



## Guelph's Multi-Year Budget

# Building our City Budget

October 11, 2023



# Agenda overview

- Budget Structure
- Capital concepts
  - Asset management and infrastructure renewal
  - Growth
  - Service enhancement (formerly City Building)
- 2024-2027 key budget influences
  - Inflation
  - Reserve reversals
  - Making us whole – enabling the cost of growth
  - Federal and provincial pressures
  - Long-term facility overview
- Next steps



# Budget structure



# Municipal budget legislation

## Expenses

Gross City expenses

Local boards and shared services (net expenses)



## Revenues

Taxation

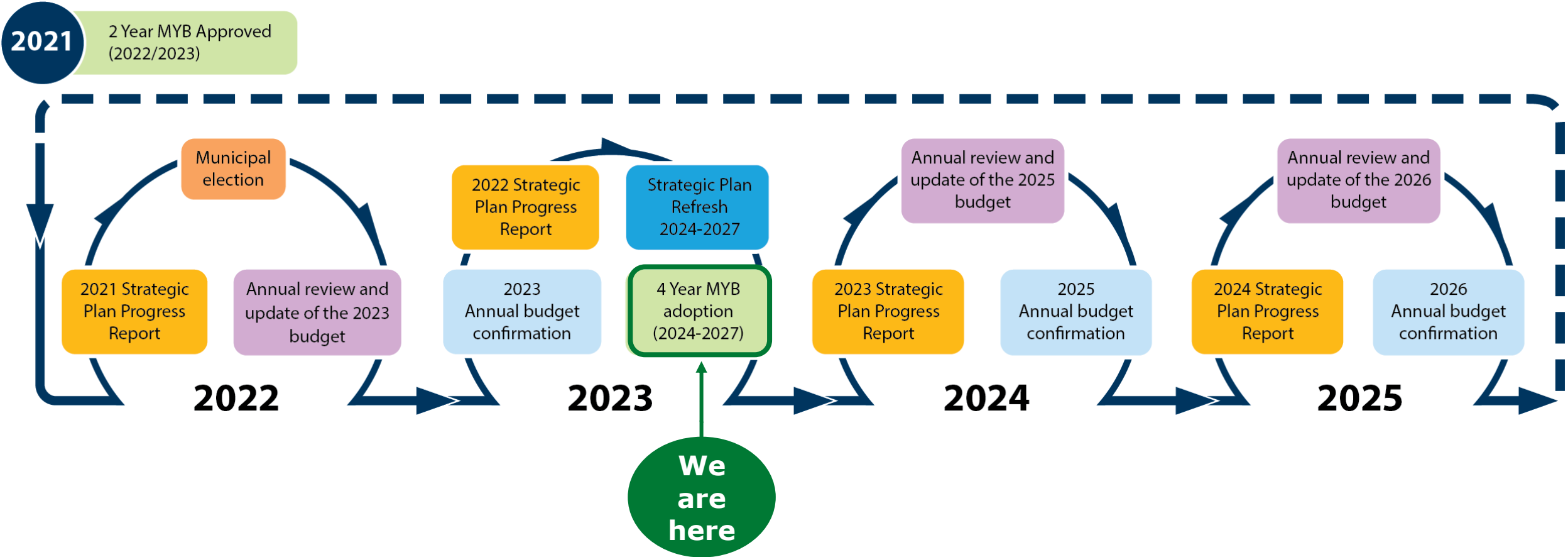
Grants

User fees, rates and charges

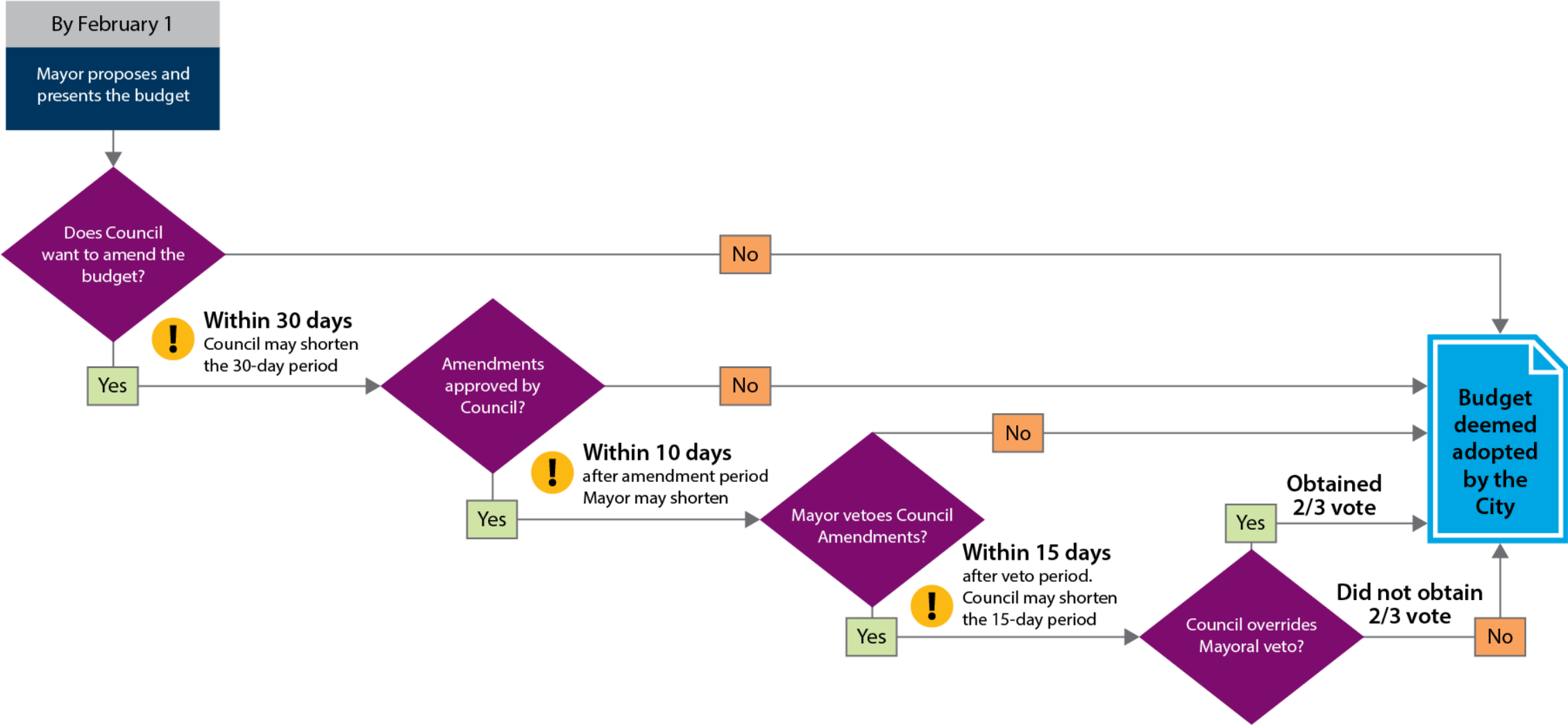
Licenses, permits investment income and recoveries

Other revenues

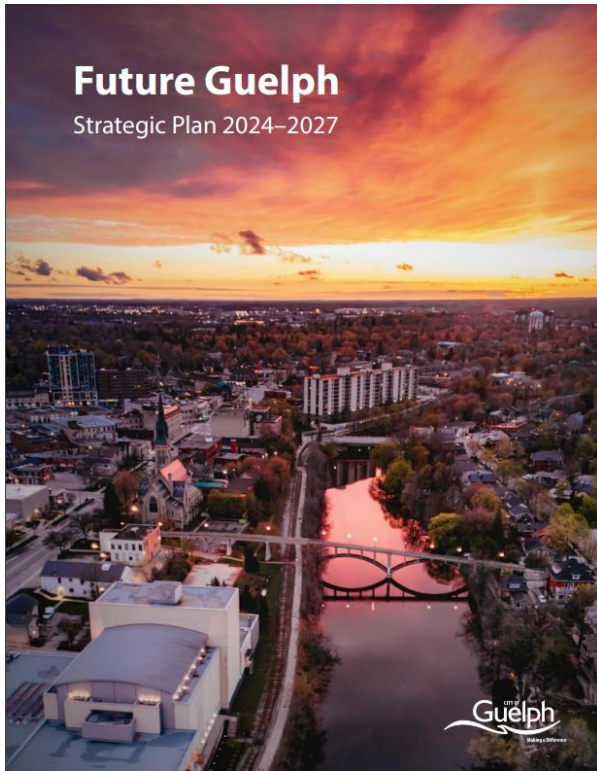
# Guelph's multi-year budget cycle



# Strong mayor: new budget process



# Budget – the tool that dictates the pace of Future Guelph



## Guelph's Multi-Year Budget

# Foundational financial principles

## Sustainability

- Ability to maintain services over an extended period of time.

## Vulnerability

- Level of resiliency within the City to handle unexpected negative factors.

## Flexibility

- Ability to adapt to changing opportunities and environments.



# Guelph's budget structure

## City department's budget



Operating

Tax supported

Non-tax supported



Capital

## Local boards and shared services



Guelph Police Services



Guelph Public Library

Guelph Public Library



County of Wellington



The Elliott Community



Wellington-Dufferin-Guelph Public Health

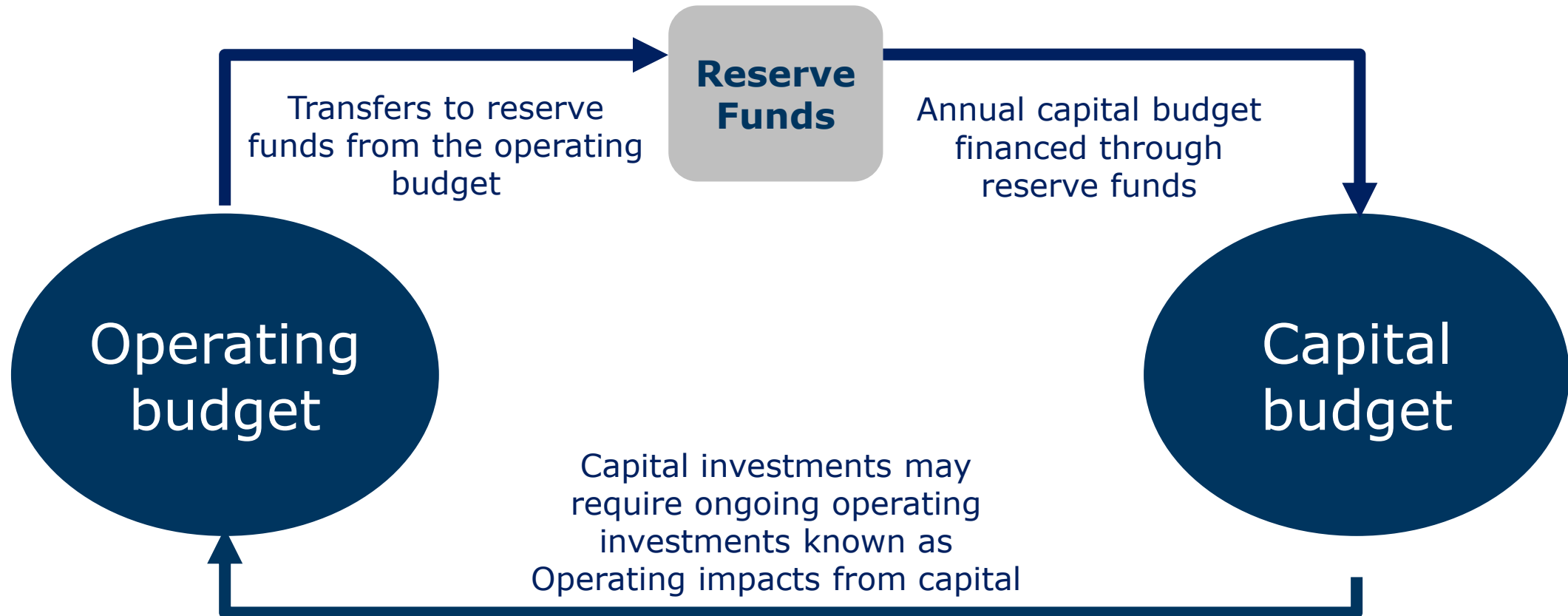


Grand River Conservation Authority



Downtown Guelph Business Association

# Connecting the operating and capital budget



# Capital concepts



# Capital funding strategies



Infrastructure renewal



Growth



Service  
enhancement



100% Renewable  
Energy (100RE)



Brownfield  
renewal

# Capital investment categories

## Infrastructure renewal

- Repair and replace existing assets
- Same standard / level of service

Asset management

Preventative maintenance

Unplanned capital repairs

Brownfield renewal

Maintaining service level for existing residents

## Growth

- Provide assets for a growing population
- Same standard / level of service for more people

Pre-development servicing

Capital works to support larger population

Same service level for larger population

Funding costs not covered by DCs

## Service enhancement

- New services or service enhancement
- Higher standard/level of service

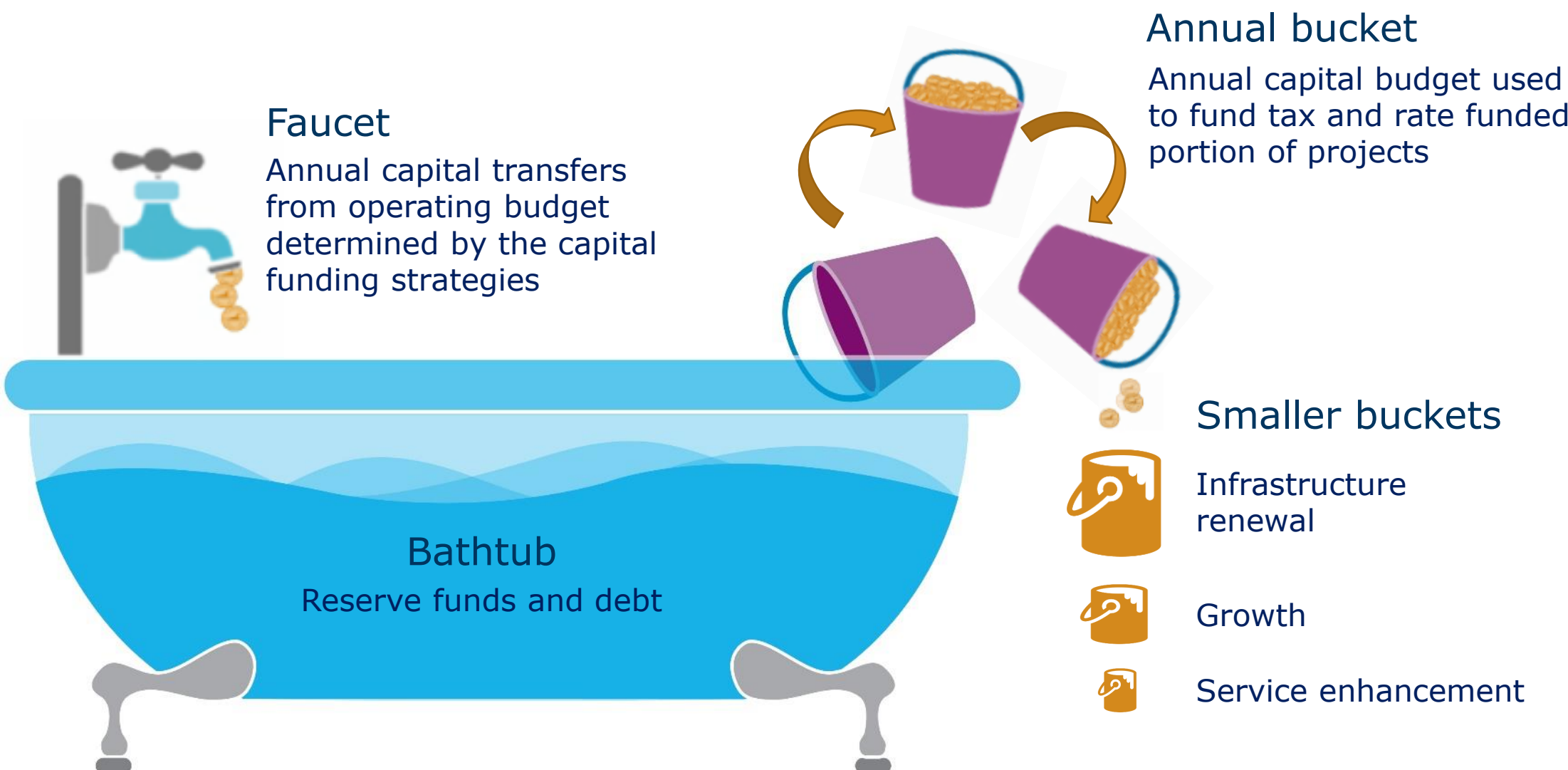
Service level enhancement

Strategic Plan initiatives

100 RE / Climate



# Connecting the operating and capital budgets



# Infrastructure renewal

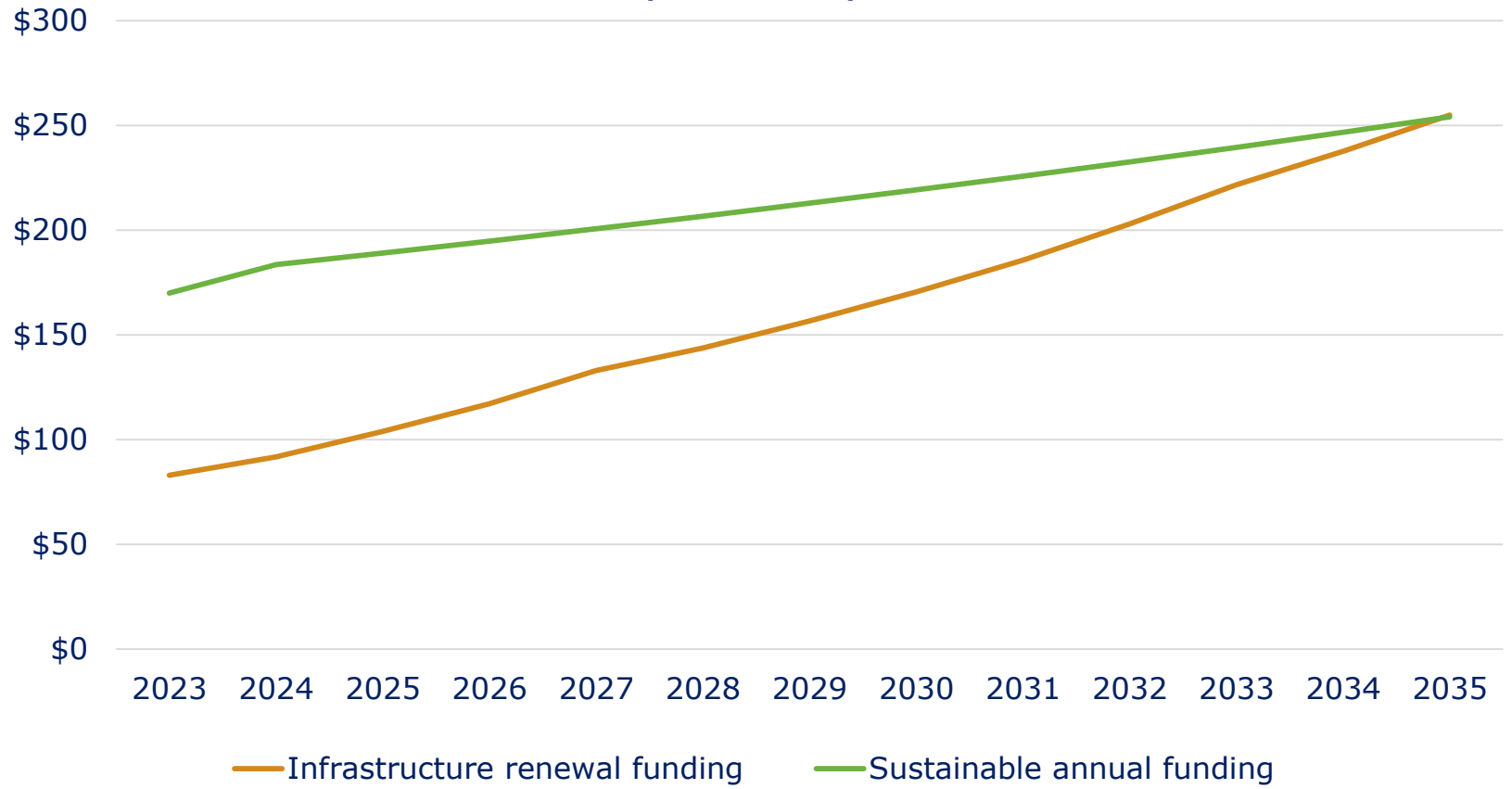
- Maintain existing assets
- Existing service standards
- Preventative maintenance
- Keeps what we own working and avoids breakdown
- Think about road patching and replacement
- Repairing and replacing a roof or pipe





# Infrastructure gap

Sustainable infrastructure renewal funding forecast  
(\$ millions)



# *Guelph's Asset Management Planning*



[Click here to play video](#)

# Asset management is regulated—O.Reg 588/17

All Ontario municipalities are mandated to incorporate asset management (AM) principles (O.Reg 588/17) in their planning and management strategies.

2016

City adopted AM

- AM policy
- AM strategy

AM plan development

- 2017
- 2020
- 2021

2024 AM plan

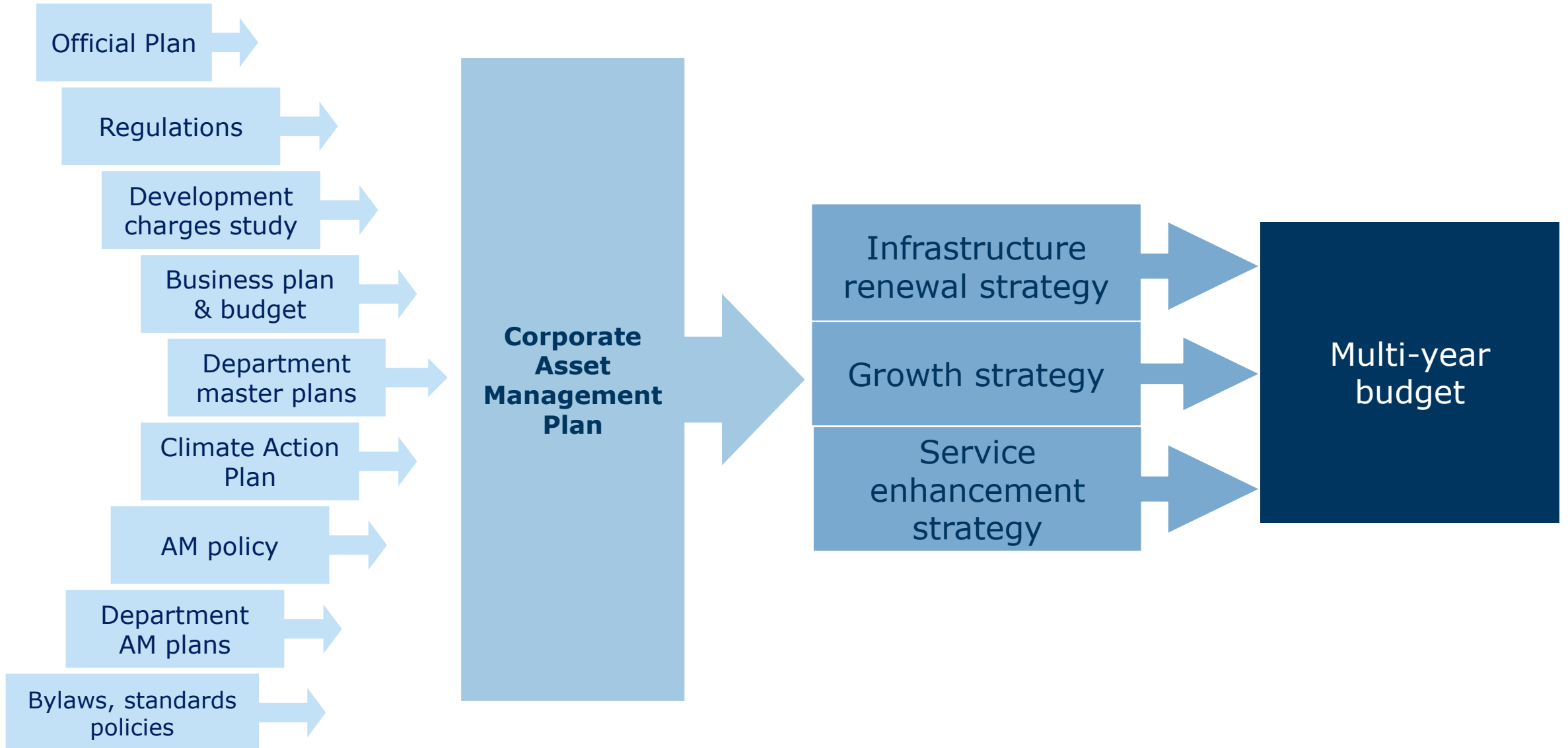
- Current levels of service
- Assets inventory

2025 AM plan

- Future levels of service



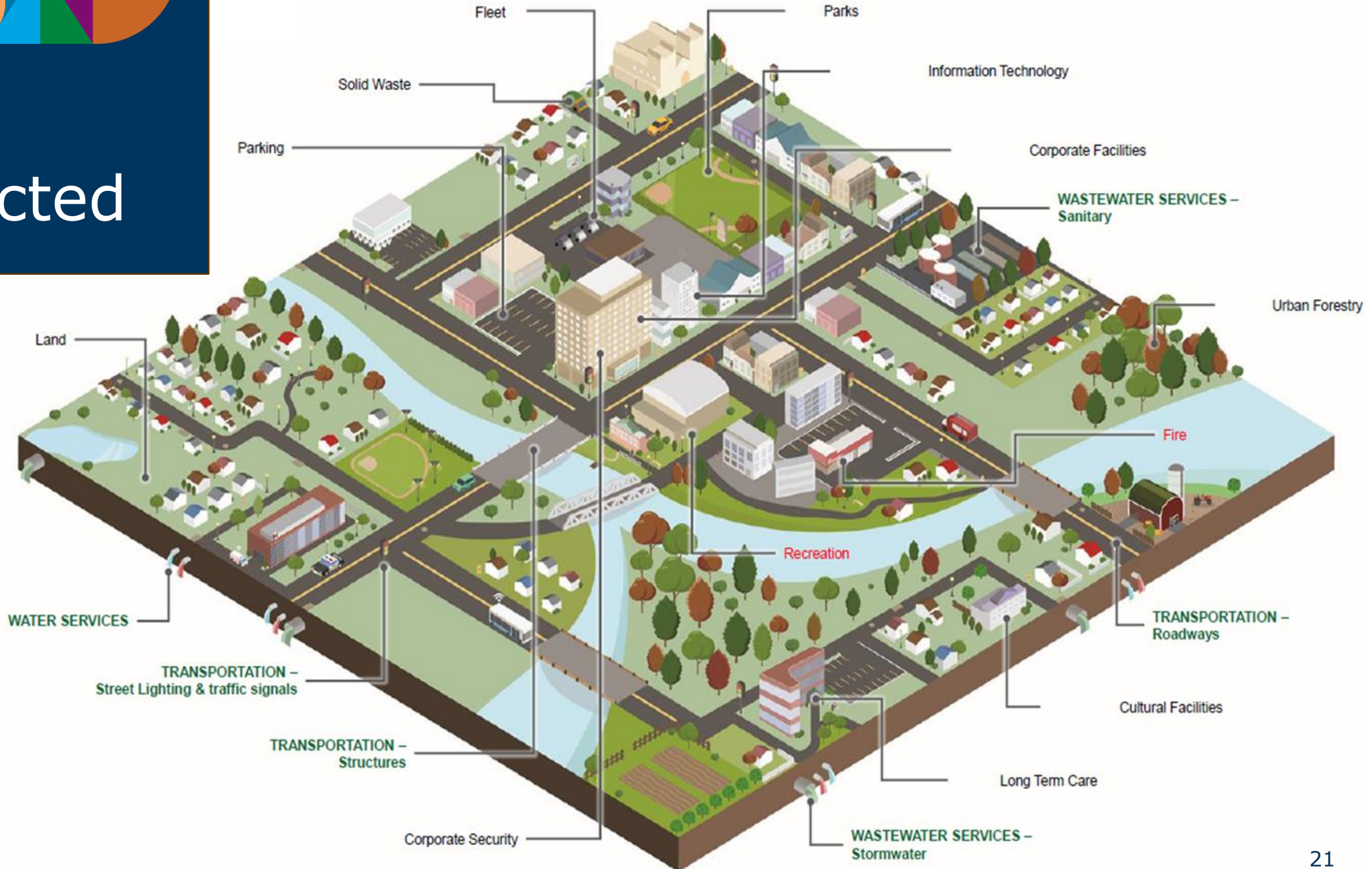
# Asset management position



# The importance of asset management work



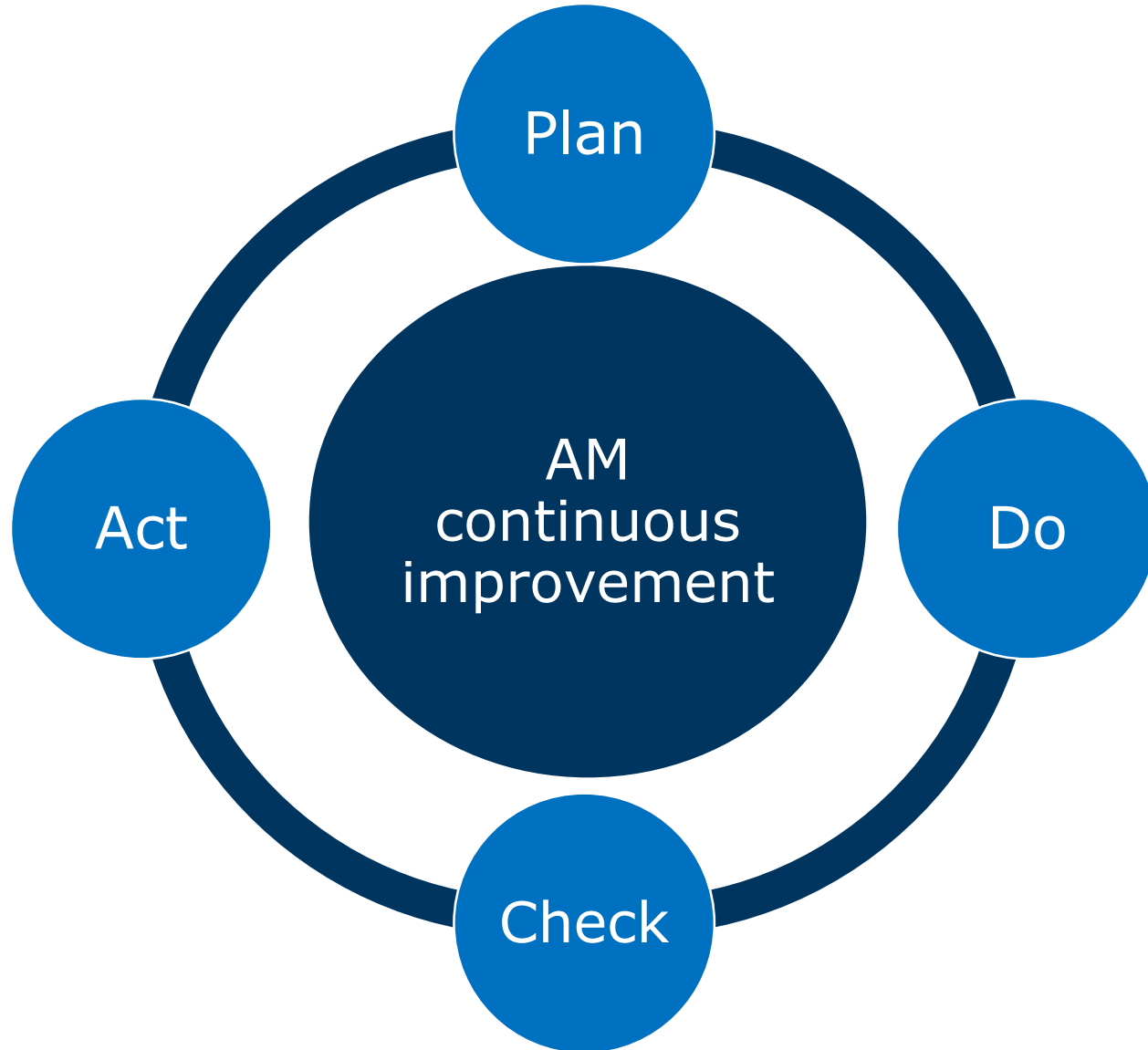
# It's all connected



# What's included in a plan?



# Asset management outcomes



Good asset management is a process of continuous improvement.

Understanding the current state will frame future decisions.

Support for best practices involves everyone at the City.



# What's next

## **Asset Management Plan 2024**

- Underway; to Council spring 2024
- Major focus on levels of service

## **Enterprise Resource Planning (ERP)**

- New software application and related work processes

## **Climate Adaptation Plan (CAP)**

- Integrate the CAP recommendations with AM

## **Advanced decision priority modelling**

- New tools to help identify assets at risk

# Infrastructure renewal funding strategy



Infrastructure  
renewal



Growth



Service  
Enhancement



100% Renewable  
Energy (100RE)



Brownfield  
Renewal

# What is ERP?

ERP stands for “enterprise resource planning.”

- EAM – Enterprise Asset Management;

~ CRM – Customer Relationship Management



# Why are we doing the ERP program?

## Technology

- Existing system no longer supported
- Significant process and financial impacts in case of failure
- Leverage best in class system

## Process

- Opportunity to standardize process in a centralized tool to manage assets
- Enhance process maturity across the organization

## Data

- Improve business intelligence through centralized & reliable data
- Enable data driven decisions



# How are we implementing ERP at City?

Scope	
Processes	Procurement Asset management Inventory management Work management Reporting
Technology	JD Edwards – procurement module Maximo Application Suite (MAS) - EAM Integration – such as Geographic Information System (GIS) WAM disaster recovery
Scope of work	Change management Process and data maturity improvement Technical solution implementations Integration Ongoing support



# Growth

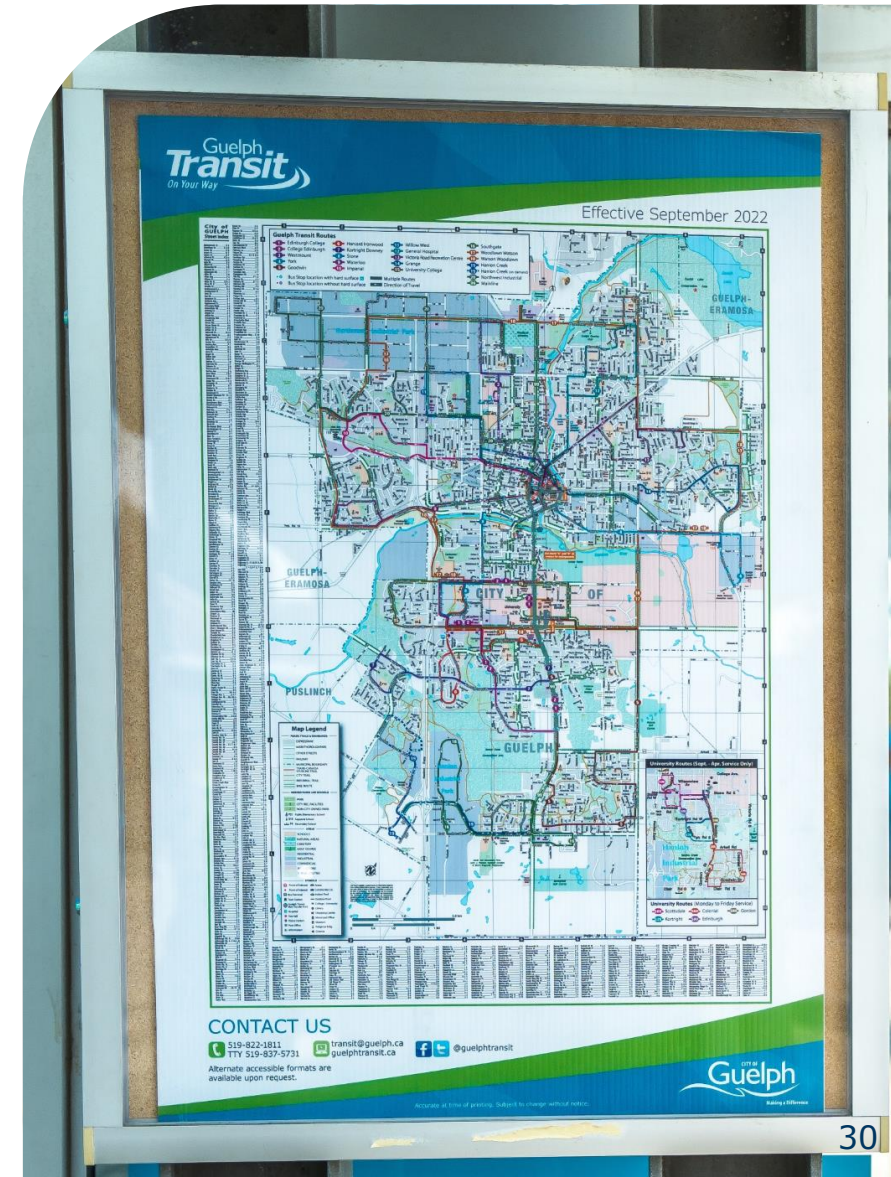
- Accommodates an increased population at the same service levels
- Uses the existing service standards
- Usually create new assets
- Provide servicing to support new developments such as roads, sewers, and water
- Accommodating growth pressures of existing residents
- Primarily funded by fees levied at time of development





# Service enhancement

- “The expansion or purchase of a capital asset to provide a higher level of service to the community or adding a new service.”
- Strategic initiatives
- Enhances the existing service standards
- Can enhance quality of life
  - 100 Renewable Energy
  - Cycling improvements
  - Transit frequency improvements



📍 Transit route map at Guelph Central Station



# Operating impacts from capital



📍 Guelph Transit staff member




📍 Baker District redevelopment



📍 Guelph-Wellington Paramedics' staff





# 2024-2027 Key budget influences



# Building the 10-year capital plan: where we started

- Official Plan update, secondary plan areas
- Master plans
- Strategies and action plans
- Infrastructure backlog and inflation



# Municipal governments across Ontario are going to face very similar pressures this year



**Housing**



**Inflation**



**Federal and Provincial pressures**

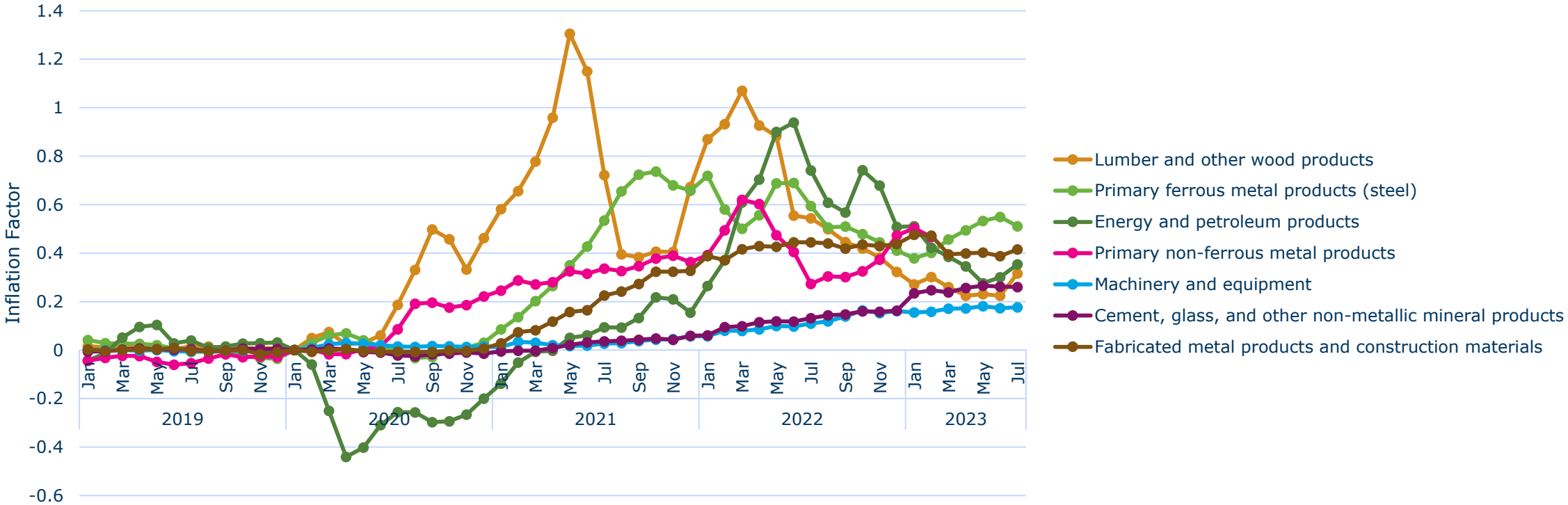


**Aging facilities**



# Commodity Chart Price Index 2019-2023

Commodity Chart  
Price Index  
2019-2023



# Capital transfers: applying inflation

Inflationary adjustments needed for infrastructure renewal transfers:

<b>Funding source</b>	<b>in \$ millions</b>		<b>Total</b>
	<b>Catch-up adjustment</b>	<b>Forward looking inflation 2024</b>	
Tax supported	5.9	2.3	8.2
Water	3.2	1.3	4.5
Wastewater	3.2	1.2	4.4
Stormwater	1.7	0.7	2.4

# Inflation in operating budget

Compensation and benefits

Fuel

Chemicals

Hydro, natural gas and water

Insurance

Software licensing

Parts and materials

Medical equipment

## 2024 impacts of one-time funding from reserves

	Dollars	Tax levy impact
Mayor and Council compensation	124,673	0.04%
Transit Kids Ride Free	138,911	0.05%
Transit Affordable Bus Pass	558,000	0.19%
Advancing Paramedic Master Plan	417,780	0.14%
Guelph General Hospital Levy	750,000	0.25%
Transfer to Affordable Housing Reserve	500,000	0.17%
OMERS for part-time impact	980,000	0.33%
Fleet replacement	526,000	0.18%
Solid waste contracts	314,600	0.11%
Municipal Accommodations Tax	171,910	0.06%
Election reserve budget increase	140,000	0.05%
Seasonal patio program	25,000	0.01%

**Impact to 2024 tax levy: 1.57%**



# Making us whole: the cost of enabling growth

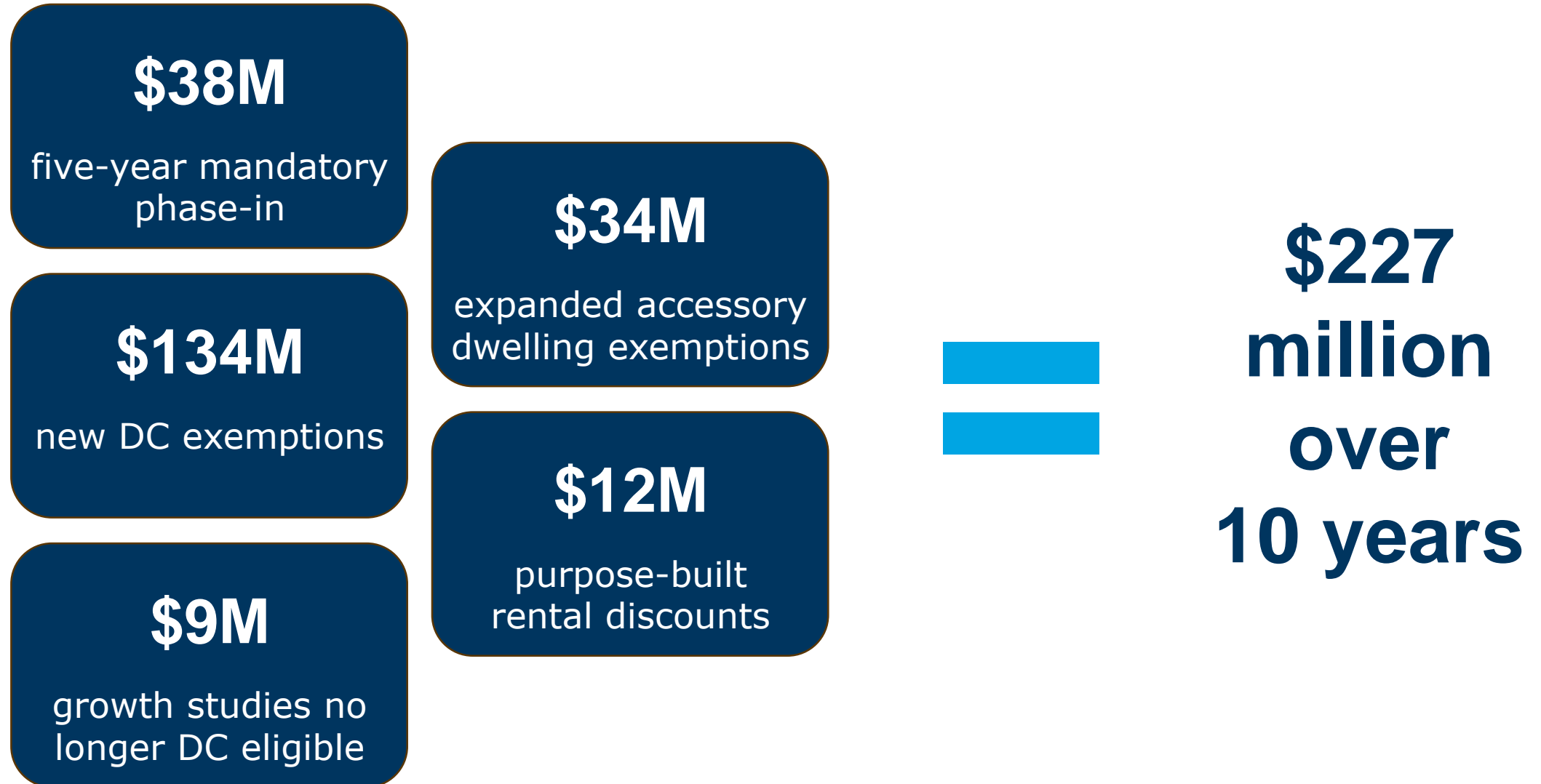


📍 Future development site on Clair Rd

📍 Infrastructure renewal on York Rd

📍 Housing development in Guelph

# Making us whole: the cost of enabling growth





# Making us whole: the cost of enabling growth



📍 New development on Watson Pkwy



# Making us whole: the cost of enabling growth

Year	in \$ millions			
	Estimated cost	Tax funding base increase	Rate funding base increase	Total funding base increase
2024	26.20	2.00	\$2.10	4.10
2025	22.50	1.50	1.80	3.30
2026	20.10	1.25	1.30	2.55
2027	15.60	1.25	1.10	2.35
<b>Cumulative Total</b>	<b>84.40</b>	<b>16.25</b>	<b>17.50</b>	<b>33.75</b>

# Social Services

Year	in \$ millions				Tax levy impact (LBSS)
	2024 Catch-up adjustment	2024 Catch-up adjustment phase-in	Additional request	Total	
2024	5.6	1.4	4.6	6.2	2.10%
2025		1.4	1.2	2.6	0.81%
2026		1.4		1.4	0.40%
2027		1.4		1.4	0.36%

# Aging facilities: Long-term facility overview



📍 Guelph's Water Resource Recovery Centre

## Guiding Documents:

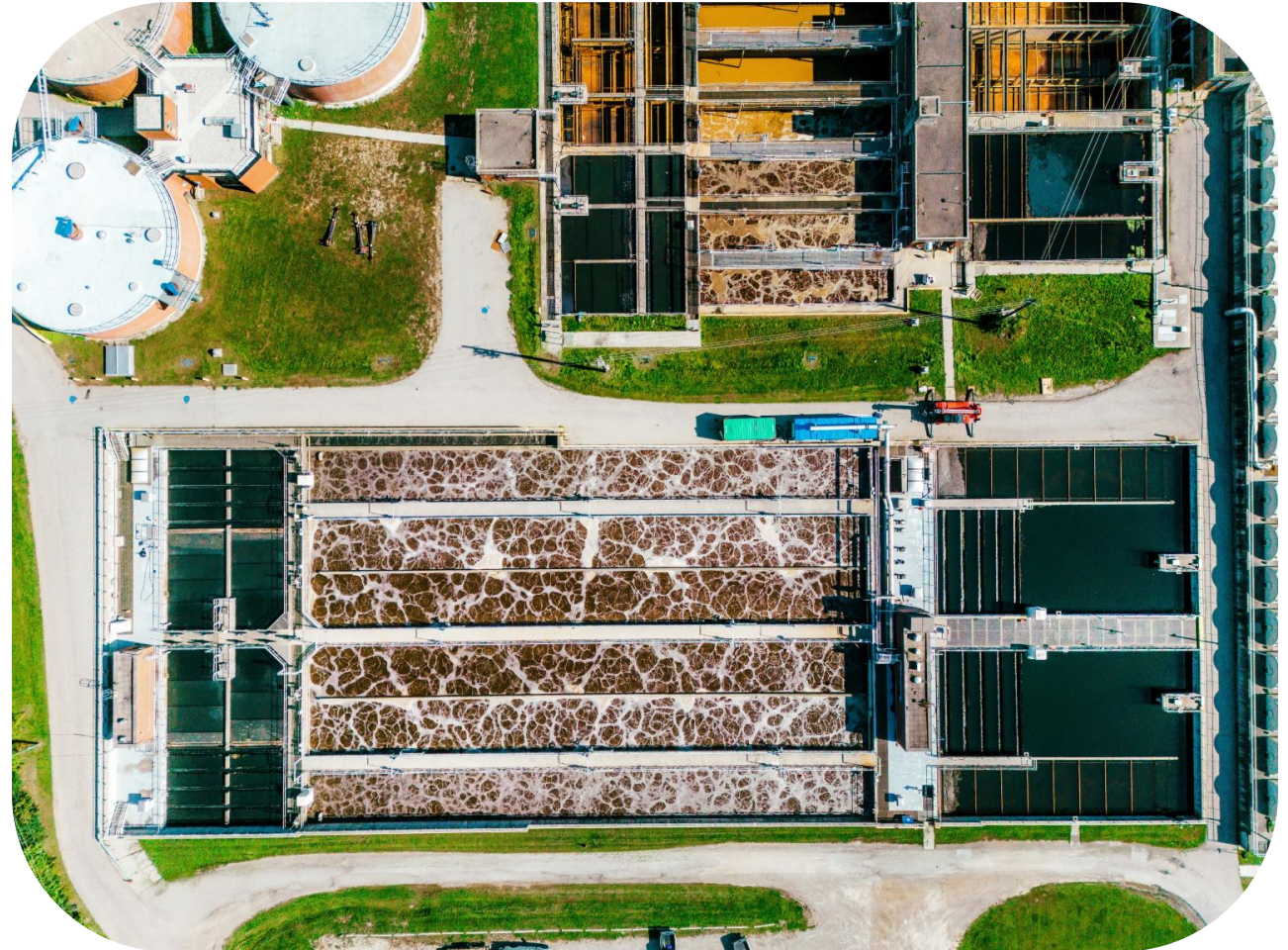
- Facility needs assessments, master plans
  - Existing infrastructure condition assessment and evaluation
  - Growth projections considered
  - Requirements identified
  - Level of service objectives set
  - Recommendations developed



# Long-term facility overview

## The approach:

- Defer project implementation
- Continue detailed design processes
- Maximize funding opportunities
- Sequencing based on opportunity and priority
- Repurposing facilities
- Leverage strategic real estate



📍 Guelph's Water Resource Recovery Centre

Project Name	in \$ millions		
	2024-2027	2028-2033	Total
Transit facility	201.00		201.00
Fleet facility	94.00		94.00
Guelph Central Station - Terminal Upgrades		12.50	12.50
Electric bus charging		28.00	28.00
Operations administration facility		31.00	31.00
Parks operations facility replacement	1.20	31.20	32.40
Corporate building maintenance facility	0.50	4.00	4.50
Fire headquarters replacement		4.00	4.00
Paramedics facility replacement	11.00	1.00	12.00
Clythe water treatment plant	29.21		29.21
Biosolids facility upgrade	70.00		70.00
Tertiary treatment facility	50.55	0.50	51.05
Solid waste administration facility growth		8.00	8.00
Solid waste site operations centre		5.50	5.50
170 Watson retrofit		6.75	6.75
	<b>457.46</b>	<b>132.45</b>	<b>589.91</b>

## Next steps

### Budget materials released: website and budget board

- Friday November 3, 2023

### Special Council: 2024-2027 budget presentation

- Tuesday November 7, 2023: 9 a.m.

### Council-led townhalls

- Wednesday November 8, 2023 through Tuesday November 28, 2023

### Budget delegation night

- Wednesday November 15, 2023: 6 p.m.

### Special Council: Budget amendment

- Wednesday November 29, 2023: 9 a.m.



# Questions



📍 Guelph community members walking to school