

Special City Council - Budget Meeting Agenda



Tuesday, November 17, 2020

9:00 a.m.

Remote meeting live streamed
on guelph.ca/live

Changes to the original agenda are noted with an asterisk "*".

To contain the spread of COVID-19, City Council meetings are being held electronically and can be live streamed at guelph.ca/live.

For alternate meeting formats, please contact the City Clerk's Office at clerks@guelph.ca or 519-822-1260 extension 5603.

Pages

1. Notice of Electronic Participation

1.1. City Council

This meeting will be held by Electronic Participation in accordance with the City of Guelph Procedural By-law (2020)-20515.

2. Call to Order - 9:00 a.m.

3. Open Meeting

3.1. O Canada

3.2. Silent Reflection

3.3. First Nations Acknowledgement

3.4. Disclosure of Pecuniary Interest and General Nature Thereof

Recommendation:

That the following recommendations be referred to the December 1, 2020 City Council meeting:

1. That the 2021 operating budget be approved at a gross expenditure budget of \$463,387,040 with a property tax and payment-in-lieu of taxes levy requirement of \$267,774,464 or 3.52 per cent over the 2020 levy inclusive of the following:

a. 2021 fees, rates and charges guide posted at including water and wastewater fees and services, stormwater fees, building permit fees, parking fees, business license fees, and general user fees, and inclusive of:

- i. A stormwater base charge of \$6.40 per month equivalent residential unit or 10.3 per cent increase over 2020
- ii. A water and wastewater basic service charge equivalent to 2020 rates
- iii. A water volume charge of \$1.82 per cubic meter, or 2.80 per cent increase over 2020
- iv. A wastewater volume charge of \$1.94 per cubic meter or 1.0 per cent increase over 2020

b. City service budget requests totaling an increased net levy requirement of \$1,359,400 or 0.53 per cent and six new positions

c. local boards and shared services budget requirement, net of proportionate share of assessment growth, totaling an increased net levy requirement of \$3,077,043 or 1.20 per cent

d. total transfers to/from Reserve and Reserve Funds

2. That the Guelph General Hospital levy in the amount of \$750,000 be maintained for the second of six years as approved on December 3, 2019, resulting in no net levy change.

3. That the 2022–2024 operating budget forecast be received for information.

4. That the 2021 Capital Budget in the gross expenditure amount of \$263,170,406 and the required operating budget resulting from these projects totaling \$9,455,897 be approved inclusive of the following:

- a. funding transfers from capital reserve funds and other sources including partnerships and grants
- b. planned use of \$101.1 million of debt as a financing strategy

5. That the 2022-2030 Capital Forecast in the gross amount of \$1,654,571,109, be received for information with the following implications:

- a. Operating budget net increase totaling \$27,221,403

- b. An unfunded City Building Reserve Fund position of \$42.4 million by 2030
- c. A debt forecast that fully leverages the City's available capacity in the nine-year period

6. That the Downtown Guelph Business Association budget with gross expenditures of \$698,780 and a total levy of \$660,000 be approved.

7. That all carbon credit revenues generated by the City be directed towards the 100RE Reserve Fund as a source of funding for the implementation of the 100RE strategy.

8. That further to the November 10, 2020 Transit Strategy and Operations Campus Workshop:

- a. That staff be directed to develop an affordable long-term Transit Strategy of not more than one per cent annual net levy increase inclusive of operating and capital funding and addresses COVID ridership and revenue loss impacts
- b. That staff be directed to renegotiate the Investing in Canada Infrastructure Program Transit Stream project priorities with the primary focus of electrification of Transit fleet and related infrastructure.
- c. That staff be directed to develop a comprehensive performance metric framework that considers the varying services and routes within Guelph Transit.

9. That staff be directed to develop options to address the City Building Reserve Fund projected deficit position and report back to Council in advance of the 2022-2031 Capital Budget and Forecast.

5. Presentation

19

6. Opening Remarks

Scott Stewart, Chief Administrative Officer

7. Budget Strategy Overview

Tara Baker, General Manager, Finance/City Treasurer

8. Building Our Future

8.1. Building Our Future - City

Colleen Clack-Bush, Chief Administrative Officer, Public Services

8.2. Building Our Future - Local Boards and Agencies

8.2.1. Guelph Police Services

Gordon Cobey, Chief of Police

8.2.2. Guelph Public Library

Steve Kraft, Chief Executive Officer

8.2.3. The Elliott Community

Michelle Karker, CEO

8.2.4. County of Wellington Shared Social Services

Shauna Calder, Manager of Finance

Troy Byrne, Accounting Supervisor, Social Services

Brittany Bryant, Financial Analyst, Social Services

8.2.5. Wellington-Dufferin-Guelph Public Health

David Kingma, Director, Administrative Services

Rob Cunningham, Manager of Finance

Dr. Nicola Mercer, Medical Officer of Health, Wellington-Dufferin-Guelph

8.3. Break

Council and Staff will break for 10 minutes.

8.4. Council Questions - Building Our Future

9. Working Together For Our Future

9.1. Working Together for Our Future

Trevor Lee, Deputy Chief Administrative Officer, Corporate Services

9.2. Working Together for Our Future - Mayor and Council

Mayor Guthrie

9.3. Council Questions - Working Together for Our Future

10. Break

Council and Staff will break for 30 minutes.

11. Navigating Our Future

11.1. Navigating Our Future - City

Kealy Dedman, Chief Administrative Officer, Infrastructure,
Development and Enterprise Services

11.2. Council Questions - Navigating Our Future

12. Sustaining Our Future

12.1. Sustaining Our Future - City

Kealy Dedman, Chief Administrative Officer, Infrastructure,
Development and Enterprise Services

12.2. Sustaining Our Future - Grand River Conservation Authority

Samantha Lawson, Chief Administrative Officer
Sonja Radoja, Manager of Corporate Services

12.3. Break

Council and Staff will break for 10 minutes.

12.4. Council Questions - Sustaining Our Future

13. Powering Our Future

13.1. Powering Our Future

Scott Stewart, Chief Administrative Officer

13.2. Powering Our Future - Downtown Guelph Business Association

Marty Williams, Executive Director

13.3. Council Questions - Powering Our Future

14. Closing Remarks

Trevor Lee, Chief Administrative Officer, Corporate Services

15. Council Remarks and Final Questions

16. Adjournment

Staff Report



To	City Council
Service Area	Corporate Services
Date	Tuesday, November 17, 2020
Subject	2021 City Budget

Recommendation

That the following recommendations be referred to the December 1, 2020 City Council meeting:

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 - a. 2021 fees, rates and charges guide posted at Guelph.ca including water and wastewater fees and services, stormwater fees, building permit fees, parking fees, business license fees, and general user fees, and inclusive of:
 - i. A stormwater base charge of \$6.40 per month equivalent residential unit or 10.3 per cent increase over 2020
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 - iv. A wastewater volume charge of \$1.94 per cubic meter or 1.0 per cent increase over 2020
 - b. City service budget requests totaling an increased net levy requirement of \$1,359,400 or 0.53 per cent and six new positions
 - c. local boards and shared services budget requirement, net of proportionate share of assessment growth, totaling an increased net levy requirement of \$3,077,043 or 1.20 per cent
 - d. total transfers to/from Reserve and Reserve Funds
2. That the Guelph General Hospital levy in the amount of \$750,000 be maintained for the second of six years as approved on December 3, 2019, resulting in no net levy change
3. That the 2022–2024 operating budget forecast be received for information
4. That the 2021 Capital Budget in the gross expenditure amount of \$263,170,406 and the required operating budget resulting from these projects totaling \$9,455,897 be approved inclusive of the following:

- a. funding transfers from capital reserve funds and other sources including partnerships and grants
 - b. planned use of \$101.1 million of debt as a financing strategy
 5. That the 2022-2030 Capital Forecast in the gross amount of \$1,654,571,109, be received for information with the following implications:
 - a. Operating budget net increase totaling \$27,221,403
 - b. An unfunded City Building Reserve Fund position of \$42.4 million by 2030
 - c. A debt forecast that fully leverages the City's available capacity in the nine-year period
 6. That the Downtown Guelph Business Association budget with gross expenditures of \$698,780 and a total levy of \$660,000 be approved
 7. That all carbon credit revenues generated by the City be directed towards the 100RE Reserve Fund as a source of funding for the implementation of the 100RE strategy
 8. That further to the November 10, 2020 Transit Strategy and Operations Campus Workshop:
 - a. That staff be directed to develop an affordable long-term Transit Strategy of not more than one per cent annual net levy increase inclusive of operating and capital funding and addresses COVID ridership and revenue loss impacts
 - b. That staff be directed to renegotiate the Investing in Canada Infrastructure Program Transit Stream project priorities with the primary focus of electrification of Transit fleet and related infrastructure.
 - c. That staff be directed to develop a comprehensive performance metric framework that considers the varying services and routes within Guelph Transit.
 9. That staff be directed to develop options to address the City Building Reserve Fund projected deficit position and report back to Council in advance of the 2022-2031 Capital Budget and Forecast
-

Executive Summary

Purpose of Report

The purpose of this report is to present an overview of the 2021 Budget, inclusive of all departments, local boards and shared services. New this year, staff has developed an operating budget forecast that includes all known and planned impacts from the Strategic Plan initiatives from 2022 through 2024. Further, the capital forecast continues to be presented with a nine-year outlook from 2022 to 2030.

Key Findings

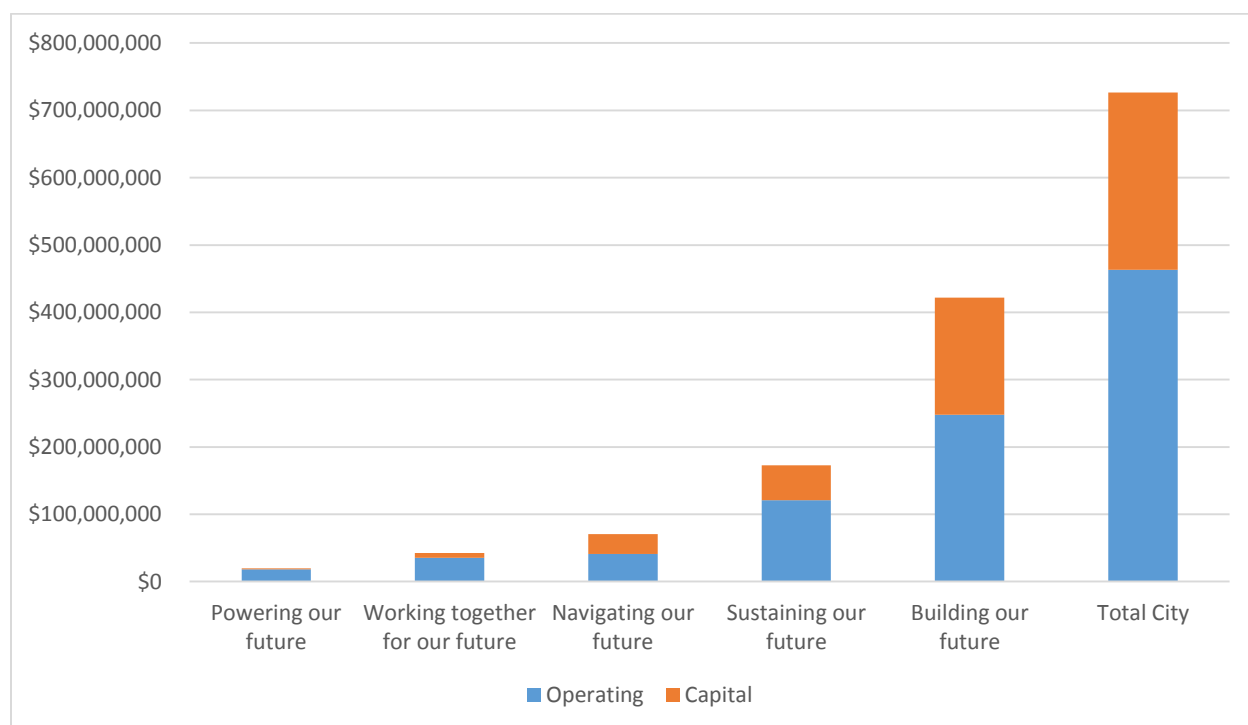
The 2021 budget is a reflection of the resources required to implement the Strategic Plan priorities and show improvement on the Council-approved performance metrics. The budget is the tool for setting the pace of achieving these goals through demonstration of the operating budget financial impact over a four-year period.

Overriding themes have emerged from the development of the 2021 budget and will be reinforced through all aspects of the presentation and documents:

- long-term financial planning will provide the foundation to inform data driven decisions and maintain affordability
- the COVID Pandemic recovery and the uncertain future with changing business needs
- digital transformation to become the modern and customer-centric City our community expects
- continuity of service and health and safety of the community depends on our ability to maintain our infrastructure assets
- Guelph is growing and our financial plans need deliberate matching of growth costs and revenues

The total 2021 operating expenditure budget is \$463.4 million and capital expenditure budget is \$263.2 million. The total expenditure budgets by Strategic Priority are as follows:

Figure 1: 2021 Operating and Capital Expenditure



These expenditures translate into a 2021 proposed net tax levy increase of 3.52 per cent which is computed net of one per cent estimated taxation assessment growth as shown in Table 1. The total City department net levy investment is 1.0% and includes the proposed budget requests, inflationary pressures and impacts from prior approved capital projects. This, in addition to the capital financing

requirement of 1.32% net levy increase, which includes capital investment for Guelph Police Services and Guelph Public Library, totals the City's proposed 2.32% increase net of assessment growth.

Table 1: City Departments and Local Boards Levy Impact

Investment	City	Local Boards	Total
Department Net Investment	4,289,354	3,914,793	8,204,147
Assessment Growth	(1,724,250)	(837,750)	(2,562,000)
Net Impact Before Capital Financing	1.00%	1.20%	2.20%
Capital Financing	3,377,693	0	3,377,693
Capital Financing Net Impact	1.32%	0.0%	1.32%
Total Net Impact	2.32%	1.20%	3.52%

From a rate perspective as shown in Table 2, this budget would require a 2021 rate increase at a combined two per cent impact and each individual rate remains competitive within the comparator municipal groups.

Table 2 Average residential bill impacts of proposed rate change

	2020	2021	Change
Water	404.91	413.40	0.05
Wastewater	453.12	456.30	0.02
Stormwater	69.60	76.80	0.60
Total	927.63	946.50	18.87 or 2.0%

Financial Implications

The operating budget for the first-time has a fully built-out four-year budget and forecast to provide Council and the community a transparent and accountable demonstration of the financial impacts of service decisions and plans beyond one year. The value in this long-term financial planning is immense as it enables decisions to be made understanding the actual financial impact on the community.

The 2021-2024 budget and forecast shows the planned tax levy and rate impact of implementing the initiatives of the Strategic Plan as follows:

Forecast	2021	2022	2023	2024
Tax levy	3.52%	5.99%	5.99%	5.54%

Forecast	2021	2022	2023	2024
User rate	2.0%	2.6%	3.0%	3.0%

As this is the first time the City has been able to develop this type of forecast, the resulting projected financial impacts may give cause to reconsider the pace of investment. The budget is the tool for Council to set the pace of achieving the goals of the Strategic Plan at the affordability level that they desire.

The forecast period of the budget includes additional full-time equivalents (FTEs) as a result of a growing city, changing legislation and emerging areas of City service delivery identified in the Strategic Plan like the Transportation Emerging Technology Office. It also includes the operating impacts from capital projects planned through this time period.

Due to the affordability concerns of the forecast period, staff has recommended a special workshop on November 10, 2020 to review in detail the Transit Growth Strategy. Transit growth is one of the most significant financial investments in the forecasted 2022 to 2024 period and beyond.

While the forecasted tax levy impacts are for receipt only at this time, Council should reference these figures throughout 2021 as they consider in-year financial decisions.

Report

Budget Overview

The 2021 budget is a reflection of the resources required to implement the [Strategic Plan](#) priorities and show improvement on the Council-approved performance metrics. The budget is the tool for setting the pace of achieving these goals through demonstration of the operating budget financial impact over a four-year period. There are many [new features](#) of the budget presentation this year that serve to make the budget process more accessible, easier to understand, and better aligned for outcome-based decisions. The multi-year operating forecast will enhance transparency in the financial impacts of Council decisions and elevate accountability in achieving the initiatives of the Strategic Plan.

Overriding themes have emerged from the development of the 2021 budget and will be reinforced through all aspects of the presentation and documents.

Strong financial policy guides our fiscal health

Long-term financial planning will provide the foundation to inform data-driven decisions and maintain tax and rate affordability while still achieving our goals. Council has approved two indicators to measure the success of the City's fiscal health being:

- the City's third-party credit rating of AA+
- the tax and rate burden as a percentage of average household income

In February of this year, Council received and approved the [City's Long-term Financial Framework](#) which provides a road map of integration for the City's core financial policies in order to enhance financial sustainability, increase financial flexibility, and reduce financial vulnerability. The City's Debt Management Policy

was updated in 2020, and looking forward to 2021, the focus will be on the development of a Corporate Revenue Policy including a user fee subsidization review and considering the implementation of the Prudent Investor Standard for investment portfolio management.

The COVID-19 Pandemic

The 2021 budget year is full of uncertainty as the City and the community continue to manage through the COVID-19 Pandemic. The impacts of the Pandemic are pervasive to the City's businesses and will require us to look at how we deliver services, assess the permanency of social and legislative impacts, and plan for an extended recovery period that may take as long as five years. For this reason, the 2021 budget does not propose budget changes for COVID-19, except for the decision previously approved by Council related to Transit Services. 2021 is a year of review and assessing what impacts of COVID are permanent and require budget adjustments in a future year. Staff will report back on these reviews and the changes that will be required.

There are known revenue and costs variances that will occur through 2021 and staff are committed to managing these impacts through the variance process by shifting work plan priorities, and temporary reductions in service to offset the revenue loss. The \$12 million in Safe Restart Emergency funding including the special transit stream received from the federal and provincial governments in September, mitigated the need to use City contingency reserves in 2020. For this reason, the 2021 budget considers grant programs funded from these reserves to help the tourism and hospitality sectors as well as non-profit organizations rebound from the impacts of the Pandemic.

Please visit the budget website for information about how the City budget is responding to [COVID-19](#).

Digital transformation and continuous improvement

Digital transformation means making strategic investments over time that create better value for citizens and business, enables more efficient service delivery, supports innovation and ultimately helps us become the modern and customer-centric City our community expects.

Please visit the budget website for more detailed information about how the City budget is supporting the transformation of service delivery through [digital innovation](#).

Asset Management Plan and Infrastructure Renewal Strategy

On November 2, 2020, Council was presented the results of the updated [Asset Management Plan](#) that confirmed that the City's financial strategies for long-term infrastructure renewal have been successful and should remain in place to continue our journey to reach sustainable funding. Continuity of service and health and safety of the community depends on our ability to maintain our infrastructure assets.

Please visit the budget website for more detailed information about the [City's Long-term Infrastructure Renewal Strategy](#).

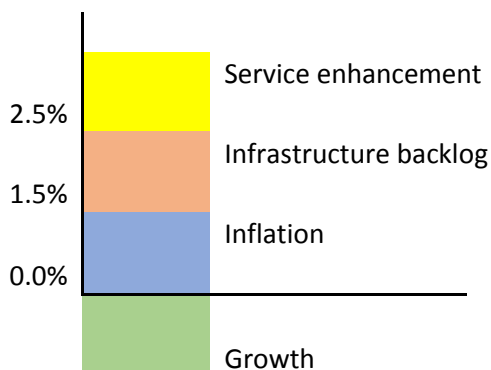
Guelph is growing quickly

Guelph is growing and our financial plans need deliberate matching of growth costs and revenues to demonstrate that we are increasing service delivery and building infrastructure at an appropriate rate. The City has dedicated revenue streams that help fund both the operating and capital costs of growth including development charges, building and planning application fees and growth-related property tax assessment revenues. This is a developing area of focus for the City's financial modeling as the emphasis on growth becomes central to Council discussions in 2021 and 2022 with the updates to the Office Plan, the Municipal Comprehensive Review and various service Master Plans.

Please visit the budget website for more detailed information about the [City's Long-term Growth Funding Strategy](#) and how the budget and forecast incorporates planning for growth. Based on this analysis, the City is allowing approximately \$356,000 of net growth revenue to be used against other budget pressures in 2021. Staff is comfortable with this position as the local boards and agencies have a net growth deficit ending position.

Building the budget

Internal budget guidance is developed by two cross-functional internal steering committees that provide department heads with direction on base assumptions in the budget preparation. As the overriding principle, the objective is to execute the initiatives as identified in the Strategic Plan. However, there are also base everyday service obligations that the City must continue to deliver.



These base obligations come in the form of [inflationary pressures](#) for compensation, contractual commitments, insurance, facility and fleet maintenance requirements, and debenture payments. The City relies on people to deliver the services that the community relies on every day and many of these people belong to collective bargaining unions with whom Council has entered into multi-year compensation obligations. The City refers to funded positions as FTEs, and this is the largest inflationary pressure in the budget. A full summary of [approved and projected FTEs](#) are including in the budget materials.

The municipality then needs to consider a funding strategy to maintain and replace their infrastructure asset inventory which for the City, is more than \$4.39 billion or approximately \$31,000 per resident. As part of the rate and tax long-term financial models, there is a funding increase to address the gap in funding for infrastructure renewal sustainability.

Growth is also a cost pressure as outlined earlier in this report and it is important to manage the cost of growth with the revenues associated with growth over time. If managed effectively over the long-term, growth costs should be recoverable from growth revenues, resulting in a net zero impact on taxes or rates. This is a developing financial practice within the City.

Finally, we have the pressure of adding new service delivery requirements either voluntarily or due to legislative changes. Some of these may be a result of Council choice in order to implement the Strategic Plan, but there are always other factors outside the City's control that also contribute to these expanding costs.

It is unreasonable to assume efficiencies in an organization can completely offset the inflationary pressures in any given year, especially when the City is growing and we are trying to meet the growth demands. The City is developing a culture of [continuous improvement](#) and looking at ways to eliminate paper and manual processes, increase standardization in processes and becoming more digital. These are driving efficiencies in the base budget and will be reflected each year based on bettering ability to measure and capture these improvements and creation of capacity. Examples in 2021 budget include:

- Continuing to implement energy efficiency initiatives that mitigate utility cost increases – approximately \$337 thousand was mitigated in addition to projected \$997 thousand expected savings from the completion of the streetlight LED replacement. As a reminder, the streetlight savings is being used to repay the capital funding required to execute that project.
- Implementing an automated Council agenda management system reducing the cost of paper, printing costs, and staff time involved in this process.
- Implementing a digital meeting functionality to reduce mileage costs and staff time commuting between facilities.
- Renegotiating the cost sharing agreement with Guelph-Eramosa for Fire Service provision.
- Enhancing cost controls structures for corporate cell phone usage and position changes.

[User fees and other revenues](#) are an important ingredient in recovering expenses in some business lines as well. In some cases, it's appropriate to have a user-pay operating model with taxation being considered to help subsidize the service where it is appropriate.

There is often political pressure, especially in a difficult economic climate, to reduce revenue increases to zero (rates or taxes). While in the short-term, if budget reductions are achieved through one-time measures like reserve transfers, this may offer political benefit, in the long-term, it often results in creating financial havoc. Staff would recommend Council take a very balanced approach to considering budget reductions to ensure base budget service delivery, including maintaining and operating our current assets is not being put at risk in order to fund service enhancements.

Operating Budget and Forecast

The operating budget for the first time has a fully built-out four-year budget and forecast to provide Council and the community a transparent and accountable demonstration of the financial impacts of service decisions and plans beyond one year.

The 2021-2024 budget and forecast show that the planned tax levy and rate impact of service delivery is as follows:

Forecast	2021	2022	2023	2024
Tax levy	3.52%	5.99%	5.99%	5.54%
User rate	2.0%	2.6%	3.0%	3.0%

2021 Operating Budget

The operating budget and forecast try to balance the various pressures a City must consider on an annual basis including inflation, infrastructure renewal backlog, growth and service enhancements. These costs have been offset with new and growing revenues, efficiencies and service reductions. The City's proposed 2021 tax levy increase are included in Table 3:

Table 3: City Budget Drivers excluding Local Boards and Agencies

Budget driver	Budget change \$	Tax levy impact
Base budget/Inflationary	3,475,197	1.36%
Operating impact from capital	1,049,757	0.41%
Service reduction	(1,595,000)	(0.62%)
Capital financing	3,377,693	1.32%
Budget requests	1,359,400	0.53%
Sub-Total	7,667,047	2.99%
Assessment growth revenue	(1,724,250)	(0.67%)
Total requested	5,942,797	2.32%

This year's budget includes six new position requests; four paramedics from a Council-approved Master Plan and two positions that have become a priority in light of the COVID response. The 2021 budget also has proposed one-time investment to support the COVID recovery process for non-profit organizations and the tourism and hospitality sector. A total list of the [2021 operating budget requests](#) is available in the budget documents.

It also includes the operating impacts from capital projects approved in 2019 and 2020 that will be operational next year and proposed increases to address the infrastructure renewal backlog, as well as other capital financing contributions for Baker District and the [100RE Strategy](#). Further, with Council's approval of the South End Community Centre to open in 2024, staff have started to phase-in one quarter of this \$2.4 million operating impact in 2021.

These budget investment proposals are offset by the Council-approved transit service budget reduction through a deferral of the new routes originally approved as part of the 2020 budget. This shows the City's commitment to address the financial impacts of COVID and the significant decline in transit ridership that will likely persist throughout 2021. Transit is looking at innovative microtransit service options that should further help mitigate the lost revenues and lower ridership being experienced.

In addition to the City's budget funded by property taxes are the budgets from the following local boards and agencies and contribute to 1.20 per cent of tax levy increase, net of their proportionate share of assessment growth, in 2021:

- Guelph Police Services
- Guelph Public Library
- The Elliott Community – Long-term Care
- Social Services – delivered by The County of Wellington
- Wellington-Dufferin-Guelph Public Health

Council does not have direct oversight of these boards and agencies, however is responsible for funding, in whole or in part, their operations. In addition to these agencies, the City's \$750,000 multi-year commitment to the Guelph General Hospital remains for the second of six years.

Further, the City's share of the Grand River Conservation Authority budget is funded through the Water and Wastewater Services user rates. The Downtown Guelph Business Association's budget is also included for Council approval however, this a special levy that is applied to downtown commercial properties in addition to the City's general taxation requirement.

2022-2024 Operating Forecast

For the first time, the City is presenting a detailed three-year operating forecast which includes ongoing financial obligations and proposals for implementing the Strategic Plan. [Long-term financial planning](#) provides Council with the rate and levy impacts of multi-year capital budget and service delivery decisions. For example, Council has approved the construction Baker District and the South End Community Centre both which come with an operating budget requirement expected in 2024. Further, there is also a capital funding requirement for the Library that Council approved to be phased-in starting in 2021.

The forecast period of the budget also includes additional FTEs as a result of a growing city, changing legislation and emerging areas of City service delivery identified in the Strategic Plan like the Transportation Emerging Technology Office.

As this is the first time the City has been able to develop this type of forecast, the resulting projected tax levy impact may give cause for concern. One of the recently approved 'measurements of success' of the Strategic Plan is the combined rate and tax burden as a per cent of average annual income. Staff are concerned that the forecasted tax levy increase will not be affordable to the community and for that reason, has recommended a special workshop on November 10, 2020 to review in detail the Transit Growth Strategy. Transit growth is one of the most significant financial investments in the forecasted 2022 to 2024 period and beyond.

While the forecasted tax levy impacts are for receipt only at this time, Council can and should reference these figures throughout 2021 as they consider in-year

financial decisions. The budget sets the pace to achieving the goals of the Strategic Plan at the affordability level that is determined by Council.

Capital Budget and Forecast

The 2021 Capital Budget totals \$263.17 million and includes the South End Community Centre and the Main Branch Library approved on October 7, 2020. The 2022-2030 Capital Forecast totals \$1,654.57 million and primarily is focused on infrastructure renewal and building infrastructure to support our growing City. The operating budget impact from 2021 proposed projects totals \$9.46 million which will be phased-in over the 2022 to 2030 period.

The operating impacts are from the following projects or groups of projects are included in Table 4.

Table 4 - Highlights of operating impacts from 2021 recommended capital spending

Project	Net operating budget	Description
South End Community Centre	\$2.4 million	Operating costs for the new facility including compensation, materials, utilities, and programming costs.
Baker District public realm (library and open space)	\$3.5 million	Operating costs for the new facility and open space including compensation, materials, utilities, and programming costs.
Corporate technology and innovation	\$1.4 million	Staffing, software licensing and hardware.
Urban Forest Management Plan (UFMP) Implementation	\$0.8 million	Includes additional staffing and operating expenses related to execution of initiatives identified in the UFMP.
Cycling Network	\$0.4 million	Costs related to snow and street sweeping equipment including staffing, operating and maintenance.
Transit System	\$0.3 million	Maintenance and repairs of new bus shelters and costs related to technology including software maintenance and rental and maintenance charges for cellular units.

The Capital Budget and Forecast is as comprehensive as possible to include technology investment, significant facility replacement and road reconstruction

funded by long-term reserve fund and debt financing plans. The City has been developing integrated long-term financial strategies over the past three years that serve as the foundation of the capital plan; staff continue to refine and improve these strategies annually.

Two notable milestones reached in the 2021 capital budget development process were the identification of operating budget impacts for all projects in the entire 10-year plan and enhancing the capital budget project detail. As a recommendation from the internal audit of Project Management, staff are required to increase the level of detail at which capital projects are budgeted. Both of these achievements demonstrate the City's dedication to continuous improvement and strengthening financial management.

The City's [debt strategy](#) maintains total debt within the Council-approved Debt Management Policy limitations for the ten-year period. Debt is an important capital financing tool to align the cost of significant long-lived infrastructure with those who will receive the benefit of the service it provides. With the approval of the two significant facility projects as mentioned above, the City will be able to issue debt in 2021 and leverage the current low-cost debt market to benefit the City for twenty years.

The City's [Reserves and Reserve Funds](#) are being managed in accordance with the City's General Reserve and Reserve Fund Policy and includes more reliance on informal inter-fund borrowing than in past years. The unfunded [City Building Capital Strategy](#) is creating noticeable pressure on the City's collective capital reserve fund balance by 2024 which requires attention and will be discussed in more detail as part of the November 10, 2020 special council workshop.

Financial Implications

The 2021 Budget and the 2022 to 2030 Forecasts provide Council with a comprehensive, long-term view of the City's financial plan and resulting levy and rate impacts.

The financial implications have been summarized throughout this report in detail.

Consultations

Local Boards and Agencies

Corporate Management Team

Strategic Plan Alignment

The 2021-2024 Operating Budget and the 2021-2030 Capital Budgets supports all the priorities of the Strategic Plan and sets the pace for implementation.

Attachments

None

Departmental Approval

Greg Clark, CPA, CMA, Manager of Financial Strategy and Long-term Planning

Report Author

Karen Newland, CPA, CMA, Manager, Finance Client Services

This report was approved by:

Tara Baker, CPA, CA
General Manager, Finance / City Treasurer
Corporate Services
519-822-1260 extension 2084
tara.baker@guelph.ca

This report was recommended by:

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



Budget overview



The Strategic Plan and the 2021 to 2024 budget

The Strategic Plan's five priorities lead this budget, setting us on a sustainable path for our economy, environment and transportation while supporting an efficient workforce and united community.



Powering
our future



Sustaining
our future



Navigating
our future



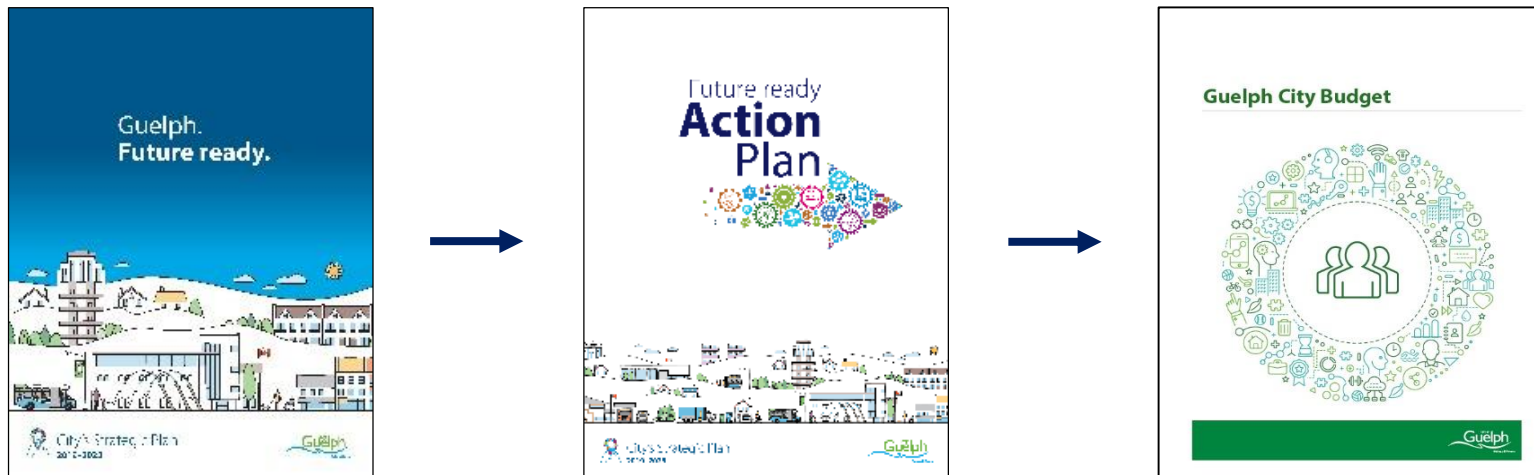
Working
together for
our future



Building
our future

Budget—the tool that dictates pace of being Future Ready

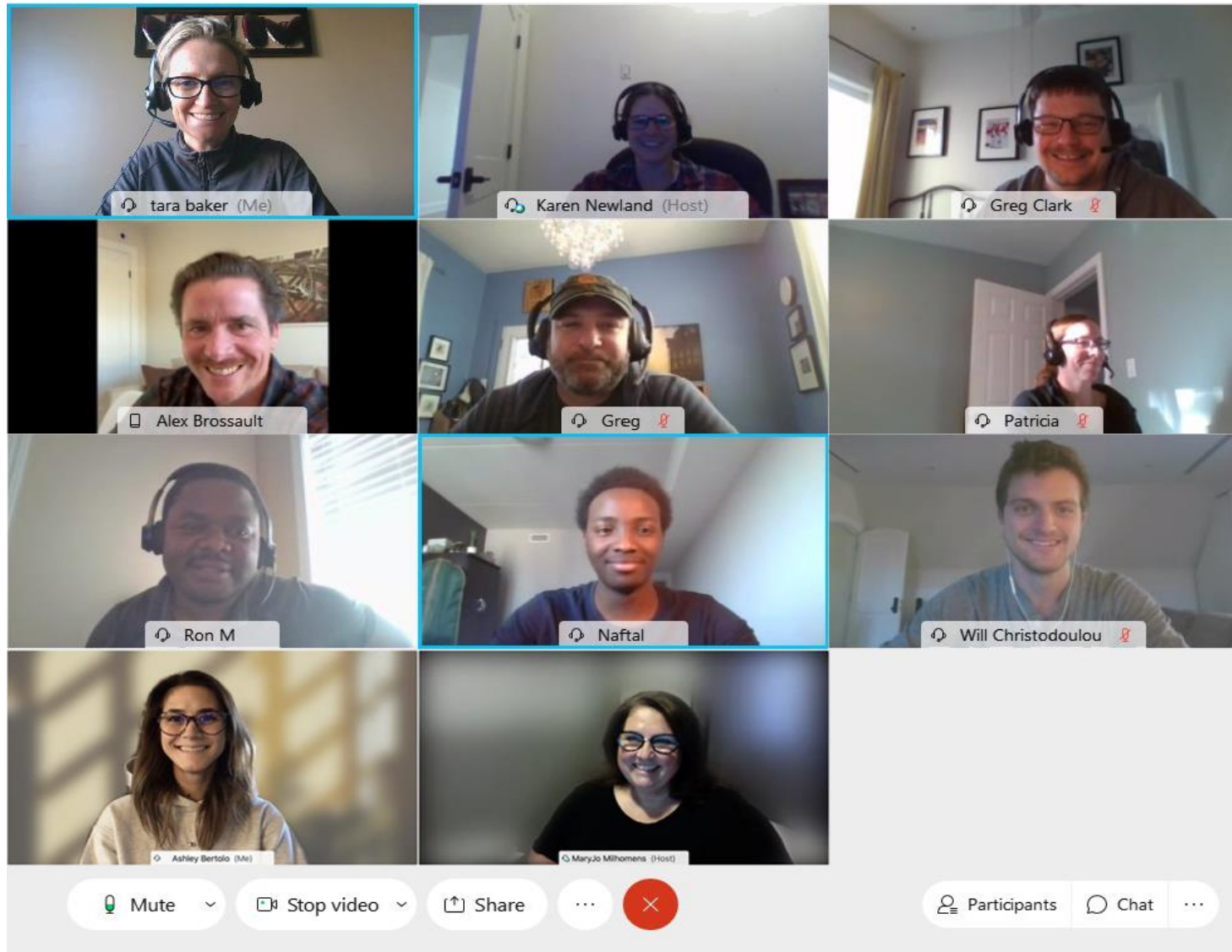
The budget is the affordability tool that dictates the pace of implementing the Future Ready Action Plan initiatives.



Budget transformation

- Aligning Strategic Plan with a multi-year forecast
- Integrating operating and capital into one budget
- Enhancing web presence to support virtual Council meetings and community accessibility
- Decluttering budget through strategic Council meeting agenda planning
- Increasing opportunities for engagement and education
- Continuing to improve internal budget development processes

Budget transformation project team



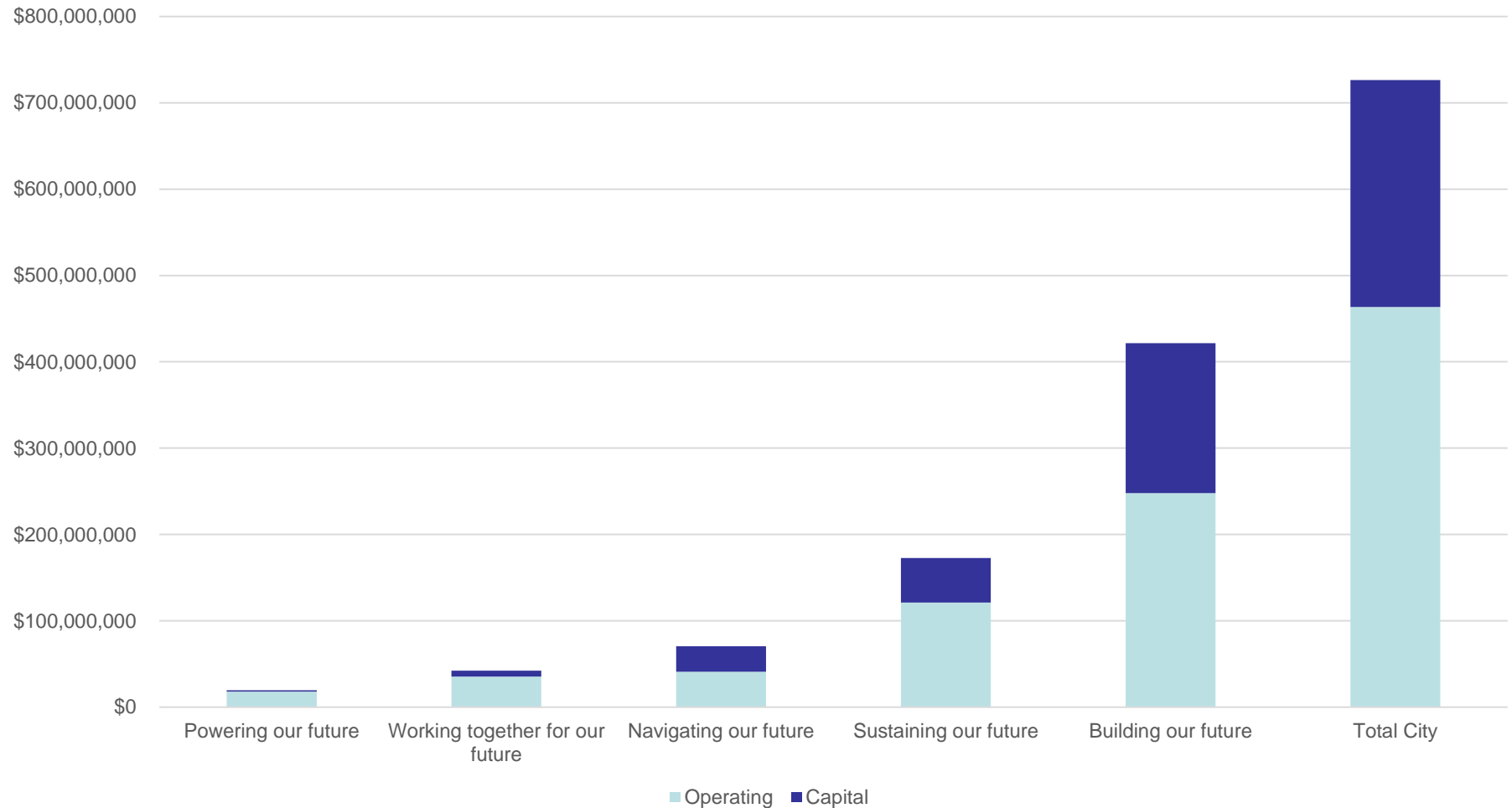
Key budget strategies

- Guided by the Long-term Financial Framework policies
- Digital transformation and continuous improvement
- COVID-19 Pandemic budget response
- Integrated capital and operating budget impacts by strategy:
 - Inflationary and legislated cost pressures
 - Revenues
 - Asset management and infrastructure renewal
 - Growth
 - City Building

Building the budget assumptions

- Base budget expenditure targets—0% other than contractual commitments.
- User fee/rate revenue targets—2% where possible.
- Tax assessment growth—1% annually.
- COVID budget impacts treated as temporary in 2021; use this year to assess and determine permanency.
- Operating budget impacts from all capital projects in the 10-year forecast.
- 2021 capital projects budgeted at detailed level; internal audit recommendation improvement.

2021 proposed operating and capital budget—gross expenditures



2021 proposed net property tax levy impact

Strategic Plan priority	2021 levy impact	2021 levy impact percentage
Building our Future	7,730,336	3.02%
Working together for our Future	551,830	0.22%
Navigating our Future	(1,120,010)	(0.44%)
Sustaining our Future	4,177,114	1.63%
Powering our Future	242,570	0.09%
Total	11,581,840	4.52%
Assessment	(2,562,000)	(1.00%)
Net Impact	9,019,840	3.52%

2021 operating budget—tax levy by City and Local Boards Shared Services (LBSS)

Expense Category	City	LBSS	Total
Department Net Investment	4,289,354	3,914,793	8,204,147
Assessment Growth	(1,724,250)	(837,750)	(2,562,000)
Net Impact Before Capital Financing	1.00%	1.20%	2.20%
Capital Financing	3,377,693	0	3,377,693
Capital Financing Net Impact	1.32%	0.0%	1.32%
Total Net Impact	2.32%	1.20%	3.52%

2021 City departments operating budget drivers

Category	2021	Levy Impact
Base budget/Inflationary	3,475,197	1.36%
Operating Impact from Capital	1,049,757	0.41%
Service Changes/Reduction	(1,595,000)	(0.62%)
Capital Financing	3,377,693	1.32%
Budget Requests	1,359,400	0.53%
Sub-Total	7,667,047	2.99%
Assessment Growth Revenue	(1,724,250)	(0.67%)
Total Requested	5,942,797	2.32%

2021 to 2024 proposed net levy impact

Strategic Plan Pillar	2021 Net Levy Impact	2022 Forecast Net Levy Impact	2023 Forecast Net Levy Impact	2024 Forecast Net Levy Impact
Powering our Future	242,570	521,343	297,010	209,897
Sustaining our Future	4,177,114	1,780,414	2,107,287	2,142,725
Navigating our Future	(1,120,010)	3,111,510	4,896,080	5,856,190
Working together for our Future	551,830	2,255,975	1,222,940	538,315
Building our Future	7,730,336	11,063,112	11,517,425	11,314,408
Total	11,581,840	18,732,354	20,040,742	20,061,535
Assessment	(2,562,000)	(2,686,000)	(2,874,000)	(3,074,000)
Net Impact	9,019,840	16,046,354	17,166,742	16,987,535
Net Impact %	3.52%	5.99%	5.99%	5.54%

Average residential bill impacts of proposed rate change

	2020	2021	Change
Water	\$404.91	\$413.40	\$0.05
Wastewater	\$453.12	\$456.30	\$0.02
Stormwater	\$69.60	\$76.80	\$0.60
Total	\$927.63	\$946.50	\$18.87 or 2.0%

Stormwater—based on average impervious area of a residential property of 188 m².

Water/Wastewater—based on average annual consumed water volume by a three-person household of 175 cubic meters

2021 rates will come into effect on January 1, 2021

Forecasted average rate impact on residential bill

	2021	2022	2023	2024
Water	\$413.40	\$422.15	\$433.89	\$446.91
Wastewater	\$456.30	\$465.05	\$475.32	\$484.62
Stormwater	\$76.80	\$84.00	\$91.20	\$98.40
Total	\$946.50	\$971.20	\$1,000.41	\$1,029.93
% Change	2.0%	2.6%	3.0%	3.0%

2021–2030 capital budget highlights

- Continued focus on Infrastructure Renewal Strategy and goal to reach sustainable funding
 - Increase of \$1.5 million for rate supported businesses
 - Increase of \$3.0 million for tax supported businesses
- All capital transfers reflect both inflation and impacts from 2020 approved growth/city building projects.
- City Building funding increase includes the 1/3 phase-in from the newly approved Baker District—projected deficit still exists.
- Proposed strategy for 100RE of \$500K per year.
- Forecast period includes the conversion of project managers from temporary to full-time.

Reserve and Reserve Funds

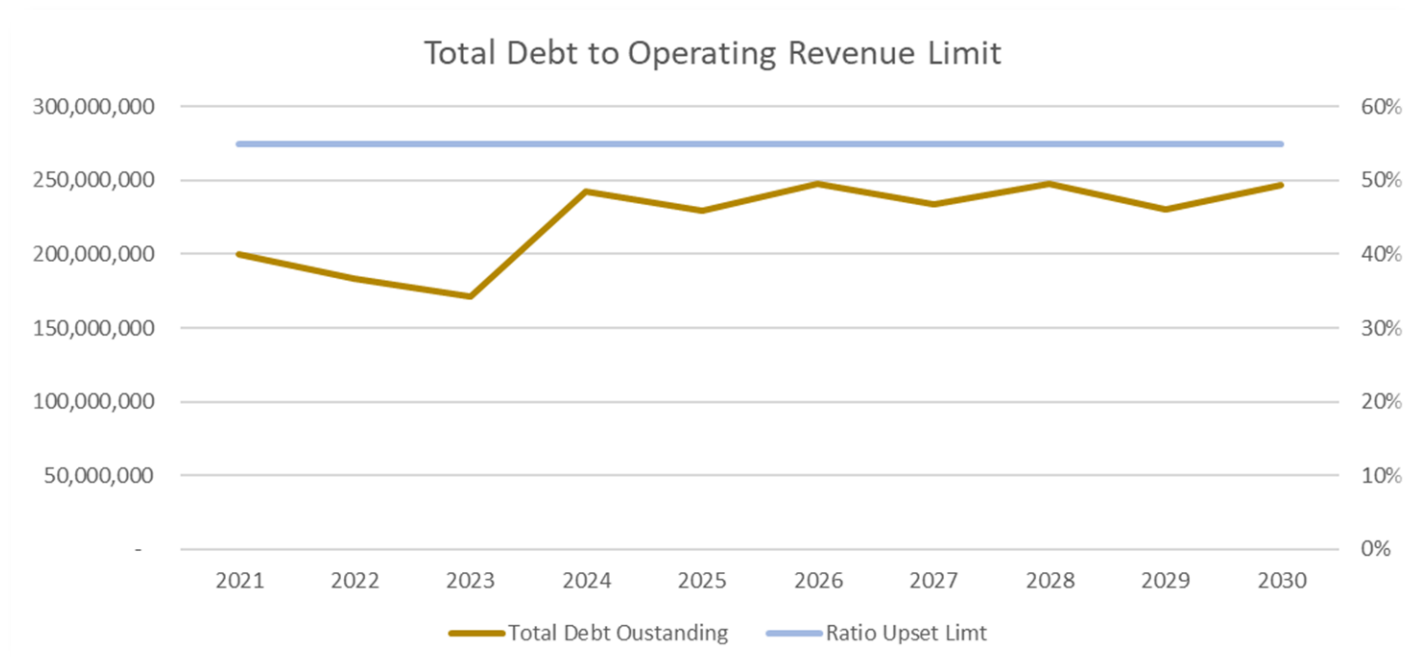
- Reserves and Reserve Funds have a purpose and use of funds has budget implications.
- Contingency reserves are a short-term solution to mitigate the financial implications of COVID.
- Tax supported capital reserve funds reflect a deficit due to lack of sustainable City Building funding by 2022.
- Non-tax capital reserve funds use inter-fund borrowing to reduce reliance on external debt in 2022 to 2024.
- Sale of Hanlon Creek Business Park phase 3—return to a positive balance.

Debt Forecast

Debt for large projects such as the South End Community Centre and Baker District.

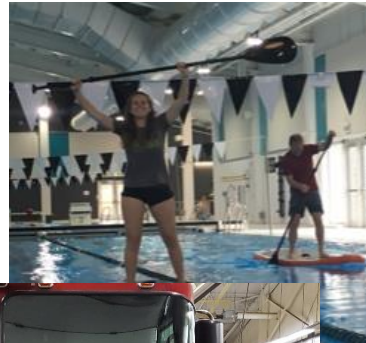
Debt limitations maintained throughout 10-year period.

Current low interest rates is opportune time to borrow.





Building our Future



Measures of success

- Percentage of current assets that provide satisfactory levels of service.
- Percentage of affordable residential units (ownership and rental).
- Percentage of residents who perceive themselves to be safe in the city.
- Improvement in response time for emergency services.
- Percentage citizens expressing a sense of belonging to Guelph.

What is included

Operating

- Facilities and Energy Management
 - Corporate Facilities Management
- Parks
 - Parks Planning
- Culture and Recreation
 - Recreation
 - Community Investment
- Affordable Housing
- Fire Services
- Guelph-Wellington Paramedic Services
- Operations
 - Corporate and Community Security
 - Public Works
- Engineering and Transportation
 - Infrastructure Planning and Construction
- Capital Financing—Infrastructure Renewal, Growth, City Building

What is included (cont'd)

Operating

- Guelph Police Services
- Guelph Public Library
- The Elliott Community
- Social Services (County of Wellington)
- Public Health

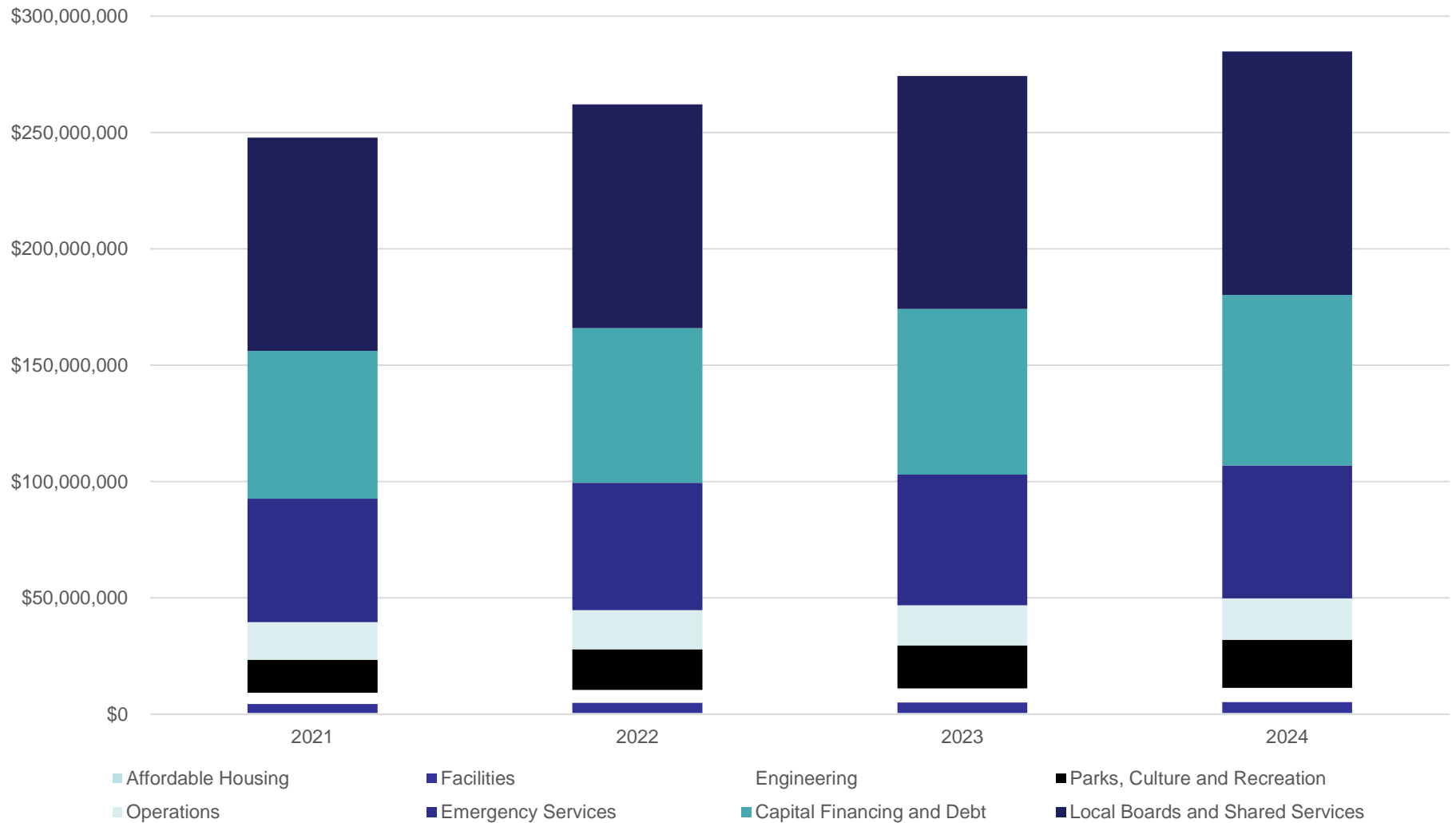
Capital Programs of Work

- Corporate Projects
- Emergency Services
- Open Spaces, Recreation, Culture and Library
- Transportation Systems

2021 to 2024 highlights

- Update Corporate Asset Management Plan.
- Construction of the Baker District public realm including the Central Library.
- Construction of the South End Community Centre.
- Integrated approach with our local boards and partner agencies on community safety and well-being.
- One-time emergency investment in the Community Investment Strategy.

Operating budget expenditure summary



2021 budget highlights

- Increase in Fire service revenue.
- Continuation of the multi-year Community Investment Strategy grant program approved by Council in 2019.
- Phase-in of South End Community Centre operating budget
- Continuation of base funding for the Affordable Housing Financial Incentive Program.
- Continuation of the Infrastructure Renewal Funding Strategy.
- Increase for Council-approved City Building Capital Reserve Fund transfer to fund the new Central Library.

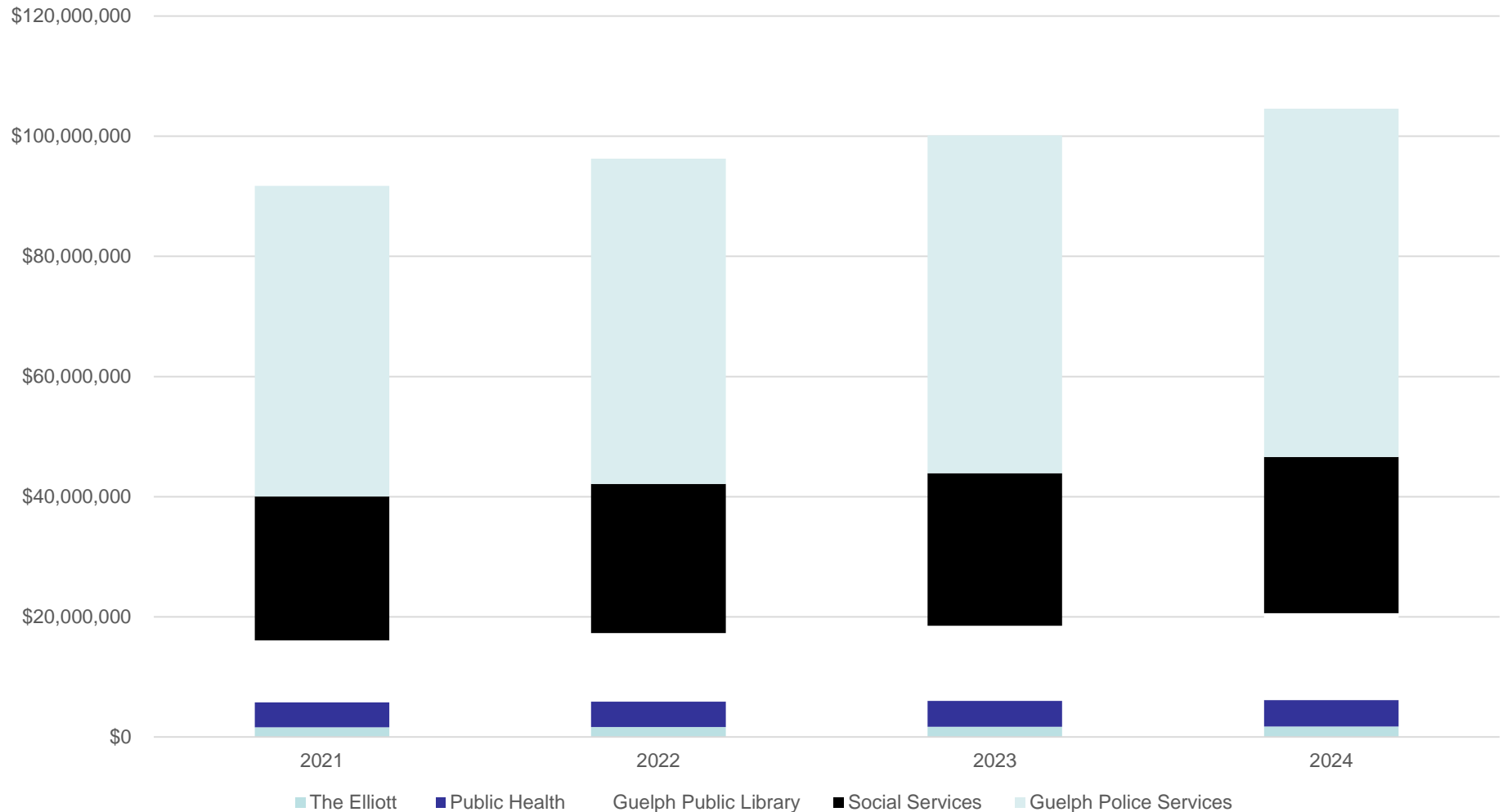
2021 budget requests

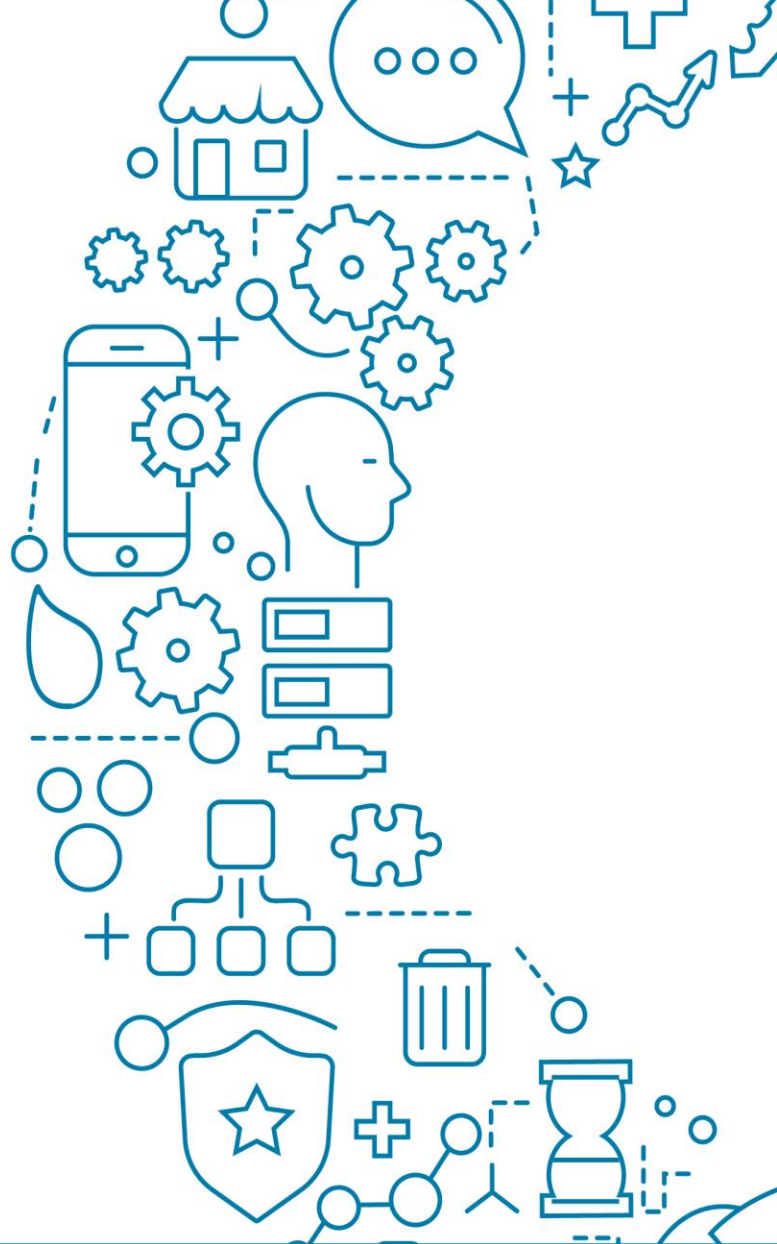
Request	Cost	FTE	Strategic Link
BR 713 – Emergency Funding - Community Investment Strategy (One-time funded from reserve)	\$350,000		Develop a community safety and well-being plan
BR 787 - Paramedic Master Plan	\$607,300	4	Develop a community safety and well-being plan
BR 793 - Dispatch Data Service	\$46,600		Develop a community safety and well-being plan
BR 842 - Maintenance Technician	\$100,000	1	Implement the Corporate Asset Management Plan

Capital budget

Program of Work	2021	2022	2023	2024
Corporate Projects	13,333,400	5,445,600	2,181,700	4,126,600
Emergency Services	5,811,800	6,873,800	4,913,400	9,882,000
Open Spaces, Recreation, Culture, Library	154,626,116	10,534,800	16,286,933	12,771,200
Transportation Systems		13,000,000		
Total	173,771,316	35,854,200	23,382,033	26,779,800
Operating Impact from Capital	608,550	2,028,340	1,985,300	3,035,137

Local Boards and Shared Services operating budget summary





2021 budget summary

- Zero new positions being requested this year.
- Projected budget increase represents previously approved commitments and contractual obligations.
- A variety of new initiatives will be implemented within current FTEs.
- 2021 budget projection: \$48,335,450.

2019–2021 Strategic Plan

- Community Policing
- Organizational Health and Service Effectiveness
- Community Wellness
- Road Safety
- Drugs and Property Crime
- Downtown

Our community's priorities

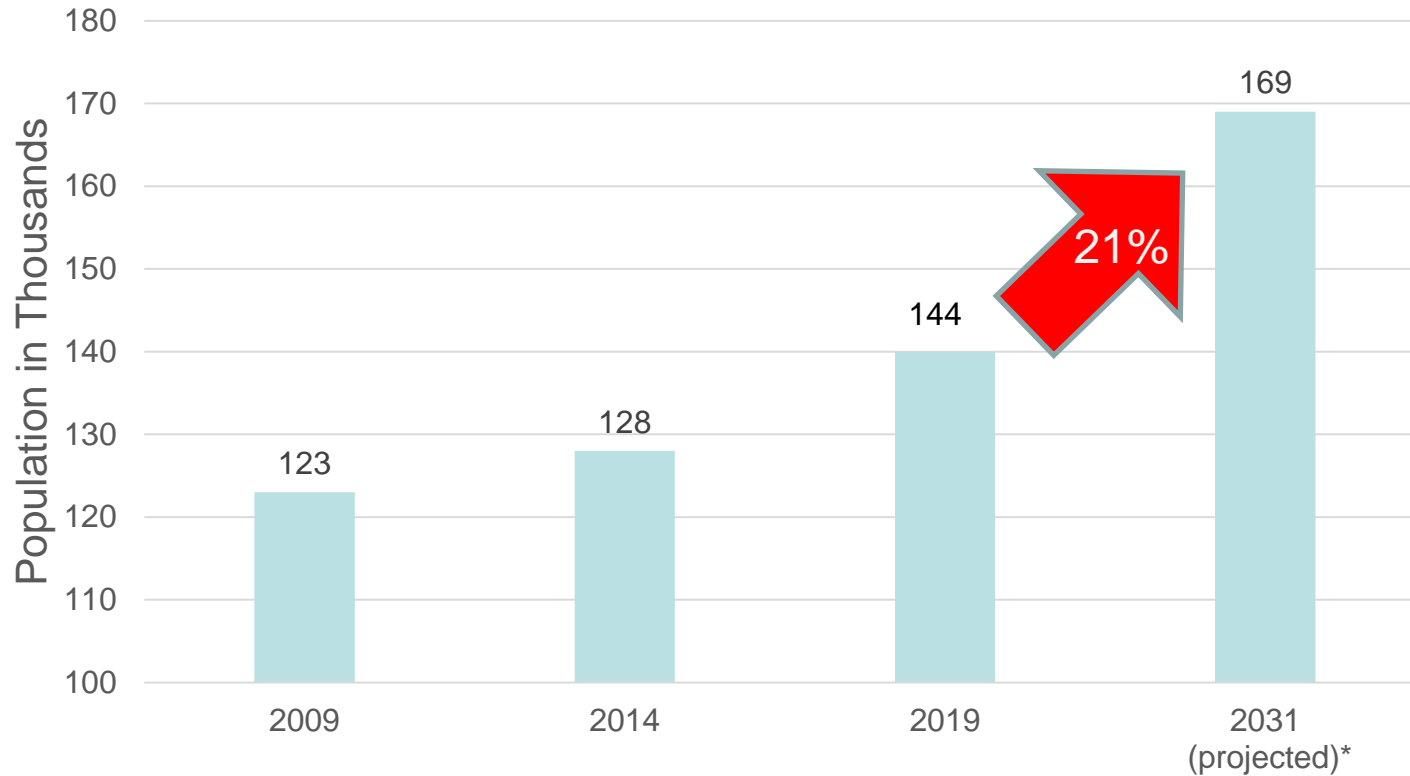
Guelph. Future ready.

City's Strategic Plan – 2019 to 2023*

- **Vision:** An inclusive, connected, prosperous city where we look after each other and our environment.
- **Building our future:**
 - Continue to build strong, vibrant, safe and healthy communities that foster resilience in the people who live here.

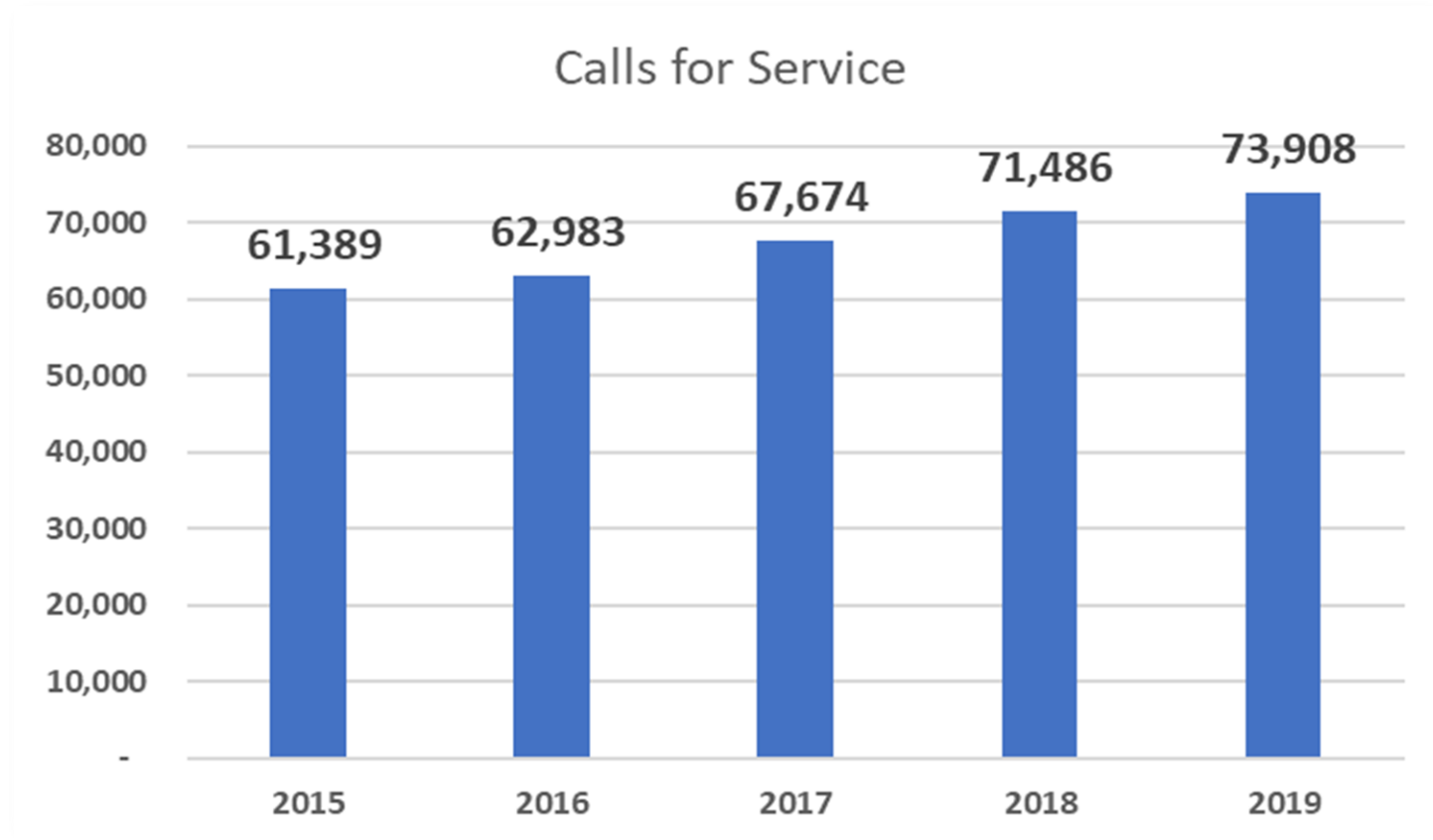
* Source: <https://guelph.ca/plans-and-strategies/strategic-plan>

Population growth



* Source: <https://guelph.ca/business/economic-development-office/guelph-quicksheet/>

Demand for services



2020 update

- COVID-19
 - Pandemic Preparedness
 - Worked closely with community partners
 - New technologies implemented
 - Data based decisions
 - Service delivery refinements
 - Within our 2020 budget
 - Ongoing and evolving

2020 update

- Community
 - Connectedness
 - Diversity
 - Resilience
- Service of our Members
 - Engagement
 - Commitment
 - Resilience

2020 update

- Organizational Accomplishments
 - Downtown Resource Officer Pilot
 - Body Worn Camera Pilot
 - 2020 Expansion
 - Diversity, Equity and Inclusion Committee

2021 initiatives

- Community Response Unit
 - Community Resource Officers
 - Downtown Resource Officer Unit
 - Community Liaison/Diversity Officer
- New Training Initiatives
 - Bias Awareness Training
 - Diversity Training Delivered by members of our BIPOC community with local lived experience

2022 and beyond

- Ongoing transition to hybrid fleet
- Evaluation of body worn camera pilot
- Transition to e-bikes
- NG 911
- Continued investment in technology

Building our Future

- Continue to build strong, vibrant, safe and healthy communities that foster resilience in the people who live here.
 - Growth Strategy must ensure the services we provide are delivered in an effective, efficient and sustainable manner.

Policing investment comparison

Police Cost per Capita				
City (Single Tier Population 100K -300K)	2019 Population *	2019 Police Cost (\$000) **	Police Cost Per Capita	2011-2016 Population Growth ***
Guelph	143,912	\$46,558	\$324	8.30%
Kingston	129,093	\$42,212	\$327	0.35%
Sudbury	168,858	\$62,695	\$371	0.78%
Barrie	150,638	\$63,836	\$424	3.95%
Thunder Bay	111,990	\$51,771	\$462	-0.41%

*2019 BMA Study - Manifold estimate is derived using many sources of data including Stats Can Census data (e.g., population counts and age), real estate development, historical trends and immigration statistics

**Source: Ministry of Municipal Affairs, 2019 Financial Information Return (Schedule 12- Columns 1-7 & Schedule 40 Column 11)

<https://efis.fma.csc.gov.on.ca/fir/ViewFIR2019.htm>

***Statistics Canada Census Profile, 2016 Census <https://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/index.cfm?Lang=E>

Policing investment comparison

Police Cost as a % of City Net Costs			
City (Single Tier Population 100K -300K)	2019 Police Cost (\$000) *	City Net Costs (\$000)*	Police cost as a % of City Net Costs
Guelph	\$46,558	\$260,534	18%
Kingston	\$42,212	\$239,163	18%
Sudbury	\$62,695	\$338,083	19%
Barrie	\$63,836	\$268,391	24%
Thunder Bay	\$51,771	\$239,840	22%

*Source: Ministry of Municipal Affairs, 2019 Financial Information Return (Schedule 12- Columns 1-7 & Schedule 40 Column 11) <https://efis.fma.csc.gov.on.ca/fir/ViewFIR2019.htm>

Policing investment comparison

Police Net Cost per \$100K Assessment		
City (Population > 100K)	Net Cost per 100K CVA (excluding Amortization)	Net Cost per 100K CVA (Including Amortization)
Toronto	\$149	\$154
Ottawa	\$178	\$181
Guelph	\$190	\$196
Kingston	\$203	\$214
Hamilton	\$212	\$216
Chatham-Kent	\$212	\$217
London	\$233	\$244
Barrie	\$248	\$254
Brantford	\$303	\$310
Sudbury	\$319	\$333
Thunder Bay	\$401	\$408
Windsor	\$527	\$544
Average	\$265	\$273
Median	\$223	\$231

Source 2019 BMA Study - Page 150 <https://guelph.ca/wp-content/uploads/2019-Final-Municipal-Study-Guelph.pdf>

Budget history

Year	GPS Surplus	Surplus Deposited to Police Contingency Reserve	Surplus returned to the City
2010	\$ 249,213	\$ -	\$ 249,213
2011	\$ 542,068	\$ -	\$ 542,068
2012	\$ 492,892	\$ -	\$ 492,892
2013	\$ 153,314	\$ -	\$ 153,314
2014	\$ 562,718	\$ -	\$ 562,718
2015	\$ 725,775	\$ -	\$ 725,775
2016	\$ 392,385	\$ -	\$ 392,385
2017	\$ 296,559	\$ 150,000	\$ 146,559
2018	\$ 39,139	\$ 39,000	\$ 139
2019	\$ 12,547	\$ -	\$ 12,547
	\$ 3,466,610	\$ 189,000	\$ 3,277,610

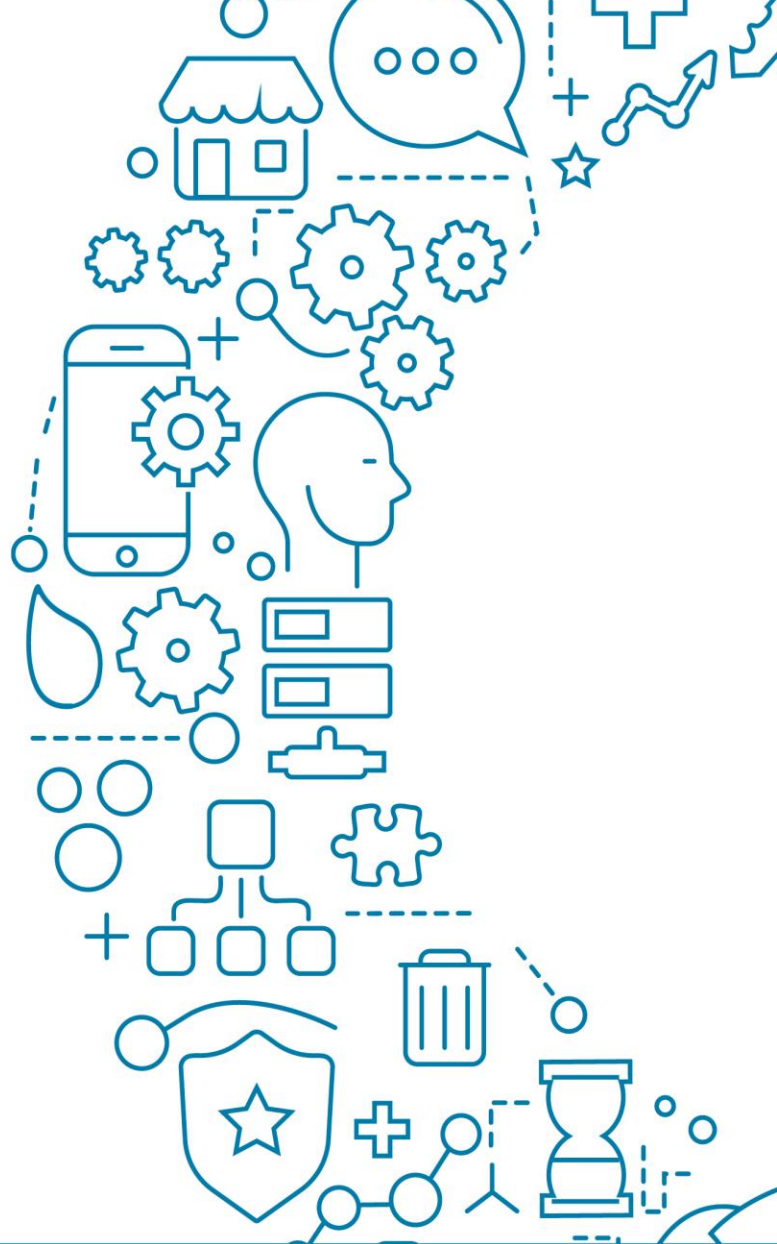
Metrics to monitor our service delivery

- Community satisfaction survey
- Crime rates
- Crime severity
- Response times
- Member satisfaction / wellness
- Implementation of internal reporting cycles



Guelph Public Library

Explore • Connect • Thrive

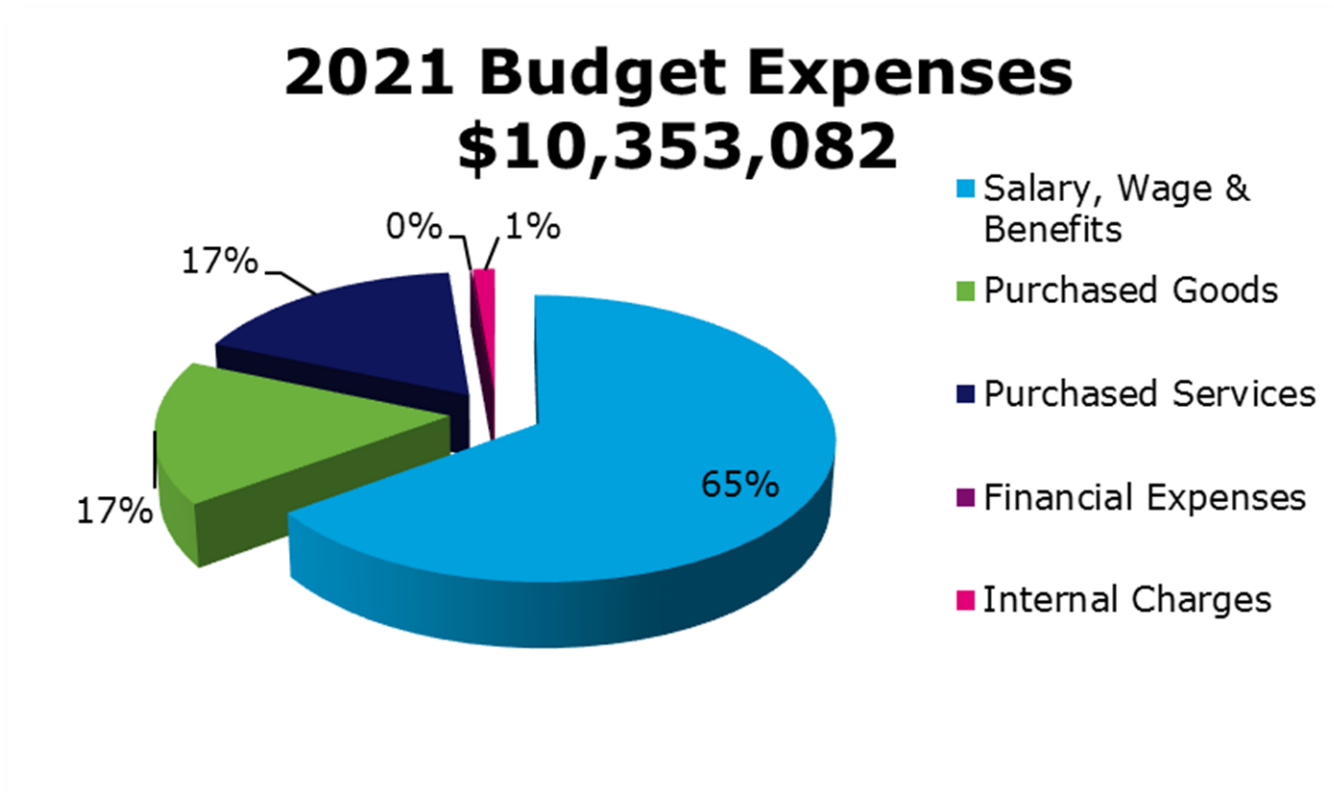


Overview

- The 2021 operating budget request of \$9,793,482 reflects a 1.78% increase over 2020.
- This includes a staff complement of 83 FTEs—the same as 2020.

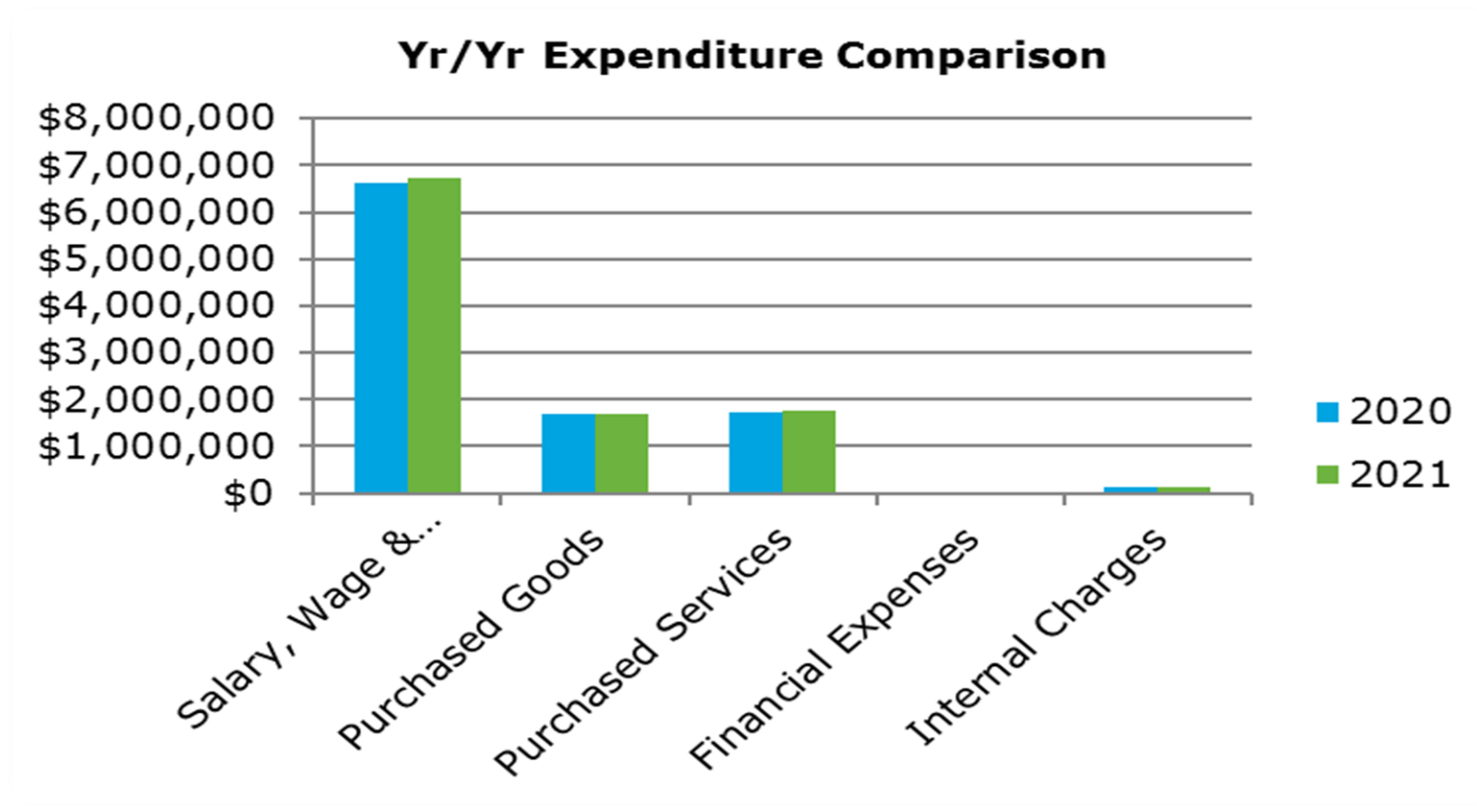
Expenses

Sixty-five percent of the Guelph Public Library budget is related to staffing costs.



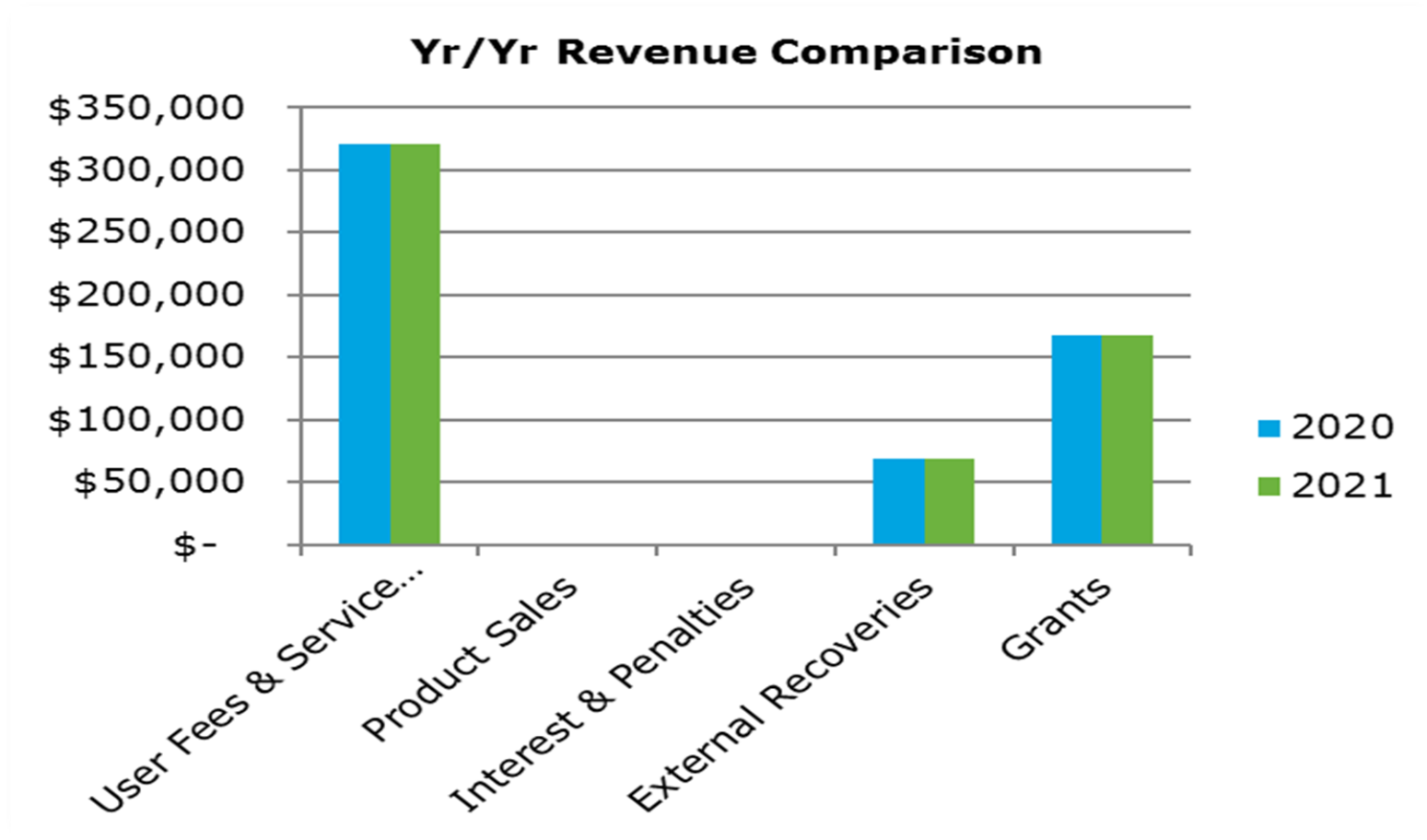
Year over Year Expenses

Expenditures remain in line with 2020 with small increases in Purchased Goods due to COVID-19 related cleaning products.



Revenue

2021 revenue remains the same as 2020.

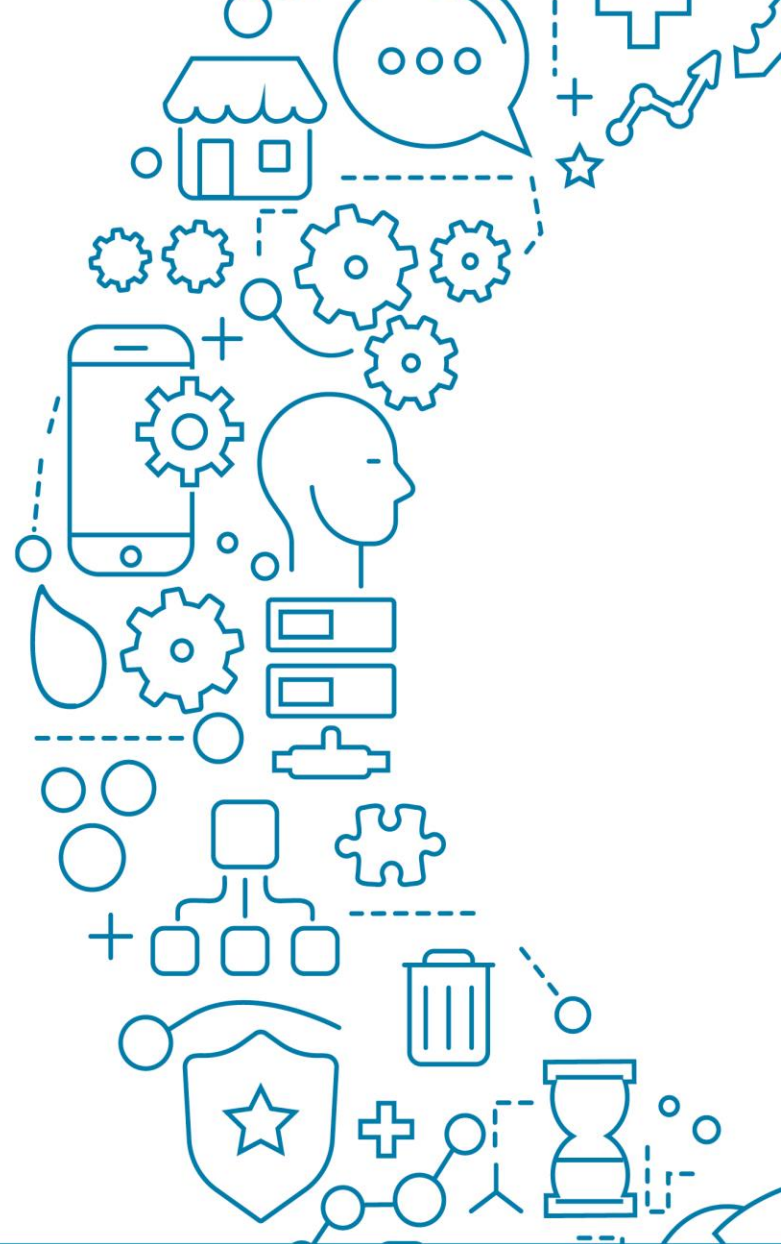


2021 plans

- Conduct a Master Plan to examine Library service in the City as it relates to the New Central Library as well as potential expansion as it relate to Clair/Maltby Secondary Plan.
- Continue the work on a new Central Library that will fulfil Our Vision: A thriving community. Created together.

Budget forecast

Year	Forecasted Net Budget		% increase
2021	\$	9,793,482	1.78%
2022	\$	10,005,542	2.17%
2023	\$	10,197,922	1.92%
2024	\$	13,901,092	36.31%

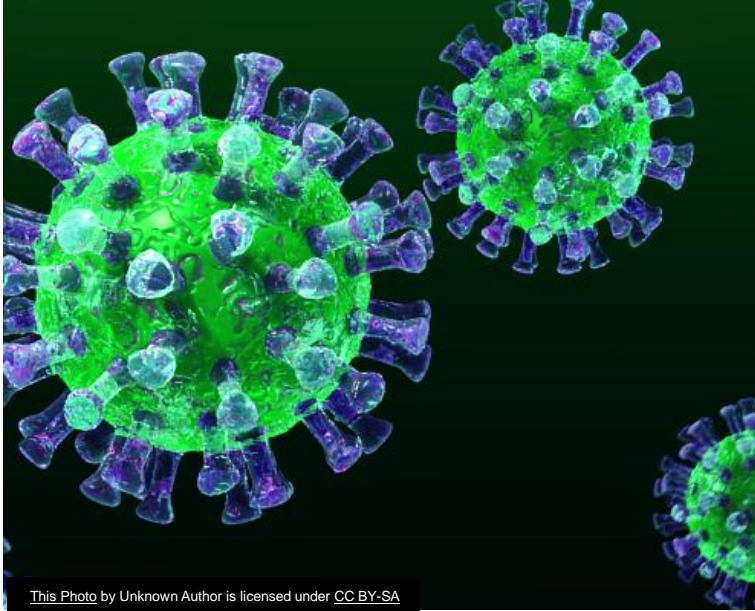


Our changing context



- COVID
- Staffing and service
- Fiscal responsibility
- Managing an important city asset

The corona context



- Changing daily
- Hitting LTC homes especially hard in Canada
 - 80 homes in Ontario in outbreak (Oct 22/20)
- Expected to last at least 2 years
- Immediate and ongoing impacts on operations, physical space and especially staffing

Staffing and service

- In February 2020—before COVID—the province recognized the shortage of PSWs and announced a staffing strategy and a panel of experts to determine the best model and mix of professional skills needed within long term care, including PSWs.

Then COVID struck

- We acted quickly and avoided outbreaks among staff and patients.
- We restructured roles.
- We lost 100+ volunteers, family members and co-op students.
- We have maintained our key focus on our residents
 - not only to meet our legislated duty of care and to manage risk, but to maintain residents' mental and emotional health.

Staffing and service

... but we are seeing unprecedented strain on resources

We have never seen competition like this for PSWs and health care workers

- # applicants is down and demand is up significantly
- We are challenged to recruit for some of our lines
- Competing with for-profit and unionized homes
- Our culture and record of excellence is no longer enough to attract and retain long-term employees.

We are not asking for any additional positions, only to increase compensation to remain competitive and to stabilize the workforce

- Government compensation announcements create salary compression with other roles.
- It's about recognition for our staff. Staying competitive. Fulfilling our duty of care.

2021 Long-term care budget

Revenue

Resident Accommodation	\$2,331,249
Provincial Subsidy	\$4,824,777
Other Revenue	<u>\$ 234,384</u>
	\$7,390,410

Expenses

Employee Costs	\$6,869,515
Operating Costs	<u>\$2,371,819</u>
	\$9,241,334

Budgeted Operating Deficit	(\$1,850,924)
----------------------------	---------------

2021 City of Guelph funding request

2020 Operating Budget Funding	\$1,368,467
2021 Operating Budget Increase	<u>\$ 502,800</u>
2021 Operating Budget Request	\$1,871,267
2020 Capital Budget Funding	\$ 212,000
2021 Capital Budget Increase	<u>\$ 0</u>
2021 Capital Budget Request	\$ 212,000
2021 Total Funding Request	\$2,083,267

A history of fiscal responsibility

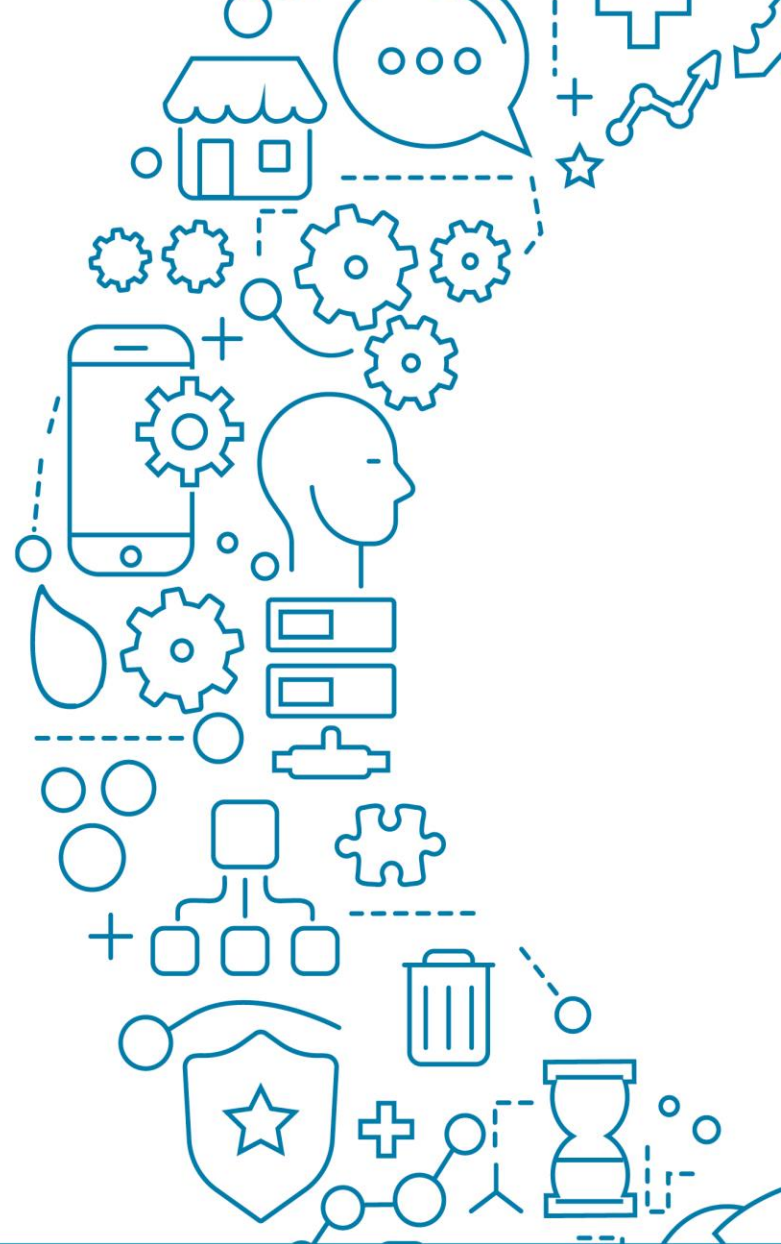
- Since the 2014 agreement with the City of Guelph, this is the first request to increase the LTC operations budget beyond the inflationary increase of 1.5 - 2.0%
- There has been only one request for additional capital for security cameras in 2020 budget (\$100,000)
- This increase is necessary due to COVID but also to a changing health-care landscape
 - We are competing for talent with private and unionized environments
 - We will continue to work to find additional efficiencies via partnering with the City as well as via other opportunities with the Guelph & Area OHT.

An important city asset



- Guelph's designated long-term care home since 2014.
- Sits on land donated by George Elliott in 1893.
- Fulfills an essential function and has done exceptionally well throughout its history and especially during COVID.
- In alignment with Working together for our Future and the Building our Future Strategic Plan objectives.
 - We need to begin a conversation about how The Elliott can work with the City to meet the Long Term Care needs of a growing city and an ageing population

The County Social Services





Priority #4: Make strategic investments that nurture social well-being, provide landmark beauty and offer a safe place where everyone belongs.

Section 3: Continue to build strong, vibrant, safe and healthy communities that foster resilience in the people who live here

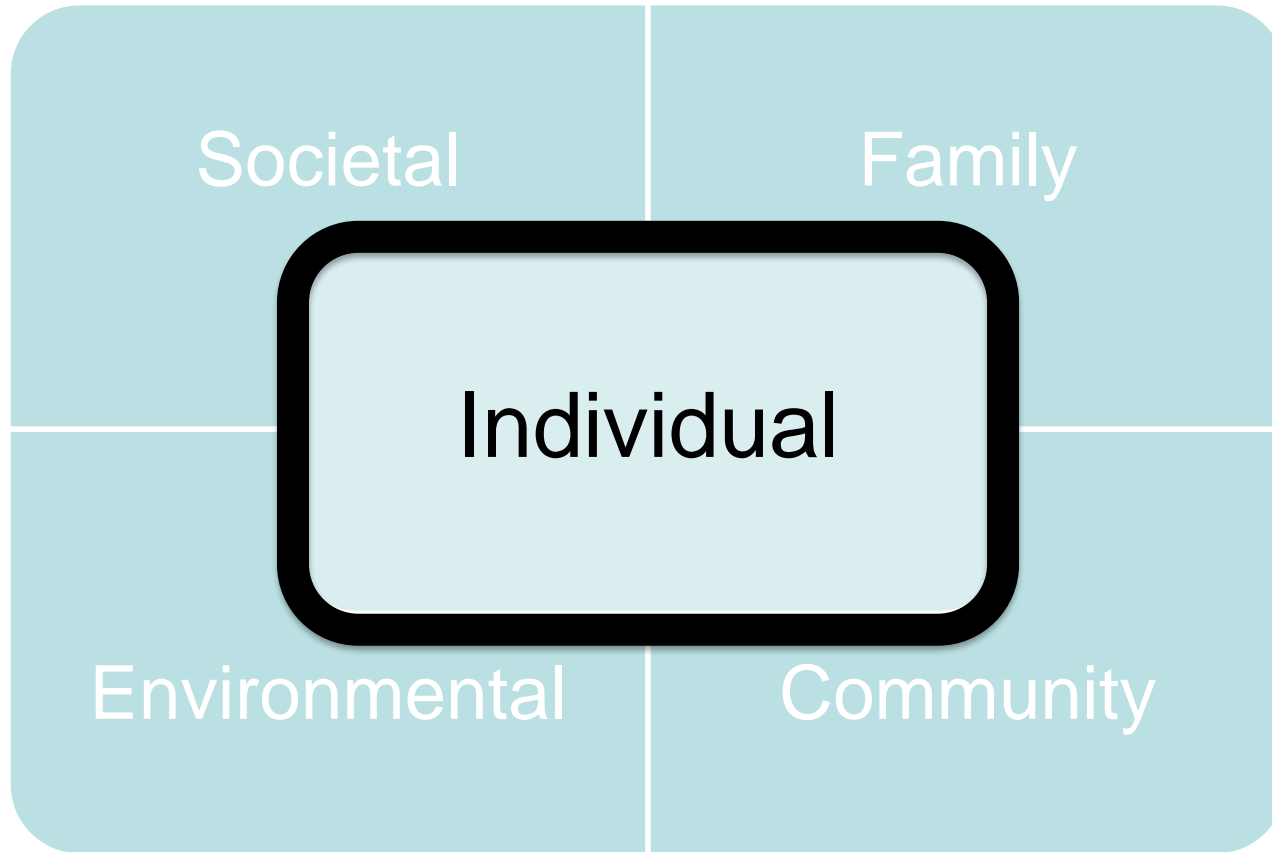
- Working to enhance community well-being and safety through direct service and program delivery
- Creating greater impact by aligning our efforts with local and provincial partners
- Helping prevent and mitigate the challenges associated with mental health and addictions by working to address root causes

Priority #4: Make strategic investments that nurture social well-being, provide landmark beauty and offer a safe place where everyone belongs.

Section 3: Continue to build strong, vibrant, safe and healthy communities that foster resilience in the people who live here

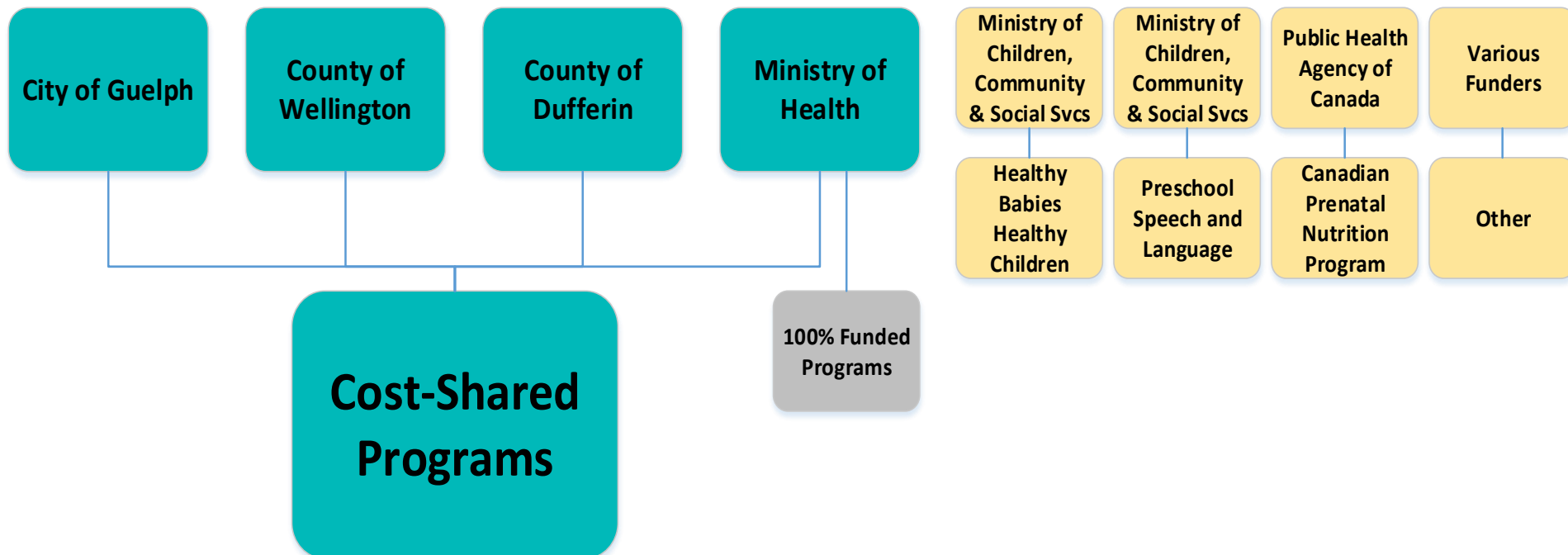
- Helping prevent and mitigate the challenges associated with mental health and addictions by working to address root causes
 - Where the City fits into this effort
 - Where Public Health fits into this effort
 - Why our approach needs to look upstream

Factors that Influence Mental Health

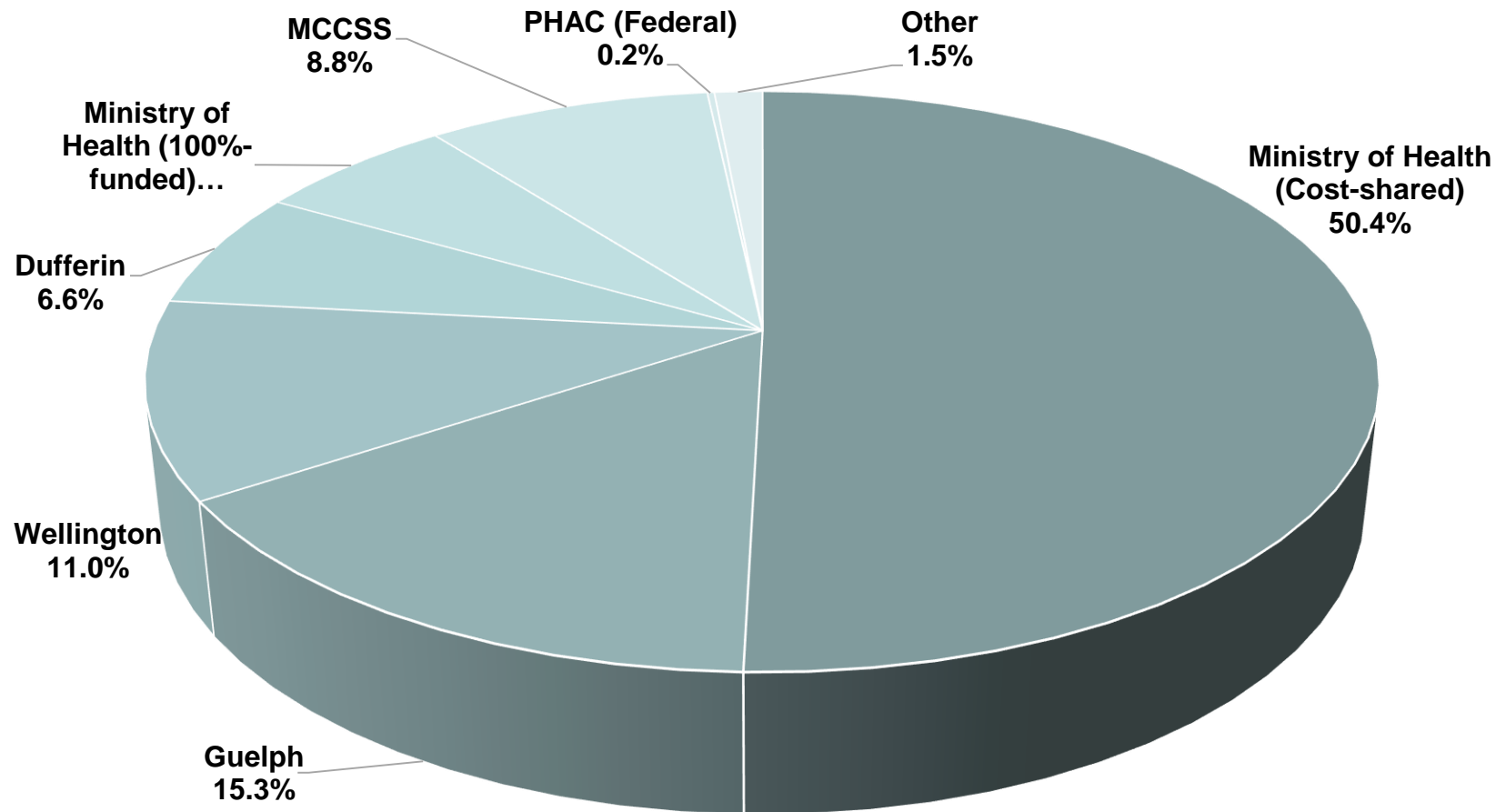


Funders and Funding

WDGPH Complete Agency Budget

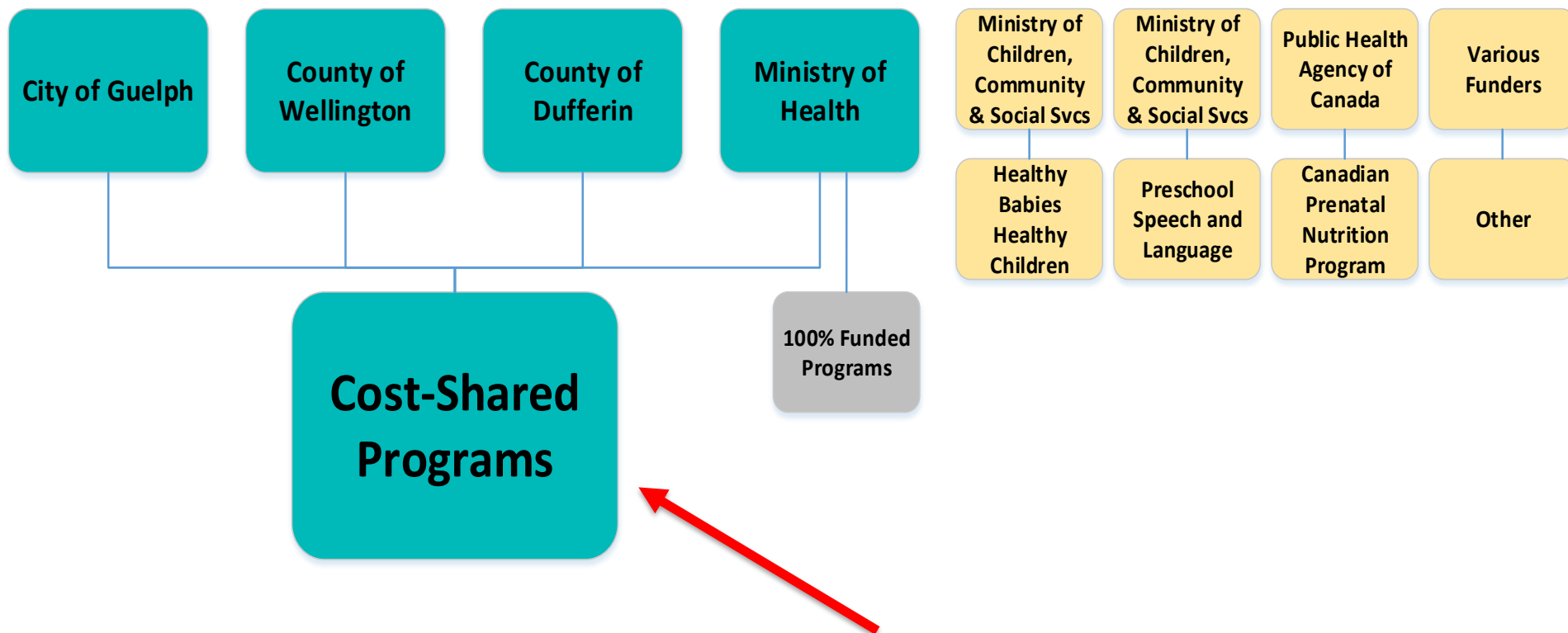


2021 Budgeted Funding By Fund (Entire Agency Budget)

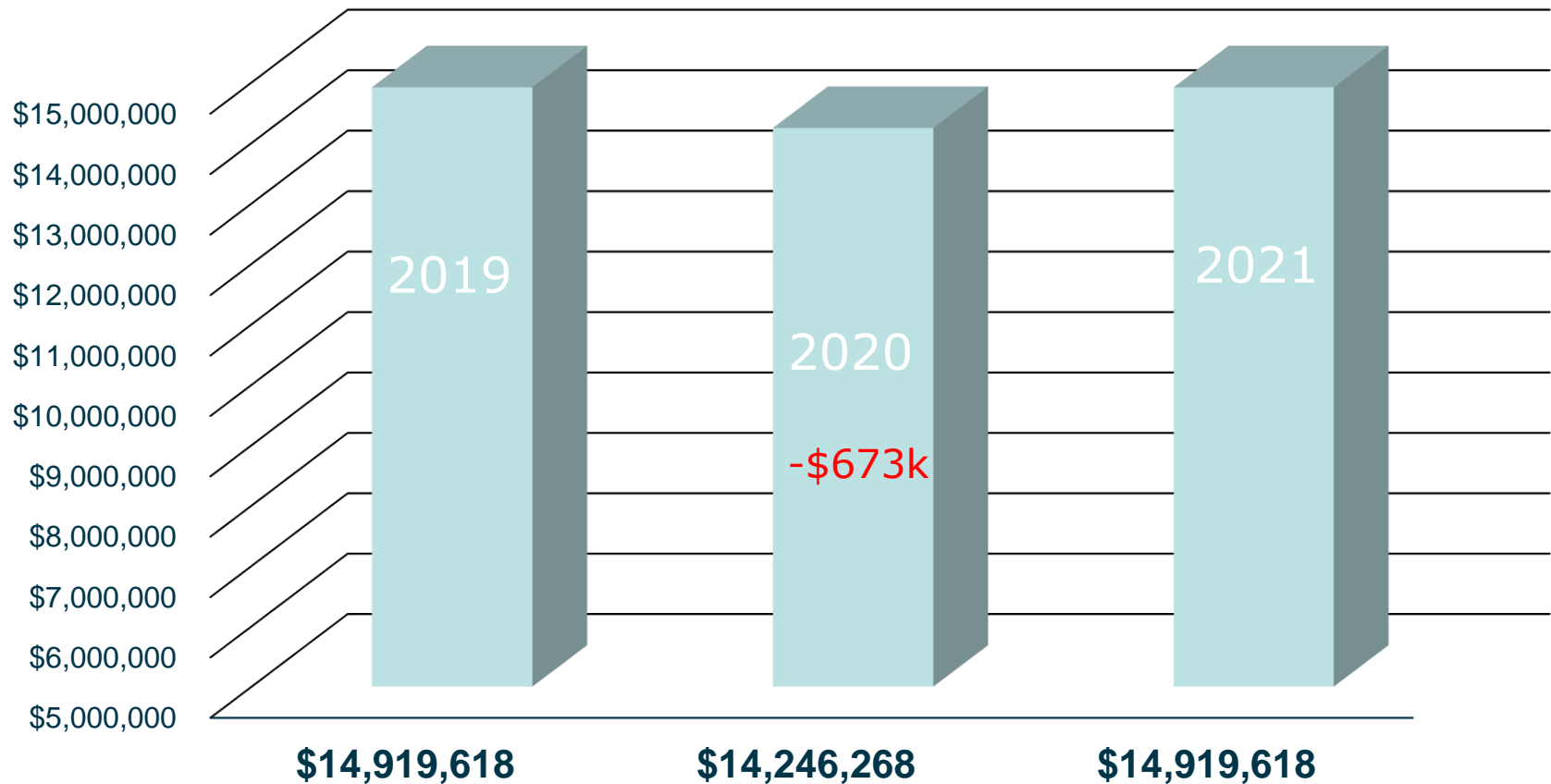


Funders and Funding

WDGPH Complete Agency Budget

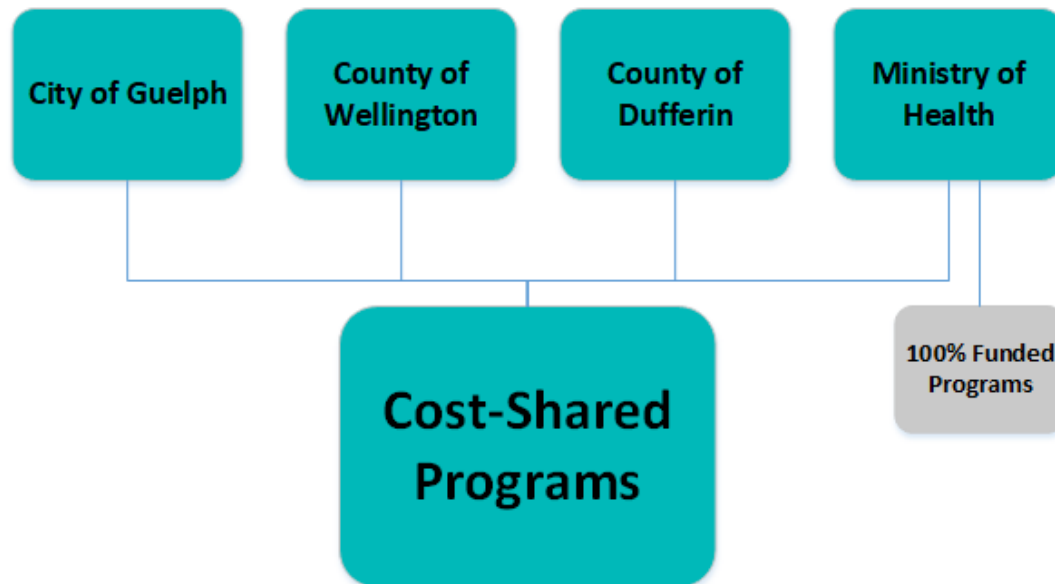


Notable Change in 2021: Restoration of Ministry Base Funding



2021 Additional Costs: COVID-19

Agency Operating Budget



COVID-19 Pandemic Costs Above & Beyond Agency Budget

- Reside outside of Agency budget & treated independently
- Covered primarily via Ministry reimbursement initiative

2021 Proposed Funding from the City of Guelph

Letter received from City of Guelph outlining new budget guidelines and funding expectations for WDGPH as follows:

- Base Funding Increase for 2021 – 1.27% or \$56,000
- Additional Funding for Growth Enhancement - \$41,000

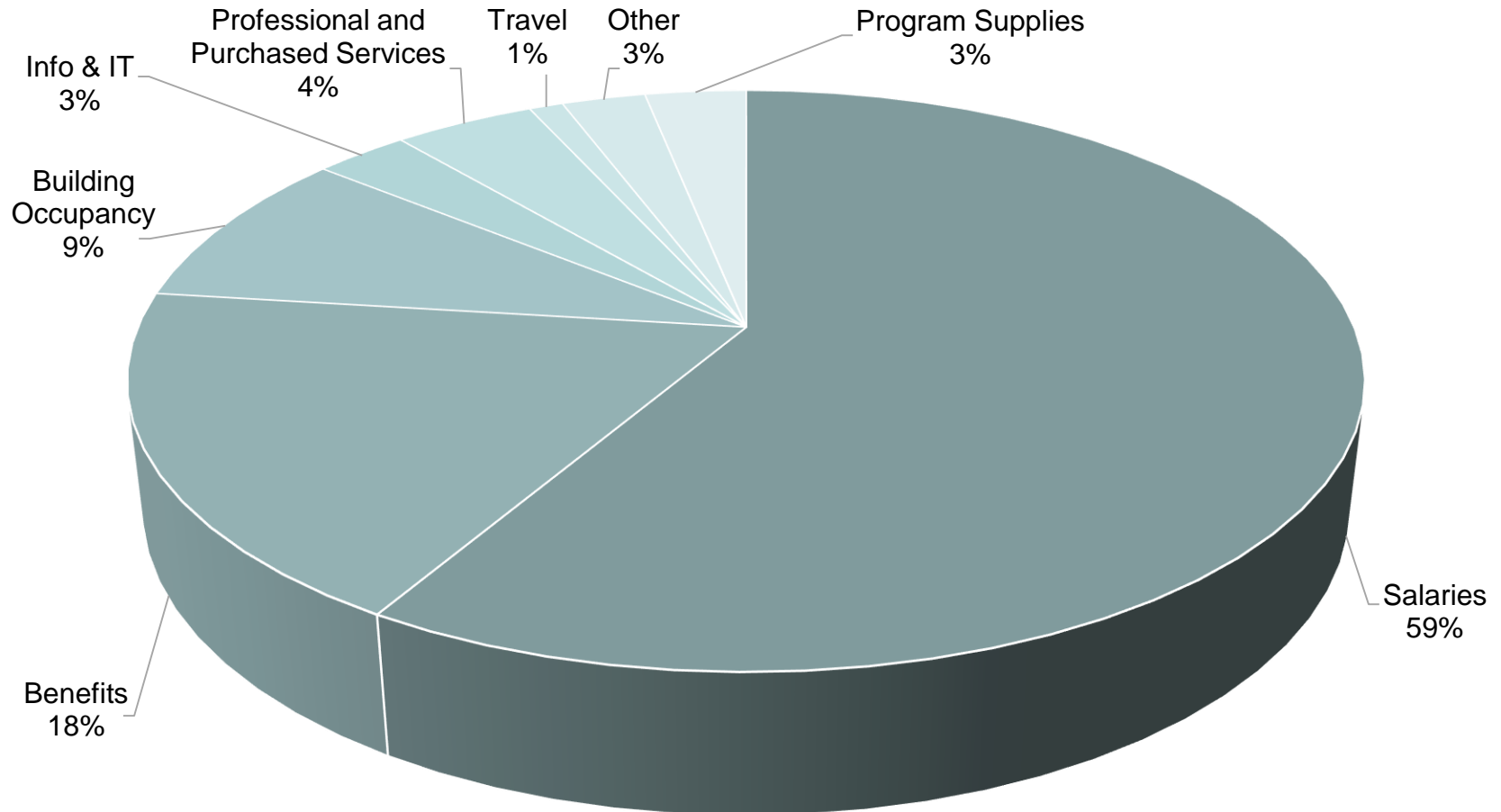
Cost-Shared Programs Budget (1)

	2020	2021	Increase / Decrease (\$)
<i>Funding</i>			
Provincial	\$14,108,150	\$14,781,500	\$ 673,350
Municipal	8,684,225	8,893,515	209,290
Other	49,333	49,333	0
<i>Total Funding</i>	22,841,708	23,724,348	882,640
<i>Expenditures</i>			
Employee Costs	17,211,486	17,888,647	677,162
Operating Costs	5,630,222	5,835,701	205,478
<i>Total Expenditures</i>	22,841,708	23,724,348	882,640
Net Budgeted Surplus (Deficit)	\$0	\$0	\$0

2021 Cost-Shared Budget Funding

	2020	2021	Increase / Decrease (\$)	Increase / Decrease (%)
Ministry of Health	\$14,108,150	\$14,781,500	\$ 673,350	4.77% (return to 2019 funding levels)
City of Guelph	4,025,278	4,122,287	97,009	1.27% base + \$41k for growth
County of Wellington	2,778,587	2,845,551	66,964	2.41%
County of Dufferin	1,880,360	1,880,360	45,317	2.41%

2021 Budgeted Expenditures (By Type)



2021 Cost-Shared Programs

- Vaccine Administration - Schools
- Vaccine Administration - Clinical Services
- Injury Prevention
- Active Living
- Food Safety
- Healthy Families
- Speech & Language
- Non-Publicly Funded Immunizations
- School Health Promotion
- Harm Reduction
- Infectious Diseases Prevention
- Tuberculosis Prevention and Management
- Sexual Health
- Rabies
- Safe Water
- Oral Health Assessment & Surveillance
- Non-Mandatory Oral Health Programs
- Vision Screening
- Community Connections

2021 Cost-Shared Programs

- Immunizations for Children in Schools & Licensed Child Care
- Infection Control
- Emergency Management
- On Call
- Menu Labelling
- Healthy Eating
- Mental Health Promotion
- Preconception Health
- Healthy Pregnancies
- Immunization Monitoring & Surveillance
- Substance Use
- Community Based Immunization Outreach
- Vector-Borne Diseases
- Small Drinking Water Systems
- Population Health Assessment
- Health Equity
- Effective Public Health Practice
- Quality Assurance
- Health Hazard Prevention and Management
- Vaccine Management
- Parenting

Summary

- Status Quo Budget
- COVID-19 costs above and beyond our budget are captured separately and submitted to the Ministry of Health for reimbursement
- Funding for the cost-shared budget has been returned to 2019 funding level from the Ministry of Health
- Municipal base funding increase of 1.27% + \$41k for growth
- City of Guelph increase of \$97,009, for total 2021 gross levy of \$4,122,287 less loan repayments totaling \$588,265 (blended principal and interest payment), for a net transfer of \$3,534,022 in 2021.



Working together for our future



Measures of success

- Employee Engagement Index.
 - Employee empowerment
 - Department relationships
 - Culture
- Percentage increase in citizen satisfaction.
- Percentage of digital transactions.
- City's credit rating.
- Total tax and rate burden as a percentage of average household income.

What is included

Operating

- Office of the Mayor
- City Council
- Executive Leadership
- Internal Audit
- Corporate Communications and Customer Service
- Human Resources
- Information Technology
- Finance
- Legal, Realty, and Court Services
- City Clerk's Office
- General Corporate Revenues and Expenses
- Operations - Fleet Services

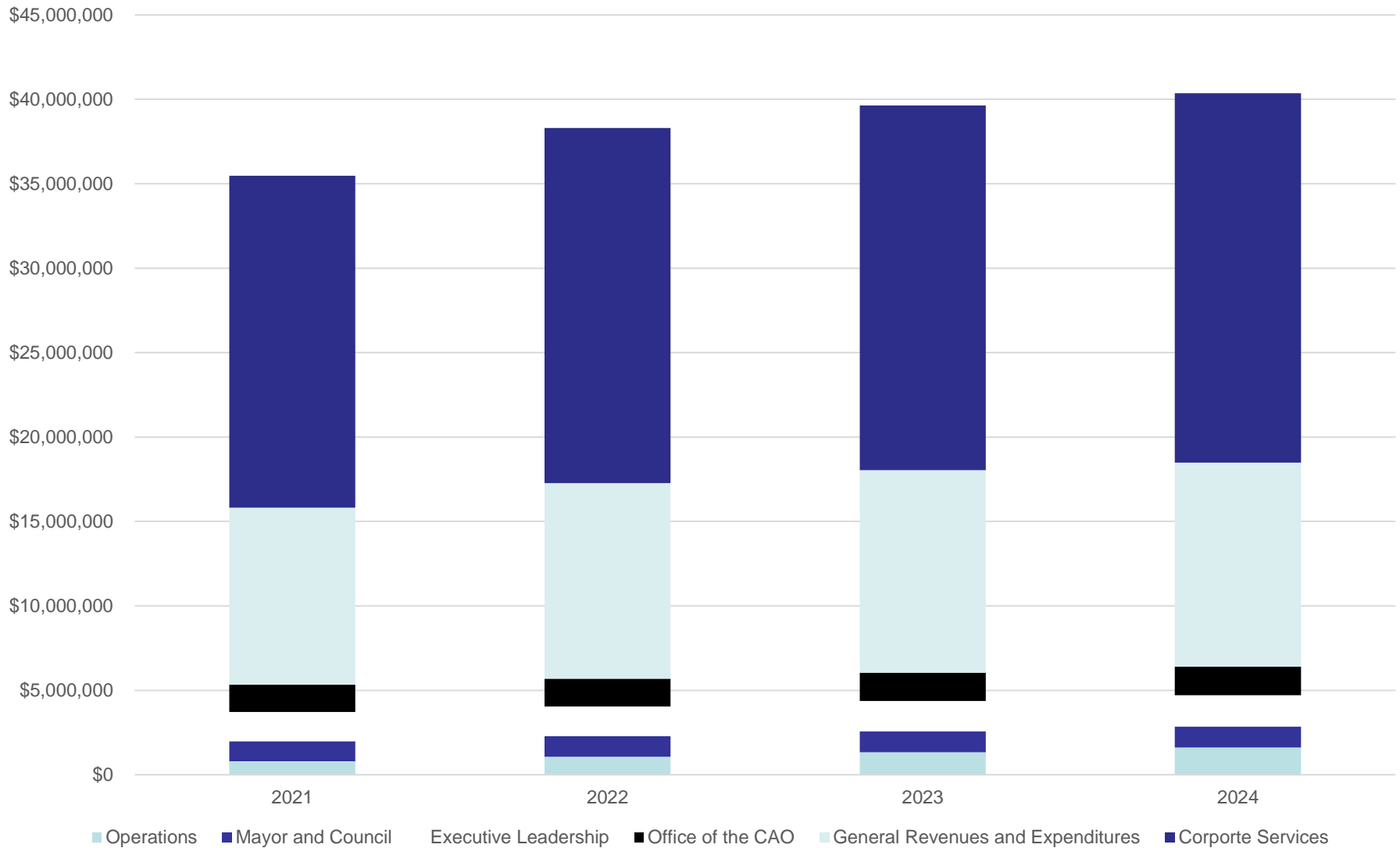
Capital Programs of Work

- Corporate Projects

What is included

- Building digital infrastructure.
- Investing in the foundational, out-dated corporate management systems.
- Engaging and empowering our workforce.
- Ensuring employees have safe, adequate work space.

Operating budget summary



2021 budget highlights

- Reduction in corporate fuel costs as a result of adjusting for the three year average partially offset by
 - an adjustment in operating materials and services related to the increasing cost of an aging fleet.
 - A transfer to the Environment and Utility Contingency Reserve to mitigate the potential for a steep rebound in fuel markets post-COVID
- Continuation of funding for the Council composition review.
- Increase in contracted services to deliver financial services to Guelph Junction Railway; offset by new revenue.

2021 budget highlights (cont'd)

- Decrease in parking fine revenue offset by decrease in chargeback to Corporate and Community Security.
- Increase in insurance costs.
- Increase in corporate IT expenses.
- Investment income earned on investment portfolio maintained at 2020 level.

2021 budget requests

Request	Cost	Strategic Plan
BR 675 – COVID related business reviews (funded from reserve one time)	\$125,000	Long-term financial and resource strategy that is affordable
BR 726 - Cyber Security Consulting	\$70,000	Implement a digital strategy that leads the digitization of service delivery
BR 755 - York Road Facility Lease	\$99,900	Maintain existing infrastructure
BR 804 – IT Infrastructure Analyst Temporary Position	\$127,150	Implement a digital strategy that leads the digitization of service delivery
BR 837 – Extension of Temporary Compensation and Data Analyst Position (funded from reserve one time)	\$139,000	Implement a digital strategy that leads the digitization of service delivery
BR 862 - Ontario's Big City Mayors Funding	\$10,000	Leveraging partnerships locally, regionally and provincially
BR 865 - Closed Captions for City Council Meetings	\$30,000	Improving services through use of technology
BR 866 – Temporary Election Planning Clerk (funded from reserve; 2-year need)	\$78,605	Improve how the City communicates and delivers services

Capital budget

Program of Work	2021	2022	2023	2024
Corporate Projects	6,790,900	4,663,100	4,177,300	3,393,300
Operating Impact from Capital		1,226,375	307,100	37,900

A vertical collage of various business and technology icons. The icons include a house, a cloud with an upward arrow, a lightbulb, several interlocking gears, a profile of a human head, a server rack, a bar chart with a plus sign, a checkmark inside a circle, a megaphone, a rocket ship, a heart, an hourglass, and a document with a person icon. The icons are connected by dashed lines, suggesting a flow or process. The entire graphic is rendered in a dark blue color on a white background.



Navigating our Future – Operating Budget



Measures of Success

- Percentage conversion of existing municipal fleet/infrastructure to clean and efficient technology.
- Percentage change of non-auto mode share.
- Percentage reduction in collision severity.
- Connectivity Index.

What is included

Operating

- Engineering and Transportation Services
 - Transportation Services
 - Parking services
- Guelph Transit

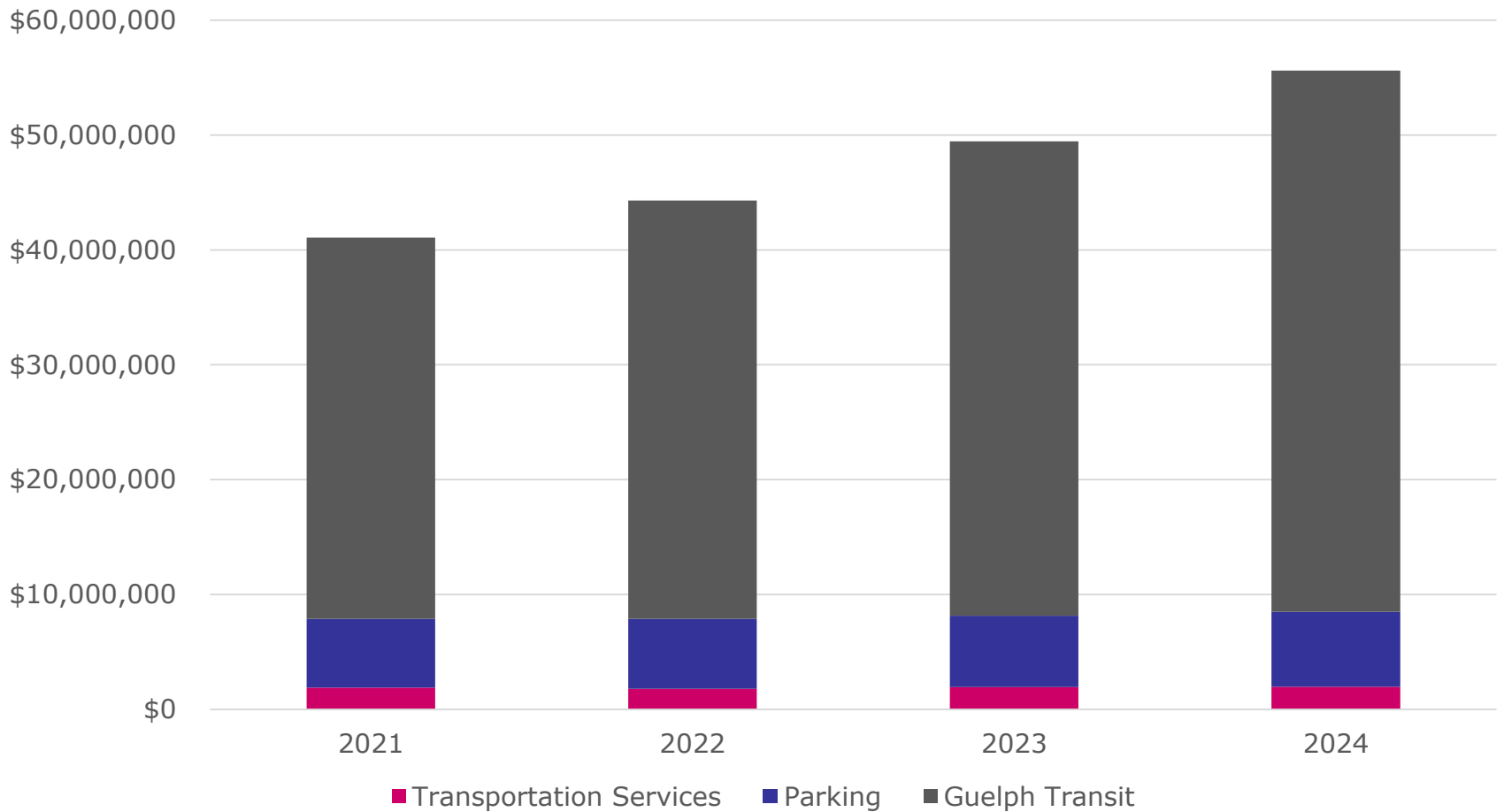
Capital Programs of Work

- Transportation Systems

2021 to 2024 highlights

- Complete the Transportation Master Plan.
- Complete the Transit Route Review and start the Transit Master Plan.
- Implement the red light cameras to enhance community and road safety.
- Continue to implement the Active Transportation Network and Cycling Master Plan.

Operating budget summary



2021 operating budget highlights

- Planned monthly parking permit fee increases.
- Decrease in transfer to parking capital reserve.
- Continue to support parking as blended enterprise model.
- Guelph Transit service level reduction.
- Decrease in transit fleet maintenance.

2021 budget requests

Request	Cost	Strategic Plan Link
BR 809 - Electronic Fare Management System Specialist Temporary Contract Position	\$67,150	Complete and implement Transit Route Review, Fare Review and Transit Master Plan
BR 836 – Red Light Camera Implementation (funded by revenues generated)	\$250,000	Implement the community road safety strategy

Capital budget

Program of Work	2021	2022	2023	2024
Total - Transportation Systems	29,672,950	39,490,950	24,409,950	51,196,350
Operating Impact from Capital	-	593,035	3,958,850	4,952,600

Transit Growth Strategy

Summary of Transit operating forecast:

- Re-implement COVID-related service reductions \$1.8M
- Service review right-sizing \$840k
- 16 new growth buses – operating impact \$10.6M
- Operating impact from transit shelters and digital strategy - \$500k
- Capital City Building funding deficit yet to be addressed

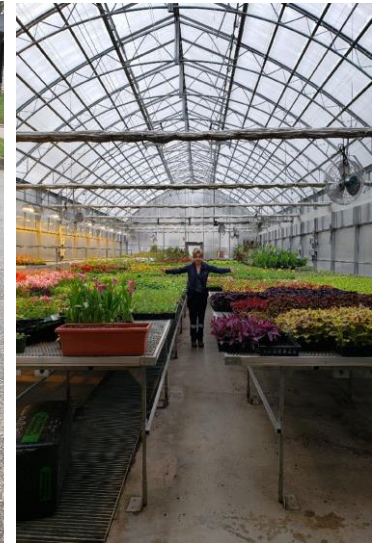
Transit Growth Strategy

That further to the November 10, 2020 Council Workshop:

1. That staff be directed to develop an affordable long-term Transit Strategy of not more than 1% annual net levy increase inclusive of operating and capital funding and addresses COVID ridership and lost revenue impacts.
2. That staff be directed to renegotiate the Investing in Canada Infrastructure Program Public Transit Stream project priorities with primary focus of Transit fleet electrification and related infrastructure.
3. That staff be directed to develop a comprehensive transit service performance metric framework that considers the varying services and routes within Guelph Transit.



Sustaining our Future



Measures of Success

- Percentage reduction of climate risk exposure for the City's built and natural assets.
- Percentage increase in renewable energy resources to achieve corporate 100% renewable energy target (100RE).
- Percentage reduction in greenhouse gas emissions to achieve Community Net-Zero carbon target.

What is included

Operating

- Facilities and Energy Management
 - Energy Management
- Environmental Services
 - Water Services
 - Wastewater Services
 - Solid Waste Services
- Engineering and Transportation
 - Stormwater Management
- Parks Operations
- Planning and Building Services
- Capital Financing—Contaminated Sites and 100RE

What is included - continued

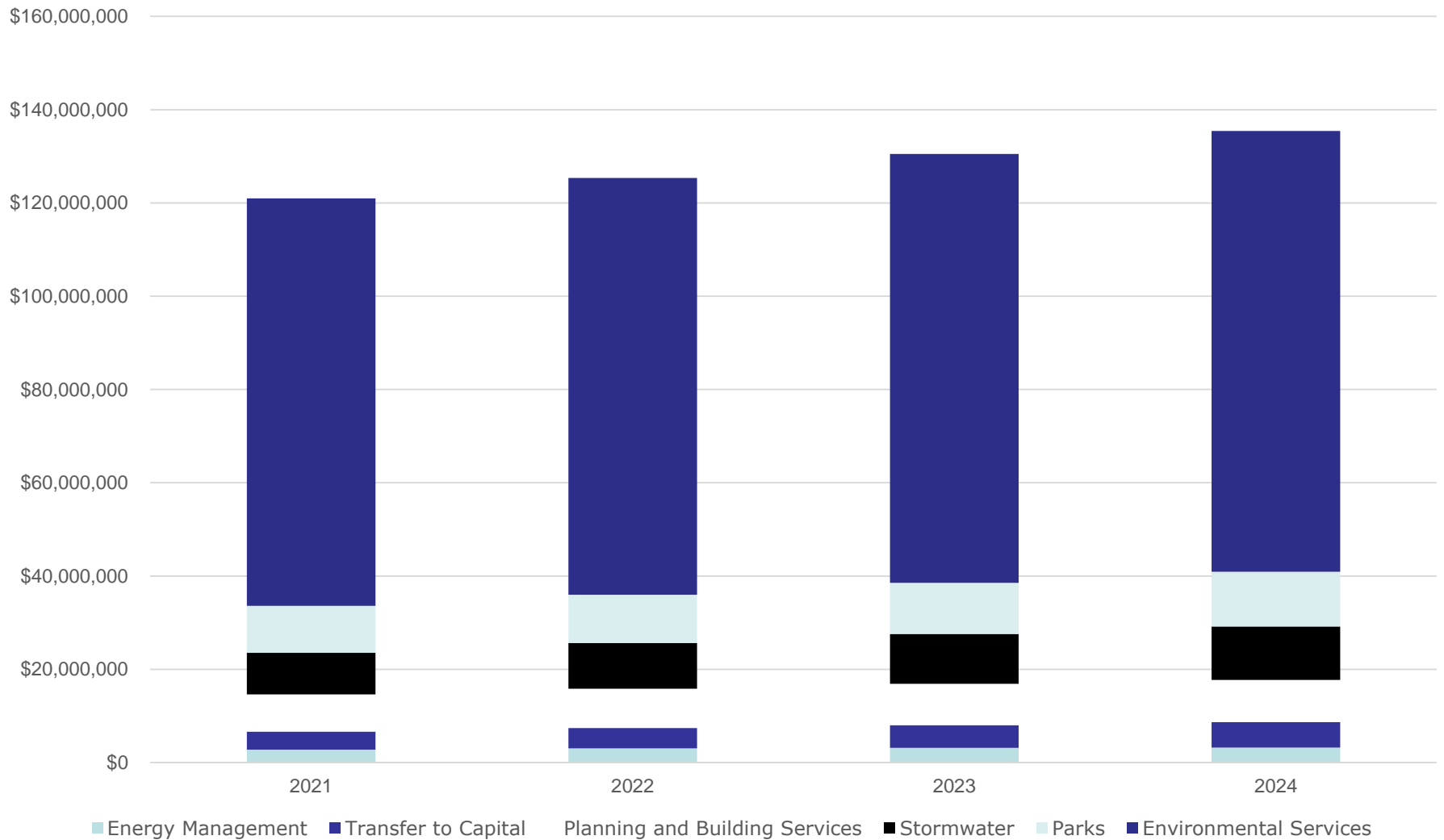
Capital Programs of Work

- Contaminated Sites
- Corporate Projects (Planning and Strategic Initiatives)
- Solid Waste Services
- Stormwater Management
- Water Services
- Wastewater Services

2021 to 2024 highlights

- Implement 100RE initiatives.
- Implement Urban Forest Management Plan.
- Maintain Solid Waste Services to growing community.
- Expand scope of Municipal Comprehensive Review and Master Plans.
- Adjust to enhanced development application timing requirements from changing legislation.

Operating budget summary



2021 budget highlights

- Fifth and final year of Stormwater rate model implementation; planned update in 2022.
- Two per cent increase in building permit rate.
- Net decrease in streetlight utility costs; repayment of reserve fund.
- Tax supported utility budget is remaining at 2020 levels; mitigation of \$90K expense.
- Increase in revenue due to the sale of carbon offsets transferred to 100RE Strategy.

2021 budget highlights (cont'd)

- Increase in Province of Ontario blue box grant funding.
- Increase in Solid Waste compensation from 2020-approved scale upgrades and new waste packer vehicle.
- Transfer to contaminated sites capital reserve maintained at 2020 levels.
- Decrease in the transfer from Water and Wastewater Operating Contingency Reserves.
- Increase in transfer to capital reserve funds to support the infrastructure renewal strategy for Water, Wastewater, and Stormwater Services

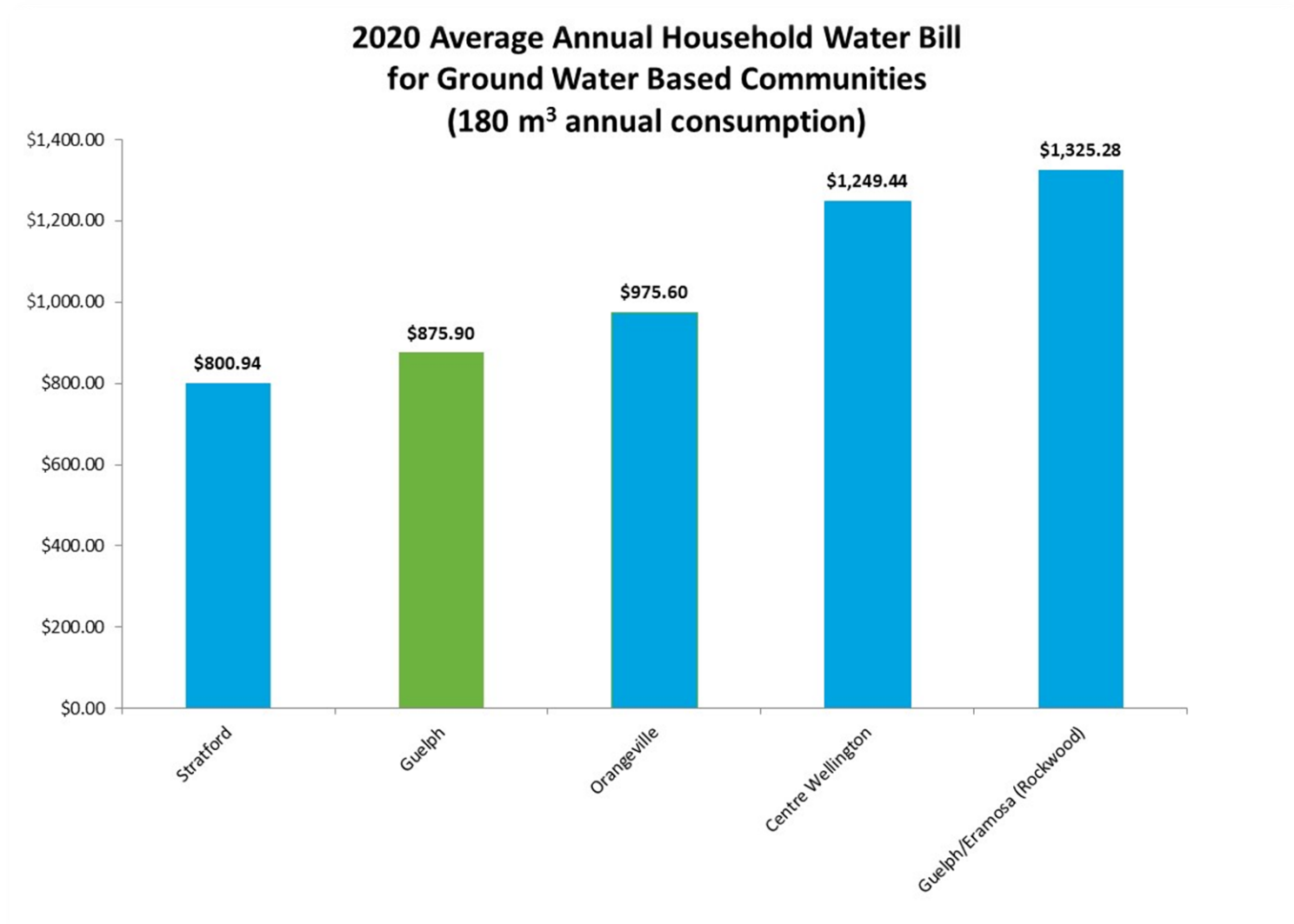
2021 budget highlights (cont'd)

- Decrease in utilities at Wastewater from maintaining Class A standard and continued focus on energy efficiency initiatives.
- Levy amount for Grand River Conservation Authority maintained at 2020 amount.

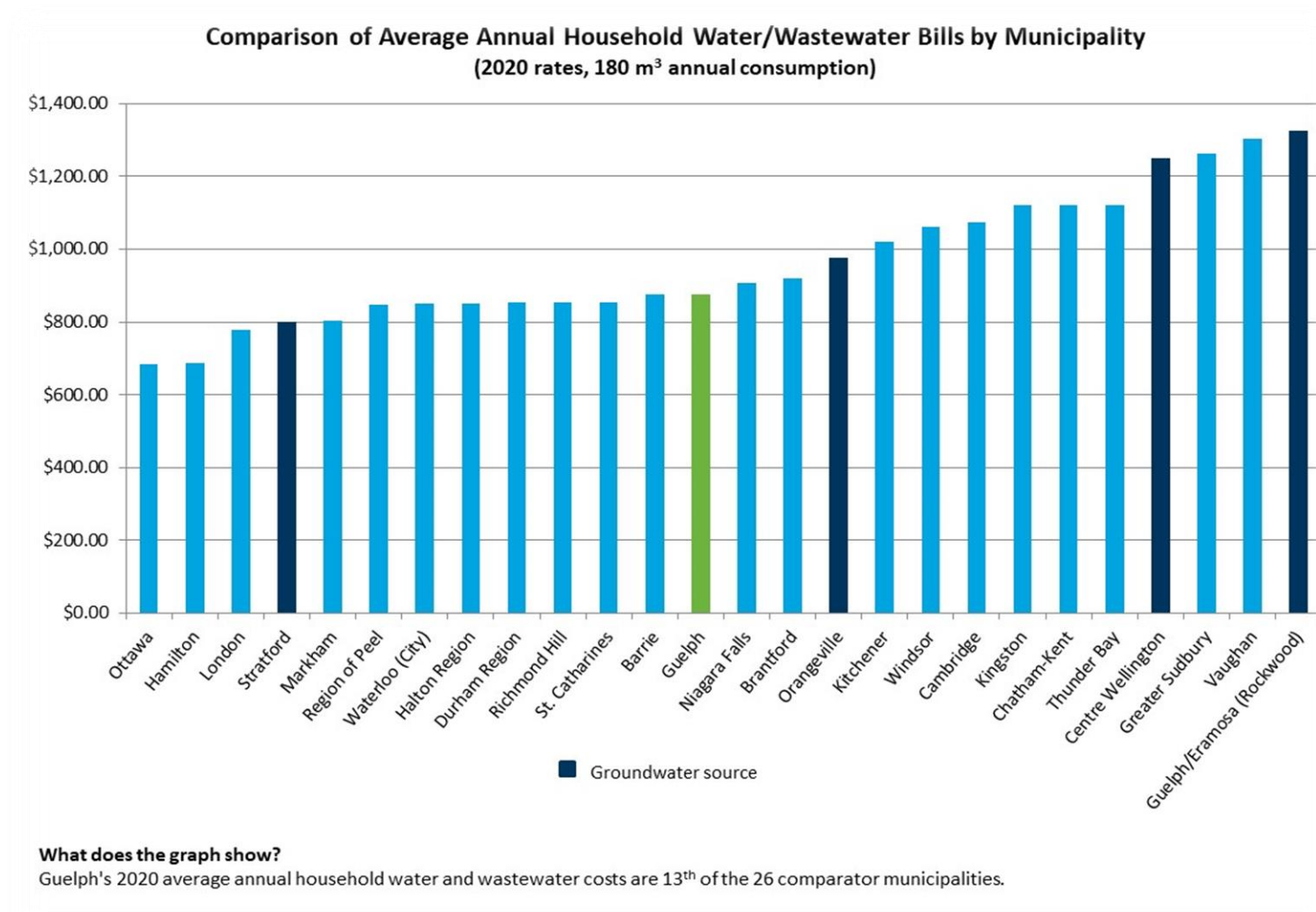
Proposed 2021 rates

	2020	2021	Change
Water	\$404.91	\$413.40	\$0.05
Wastewater	\$453.12	\$456.30	\$0.02
Stormwater	\$69.60	\$76.80	\$0.60
Total	\$927.63	\$946.50	\$18.87 or 2.0%

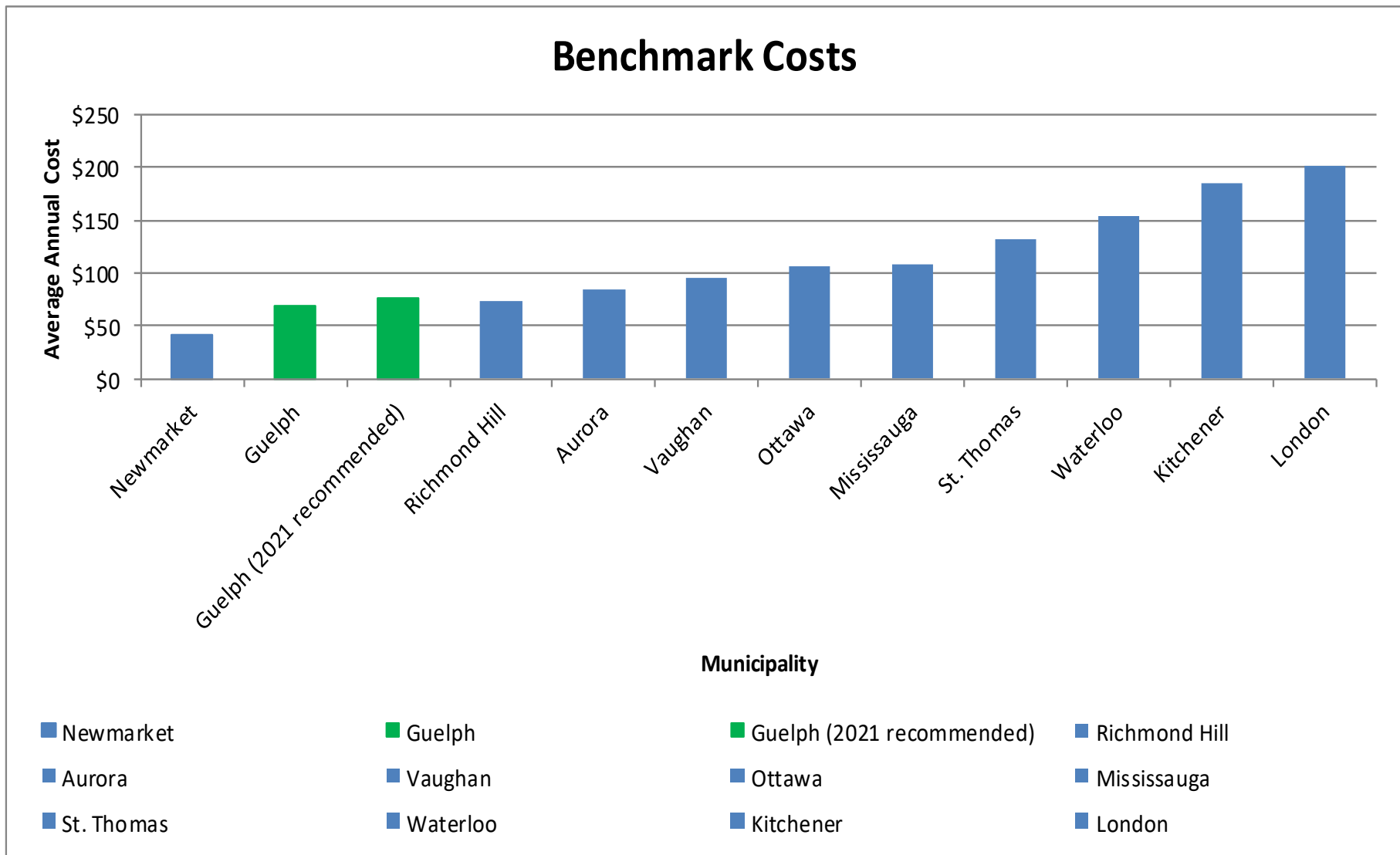
Municipal Comparator Chart – Water



Municipal Comparator Chart – Water/Wastewater



Municipal Comparator Chart – Stormwater



2021 budget requests

Request	Cost	Strategic Plan Link
BR 791 - Yard Waste Program (net zero levy impact)	\$249,000	Climate adaptation plan implementation
BR 871 - 100RE Capital Funding Strategy	\$500,000	Reducing the City's energy footprint through retrofits

Capital budget

Program of Work	2021	2022	2023	2024
Contaminated Sites	3,550,000	3,945,000	3,695,000	4,145,000
Corporate Projects	1,165,000	1,396,000	1,541,000	1,734,000
Solid Waste Services	2,352,000	6,200,000	7,660,000	12,623,200
Stormwater Management	1,284,000	2,705,000	3,189,000	3,550,000
Wastewater Services	26,203,740	78,486,013	39,544,350	28,547,750
Water Services	16,880,500	35,508,500	35,129,300	27,477,470
Total	51,435,240	128,240,513	90,758,650	78,077,420
Operating Impact from Capital	-	-	264,900	144,800



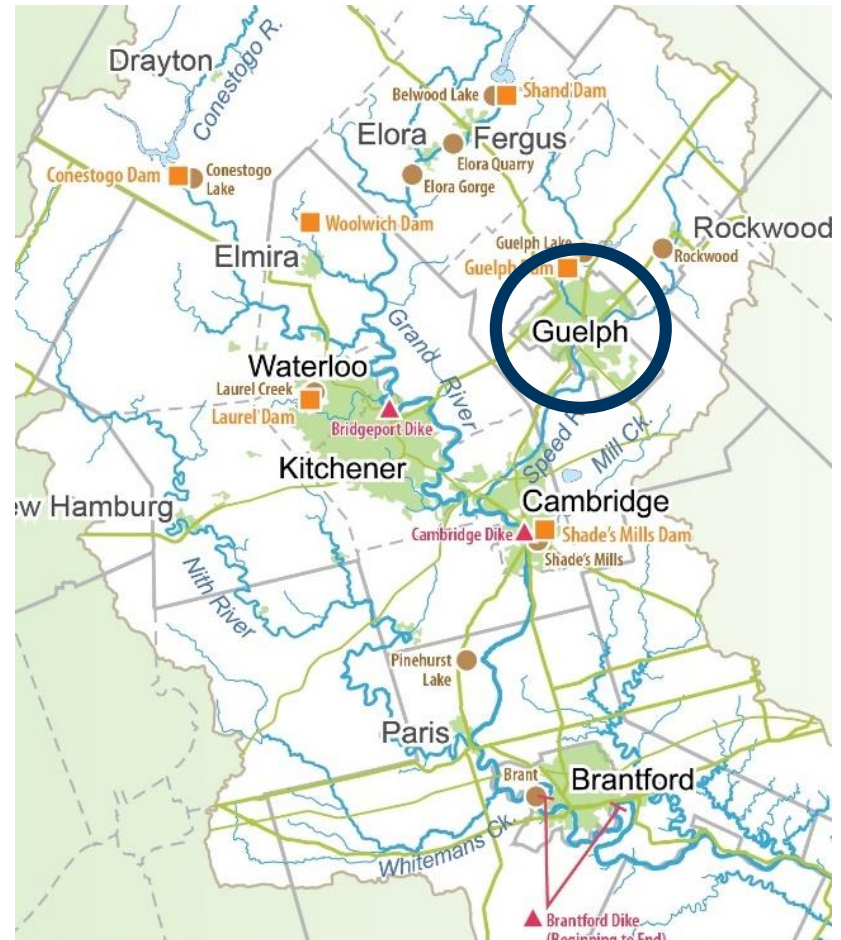
About the Grand River Watershed

- The Grand River watershed is the largest in southern Ontario
- The Grand River and its tributaries lie at the heart of one of the richest, fastest growing regions in our province



About the Grand River Watershed

- The City of Guelph is a vital part of the Grand River watershed
- The future prosperity of the watershed, its municipalities and communities, is linked to the health of the river and the natural environment



About the Grand River Watershed



Population Growth

- Today about 1 million, projected to grow to 1.4 million by 2041

Extensive Agriculture

- About 70 per cent of the land is agricultural

Climate Change

- The issue of our time

Conservation Authorities in Ontario



- **Local** agency organized on a watershed basis
- **Integrated** watershed management
- **Balance** human, environmental and economic needs

Protect life and minimize property damage

- Seven dams and reservoirs actively managed to **reduce flood damages and maintain flows**
- Flood peaks reduced 50 per cent or more; minimum flows maintained in dry months



Protect life/property & Improve watershed health

Planning and Development

- Through a Memorandum of Agreement with the City, the GRCA provides **technical advice** on Planning Act applications



Improve watershed health

Source Water Protection Program

- Ensure Guelph's drinking water supplies are protected now and in the future
 - Complete water quantity policy development
 - Update Source Protection Plan to reflect changes and new information



Improve watershed health

- The GRCA providing technical expertise and data for the City's assimilative capacity study
- Watershed-wide **Wastewater Optimization Program** builds upon the successful optimization work in cities like Guelph



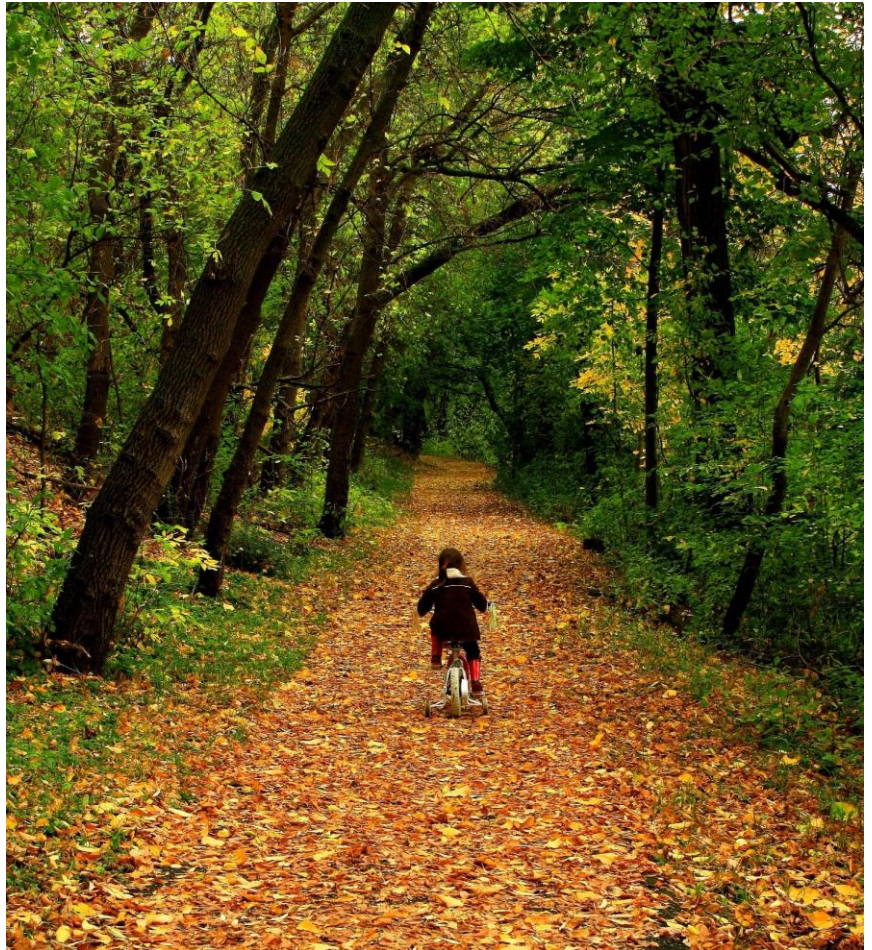
Connect people with the environment

- GRCA conservation and natural areas – a **vital part of** the watershed's **recreational infrastructure**



Responsible land management

- **Partner** with municipalities **to provide access** to outdoor spaces in a responsible and sustainable way



2021 Budget Challenges

- To prepare a budget prior to release of provincial regulations regarding mandatory vs non-mandatory program mandates for conservation authorities
- To manage uncertainty and operational restrictions/ protocols created by the COVID-19 pandemic



2021 Budget Challenges

1. Mandated vs Non-Mandated Programs

Budget Assumption

- GRCA will continue to deliver programs that are currently in place and fund programs with general municipal levy as in the past

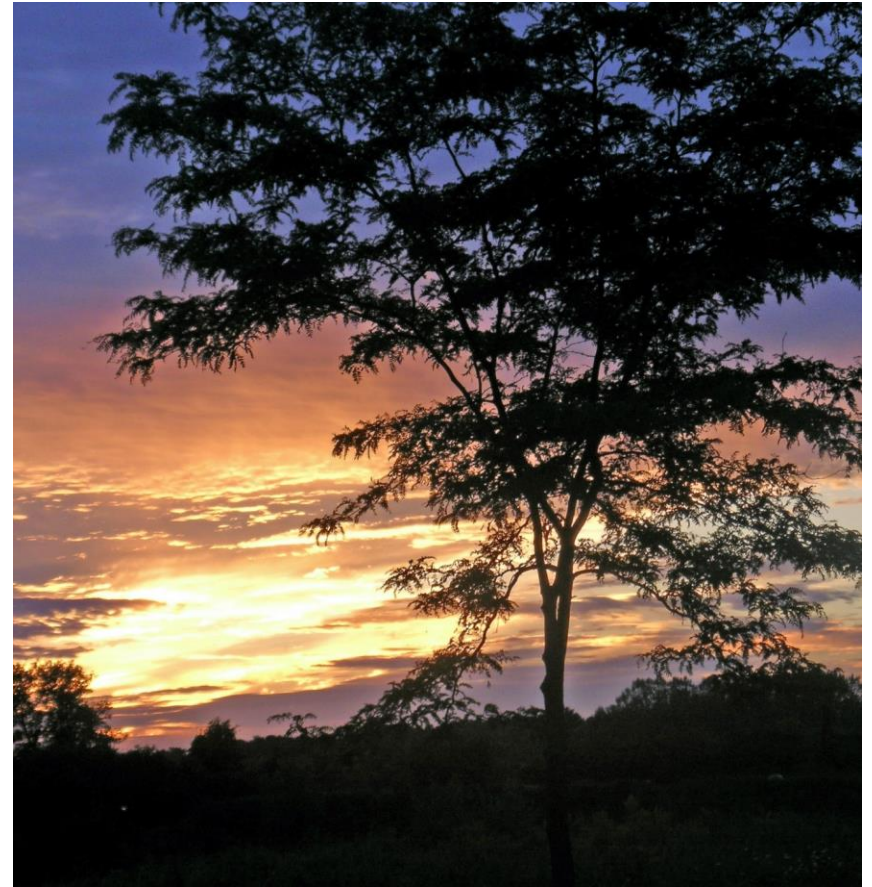
New regulations are anticipated in 2021.



2021 Budget Challenges

1. Manage COVID-19

- Self-generated revenue sources subject to significant uncertainty:
 - Conservation Area
 - Outdoor Education
- Incremental COVID costs
- Manage administrative expenses where possible

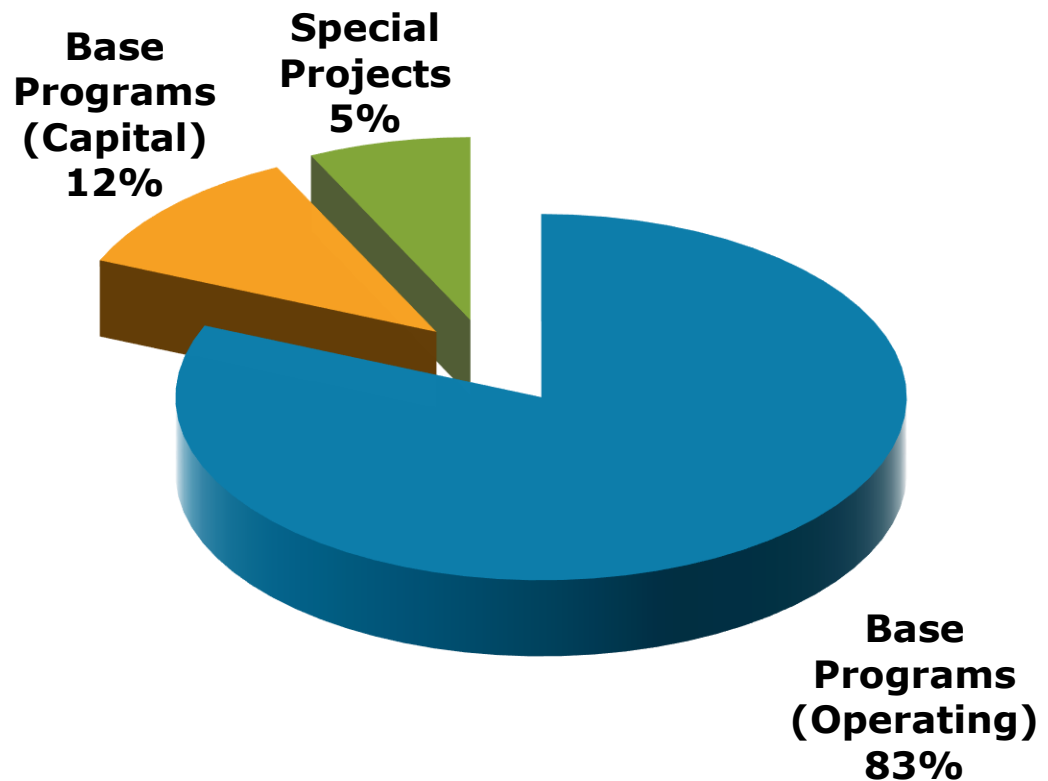


2021 Budget Challenges

Expenditures by Category

2021 Budget: \$30.6 million

(2020: \$36.0 million)



2021 Budget Challenges

Expenditures

Operating Budget (\$25.3 Million)

- Watershed Management (dams, flood forecasting, planning, lands management)
- Conservation Areas
- Environmental Education
- Corporate Services and Communication



2021 Budget Challenges

Expenditures

Capital Projects (\$3.7 Million)

Water Management Capital (\$1.8 million)

- Maintenance and repairs to dikes and dams

Conservation Areas (\$1.5 million)

- Carry forward projects from 2020

Motor Pool & IS Equipment (\$400,000)



2021 Budget Challenges

Expenditures

Special Projects (\$1.6 Million)

- Source Water Protection Program
- Rural Water Quality Grants
- Mill Creek Rangers

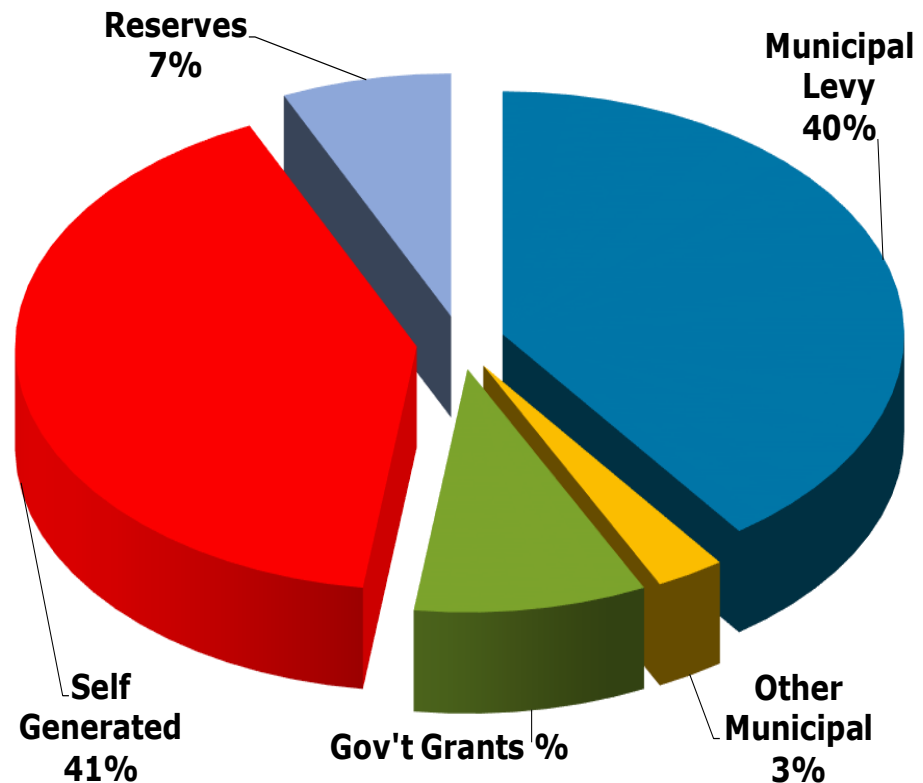


2021 Draft Budget

Revenue by Category

2021 Budget: \$30.6 million

(2020: \$36.0 million)



2021 Draft Budget

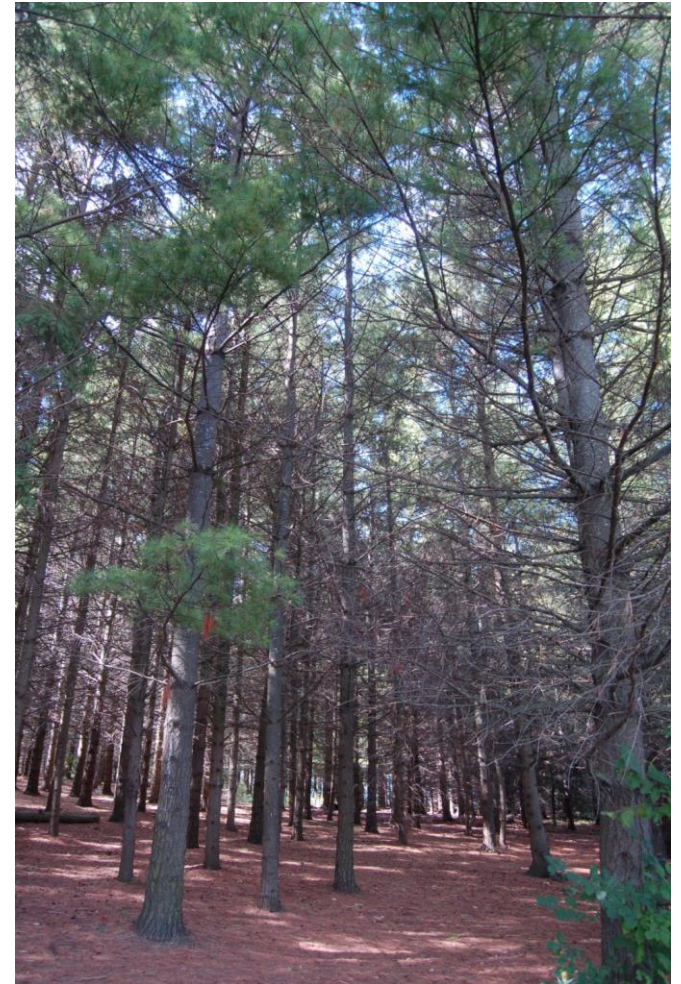
Revenue

General Municipal Levy:

- Increasing by 2.5% to \$12,225,000 in 2021
- Operating Levy increasing 2.9% or \$298,000
- Capital Levy \$950,000, nil increase

Special Projects:

- Expenses are offset 100% by special funding sources
- Do not use general municipal levy to fund these projects

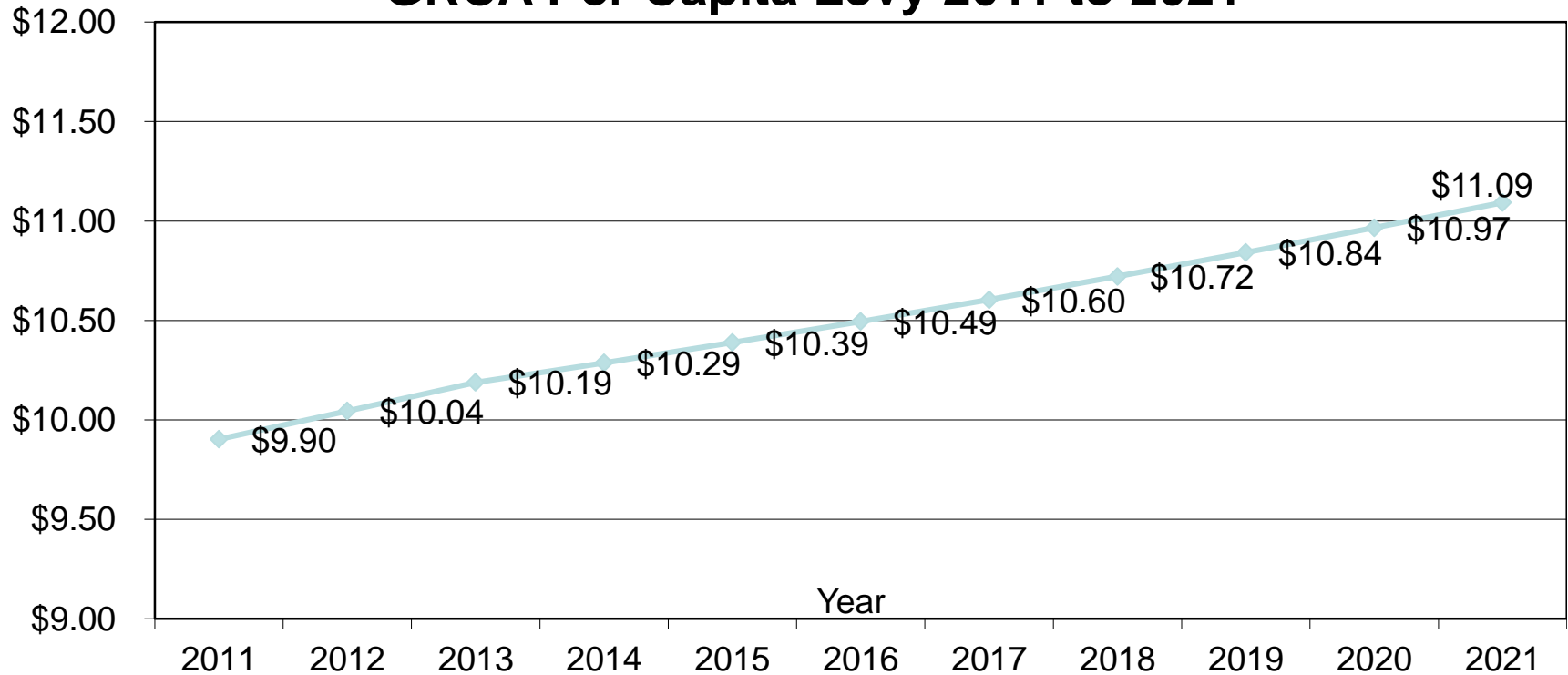


2021 Draft Budget

Grand River Conservation Authority											
Summary of Municipal Levy - 2021 Budget											
								DRAFT - September 25, 2020			
	% CVA in Watershed	2020 CVA (Modified)	CVA in Watershed	CVA-Based Apportionment	CVA-Based Matching & Maintenance Levy	CVA-Based Admin & Maintenance Levy	CVA-Based Non Matching Admin & Maintenance Levy	CVA-Based Capital Maintenance* Levy	2021 Budget Total Levy	Actual 2020 Levy	% Change
Brant County	82.9%	6,936,721,473	5,750,542,101	2.84%	12,763		307,240	26,963	346,966	333,521	4.0%
Brantford C	100.0%	14,928,515,157	14,928,515,157	7.37%	33,133		797,600	69,995	900,728	879,747	2.4%
Amaranth Twp	82.0%	795,979,920	652,703,535	0.32%	1,449		34,873	3,060	39,382	37,935	3.8%
East Garafraxa Twp	80.0%	626,126,773	500,901,419	0.25%	1,112		26,762	2,349	30,223	28,338	6.7%
Town of Grand Valley	100.0%	553,512,121	553,512,121	0.27%	1,228		29,573	2,595	33,396	31,711	5.3%
Melancthon Twp	56.0%	586,577,630	328,483,473	0.16%	729		17,550	1,540	19,819	19,173	3.4%
Southgate Twp	6.0%	1,033,512,023	62,010,721	0.03%	138		3,313	291	3,742	3,523	6.2%
Haldimand County	41.0%	7,079,860,556	2,902,742,828	1.43%	6,442		155,088	13,610	175,140	170,458	2.7%
Norfolk County	5.0%	9,584,167,114	479,208,356	0.24%	1,064		25,603	2,247	28,914	28,513	1.4%
Halton Region	10.4%	46,451,977,776	4,837,575,302	2.39%	10,737		258,462	22,682	291,881	280,040	4.2%
Hamilton City	26.8%	94,145,899,309	25,184,028,065	12.43%	55,894		1,345,531	118,080	1,519,505	1,471,642	3.3%
Oxford County	36.7%	4,427,004,857	1,622,932,789	0.80%	3,602		86,710	7,609	97,921	95,948	2.1%
North Perth T	2.0%	2,225,735,943	44,514,719	0.02%	99		2,378	209	2,686	2,561	4.9%
Perth East Twp	40.0%	2,040,630,574	816,252,229	0.40%	1,812		43,611	3,827	49,250	47,534	3.6%
Waterloo Region	100.0%	102,472,672,048	102,472,672,048	50.58%	227,428		5,474,902	480,462	6,182,792	6,064,723	1.9%
Centre Wellington Twp	100.0%	5,114,418,180	5,114,418,180	2.52%	11,351		273,253	23,980	308,584	301,160	2.5%
Erin T	49.0%	2,555,239,625	1,252,067,416	0.62%	2,779		66,895	5,871	75,545	74,455	1.5%
Guelph C	100.0%	27,653,093,969	27,653,093,969	13.65%	61,374		1,477,448	129,657	1,668,479	1,622,233	2.9%
Guelph Eramosa Twp	100.0%	2,845,103,563	2,845,103,563	1.40%	6,314		152,008	13,340	171,662	167,139	2.7%
Mapleton Twp	95.0%	1,799,102,595	1,709,147,466	0.84%	3,793		91,316	8,014	103,123	97,762	5.5%
Wellington North Twp	51.0%	1,746,561,794	890,746,515	0.44%	1,977		47,591	4,176	53,744	51,442	4.5%
Puslinch Twp	75.0%	2,685,361,769	2,014,021,326	0.99%	4,470		107,605	9,443	121,518	117,442	3.5%
Total		338,287,774,768	202,615,193,299	100.00%	449,688		10,825,312	950,000	12,225,000	11,927,000	2.5%

2021 Draft Budget

GRCA Per Capita Levy 2011 to 2021





Powering our Future



Measures of success

- Number of new businesses and collaborations with priority innovative sectors.
- Percentage of businesses reporting Guelph as a good place to do business.

What is included

Operating

- Strategy, Innovation and Intergovernmental Services
- Smart Cities
- Economic Development and Tourism
- Culture and Recreation
 - Culture
- Redevelopment Incentives

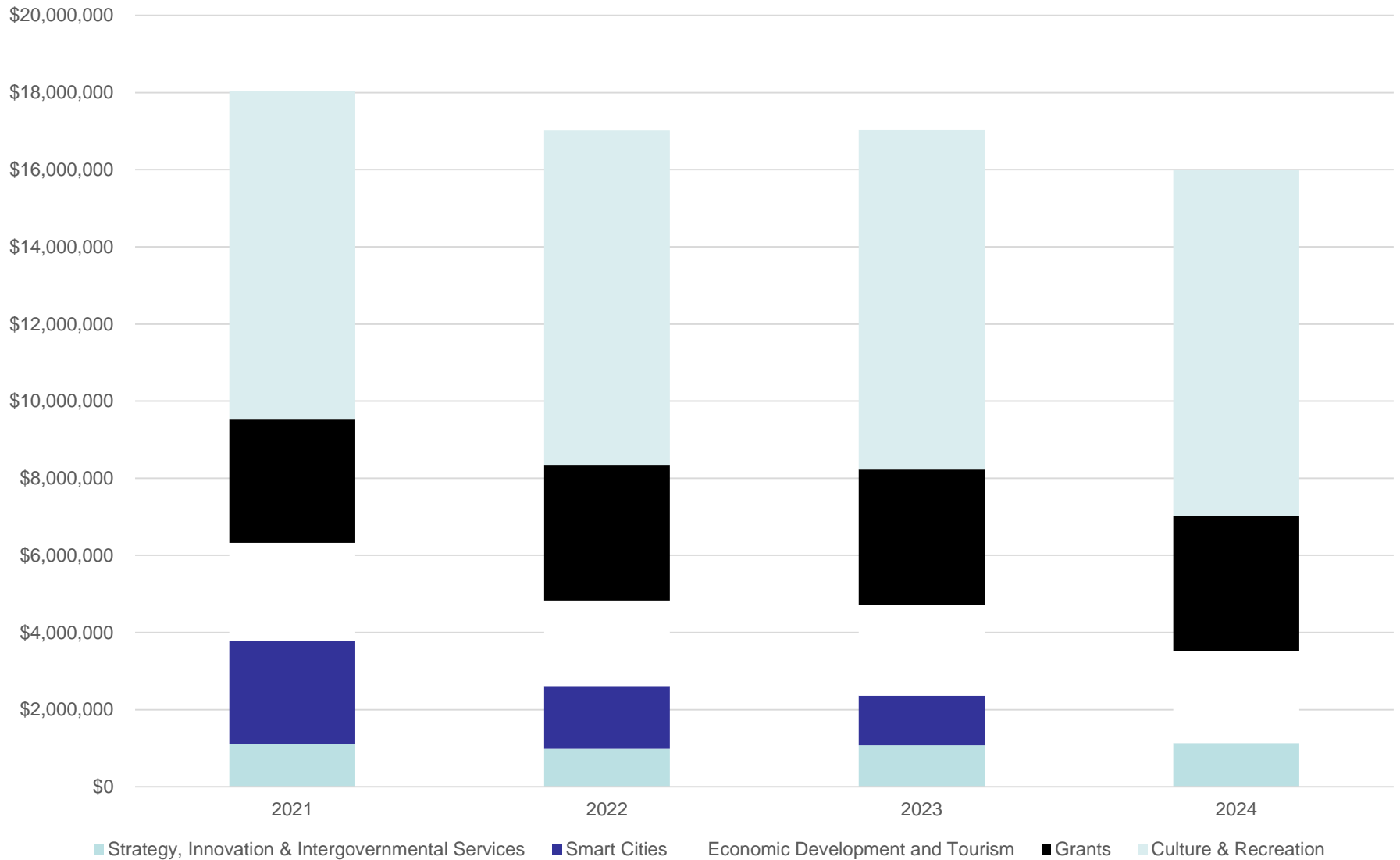
Capital Programs of Work

- Corporate Projects

2021 to 2024 operating budget highlights

- Develop an economic development strategy.
- Develop a Tourism Rebuild Strategy.
- Build City-owned fibre network.

Operating budget summary



2021 budget highlights

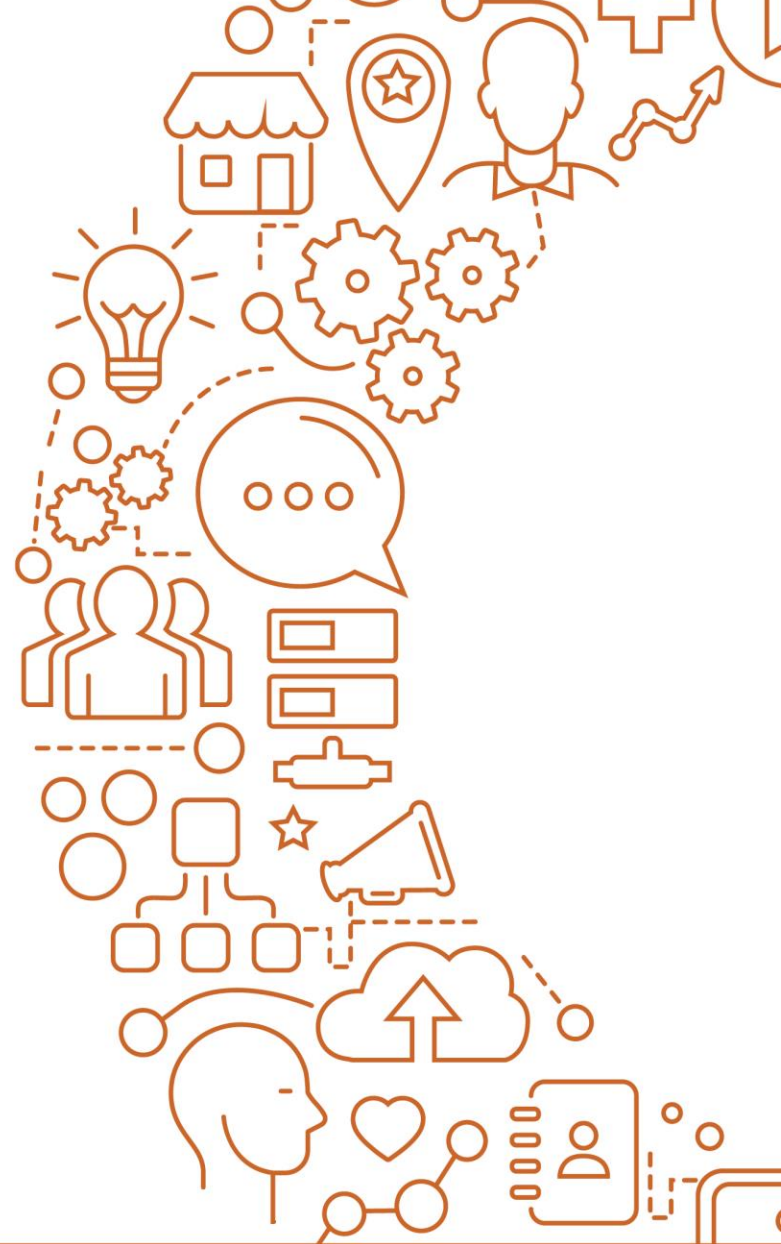
- Reduction in community plan funding scheduled to end mid-year.
- Redevelopment incentive budget maintained at 2020 levels.
- Guelph Junction Railway contributing to business retention and attraction
- Year 2 of Smart City Circular Food program implementation
- Culture services assessing reopening plans
- Municipal Accommodation Tax paused indefinitely as part of COVID relief strategy

2021 budget requests

Request - Powering	Cost	FTE	Strategic Plan Link
BR 861 - Economic Development Officer	\$134,500	1	Develop and implement new Economic Development Strategy
BR 840 - Tourism Rebuild Emergency Grant (one-time funded from reserve)	\$ 350,000		Tourism Rebuild Strategy

Capital budget

Program of Work	2021	2022	2023	2024
Corporate Program	1,500,000	1,500,000	1,150,000	1,150,000
Operating Impact from Capital	-	-	-	-



Financials – Draft budget 20221 highlights

- **Levy**
 - 2020: \$660,000
 - 2021: \$660,000
- **Total Payroll Expenses**
 - 2020: 284,270
 - 2021: 287,300
- **Marketing & Promotion Expenses**
 - 2020: \$100,360
 - 2021: \$96,860



Financials – Draft budget 20221 highlights

- **Event Expenses**

- 2020: \$55,795
- 2021: \$55,795

- **Total Revitalization Expenses**

- 2020: \$62,000
- 2021: \$62,000

- **Total General & Admin Expenses**

- 2020: \$149,525
- 2021: \$161,825



Financials – Draft budget 20221 highlights

- **Other Expenses**

- 2020: \$43,500
- 2021: \$35,000

- **Total Expense**

- 2020: \$695,450
- 2021: \$698,780

- **Net Operations**

- 2020: \$6,000 (forecast)
- 2021: \$300



Wrap up and next steps

- Council Town Halls
 - November 17—Ward 3
 - November 21—Ward 2
 - November 24—Ward 6
- November 25—Budget Delegations
- November 26—Budget Board Closes
- December 1 and 3—Budget Deliberations and Approval
- Reminder—Reach out to your budget buddy, and use the Budget Board.

Questions?

