COMMITTEE AGENDA

CITY OF Guelph
Making a Difference

TO	**Corporate Services Committee**
DATE	Monday May 4, 2015
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 7, 2015 open meeting minutes

PRESENTATIONS (Items with no accompanying report)

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-2015.13 Corporate Communications 2104 Annual Performance	• Tara Sprigg, General Manager Communications & Customer Service		√
CS-2015.14 Information Technology 2014 Annual Report	• Blair Labelle, General Manager Information Technology		√
CS-2105.15 Finance Department's 2014 Annual Report	• Janice Sheehy, General Manager Finance/City Treasurer		√
CS-2015.16 Report of the Returning Officer on the 2014 Municipal Election			

CS-2015.17 2014 Delegation of Authority Report			
CS-2105.18 2014 Year End Capital Variance Report			
CS-2105.19 Budget Impacts per Ontario Regulation 284/09 & 2015 Budget PSAB Reconciliation			
CS-2105.20 2014 Development Charge Reserve Fund Statement			
CS-2015.21 Special Motion – Councillor Findlay 2014			

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.

CLOSED MEETING

THAT the Corporate Services Committee now hold a meeting that is closed to the public with respect to:

CS-2015.1 Security of the Property

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

STAFF UPDATES AND ANNOUNCEMENTS

ADJOURN

NEXT MEETING: June 2, 2015

The Corporation of the City of Guelph
Corporate Services Committee
Tuesday April 7, 2015 at 2:00 p.m.

Attendance

Members: Chair Hofland   Councillor Billings
            Councillor Allt   Councillor MacKinnon

Absent: Mayor Guthrie

Councillors: Councillor Bell   Councillor Van Hellemond
              Councillor Downer

Staff: Mr. M. Amorosi, Deputy CAO, Corporate Services
            Mr. A. Horsman, Deputy CAO, Infrastructure, Development & Enterprise Services
            Mr. B. Coutts, General Manager Court Services
            Ms. T. Sprigg, General Manager Communications & Customer Service
            Mr. S. Worsfold, Deputy City Solicitor
            Ms. J. Sheehy, General Manager Finance/Treasurer
            Mr. S. O'Brien, City Clerk
            Ms. J. Sweeney, Council Committee Coordinator

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 Billings
      Seconded by Councillor Allt

      That the open meeting minutes of the Corporate Services Committee held on March 2, 2015 be confirmed as recorded.

VOTING IN FAVOUR: Councillors Allt, Billings, Hofland and MacKinnon (4)
VOTING AGAINST: (0)
                                                              CARRIED

Consent Agenda

The following items were extracted:

CS-2015.7   2014 Court Services Annual Report
CS-2015.8   City Clerk's Office 2014 Annual Report
CS-2015.9   Legal & Realty Services Annual Report
CS-2015. 10   2014 Preliminary Operating Variance Report (Unaudited)
CS-2015.12   2015 Property Tax Policy

Balance of Consent Items

2.   Moved by Councillor Billings
        Seconded by Councillor Allt

        That the balance of the Corporate Services Committee April 7, 2015 Consent Agenda, as identified below, be adopted:

CS-2015.11   2014 Year End Investment Performance Report

        That Report CS-2015-24 "2014 Year End Investment Performance Report", be received.

VOTING IN FAVOUR: Councillors Allt, Billings, Hofland and MacKinnon (4)
VOTING AGAINST: (0)

                                                                              CARRIED

Extracted Items

Mr. Mark Amorosi, Deputy CAO, Corporate Services introduced Ms. Janice Sheehy the City's new General Manager Finance/Treasurer.

Mr. Mark Amorosi, Deputy CAO, Corporate Services introduced the 2014 annual reports contained in the agenda.

CS-2015.7   2014 Court Services Annual Report

Mr. Brad Coutts, General Manager Court Services briefly reviewed the Court Services organizational structure and the key initiatives undertaken in 2014. He highlighted the Court Services dashboard and the scorecard results relating to public access to justice, community impact, local justice system and business and service excellence. He also highlighted the initiatives planned for 2015 and beyond.

3.   Moved by Councillor Billings
        Seconded by Councillor MacKinnon

        That the 2014 Court Services Annual Report, be received for information.

VOTING IN FAVOUR: Councillors Allt, Billings, Hofland and MacKinnon (4)
VOTING AGAINST: (0)

                                                                              CARRIED

CS-2015.8   City Clerk's Office 2014 Annual Report

Mr. Stephen O'Brien, City Clerk provided information on the Clerk's Office organizational structure and the key initiatives undertaken in 2014. He highlighted the dashboard and

scorecard results with respect to access to information, service excellence, legislated compliance and business excellence. He also highlighted the initiatives planned for 2015 and beyond.

In response to questions, Mr. Blair Labelle, General Manager Technology and Innovation provided the rationale for the transference of Committee of Adjustment from Building to Clerk's.

4.   Moved by Councillor Allt
        Seconded by Councillor Billings

        That the City Clerk's Office 2014 Annual Report, be received for information.

VOTING IN FAVOUR: Councillors Allt, Billings, Hofland and MacKinnon (4)
VOTING AGAINST: (0)

CARRIED

CS-2015.9   Legal and Realty Services Annual Report

Mr. Scott Worsfold, Deputy City Solicitor reviewed the department's organizational structure and the 2014 key initiatives. He highlighted the dashboard and scorecard relating to cost control, effectiveness and efficiency. He provided information on the 2015 and beyond initiatives.

Councillor Hofland stepped down from the Chair at 3:20 p.m. and Councillor Billings assumed the Chair.

Council Hofland resumed the Chair at 3:21 p.m.

5.   Moved by Councillor MacKinnon
        Seconded by Councillor Billings

        That the Legal and Reality Services 2014 Annual Report, be received for information.

VOTING IN FAVOUR: Councillors Allt, Billings, Hofland and MacKinnon (4)
VOTING AGAINST: (0)

CARRIED

CS-2105.10   2014 Preliminary Operating Variance Report (Unaudited)

Mr. Al Horsman, Deputy CAO Infrastructure, Development & Enterprise Services, provided clarification on the final budget variance. He advised that the 2014 County shared services budgets were exceeded which contributed to the variance.

6.   Moved by Councillor Allt
        Seconded by Councillor Billings

         That report CS-2015-22, "2014 Preliminary Operating Variance Report", be received for information.

VOTING IN FAVOUR: Councillors Allt, Billings, Hofland and MacKinnon (4)

VOTING AGAINST: (0)

CARRIED

CS-2015.12   2015 Property Tax Policy

Ms. Janice Sheehy, General Manager Finance/Treasurer advised that the recommended tax policies for 2015 continue the movement to bring multi-residential and industrial ratios closer to tax equity.

7.   Moved by Councillor MacKinnon
      Seconded by Councillor Allt

   1.   That the 2015 City of Guelph Property Tax Policies as set out in Schedule 1 be approved.

   2.   That the following tax policies be incorporated into the tax ratio, tax rate, and capping by-laws and submitted to Council on April 27, 2015:

      a)   That the multi-residential ratio be reduced from 2.0819 to 2.0399;
      b)   That the industrial tax ratio be reduced from 2.4174 to 2.3111;
      c)   That all other class ratios and vacancy discounts remain the same as 2014;
      d)   That the capping parameters used for 2014 be adopted for 2105; and
      e)   That all other tax policies, including optional property classes, graduated tax rates, relief to charities, low income and disabled persons, as detailed in Schedule 1, remain the same as 2014.

VOTING IN FAVOUR: Councillors Allt, Hofland and MacKinnon (3)
VOTING AGAINST: Councillor Billings (1)

CARRIED

Staff Updates and Announcements

Mr. Mark Amorosi, Deputy CAO Corporate Services thanked staff of the departments who presented their annual reports at this meeting.

Adjournment *(3:50 p.m.)*

8.   Moved by Councillor Billings
      Seconded by Councillor Allt

      That the meeting be adjourned.

CARRIED

_____
Joyce Sweeney
Council Committee Coordinator

May 4, 2015

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

REPORT	DIRECTION
CS-2015.13 CORPORATE COMMUNICATIONS 2014 ANNUAL PERFORMANCE That the Corporate Communications 2014 Annual Performance Report be received for information.	Receive
CS-2105.14 INFORMATION TECHNOLOGY 2014 ANNUAL REPORT That the Information Technology 2014 Annual Report be received for information.	Receive
CS-2015.15 FINANCE DEPARTMENT'S 2014 ANNUAL REPORT That report CS-2015-31 dated May 4, 2015 entitled "Finance Department's 2014 Annual Report", be received for information.	Receive
CS-2015.16 REPORT OF THE RETURNING OFFICER ON THE 2014 MUNICIPAL ELECTION That the report of the Returning Officer for the 2014 Municipal Election be received for information.	Receive
CS-2015.17 2014 DELEGATION OF AUTHORITY REPORT That the report dated May 4, 2015 entitled "2014 Delegation of Authority Report", with respect to delegated authority under the purview of the Corporate Services Committee, be received.	Receive

CS-2015.18   2014 YEAR END CAPITAL VARIANCE REPORT   Receive

That report CS-2015-30 dated May 4, 2015 and entitled "2014 Year End Capital Variance Report", be received.

**CS-2015.19   BUDGET IMPACTS PER ONTARIO REGULATION   Approve
                 284/09 & 2015 BUDGET PSAB RECONCILIATION**

That Council approve compliance report CS-2015-32, Budget Impacts per Ontario Regulation 284/09 and 2015 Budget PSAB Reconciliation included in Table 1 and Attachment 2 respectively.

**CS-2015.20   2014 DEVELOPMENT CHARGE RESERVE FUND   Receive
                 STATEMENT**

That report CS-2015-29 dated May 4, 2015, entitled "2014 Development Charge Reserve Fund Statement", be received for information.

CS-2015.21   SPECIAL MOTION – COUNCILLOR FINDLAY 2014   Approve

That report CS-2015-27 dated May 4, 2015 and entitled "Special Motion – Councillor Findlay 2014", be received and that no further action be taken.

attach.

STAFF REPORT

City of Guelph — Making a Difference

TO	Corporate Services Committee
SERVICE AREA	Corporate Services
DATE	May 4, 2015
SUBJECT	**Corporate Communications 2014 Annual Performance Report**
REPORT NUMBER	CS-2015.53

EXECUTIVE SUMMARY

PURPOSE OF REPORT
To present Corporate Communications' 2014 Annual Report.

KEY FINDINGS
- information on departmental initiatives is provided for 2014
- measurements against key performance indicators are presented using a scorecard approach
- benchmark comparisons are provided where possible
- activities are identified where improvement is required

FINANCIAL IMPLICATIONS
Any/all future funding requirements will be identified where applicable and incorporated as part of the 2016 budget process.

ACTION REQUIRED
To receive the report for information.

RECOMMENDATION
That the Corporate Communications 2014 Annual Performance Report be received for information.

BACKGROUND
The annual report provides information and analysis of performance measures for the activity, impact, value creation and cost management for the prior calendar year. This is the department's third Annual Performance Report of this nature.

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

context to make informed management decisions 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.

This annual report is presented as follows:

Key Initiative Summaries A summary of both the department's and the City's key initiatives throughout the year.

Corporate Communications and City of Guelph communications scorecards Visual interpretations of the data analysis and trends

Performance Analysis Overview further context, detail and analysis of the findings reported in the dashboards and scorecards

2015 and Beyond brief overview of the department's 2015 work plan.

Data Tables, Charts and Graphs data tables to support the analysis in Section 3

CORPORATE STRATEGIC PLAN
- Innovation in Local Government
- Ensure accountability, transparency and engagement

DEPARTMENTAL CONSULTATION
N/A

COMMUNICATIONS
In accordance with the City's practice, this annual performance report will be shared via guelph.ca.

FINANCIAL IMPLICATIONS
Any/all future funding requirements will be identified where applicable and incorporated as part of the 2016 budget process.

ATTACHMENTS
- Corporate Communications' 2014 Annual Performance Report

Prepared By
Tara Sprigg
General Manager, Corporate Communications and Customer Service

STAFF
REPORT

CITY OF
Guelph
Making a Difference

_____ _____
Approved By   **Recommended By**

CORPORATE
COMMUNICATIONS

2014

Annual
performance
REPORT

CITY OF
Guelph
Making a Difference

Introduction

The City of Guelph's Corporate Communications Department 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 involvement 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

The City of Guelph has earned 10 awards for communications excellence in recent years.

The 2014 Corporate Communications Annual Report is the department's third annual performance report.

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

Section 1: Key Initiative Summary

In 2014 Corporate Communications continued to support the corporation's priorities, the operational communication needs of City departments, and delivered against the action areas of The City of Guelph Communications Plan.

This work included:

Internal Communications

Objective 1.1 – Increase the percentage of employees that consider themselves well-informed about City programs, issues and initiatives

Communicating about compensation and collective bargaining

The City was deliberate and consistent in its communication about compensation for all employee groups and collective bargaining. Detailed communications plans were developed and implemented to help employees become better informed about changes to compensation, and enhance trust and engagement.

Employee Engagement

Corporate Communications supported the execution of the City's second Employee Engagement Survey and ongoing engagement communications.

Employee Recognition

Corporate Communications assisted with the development of collateral for the City's employee recognition program update, to be rolled out in 2015.

Leadership Charter

Working alongside Human Resources, Corporate Communications supported the roll out of the City's first leadership charter.

Workforce Census

Corporate Communications supported the execution of the City's first Workforce Census, which will inform Human Resource practices and policies to ensure the City is providing a work environment that is healthy, inclusive and free from discrimination.

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 2014, and was directly involved int eh management of 62 issues.

In 2014 the department coordinated and facilitated refresher training for approximately 50 employees.

Community Engagement

Objective 3.1 – Increase participation in public consultation and dialogue

The Corporate Communications department works closely with the Community Engagement division to increase participation in public processes. In 2014, the department developed 5 communications plans in direct support of engagement opportunities.

Stakeholder relationships

Objective 4.2 – Increase stakeholders' awareness of City programs and initiatives.

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.

Social Media Framework and Guidelines

Corporate Communications supported the organization's commitment to customer service, community engagement and open government by formalizing the organization's approach to social media.

The department completed the corporate social media framework, validated it, and rolled it out to employees.

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.

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 2014, the department piloted the use of several advertising channels—outside of traditional print and radio—that were new to the City. There is a correlation between diversifying an organization's advertising mix and increasing audience reach. The department will explore further diversification in 2015.

Communications needs assessment

A significant amount of work was done in 2014 in fulfilment of the recommendations from a 2013 organization-wide needs assessment. Five of the audit's 28 recommendations have been fully implemented and another two are underway:

The department began developing a work prioritization model; an after-hours communication protocol was established, allowing the City to communicate with stakeholders after normal business hours; and a single planning and performance measurement framework has been established.

Strategic communications planning and management

The department developed 36 strategic communications plans for corporate and departmental initiatives in 2014.

A comprehensive communications plan – *My Guelph, My Vote* – was developed for the 2014 municipal election. This plan 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.

Below is the Corporate Communications scorecard-a visual depiction of measures that show change in the department's performance in 2014.

Three colours represent thresholds for performance, as follows:
» **Green** indicates the department 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 department is reporting metrics or has anecdotal information to show it **meets demands but improvement is required**.
» **Red** indicates the department is reporting metrics or has anecdotal information to show it **does not meet organizational demands and requires immediate action**.
»

Legend

🟩 Green	**Positive:** stay the course
🟧 Yellow	**Caution:** in the right range but may be moving in the wrong direction
🟥 Red	**Negative:** take corrective action
+	**Positive change**
−	**Negative change**

Corporate Communications department scorecard

The following measures reflect the *Corporate Communications department's* performance.

	2011	2012	2013	2014
Capacity				
Ratio of communications employees to residents		🟧	🟩	🟩
Ratio of communications employees to City employees		🟧	🟧 +	🟩
Capacity to meet organizational expectations			🟥	🟧
Productivity in relation to cost				
Quantity of work produced/departmental budget increase	🟩	🟩 +	🟩 +	🟩 +
Graphic design costs		🟩	🟩 +	🟩 +
Client satisfaction				
Quality of Corporate Communications' work			🟩	🟩 −
Timeliness of Corporate Communications' work			🟧	🟧 −
Access to Corporate Communications' services			🟥	🟩 +
Client satisfaction with Corporate Communications' role in the IM process			🟧	🟩 +
Issues management				
Department's time spent managing issues (by stage of the IM cycle)			🟧	🟧 +
Number of issues Corporate Communications involved in managing		🟩	🟩 +	🟩
Strategic communications planning and management				
Number of strategic communications plans		🟩	🟩 +	🟩 +
Training and professional development				
Degree to which department's training/PD reflects corporate direction/needs		🟩	🟩 +	🟩
Outreach channels				
Corporate advertising (number of City News wrote, designed and placed)		🟩	🟩 −	🟧 +
Media output		🟩	🟩 +	🟩 +

Below is the City of Guelph communications scorecard—a visual depiction of measures that show change in the corporation's communications performance in 2014.

City of Guelph communications scorecard

The following measures reflect the *organization's communications* performance.

Legend

- 🟩 **Positive:** stay the course
- 🟨 **Caution:** in the right range but may be moving in the wrong direction
- 🟥 **Negative:** take corrective action
- ➕ **Positive change**
- ➖ **Negative change**

Measure	2011	2012	2013	2014
Employee communication				
Information flow between employees and leadership		Negative		Negative (Positive change)
Employee readiness for communication			Caution	Caution (Positive change)
Number of credible, skilled spokespeople in the organization	Caution		Caution	Caution
Issues management				
Employee readiness for problem-solving		Negative	Caution	Positive
Employees anticipate/respond to issues effectively	Caution	Caution	Caution	Caution (Positive change)
Number of issues managed by category			Caution	Positive (Positive change)
Number of employees through issue management training			Positive	Positive (Positive change)
Community engagement				
Public participation in the municipal process		Positive	Positive	Positive (Positive change)
Stakeholder relationships				
Quality of stakeholder feedback		Positive		
Quality of City-stakeholder relationships		Caution		
Public awareness of City programs and services	Positive	Positive	Positive	Positive
Balanced media coverage	Positive	Positive (Positive change)	Positive	Caution (Negative change)
Web and social media				
Number of weekly visits to **guelph.ca**		Positive	Positive (Positive change)	Positive (Positive change)
Number of followers on Twitter		Positive	Positive (Positive change)	Positive (Positive change)
Number of fans on Facebook		Positive	Positive (Positive change)	Positive (Positive change)
Number of Facebook impressions per month		Positive	Positive (Positive change)	Positive (Positive change)

Section 3: Performance analysis overview

Capacity

The department reports on its capacity to meet the organization's communications needs and wants 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 did not change in 2014 over 2013.

Ratio of communications employees to City employees

The City of Guelph has one Corporate Communications employee for every 152 permanent full-time employees. In 2014, the cities of Burlington and Mississauga had higher ratios of communications employees to full-time permanent City employees. Kingston, Brantford, Oakville and Sudbury had fewer communications employees per City employee.

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.

Municipality	Communications employees		Full-time City employees		Population	Ratio of communications employee per City employee	
	2013	2014	2013	2014		2013	2014
Burlington	9	9	867	867	175,779	1: 96	1:96
Mississauga	61	26	5,133	3,977	713,443	1:119	1:149
Guelph	8	8	1,217	1,251	121,688	1:152	1:152
Kingston	9	6	1,057	1,074	123,363	1:174	1:179
Brantford	3	4	957	816	93,650	1:319	1:204
Oakville	5	5	1,144	1,090	182,520	1:229	1:218
Sudbury	8	8	1,961	2,019	160,274	1:245	1:252
Hamilton	8	9	6,162	5,981	519,949	1:770	1:665
Brampton	23	No data	2,723	No data	523,911	1:118	No data

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 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.)

Municipality	Communications employees		Full-time City employees		Population	Ratio of communications employees to residents	
	2013	2014	2013	2014		2013	2014
Guelph	8	8	1,217	1,251	121,688	1:15,211	1:15,211
Burlington	9	9	867	867	175,779	1:19,531	1:19,531
Sudbury	8	8	1,961	2,019	160,274	1:245	1:252
Kingston	9	6	1,057	1,074	123,363	1:13,707	1:20,561
Brantford	3	4	957	816	93,650	1:31,333	1:23,413
Mississauga	61	26	5,133	3,977	713,443	1:12,327	1:27,440
Oakville	5	5	1,144	1,090	182,520	1:229	1:218
Hamilton	8	9	6,162	5,981	519,949	1:65,000	1:57,772
Brampton	23	No data	2,723	No data	523,911	1:22,778	No data

Productivity in relation to cost

Quantity of work produced/departmental budget increase

The quantity of work produced by Corporate Communications has kept pace with the department's budget increase.

This is evidenced by a:
» **16 per cent increase** over 2013 in the number of strategic communications plans the development developed and implemented
» **12.5 per cent increase** in graphic design productivity over 2013
» **13 per cent increase** in the number of news releases and other media materials the department produced, along with the other measures reflected in this report.

See data tables "Corporate Communications annual budget" and "Corporate Communications budget as percentage of tax" in section 6, page 20.

Graphic design costs

The Corporate Communications department continues to provide excellent value for money by designing the majority of City collateral in-house.

In 2014, the department supplemented the work of its one graphic design FTE with part-time support. The result was greater design output for less than it would have cost to outsource the same material. The productivity of graphic design staff increased in 2014*. Output declined commensurate with a reduction in part-time support over 2013.

Output per FET, not total output

Client satisfaction

Building on 2013 work to gauge client satisfaction, Corporate Communications reached out to its clients and asked for feedback about the services it provides. It should be noted however that the method for acquiring this information changed in 2014. Rather than third party interviews, this year's feedback was generated through a voluntary online survey. The department will use the same tool from this point forward in order to accurately measure change.

Thirty management and non-management employees completed the survey.

Client satisfaction with quality of Corporate Communications' work

88 per cent of respondents were either very satisfied or satisfied with the quality of Corporate Communications' advice and work. Among the qualitative feedback received:

"The team in Communications was a great help to us."
"Overall the communications staff are a talented and lovely bunch of people to work with."
"You have a great team, keep up the excellent work."

These findings are highly consistent with those from 2013, when 90 per cent of respondents were either very satisfied or satisfied.

Client satisfaction with timeliness of Corporate Communications' work

54 per cent of respondents were either very satisfied or satisfied with the timeliness of the support they received from Corporate Communications. Another 33 per cent were somewhat satisfied.

In 2013 approximately 66 per cent of respondents were either very satisfied or satisfied. The decline may reflect one or both of the following: growing expectations of client service areas and the increasingly accelerated pace of the information needs of society and our organization.

Client satisfaction with access to Corporate Communications' services

71 per cent of respondents were either very satisfied or satisfied with access to services provided by Corporate Communications. This is improved from 2013 when the majority of interviewees said they were not able to access the level of support they desired from Corporate Communications.

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

89 per cent of respondents said they were satisfied with the role of Corporate Communications in the issues management process.

Comments suggest respondents are pleased with Corporate Communications' performance in this area. Among the qualitative feedback received:

"Keep up the good work! Always glad to have internal resources in house to assist with issues management and strategic communications."
"Please continue the great support you provide in this area."
"System helps communicate and track issues. Helps set communications plan."

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 department 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.

Number of issues department involved in managing

In 2014 the Corporate Communications department was involved in the management of 62 issues—a decrease of **25 per cent over 2013**. But while it was involved in the management of fewer issues, the department spent more time on issues management than it did in 2013.

See data table "Departmental resource allocation" in section 6, page 20.

This is attributable, in part, to the complex nature of some of the issues the City was involved in managing last year including a labour disruption and collective bargaining negotiations.

Analysis shows staff spent more time reporting on and 'closing' issues in 2014 than they did the year before. This shows positive progress vis-a-vis an identified need from 2013.

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. Employee training for in 2014 focused in part on anticipating issues.

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 corporate level in 2014, compared to 2013. This is indicative of better collaboration at the departmental and inter-departmental level, and of better issue anticipation and planning, which can mitigate escalation to the corporate level.
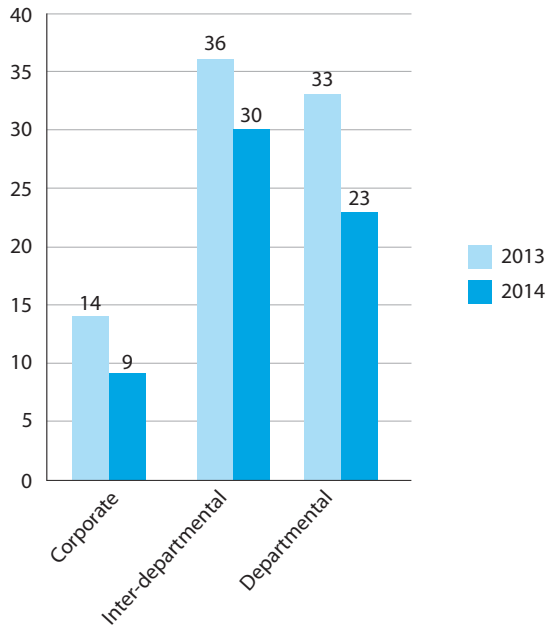
Percentage of issues managed at each stage of the IM process

Analysis shows the department and the City are applying all phases of the issues management process, which is a key requirement for success.
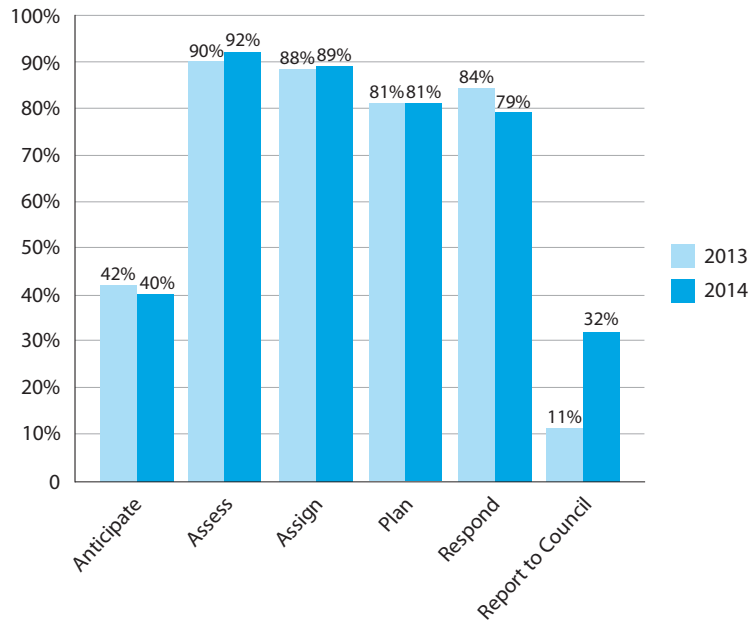
Departmental resource allocation

Corporate Communications staff spent 1,734 hours managing issues on behalf of the corporation in 2014—a 33 per cent increase over 2013.

See data table "Departmental resource allocation" in section 6, page 20.

Strategic communications planning and management

The City of Guelph develops and follows a formal communication plan, thoughtfully built to achieve program goals and objectives, for virtually every initiative for which communications is required. Doing so ensures the City's communications efforts are aligned with overall objectives.

City of Guelph communications plans are developed in accordance with industry best practice using the R.A.C.E. (Research, Analysis, Communication, and Evaluation) methodology.

Number of strategic communications plans

In 2014 the department developed 36 strategic communications plans for corporate and departmental initiatives. **This represents an increase of 16 per cent over 2013.**

Among the department's significant 2014 undertakings in this area:
» *My Guelph, My Vote*–a communications plan in support of the municipal election;
» the Ontario 1 Call communications plan which integrated communications requirements for all City departments providing locate services, and involved collaboration with Guelph Hydro and Union Gas;
» an internal program to educate City employees about Canada's anti-spam legislation;
» a promotional plan in support of the Urban Design Summit which attracted more than 400 participants.

Training and professional development

Corporate Communications employees are deeply committed to professional development.

The department's training and professional development is well-aligned with corporate priorities. 2014 training included: communicating in emergencies and risk management communications; social media and digital communications; performance measurement and analytics; and stakeholder relationship management.

See data table "Training and professional development" in section 6, page 21.

Outreach channels

Corporate advertising

The department planned, wrote, designed, and placed 547 ads and public notices in 2014. This represents a decrease of 2.5 per cent over 2013.

This incremental change is positive: costs associated with print advertising continue to climb. In 2014 the City was deliberate in reducing its paid advertising, without jeopardizing its legislative requirements or compromising the availability of information.

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

Employee Communication

The practice of internal communications refers to communications and interactions among employees or members of an organization. It provides employees with important information about their jobs, organization, environment and one another, and acknowledges that communication can help motivate, build trust, create shared identity and spur engagement within organizations.

Information flow between employees and leadership

2014 employee engagement data reiterates 2012 findings and strongly suggests the City place greater focus on internal communications.

When asked whether essential information flows effectively from executive and senior managers to employees, only 21 per cent agreed that it did. **This represents a one per cent increase over 2012.** Forty-one per cent of employees either disagreed or strongly disagreed. Thirty-eight per cent either slightly agreed or slightly disagreed.

When asked whether essential information flows effectively from employees to senior and executive managers, 23 per cent agreed that it did. **This represents a three per cent increase over 2012.** Thirty-five per cent either disagreed or strongly disagreed. Forty-two per cent either slightly agreed or slightly disagreed.

These findings are marginally improved since this was polled in the last employee engagement survey in 2012.

Stakeholder relationships

Media output

As part of the City's efforts to make information about City services available to stakeholders, Corporate Communications wrote and distributed 263 news releases, media advisories and information bulletins in 2014. **This represents an increase of 13 per cent over 2013.**

Media analysis

An analysis of media coverage 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, 2014, the City analyzed 1,713 media stories from 123 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:
» 70 per cent of the stories are balanced; 12 per cent are positive; and 18 per cent are negative
» City spokespeople are quoted in 22 per cent of the articles
» key message pull-through is present 14 per cent of the time
» news about the City of Guelph had a total reach* of 130,526,323 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.

The results of the 2014 media analysis were different from 2013. Of note where tone is concerned, there was a 13 per cent decrease in the amount of 'balanced' coverage and an increase of 14 per cent in 'negative' coverage. During 2014 two stories were highly publicized that would account for some of this shift: Urbacon and City negotiations with the Amalgamated Transit Union.

Also of note is the 28 per cent decrease in spokesperson quotes and 30 per cent decrease in key message pull-through. This change could be attributed to:
» manual analysis and recording
» 2014 election which drew a large volume of coverage
» observed trend where outlets are summarizing City issued releases versus publishing the piece as distributed

Comparative analysis: 2013 to 2014

Total number of stories	Positive tone	Balanced tone	Negative tone	Spokesperson quote	Key messages	Call to action	Total reach
Increase of 192 or 13%	No change	Decrease of 13%	Increase of 14%	Decrease of 28%	Decrease of 30%	Decrease of 1%	Increase of 25,252,161 or 24%

Note that City/brand mention was removed as a measure in 2014. The City won't be measuring this moving forward.

Consistent with last year's findings, the analysis confirms there is greater opportunity for City staff to speak with media on topical issues using key messages including those with a call to action, where applicable.

From the analysis, staff identified recommendations that are helping 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 22.

The City's media monitoring service monitors 7,505 outlets daily for news about the City of Guelph.

Social media framework and guidelines

The department researched, developed, rolled out and began implementing its social media guidelines for employees at all levels of the organization. Together with the City's Media Relations Policy, Guelph's Social Media Guidelines help employees and elected officials understand their role and responsibilities in public conversations. The City's guidelines encourage an honest and respectful approach to personal, professional and official social media use.

More than 100 employees have participated in social media training so far, and training will continue in 2015.

Working with Web Services, Corporate Communications also established an approval process for new corporate web and online properties.

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 2014:

» 39,625 weekly visits to guelph.ca—**an increase of two per cent over 2013**.
» 15,695 followers on Twitter—**an increase of 29 per cent over 2013**.
» 4,195 fans on Facebook—**an increase of 18 per cent over 2013**.
» 141,396 Facebook impressions per month—**an increase of 46 per cent over 2013**.

Section 4: External Trends

Plain language

Citizens, businesses and service users are demanding that governments talk to them in a way that's easy to understand. Communicators and civil servants have to change the language we use and write for the platform (e.g. website, social media, public notices) we're using. Government jargon, complex, run-on sentences and obscure abbreviations are all barriers to accessibility and engagement and get in the way of important messages.

Open government

While opening up government processes and access to information isn't new, it's still an evolving pursuit. How we communicate with our stakeholders is expected to be proactive and transparent. Governments are shifting from rationalizing opening data to having a really good reason when it's not appropriate to share. Communicators then have more content and context to share than ever before—and we're doing so across a variety of platforms at the same time.

Online engagement

Organizations now place less importance on measurements like website visits and number of followers in favour of engagement metrics like number of comments and shares. As a result, successful organizations are spending more time, energy and resources on marketing activities that drive those measures.

Visual content

It's true in print and online; visual content attracts more attention, creates more conversation, and has more impact than a wall of words.

Organizations that use visual content including videos, infographics and memes[1] that get shared see significant increases in their online traffic and social media engagement. These forms of visual content are today's most sought after online commodity. Gamification—the use of games and competition online—continues to grow engagement and keep consumers coming back to learn more and share content.

The trend is expected to continue, and the City of Guelph will need to adjust how it approaches online communications. We must also ensure visual content complies with the Accessibility for Ontarians with Disabilities Act (AODA).

Customer service online

Citizens ask their governments questions and share their observations in more places than ever, and they expect answers in near real time. Governments have to catch up and then keep pace with private sector companies by using online platforms as communications channels and customer service outlets at the same time.

This trend has generated a new type of work for the City's communications practitioners, who are the stewards of the organization's social properties. Communications staff spend considerable time responding to customer service inquiries placed via social media.

[1] *A meme is an idea, behavior, or style that spreads from person to person.*

Section 5: 2015 and beyond

Policy development

The department will lead the following policy work in 2015:

» collaborative development of a formal advertising policy for the corporation

» development of an overarching communications policy for the organization

Communications needs assessment implementation

Foundational work in 2014 sets the stage for Corporate Communications to implement more recommendations from the 2013 organization-wide needs assessment.

Social and online communications

The department will continue its important work related to the corporation's social media framework, and begin the next phase of work in this area: development of a comprehensive digital strategy.

Communications training

The department will deliver training to enhance the web and online, media and issues management capacity of City employees.

Municipal budget communications

Corporate Communications will help the City facilitate a public process associated with the 2016 municipal budget, and support the budget process with the development and implementation of a comprehensive communications strategy.

Strategic communications planning and management

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

» Parking Master Plan

» Guelph Transit Priority Project

» Integrated Operating Review (IOR)

» Severe weather and winter control

» Victoria Road Recreation Centre renovation

» Water Efficiency Strategy Update

Section 6: Data tables

Costs

Departmental budget increase

Corporate Communications annual budget

	2010	2011	2012	2013	2014
Net before internal charges and recoveries	$654,200	$718,540	$751,613	$985,500	$1,122,780
Total internal charges and recoveries	-$36,800	-$75,000	-$202,600	-339,800	-$424,950
Net budget	$617,400	$643,540	$549,113	645,700	697,830
Net budget increase		**4.23%**	**-14.67%**	**17.59%**	**8.07%**
City of Guelph increase					2.28%

Corporate Communications budget as percentage of tax supported operating budget

	2010	2011	2012	2013	2014
Tax supported operating - total				185,187,614	193,289,418
Percentage of tax supported operating budget				0.3487%	0.3610%

Issues management

Departmental resource allocation

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

		Anticipating	Assessing	Assigning	Planning	Responding	Reporting
TOTAL 2014 hours	1733.75	465	90	53	527	543	56
TOTAL 2013 hours	1288.5	122.5	178.5	55	550	306.5	76

Unlike 2013, staff included a portion of its media monitoring time in the "anticipating" of potential issues category. The number of hours in this category are significantly higher as a result.

Training and professional development

What follows are highlights of the training and professional development the Corporate Communications department undertook in 2014

- » Communications Performance Measurement
- » Plain language: writing for the web
- » Strategic Social Media for government organizations, the Centre of Excellence in Public Sector Marketing
- » Systematizing Issues Management, Issues Management Council
- » Risk Management Communications
- » Visualizing a strategic brand, Design Thinkers
- » 9th Annual Municipal Communications Conference
- » Community Engagement training, the City of Guelph
- » Media monitoring, Meltwater
- » Copy Editing, Editors' Association of Canada
- » Emergency Scenario Training, City of Guelph Water Services and Wellington Dufferin Guelph Public Health
- » Digital Communications
- » Environics Analytics Eighth Annual User Conference
- » Emergency Operations Centre Essentials, Justice Institute of British Columbia
- » Canadian Public Relations Society National Conference
- » CityAge Conference

Stakeholder relationships

Media analysis

	Number of stories	Positive tone*	Balanced tone*	Negative tone*	Spokesperson quote	Key messages	Call to action	Total reach**
January 1 to December 31, 2013	1,521	12%	83%	5%	50%	44%	5%	105,274,162
January 1 to December 31, 2014	1,713	12%	70%	18%	22%	14%	4%	130,526,323
Comparative analysis	Increase of 192 or 13%	No change	Decrease of 13%	Increase of 14%	Decrease of 28%	Decrease of 30%	Decrease of 1%	Increase of 25,252,161 or 24%

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.*

Note that City/brand mention was removed as a measure in 2014. The City won't be measuring this moving forward.

Media outlets that featured coverage about the City of Guelph in 2014

Blogs
59 Carden St.
Times Colonistc
From The Editors
The Windsor Star

Websites

Community newspapers websites
Barrie Examiner
Beach Metro Community News
Blackburn News
Brockville Recorder
Calgary Herald
Cambridge Now!
Cambridge Times
Coast Reporter
Courier Islander
DurhamRegion.com
Elmira Advocate
Exeter Times - Advocate
Flamborough Review
Guelph Tribune
Inside Halton
Inside Ottawa Valley
Inside Toronto
King Weekly Sentinel
Kingston Region
Kitchener Post
London Community News
Muskoka Region
Mykawartha.com
Nanaimo Daily News
New Hamburg Independent
Niagara Falls Review
Niagara This Week
Northumberland News
Orangeville
Orillia Packet and Times
Ottawa Citizen
Ottawa Sun
Our Windsor
Prince George Citizen
Sarnia Observer
Simcoe County
St. Thomas Times-Journal
The Beacon Herald
The Brampton Guardian

The Peterborough Examiner
The Wellington Advertiser
The Windsor Star
The Record
Thorold Niagara News
University Of Guelph
Waterloo Chronicle
Wellington Water Watchers
Winnipeg Sun
Woodstock Sentinel Review
YorkRegion.com

Community daily newspapers websites
Edmonton Sun
Guelph Mecury
London Free Press
Metro News
The Star
Toronto Sun

National daily newspaper websites
Actualités (MSN)
CBC
National Post

Television websites
CP24
CTV
Global News
GlobalResearch.ca
News Channel 6 Now

Radio websites
(CIMJ FM) Magic 106
570News
680News
Easy101
ICI.Radio-Canada.ca
Metro Morning (CBC)
News Talk 610

Miscellaneous websites

Academica Group
AgAnnex
Bobby Raffin
Canada.com
Canadian Architect
Canadian Biomass Magazine
Canadian Health Reference Guide
Canadian Shipper
CANOE - Cnews
CityNews
CNW Group
Daily Commercial News
Daily Exchange Magazine
Digital Journal
Direktbroker.de
Electric Energy Online
Electrical Business
Energy Management
Guelph Hydro Inc
Huffington Post Canada
Le Lezard
Leader Post
Madhunt.com
Money

Municipal Information Network
NationTalk
Nestor Publishers
NetNewsLedger.com
Newsroom - Ontario.ca
Noodls-Canada
Real Estate Management Industry
Secure - GlobeAdvisor.com
Shawconnect Websol Barchart
Star Phoenix
Stockhouse
Sun News Network
Sys.Con Canada
TD Waterhouse - Markets & Research
The Construction Index
The Independent Free Press
The Loop
TheSpec.com
Times Colonist
Waste Management World
Water Canada
Westerly News
World News
Yahoo! News Canada

Total

2014:   **123**
2013:   **62**
2011–2012:   **25**

STAFF REPORT

TO	Corporate Services Committee
SERVICE AREA	Corporate Services
DATE	April 13, 2015
SUBJECT	**Information Technology 2014 Annual Report**
REPORT NUMBER	CS-2015-43

EXECUTIVE SUMMARY

PURPOSE OF REPORT
To present the Information Technology 2014 Annual Report.

KEY FINDINGS
- Customer satisfaction and project performance were keys to progressing from a "Solid Utility" to a "Trusted Supplier".
- Performance measurement should be a priority in 2015 & 2016.
- Risk management and compliance require performance improvements.
- Implementing an Improvement Register will ensure continual service improvement.

FINANCIAL IMPLICATIONS
All future funding requirements will be identified where applicable and incorporated as part of the 2016 budget process.

ACTION REQUIRED
To receive the report for information.

RECOMMENDATION
That the Information Technology 2014 Annual Report be received for information.

BACKGROUND
The annual report provides information and analysis of performance measures for the activity, impact, value creation and cost management for the prior calendar year. This is the fourth Annual Report of the Information Technology department since adopting the formal performance reporting structure. The report better reflects the transformation of the department in relation to the corporate strategic plan.

STAFF REPORT

REPORT

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

The annual report has been developed around a format that includes the following sections:

Key Initiative Summary contains highlights of key department initiatives throughout the reporting year.

Dashboards and Scorecards contain visual interpretations of the department's data analysis, trends and targets.

Detailed Analysis contains further context, detail and analysis of the findings reported in the dashboards and scorecards, comparing performance measures and trends where possible to relevant targets and benchmarks.

2015 and Beyond includes brief overviews of activities within 2015 departmental work plans.

Data Tables, Charts and Graphs have been inserted throughout the report to highlight important information. These are to be referenced in terms of supporting data and/or to illustrate data and trends that are being monitored but may not represent significant findings or notable trends at this point in time.

Based on the results provided in the report's dashboard, the IT function at the City of Guelph has progressed from a "Solid Utility" to a "Trusted Supplier". The improvements made in the delivery of projects, on-time and within budget, contributed to this designation. Positive results from the Customer Satisfaction Survey were also a major success factor. The department is well positioned to achieving its vision of becoming a "Partner Player" (Enabler of Technology), contributing to the success of all departments.

For IT to fully evolve into a "thinking" role, work must continue to augment several of the key performance indicators below. In 2015, a continuous improvement process will be established to ensure that the recommendations made in this report are tracked by way of an improvement register. This further commitment to ongoing performance management is a key to IT transformation.

STAFF REPORT

A functional realignment of the department will also take place in order to better align skills and resources. The transformation of IT will be an ongoing journey as a result of the environment being in a continual state of flux. IT, like the City at large, must constantly assess how best it can provide the maximum value to its customers and stakeholders, and transform itself to deliver this increased value.

CORPORATE STRATEGIC PLAN
- Innovation in Local Government
- Ensure accountability, transparency and engagement

DEPARTMENTAL CONSULTATION
N/A

COMMUNICATIONS
N/A

FINANCIAL IMPLICATIONS
All future funding requirements will be identified where applicable and incorporated as part of the 2016 budget process.

ATTACHMENTS
- Information Technology 2014 Annual Report

_____

Prepared By
John Russell
Manager Technology Services

_____ _____
Approved By   **Recommended By**
Blair Labelle   Mark Amorosi
GM Technology & Innovation   Deputy Chief Administrative Officer
Corporate Services   Corporate Services
X2232   x2281
blair.labelle@guelph.ca   mark.amorosi@guelph.ca

Information Technology
Annual Report

For the year 2014

Table of Contents

Introduction

Vision: *"To transform the Information Technology Department from a solid utility to a partner player aligned with the business needs of the organization."*

Increasing Costs and/or Resources

Target → Partner player

2014 → Trusted supplier

Previous Years → Solid utility
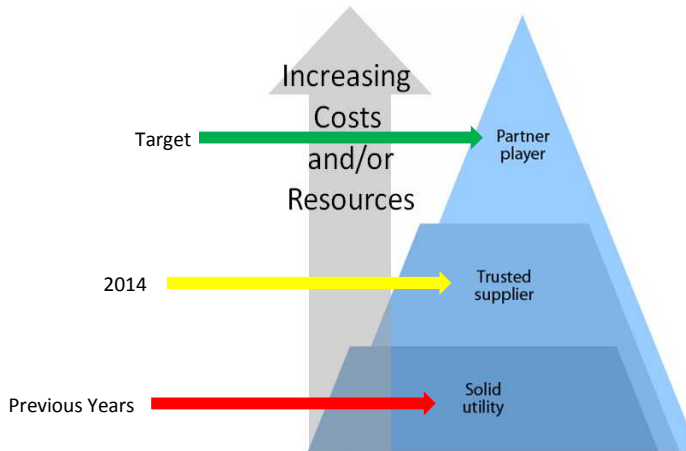
IT is integral to how we do business: IT organization is expected to closely partner with the business to help identify, plan and deliver significant business transformation initiatives - plus be a trusted supplier.

IT delivers critical functionality and services: IT organization is expected to deliver application projects on time and on budget, based upon the operating units requirements and priorities - plus be a solid utility.

Keep the lights on: The IT organization is expected to provide cost effective-dial tone reliability with transparent costs.

Mission Statement

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

Organizational Structure

(Effective December 2014)

General Manager Technology Innovation

Manager Projects & Business Services	Manager Corporate Applications	Manager Client Services	Manager Technology Services
Project Management	ERP	Help Desk	Network/Wireless
Service Management	Timekeeping & Payroll	Voice	Server/Storage
GIS Services	Work & Asset Management	Assets	Security/Internet
Web Services	Program Registration	Desktop	Messaging/Database
	Taxation	Printing	Data Centre
	Information Management	Mobile	On-Call

Executive Summary

Prelude

This is the fourth detailed IT Annual Report that also shows a summary of the previous three years. Its intent is to provide a snapshot of current progress, indicate positive or negative trends within key performance areas, and introduce new concepts for future direction on investment and use of technology. The report utilizes a number of sources to support the performance ratings including Industry Standards, Municipal Comparators, Best Practices, Maturity Models, and Previous Ratings.

The **Dashboard** visualizes overall performance with the use of intuitive gauges and a colour-coded table.
  ➢ Each gauge indicates the average performance of 18 KPIs (Key Performance Indicators). The previous three years performance has been provided for comparison.
  ➢ The table organizes the KPIs into four main categories; IT Governance, IT Service Delivery, IT Sustainability, and IT Innovation & Learning. These categories closely match the four pillars of the CTSP (Corporate Technology Strategic Plan).

The **Scorecard** adds more detail, including targets set for the future year. This is where you will see how the KPI is rated; as a level of maturity or as a percentage.

Results

Based on the results provided in the report's dashboard, the IT function at the City of Guelph has progressed from a "Solid Utility" to a "Trusted Supplier". The improvements made in the delivery of projects, on-time and within budget, contributed to this designation. Positive results from the Customer Satisfaction Survey were also a major success factor. The department is well positioned to achieving its vision of becoming a "Partner Player" (Enabler of Technology), contributing to the success of all departments.

The Transformation of IT

Becoming a "Partner Player" is the principle vision for IT. The transition to becoming an enabler of business is much more than simply providing each business unit with the technology they have scoped to enhance service levels and performance. At present, technology has the potential to drive business strategy. This means that IT must evolve from its current "Trusted Supplier" state to become an innovative catalyst within the City. IT must transition from serving primarily as an "operator" or as a "provider of technology" to play an "envisioning role" for the organization. This change will require a realignment of resources and a commitment to organizational leadership. There must also be a willingness and ability to adapt to ongoing change as well embrace and respond to risks associated with innovation. In short, IT must play four distinct roles within the organization – explore, engage, enable and evangelize.

As the illustration suggests, the transformation from a "doing" to a "thinking IT" requires a wholesale change to the legacy form and function of the department. The structure and skills within IT must be variable in order to maximize resources and positioned in such a way that they support the overall business. The culture of IT as an "operator" cannot be lost entirely, however, it must also provide effective leadership and an ability to support the transformation of the business. The concept of bimodal IT, provides for this balance – aspects of IT remain as a "Solid Utility", while others focus on adaptation and innovation.

Mapping the Transformation from Doing to Thinking IT

	Traditional View	→ Transformed View
Structure	☒ Rigid / Hierarchical	☑ Flexible
Leadership	☒ Operational	☑ Transformational
Skills	☒ Technical	☑ Business
Processes	☒ Why?	☑ Why not?
Culture	☒ Risk averse	☑ Risk taking

Source: Infosys Business Consulting

For IT to fully evolve into a "thinking" role, work must continue to augment several of the key performance indicators below. In 2015, a continuous improvement process will be established to ensure that the recommendations made in this report are tracked by way of an improvement register. This further commitment to ongoing performance management is a key to IT transformation. A functional realignment of the department will also take place in order to better align skills and resources. The transformation of IT will be an ongoing journey as a result of the environment being in a continual state of flux. IT, like the City at large, must constantly assess how best it can provide the maximum value to its customers and stakeholders, and transform itself to deliver this increased value.
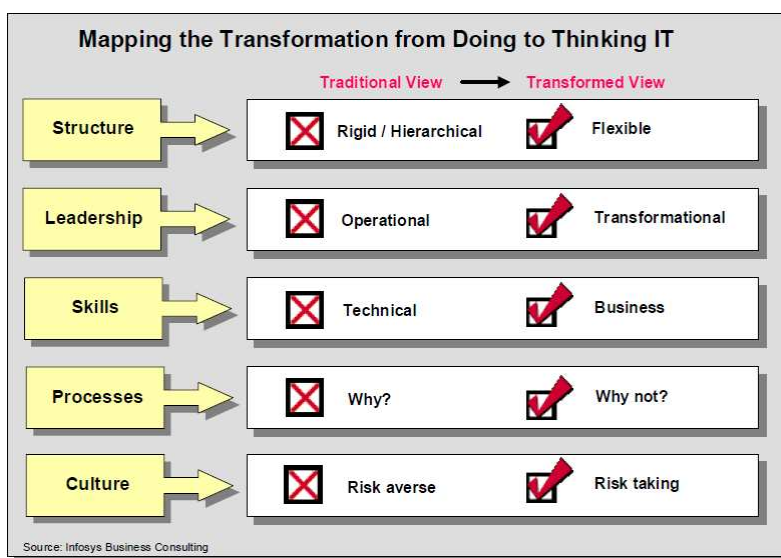
Information Technology Dashboard

As illustrated below by the Information Technology Dashboard, several KPIs (Key Performance Indicators) have been aligned into four categories to illustrate progress toward achieving the performance goals of the department. Items in the dashboard marked by GREEN indicate that the City of Guelph is reporting metrics that compare positively to industry standards. YELLOW and RED indicate items that are not currently in line with industry standards. PLUS and MINUS signs indicate the direction that these indicators are trending.

Information Technology Dashboard 2014

IT Governance	2011	2012	2013	2014
Strategic Alignment		+	+	
Business Value Delivery			+	
Risk Management		+		–
Resource Management		+		
Performance Measurement				+
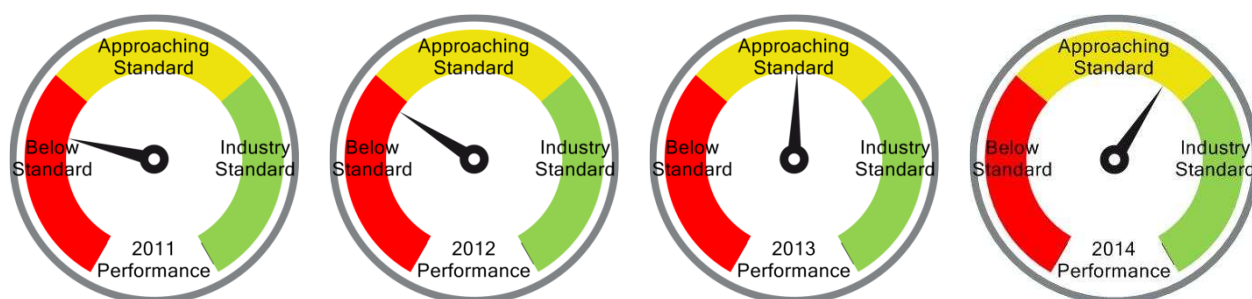
IT Service Delivery	2011	2012	2013	2014
Customer Satisfaction		+	+	
Customer Engagement			+	+
IT Process Management		+		
Infrastructure Availability				

IT Sustainability	2011	2012	2013	2014
Applications Management				
Project Performance	–	+		
Financial Management		+	+	
Compliance				–
Total Cost of Ownership (new KPI in 2013)				

IT Innovation & Learning	2011	2012	2013	2014
Workforce Competency			+	
Strategic Technology Adoption				
Methodology Adoption				
Employee Retention	+	+		+

Information Technology Scorecard

Governance

Measure	2014 Target	2014 Result	2015 Target
Strategic Alignment	Maturity Level 3	• Maintained Level 2, CTSP requires review and updating	Maturity Level 3
Business Value Delivery	Maturity Level 3	• Achieved Level 2 (Basic), Business Value is evident but not tracked, require KPIs for both IT and business units	Maturity Level 3
Risk Management	Maturity Level 3	• Maintained Level 2 (Developing), no IT Risk Manager, Risk Register requires updating	Maturity Level 3
Resource Management	Maturity Level 2	• Exceeded the target and achieved Level 3 (Governed Capacity) for resource management	Maturity Level 3
Performance Measurement	Maturity Level 2	• Achieved Level 1 (Beginner) , identified more divisional KPIs, refined Annual Report, requires more focus on monitoring and analysis to move to a higher level	Maturity Level 2

Service Delivery

Measure	2014 Target	2014 Result	2015 Target
Customer Satisfaction	80%	• Exceeded target, 83.25% of all support calls completed within target times, FCR (First Call Resolution) was at 46.7% which is a 13% improvement over 2013	85%
Customer Engagement	Maturity Level 2	• Maintained Level 2 (Progressive), collaborated with General Managers on their workplans and future strategic directions	Maturity Level 3
IT Process Management	Maturity Level 2	• Maintained Level 2 (Repeatable) requires identification of process owners and comprehensive review of COBIT 5 processes.	Maturity Level 3
Infrastructure Availability	99.90%	• Achieved an average availability of 99.78%, most downtime was from areas outside the department's control.	99.90%

Sustainability

Measure	2014 Target	2014 Result	2015 Target
Applications Management	Maturity Level 3	• Achieved target of Level 3 (Mature), completed major application assessments, reorganized Corporate Applications Division, plan to follow CTSP recommendations	Maturity Level 3
Project Performance	100%	• 99% of initial intake meetings were scheduled within 2 business days of submitting the request.	100%
Financial Management	Maturity Level 3	• Achieved target of Level 3 (Defined), .8% variance on a 4.2M operating budget	Maturity Level 3
Compliance	Maturity Level 3	• Did not meet target of Level 3 (Defined), a Compliance Manager needs to be appointed with a mandate to define external & internal compliance requirements	Maturity Level 3
Total Cost of Ownership	Maturity Level 3	• Did not meet target, limited progress, most calculations are basic and manually performed	Maturity Level 3

IT Innovation & Learning

Measure	2014 Target	2014 Result	2015 Target
Workforce Competency	Maturity Level 3	• Maintained Level 3 (Defined), identified skills gap to support business needs, no P-CMM (People Capability Maturity Model) assessment performed	Maturity Level 4
Strategic Technology Adoption	Middle of Adoption Cycle	• Limited progress, still focused on operational activities with limited budget for research and development/innovation	Move closer to early adopter
Methodology Adoption	100% Compliance	• Limited progress, more staff trained on ITIL, added ISO security standard, requires methodology ownership to meet adequate level of integration	100% Integration
Employee Retention	5% turnover	• Achieved a 6% turnover which is a significant improvement from 16% in 2013, employee engagement rose significantly	5% turnover

Key Initiative Summary for 2014

This is a summary of the department's key initiatives throughout the year 2014. It consolidates the 2014 CTSP initiatives, the 2014 IT Workplan, and major initiatives from the 2013 IT Annual Report.

CTSP Initiatives for 2014	Status	Comments
GIS Technology Plan	Completed	Completed the plan and presented to major stakeholders
GIS Upgrade	Completed	Upgrade GIS ArcPoint to latest version
Data Warehouse Plan	Completed	Production Infrastructure in place for several services
Eclipse Upgrade	Completed	Project and Portfolio management application moved to cloud based solution
ERP Financials Upgrade	Completed	JDE upgraded to version 9.1 and completed ERP-H/R assessment
Building Permit and Licensing	Completed	Upgraded Amanda to version 6 (Web-based) and completed process assessment
Transit Technology Plan	On Schedule	Installed network, server, wireless, and database infrastructure as per schedule
Mobile Device Management	On Schedule	Continued supporting existing fleet while piloting new management suites
Information Management Plan	In Progress	Records Information Management (RIM) scope updated
Help Desk Improvements	Delayed	Corporate engagement and some synthesis has been completed, however delivery is still in progress based on existing resource constraints
Collaboration Tools	On Hold	Lack of resources and budget, completed cost/functionality comparison

Major Initiatives from 2014 IT Workplan	Status	Comments
Voice Upgrade	Completed	Upgraded the City's VoIP phone system to the latest version
Guelph Hydro Phone System	Completed	Expanded our VoIP system to service Guelph Hydro at Southgate Road
2014 Municipal Election	Completed	Coordinated and deployed web, networking, and notebook computer needs
IT Annual Report	Completed	Prepared the yearly performance report for the year 2013
Active Directory Upgrade	Completed	Project closed July 2014, minor cleanup tasks completed late 2014
Building Security Upgrades	Completed	Replaced security system for City Hall, Courts, Waterworks, and River Run Centre

Initiatives from 2013 IT Annual Report	Status	Comments
Joint Wireless Phase 1	Completed	Phase 2 will continue in 2015 with corporate radio replacements
BYOD (Bring your own Device)	Delayed	Completed the draft BYOD policy, pilot delayed due to resources and funding
IT Business Continuity Plan	Delayed	New corporate framework requires completion first in early 2015
ITIL Change Management Process	On Hold	This will enhance service delivery, CTSP funding is scheduled for 2015
Email and File Archiving	On Hold	Infrastructure installed, require Electronic Data Retention Policy, continue in 2015
Content Indexing and Search	On Hold	Infrastructure installed, on hold due to lack of resources, review in 2015

Detailed Performance Analysis

Preface: For each KPI a full explanation of what the indicator is measuring will be noted along with the current level of maturity/performance. This will be followed by the impact the current rating has on IT and the business. Lastly, there will be several recommendations for improvement noted which will be used to support continuous improvement efforts over the course of the year.

Category: IT Governance

KPI: Strategic Alignment

Definition: A measure of how well the IT Strategic Plan aligns with the business objectives of organization.

The IT Department qualifies for a Level 3 rating (Established Formal Process) for the strategic alignment performance indicator. A self-assessment was performed that considered the six IT-Business Alignment Criteria, Communication, Competency, Governance, Partnership, Skills, and Scope.

The impact of remaining at Level 3 will be missed opportunities for business units where technology is a key component. The IT Department will remain a trusted supplier but not reach its goal of becoming a partner player. Alignment is essential to ensure limited IT resources are assigned to corporate priorities.

Recommendation 1: Scope Phase 2 of the CTSP to reflect organizational and industry changes over the past 3 years, and to identify work to build on the foundation of Phase 1.
Recommendation 2: Create a learning opportunity for business leaders to understand the role of IT during strategic business planning.

Strategic Alignment Maturity Summary

Level 1 INITIAL/AD-HOC	Level 2 COMMITTED PROCESS	Level 3 ESTABLISHED FORMAL PROCESS	Level 4 MANAGED PROCESS	Level 5 OPTIMIZED PROCESS
Business/IT lack understanding / No formal process; reactive / IT is seen as a cost of doing business	Limited Business/IT understanding / Tactical responsiveness / IT emerging as an asset	Good Business/IT understanding / Consistent governance process / IT is seen as an asset and enabler	Unified Business/IT knowledge / Enterprise governance process / IT enables & drives business strategy	Shared objectives & risks / Enterprise governance across internal/external partners / IT-business co-adaptive

ute for IT Management

KPI: Business Value Delivery

Definition: A measure of how the services of IT can add value, aside from simply cost savings to the business.

The IT Department has progressed to maturity Level 3 (Intermediate) from Level 2 (Basic), when benchmarked against Martin Curley's framework. Major projects like the Transit Technology Plan, GIS, and the Building Security Replacement certainly demonstrated value to City business units. The ability to design, build, and integrate goes beyond just a technology supplier.

Remaining as a technology expert will still not qualify the department as a "Partner Player" aligned with the business. There still remains the risk that business units will seek solutions without IT involvement. This results in acquiring technology that may not be the best fit or the most cost effective when it comes to implementation.

Recommendation: Define a common set of business value metrics that can be applied across all business units whenever IT is engaged for projects or service

Maturity Levels	Major Strategies			
	Managing the IT Budget	Managing the IT Capability	Managing IT for Business Value	Managing IT Like a Business
5. Optimizing	Sustainable Economic Model	Corporate Core Competency	Optimized Value	Value Centre
4. Advanced	Expanded Funding Options	Strategic Business Partner	Options and Portfolio Management	Customer/ Service Focus
3. Intermediate	Systemic Cost Reduction	Technology Expert	ROI & Business Case	Customer/ Service Orientation
2. Basic	Predictable Performance	Technology Supplier	TCO	Technology/ Product Focus
1. Initial	Beginning			

. Martin Curley, Intel

improvements.

KPI: Risk Management

Definition: 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.

The IT Department remains at Level 2 (Developing) which translates to a KPI rating of yellow on the dashboard. Because greater risks have been introduced with Cloud-based services and open-by-default policies, the KPI is trending in a negative direction.

There is a published ERM (Enterprise Risk Management) Framework that is controlled by our Internal Auditor. It includes risk categories, a risk matrix, and risk impact criteria. There is also a corporate level Risk Register. Since IT Risk Management is a subset of ERM, the department should follow the guidelines established at the enterprise level.

The impact of remaining at Level 2 is that the process remains loosely coupled with no ownership. Other than the yearly IT Audit, there are no centralized controls to address risk management.

Overview of ITScore Maturity Levels for Risk Management
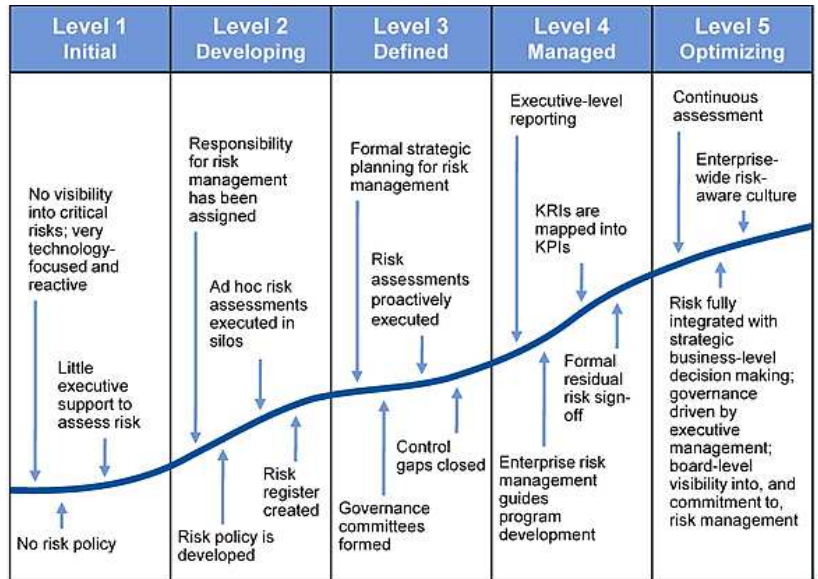
Source: Gartner (September 2010)

Recommendation 1: Develop an IT Risk Manager function within the department.
Recommendation 2: Update the IT Risk Register that rolls up to the Enterprise Risk Management level.

KPI: Resource Management

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

The IT Department was rated at Level 3 of Oracle Corporation's RMMM (Resource Management Maturity Model) which translates into a dashboard rating of green.

In 2014, IT moved to the latest version of their PPM (Project & Portfolio Management) software which provides resource approval workflow. There is also a formal project prioritization process in place.

The impact of remaining at this level is minimal. Oracle states for Level 3: "Based on priority and resource availability information, the governance body can dynamically launch, suspend, delay, and/or cancel projects to balance capacity with demand." Oracle also feels that Level 3 is the sweet spot for many organizations because it assigns resources at the project level rather than at the WBS (Work Breakdown Structure) level.

Recommendation 1: In 2015, all IT management and staff time should be entered into the PPM software.
Recommendation 2: Exploit the enhanced reporting capabilities of the PPM software for better visibility and decision making by the governing body.

RMMM Pictorial Summary

Source: Oracle Corporation Feb 2013

Staffing levels were increased in 2014 with the addition of 1 FTE (Full Time Equivalent) which was approved by Council during the 2014 budget process. This FTE completes the department's ability to successfully support the City's corporate applications as recommended in the CTSP.

In 2014 there were several FTE requests made including a Server Specialist, Asset Control & Mobility Specialist, GIS Program Manager, and a full time Administrative Assistant. These are needed to reduce bottlenecks and free up management time.

IT Staff (FTE)

Year	FTE
2007	27
2008	27
2009	29
2010	27
2011	28
2012	28
2013	32
2014	33
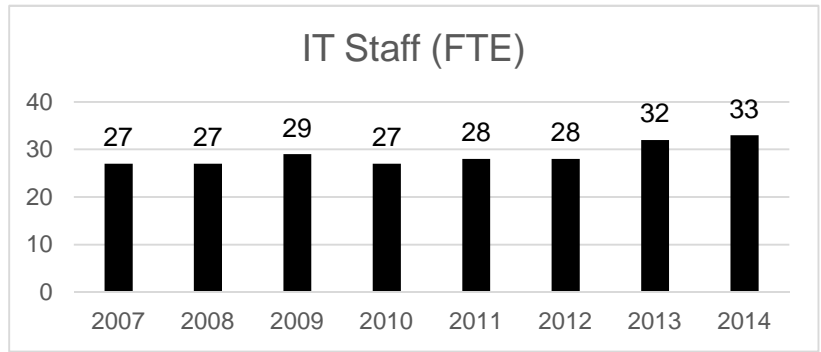
Growth of IT staff over last 9 years   Source: Internal – IT Management

KPI: Performance Measurement
Definition: The effectiveness of IT management to identify, collect, and report on performance metrics relevant to the services they provide.

The IT Department made minor progress but remains at the novice stage of performance measurement. It is rated at the lower part of Level 2 (Beginner) using SmartKPI's maturity model. This translates into a KPI rating of Red on the IT dashboard with trending in a positive direction. Although the department is diligent with the IT Annual Report, it continues to formally track mainly "Utility Provider" statistics from various divisions within IT.

The impact of remaining at the beginner level will be the inability to measure key performance and key risk indicators beyond the IT Annual Report. The saying "If you can't measure it, you can't manage it" rings true, especially for a department so essential to business success. Measurement and reporting will remain a manual process and provide only a yearly view of performance.

Recommendation 1: Develop IT leadership and a team dedicated to addressing performance management in an ongoing fashion.
Recommendation 2: Identify KPIs relevant to both IT and business, and encode how they will be measured and visualized.

Performance Measurement Maturity Model - Dimensions

KPIs Identification & Selection

KPIs Feedback & Re-alignment

KPIs Documentation & Alignment

KPIs Reporting & Visualization

KPIs Collection & Interpretation
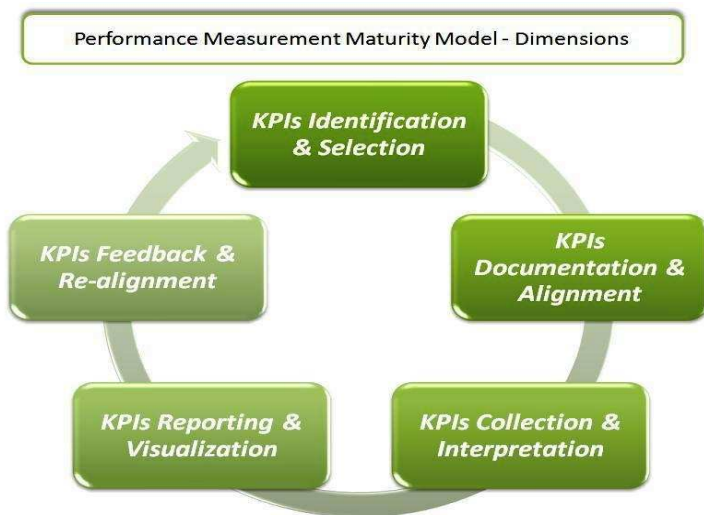
*Source: The KPI Institute

When using the model provided by SmarkKPIs we are at the low end of Level 2 (Beginner)

1. Ad-hoc
2. Beginner
3. Intermediate
4. Advanced
5. Proficient

Performance Measurement Maturity Model
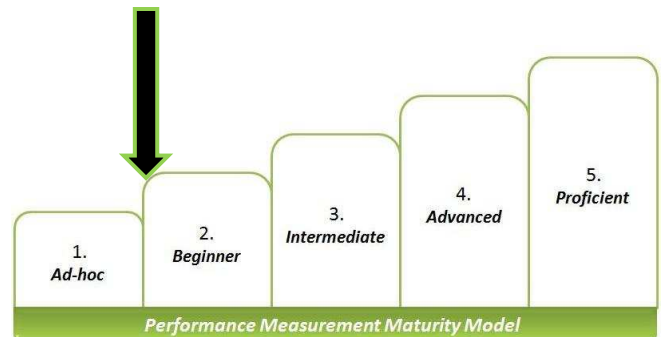
*Source: The KPI Institute

Category: Service Delivery

KPI: Customer Satisfaction

Definition: A measure of how satisfied the IT stakeholders are with the performance and contribution of IT services.

The IT Department had notable improvement in Help Desk statistics and is rated as green on the performance dashboard. The departmental statistic for resolving support calls on time almost met the industry standard of 85%. Achieving 83.25% warrants a rating of green on the performance dashboard.

Summary for 2014	Assignments Resolved	Resolved on Time (Target 85%)
IT Department	19299	83.25%
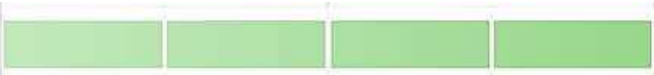
Source: Internal HEAT Incident Management System

The percentage of IT Service Desk calls dropped was better than the industry average of 10%. The FCR (First Call Resolution) statistic identifies the percentage of Service Desk calls that are solved on first contact with the client. The department approached the target of 50%. These two statistics also warrant a rating of green on the performance scale.

2499 Service Desk Statistics for 2014		
Total Issues Handled (phone calls, Emails)	Percentage of Calls Dropped (Target <10%)	FCR (First Call Resolution) Target 50%
13523	3.42%	46.67%

Source: Internal HEAT Incident Management System

The results of an organization wide survey on customer satisfaction were very positive as illustrated below.

The impact of not improving these statistics will be minimal however there is always room for improvement. Listening closely to our clients through surveys can identify pain points that support staff are not aware of. It can build the loyalty and reputation necessary to move to a partner player.

Recommendation 1: Provision Help Desk staff with more tools and privileges so they can complete more support calls on first contact.
Recommendation 2: Consolidate, prioritize, cost, and track progress on recommendations from the Customer Satisfaction Survey.

KPI: Customer Engagement

Definition: Renamed from Customer Partnership, this is a measure of how much focus and effort goes into creating a unique customer experience.

The department remains at Stage 2: (Progressive) of Demand Metrics' maturity model on the following page. This translates into a performance rating of Yellow on the dashboard. The General Manager of IT facilitated meetings with every Manager within the organization in preparation for

their annual workplan, and to hold a "visioning" session to better support strategic planning with respect to technology. This is a positive trend and will be repeated as an annual practice.

Customers can be internal staff, business units, Mayor and Councillors, businesses within the community, and citizens of Guelph. The goal of customer engagement is to improve the customer experience and provide a two-way communication channel for mutual benefit. Unfortunately there is no defined strategy specific to the department.

If the department remain at this stage of maturity it may miss opportunities to build confidence and loyalty with our clients. This will be a barrier to the departmental goal of becoming a "Partner Player" aligned with the business.

Recommendation: Add a Customer Engagement function to the current IT staff responsibilities. This can be achieved by having an assigned IT person for each of the City's divisions. They would meet on a regular basis to ensure the division's IT needs are being met; discuss industry trends, and how they apply to their business units.

ement Maturity Model

Customer Engagement	Stage 1: Undefined	Stage 2: Progressive	Stage 3: Mature	Stage 4:World-Class
Orientation	No defined strategy or process for Customer Engagement	Strategy is uncoordinated; Aware of need to create a customer journey experience; Projects are developed and delivered ad hoc	Defined strategy and processes exist for Customer Engagement across an Enterprise; Touch points are coordinated across functions to meet customer expectations	Defined, integrated strategy for Customer Engagement exists across an Enterprise; Coordinated effort to provide closed loop engagement
Leadership	Sees Customer Engagement as just one part of partnership, not a focus	Views Customer Engagement as important; Allocates budget & staff resources to explore program and campaign options	Views Customer Engagement as the primary focus of partnership; Long-term commitment to Customer Engagement; Willing participant; Resources for growth	Views Customer Engagement as the primary focus; Organization aligned around Customer Engagement
Customer Success	Relies on traditional engagement tactics, Lack of customer journey; One-way dialog	Understands need for creating buyer journey and personas to better target content; Has implemented point tactics to improve conversion and close rates, improve retention and reduce churn	Aligns programs and campaigns to consistently deliver full Customer Engagement to drive loyalty; Supports robust external & internal online communities and advocacy & loyalty programs	Focused on creating a differentiated customer experience and operationalizing it through all marketing, sales and customer care touch points, programs and campaigns

Become More Strategic
DEMAND METRIC

KPI: IT Process Management
Definition: A measure of the department's ability to identify, document, communicate, monitor, measure, and automate processes necessary to becoming a partner player with the business.

This KPI was renamed from Business Process Support to IT Process Management. The IT Department was assessed at Level 2 (Repeatable) which translates into a dashboard colour of Yellow. Gartner's Process Management assessment tool was used to validate the rating.

COBIT 5 is a framework for IT Governance and covers 37 processes that are critical to a successful IT department. As

COBIT Maturity Model
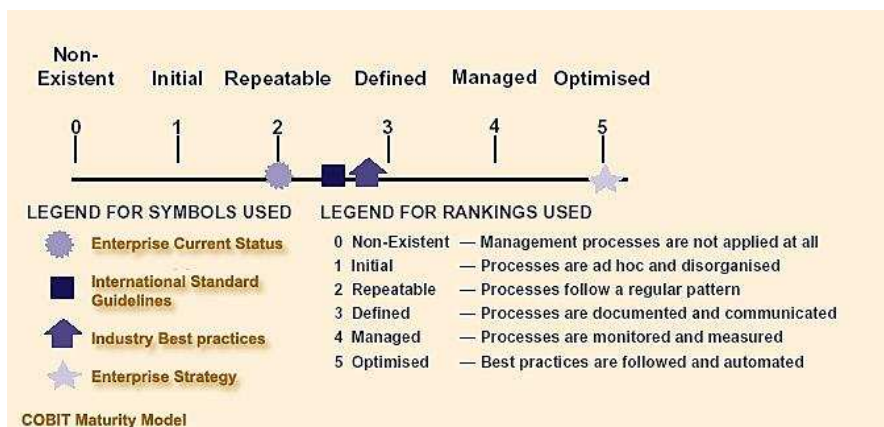
stated in earlier reports, COBIT specifies "What You Should Do" whereas ITIL specifies "How You Should Do It".

To date almost all IT staff and management have foundational certification in ITIL but only a few have formal training in COBIT. As such we often miss the holistic view of the department and only deal with overlooked processes when they become a crisis.

The following graphic identifies several processes with a red X, that will need to be addresses in 2015 and beyond if the departments wants to move to a maturity level of 3 (Defined).

Recommendation 1: Continue work on developing Standard Operating Procedures to ensure IT staff are providing consistent service to our clients.
Recommendation 2: Investigate tools that will enable processes to be automated like self-service password lock-out.
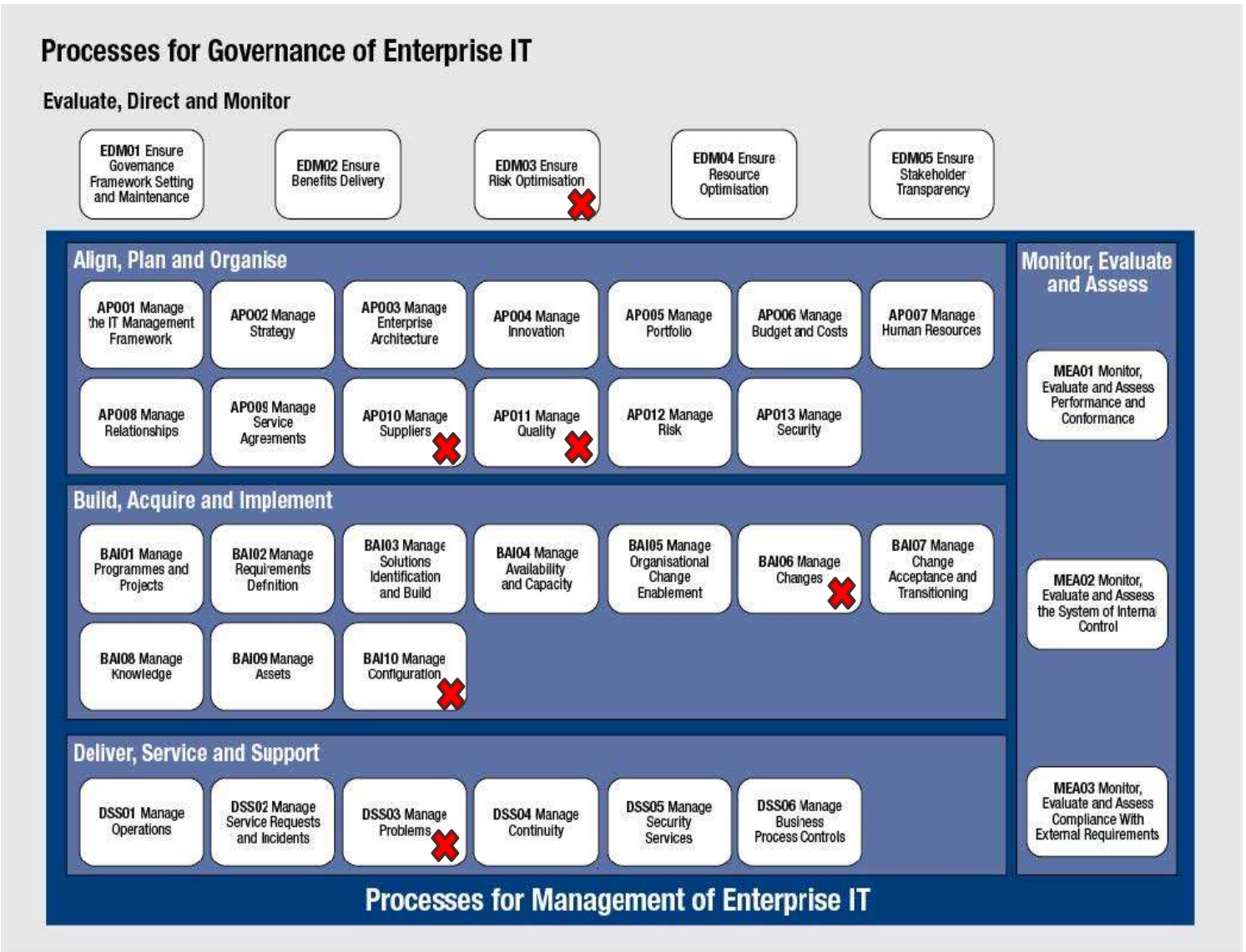
Source: ISACA (Information Systems Audit and Control Association)

KPI: Infrastructure Availability
Definition: This KPI measures the IT Department's ability to provide reliable networks, servers, and data storage for the organization.

 The applications, data, and services the department provides cannot run without well managed technology infrastructure. Private sector corporations that generate revenue from on-line transactions will calculate how much money they will lose on a per minute, per hour, or per day basis. Then they build their data centres, networks, and services based on how much downtime they can tolerate without severe impact to their business.

In the municipal world the availability of networked based services affects both public facing and internal customers. The emphasis is on providing citizens with fast, reliable, and easily accessible services and information, rather than generating revenue. Internal staff depend heavily on IT infrastructure so they can in turn serve the public better.

To maintain public and internal customer confidence, the IT Department has chosen its target uptime as 99.9%. In 2014 an average uptime of 99.9% was achieved which warrants a rating of "green" on the dashboard. Statistics exclude planned maintenance and downtime from forces outside the control of IT. Some examples are hydro failures and network services providers.

Note: Availability of networks and services is typically measured in terms of 9's.

Uptime	Termed As	Amount of Downtime per Year
99%	Two nines	3.65 days
99.9% (City's Target)	Three nines	8.76 hours
99.99%	Four nines	52.5 minutes
99.999%	Five nines	5.26 minutes

There is minimal impact of remaining at this level however in some cases; downtime was experienced by exceeding hardware life expectancy.

Recommendation 1: Adhere to the Life Cycle replacement schedules for network, server, wireless, and security hardware.
Recommendation 2: Take leadership to deploy an Electronic Data Retention Policy to prevent uncontrolled disk space usage.

Category: IT Sustainability

KPI: Applications Management
Definition: A measure of how effectively the IT Department can provide and support critical business and productivity applications throughout their entire lifecycle.

The IT Department achieved an overall rating of Level 3 (Mature) using Gartner's IT Score for Application Organizations. This translates into a performance rating of green on the dashboard. The reasons for a better rating in 2014 were life cycle completions, fit-gap analysis and recommendations, as well as roadmaps for all major applications. All of these were done with the involvement of the business through steering committees, user groups, and the IT Governance Committee.

The impact of remaining at this level is that the organization would eventually fall behind in vendor versions, losing benefit from advancements. Functionality will fail to meet the changing needs of business units and the organization.

Recommendation 1: Standardize change management and approval procedures for enhanced application management.
Recommendation 2: Develop an assessment process to determine the effectiveness of the change.

Application Management Maturity Model

Capability Area		Capability Level			
		Immature	Developing	Mature	Leading
Strategy	Strategy Developed and approved				
Organization	Governance created and regular meetings. Venue for collaboration				
Financials	Budgets created, approved. Planning for future investment				
Talent	Required resources in house or contacted. Training Plan				
Technology	Functional and technical training. Lifecycle plan, Current software release				
Service Delivery	Standards created, helpdesk, procedures documented.				
Overall	Overall Maturity				

▲ Maturity Level 2013　　▲ Current Maturity 2014　　▲ Target 2015　　▲ Industry Target

Please Note: Areas recently addressed will be allocated to developing as additional adjustments may be required

KPI: Project Performance

Definition: This is a measure of how long it takes the Project Management Office (PMO) to complete an initial intake with the client once the request has been submitted.

The target is 100% of the intake meetings to be scheduled within 2 business days of submitting the request. With the exception of the month of December, the PMO achieved its target. This warrants a rating of maturity Level 4 (Monitor) based on Pricewaterhouse Coopers model, translating into a KPI rating of green on the performance dashboard.

The jumping off point (JOP) in January was based on the measurement achieved during December 2013. With the exception of the month of December, the PMO achieve its target. This gap was due to requests coming in during the holiday season. Moving forward holiday coverage will be used to achieve target.

P&BS - Initial Intake Meeting

■ 2014 Actuals　　— 2014 Target
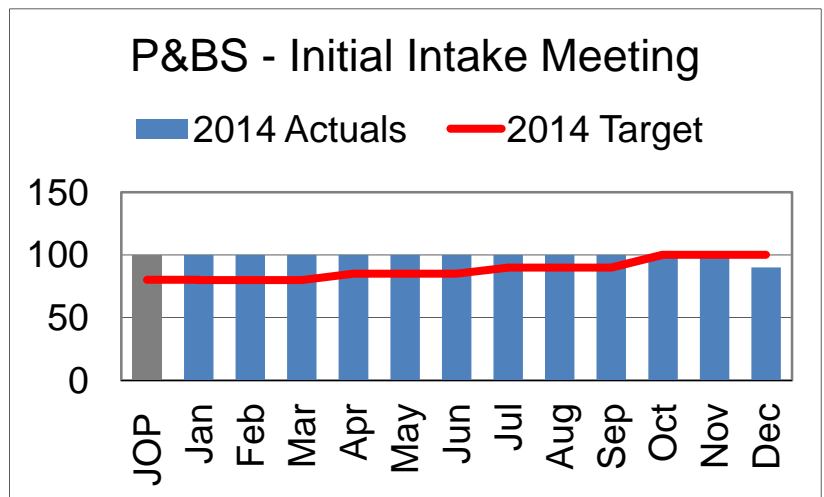
Source: IT Project Management Office

By remaining at level 4 in this maturity model, the PMO will have the opportunity to continue to deliver projects that are aligned with the strategic plan, and start tracking project benefits including return on investment (ROI).

Recommendation 1: IT PMO should focus on increasing adoption of PMO templates, processes, and tools, and should sponsor use of such things throughout the organization.
Recommendation 2: IT PMO should continue to develop lesson learned documents from each project and utilize them to improve project performance.

Figure 4: PwC's PM Maturity Model
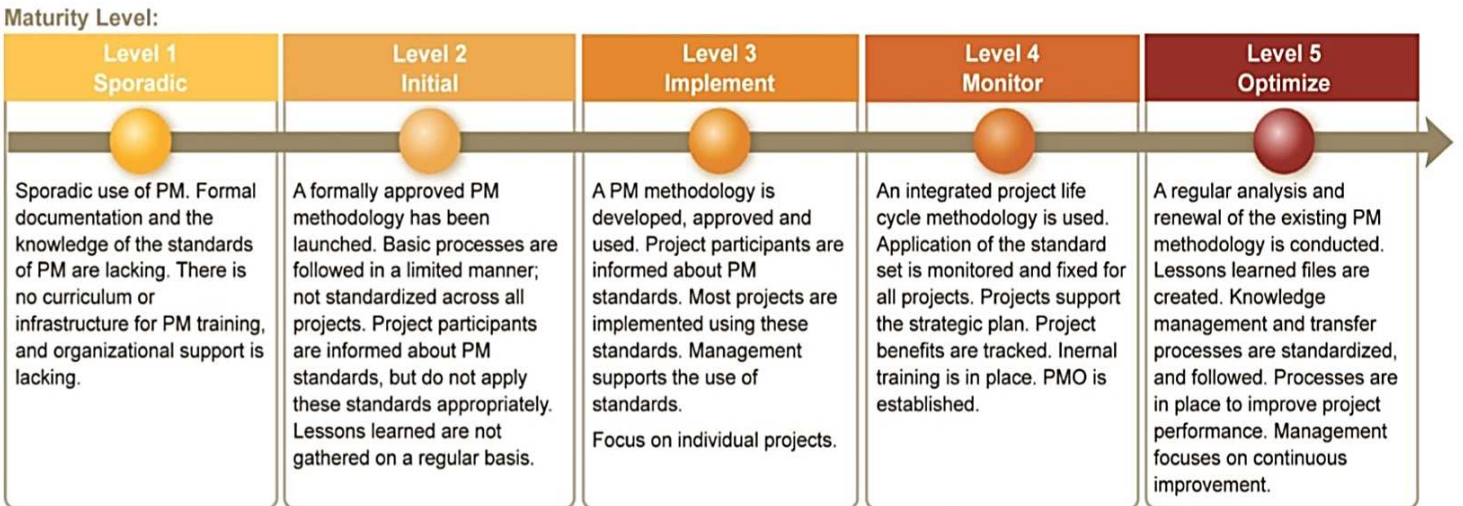
Source: Insights and Trends: Current Portfolio, Programme, and Project Management Practices - The Third Global Survey on the Current State of Project Management, Pricewaterhouse Coppers (PwC), 2012

KPI: Financial Management
Definition: 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.

In 2014 the IT Department had a negative variance of .8% on a 4.2M operating budget. This is the department's best budget to actual performance to date. This achievement was the result of IT management working very closely with Finance during the last quarter of 2014. Capital budgets for Projects and Life Cycle replacements also showed minor variances. Overall the department achieved a maturity rating of Level 4 out of 5 translating into a KPI performance rating of green on the dashboard.

In 2015, the IT Operating Budget will be more granular with each division responsible for creating and monitoring their financials. Finance has already created the required system changes to accommodate this recommendation. This will give each Manager and the General Manager more visibility and accountability of their spending. This will keep the department on track with the exemplary performance it had in 2014. To move even further up the maturity scale, the
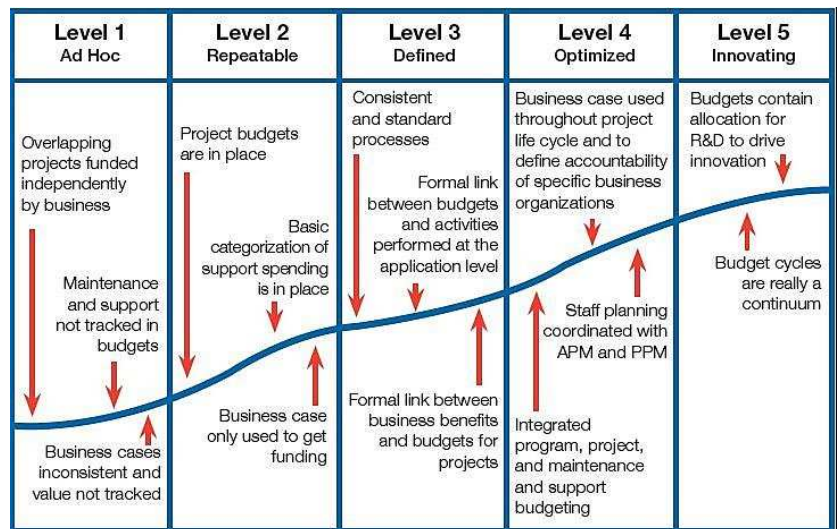
department will need to budget for initiatives that spark innovation, automation, and cost savings. A perfect example would be the proliferation of City owned fibre-optics rather than paying huge networking bills to external providers.

This brings us to the graphic to the right that depicts the percentage of budget allocated to Running, Growing, and Transforming the business in state and local governments.

In the last two years the City has allocated 85% of its IT budget to running the business, 12% on growth, and only 3% on transforming the business. In future years there needs to be a reduction in the "keep the lights on" costs and an increase in "transformational initiatives". This is the recommended approach in supporting the transformation of IT into a "Partner Player" and a "thinking" organization.

Strategic IT Spending

Year	Run	Grow	Transform
2010	73%	13%	14%
2011	78%	11%	11%
2012	75%	12%	13%
2013	75%	14%	11%
2014	73%	15%	12%
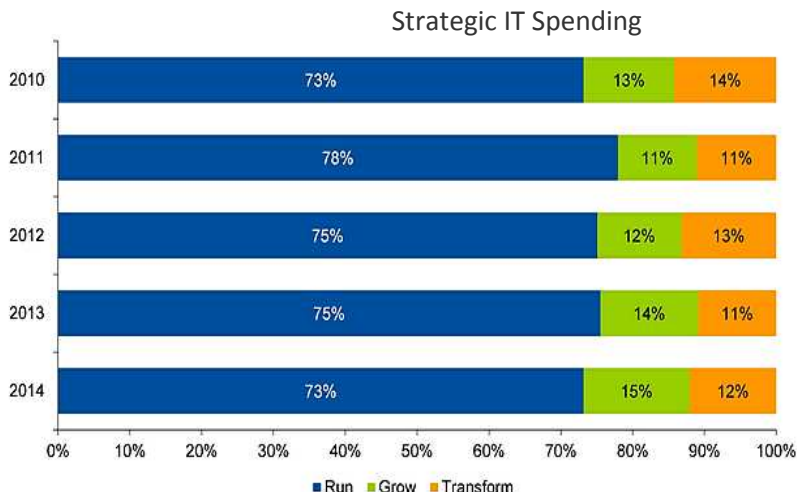
Source: Gartner IT Key Metrics Data 2014

Operational efficiencies, automation, and improved processes will decrease the Run costs. Budgets could then include allocation for Research & Development to drive innovation.

The next 3 tables compare IT spending at the organizational level. The amount of spending per supported staff member is less than half the industry standard. As investments in mobility and collaboration grow, the spending per staff member will inevitably increase. One result should be a more efficient workforce in the field. Another will be an improved team environment to share ideas and foster innovation.

Year	2010	2011	2012	2013	2014
City of Guelph's IT Cost per Municipal Staff Member Supported	$3378	$3957	$3481	$3733	$3603
State and Local Government*	$7600	$7773	$7100	$8581	$8355
Canada & US IT Industry Wide**	$7464	$7114	$7531	$8118	$7385

*Source: Gartner IT Key Metrics Data – 2014
**Source: Computer Economics – 2014

IT staffing continues to lag behind other government entities. The primary reason is that our current IT department is staffed as "Operational" with limited resources for development, innovation, and integrated business partnership.

Year	2010	2011	2012	2013	2014
IT Staff as a Percentage of Total City Staff	2.2%	2.2%	2.2%	2.4%	2.2%
State and Local Government Percentage*	3.5%	3.6%	3.6%	4.3%	3.9%

*Source: Gartner IT Key Metrics Data – 2014

As mentioned previously, if operational staffing is complemental by "transformational" staff, the IT operating budget will move closer to other government averages.

Year	2010	2011	2012	2013	2014
IT Operating as a Percentage of City Operating	1.2%	1.3%	1.7%	1.8%	1.7%
State and Local Government Percentage*	3.2%	3.6%	3.6%	3.8%	3.6%

*Source: Gartner IT Key Metrics Data – 2014

Recommendation 1: Track budget to actuals at the divisional level, working closely with Finance to improve performance.
Recommendation 2: Develop actions to reduce "Run" costs, and then increase the "Transformation" budget.
Recommendation 3: Monitor and budget for external resource pools to provide the necessary gap fits to operational costs.

KPI: TCO (Total Cost of Ownership)

Definition: A measure of how well IT management measures, manages, and reduces costs to improve the overall value of IT investments.

The IT Department remains at maturity Level 2, as TCO was limited to major initiatives and was not used as a standard process to calculate. This translates into a KPI performance rating of Yellow on the dashboard.

The impact of remaining at this level will be poor visibility into the "real" cost of providing IT services at the City. Without a comparison to alternatives like Cloud or other outsourcing options, opportunities to reduce costs may be missed.

Past studies and experiences have proven that a financial comparison of technology solutions based solely on purchase price and service costs is fundamentally flawed. Other operational factors, including the costs to manage and maintain these assets, as well as reliability and downtime costs, have a far greater financial impact on most organizations than just the system's acquisition cost. The introduction of cloud computing has further complicated the analysis as trade-offs between investment in infrastructure must be weighed against third party offerings. This concept attempts to include service levels, security, availability and redundancy as factors in determining TCO.

Factors Included in a Total Cost of Ownership Model a)System pricing and acquisition b) Service contracts c) Installation and training d) Operational costs (Energy/consumables), e) Ongoing management, maintenance and support (Resources/Salaries), f) Reliability/Redundancy, and g) Opportunity Savings (Outsourcing expertise/Cloud).

Maturity Levels for Total Cost of Ownership
Level 1: Little or no awareness of the need for or benefits of a management program that includes a TCO approach. TCO efforts involve searching for data or making educated guesses.
Level 2: There is some awareness of the value of a TCO approach. TCO methodologies are simplified using basic cost of acquisitions and support costs. Application of this approach is random or limited to major projects.
Level 3: The Benefits of a TCO approach are fully acknowledged. TCO methodologies and tools have been identified and standards addressing when and how to applying these processes have been introduced.
Level 4: TCO processes have matured to the point where organizations routinely and independently conduct TCO assessments. They obtain highly reliable metrics which have been vetted by the organization and incorporate them into budgeting and planning.
Level 5: TCO assessments are routinely communicated to stakeholders, executives and senior management. Results from these assessments are routinely included in the decision making process. Assessment values are regularly compared with peer groups to vet effectiveness of processes.

Recommendation 1: Adopt and customize a framework for Total Cost of Ownership.
Recommendation 2: Select one major 2015 acquisition and perform a TCO to TBO (Total Benefit of Ownership) analysis.

KPI: Compliance

Definition: A measure of how well the department adheres to policies and decisions. Policies can be derived from internal directives, procedures and requirements, or external laws, regulations, standards, and agreements.

This KPI remains at Level 2 (Developing) of the compliance maturity model which maps to a dashboard rating of Yellow. An increase in industry regulations means it is trending in a negative direction.

The IT Department is primarily focused on regulatory mandates, such as maintaining its PCI (Payment Card Industry) certification. There is no formal compliance committee at the IT departmental level, or at the Enterprise level.

The impact of remaining at Level 2 will not be felt immediately. However as a trend Gartner states: Corporate governance, security breach notification, privacy and data protection, and industry-specific regulations have added layer upon layer of compliance to
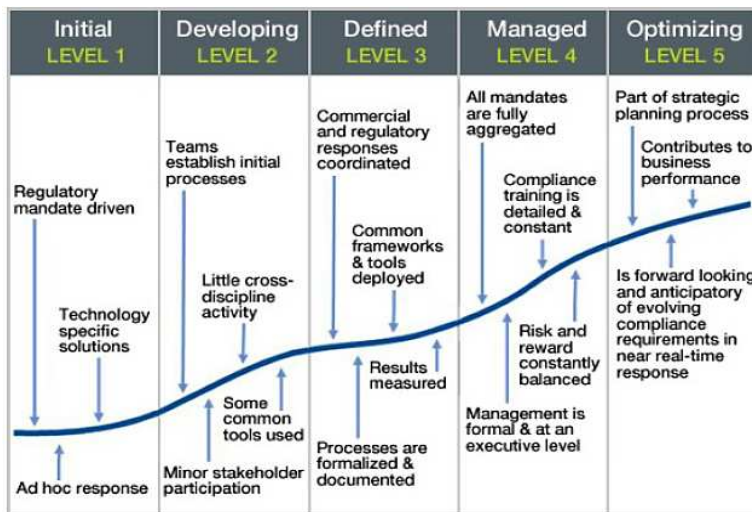
Source: Gartner (January 2013)

IT processes and activities.

Recommendation 1: Assign an IT Compliance Manager function within the department. This could be a combined role with the Risk Manager.
Recommendation 2: Catalogue all internal and external compliance requirements like software licensing, Anti-SPAM, and internal controls.
Recommendation 3: Develop processes and reporting protocols that feed into an Enterprise Compliance or Auditing Program.

Category: IT Innovation and Learning

KPI: Workforce Competency

Definition: A measure IT management's ability to hire, train, develop skills, and assign staff to build a competent and agile workforce.

The IT Department remains at the "Skilled Workforce" phase which maps to Level 3 (Defined) of the People CMMR Maturity Model, provided by the SEI (Software Engineering Institute).

The impact of remaining at this level of maturity is that the department will not be flexible enough to deal with the changing demands of the organization. An "Agile Workforce" allows for the redistribution of staff when priorities shift, while maintaining a high level of productivity.

In 2014, IT management used the department's "Roles and Responsibilities" matrix to better identify gaps in skill sets. The matrix also identified opportunities for primary and backup staff to engage in cross-training. This enhances the department's ability to maintain support during staff absences and single resource overloading.
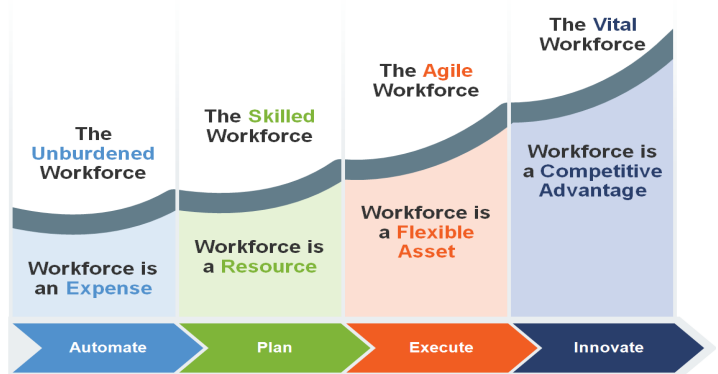
*Source: Kronos Global Workforce Management Solutions

Beyond skills and talent, there needs to be a change in culture within the department. Gartner describes this as being "Change-Aware" and an "Outside-In" mindset, so the department can meet the challenges of organizational and technology changes.

Recommendation 1: Improve the hiring process, selecting individuals that have a broad range of skills and a record of adaptability. This is called a "Competency Based Talent System" and ensures the new employee will be successful regardless of the role they are assigned within IT.
Recommendation 2: For existing IT staff, a comprehensive skills inventory should be completed and reviewed on a yearly basis. The workforce for a successful digital business requires a combination of soft, technical, and business skills. IT leaders will need to develop their staff in all three areas to make their staff more agile.

KPI: Strategic Technology Adoption

Definition: Renamed from "Advanced Technology Use", this KPI is a measure of identifying and utilizing new technologies that will benefit the IT Department and the business units they support.

Overall the department identifies with the majority of organizations hovering closer to the Late Majority of the Innovation Adoption Lifecycle. This translates into a KPI performance rating of Yellow on the dashboard.

The impact of remaining at this level of maturity level is that there is less risk to the organization and likely minimal disruption to services. The downside is missed opportunities for automation, innovation, and preparation for technologies once they become mainstream.
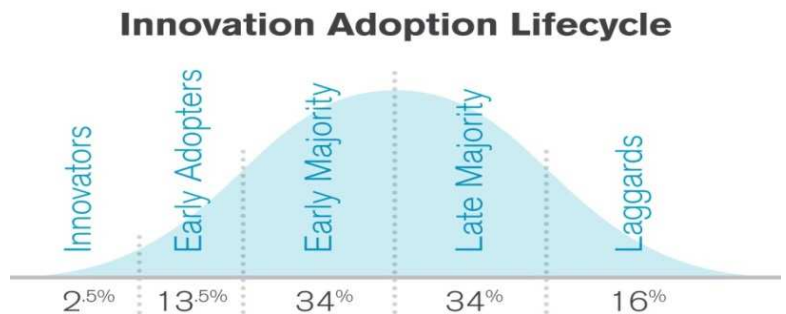
*Source: Diffusion of Innovations by Everett Rogers

Recommendation 1: Create a framework for IT investment where "faith based" investment for innovation is a supported funding option.
Recommendation 2: Communicate to stakeholders and IT Staff, future trends and how they may affect the way IT delivers services in the future.

The Top 10
Gartner Research has identified the Top 10 Strategic Technology Trends for 2015 which is represented by the graphic below. Many of the trends may seem out of touch for municipal government operations. However if you consider the citizens, businesses, and devices everyone interacts with, the department must at least be "aware" of these trends and how they may affect our organization as they become mainstream. IT management can build this awareness or monitoring into our continuous improvement model. Departmental meetings could be the forum for discussing the progress and impact of these trends on our organization.

1. Web-scale IT is a pattern of computing that delivers the capabilities of large cloud service providers within an enterprise IT setting. Their capabilities go beyond scale in terms of sheer size to also include scale as it pertains to speed and agility. If enterprises want to keep pace, then they need to emulate the architectures, processes and practices of these exemplary cloud providers.

2. Software-Defined Applications follow a Services Oriented Architecture (SOA) to become more agile and suitable for Web-scale performance. This is a fundamental shift away from the traditional monolithic design which usually produces an "instant legacy" application. Feature-bloated applications are giving way to "Apps" that perform a limited function set, targeted at a specific set of users.

3. Risk-Based Security refers to a new approach taken by organizations; one that is driven by the level of appetite for risks rather than the simple evaluation of its impact or probability. The concern for security can no longer be a roadblock to becoming a "Digital Business". The business benefits have to be balanced with an acceptable level of risk. The City has already started to practice this approach by providing Internet users with an "Open by Default" policy.

Source: Gartner (January 2015)

4. Cloud/Client Computing is a newer model that is replacing the traditional Client/Server model. In the Client/Server model, a fat client would make requests to a back-end server. In Cloud/Client computing the cloud is the coordination point and system of record, which can be accessed by applications spread across a multitude of devices. The City needs to be aware that many of these devices are outside the control of IT. Gartner recommends adopting a "treat internal as external" strategy for devices.

5. Computing Everywhere is a trend that goes beyond the post-PC mobile world. It includes wearable and even embedded technologies that change our human interaction with the physical world. Examples are vehicles equipped with Bluetooth to extend your smartphone and NFC (Near Field Communication) for smartphone payments at Tim Horton's. Devices are not mobile, people are mobile, and the City's mobile strategies need to take this into consideration.

6. The Internet of Things (IoT) as it applies to the City is more about information gathering. Intelligent sensors in vehicles and machinery can gather enormous amounts of data. Further analysis can change the way staff operate and manage equipment. An early adopter of an IoT ecosystem is the Transit Technology Plan. The IT Department will be integral to its implementation and success.

7. 3-D Printing is the manufacturing of a three-dimensioned product from a computer driven digital model. Early adopters have primarily been in the manufacturing sector however there are many local governments using the technology already. City planners can create detailed models of buildings, landscapes, and entire neighbourhoods. As prices decline, expect to see 3-D printers at the City of Guelph.

8. Context-Rich Systems can gather and consume contextual information to provide a better user experience. Information sources can be personal data like age & sex, sensory devices for sound/sight/speed/temperature/etc., and situational context like location & preferences. The human is at the centre surrounded by technology. Understanding how to gather information and act in the best interest of the citizen/user will be key for the City in the future.

9. Advanced Analytics is a top level category of inquiry that is future-oriented. It includes but is not limited to predictive analytics, data mining, big data analytics, and location intelligence. Governments are one of the biggest collectors of big data, and most of it comes from the citizens they serve. Predictive algorithms can be used to determine everything from future crime hotspots to the effects of transit disruptions. Building invisible analytics into mobile apps and Websites to track user activity will help the City deliver a better user experience.

10. Smart Machines can be physical or software based entities. Doing what everyone thought only people could do, and machines could not do, is becoming a reality with inventions like driverless vehicles and robotic vacuum cleaners. The City must be at least aware of the possible social and political disruptions of the future "Digital Workforce".

KPI: Methodology Adoption

Definition: Renamed from "Methodology Currency", it is a measure of how well key methodologies, standards, and frameworks are integrated into the everyday processes within the IT Department.

The department maintained a dashboard rating of Yellow for this KPI, based on self-assessment and mutual agreement amongst IT management. It is not easy to measure this but it remains an important metric.

The impact of remaining at a rating of Yellow will not be significant. IT management continues to pick the most relevant parts of each methodology rather than full implementation. This has provided consistency in services like the Help Desk and project management.

An additional Information Security methodology (ISO27K) has been added to the model to position the department for the future.

Prepared by City of Guelph IT Management

Although the department has a rigorous security program for internal data and systems protection, it now needs to consider protecting its assets in a hybrid cloud environment.

Cloud based applications and services inherently store data on external servers, thereby introducing the need for awareness and control. The City requires standards that ensure that confidentiality, integrity, and compliance requirements are met.

Recommendation 1: Appoint a leader for each of the methodologies to coordinate training and levels of integration within the department
Recommendation 2: Investigate the ISO2700x series of security standards and document processes to meet requirements

KPI: Employee Retention

Definition: A measure of IT management's ability to minimize employee turnover.

The IT Department had an improvement for this KPI moving from Yellow to Green on the performance dashboard. In 2014, the IT Department had 2 resignations resulting in a voluntary turnover rate of 6%. This is close to the corporate benchmark for voluntary turnover of 5.1%. The department's involuntary turnover rate was 3%, which is slightly above the Public Sector rate of 2.3%. Source: Conference Board of Canada. The department's average of voluntary and involuntary turnover rate is 9%.

The impact of remaining at this level of performance is very positive. It stabilizes both management and staff, with less focus on replacements and training.

IT staff and management continued to focus on the top 3 factors influencing engagement; Learning & Development, Work Processes, and Resourcing. The results were very positive as indicated in the most recent Employee Engagement Survey. The 2014 level of engagement for the IT Department rose significantly from the 2012 survey, above the City average. *Source: Aon Hewitt

In late 2014 the department reset the top 3 priorities to Succession/Mentorship Planning, Setting Clear Priorities, and Job Shadowing.

Recommendation: IT leaders and staff must continue to develop and monitor action plans for each of the 3 priorities. Highly engaged employees immersed in a consumer-like computing environment will foster innovation and contribute to the reduction of employee turnover.

Divisional Analysis

Client Services Division....where the customer meets IT

Mandate

The Client Services Division`s mandate is to plan, implement, manage and maintain the corporate desktop, printing, telephone, and converged infrastructure to ensure that they meet the business needs of the corporation by:

- ✓ Providing Level 1, 2 and 3 technical support for all desktop, printing and telephony issues.
- ✓ Engineer and maintain the corporate distributed desktop architecture and mobile device fleet.
- ✓ Manage and maintain the corporate phone system.
- ✓ Providing a Technical Service Help Desk for the entire corporation.
- ✓ Implement convergence technologies involving access control, security camera systems, and building automation.

Key Accomplishments for 2014:
- ✓ 2499 Service Desk processed 13,523 support requests received over the phone and through email.
- ✓ Engaged City staff through surveys and stakeholder group meetings for service improvements to the 2499 Help Desk.
- ✓ Upgraded 816 City computers to Windows 7 and Office 2010.
- ✓ Completed the rollout of AutoCAD 2013 products.
- ✓ Completed the expansion of City of Guelph Voice phone system to Guelph Hydro.
- ✓ Renegotiated the mobility services agreement with expected savings of $110,000.00 annually.
- ✓ Deployed communications towers that will support a modern, digital, City owned, outdoor wireless radio network. When fully implemented and amortized, this network will help reduce operating cost by $75,000.00 annually.

Technology Services Division….building and securing the IT infrastructure

Mandate

The Technology Services Division's mandate is to provide a reliable, secure, easily accessible, and high performance IT infrastructure to meet the business and service needs of the organization by:

- ✓ Designing quality network, server, and IT security systems that accommodate and protect the City's electronic information
- ✓ Deploying, maintaining , and replacing systems according to industry best practices for IT life cycle management
- ✓ Developing and implementing IT policies, procedures, and processes that safeguard the City's IT investments
- ✓ Supporting departmental and corporate technology initiatives through network integration and automation

Key Accomplishments in 2014
- ✓ Upgraded the City's Active Directory database of user and computer accounts to the most recent version.
- ✓ Replaced the City's web gateway to provide an open-by-default environment for Internet access.
- ✓ Replaced the City's email gateway to reduce SPAM and increase protection against malicious emails.
- ✓ Prevented 3 Million SPAM messages from reaching users' email inboxes.
- ✓ Facilitated the transfer of 4 million internal emails and 2.8 million external (Internet) emails.
- ✓ Replaced all legacy backup tape devices with latest LTO-6 technology (6.25TB per tape).
- ✓ Replaced 80% of legacy SAN (Storage Area Network) doubling the backbone speed to 8Gbps.
- ✓ Introduced a network distribution layer between servers and the core switch (reduces cabling/improves reliability)
- ✓ Completed the Information Technology Annual Report for the year 2013.
- ✓ Installed outdoor wireless access points at Guelph Central Transit Station.
- ✓ Extended the municipal fibre optic network to downtown Parkade for increased speed and reliability.
- ✓ Hired a replacement for the Corporate Network Specialist position.

Corporate Applications Division....supporting the applications of the organization

Mandate
The Corporate Applications Division is responsible for supporting the applications the corporation uses as a municipal services provider by:

- ✓ Providing application support for bookings, permits, licensing, on-line maps, and geospatial data
- ✓ Acting as a gateway between the City and external sources for geospatial, parcel, and ownership data
- ✓ Facilitate advisory groups, steering committees, and user groups in support of application governance

Key Accomplishments in 2014
- ✓ Upgraded to ERP (JDE) application from version 8.1.2 to 9.1
- ✓ Upgraded Buildings Permit/Licensing (Amanda) application to Web-based version.
- ✓ Upgraded Program Registration (CLASS) application and Payment Server.
- ✓ Completed Time and Attendance review for JDE – Human Resources.
- ✓ Developed Process Map and recommendations for Work & Asset Management (WAM) application.
- ✓ Developed Data Warehouse workplan and governance strategy.

Projects and Business Services....Providing IT Services to the Organization
This IT Division is comprised of three sections; GIS (Geographical Information Systems), IT-PMO (Project Management Office), and Web Services.
GIS Mandate: To provide leadership and support to City departments through GIS technology services and innovation.

Key Accomplishments in 2014
- ✓ Completion of GIS Technology Plan
- ✓ Completion of upgrade of all ArcGIS products across the City
- ✓ Completion of poll boundary study and changes to support 2014 election

Project Management Office Mandate: To develop project and program management strategically focusing on Governance, Financial, Risk, Resource, Quality, and Scope management. The team is responsible for project prioritization, process improvement, and strategic project planning with IT and City staff.

Key Accomplishments in 2014
- ✓ Upgrade of Project Portfolio Management tool – Eclipse
- ✓ Expansion of Eclipse to include pilots in Solid Waste, Planning and By-law
- ✓ Implementation of a project change management process
- ✓ Implementation of technology and business processes to address Canada's Anti-Spam Legislation
- ✓ Completed the modernization of security system for City Hall, Courts, Waterworks, and River Run

Web Services Mandate: To develop and support the City's public web site (guelph.ca) and internal Intranet. The team fosters new web technologies and the development of e-business strategies utilizing social media like Facebook, Twitter, and YouTube.

Key Accomplishments in 2014
- ✓ Supported 1st online voting for municipal election
- ✓ Creation and deployment of new River Run Center website
- ✓ Development and support of Open Data catalog
- ✓ Development and deployment of Priority Customer Online Enrolment System – Water Services
- ✓ Rebuilt Guelph-Wellington Immigration website

2015 and Beyond

2015 IT Workplan

CTSP Priorities for 2015	Description	Target
Business Continuity Plan (Phase 2)	Implement the framework for a cloud based Corporate Business Continuity platform	Apr 2015
Buildings and Inspection System	Implement recommendations from Fit-Gap Analysis for Amanda corporate application	Jun 2015
Work & Asset Management System	Implement process standardization for WAM corporate application	Jun 2015
Transit Technology Plan	17 month project to implement the IT infrastructure and integration needs for Transit	Jul 2015
Geographical Information System	Develop and deploy easement layer and 311 system on GIS (Budget dependent)	Sep 2015
Enterprise Resource Planning System	Implement recommendations from HR Fit-Gap analysis into JDE (Resourse dependent)	Sep 2015
Data Warehouse	Master Data Management Pilot – Address Master File	Sep 2015
Cloud Strategy	Develop a Cloud Strategy scalable to optimizing business value	Nov 2015
Information Management	Develop a roadmap for Information Management	Nov 2015
Collaboration Platform/Office 365	Investigate SharePoint cloud collaboration platform and Office 365 migration	Dec 2015
Help Desk Improvements	Implement recommendations from Customer Satisfaction Survey	Dec 2015
CTSP Phase 2 Scoping	Finalize scope of CTSP Phase 2 - Digital Business Plan	Dec 2015
Customer Relationship Management	Perform an assessment to determine corporate needs and options for cloud solution	Dec 2015
Operational Priorities for 2015	Comments	
Remote Access Upgrade	Redesign and implement latest version of remote access system for applications	Jul 2015
Mobile Device Management	Upgrade Management System for BlackBerrys, Apple, Android, & Windows Mobile Devices	Sep 2015
Server Virtualization	Implement a VMware server virtualization presence at the backup data centre	Jun 2015
Hardware Life Cycle Replacements	Replace Servers, Mass Data Storage, Network Devices, Wireless, Firewalls, and Email/Web Gateways, desktops, printers, and voice equipment according to Life Cycle timelines	Dec 2015
Database Upgrades	Upgrade existing SharePoint, MS-SQL, and Oracle databases with latest supported version	Dec 2015
Web Services	Redesign Sleeman Centre & Museum websites, update Guelph.ca for IOR program and CMT	Dec 2015
2015 IT Annual Report	IT management will prepare the yearly performance report for the year 2015	Apr 2016
Priority Projects for 2015	Comments	
Departmental Realignment	Functional realignment of the department to support evolution of IT	May 2015
Performance Management	Deploy a continuous improvement cycle to track progress of recommendations made herein	Jun 2015
Wastewater POC Building	Provide network connectivity, redesign underbuilding fibre-optics, wireless access	July 2015
Joint Wireless	Replace the corporate digital radio system	Sep 2015

E911	Replace the legacy 911 Emergency system at the main Fire Station	Dec 2015
Guelph Police Services	Secure network connectivity, access to security videos, Command Vehicle integration	Dec 2015
BYOD (Bring Your Own Device)	Pilot a project that allows staff to use their personal mobile devices for business purposes	Dec 2015

End of Report
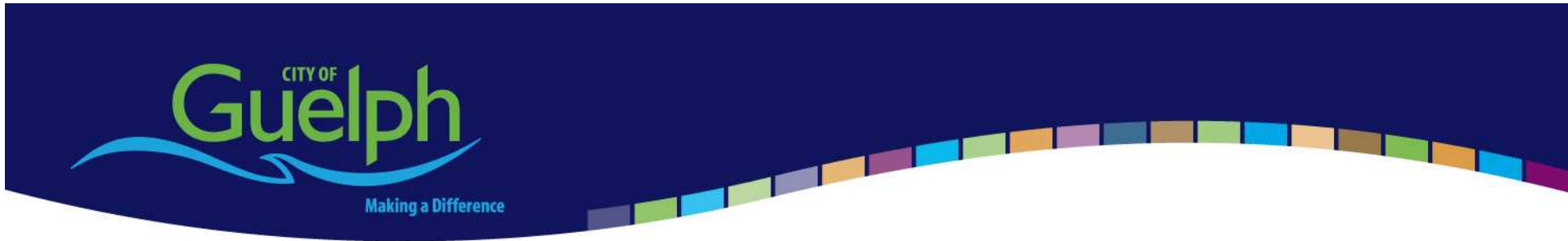
Finance Department's 2014 Annual Report

Financial Planning & Budgeting
- Long Range Financial Planning
- Budget Preparation
- Variance Reporting
- User Fee & Rate Analysis

Financial Reporting & Accounting
- Accounts Payable & Receivable
- Cash Flow Management & Investments
- Year End Financial Statements & FIR
- Capital Accounting
- Asset Management

Taxation & Revenue
- Billing, Payment Options & Collection
- Management of Tax Receivables & Tax Roll
- Management of Assessment Roll
- Preparation of Tax Policies & Tax Rates

Procurement & Risk Management
- Manage full cycle procurement process
- Manage the City's insurance portfolio
- Administer the tendering function

2
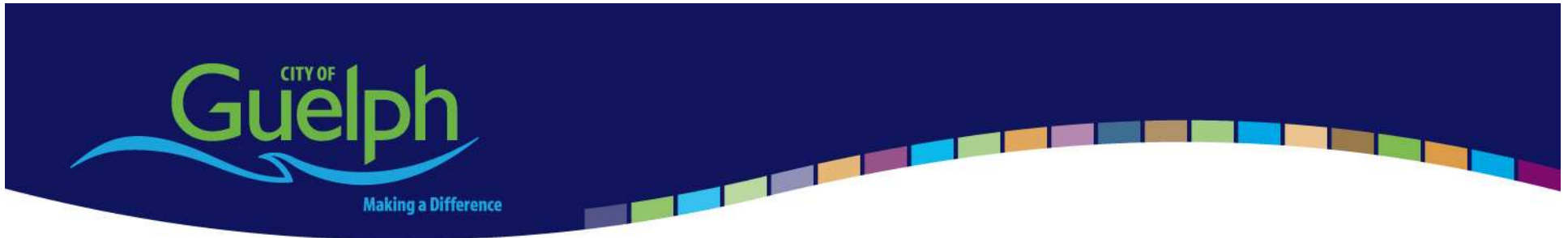
2014 Key Initiatives

✓ Supported the JD Edwards Financial System upgrade

✓ Provided financial expertise and support to a number of corporate projects and strategic initiatives

✓ Received Council approval of the Development Charge Background Study & By-law

✓ Continued to monitor and reduce taxes receivable

2014 FINANCE DEPARTMENT
PERFORMANCE DASHBOARD

ACCOUNTABILITY & TRANSPARENCY

\ — Amount of time budget is available for review by Council & the Public

\ — Number of Operating & Capital variance reports provided to Council

- — Discretionary reserve as a % of own source revenue

CASH FLOW MANAGEMENT

+ — Rate of return on cash and investments

- — Taxes Receivable as % of Taxes levied

\ — Credit Rating Score provided by Standard and Poors

PROCUREMENT & RISK MANAGEMENT

- — Annual value of claims per year

/ — Controls in place to ensure purchases are linked to approved budgets

+ — Outcome of reviews conducted by internal audit

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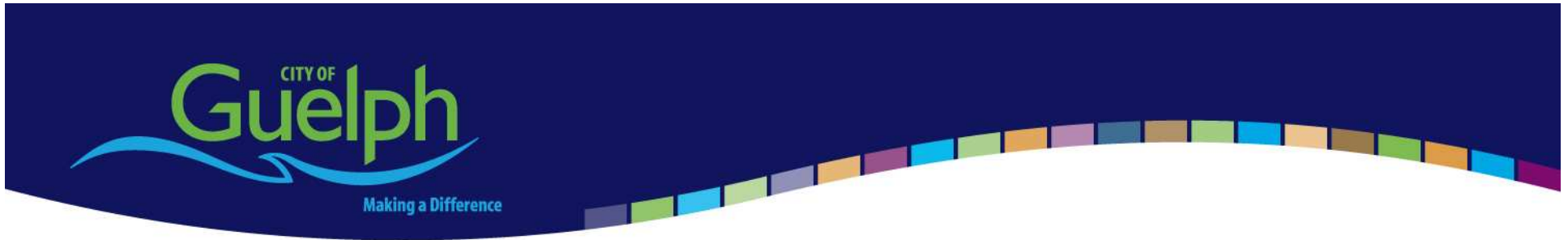
2015 and Beyond

➢ Lead 2016 Budget Process

➢ Implement Electronic Funds Transfer

➢ Investigate and implement self-service tax applications

➢ Select a new External Auditing Firm
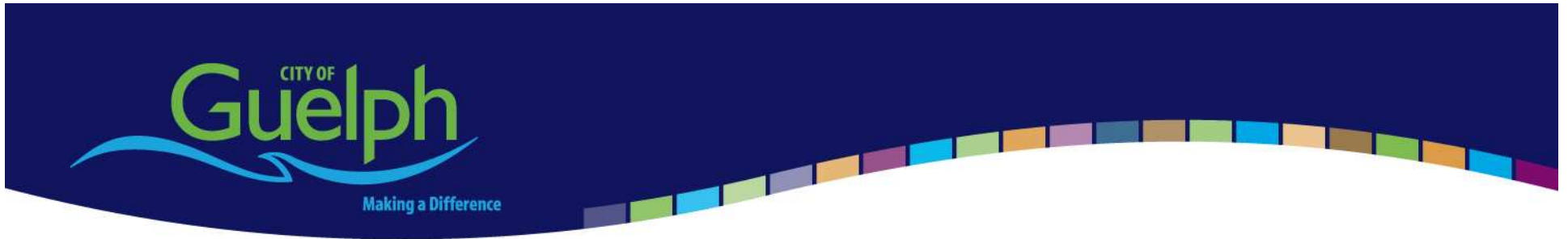
Questions or Comments?

STAFF REPORT

TO	Corporate Service Committee
SERVICE AREA	Corporate Services
DATE	May 4, 2015
SUBJECT	**Finance Department's 2014 Annual Report**
REPORT NUMBER	CS-2015-31

EXECUTIVE SUMMARY

PURPOSE OF REPORT
To present the Finance Department's 2014 Annual Report.

KEY FINDINGS
- information on departmental and corporate initiatives is provided for the year 2014
- measurements against key performance indicators are presented using a dashboard/scorecard approach
- benchmark comparisons are provided where possible
- activities are identified where improvement is required

FINANCIAL IMPLICATIONS
All future funding requirements will be identified where applicable and incorporated into the 2016 budget process.

ACTION REQUIRED
To receive the report for information.

RECOMMENDATION
That CS-2015-31 Finance Department's 2014 Annual Report be received for information.

BACKGROUND
City of Guelph Departments are required to submit an annual report describing the activities and accomplishments for the previous year. The annual report provides information and analysis of the department's performance.

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.

The Finance Department's Annual Report has been developed including the following sections:

Key Initiative Summary containing highlights of key department initiatives throughout the reporting year.

Dashboard and Scorecard containing visual interpretations of the department's data analysis, trends and targets.

2014 Corporate and Department Accomplishments outlining those initiatives that have improved internal processes resulting in efficiencies and the streamlining of work.

Activities Identified for Improvement includes a brief overview of the focus of activities moving forward.

This is the 4th year of producing the Finance Department's Annual Report. There have been varied results in the dashboard indicators; full explanations for which can be found in the report itself as well as actions geared towards improving performance.

Throughout 2014, the Finance Department undertook several key projects and initiatives to improve the City of Guelph's financial position and the way we do business.

Highlights of 2014 successes include:
- Made significant contributions to the JD Edwards Financial system upgrade;
- Co-ordinated the submission of a request to the Province of Ontario seeking approximately $917,000 in assistance to help offset costs incurred as a result of the December 2013 Ice Storm and
- Provided financial expertise and support to corporate projects including: the designation of the Elliott, amalgamation of Guelph Holdings Inc. and Guelph Municipal Holdings Inc., the Parking Study, the Guelph Economic Investment Fund, OPA 43 Analysis, the Urbacon Settlement, the Corporate Technology Strategic Plan, and the Storm Water Funding Study

In addition to these projects, it is important to recognize the work done within the department to ensure that the City of Guelph is meeting its legislative requirements and that a financial framework is in place to safeguard the Corporation's financial assets. The Finance Department's 2014 Annual Report will highlight these accomplishments.

CORPORATE STRATEGIC PLAN
Innovation in Local Government
2.3   Ensure accountability, transparency and engagement.

DEPARTMENTAL CONSULTATION
N/A

COMMUNICATIONS
N/A

FINANCIAL IMPLICATIONS
N/A

ATTACHMENTS
ATT-1   Finance Department's 2014 Annual Report

Sarah Purton
Report Author

_____
Approved By
Janice Sheehy
GM Finance/Treasurer
519-822-1260 ext. 2289
janice.sheehy@guelph.ca

_____
Recommended By
Mark Amorosi
Deputy CAO, Corporate Services
519-822-1260 ext. 2281
mark.amorosi@guelph.ca

FINANCE DEPARTMENT'S 2014 ANNUAL REPORT
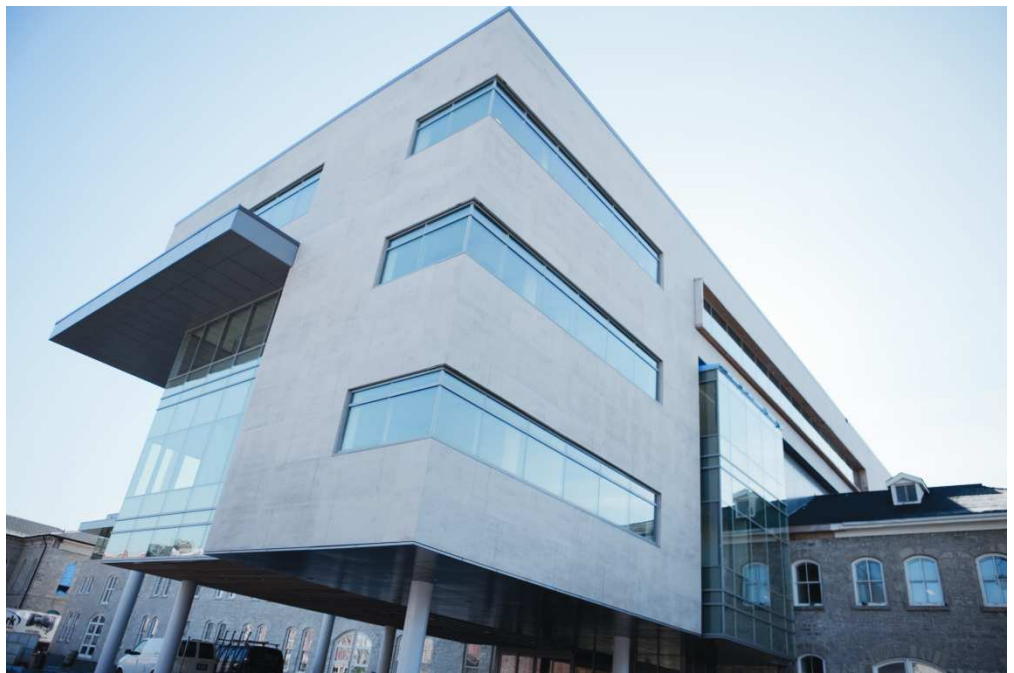
FRAMING OUR FINANCIAL FUTURE...

This report focuses on how the City of Guelph's Finance Department plays a key role in Framing Our Financial Future. It will discuss the Finance Department's structure, departmental and corporate accomplishments, our 2014 performance and our focus for 2015.

INTRODUCTION

This Annual Report will provide an overview of the work done by the Finance Department, highlight our 2014 accomplishments, the financial position of the Corporation as a whole and outline those activities that have been identified as a priority in 2015.

This report is organized under the following sections:

- The Finance Department
- 2014 Departmental and Corporate 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:

Financial Planning & Budgeting	Financial Reporting & Accounting	Taxation & Revenue	Procurement & Risk Management
Long Range Financial Planning	Accounts Payable & Receivable	Billing, Payment Options & Collection	Manage full cycle procurement process
Budget Preparation	Cash Flow Management & Investments	Management of Tax Receivables & Tax Roll	Manage the City's insurance portfolio
Variance Reporting	Year End Financial Statements & FIR	Management of Assessment Roll	Administer the tendering function
User Fee & Rate Analysis	Capital Accounting Asset Management	Preparation of Tax Policies & Tax Rates	

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:

- Year End Surplus Allocation Policy (2014)

- Property Tax 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; Investment Policy; Tax Billing & Collection Policy (2011)

- Debt Management Policy; General Reserve & Reserve Fund Policy (2009)

2014 DEPARTMENTAL AND CORPORATE ACCOMPLISHMENTS

Department Accomplishments & Statistics

2014 Finance Facts....

Department Net Budget: $2.36 million

# of Accounts Payable Invoices Processed: 35,194

# of Accounts Receivable Invoices Processed: 10,359

# of Insurance Claims: 350

# of Contracts Issued: 193

# of Tax Bills Printed: 85,600

Value of Tax Revenue Collected: $260,880,098 (includes school board, arrears & penalties)

- Increased our employee engagement results from 17% to 42%, in line with the rest of the City
- Developed and implemented a Departmental Action Plan to improve employee engagement in response to the 2014 Employee Engagement Survey results
- Participated in consultation sessions with the Province of Ontario around the *Development Charges Act, 1997* including the drafting of a Council endorsed submission to the Province outlining the City's position on the Act
- Prepared and submitted 47 Staff Reports to Council or Committee
- Supported Council orientation through an "Introduction to Budget and Finance" and In-depth Budget sessions
- Offered operating and capital budget process training sessions to all City staff
- Offered year end training sessions to all City staff
- Fully implemented multi-year operating budgeting into the City's budgeting software to allow for enhanced departmental input
- Membership on multiple Corporate Technology Strategic Plan working groups or steering committees including JDE, WAM, GIS and AMANDA
- Completed or updated five Council approved policies as follows:
  - o Year End Surplus Allocation Policy (2014)
  - o Property Tax Policy (2014)
  - o Purchasing Policy By-law 2014-19771(2014)
  - o Policy for the Selection and Appointment of the External Auditors (2014)
  - o Policy for the Implementation of PS 3260, Liability for Contaminated Sites (2014)
- Held corporate training sessions on the use of the chart of accounts which will result in more accurate reporting for all departments

During 2014, the Finance department accomplished several key initiatives that will benefit the entire Corporation and improve internal processes resulting in efficiencies and streamlining of work. These accomplishments are highlighted below:

Corporate Accomplishments

- Provided leadership to the JDE financial system upgrade which was successfully rolled out across the City in December
- Prepared the analysis that supported deferring the planned external debenture issuance which resulted in savings for 2014 of approximately $178,000 for the City
- Transitioned to monthly reporting of tangible capital assets and developed an asset management policy as per Provincial requirements. The **chart below** demonstrates how the City's tangible capital asset and reserve contribution have been trending.
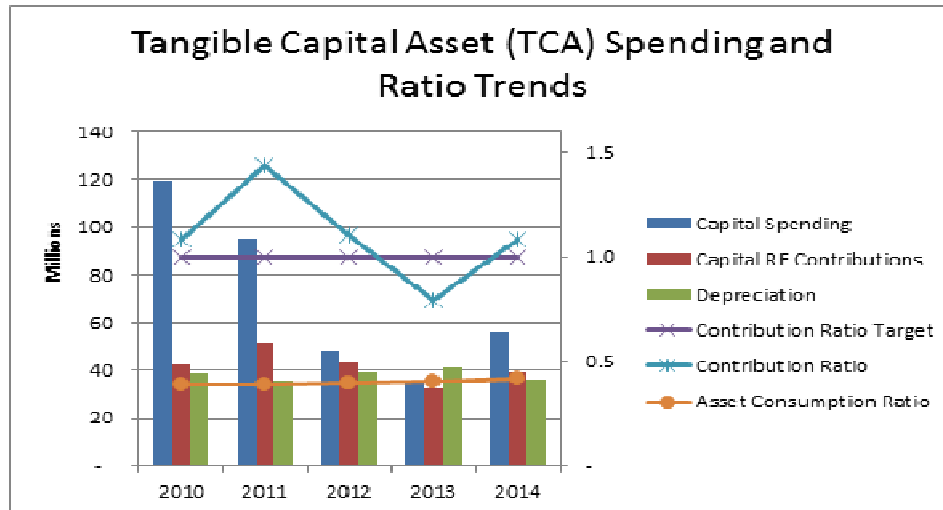
- Led the City team that received Council approval of the 2013 Development Charge (DC) Background Study and 2014 By-law with no OMB appeals
- Continued to monitor taxes receivable positioning Guelph as one of the municipalities with the lowest receivables among the City's comparator group
- Supported the Office of the CAO with the development of Business Case Tools for use across the corporation
- Provided financial expertise to corporate strategic initiatives including: Designation of the Elliott, Amalgamation of GHI and GMHI, Parking Study, Guelph Economic Investment Fund, OPA 43 Analysis, Urbacon Settlement, Corporate Technology Strategic Plan, and Storm Water Funding Study
- Coordinated the submission of a request to the Ice Storm Assistance program requesting $917,000 to assist with costs incurred as a result of the December 2013 Ice Storm

- Implemented the new bids and tenders website

PERFORMANCE DASHBOARDS AND TRENDS

The **2014 Performance Dashboard** shown below demonstrates how the Finance Department is trending in selected areas of accountability and transparency, cash flow and risk management. Items marked in green on this dashboard indicate that the measure is trending positive; 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, a "+"indicates a year-over-year improvement to the measure, while a "–"indicates a negative year-over-year change. A "\"indicates that the measure has not changed over the prior year.

2014 FINANCE DEPARTMENT
PERFORMANCE DASHBOARD

ACCOUNTABILITY & TRANSPARENCY

(\ ) Amount of time budget is available for review by Council & the Public

(\ ) Number of Operating & Capital variance reports provided to Council

(-) Discretionary reserve as a % of own source revenue

CASH FLOW MANAGEMENT

(+) Rate of return on cash and investments

(-) Taxes Receivable as % of Taxes levied

(\ ) Credit Rating Score provided by Standard and Poors

PROCUREMENT & RISK MANAGEMENT

(-) Annual value of claims per year

(/) Controls in place to ensure purchases are linked to approved budgets

(+) Outcome of reviews conducted by internal audit

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 2014, the time available for review remains largely unchanged from prior years. For the 2015 budget process, the strategy for public engagement into the budget process is being reviewed.

\ Number of operating and capital variance reports provided to Council

In 2014, staff provided five operating variance reports and four capital activity reports to Committee and Council (this is unchanged from prior years). This is in accordance with the schedule that is approved by Council on an annual basis at the beginning of each fiscal year.

- Discretionary reserves as a % of own revenue

Currently, discretionary reserves are not at the appropriate level as per the City's General Reserve and Reserve Fund Policy; finance will continue to work with City staff to recommend options to improve the reserve balances in the future.

CASH FLOW MANAGEMENT

+ Rate of return on cash and investments

The 2014 rate of return on investments increased from 2.165% in 2013 to 2.395%. This increase was achieved through purchasing investments with a longer maturity date and therefore a higher rate of return, in addition 2014 was the first full year our operating bank account was with the TD bank which pays a higher rate of return on our daily cash balance.

- Taxes receivable as a % of Taxes levied

The City continues to reduce its outstanding taxes receivable and is in a favourable position relative to our municipal comparators. The negative year over year change in 2014 relates to a slight one-time increase relative to the historically low level of receivables experienced in 2013.

\ Credit Rating Score provided by Standards and Poors

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 "very strong economic fundamentals, budgetary flexibility, exceptional liquidity position and low debt burden." The credit rating also reflects S&P's view that Guelph demonstrates strong financial management based on its very low level of contingent liabilities, low debt levels and strong liquidity which fare much better than many municipalities in Ontario.

PROCUREMENT AND RISK MANAGEMENT

- Annual value of claims per year

An increase in the volume of claims by approximately 10% was offset by a reduction in the deductible payout.

/ 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.

+ Outcomes of reviews conducted by internal audit

Based on the audit in 2013, controls are in place to ensure compliance and conformance to policy and procedures.

ACTIVITIES IDENTIFIED FOR IMPROVEMENT/GOING FORWARD

For 2015 the following activities/tasks will be a focus:

- Develop and deliver the 2016 operating and capital budgets for the Corporation for Council deliberation and approval. This will be done in conjunction with receiving Council's input on the budget process through a formal debrief session to be held in May 2015
- Gain a deeper understanding of the proposed changes to the *Development Charges Act, 1997* and how those revisions may impact the City. This will be done through consultation with various associations including the Association of Municipalities of Ontario (AMO) and the Municipal Finance Officers Association (MFOA) as well as participation in a Provincial Working Group (if invited)
- Support City departments in various initiatives including the Parking Master Plan, Water and Wastewater Rate Review and the Transit Priority Project
- Coordinate the transfer of in person tax payments to ServiceGuelph

- As outlined in the Court Services Annual Report, implement tax rolling of eligible POA debt
- Initiate the implementation of a telephone queuing system for tax inquiries
- Through a Request for Proposals (RFP) select a new External Auditing firm.
- Implement PS 3260 – Liability for Contaminated Sites
- Implement Electronic Funds Transfer for vendors (resulting in reduced processing costs and improved timeframes for payments)

SUMMARY

In summary, the **Finance Department's 2014 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, both on its own and as part of a larger corporate team.

This report also draws connections to the work Finance has done throughout 2014 and how this benefits and provides added value to the Corporation as a whole. Maintaining the City's AA+ credit rating from Standards & Poor's will provide cost savings to the City of Guelph as well as providing a third party opinion on the state of the City's finances and overall economy. The Department also made significant contributions to on-going work around the City's financial systems. The information provided by Finance, including budget documents, year-end reports and tax and purchasing policies demonstrate the commitment to financial responsibility and act as a check and balance to ensure compliance with the City's numerous financial policies and procedures. These same documents also provide guidance with respect to areas for improvement to ensure that the Department and Corporation are keeping up-to-date with important changes in the broader municipal community.

STAFF REPORT

City of Guelph — Making a Difference

TO	Corporate Services Committee
SERVICE AREA	Corporate Services
DATE	May 4, 2015
SUBJECT	**Report of the Returning Officer on the 2014 Municipal Election**
REPORT NUMBER	[CS-2015-42]

EXECUTIVE SUMMARY

PURPOSE OF REPORT

To provide Council with an overview of the 2014 City of Guelph Municipal Election.

KEY FINDINGS

The City of Guelph saw an increase in voter turnout in 2014. In addition, election service enhancements were delivered to Guelph residents in the form of vote anywhere convenience and online voting. The quality of voters' list data provided by MPAC remains a concern and the hiring of skilled Election Day staff also remains challenging.

FINANCIAL IMPLICATIONS

The City historically budgets a portion of the cost of an election each year. Any additional costs associated with the 2018 election will be identified after staff have investigated and identified potential enhancements to our election processes and procedures.

ACTION REQUIRED

Receive Report of the Returning Officer.

RECOMMENDATION

THAT the report of the Returning Officer for the 2014 Municipal Election be received for information.

STAFF
REPORT

BACKGROUND

In 2014, over 89,000 eligible voters had the opportunity to vote at advance polls over five different days and at three separate voting places. On Election Day, the City offered 47 voting places located throughout the City's Ward which supported the consideration of 69 candidates running for 13 elected offices. Of the 89,947 eligible voters on the voters' list, 38,933 of those individuals cast ballots in our election, representing a 45% turn-out – an 11% increase over 2010. In addition, as a result of a close race in Ward 3, a recount was conducted and completed prior to the December 1, 2014 inaugural.

REPORT

Municipal elections, unlike provincial or federal election events, have multiple races, potential referendum questions, and must consider matters of school support. The 2014 election required 30 distinct ballot types to reflect the six wards and the five distinct school support criteria for each ward.

The remainder of this report will outline the processes met during the 2014 election event in relation to:

> Vote Equipment and Technology
> Voting Methodology
> Voting places
> Recruitment of workers
> Voter outreach/Communications
> Voters List
> Recount
> General Voting Statistics
> Looking forward to 2018

Voting Equipment and Technology

Guelph, like many other Ontario municipalities, uses optical scanning vote tabulation equipment. This technology has been in use for over twenty years, and is renowned for its superiority and accuracy over a manual count. This was the third consecutive election where the poll-by-poll count tabulators were used for paper casting of ballots in Guelph.

The system uses a composite ballot which contains all offices and questions. The voters cast their ballots by using a special marking pen to mark a box corresponding to the candidate of choice. The ballots are fed into a vote tabulator which reads the ballot as it is deposited into the ballot box and stores the information. At the close of polls, the tabulators print out cumulative totals of all votes cast. In addition, the results are stored on a memory card which is uploaded

into the election reporting software at the returning centre. The reporting software totals the votes City wide and publishes the results to the City's website.

Each of the three locations used for the Advance polls and one "super poll" location in each ward on Election Day, were fully equipped with accessibility features on the tabulators that included sip and puff, paddles and keyboard.

Voting Methodology

Also in 2014, the City operated electronically networked voters' list on Election Day which allowed electors to vote at any one of the three advance poll voting locations and vote anywhere at any voting location within their ward on Election Day.

In 2014, the advanced in person polls increased to five (5) days from three (3). In addition, the City offered online voting which took place over eighteen (18) days. The total number of advanced voting hours increased significantly in 2014 due to the implementation of the online voting option. The online voting period along with the concurrent advance in-person voting days gave residents 432 hours to vote in addition to the ten (10) hours on election day for a total of 442 hours.

Voting Places

Changes to the *Municipal Elections Act* in 2010 required the City to use only voting places that are fully accessible to persons with disabilities.

In 2014, City staff conducted a review of potential voting locations. This review consisted of staff physically visiting each location, speaking with an on-site representative, measuring space and making note of anything that could affect accessibility. In determining whether or not a voting place was accessible, staff considered the following criteria:

• Grade of accessibility ramps
• Width of doors
• Unobstructed interior routes
• Lighting
• Presence of stairs
• Availability of accessible parking spaces
• Availability of passenger loading zones
• Parking lot and pedestrian surfaces

In addition and in line with election accessibility, voting locations are mandatory in institutions in which, on nomination day, 20 or more beds are occupied by persons who are disabled, chronically ill or infirm and a retirement home in which, on nomination day, 50 or more beds are occupied

In 2014, a unit in the Stone Road Mall was utilized and used as a voting location on both advance voting days and Election Day.

Also, in order to make more effective use of election resources, staff established one voting place for all on-campus University residents within the voting subdivision. This poll was centrally located within the area at Harcourt United Church and on-campus students, off-campus students, and permanent residents within the voting subdivision voted at this location.

Recruitment of workers

An early success was the active recruitment of City staff to work at voting locations, the majority of whom served as Managing Officers. City employees were designated as Managing Officers at advance polls and Election Day which facilitated a leadership position at each location.

A key success in the administration of any election event is the knowledge and skill level of outside workers hired to staff voting places. This also represents a significant challenge given the need to hire a large contingent of temporary staff, the bulk of who only work on Election Day.

Staff offered training sessions and hard copy training materials in order to make outside Election Day staff aware of their responsibilities, however challenges continue to exist when attempting to recruit such a large amount of temporary workers. For example, it is inevitable that some Election Day resign prior to the election. In order to mitigate these challenges, City staff is required to over-recruit external workers in order to ensure backups are in place.

Efforts were made within the worker recruitment process to ensure a wide range of languages were spoken by workers at the polls.

The following is a breakdown of the number of poll workers required for this year's election:

POSITION TITLE	NUMBER
Managing Officers	41
Ballot Officers	103
Tabulator Officers	51
Revision Officers	47
Greeters	09
TOTAL	251

Voter outreach/communications

The City actively engaged voters in this election. The communications strategy included print advertisements throughout the months of September and October in

both local newspapers, radio ads on CJOY/Magic, and providing election information for the University of Guelph students. Key messaging revolved around checking the voters' list and confirming information, watching for voter notification cards, promoting advance voting, and the requirement for voters to produce identification.

Extensive information was made available on the Guelph Votes web-site. Similar to the service offered in advance of the 2010 election, electors had the ability to access an on-line look up tool to determine if they were on the voters' list and subsequently find their voting location.

Since January 2014, the Guelph Votes web-site and its sub-pages received a total of 251,966 page views and 171,107 unique page views. As Election Day approached, the average time spent on the site increased.

Starting on June 25, 2014, communication and marketing efforts focused on encouraging residents to verify their voter information through the Municipal Property Assessment Corporation's (MPAC) voterlookup.ca tool.

During the first month of offering the voterlookup.ca tool, 608 searches were conducted by Guelph residents. Amongst all Ontario municipalities, Guelph was the fourth highest on the list of searches conducted using the tool. When voterlookup.ca closed, 3,278 searches had been conducted by Guelph residents. In total, there were 926 changes made to residents' information which includes names added and updated.

When the voters' list was delivered to the City, staff, with the assistance of a similar tool, processed 894 new additions to the voters' list, 210 updates to existing electors, 418 declined requests to be added/updated for a total of 1,522 requests.

Another success of the Communications Strategy is related to the use of social media communications commencing at the end of June 2014 and until the 2014-2018 Council was officially announced on October 28. Over this four month period, the City issued 144 original tweets, which generated 704 re-tweets. The City also responded to 69 questions or comments. All City tweets generated 345,736 impressions, 738 re-tweets, 71 replies, 3254 URL clicks and 119 hash tag clicks. The City used #guelphvotes for the duration of the election.

On Facebook, the City posted 63 messages which reached 73,642 people (not unique individuals, cumulative). The 63 posts also generated 661 'likes', were shared 166 times and drew 191 comments. The total number of comments includes the City's response to questions generated under the post.

STAFF REPORT

Voter's List

Under the *Municipal Elections Act*, the voters' list for municipal elections is prepared by the Municipal Property Assessment Corporation (MPAC). MPAC uses a variety of

sources to produce the list, including its own database on property ownership and tenants and data sharing efforts with the National Registry of Electors from

Elections Canada. In Ontario, there is no compulsory requirement for residents to provide MPAC with correct information for voting purposes.

The preliminary list of electors is received by the City Clerk's Office by August in the year of an election. While home ownership information is mostly accurate, information relating to tenants is often dated and incomplete. As part of a data cleansing exercise, the City Clerk's Office staff examined the preliminary list of electors for duplicate names, name anomalies, and other errors.

The voters' list is then subject to a revision period which begins the day after Labour Day and ends on Election Day. Despite these efforts, voters' list errors are difficult to avoid given the challenges with the initial information provided by MPAC. Some of the major inclusions and errors on the list include:

•   Names of deceased persons,
•   Names of children who no longer live with their parents,
•   Names of persons who have moved since enumeration in the spring, and
•   Names of university students added to the list in 2010.

Online voting represented another success with 12,768 ballots cast online between October 7 and October 24, 2014.

Recount

At their meeting on November 17, 2014, City Council directed that the City Clerk recount the ballots cast for office of Councillor, Ward 3. At the conclusion of the recount held on November 18, 2014, the results remained the same as the official results released on October 28, 2014.

General Voting Statistics

Voter participation increased 11% over 2010 (up to 45%) with 38,933 ballots cast online, advanced in person and on Election Day. There were 12,768 ballots cast online between October 7 and 24. The list below outlines historical voter turnout data from previous City of Guelph elections.

HISTORICAL VOTER TURNOUT	
Year	Percentage
2014	45%
2010	33.91%
2006	39.76%
2003	36.75%
2000	42.56%
1997	36.63%
1994	35.52%

According to the Internet Voting Project post-election survey conducted by the Munk School of Global Affairs at the University of Toronto (attached), 98% of Internet voters were satisfied within the online voting process.

Additionally, a statistically significant, City sponsored public opinion telephone survey conducted by Oraclepoll in November 2014 (attached), showed that 84% of voters were confident in the security surrounding the voting process (online and in person combined).

Looking forward to 2018

Although early in the 2018 election cycle, the following are matters that the City Clerk's Office will be working on and monitoring for preparation for the 2018 Municipal Election:

The Council Composition and Employment Status Review project will, in part, address ward boundary considerations for 2018.

Given successes in 2014, continued investigation of the expansion of internet voting as an enhanced level of electoral services to the electorate.

Monitoring of the Provincial mandate which is exploring ranked balloting as an option alongside the current "first-past-the-post" system.

CORPORATE STRATEGIC PLAN

2.2   Deliver public services better
2.3   Ensure accountability, transparency and engagement.

STAFF REPORT

Prepared by
Marilyn Hoffmann,
Administrative Co-ordinator

_____   _____
Recommended By   **Approved by**
Stephen O'Brien   Mark Amorosi,
City Clerk and Returning Officer   Deputy CAO, Corporate Services
519 822-1260 Ext. 5644   519 822-1260 Ext. 2281
stephen.obrien@guelph.ca   mark.amorosi@guelph.ca

COMMITTEE REPORT

CITY OF
Guelph
Making a Difference

TO   **Corporate Services Committee**

SERVICE AREA   Corporate Services
DATE   May 4, 2015

SUBJECT   **2014 Delegation of Authority Report**
REPORT NUMBER   CS-2015-39

SUMMARY

PURPOSE OF REPORT:
To advise of staff action with respect to Council's delegated authority in 2014 relating to those services under the jurisdiction of this standing committee.

KEY FINDINGS
This report is an annual report back to Committee and Council on how authority, which has been delegated to staff, has been exercised.

FINANCIAL IMPLICATIONS
As this is an annual reporting mechanism, there are no financial implications.

ACTION REQUIRED
To recommend that Committee receive the information contained in the report.

RECOMMENDATION

1. That the report dated May 4, 2015 entitled "2014 Delegation of Authority Report", with respect to delegated authority under the purview of the Corporate Services Committee be received.

BACKGROUND

The *Municipal Act* provides Council with the authority to delegate its powers to a person or body subject to some noted restrictions. Over the years, Council has delegated their authority on various matters either by way of a resolution of Council or through a specific by-law. By-law (2013)-19529 regarding "Delegated authority with respect to a variety of routine administrative functions which are considered to be minor in nature" is the principal reference related to Council's existing delegations of authority under the purview of the Corporate Services Committee.

REPORT

The delegation of authority from Council contributes to the efficient management of the City while still adhering to the principles of accountability and transparency. The following is a summary of the actions taken in 2014 with respect to authority delegated by Council.

By-law (2013)-19529		
Schedule "B" **Software** **Licensing** **Agreements** Delegate: *General Manager* *Technology &* *Innovation*	**Company Name**	**Maintenance & Updates - Coverage**
	The Active Networks	Class Software (Program Registration/FacilitiesBooking) and Payment Manager. Yearly Maintenance. (Renewal)
	Dell	MS Select – 3 year from 2007 (RFP: MGS-RFP-MSLAR-2007)/ MS Select Agreement 75S61590. (Renewal)
	Cherwell	IT Service Management Software. Yearly Maintenance. (New)
	CSDC	Amanda System (Licensing, Building Permits, Planning). Yearly Maintenance. (Renewal)
	ESRI	GIS – Global Positioning Software Yearly Maintenance. (Renewal)
	Insight	Adobe Yearly Maintenance. (Renewal)
	Geoware Inc	Solid Waste – Weight and Scale Software. Yearly Maintenance. (Renewal)
	JBS – Jacobs Business Systems	Guelph Wellington EMS. Work Scheduling Software. Yearly Maintenance. (Renewal)
	Kronos	Time, Attendance, Scheduling and Payroll Software. Yearly Maintenance. (Renewal)
	Mid-Range	Reports Now Software (JDE and AMANDA Reporting utility) (Renewal)
	Oracle	Oracle Database Support and Licensing (Renewal)
	Oracle – ECM	Oracle Document Management Utility Yearly Maintenance and Support. (Renewal)
	Oracle - JDE	Oracle Financial, Human Resource and Payroll Software. Yearly Maintenance and Support. (Renewal)
	Oracle Utilities and WAM	Oracle Procurement and Work and Asset Management Software. Yearly Maintenance and Support. (Renewal)
	Oracle – Global Knowledge	Oracle Education and Training Utility Yearly Maintenance and Support. (Renewal)
	Parksmart	Parking Ticket Software. Yearly Maintenance.
	Q Software	JDE Security Management Yearly Maintenance and Support. (Renewal)
	Quest Software	Oracle advanced database and application Utility. Yearly Maintenance and Support. (Renewal)
	Salesforce.com	CRMS – Customer Management - Application

		Service Provider (Economic Development) Yearly Maintenance and Support. (Renewal)
	Schedule Masters	Transit Scheduling Software Yearly Maintenance and Support. (Renewal)
	Solialmentum	Mindmixer – 5 Year Subscription Fee. (New)
	Solid CAD	Engineering CAD Software support. Yearly Maintenance. (New)
	Solution Q	Eclipse Project Management and Resource Tracking system Yearly Maintenance. (Renewal)
	Team Cain	JD Edwards - Form creation Utility Yearly Maintenance. (Renewal)
	Tix Hub	Ticket Software (Riverrun) Yearly Maintenance and Support. (Renewal)
	Soft Choice Corp	Telephone System Software and Utilities. Yearly Maintenance. (Renewal)
	Vailtech	JD Edwards Tax Software – Support (Renewal)
	Vertex	JD Edwards Payroll Utility. (Renewal)
	Interdev iMedic	Guelph Wellington e-Patient Care Recording-Reporting System. (Renewal)

Schedule "E" Committee of Adjustment Agreement Approvals Under the Planning Act <u>Delegate:</u> *City Clerk*	**Application Number**	**Property**	**Agreement**
Minor Variances	A-56/14	24 Norwich St. E	Parking
Consents	B-9/14	103 Grange St.	Development
	B-9/14	103 Grange St.	Storm Sewer
	B-11/14	154 Ontario St.	Development
	B-11/14	154 Ontario St.	Storm Sewer

Schedule "M" Community Festivals & Special Occasion permits <u>Delegate:</u> *City Clerk*	**Event**	**Date**	**Location**
	GCVI 160th Reunion	May 24	West End Rec. Centre
	Multicultural Festival	June 6,7,8	Riverside Park
	Cat Film Festival	June 21	Riverside Park
	Sacred Heart Annual Outdoor Parish Bazaar	June 27,28	Sacred Heart School
	Rotary Ribfest	Aug. 22, 23,24	Riverside Park
	Guelph Jazz Festival	Sept. 6	Market Square/ Carden Street
	Freshwater Jamboree	Sept. 13	Riverside Park

Schedule "P" Tax Write Offs <u>Delegate:</u>	**Address**	**Reason**	**$Amount**
	129 Surrey St. E	Reduced Assessment	-$234.77
	0 Ontario St.	Gross/Manifest Error	-$262.66

Manager of Taxation & Revenue	8 Terrace Lane	Swimming Pool Removed	-$171.21
	7 Malvern Cres.	Gross/Manifest Error	-$141.37
	255 Summerfield Dr.	Gross/Manifest Error	-$166.95
	24 Crestwood Pl.	Razed by Fire/Demolition	-$4,241.33
	297 Eramosa Rd.	Repairs/Renovation	-$29,505.42
	Plan 61M144 Blk 121	Gross/Manifest Error	-$83.95
	74 Law Dr.	Became Exempt	-$973.29
	19 Simmonds Dr.	Gross/Manifest Error	-$4,083.82
	0 Exhibition St.	Became Exempt	-$159.12
	99 Westmount Rd.	Razed by Fire/Demolition	-$584.25
	415 Woodlawn Rd. W	Razed by Fire/Demolition	-$10,690.62
	765 Woodlawn Rd. W	Razed by Fire/Demolition	-$1,122.91
	953 Woodlawn Rd. W	Razed by Fire/Demolition	-$622.15
	12 Inkerman St.	Razed by Fire/Demolition	-$238.63
	33 College Ave. W	Razed by Fire/Demolition	-$619.16
	25 Manor Park Cres.	Razed by Fire/Demolition	-$7,527.96
	103 Dawn Ave.	Razed by Fire/Demolition	-$58.40
	32 Geddes Cr.	Out of Business	-$82.74
	450 Southgate Dr.	Property Class Change	-$93.78
	24 Downey Rd.	Razed by Fire/exempt	-$2,519.83
	41 Irving Cres.	Razed by Fire/Demolition	-$3,474.37

Schedule "Q" Downtown Guelph Community Improvement Grants Delegate: *Executive Director, Finance and Enterprise* (Now D-CAO CS), *or Corporate Manager, Downtown Renewal*	Type of Grant	Address	$Amount
	Façade Improvement	34 Carden Street	1,353
	Façade Improvement	42 Carden Street	3,789
	Façade Improvement	50 Carden Street	2,000
	Façade Improvement	22 Essex Street	7,057
	Façade Improvement	32-34 Essex Street	7,342
	Façade Improvement	46 Essex Street	10,000
	Façade Improvement	31 Gordon Street	10,000
	Façade Improvement	32 Gordon Street	10,420
	Façade Improvement	5-7 Quebec Street	16,379
	Façade Improvement	27A Quebec Street	1,167
	Façade Improvement	26 Wilson Street	10,000
	Façade Improvement	38 Wilson Street	2,194
	Minor Activation	25 Gordon Street	73,800

Schedule "AA" Section 3 – General Delegation Delegate: *General Manager of Legal Services & Realty Services/ City Solicitor*	Description
	Personal Insurance Co. v. Guelph – Entered into settlement
	Wm Gies Construction v. City – Entered into settlement (dismissal)
	Wm Gies Construction v. City – Entered into settlement (dismissal)
	La v. City – Entered into settlement
	Baker v. City – Defended action commenced against the City
	Louws v. City – Defended action commenced against the City
	Mahoney v. City – Defended action commenced against the City
	Steepe v. City – Defended action commenced against the City

Schedule "AA" Section 7 - Realty	Description
	Telecommunications Lease with Steeves & Rozema Enterprises Limited – 2 Quebec Street

Services	Lease extension and Amending Agreement with Bell Canada Switching Centre at City Wastewater Lands – 530 Wellington Street
Delegate: *General Manager of Realty & Legal Services/ City Solicitor*	Encroachment Agreement - maintain and construct concrete porch steps, etc. - 15 James Street West
	Encroachment Agreement – Commercial Patio – 728 York Road
	Encroachment Agreement – maintain porch, etc. – 32-46 Regent Street
	Encroachment Agreement – maintain portion of existing building wall – 157 & 161 Arthur Street and 12-15 Eramosa Road
	Encroachment Agreement – maintain existing brick wall – 30 Brockville Avenue
	Encroachment Agreement – Commercial Patio – 37-39 Wyndham Street North
	Encroachment Agreement – maintain retaining wall – 23A Fairview Boulevard
	Encroachment Agreement – Commercial Patio – 105 Wyndham Street North
	Encroachment Agreement – maintain permanent fixtures and landscaping – 150 Wellington Street East
	Encroachment Agreement – maintain existing porch and awning – 61 Nottingham Street
	Encroachment Agreement – Commercial Patio – 46 Carden Street
	Construction and Encroachment Agreements with Hydro One Networks Inc.
	Title correction re City and CN land

Schedule "AA" Section 8 – Risk Management **Delegate:** *Manager of Procurement and Risk Management*		**Number of Claims**
	Claims Settlement under deductible in 2014	Settled 37 claims at a total cost of $142,190 consisting of: 9 Loss of Balance 16 Property Damage 12 Pot holes

Schedule "AA" Section 9 – Provincial Offences Court **Delegate:** *Manager of Court Services*	Agreement Description	Amount
	Equifax Canada Co. for credit reporting services- fine collection	$10.002.20
	Teranet Real Estate Information Solutions for GoeWarehouse property information service- fine Collection	$3,295.00
	Province of Ontario- Ministry of Transportation for Driver information- Fine Collection	$250.00
	Regional Municipality of Niagara for Court Administration management System- defaulted Fine Collections Management System	$1,800.00
	Eaton Industries(Canada) for uninterrupted Power Supply(UPS) system- Annual Service Contract	$7,435.40

CORPORATE STRATEGIC PLAN
- Organizational Excellence: 1.3 Build robust systems, structures and frameworks aligned to strategy
- Innovation in Local Government: 2.3 Ensure accountability, transparency and engagement

DEPARTMENTAL CONSULTATION
Service Area staff taking action with respect to a delegated authority in 2014 were canvassed in the preparation of the report. The City Clerk's Office continues to work with staff to capture and document this ongoing action as well as to pursue further opportunities for delegated authority where appropriate.

COMMUNICATIONS
Information regarding the Delegation of Authority policy is available from the City's "Accountability and Transparency" webpage.

Prepared By:
Tina Agnello
Deputy City Clerk

Reviewed By:
Stephen O'Brien
City Clerk
Corporate Services
stephen.obrien@guelph.ca
519 822-1260 X 5644

Recommended By:
Mark Amorosi
Deputy CAO
Corporate Services
mark.amorosi@guelph.ca
519 822-1260 X 2281

STAFF REPORT

CITY OF Guelph
Making a Difference

TO   Corporate Services Committee

SERVICE AREA   Corporate Services

DATE   May 4, 2015

SUBJECT   **2014 Year End Capital Variance Report**

REPORT NUMBER   CS-2015-30

EXECUTIVE SUMMARY

PURPOSE OF REPORT
The purpose of this report is to provide the following: an update on capital project spending compared to actual; a summary of projects approved prior to 2014 but not yet started; a summary of projects where spending is over budget, and details regarding projects closed during the year.

KEY FINDINGS
The 2014 tax supported capital budget was approved at $79.7 million. When 2013 carry-over of $32.6 million was added in, the total available capital funding for the year was $112.3 million. The cumulative unspent budget was $78.0 million. Significant unspent projects include Guelph Police Head Quarters $33.6 million, Road and Storm Reconstruction $8.9 million, Baker Street purchases $8.9 million, Hanlon Creek Business Park $2.8 million and road network expansions $1.7 million. These four projects total $55.9 million or 72% of the cumulative unspent budget.

The 2014 non-tax supported capital budget was approved at $28.9 million. When 2013 carryover of $66.0 million was added in, less budget adjustments (projects closed in year and/or reallocated funding), the total available capital funding for the year was $89.3 million. The cumulative unspent budget was $69.8 million. Significant unspent projects included Water and Wastewater underground network expansion $12.3 million, Wastewater treatment bio-solids expansion $12.8 million, Water and Sewer replacement $8.8 million, Facilities and Equipment renewal $6.1 million, Wastewater Phase 2 expansion $5.8 million, Water Services Burke treatment $5 million total $50.8 million or 73% of the cumulative unspent budget.

Capital expenses through the end of 2014 totalled $54.0 million, compared to $49.3 million for 2013.

FINANCIAL IMPLICATIONS
Proactive monitoring of capital projects to identify both issues and opportunities is critical to ensuring the City is able to use the available funds appropriately.

STAFF REPORT

CITY OF Guelph
Making a Difference

Unspent capital projects represent an underutilization of funding which impacts the City's ability to take on other initiatives. Council approved a more limited 2015 capital budget in recognition of the unspent funds; and to allow departments' sufficient time to "catch up" on outstanding projects.

ACTION REQUIRED
THAT CS-2015-30 2014 Year End Capital Variance Report be received.

RECOMMENDATION
THAT CS-2015-30 2014 Year End Capital Variance Report be received.

BACKGROUND
This report provides a summary of the detailed reporting process that is completed on a monthly basis. Each month capital reports are circulated to all Project Managers (PMs); responses are received and compiled by Finance. Quarterly a summary of this process is provided to Council. At year end, discussions are held with the majority of the PMs to enable a thorough analysis and in depth understanding of the status of each project.

Through the monthly and year end process, PMs and Finance work together to:
- Provide a status update and expected completion date for each capital project,
- Identify risks, such as delays, potential overspending, etc.
- Identify an alternative source of funds for projects that will be overspent,
- Close any completed capital projects in a timely manner.

There are two main types of capital projects: lifecycle and growth. Lifecycle projects are focused on repairing or replacing existing assets to ensure they are able to function as intended to meet the needs of the City. Growth projects are focused on adding to the City's assets either due to population growth or service enhancement.

The timing of projects can be annual, single year or multi-year phased. Annual projects focus on continuous replacement or expansion of assets; ensuring that lifecycle and growth needs are met on an ongoing basis. Single year projects are expected to replace or add an asset within a short period of time; these are typically smaller in both scope and budget. Multi-year projects allow for significant renewal or expansion of assets, generally related to the City's built infrastructure.

REPORT
Current Year Spending

Schedule "A" provides a high level summary as of December 31, 2014 of all open capital projects organized by department.

STAFF REPORT

The unspent budget as of yearend 2014 is of concern due to the impact it has on the City's ability to deal with competing capital needs. With the exception of significant multi-year projects, it is expected that most of these funds will be expended in 2015.

In order to provide additional analysis of the current year activity there are two tables included in this report:

Table A.1 provides further detail on the tax supported projects; Table A.2 provides further detail on the non-tax supported projects.

Tax Supported

Project Type	Project Timing	Budget Carried over from 2013	2014 Budget	2014 Expenditures	Net Budget Adjustment	Ending Unspent Budget
Growth						
	Annual	331,805	1,359,600	391,714	100,887	1,400,578
	Multi-Year	2,475,261	51,814,308	7,309,652 -	2,910,685	44,069,232
	Single-year	4,203,565	525,000	1,463,560	1,736,126	5,001,131
Growth Total		7,010,631	53,698,908	9,164,926 -	1,073,672	50,470,941
Lifecycle						
	Annual	12,458,398	20,209,300	18,884,416	3,405,988	17,189,270
	Multi-Year	11,910,786	5,832,400	6,003,853 -	1,926,320	9,813,012
	Single-year	1,249,907	-	384,318 -	278,970	586,619
Lifecycle Total		25,619,091	26,041,700	25,272,587	1,200,698	27,588,901
Tax Supported Total		32,629,722	79,740,608	34,437,513	127,026	78,059,842

Note: "Net Budget Adjustment" relates to amount shown on Schedule A, related to projects identified on Schedule D.

Table A.1

The tax-supported growth projects are mainly focused on multi-year projects such as linear infrastructure expansion or new park/facility development. Significant projects within this group are:
- Guelph Police Head Quarters –the preferred option is now in architectural design with construction to begin in Q3 2015 ($33.6 million unspent)
- Baker Street purchases – ongoing negotiations with existing owners as work continues to redevelop this key downtown area ($8.9 million unspent)
- Hanlon Creek Business Park – continued development of Phase 1 ($2.8 million unspent)
- Road network expansion – new projects to expand existing roads ($1.7 million unspent)

Tax-supported lifecycle projects are focused on annual replacement and renewal of existing assets. Specifically the city had the following spending in 2014, with remaining budget noted in brackets:

- Fleet replacement - $1.3 million ($1.4 million)
- Transit replacement - $316k ($1.8 million – buses delivered Feb 2015)
- Emergency Services equipment & vehicle replacement - $3.0 million ($500k)
- IT replacement - $2.2 million ($400k)
- Police Vehicle & Equipment replacement - $1.1 million ($1.0 million)
- Road & Storm Reconstruction - $7.1 million ($8.8 million)

Non-Tax Supported

Project Type	Project Timing	Budget Carried over from 2013	2014 Budget	2014 Expenditures	Net Budget Adjustment	Ending Unspent Budget
Growth						
	Annual	502,570	1,311,000	1,448,370	3,403,994	3,769,194
	Multi-Year	33,291,497	12,586,000	8,840,256 -	5,111,212	31,926,029
	Single-year	8,155,993	5,705,000	3,055,238 -	879,430	9,926,325
Growth Total		41,950,060	19,602,000	13,343,864 -	2,586,648	45,621,548
Lifecycle						
	Annual	12,715,221	4,372,225	2,919,847 -	3,239,916	10,927,683
	Multi-Year	9,687,809	4,043,000	2,821,045 -	87,317	10,822,447
	Single-year	1,735,341	875,000	448,411	293,868	2,455,799
Lifecycle Total		24,138,371	9,290,225	6,189,303 -	3,033,365	24,205,929
Non-Tax Supported Total		66,088,431	28,892,225	19,533,167 -	5,620,013	69,827,477

Note: "Net Budget Adjustment" relates to amount shown on Schedule A, related to projects identified on Schedule D.

Table A.2

Due to the critical and highly regulated nature of the systems involved in both Water Services and Wastewater the value of projects related to these areas is significant. A number of projects have been delayed due to approval requirements as well as prudence in ensuring that the work is absolutely necessary due to the high costs involved.

The most significant carry over in the growth projects relates to expansions of both treatment systems as well as a number of projects that are awaiting final approval from regulatory bodies:

- Wastewater treatment bio-solids expansion - $12.8 million (MOE approval received; contracting began in Q4 2014 with construction in 2015)
- Wastewater Phase 2 expansion - $5.8 million (construction began in Q4 2014 and will continue into 2015)
- Water services new supply - $2.4 million (on hold pending Master Plan update)
- Water services Burke treatment - $5+ million (Equipment pre-selection complete, design ongoing and general construction tendering in 2015)
- Water and Wastewater underground network expansion - $12.3 million

With regards to lifecycle there are two key components: the critical nature of repair/upgrade work and the sensitivity of this work. In many cases the need for lifecycle work is immediate; not allowing time to obtain Council approval on large expenditures. A number of projects are approved as a risk mitigation strategy to ensure that the respective operations are able to respond as necessary to critical issues as they arise. An example of this is the water services Volatile Organic Compound (VOC) Treatment - $1 million to mitigate if levels exceed acceptable threshold.

Lifecycle projects are focused on annual replacement and renewal of existing infrastructure.   Specifically the city spent the following in 2014, with remaining budget noted in brackets:
- Water efficiency and conservation – $450k ($1.4 million)
- Water & Sewer replacement – $2.3 million ($8.8 million)
- Facilities & Equipment renewal – $7.5 million ($6.1 million)

Delayed Projects

Schedule "B" provides a summary of the projects that were approved in 2013 or prior and have had no activity as of December 31, 2014.

There are eight projects in this group with an approved budget of $5.6 million. This represents 3.8% of the total unspent capital budget. The approved budgets for the Baker Street Land Assembly ($3.7 million) and VOC Treatment ($1 million) projects represent $4.7 million or 84% of the amount approved but not yet spent. Both the Baker Street Land Assembly and Water Treatment (VOC) projects are not spent due to on-going negotiations with property owners or regulatory agencies.

Table B below provides a complete list of these projects, including the most recent comments from the Project Manager.

Department	Project Name	PM Comments	Total Approved Funding
Downtown Renewal	BAKER ST REDEVELOPMENT PH3	Ongoing negotiations with land owners	3,700,000
Parking	PARKSMART AGREEMENT-REPL	On hold - dependent on Parking Strategy	175,000
Parking	UPGRADE PERMIT SYSTEM	On hold - dependent on Parking Strategy	175,000
Roads	RAIL SAFETY IMPROVEMENTS	Risk mitigation strategy	100,000
Storm Water	SERVICING STUDIES	Consultant finalising report	125,000
Traffic	TRAFFIC MGMT INITIATIVES	Consultant hired to begin initial work	75,000
Wastewater	WASTEWATER MASTERPLAN	To be tendered early 2015	224,660
Water Services	VOC TREATMENT	Developing plan for Council and Public in 2015-16	1,000,000
Total			5,574,660

STAFF REPORT

Over Budget Projects

Over spending on capital projects can have an impact on both the capital reserves and operating budgets. It is anticipated that a small number of projects will be over budget due to issues that arise after budget approval. Early identification of these issues is imperative in managing risk and allows for analysis of alternatives such as reduction in the scope of the project, reallocation of funding from another project or use of surpluses from recently completed projects.

Schedule "C" provides a high level summary of overspent capital budgets by department. Finance actively works with the Project Managers and their departments to identify funding solutions for these projects. Overall, the number of over-budget projects represents approximately 6.88% of all projects.
The two most significant projects currently over budget are:

- GO Transit Rail Expansion Capital Contribution – ($3.0 million) this amount represents the contractually obligated amount Council has approved to contribute as the City's share of the expansion of GO rail service to Kitchener. In 2014 $150k was approved towards this with another $150k approved in the 2015 Operating Budget. The balance of funds has not been budgeted at this time due to ongoing negotiations with Metrolinx.

- Clair/Laird & Hanlon interchange ($9.1 million) – Council has agreed to contribute approximately $14.8 million to the MTO for construction of the interchange as part of the development of the Hanlon Creek Business Park. Budget for this contribution was partially approved in the 2014 Capital budget and the balance ($10.4 million) was approved in the 2015 Capital budget. As this is a contractual obligation, the City was required to recognize this expenditure in 2013.

The balance of over expenditures (14 projects) total $428k, less than 0.4% of the 2014 Capital Budget. Of these projects six ($110k) have additional budget approved in 2015. The remaining eight projects ($318k) will be funded from reallocations from other projects due to under spending or a change in prioritization.

Capital Projects Closed or Budget Reduced

In 2014 59 projects have been closed and an additional 20 have had budget reductions or deferrals. Projects may have been closed due to completion of intended work or purchases, or is no longer required due to a change in priorities in the overall capital program. Schedule "D" provides a summary by department.

For the Tax supported projects, net of unutilized debt funding ($2.7 million) and DC funding ($1.7 million), an additional $114k was used from reserves to fund over spent projects with a total budget of $66 million at closing, or 0.2% over spending.

For the Non-tax supported projects, a net amount of $6.7 million was not used; $4.4 million was returned to DC reserves and $3.2 million to non-tax supported capital reserves. These funds in most cases will be used to fund projects that have been delayed for various reasons.

Conclusion

The review and accurate monitoring of financial reporting and asset management is critical to the effective utilization of funding, and contributes to better cash flow modeling that can lead to improved investment opportunities.

In order to improve the City's ability to prioritize limited funding, finance will be leading training sessions on operating and capital variance reporting. Unlike **in** other years, the sessions are targeted to General Managers and **will be** focused on enhanced accountability.

CORPORATE STRATEGIC PLAN
Innovation in Local Government
2.3 – Ensure accountability, transparency and engagement

DEPARTMENTAL CONSULTATION
The role of monitoring the capital budget work-in-progress is shared by the departments responsible for the management of the project and the Finance department. Departments must manage the project to completion according to municipal standards, on time and within the approved budget.

COMMUNICATIONS
Finance staff has worked closely with all City departments in obtaining the status of projects, expected completion times and impact on budget.

ATTACHMENTS
Schedule "A" Summary of all open Capital Projects as at December 31, 2014
Schedule "B" Summary of projects not Started as at December 31, 2014
Schedule "C" Summary of Overspent Capital Projects as at December 31, 2014
Schedule "D" Summary of Projects Closed or Budget Reduced during 2014

Report Author
Greg Clark CPA, CMA
Sr. Corporate Analyst, Capital

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Recommended By
Janice Sheehy
GM Finance and City Treasurer
Corporate Services
519-822-1260 Ext. 2289
janice.sheehy@guelph.ca

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Approved By
Mark Amorosi
Deputy CAO, Corporate Services
519-822-1260 Ext. 2281
mark.amorosi@guelph.ca

Schedule A: CS-2015-30

Summary of All Open Capital Projects as at December 31, 2014

	# of Open Projects	Budget Carried over from 2013	2014 Budget	2014 Expenditures	Net Budget Adjustment	Unspent
	Note 1				Note 2	
TAX SUPPORTED						
Infrastructure, Development & Enterprise Services						
Engineering	42	(4,843,879)	23,975,000	11,348,112	864,553	8,647,563
Enterprise	7	12,433,775	2,385,600	1,382,808	(639,050)	12,797,518
Planning	16	1,168,618	581,100	231,343	47,443	1,565,819
Solid Waste	7	7,411,413	1,687,800	4,504,497	(29,268)	4,565,448
IDE Total	**72**	**16,169,927**	**28,629,500**	**17,466,760**	**243,678**	**27,576,348**
Public Services						
Business Services	1	11,579	-	11,573	(6)	-
By-Law, Compliance, Security	1	196,280	-	179,587	450	17,143
Corporate Building	11	(180,708)	2,829,000	1,675,396	590,989	1,563,885
Culture & Tourism	6	147,646	465,000	602,848	383,578	393,377
Emergency Services	3	1,766,696	1,281,200	2,963,556	411,968	496,308
Parks	20	1,012,871	3,422,600	2,182,716	69,078	2,321,833
Public Works	16	3,246,425	2,797,600	2,643,808	43,114	3,443,330
Recreation	6	675,838	2,500,000	317,449	(7,330)	2,851,059
Transit	10	3,893,745	2,395,500	725,789	123,472	5,686,929
PS Total	**74**	**10,770,372**	**15,690,900**	**11,302,722**	**1,615,313**	**16,773,864**
Corporate Services						
Finance	4	(10,933,051)	11,888,500	1,223,893	(2,526,825)	(2,795,269)
Information Technology	14	2,099,100	1,310,100	2,872,059	782,657	1,319,797
CS Total	**18**	**- 8,833,951**	**13,198,600**	**4,095,952**	**(1,744,168)**	**(1,475,472)**
Local Boards						
Library	3	108,965	225,000	78,228	0	255,738
Police	13	14,414,407	21,996,608	1,493,852	12,204	34,929,367
Local Boards Total	**16**	**14,523,372**	**22,221,608**	**1,572,080**	**12,204**	**35,185,105**
TAX SUPPORTED TOTAL	**180**	**32,629,720**	**79,740,608**	**34,437,513**	**127,027**	**78,059,845**
NON-TAX SUPPORTED						
Building	1	3,466	7,400	10,711	15,800	15,955
POA	1	22,868	63,000	71,370	38,589	53,087
Wastewater	33	43,102,425	10,277,800	11,414,990	(79,272)	41,885,963
Water Services	32	22,959,671	18,544,025	8,036,096	(5,595,129)	27,872,471
NON-TAX SUPPORTED TOTAL	**67**	**66,088,430**	**28,892,225**	**19,533,167**	**(5,620,012)**	**69,827,476**
CITY TOTAL	**247**	**98,718,150**	**108,632,833**	**53,970,681**	**(5,492,985)**	**147,887,320**

Note:

1 Projects open as of December 31, 2013

2 Information from Schedule D

Schedule B: CS-2015-30
Summary of Projects not Started as at December 31, 2014

	Total # of Open Projects	# of Projects not Started	Prior Approved Funding	2013 Budget	Total Approved Funding (Note 1)	% of Total Department Capital Budget
TAX SUPPORTED						
Infrastructure, Development & Enterprise Services						
Engineering	39	2	100,000	125,000	225,000	2.6%
Enterprise	8	1	-	3,700,000	3,700,000	28.9%
IDE Total	**47**	**3**	**100,000**	**3,825,000**	**3,925,000**	**14.2%**
Public Services						
Public Works	18	3	175,000	250,000	425,000	12.3%
PS Total	**18**	**3**	**175,000**	**250,000**	**425,000**	**2.5%**
TAX SUPPORTED TOTAL	**65**	**6**	**275,000**	**4,075,000**	**4,350,000**	**5.6%**
NON-TAX SUPPORTED						
Wastewater	33	1	122,660	102,000	224,660	0.5%
Water Services	33	1	1,000,000	-	1,000,000	3.6%
NON-TAX SUPPORTED TOTAL	**66**	**2**	**1,122,660**	**102,000**	**1,224,660**	**1.8%**
CITY TOTAL	**131**	**8**	**1,397,660**	**4,177,000**	**5,574,660**	**3.8%**

Note:

1 No additional funding was approved for the above projects in 2014.

STAFF REPORT

CITY OF **Guelph**
Making a Difference

Schedule C: CS-2015-30
Summary of Overspent Capital Projects as at December 31, 2014

	# of Overspent Projects	Total Approved Funding	Total Expenditure to Date	Over Budget Amounts (Note 1)	Unspent Budget in Other Projects (Note 2)
TAX SUPPORTED					
Infrastructure, Development & Enterprise Services					
Engineering	5	8,650,521	18,388,252	(9,737,731)	8,647,563
Solid Waste	1	150,000	151,890	(1,890)	4,565,448
IDE Total	**6**	**8,800,521**	**18,540,142**	**(9,739,621)**	**13,213,011**
Public Services					
Corporate Building	2	1,244,800	1,322,740	(77,940)	1,563,885
Culture & Tourism	1	30,000	45,094	(15,094)	393,377
Parks	1	290,000	327,185	(37,185)	2,321,833
Public Works	1	511,500	529,797	(18,297)	3,443,330
Transit	1	166,818	181,671	(14,853)	5,686,929
PS Total	**6**	**2,243,118**	**2,406,487**	**(163,369)**	**13,409,354**
Corporate Services					
Finance	1	-	3,000,000	(3,000,000)	-
Information Technology	2	862,599	874,963	(12,364)	-
CS Total	**3**	**862,599**	**3,874,963**	**(3,012,364)**	**-**
TAX SUPPORTED TOTAL	**15**	**11,906,238**	**24,821,592**	**(12,915,354)**	**26,622,365**
NON-TAX SUPPORTED					
POA	1	66,100	75,497	(9,397)	53,087
NON-TAX SUPPORTED TOTAL	**1**	**66,100**	**75,497**	**(9,397)**	**53,087**
CITY TOTAL	**16**	**11,972,338**	**24,897,089**	**(12,924,751)**	**26,675,452**

Note:

1 Included in Finance spending - obligation to fund Metrolinx Capital Contribution - $3,150,000
   Included in Roads spending - obligation to fund Clair/Laird & Hanlon interchange via MTO - $14,562,254 - balance of budget in 2015
2 The unspent budget in other projects may not have the same funding sources as the overspent projects.

Schedule D: CS-2015-30
Summary of Capital Projects Closed or Budget Reduced during 2014

	# of Closed Projects	Approved Budget	Funding Adjustment	Grants & Subsidies	Other Non-Tax	Fed Gas Tax	Dev Charges	Current Revenue	Capital Reserve	De
UPPORTED										
tructure, Development & Enterprise Services										
eering	9	29,400,000	936,813	(75,891)	336,015	-	1,812,959	-	(1,136,269)	
orise	1	2,234,900	670,500	-	-	-	-	-	670,500	
ing	5	948,800	(58,887)	(91,880)	-	-	(8,856)	-	41,849	
Waste	2	5,211,296	251,313	-	-	-	-	-	251,313	
tal	17	37,794,996	1,799,739	(167,771)	336,015	-	1,804,103	-	(172,607)	
Services										
ess Services	2	52,000	(3,723)	-	-	-	-	-	(3,723)	
w, Compliance, Security	1	40,000	(450)	-	-	-	-	-	(450)	
rate Building	7	2,780,367	54,885	-	-	118,038	-	-	(63,153)	
re & Tourism	4	309,000	(47,864)	(27,152)	-	-	-	-	(20,713)	
gency Services	1	-	-	-	-	-	-	-	-	
	5	2,996,000	(163,284)	(174,954)	(11,916)	-	20,922	-	2,665	
Works	4	7,967,150	429,867	-	-	-	-	-	429,867	
ation	2	60,000	8,077	-	-	-	-	-	8,077	
t	2	321,800	16,520	(2,079)	-	-	18,979	-	(380)	
tal	28	14,526,317	294,028	(204,185)	(11,916)	118,038	39,901	-	352,190	
rate Services										
ce	2	12,138,500	2,526,825	-	-	-	(190,172)	-	-	2,71
nation Technology	5	203,981	(286,635)	7,120	-	-	-	-	(293,755)	
tal	7	12,342,481	2,240,190	7,120	-	-	(190,172)	-	(293,755)	2,71
Boards										
	2	207,860	39,598	39,598	-	-	-	-	-	
Boards Total	2	207,860	39,598	39,598	-	-	-	-	-	
UPPORTED TOTAL	54	64,871,654	4,373,555	(325,238)	324,099	118,038	1,653,832	-	(114,172)	2,71
TAX SUPPORTED										
ng	1	16,400	7,400	-	-	-	-	-	7,400	
	2	30,100	11,636	5,818	-	-	-	-	5,818	
ewater	6	16,131,832	815,165	(15)	-	-	284,000	-	531,180	
Services	16	24,705,991	5,864,048	(817,440)	-	-	4,140,856	(100,000)	2,640,632	
TAX SUPPORTED TOTAL	25	40,884,323	6,698,249	(811,637)	-	-	4,424,856	(100,000)	3,185,030	
OTAL	79	105,755,977	11,071,804	(1,136,875)	324,099	118,038	6,078,688	(100,000)	3,070,858	2,71

STAFF REPORT

CITY OF Guelph
Making a Difference

TO   Corporate Services Committee

SERVICE AREA   Corporate Services, Finance

DATE   May 4, 2015

SUBJECT   **Budget Impacts per Ontario Regulation 284/09 and 2015 Budget PSAB Reconciliation**

REPORT NUMBER   CS-2015-32

EXECUTIVE SUMMARY

PURPOSE OF REPORT
- To provide Council with the budget impact of amortization, post-employment benefit costs and landfill post-closure costs in accordance with Ontario Regulation 284/09.
- To further provide a reconciliation of the 2015 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
The impact of excluding amortization, post-employment benefits and solid waste landfill post-closure expenses from the City of Guelph's budget resulted in a surplus of $46,605,444 (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 2015 Budget in accordance with PSAB (Attachment 2).

FINANCIAL IMPLICATIONS
There are no direct financial implications associated with this report. However, the information contained in this report will be reflected in the 2015 annual audited financial statements.

STAFF REPORT

ACTION REQUIRED

That Council approve compliance report CS-2015-32 Budget Impacts per Ontario Regulation 284/09 and 2015 Budget PSAB Reconciliation included in Table 1 and Attachment 2 respectively.

RECOMMENDATION

That Council approve compliance report CS-2015-32 Budget Impacts per Ontario Regulation 284/09 and 2015 Budget PSAB Reconciliation included in Table 1 and Attachment 2 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, prior to the final adoption of the 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 2015 surplus if these expenses had been included in the 2015 Budget. This is for information purposes only and has no impact on the long-term financial planning strategy of the City.

Council is required to adopt this report by resolution, prior to the final approval of the 2015 Budget.

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 proposed 2015 tax supported operating and non-tax supported budgets:

1. Amortization Expense

   Amortization expense for 2015 is estimated to be $43.0 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 2015 tax supported operating and non-tax supported operating budgets contributions of $41.5 million to capital reserves. These contributions will provide on-going funding for capital replacement and rehabilitation. The level of reserve contributions was informed in part by the Infrastructure Sustainability Report prepared by Engineering Services for long-term capital planning and funding purposes and the Water and Wastewater Long Range Financial Plan.

2. Post-Employment Benefit Expenses

   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 2015 budget includes funds of $2.2 million for the current year's

contribution to the post employment benefit reserves. The total 2015 cost of these post-retirement benefits is estimated to be $3.9 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 from the current year surplus in the table below to show its impact on 2015 Budgets.

3. Solid waste landfill post-closure expenses

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 decrease of $318,190 in the City's liability for solid waste landfill post-closure costs is added back in the table below to show its impact on the City's surplus.

Table 1. Ontario Regulation 284/09 Budget Impact

Amortization of Tangible Capital Assets	($43,000,000)
Post-employment benefit	($3,923,634)
Decrease in landfill post-closure liability	$318,190
Total Impact	($46,605,444)

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 2015 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 2015 budgeted figures while those that would have been accrued are now added to the total expenditures and revenues.

Attachment 2 shows the reconciliation of the City's Council approved 2015 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 $41,378,728 in 2015.

CORPORATE STRATEGIC PLAN
Innovation in Local Government
    2.3   Ensure accountability, transparency and engagement

DEPARTMENTAL CONSULTATION
N/A

COMMUNICATIONS
N/A

ATTACHMENTS
Attachment 1: Ontario Regulation 284/09 Budget Matters- Expenses
Attachment 2: 2015 Tax Supported & Non-Tax Supported Budgets (Unconsolidated)
PSAB Reconciliation

Prepared By:
Ron Maeresera
Senior Corporate Analyst, Financial Planning

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Recommended By	**Approved By**
Janice Sheehy	Mark Amorosi
GM Finance and City Treasurer	Deputy CAO, Corporate Services
Corporate Services	519-822-1260 Ext. 2281
519-822-1260 Ext. 2289	mark.amorosi@guelph.ca
janice.sheehy@guelph.ca	

 Ontario

ONTARIO REGULATION 284/09

made under the

MUNICIPAL ACT, 2001

Made: July 31, 2009
Filed: July 31, 2009
Published on e-Laws: August 4, 2009
Printed in *The Ontario Gazette*: August 15, 2009

BUDGET MATTERS — EXPENSES

Exclusion

1. In preparing the budget for a year, a municipality or local board may exclude from the estimated expenses described in paragraph 3 of subsection 289 (2) and in paragraph 3 of subsection 290 (2) of the Act all or a portion of the following:

1. Amortization expenses.

2. Post-employment benefits expenses.

3. Solid waste landfill closure and post-closure expenses.

Report

2. (1) For 2011 and subsequent years, the municipality or local board shall, before adopting a budget for the year that excludes any of the expenses listed in section 1,

(a) prepare a report about the excluded expenses; and

(b) adopt the report by resolution.

(2) If a municipality or local board plans to adopt or has adopted a budget for 2010 that excludes any of the expenses listed in section 1, the municipality or local board shall, within 60 days after receiving its audited financial statements for 2009,

(a) prepare a report about the excluded expenses; and

(b) adopt the report by resolution.

Contents

3. A report under section 2 shall contain at least the following:

1. An estimate of the change in the accumulated surplus of the municipality or local board to the end of the year resulting from the exclusion of any of the expenses listed in section 1.

2. An analysis of the estimated impact of the exclusion of any of the expenses listed in section 1 on the future tangible capital asset funding requirements of the municipality or local board.

Review

4. The Ministry of Municipal Affairs and Housing shall initiate a review of this Regulation on or before December 31, 2012.

Commencement

5. This Regulation is deemed to have come into force on January 1, 2009.

Made by:

JIM WATSON

Minister of Municipal Affairs and Housing

Date made: July 31, 2009.

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Attachment 2
2015 City of Guelph Tax Supported & Non Tax Supported Budgets (Unconsolidated)
PSAB Reconciliation

2015 Approved Budget (Prepared on a Cash Basis)	
Revenues	**$**
Operating	(346,317,709)
Capital	(87,948,051)
Total Revenues	**(434,265,760)**
Expenses	
Operating	346,317,709
Non-Tangible Capital	6,000,000
Capital	81,948,051
Total Expenditures	**434,265,760**
Net Budget	**-**
Adjustments Required to Reconcile to an Accrual Based Budget	
Reductions to Revenues	
Transfers from Reserves/Reserve Funds [(1)]	62,531,251
Increases to Revenues	
Contributed Subdivision Assets [(2)]	(5,430,000)
Reductions to Expenditures	
Transfers to Reserve/Reserve Funds [(3)]	(50,038,282)
Capital Expenses[(4)]	(87,948,051)
Debt Principal Payments [(5)]	(9,083,576)
Reduction of Post-Closure Landfill Liability [(6)]	(318,190)
Increases to Expenditures	
Tax Increment Based Grant Program[(7)]	1,984,486
Post-Employment Benefit [(8)]	3,923,634
Amortization of Tangible Capital Assets[(9)]	43,000,000
Annual (Surplus)/Deficit	**(41,378,728)**

(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 re-allocation 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) "Reduction of Post-Closure Landfill Liability" is a non-cash accounting revenue 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 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.

STAFF REPORT

CITY OF Guelph
Making a Difference

TO	Corporate Services Committee
SERVICE AREA	Corporate Services, Finance
DATE	May 4, 2015
SUBJECT	**2014 Development Charge Reserve Fund Statement**
REPORT NUMBER	CS-2015-29

EXECUTIVE SUMMARY

PURPOSE OF REPORT
To report on the 2014 Development Charge Reserve Funds as required by Ontario Regulation 82/98 of the *Development Charges Act, 1997*.

KEY FINDINGS
- Development charge (DC) revenues in 2014 totalled $22.98 million, representing an 11.17% increase over 2013 revenues.
- Development charges used to finance eligible capital projects in 2014 totalled $11.37 million, a 91% increase in spending over 2013.
- The total closing balance of all fifteen development charge reserve funds increased $12.24 million, to a total of $56.42 million as at December 31, 2014.
- There is $41.12 million in the prior year approved capital budget committed against the reserve funds, which is approximately $8.98 million higher than the commitment at the end of 2013.
- DC exemptions, as legislated under the *Development Charges Act, 1997*, cost the City $741,000 in 2014.

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.
- City growth and annual DC revenues were 69.49% of the growth targets identified 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-2015-29 dated May 4, 2015, entitled 2014 Development Charge Reserve Fund Statement be received for information.

STAFF REPORT

RECOMMENDATION

That report CS-2015-29 dated May 4, 2015, entitled 2014 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 by-law 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. Development charge reserve funds with a negative balance have paid interest to other funds. The City issued $5.77 million in DC debt in 2014 to pay for the first installment of the Clair/Laird Hanlon Interchange, bringing the total DC debt outstanding to $15.4 million and annual debt servicing costs in 2014 to $2.31 million.

Schedule 2 shows financing from all sources for each project financed, in whole or in part, by development charges.

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.

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. Development charges 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 2014 development charge activity:

- The 2013 Development Charge Background and 2014 DC By-law were approved in early 2014 and resulted in a 12.49% increase to the residential DC rate and blending of the non-residential rates that was 8.83% lower from the 2013 industrial rate and 25.92% lower for the commercial/institutional DC rate.

- Development charge revenue in 2014 totalled $22.98 million, representing a 15% increase over 2013 revenues but still short of the targets identified in the Background Study by 31%.

- As shown in **Chart 1: Development Charge Revenue by Type**, residential developments continue to be the City's most significant source of development charge revenue.

Chart 1: Development Charge Revenue by Type
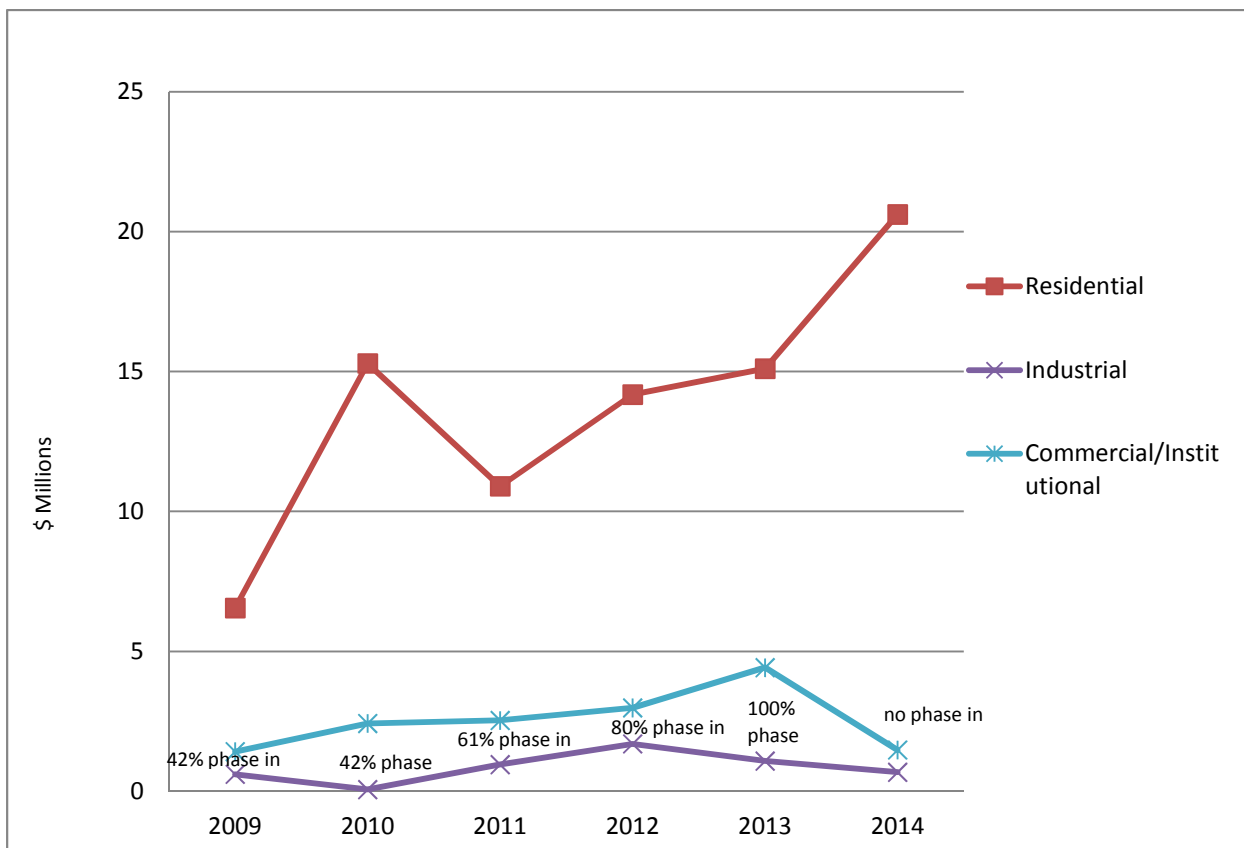
- Despite decreases to both industrial and commercial/institutional rates, non-residential growth continues to fall significantly below projections (**Chart 2: Non-Residential Growth (gross floor area**))

Chart 2: Non-Residential Growth (gross floor area)
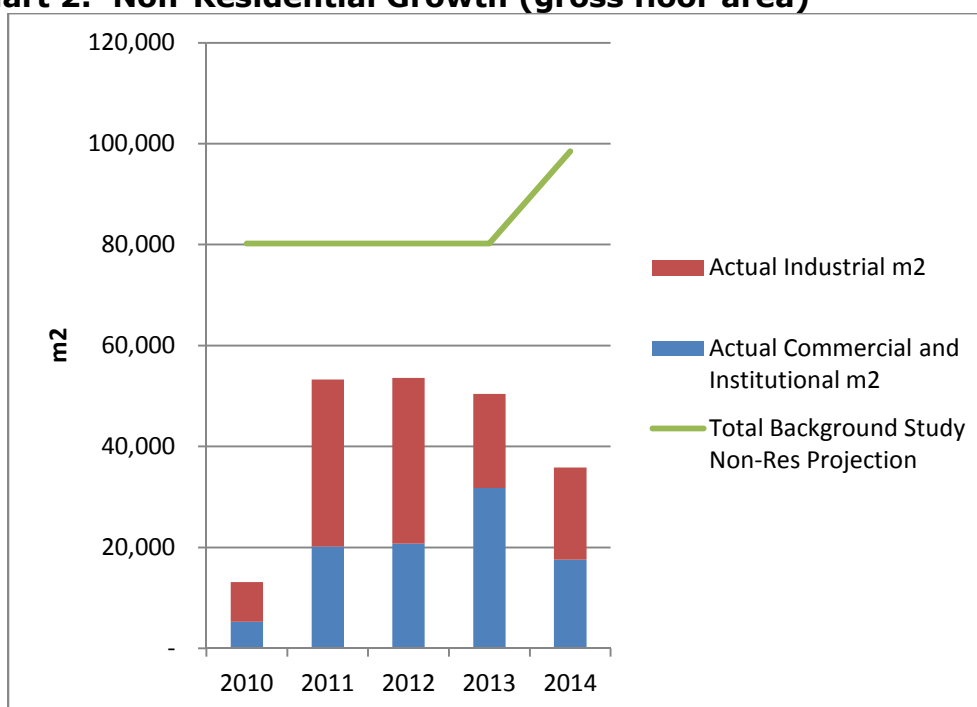
- The City is successfully shifting the mix of residential development from primarily low density residential development to high density residential development as mandated by the Province's *Place to Grow Act, 2005* (see **Table A: Residential Housing by Dwelling Type**).

Table A: Residential Housing by Dwelling Type

Density	2012	2013	2014	City Target (2013-2023)
High	19.0%	51.8%	50.2%	39%
Med	31.0%	25.2%	25.6%	31%
Low	49.0%	23.0%	24.2%	31%

STAFF REPORT

- The City increased spending on growth related projects from $5.94 million in 2013 to $11.37 million in 2014. Capital expenditures in Wastewater, Health Services and Services Related to a Highway accounted for a significant portion of the year over year increase. **Chart 3**: **2014 Spending by Service Area**, illustrates the distribution of growth related spending activity for the year.

Chart 3: 2014 Spending by Service Area, $11.37 million

Indoor Recreation $145,666 1.28%
Parking $17,918 0.16%
Health $1,048,500 9.22%
Water $1,903,973 16.74%
Library $7,113 0.06%
Outdoor Recreation $1,121,979 9.87%
Administration $312,821 2.75%
Transit $95,152 0.84%
Services Related to a Highway $2,297,865 20.21%
Wastewater $4,269,129 37.54%
Stormwater $150,642 1.32%
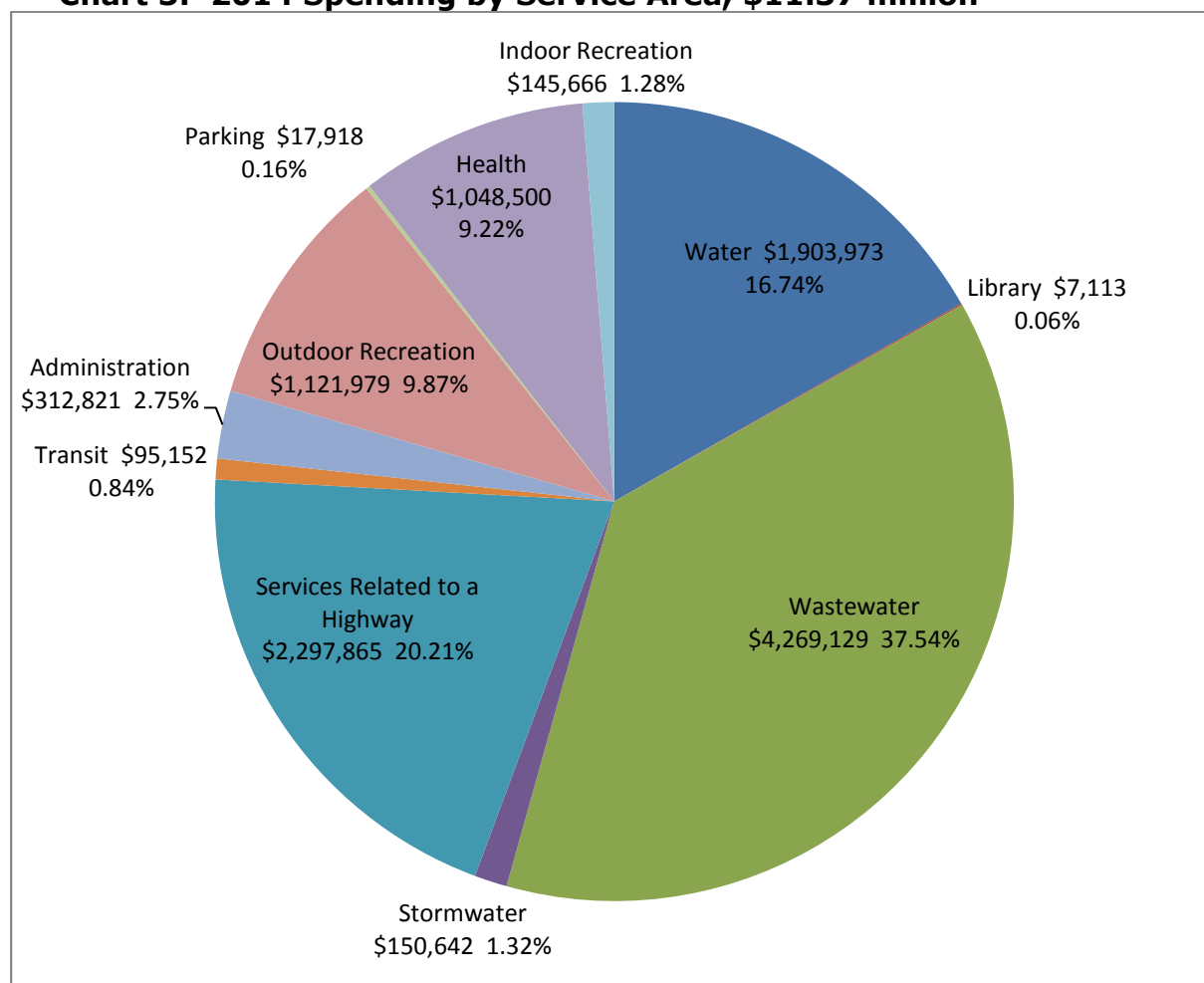
- **Table B**: **Closed Growth Related Capital Projects** summarizes the growth related capital projects that were completed and closed in 2014.

Table B: Closed Growth Related Capital Projects

PK0014 Castlebury Development	PL0004 Official Plan Review
PL0007 Brownfield Initiatives	RD0029 Watson South of Grange
TM0001 Mobility Van	WW0046 New Supply
GG0024 DC Background Study 2013	PL0004 Official Plan Review
TM0001 New Mobility Van	SC0002 WW10/WWS4 Flow Monitoring
WW0105 WS1-7 Masterplan Studies	

- Despite the fact that capital spending increased significantly in 2014, there continues to be a trend of slow capital spending that is resulting in a growing unspent committed balance.

  The unspent committed balance increased 27.7% in 2014 to $41 million. **Chart 4: Approved Growth Related Capital Budgets and Actual Spending by Year** Illustrates the five year history of capital budget approval and actual capital spending.

Chart 4: Approved Growth Related Capital Budgets and Actual Spending by Year
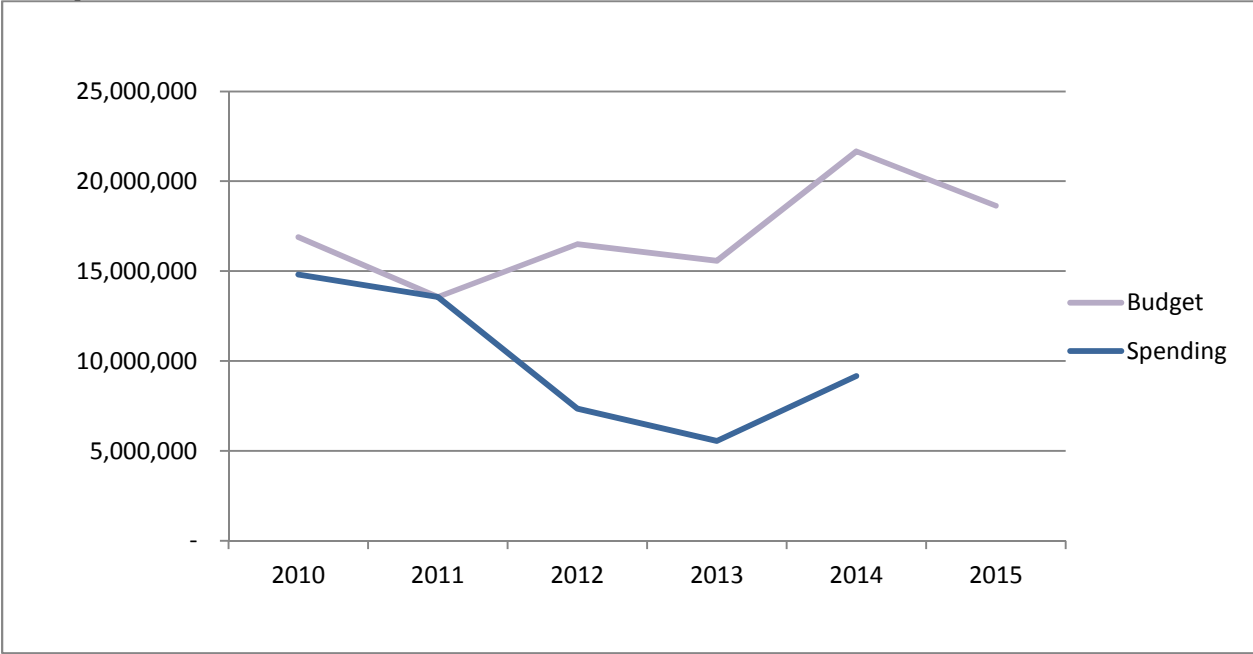
- DC exemptions continue to decline in 2014. The City experienced a reduction of $184,000 in exemptions over the year before. A total of $741,000 was exempted and consisted of the following exemption types:
  - o industrial addition expansion exemption: $701,000
  - o Willowdale Municipal Daycare Centre: $40,000

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 $741,000 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.

- The development charge reserve fund closing balances, before prior year unspent commitments at December 31, 2014, were as follows:

STAFF REPORT

DC Reserve Fund Closing Balances at December 31, 2014

Non-Discounted Services		Discounted Services	
Water Services	$23,898,673	Library Services	$1,749,610
Wastewater Services	17,191,369	Indoor Recreation	9,459,450
Stormwater Drainage	(1,661,619)	Outdoor Recreation	2,268,452
Roads & Related	2,544,933	Transit	(3,914)
Fire Protection Serv.	(937,273)	Administration	1,089,034
Police Services	(1,051,229)	Ambulance Services	(1,362,539)
	$39,984,854	Municipal Court	(105,944)
		Mun. Parking Spaces	4,353,753
		Health	(1,017,593)
			$16,430,309

- The total closing balance of all fifteen of these reserve funds is $56.42 million representing an $11.24 million increase over 2013.

- Collectively, the DC reserve funds earned $1.23 million in interest in 2014.

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 2014
Schedule 2 – Development Charge Project Financing Statement for 2014

STAFF REPORT

Report Author
Christel Gregson
Sr. Corporate Analyst, Development Charges and Long Term Planning

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Approved By
Janice Sheehy
GM Finance and City Treasurer
Corporate Services
519-822-1260 ext. 2289
Janice.sheehy@guelph.ca

_____
Recommended By

Mark Amorosi
Deputy CAO, Corporate Services
519-822-1260 ext. 2281
mark.amorosi@guelph.ca

City of Guelph
Development Charge Project Financing
Treasurer's Statement
for the Year Ending December 31, 2014

Project Number	Project Name	Financing from Development Charges	Capital Grants, Subsidies and Other Contributions	Tax or Rate Supported Financing	Total Current Financing	Debt Payments from Development Charges
Water Services						
WD0002	WI3 HANLON- WELLINGTON-CLAIR	(65,016)		(21,671)	(86,687)	
WD0005	WI6 SPEEDVALE-WATSON-WESTM	(68,662)		(68,592)	(137,254)	
WD0007	WI9 WELLINGTON: HANLON-WATS(	(697,681)		(697,681)	(1,395,363)	
WD0012	WI-1 CLAIR - CRAWLEY TO GORDO	(227,345)		(59,050)	(286,395)	
WD0016	WI16 HANLON CROSSING - PAISLE'	(144,077)		79,492	(64,585)	
WD0019	EAST SIDE ZONE 2 UPGRADES	(9,702)		(7,937)	(17,639)	
WD0023	SERVICING STUDIES	(9,741)		(29,326)	(39,067)	
WT0001	ARKELL SPRING GROUNDS	(116,942)		(8,229)	(125,171)	
WT0002	NEW SUPPLY	(316,872)			(316,872)	
WT0003	WF3 CLYTHE BOOSTER UPGRADE	(23,427)		(23,427)	(46,854)	
WW0082	WI2 SCOUT CAMP AQUADUCT TIE-I	40,869		(40,877)	(8)	
WW0099	WF2 VERNEY/CLAIR CONTROL UP(	(592)		(148)	(740)	
WW0105	WS1-7 MASTERPLAN STUDIES	(28,552)		26,447	(2,105)	
WW0106	CONSERVATION AND EFFICIENCY	(236,214)		0	(236,214)	
WW0139	W-I-25 DEVELOPMENT OVERSIZIN(	(19)		0	(19)	
WW0052	LAIRD ROAD: HANLON CROSSING					(69,798)
WW0016	ARKELL SPRING GROUNDS					(372,123)
WW0046	NEW SUPPLY					(124,041)
WW0082	W12 SCOUT CAMP AQUADUCT TIE-IN					(223,274)
Total	**Water Services**	**(1,903,973)**	**0**	**(851,000)**	**(2,754,972)**	**(789,236)**
Wastewater Services						
SC0003	WWI2 STEVENSON - YORK-ERAMO	(13,817)		(38,798)	(52,615)	
SC0008	WWI10 RIVER CROSSING/HANLON	(13,105)		(17,471)	(30,576)	
SC0018	WWI12 SIPHON IMPROVEMENTS	(19,869)		(18,884)	(38,753)	
SC0020	WWI15 NEW GRAVITY SEWERS	(16,635)		(4,748)	(21,383)	
SC0026	WWWI13 INFRASTRUCTURE IMPR(	(3,650)		(14,598)	(18,248)	
SC0029	SERVICING STUDIES	(9,854)		(29,763)	(39,617)	
ST0001	PLANT RERATING - PHOS REDN IN	(3,521)		0	(3,521)	
ST0002	WWTP - UPGRADES & STUDIES	(15,552)		(42,331)	(57,883)	
ST0004	WWTP PHASE 2 EXPANSION	(873,979)		(151,362)	(1,025,341)	
ST0005	WWTP UPGRADES	(439,466)		(521,731)	(961,197)	
ST0006	SCADA UPGRADES	(8,632)		(22,587)	(31,219)	
ST0007	WWTP ADMIN BLDG UPGRADES	(1,711,079)	(300,000)	(2,220,073)	(4,231,152)	
WS0085	WWI1 YORK - HANLON-VICTORIA	(1,139,969)		(1,279,338)	(2,419,307)	
WS0035	WWTP FACILITY UPGRADE					(725,369)
Total	**Wastewater Services**	**(4,269,129)**	**(300,000)**	**(4,361,684)**	**(8,930,813)**	**(725,369)**
Stormwater Drainage and Controls Services						
SW0049	HANLON CREEK STORM	23		0	23	
SW0058	MASTERPLAN PROJECTS	(1,281)		(320)	(1,601)	
SW0060	STORM WATER FUNDING STUDY	(149,384)		0	(149,384)	

Project Number	Project Name	Financing from Development Charges	Capital Grants, Subsidies and Other Contributions	Tax or Rate Supported Financing	Total Current Financing	Debt Payments from Development Charges
Total	**Stormwater Drainage and Controls Services**	**(150,642)**	**0**	**(320)**	**(150,962)**	**0**
Roads and Related Services						
RD0018	SIGNALS - STONE @ VBA	(2,529)		0	(2,529)	
RD0035	SPEEDVALE- ELMIRA-W CITY LIMIT	(7,156)		(2,385)	(9,541)	
RD0047	GORDON-HARTS LANE TO MALTBY	(92,155)		53,710	(38,445)	
RD0078	VICTORIA - STONE-ARKELL	(319,785)	(219,860)	(192,254)	(731,899)	
RD0118	TRANSPORT STRATEGY & TDM INIT	(15,737)	(15,084)	12,300	(18,521)	
RD0155	SPEEDVALE - ELMIRA-W CITY LMT	(90,062)		(51,278)	(141,340)	
RD0249	HANLON CREEK-ROADS	4,975			4,975	
RD0269	LAIRD: CLAIR TO SOUTHGATE	38,064		(79,114)	(41,050)	
RD0271	STONE - EVERGREEN TO VICTORIA	(1,474,700)		(632,026)	(2,106,726)	
RD0273	SILVERCREEK PKWY/CN SEP	(245,918)		(105,393)	(351,311)	
RD0286	NISKA BRIDGE REPL	(44,000)		(18,800)	(62,800)	
RD0268	TRANSIT PRIORITY PROJECT	(2,242)			(2,242)	
RD0321	ACTIVE TRANSPORTATION	(2,246)		(2,246)	(4,492)	
RD0322	ACTIVE TRANSPORTATION STUDY	(4,021)		0	(4,021)	
TC0018	TERMINAL IMPROVE AT SUB-NODE	(17,509)		0	(17,509)	
TF0002	NEW SIGNAL INSTALLATION	(22,845)		(2,561)	(25,406)	
RD0164	TRANSIT TERMINAL ROAD UPGRADES					(231,535)
RD0267	CLAIR/LAIRD INTERCHANGE					(77,376)
Total	**Roads and Related Services**	**(2,297,865)**	**(234,944)**	**(1,020,047)**	**(3,552,856)**	**(308,911)**
Library Services						
SS0018	BAKER ST REDEVELOPMENT PH2	(7,113)			(7,113)	
Total	**Library Services**	**(7,113)**	**0**	**0**	**(7,113)**	**0**
Recreation						
RP0290	SOUTH END RECREATION CENTRE	(120,308)		(26,940)	(147,248)	
RF0051	VICTORIA RD RECREATION CENTE	(25,358)		0	(25,358)	
Total	**Recreation**	**(145,666)**	**0**	**(26,940)**	**(172,606)**	**0**
Parks Services						
GG0219	WILSON FARM PARK	10,384		(11,201)	(817)	
PK0002	GUELPH TRAILS	(65,334)	(2,544)	(8,331)	(76,209)	
PK0003	CASTLEBURY DEVELOPMENT	(1,406)		(212)	(1,618)	
PK0004	JUBILEE PARK	(1,008,346)		(112,105)	(1,120,451)	
PK0014	EASTVIEW COMMUNITY PARK	(778)		(87)	(865)	
PK0048	CITYWIDE SKATEPARK FACILITY	(19,068)		(16,298)	(35,366)	
PK0085	NORTHERN HEIGHT TRAIL REIMBU	(57,550)		(6,394)	(63,944)	
PO0014	PARKS EQUIPMENT GROWTH	(126,869)		5,369	(121,500)	
RP0008	GUELPH TRAILS	164,415		(175,312)	(10,897)	
RP0252	EASTVIEW - NORTH EAST TRAIL	(4,670)		(3,910)	(8,580)	
RP0459	SOUTHEND SPLASH PAD	(12,756)		(24,173)	(36,929)	
Total	**Parks Services**	**(1,121,979)**	**(2,544)**	**(352,654)**	**(1,477,177)**	**0**
Transit						
TC0026	CAD/AVL REPLACEMENT	(2,717)			(64,220)	
TC0041	BUS STOP ACCESS UPGRADE	(16,124)			(22,189)	
TM0002	COMMUNITY BUS	(76,311)			(93,268)	

Project Number	Project Name	Financing from Development Charges	Capital Grants, Subsidies and Other Contributions	Tax or Rate Supported Financing	Total Current Financing	Debt Payments from Development Charges
Total	**Transit**	**(95,152)**	**0**	**0**	**(179,677)**	**0**

Administration

Project Number	Project Name	Financing from Development Charges	Capital Grants, Subsidies and Other Contributions	Tax or Rate Supported Financing	Total Current Financing	Debt Payments from Development Charges
GG0024	DC STUDY 2013	(190,172)			(190,172)	
PL0004	OFFICIAL PLAN REVIEW	(22)		(10)	(32)	
PL0008	COMMUNITY IMPROVEMENT STUD	23,572		(23,565)	7	
PL0014	URBAN DESIGN GUIDELINES	(128)		(253)	(381)	
PL0017	GUELPH INOV DIST SEC PLAN	(11,400)	(67,063)	39	(78,424)	
PL0020	ENVIRONMENTAL INITIATIVES	120		(350)	(230)	
PL0021	ZONING BY-LAW REVIEW	(34,485)	0		(34,485)	
PL0022	CLAIR/MALTBY SECONDARY PLAN	(36,540)			(36,540)	
PL0024	HERITAGE INITIATIVES	(13,625)		(18,007)	(31,632)	
PL0027	IMICO REDEVELOPMENT	(12,191)		(3,642)	(15,833)	
PL0028	COMMUNITY ENERGY PLAN	8,098		(8,114)	(16)	
PL0030	URBAN FOREST MASTERPLAN	(22)		0	(22)	
PL0036	MIXED USE NODES & CORRIDORS	322		(11,333)	(11,011)	
PL0045	DOWNTOWN PUBL & PRIVATE REA	(24,835)		(30,398)	(55,233)	
PL0046	INFILL & TOWNHOUSE DESIGN GUI	2,900		(10,656)	(7,756)	
PL0047	MARKETING & COMM BROWNFIELD	21		(51)	(30)	
PL0049	HOUSING INIT MKTING & COMM	62		(22)	40	
PL0050	HOUSING INIT STRATEGY	(1,182)		(1,378)	(2,560)	
PL0051	GID IMPLEMENTATION	(6,912)	0	(2,688)	(9,600)	
RD0118	TRANSPORT STRATEGY & TDM	(16,401)		0	(16,401)	
Total	**Administration**	**(312,821)**	**(67,063)**	**(110,428)**	**(490,312)**	**0**

Parking

Project Number	Project Name	Financing from Development Charges	Capital Grants, Subsidies and Other Contributions	Tax or Rate Supported Financing	Total Current Financing	Debt Payments from Development Charges
SS0018	BAKER ST REDEVELOPMENT PH2	(17,918)			(17,918)	
Total	**Parking**	**(17,918)**	**0**	**0**	**(17,918)**	

Health

Project Number	Project Name	Financing from Development Charges	Capital Grants, Subsidies and Other Contributions	Tax or Rate Supported Financing	Total Current Financing	Debt Payments from Development Charges
GG0227	PUBLIC HEALTH NEW 2013	(1,048,500)			(1,048,500)	
Total	**Health**	**(1,048,500)**	**0**	**0**	**(1,048,500)**	

Fire

Project Number	Project Name	Financing from Development Charges	Capital Grants, Subsidies and Other Contributions	Tax or Rate Supported Financing	Total Current Financing	Debt Payments from Development Charges
FS0010	SOUTH END JOINT FACILITY - FIRE				-	117,839
Total	**Fire**				**-**	**117,839**

Police

Project Number	Project Name	Financing from Development Charges	Capital Grants, Subsidies and Other Contributions	Tax or Rate Supported Financing	Total Current Financing	Debt Payments from Development Charges
PS0005	SOUTH END JOINT FACILITY - POLICE				-	378,325
Total	**Police**				**-**	**378,325**

City of Guelph
Development Charge Reserve Funds
Treasurer's Statement
for the Year Ending December 31, 2014

| Category | Non-Discounted Services | | | | | | Discounted Services | | | | | | | | | Total |
Service	Water Services	Wastewater Services	Stormwater Drainage and Controls Services	Roads and Related Services	Fire Protection Services	Police Services	Library Services	Indoor Recreation	Outdoor Recreation	Transit	Administration	Ambulance Services	Municipal Court	Municipal Parking Spaces	Health	Non-Discounted Services and Discounted Services
Opening Balance January 1 2014	17,787,967	15,589,158	(1,594,518)	2,091,027	(1,027,981)	(969,729)	1,362,740	7,718,731	1,155,584	(333,112)	1,115,261	(1,352,496)	(109,362)	3,709,556	0	45,142,827
Charges Collected	8,006,102	5,983,062	117,701	2,882,233	221,623	306,391	354,894	1,671,271	2,179,753	407,721	248,059	21,245	5,954	539,764	42,132	22,987,905
Late Payments Receivable																0
Exemption Allocation	296,349	217,975	4,082	117,560	9,798	13,879	1,633	8,980	11,429	19,593	12,246	816	0	26,124	816	741,280
Debt Issue																0
Interest Earned	493,290	387,902		54,859			36,829	203,275	40,518		26,084			95,416		1,338,172
Interest Allocated re Late Payments	8,175	7,771	289	6,030	387	470	627	2,859	3,147	1,025	206	24	13	811		31,834
Transfers In	8,803,916	6,596,709	122,072	3,060,682	231,807	320,740	393,983	1,886,385	2,234,847	428,339	286,595	22,085	5,966	662,115	42,948	25,099,190
Project Financing	(1,903,973)	(4,269,129)	(150,642)	(2,297,865)	0	0	(7,113)	(145,666)	(1,121,979)	(95,152)	(312,821)	0	0	(17,918)	(1,048,500)	(11,370,759)
Debt Charges - Principal	(626,804)	(576,082)		(183,883)	(93,587)	(300,462)										(1,780,818)
Debt Charges - Interest	(162,432)	(149,288)		(125,028)	(24,252)	(77,863)										(538,863)
Refund																0
Interest to Other Funds			(38,531)		(23,260)	(23,915)				(3,988)		(32,128)	(2,548)		(12,041)	(136,411)
Transfers Out	(2,693,209)	(4,994,499)	(189,173)	(2,606,776)	(141,099)	(402,240)	(7,113)	(145,666)	(1,121,979)	(99,140)	(312,821)	(32,128)	(2,548)	(17,918)	(1,060,541)	(13,826,851)
Closing Balance December 31	23,898,674	17,191,369	(1,661,619)	2,544,933	(937,272)	(1,051,229)	1,749,610	9,459,450	2,268,452	(3,913)	1,089,034	(1,362,539)	(105,943)	4,353,753	(1,017,593)	56,415,167
																0
Less: Commitment Not Yet Spent	(11,400,473)	(17,630,238)	(687,496)	(3,073,565)	0	0	(1,807,418)	(731,834)	(1,603,851)	(611,785)	(1,449,245)	0	0	(2,127,710)	0	(41,123,615)
Closing Balance Not Yet Committed	12,498,201	(438,869)	(2,349,115)	(528,632)	(937,272)	(1,051,229)	(57,808)	8,727,616	664,601	(615,698)	(360,211)	(1,362,539)	(105,943)	2,226,043	(1,017,593)	15,291,552

STAFF REPORT

City of Guelph — Making a Difference

TO	Corporate Services Committee
SERVICE AREA	Corporate Services, Finance
DATE	May 4, 2015
SUBJECT	**Special Motion – Councillor Findlay 2014**
REPORT NUMBER	CS-2015-27

EXECUTIVE SUMMARY

PURPOSE OF REPORT
To provide staff's interpretation of Councillor Findlay's special motion put forward at the February 24, 2014 Council meeting:

"That staff be directed to provide a full cost accounting for development projects for Council approval."

KEY FINDINGS

Staff have interpreted the motion to mean a complete accounting of all direct capital and operating impacts from capital that would result from a specific development proposal. This would include life cycle costing, which refers to the total cost of ownership over the life of an asset. This accounting would be provided to Council to assist in the decision making process.

Calculating the full cost of a proposed development is not currently an exercise performed by staff during the development approval process. It is unfeasible, given our current staff processes and capacity; as well, the City's information technology systems are not set up in a way that would allow for the tracking of costs against individual developments.

FINANCIAL IMPLICATIONS
None.

ACTION REQUIRED
Corporate Services Committee recommends to Council no further action.

STAFF REPORT

RECOMMENDATION

That CS-2015-27 Special Motion – Councillor Findlay 2014 be received and that no further action be taken.

BACKGROUND

At the January 27, 2014 Council meeting, Councillor Findlay gave notice that he would be bringing forward a motion to a subsequent meeting on full cost accounting on planning reports.

At the February 24, 2014 Council meeting, Councillor Findlay put forth the following motion which was to be referred to the Corporate Administration, Finance & Enterprise Committee:

"That staff be directed to provide a full cost accounting for development projects for Council approval."

The motion was approved and in this report will be referred to as the "Special Resolution".

At the Corporate Services Committee meeting held on February 9, 2015 report "CS-2015-03 Outstanding Motions of the Corporate, Administration, Finance & Enterprise Committee" was pulled and Councillor Findlay's motion discussed in an effort to determine if the motion was still relevant. It was decided that insufficient information was available to make that determination. Staff were therefore asked to provide some additional clarification to assist in making this determination.

REPORT

The following special resolution was approved by Council on February 24, 2014:

"That staff be directed to provide a <u>full cost accounting</u> for <u>development projects</u> for <u>Council approval</u>."

Staff's understanding is that the context for this special resolution was in connection with development applications coming forward through planning, requesting approval of new units whether residential or non-residential.

To assist in providing clarification, each of the sections underlined in the motion above is described more fully below:

<u>Full cost accounting:</u> A costing model that predicts/estimates the future dollar impact of any new development, also known as life cycle costing.

<u>Development Projects</u>: Costing is applied to any development applications coming forward asking for approval of new buildings whether residential or non-residential.

<u>For Council Approval:</u> So that when Council approves any development application, they would also have a sense of the incremental operating and capital cost associated with that development and in theory be approving the full cost of that application.

Approaching this project at a per development basis would be extremely difficult for the following reasons:

- Each development proposal would require a multifaceted cross functional review involving input and resources from all service areas
- Each development proposal would require service areas to update the service levels at a particular point in time to analyze the incremental impact and associated costs
- Each development proposal costing would vary depending on the type and mix of units being built and the location of the development
- Each development proposal would need to be tracked in our IT systems throughout its lifetime to reflect full costs

Given the above constraints, there is currently insufficient capacity to take on the extensive financial modelling required to provide life cycle costing for development projects. Therefore staff recommends no further action at this time.

CORPORATE STRATEGIC PLAN
Innovation in Local Government
2.1   Build an adaptive environment for government innovation to ensure fiscal and service sustainability.

DEPARTMENTAL CONSULTATION
Finance Department

FINANCIAL IMPLICATIONS
None

COMMUNICATIONS
N/A

ATTACHMENTS
None

STAFF REPORT

Christel Gregson
Report Author

[signature: Janice Sheehy]

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Recommended By
Janice Sheehy
GM Finance and City Treasurer
Corporate Services
519.822.1260 x 2289
janice.sheehy@guelph.ca

[signature: Mark Amorosi]

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Approved By
Mark Amorosi
Deputy CAO, Corporate Services
519.822.1260 Ext. 2281
mark.amorosi@guelph.ca