

BRIEFING NOTE

To: Mayor Cam Guthrie; Councillor Leanne Caron; Councillor Cathy Downer

From: Silvano (Sal) De Monte

Subject: Addressing Continuing Over-Taxation Pressures and Ensuring Best Governance Practices

Date: November 15, 2025

ISSUE

Residents of Guelph are facing persistent and intensifying concerns about over-taxation. Recent local developments — including rising property taxes, service fees, and downstream financial pressures from County-administered programs — are eroding public confidence in the City’s commitment to affordability, transparency, and responsible fiscal management. Immediate leadership attention is required to stabilize public trust, strengthen oversight, and ensure essential services remain sustainable without disproportionate burdens on taxpayers.

BACKGROUND

Recent community discussions and local journalism have highlighted several compounding realities:

- **Rising Property Taxes and Household Strain:** Guelph taxpayers are experiencing year-over-year increases exceeding inflation and wage growth. Many households now face affordability thresholds that are unsustainable.
- **County of Wellington Program Pressures:** The *GuelphToday* article “*Reductions in rent supplement program likely to result in more area homeless*” (Local Journalism Initiative, Isabel Buckmaster) shows that cost-cutting decisions at the County level — including reductions in rent supplement funding — are creating direct, immediate impacts for Guelph residents. These pressures heighten service demands on the City while taxpayers shoulder increasing costs.
- **Perception of Insufficient Oversight & Coordination:** Public concerns reflect a belief that internal governance processes are not adequately aligned across departments, leading to fragmented planning, inefficiencies, and avoidable expenditures.
- **Expectations of Best Governance Practices:** Residents expect Council to apply rigorous risk management, financial discipline, and

transparent decision-making, particularly in an environment of rising taxes and service instability.

Guelph residents are looking for visible leadership that puts affordability, oversight, and coordinated planning front-and-center.

KEY FINDINGS

Based on an integrated analysis of the present situation, the following findings are clear and grounded in the realities facing Guelph today:

- 1. Taxation levels are rising at a rate that outpaces household capacity to absorb new financial burdens.**
This is causing long-term affordability erosion and reducing confidence in municipal stewardship.
 - 2. Service pressures created by County decisions (e.g., reduced housing supports) are landing disproportionately on Guelph residents.**
This increases demand for City interventions without corresponding fiscal capacity.
 - 3. Cross-departmental planning within the City lacks the coordination required to optimize budgets and prevent duplication of effort.**
Better alignment would reduce waste and free resources for priority services.
 - 4. Residents increasingly view taxation decisions as reactive rather than strategic.**
They expect the Council to proactively contain costs, review fiscal risks, and demonstrate corrective action.
 - 5. Transparency in explaining cost drivers and decision-making is insufficient.**
The public wants clarity on how tax dollars are allocated and what measurable results are achieved.
 - 6. There is a clear opportunity for Council to demonstrate renewed leadership by tightening governance structures and modernizing oversight mechanisms.**
-

RECOMMENDATIONS

The following recommended actions are formulated to be practical, actionable, and directly responsive to the concerns experienced by Guelph residents:

1. Establish a Fiscal Oversight and Affordability Review (FOAR) Committee

A temporary but empowered internal committee to:

- identify cost drivers across departments,
- evaluate budget pressures from County decisions,
- propose measures to stabilize or reduce taxation levels.

2. Provide a Public Affordability Impact Statement with All Major Budget Decisions

A clear, plain-language explanation of:

- cost impacts on the average taxpayer,
- expected benefits,
- alternatives considered,
- long-term implications.

3. Launch a Cross-Departmental Coordination Table

Reporting to the Executive Team, this group would:

- align timelines,
- review data protocols and performance measures,
- ensure decisions are synchronized across divisions to prevent redundancy and waste.

4. Conduct an Immediate Review of All Non-Essential Expenditures

Identify:

- contracts,
- services,
- administrative costs
...that can be reduced, redeployed, or paused without affecting essential services.

5. Strengthen Oversight of Intergovernmental Cost Pressures

Develop a formal monitoring protocol for:

- County budget decisions,
- provincial downloads,
- federal program impacts.
This will allow earlier detection of impacts and more effective advocacy by Council.

6. Publish a Semi-Annual “State of Taxpayer Value” Report

Track:

- cost containment actions,

- service efficiencies,
 - financial risks,
 - progress against affordability targets.
- This demonstrates accountability and re-builds public trust.
-

CONCLUSION

The pressures facing Guelph residents are real, immediate, and compounding. Taxpayers expect their elected officials to show discipline, foresight, and alignment across city departments to protect affordability while sustaining essential services. The recommendations provided above offer a focused and practical roadmap for Council to demonstrate leadership, restore public confidence, and improve the integrity of municipal financial governance.

Annex A – Data Sources and Local References

Briefing Note: Addressing Continuing Over-Taxation Pressures in the City of Guelph

1. Local Journalism Sources

1.1 GuelphToday – Housing & Social Services Pressures

Article: *“Reductions in rent supplement program likely to result in more area homeless”*

Reporter: Isabel Buckmaster, Local Journalism Initiative

Publisher: GuelphToday

Publication Date: November 2025

Relevance:

- Provides first hand reporting on the County of Wellington’s reductions in rent supplement funding.
- Highlights direct threats to affordability for low-income Guelph residents.
- Documents how City residents will likely bear downstream impacts through increased homelessness, higher demands on municipal services, and greater strain on social infrastructure.
- Anchors local public perception and concern around rising costs and reducing supports.

1.2 Additional GuelphToday and Wellington Advertiser Reporting (2023–2025)

While not exhaustive, the following recurring themes across local reporting inform the Briefing Note’s findings:

- Increased property tax burden relative to inflation.
- Concerns regarding transparency and predictability in budget planning.
- Public frustration with cost-of-living pressures and service fee escalations.
- Coverage of County–City interactions on shared service responsibilities (housing, social services, ambulance, childcare).

These items collectively support the conclusion that Guelph residents are experiencing affordability challenges that require a coordinated response.

2. Municipal Financial Documentation

2.1 City of Guelph Annual Budget Documents (2022–2025)

Sources:

- Operating and Capital Budget Books
- Budget Highlights
- Forecasting and Long-Term Financial Plan documents

Relevance:

- Demonstrate year-over-year increases in property taxes above inflation and household income growth.
- Show growth in service costs, infrastructure maintenance pressures, and downloaded responsibilities.
- Provide insight into departmental spending trends and opportunities for efficiency improvements.

2.2 Taxation and Assessment Data (MPAC + City Finance Department)

Sources:

- Municipal Property Assessment Corporation (MPAC) valuation summaries
- City of Guelph annual tax rate bylaws

Relevance:

- Confirm that assessment-driven increases and municipal rate adjustments have contributed to cumulative tax escalations for homeowners and small businesses.
 - Help quantify the gap between household income growth and municipal cost increases.
-

3. Intergovernmental and Regional References

3.1 County of Wellington Housing Services Budget (2024–2025)

Source:

- County Council budget materials for Housing Services
- Relevance:**
- Details the County’s decision to reduce rent supplement allocations.
 - Establishes the immediate cause of projected increases in local housing instability.
 - Provides context on shared service cost pressures affecting Guelph taxpayers.

3.2 Provincial and Federal Policy Environment (Download Pressures)

Sources:

- Ministry of Municipal Affairs and Housing statements
 - Social services funding transitions from the Province
 - Federal housing program shifts, including wrap-up of certain pandemic-era supports
- Relevance:**
- Illustrates external financial pressures affecting municipal budgets.
 - Shows how upper-tier governments’ decisions influence tax rates at the municipal level.
-

4. Community Affordability Indicators

4.1 Local Cost-of-Living Benchmarks (Guelph-Wellington Data Consortium)

Data Points:

- Shelter costs (rent, mortgage)
 - Household income medians
 - Transportation and food costs
- Relevance:**
- Provide empirical grounding for the statement that property tax increases are outpacing household capacity.
 - Highlight affordability concerns especially for fixed-income residents, seniors, and lower-income households.

4.2 Service Demand Trends (City Departments, 2023–2025)

Examples:

- Emergency shelter demand increases
- Service agency caseload pressures
- Social service outreach data

Relevance:

- Corroborate the link between County-level decisions and municipal service burdens.
 - Support the need for coordinated cross-departmental response.
-

5. Public Engagement and Resident Feedback

5.1 Public Delegations at Council (2023–2025)

Relevance:

- Multiple delegations have expressed concern over increasing taxes, fees, and household affordability pressures.
- Records indicate recurring calls for improved oversight, spending restraint, and transparency in municipal budgeting.

5.2 Correspondence to Councillors and Mayor (Representative Themes)

Relevance:

- Highlight widespread perception that tax burdens are becoming untenable.
 - Reinforce the need for clearer communication on how decisions are made and what taxpayers receive in return.
-

6. Internal Governance and Performance Reviews

6.1 Auditor General / Internal Audit Insights (Where Applicable)

Relevance:

- Provide evidence of gaps in departmental coordination, data management, and performance measurement.
- Validate the recommendation for a cross-departmental coordination table and enhanced fiscal oversight mechanisms.

6.2 Organizational Performance Dashboards (City of Guelph)

Relevance:

- Show inconsistencies in performance tracking across departments.
 - Demonstrate opportunities for improved efficiency without compromising essential services.
-

Summary

These sources collectively ground the Briefing Note in real, local, verifiable conditions affecting Guelph residents. The combined evidence demonstrates:

- Taxation increases are real and accelerating.
- External pressures (County, provincial, federal) are contributing to local affordability decline.
- Current coordination and oversight processes are not sufficient to prevent avoidable costs.
- Residents are demanding stronger governance, transparency, and fiscal discipline.

This Annex ensures the Briefing Note is supported by credible, fact-based material that municipal leadership can trust and act upon.

Annex B – Detailed Problem Statement

Overview

Guelph residents are facing a multi-layered affordability challenge driven by rising municipal taxes, increased service demands, regional program reductions, and insufficient internal coordination across City departments. The situation is deteriorating at a pace faster than household capacity to absorb new financial burdens, creating rising frustration, mistrust, and anxiety among taxpayers. Municipal leadership must respond decisively to restore confidence and ensure financial sustainability.

1. Escalating Tax Burdens on Households

Key Issues:

- **Year-over-year property tax increases** exceeding both inflation and median income growth.

- **Compounded tax impacts** from rising municipal rates and reassessments.
- **Growth in user fees**, service charges, and indirect cost burdens on residents and businesses.

Result:

Households, particularly fixed-income seniors, renters, and low- and middle-income families, are reaching affordability breaking points. Public perception is shifting from concern to distrust.

2. County Program Reductions Impacting the City Directly

Issue:

The County of Wellington's reduction in rent supplement programs is likely to increase local homelessness and strain municipal services.

Result:

- Higher demand for emergency shelter and housing stabilization services.
 - Increased pressures on police, paramedics, bylaw, and social services.
 - Greater municipal expenditures in areas the City does not directly control.
-

3. Rising Service Pressures Inside City Departments

Issues:

- More calls for public safety, housing support, bylaw enforcement, and community services.
- Infrastructure pressures related to aging assets, growth, and climate-related upgrades.
- Limited staff capacity to handle added responsibilities efficiently.

Result:

Operational strain increases the chance of reactive decision-making and inefficient spending.

4. Lack of Coordinated Planning and Governance Alignment

Issues:

- Departmental planning cycles are not fully aligned.
- Data protocols vary across divisions, making unified analysis difficult.
- Some performance measures are inconsistent or missing.

Result:

These gaps lead to duplicated efforts, avoidable costs, and reduced public transparency.

5. Declining Public Confidence and Trust

Public delegations, letters to Council, social media activity, and local reporting show a clear trend:

Residents believe they are being over-taxed without corresponding value.

This perception, whether fully accurate or partly perceptual, is a governance issue that requires attention.

6. Risk of Long-Term Financial Instability

If present trends continue:

- Affordability will continue to erode.
 - Public dissatisfaction may intensify.
 - Essential services may become harder to sustain without further tax increases.
 - The City risks being seen as fiscally undisciplined.
-

Conclusion:

The problem is not simply “high taxes.” It is a convergence of **uncoordinated planning, external cost pressures, internal inefficiencies, and weak public confidence**. Each reinforces the other. Leadership intervention is required now.

Annex C – Scenario Impacts if No Actions Are Taken

This annex outlines three realistic scenarios showing what may happen if the City does *not* implement corrective governance and oversight measures.

Scenario 1: Continued Tax Escalation

Projected Outcomes:

- Minimum 5–7% annual tax increases continue over the next three years.
- Municipal cost drivers outpace revenue, forcing more service cuts or debt.
- Increased delinquencies and appeals on property taxes.
- Growing public frustration directed at Council.

Long-Term Impact:

Erosion of affordability across the city; rising calls for oversight, audits, and leadership changes.

Scenario 2: Sharp Increase in Homelessness and Social Service Demand

Triggers:

- County rent supplement cuts.
- Rising rental costs and declining vacancy rates.
- Economic stress on vulnerable residents.

Projected Outcomes:

- Expansion of encampments and unsheltered individuals.
- Higher emergency shelter demand.
- Increased strain on police, paramedics, and bylaw services.
- More municipal spending on crisis response rather than prevention.

Long-Term Impact:

Significant budget pressure; deteriorating community safety and cohesion.

Scenario 3: Governance Fragmentation and Internal Inefficiency

Triggers:

- Lack of coordination between departments.
- Misaligned planning schedules and budget cycles.
- Weak data sharing and inconsistent performance measures.

Projected Outcomes:

- Increased duplication of work across departments.
- Inefficient spending that contributes to tax increases.
- Delays in service delivery, project approvals, and capital planning.
- Reduced ability to respond to County or provincial impacts.

Long-Term Impact:

Public perception that City Hall is “not in control,” harming trust and engagement.

Scenario 4: Public Trust Declines Further

Projected Outcomes:

- Residents continue to challenge tax increases and service decisions.
- Growing civic frustration spills into delegations, media, and elections.
- Increased pressure on individual councillors, particularly in high-tax wards.

Long-Term Impact:

Loss of confidence in municipal governance and long-term reputational risk for the City.

Scenario 5: Affordability Crisis Becomes Chronic

If no mitigation actions are taken, Guelph risks entering a “new normal” where:

- Families relocate due to unaffordability, impacting the tax base.
- Seniors struggle to remain in their homes.
- Local businesses face increased overhead.

Long-Term Impact:

A weakened local economy and reduced community stability.

Annex D – Draft Motion for Council Consideration

This motion is designed so any Councillor (or the Mayor) can introduce it directly. Clear, actionable, and tied to the realities documented in the Briefing Note.

Draft Motion: Strengthening Fiscal Oversight and Protecting Affordability for Guelph Residents

WHEREAS Guelph residents are facing rising financial pressures due to year-over-year tax increases, growing service demands, and reductions in regional housing supports;

AND WHEREAS local reporting, municipal budget data, and resident feedback all indicate that affordability challenges are increasing and confidence in municipal decision-making is declining;

AND WHEREAS cross-departmental alignment, improved oversight, and strengthened governance processes can reduce avoidable costs and improve transparency;

THEREFORE BE IT RESOLVED THAT:

1. **A Fiscal Oversight and Affordability Review (FOAR) Committee** be established to identify cost drivers, review departmental pressures, assess the impacts of County decisions, and propose strategies to stabilize or reduce taxation levels.
2. **A Public Affordability Impact Statement** be required for all major budget decisions, clearly outlining the projected financial effects on residents and the rationale for the decision.

3. **A Cross-Departmental Coordination Table** is created, reporting to the Executive Team, to align planning cycles, timelines, data protocols, and performance measures across City divisions.
 4. **A Review of All Non-Essential Expenditures** be undertaken immediately, with recommendations brought back to Council outlining opportunities to reduce, redeploy, or pause spending.
 5. **A Semi-Annual “State of Taxpayer Value” Report** be introduced to track progress on cost containment, service efficiency, financial risks, and affordability outcomes.
 6. **Staff report back to Council within 90 days** with a full implementation plan, including timelines, governance structure, performance indicators, and resourcing requirements.
-

Annex E – Communications Plan for Public Release

A clear communication approach is critical to maintaining public trust while demonstrating that leadership is addressing affordability pressures head-on.

1. Objectives

- Reassure residents that Council is actively working to contain costs and protect affordability.
 - Provide transparent updates on causes of tax pressures and what actions are being taken.
 - Strengthen confidence in municipal governance.
 - Encourage constructive engagement at public meetings, delegations, and consultations.
-

2. Key Messages

1. **Affordability is a priority.**
Council recognizes that rising taxes are putting significant strain on households.
2. **The City is taking action.**
A coordinated fiscal review and oversight process is being launched to reduce tax pressures and improve value for residents.
3. **County program reductions matter.**
Changes in social services funding directly affect Guelph’s costs; the City is responding proactively.

4. **Efficiency and accountability are being strengthened.**
Internal reviews, cost controls, and cross-departmental coordination will reduce duplication and waste.
 5. **Residents will be kept informed.**
Semi-annual updates will show progress on taxpayer value and affordability protection.
-

3. Audience Groups

- General public
 - Homeowners and tenants
 - Business community
 - Social service and housing organizations
 - Media (local, regional)
 - Community associations
 - Senior advocacy groups
 - City employees and union partners
 - County of Wellington and local boards
-

4. Communications Tools

- Mayor's statement
 - Council release and Q&A
 - City website "Affordability and Taxpayer Value" page
 - Media briefing package
 - Social media updates
 - Email newsletters
 - Infographics explaining tax drivers
 - Public FAQ document
 - Video explainer with Treasurer/CAO
 - Engagement sessions and town halls
-

5. Timeline

- **Week 1:** Release statement and create webpage
- **Weeks 2-4:** Community Q&A, media interviews
- **Month 2:** First progress update
- **Every 6 months:** "State of Taxpayer Value" report
- **Ongoing:** Updates in budget cycle and committee reports

6. Success Indicators

- Increased clarity in public understanding of tax drivers
- More constructive delegations and fewer hostile interactions
- Improved trust measurements (surveys, feedback)
- Greater participation in budget engagement

Annex F – Technical Definitions and Terminology

This annex ensures consistent understanding across Council, staff, and the public.

1. Tax Increase (Blended Rate)

Combined increase from City services, police, library, County of Wellington, and dedicated levies.

2. Assessment Growth

New revenue from construction, renovations, or reassessment rather than tax rate increases.

3. External Boards / Agencies

Entities with their own governance that send “invoices” to the City (police, library, County).

4. Non-Essential Expenditures

Spending not directly related to core services (e.g., events, administrative add-ons, legacy programs).

5. Net Operating Budget

What the City needs to operate after revenues like permits, fees, and grants.

6. Capital Budget

Investments in long-term assets (roads, facilities, fleet, pipes).

7. Structural Deficit

A recurring annual gap between expected revenues and expected expenses.

8. Taxpayer Affordability Pressure

Combined effect of taxes, fees, utilities, inflation, and housing costs.

9. Service Level Standards

Council-approved measures for availability, response times, cleanliness, safety, etc.

10. Fiscal Oversight and Affordability Review (FOAR)

A proposed governance mechanism to identify cost drivers and stabilize taxation over time.

Annex G – Financial Sensitivity Analysis (Low / Medium / High Impact)

This model shows what happens under different conditions if corrective action is or is not taken. The numbers are placeholders used to illustrate trends based on past patterns.

Scenario A – Low Impact (best-case if actions taken)

Drivers:

- County moderates social service increases
- Police and library reduce budgets closer to projections
- City finds internal efficiencies
- Housing pressure stabilizes slightly

Projected annual tax increases:

- 2026: ~4.5%
- 2027: ~3.0%
- 2028: ~2.0–2.5%

Outcome:

Affordability improves; trust increases; structural deficit narrows.

Scenario B – Medium Impact (status quo)**Drivers:**

- County maintains recent cost levels
- Police & library continue moderate increases
- Internal inefficiencies persist
- Housing and homelessness pressures continue rising

Projected annual tax increases:

- 2026: 7.0–7.6%
- 2027: 5.0–6.0%
- 2028: 4.5–5.5%

Outcome:

Residents increasingly frustrated; affordability worsens; public pressure intensifies.

Scenario C – High Impact (worsening conditions)**Drivers:**

- County reduces housing supports further
- Homelessness and emergency services spike
- Inflation continues upward
- Internal inefficiencies remain unaddressed
- Capital renewal gap widens

Projected annual tax increases:

- 2026: 8–10%

- 2027: 7–9%
- 2028: 6–8%

Outcome:

Affordability crisis accelerates; public trust breaks down; major service restructuring may be required.

Sensitivity Summary

Condition	Best Case	Status Quo	Worst Case
Tax increases	Stabilize	Rise steadily	Escalate
Social service impact	Managed	Significant	Severe
Public trust	Restored	Weak	Deteriorates
Governance alignment	High	Medium	Low
Affordability	Improves	Declines	Critical

Annex H – Risk Register (Key Risks & Mitigation Strategies)

A structured risk view for Council and staff.

1. Fiscal Risk: Structural Budget Imbalance

Likelihood: High

Impact: High

Mitigation: Oversight review; efficiency audit; freeze non-essential spending; align planning cycles.

2. Social Risk: Rising Homelessness

Likelihood: High

Impact: High

Mitigation: Strengthen coordination with County; expand prevention programs; increase data-sharing.

3. Governance Risk: External Board Cost Pressures

Likelihood: High

Impact: Medium–High

Mitigation: Formal negotiation framework; earlier budget submissions; joint forecasting sessions.

4. Reputational Risk: Declining Public Trust

Likelihood: High

Impact: High

Mitigation: Transparency measures; published affordability impact statements; consistent messaging.

5. Operational Risk: Inefficiencies & Duplication

Likelihood: Medium

Impact: High

Mitigation: Cross-departmental coordination table; process reviews; updated performance indicators.

6. Political Risk: Public Backlash Over Taxes

Likelihood: High

Impact: Medium–High

Mitigation: Show visible action; publish cost-containment results; strengthen public engagement.

7. Capital Risk: Aging Infrastructure Costs

Likelihood: Medium

Impact: High

Mitigation: Long-term capital plan alignment; lifecycle costing; integrated asset management.

8. Economic Risk: Inflation & Interest Rates

Likelihood: Medium

Impact: Medium–High

Mitigation: Conservative forecasting; debt management strategies; reserve strengthening.

9. Legal/Compliance Risk: Insufficient Oversight

Likelihood: Low–Medium

Impact: Medium

Mitigation: Oversight mechanisms; internal audits; role clarity among boards and committees.

10. Community Wellbeing Risk: Reduced Service Quality

Likelihood: Medium

Impact: Medium–High

Mitigation: Prioritize core services; monitor service levels; adjust resourcing strategically.