

# Committee of the Whole Meeting Agenda

Monday, May 3, 2021, 2:00 p.m.

Remote meeting live streamed  
on [guelph.ca/live](https://guelph.ca/live)

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

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## Pages

### 1. Notice of Electronic Participation

#### 1.1. Committee of the Whole

This meeting will be held by Electronic Participation in accordance with City of Guelph Procedural By-Law (2021)-20590.

### 2. Call to Order - Mayor

#### 2.1. Disclosure of Pecuniary Interest

### 3. Staff Recognitions

#### 3.1. IAP2 Community Plan Recognition

Jennifer Smith, Manager, Corporate and Community Strategic Initiatives

Stewart McDonough, Community Plan Activator

Kelly Guthrie, Community Engagement Coordinator

Alison Springate, Manager, Corporate Communications

Barb Swartzentruber, Executive Director, Smart Cities

Michelle Lowther, Administrative Coordinator, Smart Cities

### 4. Service Area - Infrastructure, Development and Enterprise Services

Chair - Councillor O'Rourke

## **5. Consent Agenda - Infrastructure, Development and Enterprise Services**

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

### **5.1. Additional Residential Dwelling Unit Registration By-law - 2021-118 1**

#### **Recommendation:**

1. That By-law Number (2017)-20199, short titled the Two-unit House Registration By-law be repealed and that the Additional Residential Dwelling Unit Registration By-law included as Attachment 1 of the report titled "Additional Residential Dwelling Unit Registration By-law" be adopted.

### **5.2. Core Asset Management Plans - 2021-116 10**

#### **Recommendation:**

1. That the Core Asset Management Plans dated May 3, 2021, included as Attachment-1 to this report, be approved.

## **6. Items for Discussion - Infrastructure, Development and Enterprise Services**

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

### **6.1. Official Plan Review - Policy Directions - 2021-121 15**

#### **Presentation:**

Stacey Laughlin, Senior Policy Planner  
Krista Walkey, General Manager, Planning and Building Services

#### **Recommendation:**

1. That the Official Plan Review policy paper, attached as Attachment-2 to the "Official Plan Review – Policy Directions" report dated May 3, 2021, be received.

### **6.2. City Operations Campus - Business Case and Staging Plan - 2021-135 34**

#### **Presentation:**

**Recommendation:**

1. That in accordance with the City Operations Campus Business Case, as included in Attachment 1 of report City Operations Campus – Business Case and Staging Plan dated May 3, 2021, the municipal-owned site located at the northwest corner of Watson Parkway South and Stone Road East be approved as the site for the future City Operations Campus.
2. That in accordance with the multi-year Staging Plan, as included in Attachment 2 of report City Operations Campus – Business Case and Staging Plan dated May 3, 2021, staff proceed with site preparation and servicing of the City Operations Campus.
3. That staff proceed with the planning and design of the future facilities consistent with the City Operations Campus Business Case and Staging Plan and be directed to seek Council approval through the annual budget process.

**7. Service Area Chair and Staff Announcements**

**8. Service Area - Corporate Services**

Chair - Councillor Goller

**9. Consent Agenda - Corporate Services**

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

**9.1. 2020 Long-term Financial Statement - Reserves and Debt - 2021-136**

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**Recommendation:**

1. That an obligatory reserve fund (344) be opened to manage Federal/Provincial grant funds received in 2021 from the Safe Restart Agreement Public Transit Funding Program as a requirement of the transfer payment agreement.
2. That the Greenhouse Gas reserve (352) and the Ontario Municipal Commuter Cycling reserve fund (350) with nil balances be closed.

**Recommendation:**

1. That in accordance with the 2020 Year-end Capital Budget Monitoring Report dated May 4, 2021, reallocations BR-20CAP-38 and BR-20CAP-40 in Table 3 of Attachment-3 2020 Capital Budget Reallocations be approved at a net zero change to the 2020 approved capital budget.
2. That in accordance with the 2020 Year-end Capital Budget Monitoring Report dated May 4, 2021, budget adjustment BR-21CAP-28 in Attachment-1 Additional Approved Capital Funding be approved at a net budget increase of \$240,000 to the 2021 approved capital budget.
3. As a result of the new provincial On-Site and Excess Soil Regulation, and understanding that impacted projects may result in costs in excess of approved capital budget of approximately \$5 million, that a one-time strategy to authorize staff to proceed with these projects in 2021 while reporting on these over budget requirements as part of the quarterly budget monitoring reports be approved.
4. That staff seek Council funding approval of the total budget requirement resulting from the On-Site and Excess Soil Regulation at year-end as part of the 2021 year-end budget monitoring report, if in-year capital budget surplus is not sufficient to mitigate this pressure.

## 9.3. 2020 Year-end Operating Budget Monitoring and Surplus Allocation and Deficit Funding - 2021-139

**Recommendation:**

1. That the net operating deficit of \$947,524 be allocated to or funded from the City's reserve and reserve funds or grants as follows:
  - a. Transfer from Safe Restart Transit Stream grant of \$3,814,405 to fund deficit in Transit Services.
  - b. Transfer from Safe Restart Operating Stream grant of \$2,069,019 to fund combined deficit in Parking Services, Ontario Building Code Services, and Court Services.
  - c. Transfer to the 100RE Reserve Fund (355) of \$1,000,000
  - d. Transfer to the City Building Reserve Fund (159) of \$1,524,115

- e. Transfer to the Police Operating Contingency Reserve (115) of \$417,996
  - f. Transfer to the Library Operating Contingency Reserve (102) of \$200,000
  - g. Transfer to the Water Capital Reserve Fund (152) of \$63,791
  - h. Transfer to the Wastewater Capital Reserve Fund (153) of \$965,693
  - i. Transfer to the Stormwater Capital Reserve (165) of \$764,305
- 2. That the remaining Phase 1 Safe Restart Transit Stream grant of \$1,282,130 be deferred and applied to expected COVID-related deficit from January 1 to March 31, 2021.
  - 3. That the remaining Phase 1 Safe Restart Operating Stream grant of \$4,842,081 be transferred to the Tax Operating Contingency Reserve (180) to be utilized for expected ongoing COVID-related deficits through 2021 and 2022.

**10. Service Area Chair and Staff Announcements**

**11. Adjournment**

# Staff Report



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To	<b>Committee of the Whole</b>
Service Area	Infrastructure, Development and Enterprise Services
Date	Monday, May 3, 2021
Subject	<b>Additional Residential Dwelling Unit Registration By-law</b>

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## Recommendation

1. That By-law Number (2017)-20199, short titled the Two-unit House Registration By-law be repealed and that the Additional Residential Dwelling Unit Registration By-law included as Attachment 1 of the report titled "Additional Residential Dwelling Unit Registration By-law" be adopted.
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## Executive Summary

### Purpose of Report

To recommend adoption of the Additional Residential Dwelling Unit Registration By-law to provide for the registration of Additional Residential Dwelling Units and to repeal By-law Number (2017)-20199 which provides for the registration of Two-unit Houses.

### Key Findings

By-law Number (2017)-20199, which requires the registration of Two-Unit Houses was passed on July 24, 2017, repealing and replacing previous By-laws which required the same. On December 14, 2020, By-law (1995)-14864, short titled the "Zoning By-law" was amended to include the new definition Additional Residential Dwelling Unit. With that amendment, a third dwelling unit became permissive on certain properties as set out in the Zoning By-law. Prior to the amendment, these properties were restricted to two dwelling units. The Additional Residential Dwelling Unit Registration By-law seeks to align this change by requiring each Additional Residential Dwelling Unit be registered.

### Financial Implications

None.

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## Report

By-law Number (2017)-20199, which requires the registration of Two-Unit Houses was passed on July 24, 2017, repealing and replacing previous By-laws which required the same. On December 14, 2020, By-law (1995)-14864, short titled the "Zoning By-law" was amended to include the new definition Additional Residential Dwelling Unit. With that amendment, a third dwelling unit became permissive on certain properties as set out in the Zoning By-law. Prior to the amendment, these

properties were restricted to two dwelling units in the main building. The Additional Residential Dwelling Unit Registration By-law seeks to address this change by requiring each Additional Residential Dwelling Unit be registered.

Similar to By-law Number (2017)-20199, which requires the registration of Two-unit Houses, the proposed by-law would:

- Include the current requirements and registration methods available to applicants;
- Require a one-time initial registration to ensure the Additional Residential Dwelling Unit has been created/upgraded to standards that promote applicable land use planning principles and the safety of the occupants;
- Be a resource for the public to identify Additional Residential Dwelling Units that have met specific safety standards and can be legally occupied;
- Automatically register previously registered second dwelling units located in registered Two-unit Houses;
- Require up-to-date contact information of the owner and require notification of ownership changes; and
- Provide clarity to the public by further aligning terminology to be consistent with the Zoning By-law.

Subsections [8\(1\), 8\(2\), 8\(3\), and 8\(4\) of the Municipal Act, 2001](#), enables a municipality to govern its affairs as it considers appropriate and to enhance its ability to respond to municipal issues by passing a by-law. Subsections 10(1) and 10(2) of the same, enables a single-tier municipality to provide a service or thing that the municipality considers necessary or desirable for the public. This includes the passing of by-laws respecting, the health, safety and well-being of persons and protection of persons and property (including consumer protection).

As outlined above, the proposed by-law is necessary and desirable, in that it ensures that Additional Residential Dwelling Units are created or upgraded to standards that promote the safety and well-being of the citizens of Guelph. It also provides for a Registry that enables prospective tenants, purchasers, real estate professionals and the like, to easily identify Additional Residential Dwelling Units that have met the required safety standards and can be legally occupied.

### **Financial Implications**

None.

### **Consultations**

If the recommendation is adopted, public facing documents will be updated to reflect the changes. The City's website will also be updated and a public notice will be released.

### **Strategic Plan Alignment**

This recommendation and report align with the Building our Future pillar of the City's Strategic Plan by supporting the action of continuing to build strong, vibrant, safe and healthy communities that foster resilience in the people who live here, enhancing community well-being and safety through direct service and program delivery.

### **Attachments**

Attachment-1 Additional Residential Dwelling Unit Registration By-law

**Departmental Approval**

Patrick Sheehy, Program Manager – Zoning

Jeremy Laur, Chief Building Official

**Report Author**

Bill Bond, Senior By-law Administrator

**This report was approved by:**

Krista Walkey, MCIP, RPP

General Manager, Planning and Building Services

Infrastructure, Development and Enterprise Services

519-822-1260 extension 2395

krista.walkey@guelph.ca

**This report was recommended by:**

Stephen O'Brien

Acting Deputy Chief Administrative Officer

Infrastructure, Development and Enterprise Services

519-822-1260 extension 5644

stephen.obrien@guelph.ca



**The Corporation of the City of Guelph**

**By-law Number (2021) -  
XXXXX**

A by-law to provide for the registration of Additional Residential Dwelling Units and to repeal by-law number (2017)-20199.

**WHEREAS** under subsections 8(1), 8(2), 8(3), 8(4), 10(1) and 10(2) of the *Municipal Act, 2001* the City may pass by-laws providing for the registration of Additional Residential Dwelling Units;

**AND WHEREAS** the City previously passed By-law Number (2017)-20199 providing for the registration of Two-unit houses;

**AND WHEREAS** the City wishes to replace its by-law providing for the registration of Two-unit houses with a new by-law providing for the registration of Additional Residential Dwelling Units;

**AND WHEREAS** under section 425 of the *Municipal Act, 2001* the City may pass by-laws providing that a person who contravenes a by-law of the City passed under the *Municipal Act, 2001*, or a director or officer of a corporation who knowingly concurs in the contravention of a by-law, is guilty of an offence;

**AND WHEREAS** under section 429 of the *Municipal Act, 2001* the City may establish a system of fines for offences under a by-law;

**The Council of The Corporation of the City of Guelph enacts  
as follows:**

Interpretation

1. In this By-law:

"Additional Residential Dwelling Unit" means:

- (i) an Additional Residential Dwelling Unit as defined in the Zoning By-Law and as permitted in the Zoning By-law or as approved by a planning application under the *Planning Act*; or
- (ii) one of two Dwelling Units in the same Building on the same lands and premises

but does not include a Building with a commercial use located on lands zoned commercial as set out by the Zoning By-law;

"Building" means a building as defined in the *Building Code Act, 1992*, S.O. 1992, c. 23, as amended or replaced from time to time;

"*Building Code*" means the Building Code, O. Reg. 332/12, as amended or replaced from time to time;

"City" means The Corporation of the City of Guelph;

"Contact Information" means information about an Owner that will enable the Registrar to contact the Owner, and includes as many as possible of the following: address(es) for personal service, mailing address(es), telephone number(s), fax number(s), and email

address(es);

"Dwelling Unit" means a room or group of rooms occupied or designated to be occupied as a independent and separate self-contained housekeeping unit.

"*Electrical Safety Code*" means the Electrical Safety Code, O. Reg. 164/99, as amended or replaced from time to time;

"*Fire Code*" means the Fire Code, O. Reg. 213/07, as amended or replaced from time to time;

"Primary Dwelling Unit" means a dwelling contained in the main building in which the principal use of the property is carried out;

"*Municipal Act*" means the *Municipal Act*, 2001, S.O. 2001, c. 25, as amended or replaced from time to time;

"Owner", in respect of a Additional Residential Dwelling Unit, means the registered owner of the lands and premises upon which the Additional Residential Dwelling Unit is located;

"*Planning Act*" means the *Planning Act*, R.S.O. 1990, c.P.13, as amended or replaced from time to time;

"Power of Entry By-Law" means the City's Power of Entry By-Law Number (2009)-18776, as amended or replaced from time to time;

"Property Standards By-law" means the City's Property Standards By-law Number (2000)-16454, as amended or replaced from time to time;

"*Provincial Offences Act*" means the *Provincial Offences Act*, R.S.O. 1990, c. P. 33, as amended or replaced from time to time;

"Register" means the public record of Additional Residential Dwelling Units registered under this Bylaw;

"Registrar" means the Chief Building Official of the City or the Chief Building Official's designate;

"User Fee By-law" means the City's User Fee By-Law Number (2020)-20550, as amended or replaced from time to time.

"Zoning By-law" means the City's Zoning By-law Number (1995)-14864, as amended or replaced from time to time.

2. This By-law is to be construed with all changes in number and gender as may be required by the context.
3. If a court of competent jurisdiction declares any provision or part of a provision of this By-law to be invalid, illegal, unenforceable or of no force and effect, it is the intention of Council in enacting this By-law that the remainder of this By-law will continue in force and be applied and enforced in accordance with its terms to the fullest extent possible according to law.
4. If the Owner of a Additional Residential Dwelling Unit comprises two or more persons, then a representative, comprising fewer than all of those persons, is sufficient to carry out any obligation of the Owner under this By-law, as long as such representative has the permission of all the other persons comprising the Owner.
5. The Registrar shall be responsible for the administration of this By-law, and may prescribe all forms and procedures necessary to implement

this By-law, and may amend such forms and procedures from time to time as the Registrar determines necessary.

6. Where the Registrar is authorized to make any decision or determination under this By-law, the Registrar may make such decision or determination in the Registrar's sole and absolute discretion.

#### Requirement for Registration

7. Every Owner shall register each Accessory Residential Dwelling located on the property.
8. No person shall own, operate or permit the occupancy of an Additional Residential Dwelling Unit unless it is registered under this By-law.

#### Initial, Automatic Registration

9. Upon passage of this By-law, every Additional Residential Dwelling Unit that was registered as part of Two-unit House registered under By-law (2017)-20199, is automatically registered under this By-law.

#### Applying for Registration – General

10. If an Additional Residential Dwelling Unit is not registered under this By-law, then the Owner shall apply to the Registrar to have it registered under this By-law.
11. An Owner, who applies to have an Additional Residential Dwelling Unit registered under this By-law, shall pay all applicable fees or charges pursuant to the User Fee By-law for all documentation required for registration.
12. In applying to have an Additional Residential Dwelling Unit registered under this By-law, the Owner shall provide the following to the Registrar:
  - (a) Contact Information;
  - (b) Such drawings and other information and material as the Registrar may require; and
  - (c) The applicable fees or charges.
13. The Owner shall bear the onus of proving to the Registrar that the Owner's Additional Residential Dwelling Unit meets all applicable requirements for registration under this By-law. For greater certainty, an Additional Residential Dwelling Unit may still qualify for registration under this By-law despite being part of a legal non-conforming use.

#### Applying for Registration – Additional Residential Dwelling Unit created prior to July 1, 1993

14. An Owner, applying for registration of an Additional Residential Dwelling Unit located within the same Building of the primary Dwelling Unit on the basis that the Additional Residential Dwelling Unit was created prior to July 1, 1993, shall provide to the Registrar documentation that establishes, to the satisfaction of the Registrar, that:
  - (a) Applicable building permits were obtained;
  - (b) The Additional Residential Dwelling Unit existed prior to July 1, 1993;
  - (c) The Additional Residential Dwelling Unit has remained in existence since July 1, 1993; and

- (d) The Additional Residential Dwelling Unit complies with all provisions of the *Electrical Safety Code*, *Fire Code*, Property Standards By-law and Zoning By-law which the Registrar determines are appropriate.
- 15. An Owner, applying for registration of an Additional Residential Dwelling Unit on the basis that the Additional Residential Dwelling Unit was created prior to July 1, 1993, who fails to provide to the Registrar documentation that establishes, to the satisfaction of the Registrar, that the Additional Residential Dwelling Unit qualifies for such registration, shall satisfy the requirements of this By-law as set out in Section 16.

#### Applying for Registration – Additional Residential Dwelling Unit created on or after July 1, 1993

- 16. An Owner, applying for registration of an Additional Residential Dwelling Unit that was created on or after July 1, 1993, or which does not qualify for registration on the basis that the Additional Residential Dwelling Unit that was created prior to July 1, 1993, shall provide to the Registrar documentation that establishes, to the satisfaction of the Registrar, that the Additional Residential Dwelling Unit complies with all provisions of the *Building Code*, *Electrical Safety Code*, and Zoning By-law which the Registrar determines are appropriate.

#### Consideration of an Application for Registration

- 17. In considering an application for registration under this By-law, the Registrar may require the Owner to obtain, pay for and provide inspection reports that are satisfactory to the Registrar.
- 18. If an application for registration under this By-law is incomplete, the Registrar may require the applicant to make the application complete. If an applicant fails to make an incomplete application complete the Registrar may deny the application. If the Registrar denies the application the Registrar shall retain the fees or charges received.
- 19. If an application for registration received by the Registrar under this By-law is complete, and satisfies all applicable requirements for registration under this By-law, the Registrar shall register the Additional Residential Dwelling Unit in the Register and shall notify the applicant.

#### Compliance after Registration

- 20. The Owner of a registered Additional Residential Dwelling Unit shall ensure compliance of the Additional Residential Dwelling Unit with the *Building Code*, *Electrical Safety Code*, *Fire Code*, Property Standards By-law, Zoning By-law and all applicable provisions of this By-law.

#### Reconsideration of a Registration

- 21. If a Additional Residential Dwelling Unit is registered, but information or material suggests that the Additional Residential Dwelling Unit may no longer comply with the requirements of this By-law, then the Registrar may notify the Owner.
- 22. If an Owner is notified by the Registrar that information or material suggests that the Owner's Additional Residential Dwelling Unit may no longer meet the requirements of this By-law, then the Owner shall satisfy the Registrar that the Additional Residential Dwelling Unit meets the requirements of this By-law. In order to be satisfied that the Additional Residential Dwelling Unit meets the requirements of this Bylaw, the Registrar may require:

- (a) Current Contact Information;
  - (b) Such drawings and other information and material as the Registrar may require;
  - (c) Inspection reports that are satisfactory to the Registrar; and
  - (d) Payment of any applicable fees or charges.
23. If an Owner fails to provide sufficient evidence to satisfy the Registrar under the foregoing provision, the Registrar may require the Owner to do so within one month. If the Owner fails to provide sufficient evidence within one month, the Registrar may revoke the registration of the Additional Residential Dwelling Unit, and, if the Registrar revokes the registration, the Registrar shall notify the Owner. Despite such revocation, the Registrar shall retain the fees or charges received.

#### Contact Information

24. Every Owner of a Additional Residential Dwelling Unit shall maintain the Owner's current, correct Contact Information with the Registrar.

#### Change of Owner

25. If the ownership of a registered Additional Residential Dwelling changes, then the outgoing Owner and incoming Owner shall notify the Registrar of the ownership change within one month after such change.

#### Enforcement

26. The City's Power of Entry By-law applies to enforcement of this By-law by every Inspector.
27. Every person who contravenes any provision of this By-law is guilty of an offence and upon conviction is liable to a fine as provided for by the *Provincial Offences Act*.
28. Each day on which a person contravenes any provision of this By-law shall be deemed to constitute a separate offence under this By-law as provided for in section 429(2) of the *Municipal Act*.
29. Pursuant to the authority established in section 429(2) of the *Municipal Act*, every person, other than a corporation, who contravenes any provision of this By-law, is guilty of an offence and upon conviction pursuant to Part III of the *Provincial Offences Act*, shall be subject to the following penalties:
- (a) Upon a first conviction is liable to a fine of not more than Ten Thousand Dollars (\$10,000.00) for each offence;
  - (b) Upon subsequent conviction, to a fine of not more than Twenty-five Thousand Dollars (\$25,000) for each offence.

Such fines shall be recoverable under the *Provincial Offences Act*.

30. Pursuant to the authority established in section 429(2) of the *Municipal Act*, every corporation, who contravenes any provision of this By-law is guilty of an offence and upon conviction pursuant to Part III of the *Provincial Offences Act*, shall be subject to the following penalties:
- (a) Upon a first conviction is liable to a fine of not more than Fifty Thousand Dollars (\$50,000) for each offence;
  - (b) Upon subsequent conviction, to a fine of not more than One Hundred Thousand Dollars (\$100,000) for each offence.

Such fines shall be recoverable under the *Provincial Offences Act*.

Short Title

31. The short title of this By-law is "Additional Residential Dwelling Unit Registration By-law".

Repeals

32. The following By-law is repealed: (2017)-20199

Effective Date

33. This By-law shall come into effect upon passage.

Passed this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
Cam Guthrie, Mayor

\_\_\_\_\_  
Dylan McMahon, Acting City Clerk

# Staff Report



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To	<b>Committee of the Whole</b>
Service Area	Infrastructure, Development and Enterprise Services
Date	Monday, May 3, 2021
Subject	<b>Core Asset Management Plans</b>

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## Recommendation

1. That the Core Asset Management Plans dated May 3, 2021, included as Attachment-1 to this report, be approved.
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## Executive Summary

### Purpose of Report

The purpose of this report is to seek Council approval of the 2021 Core Asset Management Plans developed as per the requirements of [O. Reg 588/17 Asset Management Planning for Municipal Infrastructure](#).

### Key Findings

In December 2017 the Provincial government issued Ontario Regulation (O. Reg.) 588/17 Asset Management Planning for Municipal Infrastructure. The O. Reg. details a number of requirements for the development of asset management plans focused on what is identified as the core municipal infrastructure assets. This includes all assets in the roads, bridges and structures, stormwater management, water, and wastewater asset groups.

The [Core Asset Management Plans](#) (Core AMPs) are based off the same data used in the 2020 Corporate Asset Management Plan, and delve into greater detail for each asset category. They were developed for Transportation (road, bridges and structures), Stormwater, Water and Wastewater.

The Current Replacement Value (CRV) of all assets owned and operated by the City is \$4.3 billion. The total CRV of assets included in the Core AMPs is \$3.5 billion, or approximately 81% of the total asset inventory by value. Based on current data and knowledge, there is a backlog of approximately \$202 million in the core asset areas, or 6% of the CRV, which is in line with information reported in 2020.

### Financial Implications

This report contains no specific financial implications. The implications of approving the Core Asset Management Plans requires the continued investment in both capital and operating budgets to ensure funding is available to carry out required maintenance, renewal and replacement of assets.

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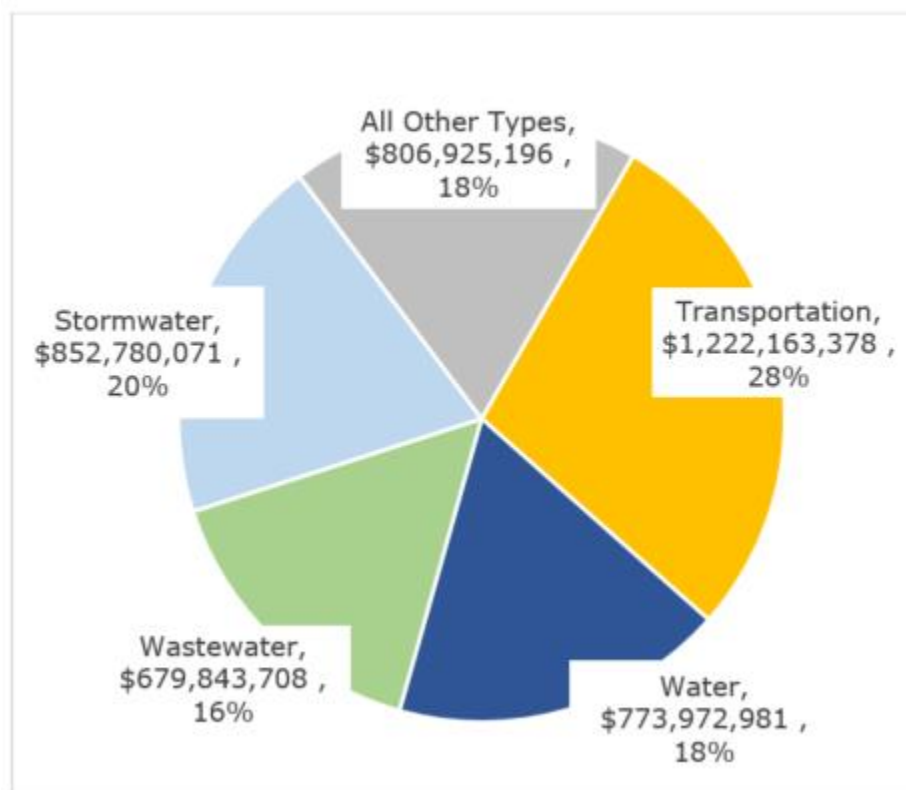
# Report

## Background

In December 2017, the Province of Ontario issued its first regulations governing the activities of Asset Management. One of the requirements of O. Reg 588/17 Asset Management Planning for Municipal Infrastructure is the development of asset plans for all asset categories identified as core infrastructure. This includes roads, bridges and culverts, stormwater, wastewater and water assets. The deadline for completion of these plans was initially July 1, 2021, however due to the Covid-19 Pandemic, the Province has recently extended the deadline to July 1, 2022.

To fulfill these Provincial requirements, the City developed the [Core Asset Management Plans](#) (Core AMPs). These plans are broken into Transportation (Roads, Bridges and Culverts greater than 3 meters), Stormwater, Wastewater and Water asset categories. The Core AMPs go into more detail on the core asset types, and present more targeted recommendations for next steps than what is presented in the [Corporate Asset Management Plan](#) (Corporate AMP). Figure 1 describes the value and overall percentage of the asset portfolio by replacement value of each of the four core asset categories, plus the value of the remaining asset portfolio.

**Figure 1: City of Guelph's Current Replacement Value by Asset Category**



## State of the Core Assets

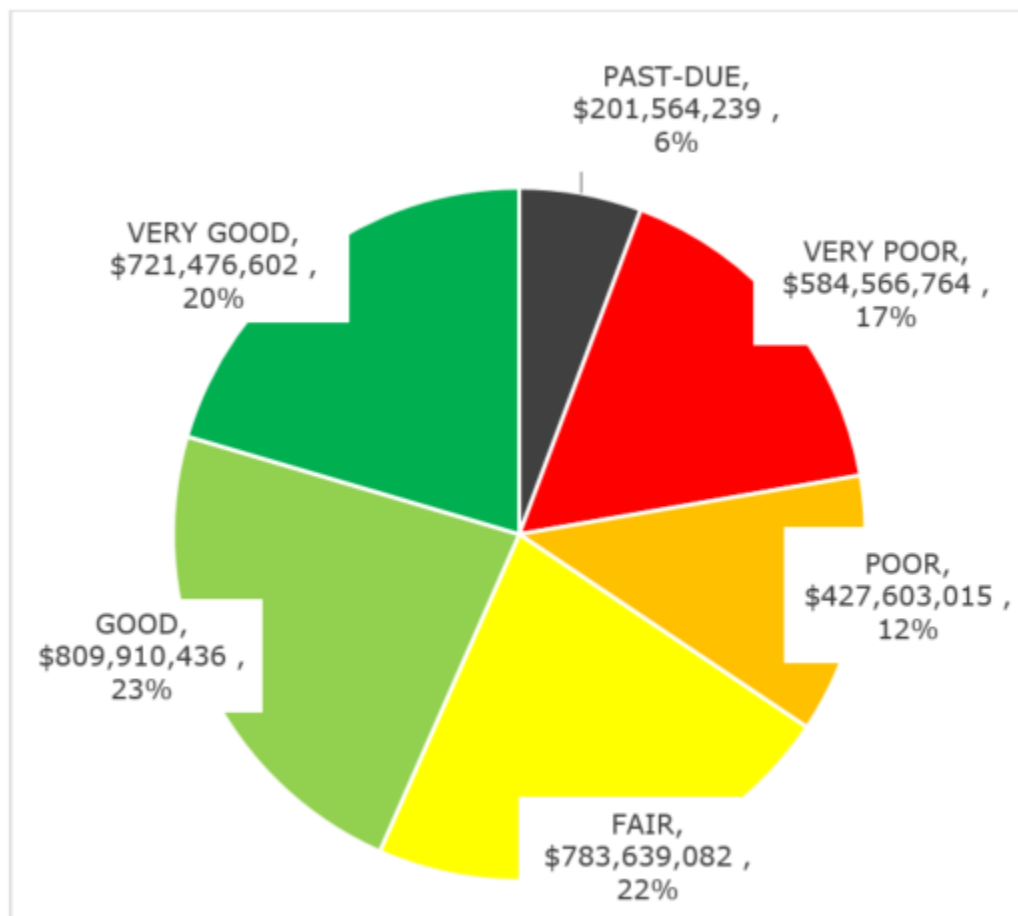
Overall, there is a good distribution of assets across condition categories, indicating that regular activities have been occurring to maintain the asset base in a functional state. The findings of the analysis are consistent with what was originally reported in the updated 2020 Corporate AMP. The asset conditions are summarized in Figure 2

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Approximately 6% total of the core assets included in these plans are considered “past due”, with an estimated value of \$202 million. Again, this is consistent with findings of the 2020 Corporate AMP that estimated the total backlog (not just core assets) at approximately 7% of the total current replacement value, or approximately \$289 million.

**Figure 2: Core Assets Grouped by Condition Rating**



### Asset Levels of Service

One of the critical requirements of O. Reg 588/17 was the inclusion of a specific set of asset Levels of Service (LOS) metrics. The LOS metrics identified in the Core AMPs are currently based on regulatory or legislative requirements that are already a mandatory monitoring and reporting need for that asset category, or are defined in the O. Reg 588/17.

As the City moves to an advanced state of asset management maturity, the City plans to develop a comprehensive approach to City-specific levels of service for its assets. The findings will be released as part of the next major Corporate AMP update (anticipated in 2023/2024).

### Impacts of Climate Change

The Core AMPs document the risks and potential impacts of climate change for each of the core asset types. Work is ongoing in all of the core asset types to better understand and document these risks through the overall asset management program of work.

## **Summary**

The City continues to act as an industry leader in asset management practices. The development of these Core AMPs is a critical step in furthering asset management practices across the Corporation. Continued enhancements to these plans are identified in the Corporate Asset Management program of work, and will further refine the data and analysis used to support asset management across the City.

## **Financial Implications**

The implications of approving these Core AMPs requires continued investment in both capital and operating budgets to ensure funding is available to carry required maintenance, renewal, and replacement of assets. In the long-term, implementation of comprehensive asset management processes and practices will result in the optimization of both capital and operating financial investments.

The Core AMPs further confirm and detail the findings of the Corporate AMP. They provide additional context around the needs of the individual asset groups included in the Core AMPs, and the recommendations remain consistent with those provided in the Corporate AMP.

## **Financing Strategies**

The 2021 Core AMPs demonstrate that the City's approved financial strategies are required to continue as outlined in the 2020 Corporate AMP.

Recommendations around sustainable funding targets remain the same as was originally proposed in the 2020 Corporate AMP. For tax funded areas – i.e. the Transportation asset category – the progress made since 2017 through annual increases in capital funding remains in line with the new estimate. Based on the analysis completed in 2020 and this review, sustainable tax funding is anticipated by approximately 2037. Refinement of these results and targets will continue as the asset management program matures.

## **Consultations**

Consultation and communication are a key element of all corporate asset management initiatives. The Core AMPs were developed in consultation with the business areas responsible for the operations and maintenance of the asset groups, and with internal subject matter experts. These consultations will be on-going as efforts to refine the contents of the Core AMPs are made.

## **Strategic Plan Alignment**

### **Priority**

Working Together for our Future

### **Direction**

The Core AMPs will align with developing a long-term financial and resource strategy focused on affordably achieving effective service delivery through the City's assets.

### **Alignment**

To be achieved by:

- Clarifying the service levels the City delivers to the Community;

- Establishing a multi-year budgeting and planning processes; and,
- Exploring new funding options, service delivery models and partnerships to ease taxes for residents and businesses.

### **Priority**

Building Our Future

### **Direction**

Maintain existing community assets and secure new ones in alignment with growth, resiliency and continual improvement.

### **Alignment**

This is one of the main components of asset management and will be achieved by:

- Managing existing infrastructure;
- Continuing to develop new assets that respond to Guelph's growing and changing social, economic and environmental needs; and,
- Supporting the development of new assets through advocacy and policy work.

### **Attachments**

Attachment-1 [2021 Core Asset Management Plans](#)

### **Departmental Approval**

Tara Baker, CPA, CA, Treasurer/General Manager, Finance

Asset Management Steering Committee

### **Report Author**

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Infrastructure, Development and Enterprise Services

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# Staff Report



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To	<b>Committee of the Whole</b>
Service Area	Infrastructure, Development and Enterprise Services
Date	Monday, May 3, 2021
Subject	<b>Official Plan Review – Policy Directions</b>

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## Recommendation

1. That the Official Plan Review policy paper, attached as Attachment-2 to the “Official Plan Review – Policy Directions” report dated May 3, 2021, be received.
- 

## Executive Summary

### Purpose of Report

This report publicly releases the [Official Plan Review policy paper](#) for community and stakeholder engagement, and for Council review and consideration.

### Key Findings

The Official Plan Review (OPR) focuses on satisfying the requirements of [Section 26 of the Planning Act](#). This includes ensuring that the Official Plan (OP) is in conformity with the Planning Act, the Provincial Policy Statement (PPS), A Place to Grow: Growth Plan for the Greater Golden Horseshoe (APTG), the Clean Water Act (CWA) and Grand River Source Protection Plan and the Ontario Heritage Act (OHA).

The policy paper provides an overview of the changes to the legislation, plans and policies outlined above. Some of these changes require updates to the Official Plan and others may require changes to processes, timelines, or other municipal bylaws, plans, or guidelines. The policy paper outlines changes to Official Plan policies that are necessary and proposed policy approaches for the Official Plan updates.

Community and stakeholder engagement on the OPR policy paper is planned for May and June 2021 and will include a virtual event(s) and online consultation through [Have Your Say Guelph](#), the City’s online engagement platform.

### Financial Implications

The five-year OPR is funded through the approved capital budget, Capital Account PL0054, for costs associated with consultant services and community engagement consultations.

The Official Plan has significant financial implications as it sets population and targets which are the driver to growth-related infrastructure planning and financing. A fiscal analysis of growth scenarios will be completed as part of the City’s APTG conformity work (Shaping Guelph) in 2021. The City is also updating a number of master plans, the Development Charge Bylaw and the Parkland Dedication Bylaw and will be implementing a new Community Benefit Charge Bylaw over the next two years in order to support the long-term financial planning for growth to 2051.

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# Report

## Background

On November 9, 2020, a special meeting of Council was held to initiate the review and update of the Official Plan. That meeting was supported by a report titled "[Special meeting of Council to commence the five-year review of the Official Plan](#)" which outlined the scope of the Official Plan review (OPR).

The OPR is focused on satisfying the requirements of Section 26 of the Planning Act. This includes ensuring that the OP is in conformity and consistency with the Planning Act, the Provincial Policy Statement (PPS), A Place to Grow: Growth Plan for the Greater Golden Horseshoe (APTG), the Clean Water Act (CWA) and Grand River Source Protection Plan and the Ontario Heritage Act (OHA). Following the November 9, 2020 special meeting of Council, it was determined that the amendments made to the OHA through the More Homes, More Choice Act (Bill 108) should also be incorporated into the scope of the OPR. Details regarding the OHA changes are outlined in this report and the OPR policy paper (Attachment 2).

Following this OPR, a subsequent Official Plan amendment (or amendments) will focus on incorporating other legislative requirements and city-approved plans and studies into the Official Plan. This includes amendments to update policies with respect to transportation, parks and open space, and municipal services which are currently the subject of master plans.

In June 2020, Council endorsed a [draft vision and principles for growth](#). In addition to guiding the city's APTG conformity work, these will also guide the OPR.

## Overview of proposed Official Plan policy approaches

[Attachment-2](#) includes the OPR policy paper which provides an overview of changes to the Planning Act, Provincial Policy Statement (PPS), Clean Water Act (CWA), Grand River Source Protection Plan, Ontario Heritage Act (OHA), and A Place to Grow: Growth Plan for the Greater Golden Horseshoe (APTG). Some of these changes require updates to the Official Plan and others may require changes to processes, timelines, or other municipal bylaws, plans, or guidelines. The policy paper outlines Official Plan policies that are necessary to update to conform to these changes in Provincial legislation and plans. The policy paper also outlines proposed policy approaches for the Official Plan updates. A summary of the required updates to achieve conformity are outlined below.

The following topics require updates to the Official Plan to conform to more than one of the Acts or plans outlined above:

- residential intensification and increased housing options (PPS, APTG)
- protection of employment lands (PPS, APTG)
- planning for the impacts of a changing climate (PPS, APTG)
- water resources (PPS, APTG), and
- source water protection (CWA, Grand River Source Protection Plan)

## Planning Act

Several amendments to the Planning Act have been made since the last OPR, including Bill 139, Bill 108 and several regulations passed under the Planning Act. Amendments that require changes to the Official Plan include how and where

additional residential dwelling units (i.e. accessory apartments) are to be permitted; the removal of a municipal tool to increase height and density in exchange for community benefits (i.e. bonusing); and inclusionary zoning. In December 2020 Council approved an amendment to the Official Plan and the Zoning Bylaw to conform to the Planning Act changes for additional residential dwelling units.

### **A Place to Grow: Growth Plan for the Greater Golden Horseshoe**

In May 2019, the Province released A Place to Grow: Growth Plan for the Greater Golden Horseshoe (APTG) and Amendment 1 was approved with an effective date of August 28, 2020. APTG guides growth and development within the Greater Golden Horseshoe over the next 30 years. APTG requires that Guelph plan for a population of 203,000 and an employment base of 116,000 jobs in 2051. Guelph must also plan for a minimum intensification target of 50 per cent within its built-up area; a minimum designated greenfield area density target of 50 persons and jobs per hectare; and a minimum urban growth centre (downtown) density target of 150 persons and jobs per hectare to 2031.

To bring Guelph's Official Plan into conformity with APTG, it is necessary to complete a municipal comprehensive review (MCR) that will determine where and how Guelph will grow to 2051, and plan to achieve the targets for the built-up area, designated greenfield area, and urban growth centre. Guelph's MCR is happening through the [Shaping Guelph](#) project. Shaping Guelph includes several background studies, some of which will also address updated requirements in the PPS. These background studies include:

- A vision and principles for growth
- A residential intensification analysis
- A housing analysis and strategy
- An employment lands strategy, and
- Growth scenario planning based on a land needs assessment.

Municipalities are required to have their Official Plans updated to conform to APTG by July 1, 2022. Shaping Guelph is underway and will result in a growth management strategy for the City that will inform the 5-year review of the Official Plan. Recommended changes to the Official Plan as part of Shaping Guelph will be incorporated into the OPR Official Plan amendment.

At this time it is anticipated that, at a minimum, Chapter 3 – Planning a Complete and Health Community, of the Official Plan will be updated to conform to APTG.

### **Provincial Policy Statement 2020**

The Provincial Policy Statement (PPS) is the consolidated statement of the provincial government's policies on land use planning that guides municipal decision making. Under the Planning Act municipal decisions on land use planning matters "shall be consistent with" the PPS. The PPS, 2020 came into effect on May 1, 2020.

The PPS 2020 includes new and/or updated policies in the areas of:

- Enhanced municipal engagement with Indigenous communities
- Residential intensification and increased housing options
- Protection of employment lands
- Providing more options for servicing
- Planning for the impacts of a changing climate

- Natural heritage system policies related to surface water and fish habitat, and habitat for endangered and threatened species
- Requirement to identify a water resource system
- Natural and human-made hazard policies
- Archaeological management plans, and
- Definitions related to the topics outlined above. A list of modified and new PPS definitions are included in Attachment 2.

Changes to the Official Plan are needed to:

- Acknowledge that Guelph is located on Indigenous territory lands and reflect our responsibility to engage with Indigenous communities on planning matters
- Ensure that policies are consistent with revised PPS language to provide for both market based and affordable housing and to ensure that the city provides a 15 year supply of lands that are designated and available for residential intensification
- Protect the long-term viability of existing and planned employment areas including land use compatibility and transition between employment areas and sensitive land uses
- Promote the co-location of linear infrastructure and require that stormwater planning be integrated with planning for water and wastewater servicing
- Improve consistency with respect to the impacts of a changing climate, specifically recognizing the city's commitment to become a net zero community by 2050 and that the Corporation of the City of Guelph will strive to achieve 100 per cent of its energy needs through renewable sources by 2050
- Ensure alignment with the PPS and Fisheries Act for development and site alteration in fish habitat
- Ensure alignment with the PPS for development and site alteration in habitat of endangered species and threatened species
- Incorporate a systems-based approach for water resource planning
- Update natural hazard policies, including floodplains, to plan and mitigate potential risk to public health, safety, or property damage including risks associated with the impacts of a changing climate
- Update natural hazard policies to include policies for wildland fire hazards
- Provide direction to the city to undertake an archaeological management plan, and
- Reflect changes to and new definitions introduced in the PPS

### **Clean Water Act/Grand River Source Protection Plan**

The Grand River Source Protection Plan brought policies into effect for the City of Guelph on July 1, 2016 following approval by the Province. The development and approval of the plan fulfills requirements under the provincial [Clean Water Act](#). The plan identifies wellhead protection areas and vulnerabilities along with corresponding policies for protecting the water quality of Guelph's drinking water supply. Some of these policies are intended to be implemented through planning tools and require updates to the Official Plan in order to support implementation. Additional work to develop policies to support completed technical studies identifying well head protection areas and vulnerabilities for protection of water quantity as it relates to Guelph's drinking water supply is ongoing and will be incorporated into the Grand River Source Protection Plan through a future amendment to the Source Protection Plan. A subsequent amendment to include related policies into the Official Plan may be required at that time.



## **Ontario Heritage Act**

The [Ontario Heritage Act](#) (OHA) provides municipalities with the tools to identify, designate, and protect built and archaeological interests that are of cultural heritage value such as properties, structures, districts, and streetscapes. The OHA provides municipalities with the ability to place additional controls over the alteration, demolition, or removal of cultural heritage assets; allows for interim protection to non-designated properties that have cultural heritage value from demolition; and allows municipalities to enter into agreements with property owners to maintain heritage assets. The OHA also allows municipalities to establish local heritage review committees.

Changes to the OHA through Bill 108 that require potential updates to the Official Plan include:

- A new set of principles to guide municipal decisions to designate properties and districts
- New requirements for applications to alter or demolish buildings or structures on a designated property
- New tools for municipalities for alteration, removal, and demolition of heritage attributes, and
- Notification requirements for properties included on the municipal register of cultural heritage properties

The changes to the OHA outlined above are not yet in effect and a date of enactment remains to be determined.

Changes to the Official Plan are needed to:

- Revising policies to list principles that Council must consider during the decision making process to designate a property or district
- Include complete application requirements for applications to alter, demolish or remove a building or structure on a designated property
- Add a general policy to align with OHA regulations or guidance on requirements for designated properties where relocation of a building or structure is proposed
- Address OHA changes that enable property owners to object to their property being listed on the heritage register

## **Other municipal and legislative changes**

Additional changes to the Official Plan are being proposed to provide clarity and reduce redundancy and administrative Official Plan updates. These changes include

- Providing clarity as to when essential municipal infrastructure, subject to an environmental assessment, is a permitted use when located in certain natural heritage features, areas and buffers,
- Removing references to the roles and responsibilities of advisory committees that are governed by the City's procedural bylaw and/or terms of reference, and
- Providing clarity on the integration and implementation between the Official Plan and the City's tree bylaw.

## **Next Steps**

- May/June 2021
  - Indigenous engagement on the OPR and policy paper
  - Community engagement on the OPR policy paper



- Consultation with City advisory committees (Planning Advisory Committee, Natural Heritage Advisory Committee, and Heritage Guelph)
- Q3 2021 to Q1 2022 – draft Official Plan policies and Official Plan amendment to be prepared and released for community and stakeholder review and comment, including the statutory open house and statutory public meeting required by the Planning Act
- Q2 2022 – recommended Official Plan amendment to be brought forward for Council decision

## **Financial Implications**

The five-year OPR is funded through the approved capital budget, Capital Account PL0054, for costs associated with consultant services and community engagement consultations.

The Official Plan has significant financial implications as it sets population and targets which are the driver to growth-related infrastructure planning and financing. A fiscal analysis of growth scenarios will be completed as part of the City's APTG conformity work (Shaping Guelph) in 2021. The City is also updating a number of master plans, the Development Charge Bylaw and the Parkland Dedication Bylaw and will be implementing a new Community Benefit Charge Bylaw over the next two years in order to support the long-term financial planning for growth to 2051.

## **Consultations**

### **Consultation with City departments and service areas**

To inform the policy paper consultation has occurred with staff from the following City departments and service areas:

- Economic Development and Tourism
- Engineering and Transportation Services
- Environmental Services
- Facilities and Energy Management
- Parks
- Finance
- Legal, Realty and Court Services
- Strategy, Innovation and Intergovernmental Services

### **Community Engagement**

Community and stakeholder engagement on the OPR policy paper is planned for May and June 2021 and will include a virtual event(s) and online consultation through Have Your Say Guelph, the City's online engagement platform. The policy paper will also be presented to the city's Planning Advisory Committee, Heritage Guelph, and the Natural Heritage Advisory Committee for their comments.

Notice for this Council meeting and the upcoming engagement was provided through City News and by sending a notice to all those people that have requested to be on the project mailing list. The feedback from the community, as well as Council, will inform the draft policies that implement the provincial amendments.

### **Indigenous Engagement**

The importance of building constructive, cooperative relationships through meaningful engagement with Indigenous communities to facilitate knowledge-sharing in land use

planning processes and decisions is recognized. Accordingly, an engagement consultant specializing in Indigenous engagement has been retained for the Official Plan Review, as well as the municipal comprehensive review. The Indigenous engagement consultant will also be supported by the community engagement consultant team already retained for these projects.

### **Strategic Plan Alignment**

The five-year OP review will align with the following priorities within Guelph's Strategic Plan:

- Powering our Future – The review and update of the OP will support a healthy economy.
- Sustaining our Future – The review and update of the OP will assist in planning and designing an increasingly sustainable City as Guelph grows.
- Navigating our Future – The review and update of the OP will assist in planning for a transportation network that connects us.
- Building our Future – The review and update of the OP will assist in continuing to build a strong and vibrant community.

### **Attachments**

Attachment-1 Staff Presentation OPR Policy Paper May 3, 2021 CoW

[Attachment-2 Shaping Guelph Official Plan Review policy paper](#)

### **Departmental Approval**

Melissa Aldunate, MCIP, RPP, Manager, Policy Planning and Urban Design

### **Report Author**

Stacey Laughlin, MCIP, RPP, Senior Policy Planner

Natalie Goss, MCIP, RPP, Senior Policy Planner

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# Shaping Guelph

Five-year  
Review of the  
Official Plan

Committee of  
the Whole

May 3, 2021



# Why review the Official Plan?

- Last comprehensive review of the OP was completed in three phases with final approval in 2017
- The Planning Act requires the City to review its OP every 5 years
- Recommended that the current OP review be scoped to focus on Section 26 requirements in order to meet legislated timelines – July 1, 2022

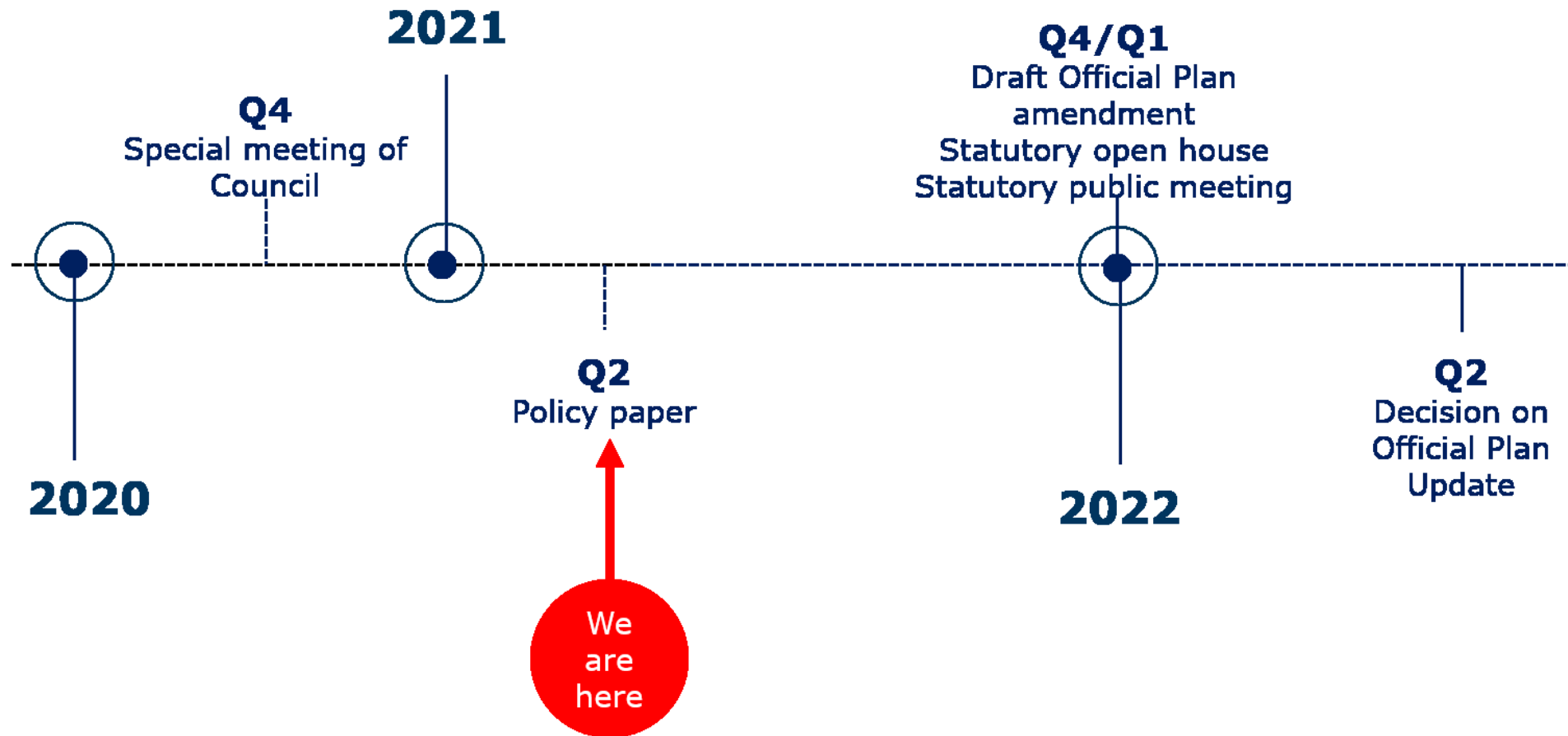


# Scope of the OP review

- Planning Act
- Ontario Heritage Act
- Clean Water Act and Grand River Source Protection Plan
- Provincial Policy Statement 2020
- A Place to Grow: Growth Plan for the Greater Golden Horseshoe



# Official Plan Review process



# Engagement on the policy paper

- Community and stakeholder engagement
- Indigenous engagement
- Advisory committees
  - Planning Advisory Committee
  - Heritage Guelph
  - Natural Heritage Advisory Committee



# Planning Act changes

- Bill 139, Bill 108 amendments as well as the introduction of new regulations
- Some of the changes require updates to the OP to:
  - Add new policies for additional residential dwelling units (complete)
  - Remove existing height and density bonusing policies
  - Undertake a staged approach to inclusionary zoning beginning with the identification of a protected MTSA





# A Place to Grow

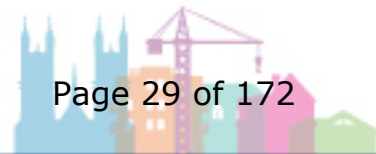
- APTG requires Guelph to plan for a:
  - population of 203,000 and an employment base of 116,000 jobs in 2051
  - minimum intensification target of 50% within the built-up area
  - minimum greenfield density target of 50 persons and jobs per hectare
  - minimum downtown density target of 150 persons and jobs per hectare to 2031
- The MCR will determine where and how Guelph will grow to 2051 through the Shaping Guelph project
- Shaping Guelph will be incorporated into the OPR official plan amendment



# Provincial Policy Statement changes and policy directions

- Enhanced engagement with Indigenous communities
- Residential intensification and increased housing options\*
- Protection of employment lands\*
- Planning for the impacts of a changing climate\*
- Identification of a water resource system\*
- NHS policies related to surface water and fish habitat, and habitat for endangered and threatened species
- Natural and human-made hazard policies
- Flexibility related to municipal servicing
- Archaeological management plans
- Definitions

\* identifies changes from both the PPS and APTG



# Grand River Source Protection Plan

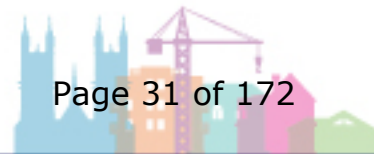
- Policies in effect as of July 1, 2016
- The Source Protection Plan fulfills requirements under the Clean Water Act
- Identifies wellhead protection areas and vulnerabilities to protect the quality of our drinking water supply
- Some policies must be implemented through updates to the Official Plan
- Further work is ongoing for the protection of water quantity as it relates to our drinking water supply



# **Ontario Heritage Act changes and policy directions**

Some of the changes require updates to the OP to:

- List principles for Council to consider when deciding to designate a property or district
- Include complete application requirements for applications to alter, demolish or remove buildings/structures on a designated property
- Add general policy for designated properties where relocation of a building or structure is proposed
- Address changes that enable property owners to object to their property being listed on the heritage register



# Other municipal and legislative changes/policy directions

Additional changes proposed include:

- Providing clarity as to when essential municipal infrastructure, subject to an environmental assessment, is a permitted use when located in certain natural heritage features, areas and buffers
- Removing references to the roles and responsibilities of advisory committees that are governed by the City's procedural bylaw and/or terms of reference
- Providing clarity on the integration and implementation between the Official Plan and the City's tree bylaw.



# Next Steps

- May/June 2021
  - Indigenous engagement on the OPR and policy paper
  - Community and stakeholder engagement on the OPR policy paper
- Q3 2021 to Q1 2022 – release of draft Official Plan policies and Official Plan amendment for engagement
- Q2 2022 – recommended Official Plan amendment to be brought forward for Council decision



# Staff Report



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To	<b>Committee of the Whole</b>
Service Area	Infrastructure, Development and Enterprise Services
Date	Monday, May 3, 2021
Subject	<b>City Operations Campus – Business Case and Staging Plan</b>

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## Recommendation

1. That in accordance with the City Operations Campus Business Case, as included in Attachment 1 of report City Operations Campus – Business Case and Staging Plan dated May 3, 2021, the municipal-owned site located at the northwest corner of Watson Parkway South and Stone Road East be approved as the site for the future City Operations Campus.
  2. That in accordance with the multi-year Staging Plan, as included in Attachment 2 of report City Operations Campus – Business Case and Staging Plan dated May 3, 2021, staff proceed with site preparation and servicing of the City Operations Campus.
  3. That staff proceed with the planning and design of the future facilities consistent with the City Operations Campus Business Case and Staging Plan and be directed to seek Council approval through the annual budget process.
- 

## Executive Summary

### Purpose of Report

To provide a business case and staging plan for the City Operations Campus. The business case analysis considered various site and configuration alternatives and assessed financial cost, social benefit (i.e. organizational culture, performance, sustainability, accountability and well-being) and level of risk. The staging plan lists the key steps of this multi-staged project.

### Key Findings

An in-depth business case has been developed and attached for consideration in Attachment 1 to this report. The business case assesses three future-ready alternatives regarding the following City facilities that are required to deliver critical community services:

- Operations' Fleet Services
- Operations' Public Works
- Guelph Transit
- Corporate Building Maintenance
- Solid Waste Collections
- Parks

The existing facilities are beyond capacity and are near or at end-of-life. Service levels will be further constrained as the city grows and existing health and safety risks exasperated if services remain in the current facilities and are to meet growing demand for services.

The optimal business case alternative is the Centralized City Operations Campus, which:

- is the most cost effective and provides the greatest social benefit and lowest risk exposure of the three alternatives;
- employs sustainable asset management plans and builds capacity to address increasing city demands by leveraging municipally owned land;
- avoids both service disruption and land acquisition;
- effectively mitigates health and safety risks and centralizes services to realize operational efficiencies;
- aligns with the Guelph Innovation District (GID) Secondary Plan and initiates responsible development in this naturally and culturally rich area;
- enables transit electrification by providing a new purpose-built facility that will significantly reduce GHG emissions, which supports Council direction for Guelph to be a Net Zero Carbon community by 2050; and,
- aligns with multiple pillars of Guelph's Strategic Plan and plays a critical role in advancing many strategic objectives.

The development of the City Operations Campus will be planned, designed and developed in a phased approach over the next 10 to 15 years. The staging plan can be found in Attachment 2.

## **Financial Implications**

The capital cost of the recommended alternative is estimated to be between \$186 and \$228 million, the most cost effective alternative by at least \$25 million. Funding will come from a mix of sources including property taxes, development charges, and grant revenues. The facilities have been included in sequential order and funded as part of the 10-year capital forecast, matching both pace of site development and availability of funding. The debt amounts forecast to be used as a cash flow tool for this capital plan are within the debt limitations of the province and the City's [Debt Management Policy](#).

The opportunity to leverage the [Investing in Canada Infrastructure Program](#) (ICIP) funding for the transit component of the plan creates a significant financial benefit, reducing the overall tax funded capital requirement by \$34 million and reducing the overall debt required. The ICIP grant currently has a deadline of October 31, 2027 for substantial completion of projects, which dictates the need to focus on the purpose-built transit facility first.

In recent years, the City has matured its infrastructure renewal and growth funding strategies to be prepared for the consideration of a project such as a centralized city operations campus. The City's [Corporate Asset Management Plan](#) has identified these facilities as priorities in the near to mid-term, as they are forecasted to all reach a poor condition within five years and critical within 10 to 20 years. The [Infrastructure Renewal Strategy](#) is building funding capacity to address these needs as part of the goal to reach sustainable infrastructure renewal funding by 2035. This centralized campus plan, at its core, focuses on the responsible care of aging City assets, and while doing so, accommodates growth requirements and creates



efficiencies between service areas that will save time and optimize costs in the long-run. This plan will not require new capital funding strategies; rather it utilizes the long-term strategies already in place.

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## Background

This report responds to [staff direction from the October 21, 2019 Council meeting](#) in relation to the preparation, presentation and delivery of a detailed business case and staging plan for a city operations campus.

Parks, Public Works, Fleet Services, Guelph Transit, Corporate Building Maintenance and Solid Waste Resources operate critical City services that require on-site presence and equipment operation. Areas of responsibility include fleet vehicle maintenance (ambulances, transit buses, public works vehicles, forestry equipment, and solid waste packers), snow ploughing and road maintenance, parks and trails maintenance, building maintenance and solid waste collections. Working hours for these divisions include two or three shifts per day, weekend work and emergency on-call. Although some COVID-19 initiated work-from-home policies and procedures may apply, many cannot be adopted fully by these divisions as facility space is required for the coordination of technicians and field staff and storage and maintenance of equipment.

These working conditions were taken into account as part of the [City Operations Facilities Needs Assessment](#), completed in 2019, to determine the facility needs for the Parks, Operations, Fleet Services, Guelph Transit, Corporate Building Maintenance and Solid Waste Resources departments. The approach included interviewing key staff from each of the departments to define service area needs, discuss industry best practices and establish a right-sized functional space program.

Summaries of the existing conditions for each of the sites are as follows:

### **45 and 50 Municipal Street**

These two locations host the Parks, Public Works and Fleet Services divisions. These facilities are in the range of 50 to 60 years old, which is considered the typical life span for this type of construction. Ongoing maintenance and major repairs are performed to keep the facilities functioning, however the facilities require replacement in the short- to medium-term.

The Fleet Services garage at 45 Municipal Street has not kept up with the pace of City growth and is inadequately sized to meet current service demand. It remains the same size as when originally constructed, yet the number of City vehicles has approximately doubled. The size of the facility restricts the ability to add more mechanics to accommodate service demand and work on dual axle vehicles, such as solid waste packers and winter control vehicles. This negatively impacts productivity.

The storage garage at 50 Municipal Street is too small to store Operations and Parks vehicles. As a result, these vehicles are stored outside. This exposes them to the elements which prematurely wears the equipment and lengthens preparation time for vehicle dispatch. The garage layout is not suitable for the large Public Works and Parks vehicles and increases the potential of health and safety incidents. The outdoor yard is also constrained. Management practices are employed to optimize the space, however there is no room to add future Parks vehicles or accommodate the required turning

radiuses for truck and trailer combinations. The wash bay and garage drainage systems are also inadequate and regularly flood the wash bay and garage floor.

### **Riverside Park**

In addition to the 50 Municipal Street location, the Parks Department delivers services from the Riverside Park facility. At Riverside Park, there is an unheated garage for small equipment storage, two greenhouses and a two-storey repair shop/office building that is near end of life. The building is too small for current needs and presents numerous efficiency limitations and does not meet best practices in design.

### **170 Watson Road South**

The existing transit facility is in good physical condition, however there are infrastructure constraints at the site that limit future growth. Bus movement and logistics are constrained due to the layout and size of the bus garage. Guelph Transit is working toward electrifying the bus fleet to meet Council's 100 per cent renewable energy and net zero carbon goals and was recently awarded ICIP grant funding for this initiative. Electric bus chargers required for the overall bus fleet cannot be installed at the existing transit facility without a significant overhaul of the electrical infrastructure and structural modifications. Given the space constraints, this overhaul is not considered a viable investment at this location.

### **186 Eastview Road**

The Corporate Building Maintenance facility was constructed in 1991. The productivity of the Corporate Building Maintenance staff currently working at the 186 Eastview Road facility is directly affected by the design, size, and the layout of the yard. The office/shops/storage building is in fair condition but is too small for current needs and presents numerous efficiency limitations and storage capacity needs.

### **Solid Waste Collections Operations Facility**

Before 2017, a 1,100 sq. m. (12,000 sq. ft.) solid waste packer covered storage structure was located at 45 Municipal Street. This covered storage structure was demolished due to insufficient structural capacity and a new storage structure has yet to be constructed. With solid waste packers stored outside and not covered, the vehicle assets and associated equipment are exposed to the elements, which causes premature wear, reduced asset life and increased need for maintenance.

Overall, the existing facilities are aging, at or near end-of-life, space constrained and do not meet industry standards. Further, when the right-sized functional space requirements were compared to the existing facilities, it was concluded that all the existing buildings and sites were significantly undersized to accommodate future growth. As such, significant modifications to the existing infrastructure and facility layouts, as well as additional land are required to create efficient functional work environments.

Several land options including existing facility sites, the Guelph Innovation District (GID) lands, the Hanlon Creek Business Park, the lands adjacent to the Waste Resource Innovation Centre, and the former IMICo site were considered. Based on

this detailed analysis, the City-owned land adjacent to the existing Waste Resource Innovation Centre site (located at the northwest corner of Watson Parkway South and Stone Road East), was determined as the optimal site to develop a centralized City Operations Campus to accommodate Operations and Fleet Services, Guelph Transit and Corporate Building Maintenance.

The existing 170 Watson Road South facility was determined to be suitable through repurposing for the Parks department.

## Business Case and Alternatives Assessment

Given the state of the existing facilities, action is needed. Quantitative and qualitative evaluation criteria have been applied to the business case study with highlights summarized in the sections below (further details are included within the business case analysis in Attachment 1). The business case evaluated the following three future-ready alternatives.

Alternative	Description	Notes
<b>Alternative 1:</b> Rehabilitation and Expansion	Existing facilities are rehabilitated and renovated. Additional locations are developed and constructed for expansion purposes to meet functional space requirements.	Investments can be made to rehabilitate existing facilities. Land parcels are assumed to be available and can be acquired to meet functional space requirements and City growth. Temporary staff relocation will be required during rehabilitation of the existing facilities.
<b>Alternative 2:</b> New Decentralized Facilities	New locations are developed and constructed to meet functional space requirements. The facilities are situated in a decentralized arrangement. Following the relocation of operations to the new facilities, existing facilities are to no longer be used and sold.	Land parcels are assumed to be available and can be acquired to meet functional space requirements and City growth.
<b>Alternative 3:</b> Centralized City Operations Campus	New locations are developed and constructed to meet functional space requirements. The facilities are centralized at the Watson-Stone location. Following the relocation of operations to the new facilities, existing facilities are to no longer be used and sold.	Land at the Watson-Stone location is City-owned and meets functional space requirements and City growth.

## Business Case Findings

The financial cost, social benefit and level of risk analysis are summarized below.

Alternative	Estimated Cost (\$)	Risk Assessment Score (scale 7 to 140)	Social Benefit Score (scale 5 to 75)
<b>Alternative 1:</b> Rehabilitation and Expansion	\$210 to \$257 million	60	55
<b>Alternative 2:</b> New Decentralized Facilities	\$219 to \$268 million	41	65
<b>Alternative 3:</b> Centralized City Operations Campus	\$186 to \$228 million	30	69

Alternative 3, a Centralized City Operations Campus, is the most cost effective, provides the greatest social benefit and has the lowest risk exposure. This alternative employs sustainable asset management plans and builds capacity to address increasing city demands by leveraging municipal-owned land. Health and safety risks are mitigated, and service area groups are co-located to enhance operational efficiencies. The centralized campus model aligns with the [GID Secondary Plan](#) and initiates responsible development in this natural and cultural rich area. The centralized campus further enables transit electrification by providing a new location for a purpose-built facility and will significantly reduce GHG emissions, a critical driver for achieving Council's goals for 100 per cent renewable energy and net zero carbon by 2050.

### Financial Cost Analysis

Facility functional space and site area requirements for each service area were considered for the analysis. The analysis included costs associated with facility rehabilitation, site decommissioning, land acquisition, site preparation, facility new construction, and temporary space rental. Financial costs are summarized in Appendix 5 of the Business Case Attachment 1 for the alternatives. Alternative 3 is the most cost-effective solution by at least \$25 million.

### Social Benefit and Level of Risk Analysis

The alternatives were scored against social benefit and risk categories. Social benefit categories included organizational culture, performance, sustainability, accountability and well-being.

A centralized operations campus will positively influence the City of Guelph's position as an employer of choice in our sector and strengthen the organization's ability to retain and attract high-performing employees and teams. This enhances the public service value chain whereby engaged staff deliver better public service.

Risk categories included service delivery, employees, public, physical environment, reputation, financial and regulatory. Refer to Appendix 6 and 7 of the Business Case in Attachment 1.

### Efficiencies and Savings

Older facilities use more energy compared to new facilities. An energy benchmarking review was conducted on the 45 and 50 Municipal Street facilities. It determined that the energy use intensity, or energy consumption per unit of

conditioned space, of these existing facilities perform worse than the national median of similar properties<sup>1</sup>. By designing and constructing to meet or exceed current building standards, energy consumption, energy cost and related greenhouse gas (GHG) emissions can be reduced by at least 58%. Therefore, if new same-sized versions of the 45 and 50 Municipal Street facilities were constructed, the new facilities would save approximately \$85,000 per year in energy costs and reduce GHG emissions by 251 tonnes of carbon dioxide equivalent (CO<sub>2</sub>e) per year. A further reduction would be achieved when designing to higher building performance standards (such as Zero Carbon Building, LEED). Refer to Appendix 8 in the Business Case Attachment 1 for more details in regards to building maintenance savings.

Centralizing facilities reduces capital investment costs, as seen when Alternative 3 (centralized model) is compared to Alternatives 1 and 2 (decentralized models). Less overall land is required for the sites as site efficiencies can be achieved, which reduces site preparation and servicing costs. New land acquisition is avoided as the proposed centralized model utilizes municipally owned land. Acquiring new land is dependent on availability of land and real estate market fluctuations.

The centralized model offers vehicle maintenance services on-site for the departments that require such service. This will reduce travel times between operating and maintenance yards and reduce vehicle downtime. Vehicle maintenance tooling costs are reduced by limiting equipment redundancy and optimizing maintenance equipment use.

New purpose-built facilities result in operational and vehicle maintenance savings. With adequate covered storage, a significant reduction in maintenance costs required for the vehicle assets (valued at approximately \$49 million) and associated equipment is anticipated. In addition, startup times of vehicles and equipment will be reduced. Optimal site layouts will streamline vehicle maintenance activities and enhance yard management and improve vehicle access. At this stage of the plan, a centralized campus is more efficient and cost effective than a decentralized alternative. Detailed design will fully inform and quantify operational savings.

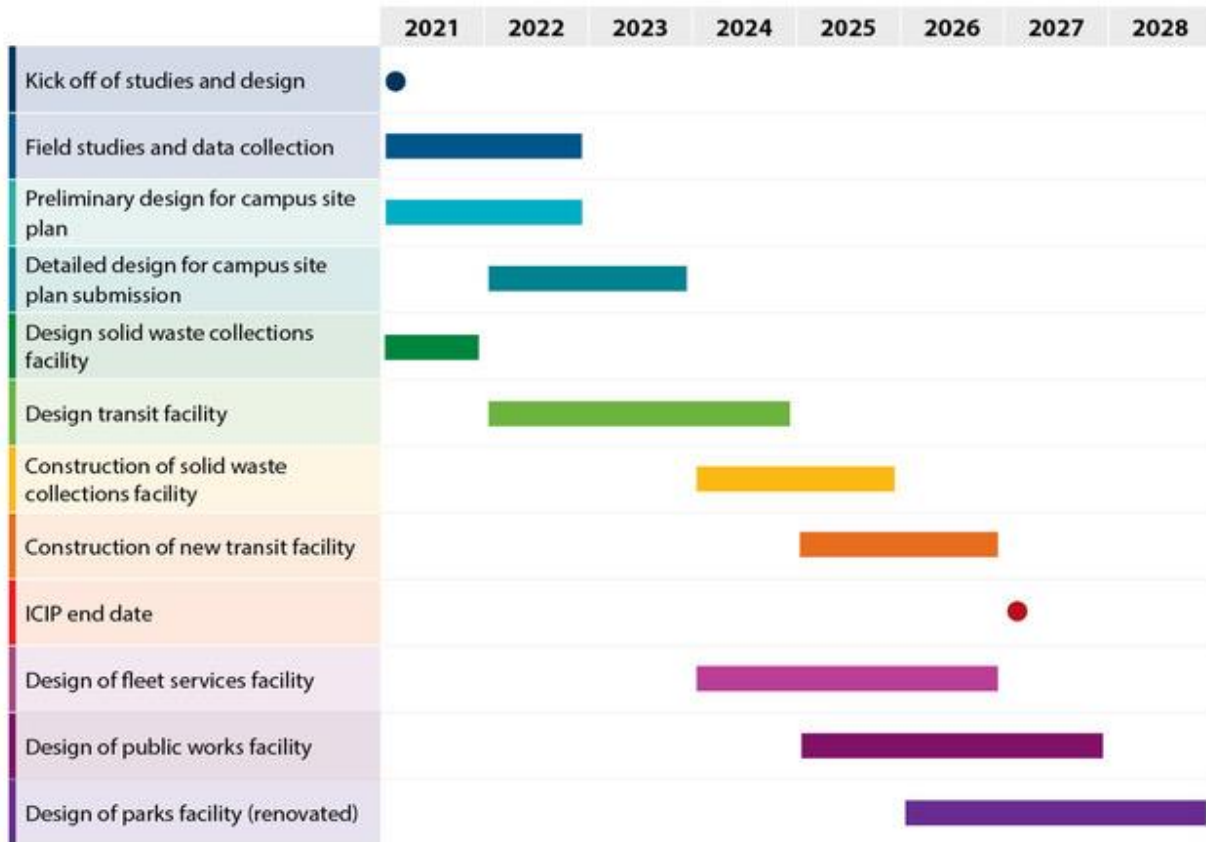
## **Staging Plan**

A preliminary staging plan has been prepared based on the information available to date. Short- to medium-term tasks are listed with greater certainty. Longer-term forecasts are estimated and will be revised as studies and design work progresses.

A summary of key tasks are listed below. Regular progress updates to Council will be provided through [Tier 1 Project](#) reporting and the development and site plan approval processes. Refer to Attachment 2 for the detailed staging plan.

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<sup>1</sup>[Energy Star Portfolio Manager Technical Reference Canadian Energy Use Intensity by Property Type](#)



## Planning and Design Update

The Watson-Stone location is approximately 74 acres in size with considerable elevation differences, cultural significance and environmentally sensitive areas. The Campus site is complex and requires in-depth environmental studies and engineering servicing design.

In 2020, a phase 1 environmental site assessment was completed. Environmental monitoring and sub-surface investigations are now underway. A full year of environmental investigations and data gathering is required to comply with site plan approval requirements. Analysis of the findings will be used to determine site constraints and inform the overall City Operations Campus site plan design. The campus site plan design will satisfy the [City's Official Plan](#) and [Zoning By-law](#), including the applicable requirements from the [GID Secondary Plan](#). The City Operations Campus site plan is for the overall campus and will not include facility level detail. Subsequently, individual site plans for each facility will be designed with each facility detailed design phase.

The design of the Solid Waste Collections Operations Facility is underway and the implementation phasing has been integrated in the overall staging plan. The location of the proposed facility is within the existing Solid Waste area, west of the Organic Waste Processing building and in close proximity to the other proposed operations campus buildings. The facility will include office and coordination space, employee amenities, enclosed high-bay area for minor maintenance on collections equipment, wash bays for trucks, heavy equipment and carts, and open-walled covered space for further vehicle storage.

## Financial Implications

The staff recommended business case alternative is the most cost effective by approximately \$25 million and will be implemented over a 10 to 15 year timeframe, which assists with the affordability of the long-term financial strategy. Leveraging the ICIP funding for the transit component of the plan creates a significant benefit by reducing the overall tax funding capital requirement by \$34 million.

In recent years, the City has matured its infrastructure renewal and growth funding strategies to be prepared for the consideration of a project such as a centralized city operations campus. The City's [Corporate Asset Management Plan](#) has identified all of these facilities as priorities in the near to mid-term given their age. The [Infrastructure Renewal Strategy](#) has started to build funding capacity to address this need over the next ten years. This plan at its core is about taking care of our aging assets, and while doing so, accommodating city growth requirements and creating efficiency between our service areas that will save time and optimize costs in the long run. This plan is not expected to require new capital funding; rather to continue the long-term strategies already in place.

The capital cost of this plan is estimated to be \$207 to \$228 million and will be funded through a mix of revenue sources including property taxes, development charges, and grant revenues. The grant revenues currently include the ICIP transit stream of \$34 million as well as an allocation of Federal Gas Tax, however given the long-term nature of this plan, staff will continue to advocate and apply for all grants available to reduce the direct municipal cost. Planned development charge funds are \$56 million, however, the final total will be dependent on final facility design and size. The facilities have been included in sequenced order and funded as part of the 10-year capital forecast.

The operating costs of this plan over time will be funded through a variety of user fees (transit, solid waste), and property taxes. While the centralization of the services to one campus will drive cost effectiveness, the growth aspect of this project will mean operating costs will increase with each facility opening. The City has advanced a [Growth Funding Strategy](#) through budget presentations over the past two years, requiring property tax assessment growth to be directed to fund growth-related operating costs. Similar to the funding strategy being implemented for two significant facility projects in the City, staff will begin to incorporate long-term operating funding strategies to mitigate tax impacts in the year of a facility opening.

Debt has been forecasted to be used as a cash flow tool for this capital plan. Utilizing debt to spread capital cost over a longer period of time is an appropriate fiscal tool and is supported by the Council approved [Debt Management Policy](#). The debt capacity being held for this project totals \$126.3 million as included in the [2021 budget](#). The City's financing strategy is within the debt limitations set by the province and the City's Debt Management Policy.

## Strategic Plan Alignment

The City Operations Campus directly aligns with the Strategic Plan and enables progress on a number of strategic initiatives, as follows:



## **Sustaining our future**

- Mitigating climate change by reducing Guelph's carbon footprint through transit electrification and the development of new facilities that will meet or exceed up to date efficiency standards.
- Planning and designing an increasingly sustainable city through the development of infrastructure in the Guelph Innovation District that supports population and economic growth for future generations in Guelph.

## **Building our future**

- Developing the new City Operations Campus responds to Guelph's growing and changing social, economic and environmental needs.
- Enabling the Fleet Services and Corporate Building Maintenance service areas to effectively maintain existing community assets.

## **Navigating our future**

- Enabling Public Works and Parks operations to improve and maintain the safety, efficiency and connectivity of the whole transportation system.
- Electrifying transit to improve efficiency and reduce GHG emissions.

## **Working together for our future**

- Improving health and safety conditions and functionality of Parks, Public Works, Fleet Services, Guelph Transit, Corporate Building Maintenance and Solid Waste Collection Resources workspaces to attract and develop accountable employees who work collaboratively and creatively to deliver services.
- Applying asset management practices for end-of-life facilities as part of a long-term financial and resource strategy that is achievable and affordable.

This report, including the business case and staging plan delivers on the [CAO's 2021 Performance Objective 3](#).

## **Consultations**

Staff within the following departments were consulted and provided information, review and insight:

- Economic Development and Tourism
- Engineering and Transportation Services
- Environmental Services
- Facilities and Energy Management
- Finance
- Guelph Transit
- Human Resources
- Legal, Realty and Court Services
- Operations
- Parks
- Planning and Building Services

## **Attachments**

Attachment-1 Detailed Business Case Analysis

Attachment-2 Detailed Staging Plan

Attachment-3 Operations Campus Presentation



## **Departmental Approval**

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# Introduction and Background

Under review in this process are the facilities that support Transit, Parks Operations, Operations, Corporate Building Maintenance and Solid Waste Resources (operational facilities). The City's current operational facilities were constructed between 1967 and 2006, with the majority constructed pre-1970. The facilities provide 185,400 sq. ft. of indoor space, span 23 acres of land, and house numerous activities that support a variety of City services. These facilities provide the operational hubs for staff related to these services as well as the maintenance and operating support for fleet and facilities of all City services, see Appendix 1 for current facility details.

These facilities are critical to ensuring delivery of the City's services to its current population of 140,000, which is proposed to grow to 203,000 by 2051, see Appendix 2 – City Population for additional details. As the population of the City has increased by 140 per cent since most of these facilities were originally built and it continues to grow, the adequacy of these facilities needs to be reviewed from both an asset management and capacity perspective.

This business case evaluates the options available to address these needs and provides a strategic recommendation and implementation plan for the organization to continue operational functions in alignment with the strategic priority of "Working together to deliver responsible and responsive public service to Guelph's growing and diverse community"

## Requirement for Strategic Change

### Existing facility conditions

While all of the facilities in use are currently in fair condition, the age and long-term needs substantiate the requirement for a significant investment in the near term to keep them in that state. The exception is the building at 45 Municipal Street which housed the Solid Waste Packers, it was demolished in 2017. This covered storage structure was demolished due to insufficient structural capacity and has not been replaced. Refer to Appendix 3 – Facility condition and forecasted capital investment. The investments identified reflect only the costs to keep the facilities in a state of good repair. They do not address the weaknesses in each facility as identified in the Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis, Appendix 4 – Current Facility SWOT. The summary of the SWOT analysis below provides a high level view of the current state of the operations.

With the City's commitment to Asset Management principles and practices these facilities have been identified as a top priority within the overall capital plan. These facilities represent significant assets not only in terms of replacement value, but also in terms of ability to sustain expected levels of service and to provide a safe work environment.

These facilities collectively accommodate the following types of citizen-facing service delivery to our growing community each day:

- Snow clearing and road repair
- Building inspection and bylaw enforcement
- Garbage collection
- Fleet and equipment maintenance of the majority of the City fleet including buses, ambulances, waste packers, inspection vehicles and road maintenance trucks
- Vehicle and equipment fueling
- Over-night and seasonal fleet and equipment storage
- Cleaning bays for readying of buses, waste packers and other equipment for employees to start each day
- Logistics and coordination of staff performing maintenance and upkeep of parks, trails, outdoor recreation facilities, corporate building maintenance, and transportation network maintenance

The ability of staff to carry out the above work directly impacts the level of service that is provided to

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citizens. The current facilities do not provide adequate space or proper layout to maximize efficiency in service delivery. The value of this impact is not easily quantified due to the numerous points of impact across a large volume of processes.

### **Need for expansion**

The current facilities were built between 25 and 60 years ago, at a time when the City's population was much smaller, 58,400 in 1971. They were initially constructed for the needs at that time, with some room for expansion. However, they have far exceeded their capacity and are not adequate for the current level of service required. Specifically the Municipal St. fleet facility currently has 11 undersized bays (6 truck and 5 light vehicle) for maintenance and one lane adapted for washing. A fleet of the City's size requires 16 properly sized and outfitted bays at a minimum along with an enclosed wash/cleaning lane and welding/fabrication shop.

The Transit shop at Watson Rd. has six maintenance bays, a bus fleet of our current size requires 10 work bays. In addition the current bays cannot accommodate a bus longer than a conventional 40 foot bus. The Transit facility can park 63 buses inside, while best practice shows that we should be parking all of the City's 95 buses (80 conventional and 15 mobility) inside to ensure maximum operational efficiency and length of useful life. Based on current population, the current facilities require a minimum expansion of 35 per cent to accommodate existing needs.

Planning for future growth to 2051 allows for the design and construction of facilities that can meet the demands of today's needs while also ensuring the City does not face constraints similar to today in the future. Based on population the City is expected to grow by 45% by 2051, which will mean more roads to service, more trails and parks to maintain, more transit routes to deliver and more houses and businesses to collect waste and recycling. This in turns means additional vehicles and equipment for all services which will require maintenance, fueling and storage as well. Each service will have differing growth impacts and the design stage of each facility will ensure that theses impacts will be addressed appropriately.

The Transit Growth Plan, as presented in 2018, had envisioned service expansion to achieve the City's target model split, required an additional 30 conventional and 5 mobility buses by 2031. This level of service expansion in addition to baseline population growth requires construction of a facility capable of managing 125 to 150 buses by 2051.

## **Situational Analysis**

### **Strengths, Weaknesses, Opportunities and Threats (SWOT)**

The most notable strength is that the current Transit facility at Watson Road has had recent additions and renovations that make it a good fit to repurpose, as the main limitation there is the size compared to Transit's current and future needs and the ability to accommodate the future bus electrification.

As previously described, the most significant weakness is that all of the current facilities are undersized for the service delivery needs of today, which will only continue to become more of a constraint as the City grows. As the current facilities are beyond capacity, the design and layout of the spaces is not optimal for the work being carried out. This results in inefficiency and in some cases prevents work from being accommodated and therefore it must be outsourced. As part of the 2021 budget, Council approved funding for the lease of extra garage space on York Road as a temporary stop gap measure because of the space challenges at Municipal Street.

Prior to the ICIP: Transit Stream funding announcement in 2018, the proposed plan for facility replacement and expansion focused on 45 Municipal St., as these are the facilities in most need of renewal and expansion. The funding scenarios available at that time dictated that no major expansion or renovation/replacement was viable until 2025 at the earliest, with complete replacement of all identified facilities taking until 2035. As the Watson Road facility is the newest, it was planned to be the

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second last facility replaced. With the announcement of the Investing in Canada Infrastructure Program (ICIP) Transit funding stream by the Federal and Provincial governments in 2018, the opportunity to alter the planned facility sequence in order to leverage the additional funding on the construction of a new Transit facility became available. The City's application for funding to support this construction was approved in 2020 which allows for the construction of this critical facility using Federal and Provincial funds to offset the need for this tax funded investment. This funding has the secondary impact of reducing overall pressure on tax funded infrastructure renewal funding and allows funding to be used for the other facilities identified in this business case.

The biggest threat to the current facilities is the ever increasing age of the facilities coupled with the continued population growth and the lack of room to grow at current sites. There is no space at any of the current facilities for the level of expansion required to accommodate future growth to 2051, with the exception of Solid Waste at Dunlop Drive.

See Appendix 4 SWOT Analysis for a detailed list.

### **Key Success Factors**

The overall success of the recommended alternative will address the following key success factors directly, providing the overall best outcome for the City.

Critical to the success and efficiency of any operating facility is the design and layout of workflow. In relation to the equipment and vehicles in use at the operating facilities being renewed, it is extremely important, as decisions made at the initial planning phase will be difficult to change in future due to the scale of impact to the overall facility. Decisions regarding traffic flow on the site, placement of facility doors and service/wash lanes and bays, placement of equipment such as hoists and fueling equipment must be carefully considered to ensure maximum utilization of space and efficiency of work flow.

Integral to the design of work flow for equipment and vehicles is the health and safety of staff. The design must consider that several hundred people may be onsite at any given time. Ensuring adequate parking, proper layout, including barriers and appropriate separation of staff and equipment, will ensure a safe work environment.

Environmental practices and awareness have evolved significantly since the current facilities were constructed. Any new facility must not only meet current regulatory standards, but also consider future changes.

The value of the equipment and vehicles maintained and stored on the site requires proper security and storage. Ensuring these valuable public assets are properly secured and protected facilitate their continued availability to provide necessary public services.

As the transition to electric powered vehicles and equipment continues, sufficient capacity for electricity supply to the site is required. As well, appropriate water/wastewater infrastructure is critical to ensuring current needs and future growth can be accommodated. Access to and from the site is important for both efficiency and overall community safety as City equipment and vehicles enter and exit public roadways.

The recommended alternative should address the potential for future expansion. While growth to 2051 will be factored into the overall requirements, the ability to develop in incremental stages or even accommodate growth beyond 2051 is a key factor in overall site preference.

### **Assumptions**

In each of the alternatives evaluated, there is a core set of assumptions that are consistently applied. This includes design decisions related to space, functionality of space and energy and environmental standards. Each alternative is described below and focuses on overall site size and configuration, cost of

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construction and potential for operational efficiency.

In alternatives two and three, the existing facilities would become surplus and therefore sold. Given the known levels of contamination at the sites, and the work required to prepare them for redevelopment, neither remediation of the existing sites or potential proceeds of sale have been factored into the cost assumptions. This is due to the unknown nature of the ultimate end use of the site, which will dictate the level of remediation and the potential revenue from sale.

Additional City operations (Fire and Paramedic Services) are being evaluated currently to determine their future facility requirements, however, based on the current information an, assessment of their fit in the alternatives is not possible at this time.

### **Constraints**

When assessing potential options for meeting the need for renewed and expanded facilities, purchasing land outside the current City limits was not evaluated. This was due to staff's determination that the geographic distance would make any site inefficient to overall City operations. Further, the cost and logistics of this land identification exercise would require an additional level of consulting work that was beyond the scope of this assessment.

## **Alternative Evaluation**

### **Alternative 1**

The existing facilities will be rehabilitated and renovated, to improve both operational design and building energy and environmental impacts. New additional locations will be developed and constructed for expansion purposes to meet requirement for additional space on land to be identified and purchased.

#### **Advantages**

- New facilities would be designed and constructed to accommodate future needs, and incorporate best practice in work flow and efficiency of space use.
- All current facilities would have improved operations efficiencies in terms of energy use and environmental impacts.

#### **Disadvantages**

- The availability of land suitable for the required additional space is limited, and the costs of purchasing the land will add to the overall cost of expanding.
- Renovation of these facilities is difficult as the majority are in operation between 12 and 18 hours per day, and will require shifting of equipment and work throughout the site if possible while contractors carry out work over a period of 2-3 years. In most cases relocating the entire operation to a temporary alternate location for the duration of construction will be necessary.
- The underlying facilities in most cases are 50 plus years old, having reached their expected end of life, and renovations would involve significant work to the underlying structures to ensure the extended useful life is significant enough to warrant the investment.
- The ability to significantly improve the energy and environmental efficiency of the existing buildings would be limited without a large investment to redesign and modify the core structure of each facility.
- The disconnected nature of the various facilities for each service will make it difficult to optimize work flow and ensure the most efficient use of staff and resources.

### **Alternative 2**

New locations will be developed and constructed to meet current and future space requirements. Land

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will purchased where available in a decentralized arrangement. Following the relocation to the new facilities, existing facilities are to no longer be used.

### **Advantages**

- There would be no interruption to current sites due to construction, allowing work to continue as is.
- New facilities would be designed and constructed to meet current and future needs, and incorporate best practice in work flow and efficiency of space use.
- All facilities would have improved operational efficiencies in terms of energy use and environmental impacts.

### **Disadvantages**

- The availability of land throughout the City for sites of this size is limited and would be expensive to acquire, if feasible.
- As the sites would be decentralized, any efficiency of co-locating would depend on the relative location, which is unknown at this time.

## **Alternative 3**

New centralized facilities will be constructed at Dunlop site for Transit, Operations, Fleet and Corporate Building Maintenance Facilities. The current Transit facility at Watson Road will be renovated to accommodate Parks Operations. Following the relocation to the new facilities, existing facilities are to no longer be used.

### **Advantages**

- The land is currently owned by the City, reducing the overall project cost and uncertainty.
- There would be no interruption to current sites due to construction, allowing work to continue as is.
- New facilities would be designed and constructed to meet current and future needs.
- All facilities would have improved operational efficiencies in terms of energy use and environmental impacts.
- The facilities would be able to be designed and constructed in a layout and manner that maximizes the efficiencies between and within each site.
- As Solid Waste is one of the key clients for fleet in relation to packer maintenance and fueling, locating the Fleet service shop and fueling depot within close proximity of the Collections Operations Facility will enhance overall operational logistics and efficiencies.
- Electrical supply to the site can be upgraded to accommodate all future requirements for electrification of both the transit fleet and the balance of City fleet.
- Repurposing of the Watson Road facility to meet the needs of Park Operations reduces the need for additional land as well as utilizes a building that has a reasonable amount of useful life remaining.

### **Disadvantages**

- The site at Dunlop Drive is not the optimal size for the anticipated long-term needs of the City.
- The site at Dunlop Drive requires work to prepare for construction, which will take two to three years to complete.

## **Financial Comparison**

In reviewing the financial costs of each alternative an evaluation of construction costs and land acquisition was completed. In terms of facility operating costs, it is expected that Alternatives two and three would have similar costs, which would be lower than that of Alternative one. For a more detailed breakdown of capital costs see Appendix 5 – Costing Breakdown.



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**Table 1 Summary of Alternative Capital Costs**

Cost Component	Alternative 1	Alternative 2	Alternative 3
Cost of renewal of existing Facilities	\$57,546,000	\$0	\$0
Cost of Land	\$20,689,000	\$29,919,000	\$0
Cost of Site Preparation	\$8,480,000	\$12,187,000	\$5,500,000
Cost of Construction	\$147,067,000	\$201,413,000	\$201,413,000
Total Cost	\$233,782,000	\$243,519,000	\$206,913,000

## Social Benefit Analysis

A complete social benefit analysis was completed, see Appendix 6 – Social Benefit, for each of the three alternatives as well as the current state. The City’s Social Benefit index scores each alternative on five categories;

- Organizational Culture
- Organizational Performance
- Organizational Sustainability
- Organizational Accountability
- Well-being

Each category is rated for impact (scale of 1 to 3) and likelihood (scale of 1 to 5), the range of total scores is from a low of 5 to a high of 75.

All three alternatives provide significant social benefit compared to the current do nothing state, with both alternative 2 and 3 providing a score of 65 or higher. These two alternatives outweigh the other based on the impact and likelihood of both improved organizational culture and performance. Improvements in these two categories will lead to overall operating efficiency and effectiveness improvements. The category that puts alternative 3 to the top is Well-Being, this is due to the benefits of the integrated campus on overall use of staff time, reduced environmental impact to surrounding neighborhoods of the other two options and ability to optimize energy consumption on one site.

## Risk Analysis

A complete risk analysis was completed, see Appendix 7 – Risk Analysis, for each of the three alternatives as well as the current state. The City’s Risk Analysis index scores each alternative on seven categories;

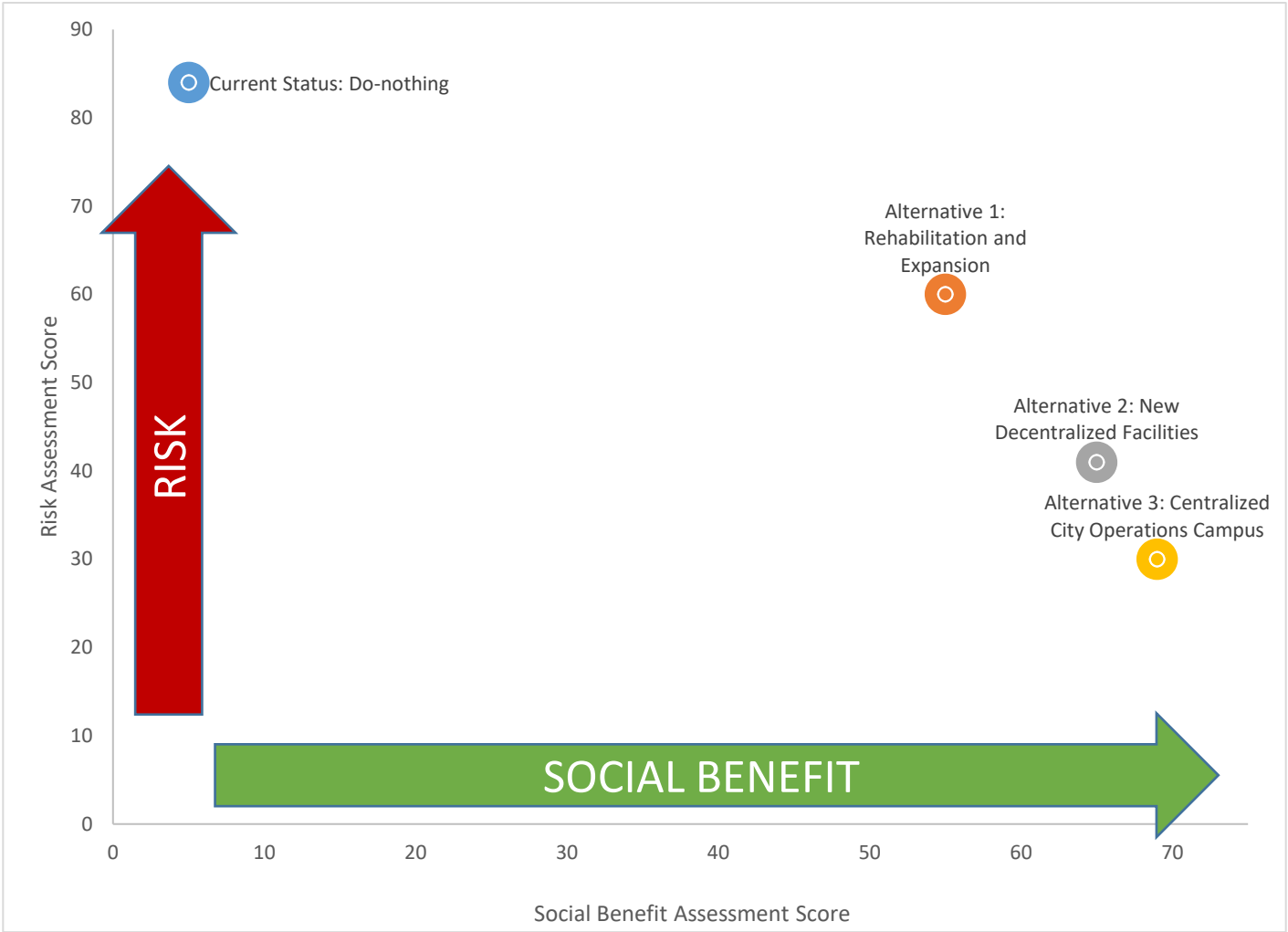
- Service Delivery
- Employees
- Public
- Physical Environment
- Reputation
- Financial
- Regulatory

Each category is rated for impact (scale of 1 to 4) and likelihood (scale of 1 to 5), the range of total scores is from a low of 7 to a high of 140.

Each of the three alternatives reduces the current risk score, with Alternative 3 reducing it by over 60 per cent, the main factor in reducing the score is the likelihood of any negative impacts to the seven categories. Based on the impacts of these assets on the City’s ability to deliver service the lowest score attainable, via reducing the likelihood of each category to 1 would be an 18.

By combining the Social Benefit and Risk analysis scores together, it is clear that Alternative 3 is the best option in terms of both measures. Figure 1 below shows that the level of risk is reduced the most by alternative 3 as well as it achieving the highest social benefit score.

**Figure 1 Risk and Social Benefit Score**



**Figure 2 Risk and Social Benefit Score**

**Energy Efficiency**

As all of the current facilities were built primarily prior to modern building sciences, focused on energy efficiency and environmental impact, the opportunity to greatly reduce the relative energy usage is applicable to all three alternatives. Appendix 8 – Energy efficiency opportunities, compares the energy usage of current facilities to industry standards currently in place.

To illustrate the relatively poor energy performance of aged existing facilities, an energy benchmarking review was conducted. It was determined that the energy use intensity, or energy consumption per unit of conditioned space, of these existing facilities perform worse than the national median of similar properties<sup>1</sup>. This analysis considered the current 160,000 sq. ft. of conditioned space, showing that based on current construction and operating standards a savings of 62 per cent in annual energy.

Item Measured	Existing	Benchmark	Percent Reduction
Total Energy Consumption (GJ)	21,073	12,457	59%
Total Cost (\$)	\$319,147	\$196,726	62%
Carbon Emissions (kgCO2e)	805,564	467,115	58%

<sup>1</sup>Energy Star Portfolio Manager Technical Reference Canadian Energy Use Intensity by Property Type

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By designing and constructing to meet or exceed current building standards, energy consumption, energy cost and related greenhouse gas (GHG) emissions can be reduced. Renovating the existing facilities to achieve this level of efficiency and reductions would be more costly than new construction due to existing conditions, as well achieving these levels would not be likely as not all current issues would be able to be mitigated.

The proposed alternatives present construction/renovation of approximately three times the current space, enabling proper space for current service levels and allowing for future growth and expansion. This level of space will require increased operating budgets for energy usage regardless of efficiencies or technologies used. The focus of design for all facilities will be to meet the Council objective of achieving 100 Renewable Energy use by the City, as well as the City wide goal of achieving a Net Zero Carbon by 2050.

## **Analysis Conclusion:**

### **Strategic Recommendation**

The optimal alternative is number three, the Centralized City Operations Campus. This alternative is the most cost effective of the viable options, and provides the greatest social benefit with the lowest risk exposure. This alternative employs sustainable asset management plans and builds capacity to address increasing city demands by leveraging municipal-owned land. By doing so, health and safety risks are effectively mitigated and brings service area groups together to enhance operational efficiencies. The centralized campus model aligns with the Guelph Innovation District (GID) Secondary Plan and initiates responsible development in this natural and cultural rich area. The centralized campus further enables transit electrification by providing a new location for a purpose-built facility and will significantly reduce GHG emissions.

## **Staging Plan**

A preliminary staging plan has been prepared based on the information available to date. Short to medium term tasks are listed with greater certainty. Longer term forecasts are estimated and will be revised as studies and design work progresses. As illustrated in the staging plan, the program of work is multi-phased and includes Council connection points at key program milestones. Investigations are currently underway to determine the environmental constraints that will be used to further inform the overall campus site plan design. The overall campus site plan design will designate building land use and servicing. Specific facility designs (i.e. transit, fleet, public works, etc.) will be completed in subsequent phases.

Refer to Appendix 9 for the detailed staging plan.

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# Appendix 1 – Current Facility Details

**Table 2 Transit Operations**

Items	Details
Address	170 Watson Road South
Age	31 Years
Size	78,000 sq. ft. indoor
Area	8.18 acres
Functions	Administrative Office
	Bus Storage Area
	Maintenance Garage
	Re-fueling and Wash Facility

**Table 3 Operations Department**

Items	Details
Address	45 Municipal Street
Age	53 years
Size	67,116 sq. ft. indoor
Area	6.25 acres
Functions	Administrative Office
	Equipment and Vehicle Storage
	Fleet Vehicle Maintenance
	Materials Storage
	Summer Roads Maintenance
	Winter Roads Maintenance

**Table 4 Parks Operations**

Items	Details
Address	50 Municipal Street & 69 Marylin Drive

Items	Details
Age	50 years
Size	37,000 sq. ft. indoor
Area	3.49 acres
Functions	Equipment and Vehicle Storage
	Horticulture Maintenance
	Sports Fields Maintenance
	Summer Parks Maintenance
	Winter Parks Maintenance

**Table 5 Corporate Building Maintenance**

Items	Details
Address	186 Eastview Road
Age	30 years
Size	3,285 sq. ft. indoor
Area	5 acres
Functions	Administrative Office
	Equipment and Vehicle Storage
	Workshop

**Table 6 Solid Waste Collections**

Items	Details
Address	Formerly 45 Municipal Street
Age	Demolished 2017
Size	12,000 sq. ft. indoor
Area	N/A
Functions (Proposed)	Administrative Office
	Equipment and Vehicle Storage
	Workshop



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## Appendix 2 – City Population

Year	Population	Cumulative Growth per cent
<b>1971</b>	<b>58,400</b>	<b>N/A</b>
<b>1981</b>	<b>71,210</b>	<b>22%</b>
<b>1991</b>	<b>88,440</b>	<b>51%</b>
<b>2001</b>	<b>106,170</b>	<b>82%</b>
<b>2011</b>	<b>121,690</b>	<b>108%</b>
<b>2021 (estimate)</b>	<b>140,000</b>	<b>140%</b>
<b>2031 (estimate)</b>	<b>159,600</b>	<b>173%</b>
<b>2041 (estimate)</b>	<b>181,944</b>	<b>212%</b>
<b>2051 (estimate)</b>	<b>203,000</b>	<b>248%</b>

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## Appendix 3 – Facility Condition and forecasted capital investment

### General Notes:

BCA reports completed by McIntosh Perry Limited (Consultant) in 2017 and delivered to the City in 2018 were reviewed in order to determine the condition of and estimated forecast costs for the properties that may be consolidated to a new Central Operations Centre.

### Analysis

This review consisted of performing a cumulative Facility Condition Index (FCI) analysis. FCI is calculated as follows:

$$\text{FCI} = (\$ \text{ deficiencies and required work}) \text{ divided by } \$ \text{ facility replacement value}$$

A cumulative FCI review assumes that none of the identified actions to correct existing or predicted deficiencies will be done and so the backlog of required work accumulates over time.

Example: in year 1 (2018) the annual forecast action costs are summed and divided by the estimated replacement cost. In year 2 (2019) and all following years the cost of the actions in year 1 are added to the cost of actions identified for year 2. This analysis continued until year 25 (2042).

While this may not be a realistic exercise, experience shows that rarely do all identified actions for a given facility get completed, and so the analysis does provide an example of a “worst case” scenario showing the deteriorating condition of the facilities and increasing annual costs when no actions are completed.

A further analysis that examines the effects on the condition of a facility if some percentage of the annual total actions are completed can be done if desired. This may present a more realistic prediction of the rate of deterioration of the facilities.

All cost values are in 2018 dollar values. No adjustments for inflation were made. No assumptions or corrections were made to account for any of the identified actions that may have been completed since the BCA reports were delivered to the City. Future actual costs will be greater than indicated in the reports.

Estimated replacement costs do not include extras like professional design fees, or project contingencies. The replacement costs also do not include potential land purchase values or preliminary site development costs.

**Table 7 Facility Investment and Condition Forecast**

Facility	Location	25 Year average Investment	Reaches Poor	Reaches Critical
Transit Operations	170 Watson Road	\$4,806,490	2022	2035
Operations	45 Municipal St	\$3,245,717	2022	2042
Parks Operations	50 Municipal St	\$1,805,353	2022	2042
Parks Operations	Riverside Park	\$2,005,496	2025	2029
Corporate Building maintenance	Eastview	\$764,288	2020	2022



## Appendix 4 - Current facility SWOT

**Table 8 Internal Factors**

Strengths	Service	Weaknesses	Service
Buildings in fair condition	All	Beyond capacity for current requirements	All
Majority of facilities are barrier-free in terms of accessibility	All	Building layout and size negatively impact productivity	All
Close to proposed new Ops Hub	Transit	An environmental compliance review required (DSS)	All
Green houses in fair condition	Parks	Escalating maintenance costs associate with end of life facilities	All
Space within existing footprint	Solid Waste	Environmental issues within buildings and on site	All
		Insufficient wash bays - current	Operations
		Facility condemned and torn down in 2017	Solid Waste
		Mobile Office being used as overflow	Parks
		No onsite materials storage	Parks
		No indoor vehicle storage	Parks
		Limited ability to adapt to electrification	Transit

**Table 9 External Factors**

Opportunities	Service	Threats	Service
Federal/Provincial ICIP Funding	Transit	No room for expansion	All*
Aligns with opportunity to convert to Electric	Transit	Project 2051 population +205K	All
Federal focus on Public Transit expansion	Transit	Increased urban density will impact type of equipment, speed of travel	Operations
Provincial focus on transit development in Greater Golden Horseshoe	Transit		
Ability to leverage federal funding	All		

All facilities have no room for expansion except for Solid Waste, which is located on the Dunlop site.

## Appendix 5 – Financial Details

**Table 10 Breakdown of capital costs**

Facility	Alternative 1	Alternative 2	Alternative 3
50 Municipal St. Renewal	5,152,801		
New Parks Ops	26,630,744	20,000,000	20,000,000
<b>Subtotal - Parks Ops</b>	<b>31,783,545</b>	<b>20,000,000</b>	<b>20,000,000</b>
45 Municipal St. / 50 Municipal St.	19,554,989		
New Public Works	22,547,163	44,524,504	33,143,769
<b>Subtotal - Public Works</b>	<b>42,102,152</b>	<b>44,524,504</b>	<b>33,143,769</b>
45 Municipal St.	4,644,718		
New Fleet Services	59,676,775	63,603,750	50,242,215
<b>Subtotal - Fleet</b>	<b>64,321,493</b>	<b>63,603,750</b>	<b>50,242,215</b>
170 Watson Rd. S.	27,481,241		
New Transit	64,156,933	100,086,438	88,486,196
<b>Subtotal - Transit</b>	<b>91,638,174</b>	<b>100,086,438</b>	<b>88,486,196</b>
186 Eastview Rd.	711,985		
New CBM	4,660,417	5,792,035	5,527,820
<b>Subtotal - CBM</b>	<b>5,372,402</b>	<b>5,792,035</b>	<b>5,527,820</b>
Renovate current	0		
110 Dunlop Dr.	9,513,000	9,513,000	9,513,000
<b>Subtotal - Solid Waste</b>	<b>9,513,000</b>	<b>9,513,000</b>	<b>9,513,000</b>
<b>Subtotal Renewal</b>	<b>57,545,734</b>	<b>0</b>	<b>0</b>
<b>Subtotal New Construction</b>	<b>187,185,032</b>	<b>243,519,727</b>	<b>206,913,000</b>
<b>Total</b>	<b>244,730,765</b>	<b>243,519,726</b>	<b>206,913,000</b>

## Appendix 6 – Social Benefit Analysis

**Table 11 Social Benefit Analysis Summary**

Alternative	Description	Total Social Benefit Score
Existing Condition: Do Nothing	Facilities remain as they exist.	5
Alternative 1: Rehabilitation and Expansion	Existing facilities are rehabilitated and renovated. Additional locations are developed and constructed for expansion purposes to meet functional space requirements	55
Alternative 2: New Decentralized Facilities	New locations are developed and constructed to meet functional space requirements. The facilities are situated in a decentralized arrangement. Following the relocation of operations to the new facilities.	65
Alternative 3: Centralized City Operations Campus	New locations are developed and constructed to meet functional space requirements. The facilities are centralized at the Watson-Stone location. Following the relocation of operations to the new facilities	69

**Table 12 Existing Condition: Do Nothing**

Benefit Category	Category Definition	Stakeholder / Benefit Description	Impact	Likelihood	Total
Organizational Culture	Possibility of improving the organizational culture (e.g., employee engagement, etc.) as an outcome of the program or activities.	-No improvement to employee morale or engagement. -Maintains existing workplace locations.	1	1	1
Organizational Performance	Possibility of improving the organizational performance level through capacity and capability improvement, effectiveness and efficiency improvement.	-Existing facilities are not effectively laid out and result in inefficient workflow. -Does not allow for service growth to meet community growth demands. -Does not address end of life facilities. -Consistency with existing	1	1	1
Organizational Sustainability	Possibility of improving the organizational sustainability through efforts in talent acquisition and retention, succession planning, knowledge management.	-Sustainable asset management of end-of-life facilities is not addressed. -Talent acquisition and retention may be limited by constrained work space.	1	1	1

Benefit Category	Category Definition	Stakeholder / Benefit Description	Impact	Likelihood	Total
Organizational Accountability	Possibility of improving the organizational accountability through better governance, social responsibility, transparency and due diligence.	-Potential health and safety incidences are not reduced with maintaining the existing layout. -Existing facilities are near or at end-of-life and have poor energy performance.	1	1	1
Well-Being	Possibility of improving Well-Being domains, such as: Healthy Population, Environment, Democratic Engagement, Community Vitality, Leisure and Culture, Education, Living Standards, and Time Use.	-Health and safety concerns are not effectively addressed. -Wasted resources (staff time, energy and fuels, maintenance efforts) are not effectively prevented.	1	1	1
Overall					5

**Table 13 Alternative 1 Rehabilitation and Expansion**

Benefit Category	Category Definition	Stakeholder / Benefit Description	Impact	Likelihood	Total
Organizational Culture	Possibility of improving the organizational culture (e.g., employee engagement) as an outcome of the program or activities.	<ul style="list-style-type: none"> <li>-Improved working conditions have positive impact on employee engagement.</li> <li>-Additional facility functional space to improve work flow have positive impact on employee engagement.</li> <li>-Enables electrification of buses to mitigate climate change. This initiative is supported by employees.</li> <li>-Improved building performance to mitigate climate change. This initiative is supported by employees.</li> <li>-Right-sized facilities to meet</li> </ul>	3	4	12

Benefit Category	Category Definition	Stakeholder / Benefit Description	Impact	Likelihood	Total
Organizational Performance	Possibility of improving the organizational performance level through capacity and capability improvement, effectiveness and efficiency improvement, etc.	<ul style="list-style-type: none"> <li>-Increased number of facilities worsens connectivity of maintenance services to operational services.</li> <li>-Covered area for fleet vehicles improve vehicle dispatch readiness.</li> <li>-Somewhat improved site layouts to improve work flow and operational effectiveness and efficiency.</li> <li>-Allows for staff growth to meet growing community service requirements.</li> <li>-Improved physical working conditions improve employee productivity.</li> <li>-Enables electrification of buses - significant reduction of GHG emissions and climate change mitigation measure.</li> </ul>	2	4	8

Benefit Category	Category Definition	Stakeholder / Benefit Description	Impact	Likelihood	Total
Organizational Sustainability	Possibility of improving the organizational sustainability through efforts in talent acquisition and retention, succession planning, knowledge management.	<ul style="list-style-type: none"> <li>-Employs sustainable asset management practices with respect to end-of-life facilities.</li> <li>-Improved physical work environment may attract new talent and strengthen talent retention.</li> <li>-Innovative initiative may attract new talent and strengthen talent retention.</li> </ul>	3	4	12

Benefit Category	Category Definition	Stakeholder / Benefit Description	Impact	Likelihood	Total
Organizational Accountability	Possibility of improving the organizational accountability through better governance, social responsibility, transparency and due diligence.	-Strategic Plan alignment - Sustaining Our Future: Mitigate climate change by reducing Guelph's carbon footprint; -Strategic Plan alignment - Sustaining Our Future: Plan and design an increasingly sustainable city as Guelph grows; -Strategic Plan alignment - Navigating Our Future: Build Guelph's capacity to adopt clean and efficient technology; -Strategic Plan alignment - Working Together For Our Future: Attract and develop accountable employees who work collaboratively and creatively to deliver services; -Strategic Plan alignment - Working Together For Our Future: Improve how the City communicates with residents and delivers services; -Strategic Plan alignment - Building Our Future: Maintain existing community assets and secure new ones;	3	5	15



Benefit Category	Category Definition	Stakeholder / Benefit Description	Impact	Likelihood	Total
Well-Being	Possibility of improving Well-Being domains, such as: Healthy Population, Environment, Democratic Engagement, Community Vitality, Leisure and Culture, Education, Living Standards, and Time Use.	<ul style="list-style-type: none"> <li>-Health and safety concerns somewhat addressed with additional space, rehabilitated facilities maintain layouts.</li> <li>-Enables electrification of buses - significant reduction of GHG emissions and climate change mitigation measure.</li> <li>-Enables electrification of buses - improves air quality throughout city.</li> <li>-Enables electrification of buses - reduction in noise pollution throughout city.</li> <li>-Improved building performance reduces energy consumption and utility operating costs.</li> <li>-Prevents the waste of resources (staff time, energy and fuels, maintenance efforts).</li> </ul>	2	4	8
<b>Overall</b>					<b>55</b>

**Table 14 Alternative 2 New Decentralized Facilities**

Benefit Category	Category Definition	Stakeholder / Benefit Description	Impact	Likelihood	Total
Organizational Culture	Possibility of improving the organizational culture (e.g., employee engagement, etc.) as an outcome of the program or activities.	<ul style="list-style-type: none"> <li>-Improved working conditions have positive impact on employee engagement.</li> <li>-Improved site layouts and facility functional space to improve work flow have positive impact on employee engagement.</li> <li>-Enables electrification of buses to mitigate climate change. This initiative is supported by employees.</li> <li>-Improved building performance to mitigate climate change. This initiative is supported by employees.</li> <li>-Right-sized facilities to meet growing demands for City services.</li> </ul>	3	5	15

Benefit Category	Category Definition	Stakeholder / Benefit Description	Impact	Likelihood	Total
Organizational Performance	Possibility of improving the organizational performance level through capacity and capability improvement, effectiveness and efficiency improvement, etc.	<ul style="list-style-type: none"> <li>-Decentralized facilities impact connectivity of maintenance services to operational services.</li> <li>-Covered area for fleet vehicles improve vehicle dispatch readiness.</li> <li>-Improved site layouts to improve work flow and operational effectiveness and efficiency.</li> <li>-Allows for staff growth to meet growing community service requirements.</li> <li>-Improved physical working conditions improve employee productivity.</li> <li>-Enables electrification of buses - significant reduction of GHG emissions and climate change mitigation measure.</li> </ul>	3	5	15
Organizational Sustainability	Possibility of improving the organizational sustainability through efforts in talent acquisition and retention, succession planning, knowledge management, etc.	<ul style="list-style-type: none"> <li>-Employs sustainable asset management practices with respect to end-of-life facilities.</li> <li>-Improved physical work environment may attract new talent and strengthen talent retention.</li> <li>-Innovative initiative may attract new talent and strengthen talent retention.</li> </ul>	3	4	12

Benefit Category	Category Definition	Stakeholder / Benefit Description	Impact	Likelihood	Total
Organizational Accountability	Possibility of improving the organizational accountability through better governance, social responsibility, transparency and due diligence.	-Strategic Plan alignment - Sustaining Our Future: Mitigate climate change by reducing Guelph's carbon footprint; -Strategic Plan alignment - Sustaining Our Future: Plan and design an increasingly sustainable city as Guelph grows; -Strategic Plan alignment - Navigating Our Future: Build Guelph's capacity to adopt clean and efficient technology; -Strategic Plan alignment - Working Together For Our Future: Attract and develop accountable employees who work collaboratively and creatively to deliver services; -Strategic Plan alignment - Working Together For Our Future: Improve how the City communicates with residents and delivers services; -Strategic Plan alignment - Building Our Future: Maintain existing community assets and secure new ones;	3	5	15

Benefit Category	Category Definition	Stakeholder / Benefit Description	Impact	Likelihood	Total
Well-Being	Possibility of improving Well-Being domains, such as: Healthy Population, Environment, Democratic Engagement, Community Vitality, Leisure and Culture, Education, Living Standards, and Time Use.	<ul style="list-style-type: none"> <li>-Health and safety concerns effectively addressed.</li> <li>-Enables electrification of buses - significant reduction of GHG emissions and climate change mitigation measure.</li> <li>-Enables electrification of buses - improves air quality throughout city.</li> <li>-Enables electrification of buses - reduction in noise pollution throughout city.</li> <li>-Improved building performance reduces energy consumption and utility operating costs.</li> <li>-Prevents the waste of resources (staff time, energy and fuels, maintenance efforts).</li> </ul>	2	4	8
Overall					65

**Table 15 Alternative 3 Centralized City Operations Campus**

Benefit Category	Category Definition	Stakeholder / Benefit Description	Impact	Likelihood	Total
Organizational Culture	Possibility of improving the organizational culture (e.g., employee engagement, etc.) as an outcome of the program or activities.	<ul style="list-style-type: none"> <li>-Improved working conditions have positive impact on employee engagement.</li> <li>-Improved site layouts and facility functional space to improve work flow have positive impact on employee engagement.</li> <li>-Enables electrification of buses to mitigate climate change. This initiative is supported by employees.</li> <li>-Improved building performance to mitigate climate change. This initiative is supported by employees.</li> <li>-Right-sized facilities to meet growing demands for City services.</li> </ul>	3	5	15

Benefit Category	Category Definition	Stakeholder / Benefit Description	Impact	Likelihood	Total
Organizational Performance	Possibility of improving the organizational performance level through capacity and capability improvement, effectiveness and efficiency improvement, etc.	<ul style="list-style-type: none"> <li>-Greater connectivity and closer proximity of maintenance services to operational services.</li> <li>-Covered area for fleet vehicles improve vehicle dispatch readiness.</li> <li>-Improved site layouts to improve work flow and operational effectiveness and efficiency.</li> <li>-Allows for staff growth to meet growing community service requirements.</li> <li>-Improved physical working conditions improve employee productivity.</li> <li>-Enables electrification of buses - significant reduction of GHG emissions and climate change mitigation measure.</li> </ul>	3	5	15

Benefit Category	Category Definition	Stakeholder / Benefit Description	Impact	Likelihood	Total
Organizational Sustainability	Possibility of improving the organizational sustainability through efforts in talent acquisition and retention, succession planning, knowledge management, etc.	<ul style="list-style-type: none"> <li>-Employs sustainable asset management practices with respect to end-of-life facilities.</li> <li>-Improved physical work environment may attract new talent and strengthen talent retention.</li> <li>-Innovative initiative may attract new talent and strengthen talent retention.</li> </ul>	3	4	12



Benefit Category	Category Definition	Stakeholder / Benefit Description	Impact	Likelihood	Total
Organizational Accountability	Possibility of improving the organizational accountability through better governance, social responsibility, transparency and due diligence.	-Strategic Plan alignment - Sustaining Our Future: Mitigate climate change by reducing Guelph's carbon footprint; -Strategic Plan alignment - Sustaining Our Future: Plan and design an increasingly sustainable city as Guelph grows; -Strategic Plan alignment - Navigating Our Future: Build Guelph's capacity to adopt clean and efficient technology; -Strategic Plan alignment - Working Together For Our Future: Attract and develop accountable employees who work collaboratively and creatively to deliver services; -Strategic Plan alignment - Working Together For Our Future: Improve how the City communicates with residents and delivers services; -Strategic Plan alignment - Building Our Future: Maintain existing community assets and secure new ones;	3	5	15

Benefit Category	Category Definition	Stakeholder / Benefit Description	Impact	Likelihood	Total
Well-Being	Possibility of improving Well-Being domains, such as: Healthy Population, Environment, Democratic Engagement, Community Vitality, Leisure and Culture, Education, Living Standards, and Time Use.	<ul style="list-style-type: none"> <li>-Health and safety concerns effectively addressed.</li> <li>-Development aligned with GIDsecondary plan.</li> <li>-Improved streetscape along major corridors.</li> <li>-Enables electrification of buses - significant reduction ofGHG emissions and climate change mitigation measure.</li> <li>-Enables electrification of buses - improves air quality throughout City.</li> <li>-Enables electrification of buses - reduction in noise pollution throughout City.</li> <li>-Improved building performance reduces energy consumption and utility operating costs.</li> <li>-Prevents the waste of resources (staff time, energy and fuels, maintenance efforts, etc.).</li> </ul>	3	4	12
<b>Overall</b>					<b>69</b>

## Appendix 7 – Risk Analysis

Alternative	Description	Total Risk Assessment Score
<b>Existing Condition:</b> Do-nothing	Facilities remain as they exist.	84
<b>Alternative 1:</b> Rehabilitation and Expansion	Existing facilities are rehabilitated and renovated. Additional locations are developed and constructed for expansion purposes to meet functional space requirements.	60
<b>Alternative 2:</b> New Decentralized Facilities	New locations are developed and constructed to meet functional space requirements. The facilities are situated in a decentralized arrangement. Following the relocation of operations to the new facilities, existing facilities are to no longer be used and sold.	41
<b>Alternative 3:</b> Centralized City Operations Campus	New locations are developed and constructed to meet functional space requirements. The facilities are centralized at the Watson-Stone location. Following the relocation of operations to the new facilities, existing facilities are to no longer be used and sold.	30

**Table 16 Existing Condition: Do Nothing**

Risk Category	Category Definition	Risk Description	Impact	Likelihood	Total
Service Delivery	Risk of not meeting customer expectations	-Underachievement of public service delivery as City demand for services grow. -Potential of unrecoverable facility loss as facilities are at or near end-of-life.	3	5	15

Risk Category	Category Definition	Risk Description	Impact	Likelihood	Total
Employees	Risk that employees, contractors or other people at the City will be negatively impacted by a policy, program, process or project including physical harm	<ul style="list-style-type: none"> <li>-Risk of serious injury involving employees and vehicles due to facility size constraints and site layout of existing facilities will remain and become exasperated as City demands for services grow.</li> <li>-Risk of injury due to end-of-life facilities.</li> <li>-Risk of reduced employee productivity/efficiency due to facility size constraints and ineffective facility layouts.</li> <li>-Higher risk of failed vehicles or equipment.</li> </ul>	4	5	20
Public	Risk that the policy, program or action will have a negative impact on the citizens of Guelph	<ul style="list-style-type: none"> <li>-Underachievement of public service delivery as City demand for services grow.</li> </ul>	2	4	8
Physical Environment	Risk that natural capital will be damaged	<ul style="list-style-type: none"> <li>-End-of-life facilities have higher energy consumption and GHG emissions.</li> <li>-Constrains transit electrification initiative and will not yield the significant GHG reductions.</li> <li>-Storing vehicles outdoors increases damage to vehicles and may result in more leaks (oil or fuel spills) and not contained by proper drainage systems.</li> <li>-Vehicles are less available for maintaining environment (such as tree trimming, waste collection, road cleaning and maintenance).</li> </ul>	2	4	8

Risk Category	Category Definition	Risk Description	Impact	Likelihood	Total
Reputation	Risk associated with anything that can damage the reputation of the City or undermine confidence in the City of Guelph	<ul style="list-style-type: none"> <li>-Public complaints associated with not meeting public servicedemands.</li> <li>-Failure to align and meet strategic plan objectives.</li> <li>-Failure to progress towards Corporate 100RE and CommunityNet Zero Carbon targets.</li> <li>-Not employing sustainable asset management practices to address end-of-life facilities.</li> </ul>	3	4	12
Financial	Risk related to decisions about assets, liabilities income and expenses including asset management, capital and operational funding economic development, theft or fraud	<ul style="list-style-type: none"> <li>-Continued operation of end-of-life facilities results in highermaintenance and utility costs.</li> <li>-Accelerated wear and increased maintenance requirementsfor vehicle/equipment assets due to outdoor storage.</li> <li>-Lower productivity of staff due to inadequate facility functional space and layout.</li> <li>-Significant exposure to asset management risk with end-of-life facilities.</li> <li>-Forfeiting ICIP funding related to electric transit facility andelectric buses.</li> </ul>	3	5	15
Regulatory	Risk related to the consequences of non-compliance with laws, regulations, policies or other rules	<ul style="list-style-type: none"> <li>-Buildings would remain compliant with (or be grandfatheredunder) applicable laws and regulations, however requires more maintenance.</li> <li>-Vehicles would remain compliant with applicable laws and regulations, however requires more maintenance due to lack of storage.</li> </ul>	2	3	6
<b>Overall</b>					<b>84</b>

**Table 17 Alternative 1: Rehabilitation and Expansion**

Risk Category	Category Definition	Risk Description	Impact	Likelihood	Total
Service Delivery	Risk of not meeting customer expectations	-Disruption to services during rehabilitation of facilities is likely. -Increased facility functional space and improved layouts enable service areas to more effectively meet current publicservice demand. -Increased facility functional space and improved layouts enable service areas to meet future public service demand.	1	5	5
Employees	Risk that employees, contractors or other people at the City will be negatively impacted by a policy, program, process or project including physical harm	-Site investigation work and new construction activity introduce health and safety risk however can be properly managed by following health and safety policies and procedures. -New facilities address facility size constraints and reduce hazards. Ineffective layouts in existing facilities.	4	2	8
Public	Risk that the policy, program or action will have a negative impact on the citizens of Guelph	-New facilities address facility size and layout and support meeting growing public service needs. -Disruptions to services is likely during rehabilitation of facilities. -Public site access during site development and new construction to be controlled to prevent public injury.	4	4	16
Physical Environment	Risk that natural capital will be damaged	-Extensive environmental studies and servicing design is to be conducted to determine site constraints and inform design and ensure that new site development will respect the natural capital. Coordination with the GRCA, site plan committee and the province will mitigate risk. -Rehabilitation and expansion model is site area inefficient, requiring more land to accommodate facilities.	3	4	12

Risk Category	Category Definition	Risk Description	Impact	Likelihood	Total
Reputation	Risk associated with anything that can damage the reputation of the City or undermine confidence in the City of Guelph	<ul style="list-style-type: none"> <li>-Public interest due to large project size.</li> <li>-Potential of neighbouring stakeholder complaints.</li> <li>-Project linked to other levels of government.</li> <li>-Decentralized location increases number and variety of stakeholders impacted.</li> </ul>	2	3	6
Financial	Risk related to decisions about assets, liabilities income and expenses including asset management, capital and operational funding economic development, theft or fraud	<ul style="list-style-type: none"> <li>-Site development and new facility construction requires capital investment. Phased approach is employed to sustainably finance the project.</li> <li>-Employs sustainable asset management practices to attend to end-of-life facilities proactively.</li> <li>-Potential of exceeding detailed budget.</li> <li>-Land is not confirmed available and is exposed to real estate market pressures. Will likely increase project costs as time goes on.</li> </ul>	3	4	12
Regulatory	Risk related to the consequences of non-compliance with laws, regulations, policies or other rules	<ul style="list-style-type: none"> <li>-Site development will comply with development and planning policies.</li> <li>-New facilities will comply with applicable laws and regulations.</li> <li>-Regulatory requirements may pose technical constraints to the site/facility development and will be considered through the design process.</li> </ul>	1	1	1
<b>Overall</b>					<b>60</b>

**Table 18 Alternative 2: New Decentralized Facilities**

Risk Category	Category Definition	Risk Description	Impact	Likelihood	Total
Service Delivery	Risk of not meeting customer expectations	<ul style="list-style-type: none"> <li>-Minimal disruption to services during construction of new facilities. New construction allows for overlap with existing facilities and improved continuity of services.</li> <li>-Increased facility functional space and</li> </ul>	1	2	2

		improved layouts enable service areas to more effectively meet current public service demand. -Increased facility functional space and improved layouts enable service areas to meet future public service demand.			
Employees	Risk that employees, contractors or other people at the City will be negatively impacted by a policy, program, process or project including physical harm	-Site investigation work and new construction activity introduce health and safety risk however can be properly managed by following health and safety policies and procedures. -New facilities address facility size and layout constraints and effectively reduce hazards.	4	1	4
Public	Risk that the policy, program or action will have a negative impact on the citizens of Guelph	-New facilities address facility size and layout and support meeting growing public service needs. -Disruptions to services to be mitigated during new construction of facilities. -Public site access during site development and new construction to be controlled to prevent public injury.	4	1	4
Physical Environment	Risk that natural capital will be damaged	-Extensive environmental studies and servicing design is to be conducted to determine site constraints and inform design and ensure that new site development will respect the natural capital. Coordination with the GRCA, site plan committee and the province will mitigate risk. -Decentralized campus is site area inefficient, requiring more land to accommodate facilities.	3	4	12
Reputation	Risk associated with anything that can damage the reputation of the City or undermine confidence	-Public interest due to large project size. -Potential of neighbouring stakeholder complaints. -Project linked to other levels	2	3	6



	in the City of Guelph	of government. -Decentralized location increases number and variety of stakeholders impacted.			
Financial	Risk related to decisions about assets, liabilities income and expenses including asset management, capital and operational funding economic development, theft or fraud	-Site development and new facility construction requires capital investment. Phased approach is employed to sustainably finance the project. -Employs sustainable asset management practices to attend to end-of-life facilities proactively. -Potential of exceeding detailed budget. -Land is not confirmed available and is exposed to real estate market pressures. Will likely increase project costs as time goes on.	3	4	12
Regulatory	Risk related to the consequences of non-compliance with laws, regulations, policies or other rules	-Site development will comply with development and planning policies. -New facilities will comply with applicable laws and regulations. -Regulatory requirements may pose technical constraints to the site/facility development and will be considered through the design process.	1	1	1
<b>Overall</b>					<b>41</b>

**Table 19 Alternative 3: Centralized City Operations Campus**

Risk Category	Category Definition	Risk Description	Impact	Likelihood	Total
Service Delivery	Risk of not meeting customer expectations	<ul style="list-style-type: none"> <li>-Minimal disruption to services during construction of new facilities. New construction allows for overlap with existing facilities and improved continuity of services.</li> <li>-Increased facility functional space and improved layouts enable service areas to more effectively meet current public service demand.</li> <li>-Increased facility functional space and improved layouts enable service areas to meet future public service demand.</li> </ul>	1	2	2
Employees	Risk that employees, contractors or other people at the City will be negatively impacted by a policy, program, process or project including physical harm	<ul style="list-style-type: none"> <li>-Site investigation work and new construction activity introduce health and safety risk however can be properly managed by following health and safety policies and procedures.</li> <li>-New facilities address facility size and layout constraints and effectively reduce hazards.</li> </ul>	4	1	4
Public	Risk that the policy, program or action will have a negative impact on the citizens of Guelph	<ul style="list-style-type: none"> <li>-New facilities address facility size and layout and support meeting growing public service needs.</li> <li>-Disruptions to services to be mitigated during new construction of facilities.</li> <li>-Public site access during site development and new construction to be controlled to prevent public injury.</li> </ul>	4	1	4

Risk Category	Category Definition	Risk Description	Impact	Likelihood	Total
Physical Environment	Risk that natural capital will be damaged	<ul style="list-style-type: none"> <li>-Extensive environmental studies and servicing design is to be conducted to determine site constraints and inform design and ensure that new site development will respect the natural capital. Coordination with the GRCA, site plan committee and the province will mitigate risk.</li> <li>-Centralized campus is site area efficient, requiring less land to accommodate facilities.</li> </ul>	3	2	6
Reputation	Risk associated with anything that can damage the reputation of the City or undermine confidence in the City of Guelph	<ul style="list-style-type: none"> <li>-Public interest due to large project size.</li> <li>-Potential of neighbouring stakeholder complaints.</li> <li>-Project linked to other levels of government.</li> <li>-Concentrated location reduces number and variety of stakeholders impacted.</li> </ul>	2	2	4
Financial	Risk related to decisions about assets, liabilities income and expenses including asset management, capital and operational funding economic development, theft or fraud	<ul style="list-style-type: none"> <li>-Site development and new facility construction requires capital investment.</li> <li>-Phased approach is employed to sustainably finance the project.</li> <li>-Employs sustainable asset management practices to attend to end-of-life facilities proactively.</li> <li>-Potential of exceeding detailed budget.</li> <li>-Proposed centralized campus land is available and already owned by the municipality.</li> </ul>	3	3	9
Regulatory	Risk related to the consequences of non-compliance with laws, regulations, policies or other rules	<ul style="list-style-type: none"> <li>-Site development will comply with development and planning policies.</li> <li>-New facilities will comply with applicable laws and regulations.</li> <li>-Regulatory requirements may pose technical constraints to the site/facility development and will be considered through the design process.</li> </ul>	1	1	1

Risk Category	Category Definition	Risk Description	Impact	Likelihood	Total
Overall					30

## Appendix 8 - Energy efficiency opportunities

**Table 20 Existing Facilities**

Site	Facility functional Area (m2)	Total Energy Consumption (GJ)	Total Cost (\$)	EUI (GJ/m2)	ECI (\$/m2)	Carbon Emissions (kgCO2e)	Carbon Intensity (kgCO2e/m2)
45 Municipal	3,838	5,654	\$95,972	1.5	25.0	208,308	54.3
50 Municipal	3,437	5,239	\$51,699	1.5	15.0	224,330	65.3
Transit	7,246	10,073	\$168,060	1.4	23.2	372,035	51.3
Corporate Building Maintenance	305	107	\$3,416	0.3	11.2	889	2.9

**Table 21 Benchmarked Facilities**

Site	Facility functional Area (m2)	Total Energy Consumption (GJ)	Total Cost (\$)	EUI (GJ/m2)	ECI (\$/m2)	Carbon Emissions (kgCO2e)	Carbon Intensity (kgCO2e/m2)
45 Municipal	3,838	2,418	\$41,047	0.6	10.7	89,094	23.2
50 Municipal	3,437	2,166	\$21,370	0.6	6.2	92,730	27.0
Transit	7,246	7,681	\$128,151	1.1	17.7	283,688	39.1
Corporate Building Maintenance	305	192	\$6,157	0.6	20.2	1,602	5.3

**Table 22 Comparison**

Item Measured	Existing	Benchmark	Percent Reduction
Total Energy Consumption (GJ)	21,073	12,457	59%
Total Cost (\$)	\$319,147	\$196,726	62%
Carbon Emissions (kgCO2e)	805,564	467,115	58%

Appendix 9 – Staging Plan

Council involvement

		2019				2020				2021				2022				2023				2024				2025				2026				2027				2028				2029				2030				2031			
Task	Status	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4								
Facility Needs Assessment presentation to Council	Complete																																																				
Council directs staff to proceed with planning and design for a consolidated City Operations Campus consisting of operations facilities for Transit, Operations, Fleet Maintenance, and Corporate Building Maintenance located on the City owned Dunlop Drive property	Complete																																																				
ICIP announcement for Transit electrification funding	Complete																																																				
Phase 1 ESA	Complete																																																				
Design of Solid Waste Collections Operations facility	In progress																																																				
RFP for overall site plan studies and design for City Operations Campus	Complete																																																				
Kickoff for overall site plan studies and design for City Operations Campus	Complete																																																				
Field Studies and Data Collection: - 4 seasons monitoring, legal surveys, topographical surveys	In progress																																																				
City Operations Campus business case and staging plan presentation	In progress																																																				
ICIP transfer payment agreement approval and sign off	To do																																																				
Studies and reporting: -traffic impact, urban design brief, cultural heritage, accessibility, water/wastewater, stormwater, geotechnical, subsurface, utilities, noise, etc.	In progress																																																				

Council involvement

		2019				2020				2021				2022				2023				2024				2025				2026				2027				2028				2029				2030				2031			
Task	Status	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4								
Develop City Operations Campus site plan: -overall campus site plan with block plans for building locations and design briefs, phasing plan of when buildings will be designed and constructed, conceptual renderings, cost estimates	In progress																																																				
Detailed design of plans and reports for site plan submission	To do																																																				
Overall City Operations Campus site plan approval	To do																																																				
Design of new Transit facility and facility site plan	To do																																																				
Overall site preparation	To do																																																				
Construction of new Transit facility	To do																																																				
ICIP end date	To do																																																				
Design of Public Works facility and facility site plan	To do																																																				
Design of Fleet Services facility and facility site plan	To do																																																				
Design of Parks facility (renovation of Watson)	To do																																																				
Construction of Solid Waste Collections Operations facility	To do																																																				
Construction of Public Works facility	To do																																																				
Design and construction of fueling station	To do																																																				
Construction of Fleet Services facility	To do																																																				
Construction of Parks facility (renovation of Watson)	To do																																																				
Design and Construction of Road Salt facility	To do																																																				

Attachment 2 – Staging Plan

Council involvement

		2019				2020				2021				2022				2023				2024				2025				2026				2027				2028				2029				2030				2031			
Task	Status	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4								
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Council involvement

		2019				2020				2021				2022				2023				2024				2025				2026				2027				2028				2029				2030				2031			
Task	Status	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4								
Develop City Operations Campus site plan: -overall campus site plan with block plans for building locations and design briefs, phasing plan of when buildings will be designed and constructed, conceptual renderings, cost estimates	In progress																																																				
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Design and Construction of Road Salt facility	To do																																																				

# **City Operations Campus**

## **Business case and staging plan**

### **Committee of the Whole**

May 3, 2021

# Strategic Plan alignment



**Sustaining our  
future**



**Navigating our  
future**



**Working together  
for our future**



**Building our  
future**



# Background and purpose

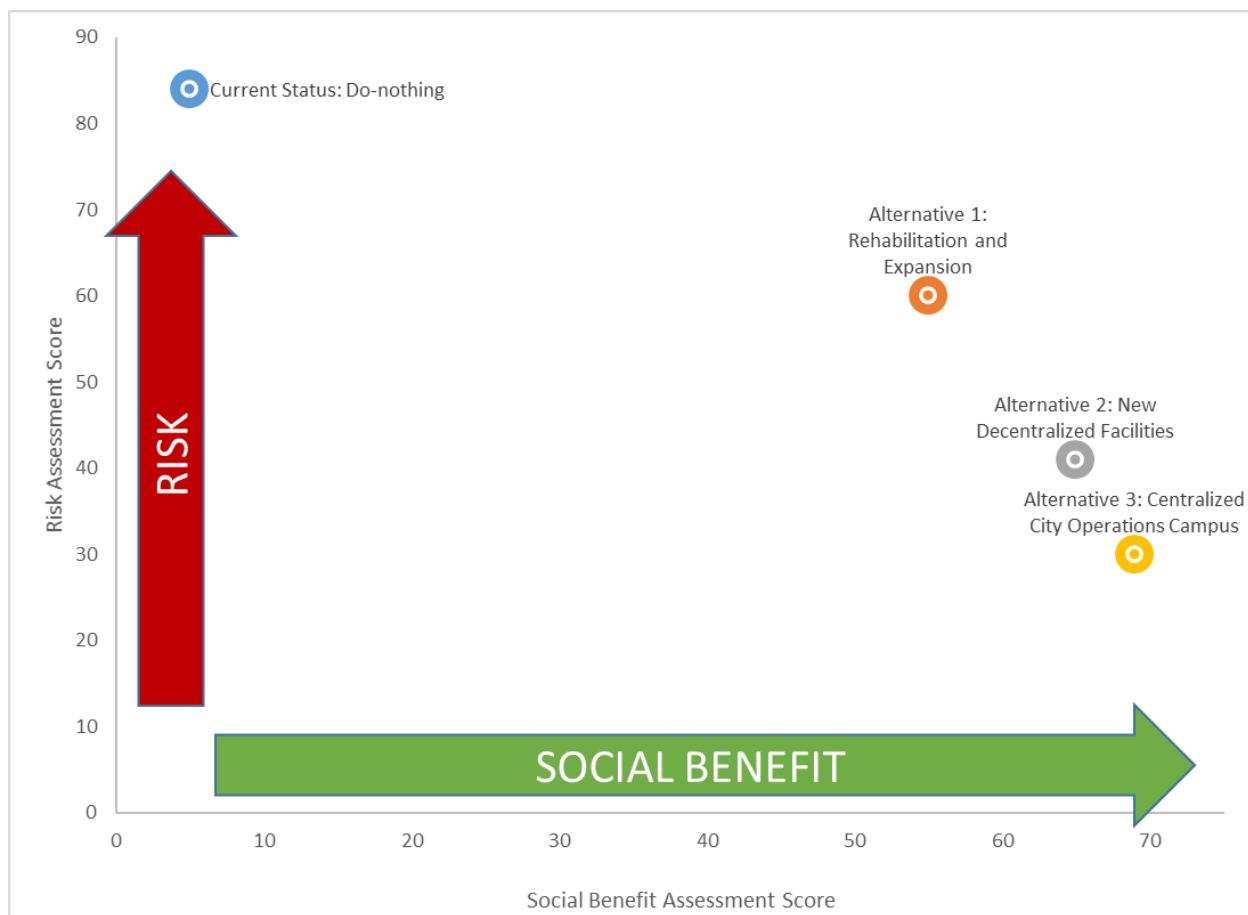
- **Facilities needs assessment**
  - Fleet Services
  - Public Works
  - Guelph Transit
  - Corporate Building Maintenance
  - Solid Waste Collections
  - Parks
- **Asset management plan**
- **City growth**

# Business case

- Process
- Assumptions
- Scope



# Social benefit and risk assessment



# Business case: Alternative costing

- Focuses on financial items—capital and operating cost differences in alternatives
- Consistent assumptions:
  - Population and business growth
  - Energy efficiency of facilities
  - Address current operational inefficiencies
- Provides a range of magnitude, not a budget

# Alternative 1:

## Rehabilitation and expansion

- Existing facilities rehabilitated and renovated
- Additional locations constructed or leased to meet functional space requirements



Avoids Service Disruption



Proximity Efficiencies



Avoids Land Acquisition



Schedule Certainty



Greatest Net Zero Carbon Impact



Central Location



## Alternative 2: **New decentralized facilities**

- New facilities constructed to meet functional space requirements.
- Decentralized facilities situated around the city on land not currently owned.



Avoids Service Disruption



Proximity Efficiencies



Avoids Land Acquisition



Schedule Certainty



Greatest Net Zero  
Carbon Impact



Central Location

# Alternative 3:

## Centralized City Operations Campus

- New facilities constructed to meet functional space requirements.
- Facilities are centralized at City-owned Watson-Stone roads location.



Avoids Service Disruption



Proximity Efficiencies



Avoids Land Acquisition



Schedule Certainty



Greatest Net Zero Carbon Impact



Central Location

# Comparison summary

Alternative	Estimated cost (\$)	Risk assessment score (scale 7 to 140)	Social benefit score (scale 5 to 75)
<b>Alternative 1:</b> Rehabilitation and Expansion	\$210 to \$257 million	60	55
<b>Alternative 2:</b> New Decentralized Facilities	\$219 to \$268 million	41	65
<b>Alternative 3:</b> Centralized City Operations Campus	\$186 to \$228 million	30	69

# Centralized City Operations Campus

## **Advantages:**

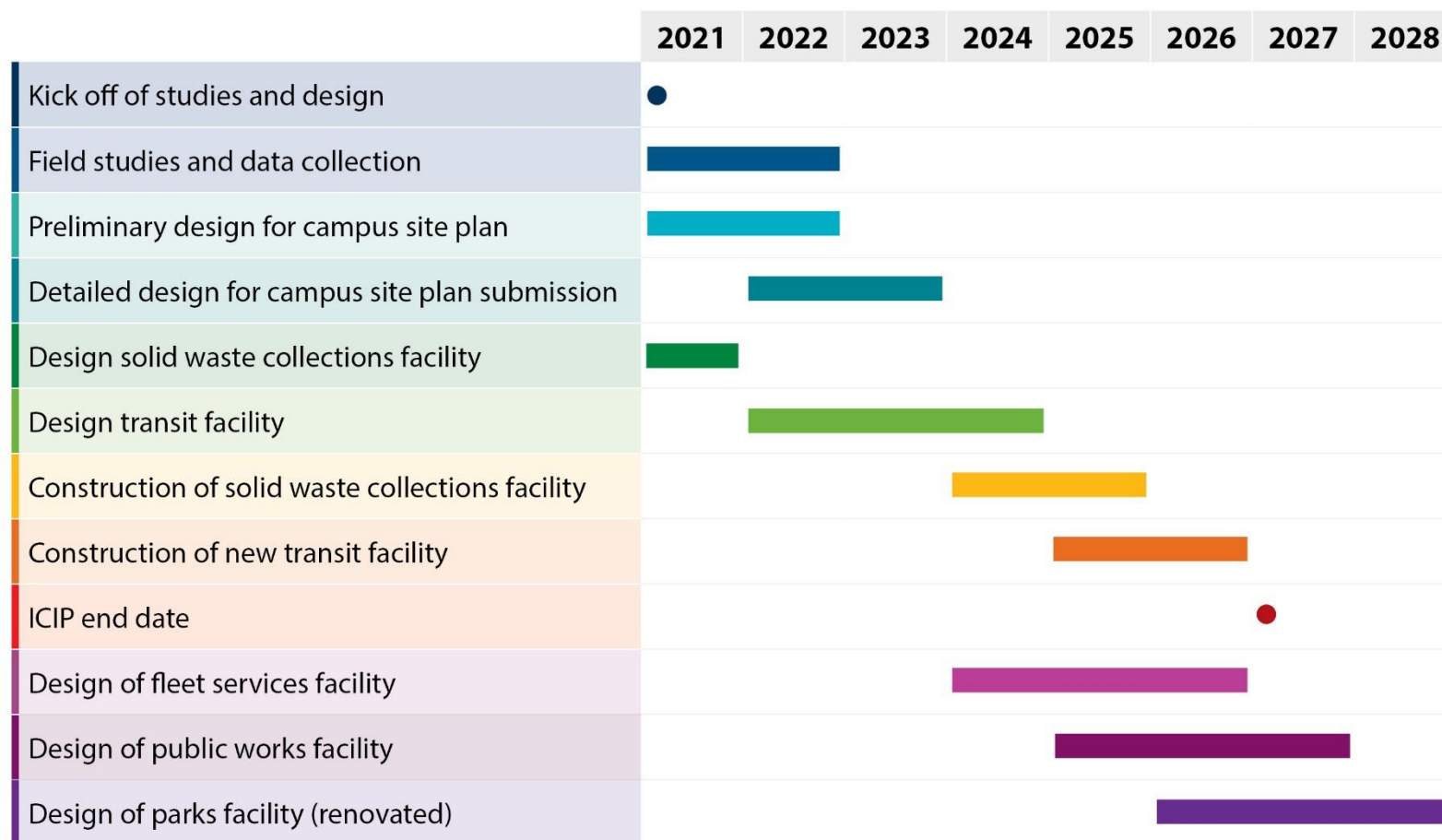
- Reduces capital investment costs
- Uses existing City-owned land
  - No new land acquisition costs
  - Reduces risks to project timeframe
- Less land is required

# Centralized City Operations Campus

## **Advantages:**

- Lower site preparation and servicing costs.
- Greatest efficiencies in service delivery.
  - increases access to shared resources
  - reduces travel time and mileage costs
  - reduces vehicle downtime

# Staging plan



# Financial planning

- Budget impacts presented after detailed design
  - Capital costs and funding sources
  - Operating budget requirements
- Infrastructure renewal and growth funding strategies
- Leveraging grants to reduce tax cost
- Corporate debt impact

# Next steps

- ICIP transfer payment agreement approval and sign off
- Annual budget approval
- Field studies, data collection and preliminary design of campus site plan
- New transit facility design and site plan



# Recommendations

That in accordance with the City Operations Campus Business Case as included in Attachment 1 of report City Operations Campus – Business Case and Staging Plan dated May 3, 2021, the municipal-owned site located at the northwest corner of Watson Parkway South and Stone Road East be approved as the site for the future City Operations Campus.

# Recommendations

That in accordance with the multi-year Staging Plan as included in Attachment 2 of report City Operations Campus – Business Case and Staging Plan dated May 3, 2021, staff proceed with site preparation and servicing of the City Operations Campus.

# Recommendations

That staff proceed with the planning and design of the future facilities consistent with the City Operations Campus Business Case and Staging Plan and be directed to seek Council approval through the annual budget process.

# Staff Report



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To	<b>Committee of the Whole</b>
Service Area	Corporate Services
Date	Monday, May 3, 2021
Subject	<b>2020 Long-term Financial Statement – Reserves and Debt</b>

---

## Recommendation

1. That an obligatory reserve fund (344) be opened to manage Federal/Provincial grant funds received in 2021 from the Safe Restart Agreement Public Transit Funding Program as a requirement of the transfer payment agreement.
  2. That the Greenhouse Gas reserve (352) and the Ontario Municipal Commuter Cycling reserve fund (350) with nil balances be closed.
- 

## Executive Summary

### Purpose of Report

The purpose of this report is to update Council on the year-end position of all reserves and reserve funds as well as outstanding and forecasted debt. This report will also provide details on notable transactions that occurred throughout 2020 as well as historical and future outlooks. It will also serve to satisfy requirements of the Development Charges Act, 1997 (DCA) and the Planning Act in regard to annual reporting of development charges (DCs) and parkland dedication and provide an interim report, two years after enactment of the Parkland Dedication By-law (2019)-20366, as directed by Council on January 28, 2019.

Previously Council would receive individual reports on reserve and reserve fund activity, DCs, parkland dedication, and debt, however these items are all interconnected and presenting them together will provide Council with a holistic view of the City's long-term financial position.

### Key Findings

- As a whole, the City's reserves and reserve funds increased by 16 per cent over the previous year with a year-end balance of \$383,963,635 before commitments.
- Reserve and reserve fund balances have been increasing since 2015 and this is primarily due to a focused strategy on increasing funding for Infrastructure Renewal both within the tax and non-tax areas.
- Reducing the use of contingency reserves for funding of planned expenditures at budget has allowed these reserves to reach their target levels.
- Reaching target levels for contingency reserves allows for greater flexibility in budgeting for the associated operating expenses, enabling reductions in annual budget requirements, thereby reducing the overall risk to the City.

- Year-end debt outstanding totaled \$101,480,582 after principal repayment of \$12,477,197.
- The City continues to be in a well-managed position with respect to outstanding debt obligations, all ratios being met and are currently trending positive.
- The planned future debt issuance will push the ratios closer to the limits established in the [Debt Management Policy](#), however, they are not expected to be exceeded over the next 25 years.

## **Financial Implications**

There are no direct financial implications from this report. Continued strategic management of the City's reserves, reserve funds and debt portfolio will support the City's overall financial health, including a continued positive credit rating.

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## **Report**

### **Reserves and Reserve Funds**

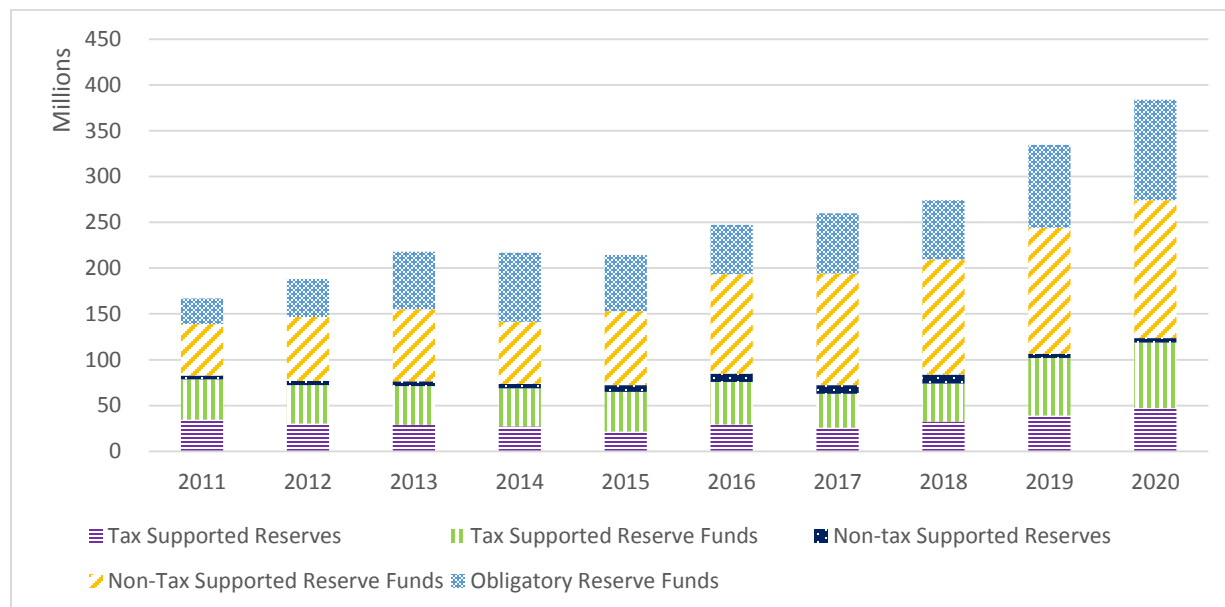
A schedule of reserve and reserve fund activity is provided in Attachment-1 Reserve and Reserve Fund Activity. Targets for specific reserves and reserve funds can be found in the City's [General Reserve and Reserve Fund Policy](#).

Notable reserve and reserve fund activity is described below under each category, with the exception of detailed analysis for the Parkland Dedication reserve funds and DCs reserve funds that require specific information to satisfy regulations in the Municipal Act.

Surplus allocations as recommended in the 2020 Year-end Operating Budget Monitoring and Surplus Allocation and Deficit Funding Report are accounted for in all figures below. Actual target percentages provided below are based on the uncommitted ending balance at the end of 2020.

Overall reserve and reserve fund balances have been increasing since 2015, as shown in Figure 1, and this is primarily due to a focused strategy on increasing funding for Infrastructure Renewal both within the tax and non-tax areas. Reducing the use of contingency reserves for funding of planned expenditures at budget has allowed these reserves to reach their target levels, thereby reducing the overall risk to the City.

**Figure 1 2011 to 2020 Reserve and Reserve Fund Balances**



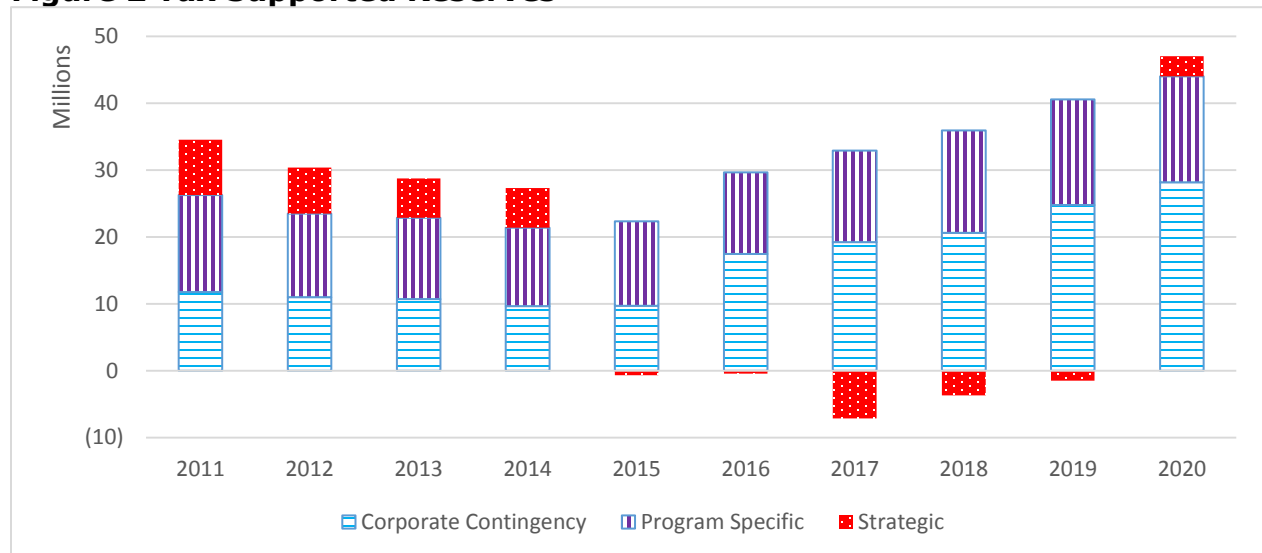
### **Tax Supported Reserves and Reserve Funds**

The City's tax supported reserve and reserve funds have increased 16 per cent over 2019, this is primarily due to lower capital spending due to COVID-19 and a balance of Safe Restart funds (\$4,842,087) in the City's Tax Operating Contingency Reserve (180). Capital spending is expected to return to normal trends as the pandemic ends and the balance of Safe Restart funds will be used to mitigate any 2021 and future impacts from COVID-19.

### **Tax Supported Reserves**

The tax supported reserves have been improving over the past six years, Figure 2, primarily due to a focus on ensuring appropriate balances in contingency reserves.

**Figure 2 Tax Supported Reserves**



### Corporate Contingency Reserves

These reserves are required to provide the City with liquidity and to offset one-time, extraordinary and unforeseen expenditures so that the impact to the tax rate is minimized. This group is at 100 per cent of targeted levels at year-end. This is excluding the remaining funds from the Safe Restart Grant (\$4,842,087), which are dedicated to mitigating COVID-19 related costs and deficits. The following items were funded from the Corporate Contingency Reserves:

- \$302,400 to support Welcoming Streets, addiction court support and support recovery room initiatives (2020 budget).
- \$117,436 to offset the costs of the Council Compensation Review (2020 budget).
- \$100,000 transferred to the Elliott for one-time capital needs (2020 budget).
- \$1,000,000 was transferred to the Affordable Housing Reserve to support Council approve requests for funding (in-year Council approval).

### Program Specific Reserves

The City maintains liability specific compensation reserves (Accumulated Sick Leave (Fire 100, Police 101), WSIB (330) and Paramedic Retirement (338)) to fund the cost of certain employee benefits that are incurred today, but payable in the future. These liabilities are generated through legislation and terms of collective agreements.

This group of reserves is currently at 97 per cent of target, however, the continuing pressures from increasing benefit costs and changing legislation may change this status in future years. Continued diligence in monitoring and proactively funding these known obligations is critical to long term sustainability.

### Strategic Reserves

The City's Strategic Reserves support investment in affordable housing, redevelopment and the Hanlon Creek Business Park (HCBP). The level of funding in each is related to the underlying strategies being supported. The negative balance in this group is related to the HCBP, however, as land sales continue, it is

forecasted that the balance will be returned to a positive status within three to five years.

The Affordable Housing Reserve increased significantly in 2020 due to the Council approval of \$1,000,000 transferred to support a number community projects currently in development.

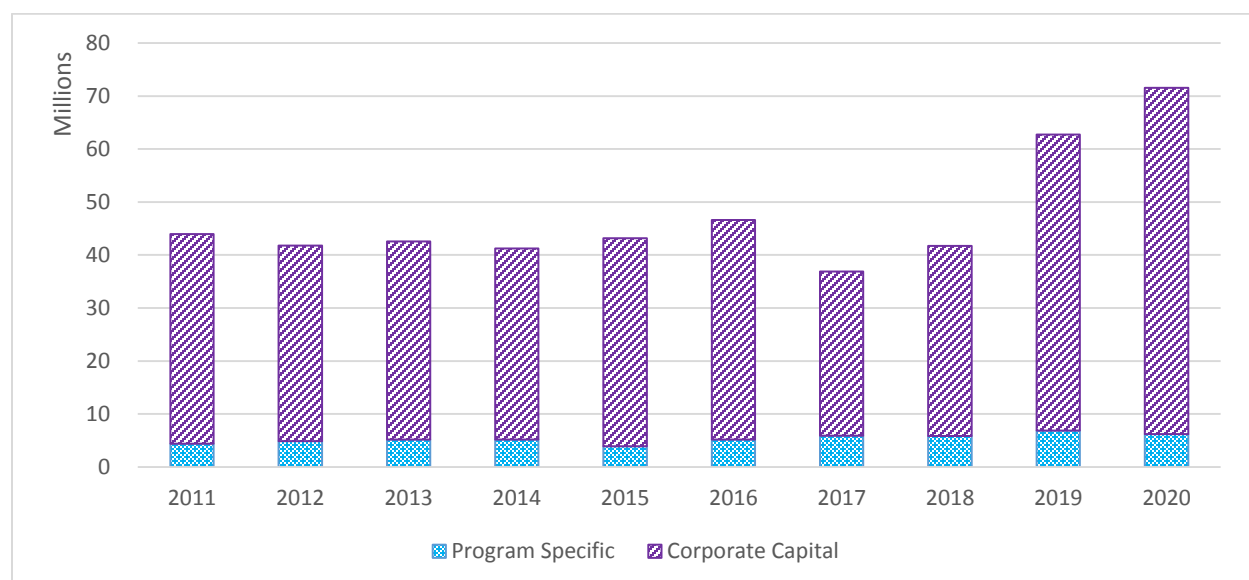
The balance in the Redevelopment Incentive reserve (122) has increased over a four-year period as funds accumulate in order to pay out commitments related to the Tax Increment Based Grant programs within the City's Community Improvement Plans. These funds are fully committed over 10 years.

Based on the approved policy of directing any Carbon Credit revenue to the 100RE Reserve Fund, the Greenhouse Gas Reserve (352) is no longer required and can be closed out.

### **Tax supported Reserve Funds**

Overall reserve fund balances (Figure 3) have increased due to the focus on the Infrastructure Renewal Strategy, as well as the one-time dividend from Guelph Municipal Holdings Inc. received in 2019. The balance has outstanding capital project commitments of \$45 million against it, which reflects a lower level of capital spending in 2020 due to COVID-19.

**Figure 3 Tax Supported Reserve Funds**



### **Program Specific Reserve Funds**

This group of reserve funds are related to specific services and/or sources of funding, such as Police Capital and Sleeman Naming Rights. The current requirement is that they remain positive in order to fund approved expenditures.

The balance of funding received through the Ontario Municipal Commuter Cycling program has been spent and the associated reserve fund (350) can now be closed.

### **Corporate Capital Reserve Funds**

Corporate Capital Reserve Funds include reserve funds for Infrastructure Renewal, Contaminated Sites, Growth, City Building, Efficiency, Innovation and Opportunity Fund and 100 Renewable Energy. Collectively these reserve funds have increased



by 11 per cent beyond 2019's ending balance, primarily due to lower than usual capital activity due to COVID-19.

- Collectively these reserve funds are at 35 per cent of their target, excluding 100 RE.
- The City Building Reserve Fund is currently overcommitted by \$777,373. This will be addressed through the development of a strategy for funding long-term investment in this area. Staff are recommending a transfer into this reserve fund from the 2020 year-end position to reduce future tax increases.

In addition to a targeted reserve fund balance, these funds also have annual contribution targets, which support the long-term sustainability of the strategies they are used to fund. Currently both the Growth and Contaminated Sites strategies are being funded at 100 per cent of target. The Infrastructure Renewal strategy is being funded at 59 per cent, with continuation of the 10-year strategy expected to bring this to 90 per cent by 2027. The City Building funding is at 41 per cent of target, and there is currently no long-term strategy in place to bring this to 100 per cent. The 100 RE strategy is currently being developed to establish both targets for sustainable funding and a recommendation on how to achieve it over time.

## **Non-tax Supported Reserves and Reserve Funds**

The City's non-tax supported reserves and reserve funds have increased 9 per cent over 2019, this is primarily due to a continued focus on long-term sustainable infrastructure renewal funding and lower capital spending due to COVID-19. Capital spending is expected to return to normal trends as the pandemic ends.

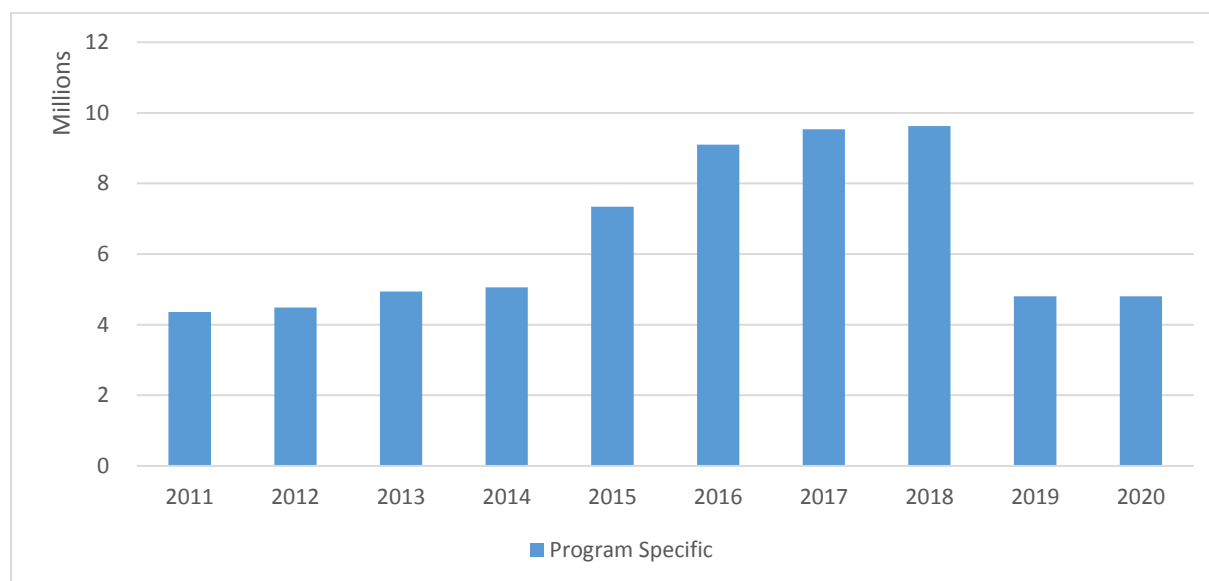
### **Non-tax supported Reserves**

#### **Program Specific Reserves**

Non-tax contingency reserves are to meet the emergency and unplanned funding needs in the operations of the non-tax services, as well as to avoid large fluctuations in user rates. All services with the exception of Parking meet or exceed the established reserve target of 10 per cent of gross operating expenditures. The Parking reserve established in 2019 has yet to have a contribution made to it as the focus has been on reducing the tax contribution to Parking to transition the service to a fully user rate system. The target for Parking is approximately \$170,000.

The reduction in balances in these reserves (Figure 4) in 2019 reflects an adjustment to bring them in line with the targets above. As part of the 2020 budget, surplus funds were transferred to the respective capital reserve funds.

**Figure 4 Non-tax Supported Reserves**



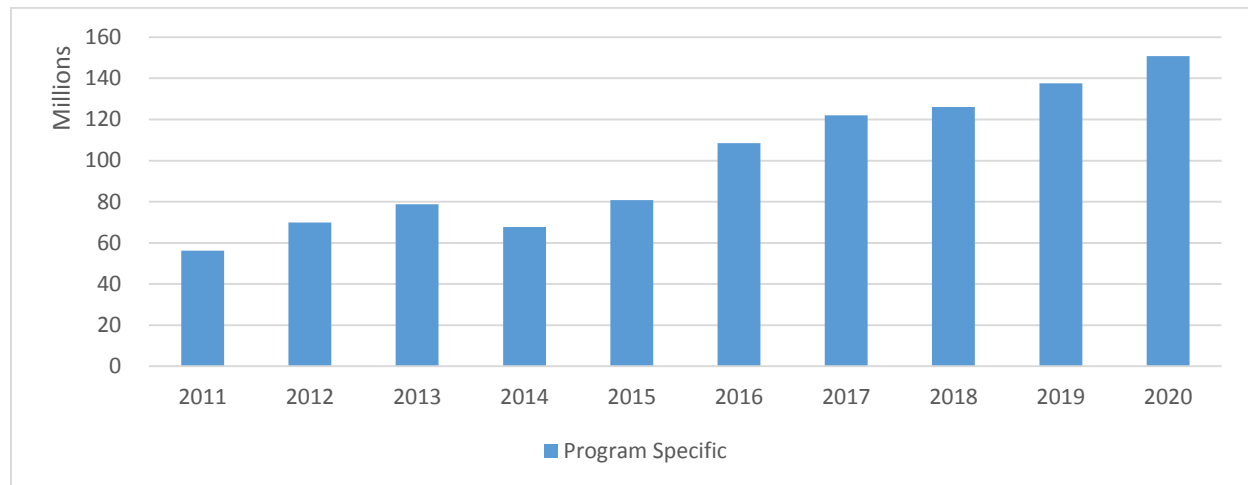
### **Program Specific Reserve Funds**

These reserve funds consist of financing for capital works for Water, Wastewater, Stormwater, Parking and Courts. Capital works include infrastructure renewal, city building initiatives, and offsetting DC exemptions for growth-related assets. The current balances are at 84 per cent of target as a group, mainly due to a significant balance in Wastewater Capital (153).

Target transfers to these reserve funds are based on the work of the Corporate Asset Management Plan. As part of the 2020 Corporate Asset Management Plan update, the sustainable funding level for water and wastewater were reduced and stormwater was increased. Overall, the Infrastructure Renewal Strategy for these services is 63 per cent funded, however, there is a large variation by service from Stormwater at 28 per cent to Wastewater at 85 per cent. Development of a renewed long-term funding strategy for these services is planned to be presented to Council in 2022 and it will take into consideration the updated data from the Core Asset Management Plans currently being completed.

The increase in the balances in these reserve funds, (Figure 5) is due to a continued focus on attaining sustainable infrastructure funding for the respective services. The balance has outstanding capital project commitments of \$90 million against it, which reflects a lower level of capital spending in 2020 due to COVID-19.

**Figure 5 Non-tax Supported Reserve Funds**

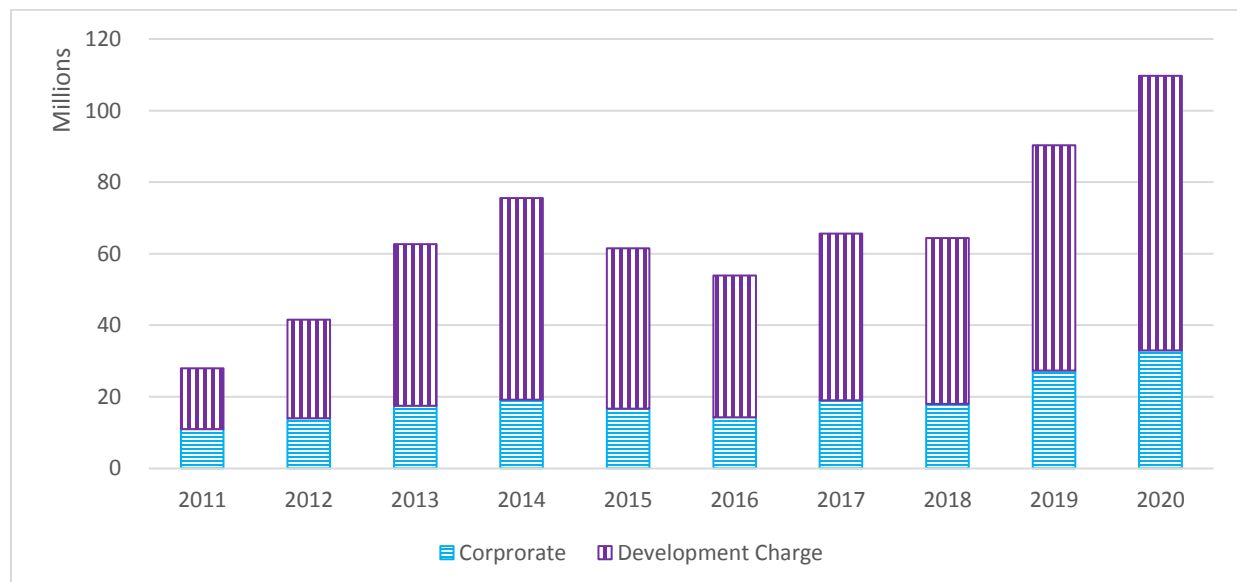


### **Obligatory Reserve Funds**

These reserve funds are mandated under various legislation to be held separate from the balance of City funds and are treated as deferred revenue. They include the Ontario Building Code Stabilization (188), Parkland Dedication (300 and 301), Provincial Dedicated Gas Tax (342), and Federal Gas Tax (343). A new obligatory reserve fund for the Safe Restart Transit funding received in 2021 is required based upon the transfer payment agreement and therefore has been included for Council approval.

The increasing balance in these reserve funds (Figure 6) is a reflection of higher than usual DC collections in 2019 and a one-time doubling of Federal Gas Tax funds received in 2019. The balance has outstanding capital project commitments of \$68 million against it, which reflects a lower level of capital spending in 2020 due to COVID-19.

**Figure 6 Obligatory Reserve Funds**



## **Parkland Dedication By-law Update**

The City's current Parkland Dedication By-law (2019)-20366, prepared under the authority of section 42 of the Planning Act, came into effect on January 31, 2019 and has been amended by By-law (2019)-20380, By-law (2020)-20531 and By-law (2021)-20573.

The by-law is applicable to development and redevelopment pursuant to section 42 of the Planning Act and builders are obligated to pay Payment In Lieu (PIL) prior to issuing building permits where the proposed development and redevelopment meets the by-law criteria.

The City has collected \$2.16 million in 2020 (2019: \$1.1 million) in PIL under the new by-law (Table 1 below).

In addition, the City has collected approximately \$250,800 in PIL funds for building permits issued for development of 22 single-detached houses using land valuation included in Schedule A of the by-law. This is an increase of approximately 750 per cent over the unit rates established in the old by-law.

### **Downtown residential development, high density residential development and alternative rate cap**

As part of the by-law, a 'cap' was established that limits the amount of parkland dedication at an alternative rate of 1 hectare per 500 dwelling units applied to residential lands located inside and outside of downtown. The cap for high density residential development outside of downtown is set at a maximum rate of 30 per cent of the appraised land value.

The cap for high-density residential development outside of downtown has not been used in the first two years of the new by-law. PIL was collected for the development of two high-density residential apartments and was calculated at a lower alternative rate than the cap of 30 per cent.

For lands located downtown, the cap for residential development is set at a maximum rate of 20 per cent of the appraised land value.

The alternative rate cap for high-density residential development was applied only in one instance, the development of a downtown 14-storey residential apartment building with 139 residential units where PIL at an alternative rate of 1 hectare per 500 dwelling units was calculated at 73 per cent of the lot area.

The alternative rate cap, definitions, exemptions and other components will be examined for efficiency and effectiveness improvements throughout 2021 and 2022 as part of the legislated requirement to update the parkland dedication bylaw.

In previous years, the Planning Act permitted parkland to be conveyed under Section 37 to increase height and/or density of existing buildings. This was repealed in 2020 as it is now eligible under a Community Benefits Charge (CBC) by-law, should the municipality pass one. Under Section 37 subsection 51, if the municipality does not pass a CBC by-law by the September 2022, any funds collected and held in the parkland dedication reserve funds with respect to the repealed Section 37 must be transferred to a general capital reserve.

The Planning Act also sets out the requirement for reporting, including a financial statement and both public and provincial submission.

The City maintains two separate reserve funds for parkland dedication, one for the Downtown area in accordance with the Downtown Secondary Plan and one for the remainder of the City.

In addition to total PIL collection of \$2.16 million, 0.61 hectares of land were conveyed to the City for a neighbourhood park in Harts Lane subdivision. The breakdown of the PIL collected are detailed in Table 1 followed by the 2020 reserve fund activity statement in Table 2.

**Table 1: 2020 Parkland Dedication Revenue**

Approval Type	Planning Act Section	Number of Approvals	Amount of payment in lieu
Consent for severance	53	-	-
Residential building permit	42	16	\$151,299
Multi-unit residential building permit	42	3	\$590,427
Subdivision registration	51.1	-	-
Industrial/commercial building permit	42	8	\$1,417,741

**Table 2: 2020 Parkland Dedication Reserve Fund Activity**

	Parkland Dedication Reserve Fund (300)	Downtown Parkland Dedication Reserve Fund (301)
Opening balance	\$6,599,856	\$(702,340)
PIL collected	\$1,319,467	\$840,000
Interest earned (paid)	\$159,711	\$(6,211)
Closing balance	\$8,079,034	\$131,449
Year-end commitments	\$474,454	\$0
Uncommitted balance	\$7,604,580	\$131,449

There was no spending of reserve funds in 2020 however in August of 2020 Council did direct staff to proceed with the purchase of 104 Oliver Street using parkland dedication funds for development into a parkette.

### **Development Charges**

The DCA requires under Section 43 that the Treasurer of the municipality must provide to Council an annual financial statement relating to DC by-law and any

reserve funds established under the DCA. The statement for the preceding year must include the following statements:

- a) a statement of the opening and closing balances of the reserve funds and any transactions relating to the funds; (found in Attachment-2)
- b) a statement identifying all asset whose capital costs were funded under the DC by-law during the year and the source of the capital cost not funded under the DC by-law; (found in Attachment-3) and
- c) statement as to compliance with subsection 59.1 (1); that no other charge has been imposed related to a development or a requirement to construct a service related to development, except as permitted by the Act or another Act.

The statement must be made available to the public and given to the Minister of Municipal Affairs and Housing.

### **Year-end Balance**

The accumulated closing balance of all 16 reserve funds is \$25.5 million after all prior year unspent commitments have been applied. The balance is \$2.2 million more than the year-end balance at the end of 2019. The increase is attributed to collections being slightly more than approved budget in 2020. The overall balances are in a healthy position as the current balance exceeds the average annual expenditure over the past five years.

### **Development Charges Revenue**

In 2020, the City saw decreased collections in both residential and non-residential development. This decrease was expected due to COVID-19, future level of development is uncertain at this time as the impacts of COVID-19 continue.

The City collected DCs for 550 new residential dwellings as well as granted 216 exemptions for accessory apartments. Overall, 14 per cent were low density (single detached and semi-detached), 24 per cent medium density (multiples except apartments) and 63 per cent high density (bachelor, 1-bedroom and 2-bedroom apartments). A comparison to the 2018 DC Background Study and 2019 actuals can be found in Table 3 - Residential Density Mix.

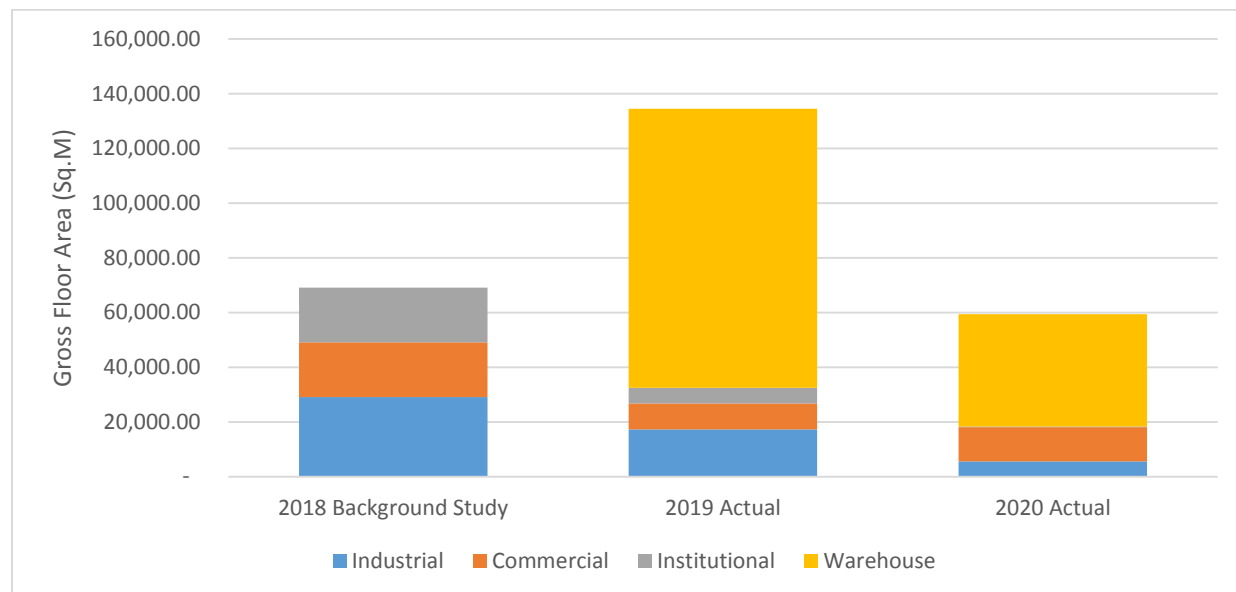
**Table 3 - Residential Density Mix**

<b>Residential Density</b>	<b>Background Study Mix</b>	<b>2019 Mix (including accessory apartments)</b>	<b>2020 Mix (including accessory apartments)</b>
Low	18%	13%	14%
Medium	41%	3%	24%
High	41%	84%	62%

Significantly lower collections were seen in the non-residential category with 2020 collections down by almost 56 per cent compared to 2019. However, 2020 collections were more in line with the 2018 DC Background Study's forecast. The

2018 DC Background Study anticipated 69 thousand square meters of industrial, commercial and institutional space would be added each year and result in 1,047 new jobs per year, over the next 10 years in order to meet the provincially mandated growth targets. In 2020, 59 thousand square meters of non-residential space was added. A comparison between the 2018 DC Background Study, 2019 and 2020 can be found in Figure 7 – Non-Residential DC Collections.

**Figure 7 – Non-Residential DC Collections**



### Development Charges Expenditures

In 2020, the City invested \$18.8 million in growth-related infrastructure, this includes \$9.3 million drawn from DC reserve funds. Projects with significant DC funding in 2020 can be found in Table 4 - 2020 DC Spending Highlights. The complete breakdown by project and service can be found in Attachment-3.

**Table 4 - 2020 DC Spending Highlights**

Project	Total spending 2020	Funding from DC 2020
Transit Buses (TM0006)	\$2,813,874	\$1,761,279
South End Community Centre (RP0290)	\$1,347,695	\$1,347,695
Water New Supply (WT0002)	\$1,167,956	\$1,167,956
Guelph Police Services Headquarter Renovations (PS0033)	\$1,577,509	\$649,350
Paisley Feedermain Construction – Phase 3 (PN0268)	\$466,496	\$419,877

## Development Charges Exemptions

The DCA permits for several exemptions where DCs shall not be imposed for certain types of development. This list is expanded further by exemptions laid out in the City's DC By-law (2019)-20372. In 2013, Council passed By-law (2013)-19537 to enact a Development Charge Exemption Policy whereby any amount of exemption given must be recovered from the City's tax and non-tax supported capital reserve funds. DC exemptions in 2020 totaled \$4,009,840, the breakdown of the type of exemption can be found in Table 5 Exemptions. These exemptions were recovered from the following capital reserve funds: Growth (156), Water (152), Wastewater (153), Stormwater (165), Parking (151), Courts (120) and Paramedics (360).

**Table 5 Exemptions**

Type of Exemption	Quantity	Exemption Value
Residential Accessory Apartments	216	\$3,572,702
Industrial Additions	5	\$409,889
University of Guelph	2	\$27,249
Total Exemptions	223	\$4,009,840

In September 2020, the DCA was officially amended by Bill 108 and Bill 138 and now permits exemptions of up to two accessory units per residential unit.

## Development Charges Debt

DCs are calculated based on the DC Study which covers both a 10 and 25-year capital planning horizon. In some cases, growth-related projects are completed prior to having fully collected the necessary DCs to fund the project. In these situations, external debt is permitted under the DCA to cash flow the capital costs of the project and is repaid by the future DC collections. Total debt interest paid in 2020 from DCs was \$758,981.

**Table 6 DC Debt Outstanding**

Project	December 31, 2020 Outstanding Balance	Debt Maturity
Hanlon Expressway Interchange	\$13,966,217	2029
Wilson Street Parkade	\$4,319,000	2039
Police Headquarters	\$13,551,265	2029 and 2039
Public Health Facilities	\$1,969,570	2026
Total	\$33,806,052	



## Debt

The appropriate use and management of debt is critical to the City achieving long-term strategies, including sustainable funding and infrastructure investment. Through the updated Debt Management Policy, limitations were established for ensuring adherence to the City's overall Long-term Financial Framework.

After principal payments of \$12,477,197 and interest of \$3,213,245 in 2020, the total debt outstanding at the end of 2020 was \$101,480,582. No new debt was added during the year.

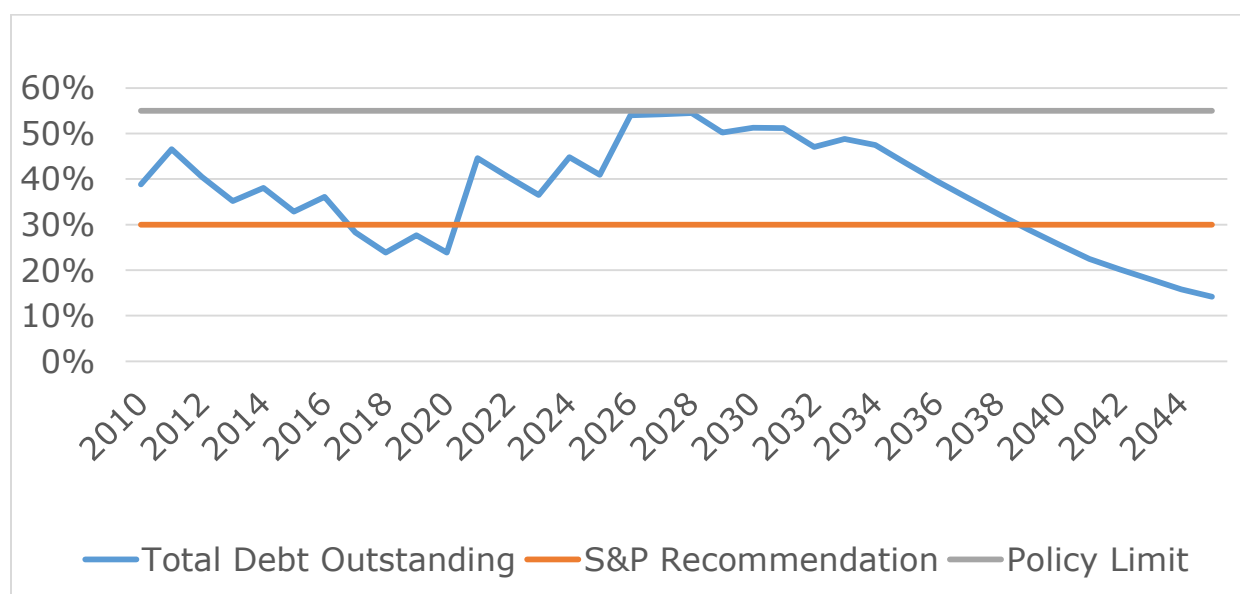
**Table 7 City Imposed Debt Limitations**

Limitation	Target	Current	Trend
Direct Debt to Operating Revenue	<55 %	19 %	Improving
Debt Service Cost to net Revenue	<10 %	2.9 %	Improving
Debt Servicing to Discretionary Reserve Ratio	>1:14	1:17	Improving

Based on planned debt funding requirements, the above ratios will reverse their current trend in the short term, however, it is expected that all limitations will be met over the next 25 years. For 2020 debt activity see Attachment 4.

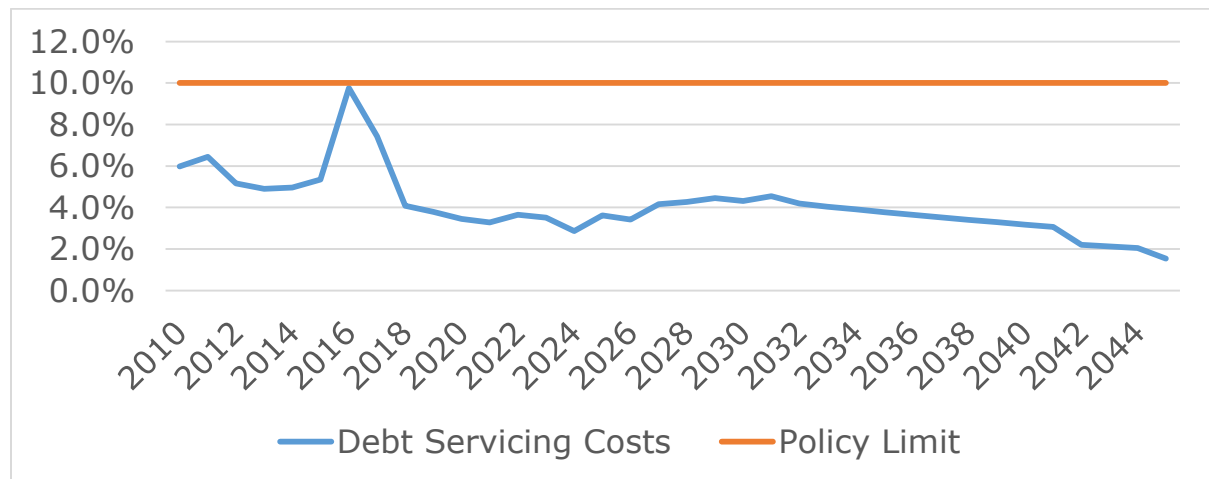
Total debt to operating revenue (Figure 8) is forecasted to peak in 2028 and then decrease steadily after that point. This aligns with the need for significant investment in critical asset renewal of facilities as well as the construction of the South End Community Centre in order to meet growth demands.

**Figure 6 Total Debt to Operating Revenue**



Due to historical low interest rates and previously issued debentures reaching maturity, the cost of servicing debt (Figure 9) is expected to stay stable over the short-term, and then trending lower in the longer term.

**Figure 7 Debt Servicing to Operating Revenue**



### Financial Implications

There are no direct financial implications from this report. Continued strategic management of the City's reserves, reserve funds and debt portfolio will support the City's overall financial health, including a continued positive credit rating.

### Consultations

The Parks planning and the Building department were consulted to provide input related to Parkland and Development Charge obligatory reserve funds respectively. The City's overall approach to managing reserves and reserve funds is to review them corporately to ensure long-term sustainability, while integrating specific service requirements to ensure flexibility in managing operating and capital budgets.

### Strategic Plan Alignment

Reporting annually on the status and activity of the City's reserves, reserve funds and debt supports the Strategic Plan's Working Together for our Future pillar through maintaining a fiscally responsible local government.

### Attachments

Attachment-1 Reserve and Reserve Fund Activity

Attachment-2 Development Charge Reserve Fund Statement

Attachment-3 Development Charge Project Financing Statement

Attachment-4 Debt Activity

### Departmental Approval

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

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## Reserve and Reserve Fund Activity for 2020

## Attachment-1

Reserve & Reserve Funds	2020 Opening Balance	Operating	Capital	Reserve and Reserve	DC Collections	Other	Interest Earned	Debtenture Interest	Ending Balance	Year End Commitments	Uncommitted Balance
Tax Supported Corporate Contingency Reserves	24,813,544	4,666,723	(300,000)	(1,000,000)					28,180,267	7,265,562	20,914,705
Tax Supported Program Specific Reserves	15,758,979	94,435							15,853,414		15,853,414
Tax Supported Strategic Reserves	(1,473,618)	5,279,228	(1,032,415)	530,990			(266,740)		3,037,445	12,247,464	(9,210,019)
Tax Supported Program Specific Reserve Funds	6,877,468	885,519	(4,367,388)	2,636,231		1,500	142,382		6,175,712	3,177,409	2,998,303
Tax Supported Corporate Capital Reserve Funds	55,864,916	30,488,740	(19,089,257)	(3,241,344)		77,669	1,278,705		65,379,429	42,317,748	23,061,681
Non-Tax Supported Program Specific Reserves	4,802,584								4,802,584		4,802,584
Non-Tax Supported Capital Reserve Funds	137,535,991	39,851,212	(27,634,845)	(2,215,078)			3,229,811		150,767,091	90,455,521	60,311,570
Obligatory Corporate Reserve Funds	27,301,722	11,199,860	(8,320,412)			2,159,467	665,262		33,005,899	16,560,080	16,445,819
Development Charge Reserve Funds	63,002,012		(9,282,372)	3,289,202	18,174,805	33,633	2,303,495	(758,981)	76,761,794	51,218,401	25,543,393
<b>Total</b>	<b>334,483,598</b>	<b>92,465,717</b>	<b>(70,026,689)</b>	<b>1</b>	<b>18,174,805</b>	<b>2,272,269</b>	<b>7,352,915</b>	<b>(758,981)</b>	<b>383,963,635</b>	<b>223,242,185</b>	<b>160,721,450</b>

Description	Non-Discounted Services							Discounted Services									
	Water	Wastewater	Stormwater	Services Related to a Highway	Fire	Police	Library	Transit	Administration	Indoor Recreation	Outdoor Recreation	Parking	Ambulance	Courts	Health	Waste Diversion	Total
<b>Opening Balance, January 1, 2020</b>	<b>34,927,498</b>	<b>32,284,775</b>	<b>(1,206,432)</b>	<b>(10,338,350)</b>	<b>(822,694)</b>	<b>(15,568,388)</b>	<b>4,164,371</b>	<b>3,442,296</b>	<b>(59,337)</b>	<b>18,981,712</b>	<b>5,671,826</b>	<b>(1,702,791)</b>	<b>(1,332,050)</b>	<b>24,052</b>	<b>(5,635,028)</b>	<b>170,552</b>	<b>63,002,012</b>
<b>Plus:</b>																	
Development Charge Collections	3,744,619	3,544,225	120,975	3,405,951	202,128	414,586	367,231	1,768,419	492,434	1,675,470	1,278,768	748,101	69,588	2,355	99,858	240,097	18,174,805
Exemption Allocation	523,887	555,574	22,395	622,173	27,810	64,495	98,669	307,486	78,760	446,928	337,040	112,490	12,350	732	24,110	54,303	3,289,202
Interest Allocated re Late Payments	10,650	7,835	149	4,214	351	492	666	624	392	3,159	4,126	849	35	11	80	-	33,633
Accrued Interest	800,759	747,871	(25,964)	129,559	(15,357)	(43,573)	96,782	77,041	(1,144)	427,119	137,338	68,380	(28,823)	563	(72,812)	5,756	2,303,495
<b>Subtotal</b>	<b>5,079,915</b>	<b>4,855,505</b>	<b>117,555</b>	<b>4,161,897</b>	<b>214,932</b>	<b>436,000</b>	<b>563,348</b>	<b>2,153,570</b>	<b>570,442</b>	<b>2,552,676</b>	<b>1,757,272</b>	<b>929,820</b>	<b>53,150</b>	<b>3,661</b>	<b>51,236</b>	<b>300,156</b>	<b>23,801,135</b>
<b>Less:</b>																	
Amount Transferred to Capital (or other) Funds	1,914,030	1,119,091	98,942	831,100	-	649,350	119	1,993,418	673,977	1,347,695	500,554	(49)	39,697	-	-	114,448	9,282,372
Debt Charges - Interest	-	-	-	296,240	-	308,316	-	-	-	-	-	107,371	-	-	47,054	-	758,981
<b>Subtotal</b>	<b>1,914,030</b>	<b>1,119,091</b>	<b>98,942</b>	<b>1,127,340</b>	<b>-</b>	<b>957,666</b>	<b>119</b>	<b>1,993,418</b>	<b>673,977</b>	<b>1,347,695</b>	<b>500,554</b>	<b>107,322</b>	<b>39,697</b>	<b>-</b>	<b>47,054</b>	<b>114,448</b>	<b>10,041,353</b>
<b>Closing Balance, December 31, 2020</b>	<b>38,093,383</b>	<b>36,021,189</b>	<b>(1,187,819)</b>	<b>(7,303,793)</b>	<b>(607,762)</b>	<b>(16,090,054)</b>	<b>4,727,600</b>	<b>3,602,448</b>	<b>(162,872)</b>	<b>20,186,693</b>	<b>6,928,544</b>	<b>(880,293)</b>	<b>(1,318,597)</b>	<b>27,713</b>	<b>(5,630,846)</b>	<b>356,260</b>	<b>76,761,794</b>
<b>Less: Commitment not yet spent</b>	<b>24,165,554</b>	<b>9,667,796</b>	<b>1,060,477</b>	<b>7,264,609</b>	<b>-</b>	<b>16,713</b>	<b>251,908</b>	<b>2,313,960</b>	<b>1,979,090</b>	<b>783,845</b>	<b>2,788,320</b>	<b>106,084</b>	<b>938</b>	<b>-</b>	<b>-</b>	<b>819,106</b>	<b>51,218,401</b>
<b>Closing balance not yet committed</b>	<b>13,927,829</b>	<b>26,353,393</b>	<b>(2,248,296)</b>	<b>(14,568,402)</b>	<b>(607,762)</b>	<b>(16,106,767)</b>	<b>4,475,692</b>	<b>1,288,488</b>	<b>(2,141,962)</b>	<b>19,402,848</b>	<b>4,140,224</b>	<b>(986,377)</b>	<b>(1,319,535)</b>	<b>27,713</b>	<b>(5,630,846)</b>	<b>(462,846)</b>	<b>25,543,393</b>

City of Guelph  
Development Charge (DC) Project Financing Statement for 2020

Attachment-3

Capital Fund Transactions	Capital Account	Gross Capital Cost	DC Recoverable Cost Share					Non-DC Recoverable Cost Share				
			DC By-Law Period			Post DC By-Law Period		Other Reserve/ Reserve Fund Draws	Tax Supported Operating Fund Contributions	Rate Supported Operating Fund Contributions	Debt Financing	Grants, Subsidies Other Contributions
			DC Reserve Fund Draw	DC Debt Financing	Grants, Subsidies Other Contributions	Post-Period Benefit/Capacity Interim Financing	Grants, Subsidies Other Contributions					
WATER												
SPDVL TRANS/TRK-PH1-SPDVL:WLCH	PN0097	(383,747)	(191,874)							(191,873)		
YORK TRUNK-PH 2A - WATERWORKS	PN0109	(490)	(245)							(245)		
YRK TRK&PSLY FDRMN-PH3-YRK:VIC	PN0110	1,798	899							899		
HNLN:ELNGTON ST/CLR ST (W-I-3)	PN0244	13,870	10,321							3,549		
YORK TRUNK-PH 2B - TO VICTORIA	PN0257	610,166	317,217							292,949		
PAISLEY FEEDERMAIN-SILVER-RES	PN0268	466,496	419,877							46,619		
WELLGTN:EDINBG S-SIPHON REHAB	PN0692	7,910	3,955							3,955		
ERAMOSIA-METCALFE > GLENHILL	PN0748	149,164	20,387							128,777		
WHITELAW:SHOEMAKER-PAISLEY	PN0784	5,001	5,001							-		
Water and Wasterwater Servicin	PN0872	53,398	53,398							-		
PROPERTY NEEDS ASSESMENT	WD0028	26,884	13,442							13,442		
NEW SUPPLY	WT0002	1,167,956	1,167,956							-		
Wf-4 ROBERTSON BOOSTER UPGRADE	WT0015	47,358	23,679							23,679		
WS1-7 MASTERPLAN STUDIES	WT0023	2,548	2,548							-		
ZONE 2E ELEVATED TANK	WT0026	23,773	23,773							-		
CONSERVATION & EFFICIENCY	WW0106	43,696	43,696							-		
Subtotal - Water		2,235,781	1,914,030	-	-	-	-	-	-	321,751	-	-
WASTEWATER												
CLAIR/MALTBY SECONDARY PLAN	PL0022	43,852	39,416							4,436		
ARTH TRK-PH4-CROSS ST/MCDNL	PN0069	849,556	83,779							228,036		537,741
SPDVL TRANS/TRK-PH1-SPDVL:WLCH	PN0097	333,787	36,710							297,077		
STEVENSON SEWER:PH2-BENN-ERAM	PN0100	311,591	124,366							187,225		
YORK TRUNK-PH 2A - WATERWORKS	PN0109	72	94							(22)		
GRDN ST:LOWES RD/EDNBGH RD S	PN0142	29,383	29,383							-		
DOWNTOWN SERVICNG STUDIES	PN0167	12,771	7,334							5,437		
MAIN. HOLE COND ASSESSMENT PRG	PN0197	46,169	10,619							35,550		
WASTEWATER SEWER INVESTIGATION	PN0199	144,902	46,805							98,097		
I&I REDUCTION IMPLEMENTATION	PN0204	182,050	91,025							91,025		
W-WATER SEWER RELIN/REPR PRGM	PN0210	76,173	35,986							40,187		
YORK TRUNK-PH 2B - TO VICTORIA	PN0257	125,857	13,649							112,208		
CCTV Admin & Site Inspection	PN0750	66,640	(1,724)							68,364		
WHITELAW:SHOEMAKER-PAISLEY	PN0784	5,150	5,150							-		
GORDON ST SANITARY OVERSIZING	PN0866	8,955	8,955							-		
Water and Wasterwater Servicin	PN0872	160,193	160,193							-		
WWF1 DECOMMISSION GORDON SPS	SC0023	202,000	101,000							101,000		
SERVICING STUDIES - WASTEWATER	SC0029	134	103							31		
WWI0/WW54 FLOW MONITORING	SC0035	269,162	134,581							134,581		
DEVELPMNT W.WATER SERV STUDIES	SC0056	4,165	4,165							-		
PLANT GENERATORS	ST0001	251,651	238,339							13,312		
WWTP - UPGRADES & STUDIES	ST0002	623,850	183,884							439,966		
WWTP BIOSOLIDS FACILITY UPGRD	ST0003	86,872	(126,422)							213,294		
WWTP PHASE 2 EXPANSION	ST0004	84,243	84,243							-		
WWTP PROCESS UPGRADES	ST0005	1,428,922	(489,791)							1,918,713		

Capital Fund Transactions	Capital Account	Gross Capital Cost	DC Recoverable Cost Share					Non-DC Recoverable Cost Share				
			DC By-Law Period			Post DC By-Law Period		Other Reserve/ Reserve Fund Draws	Tax Supported Operating Fund Contributions	Rate Supported Operating Fund Contributions	Debt Financing	Grants, Subsidies Other Contributions
			DC Reserve Fund Draw	DC Debt Financing	Grants, Subsidies Other Contributions	Post-Period Benefit/Capacity Interim Financing	Grants, Subsidies Other Contributions					
SCADA UPGRADES	ST0006	99,575	(19,238)							118,813		
WASTEWATER MASTERPLAN	ST0008	237,505	237,505							-		
ENERGY EFFICIENCY MANAGEMENT	ST0009	236,486	34,523							201,963		
DIGESTER CLEANING PROGRAM	ST0013	634,096	44,459							589,637		
<b>Subtotal - Wastewater</b>		<b>6,555,762</b>	<b>1,119,091</b>	-	-	-	-	-	-	<b>4,898,930</b>	-	<b>537,741</b>
<b>STORMWATER</b>												
DOWNTOWN SERVICNG STUDIES	PN0167	4,561	3,412							1,149		
STORMWATER DRAINAGE OVERSIZING	SW0066	95,835	90,280							5,555		
SERVICING STUDIES	SW0068	6,587	5,250							1,337		
<b>Subtotal - Stormwater</b>		<b>106,983</b>	<b>98,942</b>	-	-	-	-	-	-	<b>8,041</b>	-	-
<b>SERVICES RELATED TO A HIGHWAY</b>												
WOODLAWN RD W	PN0002	31	15						16			-
NISKA RD:CITY BNDARY/DOWNEY RD	PN0046	200,021	133,717						-			66,304
WDLWN RD W: SLVRCRK PKW/REGAL	PN0059	463,937	226,234						224,105			13,598
SPDVL TRANS/TRK-PH1-SPDVL:WLCH	PN0097	72,647	252,257						(12,685)			(166,925)
YRK TRK&PSLY FDRMN-PH3-YRK:VIC	PN0110	12,264	8,584						3,680			-
GRDN ST:LOWES RD/EDNBGH RD S	PN0142	37,562	10,024						27,538			-
WATSON PW S:YORK-WATSON	PN0149	1,522	1,522						-			-
TRANSPORTATION STRATEGY & TDM	PN0174	37,907	18,463						19,444			-
RAILWAY CROSSINGS: EDINBURGH	PN0754	763	534						229			-
WHITELAW:SHOEMAKER-PAISLEY	PN0784	1,749	1,749						-			-
SIGNALS/INTERSECTION IMPROV	PN0869	185,574	(38,309)						(4,264)			228,147
ACTIVE TRANSPORTATION	RD0321	14,786	7,393						32,240			(24,847)
INT VICTORIA & CLAIR	RD0323	159	159						-			-
PTIF TRANS MASTER PL GUE-00	RD0337	197,592	97,729						97,729			2,134
HOIST FOR MAINTENANCE FACILITY	RD0351	66,570	66,570						-			-
TRAFFIC MGMT INITIATIVES	TF0008	16,194	8,097						(19,828)			27,925
NEW SIGNAL INSTALLATION	TF0014	980	882						98			-
CITYWIDE TRAFFIC MGMNT INITIAT	TF0026	80,165	35,480						17,836			26,849
<b>Subtotal - Services Related to a Highway</b>		<b>1,390,423</b>	<b>831,100</b>	-	-	-	-	-	<b>386,138</b>	-	-	<b>173,185</b>
<b>FIRE SERVICES</b>												
		-										
<b>Subtotal - Fire Services</b>		-	-	-	-	-	-	-	-	-	-	-
<b>POLICE SERVICES</b>												
POLICE HQ RENOVATIONS	PS0033	1,577,509	649,350						928,159			-
<b>Subtotal - Police Services</b>		<b>1,577,509</b>	<b>649,350</b>	-	-	-	-	-	<b>928,159</b>	-	-	-
<b>LIBRARY</b>												
MAIN BRANCH LIBRARY	LB0028	172,217	119						172,098			-
<b>Subtotal - Library</b>		<b>172,217</b>	<b>119</b>						<b>172,098</b>	-	-	-
<b>TRANSIT</b>												
CAD/AVL REPLACEMENT	TC0026	209,197	47,117						162,080			-

Capital Fund Transactions	Capital Account	Gross Capital Cost	DC Recoverable Cost Share					Non-DC Recoverable Cost Share				
			DC By-Law Period			Post DC By-Law Period		Other Reserve/ Reserve Fund Draws	Tax Supported Operating Fund Contributions	Rate Supported Operating Fund Contributions	Debt Financing	Grants, Subsidies Other Contributions
			DC Reserve Fund Draw	DC Debt Financing	Grants, Subsidies Other Contributions	Post-Period Benefit/Capacity Interim Financing	Grants, Subsidies Other Contributions					
OPERATIONS FACILITY	TC0059	5,090	5,090						-			-
MOBILITY VAN - EXPANSION	TM0005	228,866	179,932						11,313			37,621
COMMUNITY BUS 2018	TM0006	2,813,874	1,761,279						939,334			113,261
<b>Subtotal - Transit</b>		<b>3,257,027</b>	<b>1,993,418</b>	-	-	-	-	-	<b>1,112,727</b>	-	-	<b>150,882</b>
<b>ADMINISTRATION</b>												
2019 DC Study	GG0238	23,312	20,981						2,331			
LEASH FREE REVIEW 2018	PK0062	(8,394)	(5,666)						(2,728)			
PARKS & REC MASTER PLAN 2018	PK0073	40,285	40,285						-			
Trail Masterplan Update	PK0079	40,698	27,674						13,024			
PARKLAND DEDICATION BYLAW	PK0089	2,310	1,663						647			
ZONING BY-LAW REVIEW	PL0021	90,231	94,282						(4,051)			
CLAIR/MALTBY SECONDARY PLAN	PL0022	305,398	274,795						30,603			
HERITAGE INITIATIVES	PL0024	4,564	573						3,991			
HOUSING INIT MKTING & COMM	PL0049	600	279						321			
OFFICIAL PLAN REVIEW	PL0054	207,181	139,839						67,342			
URBAN DESIGN GUIDELINES	PL0056	3,433	1,367						2,066			
COMMUNITY IMPROVEMENT STUDIES	PL0057	31,258	14,066						17,192			
PTIF TRANS MASTER PL GUE-00	RD0337	63,839	63,839						-			
<b>Subtotal - Administration</b>		<b>804,715</b>	<b>673,977</b>	-	-	-	-	-	<b>130,738</b>	-	-	-
<b>INDOOR RECREATION</b>												
SOUTH END COMMUNITY CENTRE	RP0290	1,347,695	1,347,695									
<b>Subtotal - Indoor Recreation</b>		<b>1,347,695</b>	<b>1,347,695</b>	-	-	-	-	-	-	-	-	-
<b>OUTDOOR RECREATION</b>												
GUELPH TRAILS GROWTH	PK0002	301,852	271,691						30,161			-
EASTVIEW COMMUNITY PARK	PK0014	141,940	127,746						14,194			-
CEDERVALE PARK	PK0030	3,272	2,945						327			-
ELLIS CREEK PARK	PK0047	(9,247)	(8,322)						(925)			-
RIVERWALK	PK0060	24	22						2			-
PARKS & REC MASTER PLAN 2018	PK0073	38,567	30,683						7,884			-
PEDESTRIAN RAILWAY BRIDGE	PK0075	88,543	39,799						(89,198)			137,942
DALLAN MASTER PLAN & CONST	PK0076	14,283	12,855						1,428			-
STARWOOD PARK	PK0104	3,754	3,378						376			-
PARKS EQUIPMENT GROWTH	PO0014	11,952	10,757						1,195			-
TRAILER	PO0042	10,000	9,000						1,000			-
<b>Subtotal - Outdoor Recreation</b>		<b>604,940</b>	<b>500,554</b>	-	-	-	-	-	<b>(33,556)</b>	-	-	<b>137,942</b>
<b>PARKING</b>												
WILSON ST PARKADE	PG0078	74,171	(49)							74,220		
<b>Subtotal - Parking</b>		<b>74,171</b>	<b>(49)</b>	-	-	-	-	-	-	<b>74,220</b>	-	-
<b>PARAMEDIC SERVICES</b>												
EQUIPMENT GROWTH	PM0003	71,709	39,697						4,404			27,608
<b>Subtotal - Paramedic Services</b>		<b>71,709</b>	<b>39,697</b>	-	-	-	-	-	<b>4,404</b>	-	-	<b>27,608</b>



Capital Fund Transactions	Capital Account	Gross Capital Cost	DC Recoverable Cost Share					Non-DC Recoverable Cost Share				
			DC By-Law Period			Post DC By-Law Period		Other Reserve/ Reserve Fund Draws	Tax Supported Operating Fund Contributions	Rate Supported Operating Fund Contributions	Debt Financing	Grants, Subsidies Other Contributions
			DC Reserve Fund Draw	DC Debt Financing	Grants, Subsidies Other Contributions	Post-Period Benefit/Capacity Interim Financing	Grants, Subsidies Other Contributions					
<b>WASTE DIVERSION</b>												
ADMIN BUILDING RENEWAL	WC0003	43,984	16,632						27,352			
COLLECTION CARTS GROWTH	WC0024	191,485	27,876						163,609			
BINS	WC0029	21,636	(2,778)						24,414			
PDO SCALES AND SOFTWARE UPGRAD	WP0006	71,363	10,198						61,165			
SOLID WASTE MASTER PLAN	WP0008	259,100	62,520						196,580			
<b>Subtotal - Waste Diversion</b>		<b>587,568</b>	<b>114,448</b>	-	-	-	-	-	<b>473,120</b>	-	-	-
<b>TOTAL</b>		<b>18,786,500</b>	<b>9,282,372</b>	-	-	-	-	-	<b>3,173,828</b>	<b>5,302,942</b>	-	<b>1,027,358</b>

**Amount Transferred to Capital (or Other) Funds - Operating Fund Transactions**

Operating Fund Transactions	Annual Debt Repayment	DC Reserve Fund Draw		Post DC By-Law Period			Non-DC Recoverable Cost Share		
		Principle	Interest	Principle	Interest	Source	Principle	Interest	Source
SERVICES RELATED TO A HIGHWAY	1,465,499		296,240						
POLICE SERVICES	835,834		308,316						
PARKING	288,371		107,371						
HEALTH	685,221		47,054						

## Debt Activity

	2020 Opening Balance	Principal Payment	Interest Payment	2020 Ending Balance
Payable				
Tax Supported	63,117,797	9,217,814	1,990,538	53,899,983
Non-tax Supported	14,517,985	743,438	446,503	13,774,547
Development Charge	36,321,996	2,515,944	776,204	33,806,052
Sub-total Payable	113,957,778	12,477,197	3,213,245	101,480,582
Receivable				
Tax Supported	17,187,800	689,363	426,637	16,498,437
Sub Total Receivable	17,187,800	689,363	426,637	16,498,437
Net Payable	96,769,978	11,787,834	2,786,608	84,982,145

# Staff Report



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To	<b>Committee of the Whole</b>
Service Area	Corporate Services
Date	Monday, May 3, 2021
Subject	<b>2020 Year-end Capital Budget Monitoring Report</b>

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## Recommendation

1. That in accordance with the 2020 Year-end Capital Budget Monitoring Report dated May 4, 2021, reallocations BR-20CAP-38 and BR-20CAP-40 in Table 3 of Attachment-3 2020 Capital Budget Reallocations be approved at a net zero change to the 2020 approved capital budget.
  2. That in accordance with the 2020 Year-end Capital Budget Monitoring Report dated May 4, 2021, budget adjustment BR-21CAP-28 in Attachment-1 Additional Approved Capital Funding be approved at a net budget increase of \$240,000 to the 2021 approved capital budget.
  3. As a result of the new provincial On-Site and Excess Soil Regulation, and understanding that impacted projects may result in costs in excess of approved capital budget of approximately \$5 million, that a one-time strategy to authorize staff to proceed with these projects in 2021 while reporting on these over budget requirements as part of the quarterly budget monitoring reports be approved.
  4. That staff seek Council funding approval of the total budget requirement resulting from the On-Site and Excess Soil Regulation at year-end as part of the 2021 year-end budget monitoring report, if in-year capital budget surplus is not sufficient to mitigate this pressure.
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## Executive Summary

### Purpose of Report

This report provides a summary of the 2020 capital spending for the year ended December 31, 2020, and highlights significant capital project activity and milestones.

This report also serves to notify of any deviations from the approved capital plan and seek approvals for adjusted funding where required.

### Key Findings

On an annual basis, the City approves the capital budget. The 2020 capital budget is the City's plan to take care of its assets and plan for future growth while also focusing on the community's health and safety and meeting legislative requirements all while balancing affordability for our citizens and businesses.

For 2020, City Council approved a capital budget of \$151.6 million and as of December 31, 2020, had approved an additional \$8.3 million through special motions and/or due to receipt of additional funding (Attachment-1). This is in addition to the carry-over budget amount from 2019 unspent capital of \$157.2 million.

This report reflects 2020 spending totaling \$81.4 million; a decrease in spending from 2019 by \$20.1 million. This decrease can be mostly attributed to COVID-19 (COVID) due to delayed projects as a result of Provincial essential service restrictions and Council cost and cashflow mitigation measures. Vendor and supply challenges also persisted through a good portion of the year contributing to delays.

Further, staff continuity and capacity challenges continue to extend project timelines or delay project start dates as the City relies on temporary capital project managers that leave for full-time employment in the midst of projects. Staff will be reporting to Council in June in more detail regarding this growing capital staff-resourcing gap. It is important to note that while spending is down, this does not eliminate the need for those project budgets, as aging infrastructure backlogs continue to increase. A permanent staffing solution is required to address this growing capital program execution challenge.

Considering all the challenges that the pandemic brought in 2020, staff have been able to rebound the capital program considerably and the City has finished out 2020 with spending and commitments outstanding at year-end only 16% lower than the previous year.

Below is the capital activity for 2020, all numbers are in thousands.

Details are provided in Attachment-2.

<b>Capital variance</b>	<b>Tri-annual 3 (December 31)</b>	<b>Tri-annual 2 (August 31)</b>	<b>Tri-annual 1 (April 30)</b>
2019 carry-over budget	157,208	157,208	157,208 <sup>1</sup>
2020 capital budget, approved	151,590	151,590	151,590
2020 additional approved funding	8,338	3,315	2,699
Available capital funding for 2020	<b>317,136</b>	<b>312,113</b>	<b>311,497</b>
2020 capital spending	81,420	41,066	21,389
Open purchase orders (PO)	41,352	57,295	48,904
Projects closed	2,131	0	0
Total spending and commitments	<b>124,903</b>	<b>98,361</b>	<b>70,293</b>
Uncommitted approved budget	<b>192,233</b>	<b>213,752</b>	<b>241,204</b>

<sup>1</sup> 2019 Year-end Capital Variance Report 2020-25 dated May 25, 2020 reported a carry-over budget of 157,311 however, two journal entries were subsequently posted.

## Financial Implications

Substantial capital work has been completed in 2020 with \$81.4 million spent. The 2020 uncommitted carry-over budget into 2020 is \$192.2 million and will be spent in future years as on-going multi-year projects continue to progress. Work will continue corporately to focus on maintaining momentum in our capital programs and draw down the uncommitted approved budget.

Budget adjustments to the 2021 approved budget through this report include an additional \$240,000 to fund the budget deficit in MU0021 related to the Locomotive 6167 move as well as an estimated additional \$5,000,000 to carry out additional work in accordance with the On-Site and Excess Soil Regulation for capital projects in 2021. Staff will carry out any budget adjustments related to the regulation as required throughout the year to ensure timely procurement and construction of associated projects. Staff will report any in-year adjustments to Council through the quarterly budget monitoring reports and will seek formal Council approval for all adjustments as part of the 2021 year-end budget monitoring report.

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## Report

Staff is reporting on a tri-annual basis to ensure timely, transparent and meaningful reporting. This report provides a summary of the annual capital spending as of December 31, 2020 and highlights significant capital project activity and milestones.

Budget carried over from 2019 was \$157.2 million, Council approved a 2020 capital budget of \$151.6 million in December 2019; as well, capital budget additions of \$8.3 million have been made since that time; details are provided in Attachment-1.

This provides for a total available budget in 2020 of \$317.1 million.

The total year-to-date (YTD) capital spending is \$81.4 million, which is \$20.1 million less than 2019. This decrease can be mostly attributed to COVID due to delayed projects as a result of Provincial essential service restrictions and Council cost mitigation measures. Further, staff continuity and capacity challenges continue to extend project timelines or delay project start dates as the City often relies on temporary capital project managers that, at times, leave for full-time employment in the midst of projects.

Outstanding PO commitments total \$41.4 million as of December 31, which is \$2.0 million less than December 31, 2019. See Attachment-2 for a summary of 2020 capital activity.

**Table 1 - Year over Year Comparisons**

		Tri-annual 3	Tri-annual 2	Tri-annual 1
PO Commitments	2020	41,352	57,295	48,904
PO Commitments	2019	43,336	59,018	56,881
<b>Change</b>		<b>(1,984)</b>	<b>(1,723)</b>	<b>(7,977)</b>
Spending (cumulative)	2020	81,420	41,066	21,389

		<b>Tri-annual 3</b>	<b>Tri-annual 2</b>	<b>Tri-annual 1</b>
Spending (cumulative)	2019	102,239	55,402	19,303
<b>Change</b>		<b>(20,819)</b>	<b>(14,336)</b>	<b>2,086</b>

2020 was a challenging year for the City's capital program. The year started out with a robust plan to deliver on project work plans however in March that was altered by the COVID pandemic. In March of 2020 much of the capital program was put on hold as staff had to navigate around new government regulations and restrictions. Staff grappled with vague definitions within the regulation as to what was considered an essential project and what could continue as well as the need to manage the overall City's cashflow for which capital program plays a major part in the City's overall spending.

Staff were forced to pause and assess each project against guidelines developed internally through the COVID Construction Working Table, aimed at complying with the regulations put in place. As the City placed staff on declared emergency leave to respond to the financial pressures of the pandemic, capital projects were impacted due to a reduction in overall capacity to directly manage and support projects. Overall, approximately two months of progress were lost. In May, once all projects were allowed to continue, staff had to manage around vendors and contractors that were themselves dealing with project backlogs, staffing constraints and new public health guidelines for worksites.

Considering all the challenges that the pandemic brought in 2020, staff have been able to rebound the capital program considerably and the City has finished out 2020 with spending and commitments outstanding at year-end only 16% lower than the previous year.

### **Reallocations and Project Closures**

Throughout the year staff have the flexibility to reallocate budget between capital projects with approval from a combination of their General Manager and Deputy Chief Administrative Officer, as well as the City's Chief Financial Officer and Manager of Financial Strategy, depending on overall value. This allows for the management of overages within the approved budget envelope as all reallocations are a net zero impact to the approved budget. A listing of reallocations completed in 2020 can be found in Attachment-3.

It is typical for surpluses of completed projects to be reallocated to mitigate overages on ongoing projects. In 2020, a total of 33 capital project accounts were closed out.

At the end of 2020, staff evaluated all approved projects that had no spending or commitments within the previous 12-month period. After careful consideration of department work plans, project sequencing and existing staffing capacity, it was determined that four linear reconstruction projects totaling \$0.5 million could be closed out and re-budgeted in a future year as these projects would not be able to move forward within the next two years.

After all budget reallocations, total surplus funds returned to their original source amounted to \$2.1 million, see Attachment-4 for details.

## Staff Capacity

As previously indicated staff capacity plays a large factor in the City's ability to move projects forward in alignment with the [asset management plan](#) and to reduce the infrastructure gap.

The City has made great strides on providing funding for infrastructure renewal with consistent and focused contributions to infrastructure renewal reserve funds through the annual budget. However, staff resources need to grow along with the capital project funding in order to continue on the path to sustainability. A fulsome discussion around staff capacity and recommendations will be brought forward for Council's consideration through a dedicated staff report in June 2021.

## On-Site and Excess Soil Management Regulation

The introduction of [O. Reg 406/19 On-site and Excess Soil Management](#), effective in part on January 1, 2021 (will come into full effect January 1, 2022), has led to greater testing, handling, and documentation requirements for soil that is managed during a construction project. Presently, soils are re-used on site as much as possible, but by the nature of construction, especially linear works, excess soils are generated that must be moved off site for re-use or disposal at regulated landfill facilities. The City (as Owners), contractors and receiving sites for excess soils now have increased obligations for environmental stewardship, sustainability and responsibility to manage excess soils resulting from construction activities.

The City has implemented new practices as a result of the regulation, and through this work staff are identifying soil quality to be outside of the limits for disposal on an unregulated site. Once the soils are deemed unsuitable for re-use offsite, costs are incurred for additional handling, hauling and tipping fees at a regulated landfill site. A review of the City's linear reconstruction projects within Engineering and Transportation Department found that the estimated additional soil management costs for works currently underway and planned to commence in 2021 is approximately \$5,000,000. Based on the soil quality and volume, the percentage increase ranges from 2% to 34% of the project's capital budget with the average being 14%.

Going forward, staff are actively looking to mitigate budget risks and overall cost escalations by reviewing best practices to better characterize soil quality, on-site soils separation and possible interim storage alternatives. In addition, staff are developing a strategy and budget planning processes to better estimate funding required in the 2022 Capital Budget development across all the City's capital projects.

In 2021, staff will carry out any budget adjustments related to the regulation as required throughout the year to ensure timely procurement and construction of associated projects. Staff will report any in-year adjustments to Council through the quarterly budget monitoring reports and will seek formal Council approval for all adjustments as part of the 2021 year-end budget monitoring report.

## Program of Work Summaries

**(all figures reported in thousands unless otherwise noted)**

As in the previous tri-annual capital variance reports, this report follows the Program of Work (Program) format that was used during the 2020 budget. For fiscal year 2021, reporting on capital will be presented through a consolidated

quarterly operating and capital budget monitoring report. Capital will be reported in alignment with the [Strategic Plan](#) priorities to mirror the presentation of the 2021 budget.

Each Program provides a summary of available funding, spending YTD and outstanding PO commitments in the purchasing system. A summary of key projects, and any significant differences from the approved capital budget are included.

For further information on the City's current Tier-1 projects please visit the [Tier-1 project webpage](#).

## Contaminated Sites

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

<b>Capital variance</b>	<b>Tri-annual 3</b>	<b>Tri-annual 2</b>	<b>Tri-annual 1</b>
2019 carry-over budget	5,174	5,174	5,174
2020 capital budget, approved	3,750	3,750	3,750
2020 additional approved funding	240	240	0
Available capital funding for 2020	<b>9,164</b>	<b>9,164</b>	<b>8,924</b>
2020 capital spending	1,098	582	275
Open POs	1,017	1,362	835
Projects closed	0	0	0
Total spending and commitments	<b>2,115</b>	<b>1,944</b>	<b>1,110</b>
Uncommitted approved budget	<b>7,049</b>	<b>7,220</b>	<b>7,814</b>

Substantial completion has been reached on the Snow Disposal Facility and the project will remain in warranty until the end of 2021. At year-end, \$687 remained in uncommitted budget and it is expected to come in under budget.

Goldie Mills remediation work has been completed and the site re-opened to the public in February 2021. Trees are still to be planted and it is expected that the project will be closed out in the second quarter of 2021 (Q2).

The uncommitted budget included several large multi-year projects such as Beverley Street Monitoring and Remediation (\$2,259) and Baker Street Remediation (\$1,204). It also included \$2,369 for Historical Landfill Investigation work, which could not be tendered in 2020 due to a lack of staff resources, however it is anticipated that it will be tendered in Q2 2021.



## Corporate Projects

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

<b>Capital variance</b>	<b>Tri-annual 3</b>	<b>Tri-annual 2</b>	<b>Tri-annual 1</b>
2019 carry-over budget	17,307	17,307	17,307
2020 capital budget, approved	17,188	17,188	17,188
2020 additional approved funding	5,536	166	(45)
Available capital funding for 2020	<b>40,031</b>	<b>34,661</b>	<b>34,450</b>
2020 capital spending	15,541	8,332	4,430
Open POs	7,506	6,915	8,164
Closed projects	75	0	0
Total spending and commitments	<b>23,122</b>	<b>15,247</b>	<b>12,594</b>
Uncommitted approved budget	<b>16,909</b>	<b>19,414</b>	<b>21,856</b>

The contract to begin work on the City's fibre optic network to connect all City-owned locations and City traffic controllers was awarded in late 2020. This multi-year project, budgeted over the next five years, will see significant spending beginning in 2021.

2020 planned fleet replacements for Operations was over 94% complete at year-end, with vehicles either received or on order. Vehicles received in 2020 include replacements of five tandem axle dump trucks with winter control systems and an ice re-surfacer.

In the Planning and Building Services department, significant work has occurred throughout 2020 on the zoning by-law review, Clair/Maltby Secondary Plan and the Official Plan review and implementation. However, the Urban Design guideline project was paused due to COVID and is now planned for 2021.

Projects included in the \$18,191 of uncommitted budget were \$2,553 for the Operations Campus planning which is now underway but was delayed by COVID and Courts facility renewal, including masonry and window restoration, with an uncommitted budget of \$1,144 which is expected to be tendered later in 2021.

The multi-year implementation of a Corporate Maintenance Management System with uncommitted budget of \$3,060 at year-end is anticipated to have the contract awarded in early 2021. However, staff have determined that additional budget will be required to complete this project successfully. Staff are working on a comprehensive plan and budget adjustment which will be brought to Council through the 2022 budget.

## Emergency Services

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

<b>Capital variance</b>	<b>Tri-annual 3</b>	<b>Tri-annual 2</b>	<b>Tri-annual 1</b>
2019 carry-over budget	4,904	4,904	4,904
2020 capital budget, approved	5,399	5,399	5,399
2020 additional approved funding	681	681	399
Available capital funding for 2020	<b>10,984</b>	<b>10,984</b>	<b>10,702</b>
2020 capital spending	6,549	3,343	2,445
Open POs	922	2,609	1,906
Closed projects	24	0	0
Total spending and commitments	<b>7,495</b>	<b>5,952</b>	<b>4,351</b>
Uncommitted approved budget	<b>3,489</b>	<b>5,032</b>	<b>6,351</b>

2020 Spending on Emergency Services (Paramedics, Fire and Police) focused on lifecycle replacement of vehicles and equipment including protective gear for front-line staff such as body armour for Police and bunker gear for Fire.

Paramedics replaced three ambulances and one light duty vehicle in 2020. Alterations have also begun on the new downtown paramedic station which once in service will replace the Delhi Street paramedic's location.

Fire Services also had significant facility renewal by way of the roof replacement at Fire Headquarters on Wyndham Street North.

The uncommitted budget at the end of 2020 of \$3,489 included the replacement of a Fire pumper/aerial truck (\$1,800) and over \$1,700 in Police I.T. hardware replacement and other various Police equipment replacements being coordinated around specific construction milestones at the Guelph Police Service Headquarters.

## Open Spaces, Recreation, Culture and Library

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

<b>Capital variance</b>	<b>Tri-annual 3</b>	<b>Tri-annual 2</b>	<b>Tri-annual 1</b>
2019 carry-over budget	12,590	12,590	12,590

<b>Capital variance</b>	<b>Tri-annual 3</b>	<b>Tri-annual 2</b>	<b>Tri-annual 1</b>
2020 capital budget, approved	12,005	12,005	12,005
2020 additional approved funding	264	234	45
Available capital funding for 2020	<b>24,859</b>	<b>24,829</b>	<b>24,640</b>
2020 capital spending	9,251	4,718	1,700
Open POs	2,233	4,513	3,347
Closed projects	(7)	0	0
Total spending and commitments	<b>11,477</b>	<b>9,231</b>	<b>5,047</b>
Uncommitted approved budget	<b>13,382</b>	<b>15,598</b>	<b>19,593</b>

Several roof replacements at various facilities were ongoing throughout 2020 including at the Farmers' Market and River Run Centre. Roof replacement at the Sleeman Centre is also set to begin in 2021 with the tender closed in the first quarter of 2021.

Locomotive 6167 was successfully moved from its home on Farquhar Street to John Galt Park in November of 2020. However, unforeseen work had to be incurred due to many factors such as fibre conduit encountered during the excavation work for the new plinth structure, removal of contaminated soil and additional railings which had to be installed. These overages require that an additional \$240,000 in funding be approved by Council.

South End Community Centre (SECC) design and planning work continued throughout 2020 with final design revisions completed in early 2021 and the anticipated pre-qualification of vendors for construction in mid 2021. For further information on SECC please visit the [project's capital page](#).

In Parks and Culture and Recreation, 2020 saw lifecycle replacements completed for vehicles, playground equipment, sports fields, courts and facilities. Design work is also ongoing on Norm Jary Park and completed for the downtown pedestrian bridge. The Parks and Recreation Master Plan is also 75% complete.

The Program had \$13,382 of uncommitted budget remaining at the end of 2020. This included \$1,264 for recreation facilities work delayed due to reduced staffing levels from COVID. In Parks and Open Spaces, \$1,506 for new trail construction, which is dependant on developer timing and coordination, \$1,686 for construction of the new downtown pedestrian bridge, which will go to tender in the third quarter of 2021 (Q3), \$1,930 for parks facilities renewal (primarily the Hanlon Creek Park washroom and splash pad project which is now in the contract award stage) and \$1,199 for the Urban Forest Management Plan Implementation, which saw delays due to COVID.

## **Solid Waste Services**

This Program provides for continued customer service, growth, site compliance and maintenance of critical infrastructure required to maintain diversion of waste from

landfill. It minimizes landfill disposal costs while reducing the environmental footprint of waste management operations in the City.

<b>Capital variance</b>	<b>Tri-annual 3</b>	<b>Tri-annual 2</b>	<b>Tri-annual 1</b>
2019 carry-over budget	7,381	7,381	7,381
2020 capital budget, approved	2,213	2,213	2,213
2020 additional approved funding	274	274	300
Available capital funding for 2020	<b>9,868</b>	<b>9,868</b>	<b>9,894</b>
2020 capital spending	2,001	523	123
Open POs	2,618	2,752	2,505
Closed projects	1	0	0
Total spending and commitments	<b>4,620</b>	<b>3,275</b>	<b>2,628</b>
Uncommitted approved budget	<b>5,248</b>	<b>6,593</b>	<b>7,266</b>

A few projects are still behind schedule due to COVID deferrals earlier in the year including some equipment replacements, work at the organic waste processing facility and transfer station, as well as general site renewal projects.

Two single stream garbage packers were replaced in 2020 as part of their lifecycle replacement as well as asphalt resurfacing at the Waste Resource Innovation Centre. Other renewal projects completed include overhead door replacement, floor repairs, dust control system work, and sprinkler system work.

The public drop off scales is in final design with \$2,047 in uncommitted budget and along with a few other less significant projects make up the majority of overall solid waste uncommitted budget of \$5,248.

## **Stormwater Services**

This Program involves constructing, operating, maintaining and improving the City's existing stormwater management infrastructure for providing flood and erosion control, water quality treatment and environmental protection.

<b>Capital variance</b>	<b>Tri-annual 3</b>	<b>Tri-annual 2</b>	<b>Tri-annual 1</b>
2019 carry-over budget	9,229	9,229	9,229
2020 capital budget, approved	7,823	7,768	7,630
2020 additional approved funding	(120)	(1,046)	0
Available capital funding for 2020	<b>16,932</b>	<b>15,951</b>	<b>16,859</b>
2020 capital spending	3,763	1,228	851

<b>Capital variance</b>	<b>Tri-annual 3</b>	<b>Tri-annual 2</b>	<b>Tri-annual 1</b>
Open POs	3,173	3,484	1,805
Closed projects	183	0	0
Total spending and commitments	<b>7,119</b>	<b>4,712</b>	<b>2,656</b>
Uncommitted approved budget	<b>9,813</b>	<b>11,239</b>	<b>14,203</b>

Pond rehabilitation work completed in 2020 was almost a quarter of all stormwater spending. This work ensures that stormwater management ponds remain in working order to mitigate flood risks.

Linear work accounts for almost 40% of stormwater spending in 2020 and included work on the Arthur Trunk (Phase 4), York Road (Phase 2), and Stevenson Street North Reconstruction as the major drivers.

The Stormwater Master Plan is 50% completed with another \$635 in uncommitted budget remaining.

Several projects in the stormwater program remain paused or deferred due to COVID, staff capacity, changing priorities or for further assessment and review. These include Sewer Relining and Repair, New Tractor Mower for specialized use around stormwater management ponds, and Drainage Oversizing which account for \$1,023 of the uncommitted budget remaining at the end of 2020.

## **Transportation Services**

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

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

<b>Capital variance</b>	<b>Tri-annual 3</b>	<b>Tri-annual 2</b>	<b>Tri-annual 1</b>
2019 carry-over budget	16,848	16,848	16,848
2020 capital budget, approved	28,984	26,593	25,948
2020 additional approved funding	2,158	3,572	2,000
Available capital funding for 2020	<b>47,990</b>	<b>47,013</b>	<b>44,796</b>
2020 capital spending	16,369	8,537	4,509
Open POs	5,207	10,061	8,578
Closed Projects	448	0	0

<b>Capital variance</b>	<b>Tri-annual 3</b>	<b>Tri-annual 2</b>	<b>Tri-annual 1</b>
Total spending and commitments	<b>22,024</b>	<b>18,598</b>	<b>13,087</b>
Uncommitted approved budget	<b>25,966</b>	<b>28,415</b>	<b>31,709</b>

Linear work in the City's right-of-way typically consists of multi-year projects, which will carry large uncommitted budgets until the later stages of the project. These types of projects account for over half of the Transportation program's uncommitted budget at year-end.

A total of 14 transportation projects were closed out in 2020 and another handful reached the warranty stage including Bagot Street and College Avenue East. Metcalfe Street at Speedvale Avenue to Eramosa Road (Phase 1) has now completed its warranty period and will be closed out in 2021.

The multi-year project to upgrade the City's 13,000 streetlights with LED lights is now complete. The City has already begun to see benefits from this work including over \$750 in rebates received through the Save on Energy program and approximately \$400 in electricity savings. See the full [news release](#) for more details.

The Transit Fare Box Upgrade is expected to be completed in Q3 2021 within the revised budget (an additional \$115 was reallocated to this project). Several other Transit projects were still on hold at year-end due to COVID. Work schedules are now under review to determine when they can continue. These projects account for \$711 of the uncommitted budget.

Over \$10,000 of the uncommitted budget belongs to large scale multi-year Transit projects, specifically the Transit Operations Facility (\$5,716), Bus Replacement (\$2,407), and Terminal Upgrades and Expansion (\$1,265) which was delayed due to COVID, however, the RFP for consultant work is expected to be issued in Q2 of 2021.

## **Wastewater Services**

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

<b>Capital variance</b>	<b>Tri-annual 3</b>	<b>Tri-annual 2</b>	<b>Tri-annual 1</b>
2019 carry-over budget	30,760	30,760	30,760
2020 capital budget, approved	24,164	26,910	27,692
2020 additional approved funding	(575)	(3,067)	0
Available capital funding for 2020	<b>54,349</b>	<b>54,603</b>	<b>58,452</b>

<b>Capital variance</b>	<b>Tri-annual 3</b>	<b>Tri-annual 2</b>	<b>Tri-annual 1</b>
2020 capital spending	13,091	7,372	3,798
Open POs	8,275	10,608	7,066
Closed projects	935	0	0
Total spending and commitments	<b>22,301</b>	<b>17,980</b>	<b>10,864</b>
Uncommitted approved budget	<b>32,048</b>	<b>36,623</b>	<b>47,588</b>

Treatment process upgrades completed in 2020 include the sodium hypochlorite project (now in warranty), and the replacement of sand filters. Lystek (bi-product of the treatment process) odour control upgrades are now substantially complete.

Digester 4 cleaning is complete and structural repairs and gas proofing has reached substantial performance and is now in the warranty stage.

Multi-year capital works in progress at the Wastewater Treatment Plant account for over 65% of the program's uncommitted budget remaining at year-end with the remainder associated with the wastewater collection system.

Maintenance and investigation work of the sanitary sewer system including maintenance hole condition assessment and CCTV inspections were ongoing in 2020, however, the sewer reline and repair program was put on hold due to COVID.

Decommissioning of the Gordon Sewage Pumping Station is nearing completion and is expected to finish under budget.

Linear work in progress in the City's right-of-way with a sanitary sewer component included York Road Upgrades (in construction), Bristol Street Truck Sewer Upgrades (in design), Metcalfe Street reconstruction (in design). The reconstruction of Metcalfe Street was expected to be tendered in 2020 however due to a lack of staff resources it was pushed to 2021.

## **Water Services**

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

<b>Capital variance</b>	<b>Tri-annual 3</b>	<b>Tri-annual 2</b>	<b>Tri-annual 1</b>
2019 carry-over budget	53,015	53,015	53,015
2020 capital budget, approved	50,064	49,765	49,765
2020 additional approved funding	(120)	2,262	0
Available capital funding for 2020	<b>102,959</b>	<b>105,042</b>	<b>102,780</b>
2020 capital spending	13,757	6,430	3,257

<b>Capital variance</b>	<b>Tri-annual 3</b>	<b>Tri-annual 2</b>	<b>Tri-annual 1</b>
Open POs	10,399	14,990	14,697
Closed Projects	472	0	0
Total spending and commitments	<b>24,628</b>	<b>21,420</b>	<b>17,954</b>
Uncommitted approved budget	<b>78,331</b>	<b>83,622</b>	<b>84,826</b>

The Water Services program's uncommitted budget included \$58,629 in plant and equipment works, most notably the multi-year upgrades to the FM Woods Station (\$29,754), New Water Supply (\$5,743), Paisley Pump Upgrades (\$5,448), and the Clythe Water Treatment Plant (\$6,440). The remainder was attributed to work on the water distribution system.

Design of the Paisley Pump Upgrades was 75% complete with construction anticipated to begin by the end of 2021. Project kickoff for the Clythe Water Treatment Plant will proceed in 2021. This project includes a new pumping station and additional water storage capabilities.

Renovations to the heritage building at FM Woods Station is the first phase in the overall upgrades, they are expected to be completed in Q2 2021. The project is also moving forward in 2021 with pre-selection for pumps and surge tanks as well as pre-qualifications for construction with the planned award of the construction tender by the end of 2021.

Projects ongoing relating to the water distribution system included Wellington Street at Edinburgh Road South for Siphon Rehabilitation, installation of a watermain adjacent to the Hanlon Expressway from Wellington Street West to Clair Road West and Speedvale Avenue Road Reconstruction

## **Financial Implications**

Capital spending in 2020 was 20% lower than 2019, however staff have made tremendous strides to rebound capital work after unprecedented shutdowns and delays were caused by the COVID pandemic in 2020. PO commitments at year-end were only 5% below that of 2019.

The 2020 carry-over budget into 2021 is \$233.6 million (before commitments) and will be spent in future years as ongoing multi-year projects continue to progress. Work will continue corporately to focus on maintaining momentum in our capital programs and execute the uncommitted approved budget.

Budget adjustments to the 2021 approved budget through this report include an additional \$240,000 for MU0021 for the Locomotive move as well as an estimated additional \$5,000,000 to carry out additional work in accordance with the On-Site Excess Soil Regulation for capital projects in 2021. Staff will carry out any budget adjustments related to the regulation as required throughout the year to ensure timely procurement and construction of associated projects. Staff will report any in-year adjustments to Council through the quarterly budget monitoring reports and will seek formal Council approval for all adjustments as part of the 2021 year-end budget monitoring report.



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

## **Consultations**

Capital Steering Committee

## **Strategic Plan Alignment**

Reporting tri-annually on the progress of the City's capital program supports the Strategic Plan's Working Together for our Future pillar through maintaining a fiscally responsible local government.

## **Attachments**

Attachment-1 Additional Approved Capital Funding

Attachment-2 2020 Capital Spending as of December 31, 2020

Attachment-3 2020 Capital Budget Reallocations

Attachment-4 2020 Closed Capital Projects

## **Departmental Approval**

Greg Clark, CPA, CMA Manager, Financial Strategy & Long-Term Planning

## **Report Author**

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## **This report was approved by:**

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## **This report was recommended by:**

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Deputy Chief Administrative Officer

Corporate Services

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## Attachment-1 Additional Approved Capital Funding

<b>ID</b>	<b>Capital Account</b>	<b>Entry Description</b>	<b>Budget Increase / (Decrease) \$</b>
BR-20CAP-01	SL0003 City Wide LED Upgrade	Additional budget approved by Council January 27, 2020.	1,000,000
BR-20CAP-04	RD0358 Golds Court – Hanlon Creek Business Park	Additional budget approved per Closed Council report IDE-2019-04.	1,000,000
BR-20CAP-06	PS0044 Information Technology Hardware	Realign capital items from operating budget to capital.	360,500
BR-20CAP-06	PS0046 Furniture Replacement	Realign capital items from operating budget to capital.	21,000
BR-20CAP-06	PS0049 Equipment General	Realign capital items from operating budget to capital.	13,600
BR-20CAP-08	WP0008 Master Plan	Transfer from Smart Cities Food Future Budget (Operating) to capital for the Guelph/Wellington Solid Waste Management Master Plan and Food and Food Waste Initiative.	140,000
BR-20CAP-17	WC0015 Inventory and Condition Assessment	Grant funds received from the Continuous Improvement Fund from Waste Diversion Ontario.	160,272
BR-20CAP-18	PS0044 Information Technology Hardware	Grant funds received from Provincial Strategy to Protect Children from Sexual Abuse and Exploitation on the Internet.	3,863
BR-20CAP-20	AM0013 Equipment Replacement	Additional funding received for sale of asset (15 monitor/defibrillators).	141,623
BR-20CAP-46	PK0124 Oliver Street Parkette	Additional funding from Parkland Reserve Fund for the purchase of Oliver Street Parkette per Closed Council report dated Aug 24, 2020.	474,454
BR-20CAP-50	PO0037 Urban Forest Study	Funding from Developer for planting that could not be completed this season so that the City can complete at later date.	30,000

<b>ID</b>	<b>Capital Account</b>	<b>Entry Description</b>	<b>Budget Increase / (Decrease) \$</b>
BR-20CAP-52	SS0025 Baker Street Partnership Development 2018	Additional funding approved by Council October 7, 2020 for Baker Street.	1,500,000
BR-20CAP-55	IT0047 Software Replacement	Budget reduction on reallocation to maintain the original funding allocation of the project.	(8,900)
BR-20CAP-59	CC0001 Child Care - County	To adjust the budget to reflect the level of estimated budget for County capital projects.	420,645
BR-20CAP-59	OW0001 Ontario Works - County	To adjust the budget to reflect the level of estimated budget for County capital projects.	141,414
BR-20CAP-59	SH0001 Social Housing - County	To adjust the budget to reflect the level of estimated budget for County capital projects.	2,838,776
BR-20CAP-73	SC0030 Trunk Sewer Investigation	Reduce budget by 50% as funds no longer required.	(575,000)
BR-20CAP-79	IT0086 Corporate Voice Replacement	Additional funds received from Alectra for phone system upgrades managed by the City.	145,700
BR-20CAP-80	PN0126 Road Restoration and Resurfacing Program (2020 and prior)	Additional funds received from CN Railway.	197,900
BR-20CAP-83	IT0065 Human Capital Management Suite	Realign budget from operating.	300,000
BR-20CAP-86	PN0707 Prosperity 2030	Grant funding received from Invest Canada – Community Initiatives (ICCI).	31,700
2020 Total	n/a	n/a	8,337,547
BR-21CAP-28	MU0021 Locomotive 6167 Move	Additional funding from City Building Reserve Fund (159) for overages and the estimated costs to complete and close out the project in 2021.	240,000
2021 Total	n/a	n/a	240,000

## Attachment-2 2020 Capital Spending as of December 31, 2020 (000s)

Program	2019 carry-over budget	2020 capital budget, approved	2020 additional approved funding	2020 capital spending	Open POs	Closed Projects	Total spending and commitments	Uncommitted approved budget
Contaminated Sites	5,174	3,750	240	1,098	1,017	0	2,115	7,049
Corporate Projects	17,307	17,188	5,536	15,541	7,506	75	23,122	16,909
Emergency Services	4,904	5,399	681	6,549	922	24	7,495	3,489
Open Spaces, Recreation, Culture and Library	12,590	12,005	264	9,251	2,233	(7)	11,477	13,382
Solid Waste Services	7,381	2,213	274	2,001	2,618	1	4,620	5,248
Stormwater Management	9,229	7,823	(120)	3,763	3,173	183	7,119	9,813
Transportation Systems	16,848	28,984	2,158	16,369	5,207	448	22,024	25,966
Wastewater Services	30,760	24,164	(575)	13,091	8,275	935	22,301	32,048
Water Services	53,015	50,064	(120)	13,757	10,399	472	24,628	78,331
<b>Total Capital Program</b>	157,208	151,590	8,338	81,420	41,352	2,131	124,903	192,233

Note: May not add due to rounding.

## Attachment-3 2020 Capital Budget Reallocations (net zero change in total approved budget)

Table 1 – Summary of reallocations under \$100,000

<b>Description</b>	<b>Amount \$</b>
To fund project shortfall during project planning/procurement	162,600
To fund project during execution	233,500
To fund project deficit on project completion	274,410

Table 2 - Reallocations greater or equal to \$100,000 and under \$500,000

<b>ID</b>	<b>Transfer From</b>	<b>Transfer To</b>	<b>Entry Description</b>	<b>Amount \$</b>
BR-20CAP-05	PN0871 Stormwater Master Plan (\$120,000)  WT0009 Groundwater Protection (\$120,000)	PN0681 Environmental Data Management	Additional funding required for On-Premise Environmental Data Management System.	240,000
BR-20CAP-11	WC0006 Resource Innovation Centre Equipment Replacement	WC0003 Administration Building Renewal	Moving project funds to complete design stage of the administration building expansion project.	132,000
BR-20CAP-29	RB0003 Bridge Reconstruction	RB0011 Bridge and Structure Renewal Program	To reallocate uncommitted funds for bridge and structure renewal.	129,700
BR-20CAP-33	PN0060 Wyndham St - Phase 1 - Carden to MacDonell St	PN0061 Wyndham St - Phase 3 - Cork St to Douglas St	To reallocate funds to commence Environmental Assessment in 2020.	270,000
BR-20CAP-33	PN0060 Wyndham St - Phase 1 - Carden to MacDonell St	PN0879 Downtown Infrastructure Revitalization Program Coordination	To reallocate funds to commence Environmental Assessment in 2020.	370,000

<b>ID</b>	<b>Transfer From</b>	<b>Transfer To</b>	<b>Entry Description</b>	<b>Amount \$</b>
BR-20CAP-34	RB0011 Post 10yr Bridge and Structure Renewal Program	RB0013 MacDonell Bridge and Allans Structure Modifications (str 112, 131, 320)	To reallocate funds to for bridge and structure modifications.	200,000
BR-20CAP-35	RF0080 Facilities Renewal	CT0002 Culture Facilities Renewal	To reallocate funds for roof repairs at Sleeman and Farmers Market.	300,000
BR-20CAP-47	GG0245 Administration Facilities Renewal	FS0054 Facilities Renewal	Additional funding for Fire Hall #1 Roof.	240,000
BR-20CAP-51/ BR-20CAP-53/ BR-20CAP-62	GG0256 Clearing Account for Reallocations	PN0852 Sewer Emergency Repairs	Additional funding for Woodlawn/Woolwich emergency sewer repairs.	353,000
BR-20CAP-57/ BR-20CAP-78	TC0065 Guelph Transit Signage	TC0049 Fare Box Upgrade (PTIF GUE-002)	Transfer of funds for budget shortfall anticipated at completion.	115,000
BR-20CAP-72	PN0812 Wyndham Street South: Wellington Street East To Surrey Street East	GG0256 Clearing Account for Reallocations	Project closed and re-budgeted. Keeping account open for future budget in forecast.	152,000
BR-20CAP-72	PN0780 Delhi Street - Eramosa To Emma	GG0256 Clearing Account for Reallocations	Project closed and re-budgeted. Keeping account open for future budget in forecast.	100,000
BR-20CAP-72	PN0102 Water- Maple / Gordon (Ww-I-8)	GG0256 Clearing Account for Reallocations	Project closed and re-budgeted. Keeping account open for future budget in forecast.	149,249
BR-20CAP-72	PN0222 Edinburgh-Woodlawn / Lonsdale	GG0256 Clearing Account for Reallocations	Project closed and re-budgeted. Keeping account open for future budget in forecast.	76,000

<b>ID</b>	<b>Transfer From</b>	<b>Transfer To</b>	<b>Entry Description</b>	<b>Amount \$</b>
BR-20CAP-75	PN0748 Eramosa-Metcalf to Glenhill	GG0256 Clearing Account for Reallocations	To fund budget shortfall.	188,400
BR-20CAP-75	GG0256 Clearing Account for Reallocations	PN0061 Wyndham St - Phase 3 - Cork St to Douglas St	To fund budget shortfall.	28,400
BR-20CAP-75	PN0748 Eramosa-Metcalf to Glenhill	PN0061 Wyndham St - Phase 3 - Cork St to Douglas St	To fund budget shortfall.	31,600
BR-20CAP-76	GG0256 Clearing Account for Reallocations	PN0847 Manitoba Street- Ontario Street To Huron Street	To fund budget shortfall.	290,960
BR-20CAP-76	SW0094 Drainage Oversizing	PN0847 Manitoba Street- Ontario Street To Huron Street	To fund budget shortfall.	45,040
BR-20CAP-84	WT0010 Lead Replacement	PN0697 Watermain Maintenance (2020 and prior)	To fund budget shortfall.	275,700

Table 3 - Reallocations greater than \$500,000 (based on the total reallocated to one capital account)

<b>ID</b>	<b>Transfer From</b>	<b>Transfer To</b>	<b>Entry Description</b>	<b>Amount \$</b>
BR-20CAP-07	ST0018 Equipment Replacement and Upgrades	ST0014 Digester Structural Repair and Gas Proofing	To move funding from project ST0018 to project ST0014, approved by Council, report 2020-25 dated May 4, 2020.	677,000

<b>ID</b>	<b>Transfer From</b>	<b>Transfer To</b>	<b>Entry Description</b>	<b>Amount \$</b>
BR-20CAP-38 & BR-20CAP-40	PN0847 Manitoba Street- Ontario Street To Huron Street (\$270,400)	PN0100 Stevenson St N Reconstruction, Bennett Ave to Eramosa Rd. (\$575,200)	Additional funding for Stevenson St. to issue tender. To maintain original funding allocation in all accounts, excess funds were transferred to GG0256.	824,800
	PN0847 Manitoba Street- Ontario Street To Huron Street (\$249,600)	GG0256 Clearing Account for Reallocations (\$249,600)		
	GG0256 Clearing Account for Reallocations (\$132,300)			
	SW0062 Sewer Relining and Repair (\$137,500)			
	PN0222 Edinburgh- Woodlawn / Lonsdale (\$35,000)			



#### Attachment-4 2020 Closed Capital Projects (000s)

Program	# Closed	Positive/ (Negative) Variance as at December 31, 2020 (\$)	Grants (\$)	Development Charges (\$)	Rate Funding (\$)	Other (\$)	Tax Funding (\$)	Total Funding Returned
Contaminated Sites	0	-	-	-	-	-	-	-
Corporate Projects	5	75	-	14	32	0	29	75
Emergency Services	1	24	-	11	-	-	13	24
Open Spaces, Recreation, Culture and Library	3	(7)	-	(8)	-	0	0	(7)
Solid Waste Services	1	1	-	-	-	1	-	1
Stormwater Management	7	183	11	(47)	219	-	0	183
Transportation Systems	14	448	147	25	261	-	15	448
Wastewater Services	2	936	(48)	293	702	-	(11)	936
Water Services	0	472	-	21	362	-	90	472
Total Closed	33	2,131	109	309	1,575	1	137	2,131

# Staff Report



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To	<b>Committee of the Whole</b>
Service Area	Corporate Services
Date	Monday, May 3, 2021
Subject	<b>2020 Year-end Operating Budget Monitoring and Surplus Allocation and Deficit Funding</b>

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## Recommendation

1. That the net operating deficit of \$947,524 be allocated to or funded from the City's reserve and reserve funds or grants as follows:
    - a. Transfer from Safe Restart Transit Stream grant of \$3,814,405 to fund deficit in Transit Services.
    - b. Transfer from Safe Restart Operating Stream grant of \$2,069,019 to fund combined deficit in Parking Services, Ontario Building Code Services, and Court Services.
    - c. Transfer to the 100RE Reserve Fund (355) of \$1,000,000
    - d. Transfer to the City Building Reserve Fund (159) of \$1,524,115
    - e. Transfer to the Police Operating Contingency Reserve (115) of \$417,996
    - f. Transfer to the Library Operating Contingency Reserve (102) of \$200,000
    - g. Transfer to the Water Capital Reserve Fund (152) of \$63,791
    - h. Transfer to the Wastewater Capital Reserve Fund (153) of \$965,693
    - i. Transfer to the Stormwater Capital Reserve (165) of \$764,305
  2. That the remaining Phase 1 Safe Restart Transit Stream grant of \$1,282,130 be deferred and applied to expected COVID-related deficit from January 1 to March 31, 2021.
  3. That the remaining Phase 1 Safe Restart Operating Stream grant of \$4,842,081 be transferred to the Tax Operating Contingency Reserve (180) to be utilized for expected ongoing COVID-related deficits through 2021 and 2022.
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## Executive Summary

### Purpose of Report

To provide the 2020 year-end operating position of the City's tax supported and non-tax supported departments, subject to any adjustments resulting from the year-end external audit. Additionally, this report serves as Council's opportunity to approve the funding of the 2020 deficit in accordance with the Council-approved Surplus Allocation Policy and the General Reserve and Reserve Fund Policy.

### Key Findings

The [Third Quarter Operating Variance Report and Year-end Forecast](#) projected a year-end deficit of \$3.6 million combined for tax and non-tax supported budgets before any announced emergency financial relief funding from the provincial and

federal governments. The actual combined year-end position before applying any emergency relief funds is a deficit of \$947.5 thousand.

Both the provincial and federal governments have pledged financial support to municipalities to help alleviate the pressures resulting from the pandemic. Guelph received a total of \$12.0 million through the Safe Restart Phase 1 Funding for operating and transit streams. Of the total amount received, \$3.8 million of the Safe Restart Transit Stream will be required to offset the Transit deficit and \$2.1 million of the Safe Restart Operating Stream will be required to offset the deficits in Court Services, Parking Services, and Ontario Building Code Administration Services. The remaining \$6.1 million of Safe Restart Phase 1 funding remains to offset financial pressures in 2021 and 2022 as the financial impacts from the pandemic continue.

Council and staff have been very responsive and proactive in addressing the COVID pandemic, including providing relief for businesses and citizens who may be facing financial challenges. In total, the pandemic has resulted in an \$18.7 million shortfall in revenue and additional unbudgeted expenses of \$4.4 million (slightly better than third quarter projections of \$19.5 and \$4.8 respectively).

Council and staff recognized the urgent need to mitigate the impact of these losses and acted fast. This successfully resulted in estimated cost savings from mitigation measures of \$22.2 million (up from \$20.7 in the third quarter). The mitigation measures included; closure of facilities, service delivery changes, modified working environment for employees, redirected resources, 601 casual and seasonal part-time layoffs, halted non-critical hiring, and placed 127 full-time employees on declared emergency leave. These business decisions were not made lightly and were endorsed by Council early on in the pandemic as it was not known if municipalities would receive funding from the provincial and federal governments. Action needed to be taken quickly to ensure the City remained in a solid financial position throughout the pandemic.

The City could be feeling effects of the pandemic into 2023 and sound financial management is imperative to a fiscally responsible government capable of weathering various financial challenges. Full-time staff remain on lay-off due to facility closures as well as reduced demand for services resulting in reduced service levels. Staff continue to monitor facilities and service levels, in consultation with Public Health, and will return to normal business operations when it is safe to do so and when the demand for City services returns. The City is awaiting decisions by the University of Guelph and Conestoga College specifically related to service levels in Transit.

## **Financial Implications**

The City of Guelph is in a good financial position to be able to manage through COVID-related deficits in 2021 and 2022 so long as impacts are managed and losses are limited where possible. The financial stability of the City has been enabled by years of right sizing the budget, modernizing financial policies, and focusing on long-term financial planning. Staying on this course, being fiscally minded in service delivery will reap benefits for our community in future years. Multi-year budget is another tool the City has been exploring and will be seeking policy approval in June 2021 which will further solidify the financial stability of the City.

With the utilization of the Safe Restart Transit Stream grant, Council is able to allocate tax funding toward reducing the projected tax levy impacts of implementing the strategic priorities. For this reason, staff is recommending an allocation to the City Building Reserve Fund and 100RE Reserve Fund. These reserve funds are used for projects including the Baker District Library, energy retrofitting, transit fleet electrification, active transportation, and modernization of technology and customer service.

Staff have also received recommendations from Guelph Police Services Board (GPS) and Guelph Public Library Board (GPL) to direct surplus funds from their operations to their contingency reserves. These letters are attached in Attachments-2 and 3 respectively. City staff are comfortable with the request from GPS even though it will result in a reserve position in excess of target due to the likely one-time costs of reopening the Guelph Police Headquarters.

## **Report**

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

Council received the [Third Quarter Operating Variance Report and Year-end Forecast](#) on November 27, 2020. At that time staff projected a year-end \$2.6 million deficit for tax supported operating departments and \$947.5 thousand projected year-end deficit for non-tax supported operating departments as shown in Table 1 below.

**Table 1: Projected and actual year-end variance**

<b>Budget</b>	<b>Third Quarter Projected Year- end Variance \$</b>	<b>Actual 2020 Year-end Variance \$</b>
City Departments	(1,535,400)	(1,132,987)
General Revenues and Expenses	5,178,100	3,084,930
Local Boards	(981,000)	(1,203,577)
Grants, Outside Boards and Agencies	0	(76,072)
<b>Total Tax Supported Deficit</b>	<b>2,661,700</b>	<b>672,294</b>
Water Services	(1,073,000)	(63,791)
Wastewater Services	(1,916,000)	(965,693)
Ontario Building Code (OBC)	510,000	203,544
Court Services	1,253,000	450,408
Stormwater Services	(215,000)	(764,305)
Parking Services	2,388,000	1,415,067
<b>Total Non-tax Supported Deficit</b>	<b>947,000</b>	<b>275,230</b>

As part of the City's regular variance reporting process, departments were asked to provide comments on their financial results for the year-ending December 31, 2020. Table 2 provides a high-level summary for the year-end position of the City's tax supported and non-tax supported operations. More detailed information is provided in Attachment-1 2020 Year-end Operating Variance Report.

**Table 2: Summary of year end position**

<b>Operating Budget</b>	<b>Total Approved Expenditure (\$)</b>	<b>Year-end Variance (\$)</b>	<b>Variance as a percentage of Budget %</b>
City Departments	193,565,343	(1,132,987)	(0.6)
General Revenues and Expenses	74,826,843	3,084,930	4.1
Local Boards	61,444,069	(1,203,577)	(2.0)

<b>Operating Budget</b>	<b>Total Approved Expenditure (\$)</b>	<b>Year-end Variance (\$)</b>	<b>Variance as a percentage of Budget %</b>
Grants, Outside Boards and Agencies	30,690,627	(76,072)	(0.2)
<b>Total Tax supported deficit</b>	<b>360,526,882</b>	<b>672,294</b>	<b>0.2</b>
Water Services	30,432,289	(63,791)	(0.2)
Wastewater Services	33,949,117	(965,693)	(2.8)
OBC	3,591,200	203,544	5.7
Court Services	3,967,000	450,408	11.4
Stormwater Services	7,903,600	(764,305)	(9.7)
Parking Services	5,961,402	1,415,067	23.8
<b>Total Non-tax Supported deficit</b>	<b>85,804,608</b>	<b>275,230</b>	<b>0.3</b>

The COVID-19 pandemic has created unprecedented economic uncertainty, and municipalities, as frontline service providers, are particularly impacted by the health crisis; the City of Guelph is not an exception.

### **COVID-19 Variance Highlights**

The impact on revenues related to operations during the COVID-19 was a loss of \$18.7 million, and led to additional unbudgeted expenses of \$4.4 million. Through quick, proactive action, cost mitigation measures have resulted in corresponding cost saving of \$22.2 million. Due to the phased-in approach of the recovery, and seemingly unending public health crisis now spanning two fiscal years, the COVID-19 financial impacts on the City will not be fully known until City programming and services return to normal (or a new form of normal as the population gets vaccinated). Likely, the impacts will continue for years as the businesses and employment in our community change, working from home becomes more prevalent and the Province enacts new legislation to help mitigate pandemic emergencies in the future. Staff will continue to report the financial impacts of COVID through 2021 budget monitoring reports.

### **Revenue Impact**

Public Services

- Transit revenue - loss of \$7.8 million mainly due to lower transit fares which includes the cancellation of the U-pass for fall 2020 due to the University of Guelph offering online learning, and retailers and establishments not returning to normal operations. This projection also includes cancelled advertising revenues. Future Transit ridership will be dependent upon how quickly the community returns to using Transit services in a changed environment of online learning, virtual appointments and employees who are working from home. The revenue loss was partially offset by funding from the Safe Restart Transit Stream grant in the amount of \$3.8 million. Transit revenues are expected to remain below budget through 2021 and cost mitigation measures including service level reductions will correspondingly continue until such time that local university and college locations make a decision regarding in-person learning.
- Parks, Culture and Recreation - a combined revenue loss of \$5.6 million due to closure of facilities, cancellation of programs, shows, events, memberships, and events and bookings for most of the year. Guelph Museum and Recreation facilities were opened in the third quarter; however, programs and facilities were cancelled again in December. Financial impacts of cancellations will be noticeable into 2021.

#### Infrastructure, Development and Enterprise Services

- Solid Waste Services - revenue loss is \$180 thousand due to closure of the public drop-off and reduced tipping fees resulting from lower construction activity and demolition tonnage. In addition, revenue for the sale of carbon credits in the amount of \$298 thousand were transferred to the 100RE Reserve Fund in accordance with the reserve policy.
- Planning and Building Services - revenue loss of \$600 thousand due to a reduction in permit activity for legislated OBC Services.
- Parking Services - revenue loss of \$2.1 million due to waiver of monthly parking fees, loss of event parking revenue, and reduced demand for transient (daily) parking.
- Economic Development and Tourism - revenue loss of \$112 thousand due to lost rent at the Farmer's Market.
- Water and Wastewater Services - combined favourable revenue of \$1.1 million resulting from higher than expected Wastewater third-party service agreements and over-strength charges, partially offset by lower volumetric usage mainly from Industrial, Commercial and Institutional (ICI) consumption.

#### Corporate Services

- City Clerk's Office - revenue loss of \$91 thousand due to lost user fees, licenses and permits.
- Finance - revenue loss of \$75 thousand for lost property tax user fees and lower visa rebate fees.
- Court Services - revenue loss of \$1.6 million, mainly due to mandated closure of courts, reduced charge base, and no enforcement or collection activities taking place under the Provincial Offences Act. The revenue loss due to the closure of courts is shared between the City at 56 % and the County at 44%.

#### General Revenues

- Overall investment income was \$1.22 million higher than budgeted because of a special \$715 thousand distribution from the ONE Corporate Bond fund and a \$302 thousand distribution from the ONE Canadian Equity fund in December

2020, as well as \$100 thousand greater return than budgeted from the RBC Secondary markets account. However, \$1.9 million more interest than budgeted was transferred to reserve funds at year-end based on reserve fund balances, resulting in a \$700 thousand negative variance in operating investment income.

- Supplementary taxation revenue ended in a surplus of \$270 thousand offset by a deficit of \$951 thousand for the waiver of penalty and interest revenue on taxes.

#### Local Boards and Shared Services

- GPS - revenue loss of \$138 thousand due to lower number of record checks.
- GPL - revenue loss of \$215 thousand from lack of fines, room rentals, printing, and merchandise as a result of closure during the pandemic.

### **Expenditure Impact**

Since the emergency declaration by various levels of governments, the City has been dedicated to managing through the crisis; balancing both the need to protect the economic well-being of the City and dedication to public safety while continue to deliver necessary essential services to the community. When the Province proclaimed a state of emergency on March 17, 2020, City staff created a cost centre to track expenses directly related to COVID-19 response, and all departments were instructed to monitor the financial impact of COVID-19 on their operations, and reduce discretionary spending. The cost mitigation measures included: closure of facilities, service delivery changes, modified working environment for employees, redirected resources, 601 casual and seasonal part-time layoffs, halted non-critical hiring, and placed 127 full-time employees on declared emergency leave.

#### 1. Compensation

To mitigate the lost revenues being experienced, the City implemented a hiring freeze for non-essential positions creating savings through vacancies. Further, action was taken through the month of April with temporary layoffs of casual, part-time and full-time staff creating over \$1 million of savings per month during the layoff period. The overall compensation, inclusive of benefits, overtime, contract and other staffing related costs resulted in savings of \$10.7 million.

#### 2. Utilities

Overall energy and water expenditures are approximately \$1.9 million below budget reflected in Facilities and Energy Management due to facility closures and reduced consumption. In addition, with the LED streetlight conversion project complete, \$917 thousand was transferred to the Wastewater Capital Reserve Fund in accordance with the repayment plan of the LED streetlight conversion capital project.

As part of the 2021 budget, staff have maintained overall city energy and water budgets at 2020 levels with the exception of Wastewater Services, which continues to see electrical utility cost reductions under the Class 'A' Global Adjustment Program.

#### 3. Fuel

Fuel consumption and fuel prices have been lower than budgeted resulting in estimated savings of \$1.9 million reflected in Operations mainly due to lower



average price per litre at \$0.73 compared to the budgeted average of \$1.07 per litre. Staff have made an adjustment to realign the cost per litre to a three-year historical average in the approved 2021 budget.

#### 4. Additional COVID-19-related expenditures

The City incurred \$4.4 million in unplanned expenses for responding to the COVID emergency. These costs include additional cleaning staff and sanitizing supplies, personal protective equipment for frontline staff, and information technology solutions for a digital workforce.

#### 5. Winter Control

The City experienced fewer winter events than budgeted for in 2020 and the savings of \$468 thousand was transferred to the Environment and Utility Reserve in accordance with the reserve policy. As part of the 2022 budget, staff will consider adjusting this budget for average three-year historical experience and rely on this reserve fund for negative variances.

### **Safe Restart Grants**

Phase 1 of the Safe Restart Operating Stream grant of \$6,911,100 was received to help offset deficits resulting from COVID-19. Due to the various mitigation strategies implemented throughout 2020, the City only required \$2,069,019 and staff are recommending the balance of \$4,842,081 be transferred to the Tax Operating Contingency Reserve. The City also received \$1,384,000 in Phase 2 and eligible to receive \$3,684,802 in Phase 3 allocations of the Safe Restart Operating Stream, combined with remaining Phase 1 funds, the City has a total of \$9,910,883 available in 2021 and beyond.

The Phase 1 amount of funding received through the Safe Restart Transit Stream in 2020 was \$5,096,534. Of this amount \$1,282,130 will be deferred to help offset pressures through March 31, 2021. The City is eligible to receive \$6,383,730 in Phase 2 allocations of Safe Restart Transit stream, combined with remaining Phase 1 funds for a total of \$7,665,860 to support COVID-19 municipal transit pressures incurred from October 1, 2020 to March 31, 2021. Note, however, that Phase 2 funding will be distributed once reporting is completed and City will only receive funds for actual costs.

Furthermore, the City received \$4,972,037 in Phase 3 funding to support actual COVID-19 municipal transit pressures between April 1 and December 31, 2021 plus up to 50% of transit future-looking transformation changes (e.g. On-demand transit studies and pilots, structural/governance changes with neighbouring municipalities).

### **Allocation of the 2020 Operating Surplus and Deficit**

In accordance with City Council's approved Year-end Operating Surplus Allocation Policy, a primary consideration for the allocation of any year-end surplus or deficit is to transfer funds to operating reserves to smooth future volatility in operating costs and tax increases. This is provided as a general guideline and may be superseded in order to address more immediate financial needs, and taking a long-term strategic financial planning management by identifying and addressing potential future budget pressures.

## Operating Budget Surplus and Deficit Recommendation

That the total operating deficit of \$947,523 be funded from grants and allocated to the reserves and reserve funds as follows:

<b>Reserve</b>	<b>Amount \$</b>
Safe Restart Transit Stream grant	\$3,814,405
Transfer to Police Operating Contingency Reserve (115)	(417,996)
Transfer to Library Operating Contingency Reserve (102)	(200,000)
Transfer to 100RE Reserve Fund (355)	(1,000,000)
Transfer to City Building Reserve Fund (159)	(1,524,115)
Transfer to Water Capital Reserve Fund (152)	(63,791)
Transfer to Wastewater Capital Reserve Fund (153)	(965,693)
Transfer to Stormwater Capital Reserve (165)	(764,305)
Safe Restart Operating Stream Grant OBC	203,544
Safe Restart Operating Stream Grant Court Services	450,408
Safe Restart Operating Stream Grant Parking Services	1,415,067
<b>Total</b>	<b>\$947,524</b>

The rationale for the above transfers includes:

- The City received a formal request for \$200 thousand from GPL for funding to complete a Baker District Library fundraising campaign. See GPL Board letter in Attachment-3.
- The City received a formal request for \$417,996 from GPS to transfer this surplus to the Police Operating Contingency Reserve. There is expected to be one-time relocation expenses with the opening of the Police Headquarters that this contingency can support. See GPS Board letter in Attachment-2.
- A portion of the tax-supported utility and fuel savings transferred to the 100RE Reserve Fund to assist Council in meeting environmental objectives of the Strategic Plan and offsetting the budget pressure in 2022 and beyond.
- The transfer to the City Building Reserve Fund is recommended to inject one-time funds to help mitigate forecasted levy increases resulting from additional funds needed for Strategic Plan initiatives like the Baker District, Active Transportation, streetscaping and Transit growth.
- The transfer of surplus from Water, Wastewater, and Stormwater to the respective Capital Reserve is recommended based on financial restrictions that disallow the use of surplus from one business line to another.
- The transfer of funds from the Safe Restart Operating Stream grant to cover the deficit in OBC, Court Services, and Parking Services is recommended as the deficits directly resulted from the pandemic.

## **Financial Implications**

The City of Guelph is in a good financial position to be able to manage through the pandemic so long as impacts are managed and losses are limited where possible. The financial stability of the City has been enabled by years of right sizing the budget, modernizing financial policies, and focusing on long-term financial planning. The year-end operating position and the reserve and reserve fund positions are important factors considered in determining the City's overall fitness as assessed by an external credit rating agency. This credit rating affects the price at which the City can issue debt and therefore impacts the affordability of long-term capital projects for tax and rate payers of the City.

The City of Guelph received \$5.1 million and \$6.9 million under the Safe Restart Agreement Phase 1 for transit and operating stream respectively. Use of Safe Restart Phase 1 funding will enable the contingency reserves to remain intact and better position the City to be able to manage the long-term financial impacts of this pandemic without significant increases to the tax levy or user rates. It will provide the City with greater flexibility to respond to further impacts from the pandemic through 2021, and other unexpected events in the coming years.

## **Consultations**

Departments are responsible for managing their programs according to municipal standards and within the approved budget. The responsibility of monitoring the operating budget is shared by the operating departments and the Finance department. Department managers were provided financial reports based on their actual revenue and expenditures to December 31, 2020 with which they provided commentary in consultation with the Finance department.

## **Strategic Plan Alignment**

Reporting year-end results supports the Strategic Plan's Working Together for our Future pillar through maintaining a fiscally responsible local government.

## **Attachments**

Attachment-1 2020 Year-end Operating Surplus and Deficit

Attachment-2 Guelph Police Services Board Request for 2020 Surplus Allocation

Attachment-3 Guelph Public Library Board Request for 2020 Surplus Allocation

## **Departmental Approval**

Karen Newland, Manager Finance Client Services

## **Report Author**

Ron Maeresera, Senior Corporate Analyst

## **This report was approved by:**

Tara Baker

General Manager Finance/City Treasurer

Corporate Services

519-822-1260 extension 2084

[tara.baker@guelph.ca](mailto: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](mailto:trevor.lee@guelph.ca)

## Attachment-1: 2020 Year-end operating surplus and deficit

2020 Tax supported operating surplus and deficit

Department	Annual Net Budget 2020 \$	Actual Net Variance for December 31, 2020 (Favourable) / Unfavourable (\$)	Forecasted Variance for December 31, 2020 (Favourable) / Unfavourable (\$)
Mayor and Council	1,161,350	(120,071)	(45,000)
<b>Sub-total Mayor and Council</b>	<b>1,161,350</b>	<b>(120,071)</b>	<b>(45,000)</b>
CAO Administration	701,605	(269,630)	(180,000)
Strategy, Innovation and Intergovernmental Services	1,006,540	(87,205)	(167,000)
Internal Audit	283,048	(98,277)	(93,100)
Corporate Communications	1,310,560	(116,415)	(156,000)
Smart Cities Office	0	0	0
<b>Sub-total Office of the CAO</b>	<b>3,301,753</b>	<b>(571,527)</b>	<b>(596,100)</b>
IDE Administration	223,310	(46,497)	(32,000)
Planning and Building Services	3,646,295	(201,060)	(139,200)
Facilities and Energy Management	6,130,347	(202,464)	(955,000)
Engineering and Transportation Services	3,313,669	(366,829)	(616,000)
Environmental Services	13,077,100	(1,694,525)	(1,710,000)
Economic Development and Tourism	1845,720	(316,993)	(422,000)
<b>Sub-total Infrastructure Development and Enterprise</b>	<b>28,236,441</b>	<b>(2,828,368)</b>	<b>(3,874,200)</b>
Public Services Administration	446,930	(30,940)	0
Parks	10,394,355	(2,182,740)	(507,000)
Culture and Recreation	10,195,248	1,324,745	1,362,000
Guelph Transit	20,829,310	3,814,405	5,489,600
Operations	15,404,135	(340,587)	(2,668,700)
Fire Services	28,230,886	(703,614)	(121,500)

<b>Department</b>	<b>Annual Net Budget 2020 \$</b>	<b>Actual Net Variance for December 31, 2020 (Favourable) / Unfavourable (\$)</b>	<b>Forecasted Variance for December 31, 2020 (Favourable) / Unfavourable (\$)</b>
Guelph-Wellington Paramedic Services	6,959,295	457,292	500,000
<b>Sub-total Public Services</b>	<b>92,460,159</b>	<b>2,338,561</b>	<b>4,104,400</b>
Corporate Services Administration	329,680	(19,388)	(6,000)
Human Resources	2,962,885	(204,453)	(744,000)
Information Technology	3,438,870	171,422	15,500
City Clerk's Office	1,736,510	(69,155)	(80,000)
Finance	3,132,114	(387,524)	(504,000)
Legal, Realty and Court Services	1,559,830	557,516	194,000
<b>Sub-total Corporate Services</b>	<b>13,159,889</b>	<b>48,418</b>	<b>(1,124,500)</b>
<b>Total City Departments</b>	<b>138,319,592</b>	<b>(1,132,987)</b>	<b>(1,535,400)</b>
General Expenditures	8,763,706	233,977	(1,100,000)
General Revenues	(267,126,628)	(209,203)	1,781,000
COVID-19		2,799,686	4,497,100
Capital Financing	33,097,745	260,470	0
<b>Total General and Capital Financing</b>	<b>(225,265,178)</b>	<b>3,084,930</b>	<b>5,178,100</b>
<b>Total City Departments, General and Capital Financing</b>	<b>(86,945,586)</b>	<b>1,951,943</b>	<b>3,642,700</b>
Guelph Police Services	45,641,500	(417,996)	(719,000)
Guelph Public Library	9,622,212	(785,581)	(262,000)
The Elliott Community	1,580,457	0	0
<b>Sub-total Local Boards</b>	<b>56,844,169</b>	<b>(1,203,577)</b>	<b>(981,000)</b>
Wellington-Dufferin-Guelph Public Health	4,025,400	(123)	0
Social Services (County of Wellington)	22,884,317	(37,249)	0
<b>Sub-total Shared Services</b>	<b>26,909,717</b>	<b>(37,372)</b>	<b>0</b>
Grants	3,191,700	(38,700)	0

<b>Department</b>	<b>Annual Net Budget 2020 \$</b>	<b>Actual Net Variance for December 31, 2020 (Favourable) / Unfavourable (\$)</b>	<b>Forecasted Variance for December 31, 2020 (Favourable) / Unfavourable (\$)</b>
<b>Subtotal Local Boards, Shared Services and Grants</b>	<b>86,945,586</b>	<b>(1,279,649)</b>	<b>(981,000)</b>
<b>Total Tax Supported Budget</b>	<b>0</b>	<b>672,294</b>	<b>2,661,700</b>

2020 Non-tax supported operating surplus and deficit

<b>Department</b>	<b>Annual Gross Budget 2020 \$</b>	<b>Actual Net Variance for December 31, 2020 (Favourable) / Unfavourable ( )</b>	<b>Forecasted Variance for December 31, 2020 (Favourable) / Unfavourable ( )</b>
Water Services	31,608,009	(63,791)	(1,073,000)
Wastewater Services	33,949,117	(965,693)	(1,916,000)
Ontario Building Code	3,591,200	203,544	510,000
Parking Services	6,337,502	1,415,067	2,388,000
Court Services	4,202,100	450,408	1,253,000
Stormwater Services	7,903,600	(764,305)	(215,000)
<b>Total Non-tax Supported Budget</b>	<b>87,591,528</b>	<b>275,230</b>	<b>947,000</b>



## Guelph Police Services Board

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

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

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

April 16, 2021

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

Your Worship:

At its meeting on April 15, 2021, the Guelph Police Services Board was advised that there is an anticipated year-end surplus in the Guelph Police Service 2020 operating budget. The Board passed the following motion:

**THAT** the Guelph Police Services Board approve that the Guelph Police Service 2020 Preliminary Year End Surplus be transferred to the Police Operating Contingency Reserve and that this information be relayed to the City of Guelph.

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

I look forward to hearing from you.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Carter".

Robert Carter, Chair

Copies: Tara Baker, General Manager/City Treasurer, City of Guelph  
Gord Cobey, Chief of Police, Guelph Police Service  
Lisa Pelton, Financial Services Supervisor, Guelph Police Service





March 22, 2021

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

Your Worship:

At its meeting on March 16, 2021, the Guelph Public Library Board was advised that there is an anticipated year end surplus in the Guelph Public Library 2020 operating budget. The Board passed the following motion:

That the Guelph Public Library Board request from City Council that \$200,000 of the Guelph Public Library 2020 year-end surplus be transferred to the Library Operating Contingency Reserve for the purpose of conducting fundraising activities to support a library capital donation / sponsorship campaign, as requested by Council on October 6, 2020 (4.2 Clause 8).

The Guelph Public Library Board would respectfully request consideration of the aforementioned recommendation by Guelph City Council.

I look forward to hearing from you

Sincerely,

Scott R. Butler, Chair

Copies: Tara Baker, General Manager/City Treasure, City of Guelph  
Steven Kraft, Chief Executive Officer, Guelph Public Library