is established to demonstrate the overall effectiveness of the City's Access and Privacy program. The measure is calculated based on an average of three internal metrics:

1. Internal requests - Providing advice to internal clients upon request. The number of all such requests serves to demonstrate awareness with respect to the privacy program within the organization.

In 2015, the number of internal requests continued to grow with 97 requests received, an increase from 89 in 2014. This reflects the continued increase in privacy awareness across the organization and a growing involvement of access and privacy as part of the project and day to day processes at the City.

The 2014 City Clerk's Office Annual Report indicated a change to this metric, from the number of requests received to the number of days taken to respond to a request. While this change to a performance measurement would be valuable, with capacity and staffing limitations, it was not possible to measure this as requests came in. For this reason the metric will remain the number of requests received until such time that a consistent measurement method can be developed for performance response times.

2. Privacy process improvements - Process improvements enhance the way with which the municipality notifies, collects and manages personal information. The total number of privacy process improvements reveals the overall commitment to the principles of access and privacy. An example is enhancements which are often made to consent notices appearing on signs and collection forms. Privacy process improvements, generally speaking, arise from internal requests for information/support through the City's Access and Privacy program.



With the completion of the Privacy Audit in 2014, the number of privacy process improvements was higher as the initial process reviews were done. Process improvements continued to be in demand in 2015 with 31 process improvements. The 2015 numbers reflect the ongoing need for project reviews and notification development however, following the Privacy Audit in 2013 and 2014, the largest numbers of higher risk improvements have been addressed.

3. Routine disclosure – Routine disclosure facilitates access to information by creating procedures that are less restrictive than formal Freedom of Information Requests (FOI) and, as a result, provides the public with timelier access to civic information. A key goal of the Access and Privacy program is to develop and implement departmental routine disclosure practices. A quantification of all such practices within the organization will be a valuable measure to assess the program's impact in this regard.

The number of routine disclosures continues to grow with over 100 additional disclosures in 2015 compared to 2014. Currently routine disclosure processes have been developed with Building Services and Fire Services, however, expansion is planned for 2016 to include additional departments which frequently receive requests for records.

Measure	2014 Result	2015 Result
Access & Privacy Program		
Internal requests	89 internal requests	97 internal request
Privacy process improvements	50 process improvements	31 process improvements
Routine disclosure	447 releases	578 routine disclosures

Records Management Program

This measure assesses the overall effectiveness of the corporate records management program. Records and information management are the foundation of an accountable and transparent organization as it facilitates both internal and external information exchange. These measures were chosen because they reflect the key areas where internal efficiencies can be supported through effective records storage and retrieval methods. Records Management was new to the scorecard in 2012 and the data collected in 2015 will serve as the fourth year of data to compare in future years for performance reporting. Future measures and metrics will added based on the key initiatives in the RIM Strategy in 2016 to 2020.

For this reason, the following measures are being used to reflect records management at the City of Guelph and are defined as follows:

1. Internal requests - The number of all internal advice or support requests serves to demonstrate awareness with respect to the records program within the organization.



Now in its third year of being measured, 46 internal requests for consultation or advice were received in 2015 compared to the 12 received in 2014. These numbers are likely a result of the increased staff engagement during the development of the RIM Strategy, as well as, the increasingly limited storage capacity at City facilities. As a result staff is initiating records cleanups throughout the year and is requesting assistance and advice on the organization of digital network drive files and the destruction of boxes of paper records out of retention.

2. Records search - This measure relates to the total number of record searches conducted using the Records Search database. The total number of record searches conducted demonstrates the staff interest and usage of search tools to efficiently access City information resources. As Enterprise Content Management (ECM) is a key objective of the records program, this metric is likely to evolve along with the implementation of an ECM system.

Council and Committee Coordinators in the City Clerk's Office dedicate a significant amount of time to ensure that information on newly approved bylaws and agreements are up to date in the Records Search database. 2014 was the benchmark year for this metric and the number of searches is significantly up from last year with over 15,000 searches conducted in 2015. This likely reflects an increasing reliance on central search tools to more efficiently find information by all Service Areas. A new initiative to digitize bylaws and agreements and link them through the Records Search database started at the end of 2015 and is reflected in the new metric below. The number of searches is anticipated to continue to grow in 2016.

3. By-laws digitized – This measure relates to a new initiative in the Clerk's office to digitize the City's by-laws and agreements. This initiative began in November 2015 and will be ongoing in 2016. Once digitized, by-laws and agreements will be linked though the Records Search database to provide more efficient access to all internal staff and will allow for greater customer service. This will also result in more secure storage and preservation of the original by-laws and agreements which are often the only original signed documents held by the City Clerk's Office.

Measure	2014 Result	2015 Result
Records Management		
Internal requests	12 requests for consultation and advice	46 requests for consultation and advice
Records search	12,472 searches conducted	15,411 searches conducted
By-laws digitized	No data collected	578 by-laws digitized



Service Excellence

The City Clerk's Office is a support service to Council, staff and the community. This service area supports Council's governance process, serves as an interface with the public to disseminate civic information and deliver services as well as supports the organization with compliance measures and leading practices for various legislated requirements. Despite the fact that, on average, 14% of all preview materials and 24% of all final documents did not meet submission timelines, the City Clerk's Office was able to produce the internal preview documents and the agenda for all Council and its committee meetings within the legislated timelines 100% of the time. Of note, is the increase in the number of meetings processed in 2015. 134 Council and committee meetings took place in 2015 in comparison with 81 for 2014 and 103 for 2013. Of these, 50 were special council meetings in 2015 in comparison with 11 special meetings each in 2014 and 2013. This is partially attributed to the fact that there were two budget cycles of meeting in 2015.

Meeting management and a comprehensive meeting management review was the focus of the City Clerk's Office daily operations in 2015. In this regard, data was collected through comparative research, environmental scans, and focus group meetings with council, staff and the public, which will be used to inform the recommendations going to Council in 2016.Staff also continued to provide program foundations to support the organization with respect to Council/committee support services, access, privacy and records management.

Marriage Services

This measure applies to the total number of marriage ceremonies performed per year. Although this measure is difficult to predict, the associated revenue is budgeted in accordance to patterns demonstrated over several years. The overall number of ceremonies performed has increased from 192 in 2014, to 212 in 2015. The increase in marriage services since its inception in 2009 is due to enhancements made to the levels of service introduced in relation to providing ceremonies which are off site, outside regular office hours, and outside city limits. Many are due to referrals as a result of a high satisfaction levels. In 2016, additional staff support has been allocated to providing expanded service in this area. This added support will be accomplished within existing budgets and will support the growing requests for these services.

Measure	2014 Result	2015 Result
Marriage Services	192 including 149 on site and 43 off site	212 including 151 on site and 61 off site

Agenda Production

This measure applies to the performance of the organization with respect to supporting the agenda production process. The measure will be calculated based on an average of two internal metrics:

1. Internal submission timelines met - Appreciating that various factors affect the timeliness with which agenda materials are submitted to the City



Clerk's Office, a statistical reporting process is monitored to track the submission of agenda materials. This measure exists to provide an overall assessment in order to provide data which can be used to gauge the impacts of late submissions on work flow managed by the City Clerk's Office. Although this measure is not controllable by City Clerk's Office staff, this reporting process allows staff to target and follow up on late submissions in an effort to support continuous improvement.

2. Publications timelines met - This measure relates to the total number of agendas published to the City's website past the targeted timeline. The goal is to have an agenda posted by noon Friday, two weeks prior to a meeting and to produce an addendum (supplementary agenda) the Friday prior to the meeting. These publication timelines have been met 100% of the time.

To provide context with respect to this metric, there are a limited number of times when reports are delayed due to extenuating circumstances relating to external negotiations or legislated reasons.

Measure	2014 Result	2015 Result
Agenda Production		
Percent late preview titles & recommendations (Based on annual average)	19%	14%
Percent late final reports (Based on annual average)	22.5%	24%

Compliance

Many of the services provided by the City Clerk's Office on behalf of the organization are governed by legislation. These areas are mandated by way of legislation including, but not limited to, the *Municipal Act, Municipal Freedom of Information and Protection of Privacy Act (MFIPPA), Personal Health Information Protection Act (PHIPA), Planning Act, and Municipal Elections Act.* Compliance is a legal requirement under these statutes, and as such, non-compliance exposes the municipality to liability and risk. Risks would also be posed to broader information initiatives involved in transparency and accountability, including Freedom of Information (FOI), Routine Disclosure, and Open Government programs.

Freedom of Information (FOI) Requests

This measure refers to the total number of FOI requests processed within the timelines legislated by MFIPPA/PHIPA and will be calculated based on an average of two internal metrics:

- **1. Initial 30 day timeline** The standard legislated timeline requirement is to process access requests within 30 days.
- 2. Extended timeline Privacy legislation also permits additional 30 day incremental extensions if a request is too voluminous to meet the initial 30

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day timeline. The rationale for securing an extension is based on whether the access request is large and/or if there is a need to consult with third parties, and/or if meeting the initial timeline would significantly interfere with the operations of the institution.

Last year, the City Clerk's Office obtained a 100% compliance rate with respect to FOI compliance which was continued in 2015. The City Clerk's Office will target 100% again for 2016.

Measure	2014 Result	2015 Result
FOI Requests Processed		
Initial 30 day timeline	125/126 = 99%	152/152 = 100%
Extended timeline	5/5 = 100%	5/5 = 100%

FOI Appeals

This measure refers to number of FOI appeals received from the Information and Privacy Commissioner (IPC) of Ontario, processed and resolved as legislated by MFIPPA/PHIPA and will be calculated based on three internal metrics:

- **1. Appeals received** The number of appeals received from the IPC in a given year.
- **2. Appeals resolved** The number of appeals that are resolved with the complainant and closed through the IPC appeal process in a given year.
- **3. Appeals ongoing** The number of appeals that are ongoing or outstanding that have not yet been resolved with the complainant and closed through the IPC process in a given year.

These three measures have been added as new to the scorecard in 2015 for increased transparency and accountability. In 2015 the City Clerk's Office did not receive any appeals from the IPC and is targeting to receive zero (0) again in 2016.

Measure	2014 Result	2015 Result
FOI Appeals		
Appeals received	New to scorecard	0
Appeals resolved	New to scorecard	0
Appeals ongoing	New to scorecard	0

Privacy Complaints

This measure refers to the total number of formal privacy complaints received from the IPC, processed and resolved and will be calculated based on three internal metrics:



- **1. Complaints received** The number of formal privacy complaints received from the IPC in a given year.
- **2. Complaints resolved** The number of formal privacy complaints that are resolved with the complainant and closed through the IPC complaint process in a given year.
- **3. Complaints ongoing** The number of formal privacy complaints that are ongoing or outstanding that have not yet been resolved with the complainant and closed through the IPC process in a given year.

This is the second set of measures new to the scorecard in 2015 that have been added for increased transparency and accountability. In 2015 the City Clerk's Office received two (2) privacy complaints, one (1) of which was resolved and one (1) of which is still ongoing. The City Clerk's Office is targeting to receive zero (0) complaints in 2016.

Measure	2014 Result	2015 Result
Privacy Complaints		
Complaints received	New to scorecard	2
Complaints resolved	New to scorecard	1
Complaints ongoing	New to scorecard	1

Records Retention

This measure is based on legislated compliance requirements with respect to records retention. Under the *Municipal Act*, the City is required to maintain a records program to manage and document how City business records are classified retained and disposed of. The *Public Sector and MPP Accountability and Transparency Act, 2014* also recently amended the MFIPPA and introduced the requirements that municipalities ensure that reasonable measures are developed, documented and put in place to preserve organizational records in accordance with any records retention requirements that apply to it.

Records retention timelines are established by By-law (2014)-19770. This single metric relates to Records Retention By-law compliant destruction as defined by the number of boxes or files destroyed in compliance with the most current Records Retention By-law timelines. The records destruction process that is currently in place was established at the beginning of 2013. One of the larger initiatives that will begin in 2016, as a result of the RIM Strategy, will be a review of the current retention by-law to update compliance with legislated requirements and business needs. This is expected to continue into 2017 before a revised by-law is passed.

Measure	2014 Result	2015 Result
Records Retention	335 boxes destroyed pursuant to the Records Retention By-law	757 boxes destroyed pursuant to the Records Retention By-law



Public Notification - Official Plans, Zoning, Subdivisions and Condos

This measure is designed to report on the compliance rate in meeting statutory notice provisions. The City Clerk's Office is responsible for issuing public notification with respect to meetings pursuant to the *Municipal Act*, the *Heritage Act*, the *Development Charges Act* and the *Planning Act*. In addition to forwarding notices by way of mail to residents and prescribed persons, there are also notices printed in the local newspaper, content published on the City website and documents processed through to appeal bodies such as the Ontario Municipal Board (OMB) and the Heritage Conservation Board. This measure is calculated based on an average of the following metrics:

- 1. Public Notices This metric is based on a compliance rate with respect to notifications issued to persons and public bodies as prescribed by the above noted statutes. Notice is provided by way of placing print advertisements in the local newspaper and the issuance of first class mail to targeted individuals. Notice provision is required upon Council's approval of a by-law.
- 2. OMB Appeals This metric relates to a compliance measurement with respect to the overall number of OMB appeals processed by the City Clerk's Office. Once an appeal is received by the City Clerk within the regulated timeline, an appeal package must be prepared and forwarded to the OMB.
- **3. OMB Decisions -** This metric relates to documents processed as a result of OMB decisions which resulted in amendments to the City's by-laws or creation of new by-laws by Board Order.

The City Clerk's Office met a 100% compliance rate with respect to the publication of notices under the *Planning Act*.

Measure	2014 Result	2015 Result
Statutory Public Notification:		
Official Plans, Zonings,		
Subdivisions		
Public Notices	29 = 100%	25 = 100%
OMB Appeals	8 = 100%	5 = 100%
OMB Decisions	1 = 100%	3 = 100%
Statutory Public Notification:		
Minor Variances and Consents		
Public Hearing Notices & Notices of Decision	313 = 100%	256 = 100%

Business Excellence

Agenda Production Costs

This measure calculates the costs with respect to the production of an agenda. Although coordination of agendas is a crucial component of the process, this metric will be focused on the staff resources, printing and delivery costs associated with agenda production. The printing costs do not take into account the material that was reprinted due to last minute changes. This data is reflected as a total cost of paper, printing and staff time to produce the agenda. Although there were more agendas produced in 2015 than 2014, the costs for printing decreased. This is partially as a result of the implementation of the Print Shop Audit recommendations. The hardcopy agenda distribution list was decreased by 25% which resulted in volumes being reduced to 24 from 32 on average. An abbreviated version of the agenda that was distributed to a select group, which included the face pages and consent agenda, were eliminated; which ranged from 3 to 14 copies depending on the committee. In addition, the addendum agenda was posted online and no longer printed in hardcopy to a broader distribution list and only printed for members of Council. Many pages previously printed in colour are now printed in black and white, which also reduces the cost. Report authors are now including attachments through inclusion of web links rather than by hard copy attached to the agenda. All these initiatives in combination have helped reduce the costs of printing.

Measure	2014 Result	2015 Result
Agenda Production Costs: Printing Staff Time	\$20,049.24 \$9,289.88	\$12,278.53 \$9,504.57

Staffing Complement

This measure establishes a benchmark with respect to an average staffing complement within a municipal clerk's office comparable to the core services it delivers. To ensure that the data allows for an equal measurement between similar departments, a municipal scan was undertaken in order to identify other municipal clerk's offices which could serve as suitable comparators. The process began with an evaluation of the City's Council approved "comparator municipalities" (December 7, 2009 Governance report from Information Services). An assessment was then undertaken to normalize this comparator group by identifying municipal clerk's offices comprised of similar positions providing the same scope and scale of core services provided by the Guelph City Clerk's Office. The core services consist of:

- Council Support (secretariat services, meeting management, citizen appointments etc.)
- Legislative Coordinator (vital stats, statutory public notices etc.)
- Records Management (records retention/tracking/EDRMS etc.)
- FOI (access requests, orientation/education etc.)
- Print Shop (agenda production, corporate printing etc.)
- Committee of Adjustment (corporate wide)

A secondary assessment was undertaken to further normalize this group based on common external pressures, namely:

- Resident population
- The number of employees within the organization
- Authority configuration (lower tier, single tier etc.)

Guelph



• The total number of Council, Committee, and Advisory Committee meetings serviced by the Clerk's office

Measure	2014 Result	2015 Result
Council & Committee Compliment		
Council	3 FTE vs. 4.8 for comparators	3 FTE vs. 3.5 For comparators
Committee of Adjustment	1 FTE vs. 2.6 for comparators	2 FTE vs 2.25 for comparators
Print Shop	0 FTE vs. 2.1 for comparators	0 FTE vs. 1.5 for comparators
Total Council & Committee support (FTE complement vs. comparator municipalities with the same responsibilities.)	4 FTE vs. 9.5 for comparators	5 FTE vs. 7.25 For comparators

Appreciating the many challenges of defining this comparator group, this measurement is extremely valuable in terms of benchmarking overall service delivery in relation to an average staffing complement seen within other similarly functioning clerk's offices. The target for this metric is to maintain an average staffing complement when evaluated against the comparator group. The following is an analysis of the comparison made for 2015.

Council & Committee Support

The Guelph City Clerk's Office supported 152 Council, Standing and Legislated Committee meetings with 47% less staff than the comparator group average. In 2014, Council approved the addition of a Council Committee Coordinator which improved these numbers from previous years. In 2015 an additional staff was hired to support the Council and Committee process. The 152 meetings supported is in comparison to an average of 117 supported by the comparator group. The staffing ratio to workload is polarized considering that staff in Guelph's City Clerk's Office were responsible for physically printing agenda packages, where the average comparator group consisted of an additional 1.5 FTE's allocated to the Print Shop in order to coordinate this function on behalf of their respective Council Support division. As such, the City Clerk's Office serviced 35 more Council and Standing Committee meetings or 30% more than the average of the comparators with 47% less staff.



Legislated Coordination

Although some of the comparators do not coordinate the same number of legislated public notices and appeals nor do they manage the process to the same degree as the Guelph City Clerk's Office, on average, the function of Legislative Coordinator was comparatively on par with 1 FTE.

Records/FOI

In 2014 the positions of Access and Privacy Specialist (permanent FTE) and Records and Information Specialist (contract FTE until 3Q of 2014) were merged to one position. As such, in 2015 the complement in Guelph was far below the municipal comparator group functioning at approximately 1 FTE whereas the comparator average was 2.4 FTE. During the 2016 budget deliberations, Council further supported the City's work on the RIM Strategy and approved an Information and Access Coordinator as an additional FTE to assist in the implementation and future operation of the program. The addition to this additional FTE will serve to ensure that the City Clerk's Office is aligned with the comparator group.

Civil Marriage Services

The City began to perform in house Civil Marriage ceremonies as a public service in 2009 following the construction of new City Hall. City Clerk's Office staff coordinates the issuance of marriage licenses as well as customizes and delivers a full-service civil marriage ceremony to members of the public. In 2014, 192 ceremonies were performed. In response to public demand in 2013, the City Clerk's Office commenced providing "off-site" marriage ceremonies after business hours and on weekends. As this service is not offered by many municipalities, this service level was extended in 2014 to include performing marriage services outside of City of Guelph boundaries. Due to demand created by word of mouth references and advertisements, 61 off-site ceremonies were performed in 2015 as compared to 43 in 2014.

Print Shop

The City Clerk's Office previously had one (1) staff to the corporate Print Shop. This individual coordinated the printing of agenda packages as well as managed the inhouse production of other printing requirements for the corporation. On average, the comparator group has 1.5 FTE's dedicated to this function in comparison to Guelph's City Clerk's Office who currently has no resource allocated. Clerk's staff supporting council and committees is also required to physically manage the printing process as it relates to the agenda production for these meetings. In 2015, corporate print projects are either managed and coordinated directly by the Service Area or outsourced to an external company.

A 2014 audit of the Print Shop conducted by the City's Internal Auditor led to a reduction in the number of hard copy agendas printed per meeting and savings in print costs. Despite this reduction, a large portion of the time spent on agenda production remains in place given that City Clerk's Office staff is required to manually collate reports and agendas.

Committee of Adjustment

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In 2014, the City Clerk's Office assumed responsibility for all administrative functions associated with the processing of Committee of Adjustment applications and with this transition, the Clerk's office gained one FTE. In the 2015 Budget, Council approved an additional FTE as a support to the Council Committee Coordinators to assist with the administration of the Committee of Adjustment as well as other Committees administered by the City Clerk's Office. The City of Guelph staffing is now more in keeping with the Comparator average of 2.25 FTE's for this service.

Staffing Requirements Summary

The overall complement in the City Clerk's Office consists of ten (10) permanent FTE's in comparison to 14.5 FTE on average for our comparators. In relation to the average of the identified comparators, this is 40% lower than the average for the comparator group. This disparity is increased by the fact that business in every division within the City Clerk's Office has continued to increase over the past two terms of Council. The most significant intensification has occurred in relation to Legislative Services where staff support is in place to manage a higher frequency of special Council meetings and frequent changes to agenda material before and after addendum preparation. This frequency of change is partially due to the fact that the City Clerk's Office now produces the agenda for distribution two weeks prior to the meeting rather than one week. The addition of two Council Committee Coordinators, one that predominately supports Committee of Adjustment, through the 2014 budget deliberations and a Council Committee Assistant as a 2015 budget approval, has greatly improved the capacity of the City Clerk's Office to respond to the changing needs of the organization. In summary, the comparison data suggests that the City Clerk's Office is still somewhat under resourced in relation to Council Support, the Print Shop, and Committee of Adjustment when evaluated alongside municipal comparators, but the staffing gap is narrowing. That being stated, the City Clerk's Office is continually looking for operational efficiencies by implementing flex-time provisions and addressing internal audit recommendations relating to the operations of the Print Shop. These, in addition to future efficiency exercises (including the Meeting Management Review) are aimed at allowing the City Clerk's Office to continue to provide high-quality internal and public service within existing staff complements and budget.



SECTION 4: 2016 AND BEYOND

The strategic focus for the City Clerk's Office in 2016 will be to continue the streamlining of the council committee process through a comprehensive Meeting Management Review, and the implementation of the recommendations of this review. This work will require a public communication program, changes to the Procedural By-law and potential changes to council/committee processes. Much of the project and program development work led by the City Clerk's Office are longterm strategic initiatives designed to establish the groundwork to transform, modernize and improve the way the City delivers services and support to its various stakeholders. Related to these improvements, will be the 2016 implementation of a portable meeting recording system that will be used to record meeting proceedings in any location. In addition, the RIM Strategy provides the City with a five-year road map to modernize the City's records and information structures and processes. Supported by additional staff that will join the City Clerk's Office in Q2 2016, the implementation of the RIM Strategy will improve access to digital records, address archival records and ensure more efficient delivery of services. This work will serve as a foundation to the City's work on Open Government. The work outlined by the RIM Strategy will begin in Q2 2016 and carry on through 2017 and beyond. The following is a high level list and synopsis of the 2016 work plan for the City Clerk's Office. This information is not meant to be exhaustive but rather provide some context regarding the key strategic initiatives and compliance measures which will be a focus of the 2016 work plan.

Meeting Management Review

In 2016 the City Clerk's Office staff will make recommendations relating to the Meeting Management Review project. In addition, staff will be implementing administrative efficiencies to the internal processes to facilitate the process whereby reports make their way to the agenda. The analysis included a review of meeting management trends, best practices in comparator municipalities, focus group sessions with the public, elected officials and staff, a comprehensive review of internal current practices, and an investigation and evaluation of potential efficiencies to the City of Guelph's meeting management processes. The City Clerk's Office is ultimately looking to develop and document processes, and make improvements to work flow, administrative tools, document formats and Council and committee processes to drive efficiencies in the meeting management process.

Council Composition & Employment Status Review

On December 16 2013, Council passed a resolution to direct:

1. That a Council Composition and Employment Status Review (CCESR) be conducted by a third party subject matter expert during the 2014-2018 term of Council with the intent that any proposed changes to be subsequently approved by Council take effect for the 2018-2022 term of office.



- 2. That all costs associated with the review be referred to the 2015 budget process for Council approval.
- 3. That the Terms of Reference for the Council Composition and Employment Status Review come back to the Governance Committee for approval.

On June 30, 2015 the Governance Committee received report CS-2015-58 entitled Council Composition and Employment Status Review – Update. That report contained the terms of reference for an RFP to acquire the services of a third party to complete the CCESR. An expansion package for this project was put forward as part of the 2016 budget process but did not receive funding. As a result of this, and legislated timelines for the review of ward boundaries, a similar review will not take place in 2016 and cannot be considered for implementation until the next term of Council in 2018.

Access and Privacy

The policies developed in 2014 as a result of the Privacy Audit were forwarded to the Corporate Management Team (CMT) in November 2015. With feedback received from CMT, additional staff consultation and revisions to the policies will be made in 2016 before they are brought back to CMT in 2016 for approval. With capacity and staffing transitions, the final phase of the Access and Privacy program was partially implemented to provide training as part of all new full-time and part-time seasonal staff orientations. However, the development of online and face-to-face training to reach all staff across the City will be completed during 2016 following the approval of policies.

The development of a more formalized Privacy Impact Assessment (PIA) process is also planned for 2016, to ensure that privacy considerations and solutions are proactively developed as part of the project management process. Finally, expansion of the routine disclosure process is planned beyond the current two participating departments. With the growth of an Open Government approach that places citizen's first, it is essential to facilitate access to information through more routine and accessible methods. Departments will be identified that regularly receive requests for records that do not contain personal information or confidential business information and a tailored routine disclosure process will be developed with them.

Records and Information Management (RIM) Program

Following a successful presentation to the Corporate Management Team in September, the RIM Strategy was approved by Council in October 2015. 2016 will be a foundational year for the RIM program as the first year of the five-year implementation of the Strategy.

Key initiatives will involve developing governance and oversight through the IT Governance Committee (ITGC) structure through the creation of a RIM specific subcommittee and a network of department liaisons, conducting a review of internal and external policies and developing RIM policies and updating related policies and processes as needed. A significant part of 2016 will also lay the ground work for multi-year projects that will involve engaging with staff in all departments and



Service Areas to create classification standards for paper and digital records, cleaning up network files and physical storage areas and beginning the update to the current Records Retention By-law.

Committee of Adjustment

Since the City Clerk's Office took responsibility for the administration of Committee of Adjustment applications in 2014, a number of procedural and administrative changes have been made to increase efficiencies. A focus for Committee of Adjustment staff in 2016 will be a comprehensive review and update of the Committee of Adjustment procedural and administrative policies. Preliminary review commenced in 2014, and the goal is to have updated policies in place by the end of 2016. This update will organize and streamline policies so that the Committee can operate effectively and ensure that policies are applicable, clear, and consistent.



SECTION 5: DATA

Some of the following data has been provided by way of previous annual reports from the City Clerk's Office. Not all of this information applies to Section 3 of this report; however, it does serve to support analysis in relation to budget development, continuous improvement and other reporting mechanisms.

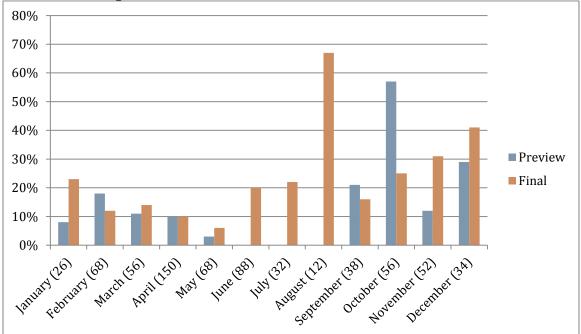
Legislative Services

Meeting Statistics – Number of Meetings & Time in Session								
	2013 2014 20							
Council								
Regular Council Meetings	20	20	20					
Closed Council Meetings	20	16	15					
Special Council Meetings	11	11	50					
Committee								
Standing Committee Meetings	52	34	49					
Total	<u>103</u>	<u>81</u>	<u>134</u>					
Hours in Council Session								
Regular	46.25	53	50.5					
Closed	26.75	17.25	23.75					
Special Council	25.5	15	130.75					
Total	<u>98.5</u>	<u>85.25</u>	<u>205</u>					
Hours in Committee Session								
Regular	62.5	40.75	66					
Closed	7	5	6					
Total	<u>69.5</u>	<u>45.75</u>	<u>72</u>					
Total hours in Council & Standing Committee Meetings	<u>168</u>	<u>131</u>	<u>277</u>					
Committee of Adjustment								
Regular Committee of Adjustment Hearings	17	14	16					
Special Committee of Adjustment Hearings	0	2	2					
Total Number of CoA Hearings	<u>17</u>	<u>16</u>	<u>18</u>					
Total hours in CoA Hearings	<u>31</u>	<u>28</u>	<u>30</u>					

Making a Difference

Meeting Statistics - Agenda Statistics					
	2013	2014	2015		
Council					
Average Agenda Pages	209	316	142		
Number of Delegations	183	168	267		
By-laws Approved	237	167	187		
Committee					
Number of Delegations	113	74	75		
Average Agenda Pages	n/a	115	97		
Committee of Adjustment					
Average Applications/ hearing	13	11	8.2		

2015 Monthly Late Submissions



*number in brackets represents the total number of submissions (preview, final and addendum) made by all service areas in that month

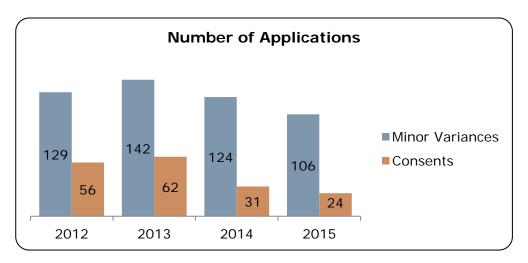
Citizen Appointments to Boards and Committees

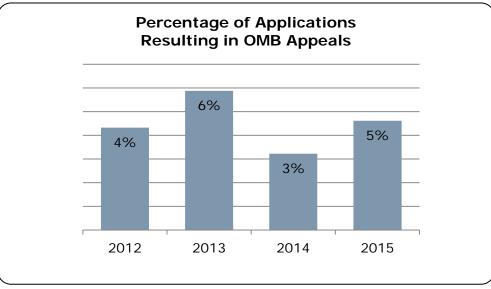
	2013	2014*	2015
Vacancies Filled	75	191	97
Applications Received	101	259	158

*Following an election, a high amount of vacancies are required to be filled resulting in a higher than usual number of applications



Applications for Committee of Adjustment under the Planning Act







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Vital Statistics			
	2013	2014	2015
Death Registrations	1,004	936	1,005
Revenue*	\$30,120	\$28,100	\$30,160
Other Death Registrations	328	275	320

*This category is for those deceased in the City of Guelph, but buried elsewhere, and deaths 3 months and under.

Access and Privacy

Freedom of Information (FOI)					
	2013	2014	2015		
FOI Requests Processed	160	131	157		
Completed in 30 days	153	125	152		
Completed in extended timelines	7	5	5		

Public Services

Marriages			
	2013	2014	2015
Ceremonies Performed/ Revenue	165/\$37,521	192/\$43,463	212/\$49,588
Licenses Issued & Revenue	737/\$64,032	756/\$65,598	749/\$64,815
Total Revenue	\$101,553	\$109,061	\$114,403



Clerk's Office Comparator Data*

	011100	00111	pulator				
	Guelph	Barrie	Burlington	Cambridge	Kingston	Kitchener	Oakville
Population^	122K	136K	176K	127 K	123K	219K	182K
Status	Single	Single	Lower	Lower	Single	Lower	Lower
No. Meetings per year**	134 (18)***	56 (62) ***	50 (72) ***	66 (0) ***	75 (68) ***	100 (31) ***	66 (55) ***
C of A applications per year	130	65#	151	56	68 (+59)****	150	270
Clerk	1	1	1	1	1	1	1
Deputy Clerk	1	1	2	1	1	1	0
Admin Support	1	1	1	1	2	1	1
Records and FOI	1	2.5	1	1	5	3	2
Council Support	3	3	6	3	3	2	4
Legislative Coordinator	1	1.5	0	1	1	1	1
Print Shop	0	1	3	1.5	1	0	2.25
Committee of Adjustment	2	1.5#	2	3	2	2	3
TOTAL CLERKS FTE's	10	12.5	35	12.5	16	11	15

^ Based on the 2011 Canada Census

* Data based on an organizational scan of comparator municipalities as well as by way of direct follow up with each municipal Clerk's

Office & number of meetings per year includes all meetings serviced by Clerk's staff including Council, all Committees and Boards, etc.).

** Council & Standing Committee meetings only

***Advisory & other Committee meetings supported by Clerks Staff

**** Applications processed under Delegated Authority.

*****Includes Secretary Treasurer and administrative Committee of Adjustment staff corporately #Not supported by Clerks office





Corporate Communications and Customer Services

Annual performance REPORT

April 2016



Introduction

The City of Guelph's Corporate Communications and Customer Service department provides communications and customer support services through a variety of channels.

Corporate Communications provides strategic and tactical communications services that enable the City to meet its business and service goals by:

- » Supporting and encouraging an engaged community that participates in the public process and recognizes its role in addressing issues and contributing to municipal policy and solutions
- » Establishing and building on mutually beneficial, trustworthy relationships with stakeholders
- » Enhancing staff's capacity to anticipate and respond to issues effectively
- » Enhancing communication within the organization

ServiceGuelph is a centralized customer service team that makes access to City of Guelph information, services, and resources easier.

Whether citizens are making a payment, registering for a program, learning about a City service, or needing an application, ServiceGuelph functions as a one-stop shop and makes service simple.

ServiceGuelph delivers three core services:

- » Operation of a central customer service counter at City Hall
- » Operation of the City's main switchboard
- » Administration of internal and external corporate mail services

The 2015 Annual Performance Report is the department's fourth annual performance report. This is the first year the report includes data and analysis for ServiceGuelph.

This year's report has been divided into the following six sections:

4	Section 1:	Key Initiative Summary A summary of the department's key initiatives throughout the year.
8	Section 2:	Corporate Communications and Customer Service, and City of Guelph communications scorecards Visual interpretations of the data analysis, trends and targets.
10	Section 3:	Performance analysis overview Further context, detail and analysis regarding the performance measures reported in the scorecard.
18	Section 4:	External trends A look at external trends in corporate communication and customer service that are either having an impact or are expected to impact the way we provide service in the coming years.
19	Section 5:	Corporate Communications and Customer Service: 2016 and beyond This section includes a brief overview of the department's 2016 work plan.
20	Section 6:	Data tables

This section includes data tables to support the analysis in Section 3.

Section 1: Key Initiative Summary

In 2015 Corporate Communications and Customer Service continued to support the corporation's priorities, the strategic and operational communication needs of City departments, and delivered against the action areas of The City of Guelph Communications Plan.

This work included:

Issues Management



Objective 2.1 – Improve the organization's ability to anticipate and respond to issues

Corporate Communications continued to steward the City's issues management system in 2015, and was directly involved in the management of 58 organizational issues.

Community Engagement



Objective 3.1 – Increase participation in public consultation and dialogue

The Corporate Communications division works closely with the Community Engagement division to increase participation in public processes by publicizing and promoting engagement opportunities, and by helping to ensure the organization understands its stakeholders.

Stakeholder relationships



4.2 Increase stakeholders' awareness of City programs and initiatives.

Strategic communications planning and management

The department developed 52 communications plans for corporate and departmental initiatives.

One of the strategic communications plans the team developed (My Guelph, My Vote) was recognized in 2015 by the International Association of Business Communicators for excellence in communications, and earned the City its first Gold Quill Excellence Award.

Corporate publications

Corporate Communications supported the organization in its work to comply with the Accessibility for Ontarians with Disabilities Act (AODA). The department undertook training on legislated requirements and is developing corporate tools and templates to ensure the City's online content, print publications and other documents comply with AODA.

This work will continue as more aspects of the legislation come into effect in future years.

Web and social

In aid of improving the quality of key stakeholder relationships, the City continued to grow its base of fans and followers by providing high quality, informative and relevant content.

Corporate advertising

The department planned, copywrote, designed and placed 429 City News ads and public notices in 2015.

Media relations

Corporate Communications sourced, coordinated and supported executive media/communications training for the corporation's senior leaders.

Industry presentations

Corporate Communications staff presented the following City of Guelph case studies to municipal government colleagues from across the country at the 10th Annual Municipal Communications Conference

- » To Change the Result, Change the Process #Guelphvoted
- » No water? No problem. Guelph can rock it #pioneerstyle

Departmental realignment

In 2015 ServiceGuelph moved from the former Community Services service area to join Corporate Communications in an expanded department that now includes the two corporate functions and two divisions.

At the same time, the department actioned a significant amount of work in fulfilment of the recommendations from a 2013 organization-wide communications needs assessment.

In 2015 the Corporate Communications division adjusted its structure to better serve the organization. Two functional specialists were added through the reallocation of positions.

In its first year, the organization's new digital communications specialist supported online content development; helped leverage emerging social media channels to foster citizen engagement; began to research the creation of a digital communications strategy for the City; and provided specialized support to departments.

Improving business processes

Integrating tax transactions into ServiceGuelph (Tax)

In 2015 ServiceGuelph began processing tax payments, increasing customer convenience. Customers no longer have to line up separately to make a tax payment.

Implementation of SendSuite

ServiceGuelph implemented the SendSuite package tracking application solution for more efficient delivery, pick-up, and searching of package information. It also provides the ability to report on package delivery metrics.

Access to AutoProcess (Courts)

ServiceGuelph added this capability to its suite of services. It now has the ability to directly access the parking ticket database to assist customers. This improvement saves time for customers and for Court Services staff.

Launch of 311GIS (IT/Bylaw)

ServiceGuelph has integrated the application of 311GIS into its day-to-day work. Using the app allows staff to efficiently record service requests that are reported to CSRs at ServiceGuelph so they can be prioritized and actioned by employees in the field.

Implementation of DocuPet registration application (Bylaw)

The City began using the DocuPet online registration system, providing greater customer convenience, and the ability to report on sales and find specific customer pet records quickly.

Work planning and prioritization

Corporate Communications began using its newly developed work prioritization matrix in earnest. The tool has become the model upon which the entire service area has built its priority-setting and work planning tool.

ServiceGuelph now uses one view to track and manage all team projects and tasks, giving the team the ability to plan and prioritize work for the team more efficiently (Asana project/task management application)

After-hours communications support

The City's after-hours communications protocol was expanded and corporate communications staff are now available 24 hours a day, seven days a week for urgent and emergent situations.

Customer Service

Customer Relationship Management assessment

Together with the Information Technology department, the team led a multi-month Customer Relationship Management (CRM) assessment project to gauge the organization's readiness for the tool. The assessment included collaboration with departments across the corporation, consultants, and other municipalities, and culminated with a final report and recommendations that position the City to move the project forward with procurement, implementation and—ultimately—to modernize and simplify the delivery of citizen services.

Enhancing customer service delivery

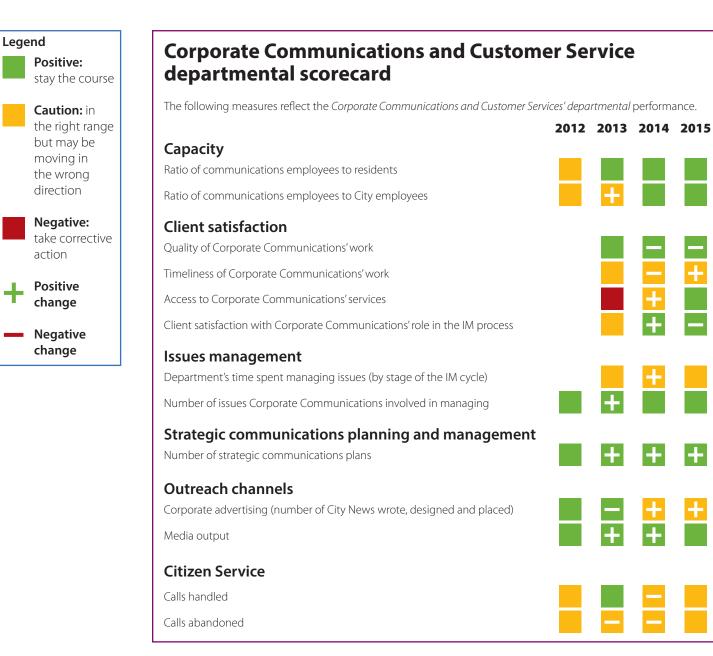
Corporate Communications designated a social media customer service lead; allowing more members of the team to focus on communications planning and evaluation, and reducing overall time spent on customer service.

Section 2: Scorecards

Below is the Corporate Communications and Customer Service scorecard—a visual depiction of measures that show change in the department's performance in 2015.

Three colours represent thresholds for performance, as follows:

- » **Green** indicates the division is reporting metrics or has anecdotal information to show it **meets or exceeds** the demands of the organization and the City's stakeholders.
- » **Yellow** indicates the division is reporting metrics or has anecdotal information to show it **meets demands but improvement is required**.
- » Red indicates the division is reporting metrics or has anecdotal information to show it does not meet organizational demands and requires immediate action.



Below is the City of Guelph communications scorecard—a visual depiction of measures that show change in the corporation's communications performance in 2015.

City of Guelph communications scorecard **Positive:** stay the course The following measures reflect the organization's communications performance. 2012 2013 2014 2015 Caution: in the right range **Employee communication** but may be Information flow between employees and leadership* moving in the wrong Number of credible, skilled spokespeople in the organization direction **Issues management Negative:** Employee readiness for problem-solving take corrective Employees anticipate/respond to issues effectively action Number of issues managed by category Positive change **Community engagement** Public participation in the municipal process Negative change Stakeholder relationships Public awareness of City programs and services Balanced media coverage Web and social media Number of weekly visits to **quelph.ca** Number of followers on Twitter Number of fans on Facebook Number of Facebook impressions per month

*Measured every two years.

Legend

Section 3: Performance analysis overview

Capacity (Corporate Communications)

The department reports on its capacity to meet the organization's communications needs vis-a-vis a group of comparators from Council's approved list of 18 comparator cities. The analysis shows how Guelph's staffing level compares to that of cities in our comparator group.

The department's permanent staffing level increased 2015. Some positions were reallocated within the Corporate Communications division; others were added as a result of the 2015 budget process. The division adjusted its structure to better serve the organization; it added graphic design, issues management and digital communications capacity to support the corporation.

Ratio of communications employees to City employees

The City of Guelph has one Corporate Communications employee for every 110 permanent full-time employees, placing Guelph second among the seven cities in this comparator group when it comes to staffing levels. Only the City of Burlington has a higher communications-to-City-employees ratio.

A 2013 benchmarking study shows the City of Guelph does more strategic communications than some of its comparators that have lower ratios of communications staff to City staff.

See data table "Ratio of communications employees to City employees" in section 6, page 20.

Ratio of communications employees to residents

The City of Guelph has a higher ratio of communications employees to residents than other cities in this comparator group. This is the second year the City of Guelph has held this spot. This is reflective of Guelph's commitment to two-way, open and transparent communication, and of the City's early adoption of social media as a mechanism for conversation (Association of Municipalities of Ontario.)

See data table "Ratio of communications employees to residents" in section 6, page 20.

Capacity (ServiceGuelph)

ServiceGuelph has four full-time employees and one part-time employee—an increase of 33 per cent since the service's inception in 2008.

In-person transactions at ServiceGuelph have increased over the past four years, with a 35 per cent increase in 2015 alone due to taking on tax transactions. Calls presented through the main switchboard over the last four years (2012–15) have increased by 17.4 per cent. The average in-person transaction takes more time and knowledge transfer per transaction, which has had an impact on ServiceGuelph's ability to meeting targets for calls handled and calls abandoned.

Client satisfaction

For the third consecutive year, the Corporate Communications division reached out to internal departments and asked for feedback about the services it provides.

The team used an anonymous, voluntary online survey to gather feedback from departments across the organization. Fifty-four management and non-management employees completed the survey—an increase of 24 participants over last year.

Client satisfaction with access to Corporate Communications' services

Eighty-one per cent of respondents were either very satisfied or satisfied with access to Corporate Communications support and/or services, and 98 per cent of respondents said they received some or all the services they requested. This demonstrates a positive, two-year trend regarding access to Corporate Communications services.

Client satisfaction with quality of Corporate Communications' work

Seventy-seven per cent of respondents were either very satisfied or satisfied with the quality of services and/or support. While this represents a 10 per cent decrease from last year, only two respondents indicated they were dissatisfied with the quality of the division's work.

For the first time, the division asked respondents to comment on their experience using its graphic design services. Seventy per cent of respondents who used in-house graphic design services said they were very satisfied or satisfied with the materials.

Client satisfaction with timeliness of Corporate Communications' work

Sixty-four per cent of respondents were either very satisfied or satisfied with the timeliness of the support they received from Corporate Communications—a 10 per cent increase compared to last year. Increasing the division's graphic design capacity and improving work planning and business processes are helping the division meet expectations.

Client satisfaction with Corporate Communications' role in the City's issues management process

Seventy-three per cent of respondents said they were satisfied with the role of Corporate Communications in the issues management process; a decrease from 89 per cent last year. One respondent indicated they were dissatisfied.

Issues management

The City of Guelph shares the Issues Management Council's definition of an issue: a gap between what the organization is doing and what its stakeholders expect.

Issues management is the process we use to close the gap between stakeholders' expectations and our actions. Otherwise said, it is an alignment between stakeholder expectations and organizational behaviour. And, when done with integrity, as it's practiced at the City of Guelph, issues management is more likely to change corporate behaviour than it is to alter public expectations. In a communicative organization*, issues management supports building, repairing, and maintaining relationships.

The Corporate Communications division has specific responsibilities for issues management, but all employees have a role to play in improving relationships and reducing distractions that can diminish organizational performance.

In 2015 the Corporate Communications division was involved in the management of 58 issues seven per cent fewer compared to 2014. Consistent with what was reported in the 2014 annual performance report, the department spent more time on issues management than it did in 2014. This is attributable, in part, to the complex nature of some of the issues the City was involved in managing last year.

In 2015, a significant number of issues were closed and—for the first time—is reported independently as an additional stage of the issues management cycle. Closing an issue involves the evaluation of what was achieved vis-a-vis desired outcomes, and documenting lessons learned.

Year over year, results continue to show the organization as a whole should do a better job of anticipating issues, which would result in the better use of resources over the long-term. Training for communications practitioners in 2015 focused in part on anticipating issues. This training should be expanded to all issues managers.

*Communicative organizations understand their own character along with their responsibility to have meaningful engagement with stakeholders. (Global Alliance for Public Relations and Communications Management.)

Number of issues by category

There were fewer issues managed at the inter-departmental level in 2015, compared to 2014. This represents a two-year trend and is indicative of better collaboration among City departments and of better issue anticipation and planning, which can mitigate escalation to the corporate level.

See data table "Number of issues by category" in section 6, page 21.

Percentage of issues managed at each stage of the issues management process

Analysis shows the department and the City are applying all phases of the issues management process, which is a key requirement for success. New this year, the percentage of issues that are closed is reported.

The data shows that in 2015, the organization anticipated a greater percentage of issues than it has in years past. This change is positive, and indicative of staff's enhanced capacity to forecast issues before escalation.

See data table "Percentage of issues managed at each stage of the issues management process" in section 6, page 21.

Departmental resource allocation

Corporate Communications staff spent 1,820 hours managing issues on behalf of the corporation in 2015—a five per cent increase over 2014. This represents a three-year trend; Corporate Communications staff spend 41 per cent more time supporting the corporate issues management process than it did when we began reporting on this indicator in 2013.

The issues management discipline is rightfully an important part of the work of the Corporate Communications division. It must be noted however, that too much time spent supporting issues management is time that cannot be spent building the proactive strategic communications plans that potentially avoid issues in the first place. Communicative organizations must balance the two disciplines.

See data table "Departmental resource allocation" in section 6, page 21.

Communications planning and management

The department developed 52 communications plans for corporate and departmental initiatives—40 strategic and 12 tactical—an overall increase of 44 per cent over 2014.

Of the 40 strategic communications plan, 24 continue to be implemented, with communications objectives to be measured upon project completion. Tactical communications plans do not necessarily contain measurable objectives.

Eighty-two per cent of the plans that are complete met their communications objectives.

Among the department's significant 2015 undertakings in this area:

- » A robust communications plan to support proactive community outreach about frozen pipe prevention at home
- » A plan focused on educating homeowners about mitigating radon gas levels in newly built homes
- » A two-pronged communications plan to ensure Guelph tenants are aware of their right to safe rental housing and know what it takes to be a good neighbour
- » An extensive communications plan to support the 2016 budget process
- » A comprehensive communications plan to support community engagement activities to inform the development of a Parking Master Plan and recommended funding strategy for Guelph's existing and future downtown parking needs.

In 2015, two City of Guelph strategic communications plans earned accolades, locally and internationally:

- » International Association of Business Communicators **Gold Quill Excellence Award** for Government Communications Programs My Guelph, My Vote
- » Canadian Public Relations Society Hamilton Chapter **Pinnacle Award** for Communication Management My Guelph, My Vote
- » Canadian Public Relations Society 2015 Don Rennie Memorial Award Jubilee Park Master Plan communications strategy
- » Canadian Public Relations Society **Silver Award of Excellence** for the Canadian Community Relations Campaign of the Year – Jubilee Park Master Plan communications strategy
- » Canadian Public Relations Society Hamilton Chapter **Pinnacle Award** for Community Relations category Jubilee Park communications program

Other communication plans included the York Road environmental design study, 2015 construction season, emerald ash borer, 311GIS, Clair-Maltby Secondary Plan Initiation Phase, and Public Waste Drop-Off upgrades.

Training and professional development

The department's training and professional development is well-aligned with corporate priorities. 2015 training included: risk communications, speechwriting, plain language, using data to tell the story, and facilitator training.

See data table "Training and professional development" in section 6, page 22.

Stakeholder relationships

Corporate publications

The department researched, wrote, edited and designed several corporate publications for print and online production. Some of the City's 2015 publications are:

- » 2015 City budgets
- » 2014 Making a Difference Report
- » Guelph Community Guide. Two editions
- » City Holler employee newsletter. Six editions

Media output

As part of the City's efforts to make information about City services and business available to stakeholders, Corporate Communications wrote and distributed 210 news releases, media advisories and information bulletins in 2015 — **20 per cent fewer than in 2014**.

Media outcomes

While media output was lower in 2015, the news-release-to-story-pickup ratio was higher. This is a significant positive result.

Whereas in 2014 a City news release generated an average of 4.5 news stories, a news release issued in 2015 generated an average of 10 news stories. **This represents an increase in news-release-to-story-pickup ratio of 55 per cent.**

Media analysis

Media analysis shows us how the City of Guelph is represented in the media and—in turn—to its stakeholders.

The City analyzed media coverage for effectiveness and value using quantitative (e.g., number of readers/listeners/viewers) and qualitative (e.g., tone, quality ratings) measures.

During the measurement period of January 1 to December 31, 2015, the City analyzed 2,714 media stories from 233 media outlets including online dailies and community newspapers, radio and television, and blogs. The coverage was sourced by the Meltwater News monitoring service.

The analysis reveals:

- » 60 per cent of the stories are balanced; 11 per cent are positive; and 28 per cent are negative
- » City spokespeople are quoted in 22 per cent of the articles
- » key message pull-through is present 16 per cent of the time
- » news about Guelph had a total reach* of 561,992,602 readers, listeners and viewers

*Total reach is defined as a metric estimating the size of an audience exposed to a communication based on some audited system.

Aside from the volume of articles analyzed in 2015, the analysis did not differ greatly from 2014, except for one area. Where tone is concerned, there was a 10 per cent decrease in the amount of 'balanced' coverage and an increase of 10 per cent in 'negative' coverage. There are a few factors that could have contributed to this change.

- » Some news outlets/sites are publishing articles written and distributed by other outlets. Each time an article is published by a new outlet it is counted as a story and the tone is recorded. Therefore, one negative article published by five outlets will be recorded as five negative articles.
- » There were three highly publicized stories (Pine Ridge skating rink, City's swim attire/admission standard and Niska Road) which all received a significant volume of critical coverage.
- » Two of these highly publicized stories were connected to stories in communities across Canada. The result: the City of Guelph was mentioned in stories where the article itself focused on another community. Any article that mentions the City of Guelph is tagged and recorded, again, influencing tone.

See data table "Comparative analysis: 2014–15" in section 6, page 23.

Consistent with last year's findings, the analysis confirms there is greater opportunity for City staff to speak to media on topical issues using key messages and calls to action.

From the analysis, staff identified a number of considerations and recommendations that will help improve the way we work with the media to garner balanced coverage and connect with stakeholders. Findings will continue to be used to inform Corporate Communications' media relations practices.

See data table "Media analysis" in section 6, page 23.

Corporate advertising

Corporate Communications stewards the City's corporate advertising program. Part of this work involves the coordination and management of the City News pages, the go-to source for legislated and non-legislated information about City initiatives. In 2015, the department continued to explore the use of additional advertising channels beyond traditional print and radio. There is a correlation between diversifying an organization's advertising mix and increasing audience reach.

The department planned, copywrote, designed and placed **429** City News ads and public notices in 2015. **This represents a 22 per cent decrease from 2014**, and represents a two-year trend of placing fewer paid print ads in response to increasing costs associated with print advertising vis-a-vis return on investment.

This change is positive: costs associated with print advertising continue to climb. The City was again deliberate in 2015 in reducing its paid advertising, without jeopardizing its legislative requirements or compromising availability of information.

The City continues to explore other ways it can supplement its paid advertising program to increase stakeholders' awareness of City programs and initiatives.

Web and social media

In aid of improving the quality of the City's key stakeholder relationships, the Corporate Communications department highlights the following web and social media statistics for 2015:

- » 38,624 weekly visits to guelph.ca—a decrease of 2.5 per cent under 2014.
- » 24,155 followers on Twitter—an increase of 54 per cent over 2014.
- » 4,894 fans on Facebook—an increase of 17 per cent over 2014.
- » 153,451 Facebook impressions per month (138,550 organic; 14,901 paid)—an increase of 8.5 per cent over 2014.

Citizen Service

Call abandonment rate

The organization was unable to meet its fewer than seven per cent call abandonment target in 2015. Call abandonment was at 20 per cent, down only one per cent from 2014. This is reflective of several factors including an increase in call volume to the City's main switchboard over the last four years (17.5 per cent). In addition, as in-person transactions increase, ServiceGuelph's ability to meet service targets for phone enquiries using the same staff complement has decreased—both in terms of calls abandoned and calls handled.

This is a trend we'd like to begin to reverse. In 2016 the department will begin work on a Citizen Experience Strategy; the organization will acquire its first-ever Citizen Relationship Management tool; and will conduct foundational work toward a centralized call centre to improve citizen service, and in keeping with the recommendations of a third-party service needs assessment undertaken in 2015.

Calls handled

ServiceGuelph's service target is to answer 75 per cent of calls to the City's main switchboard within the first 25 seconds. In 2015, ServiceGuelph answered 61 per cent of calls within the first 25 seconds.

The division has only met this service target once—in 2013. Of note, counter interactions in 2013 were 18 per cent fewer than they were in 2015. In other words, as counter interactions increase, the percentage of customer calls handled within the first 25 seconds decreases.

Employee Communications

Credible, skilled spokespeople

Positive work was accomplished in 2015 on the qualified spokesperson front as most senior executives in the organization underwent training.

Section 4: External trends

Communications

Social media

Increasingly, government is communicating directly with citizens through social media. Although social media is not a new trend, it continues to change and present new opportunities to reach audiences.

Service delivery: New apps are increasing the direct connection between citizens and front-line service delivery. Apps like 311GIS—the Guelph Map-App allows citizens to report bylaw infractions and a growing number of other services on their mobile devices, and then track the progress of their requests.

Social ads: Government agencies across the public sector are increasing their use of boosted Facebook posts and promoted tweets to increase the reach, frequency and audience segmentation for messages and content. With these marketing tools come greater need for internal coordination to prevent audience fatigue and frustration.

Live streaming: Social live streaming from apps like Periscope and Meerkat are providing an unprecedented opportunity for cities to engage with constituents by broadcasting meetings and events. In the absence of governments proactively streaming their meetings, citizen journalists are, in some cases, filling that void with real-time and often editorialized streamed feeds of their own.

Changing media landscape

The media landscape is rapidly changing with traditional print media outlets closing or merging. In their absence, citizen journalists and online outlets are gaining greater prominence as they look to fill the void.

As the media landscape evolves, the City of Guelph will need to adjust its communication strategy to include innovative ways to share its stories.

Internal communication

According to Deloitte, Millennials are expected to comprise 75 per cent of the workforce by 2025. This demographic has different communication expectations than other demographics; therefore, traditional internal communications will need to be altered, or new channels added to foster dialogue. This shift highlights the emerging strategic role internal communications will play within an organization. By focusing on improving communication with all employees in a way that resonates with them, employers will be helping to cultivate engaged employees who in turn deliver better public service.

Customer service

Online service delivery

Online service delivery has the potential to become the "new normal" with nearly eight in ten (79 per cent) Canadians indicating a likelihood to use the internet for government services in the near future.

Less likely to wait

The threshold for waiting across all channels is diminishing. This is particularly the case with telephone and online where expectations for near-instant service are increasing.

Section 5: 2016 and beyond

Citizen Experience Strategy

The department will lead the development of a corporate Citizen Experience Strategy.

This initiative is part of the umbrella of Open Guelph and is inextricably linked to the concept of 'Citizens First' service. At present, Guelph lacks an overarching citizen service—or citizen experience—philosophy, principles, guidelines, service delivery standards, processes, systems and technology. This initiative centres on using the same customer service principles and strategies that are key to success in the business world to assist local citizens.

Corporate Acquisition of CRM

A recent organization-wide Customer Relationship Management (CRM) assessment found that the organization handles citizen service in vastly different ways, which means Guelph citizens experience different levels of service depending on a variety of factors, including which department they interact with.

The City is about to begin a procurement process to acquire a CRM tool, and implement it throughout the organization. Corporate Communications and Customer Service will be a lead on this process, together with the Information Technology department.

Strategic communications planning and management

The Corporate Communications division will support a number of important City initiatives with proactive communications planning and implementation. Among them:

- » GPS headquarters renovation
- » Victoria Road Recreation Centre renovation
- » Clair-Maltby Secondary Plan
- » Records and Information Management (RIM) Strategy
- » Sourcewater protection

Communications framework for financial reporting

In 2016 the department will participate in the development of a communications framework for financial reporting in partnership with the Open Government initiative and Finance department staff.

Corporate advertising policy

In response to a motion of Guelph City Council, the department will finalize the development of a corporate advertising policy and roll it out through the organization.

ServiceGuelph audit

In 2016 the department will focus attention on completing several recommendations from the ServiceGuelph audit.

Capacity

Ratio of communications employees to City employees

Municipality	Communications employees			Full-time City employees F		Population	e	of commu mployee ty emplo		
	2013	2014	2015	2013	2014	2015		2013	2014	2015
Burlington	9	9	9	867	867	867	173,495	1:96	1:96	1:70
Guelph	8	8	11	1,217	1,251	1,315	122,000	1:152	1:152	1:110
Mississauga	61	26	27	5,133	3,977	4,192	766,000	1:119	1:149	1:140
Oakville	5	5	6	1,144	1,090	1,151	187,300	1:229	1:218	1:160
Brantford	3	4	5	957	816	814	96,000	1:319	1:204	1:160
Sudbury	8	8	8	1,961	2,019	1,562	157,765	1:245	1:252	1:200
Hamilton	8	9	15	6,162	5,981	5,691	540,000	1:770	1:665	1:300

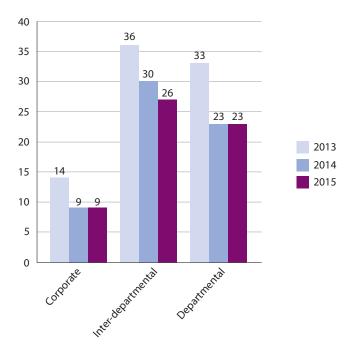
Ratio of communications employees to residents

Municipality		munica mploye			ll-time (mploye		Population		of communi oyees to res	
	2013	2014	2015	2013	2014	2015		2013	2014	2015
Guelph	8	8	11	1,217	1,251	1,315	122,000	1:15,211	1:15,211	1:10,450
Burlington	9	9	9	867	867	867	173,495	1:19,531	1:19,531	1:14,640
Brantford	3	4	5	957	816	814	96,000	1:31,333	1:23,413	1:19,200
Sudbury	8	8	8	1,961	2,019	1,562	157,765	1:20,034	1:19,721	1:19,720
Mississauga	61	26	27	5,133	3,977	4,192	766,000	1:12,327	1:27,440	1:24,710
Oakville	5	5	6	1,144	1,090	1,151	187,300	1:37,280	1:36,504	1:26,760
Hamilton	8	9	15	6,162	5,981	5,691	540,000	1:65,000	1:57,772	1:28,420

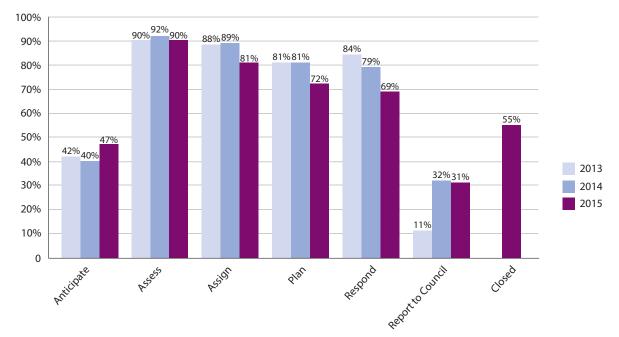
Data from the City of Kingston was unavailable for 2015.

lssues management

Number of issues by category



Percentage of issues managed at each stage of the IM process



Departmental resource allocation

Corporate Communications staff time spent at each stage of the issues management process

	Total	Antici	pate	Assess	5	Assig	n	Plan		Respor	nd	Repo	ort
2015 hours	1820	455	25%	99.5	5%	56	3%	546	30%	591.5	33%	72	4%
2014 hours	1733.75	465	27%	90	5%	53	3%	527	30%	543	31%	56	3%
2013 hours	1288.5	122.5	10%	178.5	14%	55	4%	550	43%	306.5	24%	76	6%

Training and professional development

What follows are highlights of the training and professional development the Corporate Communications division undertook in 2015

- » How best to use social media if you only have 1 hour per day
- » Facilitator refresher training
- » Using data to guide best practices in communications
- » When the headline is you
- » Risk communications
- » Issue management training
- » Stress management training
- » 10th Annual Municipal Communications Conference
- » UK digital strategy presentation at the Region of Peel
- » Foundational leadership development: The accountable leader
- » How PR can help organizations achieve social licence to operate
- » Telling the research story
- » AODA general training
- » University of Guelph Writers' Workshops
- » CPRS National Conference
- » Emergency Control Operations Group annual exercise
- » Leadership training
- » Plain language
- » Think Inside the Box Direct Marketing Conference
- » Creative Directions Conference
- » How to use a digital asset management system
- » Using data to guide best practices
- » PowerPoint fundamentals
- » How to provide greater transparency to internal clients
- » Practical speechwriting skills
- » Institute of Public Administration of Canada (IPAC) conference
- » Adobe After Effects introduction motion graphics

Stakeholder relationships

Comparative analysis: 2014–15

Total number of stories	Positive tone	Balanced tone	Negative tone	Spokesperson quote	· · · · · · · · · · · · · · · · · · ·	Call to action	
Increase of 1001 or 58%	Decrease of 1%	Decrease of 10%	Increase of 10%	No change	Increase of 2%		Increase of 431,466,279 or 331%

Media analysis

	Total number of stories	Positive tone*	Balanced tone*	Negative tone*	Spokesperson quote	Key messages	Call to action	Total reach**
January 1 to December 31, 2014	1,713	12%	70%	19%	22%	14%	4%	130,526,323
January 1 to December 31, 2015	2,714	11%	60%	28%	22%	16%	5%	561,992,602
Comparative analysis	Increase of 1,001 or 58%	No change	Decrease of 10%	Increase of 10%	No change	Increase of 2%	Increase of 1%	Increase of 431,466,279 or 331%

Identified annual increases and decreases reflect variable/subjectivity of the following factors:

- » Manual content analysis
- » Range of new topics covered annually
- » Reporter and/or media outlet covering the new topic

*Tone is defined as the explicit or strongly implicit characterization of an article's or segment's subject, and it reflects how a target audience is likely to feel about the client, product or topic.

**Total reach is defined as a metric estimating the size of an audience exposed to a communication based on some audited system. The City uses unique reach versus potential reach.

Media outlets monitored

Blogs

59 Carden St. Canadian Living From the Editors iPhone in Canada Opinion - Blogs - The Windsor Star The Inside Agenda Yahoo! News

Websites

Community newspapers websites

100 Mile Free Press Agassiz Harrison Observer Alaska Highway News Alberni Valley News Aldergrove Star Arthur Enterprise News Ashcroft Cache Creek Journal Barrie Examiner Barriere Star Journal Battlefords News-Optimist Bayshore Broadcasting News BayToday.ca BCLocalNews.com Belleville Intelligencer Blackburn News Boundary Creek Times Brantford Expositor

Brockville Recorder Burns Lake District News Caledoniacourier.com Calgary Herald Cambridge Now! Cambridge Times Campbell River Mirror Cape Breton Post Castlegar News Chatham Daily News Chilliwack Progress Chilliwack Times Clearwater Times Cloverdale Reporter Coast Mountain News Coast Reporter Comox Valley Echo Comox Valley Record Cranbrook Daily Townsman Creston Valley Advance DailyNews724 DurhamRegion.com Eagle Valley News Elmira Advocate Fort McMurray Today **Gleaner Community Press** Grand Forks Gazette GuelphTribune.ca Hamilton Community News Hopestandard.com Houston Today InfoTel News Inside Ottawa Valley Inside Toronto InsideBelleville InsideHalton.com Invermerevalleyecho.com KawarthaNOW.com Kelowna Capital News Kenora Daily Miner and News Kingston Herald **Kingston Region Kitchener Post** Kootenay Advertiser Ladysmith Chronicle Lake Country Calendar Lake Cowichan Gazette Langley Times Lethbridge Herald Maple Ridge News Medicine Hat News Mission City Record Moose Jaw Times Herald Muskoka Region Mykawartha.com Nanaimo Daily News Neepawa Press Nelson Star New Glasgow Newspaper

Niagara Falls Review NiagaraThisWeek.com North Bay Nugget North Island Gazette.com Northern Ontario Business Northumberland News Northumberland Today Orangeville Orillia Packet and Times Ottawa Citizen Ottawa Sun **OttawaCommunityNews** OurWindsor Owen Sound Sun Times Paris Star Parksville Oualicum News Prince George Citizen Quesnel Cariboo Observer Red Deer Advocate Regina Leader-Post Rossland News Sachem.ca Salmon Arm Observer Sarnia Observer Sault Star Seaforth Huron Expositor Simcoe County Simcoe Reformer Similkameen Spotlight Sooke News Mirror SooToday.com Squamish Chief St. Catharines Standard St. Thomas Times-Journal **TB** News Watch Terrace Standard The Beacon Herald The Brampton Guardian The Chronicle Herald The Cornwall Standard Freeholder The Free Press The Guardian The Kingston Whig Standard The Mississauga News

The Northern View The Ontarion The Peterborough Examiner The Prince Albert Daily Herald The Sudbury Star The Surrey Leader The Telegram The Wellington Advertiser The Western Star The Williams Lake Tribune The Windsor Star TheRecord.com Thompson Citizen Timmins Daily Press Truro Daily News University Of Guelph Vanderhoof Omineca Express Vernon Morning Star Victoria News Welland Tribune Whistler Ouestion Winnipeg Sun Woodstock Sentinel Review Yonge Street YorkRegion.com Yorkton News Review Yorkton This Week

Community daily newspapers websites

Brandon Sun Calgary Sun Edmonton Journal Edmonton Sun Guelph Mercury London Free Press Metro News Montreal Gazette The Chronicle Journal The Province The Star The Star Phoenix Toronto Sun Vancouver Sun

National daily newspaper websites

CBC National Post The Globe and Mail

Television websites

CHCH CP24 CTV Kitchener News CTV News CTV Winnipeg Global News

Radio websites

(CIMJ FM) Magic 106 570News 680 News 98.3 Fly FM AM980 B101 FM Radio CBC Hamilton CBC Hamilton CBC Kitchner-Waterloo CBC Manitoba CBC Windsor CJAD 800 Durham Radio News Easy101 News 1130 Radio News Talk 650 CKOM News Talk 980 Talk Radio AM640

Miscellaneous websites

24News.ca Academica Group Advocate Daily Broadcaster - Canada's Communications Magazine **CNW** Group CNW Telbec (FR) Digital Journal Electric Energy Online Exchange Magazine Groundwater Canada Huffington Post Canada Indulge Magazine iPolitics Le Lézard Money **MSN News** Municipal Information Network NationTalk Noodls-Canada North American Clean Energy PressReader Real Estate Management Industry Secure - GlobeAdvisor.com Shawconnect Websol Barchart Sys.Con Canada TD Waterhouse - Markets Techvibes.com Technology news The Canadian Press The Catholic Register The Grower The Independent Free Press The Loop The Working Forest TheSpec.com Times Colonist Vice Water Canada Westerly News Yahoo! News Canada

Total number of outlets

2015: 233 2014: 123 2013: 62 2011–2012: 25

A total of 233 media outlets were monitored through the City's subscription to the Meltwater News monitoring service—110 more than were monitored 2014. Broadcast (television and radio) coverage was monitored when the coverage appeared online



Court Services Department 2015 ANNUAL REPORT



City of Guelph Court Services Department	2015 Annual Report
Table of Contents	
Introduction An overview of the departmental mandate, structure and the key pillars of performance.	of 3
Section 1: Key Initiative Summary A summary of the Department's key initiatives throughout the year.	5
Section 2: The Court Services Dashboard and Scorecard A visual interpretation of the data analysis, trends and targets.	d 6
Section 3: Performance Analysis Overview This section provides further context, detail and analysis regarding performance measures reported in the dashboard and scorecard with a g summary at the end of the section.	0
Section 4: 2016 and Beyond	19

This section includes a brief overview of the Court Services 2016 work plan incorporating any required work resulting from the analysis in section 3.

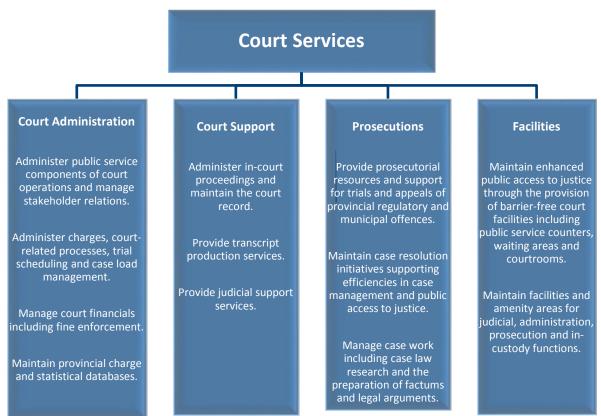
City of Guelph Court Services Department

The Court Services Department exists to operate the Ontario Court of Justice -Provincial Offences Act Court ("POA Court"), a level of the provincial courts in which provincial and municipal regulatory matters are addressed. The City has this Court, serving Guelph-Wellington, since May 2000 as a shared service pursuant to a Memorandum of Understanding with the Province of Ontario. The City is the Service Provider and the county municipalities are Serviced Municipalities.

The Court Services Annual Report provides a summary and analysis of the operations of Court Services including trends analyses, initiatives and accomplishments.

Court Services Department Mandate:

Court Services provides court facilities, services and amenities within provincial policy and legislated frameworks and consistent with the broader principles of justice in Canada including the preservation of individual rights guaranteed by the *Canadian Charter of Rights and Freedoms ("the Charter")*.



Functional Structure:

The Department blends corporate City values and strategic directions with provincial mandates and policies to ensure justice services that are responsive to the local community and the broader provincial justice system to:

Promote public access to justice through accessible facilities and services;

- Promote public confidence in the justice system by ensuring the independence of the judiciary, providing a system that is fair and timely and ensuring the court operates independent and free from political intervention;
- Implement improvements to the justice system towards a more efficient, streamlined and cost-effective local system of justice; and
- Ensure the fundamental tenets of procedural fairness and natural justice are upheld.

Key Pillars of Performance:

Driven by the focus areas of the Corporate Strategic Plan and provincial legislative and policy mandates, the four pillars of performance for the Department are:



Separation of Roles in Court System:

	Neutral function.
Court	Administration of court processes only.
Administration	Regulated procedural environment.
	Separate from judiciary, prosecutors and enforcement agencies.
	Discretionary function.
Prosecutions	Case decisions based on principles of fairness, rights preservation,
	public interest and the interests of justice.
	Independent function (Justice of the Peace or Judge).
The Court	Authority governed by statutory powers.
The court	Independent decisions without influence or favour.
	Independent of administration, prosecution or enforcement.

Section 1: Key Initiative Summary

The following is a summary of key initiatives undertaken by the Department in 2015.

Fine Enforcement (collection) Tools

Working with the City's Revenue & Taxation Division, the Department commenced placing outstanding fines on the City's tax roll. A total of \$257,565 was added to the Roll in 2015.

The Department commenced the process to implement the use of collection agencies to address "dated" outstanding fines. Four agencies will commence collections activity in early 2016 in an effort to enforce over 30,000 outstanding cases totalling over \$14M in fines.

In December 2014 the Department's winning submission to the City's Dragon's Den program resulted in \$8,000 start-up funding to implement the use of credit bureau (Equifax) information to locate persons owing fines. The initial estimate of projected revenue for this initiative was \$33,000. In fact, the total amount of fines recovered in 2015 attributable to this initiative was \$120,567.

Online Payments

An online payment service provider was determined and the onboarding process to implement the service began in late 2015. System testing will occur in early 2016 with "go live" anticipated in the Spring. This initiative will enhance service by providing the public with the ability to pay fines in a quick convenient manner. This initiative is anticipated to receive significant uptake, resulting in increased payment rates, which will reduce on-site manual payment processing.

Data Entry – Operational Savings

In Q4 of 2013 the Department implemented equipment and procedures to provide for off-site entry of data into the provincial case database system. This change has been undertaken by several courts across the province as a cost-effective way to assist in building staff capacity by reducing manual on-site data input. The 2014 and 2015 business outcomes of this change are set out in Figure 1.

Year	Ticket Charges Entered	Staff Time to Enter Data	Staff Time Associated with New System	Capacity Created	Value of Staff Time Reallocation	Operating Costs of New System	Net Value Results
2014	16,882	844 hours	84 hours	760 hours	\$19,000	\$6,753	\$12,247
2015	13,070	654 hours	65 hours	589 hours	\$14,725	\$5,228	\$9,497
Totals	29,952	1,498	149	1,349	\$33,725	\$11,981	\$21,744

(Figure 1 – Data Entry - 2014-2015 business outcomes)

Section 2: Court Services Dashboard and Scorecard

Court Services Dashboard:

Items in the dashboard marked by **GREEN** indicate that the Department is reporting metrics that compare positively to benchmarks. **YELLOW** and **RED** indicate items that are not currently in line with benchmarks. PLUS and MINUS signs indicate the direction that these items are trending. In addition, the 2015 Court Services Dashboard provides a comparison of the progress made on these measures between 2014 and 2015.

<u>Public Access to</u> <u>Justice</u>	2014	2015	Local Justice System	2014	2015
Service Transactions		+	Time to Trial	+	+
Transcript Production	+	+	Adjournment Rate (In-Court Results)	+	+
Community Impact	2014	2015	Business & Service Excellence	2014	2015
Charges Filed	-		Employee/Case Ratio	+	+
Tickets Paid	+		Revenues	+	
Tickets Disputed	+	+	Cost Factor		-
Tickets – No Action (Defaulted Fines)	1.78	-			

Court Services Dashboard

Court Services Scorecard:

The following Scorecard reflects the performance measures on the Court Services Dashboard, illustrating the 2015 progress made toward targets and comparisons to the 2014 results. Also indicated are 2016 targets.

Court Services Scorecard

lue Creation			and a second de	
Measure	2015 Target	2015 Result (+/- compared to 2014 re	esults)	2016 Target
Public Access to	Justice			
Service Transactions	-5% in-person +5% remote	(-23% in-person daily avg.) (-7.6% remote daily avg.)	# +	-5% in-person +5% remote
Transcript Production	Max. 1.5% of cases	0.8% of cases (-54%)	=+	Max. 1.4% of cases
Community Impa	ict	的人物理论和社会和主义的		
Charges Filed	28,921 per year (2000-2012 avg.)	20,061 (-18.3% below 2014) (-30.6% below target)		28,921 (2000-2012 avg.)
Tickets Paid	55-65% (+ 1%/year)	60.3% (-3.7%)		55-65% (+ 1%/year)
Tickets Disputed	20% maximum (of all tickets issued)	16.4% (-1.6%)	-	20% maximum (of all tickets issued
Tickets – No Action (Defaulted Fines)	15% maximum (of all tickets issued)	14.9% (+2.9%)	-	15% maximum (of all tickets issue
Local Justice Sys	tem			
Time to Trial	100 days	108 days (+8%)	•+	145 days (average of 2015 Comparator, Wes Region & Provincia rates)
Adjournment Rate (In-Court Results)	20% maximum (of all ticket cases)	16% (no change)	# +	20% maximum (of all ticket cases
st Control				
Business & Servi	ce Excellence			
Employee/Case Ratio	1: 5,000-6,000 cases (Provincial Standard)	1:5,000 (1:5,000)	•+	1: 6,000 cases (maximum)
Revenue	\$3.35M/year	\$2.49M (-25.6%)		\$2.6M (budgeted)
Costs ("Cost Factor")	60% of gross revenue	74% of gross revenue (+12% over 2014)		74% (budgeted)

Section 3: Performance Analysis Overview

Court Services is operating positively in most key performance areas despite lower volumes being reported in two primary drivers: (1) charges filed; and (2) revenues.

Fluctuations in charge volumes can affect other performance areas including:

- 1. Revenues generally there is causal connection between charges filed and revenues;
- 2. Service transactions fewer charges results in fewer service transactions;
- 3. Employee/Case Ratio fewer charges assists to maintain the employee-to-case ratio in line with provincial operating standards; and
- 4. Cost Factor lower revenue can result in a higher cost factor.

Public Access to Justice:

The public's access to justice is to be assured in preserving an individual's right to court services as guaranteed by *the Charter* including access to facilities and systems and to the timely provision of services and processes of the court. The Department currently gauges this pillar of performance in two areas:

- In-person and remote service transactions the ability for the public to pay fines, request trials, obtain and file court forms, etc.; and
- Transcript production the volume of trial transcripts requested and continuous improvement measures in place to provide transcripts to the public and the judiciary in a timely and cost-effective manner.

Public Access (Service Transactions)

Service transactions (Figure 2) measure primary court administration functions such as financial transactions, requests for trial, payment extension applications, case reopenings, appeals and informational inquiries. These transactions occur in a variety of ways (e.g. in-person, phone, e-mail, facsimile).

Year	Total In- person (Service Counter)	Daily Average In-person	Total Remote (Telephone)	Daily Average Remote	Total Transaction s	Total Daily Average
2011	38,763	156	13,325	54	52,088	210
2012	36,123	146	14,175	57	50,298	203
2013	29,701	119	15,143	61	44,844	180
2014	28,870	115	13,990	56	42,860	171
2015	22,763	90	10,922	43	33,685	133

(Figure 2 – Service Transactions – 2011-2015)

The objective is to ensure public access in ways that are beneficial and expedient to the public as well as efficient and cost-effective for court operations. As such, the Department continues to strive to provide the framework for a shift of in-person transactions towards remote transactions and to streamline in-person visits. As illustrated (Figure 2), the average daily remote transactions are increasing while the average daily in-person transactions are decreasing. It is anticipated that full implementation of On-line Payment systems and the use of Collection Agencies in 2016 will further the shift from in-person to remote transactions.

Transcript Production

The production of court case transcripts are a mandatory service in preserving public access to justice. Most transcripts are required for case appeals (initiated by the defence or prosecution) or requested by judicial officers when formulating judgements in specific trial cases (i.e. lengthy or complex cases). Although transcripts are also requested for civil proceedings and insurance purposes, such requests are few in number.

Transcript production is a time-sensitive priority function in order to meet timelines for appeals and trial cases. The maximum thresholds ("targets") set in the Scorecard are a baseline to recognize the upper limit of the number of transcripts that can be achieved with existing resources. Although the Department has no control over a person's decision to request a transcript, its initiatives to improve operations in areas that may trigger transcripts (e.g. appeals alleging "delay") can result in a reduction in the number of transcripts required.

Decreasing charge dispute rates, lower adjournment rates and consistently low timeto-trial are factors that affect the number of transcripts required in any given year. In 2015, transcript production decreased by 54% (Figure 3), which allowed for utilization of that staff capacity to address other court functions.

Year	# of Transcripts Produced	% of tickets disputed	Adjournment Rate	Time-to-Trial (in days)
2012	75	19.0%	17%	111
2013	67	18.4%	17%	94
2014	61	18.0%	16%	100
2015	28	16.4%	16%	108

(Figure 3 – Transcripts, Tickets Disputed, Adjournment Rate, Time to Trial)

Community Impact:

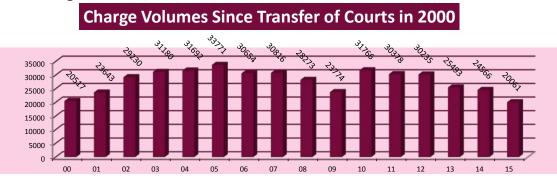
The independence and authority of Court decisions is essential towards a positive perception of the Court by all members of the community. Although sometimes only viewed as the place where punishment is meted out for violations of law, the Court's purpose, function and impact on the community is much more significant. It is this

system in a free society that holds governments accountable for fairness in law, enforcing agencies for proper enforcement of those laws and the public accountable for compliance with those laws. The Court exists to, in part, balance the rights of the citizenry against the laws of the land and to ensure that, where violations are found to have occurred, appropriate sanctions are imposed. Compliance with Court-imposed sanctions (i.e. sentences) is essential to:

- Preserving the authority of the Court and its decisions;
- Maintaining peaceful, safe and liveable communities;
- Confirming community expectations with respect to compliance with law; and
- Promoting the objectives of sentencing including: Denouncing unlawful conduct; Deterring offenders and others from committing offences; Promoting a sense of responsibility in offenders, and acknowledgement of the harm done to victims and the community.

Charges Issued

The Department has no influence over the number of charges issued for violations of law within the community. Charges are issued by enforcement agencies based on offences that occur and enforcement efforts. The POA Court functions to administer those charges regardless of how many are issued.



(Figure 4 - Charge Volumes)

The average annual charge volume up to 2012 was 28,921. Since then, volumes have been declining below the average: 2013 (-11.8%), 2014 (-15%) and 2015 (-30.6%).

Distribution of Charge Load by Court Business Operations

Understanding the overall trends of Charge Load Distribution is essential to the Department's ability to effectively manage court services by focusing resources and developing and implementing program and procedural efficiencies within departmental service profiles. In 2015, 92% of the charge load in Ontario's POA Courts was related to ticket offences. The Department uses this primary driver of court operations to categorize and manage the work in three streams: (1) the number of **Tickets Paid** (i.e. administrative and financial operations); (2) the number of

Tickets Disputed (i.e. administrative, prosecutorial and court support operations); and (3) the number of **Tickets – No Action** (i.e. outstanding fines – collection operations).

Tickets Paid

Tickets Paid are those charges that are paid in the first instance within regulated timelines. The Tickets Paid rate provides some indication of the general level of acceptance by the populace of paying a fine for a regulatory violation. Higher rates of tickets paid results in positive community impact including acceptance of regulatory laws in effect and societal compliance with enforcement of those laws. Higher paid rates also reduce the rates associated with tickets disputed or default fine enforcement.

Tickets Disputed

Tickets Disputed are those charges for which the person charged has elected to dispute the charge and proceed through the trial process. POA Courts have little control over dispute rates because disputing a charge is an individually guaranteed right and choice. As such, reasons for dispute cannot be tracked. However, it is anecdotally clear that the primary basis for disputing a charge is not whether the offence was actually committed or even the monetary penalty associated with being convicted of an offence, but rather the application of demerit points, increased insurance rates and ramifications for Novice, G1 and G2 drivers. Historically in the province, the rate of **Tickets Disputed** is in the range of 15-20%. As illustrated (Figure 5), the local rate of **Tickets Disputed** has been decreasing since 2012, with the 2015 rate at 16.4%. The primary focus of the Department is to effectively manage the prosecutorial, in-court and administrative resources required to address the **Tickets Disputed** portion of the case load.

Tickets – No Action (Outstanding Fines)

Tickets - No Action is that portion of the charge load of tickets for which persons charged fail to respond to the charge by paying it or disputing it. These charges flow through the process of enforcement of court-ordered sentences (i.e. fine collection). Inherent in the legislative system governing charges are reminder notifications to defendants of outstanding fines and additional measures for courts to enforce these sentences. Although still within the internally-established target range, the 2015 rate of **Tickets - No Action** rose by 2.9% over 2014.

As illustrated (Figure 5), slight shifts occurred in load from Tickets Paid and Tickets Disputed to the area of Tickets - No Action. The Department has correspondingly shifted resources and initiatives towards addressing that segment of the work (e.g. use of collection agencies, increased civil enforcement measures, tax-rolling fines and on-line payment services).

	Charge Load Distribution of Tickets				
Category	2012	2013	2014	2015	Target
	(93% of load)	(93% of load)	(94% of load)	(92% of load)	
Tickets Paid	61%	63.2%	64%	60.7%	55-65%
Tickets Disputed	19%	18.4%	18%	16.4%	15-20%
Tickets – No Action	13%	11.4%	12%	14.9%	15%
(outstanding fines)					(max)

(Figure 5 – Charge Load Distribution)

Outstanding Fines and Collection Efforts - At Transfer, the City inherited from the Province approximately \$5.6M of uncollected outstanding fines ("accounts receivable"). Across Ontario, the outstanding fines balance increases by approximately \$830K per week and the total balance by the end of 2015 was \$1.58B. This figure does not include fines "written off" by municipalities (explained further below).

In 2008, in keeping with Public Sector Accounting Board ("PSAB") principles of accounting and asset management, Guelph undertook to write off 19,705 cases (cases from the years 1950-2002) totalling \$5.1M in uncollectable assets. Although written off fines remain outstanding in perpetuity, from an accounting perspective they no longer form part of the "defaulted fines" balance.

For clarity, the "Outstanding Fines Balance" (Figure 6) is the balance of all unpaid fines (i.e. "defaulted fines" plus "written-off fines"). "Defaulted fines" are those fines still in the active sentence enforcement stage (i.e. collections) and "written-off fines" are those fines for which collection efforts have been exhausted without the fine being paid. Current balances indicate a slight reduction in the case load and an 8.5% increase in total dollar value outstanding.

When the Department commences using collection agencies in 2016, all outstanding fines (including written-off fines) will be transferred to the participating agencies for collection. As such, many "dated" written-off fines will once again undergo the collection process.

Year	Total Cases	Total \$ Value	Cases in Default	\$ Value of Default Balance	Cases Written-Off	\$ Value of Write-Offs
2014	34,866	\$13,203,561	9,929	\$5,150,642	24,937	\$8,052,919
2015	34,218	\$14,337,659	10,871	\$6,316,037	23,347	\$8,021,622

(Figure 6 - 2014-2015 Outstandi	ng Fines Balance)

Note: \$2.87M of the Outstanding Fines Balance is Victim Fine Surcharge amounts owed to Province. Remaining fine amounts owed to Guelph total \$11.5M.

POA Courts are required to make every effort to maintain the public's confidence in the justice system through measures employed to enforce court-ordered sentences (i.e. fines). Fine enforcement escalates in phases:

Reminder Phase:

- Legislated Notice of Fine and Due Date sent to defendants
- Automated telephone reminder of outstanding fine
- Written notice advising of outstanding fine and pending driver's licence suspension

Regulatory Enforcement Phase:

- Driver's licence suspensions where applicable
- Final written notice of outstanding fine and advising of pending civil/collection agency action

Civil Enforcement/Collection Agency Phase:

- Placement of fine on municipal tax roll (where applicable)
- Filing of judgment in Small Claims Court
- Issue Writ of Seizure and Sale against property
- Garnishment of wages and/or bank accounts
- Case forwarded to collection agency

(Figure 7 – Steps of Fine Collection Notification)



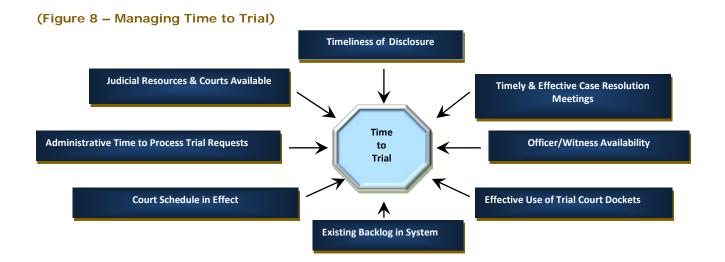
Local Justice System:

The local justice system reflects the broader system in Ontario with all justice principles, authority, integrity and objectives intact. However, each local system presents its own unique opportunities to create efficiencies, streamline processes, manage case loads and enhance public access, depending on the particular situations faced by the local court (i.e. charge volumes, trial loads, staff and judicial resource complements, etc.). Current indicators (time to trial and adjournment rates) help to assess the effectiveness of the local justice system in terms of effective utilization of in-court time.

Time to Trial

Pursuant to the *Charter*, people have a right to trial in a reasonable time. The objective is to ensure that cases proceed to trial at the earliest opportunity within the established jurisprudence governing issues surrounding "delay". Within this framework are also initiatives designed to reduce the number of court appearances overall, which assists to reduce the time lag between the date a trial is requested and trial. Effective time to trial supports individual rights and procedural fairness, improves public perception of the justice system, reduces the number of *Charter* applications regarding "delay", and assists in effectively managing court resources.

Effective management of time to trial factors (Figure 8) serve to preserve and enhance time to trial objectives.



Guelph's time to trial continues to be consistently below the average of its comparator municipalities, West Region courts and the average of all POA Courts in Ontario. These successes continue to stem from operational improvements made in recent years:

- 1. Streamlining of the local case resolution process allowing for resolutions pretrial or on trial days;
- 2. Police agencies use of Part I Summonses for careless driving offences, which supports efficiency in case resolution and court scheduling, and allows for more effective case screening to determine which matters should undergo the pre-trial process before being set down for trial;
- 3. Enhanced use of prosecutorial resources pre-court, which has virtually eliminated court recesses needed to discuss cases during trial courts;
- Expedient disclosure processes in place allowing for disclosure within 30 days of a Notice of Trial being issued, thereby ensuring effectiveness of case screening, expediency of the resolution process and reduced number of adjournments; and
- 5. Optimum use of available court time (e.g. increase in number of cases on trial list from 55 in 2014 to 70 in 2015).

Municipality/Province	Average Number of Days to Trial				
Municipanty/Province	2012	2013	2014	2015	
Guelph	111	94	100	108	
Average - Comparator Municipalities	163	151	147	154	
Average of West Region Courts	135	134	127	130	
Provincial Average (all POA Courts)	185	145	145	150	

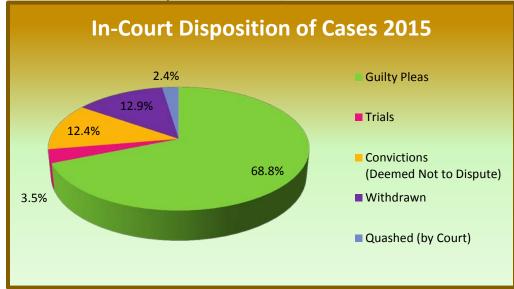
(Figure 9 – 2012-2015 – Time to Trial)

Guelph's 2015 position within the assessed groups was:

- 4th lowest amongst its comparator municipalities.
- 4th lowest amongst West Region courts.
- 11th lowest in the province.

Adjournments

The number of cases adjourned to future court dates is reflective of issues such as readiness for trial, the effective use of in-court time to address all matters on a trial court list, and the effectiveness of the disclosure and case resolution processes. Adjournments can potentially cause increases in "delay" arguments, create backlog in the court system and negatively affect public perception of the integrity and/or effectiveness of the court process. The adjournment rate in 2015 was 16%, which is 4% below the maximum target range. The disposition of remaining cases is as illustrated (Figure 10).



(Figure 10 – 2015 In-Court Disposition of Cases)

There were slight increases in most in-court disposition rates in 2015 over 2014 rates. Guilty Pleas (cases where people admit the offence in court without undergoing a trial) were up 1.8%; Deemed Not to Dispute Convictions (those cases where the defendant failed to appear for their trial) increased by 0.4%; Cases Withdrawn (cases where the Prosecutor determines it appropriate to withdraw the charge) were up 0.9%; and cases Quashed (cases in which the Court found an technical or jurisdictional error on the charge or the Notice of Trial document) increased 0.4%. The rate of trials (those cases that actually proceed to a trial) decreased by 3.5%.

Business & Service Excellence:

Business and service excellence in POA Court operations is reflected in the ability of the Department to meet legislated and policy requirements, provide all required services in a manner that enhances the use of the court, be cost-effective and ensure a revenue source. This section of the Report focuses on mandated staff resource levels, operational costs as a percentage of gross revenue and the distribution of net revenue to serviced municipalities pursuant to the Shared Service agreements in effect.

Employee/Case Ratio

Provincial standards are in effect regarding staffing levels associated with working the charge load. It is a benchmark used to ensure that core court administrative work (processing charges and the administrative functions associated with those charges) is accomplished within legislative and policy frameworks. The provincial standard is one employee (working in the areas comprising the ratio) for every 5,000-6,000 charges received. In previous years, with annual charge volumes of 28,921, Guelph was at the top end of the standard. Declining charge volumes in recent years has slightly eased that pressure with Guelph placing closer to the lower end of the ratio.

<u>Revenue</u>

It is essential that concerns surrounding costs and revenues do not impede public rights and access to the court system or the appropriate operation of courts and the maintenance the principles and integrity of justice. As such, the Court Services Department is positioned within the City's budgeting process as a Non-Tax-Supported Budget. In essence, the Department operates on a self-funded model with net revenues being reallocated to reserves and contingency funds to ensure long-term financial sustainability of the court. This approach ensures a separation between government and the justice system and costs, and demonstrates to all stakeholders and the public that balancing the City's budget, and revenue from court fines, are independent of each other.

The vast majority of revenue is from the payment of fines with small portions of revenue received from transcript production and courtroom rental to other levels of courts and tribunals. Revenue is uncertain with the Department having little direct control over the amount received in any given year. As such, revenue projections are based on historical trends associated with charge volumes. The 2015 target in the Scorecard of \$3.35M in gross revenue was based on charge volume trend analyses coupled with historic payment rates. However, the gross revenue realized in 2015 was 25.6% below the target and charge volumes dropped to 30.6% below the annual average. This confirms that the decline in charge volumes and revenues experienced in 2013 and 2014, which were anticipated to recover in 2015, were not simply temporary "blips" in the spectrum, but in fact were the beginning of a continuous trend of decline. As such, the 2016 gross revenue target has been established below the 2015 target.

Cost Factor

The primary drivers of court costs are facilities, trial load, public services (i.e. fine payments, trials, motions, appeals, transcripts, extension applications, etc.), required staff resources and provincial and municipal service cross charges. Such costs can fluctuate significantly in any given year based on a variety of factors that are not within the Department's control including legislative, procedural and policy changes, utility increases, and increases in Provincial or City department cross charges.

The measurement of the "cost factor" in the Scorecard is designed to monitor the ongoing percentage of expenditures against gross revenue to ensure sustainable annual net revenue to the Service Provider and the Serviced Municipalities. Overall, operating revenues and expenditures, since transfer of the courts to Guelph in May 2000, illustrate a 49.6% cost factor (Figure 11).

Gross Revenue	Operating Expenditures	Net Revenue for Distribution	County Portion of Net Revenue	City Portion of Net Revenue	City Bylaw Fine Revenue	Total City Revenue
\$47,675,582	\$23,655,645	\$24,019,939	\$12,080,858	\$11,942,459	\$1,176,327	\$13,118,786

(Figure 11 – Revenues and Expenditure Distribution – 2000-2015)

Note: POA Court-related capital costs are not included in Figure 11 expenditures. Capital expenditures are financed outside of the POA Court operating budget.

The 2015 cost factor target of 60% was established based on recent years' "actuals". However, that target was predicated on the concept that charge levels and payment trends would remain constant or increase. The further 18% decline in charge volumes (and associated decline in revenues) in 2015 from the 2014 levels increased the cost factor to 74%.

The Department will continue to monitor these trends, assess potential impacts and address operational changes in an attempt to mitigate cost factor increases. In support of this work, ongoing municipal/provincial discussions continue in two areas related to cost factor issues: (1) Key Performance Indicators for POA Courts (including a cost factor) are expected to be finalized in Q2 of 2016 with cost/revenue data submitted by municipalities informing the benchmarking process; and (2) The review of alternative service delivery models (e.g. plea agreements versus in-court pleas) and Regulated fees that offset operating costs (e.g. administrative fees assessed for fines in default). It is anticipated that this work will result in some cost reductions and increased revenues in future years.

GENERAL SUMMARY:

This Annual Report illustrates overall positive trending for most service measures supporting the four Key Pillars of Performance. Enhancements to Public Access to Justice can be seen in improvements such as the reduced number of transcripts required and the successes in transitioning to greater remote service transactions. Community Impact continues to improve as illustrated by the reduction in the percentage of tickets disputed. Improvements also continue in support of the Local Justice System with Guelph continuing as a jurisdiction with one of the lowest time to trial rates in the province.

Cautionary signals relating to lower charge volumes and lower than average annual gross revenue have not improved in the last three (3) years. The Department has thus far successfully mitigated these pressures through its ability to adapt its resources, reduce some costs and streamline operations. Enhancements in fine collection, increased Regulated fees, and potential cost reductions that may be realized through alternative service delivery models will assist in mitigating the negative effects of the current charge/revenue decline as we move into 2016.

Section 4: 2016 and Beyond

Looking forward through 2016 and beyond, the Departmental Work Plan includes the following initiatives:

On-line Payment Systems

The Department will implement on-line payment systems to provide greater opportunities for the public to address fine payments remotely. It is anticipated that this opportunity will result in an increase in tickets paid and create further staff capacity through the automation of some fine payment processing.

Fine Collection Tools

In late 2015, the Department completed the sourcing of four (4) collection agencies to undertake the collection of dated outstanding fines. The onboarding of those agencies will be completed in Q1 of 2016 with full collection efforts commencing in Q2.

E-Tickets

The Department will continue to work with the Guelph Police in the development and implementation of the technology required to upload electronic ticket data from Guelph police E-ticket systems directly to the Province's case database system.

Provincial Work (KPIs and Regulated Fees Assessment)

Staff will continue to participate on the municipal/provincial working groups to finalize Key Performance Indicators for POA Courts, and the assessment work related to determining potential increases to Regulated fees.

FINANCE DEPARTMENT'S ANNUAL REPORT



FRAMING OUR FINANCIAL FUTURE...

This report focuses on how the City of Guelph's Finance Department plays an integral role in Framing Our Financial Future. It will discuss the Finance Department's structure, departmental and corporate accomplishments, our 2015 performance and our focus for 2016.

INTRODUCTION

This Annual Report will provide an overview of the work done in 2015 by the Finance Department, including our accomplishments and the presentation of the financial position of the Corporation as a whole. Additionally, the report will outline those activities that have been identified as a priority in 2016.

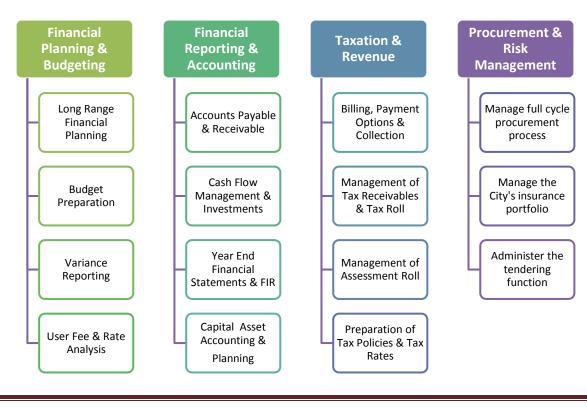
This report is organized under the following sections:

- The Finance Department
- 2015 Accomplishments
- Performance Dashboard and Trends
- Activities identified for Improvement/Going Forward
- Summary

THE FINANCE DEPARTMENT

The Finance Department is responsible for financial planning and budgeting, procurement, financial reporting and accounting, and taxation. Council is assisted in maintaining the financial integrity of the municipality under the *Municipal Act*, *2001* through financial counsel, support, and analysis across the Corporation.

The primary roles and responsibilities of the four divisions are highlighted below:



In addition to the functions outlined above, the Finance Department is responsible for maintaining the financial integrity of the organization by developing and ensuring compliance with the following policies:

- Investment Policy (2015)
- Purchasing Card Policy and Procedure (2015)
- Year End Surplus Allocation Policy (2015)
- Property Tax Policy (2015)
- Expense Authorization Policy (2014)
- Purchasing Policy By-law 2014-19771 (2014)
- Policy for the Selection and Appointment of the External Auditors (2014)
- Policy for the Implementation of PS 3260, Liability for Contaminated Sites (2014)
- Development Charge Exemption Policy (2013)
- Budget Monitoring Policy (2013)
- Capital Renewal Reserve Fund Policy (2013)
- Compensation Reserve Policy (2012)
- Budget Policy; Tax Billing & Collection Policy (2011)
- Debt Management Policy; General Reserve & Reserve Fund Policy (2009)

2015 ACCOMPLISHMENTS

• Integrated Service Guelph providing initial contact for customer service and payment processing

2015 Finance Facts....

Department Net Budget: \$2.02 million

of Accounts Payable Invoices Processed: 35,625

of Accounts Receivable Invoices Processed: 10,996

of Contracts Issued: 204

of Purchase Orders Issued: 19,400

% of Purchases through Canadian Vendors : 98%

% of Purchases through Guelph Vendors: 33%

of Tax Bills Issued: 86,875

Value of Tax Revenue Collected: \$276,453,928 (includes school board, arrears & penalties) • Implemented electronic bidding through e-solutions

• Implemented a 12 month cycle for preauthorized payments (PAP) for property taxation

• Offered operating and capital budget process training sessions to all City staff

• Implemented a "single source activity" report for Executive Team review to ensure the

appropriate application of the purchasing by-law

• In conjunction with the IT department and the Communications department created and implemented a "budget simulator" model to provide an additional vehicle for public engagement during the 2016 budget process

• Led a capital budget workshop to present the results of the BMA Financial Condition Assessment Review

• Working with intergovernmental affairs arranged for the AMO <u>What's Next Ontario</u> consultations to happen in Guelph

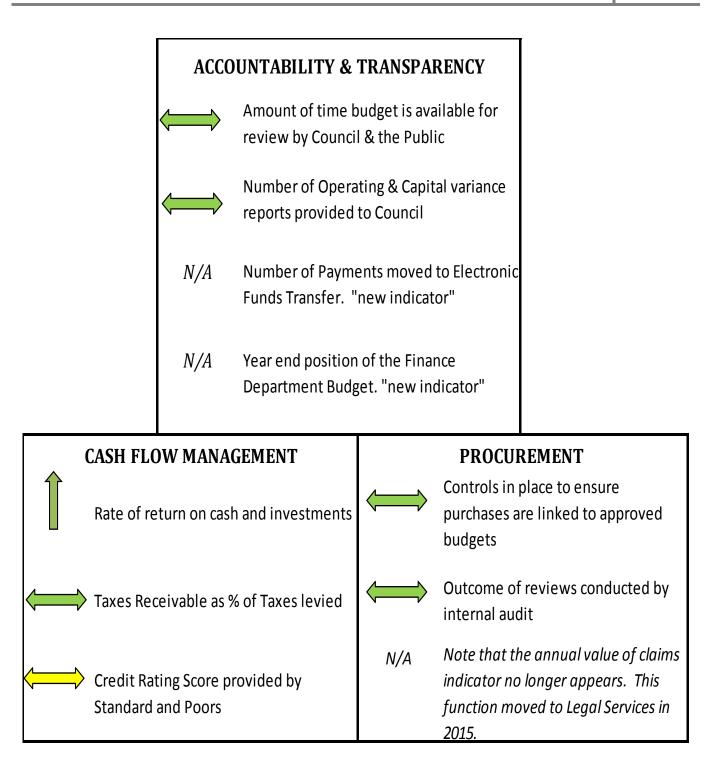
• Drafted ad hoc reports to Council to provide context and financial research including CS-2015-46 entitled "Budget Formula City Guideline"; CS-2015-71 entitled "Review of Zero Based Budgeting Report and Other Options"; CS-2015-74 entitled "Service Rationalization Options" and CS-2015-101 entitled "Infrastructure Environment and Funding Options"

- Drafted approximately 60 committee/council reports
- Provided leadership to the Request for Proposal process that led to the appointment of the external auditors
- Implemented the payment of employee expense reimbursement through electronic deposit
- Completed the transition of payments from wires and cheques to electronic funds transfer
- Initiated corporate training sessions on best practice procurement / accounts payable processes

PERFORMANCE DASHBOARDS AND TRENDS



The **2015 Performance Dashboard** shown below demonstrates how the Finance Department and City is trending in selected areas of accountability and transparency, cash flow and procurement. Items marked in green on this dashboard indicate that the measure is generally considered to be at an appropriate level; yellow indicates that the measure is in an acceptable range, but caution should be taken and red indicates that corrective action needs to be taken. In addition, the direction of the arrow indicates where the measure is a positive year over year change, negative or no real change.



Context to the specific measures is provided as follows:

ACCOUNTABILITY AND TRANSPARENCY

Amount of time budget is available for review by Council/the Public

In 2015, the time available for review remained largely unchanged from prior years with increased public engagement into the budget process. New tools were introduced; a discussion forum that was open to the public and an online budget simulator.

Number of operating and capital variance reports provided to Council

In 2015, staff provided five operating variance reports and four capital activity reports to Committee and Council (this is unchanged from prior years). Although there was a commitment in Report CS-2015-75 entitled "BMA Financial Condition Assessment Report" to reduce the frequency of reporting; this initiative is "on hold" pending discussions related to Council and Committee structure.

New Indicators for 2016 and onward

Number of Payments moved to electronic funds transfer (EFT)

Beginning in 2015, the Finance Department implemented a new initiative of moving vendor payments from cheques and wire transfers to electronic funds transfer. At the end of 2015 approximately 29% of payments are now being made via EFT. We will continue to work aggressively toward making this change.

Year-end position of the Finance Department Budget

Recognizing the importance of financial accountability, the finance department will include an indicator highlighting the year end position, whether it be a surplus, deficit or balanced budget. In 2015 Finance had a surplus of \$123,010.

CASH FLOW MANAGEMENT

Rate of return on cash and investments

The 2015 rate of return on investments increased from to 2.395% in 2014 to 2.89% in 2015. While operating in an environment of low interest rates, finance staff continued to aggressively pursue additional revenue through the sourcing of a high interest savings account and to optimize investment returns by capitalizing on a stronger bond market which has given rise to capital gains.

Taxes receivable as a % of Taxes levied

Property tax receivables as a percentage of taxes levied annually is 2.43% which is up from 2.11% as reported in 2014. Tax receivables continue to remain much lower than the 2014 Southwest Ontario municipal average of 6.5% as reported in the 2015 BMA Study. The low level of tax arrears and tax receivables are reflective of the strong economic financial health of Guelph as well as the staff resources allocated to the collection of arrears and the availability of enhanced payment options. Any range of receivables under 8% is considered to be acceptable.

Credit Rating Score provided by Standards and Poors

In 2015 Standards and Poor's Rating Services (S&P) reaffirmed Guelph's credit rating at AA+ with a stable outlook. S&P's report said their rating was based on Guelph's strong and diversified economy, exceptional liquidity, good financial management and robust financial policies, detailed operating and capital budgets and low debt burden. This indicator has moved into the cautionary range as staff is concerned about the low funded levels of the tax supported reserves and reserve funds; and both the decision not to increase the contributions to these reserves and the presentation of an unfunded 10 year capital budget, during the 2016 budget.

PROCUREMENT

Controls in place to ensure purchases are linked to approved budgets

Purchasing staff continue to ensure that a tender or Request for Proposal (RFP) is not issued unless an approved budget is in place for the work. Purchasing policies and procedures are established, communicated and followed.

Outcomes of reviews conducted by internal audit

Based on the PCard audit in 2015, and in compliance to the management action plans, controls are in place to ensure compliance and conformance to policy and procedures.

ACTIVITIES IDENTIFIED FOR IMPROVEMENT/GOING FORWARD

For 2016 the following activities/tasks will be a focus:

- Implement the action plan based on the finding of the BMA Financial Condition Assessment Report including (but not limited to):
 - A staff review of reserves and reserve funds including the establishment of financial plans and target balances
 - Improved capital project activity reporting and capital close out and budget reallocation procedures, and
 - A review of the City's debt policy

SUMMARY

In summary, the **Finance Department's 2015 Annual Report** provides the highlights of what has been accomplished over the past year. As demonstrated in the above document, the Finance Department is proud of the number of highly successful initiatives it has undertaken.



Human Resources

Annual Report

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Section 1: Introduction & Overview

The Human Resources Annual Report provides an overview and analysis of the people activity related to employment at the City of Guelph. This report consolidates performance measures and information related to workforce demographics and five-year-trends in a variety of key human resources areas, making comparisons wherever possible to relevant benchmark data. Commentary is provided alongside most of the data to provide context and build awareness and understanding around the story behind the data.

This year's report has been composed under the following sections:

Section 1: Introduction & Overview
Section 2: The Human Resources Dashboard and Scorecard
Section 3: 2015 Top Stories
Section 4: 2016 and Beyond
Section 5: Data Tables, Charts, Graphs and Analysis

What's changed in the Annual Report for the 2015 reporting year?

This year, Human Resources changed its approach in reporting tables as "One City" rather than by Service Area, Department and /or by employee group (union). By reporting the numbers in aggregate the data becomes more meaningful in comparison to the benchmark data available and furthermore the data trends year over year is not compromised by changes in the organizational structure which may give the appearance there has been real change (good or bad) when really the only change was shifting one section of the organization to another.

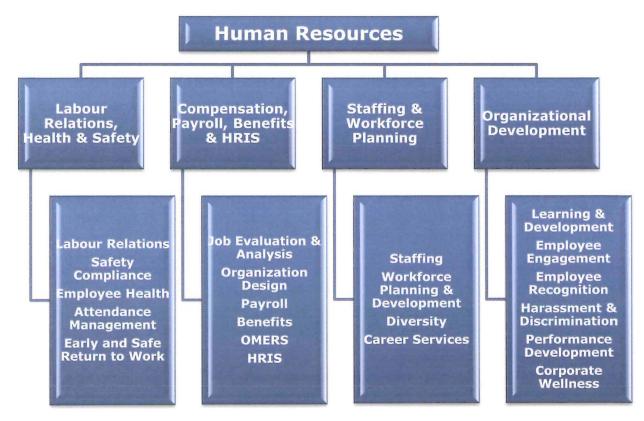
The Human Resources Department

The City of Guelph Human Resources Department provides human resource management programs and services, aligned with the City's values of integrity, excellence and wellness, and consistent with Council and regulatory requirements to enable the City to meet its business and service goals by:

- Promoting excellence in human resource management,
- Providing a proactive human resource advisory, information and service function to the departments of the City of Guelph,

- Providing information to Council and the organization to support human resource decision making, and
- Supporting employment related legislative compliance.

The following represents the organization structure of the Human Resources department for the past decade:



Symbols and Acronyms

The following is a descriptive list of symbols and acronyms that will be found throughout this report:

	Symbols						
"•" or "G"	Represents the colour ' Green ' indicating a positive result and/or a positive comparison to a benchmark						
"•" or "R"	Represents the colour ' Red ' indicating a negative result and/or a negative comparison to a benchmark						
"•" or "Y"	Represents the colour ' Yellow ' indicating a result that is 'cautionary'						
"+"	Indicates a positive trend or a trend in the 'right' direction						
<i>"</i> _"	Indicates a negative trend or a trend in the 'wrong' direction						

	ACRO	NYMS	
AD&D	Accidental Death and Dismemberment	HRIS	Human Resources Information System
AODA	Accessibility for Ontarians with Disabilities Act	IATSE	International Alliance of Theatrical Stage Employees
ASP	Attendance Support Program	IDE	Infrastructure, Development and Enterprise
ATU	Amalgamated Transit Union	LEAP	Licencing, Education & Accreditation Program
CAO	Chief Administrative Officer	LTD	Long Term Disability
СВОС	Conference Board of Canada	N/A	Not Applicable
CS	Corporate Services	NUME	Non Union Management Employees
CUPE	Canadian Union of Public Employees	OPSEU	Ontario Public Service Employees Union
EE	Employee	PS	Public Services
GPFFA	Guelph Professional Firefighters Association	PDP	Performance Development Plan
HR	Human Resources	STD	Short Term Disability
HRBN	Human Resources Benchmarking Network	WSIB	Workplace Safety and Insurance Board

Section 2: The Human Resources Dashboard and Scorecard

The Human Resources Dashboard and Scorecard provides a summary level of detail regarding the City's progress against fourteen performance measures broken down into four categories. These categories, defined below, are from the 2008 People Practices Strategy that remained relevant in 2015. However, going forward Human Resources will modify the department's structure, the approach in supporting the organization and become a business partner/trusted advisor to both departments and all city employees.

A Well Workplace where employees are provided with a challenging, rewarding, enjoyable and fulfilling career; Where employees are assisted in balancing their career, home and personal life through supportive human resource policies and management approaches.

A Learning Organization that fosters learning as a way of life, encourages creativity, and actively promotes and invests in the skill and knowledge development of every employee.

Leadership across all levels of the organization who are aligned and engaged to deliver strategy, build culture and reflect the Corporate Values.

Business & Service Excellence offering best in class business and service excellence, effectively using technology, ensuring staff are well trained, effectively managing change and objectively measuring performance for continuous improvement.

The Dashboard, found on page 7 uses colour to provide a quick visual summary of the City's progress toward these measures over the past four years. The colour **Green** is used to represent metrics that compare positively to benchmarks and where the City is performing well. Yellow and Red indicate items that are not currently in line with benchmarks or where the City feels that performance needs to be improved. This year, the letters "G", "Y" and "R" are also used to assist those who cannot decipher colour when interpreting this report. PLUS and MINUS signs are used to indicate the direction that certain measures may be trending. For example "+" indicates that the measure is trending in a positive direction and "-" indicates that the measure is trending in a positive direction.

The Scorecard, found on page 8 provides an overview of the current year only. Although still a summary, the scorecard provides more data on each of the fifteen measures including the target for the year, the outcome or result realized the benchmark and a new target for 2016.

Human Resources Dashboard

The following group of four tables, when viewed together, represent the Human Resources Dashboard. Using colour (as described on page 6), these tables are meant to quickly illustrate how the City has measured against each indicator over a five year period.

A Well Workplace	2011	2012	2013	2014	2015
Voluntary Turnover	• G	• G -	• G	• G	• G
Sick Days per Employee	• R	• R	• Y +	• R	• R
Lost Time Incident Rate	• G	• G -	• G	• G	• G
Grievance Rate	<u> </u>	• R	• R	• R+	• G
Leadership	2011	2012	2013	2014	2015
Employee Engagement	N/A	• R	N/A	• Y +	N/A
Management: Non-Management Ratio	• G	• G	• G	• G	• G
PDP Completion Rate	<mark>·</mark> Y +	• R	• G	• G	• G
A Learning Organization	2011	2012	2013	2014	2015
Training Cost per Employee	● Y +	• Y +	• Y	• G	• G
% of Positions filled Internally	• Y +	• G	• G	<u> </u>	• G
Business & Service Excellence	2011	2012	2013	2014	2015
HR Staff: Employee Count	• G	• G	• G	• G -	• G
HR Expense	• G	• G	<u>•</u> Y	• G	• G
Total Compensation as a % of Gross Operating Expenditures	• G	• G	• G	• G	• G
Benefits Expense	• G	• Y	<u> </u>	- Y-	• R
External Time to Fill	<u>•</u> Y+	• G	• G	• G	<u>•</u> Y
Cost of Overtime	N/A	N/A	N/A	• R	• R

The Human Resources Dashboard shows that the City continues to trend positively in a number of areas. In 2015, 10 of the 14 measures reported on are trending positively compared to available benchmarks (Employee Engagement Survey not included as 2015 was a non-survey year). Benefits Expense, Cost of Overtime and Sick Days continue to trend negatively and External Time to Fill has slipped slightly in 2015. More data, detail and remedial action on each of these measures can be found in Section 5 of this report.

Human Resources Scorecard

The following group of tables, when viewed together, represent the Human Resources Scorecard. Like the Dashboard these tables use colour to quickly highlight results. These tables also provide the target, the 2015 result, the benchmark and the 2016 target for each measure.

A Well Workplace					
Maaguro	2015	2015	Bench-	Colour	2016
Measure	Target	Result	mark	Colour	Target
Voluntary Turnover	<5%	4.5%	5.6%	• G	<5%
Paid Sick Days per Employee	9.2	11.6	9.2	• R	9.2
Lost Time Incident Rate	<2%	2.2%	2.7%	• G	<2%
Grievance Rate	12%	9.1%	3.9%	• R+	12%
A Learning Organization					
Measure	2015 Target	2015 Result	Bench- mark	Colour	2016 Target
Training Cost per Employee	\$705	\$741	\$800	• G	\$800
% of Positions Filled Internally	55%- 65%	69%	46%	• G	55%- 65%
Leadership				A States	
Maagura	2015	2015	Bench-	Colour	2016
Measure	Target	Result	mark	Colour	Target
Employee Engagement Score	N/A	N/A	N/A	N/A	
Management: Non- Management Ratio	1:14	1:14	1:9.5	• G	1:14
Performance Development Plan (PDP) Completion Rate Cumulative CUPE 973 and NUME: NUME 100% completion based on performance rating calibration process	100%	92%			100%
Business & Service Excellen	ce				
Measure	2015 Target	2015 Result	Bench- mark	Colour	2016 Target
HR Staff: Employee Count	1:96	1:117	1:90	G	1:103
HR Expense	0.7%	0.57%	0.60%	• G	0.60%
Total Compensation as a % of Gross	0.7 70			• •	
Operating Expenditures	=<46%	43%	N/A	• G	=<46%
Benefits Expense	Target				Target
	bench- mark	\$4,638	\$3,781	• R	bench- mark
External Time to Fill	50 days	62 days	62 days	• Y	50 days
Cost of Overtime	2.5% of base salary	4.28%	2.5%	• R	2.5% of base salary

Section 3: 2015 Top Stories

- Human Resources Support for Corporate Reorganization
- Employment Systems Review
- Talent Management Framework
- Leadership Development
- Civics 101
- Employee Recognition Program
- Negotiation

Human Resources Support – Corporate Reorganization

The Corporate Reorganization was not initially identified as a 2015 priority on the HR work plan. However, moving into 2015, the reorganization became a top priority for HR resulting in a significant amount of resources being allocated to support/lead this transformational change. As a result, other initiatives on the work plan were paused to ensure success.

Employment Systems Review

An Employment Systems Review (ESR) was conducted in late 2015. The basis for this review was the results of the Workforce Census, conducted in 2014. The Workforce Census data showed that each of the four designated groups is under-represented in the City workforce compared to their availability in the external labour market. This suggests that barriers to the hiring, advancement and full inclusion of the designated groups exist. The ESR focused on identifying these barriers and providing recommendations to support their removal.

The ESR included the following:

Document Review

Written policies, procedures and other documents were reviewed to identify potential barriers in employment policies, as well as the application of these policies by managers and human resources staff.

Competition File Review

In total, 61 files for competitions held between 2013 and 2015 were selected and reviewed to determine if staffing policies and practices are applied in a fair and consistent manner.

Focus Groups/Employee Survey

An employee survey was made available to employees and focus groups were scheduled to allow various groups of employees to provide input to the ESR. The

topics covered various aspects of employment practices and the working environment.

One-on-one Interviews

Senior Managers and Union Leaders were invited to participate in one-on-one telephone interviews with the consultant. These interviews allowed the consultant to further explore topics related to workplace equity, diversity and inclusion issues.

A full report summarizing the findings of the Employment Systems Review is expected in the spring of 2016. This report will include a series of recommendations that will assist the City in furthering its commitment to a workplace free from barriers to the hiring and advancement of members from designated groups, and to the creation of a more inclusive organization for all employees.

Talent Management Framework

The development of a talent framework was a focus for 2015. The framework, titled the Integrated Talent Blueprint, builds on programs and policies developed through the City's previous people plan – the People Practices Strategy.

Talent management when handled strategically flows from our mission, vision and values and will help the City achieve our goals and objectives.

The City's Integrated Talent Blueprint focuses resources and energies on key priorities and actions required to have engaged, diverse, high-performing, and innovative employees to meet current and future needs. In turn this enables us to deliver effective services and programs to our community

The Integrated Talent Blueprint will be rolled out to employees in 2016 with activities over the next several years.

Over the next few years, Human Resources will lead work that falls into three priority areas to help employees continue to be part of an engaged, diverse, high-performing, innovative and productive team that is working to meet the City's needs.

- Know and Attract
- Learn and Grow
- Lead and Engage

Leadership Development

The City's Leadership Development Program helps the City build its leadership bench strength. By investing in our leaders and emerging leaders we enhance our ability to deliver services, engage our employees, meet challenges and seize opportunities.

The program places a clear focus on the expectations of leadership which are set out in a <u>Leadership Charter</u> and encompasses leadership development tools such as classroom based training, online learning through a Leadership Orientation Program and <u>Harvard ManageMentor®</u>, selected reading along with assessment and coaching opportunities.

The Leadership Charter sets out the following leadership commitments:

I will lead with a shared community mindset, where employees are empowered to make decisions in service of our constituents and where we foster innovation and proactive strategic thinking, I will hold myself and others accountable to be collaborative, courageous leaders.

I will communicate with clarity

- Create a clear line of sight for employees to be aligned around our objectives
- Support transparent and open government
- Balance exceptional service, short-terms needs and long-term strategic priorities

I will foster innovation

- Develop a safe-fail environment and smart risk taking
- Leverage diverse ideas and progressive ways of thinking
- Lead change and create agile teams

I will be accountable to our stakeholders

- Be results focused and encourage it in others
- Develop people and cultivate future leaders
- Role model courage, resilience and wellness and hold difficult conversations

The Leadership Charter was integrated into recruitment practices, new leader orientation, into the learning and development area of the Performance Development Process for non-union management exempt staff and into team building initiatives. Three streams of learning occurred through 2015 with a focus on:

Foundational leadership development – Robust, core management and leadership training that provides a foundation for working at the City as a leader.

Focused leadership development - Development that enhances leadership skills and abilities of the city's mid-level leaders to better enable them to translate strategy into action.

Strategic leadership development - Focused on building the ability to lead while balancing strategic goals and effectively gaining organizational commitment, alignment and results.

During the latter part of 2015, the City also started developing a program for **peer leaders** (employees leading their peers through their roles such as Lead Hands and Coordinators). This program will be geared towards helping these leaders bring the City of Guelph Leadership Charter to life and to support the building of skills to effectively and productively lead others in a unionized environment. This program will be launched in 2016.

Learning Audit

The Learning and Development Audit conducted by the Internal Audit department in 2014, resulted in 7 recommendations. A number of these recommendations were implemented in 2015 including;

- Development of a Learning and Development framework, policy and tools. The policy specifically addressed a number of audit recommendations and sets out the City's guiding principles for employee learning.
- Development and launch of a departmental tool to track annual department learning plans
- Development and launch of training effectiveness tools, currently used with all internal training programs with a particular focus on measuring effectiveness of our leadership development courses
- Preliminary planning for a Corporate Round Table to address the remaining audit findings including training budgets and systems
- Tools to support Knowledge Management were developed to complement the City's Learning and Development Framework. The tools are available online for leaders and teams to use in supporting the continuity of their services, and the onboarding of their new team members.

Civics 101

Civics 101 training was launched. Civics 101 is designed to help employees who are new to the municipal sector learn more about local governments, how they work, and the important role that we all play in helping the organization modernize service delivery. The online program takes the learners through the work we do together, and explores the fundamental role that planning plays in our work of supporting long term success of the organization

Employee Recognition Program

The City launched a new employee recognition program in 2015 called the *Say Thanks* program. Employees are provided with the tools and resources to make it easy to show appreciation. The program helps employees:

- Recognize each other's contributions
- Support each other
- Take pride in what we do
- Be enthusiastic have fun



Recognition helps increase morale, productivity and builds a stronger commitment to work and the organization. Recognizing each other's contributions helps create a happier, more engaged work place.

Negotiations

- 1. Negotiations commenced in 2014 with the Guelph Professional Firefighters Association (GPFFA) and will be moving to Interest Arbitration.
- 2. Negotiations commenced in 2015 with Ontario Public Service Employees Union (OPSEU) and the negotiating team continues to meet with the union in 2016 in efforts to reach a settlement.
- 3. Negotiations and a settlement was reached in 2015 with the International Alliance of Theatrical Stage Employees (IATSE)
- 4. The negotiating team for CUPE, Locals 973, 241 and 1946 was established and the roundtable approach was deployed for the first time in efforts to ascertain areas of the collective agreements which required changes to allow for more effective service delivery

The City will endeavour to negotiate agreements that are fair, reasonable and affordable for our citizens.

We will continue to work on our corporate union/management relationship through a principled based approach, Executive Team roundtables and our leadership development activities.

Section 4: Moving Forward 2016 and Beyond

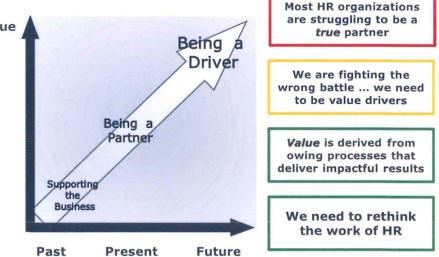
This section summarizes some of the initiatives that the Human Resources department will be undertaking in 2016.

Transforming City of Guelph HR – Moving to a Trusted Advisor

The City of Guelph is undergoing transformation as we work to achieve corporate priorities. To respond to employee and organizational needs, HR will continue to focus on providing value to our internal groups, so in turn value is provided to the community.

Value starts with a clear point of view—a well-defined and communicated ambition—of how HR will contribute and being a driver.¹

Today's HR function has a new set of challenges: A mandate to drive the talent agenda and help attract the best; the need to drive alignment, culture, and performance; the opportunity



to better

leverage technology and analytics. There is the need to support and build a leadership pipeline. HR is not only expected to be efficient in the delivery of core services but also set the talent agenda and drive performance and engagement. HR does not take on all these mandates by itself. That said, HR is responsible for putting the right people, processes, and culture in place so that leaders and employees can take them on. Given the City's transformation, HR must be ahead of this change, allowing skilled practitioners to support leaders and employees through the change.

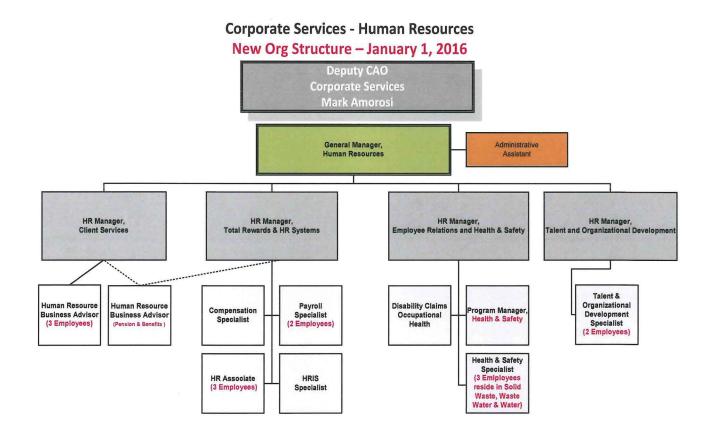
Human Resources has moved to a client-focused service delivery model, much like Corporate Communications. We have realigned our divisions to create a group of Human Resource Advisors that will work directly with departments to meet their people needs such as staffing and employee relations. The service delivery has a complement of HR Specialists (Health and Safety, RTW, Payroll, HR Technology etc.) to partner with department leaders and HR Advisors.

¹ Talent & Rewards HR Effectiveness AON Hewitt, 2011

To directly support employees' needs, we have established a group of HR Associates who will answer questions and concerns through myHR – employees' source for everything related to employment at the City. myHR is similar to IT's 2499 help desk.



Moving forward, Human Resources will be easy to access, provide coordinated support and deliver advice which positively impact people metrics.



Integrated Talent Blueprint

As mentioned earlier in the report the **Integrate Talent Blueprint** was finalized and Human Resources will focus over the next 12 to 18 months will be operationalizing it.

The **Integrated Talent Blueprint** builds on programs and policies developed through the City's previous people plan – the **People Practices Strategy (PPS) 2009-2012**.

The **Integrated Talent Blueprint** identifies three **priority areas** that will focus our activities over the next several years. It establishes the key actions required to have engaged, diverse, high-performing, innovative and productive employees to meet the City of Guelph's current and future needs.

The **Blueprint** is championed by Senior Leaders who will ensure the necessary actions are fully supported, that progress is regularly monitored and that the planned outcomes are achieved. Successful implementation requires corporate, cross-service area and departmental activities and initiatives. All levels of leadership have an important role and are accountable to ensure success.

The 3 Priority Areas Are:

- Know & Attract We know what skills and abilities are needed to move the organization forward to achieve our priorities. We identify, attract and retain diverse talent and skills that will enable us to perform successfully.
- Learn & Grow We view learning as a strategic investment and believe that everyone in the organization has talent which must be developed. A work environment that values learning helps us to serve our employees, our organization and our community.
- **3.** Lead & Engage Through leadership we will foster employee engagement and an enriched sense of belonging, purpose and pride in public service. As employees we experience work that is meaningful and rewarding.

Over the next 12 – 18 months the focus of HR will be:

- Succession Planning Program: The Succession Planning program will be piloted with the Executive Team. Plans are underway to update the Succession Management Framework and associated tools.
- Leadership Development: Leadership commitment to learning and development is a focus for this year. All leaders are requested to enhance their own learning and leadership skills related to the City's Leadership Charter. Leaders will continue to support and invest in the development of their employees.

More 2016 Deliverables

CUPE Bargaining Contingency Planning

For the first quarter of 2016 Human Resources was actively planning business continuity plans in the event there was a labour disruption with CUPE, Locals 973, 241 and 1946. Planning included updating the city's business continuity plans for all city departments, communications, security consultations, etc. At the time of preparing this annual report the negotiating team and the unions successfully reached an agreement.

EE Engagement Survey (CMT Priority)

The organization commits to resurveying employees every two years to measure employee engagement and a number of key metrics associated with a positive work environment. Surveys were hosted in 2012 and 2014. Survey planning is underway for 2016. Following the employee engagement survey, results are shared with employees and targeted corporate and departmental actions plans are developed and implemented.

PDP Process – (CMT Priority)

The City is committed to improving the effectiveness of the annual performance development planning process. "Managing Performance" has trended as the top opportunity across the organization to improve employee engagement. Plans are underway to move from cumbersome excel/word document process to an online process with increased "real-time" feedback for employees on their performance.

Management 101

Preliminary scoping of "Management 101" training will take place in 2016. The scoping will include a review of learning materials already in place including our online Leadership Orientation Program. It is anticipated that training will need to be sourced on topics such as "managing in a unionized environment".

Section 5: Data Tables, Charts, Graphs & Analysis

Demographics and Costs

The section is intended to set the context and cost related to delivering human resources activities to the organization. In addition, the demographic information will provide some perspective on the level of complexity of providing these services in a multiple union organization with a large employee base.

Other tables will illustrate the number of employees needed to operate a city and provide the services to both the residential and business community. These counts are impacted by vacancies due to turnover and changes in staffing needs. Human Resources provides workforce planning related activities to the organization as a means to keep an eye on retirement projections and trends in turnover. This is a critical service to the organization as it ensures adequate staffing levels are maintained and that we continue to have well-developed and skilled labour force.

HR Efficiency Indicators

As illustrated in the following table, The City of Guelph provides HR services to 96 employees per HR staff member. This is down from 2014 due to the restructuring, vacancies and absences.

HR Expense as a percentage of organizational operating expenses continues to decline to .50%. Both indicators continue to compare favourably with benchmark data provided by HRBN.

HR Staff to	2011	2012	2013	2014	2015
Employee Count	1:127	1:128	1:127	1:115	1:117
	HR Sta	ff: Employe	e Count (G)		
City of	f Guelph			1:117	
н			1:103		

HR Efficiency Benchmark Comparisons

The following two tables show how the City's HR efficiency indicators compare to municipal benchmarks.

HR Expense as a	2011	2012	2013	2014	2015
% of Organization Operating Expense	.69%	.59%	.63%	.61%	0.50%
Cost of HR per Full Time Equivalent	\$1,291	\$1,228	\$1,368	\$1,437	\$1,290

HR Expense as a % of Organiza	HR Expense as a % of Organization Operating Expense (G)			
City of Guelph	0.50%			
HRBN	0.60%			

Salary Expense and Total Compensation

The following table shows salary expense as a percentage of the City's operating expense. This measure has been fairly stable over the past five years. The "Total Compensation as a % of Operating Expense" is derived from the City's Financial Information Return (FIR).

Year	Salary Expense	Operating Expense (OE)	Salary Expense as a % of OE	Total Compensation as a % of OE
2011	\$92,133,991	\$273,229,355	33.7%	47.8%
2012	\$99,212,855	\$312,056,998	31.8%	46.0%
2013	\$101,705,068	\$319,822,949	31.8%	46.0%
2014	\$107,548,758	\$347,281,766	31.0%	46.0%
2015	\$112,912,301	\$372,640,997	30.3%	43.0%

The following table summarizes the "overall" and the "per employee" costs for various components of the City's benefit plans. The City's benefit plans were renegotiated in

2013 to realize savings. The total cost of providing benefits in 2014 was down 5% from 2012, prior to the changes that were made.

Salary Expense as a % of Benchmark C	
City of Guelph	30.3%
HRBN	30.2%

City of Guelph Workforce Distribution

The headcount table below illustrates the number of full-time and regular-part-time employees for the City as of the end of the reporting year.

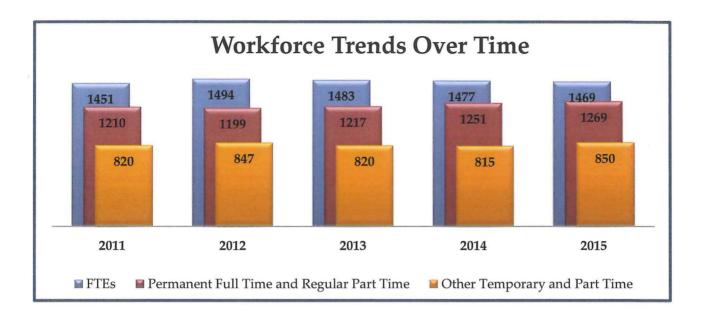
Description	Total Full Time Staff	Vacancies at Dec 31	Total Other (Annual Average)	Total Staff
Total Workforce	1,215	54	850	2119

Workforce Trends over Time

For some calculations in this report and for the purpose of benchmarking, a figure of 1,469 has been established to represent full time equivalents or FTEs. This figure is only used for the purpose of analysis and comparison and is not to be confused with numbers used for budget purposes.

FTEs in this report include an additional equation of all time worked by temporary and seasonal staff to determine their full time equivalent. FTEs for budget purposes include only regular full and part time employees or 'heads'.

The following chart illustrates the trend between permanent staff, temporary staff and FTEs over the past five years.



Turnover Trends

The City experienced higher voluntary turnover in 2015 reaching a 1.5% increase from 2014. Although there was an increase, the voluntary turnover rate still compares favourably with the benchmark of 4.9%. Turnover and benchmark data are represented in the two tables below.

Number of Separations	2011	2012	2013	2014	2015
Voluntary	48	61	46	36	54
Involuntary	19	20	19	25	17
Total Separations	67	81	65	61	71
Voluntary Turnover Rate	4.0%	5.0%	3.9%	3%	4.5%

Turnover Benchmark Comparison

The following table shows how the City's voluntary turnover rate compares to the municipal benchmark.

Voluntary Turnover Rate (G)				
City of Guelph	4.5%			
HRBN	5.6%			

Staffing & Workforce Planning

Overall Hiring Activity	2011	2012	2013	2014	2015
Total Hires	197	150	174	198	187
Average Time to Fill ¹ (weighted)	44 days	45 days	37 days	34 days	45 days
Internal Hiring Activity	2011	2012	2013	2014	2015
Internal Hires	62	71	96	84	103
Time to Fill	33 days	31 days	26 days	32 days	31 days
% of Positions filled Internally*	46%	59%	68%	47%	69%
External Hiring Activity	2011	2012	2013	2014	2015
External Hires	135	79	78	114	84
Time to Fill	50 days	58 days	51 days	37 days	62 days
% of Positions filled Externally	69%	53%	45%	58%	45%

*adjusted by the number of positions that are not typically filled internally. This includes Firefighters, Paramedics and Transit Operators.

Staffing Benchmark Comparisons

The following three tables show how the City of Guelph recruitment and hiring activity compares to municipal benchmarks.

% of Positions Filled Internally (Y)				
City of Guelph	69%			
HRBN	46%			

External Tim	e to Fill (G)
City of Guelph	62 days
HRBN	62 days

Projected Retirement in the next 5 years

Over the next 5 years 18% of our workforce will be eligible to retire with unreduced pensions. The areas expecting the largest impact from retirement are Fire GPFFA, Transit, CUPE 241 and NUME.

Number of E	mployee				r ann ca	aeeu pe	neneme	
in the next 5 years:								
Association	2015 ¹	2016	2017	2018	2019	2020	Total	%²
Transit ATU 1189	1	10	13	4	3	4	35	20
Outside CUPE 241		16	3	11	15	12	57	18
Inside CUPE 973		9	3	3	5	8	28	13
Fire GPFFA 467		18	11	7	4	5	45	27
EMS OPSEU 231		3	1			2	6	8
NUME Management		8	3	5	7	4	27	19
NUME Non- Management	1	15	2	2	1	2	26	21
Total	2	79	36	35	35	37	224	18

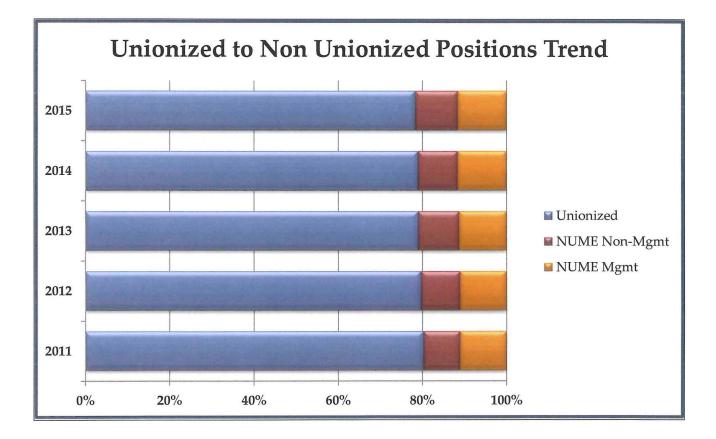
¹ The number of employees who became eligible to retire in (and prior to) 2015 but who did not retire. ² The % of current full time employees in each Employee Group who are eligible to retire with unreduced pensions in the next 5 years.

Workforce Benchmark Comparisons

The table below illustrates that on average, City managers and supervisors oversee more staff than our municipal comparators. This measure has remained fairly stable over the last 5 years. Traditionally this has been viewed positively however the size of teams, if too large, may have a corresponding indirect negative impact on other measures. For example, large teams may impact a leader's ability to management people effectively.

Manageme	nt to Non-Ma	nagemer	nt Ratio		
Description	2011	2012	2013	2014	2015
City of Guelph	1:14.5	1:16	1:14	1:14	1:14
HRBN	1:10	1:9.7	1:9.5	1:9.1	1:9.5

The next chart illustrates the relationship between unionized positions, non-unionized positions and management/supervisory positions annually since 2010.



Demographics by Association

The following table illustrates the gender split within each of the City's union groups as well as average age and average years of service.

Association	Total Full Time Staff	Male	Female	Average Age	Average Years of Service
Transit ATU 1189	178	73%	27%	50	10.8
Outside CUPE 241	309	89%	11%	45	11.3
Inside CUPE 973	223	40%	60%	43	9.8
Fire GPFFA 467	165	90%	10%	43	13.5
EMS OPSEU 231	77	56%	44%	39	6.5
NUME Management	140	63%	37%	49	9
NUME Non-Management	123	44%	56%	44	6
City of Guelph Full Time Staff	1215	68%	32%	45	9.6

Employee Demographics

The table below illustrates the stability in our employee demographics over the past five years. As a whole, gender distribution at the City of Guelph continues to differ from the benchmark with the greatest disparity between male and female employees seen in GPFFA and CUPE 241.

Description	2011	2012	2013	2014	2015	HRBN
Male	67%	68%	68%	69%	68%	47%
Female	33%	32%	32%	31%	32%	53%
Average Age	44	44	45	45	45	43
Average Years of Service	10	10	10	9	9.6	11

The table below shows the representation and availability of the four designated groups at the organization-wide level. These numbers remained steady from those first reported in 2014. The percentage of women differs from that reported in the previous chart as the workforce data below includes part time and contract employees not included above.

Description	2011	2012	2013	2014	2015	Census*
Women				43%	40.9%	35.4%
Visible Minority	-	-	-	4.9%	4.6%	11.1%
Aboriginal Person		10 C	-	0.8%	1.0%	1.9%
Person with a Disability		-	-	4.0%	4.0%	4.7%

*Source: 2011 Census and 2012 Canadian Survey on Disability (CSD)

Learning & Development

The following table illustrates the organizational investment in formal Learning and Development activities in 2015.

Type of Learning	2011	2012	2013	2014	2015
Departmental Training: Training that is paid for by departments for their staff and can include both group and individual training on a variety of technical and soft skill development programs.	343,165	414,523	423,394	405,388	478,444
Corporate Training: Training that is coordinated for the corporation by Human Resources, and includes mostly soft skill development.	38,457	39,921	16,981	24,745	24,509
Corporate Training Health & Safety, Mandatory: I ncludes mandatory training that is coordinated through the HR department such as first aid training, safety essentials for leaders and joint health & safety committee training.	23,272	16,676	14,916	11,194	16,101
Executive/ Management Development: Includes costs for leadership development including programs delivered both internally and offsite.	30,987	10,238	28,536	162,745	115,032

LEAP Program (Tuition Assistance Pre 2013): Covers program costs (up to a specified maximum) for employees pursuing post-secondary education, licences, skills upgrading, prior learning assessments, international education accreditation and exam fees for professional designations.	16,574	25,932	34,204	39,770	29,573
Training Expenditures from Budget	452,455	507,290	518,031	643,842	663,659
Internal Trainer's Salaries	196,820	198,502	203,768	234,430	244,408
Total Cost of Training	649,275	705,792	721,799	878,272	908,067

Learning & Development Benchmark Comparison

The following table illustrates the cost of training per full time employee over the past five years as compared to the benchmark. The City had been slowly improving its investment in learning and development over time and in 2014 for the first time, the City was in line with and slightly exceeded the benchmark, but has fallen below the benchmark in 2015.

Cost of Training per Full Time Employee (G)									
Year	2011	2012	2013	2014	2015				
Cost of Training per Full Time Employee	\$536	\$579	\$593	\$721	\$741				
Conference Board of Canada	\$688	\$688	\$705	\$705	\$800				

Employee Health, Wellness & Safety

The next section refers to the data relating to employee health which impacts the city's absenteeism rates, benefits costs and overtime costs.

There appears to be a correlation between increased absences/vacancies which in turn creates more overtime which causes worker fatigue/stress and ultimately increased sick time. Although there is no empirical evidence to support this in reviewing the 2014 data in the chart below, the data certainly supports this observation.

Year	Hours of Overtime	Overtime Costs	% Increase in Hours	\$ Increase in	Average Hrly Overtime Rate	STD Costs	% Increase in STD Costs	All Sick/WSIB Absences In Hours	% Increase in All Sick/WSIB Hours
2011	88487	\$ 3,755,755	26.03%	29.14%	\$ 42.44	\$ 437,742	23.89%	18945	16.21%
2012	94069	\$ 3,944,681	6.31%	5.03%	\$ 41.93	\$ 775,587	77.18%	21240	12.11%
2013	112275	\$ 4,804,598	19.35%	21.80%	\$ 42.79	\$ 906,774	16.91%	20442	-3.76%
2014	92398	\$ 3,993,929	-17.70%	-16.87%	\$ 43.23	\$1,006,742	11.02%	20728	1.40%
2015	98358	\$ 4,832,251	6.45%	20.99%	\$ 49.13	\$1,422,857	41.33%	23602	13.87%

Attendance & Absenteeism

After an improvement in 2013 absenteeism rose once again in 2014 and even higher in 2015 to an average of 11.6 paid sick days per employee.

Year	2011	2012	2013	2014	2015
Average # Paid Sick Days per Eligible Employee	10.2	10.7	10.1	10.5	11.6

Paid Sick Days Pe Benchmark C	r Eligible Employee (R) Comparison
City of Guelph	11.6 days
HRBN	9.2 days

Annual Absenteeism Comparison

The following tables summarize all types of absenteeism first by year and then by association.

Days off due to:	2011	2012	2013	2014	2015
Paid Sick Leave	8,677	8,409	6,970	7,403	7,106
Unpaid Sick Leave	833	1,300	1,099	545	423
Short Term Disability	2,608	4,373	4,841	5,393	7,012
Long Term Disability	6,272	6,435	6,943	6,944	8,591
WSIB	555	723	589	443	499
Total Days Off due to Sickness/Injury	18,945	21,241	20,422	20,728	23,631

Accidents & Incidents

Accidents and Incidents are monitored and recorded each year as part of our health & safety management system and in accordance with legislated requirements under the Ontario Occupational Health and Safety Act, Construction and Industrial Regulations and the Workplace Safety and Insurance Act. The following pages summarize accidents and incidents in the following categories:

The following table shows the five year trend of incidents by incident type.

Incident Type	2011	2012	2013	2014	2015
Near Miss An event which had the potential for injury or illness but did not result in injury or illness	71	40	127	113	114
First Aid An Injury/illness that is treated at the workplace where no further medical attention is required	142	157	99	121	141
Medical Aid An injury/illness where the employee seeks medical attention away from the workplace from a healthcare professional	48	61	48	48.	81
Lost Time An absence from the workplace following a work related injury or illness beyond the date of	35	43	42	39	46

Incident Type	2011	2012	2013	2014	2015
occurrence					
Denied WSIB An injury/illness claim that has been denied by WSIB. (Workplace Safety & Insurance Board)	20	28	24	11	12
Withdrawn	-		4	1	
Total	316	329	344	333	394
Incidents as a % of Headcount	15%	16%	17%	16%	19%
Lost Time Incident Rate	1.7%	2.08%	2.07%	1.9%	2.2%

Accident/Incident Comparisons

The next two tables show how the City of Guelph compares to HRBN Benchmarks with respect to lost time incidents as a percentage of total staff and WSIB lost work days per employee. The City compares very favourably to these indicators due in part to our strong commitment to the return to work process and increased opportunities in the departments for providing modified work.

Lost Time Incid	ent Rate (G)
City of Guelph	2.2%
HRBN	2.7%
WSIB Lost Work Days	per Employee (G)
City of Guelph	.24
HRBN	.47

Overtime Hours Paid Ratio (includes banked overtime)

The next table shows the "Overtime Hours Paid Ratio" by comparing the total number of hours worked by employees with the number of overtime hours paid. This was 3.54% in 2015 which is higher than that reported by the HRBN for municipalities. This table also looks at the cost of overtime as a % of base salary. This figure was 4.28% in 2015. Another observation is the overtime hours worked in 2015 over 2014 increased by 6.54% however the cost of this overtime increased by 21%. Therefore, not only was more overtime worked but value of each hour worked increased too.

Year	Total Hours Worked	Overtime Hours Paid	Overtime Hours Paid Ratio	Cost of Overtime	Overtime as a % of Base Salary
2011	2,485,071	88,487	3.56%	\$3,755,755	4.08%
2012	2,623,021	94,069	3.59%	\$3,944,681	3.98%
2013	2,629,279	112,275	4.27%	\$4,804,598	4.72%
2014	2,878,496	92,398	3.21%	\$3,993,929	3.71%
2015	2,778,659	98,358	3.54%	\$4,832,251	4.28%

Overtime Hours	Paid Ratio (R)
City of Guelph	4.28%
HRBN	2.5%

Overtime Costs by Category

The increase experienced in 2015 was largely due to weather related events, vacancies and increased medically supported absences.

	Total O	vertime	Increase
Overtime Category and Explanation	2014	2015	%
Legislated or Regulatory Compliance: Due to legislation, collective agreements or other regulatory compliance overtime must be worked to meet requirements and not put the City of Guelph at risk.	\$1,605,750	\$1,707,459	6.3%

	Total O	vertime	Increase	
Overtime Category and Explanation	2014	2015	%	
Management Directed: Management has directed the employee to work overtime.	\$1,395,096	\$1,604,676	15.0%	
Other Vacancy: Another employee is away at a conference, training, meeting, etc. overtime must be worked to meet required deadlines.	\$48,896	\$130,102	166.1%	
Public Safety: There is a public safety issue if employees do not complete the work on overtime. Example, fire or the Mayor has declared an emergency (not weather related).	\$195,447	\$267,002	36.6%	
Revenue Generation: Employee must work overtime to ensure the City maximizes opportunities to generate revenue for the City. Example, shows at the River Run or Storm games at the Sleeman Centre.	\$233,957	\$309,744	32.4%	
Sick Absence: Another employee is away due to illness or injury (Sick, STD, LTD or WSIB) and employee is required to do additional work normally done by the other employee.	\$168,616	\$203,499	20.7%	
Vacancy: There is a vacancy due to a termination, resignation or retirement within the division.	\$70,560	\$105,819	50.0%	
Weather Response: Employees must work overtime to respond to a weather event. Example, significant snow fall, summer storm.	\$179,735	\$503,950	180.4%	
ATU Labour Disruption	\$95,872	N/A		
Total	\$3,993,929	\$4,832,251	21.0%	

Note in 2014 this breakdown did not include both paid and banked overtime.

In 2016, Human Resources will continue to provide overtime reports, monitor compliance with established overtime approval process and work with departments on opportunities to work more effectively minimizing the need for overtime when possible.

The new HR Service Delivery Model will be equipped with monthly and quarterly reports that will identify areas of concern and provide the opportunity to address throughout the year. In addition to providing more support to departments, changes in language in the CUPE collective agreements will also allow for more flexibility in scheduling which should decrease the number of overtime hours yet still provide services to the community.

Benefit Costs

The City's overall benefit costs continue to increase given the increase in the cost of benefits, particularly drugs, and with the substantial increase in approved medical absences (STD and LTD) this is to be expected.

Benefit	2011	2012	2013	2014	2015
Total	\$6,827,423	\$7,021,956	\$7,580,464	\$7,856,512	\$9,756,430
Average Cost Per Employee	\$5,483	\$5,363	\$5,762	\$5,623	\$6,935

Extended Health & Dental Co	ost per Employee (R)
City of Guelph	\$4,638
HRBN	\$3,781

Employee Assistance Plan

The Employee Assistance Plan is a service that is available to employees and their dependents. The EAP is promoted to employees at orientation and at various stages of employment. Notices about the program are also posted throughout City facilities. The following table summarizes the EAP activity at the City of Guelph.

EAP Activity	2011	2012	2013	2014	2015
Number of New Cases	257	268	265	251	308
EAP Utilization Rate	21.24%	25.31%	22.55%	21.7%	26.2%
Hours of Service Provided	1,097	1,130	1,022	994	1106
EAP Expense	\$116,585	\$119,629	\$126,813	\$100,212	\$130,236
EAP Expense per Eligible Employee	\$96	\$96	\$95	\$87	\$111

EAP Benchmark Comparisons

EAP Utilization Rate and Expense Per Eligible Employee			
City of Guelph	26.2% or \$111		
HRBN	14.9% or \$46		

Direct Cost of Conflict

The City as a workplace is a diverse environment involving people with different values, wants, needs and expectations. As a result, conflict does occur.

In the sections below, the commentary and charts will demonstrate some of the direct costs of conflict which also may influence some of the other costs already addressed in this report i.e. absenteeism, benefits, etc.

Cost of Severance

The City issued severance packages to 11 employees in 2015 at a one-time cost of \$ 1.28 million. 5 positions were eliminated resulting from the organizational restructuring and the remaining 7 were for various reasons. Approximately \$83.4K is attributed to payroll accruals that resulted from 2014 terminations.

Severance packages are issued when an employee's employment is terminated without cause for various reasons which may include: a position has been eliminated and a non-union re-assignment is not available; the employee's terms and/or conditions of employment have been altered significantly; or the employee can no longer fulfill the expectations of the position. Severance packages at the City of Guelph are designed in accordance with the City's Non-Union Termination Policy to meet the statutory notice and statutory severance obligations under the Employment Standards Act as well as common law requirements.

Legal Costs

In 2015 the City spent \$167,280 in legal costs attributable to the consultation or intervention on issues relating to human resources. Approximately \$80,000 is attributed to the CRA audit. This figure is lower than the municipal benchmark as can be seen in the table below.

HR Legal Costs per Employee (G)				
City of Guelph	\$81			
HRBN	\$113			

Grievance Detail

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Grievance Summary	2011	2012	2013	2014	2015
Transit ATU 1189	44	43	93	65	42
Outside CUPE 241	12	14	47	45	26
Inside CUPE 973	2	4	4	11	3
Fire GPFFA 467	4	4	11	2	3
EMS OPSEU 231	10	15	15	21	13
Total	72	80	170	144	87
Resolved Internally		58	119	138	36
Resolved Mediation		3	11	29	13
Resolved Arbitration	-	3	1	3	0
Awaiting Mediation/ Arbitration	-	7	10	8	1
Grievance Rate	7.5%	8%	18.3%	14.9%	9.14%
Final Step Greivance Rate			2.4%	4.2%	1.5%

Grievance Rate Benchmark Comparison

The following two tables show how the grievance activity at the City of Guelph compares to the benchmarks. Although the number of overall grievances received is much higher than the benchmark, the number of grievances that are making it to the final stage of mediation/arbitration is much closer to the benchmark.

Grievance Ra	ate (R+)
City of Guelph	9.1%
HRBN	3.9%
Final Step Grieva	nce Rate (G)
City of Guelph	1.5%
HRBN	2.6%

Grievance Activity by Issue/Association

Grievance Issue	Transit ATU	CUPE 241	CUPE 973	Fire GPFFA	EMS OPSEU	Total	%
Alleged Harassment	1	1	-	-	-	2	2.3%
Contract Interpretation	7	5		3	3	18	20.7%
Corporate Policy/Procedure	4	2	-	-	-	6	6.9%
Discipline	15	8		-	1	24	27.6%
Overtime	4	3	1	-	1	9	10.3%
Pay Issue	2		-		1	3	3.4%
Position Posting		7	2	-	2	11	12.6%
Scheduling	2			-	4	6	6.9%
Termination	7		-	-	1	8	9.2%
TOTAL	42	26	3	3	13	87	100%

The following table shows the summary of grievances by issue and by union group.

Human Rights & Harassment

The following table summarizes the human rights and harassment complaint activity in 2015.

Complaint Activity	2011	2012	2013	2014	2015
Inquiries	3	5	8	7	12
Informal Resolution	15	18	13	16	9
Formal Investigation	0	1	7	1	2
Total	1.8	24	28	24	23

With every allegation that is brought forward under the Workplace Harassment & Discrimination policy, a specific plan is put in place to support the employees involved. Often these recommendations include policy reviews, training, and/or mediation. Although there were more inquiries there was less activity overall. Awareness and understanding will continue to be a focus of training for employees and leaders.

Code of Conduct Allegations/Complaints

The City's Code of Conduct was rolled out to all employees in 2015. Following this policy roll out there were 2 inquiries related to potential conflict of interest and 2 investigations completed related to conduct.

Section 6: Conclusion

Conclusion

Dealing with conflicts or what happens when not appropriately addressed will impact employees, work teams and the City as a whole. Some of the results of unresolved conflict in the workplace include:

- stress, frustration and anxiety;
- loss of sleep;
- strained relationships;
- absenteeism;
- presenteeism;
- employee turnover;
- loss of productivity;
- increased client complaints;
- sabotage;
- injury and accidents;
- disability claims; and
- sick leave

The Human Resources Department has spent the past decade developing programs and people to address many of the areas that have been trending negatively especially in recent years. The challenge is, within a 24/7 operation that is spread-out, diverse with constantly changing priorities; to have a consistent approach deployed throughout the City. These programs require continuous follow-up to ensure that the program is effective with sustainable or continued improvement. The previous structure served the City well for many years but the evidence has shown it is a time for change.

It is an exciting time for the Human Resources Department as the new service delivery model is launched in concert with the Integrated Talent Blueprint throughout 2016 and 2017. As the Human Resources Department adapts to the new structure, using key metrics and become a trusted advisor to peer departments there should be a shift in the trends we have been experiencing.



Information Technology

Annual Report

For the year 2015



Executive Summary

There is a growing trend among enterprises that shift IT departments away from their traditional roles as cost centers and technology facilitators to true business partners helping organizational outcomes by enabling the use of innovative technologies.

Our Mission:

"Enabling City departments to provide better service to the public through technology service and innovation"

Today's workplaces are often mixtures of legacy systems and modern technologies that are all expected to work together harmoniously. IT is forced to walk a tightrope in order to maintain the old and innovate the new. Doing this successfully requires tremendous technical ability, but more importantly, it means that IT personnel must have solid understandings of the goals of the various departments they support. With this knowledge, they can proactively suggest and deploy solutions that will allow the business objectives to be achieved. Securing this knowledge requires IT professionals to build stronger relationships with departments, become entrenched within their operation to truly understand their pain points and strategic path forward.

This report describes a journey started three years ago with the development of a Corporate Technology Strategic Plan (CTSP). A mission to strengthen our existing infrastructure and information systems, partner with our clients to improve collective decision making, and develop a strong foundation for future growth. This past year has provided IT with an opportunity to review how far we have come, recalibrate our objectives and continue in our evolution to better support the public service.

Our Vision:

"To transform the Information Technology Department from a solid utility to a partner player aligned with the business needs of the organization " Recognizing that (like many others) we are an organization in transition, we completed a departmental realignment in 2015. The intention was to rationalize existing resources to enhance our ability to support business engagement and community

partnerships. We also needed to bolster our technical and non-technical skill development in order to embrace digital innovation and manage critical disciplines like information management. This realignment has moved us beyond divisional silos to reflect a more functional model of IT service delivery. We strive to be more flexible, more business savvy and more pioneering in the way that we enable business. As we move through this transition we are conscious of seizing business moments to take calculated risks to support innovation and demonstrate value to the business and city at large. The Annual report for 2015 provides a different lens with which to evaluate our progress. Departing from previous reports which focus primarily on industry maturity models and statistics, we now need to re-focus and track meaningful metrics which will support our continuous improvement efforts and our evolution as an IT organization. The sustainability and effectiveness of our core infrastructure and governance process will always be of critical importance. But in order to continue to progress we must also place business engagement and innovation as top tier priorities.

As noted in last year's annual report, IT continues to embrace collaboration and building partnerships as key drivers to success. We also continue to improve our ability to adapt to change, become more transparent as

Did You Know...

The average 21 year old has spent 5,000 hours playing video games, sent 250,000 emails, instant messages, and text messages, and has spent 10,000 hours on a mobile phone.

There are 6.8 billion people on the planet and 4 billion of them use a mobile phone. Only 3.5 billion of them use a toothbrush.

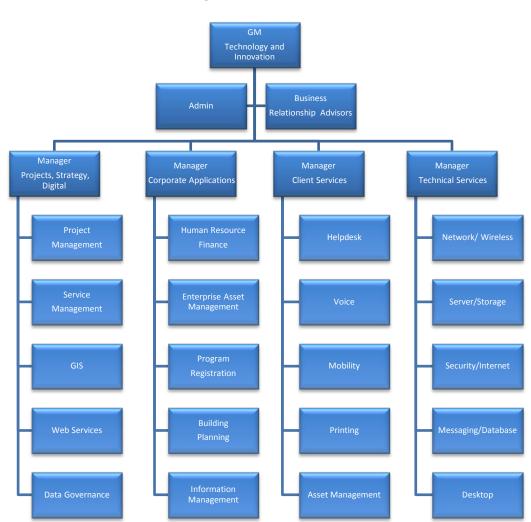
an organization as well as embrace a fail-safe model to support innovation. What is often difficult to demonstrate by way of success measures is the hard work and dedication of IT staff. Their skill, knowledge and commitment to grow along with the technology they support cannot be overlooked. Their professionalism and willingness to go above and beyond combined with their commitment to service makes all of our success possible.

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WHO WE ARE

Information Technology is responsible for strategic planning, oversight and direction of the city's IT infrastructure, resources and services. The following organizational chart represents the re-aligned department as of 2015.



IT Organizational Structure

Service 2.0: The Next Generation

2015 was a year of change as IT adopted a new service management structure. A hybrid solution that combines two industry standards:

- **Cobit 5:** A framework and set of tools associated with process management, continuous improvement and governance.
- ITIL 3.0: a set of practices for IT service management (ITSM) that focuses on aligning IT services with the needs of business.

Service 2.0 is built around flexibility. Unlike the organizational structure where relationships and associations are more rigid to facilitate budgeting, performance monitoring and administration - projects large and small receive a unique combination of skills, expertise and technologies to produce a required outcome. A recipe for success that once completed may be used again or discarded and replaced by a new combination more appropriate to the task at hand. The A La Carte method of resource allocation provides an enhanced level of efficiency. The Structure focuses on five distinct management disciplines and the organizational components that contribute to their success.

Infrastructure Management is the set of processes, policies and technologies that form the hardware backbone of IT service delivery. Networks, servers, database administration and security are key areas of responsibility. Infrastructure Management and Application Management must work seamlessly to ensure the availability of both hardware and software to address the administrative and operational needs of the organization.

Infrastructure Management carries the burden of risk assessment and resolution around service availability, however, significant contributions from the other management areas are needed to facilitate service stability.

Application Management is the process of managing the operation, maintenance, versioning and upgrading of enterprise applications throughout their lifecycle. The process includes best practices, techniques and procedures essential to the application's optimal operation, performance and efficiency. They key stakeholders for this area include:

- Application owners: Key business leaders such as ITGC Steering Committee members or sponsors from the Executive Team.
- Application developers/managers: Technology managers and staff that support the application.
- Application users: User Group participants, Subject Matter Experts (SME's) and front line staff.

Application Management addresses daily operational issues dealing with functionality, configuration and application integration, delivery of services, data integrity and governance. Application refresh, process mapping, and documentation are usually performed as part of a lifecycle upgrade.

Service Management focuses on best practices, processes and measures that directly deal with customer satisfaction and engagement. Service management defines the types of services provided by IT, the expected responses to specific situations and the timelines around which these responses can be delivered.

Service Management's primary function is to triage incoming requests. The goal is "first call resolution", however, the ability to re-direct more complicated requests to the correct resource for resolution is equally as important. Service, Application and Infrastructure Management form a triad for delivering ongoing operational support to the organization.

Project Management is the discipline of initiating, planning, executing, controlling, and closing the work of a team to achieve specific goals. A project is designed to produce a unique product, service or result with a defined beginning and end. Project Management focuses on the tasks, timelines and resources to obtain the desired results. Project Management occurs as a two tiered approach. Certified Project Managers are tasked with completing cross-functional and longer term ventures. System and Application Analysts are often utilized to perform similar functions on shorter and/or less complicated endeavours.

The Project Management's team's involvement is often critical to ensure adequate needs are met and to support the sustainability of an implemented solution. The effective use of resources, on-time completion and the quality of the product or service delivered can have significant impact long after the project has been concluded.

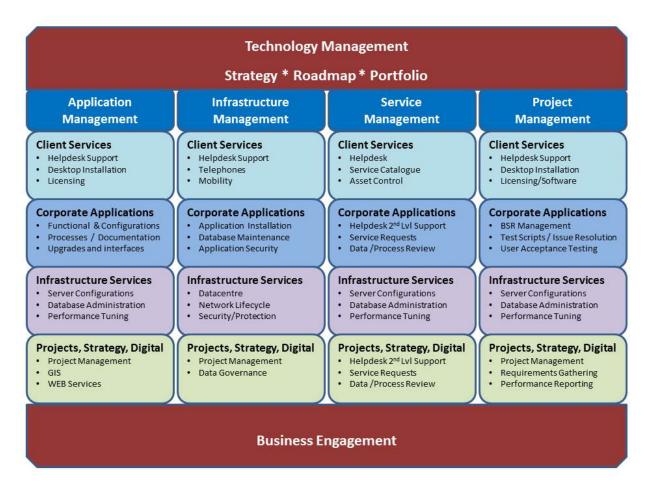
Technology Management is a discipline that allows organizations to manage their technological fundamentals to create competitive advantage. Technology Management forms the hub of the other disciplines and can be defined through the following concepts:

- Technology strategy: The role of technology in an organization
- Technology roadmap: The recommendation of new technologies to address business needs.
- Technology portfolio: The set of technologies currently in use or to be used by an organization.

The role of the Technology Management function in an organization is to understand the value of technology solutions for the organization. Continuous development of technology is valuable as long as there is also value for the customer. This function allows an informed decision to be made as to when to invest in technology development and when to withdraw.

The Corporate Technology Strategic Plan (CTSP) formed a key technology strategy for the organization. The implementation and ongoing improvements to the governance framework has led to better corporate decision making around the strategic implementation of technology. The HR Assessment and Tech Plan, GIS Technology Plan, various application assessments and the ERP-EAM Renewal Strategy have contributed not only to the roadmap for the future, but, will significantly affect the city's technology portfolio moving forward. An adherence through ITGC and the business engagement service will provide formal channels with which corporate strategic planning around technology can occur.





From the visual representation of the Service 2.0 model, it can readily be seen the balanced impact of all divisions on service delivery. This functional model transcends a divisional approach to IT services. The Business Engagement function will be built through 2016.



Information Technology Dashboard

IT Governance	2012	2013	2014	2015
Committee Compliance	• R	• R+	• Y	• Y +
IT Process Compliance	• Y	• Y	• Y -	• Y +
Risk Management	• R+	• Y	• Y -	• Y +
Resource Management	• R+	• Y	• G	• G
Business Engagement	2012	2013	2014	2015
Strategic Alignment	• Y +	• Y +	• Y	• Y +
Business Value Delivery	• Y	• Y +	• Y	• Y +
Service Desk Delivery	• Y	• Y	• G	• G
Relationship Management				
IT Sustainability	2012	2013	2014	2015
Applications Management	• R	• Y	• Y	• Y +
Infrastructure Availability	• G	• G	• G	• Y
Project Performance	• R+	• Y	• G	• G
Financial Management	• Y +	• Y +	• G	• G
IT Innovation & Learning	2012	2013	2014	2015
Workforce Competency	• Y	• Y +	• Y	• Y +
Strategic Technology Adoption	• Y	• Y	• Y	• Y
Employee Engagement	• Y	• R	• Y	• Y +

This dashboard contains several KPIs (Key Performance Indicators) which have been aligned into four categories to illustrate progress toward achieving the performance goals of the department. The following legend describes the current metric evaluation.

• R Significantly below Industry Standards

PLUS (+) and MINUS (-) signs indicate the direction that these indicators are trending.

- Y Close to Industry Standards
- G Meets or exceeds Industry Standards

A more detailed description of key Indicators including 2015 actions and 2016 recommendations can be found in Appendix 1 on page 19.

Building Performance at a Glance

Knowing how the different areas of IT are performing can help assess strengths, uncover weaknesses and highlight factors that can be changed for the better. This information can simplify how we manage our performance proactively and efficiently.

As we focus on new ways of delivering service, expanding our avenues of engagement and increasing our contributions to the success of the organization, new performance measures are needed to help us mark our path and adjust our course.

We have traditionally relied on KPI's that are broad in nature. Maturity models that help us benchmark our progress against industry standards or best practices. As a department undergoing significant change this subjective approach was useful and appropriate. As we move forward in our transition and formalize our strategy we must now emphasize metrics that focus on core areas of our business and provide specific measures of our performance. The revision of our success measures will be completed in 2016 supported by three stages:

Identify KPI's

A successful measure of business performance starts with a review of all core services provided to the organization. This review should identify services that are done well and those that need improvement. Involving key clients in workshops, focus groups or surveys is an excellent way to gauge the organization assessment of services provided. A complete review requires analysis of the following three areas:

- **Financial measures** are important to most organizations; provide good quantitative information and are generally easy to measure. They can often indicate efficiency patterns year over year. Percentages of how dollars are spent or operating cost per staff are some of the measures in this category.
- **Operational indicators** help us identify strengths and weaknesses in our processes. These measures are generally easy to determine, easy to assign to targets and track over time. Average request completion time, first call resolution or a percentage of issues handled through self-service would be found under this definition.
- Qualitative assessments such as customer confidence, engagement and satisfaction are much more difficult to measure. They are extremely subjective and can be affected by external factors – also, the timing of the measure can be critical. Ratings that allow stakeholders to convert impressions into numbers is the preferred approach. This can be accomplished through in person or online surveys where respondents rank quality of work or effectiveness of communication. The questions in this area need to be narrow in nature with little room for interpretation.

Setting Targets

Once we have identified our KPIs and found the best way to measure them, we need to set performance targets. This will give everyone an idea of individual or collective goals.

Strategic visions can sometimes be hard to communicate, but you can break your main goals down into smaller targets to make it easier to manage. By doing this, your smaller targets become more like day-to-day operations which, once completed, move you closer to your final goal.

Targets that identify best practices or industry standards are readily available as many organizations make profits by accumulating these numbers. Targets can also be influenced by business objectives, municipal comparators or by relating to legislative requirements.

Monitoring Performance

Monitoring is crucial to the success of any process improvement initiative. The frequency of indicator measurements has a significant impact on our responsiveness to gaps. Yearly, quarterly, monthly or even weekly reviews may be appropriate for financial and operational measures as they can be generated systematically. Care should be taken with qualitative measures to ensure the measures do not negatively impact stakeholders. Excessive frequency will cause dissatisfaction and may impact the accuracy of the assessment.

New Look for 2016

The 2015 dashboard will be retired and a new, more descriptive dashboard will take its place in 2016. The new dashboard will contain significantly more measures, arranged in different categories and be more statistical in nature.

The results will be more intuitive and will reflect the department's performance as an aggregate of numerical calculations and stakeholder evaluations. Targets will be finite values based on industry standards or best practices and will require no interpretation.

Continuing the tradition of fiscal responsibility...

What we did in 2015:

- Managed our operating expenses within 3% of budget (positive variance).
- Maximized GIS support by negotiating an Enterprise Licensing Agreement (ELA).
- Re-aligned our resources on our WAM upgrade and saved the city 90K in consulting costs.
- Partnering with Police, U of G and others to share fibre infrastructure costs and benefits.

2015: A Year in Review

Looking back on 2015 we focus on 6 key areas...

¹ Focus on Critical Infrastructure

Replaced aging telecommunications infrastructure with modern technologies to support enhanced collaboration and productivity through integrated delivery of voice, video and

Enhanced 911 Support providing the capability to transfer text to 911 calls and enable many other enhanced features.

Exchange Infrastructure Refresh to increase functionality, support reliability and reduced complexity. This translates into an Exchange environment that is ready to be used as a solid platform to launch the City forward with future email projects and demands.

Construct Data Warehouse Infrastructure that sets the framework for data governance, improved access to information and better decision making.

Implemented a Corporate Radio System (JWRC) providing a cost effective solution that addresses the needs of all Service Areas. This solution combines both 3rd party technology and internal infrastructure to create a cost effective solution.

Upgraded Firewall Utility to meet today's security needs and allow for future threats to be mitigated. Internally the City has created an environment to host functionality that allows interaction with external 3rd party sources while ensuring internal users and systems are protected.

Migrate Website development to an open source WordPress platform to stabilize sites and facilitate maintenance. Focus on Guelph.ca, River Run Centre, Sleeman Centre and Museum.

Did you know the Service Desk supports...

- 663 mobile devices
- 1050 desk and laptop devices
- And processed 13,737 helpdesk tickets in 2015

² Modernizing Corporate Systems

Completed the AMANDA Upgrade to add stability and functionality to the application while increasing compatibility with other applications. Significant savings in licensing costs were achieved by implementing an open source framework to deliver webpage content to application users.

Planned a Kronos Upgrade to enhance functionality and reporting for workforce planning, attendance and corporate resource analysis. The Kronos upgrade was scheduled for Q4 2015, however, the implementation was delayed until Q2 2016 to allow the vendor to address performance issues with the application.

data.

Completed the WAM Technical Upgrade to mitigate gaps in system functionality, address compatibility issues and secure ongoing vendor support. System upgrade was completed in December 2015. Final User Acceptance Testing will be complete in Q1 2016.

Construct a GIS test Environment to safeguard the existence functionality and data integrity of the existing GIS application. Creating an environment to evaluate system upgrades, test configuration changes and verify process modifications.

Support the implementation of Trapeze by providing project management support, negotiating agreements between 3rd party vendors and integration support into our workforce planning application (Kronos).

Did you know Corporate Applications processed...

- Over 1 million financial transactions
- Over 100K Payroll transactions
- 62,540 payment card transactions for over 5.7 Million dollars of revenue

3 Supporting Operational Excellence

Lifecycle replacement of workforce computing

devices to prevent interruption of service, reduce maintenance costs and address increasing software resource requirements. A total of 350 personal devices, 210 monitors and 100 printers were upgraded in 2015. Supported the application of the HR Technology Plan through a list of Initiatives including: Pay for Performance, Talent Management Software and analysis done to reconfigure Position Management to support improved workforce analysis and a more streamlined budget process.

Deployed a tree inventory application to allow the forestry team to identify and enter locations and specifications on 17,049 trees.

Piloted a 311GIS application as a cloud-based solution allowing citizens to report problems, concerns or issues to various city departments. The application is currently being piloted by Bylaw and the Humane Society with plans to expand to other departments in 2016.

Introduced Electronic Funds Transfer (EFT) as the preferred method for vendor payments. The expansion of EFT processing to vendor payments will reduce administrative costs, increase efficiency, simplify bookkeeping, and provide greater security.

Developed an ERP-EAM Strategy to address gaps in our core business systems. A five phase approach spanning three years that will standardize business processes, consolidate functionality into more compatible groups, support data integrity, introduce application integration and provide for better reporting to support more informed decision making.

4 Better Technology Management

Utilized Eclipse as an IT Work plan Management tool to categorize, prioritize, track and report on critical project performance. Introduced Service 2.0 as a new approach to IT service delivery. The traditional disciplines associated with technology support are replaced with a more customized combination of skills, expertise and technology dictated by the needs of the individual project.

The evolution of the Corporate Technology Strategic Plan (CTSP) expands on its initial mission to refresh the current IT application portfolio. As we look forward, focus will be on critical infrastructure as the foundation and translating business needs into strategic goals.

Refresh IT Governance Membership to provide more transparency and accountability to the Executive Team and better leverage business leaders to support major strategic decisions around technology adoption.

5 Reducing Enterprise Risk

Supported Business Continuity – Phase 2 by managing and testing a cloud based framework accessible to all City business areas to track business continuity plans and actions. The solution utilized Office 365 and was turned over to the business for rollout to city departments.

Developed Risk Register to identify, track and prioritize potential interruptions and issues within the technology infrastructure. This resister and mitigating action began in 2015 and will be reviewed as a standard agenda item in IT management meetings and ITGC sessions to facilitate proper prioritization and allocation of IT and business resources. **Deprecation of old technology** to retire technology that failed to meet the ongoing needs of the organization. Replacement of this technology addresses issues associated with obtaining extended support, reduced licensing costs and infrastructure compatibility.



Completed a CRM Assessment to identify and scope business processes and service delivery requirements. The assessment provides a foundation for the evaluation and acquisition of enterprise software to better support the customer service experience. A pilot of the selected software may be initialed in late 2016 based on budget and resourcing issues.

Developed an IT Skills Roundtable to identify knowledge gaps, promote cross functional training and share internal expertise. The process was initiated by a skills assessment in 2015 which will be completed in Q1 2016. A comprehensive strategy around departmental training will be developed later in the year.

Piloted BYOD to stabilize the existing infrastructure, verify security and ensure device compatibility. Bring Your Own Device (BYOD) allows staff to use the tools they are familiar with to do their work and eliminates the need to deploy additional devices. A corporate rollout of the BYOD program is planned for 2016.

Established SOP Committee to ensure all critical processes pertaining to internal IT operations and Application Management has been documented to reflect current operating procedures.

2016: Planned Improvements

1 Focus on Critical Infrastructure

Enhancements to Remote Access by

implementing a seamless service enabling remote users to function as though they were still at their desks. This Virtual Private Network (VPN) coupled with a refreshed and updated version of the current Citrix platform will allow for redundancy and easier remote access to city data and systems.

Commence a Phase 1 Fibre Build by partnering with Police, U of G and others to share fibre infrastructure costs and benefits. Fibre provides extended bandwidth, longer distances and faster transmission rates to meet the future information carrying requirements of the organization and Smart City concepts.

Perform a PCI Compliance Analysis and

Upgrade to meet legislative requirements and reduce risk and liability to the city. The analysis will be a collaboration of external experts and staff to ensure ongoing compliance.

Perform a SharePoint application review to address stability issues with the current installation of this platform. SharePoint currently manages all internal websites (ERNIE) and supports HR and Governance functions.

2 Modernizing Corporate Systems

Finalize WAM Technical Upgrade by building on the work performed in 2015. A system User Acceptance test will be conducted in early 2016. This test will confirm that all functionality and customizations made with the application in the previous version have been transferred to the new version of the software. Once approved by the business, the final cutover to the new version can be completed.

Complete the Kronos Upgrade by executing the plan created in 2015. Confirming all performance issues with the application have been addressed by the vendor. The implementation should be completed mid-2016.

Upgrade the AMANDA Public Portal to improve functionality and efficiency of the online services portal and support the objectives of the International Operational Review (IOR). The new design will increase usability and enhance the overall customer experience.

Transit Technology Plan continues the work completed in 2015 to implement a software solution for Guelph Transit. Tasks targeted for 2016 include the scoping and development of the interface into workforce planning and fare box upgrades.

Investigate new Parking Permit software to address the end of life of the CLASS Application in late 2017. Parking requires new functionality and access to better technologies to streamline their operations. The new solution will focus not only on functionality but also integration with financial systems and payment processing.

Perform a Payment System Review and

Analysis to determine usefulness of the existing payment processing infrastructure. by the Class replacement, the analysis will focus on integration with all revenue generating applications used at the City.

3 Supporting Operational Excellence

Conduct a Water Service Device Locator Pilot

to improve the process of providing locates for critical infrastructure. Client services will procure mobile devices and the GIS Team in IT will be providing mobile/field access to Water Services data layers to assist with locating their underground infrastructure.

Complete an Orthophotography study to

continue the ongoing partnership with other local municipalities to develop digital aerial imagery data. Orthoimagery is the most primary data used with any geographic information system (GIS) acting as the basis for all other geospatial datasets.

Implement a Storm Water Drainage

Assessment tool to enable condition reporting of Storm Water infrastructure. The goal is to implement a mobile solution deployed to the field which will allow staff to make real-time edits to the GIS production environment. Staff have inventoried and inspected storm facilities from 2010 to 2015 providing them meaningful and usable information to help support overall business objectives.

⁴ Better Technology Management

Develop Business Engagement Plan that addresses the IT shift as a more valued partner to the business. The addition of three Relationship Advisors in 2016 will provide additional avenues of communication between IT and the business. These advisors will immerse themselves with the core business areas to enhance engagements, facilitate IT-business alignment and improve collaboration.

Develop a Cloud Strategy that identifies a framework to benchmark the viability of moving legacy and new applications to a cloud structure. The framework will provide for a high level checklist of requirements that will be shared with the business and a more detailed analysis from a technical perspective that will be used by IT to deploy cloud services.

5 Reducing Enterprise Risk

Support for IOR by adding a contract resource to the AMANDA team. This resource will focus on workflow, process improvements, data collection and report as identified through the IOR. This resource will also support some efficiencies and process change requirements from Building Services. This will be an example of resourcing projects beyond the capacity of IT.

Complete Deprecation Project to maximize the compatibility of the Infrastructure portfolio. The final upgrades to core and satellite applications will reduce integration complexity and reduce risk.

Perform an organization wide review of EAM business processes. The execution of phase three of the ERP-EAM strategy requires a collaborative effort of all three service areas to standardized and document all processes associated with corporate asset management, procurement and financial reporting. The products of this initiative will form a foundation for increased operational efficiencies, data integrity, system integration and enhanced decision making.

6 Providing a Better Experience

Implement an automated password reset utility as an enhancement to 2499 service. This utility is similar to many online services that provide the user with a method to unlock their own system passwords. The function will reduce administration work for IT while reducing the turnaround time for clients as well as addresses respective issues that occur after hours.

Enhancements to 2499 as a response to a client focus group held in 2015. This group identified 20 areas of improvement. These results are being used as the primary driver for a project to update the current IT service offerings and the tools that the service desk utilizes. These updates will include enhancements and changes to existing process to streamline service deliver. External stakeholders as well as IT staff will be included to maximize the benefits of this review.

Adopt Managed Voice Support by engaging a third party vendor to provide real-time monitoring of voice installation, pro-active issue diagnostic/resolution and perform move-addchange support for corporate phone system. The utilization of a third party expert adds additional expertise for more complex configuration changes.

Acquire a Portable A/V System for Council to provide the ability to record and live stream city meetings from any city facility.

Develop a web authoring model for both internal - ERNIE and external - guelph.ca authoring. Process will need to consider authors, skills and training in writing for the web, html, CSS, Accessibility and include service level agreement between departments and web authors.

Perform a CRM Software evaluation to build on the work completed in 2015 with the CRM Assessment. The evaluation will include business and technical staff and address functionality, innovation and integration with other City systems. Based on the results of this evaluation, a pilot of the software selected may be initiated in 201

Mostly Abbreviations (Glossary of Terms)

Open Source – Denotes software or application framework that is freely available and can be modified or redistributed.

ERP – (Enterprise Resource Planning) is a category of business-management software—typically a suite of integrated applications—that an organization can use to collect, store, manage and interpret data from many business activities.

EAM – (Enterprise Asset Management) is the management of the assets of an enterprise across departments, facilities, business units and geographical locations. EAM integrates techniques for holistic control and optimization throughout asset life cycles, including design, commissioning, maintenance, operations and replacement. The city utilizes WAM (Work and Asset Management) as is primary EAM Solution.

IOR – (Integrated Operational Review) is a key initiative from the City of Guelph Corporate Strategy that focus on the assessment, documentation, enhancement and communication of integrated organizational practices.

CRM – (Citizen Relationship Management) is a growing effort at all levels of government to respond quickly, succinctly and accurately to citizen requests or inquiries for answers to questions and general information about policies, practices, and procedures.

EFT – (Electronic Funds Transfer) is a transaction that takes place over a computerized network, either among accounts at the same bank or to different accounts at separate financial institutions. EFT is a preferred method to cash or cheque as the overhead and cost is significantly lower per transaction.

GIS – (Geographical Information System) is a system designed to capture, store, manipulate, analyze, manage, and present all types of spatial or geographical data. Data is presented in a manner that allows the consumer to visualize the information such as a weather map or other map images.

Class – Recreation Management software designed to help municipal organizations manage recreation activities more efficiently and effectively, from registration and scheduling to point of sale and memberships.

Kronos – Workforce Management solutions that provides support for time & attendance, scheduling, absence management, HR & Payroll, and labour analytics.

JDE – (JD Edwards) is the software of choice at the city and provides support for our financial and Human Resources activities.

AMANDA – A case management and process automation system used to track details concerning properties within the City. Commonly used for licencing, enforcement and to track property.

Orthophotography / Orthoimage – An aerial photograph geometrically corrected ("orthorectified") such that the scale is uniform: the photo has the same lack of distortion as a map.

Appendix 1: Performance Metrics (A Deeper Dive)

IT Governance

Committee Compliance

A new measure that directly focuses on business participation in the creation of strategic requirements. This measure will ensure proper participation is made by all key business stakeholders.

2015 Results	2015 Actions and 2016 Recommendations	2016 Target
No Data	Actions :	85%
	No actions as this is a new KPI	
	 Recommendations: Develop a new agenda management process that will allow committee members to review agenda items, request information, provide details and facilitate prioritization and decision making. Meeting attendance though recorded should be recorded in a central location for more formal reporting. 	

IT Process Co	mpliance			
IT Process Compliance is a new measure the combine IT Process Management with IT Compliance. The synergy between these two indicators makes the merge compatible. This measure indicates the level of documentation and standardization existing in standard IT processes and the frequency in which these processes are followed.				
2015 Results	2015 Actions and 2016 Recommendations	2016 Target		
Level 3	 Actions: Creation of IT SOP committee in 2014 Planning and Completion of SOP's in 2015 Development of an approval process for migrating test objects to production environment. 	Level 4		
	 Recommendations: Develop a method to track SOP utilization Review all system upgrades to ensure proper business and IT approvals 			

Risk Manage	Risk Management		
A measure of how effective the IT organization is at managing the risks associated with the use, ownership, operation, involvement, influence and adoption of IT within an enterprise.			
2015 Results	2015 Actions and 2016 Recommendations	2016 Target	
Level 3	 Actions: Risk Register management responsibility assigned to Infrastructure Manager with support from IT Management Team. Risk register review a standing item during IT Management Meetings. 	Level 4	
	Recommendations:Include Risk Register review as a standing item for ITGC Meetings.		

Resource Management

A measure of how effective IT management is at balancing capacity with demand for operational needs and project resourcing.

2015 Results	2015 Actions and 2016 Recommendations	2016 Target
Level 3	Actions:	Level 3
	• Continue to use Eclipse as a true source of project performance data.	
	 Add Portfolio Management and work plans to IT Eclipse functions. 	
	Recommendations:Continue and refine existing process.	

IT Sustainability

Application I	Vanagement	
	ow effectively the IT Department can provide and support critical business and p oughout their entire lifecycle.	roductivity
2015 Results	2015 Actions and 2016 Recommendations	2016 Target
Level 3	 Actions: Technical Upgrade for WAM Application Later 2015. Lifecycle upgrade to KRONOS Workforce Planning in 2015. AMANDA Lifecycle upgrade completed May 2015 	Level 4
	 Recommendations: Complete Cutover to current version of WAM Complete Lifecycle upgrade for KRONOS Develop a lifecycle schedule and include in yearly work plan 	

Project Perform	ance	
	e of how long it takes the Project Management Office (PMO) to complete an init the request has been submitted.	ial intake with
2015 Results	2015 Actions and 2016 Recommendations	2016 Target
100%	 Actions: 99% of intake meeting where scheduled on time. Some leeway given in December due to extended holiday season Recommendations: Continue current process IT PMO should continue to develop lesson learned documents from each project and utilize them to improve project performance. 	100%

Financial Management

A measure of how effective the department is at budgeting, monitoring, and distributing the funds allocated to them to provide IT services to the Organization.

2015 Results	2015 Actions and 2016 Recommendations	2016 Target
Level 3	Actions:	Level 3
	Less than a 1% variance in 2015	
	Monthly reviews of operational spending	
	• Development of a divisional budget to increase accountability and transparency	
	Recommendations:	
	Continue to monitor operating budget	
	Introduce quarterly Capital budget reviews	

Infrastructure Availability			
Measures the IT Department's ability to provide reliable networks, servers, and data storage for the organization.			
2015 Results	2015 Actions and 2016 Recommendations	2016 Target	
99.9%	 Actions: Continuous evaluation of Disaster Recovery Plan Build redundant system through fibre and DR Site Perform ongoing lifecycle maintenance 	99.9%	
	Recommendations: Continue to Monitor and move towards redundancy model 		

Business Engagement

•

Strategic Alig	gnment	
A measure of how well the IT Strategic Plan aligns with the business objectives of the organization.		
2015 Results	2015 Actions and 2016 Recommendations	2016 Target
Level 3	Actions: • Restructure of ITGC • Restructure of Application Steering Committees • Review and re-assessment of CTSP Recommendations: • Continue to support and manage Steering Committees and User Groups	Level 3
	 Continue to support and manage Steering Committees and User Groups Introduce Relationship advisors to provide additional avenues of communication Develop CTSP phase 2 expanding the technical focus to process, people and engagement. 	

Business Value Delivery A measure of how the services of IT can add value, aside from simply cost savings to the business. This value generally takes the form of technical expertise, process mapping or project management.		
Level 3	Actions:	Level 3
	No addition actions were identified in 2015	
	Recommendations:	
	Continue to monitor and define measurement metrics.	
	Provide administrative and technical support	

Client Services Delivery A measure of how satisfied the IT stakeholders are with the performance and contribution of IT services.		
84.64%	 Actions: Continuous evaluation of service delivery process Focus Group identifying service gaps Better staff training Recommendations: Review and develop a new service delivery catalogue Add automated and self service functions for clients 	85%

Relationship Management		
	e ability of the IT department to identify business requirements and meet the ne ship management should foster a productive and interactive collaboration with t	
2015 Results	2015 Actions and 2016 Recommendations	2016 Target
N/A	 Actions: No actions as this is a new KPI Recommendations: Develop a Business Relationship Plan. Develop a relationship survey to gauge relationship management with the organization. This survey can serve as a benchmark in 2016 and be used to evaluate the effectiveness of the Business Relationship Plan 	N/A



TO Corporate Service Committee

SERVICE AREA Corporate Services, Finance

DATE May 2, 2016

SUBJECT 2015 Reserve and Reserve Fund Statement

REPORT NUMBER CS-2016-24

EXECUTIVE SUMMARY

PURPOSE OF REPORT

To provide Council with an annual reserve and reserve fund report outlining transfers of funds in and out of all reserves, as well as report on the funding status compared to recommended targets, where they exist.

This report is the first annual report to Council and has been prepared as a result of the BMA Financial Condition Assessment in 2015. Council has previously requested detailed information about the City's reserves; activity and balances. This report provides a summary of all 2015 transactions including outstanding commitments yet to be spent.

The report further explains the interconnected relationship between the City's reserves, the Cash and Investment Portfolio, and the cash flow challenges that exist with an unspent committed balance of \$145.4M.

KEY FINDINGS

• The City's 2015 actual reserve balances total \$210M before any year end surplus/deficit allocations. After factoring in Council approved commitments, the year-end balance is \$64.8M of which \$37.8M is tax-supported. Further to this the tax-supported balance is segregated as follows:

Compensation related	\$15.4M
Miscellaneous operating including stabilization	<u>\$ 8.7M</u>
Total Operating Reserves	\$24.1M
Capital – equipment replacement	\$3.3M
Capital – department	\$1.3M
Capital - strategic	\$7.4M
Capital – other miscellaneous	<u>\$1.7M</u>
Total Capital Reserve Funds	\$13.7M

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 Overall the City's capital reserves are in a critical position with less than \$13.7M available to fund emergency or unplanned capital expenditures. This includes the ability to match other levels of government funding to obtain grants that become available. Of the \$13.7M, approximately \$3.5M was used in the 2016 budget to stabilize the tax rate, and a further \$1.5M is restricted for specific use.

In order to address this issue, staff will be reviewing the capital "committed but not yet spent" tax supported projects totalling \$21.6M in order to redirect these funds to current priority needs. This will occur during the 2nd quarter, 2016.

Additionally, staff will continue to advocate for increased tax supported capital contributions through the 2017 budget process. Council received a report in February 2016 entitled "Infrastructure Environment and Funding Options" that spoke to this capital need and the alternative ways that Council could consider addressing this issue.

- Of the total tax-supported operating reserves of \$24.1M, \$5.7M is available for tax rate stabilization. This includes general tax rate stabilization, contingency funds, employee benefit stabilization and gapping funds. Based on recommended targets of 8% 10% of own source revenues (~\$20M), these reserves are significantly under-funded. This message was communicated through the BMA Financial Condition Assessment. In a year with extreme weather or other unexpected emergencies, the City could exceed these current balances. Staff will be recommending that the entire 2015 tax supported operating surplus of \$1.1M be directed to this group of reserves, and will also address this situation during the 2017 operating budget.
- The non-tax supported Water and Wastewater rate stabilization reserve balances meet or exceed the targets established due to having strong operating budgets that are fully reflective of actual cost of operations. These departments have been successful in achieving Council approved user rates that pay for current operating needs as well as setting aside funds for future capital infrastructure replacement needs. There are longterm financial planning legislative requirements for these services that require rates to adequately fund the operations and capital needs. In 2009 through 2012 the rates for these services increased substantially as a result these long-term financial plans and the reserve balances reflect this investment from both an operating and capital perspective.
- The City's reserve assets of \$210M form the majority of the City's cash and investment portfolio, which are used to earn income for operating and capital needs. It is challenging for staff to maximize investment earnings when there is a "committed but not yet spent" total reserve balance of



\$145.4M as timing of these expenditures is difficult to predict.

- The City has identified a number of planned 2016 actions in addition to the capital project review outlined above to address the concerns raised through this report and also to bring clarity and efficiency to managing the City's Reserves and Reserve Funds. These include:
 - 1. Reset the capital reserve fund management to align with the recommendations presented in the 2015 BMA Financial Condition Assessment.
 - 2. Perform a comprehensive review of all reserves and reserve funds and consolidate where needed.
 - 3. Establish funding targets for miscellaneous reserves and reserve funds where appropriate, and recommend funding reallocations where targets have been reached.
 - 4. Review and recommend changes to the General Reserve and Reserve Fund Policy as well as the Compensation Reserve Policy.
 - 5. Review and update the Hanlon Creek Business Park business case for slower than planned industrial land sales. Recommend alternative strategies and mitigation measures to address the cash flow concerns.

FINANCIAL IMPLICATIONS

There are no direct financial implications resulting from this report.

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

ACTION REQUIRED

That Council receive Report CS-2016-24 "2015 Reserve and Reserve Fund Statement" and approve the consolidation of reserves and reserve funds as recommended by staff in this report.

RECOMMENDATION

That report CS-2016-24 dated May 2, 2016, entitled "2015 Reserve and Reserve Fund Statement" be received for information; and

That Council approve the following reserve and reserve fund consolidations and closures as described throughout the report:

STAFF <u>REPORT</u>



- 1. Consolidate and close Accumulated Sick Leave Reserves 102 and 103 into Accumulated Sick Leave Reserve 100;
- 2. Consolidate and close Social Housing Reserve 208 into the Affordable Housing Reserve 119;
- 3. Consolidate and close the Capital Fire Reserve Fund 173 into the Equipment Replacement Fire Reserve Fund 111;
- 4. Consolidate and close the Capital Transit Improvement Reserve Fund 161 into the Capital Transit Reserve Fund 172;
- 5. Closure of the Investing in Ontario Act Reserve Fund 200, as funds have been fully allocated to capital projects

BACKGROUND

Reserves and reserve funds are established by Council to assist with long-term financial stability, operating and capital budgeting and absorbing unexpected shifts in revenue or expenditures. The City has both reserves and reserve funds:

- 1. <u>**Reserves**</u> are established for a pre-determined use and are applied at the discretion of Council for that purpose.
 - Funded through:
 - an allocation from net revenue at the discretion of council, after the provision for all known expenditures, or
 - an approved budgeted transfer from operating to support a program, project or strategy, as authorized under the provisions set out in the Municipal Act
 - Reserves have no reference to any specific asset and do not require segregation, as in the case of a reserve fund (they do not earn interest)
 - A reserve may be established for a predetermined purpose and applied for that purpose at the discretion of council
 - Reserves are important because they enable the City to manage fluctuations in revenues and expenditures, onetime expenditures, manage cash flows and provide sufficient liquidity
- 2. <u>Reserve Funds</u> are restricted by statute or by Council discretion and must be segregated from general revenues.
 - Obligatory Reserve Funds: are created whenever a statute requires revenue received for a specific purpose to be segregated from the general revenues of the municipality. Obligatory reserve funds can only be used for their prescribed purpose. Examples include Development Charge reserve funds, Parkland Dedication, and Gas Tax reserve funds.
 - <u>Discretionary Reserve Funds</u>: are created under Section 417 of the Municipal Act, 2001 (S.O. 2001, c.25). Discretionary reserve funds are established whenever a municipal Council wishes to earmark revenues to finance a future expenditure for which it has the authority to spend money, and to set aside a



certain portion of any year's revenues so that the funds are available as required. Revenues set aside for road widening and for acquisition or replacement of fixed assets are examples of discretionary reserve funds.

Two major advantages of using discretionary reserve funds are:

- a) They help stabilize the general municipal tax levy. In a year when a large amount of revenue is required to finance capital projects, a previously established discretionary reserve fund can enable a municipality to spend money without affecting the general municipal levy or the need to issue debentures;
- b) The assets of the reserve fund can be invested to earn income, thus helping to reduce the amount of money to be set aside.

The City has 102 reserves and reserve funds that collectively have a closing actual balance of \$210M and an uncommitted balance of \$64.8M as at December 31, 2015, before 2015 year end surplus/deficit allocations. It was identified as part of the BMA Financial Condition Assessment in 2015 that the City's Reserves and Reserve funds should be consolidated where possible as the current volume is inefficient to manage, causes confusion regarding the purpose of like funds and limits the appropriate flexibility in use of these assets. Throughout this report, staff will outline planned consolidation activities for the 2016 fiscal year.

The City has a General Reserve and Reserve Fund Policy that guides the high-level strategy of these assets. This includes prescribing how the reserve funds earn interest income, what funds are able to debt borrow and guidance on internal fund borrowing. This policy is due for a wholesome review in 2016, as was also identified in the BMA Financial Condition Assessment Action Plan.

The reserves and reserve funds are a significant financial asset for the City and contribute to the majority of the City's cash and investment portfolio. The significant gap between the actual and uncommitted balance of \$145.4M causes a considerable challenge in balancing needed liquidity for the City's operations with earning interest on investment income. A planned 2016 staff review of the projects committed with these funds will address cash flow issues by clarifying the timing of expenditures.

REPORT

<u>Reserves</u>

The City manages its Reserves in three categories:

• Compensation / Staffing Reserves



- Miscellaneous Tax Supported Reserves
- Miscellaneous Non-Tax Supported Reserves

As at December 31, 2015, the City had a total uncommitted reserve balance of \$31.2M segregated between tax supported of \$24.1M and non-tax supported of \$7.1M. Please note that these balances are before any 2015 surplus / deficit year end transfers that Council will approve in June 2016 after the results of the financial statement audit are known.

Compensation / Staffing Reserves – Staffing reserves are used to: manage corporate fluctuations in benefits payable; set aside funds for significant compensation related liabilities (accumulated sick leave, WSIB and employee future benefits); and maintain funds for severances, union negotiations and job evaluation changes.

2015 Significant Reserve Transactions to Note:

- The Employee Benefit Stabilization Reserve (#131) decreased by \$1.27M due to funding transferred to the operating fund for over-budget employee benefit related costs;
- The City did not meet its 2015 gapping target of \$2.1M causing a decrease in the Employee Gapping reserve (#191) of \$123k year over year;
- City staff are recommending the consolidation of \$520k of funds from the Accumulated Sick Leave Reserves for CUPE 1946 and 241 employees (#102 & #103) into the Accumulated Sick Leave Reserve for Fire employees (#100). Reserves 102 and 103 will be closed and deactivated effective December 31, 2015. This consolidation is recommended as all tax-supported accumulated sick funds are still required to meet the targeted funding balances for these reserves.

2016 Proposed Reserve Activities to Note:

- Staff will consider consolidating the Early Retiree Benefit Reserve (#212) into the Employee Benefit Stabilization Reserve (#131) as effective 2016, the full cost of retiree benefits are now included in the base budget and any overages / savings are accounted for similar to any other employee benefit. There is no longer a need to track these funds separately.
- Staff are reviewing the future need for the Joint Job Evaluation Committee Reserve (#196) as this is not a corporate requirement, per the BMA Financial Condition Assessment.
- Staff will update the Compensation Reserve Policy based on the results of this review.

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Funded Status of Compensation Reserves:

Due to a wholesome review of the compensation reserves in 2011, specific targets exist for this set of reserves and the results are detailed in the chart below. Staff will be addressing the reserves that fall below target through future budgets. Due to affordability, it is unlikely that they will meet target in the short-term. Staff are comfortable that these reserves are sufficiently funded to meet 2016 needs.

Reserve	Target ('000's)	2015 Actual Balance ('000's)	Result	
Employee Benefit Stabilization Reserve	\$2,000	\$2,000	\$1,838	+
Sick leave	95% of the Sick Leave Liability	\$9,016	\$9,069	•
WSIB	50% of the WSIB Liability	\$2,700	\$1,799	•
Land Ambulance Severance	95% of the Severance Liability	\$1,378	\$722	•

Miscellaneous Reserves (Tax and Non-Tax Supported): Miscellaneous reserves are funded by approved transfers from operating or operating surplus allocations and are used to support a predetermined purpose at the discretion of council.

a) Stabilization and Contingency Reserves:

The most well-known of these reserves are the tax and non-tax stabilization and contingency reserves, which have specific funding targets to ensure appropriate liquidity when needed. Municipal comparators aim to maintain a target balance of 5%-15% of own source revenues in the stabilization reserves. The City's stabilization funds compared to targets measure up as follows:

Reserve	Target	2015 Target Balance ('000s)	2015 Actual Balance ('000's)	Result
Tax Supported Stabilization, Operating Contingency,	8-10% of own source revenues	\$20,375	\$5,727	•



Employee Benefi Stabilization & Gapping	t			
Water Ra Stabilization	te 8-10% of own source revenues	\$2,527	\$2,521	•
Wastewater Ra Stabilization	te 8-10% of own source revenues	\$2,878	\$3,297	

City staff have raised concern to Council through the annual Corporate Financial Dashboard reporting, the 2015 & 2016 budget expansion packages, and the BMA Financial Condition Assessment Report in 2015 that the tax supported stabilization and contingency funds are significantly underfunded. Staff will be recommending that the 2015 tax supported operating surplus be directed to the stabilization and contingency reserves, along with continuing to address remaining shortfalls in future budget years.

The non-tax supported Water and Wastewater rate stabilization reserve balances meet or exceed the targets established due to having strong operating budgets that are fully reflective of actual cost of operations. These departments have been successful in achieving Council approved user rates that pay for current operating needs as well as setting aside funds for future capital infrastructure replacement needs. There are long-term financial planning legislative requirements for these services that require rates to adequately fund the operations and capital needs. In 2009 through 2012 the rates for these services increased substantially as a result these longterm financial plans and the reserve balances reflect this investment from both an operating and capital perspective. The capital reserve fund balances can be seen on page 17 of this report for reference.

2015 Significant Reserve Transactions to Note:

- The City recovered \$32k related to 2014/2015 ice storm costs that was received and directed to the Operating Contingency Reserve;
- As part of the 2015 budget, both the water and wastewater departments allocated funds to a new operating contingency reserve that can be used to offset significant unplanned operational costs. The water department incurred significant costs in early 2015 related to the increased occurrence of frozen water mains/pipes. \$200k was transferred from this reserve to operations.

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b) Tax Increment Based Grant Reserves (Brownfield 122, Heritage 192 and Downtown 358):

As recommended in Committee Report FIN-12-01, the City's Tax Increment Based Grant (TIBG) program awards annual grants to eligible redevelopments over a maximum ten year period. The funding for the program is transferred in from the operating budget. The current balance of the three reserves is \$4.15M, but is substantially committed against approved Tax Increment Based Grants payable.

c) Miscellaneous Tax Supported Reserves:

The City has 10 miscellaneous reserves that are outlined in the chart below. These reserves do not have established targets at this time. Staff will be establishing funding targets in 2016 where necessary and will determine where funds should be directed once these balances are achieved.

Reserve	Description	Uncommitted Balance ('000s)
Affordable Housing (119)	Funded by approved transfers from operating that are used to support affordable housing projects within the City.	\$650
Legal (193)	Approved transfers from operating are used to pay fees and payments resulting from Court/OMB settlements and over- budget expenses relating to retaining outside experts and consultants that assist the City in legal proceedings.	\$1,555
Insurance (184)	Surplus amounts from the annual insurance budget are transferred to the insurance reserve to be used for insurance payouts and to lower future premiums.	\$2,145
Investment Strategy (205)	Reserve currently used by the City's Community Investment Strategy Innovation Fund.	\$89
Strategic Initiatives (179)	To provide funding for strategic initiatives that are identified in the City's Corporate Strategic Plan. Funds were transferred in through a one-time contribution from the City's operating contingency reserve. As part of the 2016 budget, these uncommitted funds were fully allocated to corporate programs.	\$167

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Downtown Improvement (194)	Budgeted transfers from operating are used to offer incentives for minor activation improvements (such as facade improvements) in the downtown.	0
IT Licence (210)	This reserve is funded through annual operating budget transfers and used to fund the purchase of licence renewals.	\$760
Election Costs (195)	This reserve is used to accumulate annual operating budget transfers to fund municipal election costs that are needed every four years.	\$275
Building Operations Maintenance (206)	This reserve is funded through annual operating budget transfers and used to pay for unexpected and emergency repairs and maintenance.	\$77
Westminster Woods (345)	This reserve was funded from Westminster Woods Ltd. to cover emergency repairs to City lands under licence agreement between the City and Westminster Woods Ltd.	\$35
Total		<u>\$5,755</u>

2015 Significant Reserve Transactions to Note:

- Staff recommend consolidation of the Social Housing Reserve (#208) into the Affordable Housing Reserve (#119) as the County of Wellington is the designated service deliverer of social housing programs to the community and the City will focus its efforts in the affordable housing space;
- City staff transferred \$266k to the OMB legal reserve in 2015 as actual costs were under-budget;
- The City funded \$302k of strategic program costs from the Strategic Initiative Reserve during 2015.

2016 Proposed Reserve Work Plan Activities to Note:

- Reviewing the need for each of these miscellaneous reserves and consolidating where possible;
- Establishing funding targets for miscellaneous reserves where it would be useful and appropriate and determining where funds should be directed if targeted balances have been achieved.

Reserve Funds

Reserve funds differ from reserves in that reserve fund assets are segregated from general revenues and restricted in use to meet the purpose of the reserve fund. One of the main differentiations from the Reserves is that Reserve Funds earn investment income as the assets are segregated from operations.



There are two types of reserve funds: Obligatory reserve funds and Discretionary reserve funds.

Obligatory Reserve Funds: An Obligatory reserve fund is created when a provincial statute requires that revenue received for special purposes is to be segregated from the general revenues of the municipality. Obligatory reserve funds are to be used solely for the purpose prescribed for them by statute. The City has the following 20 Obligatory Reserve Funds:

- 1. Parkland Dedication (300): This reserve fund has been set up as per Provincial legislation (subsection 42 (14) and (15) of the *Planning Act*) for the purpose of requiring the payment of cash-in-lieu of conveyance of land for a park or other public recreation purpose. The uncommitted balance in this reserve fund is \$2.4M.
- 2. Downtown Parkland Dedication (301): This reserve fund has been set up as per Provincial legislation (subsection 42 (14) and (15) of the *Planning Act*) for the purpose of requiring the payment of cash-in-lieu of conveyance of land for a park or other public recreation purpose specifically from development in the downtown. The uncommitted balance in this fund is \$529k.
- 3. Building Services Stabilization (188): The Ontario Building Code Act prescribes that a municipality establish a reserve fund to help stabilize slow years in terms of building activity and permit revenue. The uncommitted balance as at December 31, 2015 is \$2.21M prior to the 2015 year end surplus transfer. Building Services reports annually to Council on their operations and this reserve compared to established targets.
- 4. Dedicated Gas Tax (342): Monies received from the Provincial government that are used to support increased public transportation ridership and investments in the renewal and expansion of public transportation. The uncommitted balance in this reserve fund at December 31, 2015 is \$866k.
- 5. Federal Gas Tax (343): Funds received from the Federal government through the "New Deal for Cities and Communities" program to support environmentally sustainable municipal infrastructure projects that can demonstrate progress towards clean air, clean water, and reduced greenhouse gas. The uncommitted balance in this reserve fund is \$2.98M.
- 6. Development Charges (15 individual reserve funds) As set out under Subsection 16 (1) of the *Development Charges Act*, Development Charge (DC) reserve funds are comprised of all development charges collected by the City. These reserve funds are restricted by the Province's Development Charge Act and legislation which states that these funds are to be used solely for growth-related infrastructure costs. Please refer to the separate staff report CS-2016-23 entitled 2015 Development



Charge Reserve Fund Statement, also presented in May 2016, which provides a full accounting of and highlights of the DC Reserve Funds for the 2015 fiscal year.

2015 Significant Obligatory Reserve Fund Transactions to Note:

- The City collected \$699k of Parkland and Downtown Parkland dedication revenues in 2015 compared to \$855k in 2014. Staff monitor capital projects committed against these reserve funds to ensure that the City is able to meet the funding requirements.
- The City received \$2.78M of Dedicated Provincial Grant Funding and \$7.05M of Federal Gas Tax Grant funding in 2015. The City spent a total of \$13.8M of gas tax funds in 2015 to fund Council approved operating and capital expenditures

Discretionary Reserve Funds: The City's discretionary reserve funds are commonly referred to as "the capital reserves" and are primarily used to fund Council approved capital projects annually. The City is proposing to change the way these capital reserves are managed in order to support the long-term sustainability of the City's infrastructure, as recommended by the BMA Financial Condition Assessment in 2015. Currently the City manages its capital reserves in the following groupings:

Tax Supported (45 individual reserve funds):

- Equipment Replacement
- Department Capital
- Strategic
- Miscellaneous Discretionary

Non-Tax Supported (5 individual reserve funds):

• Department Capital

As at December 31, 2015, the uncommitted balance in the discretionary reserve funds for tax supported was \$13.8M and non-tax supported \$30.1M. Some of the individual reserve funds are over-committed but are managed within the groupings described above. Staff recognize the over-committed positions and work to resolve these issues in future budgets.

The discretionary reserve funds are discussed in more detail below.



Tax Supported

As recommended by BMA in the 2015 Financial Condition Assessment, the capital reserve funds should maintain a minimum cash balance equivalent to one year's worth of the 10 year average of tax supported capital expenditure requirement, or \$29M. This will ensure that one year of tax based funding is available in reserves to maintain liquidity and be available for emergency or unforeseen capital needs. This insufficient funding of tax supported capital has been presented to Council through a number of avenues, most recently in early 2016 via a staff report asking Council to consider a dedicated capital infrastructure levy as part of the 2017 budget.

The funding challenges have become more apparent through the 2016 Federal and Provincial Government grant announcements in that the City would need to provide matching funding (tax dollars) to a project in order to access the external grant funding. Staff will be working through the details of these grant announcements to recommend to Council later in 2016 which grants we are able to apply for given the tax supported funding restrictions we are working within.

Staff are currently working on the following 2016 work plan activities for all the tax supported capital reserve funds (Equipment, Departmental, City Strategic and Miscellaneous Reserve Funds) as follows:

- Consolidation of all tax supported reserve funds (excluding Police & Library) into one of three reserves; Infrastructure Renewal, Growth, and City Building. These align with the capital funding concept that was introduced during the 2016 Budget.
- Setting funding targets for each of the three above reserve funds and incorporating these into the 2017 Council Approved Transfer to Capital.
- **1. Equipment Replacement**: established to provide future budget contributions for capital equipment replacement total uncommitted balance of \$3.3M.

2015 Significant Reserve Fund Transactions to Note:

- The City funded \$9.2M of tax supported equipment replacement capital costs in 2015
- 2. Departmental Capital Reserve Funds are used to accumulate approved transfers from operating for the purpose of funding initiatives that support infrastructure life cycle or expansion. The total uncommitted balance of these reserve funds is \$1.3M.



2015 Significant Reserve Fund Transactions to Note:

- Staff are recommending the consolidation of reserve funds #161 and #173 into #172 and #111 respectively;
- The City funded \$5.6M of tax supported life-cycle and expansion capital costs in 2015.
- **3. City Strategic Reserve Funds:** City resources that are earmarked for a specific purpose or available to be used to finance future capital projects. The City's Strategic reserve funds have a total uncommitted balance of \$7.4M as at December 2015 and are discussed in more detail in the following chart.

Reserve Fund	Description	Uncommitted balance ('000s)
General Capital Tax (150)	Monies received from the operating budget or the sale of surplus lands and used as a corporate tax supported capital contingency.	\$5,074
Capital Asset Renewal ("CARR") (351)	Funds received from the monetization of the City's interest in Guelph Hydro that are used to finance the renovation and replacement of existing City structures and facilities subject to the Council approved "CARR Policy".	\$6,406
Capital Strategic Planning (154)	Funds transferred one-time for Capital Strategic Planning purposes.	\$16
DC Exemptions (156)	Funds received from tax supported sources that are to be transferred to DC reserve funds to compensate for DC exemptions.	\$3,116
Accessibility Capital (159)	Funds transferred from the operating budget to support capital projects that improve accessibility.	\$198
Roads Infrastructure (160)	Monies transferred in from operating to fund road infrastructure.	\$569
Building Life Cycle (190)	Monies transferred from the operating budget and used to fund capital life cycle investments.	\$80
Industrial Land (332)	Revenues received from the sale of city-owned industrial or commercial land used to fund servicing costs, related debt payments and new land purchases.	\$(8,029)
Total		<u>\$7,430</u>



<u>General Capital Tax #150</u> – As part of the 2016 Capital Budget, Council approved to use approximately \$3.5M of the capital tax reserve fund towards capital projects in 2016 in order to maintain the tax rate under 3%. This leaves a balance of only \$1.57M for corporate capital contingency.

<u>Industrial Land Reserve Fund #332</u> – The industrial land reserve fund is predominately used for the Hanlon Creek Business Park development project whereby the costs associated with that project (including debt carrying costs) are funded from the Business Park land sales. Currently the land sales are not occurring at the pace expected and outlined in the business case therefore, the reserve fund is \$6.8M over-drawn and has \$1.2M of additional commitments approved to be spent. In 2015 \$1.9M of land sales were realized and contributed to this reserve fund offset with \$420k of debt servicing fees.

Staff will continue to market and sell the remaining available land in the business park and bring this reserve fund into a cash solvent position. Staff will also perform an update to the business case for this initiative and complete a full assessment of the project before a decision to continue with Phase 3 is recommended to Council. Finally, given the results of the updated business case, a formalized internal borrow for the Industrial Land Reserve Fund will be assessed.

2015 Significant Reserve Fund Transactions to Note:

- The City funded \$3.8M of tax supported capital costs in 2015 from this grouping of reserve funds.
- 4. Miscellaneous Discretionary Reserve Funds: Reserve funds created under the Municipal Act when Council wishes to earmark revenues such as donations, grants, and special fees to finance a future expenditure for which it has the authority to spend money, and to set aside a certain portion of any year's revenues so that the funds are available as required. Similar to the miscellaneous reserves, there are no established funding targets for these funds, so staff are unable to comment on the sufficiency of funding.

Reserve Fund	Description	Uncommitted Balance ('000s)
Museum related (135,136,137)	Monies received from private donations or bequests that must be used for approved museum related expenditures.	\$180



Library Bequests (138)	Funds received from private donations used for approved library expenditures.	\$325
Landfill Compensation (155)	Allocation from tipping fees used to compensate area residents for prolonged landfill operation.	\$74
Sleeman Centre (162,189)	Revenues from naming rights agreement and ticket surcharge used to fund approved facility related expenditures.	\$43
Tree Donation (178)	Donation revenues received dedicated to planting trees and improving the City's tree canopy.	\$1
Greening (355)	Approved budgeted transfers from operating dedicated to greening the City's fleet.	(\$15)
Road Widening (331)	Funds transferred in from the sale of road allowances and the rental of road allowance property and used to fund road widening costs and land purchases for road widening projects.	\$877
River Run (340)	Funds collected from ticket surcharge used to pay for River Run capital repairs and maintenance.	(\$1)
Greenhouse Gas (352)	Monies from grants (Green Power Action & Greening Canada) used to fund environmental initiatives.	\$234
Transportation Demand Management (350)	One time grant from Provincial government used to fund transportation projects.	\$23
Public Art (356)	Funds transferred in from operating and used to fund public art works or community art projects.	\$83
IMICO Brownfield (357)	Approved budgeted transfers from operating used to fund site monitoring and remediation work at IMICO.	(\$86)
Total		<u>\$1,738</u>

2015 Significant Reserve Fund Transactions to Note:

- The City funded \$793k of tax supported capital costs in 2015 from this grouping of reserve funds
- Recommend the closure of Reserve Fund #200 Investing in Ontario Act as funds have been fully utilized.

<u>Non-Tax Supported</u>

Departmental Capital Reserve Funds are used to accumulate approved transfers from operating for the purpose of funding initiatives that support infrastructure life cycle or expansion. The total uncommitted balance of \$30.1M is prior to any 2015 year end surplus transfers.



Reserve Fund	Uncommitted Balance ('000s)
POA Relocation (120)	\$848
Water Capital (152)	\$15,677
Wastewater Capital (153)	\$12,189
Water DC Exemptions (353)	\$357
Wastewater DC Exemptions (354)	\$1,072
Total	<u>\$30,144</u>

2015 Significant Reserve Fund Transactions to Note:

- In 2014, the water and wastewater capital reserve funds loaned money to the tax supported capital as a cost effective way to utilized internal cash flow instead of issuing an external debenture. In 2015, the City repaid \$2.9M of principle and interest costs to these reserve funds.
- The City funded \$16.2M of non-tax supported capital costs in 2015 from this grouping of reserve funds

CORPORATE STRATEGIC PLAN

Organizational Excellence

1.3 Build robust systems, structures and frameworks aligned to strategy

DEPARTMENTAL CONSULTATION

None noted

FINANCIAL IMPLICATIONS

There are no direct financial implications resulting from this report.

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

COMMUNICATIONS

None noted

ATTACHMENTS

Appendix 1 – 2015 Statement of Reserve and Reserve Funds

Report Author

Tara Baker, Acting GM Finance and City Treasurer



Recommended By Tara Baker Acting GM Finance and City Treasurer Deputy CAO, Corporate Services 519-822-1260 Ext. 2281 519-822-1260 Ext. 2084 tara.baker@guelph.ca

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Approved By Mark Amorosi mark.amorosi@guelph.ca

Reserve and Reserve Funds

As At December 31, 2015

		Opening Actual			Net Transfer	Net Transfer (To) /	-		Proceeds (Funding)	Closing Actual	.	Closing Uncommitted
Identfier	Name	Balance	Interest Earned	(To)	/From Operating	From Capital	Funds	Earned	of Debt	Balance	Commitments	Balance
RESERVES												
		2 405 220			(4.267.476)					4 007 754		4 007 754
00131	EMPLOYEE BENEFIT STABILIZATION	3,105,230		-	(1,267,476)	-	-	-	-	1,837,754	-	1,837,754
00191	SALARY GAPPING / CONTINGENCY	1,248,500		-	(122,853)	-	-	-	-	1,125,646	-	1,125,646
00196	JOINT JOB EVALUATION COMMITTEE	259,976		-	14,785	-	-	-	-	274,761	-	274,761
00197	HR NEGOTIATIONS	198,285		-	(25,593)	-	-	-	-	172,693	-	172,693
00100	ACCUM SICK LEAVE - FIRE	4,343,117		-	343,344	-	520,411	-	-	5,206,873	-	5,206,873
00101	ACCUM SICK LEAVE - POLICE	3,900,927		-	(38,787)	-	-	-	-	3,862,141	-	3,862,141
00102	ACCUM SICK LEAVE - LIBRARY	353,378		-	-	-	(353,378)		-	-	-	-
00103	ACCUM SICK LEAVE - CUPE 241	167,032		-	-	-	(167,032)	-	-	-	-	-
00212	EARLY RETIREE BENEFITS	510,943	5	-	(86,227)	-	-	-	-	424,715	-	424,715
00330	WSIB	1,566,019)	-	233,198	-	-	-	-	1,799,218	-	1,799,218
00338	LAND AMBULANCE RETIREMENT	602,000		-	120,123	-	-	-	-	722,123	-	722,123
		16,255,408	8	-	(829,485)	-	0	-	-	15,425,923	-	15,425,923
MISCELLAN	IEOUS TAX SUPPORTED											
00180	TAX RATE STABILIZATION	1,590,972	2	-	600,000	-	-	-	-	2,190,972	-	2,190,972
00198	OPERATING CONTINGENCY	541,080)	-	31,743	-	-	-	-	572,823	-	572,823
00208	SOCIAL HOUSING	142,939)	-	0	-	(142,939)	-	-	-	-	-
00119	AFFORDABLE HOUSING	429,181		-	112,179	-	109,133	-	-	650,493	-	650,493
00193	LEGAL / ONTARIO MUNICIPAL BOARD	1,378,961		-	176,238	-	-	-	-	1,555,199	-	1,555,199
00184	INSURANCE	1,973,147	,	-	171,901	-	-	-	-	2,145,048	-	2,145,048
00205	INVESTMENT STRATEGY	89,278	3	-	0	-	-	-	-	89,278	-	89,278
00179	STRATEGIC INITATIVES	747,212	2	-	(57,802)	-	-	-	-	689,411	(522,188)	167,222
00194	DOWNTOWN IMPROVMENTS	348,922	2	-	0	-	-	-	-	348,922	(348,922)	0.12
00210	IT LICENCES	608,000)	-	152,000	-	-	-	-	760,000	-	760,000
00195	ELECTION COSTS	165,108	8	-	109,914	-	-	-	-	275,022	-	275,022
00206	BUILDING OPERATING MAINTENANCE	61,500)	-	15,900	-	-	-	-	77,400	-	77,400
00345	WESTMINISTER WOODS	35,000)	-	0	-	-	-	-	35,000	-	35,000
00122	BROWNFIELD STRATEGY	1,248,980)	-	1,080,000	(169)	-	-	-	2,328,811	(2,328,811) -	0.39
00192	HERITAGE REDEVELOPMENT	1,166,187		-	(7,670)	-	-	-	-	1,158,517	(1,038,517)	120,000
00358	DOWNTOWN TIBG	342,000		-	323,310	-	-	-	-	665,310	(665,310)	0.06
		10,868,467		-	2,707,713	(169)	(33,806)	-	-	13,542,205	(4,903,748)	8,638,457
MISCELLAN	IEOUS NON-TAX SUPPORTED	000,107			_, ,, 10	(100)	(12)0007				(),===,= 10)	-,, 107
00181	WATER RATE STABILIZATION	2,002,507	,	-	518,914	-	-	-	-	2,521,421	-	2,521,421
00182	WASTEWATER RATE STABILIZATION	2,829,309		-	467,389	-	-	-	-	3,296,698	-	3,296,698
00105	WASTEWATER CONTINGENCY	2,023,303		_	890,049	_	-	-	-	890,049	-	890,049
00105	WATER CONTINGENCY	_			20,000	_	_	_	_	20,000	-	20,000
00100	POA CONTINGENCY	- 222,844		-	188,980	-	-	-	-	411,824	-	411,824
00211	FUA CONTINUENCE	5,054,660		-	2,085,333	-	-	-	-	7,139,993		7,139,993
		, ,										7,139,993 31,204,372
TOTAL RESERVES		32,178,535		-	3,963,561	(169)	(33,806)	-	-	36,108,120	(4,903,748)	31,204,3

						Net Transfer (To) /					
		Opening Actual		Net Transfer	Net Transfer (To) /	From Reserves/Reserve	External Revenues	Proceeds (Funding)	Closing Actual		Closing Uncommitted
Identfier	Name	Balance	Interest Earned	(To)/From Operating	From Capital	Funds	Earned	of Debt	Balance	Commitments	Balance
OBLIGATORY RESE	ERVE FUNDS										
00300	PARKLAND DEDICATION	2,245,605	66,506	-	(400,643)	-	511,921	-	2,423,389	-	2,423,389
00301	DOWNTOWN PARKLAND DEDICATION	329,756	12,228	-	-	-	186,713	-	528,697	-	528,697
00188	BUILDING SERVICES OBC STABILIZATION	2,188,081	74,240	-	(3,343)	-	-	-	2,258,979	(46,999)	2,211,980
00342	DEDICATED GAS TAX	2,335,398	46,852	(2,724,590)	(1,482,132)	-	2,778,301	-	953,829	(87,498)	866,331
00343	FEDERAL GAS TAX	11,980,887	309,621	-	(9,581,799)	-	7,047,053	-	9,755,762	(6,780,614)	2,975,148
		19,079,728	509,447	(2,724,590)	(11,467,916)	-	10,523,987	-	15,920,655	(6,915,111)	9,005,544
DEVELOPME	NT CHARGES										
00311	WATER SERVICES	20,496,024	718,635	0	(4,014,036)	181,646	6,546,017	(138,866)	23,789,421	(11,797,864)	11,991,557
00312	WASTEWATER SERVICES	15,510,292	569,554	0	(4,804,732)	135,416	4,814,817	(127,629)	16,097,718	(19,882,330)	(3,784,612)
00313	STORMWATER SERVICES	(1,661,619)	(47,237)	-	(39,317)	2,685	91,413	-	(1,654,075)	(327,451)	(1,981,526)
00314	HIGHWAY & ROADS RELATED	(4,052,675)	59,930	0	(8,858,634)	74,748	2,588,003	(167,409)	(10,356,038)	(7,214,036)	(17,570,074)
00315	FIRE PROTECTION SERVICES	(1,445,309)	(25,003)	0	-	6,115	253,629	(20,032)	(1,230,600)	-	(1,230,600)
00316	LIBRARY SERVICES	1,749,610	56,192	-	- 0	1,596	387,873	-	2,195,270	(1,472,618)	722,652
00317	TRANSIT	(3,913)	4,147	-	(183,122)	12,497	465,419	-	295,028	(429,621)	(134,593)
00318	ADMINISTRATION	1,089,035	30,459	-	(371,463)	7,359	293,955	-	1,049,346	(1,408,510)	(359,164)
00319	INDOOR RECREATION	9,459,450	299,920	-	(10,965)	8,158	1,839,647	-	11,596,210	(961,174)	10,635,036
00320	OUTDOOR RECREATION	2,268,451	84,076	-	(1,131,938)	9,903	2,403,574	-	3,634,067	(4,640,449)	(1,006,382)
00323	MUNICIPAL PARKING	4,353,753	135,104	-	-	16,089	626,196	-	5,131,143	(2,128,010)	3,003,133
00324	POLICE SERVICES	(2,840,117)	(30,489)	0	(675,599)	8,577	357,104	(66,566)	(3,247,089)	(13,966,794)	(17,213,883)
00325	AMBULANCE SERVICES	(1,362,539)	(39,013)	-	-	501	24,717	-	(1,376,334)	-	(1,376,334)
00326	PROVINCIAL OFFENSES ACT	(105,943)	(2,971)	-	-	14	6,263	-	(102,638)	-	(102,638)
00327	HEALTH SERVICES	(1,017,593)	(28,043)	-	44,330	476	49,692	-	(951,139)	-	(951,139)
		42,436,906	1,785,262	0	(20,045,475)	465,780	20,748,321	(520,502)	44,870,291	(64,228,857)	(19,358,565)
TOTAL OBLIGATOR	RY RESERVE FUNDS	61,516,634	2,294,709	(2,724,590)	(31,513,392)	465,780	31,272,308	(520,502)	60,790,947	(71,143,968)	(10,353,021)

						Net Transfer (To) /					
		• • • • •				From	5				Closing
entfier	Name	Opening Actual Balance	Interest Earned	Net Transfer (To)/From Operating	Net Transfer (To) / From Capital	Reserves/Reserve Funds	External Revenues Earned	Proceeds (Funding) of Debt	Closing Actual Balance	Commitments	Uncommitted Balance
	RESERVE FUNDS	Dalarice	Interest Edined	(10)/110in Operating	rion capital	T unus	Lanca	01 Debt	Dalance	commence	Balance
	IT REPLACEMENT - TAX SUPPORTED										
00111	FIRE	640,979	17,883	2 967,220	(1,011,103)	(557)	-	-	614,421	(362,854)	251,56
00113	TRANSIT	1,946,344	42,472		,	0	-	-	1,035,364	(957,047)	78,31
00115	POLICE	1,099,098	30,659		,	0	-	-	1,053,256	(832,062)	221,19
00116	WASTE MANAGEMENT	1,162,347	24,764			0	-	-	576,196	(448,613)	127,58
00118	COMPUTER	373,643	16,070		,	0	-	-	754,949	(738,698)	16,25
00121	PLAY EQUIPMENT	57,536	6,618		,	0	-	-	407,095	(395,366)	11,72
00124	OPERATIONS / FLEET	4,031,533	132,21	,		0	-	-	5,250,504	(2,634,268)	2,616,23
		9,311,480	270,680			(557)	-	-	9,691,785	(6,368,908)	3,322,87
DEPARTME	ENT CAPITAL - TAX SUPPORTED	, ,	,			· · ·			, ,		, ,
00151	PARKING	1,269,564	34,343	3 500,000	(662,419)	-	-	-	1,141,489	(1,075,970)	65,51
00157	LIBRARY	1,014,541	26,613	8 210,000	(397,019)	-	-	-	854,140	(68,719)	785,42
00158	POLICE	3,050,899	62,368	8 16,800	(1,802,494)	-	-	-	1,327,572	(1,370,113)	(42,541
00164	ROADS	647,888	17,394	4 360,000	(452,008)	-	-	-	573,274	(293,151)	280,12
00165	STORM WATER	489,103	12,060	5 0	(143,158)	-	-	-	358,011	(193,357)	164,65
00166	PARK PLANNING	(8,131)	6,75	7 746,450	(262,578)	-	-	-	482,499	(735,204)	(252,705
00167	POLICY PLANNING	517,072	16,75	7 14,000	111,518	-	-	-	659,347	(603,891)	55,45
00169	OPERATIONS	1,125,565	38,11	7 1,172,500	(785,787)	-	-	-	1,550,394	(1,432,005)	118,38
00171	CULTURE	156,686	4,170	5 60,000	(84,387)	-	-	-	136,474	(129,563)	6,91
00172	TRANSIT	2,188,927	55,458	8 113,250	(653,545)	363	-	-	1,704,452	(1,623,513)	80,93
00176	INFORMATION SERVICES	248,647	16,932	2 906,500	(232,053)	-	-	-	940,026	(905,710)	34,31
00186	WASTE MANAGEMENT	293,542	4,829	9 -	(252,899)	-	-	-	45,471	(39,639)	5,83
00161	TRANSIT IMPROVEMENT	363	-	-	-	(363)	-	-	- 0	-	(0
00173	FIRE	(557)	-	-	-	557	-	-	-	-	
		10,994,107	295,81	5 4,099,500	(5,616,830)	557	-	-	9,773,149	(8,470,835)	1,302,31
STRATEGIC	RESERVE FUNDS - TAX SUPPORTED	· · ·	·	· · ·	,						
00150	CAPTIAL TAX	2,710,573	87,970	2,419,000	(71,588)	-	-	-	5,145,954	(71,500)	5,074,45
00351	CAPITAL ASSET RENEWAL	8,924,637	232,06	5 51,580	(714,509)	-	-	-	8,493,775	(2,087,338)	6,406,43
00154	CAPITAL STRATEGIC PLANNING	15,795	450		-	-	-	-	16,251	-	16,25
00156	DC EXEMPTIONS	3,084,630	92,188		(7,200)	(132,257)	-	-	3,387,361	(270,926)	3,116,43
00159	ACCESSIBLITY CAPITAL	411,366	8,679		(222,113)	-	-	-	197,932	-	197,93
00160	ROADS INFRASTRUCTURE	3,132,195	76,85			-	-	-	2,263,372	(1,694,664)	568,70
00190	BUILDING LIFE CYCLE	868,170	28,969			-	-	-	1,165,544	(1,085,685)	79,85
00332	INDUSTRIAL LAND	1,188,761	(208,851		,	-	1,891,934	(210,800)	(6,829,188)	(1,200,000)	(8,029,188
		20,336,126	318,332		(3,769,614)	(132,257)	1,891,934	(210,800)	13,841,001	(6,410,113)	7,430,88

						Net Transfer (To) /					
lentfier	Name	Opening Actual	Internet Frankel	Net Transfer	Net Transfer (To) /	From Reserves/Reserve	External Revenues	,	Closing Actual	6itt-	Closing Uncommitted
	IEOUS DISCRETIONARY RESERVE FUNDS - TAX S	Balance	Interest Earned	(To)/From Operating	From Capital	Funds	Earned	of Debt	Balance	Commitments	Balance
			F 22	25.050	(1 10 700)		00		122,400		122.40
00135	MUSEUM DEVELOPMENT	241,885		,	(140,769)	-	90		132,489	-	132,48
00136	MCRAE HOUSE DEVELOPMENT	146,287			(146,000)	-	29,961	-	32,798	-	32,79
00137	MOON-MACKEIGAN ARTIFACT	13,962			-	-	599	-	14,973	-	14,97
00138	LIBRARY BEQUESTS	282,646		,	-	-	-	-	324,649	-	324,64
00155	LANDFILL COMPENSATION	100,303	,		(844)	-	-	-	102,345	(27,846)	74,49
00162	SLEEMAN CENTRE NAMING RIGHTS	5,106		,	(63,157)	-	-	-	(246)	-	(246
00178	TREE DONATION PROGRAM	450			-	-	300	-	767	-	76
00189	SLEEMAN CENTRE	34,517	1,108	8 8,453	(831)	-	-	-	43,247	-	43,24
00200	INVESTING ONTARIO ACT	99,515	-	-	(99,515)	-	-	-	-	-	
00331	ROAD WIDENING	852,369	24,633	- 3	-	-	-	-	877,002	-	877,00
00340	RIVER RUN	112,094	2,569	9 66,109	(112,498)	-	-	-	68,275	(69,178)	(903
00352	GREENHOUSE GAS	464,399	11,275	- 5	(148,488)	-	-	-	327,187	(92,824)	234,36
00350	TRANSPORTATION DEMAND MGMT	22,187	643	- 1	-	-	-	-	22,828	-	22,82
00355	GREENING	34,537	284	- 1	(50,000)	-	547	-	(14,633)	-	(14,633
00356	PUBLIC ART	74,672	2,240) -	(14,343)	-	20,000	-	82,568	-	82,56
00357	BROWNFIELD CAPITAL	58,529	1,453	3 -	(16,520)	-	0	-	43,462	(129,860)	(86,398
		2,543,457	64,122	2 191,599	(792,964)	-	51,496	0	2,057,711	(319,708)	1,738,00
DEPARTME	ENT CAPITAL - NON-TAX SUPPORTED				· · ·						
00120	POA RELOCATION	985,252	27,74	7 400,000	(57,483)	-	-	(392,821)	962,694	(114,329)	848,36
00152	WATERWORKS	29,122,258	919,759) 11,417,354	(7,166,351)	-	-	1,223,533	35,516,553	(19,839,606)	15,676,94
00153	WASTEWATER	33,093,762	1,033,212	11,496,845	(8,131,522)	-	-	1,689,641	39,181,939	(26,992,894)	12,189,04
00353	WATERWORKS DC EXEMPTIONS	521,808		, ,	(18,400)	(172,694)	-	-	647,367	(290,019)	357,34
00354	WASTEWATER DC EXEMPTIONS	2,169,076			(819,500)	(127,023)		-	1,575,897	(503,747)	1,072,15
		65,892,155			(16,193,256)	(299,717)		2,520,353	77,884,451	(47,740,595)	30,143,85
OTAL DISCRETIC	ONARY RESERVE FUNDS	109,077,325		, ,	(35,615,577)	(431,974)			113,248,097	(69,310,159)	43,937,93
OTAL ALL RESEF	RVES AND RESERVE FUNDS	202,772,493	5,294,383	L 34,204,638	(67,129,138)	-	33,215,738	1,789,052	210,147,164	(145,357,874)	64,789,29



TO Corporate Services Committee

SERVICE AREA Corporate Services, Finance

DATE May 2, 2016

SUBJECT 2015 Development Charge Reserve Fund Statement

REPORT NUMBER CS-2016-23

EXECUTIVE SUMMARY

PURPOSE OF REPORT

To report on the 2015 Development Charge Reserve Funds as required by Ontario Regulation 82/98 of the *Development Charges Act, 1997*.

KEY FINDINGS

- Development charge (DC) revenues totalled \$20.75 million in 2015, down from \$22.98 million collected in 2014. Staff continue to monitor revenue levels to ensure growth related capital spending does not outpace the City's ability to pay for these projects.
- DC's used to finance eligible capital projects in 2015 totalled \$20.06 million, representing a 27% increase over 2014 spending levels. DC's were used to fund the following major projects in 2015:
 - o Road Stone-Evergreen to Victoria \$2.02 million
 - Road Clair/Laird Interchange \$6.13 million (payment to MTO)
 - Water Wellington-Hanlon to Watson \$1.38 million
 - Wastewater York-Hanlon to Victoria \$1.52 million
 - Wastewater Treatment Plant Phase 2 \$2.13 million
- The total closing balance of all fifteen development charge reserve funds increased \$2.43 million in 2015, for a total of \$44.87 million as at December 31, 2015.
- There is \$64.23 million in the prior year approved capital budgets committed against the reserve funds, which is approximately \$8.85 million higher than the commitment at the end of 2014. These commitments forecast the overall DC balance into a negative position, identifying the potential need to debt fund growth related projects.
- Legislated DC exemptions cost the City \$431,974 in 2015 (2014: \$741,000). The City transfers funds from the tax and rate supported DC Exemption Reserve Funds to pay for these exemptions.
- The City aligned its accounting policy with PSAB for how DC revenues are recognized on projects that have been funded through DC debt. This is a positive change that will have a favourable impact on the City's financial ratios as well as more accurately reflect the DC's available for future growth related projects.



FINANCIAL IMPLICATIONS

- Capital spending on growth related infrastructure continues to trend below planned levels due to the delay in significant water and wastewater facility upgrades and expansions as well as the Baker Street property purchase.
- DC revenues were 61.8% of the revenues projected in the 2013 DC Background Study. Staff will continue to monitor this trend and manage growth related capital infrastructure appropriately.

ACTION REQUIRED

That report CS-2016-23 dated May 2, 2016, entitled 2015 Development Charge Reserve Fund Statement be received for information.

RECOMMENDATION

That report CS-2016-23 dated May 2, 2016, entitled 2015 Development Charge Reserve Fund Statement be received for information.

BACKGROUND

The *Development Charges Act, 1997*, requires the Treasurer of a municipality to give Council a financial statement each year, relating to its development charge bylaw and the reserve funds established for the services to which the development charges relate. The statement must include, for the preceding year, opening and closing balances of the reserve funds and the transactions relating to the funds. In addition, Ontario Regulation 82/98 requires the following information to be included:

- A description of the service for which the fund was established; if the fund was established for a service category, the services in the category.
- Amounts (if any) relating to credits for work performed in relation to the service or service category for which the fund was established.
- The amount of any money borrowed from the fund by the municipality during the previous year and the purpose for which it was borrowed.
- The amount of interest accrued during the previous year on money borrowed from the fund by the municipality.
- The amount and source of any money used by the municipality to repay, in the previous year, money borrowed from the fund or interest on such money.
- A schedule that identifies credits recognized under the *Development Charges Act*, 1997.
- For each project that is financed, in whole or in part, by development charges,
 - i the amount of money from each reserve fund that is spent on the project, and
 - ii the amount and source of any other money that is spent on the project.



The information outlined above is included in Schedules 1 and 2 attached.

Schedule 1 is the reserve fund statement showing opening and closing balances of the reserve funds, as well as the transactions relating to the funds.

There are no amounts to report as credits for work performed that relates to a service for which development charges are chargeable.

Schedule 2 shows financing from all sources for each project financed, in whole or in part, by development charges.

The treasurer's DC statement must be provided to Council and made available on the City's website.

REPORT

In addition to meeting the legislated requirements, this report also provides the opportunity to highlight information relating to the City's development charge collections and expenditures that occurred throughout the preceding year. DC's represent a significant funding source for the City's capital projects and therefore an overview of DC activity is advisable.

The following are highlights related to the 2015 DC activity:

DC revenue collected in 2015 totalled \$20.75 million, representing a 9.7% decrease over 2014 revenues and a \$12.8 million shortfall from the 2015 target identified in the Background Study. Chart 1: DC Collections illustrates the divergence between the planned collections identified in the DC background study and the actual DC's collected per year.

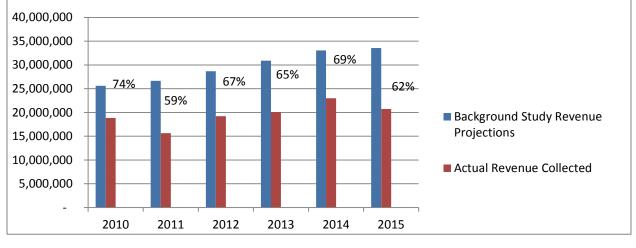


Chart 1: DC Collections



This divergence from the revenue projections in the Background Study will be monitored and managed by staff so that growth related spending does not outpace the City's ability to pay for this growth. The next background study is planned for 2018 as the DC By-law must be replaced by February 2019.

As shown in Chart 2: Development Charge Revenue by Type, residential development continues to be the City's most significant source of development charge revenue.

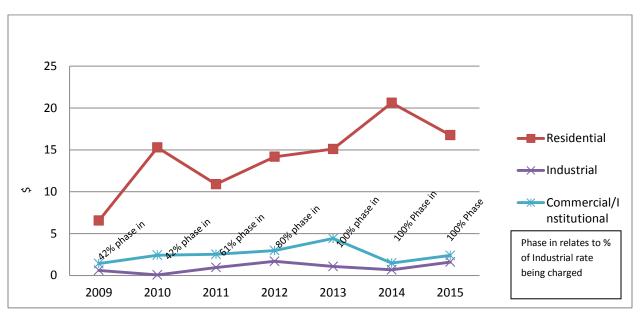


Chart 2: Development Charge Revenue by Type

The City is successfully shifting the mix of residential development from primarily low density residential development to high density residential development as mandated by the Province's Place to Grow Act, 2005 (see Table A: New Residential Housing by Dwelling Type).

24.2%

26%

Table A:	New Re	sidential Hous	sing by Dwelli	ing Type	
Density	2012	2013	2014	2015	City Tar (2013- 2023)
High	19.0%	51.8%	50.2%	41%	39%
Med	31.0%	25.2%	25.6%	33%	31%

23.0%

49.0%

Low

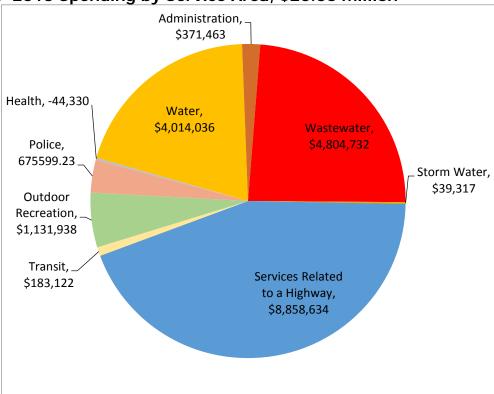
rget

31%



- The City has increased spending on growth related projects over the past 3 years, having moved from \$6.80 million in spending in 2013, to \$14.28 million in 2014 and \$20.06 million in 2015. This trend reflects positively on the City's budgetary performance. Capital expenditures in Wastewater, Water, Services Related to a Highway and Outdoor Recreation accounted for a significant portion of the year's spending. Chart 3: 2015 Spending by Service Area, illustrates the distribution of growth related spending activity for the year and Schedule 2 identifies the growth related projects that received funding in 2015. Major 2015 project spending includes:
 - Road Stone-Evergreen to Victoria \$2.02 million
 - Road Clair/Laird Interchange \$6.13 million (payment to MTO)
 - o Water Wellington-Hanlon to Watson \$1.38 million
 - Wastewater York-Hanlon to Victoria \$1.52 million
 - Wastewater Treatment Plant Phase 2 \$2.13 million

Chart 3: 2015 Spending by Service Area, \$20.06 million





- DC exemptions declined in 2015 by \$309,026. A total of \$431,974 was exempted for the following exemption types:
 - o Industrial addition expansion exemption: \$418,278
 - University related purpose: \$13,696

The Development Charge Exemption Policy (By-law Number (2013)-19537 requires the City to recover lost DC revenues relating to exemptions. An entry was done to transfer \$431,974 from tax and rate supported reserves to the development charge reserve funds to account for the exemptions relating to the county and the industrial expansion exemptions.

- DC reserve funds are managed as a total fund from a cash flow perspective meaning that funds with a negative balance have borrowed from other positive balance funds. These funds have paid interest to the other funds.
- Collectively, the DC reserve funds earned \$1.79 million in interest in 2015.
- The City also manages the DC reserve fund cash flow levels through external debt. As highlighted earlier, revenue collection has not achieved targeted levels as identified in the Background Study even as growth related capital spending continues to occur. This "gap" between need for infrastructure before the development growth occurs is managed through external debt as well as careful monitoring and financial planning of when DC projects are approved for construction. The total DC debt outstanding as at December 31, 2015 was \$13.1 million and annual debt servicing costs in 2015 totalled \$2.34 million for principal and \$529,502 for interest. Interest is paid from the corresponding development charge reserve funds.
- The development charge reserve fund closing balances, before prior year unspent commitments at December 31, 2015, were as follows:

D	C Reserve Fund	Closing Balances						
Non-Discounted	Services	Discounted Services						
Water Services	\$23,789,420	Library Services	\$2,195,270					
Wastewater Services	16,097,719	Indoor Recreation	11,596,210					
Stormwater Drainage	(1,654,075)	Outdoor Recreation	3,634,066					
Roads & Related	(10,356,038)	Transit	295,028					
Fire Protection Serv.	(1,230,600)	Administration	1,049,345					
Police Services	<u>(3,247,090)</u>	Ambulance Services	(1,376,334)					
	\$23,399,335	Municipal Court	(102,637)					
		Mun. Parking Spaces	5,131,142					
		Health	<u>(951,138)</u>					
			\$21,470,953					

STAFF <u>REPORT</u>



- The total closing balance of all fifteen of these reserve funds is \$44,870,288 million representing a \$2.43 million increase over 2015.
- The total unspent Council approved commitments against the DC Reserve Funds at the end of 2015 totalled \$64.2M, forecasting the total DC fund balance into an over-drawn position of \$19.4M. To offset this, the City has \$13.1M of external debt already issued with an additional \$11.63 million planned for 2016 and \$14.8 million for 2018, for the Clair/Laird Hanlon Interchange and Guelph Police HQ respectively.

Accounting Policy Adjustment

In preparing to issue DC debt in 2016 staff identified the need to correct the accounting policy for development charge revenue recognition in order to align with the Public Sector Accounting Standards (PSAS) in 2015. The most recent DC debt issuance was 2009, during the transition from cash to accrual accounting. Staff confirmed with comparator municipalities that some are still accounting for DC debt in the way the City has been to date. Through discussions with our external auditor, KPMG, it was agreed by all parties that the change should be made on a retroactive basis. This change affects the way in which development charges have been recognized on projects that have been funded through DC debt.

The impact of this accounting policy adjustment reduced the opening 2015 position of DC Reserve Funds by \$14M from what was previously reported. This \$14M is revenue that should have been recognized as income through the period of 2007 through 2014 as the capital invested in growth related projects was incurred.

This adjustment has an overall positive impact to the City's year-end financial position for the following reasons:

- DC Reserve Funds accurately reflect the cash available to invest in growth related projects
- Eliminates a situation of "double liability" that was occurring on the City's Statement of Financial Position – The City was holding both the deferred revenue and the external debt on the face of the Statement of Financial Position. This adjustment releases the deferred revenue into income and only the external DC debt remains as a liability to the City. This will have a positive impact on the City's financial ratios and will be looked at as favorable during the credit rating review process.
- There is no impact to cash flow or to the interest earned by the DC funds as the DC Reserve Funds and the DC debt proceeds will be considered together as a cash flow unit for investment purposes.

Guelph Making a Difference

CORPORATE STRATEGIC PLAN

Innovation in Local Government

2.1 Build an adaptive environment for government innovation to ensure fiscal and service sustainability

2.2 Deliver Public Services better

City Building

- 3.1 Ensure a well-designed, safe, inclusive, appealing and sustainable City
- 3.2 Be economically viable, resilient, diverse and attractive for business

DEPARTMENTAL CONSULTATION

Not required.

COMMUNICATIONS

A copy of the treasurer's statement must be given to the Minister of Municipal Affairs and Housing within 60 days after being given to the council. The statement will also be made available on the City's website.

ATTACHMENTS

Schedule 1 – Development Charge Reserve Fund Statement for 2015 Schedule 2 – Development Charge Project Financing Statement for 2015

Report Author

Christel Gregson Sr. Corporate Analyst, Development Charges and Long Term Planning

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Recommended By

Mark Amorosi Deputy CAO, Corporate Services 519-822-1260 ext. 2281 mark.amorosi@guelph.ca



Schedule 1 – Development Charge Reserve Fund Statement for 2015

	Annual Treas	urers Statem	ent of Reserve Fu	unds for By-La	w (2014)-196	592			
				Discou	unted Service	es			
Description	Library	Transit	Administration	Indoor Recreation	Outdoor Recreation	Parking	Ambulance	Courts	Health
Opening Balance, January 1, 2015	1,749,610	(3,913)	1,089,035	9,459,450	2,268,451	4,353,753	(1,362,539)	(105,943)	(1,017,593)
Plus: Development Charge Collections	387,873	465,419	293,955	1,839,647	2,403,574	626,196	24,717	6,263	49,692
Exemption Allocation	951	11,418	7,136	5,233	6,660	15,224	476	0,203	49,092
Interest Allocated re Late Payments	645	1,079	223	2,925	3,243	865	25	14	<u>+/0</u> _
Accrued Interest	56,192	4,147	30,459	299,920	84,076	135,104	(39,013)	(2,971)	(28,043)
Sub-Total	445,661	482,063	331,773	2,147,725	2,497,553	777,389	(13,795)	3,306	22,125
Less: Amount Transferred to Capital (or Other) Funds Amounts Refunded Debt Charges - Principal Debt Charges - Interest	0	1 <u>83,122</u> 	<u>371,463</u> 	1 <u>0,965</u>	<u>1,131,938</u>				(<u>44,330)</u>
Sub-Total	0	183,122	371,463	10,965	1,131,938	-	-	-	(44,330)
Closing Balance, December 31, 2015	2,195,270	295,028	1,049,345	11,596,210	3,634,066	5,131,142	(1,376,334)	(102,637)	(951,138)
Less: Commitment Not Yet Spent	(1,472,618)	(429,621)	(1,408,510)	(961,174)	(4,640,449)	(2,128,010)	-	-	-
Closing Balance Not Yet Committed	722,652	(134,593)	(359,164)	10,635,036	(1,006,383)	3,003,132	(1,376,334)	(102,637)	(951,138)

City of Guelph

			Non-Discounte	ed Services			
	Water	Wastewater	Storm Water	Services Related to a	Fire	Police	Total
Description				Highway			
Opening Balance, January 1, 2015	20,496,024	15,510,292	(1,661,619)	(4,052,675)	(1,445,309)	(2,840,117)	42,436,905
Plus:							
Development Charge Collections	6,546,017	4,814,817	91,413	2,588,003	253,629	357,104	20,748,319
Exemption Allocation	172,694	127,023	2,379	68,507	5,709	8,088	431,974
Interest Allocated re Late Payments	8,952	8,393	306	6,241	406	489	33,806
Accrued Interest	718,635	569,554	(47,237)	59,930	(25,003)	(30,489)	1,785,262
Sub-Total	7,446,298	5,519,787	46,861	2,722,681	234,741	335,192	22,999,361
<u>Less:</u> Amount Transferred to Capital (or Other) Funds	4,014,036	4,804,732	39,317	8,858,634		675,599	20,045,476
Amounts Refunded							
Debt Charges - Principal							
Debt Charges - Interest	138,866	127,629		167,409	20,032	66,566	520,502
Sub-Total	4,152,902	4,932,361	39,317	9,026,043	20,032	742,165	20,565,978
Closing Balance, December 31, 2015	23,789,420	16,097,719	(1,654,075)	(10,356,038)	(1,230,600)	(3,247,090)	44,870,288
Less: Commitment Not Yet Spent	(11,797,864)	(19,882,330)	(327,451)	(7,214,036)	-	(13,966,794)	(64,228,857)
Closing Balance Not Yet Committed	11,991,556	(3,784,611)	(1,981,526)	(17,570,074)	(1,230,600)	(17,213,884)	(19,358,569)



Schedule 2 – Development Charge Project Financing Statement for 2015

		Amount			the City of Gueiph ther) Funds - Capit		tions				
			-	Recoverable C				Non-DC Re	coverable Co	st Share	
		DC	By-Law Peri	od	Post DC By-L	aw Period		Tax Supported	Rate Supported		
				Grants, Subsidies	Post-Period	Grants, Subsidies	Other	Operating Fund	Operating Fund		Grants, Subsidies
Capital Fund Transactions	Gross Capital Cost	DC Reserve Fund Draw	DC Debt Financing	Other Contributions	Benefit/Capacity Interim Financing	Other Contributions	Reserve/Reserve Fund Draws	Contribution	Contributio ns	Debt Financing	Other Contributions
Services Related to Highway	0051	Tuno Bran	Thuncing	contributions	intering searching	contributions	Tund Brans	3	115	Thuncing	contributions
Victoria-Stone to Arkell (RD0078)	2,934	(122,528)					(52,301)				177,763
Transportation Strategy (RD0118) Hanlon Creek Roads (RD0249)	103,551 7,189	(9,833) 7,189					2,300	F			
Clair/Laird & Hanlon Interchange (RD0267)	6,127,965	6,127,965					-				
Transit Priority Project (RD0268)	198,853	198,853									
York-Victoria to E City Limit (RD0270) Stone-Evergreen to Victoria (RD0271)	30,440 2,880,451	18,140 2,016,315					12,300 864,136				
	89,277	62,494					26,783				
Niska Bridge (RD0286) Gordon-Edinburgh to Lowes (RD0310)	(30,931)	(30,931)									
Active Transportation (RD0321)	891,519	445,760					445,760				
Active Transportation Study (RD0322)	70,759	70,759					+ - -				
Transit Terminal Sub-nodes (TC0018) Traffic Signals (TF0002)	59,981 1,936	59,981 1,742					194				
Traffic Management (TF0008)	25,460	1,742					194 12,730				
Debt Charge - Interest	167,409	167,409									
Sub-Total - Services Related to Highways	10,626,792	9,026,043	-	-	-	-	1,311,901	-	-	-	177,763
Water											
Hanlon-Wellington to Clair (WD0002)	14,351	10,763					3,588				
Speedvale-Watson to Westmount (WD0005)	238,304	117,750					120,555				
Wellington-Hanlon to Watson (WD0007)	2,746,838	1,373,419					1,373,419				
Clair-Crawley to Gordon (WD0012)	412,727	400,443					12,284				
Hanlon croosing at Paisley (WD0016) East Side-Zone 2 Upgrades (WD0019)	<u>147,772</u> 96,753	132,995 53,213					14,778 43,539				
Servicing Studies (WD0023)	500	126					43,333	+			
Arkell Spring Grounds (WT0001)	35,786	33,886					1,900				
Arkell Spring Grounds (WT0001) New Supply (WT0002)	388,338	371,838					16,500				
Verney/Clair Control Upgrade (WT0027)	986,095	716,816					269,280				
Conservatin & Efficiency (WW0106) Development Oversizing (WW0139)	429,022	429,022									
Development Oversizing (WW0139) Debt Charge - Interest	373,766 138,866	373,766 138,866									
Sub-Total - Water	6,009,118	4,152,902	-	-	-	-	1,856,217	-	-	-	-
Wastewater							+				
Stevenson-York to Eramosa (SC0003)	952,358	186,736		+ ·			765,622				
Siphon Improvements (SC0018) Imfrastructure Improvements (SC0026)	407,946 7,044	203,874 1,409					204,072 5,635				
Servicing Studies (SC0029)	27,251	6,813					20,438	+			
Waterworks-York to Trail (SC0033)	6,663	1,401					5,262	12222			
Treatment Plan Upgrades & Studies (ST0002)	47,610	11,889					35,721		[
Biosolids Facility Upgrade (ST0003)	86,745	60,722					26,024	L			
Phase 2 Expansion (ST0004)	3,292,781	2,125,881					366,900				800,000
Treatment Plant Upgrades (ST0005) SCADA Upgrades (ST0006)	210,194 55,512	72,601		+			137,593				
Admin Building Upgrades (ST0006)	1,026,568	14,160 595,715					<u>41,353</u> 717,113				(286,260
York-Hanlon to Victoria (WS0085)	3,470,894	1,523,533					1,947,361				,200,200
Debt Charge - Interest	127,629	127,629									
Sub-Total - Wastewater	9,719,194	4,932,361	-	-	-	-	4,273,093	-	-	-	513,740
Storm Water							t				
Masterplan Projects (SW0058)	(28,627)	(22,901)					(5,725)	-		-	
Storm Water Funding Study (SW0060)	39,116	39,116									
Servicing Studies (SW0068)	30,804	23,103					7,701				
Sub-Total - Storm Water	41,293	39,317	-	-	-	-	1,976	-	-	-	-

Municipality of the City of Guelph



		Amount			the City of Guelph ther) Funds - Capi		tions				
			DC	Recoverable C	ost Share			Non-DC Re	coverable Co	st Share	
		DC	C By-Law Peri	od	Post DC By-L	aw Period					
	Gross Capital	DC Reserve	DC Debt	Grants, Subsidies Other	Post-Period Benefit/Capacity	Grants, Subsidies Other	Other Reserve/Reserve	Tax Supported Operating Fund Contribution	Rate Supported Operating Fund Contributio	Debt	Grants, Subsidies Other
Capital Fund Transactions	Cost	Fund Draw	Financing	Contributions	Interim Financing	Contributions	Fund Draws	s	ns	Financing	Contributions
Fire Services								-			
Debt Charge - Interest	20,032	20,032			+ ·		+				+
Sub-Total - Fire	20,032 20,032	20,032	-		-	-	-	-	-	-	
Sub-Total - Fire	20,032	20,032		-	-	-	-	-	-		
					+						+
Police Services											+
GPS HQ Renovations (PS0033)	1,558,282	675,599					882,683				
Debt Charge - Interest	66,566	66,566									
Sub-Total - Police	1,624,848	742,165	-	-	-	-	882,683	-	-	-	-
Transit								L			!
Coin Counting Equipment (TC0004)	33,503	7,538			 	 	25,965			L	L
CAD/AVL Upgrade (TC0026)	738,777	166,225			I		572,552				
Community Bus (TM0002)	20,798	9,359					11,439				
Sub-Total - Transit	793,078	183,122	-	-	-	-	609,956	-	-	-	-
Administration					+		+				+
Housing Initiatives (PL0012)	14,755	6,867					7,888				
GID Secondary Plan (PL0017)	27,547	27,547					_				
Zoning By-law Review (PL0021)	66,678	83,527			+	+	(16,849)			+	+
Clair/Maltby Secondary Plan (PL0022)	85,419	114,551					(29,132)				
Heritage Initiatives (PL0024)	3 295	449					2,846				
Mixed Use Nodes & Corridors (PL0036)	3,295 12,110	6,361					5,750				
Housing Initiatives Strategy (PL0050)	840	391					449				+
Transporation Strategy (RD0118)	103,551	111,085			+	+				+	+
Signal Control System Study (TF0006)	41,369	20,685					20,685				
Sub-Total - Administration	355,565	371,463		-	-	-	(8,365)				
Sub-Total - Administration	333,303	371,403	-		-	-	(8,303)	-	-	-	-
					+						+
Indoor Recreation		10.005									
VRRC Expansion/Renovation (RF0051)	10,965	10,965					-				
Sub-Total - Indoor Rec	10,965	10,965	-	-	-	-	-	-	-	-	
Outdoor Recreation											!
Eastview-North East Trail (RP0252)	1,836	991					844		L		+
Parkland Dedication By-law (RP0297)	1,634	1,471			4		163		L	L	+
Southend Splashpad (RP0459)	378,687	340,817					<u>37,870</u> 20,657				!
Guelph Trails (PK0002)	209,112	188,455					20,657				ļ
Jubilee Park (PK0004)	24,970	10,426			1		1,158			L	13,38
Victoria Road Northview (PK0007)	56,406	50,766					5,641	L			L
Eastview Community Park (PK0014)	54,920	49,428					5,492				
Citywide Skatepark (PK0048)	670,556	502,917					167,640				
Pedestrian Railway Bridge (PK0075)	3,607	1,625			1		1,982				
Parks Equipment Growth (PO0014)	38,712	(23,005)				_ 	(8,083)	69,800			_ _
Wilson Farm Park (GG0219)	7,219	8,047					(828)				
Sub-Total - Outdoor Rec	1,447,660	1,131,938	-	-	-	-	232,536	69,800	-	-	13,38
	, ,	1 - 1.55								l l	,,
Public Health	F4				+	1	+		F	t t	+
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TO Corporate Services Committee

SERVICE AREA Corporate Services, Finance

DATE May 2, 2016

SUBJECT Budget Impacts per Ontario Regulation 284/09 and Budget PSAB Reconciliation

REPORT NUMBER CS-2016-25

EXECUTIVE SUMMARY

PURPOSE OF REPORT

- To provide Council with the budget impact of amortization, postemployment benefit costs and landfill post-closure costs in accordance with Ontario Regulation 284/09.
- To further provide a reconciliation of the 2016 City of Guelph Tax Supported and Non-Tax Supported budgets to a full-accrual presentation required by the Public Sector Accounting Board (PSAB) for the annual financial statements.

KEY FINDINGS

Ontario Regulation 284/09

This is an annual report required by legislation and is presented to Committee each year.

The impact of amortization, post-employment benefits and solid waste landfill post-closure expenses in 2016 totals \$47,652,555 (Table 1).

Public Sector Accounting Board (PSAB)

While Ontario Regulation 284/09 requires that the report to Council should include budget information for the items detailed above, there is also a requirement to report an approved budget on the same basis as the annual financial statements. These statements are prepared in accordance with PSAB standards. For this reason, additional amendments related to debt, reserves and reserve fund transfers and other capital related revenues and expenses are reported to present the 2016 Budget in accordance with PSAB (Attachment 1).

FINANCIAL IMPLICATIONS

There are no direct financial implications associated with this report. However, the information contained in this report will be reflected in the 2016 annual audited financial statements.



ACTION REQUIRED

That Council approve compliance report CS-2016-25 Budget Impacts per Ontario Regulation 284/09 and 2016 Budget PSAB Reconciliation included in Table 1 and Attachment 1 respectively.

RECOMMENDATION

That Council approve compliance report CS-2016-25 Budget Impacts per Ontario Regulation 284/09 and 2016 Budget PSAB Reconciliation included in Table 1 and Attachment 1 respectively.

BACKGROUND

Ontario Regulation 284/09

Provincial requirements as contained in Ontario Regulation 284/09 allow municipalities to exclude the following expenses from their municipal budgets:

- Amortization expense on tangible capital assets
- Post-employment benefit expenses
- Solid waste landfill post-closure expenses

However, municipalities must report on the impact of excluding these expenses from the annual budget. A compliance report was first presented to Council for the 2010 Budget and the City has prepared it annually since then.

The City of Guelph excludes amortization, post-employment benefits and solid waste landfill post-closure expenses from its budget, therefore this report is prepared to inform Council of the impact on the 2016 budget if these expenses had been included in the 2016 Budget. This is for information purposes only and has no impact on the long-term financial planning strategy of the City.

In accordance with the regulation, Council is required to adopt this report by resolution.

PSAB Accrual Accounting Requirement

PSAB sets financial accounting and reporting standards for municipalities and other levels of government. These standards require the City to record revenues and expenses using an accrual basis. This means that revenues are recognized in the period in which they are earned; expenses are recognized in the period in which they are incurred. In addition, transfers between funds and internal charges/recoveries among City departments must be eliminated from the financial statements as these are not deemed to be revenues or expenses to the City as a whole. Finally there are



a number of transactions that are presented differently on the financial statements that also require adjustments including debt principle payments, capital asset acquisitions and the disposition of long-term liabilities/receivables. The year-end surplus/deficit must be reported after recognizing all these accrual accounting impacts.

REPORT

Ontario Regulation 284/09

As allowed under the Ontario Regulation 284/09 which was introduced by the Province of Ontario in 2009, the City of Guelph excludes the following expenses from its 2016 tax supported operating and non-tax supported budgets:

1. <u>Amortization Expense</u>

Amortization expense for 2016 is estimated to be \$44.3 million.

Amortization reflects the allocation of the cost of tangible capital assets over their useful lives. It is also a means of setting funds aside for the future replacement of capital assets. However, this amount is inadequate to cover the future financial requirements for asset replacement due to the difference between the historical cost of assets which forms the basis of amortization and the replacement cost of those assets.

In order to help meet the annual financial commitment required for asset replacement, the City of Guelph includes in its 2016 tax supported operating and non-tax supported operating budgets contributions of \$42.4 million to capital reserves. These contributions will provide funding for capital replacement and rehabilitation. The City is currently working on a capital funding strategy for 2017 and forward through the new Asset Management function at the City approved during the 2016 operating budget as well as in accordance with the 2015 BMA Financial Condition Assessment.

2. <u>Post-Employment Benefit Expenses</u>

Post-Employment Benefit expenses are benefits to be paid to employees in the future for their service while employed with the City. These include medical and dental benefits for eligible retirees, Workplace Safety and Insurance Board benefits, and retirement benefits earned during employment.

Post-Employment Benefit expenses to be paid in the future are not included in the City's budgets. However, the City does budget an annual transfer to reserves to build funding for the ultimate payment of these costs. The 2016 budget includes funds of \$700,000 for the current year's contribution

STAFF <u>REPORT</u>



to the post employment benefit reserves. The total 2016 cost of these post-retirement benefits is estimated to be \$2.9 million which includes the increase in the post-employment liability and the current year post-employment payments. While this shortfall will be met through the City's compensation reserves when they become payable, it is deducted in the table below to show its impact on the 2016 Budget.

3. <u>Solid waste landfill post-closure expenses</u>

Though Ontario Regulation 284/09 allows municipalities to exclude solid waste landfill post-closure expenses from their budgets, the City of Guelph continues to budget for the current year expense related to the closure of its solid waste landfill site in 2003. This is separate from the accounting treatment of the annual reduction of the post-closure liability that was calculated and set up in 2008 in order to comply with PSAB requirements.

The estimated City's liability for Solid Waste landfill post-closure costs of \$400,000 is added back in the table below to show its impact on the City's surplus.

Amortization of Tangible Capital Assets	(\$44,300,000)
Post-employment benefit	(\$2,952,555)
Increase in landfill post-closure liability	(\$400,00)
Total Impact	(\$47,652,555)

Table 1. Ontario Regulation 284/09 Budget Impact

PSAB Accrual Accounting Requirement

To reflect the impact of all accruals as required by PSAB, the City reports the surplus after necessary adjustments to recognize only the period's revenues and expenses and exclude transfers between funds and internal charges/recoveries among City departments. To this end, costs that relate to assets that will not be consumed in 2016 are removed from the budgeted capital expenses. As well, items that would not have been included as expenses/revenues under accrual accounting are removed from 2016 budgeted figures while those that would have been accrued are now added to the total expenditures and revenues.

Attachment 1 shows the reconciliation of the City's Council approved 2016 budget from a cash basis to an accrual basis according to the PSAB format and states the amended accumulated surplus at the year-end. This reconciliation shows both the required adjustments under Ontario Regulation 284/09 as well as the additional amendments for accrual accounting resulting in an estimated annual surplus of \$52.3 million in 2016.



CORPORATE STRATEGIC PLAN

Innovation in Local Government

2.3 Ensure accountability, transparency and engagement

DEPARTMENTAL CONSULTATION

N/A

COMMUNICATIONS

N/A

ATTACHMENTS

Attachment 1: 2016 Tax Supported & Non-Tax Supported Budgets (Unconsolidated) **PSAB** Reconciliation

Prepared By: Ron Maeresera Senior Corporate Analyst, Financial Planning

Recommended By Tara Baker Acting GM Finance and City Treasurer Deputy CAO, Corporate Services Corporate Services 519-822-1260 Ext. 2289 tara.baker@guelph.ca

Approved By Mark Amorosi 519-822-1260 Ext. 2281 mark.amorosi@guelph.ca

Attachment 1

2016 City of Guelph Tax Supported & Non Tax Supported Budgets (Unconsolidated)

PSAB Reconciliation

Revenues	
Operating	(358,843,084)
Capital	(88,753,200)
Total Revenues	(447,596,284)
Expenses	
Operating	358,843,084
Non-Tangible Capital	10,700,000
Capital	78,053,200
Total Expenditures	447,596,284
Net Budget	
Adjustments Required to Reconcile to an Accrual Based Budget	
Reductions to Revenues	
Transfers from Reserves/Reserve Funds ⁽¹⁾	51,761,300
Increases to Revenues	
Contributed Subdivision Assets ⁽²⁾	(5,430,000)
Reductions to Expenditures	
Transfers to Reserve/Reserve Funds ⁽³⁾	(53,580,474)
Capital Expenses ⁽⁴⁾	(88,753,200)
Debt Principal Payments ⁽⁵⁾	(6,486,517)
Increases to Expenditures	
Post-Closure Landfill Liability ⁽⁶⁾	400,000
Tax Increment Based Grant Program ⁽⁷⁾	2.524.20
Post-Employment Benefit ⁽⁸⁾	2,952,555
Amortization of Tangible Capital Assets ⁽⁹⁾	44,300,000
Annual (Surplus)/Deficit	(52,312,129)

(1) "Transfers from Reserve/Reserve Funds" are the budgeted amounts transferred from reserves to fund expenditures, mainly related to capital work. These are not considered revenue under PSAB accounting because transfers are not revenues received from external sources. Funds are recorded as revenue at the time they are received as part of tax revenue or grant revenue.

- (2) "Contributed Subdivision Assets" are non-cash accounting revenue recognised upon the City taking ownership of new subdivision infrastructure within the City limits. The City budgets for costs of maintenance and replacement of assets in the year when the service is required.
- (3) "Transfers to Reserve/Reserve Funds" are the budgeted contributions to reserves to fund future expenditures included in the City's operating budget. These are not considered as expenses under PSAB accounting because transfers represent reallocation of funds internally and are not actual payments to external entities. Funds are recorded as expenses when goods / services are received by the City.
- (4) "Capital Expenses" is the amount budgeted to be spent on capital projects in the City's capital budget. Capital acquisition costs are not considered as expenses under PSAB accounting as they are capitalized on the balance sheet as tangible capital assets and amortized as an expense over the useful life of the assets
- (5) "Debt principal payments" are included in the City's operating budget in order to set aside the funds required to pay the principal portion of the current year's debt obligations. These are not considered an expense under PSAB accounting; instead debt principal is recorded as a reduction of the City's long-term debt liability.
- (6) "Increase in Post-Closure Landfill Liability" is a non-cash accounting cost that is excluded from the City's operating budget. The City, in conformance with PSAB accounting rules, set up a liability in 2008 that accounted for the present value of the total expected costs associated with the closure of the landfill site in 2003. The City continues to budget on a cash basis for the annual post closure costs necessitating an adjustment to reduce/increse the initial estimated liability.
- (7) "Tax Increment Based Grant Program" is included as a transfer to reserves in the City's operating budget in order to set aside the funds required to cover the long-term obligations expected under the program. These are considered expenses under PSAB and are recorded when the grant is provided.
- (8) "Post Employment Benefits" are expenditures related to benefits earned over the life of employees' service and are paid upon retirement or injury. The City budgets for contributions to reserves annually to fund future obligations but under PSAB, the expenditures are recorded over the life of the employee.
- (9) "Amortization of tangible capital assets" is a non-cash expense and is therefore not included in the City's operating budget. However, amortization is considered an expense under PSAB accounting and has been added to expenditures for financial reporting purposes.