PUBLIC AGENDA
EXECUTIVE COMMITTEE

Monday, April 20, 2015, 1:00 p.m.
Council Chamber, City Hall

Recommendation

That Executive Committee recommend to City Council that the appointment of Doug Fast to The Partnership Board of Management, be confirmed.

6.2.2 Notice of Special General Meeting - The Saskatoon Gallery and Conservatory Corporation & The Art Gallery of Saskatchewan Inc. (File No. CK. 175-27) 8 - 10

Recommendation

That a report be forwarded to City Council recommending that the City of Saskatoon, being a member of The Saskatoon Gallery and Conservatory Corporation and The Art Gallery of Saskatchewan Inc., appoint Donald Atchison or in his absence, Tiffany Paulsen or Charlie Clark of the City of Saskatoon, in the Province of Saskatchewan, as its proxy to vote for it on its behalf at the Special General Meetings of the members of The Saskatoon Gallery and Conservatory Corporation and The Art Gallery of Saskatchewan Inc., to be held on the 19th of May, 2015, or at any adjournments thereof.

6.3 Requests to Speak (new matters)

6.3.1 Joan Champ, CEO, Western Development Museum - Parking Lot at WDM (File No. CK. 465-1) 11 - 11

Ms. Champ will be in attenance.

Recommendation

That the matter be referred to the Administration.

7. REPORTS FROM ADMINISTRATION

7.1 Delegated Authority Matters

7.2 Matters Requiring Direction

7.2.1 Preliminary Year-End Financial Results - December 31, 2014 (File No. CK. 1704-1 x 1815-1) 12 - 19

Recommendation

That the Executive Committee recommend to City Council:

1. That the non-transfer of the fuel surplus amount of $0.343 million to the Fuel Stabilization Reserve be approved;
2. That the non-transfer of the Snow Removal and Ice Management Program allowable deficit amount of $0.489 million from the Snow and Ice Management Reserve be approved; and
3. That the transfer of the preliminary civic surplus of $0.553 million to the Fiscal Stabilization Reserve be approved.

7.2.2 2016 Preliminary Budget (File No. CK. 4110-2 & 430-72 x 1700-1)

Presentations will be provided by the Administration on the following reports.

7.2.2.1 Finance and Growth Study (File No. CK. 4110-2) 20 - 121

Recommendation

1. That the information be received; and
2. That the Administration report back on the implication of the findings of the Hemson Report.

7.2.2.2 The 2016 Business Plan and Budget Process (File No. CK. 430-72 x 1700-1) 122 - 222

Also included is a memorandum dated April 13, 2015 from the Saskatoon Envoronmental Advisory Committee regarding community greenhouse gas emissions and waste diversion targets.

Recommendation

That the Executive Committee recommend to City Council that it:

1. Reaffirm Council's four-year priorities listed in Attachment 1 of the report of the City Manager dated April 20, 2015;
2. Approve the proposed performance measures listed in Attachment 3 of the report of the City Manager dated April 20, 2015;and
3. Endorse the proposed process for the 2016 Business Plan and Budget, described in Attachment 4 of the report of the City Manager dated April 20, 2015.

7.2.3 Proposed Amendments to the Corman Park-Saskatoon Planning District Official Community Plan - Commercial and Industrial Policies and Grasswood Mixed-Use Node (File No. CK. 4540-5) 223 - 231

Recommendation

That a copy of this report be forwarded to City Council recommending:

1. That the advertising, in respect to the proposed amendments to the Corman Park–Saskatoon Planning District Official Community Plan Bylaw No. 8844, be approved;
2. That the General Manager, Community Services Department, be requested to prepare the required notices for advertising the proposed amendments to the Corman Park – Saskatoon Planning District Official Community Plan Bylaw No. 8844;
3. That the City Solicitor be requested to prepare the required bylaw to amend the Corman Park – Saskatoon Planning District Official Community Plan Bylaw No. 8844; and
4. That at the time of public hearing, City Council consider the Administration's recommendation that the proposed text and Future Land Use Map amendments to the Corman Park – Saskatoon Planning District Official Community Plan Bylaw No. 8844, as outlined in this report, be approved.

8. LEGISLATIVE REPORTS

8.1 Delegated Authority Matters

8.2 Matters Requiring Direction

8.2.1 City Councillors' Common Travel and Training Expenses - 2014 (File No. CK. 1970-1) — 232 - 236

Recommendation

That the information be forwarded to City Council and posted on the City's website.

8.2.2 City Council Individual Travel and Training Expenses - 2014 (File No. CK. 1970-1) — 237 - 243

Recommendation

That the information be forwarded to City Council and posted on the City's website.

8.2.3 City Council Car Allowance - 2014 (File No. CK. 1970-1) — 244 - 245

Recommendation

That the information be forwarded to City Council and posted on the City's website.

9. URGENT BUSINESS

10. IN CAMERA AGENDA ITEMS

Recommendation

That the Committee move In Camera to consider the following items:

10.1 Unfinished Business - Personnel Matters (File No. CK. 4650-1)

[In Camera-Personnel Matters]

10.2 Board Appointment (File No. CK. 225-52)

[In Camera - Personal Information]

10.3 Board Appointments (File No. CK. 175-27)

[In Camera - Personal Information]

10.4 Board Resignation (File No. CK. 175-40)

[In Camera - Personal Information]

10.5 Regional Planning (File No. CK. 420-51)

[In Camera - Negotiations]

10.6 Legal Report (File No. CK. 281-1)

[In Camera - Solicitor/Client Privilege]

10.7 Verbal Updates

10.7.1 Council Members

10.7.1.1 His Worship the Mayor

10.7.1.2 FCM/SUMA

10.7.1.3 Boards and Commissions

10.7.2 Administration

10.7.2.1 City Manager

[Sections 13, 14(1), 15(1), 16(1), 17(1), 18(1), 19, 20, and 21 – LAFOIPP]

11. ADJOURNMENT

175-48

experience downtown

THE PARTNERSHIP
Saskatoon Downtown Business Improvement District

RECEIVED
MAR 11 2015
CITY CLERK'S OFFICE
SASKATOON

March 11, 2015

Office of the City Clerk
City of Saskatoon
222 Third Avenue North
Saskatoon, SK S7K 0J5

Attention: City Clerk

Re: Board of Management Appointment
Mr. Doug Fast – Fast Consulting

Please be advised that The Partnership Board of Management has made a motion to approve the appointment of Mr. Doug Fast to the Board. Mr. Fast meets the criteria for membership on The Partnership Board of Management and we ask City Council to confirm his appointment.

The appointment of Mr. Fast will fill the vacancy left by Mr. Shea Ferster who recently stepped down after serving on the Board since 2004.

Sincerely,

Brent Penner
Executive Director

cc: Mr. Dave Denny - Chair

242 Third Avenue South
Saskatoon, SK S7K 1L9
Telephone: (306) 665-2001 Fax: (306) 664-2245

175-27

REMAI MODERN
ART GALLERY OF SASKATCHEWAN
is becoming...

Opening 2016

RECEIVED
APR 09 2015
CITY CLERK'S OFFICE
SASKATOON

To: His Worship the Mayor and City Council,
c/o Office of the City Clerk
Alain Gaucher, Q.C., Chair
Darrell Bell
Trent Bester
Councillor Charlie Clark
Denise Dorfman
Danielle Favreau
John Gormley, Q.C.
Carolyn Knafelc
Keitha McClocklin
Councillor Tiffany Paulsen, Q.C.
Ken Smith
Peter Stoicheff
Grant Stoneham
Scott Verity
Gregory Burke, Executive Director & CEO
Angie Larson, Director, Finance & Operations

NOTICE OF SPECIAL GENERAL MEETING
The Saskatoon Gallery and Conservatory Corporation &
The Art Gallery of Saskatchewan Inc.

A Special General Meeting of the Members of The Saskatoon Gallery and Conservatory Corporation will take place on **Tuesday, May 19th, at 7:00 p.m.**, followed by a Special General Meeting of the Member of The Art Gallery of Saskatchewan Inc. which will take place at approximately 7:15 p.m. The meetings will be held at the Saskatoon Club, 417 – 21st Street East, Saskatoon.

The agenda of the meeting will include the appointment of a new Trustee to the Saskatoon Gallery and Conservatory Corporation and The Art Gallery of Saskatchewan Inc. Board of Trustees.

Please note that the regular meeting of the Board of Trustees will immediately follow these meetings.

Please confirm your attendance with Jana King-Mayes at jking-mayes@remaimodern.ca or 306-975-7669

Thank you,
Jana King-Mayes
Executive Assistant

950 Spadina Crescent East
P.O. Box 569
Saskatoon SK S7K 3L6 Canada

remaimodern.org

AGENDA

SPECIAL GENERAL MEETING OF THE MEMBERS
THE ART GALLERY OF SASKATCHEWAN INC.
Saskatoon Club, 417 - 21st Street East, Saskatoon, SK
Tuesday, May 19, 2015, at 7:15 p.m. (immediately following adjournment of the special general meeting of The Saskatoon Gallery and Conservatory Corporation)

I. ROLL CALL

II. APPOINTMENT OF SECRETARY

III. NOTICE OF WAIVER OF IRREGULARITIES

IV. APPROVAL OF AGENDA

V. INSTRUMENT OF PROXY

VI. ELECTION OF MEMBERS

VII. APPOINTMENT TO BOARD OF TRUSTEES

VIII. ADJOURNMENT

AGENDA

SPECIAL GENERAL MEETING OF THE MEMBERS
THE SASKATOON GALLERY AND CONSERVATORY CORPORATION
Saskatoon Club, 417 - 21st Street East, Saskatoon, SK
Tuesday, May 19, 2015, at 7:00 p.m.

I. ROLL CALL

II. APPOINTMENT OF SECRETARY

III. NOTICE OF WAIVER OF IRREGULARITIES

IV. APPROVAL OF AGENDA

V. INSTRUMENT OF PROXY

VI. ELECTION OF MEMBERS

VII. APPOINTMENT TO BOARD OF TRUSTEES

VIII. ADJOURNMENT

RECEIVED
MAR 16 2015
CITY CLERK'S OFFICE
SASKATOON

465-1

From: Susan Scharf <sscharf@wdm.ca>
Sent: March 16, 2015 11:57 AM
To: Web E-mail - City Clerks
Cc: jchamp@wdm.ca
Subject: Request for Executive Committee Agenda Time - April 20th, 2015

Importance: High

Good afternoon,
Joan Champ, CEO of the Western Development Museum, is respectfully requesting some Agenda time at the April 20th Saskatoon City Council Executive Committee Meeting, to talk about the parking lot at the WDM- Saskatoon location.

Joan's telephone number is 306.934.1400 Ext 223 and her email is jchamp@wdm.ca

Thank you for facilitating this request.

Sincerely,

Susan

Susan Scharf, Acting Director of Development
Western Development Museum
Curatorial Centre
2935 Lorne Avenue
Saskatoon, SK S7J 0S5
Phone (306) 934-1400 Ext. 236
Cell (306) 321-7707
Fax (306) 934-4467
E-mail: sscharf@wdm.ca

Explore what's happening at Saskatoon, North Battleford, Yorkton and Moose Jaw WDMs here - http://www.wdm.ca

To know where you are going you must understand where you have been.

Preliminary Year-End Financial Results - December 31, 2014

Recommendation
That the Executive Committee recommend to City Council:

1. That the non-transfer of the fuel surplus amount of $0.343 million to the Fuel Stabilization Reserve be approved;
2. That the non-transfer of the Snow Removal and Ice Management Program allowable deficit amount of $0.489 million from the Snow and Ice Management Reserve be approved; and
3. That the transfer of the preliminary civic surplus of $0.553 million to the Fiscal Stabilization Reserve be approved.

Topic and Purpose

The purpose of this report is to inform City Council of the preliminary year-end financial results for the 2014 fiscal year, which reflects an estimated net surplus of $0.553 million subject to the approval of the above recommendations and the confirmation by the external audit.

Report Highlights

1. Preliminary civic year-end results indicate a net surplus of $0.553 million that is subject to an external audit.
2. Saskatoon Light & Power (SL&P) and the Wastewater Utility posted surpluses of $0.932 million and $2.5 million respectively, while Storm Water Management and the Water Utility posted deficits of $0.276 and $0.334 million.
3. The City of Saskatoon's (City) Boards and Commissions all reported preliminary surpluses in 2014.
4. The actual to budgeted fuel expenditures for mill-rate programs resulted in a surplus of $0.343 million. The Administration is recommending a non-transfer of the surplus to the Fuel Stabilization Reserve due to a sufficient balance within the reserve.
5. The Snow Removal and Ice Management Program posted a $2.277 million deficit.
6. Subject to approval of the recommendations, the remaining surplus of $0.553 million will be transferred to the Fiscal Stabilization Reserve which has a current balance of $6.151 million.

Strategic Goal

Strong financial performance and budget adherence are necessary in order to meet the Strategic Goal of Asset and Financial Sustainability and in particular, the priority to maintain the City of Saskatoon's "AAA" Credit Rating.

Background

Prior to the external audit of the City's year-end financial statements, the Administration tables a report with City Council to inform Councillors and the public on the preliminary year-end financial results.

The external audit of the financial statements is expected to be completed in May 2015, at which time the finalized audited financial statements will be tabled with the Executive Committee and then City Council for approval. At that point, the year-end financial results will be confirmed or adjusted based on the external audit.

Report

Civic Year-End Results – Summary

Attachment 1 is a summary of the preliminary year-end financial results. Attachment 2 is the preliminary financial results by business and service line for the year-ended December 31, 2014.

The preliminary results indicate a surplus of $0.553 million subject to confirmation by the external auditor.

There were a number of factors that contributed to the overall surplus, most notably:

- $4.866 million favorable variance in Taxation and General Revenues mainly due to increased gains on residual bonds, increased interest earnings for cash, higher tax penalties and increased traffic violations;

- $1.867 million surplus in Corporate Governance and Finance primarily due to cost savings related to staff vacancies, discretionary spending freeze and utilization of in-house training;

- $4.672 million unfavourable variances in Transportation Services is mainly due to higher than anticipated Snow and Ice Management costs, due to increased service levels ($2.277 million) and lower than expected Transit Operations revenues from decreased ridership and the labour disruption ($1.893 million); and

- $1.576 million deficit in Environmental Health that is largely due to waste handling services which had lower than expected landfill revenues ($0.920 million) and higher costs related to equipment rentals and repairs ($0.5 million).

SL&P and the Wastewater Utility posted surpluses of $0.932 million and $2.5 million respectively, while Storm Water Management and the Water Utility posted deficits of $0.276 milion and $0.334 million. All utilities subsequently transferred funds to and from their respective Utility Stabilization Reserve.

The City's Boards and the Saskatoon Police Service (SPS) all posted surpluses in 2014. SPS posted a surplus of $0.558 million which is incorporated within the civic year-end results. SaskTel Centre has a preliminary surplus of $0.497 million, while

TCU Place reported a $1.286 million surplus. The Mendel Art Gallery had a small surplus of $0.098 million.

Fuel Stabilization Reserve

The Fuel Stabilization Reserve was established to accumulate funds for the purpose of offsetting any over-expenditure in the City's tax-supported fuel budget attributable to variations in fuel pricing.

The actual to budgeted fuel expenditures for mill-rate programs resulted in a surplus of $0.343 million. The allowable maximum in the reserve, as per Council Policy C03-003, Reserves for Future Expenditures, is $2.0 million. The Administration considers the reserve balance of $1.325 million to be sufficient based on current fuel trends and is recommending that this amount not be transferred to the Fuel Stabilization Reserve.

Snow and Ice Management Reserve

The operating results for this program in 2014 indicate a $2.277 million deficit due to increased levels of service.

The Snow and Ice Management Reserve is used to stabilize this program in fiscal years where deficits occur. The balance in the reserve of $0.489 million could be used to offset this variance leaving a net program deficit of $1.788 million.

The Administration recommends not transferring these funds from the reserve due to the current civic surplus position and in order to accumulate reserve funds for future needs. This requires City Council's approval.

Fiscal Stabilization Reserve

The Fiscal Stabilization Reserve was established to mitigate mill-rate impacts from fluctuations in operating results from year to year and has a balance of $6.151 million.

Assuming City Council approves the recommendations to not transfer funds to and from the Fuel Stabilization Reserve and Snow and Ice Management Reserve respectively, the net surplus would be $0.553 million.

The civic surplus of $0.553 million would be transferred to the Fiscal Stabilization Reserve.

Options to the Recommendation

- City Council can choose to transfer the Fuel Expenditure Surplus of $0.343 million to the Fuel Stabilization Reserve. This would reduce the overall civic surplus from $0.553 million to $0.210 million and increase the Fuel Stabilization Reserve from $1.325 million to $1.668 million.

- City Council can choose to use the reserve funds in the Snow and Ice Management Reserve of $0.489 million to offset the Snow Removal and Ice Management Program deficit of $2.277 million. This would increase the overall civic surplus from $0.553 million to $1.042 million and reduce the Snow and Ice Management Reserve to zero.

Communication Plan
The year-end financial results for the fiscal year 2014 will be communicated to the public with a news release and annual report which will be issued subsequent to the year-end audit.

Policy Implications
City Council must approve the recommendation to not transfer the fuel surplus to the Fuel Stabilization Reserve and to not transfer the reserve balance from the Snow and Ice Management Reserve.

Financial Implications
The financial implications of the recommendations are identified under the options section of the report.

Other Considerations/Implications
There are no environmental, privacy, or CPTED considerations or implications, and public and/or stakeholder involvement is not required.

Due Date for Follow-up and/or Project Completion
The external audit is currently underway and will be completed in May at which time the Executive Committee will review the preliminary financial statements and forward the approved Consolidated Financial Statements and other reports to City Council in June 2015.

Public Notice
Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

Attachments
1. Summary of Preliminary Year-end Financial Results
2. Preliminary Financial Results by Business Line for the Year Ended December 31, 2014

Report Approval
Written by:	Clae Hack, Director of Finance & Supply
Reviewed by:	Kerry Tarasoff, CFO/General Manager, Asset & Financial Management Department
Approved by:	Murray Totland, City Manager

2014PrelimYEResults2014.docx

Summary of Preliminary Year-End Financial Results

City of Saskatoon General Fund
2014 Summary

	2014 Budget	2014 Actuals	Variance	Percent
Revenues	$411,925,500	$414,774,697	$2,849,197	0.69%
Expenditures	$411,925,500	$414,221,882	($2,296,382)	(0.56%)
Surplus (Deficit)	$ 0	$552,815	$552,815	0.13%

Mill Rate Year-End Results – Summary

- The preliminary surplus for the City's mill rate operations is $0.553 million. The Administration is recommending non-transfers related to the Fuel Stabilization Reserve ($0.343 million surplus) and the Snow and Ice Management Reserve ($2.277 million deficit), and that the preliminary surplus of $0.553 million be transferred to the Fiscal Stabilization Reserve.

- The main contributors to the civic surplus in 2014 are as follows:

  - General Revenue had a $3.748 million favorable variance due to gains on residual bonds, increased interest earnings for cash, stronger utility consumption and increases from cheque fees.
  - Corporate Support Services had a $1.688 million surplus mainly due to staff vacancies, the discretionary spending freeze, utilization of in-house training and Corporate licensing savings.
  - City-Owned Property – Land realized a $0.807 million surplus due to increased lease revenue and decreased lease costs due to civic offices relocating to Civic Square East.
  - Road Maintenance had a $0.859 million operating surplus due to under expenditures in maintenance from work being diverted to capital programs and increases in cost recovery for utility cuts.
  - Saskatoon Police Service had a $0.558 favorable variance due to increased revenue from Provincial grants, criminal record checks and special duty.
  - Fines and Penalties were $0.665 million over budget due to increases in traffic violations revenue

  These favorable variances were offset by the following service line deficits:

  - Fire Services was over budget by $1.313 million due to the union contract settlement (2011 - 2014).

- Snow and Ice Management had a $2.277 million deficit mainly due to increased service levels for city-wide grading and snow removal, as well as costs related to contract over-runs, stockpiling of street sand and other labour, equipment and materials increases.
- Street Sweeping was over budget by $0.995 million due to the cost of delivering an increased service level to residents and businesses.
- Transit Operations operated at a $1.893 million deficit mainly due to decreased ridership, the labour disruption, and higher equipment and building maintenance costs due to an aging fleet and facility.
- Waste Handling Services had a $1.569 million unfavorable variance due to less revenue at the landfill and higher costs for equipment rentals and repairs.

Utility Year-End Results – Summary

- **Saskatoon Light & Power** recorded a year end surplus result of $0.932 million due to savings realized in bulk power purchases of $1.50 million, offset by less than expected meter revenue of $0.4 million. The remaining variance is due to an over expenditure in salaries of $1.10 million offset by a net decrease in operational costs. The surplus will be transferred to the Saskatoon Light & Power Stabilization Reserve, which will increase the reserve to a balance of $0.932 million.

- The **Storm Water Management Utility** posted a deficit of $0.276 million due to revenue of $0.683 million not realized due to an over estimation of billable units and over expenditures of $0.137 million related to the fall sweep program. These unfavourable variances were offset by $0.442 million in savings related to fewer required replacements of storm sewer catch basin leads and manholes. The deficit will be covered by the Storm Water Stabilization Reserve, which will reduce the overall reserve balance to $1.100 million

- The **Wastewater Utility** posted a surplus of $2.5 million due to revenues realized in excess of budget of $0.506 million, plant savings of $0.737 million due to the deferral on non-critical maintenance and maintenance of the sewer distribution system was under spent by a net $1.74 million in response to the expenditure freeze and deferring purchases to 2015. These savings were offset by expenditures due to remedial work on the Rotary Park Lift Station ($0.277 million) and additional overtime incurred ($0.206 million). A portion of this surplus will be transferred to the Water and Wastewater Stabilization Reserve, which will maximize allowable contributions with the remainder to be transferred to the Wastewater Capital Projects Reserve and Water Capital Projects Reserve. After transfers, the balances of the Water and Wastewater Stabilization Reserve, Wastewater Capital Projects Reserve and Water Capital Projects Reserve will be $6.80 million, $4.042 million and $0.159 million respectively.

- The **Water Utility** posted a deficit of $0.334 million due to reduced revenues of $0.590 million and maintenance of the water distribution system that was over spent by $0.989 million due to the high volume of water main breaks in the first four months of 2014. These unfavourable variances were offset by plant savings of $0.885 million due to the deferral of non-critical maintenance and discretionary spending decreases, $0.225 million in savings from process efficiencies and $0.278 million in savings due to decreased power consumption from lower demand and project delays. The deficit will be transferred from the Water and Wastewater Stabilization Reserve, which as stated above will have a year-end balance of $6.80 million.

Boards and Commissions Year-End Results – Summary

- **The Saskatoon Police Service** ended 2014 with a budget surplus of $0.558 million with favourable budget variances in revenues ($0.837 million) and unfavourable variances in expenditures ($0.279 million). The overall favourable variance is contributed to increased revenue from Provincial grants, increased criminal record checks and special duty. These increased revenues were offset by increases in overtime and facility and operating maintenance.

- **TCU Place** is reporting a preliminary surplus of $1.286 million which will be transferred to its Equipment Replacement Reserve and Capital Expansion Reserve respectively.

- **SaskTel Centre** has posted a preliminary surplus of $1.017 million and will be transferred to its Stabilization Reserve ($0.452 million), Equipment Replacement Reserve ($0.35 million), and the Capital Enhancement Reserve ($0.215 million).

- The preliminary result for the **Mendel Art Gallery** indicates a year-end surplus of $0.254 million.

Preliminary Financial Results by Business Line for the Year Ended December 31, 2014 (in $000's)

	2013 Year End Actuals	2013 Total Budget	2014 YTD Actuals December	2014 Total Budget	2014 Budget vs Actual
Community Support	12,202	12,039	**12,743**	**12,481**	**262**
Corporate Asset Management	8,247	8,038	**6,458**	**7,770**	**(1,313)**
Corporate Governance & Finance	(59,036)	(56,074)	**49,847**	**51,715**	**(1,867)**
Environmental Health	11,479	10,405	**12,733**	**11,157**	**1,576**
Fire & Protective Services	43,367	41,626	**43,544**	**42,187**	**1,356**
Land Development	0	0	**0**	**0**	**0**
Policing	70,596	72,031	**75,451**	**76,009**	**(558)**
Recreation & Culture	29,284	29,384	**30,831**	**30,622**	**209**
Taxation & General Revenues	(192,388)	(191,124)	**(321,474)**	**(316,608)**	**(4,866)**
Transportation	74,740	68,635	**83,871**	**79,199**	**4,672**
Urban Planning & Development	5,112	5,041	**5,443**	**5,467**	**(24)**
TOTAL DEFICIT / (SURPLUS)	**3,603**	**(0)**	**(553)**	**0**	**(553)**

	2013 Year End Actuals	2013 Total Budget	2014 YTD Actuals December	2014 Total Budget	2014 Budget vs Actual
Utilities	(6,951)	0	**(2,822)**	0	**(2,822)**
Utilities Transfers to Reserve	6,951	0	**2,822**	0	**2,822**
UTILITIES TOTAL DEFICIT / (SURPLUS)	**0**	**0**	**0**	**0**	**0**

2014 OPERATING BUDGET VARIANCE SUMMARY

The 2014 ending financial position for the corporation is a **$0.533M surplus.**
This surplus is comprised of the consolidation of the corporation's 12 business lines.
The 2014 Financial Summary of each "contributing" business line is as follows:

1. Community Support	**$262.1k unfavorable variance** due to participation increases in the Mortgage Flex & Vacant Lot Programs, and audit recommending all costs associated with the provision of civic services (special events) be charged to this program.
2. Corporate Asset Management	**$1.313M favourable variance** due to increased lease revenue and decreased lease costs of Civic Square East, partially offset by transfers to reserve. Also, staff vacancies in the Energy Management Program and reduced utility costs due to mild weather conditions.
3. Corporate Governance & Finance	**$1.867M favourable variance** due to staff vacancies and discretionary spending freeze cost reductions. Further savings resulted from utilization of in-house training, and corporate licensing savings.
4. Environmental Health	**$1.576M unfavourable variance** due to $900k in reduced landfill revenue from further diversion efforts and two additional competing landfills. Nearly $500k in additional equipment rentals and repairs for landfill and collections due to aging equipment. Increased HHW opertating costs due to increasing volumes and participants.
5. Fire & Protective Services	**$1.356M unfavourable variance** due to the outstanding union contract settlement for 2011 - 2014 not settled until 2014.
6. Police	**$558k favourable variance** due to increased revenue from provincial grants, criminal record checks, and special duty. These were only partially offset by increased expenditures in overtime and facility and operating maintenance.
7. Recreation & Culture	**$209k unfavourable variance** mainly due to recreation facility programs whereby leisure card sales are declining due to an increase in private fitness options, increases in staffing costs for statutory holidays and shift differential, and increased credit card fee for the hosted registration site.
8. Taxation & General Revenues	**$4.866M favourable variance** due to increased revenues from gains on residual bonds, increased interest earnings from cash on hand, stronger utility consumption, and increases from cheque fees. In addtion, increases in traffic violation revenues from city growth, and municipal and library grants-in-lieu assessment values coming in higher than anticipated were large contributors to this surplus.
9. Transportation	**$4.672M unfavourable varianc**e due to: **Snow & Ice:** $2.3M over-run for increased service level of city-wide grading and snow removal relating to contract cost over-runs, stockpiling of street sand, and labour, equipment, and material increases. **Street Cleaning:** Increased service level resulted in overuns of $712,000 in contract costs and $313,000 for the signing program. **Transit:** $1.5M decreased revenue from labour disruption and ridership decrease, $300k higher equipment and building maintenance costs due to an aging fleet and facility.
10. Utilities	**$2.822M favourable variance** due to: **Saskatoon Light and Power:** $0.932M surplus due to savings realized in bulk power purchases of $1.5M and net decrease in operational costs, offset by an over expenditure in salaries of $1.1M. **Storm Water Management Utility**: $0.276M deficit due to $0.683M not realized in revenue due to an over estimation of billable units offset by $0.442M in savings related to fewer required replacements of catch basin leads and manholes. **Wastewater Utility:** $2.5M surplus due to $0.506M in revenues realized in excess of budget, $1.74M in under expenditures related to the expenditure freeze and $0.737M in plant savings due to the deferral of non-critical maintenance. **Water Utility:** $0.334M deficit due to $0.989M in over expenditures due to the high volume of water main breaks offset by plant savings of $0.885M due to the deferral of non-critical maintenance. The net surplus of $2.822M was subsequently transferred to the appropriate utility reserve as per policy.

Financing Growth Study

Recommendation

1. That the information be received; and
2. That the Administration report back on the implication of the findings of the Hemson Report.

Topic and Purpose

The purpose of this report is to receive the final Financing Growth report from Hemson Consulting Ltd. (Hemson), and summarize the key findings of this study.

Report Highlights

The attached study was commissioned to accomplish four main tasks:

1) to provide information to help the City of Saskatoon (City) understand the current and future costs of infrastructure and civic services required to support future population growth;
2) to determine the financial impact of growth;
3) to provide a general commentary of the costs/benefits of different types of development; and
4) to provide a communication tool designed to help the general public understand the relationship between property taxes and costs of growth.

Strategic Goal

This report and study supports the Strategic Goal of Sustainable Growth by understanding the components of growth, their economic impact on the city, and its relationship to different growth models.

Background

On October 21, 2013, City Council adopted a recommendation from the General Manager of Community Services recommending that Hemson be awarded a contract to conduct a Financing Growth Study. Additional refinement was added to the study in December 2014 to look more closely at the relationship between property taxes and growth, as well as impact of different types of growth.

Report

Hemson has completed their study of Saskatoon's policies and funding strategies to answer the questions in the community about how growth is funded and whether or not growth pays for growth (see Attachment 1). If the question is: "Does population growth pay for necessary capital expenditures and operational services required to support growth?"; Hemson concluded that the answer is "partly", for the following reasons:

Costs of Infrastructure and Civic Services to Support Population Growth

Hemson has concluded that growth will not fully pay for growth provided there are costs excluded from development levies, whether they are legislatively excluded or excluded as per City policies. There are three major exclusions from the development levy that the City could legislatively include:

- i) capital costs associated with the Water and Wastewater Treatment Plants;
- ii) the inclusion of bridges as part of the roadway levy; and
- iii) major recreation facilities, like leisure centres.

Furthermore, Hemson has pointed out that there are additional costs related to growth that could be added to existing legislation. For example, requests to the Province of Saskatchewan have been made recently requesting legislative changes to allow the City to collect development levies for costs related to expansion of emergency services. Capital expansion of transit services is another cost that cannot be recovered from development levies.

The Financial Impact of Growth

Hemson has examined the impact that growth has had on property taxes for the years 2009 to 2015. Hemson has concluded:

- i) population growth has increased faster than household growth;
- ii) residential taxable assessment is growing faster than non-residential assessment;
- iii) self-generated non-tax revenues are not keeping pace with costs; and
- iv) the main underlying factors in residential property tax increases relate to:
    - a) inflation;
    - b) capital-related costs and service level increases;
    - c) slow growth of non-tax revenues; and
    - d) assessment per capita is decreasing.

Costs and Benefits of Different Types of Growth

Hemson has concluded that intensification of existing areas (minor and major infill) has the potential to achieve some cost savings (both capital and operating costs). Major infill also tends to improve transit usage. All types of infill tends to have a higher assessment than neighbouring properties. On the capital side, infill can be very cost effective if existing infrastructure has unused capacity. However, efficiencies are relatively small in relation to the overall requirements of new growth that are primarily influenced by population and employment rather than geography.

In greenfield situations, there are generally fewer opportunities for cost savings. The benefits of more intensive development is largely restricted to linear infrastructure. Infrastructure for services that are “people driven” will be largely unaffected by changes in density.

Public and/or Stakeholder Involvement
A steering committee guided the study process. This committee included a key representative from the development industry (Don Armstrong, Dream Development).

Communication Plan
A communication strategy has been developed to answer the following questions:

> "Does growth pay for growth?"
>
> "Why are property taxes increasing so much when our city is growing?"

In order to address these questions, a summary of the key findings from the Hemson study has been prepared, as well as more general information and Frequently Asked Questions on Funding Growth in Saskatoon (see Attachment 2). This will be made available online.

Meetings and presentations will be scheduled, as requested with stakeholder groups such as developers and business organizations. A technical briefing will be provided to the news media, followed by public communications with the news and social media.

There are many aspects to this study, and it is a complicated topic. To better assist our citizens in understanding the answers to the questions posed above, the Administration is preparing additional materials such as videos and info-graphs that will be made available on line and in hard copies for distribution.

Also, findings from the Hemson study provide valuable insights into the impact growth has on the City's financial future and property taxes. As part of the comprehensive communication plan for the annual business plan and budget, these key findings will be incorporated to address questions citizens have, such as:

- How do you spend my tax dollars?
- What are the basic building blocks used when the City develops a budget?
- Why are my property taxes going up when the population of Saskatoon is growing?

The Administration will be reporting further on the communication and citizen engagement plan for the 2016 Business Plan and Budget.

Policy Implications
The Financing Growth Study does not contain recommendations for policy changes. It does, however, provide issues for consideration. These issues will be addressed in future reports.

Financial Implications
There are no specific financial implications at this time. The information contained in this report will be considered once the Growth Plan to 500,000 is completed.

Other Considerations/Implications
There are no options, environmental, privacy, or CPTED implications or considerations at this time.

Due Date for Follow-up and/or Project Completion
A further follow-up on policy options to be considered will be included in the Growth Plan to 500,000, which is expected in early 2016.

Public Notice
Public notice, pursuant to Section 3 of Public Notice Policy No. C01-021, is not required.

Attachment
1. Financing Growth Study, April 8, 2015 - Hemson Consulting Ltd.
2. Funding Growth: Frequently Asked Questions

Report Approval
Written by:	Alan Wallace, Director of Planning and Development
Approved by:	Randy Grauer, General Manager, Community Services Department
	Murray Totland, City Manager

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FINANCING GROWTH STUDY

City of Saskatoon

HEMSON Consulting Ltd.

April 8, 2015

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EXECUTIVE SUMMARY

In recent years, Saskatoon has been experiencing substantial growth, a pattern that is forecast to continue into the future. Growth provides many benefits but the service requirements that come with growth such as new roads, a supply of serviced land and new community facilities are substantial. The City plays the key role in addressing these requirements which have both operational and financial implications. As part of the City's strategic planning work, this study of the funding and financing aspects of growth has been undertaken to better understand these implications.

The report describes the results of the study. It addresses the following aspects.

- Growth forecasts for the City.
- How the City currently funds growth related infrastructure.
- Methods available to the City to fund growth-related costs.
- Municipal infrastructure funding: Principles & Practices.
- How municipalities across Canada recover growth-related capital costs.
- Alternative funding options in the context of the City's current and future growth-related capital requirements.

The final section of the report provides conclusions regarding current arrangements. Suggested approaches that the City could consider as it continues to grow are identified.

The report also contains two important appendices.

Appendix A: A review of the characteristics of alternative forms of growth and in particular their capital and operating cost implications for the City.

Appendix B: Analysis of the amount and composition of the increase in the residential tax rate between 2009 and 2015.

The key points from each section are summarized below.

GROWTH FORECASTS

- The current population forecast for the period to 2033 is for the City to grow by approximately 159,000 people (59%) from 249,000 (2013) to 408,000 people.

- This growth will result in household growth of about 64,000 and employment growth of 96,000.

CITY FUNDING OF GROWTH-RELATED CAPITAL

- The City has three principle funding sources for new infrastructure:
  - Development Levies – Per provincial legislation
  - Property Taxes and Utility Rates – Residual amounts not-funded through Levies and Other Sources
  - Other Sources – Grants, Fees, Transit Fares, Land Development Surpluses etc.

In addition, developers pay for the cost of local infrastructure.

Saskatoon's Development Levies potentially account for an estimated 90% of total growth-related infrastructure costs. Long term replacement costs are funded through property taxes.

PRINCIPLES & PRACTICES REGARDING MUNICIPAL INFRASTRUCTURE FUNDING

- Five key principles should guide the allocation of responsibility for funding infrastructure:
  - Benefit
  - Equity/Fairness
  - Accountability/Transparency
  - Ease of administration
  - Revenue reliability/Security
- Development Levies are widely used in Canada. Saskatchewan legislation permits charges for a comparatively full range of services. Only in Ontario do municipalities have significantly greater scope.
- Other funding approaches include:
  - Developer contributions, development agreements, front-ending and financing, density bonuses, value capture etc.
  - Senior government Grants and subsidies.
  - Property taxes and utility rates.

SASKATCHEWAN'S INFRASTRUCTURE FUNDING RELATED LEGISLATION

- The *Planning and Development Act* provides the authority to impose development levies and servicing fees.

- Municipalities are permitted to recover costs relating to:

  - water
  - wastewater
  - storm water
  - roadways and related infrastructure
  - parks and recreational facilities

- Municipalities may also impose agreements and fees in relation to services relating to subdivisions.

- Of particular note notwithstanding the legislation, Saskatoon currently does not include as part of its development levy an amount for water and wastewater plant capacity.

DEVELOPMENT CHARGES COMPARISONS

- Development Charges vary widely across Canada in terms of their scope, method of calculation and application.

- As the components that make up the development charges vary from city to city and as costs of infrastructure also differ by location, there is significant range in the rates that apply.

FUTURE FUNDING OPTIONS

- Saskatoon is likely to face an ongoing need for new growth-related infrastructure especially in transit and for infill and redevelopment projects. Growth in the form of new greenfield neighbourhoods will also continue.

- Should the City wish to reduce the burden of financing growth, consideration could be given to:

  - greater use of Public-Private Partnerships
  - Front-end financing agreements with developers

- Alternative funding tools that are used in other jurisdictions include:

  - Transportation oriented fees and charges
  - Value Capture Fees
  - Land Transfer Taxes

- In terms of the calculation of the City's Development Levy consideration could be given to:

  - including in the levy the cost of water and wastewater plant

- examining the unit structure of the levy (e.g. using building area rather than frontage)
- providing full details of the cost allocation between growth and non-growth related infrastructure
- providing details of the calculation of the development levy

APPENDIX A: MUNICIPAL FINANCE ISSUES AND DEVELOPMENT FORMS

- Three forms of development have been considered: minor infill projects, major infill projects and greenfield developments.

- Currently, infill projects represent about 20% of growth but are targeted to expand to 30%. Greenfield development will nevertheless continue to be the dominant form of new housing in Saskatoon.

- Minor infill projects have generally positive financial impacts for the City. They seldom require additional infrastructure and can be accommodated within the existing service structure. They seldom pay development levies.

- Major infill projects also have positive impacts in many instances. However where existing infrastructure capacity is insufficient, the cost of new infrastructure can be very high. While it is difficult to generalize about impacts of major infill projects, it is normally the case that such projects enhance the surrounding area. Most projects pay development levies.

- Greenfield projects generally require a full range of infrastructure. Local service infrastructure is paid for by the developer. Development levies fund most of the costs of other infrastructure.

- Only a part of the non-residential development that results from population and employment growth is likely to be located within greenfield developments. Accordingly, development specific financial impacts do not capture the overall effect on the City's finances.

APPENDIX B: WHAT HAS BEEN DRIVING RESIDENTIAL TAX RATE INCREASES

- Between 2009 and 2015 residential tax rates rose by 32.8%.

- For the same period the rise in the Municipal Price Index which tracks the cost of key items that influence municipal finances rose by 20.1%.

- Over the 2009-15 period, the differences between the actual residential tax rate increase (32.8%) and the increase that would be anticipated given the Municipal Price Index (20.1%) is attributable to two major factors:

    1. Greater than MPI increases in the cost of specific types of expenditures

2. Relatively low growth in non-tax revenues and non-residential assessment

- With regard to costs, there are two sources of spending that had a particular impact.

    - The Council initiated enhanced Roadways program with its associated tax levy. This had the effect of increasing the tax rate by 6.6%.

    - Capital Spending. While not attributable to a single program, overall capital related costs accounted for the bulk of the spending over and above the level of MPI cost increases.

- In relation to the distribution of revenues two factors account for a shift onto the residential tax rate.

    - Non-tax revenues did not keep pace with growth. As a result a greater share of city expenditures had to be raised through property taxes.

    - In 2009, for every household there was $74,600 of non-residential assessment, the taxes from which helped pay for the cost of city services. However between 2009 and 2015, the increase in non-residential assessment per added household has been $39,100. As a consequence the contribution from the new non-residential assessment towards the cost of new services has been less than before. This has contributed to the need for a higher residential tax rate and in turn higher residential taxes. In 2015, this added amount is estimated to be approximately $2.6 million.

I INTRODUCTION

In recent years, the City of Saskatoon has enjoyed a sustained period of population and economic growth due to the effects of strong demand and high prices for the commodities that underpin Saskatchewan's economy. The City's GDP continues to expand at a faster pace than many other Canadian metropolitan centres, growing at 2.9% in 2012 and projected at 3.7% for 2013. Between 2001 and 2011, the population of the City increased by nearly 24,400 people, well over twice the growth in the previous ten years. In the same 2001-2011 period, employment rose by 21,900. In the context of the national and world economies, Saskatoon is booming.

This pattern of sustained growth is expected to continue well into the future. Based on current rates, the City has forecasted the population of Saskatoon will rise to nearly 407,500 by 2033. This trend would in turn "result in a need for the equivalent of about three new neighbourhoods in the next five years and 15 new neighbourhoods in the next 20 years". Under a more aggressive 4% growth rate, Saskatoon's Census Metropolitan Area (CMA) would reach a population of over 500,000 by 2033.

Growth certainly brings benefits. Whereas in the past Saskatoon's younger generation have often had to move away to find good jobs, today there are more and better opportunities in the City. The increased economic activity is also good for local businesses as new residents and employment are bringing additional spending power, which in turn is spurring new development. The additional activity created by new residents and employment provides an environment that can support a broader range of goods and services.

From a municipal perspective growth is beneficial. As the city grows its revenues (taxation, user fees and potentially Provincial grants) increase which enables the municipality to improve existing services for all residents as well as providing the additional services required to meet the needs of new residents and businesses. The increased size of the City in combination with appropriate planning choices may help achieve better economies of scale for services such as transit. This in turn can help support sustainability objectives.

Growth does not however come without challenges. Infrastructure needs increase, more roads must be built if traffic congestion is to be avoided. Adequate amounts of serviced land to meet housing and employment requirements must be planned for in a timely manner in order to keep real estate price rises in check. Growth also puts pressure on the natural environment. The greatest challenge for the City is to construct the necessary infrastructure to support new development while at the same time continuing to maintain and replace existing infrastructure. The main focus of this report is on new infrastructure and how it should be paid for.

The City has been taking steps to address the new reality in which strong sustained growth is becoming the norm. A ten year Strategic Plan has been developed. It includes specific strategies and priorities relating to Asset and Financial Sustainability. Among the priorities for the coming four years is the completion of "an assessment of the costs and revenues related to growth".

The Strategic Plan also established city planning goals relating to transportation and sustainable growth. A key document that will guide the process is the recently prepared *Growth Plan to 500,000.* The detailed implementation process associated with the *Growth Plan to 500,000* commenced in July 2012. Among the specific aspects which are addressed in this process are rapid transit, nodes, corridors and infill plans, and employment areas. Sustainability, in part through intensification, will be a key guiding principle in the way Saskatoon grows and develops in the future.

The study which this report addresses focuses on the funding of growth related infrastructure. The study is being conducted in four phases:

- **Phase 1.** Reviewing the existing system for funding services.
- **Phase 2**. Examining alternative funding options.

- **Phase 3.** Developing communication material for a wide, non-technical audience.

- **Phase 4.** Determine the Extent and Cause of Property Tax Increases

This report addresses Phases 1 and 2 and 4 of the Study. After this introductory section there are seven more sections:

- **Section 2** discusses the growth forecasts for the City.

- **Section 3** provides an overview of how the City of Saskatoon currently funds growth related infrastructure; included is a summary for each City service on the impact of growth and the current funding tools used.

- **Section 4** discusses the range of tools both currently and potentially available to the City to fund growth-related costs.

- **Section 5** reviews Saskatchewan's *Planning and Development Act, 2007 (PDA)*

- **Section 6** includes a comparison of how municipalities across Canada recover growth-related capital costs.

- **Section 7** describes and evaluates a number of alternative funding options in the context of the City's current and future growth-related capital requirements.

- **Section 8** provides conclusions regarding the current growth funding arrangements together with a number of suggested approaches that the City could consider as it continues to grow and to invest in additional infrastructure.

- **Appendix A** provides commentary on municipal finance issues relating to various forms of development.

- **Appendix B** determines the extent and cause of tax increases from 2009-15

The Study is not intended to guide decisions related to specific development applications or to guide future capital infrastructure investments. Instead it is designed to assist City Council and in turn staff to evaluate and make decisions about infrastructure investments using a transparent, policy based approach.

II GROWTH AND DEVELOPMENT IN SASKATOON

To put this study in context, it is important to understand the magnitude of the amount of growth forecasted for Saskatoon. This section discusses the long-term growth outlook for Saskatoon in the context of historical growth and development trends.

A. POPULATION FORECAST

As Figure 2 illustrates, prior to 2014 the City of Saskatoon has experienced three periods of high growth since 1906. From 1991-2006, based on Statistics Canada Census data, the City grew on average 0.56% per annum. From 2006-2013, the City has grown an average of 3.00% per annum which is one of highest rates of growth amongst Canadian cities. In total, the City has grown by about 60,000 people over the past 20 years.

Based on these recent trends, population and housing forecasts were prepared by the City of Saskatoon's Planning and Development Branch. Figure 1 shows that using an annual growth rate of 2.5%, the City's population will reach 407,500 in 2033. This would represent a total population growth of approximately 159,000 or 64% from the 2013 population of 248,700. This will require an enormous investment in infrastructure to ensure that both current and future residents of Saskatoon enjoy the range and quality of services that the City currently delivers.

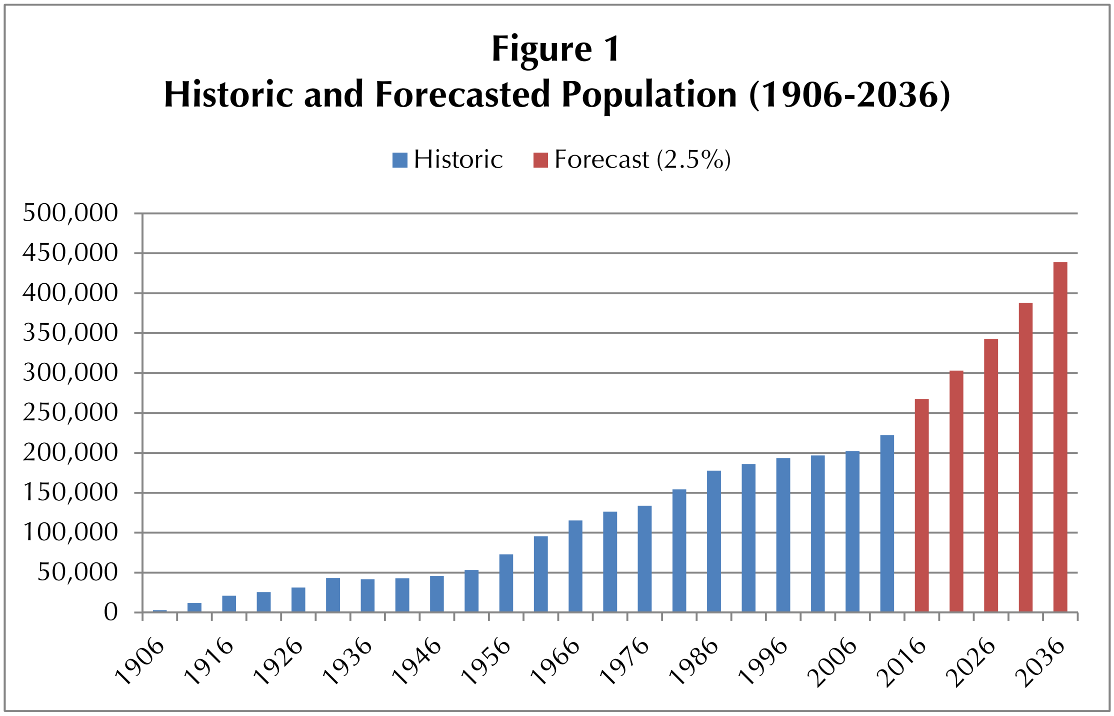
Figure 1
Historic and Forecasted Population (1906-2036)
Historic
Forecast (2.5%)
500,000
450,000
400,000
350,000
300,000
250,000
200,000
150,000
100,000
50,000
0
1906
1916
1926
1936
1946
1956
1966
1976
1986
1996
2006
2016
2026
2036

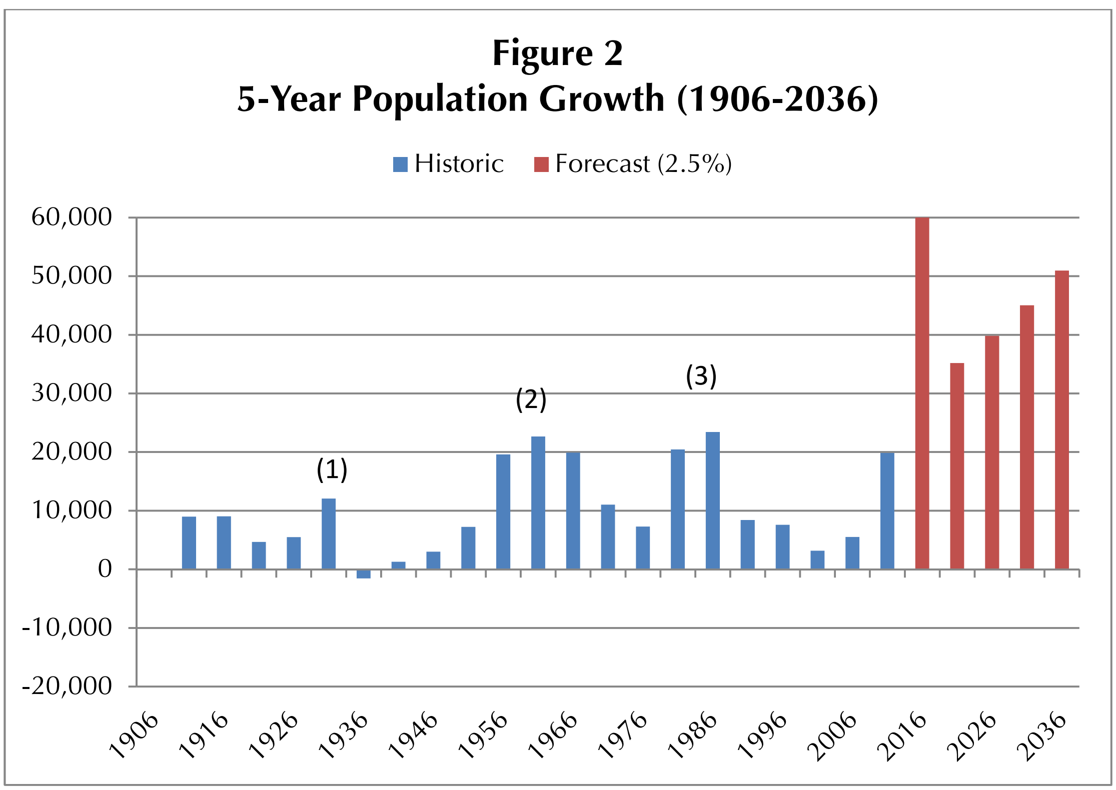
Figure 2
5-Year Population Growth (1906-2036)
Historic
Forecast (2.5%)
60,000
50,000
40,000
30,000
20,000
10,000
0
-10,000
-20,000
(1)
(2)
(3)
1906
1916
1926
1936
1946
1956
1966
1976
1986
1996
2006
2016
2026
2036

B. HOUSING FORECAST

Table 1 below shows that using the 2.5% population growth per annum and based on an average household size of 2.5 people per household, housing growth is forecasted to add 63,500 new units by 2033. Using the current neighbourhood template of approximately 10,000 people or 4,000 homes, this would equate to an additional 16 neighbourhoods in this time frame.

Table 1
Forecasted Household Growth

	2014-2018	2019-2023	2024-2028	2029-2033	Total	# of New Neighbourhoods
Low	10,354	11,432	12,621	13,935	**48,342**	12
Medium	13,072	14,790	16,734	18,933	**63,530**	16
High	15,845	18,368	21,294	24,685	**80,192**	20

Assumptions:
Households: 2.5 people per household
Neighbourhoods: 10,000 people or 4,000 homes per neighbourhood

C. EMPLOYMENT FORECAST

Table 2 outlines the employment forecast using the City's current Labour Force percentage and Participation Rate. Currently, Saskatoon's Labour Force is 83% which represents the percentage of the population that is 15 or older. The current Participation Rate is 71.5%. This is the percentage of the City's labour force that is working. Under these assumptions, there will be approximately 96,000 new jobs in the City by 2033.

Table 2
Forecasted Employment Growth

	2013-2017	2018-2022	2023-2027	2028-2032	Total
Low	20,175	16,628	18,358	20,269	**75,430**
Medium	23,330	21,408	24,221	27,404	**96,364**
High	26,533	26,458	30,672	35,557	**119,219**

Assumptions:
Labour Force = 83% of City's Population
Participation Rate = 71.5% of the City's labour force participates or has a job

With an estimated increase of 159,000 residents, 63,500 additional households and 96,000 new jobs over the next 20 years, it is safe to say that the City of Saskatoon is going to be a very different city in 2033. A very significant capital investment is going to be required in order to provide municipal services to the new development that will be built. The next section will discuss how the City currently funds growth-related capital and how each service is affected by growth.

III SASKATOON'S EXISTING SYSTEM FOR FUNDING SERVICES

This section describes how the City of Saskatoon currently funds growth-related capital. The first part provides an overview of the City's current practice and the four principle funding sources it uses. They are summarized in Table 8. The second part of the section considers the impact of growth on municipal expenditures and the current funding tools, on a service by service basis.

A. CURRENT PRACTICE

As growth occurs, the need to provide capital infrastructure (facilities, land, vehicles and equipment, etc.) for the wide range of services provided by a municipality generally increase. A myriad of factors influence the amount of capital investment required. Typically, the amount, type and location of development are of prime importance in determining the nature and amount of required capital investment. In addition are factors such as municipal standards and desired levels of service, the regulatory requirements of senior governments; geography (such things as river crossings, railway lines, airports). Also to be considered are the timing of development; the availability of existing capacity; and aspirations of municipalities related to such factors as providing equal access to services.

Having defined the capital requirements associated with development, a municipality must then determine how the infrastructure and facilities are to be provided and/or funded. This is a critical issue facing many of the faster growing municipalities across Canada. Who should pay for growth? The answer to this question is neither simple nor entirely objective. No single solution fits all local circumstances. However, while the answer may be influenced largely by political choices, legislative requirements and possibly constraints (e.g. debt limits), key principles assist in determining an appropriate approach.

For this study it is important to clarify three issues at the outset. First, although this Study is called a *Financing* Growth Study, the main focus is on *funding* growth. The distinction is important:

- ***Financing*** refers to the means by which growth-related capital revenue is raised or secured. In general terms, financing is of two types: pay-as-you-go or borrowing (debt financing).

- ***Funding*** refers to who will provide pay-as-you-go funds or in the case of borrowing, who will repay the debt. While in practical terms there may be a continuum there are generally two sources of funds for capital investment: taxation (either local or from senior governments) and funds provided by the user or consumer of the investment.

Secondly, this part of the Study focuses on identifying how the initial or "first round" of growth-related capital infrastructure is paid for. To that extent, it does not address operating and maintenance costs that arise after growth has taken place or the eventual rehabilitation or replacement of the capital assets, although some discussion of infrastructure asset management using life-cycle costing is addressed.

Thirdly, a distinction is made between growth-related capital infrastructure that is internal to subdivisions ("on-site") and those that are external or "offsite" (or "on-site" but sized to also service development beyond the subdivision). This study focuses on the offsite or oversized components of growth-related capital. The distinction is made due to the fact that most municipalities in Canada, including Saskatoon, historically require developers to pay for and/or provide on-site infrastructure such as local roads, street lights, sidewalks, storm sewers and drains, local sewer mains, water mains and connections, hydrants, site grading, landscaping of parks and boulevards, and so on.

The following are the four primary funding tools that the City currently uses, how they are applied and the services that they fund:

1. Development Levies

The City of Saskatoon imposes development levies for local and offsite services required to service new development. The fees are administered under the annual Prepaid Service Rates (Direct and Offsite) adopted by Council. The levy is charged on a lot front metre basis for residential lots that have an area less than 1,000 square metres and commercial developments that are greater than 1,000 square metres. A levy is also imposed on a front metre basis for industrial lots. Developments outside of these parameters are charged on an area basis.

The levy is a city-wide charge and is not differentiated based on geographic area; all development pays the same rate regardless of location. However, development levies are not applied to infill and redevelopment projects that do not require a subdivision of land and therefore the infrastructure required for these projects is funded through either property taxes or utility rates.

The levy is calculated by determining all growth related capital required to service the forecasted growth areas. Costs of the capital projects are determined using the most recent tenders. The amount of growth in front metres that is expected is then determined using average front metres per hectare of development. The total cost for each category is then divided by the total front metres to determine the rate. The levy is reviewed each year by adding new growth related projects, removing completed projects, and updating the growth forecast and costs using the most recent tenders.

There is some major infrastructure that is excluded from the development levy that the City is legislatively eligible to collect for. The water and wastewater treatment plants and any expansions required to increase the capacity to support growth is not included in the levy. Secondly, bridge infrastructure, specifically the North Commuter Bridge Project which is partly required to support growth is also not included in the levy. Lastly, for major recreation facilities such as the aquatic centres and arenas, the inclusion of these projects in the development levy is left to council's discretion. A current example of a planned major facility not included in the development levy is the City Centre Area Indoor Leisure Facility, which is planned to be constructed between 2015 and 2017 for $20 million; this project therefore needs to be funded through other sources of revenue.

Outside of the above exclusions, all growth-related road and related, water, wastewater, storm, park and recreation infrastructure are included in the levy.

2. Provincial and Federal Grants

The City makes every effort possible to apply any available Provincial or Federal grants to growth-related projects that are not development levy funded. However, grants are not a predictable or reliable source of funding and therefore cannot be relied upon. Grant programs usually require a project to be "shovel ready"[1] to qualify

[1] *A project is considered "shovel ready" when all planning and engineering work is at a stage where construction could begin immediately.*

for funding. Therefore, the City attempts to have "shovel ready" projects to ensure they can take advantage of the available funding.

There are some Provincial and Federal grant programs that allocate funds to municipalities based on their share of population. Therefore, it is possible that as the City grows, the share of grants the City receives may increase.

3. Land Development Surpluses

The City of Saskatoon is unique and different from other Canadian cities in that a large portion of the development is undertaken by the City through the Land Bank Division. Surplus allocations from 2007 to the present have amounted to $119.3 million, which has helped fund a variety of City initiatives and programs including the Pleasant Hill Neighbourhood Revitalization, Mayfair pool reconstruction, affordable housing incentives, local area road upgrades, operating budget contributions, and designated future land purchases.

To date, only a small portion of the surpluses have been allocated to growth-related infrastructure. Table 3 identifies as of December 31, 2014 the projects and reserve contributions that have been funded through the surpluses have been for growth-related infrastructure.

Table 3 Land Development Surplus Allocations (2007-Present)		Growth-Related?
Affordable Housing Reserve	$16,000,000	
Blakeney Lane Paving	$100,000	
Bridge Reserve	$2,500,000	Partially
City Hall Flex Space	$1,650,000	Yes
East Side Fire Hall	$562,000	Yes
Facade Grant	$75,000	
Fire Code Upgrades TCU	$500,000	
Future Land Acquisitions	$13,000,000	Yes
Infrastrucutre Surface Reserve	$2,275,000	
Mayfair Pool	$5,000,000	
Municipal Enterprize Zone	$500,000	
Operating Budget	$8,129,000	
Paved Street Rehabilitation	$15,595,200	
Pleasant Hill Village	$1,737,000	
Pleasant Hill Concept Plan	$2,705,000	
Pleasant Hill Land Acquisition	$1,000,000	
Prepaid Land Development Reserve	$28,294,000	
Reserve for Capital Expenditures	$9,221,000	Partially
Road Maintenance Equipment	$1,000,000	
Station 20 West	$40,000	
Storm Pond Enhancement	$525,000	
Surface Deficiencies - LAP	$6,460,000	
Transportation Infrastructure Reserve	$81,800	
Urban Development Agreement	$1,500,000	
2010 Torch Relay	$50,000	
25th Street Landscape - Idylwyld Entrance	$800,000	
Total Allocation to Date	$119,300,000	

In November 2012, staff provided Council with a report that included recommendations outlining the guidelines for the allocation of future Land Development Surpluses. These guidelines are to ensure that surpluses are appropriately allocated and growth-related infrastructure receives sufficient funding. The guidelines were as follows:

- 10% for future land development acquisitions;
- 65% to growth related infrastructure Capital Projects such as the City's share of new interchanges, the required fire halls; and

- 25% for general capital expenditure reserves.

4. Property Taxes and Utility Rates

Property taxes and utility rates represent the most controllable source of revenue for the City. Property taxes also represent the largest source of revenue in the 2013 property tax supported budget at 41.4%. Utility rates represent nearly the entire utility rate supported budget.

For projects that are not eligible for development levy funding, the City has prioritized that grants are applied to a project when available, then any land development surpluses and the remaining share will then be funded through property taxes or utility rates. Therefore, growth-related capital for the legislatively ineligible services of Fire, Police, Transit, Solid Waste, Public Works, Libraries and General Administration, and the infrastructure excluded from the development levy are to be funded through property taxes and utility rates. It is important to remember that the City of Saskatoon is also required to fund the maintenance and replacement of the aging existing infrastructure which also is funded through property taxes and/or utility rates.

Assessment will undoubtedly increase as the City grows. To determine the average assessed price of a new home in Saskatoon, staff compiled property values of two recently developed subdivisions in the City of Saskatoon. Willowgrove located in East Saskatoon and Hampton Village which is located in Northwest Saskatoon were used in the analysis because they are representative of the newest residential designs and both are nearly built-out. Neighbourhoods to be developed in the future will be similar to these two neighbourhoods and therefore similar assessment growth can be forecasted for the City. Tables 4 and 5 show the average assessments of each unit type in each neighbourhood:

Table 4
Average Assessment – Willowgrove

Property Use	Total Assessment	Number of Properties	Average Assessment
Single Family Units	$841,130,000	1,760	$477,900
Multi-Residential	$44,100,000	147 units in 4 properties	$300,000
Condominium	$209,974,900	786	$267,100

Table 5 Average Assessment – Hampton Village			
Property Use	**Total Assessment**	**# of Properties**	**Avg Assessment**
Single Family Units	$649,790,500	1,853	$350,700
Multi-Residential	$39,310,000	166 units in 5 properties	$236,807
Condominium	$166,319,200	747	$222,649

Also provided from staff was the assessment data of the Hudson Bay Industrial area. This area is one of the newer, most complete commercial areas in the City. Table 6 summarizes the assessment data:

Table 6 Average Assessment – Hudson Bay Industrial			
Property Use	**Total Assessment**	**# of Properties**	**Avg Assessment**
Commercial	$567,958,200	380	$1,494,626

Table 7 shows the amount of taxes per unit the City can expect to receive for future residential and commercial developments.

Table 7 City Taxes Per Unit Type			
	Willowgrove	**Hampton Village**	**Hudson Bay Industrial**
Tax Rate	0.006856	0.006856	0.0084786
Average Single Family Unit Assessment	$477,900	$350,700	
Taxes per Single Family Unit	$3,276.48	$2,404.40	
Average Multi-Family Unit Assessment	$300,000	$236,807	
Taxes per Multi-Family Unit	$2,056.80	$1,623.55	
Average Condominium Assessment	$267,100	$222,649	
Taxes per Condominium	$1,831.24	$1,526.48	
Average Commercial Development Assessment			$1,494,626
Taxes per Commercial Development			$12,672.34

As per the 2014 Preliminary Operating Budget, the current assessed value of a single detached home in Saskatoon is $325,000 which is lower than the average value in both of the new neighbourhoods. This means that new developments, if built using the same standards of Willowgrove and Hampton Village, will have higher assessment values than the current average assessment of existing developments which will generate higher property tax revenues.

Table 8 - Page 1
Summary of Current Funding Sources

Service	Development Levy	Property Tax/Utility Rate	Other
Direct Services	The water, sewer, storm and road infrastructure required to directly service a development is 100% developer funded		
Roads and Related Infrastructure			
Arterial Roads	Additional arterial roads required to support the growth		Improvements on current arterial roads required to support growth (road widenings, turning lanes, intersection improvements) are included in the servicing agreements and funded by developers
Interchanges	The portion of the interchanges that are determined to be required due to growth	The portion of the interchange that is assumed to benefit the existing population	
Water, Wastewater and Stormwater			
Linear Infrastructure	Trunk Sewer and Primary Watermains are 100% funded through the development levy		
Plant Infrastructure		Both the water treatment and wastewater treatment plants are fully funded through utility rates.	
Infill Development		Development that does not require a subdivision of land is not subject to development levies. The capital associated with these projects are not included in the development levy and are funded through the utility rates	
Parks			
Parkland			Parkland is provided by developers through parkland dedications
Park Amenities	100% funded through the Parks and Recreation development levy		
Fleet and Equipment		100% funded through property taxes	

Table 8 - Page 2
Summary of Current Funding Sources

Service	Development Levy	Property Tax/Utility Rate	Other
Recreation	Recreation facilities may be funded through development levies but it is up to the discretion of council	If council does not fund the facility through levies than it must be funded through property taxes	
Transit		60% of the budget is funded through property taxes	40% of the budget is funded through fares
Fire		All growth related capital (fire halls, trucks and related equipment)	
Police		All growth related capital (fleet and related equipment)	
Solid Waste			
Landfill			Landfill operations and expansions are funded through tipping fees collected at the landfill
Fleet		Additional trucks for collection are funded through property taxes	
Libraries		100% funded through property taxes	
Public Works		All growth related capital (fleet, equipment, works yards and other facilities)	
General Administration	The costs associated with long range and regional planning and accelerated development review	100% of growth-related capital	

B. EACH CITY SERVICE IS IMPACTED BY GROWTH DIFFERENTLY

Table 9 sets out our understanding, subject to confirmation, of the service characteristics, sensitivity to long-term growth and current funding sources for each service the City provides. The full impact of forecasted growth has yet to be determined. Currently, there are studies underway to determine the community needs for Parks, Recreation and Transit as the City enters this high growth period.

Table 9 – Service Area Summaries

Police	
Service Overview	The Saskatoon Police Service (SPS) works in partnership with the community to develop collaborative strategies to reduce crime and victimization. The Police Service, in partnership with City Council and the community, continue enforcement with proactive prevention, education, and early intervention strategies. SPS has 435.5 police officers, 58.5 special constables, and 131.61 civilians for a total of 625.61 staff members. Assets include the Police Headquarters Building which was constructed in 2013, vehicles (mostly police cruisers), as well as furniture and equipment (including significant amount of communication equipment and software).
Impact of Growth	The need for police services is sensitive to population, socio-economic conditions, and the form and location of development. Needs are driven by the location of crime—proportionately higher in "stressed" neighbourhoods—as well as the public demand for police presence. Population growth and associated demographic change (e.g. changing age structure), as well as widening income disparity, are contributing factors that influence most crime. 82% of the Police operating budget relates to wages and therefore the costs of growth are primarily related to the need for increases to the police force. The current ratio of residents per officer is 540:1. The number of officers is not directly tied to this ratio but the department does maintain a ratio in this range due to the other factors discussed above. Outside of cruisers (1 per every 4 officers added) and other minor equipment there is very little capital needed to service new development. A Police sub-station may be required at a population of 400,000. The sub-station would be primarily used as a reporting centre but with the increased use of online reporting this may not be required. Capital costs could be avoided by using existing community space or leasing existing space within the City.
Current Funding Tools	Majority of funding comes from property tax with the remaining funding coming from provincial and federal grants. Police services are prohibited from development levy funding.

Fire	
Service Overview	The services provided include; Fire Suppression, Dangerous Goods response, Technical Rescue including both surface water and dive rescue, Emergency Medical Services, Inspection and Bylaw/Code Enforcement, and Community Relations. In addition the Department is also responsible for the Emergency Measures Organization, and prepares citizens and organizations for potential large-scale emergency situations. Nine fire stations situated throughout Saskatoon have become community-based protection services centers. The department has twelve front line engines, two aerials, one heavy rescue truck, two tankers, two brush units, a host of auxiliary trucks, specialty trailers and a command bus, along with a rigid hull jet boat and two inflatable boats. The department has three reserve pumpers and one reserve aerial. Recently, four new rescue pumpers and a heavy rescue were put into service. 260 fire fighters and officers staff the nine fire halls in Saskatoon, in addition to personnel in Management, Fire Prevention, Staff Development and Training, Administration, Communications, Maintenance and Mechanical and Community Relations.
Impact of Growth	The need for service is driven almost entirely by response times between stations and incidents, so property built form and location are critical. Grid transportation system results in faster response times than irregular suburban street patterns and narrow roads/laneways in high density areas. The City conducts computer mapping to determine the location required to meet response times to new growth areas. The department is currently planning for four new stations. The first station expected to be built is in the north-west corner of the city to service the Hampton Village and Kensington neighbourhoods. In the longer-term, a station is expected to be required in the South (Stonebridge, CN Industrial), East (Homewood), and the North (Evergreen, Aspen Ridge). The location of the longer-term stations may be adjusted based on the actual growth that occurs. The cost to construct a new hall is estimated to be $8 million, which includes the land, required equipment and a front line engine. Each hall is estimated to cost $2 million/year to operate.
Current Funding Tools	Mostly property tax funded. The department does apply for any grant funding available and the City did allocate $562,000 of the Land Development surpluses to fund the East Side Fire Hall. Fire services are prohibited from development levy funding.

Solid Waste	
Service Overview	The City provides waste collection to all single family dwellings (weekly during the summer and bi-weekly during the winter) and some multi-residential and commercial developments in the City. Recycling collection to all homes began in 2013; it is operated as a contracted service. The City owns and operates a landfill, which also includes recycling facilities. The City's solid waste fleet (garbage trucks) includes side-bin trucks for single family homes and fork lift trucks for multi-residential and commercial pickup. Majority of the fleet is automated which allows for the trucks to be operated by only a driver.
Impact of Growth	The landfill is currently expected to have capacity for another 40-50 years if all required expansions and upgrades, which are expected to cost around $50 million are completed. Beyond the level of growth the City experiences, the 40-50 year remaining useful life could be decreased if other landfills in the Saskatoon area were to close, which could expand the area that the Saskatoon landfill needs to service. The useful life could be extended through waste diversion programs such as increased recycling programs and the introduction of an organics program. The amount of trucks required is dependent on the amount of homes that require collection. Currently, the City is adding one additional truck to the fleet each year.
Current Funding Tools	The operating costs relating to the collection from single family dwellings are funded through property taxes. Operating costs associated with multi-residential are funded partially from tipping fees collected at the landfill and from property taxes. Commercial waste collection is funded through tipping fees collected at the landfill. Operating and capital costs related to the landfill are funded through tipping fees. Capital costs may have to be subsidized through property taxes if the tipping fee revenues are insufficient to fully fund the costs. The contracted costs for the recycling program are fully funded through a utility rate. All growth-related capital related to Solid Waste is prohibited from development levy funding.

Recreation	
Service Overview	The Leisure Services Branch supports individuals to participate in leisure activities of their choice. City-managed facilities include: • Six Leisure Centres • Fitness Circuit & Terry Fox Track • Four Outdoor Pools • Five Indoor Arenas & Clarence Downey Speed Skating Oval • Sports fields • Cross Country Ski Trails • Three Golf Courses • Kinsmen Park Rides & Play Village • Saskatoon Forestry Farm Park & Zoo • Gordon Howe Campground • 44 Outdoor Tennis Courts at 13 Sites throughout Saskatoon
Impact of Growth	Need for service driven overwhelmingly by residential development. A Facilities Master Plan is currently underway to determine the City's needs for additional facilities and is expected to be completed by early 2015. This plan will identify the required capital projects and the expected costs. The only growth-related project identified in the 2014 Capital Budget is the City Centre Area Indoor Leisure Facility which is estimated at $20 million and currently does not have a funding source attached to it.
Current Funding Tools	The Community Centre Development Levy provides for a new community centre in all neighbourhoods. It is up to council's discretion whether or not major recreation facilities are included in the Community Centre levy. Some facilities have been funded through development levies in the past but the current levy does not provide funding for any planned facilities.

Library	
Service Overview	Services are provided at one city-wide serving central library and seven branch libraries that both provide integrated service across the city and meet local (neighbourhood) needs.
Impact of Growth	The need for service is driven almost entirely by residential growth. There are plans to expand the Central Library; the Library Board hopes to select a site in the near future. Current practice is to include a library branch in the local community centres when they are built.
Current Funding Tools	Library does not receive development levy funding and is entirely property tax funded.

Transit	
Service Overview	Transit services includes both a fixed route component that operates 24 bus routes along approximately 276 km of streets and a special needs service (Access Transit), which is a door to door service for citizens who cannot use the fixed route service with safety and dignity. Saskatoon Transit has a fleet size of 188 buses including 52 conventional buses, 110 low-floor buses (which include 9 articulating buses, 8 hybrids and 6 twenty-one passenger shuttle buses) and 26 Access Transit buses.
Impact of Growth	Transit services are currently growing not only to support an increased population but also to provide a higher level of service. Through the Saskatoon Growing Forward process there are two projects being undertaken that will outline the future for Transit in Saskatoon. The first is the Rapid Transit Business Case, which will focus on preparing a business case outlining corridor alignment(s), station locations, and technology alternatives to create a functional rapid transit system plan. The second plan is the Nodes, Corridors and Infill plan, which will direct the Rapid Transit Business Case by identifying the areas of the City that can support increased densities and become key corridors and hubs for transit. The 2013, 5-year capital forecast is planning for 5 additional buses at $450,000 each.
Current Funding Tools	There is no formal policy identifying how growth related capital is to be funded. Transit revenues currently amount to approximately 60% from property taxes and 40% from passenger fares. Capital reserve contributions levels made from revenues are determined through the budgeting process. The capital projects are then determined based on availability of reserve funds. For example, the 2013 budget provided for 1 additional bus to the fleet even though it was determined that 6 additional buses should be purchased. The 5 other buses are then required to be delayed until there is sufficient funding. Transit is excluded from development levy funding.

Roads, Traffic & Related Works	
Service Overview	The City of Saskatoon is responsible for providing services for the construction, preservation and operation of all roadway assets, which includes roads, sidewalks, interchanges, bridges and structures, lanes and pathways.
Impact of Growth	Direct services (Infrastructure related directly to the development) - grading, sidewalks and curbs, paving and street lighting Indirect services - arterial roads, interchanges, signing and signals A report to council dated September 13, 2013, Transportation Infrastructure Priorities, outlined the major projects required over the next 10 years. These projects included the North Commuter Parkway and other development related projects.
Current Funding Tools	Direct services are fully funded by the developer. Indirect services are fully funded by the developer. It is important to note that if there is a benefit to existing share, specifically for interchanges, only the growth-related share is included in the levy. Other growth related projects such as street widening, additional turning lanes and other road upgrades that are not included in the development levy are included in the subdivision agreement as works required to be funded by the developer. The North Commuter Parkway, although partially related to development, is not included in the development levy and is funded through property taxes and Government Grants.

Administration & Corporate Services/ Amenities (inc. Building and Planning)	
Service Overview	These are the internal services that are vital to operating the City of Saskatoon. The departments include but are not limited to Human Resources, Planning and Development, Building Services and Finance.
Impact of Growth	Capital expenditures related to the Administration of the City are directly related to city-wide population growth.
Current Funding Tools	Overwhelmingly funded through property taxes. The development levies include a Planning Levy and an Inspection Fee which recover costs directly related to subdivision and planning applications.

Water, Wastewater, and Storm Water	
Service Overview	There are two elements of water and wastewater infrastructure: linear and plant. Storm Water Management is responsible for operating, inspecting, and maintaining the storm water management system and riverbank sub drain and monitoring systems. Infrastructure includes piping, manholes, catch basins, outfall structures, culverts and overland storm drainage systems, storm ponds, slope monitoring devices and the related engineering services.
Impact of Growth	All new development requires linear infrastructure. Direct servicing includes water, sewer, and stormwater mains. Indirect servicing includes trunk sewers, primary watermains and potentially lift stations. Another important impact of growth is that all development, both greenfield and infill, decrease capacity of both water and wastewater treatment plants. To cope with the forecasted growth a variety of components within the water treatment plant will need to be upsized in the upcoming years. Assuming the components are upgraded, it is forecasted that the plant will require expansion or a second plant to be built in 20 years. The wastewater treatment plant has less capacity constraints and will not need expansion for 20-30 years.
Current Funding Tools	The operations of the utilities are funded through utility rates. The developers are responsible for all linear infrastructure, both directly and indirectly related to a development. If lift stations are required for a development, the costs are included in the development levy. All capital costs associated with the plant are funded through the Utility Rates.

Parks	
Service Overview	The Parks Branch is responsible for the maintenance and preservation of more than 1,000 hectares of the City of Saskatoon parks and civic open spaces. The types of parks are explained in more detail below.
Impact of Growth	The need for park development is driven almost entirely by residential development. Parkland dedication requirements are established by The Saskatchewan Planning and Development Act, 1983, amended 1993 and the overall guideline for dedicating park land between park types is as follows: Neighbourhood – 61%, District – 36%, other – 3%. To service the Montgomery Development, Parkridge Extension, Stonebridge, Rosewood, Evergreen and Kensington neighbourhoods the 5-year capital forecast called for 9 new pocket parks, 3 new village squares, 17 linear parks, 6 neighbourhood parks and 1 district park. Amenities on each site such as sports fields (soccer fields, ball diamonds, basketball courts and tennis courts), playground equipment, splash pads, etc. are determined through community consultation and need.

	Neighbourhood Core Parks - Centrally located within a neighbourhood and serve approximately five to eight thousand people. Minimum 5.7ha. *Neighbourhood Pocket Parks* – provide green space for residents close to the periphery of a neighbourhood which are some distance from the Core Park. Minimum 0.25ha, maximum 0.8 ha, maximum two per neighbourhood. *Village Square Park (neighbourhood)* – an urban open space which is centrally located in the neighbourhood and is primarily used as an informal and formal meeting place. Minimum of 0.3ha to a maximum of 0.5ha. *District Parks* - Intended to serve four or five neighbourhoods. Typically for setting parks and recreation levy rates, a district is assumed to have approximately 80,000 to 90,000 metres of collectable frontage. Average dedication of 5.2ha of per neighbourhood served, giving a total of 20.8-26.0ha. *Multi-District Parks* (other) - As with District Parks, there is an emphasis on structured sports. Minimum of 16ha, one per suburban development area. *Special Use Parks (other)* - The Special Use Park is a city-wide resource. Each park responds to unique site circumstances and/or provides unique programming opportunities. The Forestry Farm Park, the Gordon Howe Complex, and Diefenbaker Park are examples of Special Use Parks. *Linear Parks* (other) - Intended to provide a safe and aesthetically pleasing connection between parks and other destinations through non-motorized means of travel. Linear Parks allow for the preservation of both heritage and natural features. Width may vary but a minimum of 20m and an average of 30m.
Current Funding Tools	Parkland is provided by the developers as a Parkland Dedication on the ratio discussed above. Park facilities (sports fields and other park amenities) are fully funded through development levies as per Parks and Recreation Policy – C03-011.

So, is growth paying for growth in the City of Saskatoon? Growth will not fully pay for growth so long as there are services excluded from development levies whether they are legislatively excluded or excluded as per City policies. There are two major exclusions from the development levy that the City could legislatively include. The first is the costs associated with the water and wastewater treatment plants; these costs can be quite significant. Second, the inclusion of recreation facilities in the levy is dependent on Council decisions.

What share of growth costs does growth pay for? This question cannot be answered in terms of quantum since given the scope of this assignment, not all growth-related costs have been identified. It is however possible to make a reasonable estimate of the portion of total growth-related costs that the City is permitted to recover for. To do so, a comparison was made with municipalities in Ontario since they are permitted to apply charges relating to a very comprehensive range of services. Six municipalities were considered in the analysis. They vary in size and location. For each municipality, the share of their total that each service represents was calculated and then assigned to two groups; one for offsite levy service for which Saskatoon levies a charge and a second group of services for which Saskatoon does not apply a charge. The results of this analysis are provided in Table 10 below. It shows that the services for which Saskatoon levies a charge would account for 90% of the total average charge of the six Ontario municipalities. Conversely, the various other services for which the City does not levy a charge represent only 10% of the average Ontario charge.

A number of points need noting regarding this analysis:

- In the case of water and wastewater services, Saskatoon is not currently collecting for the plant component which is not the case in Ontario.
- In Ontario charges for "soft services" are subject to a 10% statutory reduction. As well, some services are excluded entirely (notably Civic Headquarters and landfill facilities).

It is also important to emphasise that in the absence of more detailed City specific information, the analysis is intended to provide an indication of the degree to which Saskatoon is recovering the growth-related costs of infrastructure. The analysis indicates that the percentage share of total costs that are being levied is very high. This is not however to suggest that the City should be expanding its levy. Such a decision would depend on many other factors, including most importantly, practices in communities other than in Ontario.

Table 10 Share of Service of Ontario Development Charges							
	Barrie	**Ottawa**	**Sudbury**	**Markham***	**Guelph**	**London**	**Average**
Offsite-Levy Services:							
Roads and Related Infrastructure	41%	33%	61%	35%	13%	47%	
Wastewater	14%	9%	3%	26%	23%	19%	
Water	21%	9%	4%	15%	32%	4%	
Storm Water Management*	4%	0%	1%		0%	21%	
Parks and Recreation	14%	26%	17%	15%	22%	6%	
General Administration	1%	1%	0%	1%	1%	1%	
Sub-Total Offsite-Levy Services:	**95%**	**77%**	**86%**	**92%**	**91%**	**98%**	**90%**
Excluded Services							
Protection (Police and Fire)	2%	3%	5%	1%	3%	1%	
Libraries	1%	2%	3%	1%	2%	0%	
Paramedic	0%	0%	0%		0%		
Child Care Facilities		0%					
Public Works (Works Yards and Vehicles)		2%	2%	1%			
Affordable Housing		1%					
Transit	1%	15%	2%	3%	2%	1%	
Parking				0%	3%		
Other			1%	2%			
Sub-Total Excluded Services	**5%**	**23%**	**14%**	**8%**	**9%**	**2%**	**10%**

* Markham is a lower tier municipality, the shares shown include the Region of York Development Charges

Further to this point, the next section provides a discussion on the best practices of funding growth-related capital elsewhere in Saskatchewan and other parts of Canada.

IV FUNDING MUNICIPAL GROWTH RELATED INFRASTRUCTURE - PRINCIPLES AND PRACTICES

Thus far, this report has described Saskatoon's future growth and its current system for funding growth related infrastructure. Section II summarized to what extent Saskatoon will grow by 2032. Section III provided an overview on how the City currently funds growth-related capital.

This section begins to turn to the question of how best to finance Saskatoon's expected growth. First, key guiding principles that may be used to address the question of who should pay for growth is explored. Second, a variety of growth-related capital funding tools being used by Canadian municipalities are reviewed — with benefits and drawbacks identified for various approaches.

A. KEY PRINCIPLES

There are a number of key principles that guide municipal best practices in Canada when addressing the question of how to fund growth-related capital infrastructure.

Benefits Received – the benefits received principle states that those who benefit from the services in question should pay for them. This principle provides the underlying rationale for development levies. The direct and offsite services clearly confer direct benefits to the residents or businesses in developing or redeveloping areas.

Economic Efficiency – this principle is concerned with the allocation of resources (taxes and user fees) to produce or deliver the largest bundle of services that society desires. Theoretically, economic efficiency is achieved when the user fee or tax per unit of output (marginal benefit) equals the extra or marginal cost of the last unit consumed.

Equity or Fairness – this principle is again linked to the benefits received principle in that those who require services should pay for them. Three issues do require attention when considering equity:

1. Service standards are of critical importance. The initial round of growth-related capital infrastructure and facilities should be of roughly equal

quality and quantity to that provided across the municipality. It would not be equitable or fair for higher standards to be required in new areas than are generally available in the existing community (recognizing that new areas may be required to conform to higher health, environmental or other best practice standards than in the past).

2. Inter-generational equity should be considered; inequity would occur of one generation were to contribute to costs while another enjoys the benefits.

3. Equity does not necessarily imply that an *equal* charge is to be paid by all development. Various classes or locations of development may require higher or lower initial capital costs for certain services. These should be accounted for in achieving equity, since to do otherwise would imply a cross-subsidization of one development by another.

Accountability or Transparency – under this principle, the process for determining the amount of a fee, charge or tax should be clear and understandable by all stakeholders. There should also be certainty in the amount of fee, charge or tax and there should be a clear linkage between the source of funding and the expenditure.

Ease of Administration – the need to provide funding tools that can be applied with reasonable time and cost is addressed by this principle. Further, compliance on the part of taxpayers or user charge payers should be relatively simple.

Revenue Security or Reliability – ensuring that the City receives sufficient revenue to fund services on a reliable basis is critical. Ideally, the revenue should be stable and predictable so that it aligns with financial budgets and funding plans and avoids the risk associated with funding sometimes very sizable capital investments.

B. GROWTH-RELATED CAPITAL FUNDING TOOLS

A range of approaches to funding growth in municipalities are used across Canada; different approaches carry with them important implications for how growth-related costs are allocated among urban residents. This section will discuss some of the funding tools used in these approaches including their performance against the principles reviewed above.

1. Development Levies

Most municipalities in Canada have historically required land developers to provide or pay for on-site services. It is assumed in this review that those arrangements will continue in Saskatoon. Within the last 40 to 50 years, however, there has been an increase in the use of charges that are imposed by municipalities to pay for offsite or oversized, on-site works related to growth-related infrastructure. Depending on provincial jurisdiction, these charges are referred to by varying names (e.g. development levies, development charges, development cost charges, and servicing agreement fees). These will all be referred to here as development levies.

Development levies are based on the benefits principle, i.e. the increase in need for services necessitated by development must be estimated and all or a portion of the net capital cost (gross cost less other contributions such as grants or subsidies) of providing particular services may be included in the levy. The projects required to provide various services over specified time periods are generally set out in municipal capital budgets or in other long-range financial plans.

The following is a discussion of the permitted services in each province, how the charge can be differentiated for different forms and locations of development, items to be considered when calculating the levy, accounting considerations, the required public consultation process and the share of growth-related projects that benefit the existing:

- **Permitted Services** - Development levies are imposed by municipalities in most provinces, including British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Nova Scotia. Ontario is the only jurisdiction with separate development levy legislation. In other provinces, municipal or planning legislation provides the authority for the levies. In most cases, the applicable provincial statutes dictate the services for which development levies may be imposed. It is noted that municipalities do not necessarily impose levies for all of the services that are allowed. The use of development levies is permissive not mandatory.

Table 11 indicates the range of services permitted to be included in development levies for each of the aforementioned provinces. In most jurisdictions the allowable services are the so-called hard services, including water, wastewater, stormwater and roads. Only British Columbia, Saskatchewan and Ontario municipalities are permitted to impose levies for park development and recreation facilities. In Ontario, virtually all services are eligible for inclusion in development levies, although services related to general administration buildings, cultural or entertainment facilities, tourism and convention centres, hospitals, waste management facilities and the acquisition of land for parks are specified as ineligible (land acquisition for indoor recreation facilities is eligible; land for parks is provided under Ontario planning legislation). Land will not be discussed further since municipal and planning legislation in most provinces requires dedication or cash-in-lieu payments for general municipal purposes, road widening, easements and park land.

Table 11 – Spectrum of Services in Development Levies

	British Columbia	Alberta	Saskatchewan	Manitoba	Ontario	Nova Scotia
Water (linear and plant)	✓	✓	✓		✓	✓
Wastewater (linear and plant)	✓	✓	✓		✓	✓
Stormwater	✓	✓	✓	✓	✓	✓
Roads	✓	✓	✓	✓	✓	✓
Recreation			✓		✓	
Parks	✓		✓		✓	
Transit					✓	✓
Police & Fire Protection					✓	
Library					✓	
Childcare	✓				✓	
Housing	✓				✓	
Other					✓	

- **Levy Differentiation Based on Location and/or Built Form -** Clearly, the main rationale for development levies is that growth should pay for growth and not require existing residents and businesses in the community to fund the growth-related capital necessary to service development. In all jurisdictions, the municipality has the discretion to calculate and impose the levies for either all developments in the municipality for all services; only part of the municipality for all services; different amounts in different municipal service areas (so called area-specific development levies reflecting cost differences in different locations); or a combination of municipality-wide and area-specific levies. Again, the levies imposed require a clear relationship between the planned growth and the services necessitated by that growth.

  While municipality-wide levies based on average costs are most prevalent in Canadian municipalities, there are numerous municipalities that combine that approach with an area-specific levy for select services. Area-specific approaches may be calculated and applied quite differently depending on local circumstances. Some municipalities apply differential development levies by individual development community; others are based on zones such as the central city, suburban or greenfield areas and rural areas; while others are applied with reference to water pressure zones and sewage drainage areas. This approach refines the benefits received principle and also provides greater equity and economic efficiency into the development levy regime than the average cost municipality-wide approach for all services. In redevelopment areas, it may also reflect the availability of servicing capacity that already exists and the associated reduction in need for various services.

  The basis for imposing development levies is also generally discretionary. Most municipalities differentiate development levies payable between residential and non-residential development thus reflecting the different demand for and benefit from various services required by these two sectors. Further differentiation is often reflected in levies by housing unit type, reflecting the different occupancy levels and resulting service demands in, for instance, single family versus higher density housing forms. The non-residential levies are sometimes differentiated between industrial versus commercial uses, typically reflecting different traffic generation between these two land uses. However, with increased differentiation comes a decrease in the ease of administration of development levies. In Saskatoon, an average cost levy is imposed on a lot front metre basis that could be refined, through using area-specific approaches and imposition policies related to land use types or sub-types, in pursuit of a closer relationship between benefits and costs, greater equity and greater economic efficiency.

- **Calculating the Levy -** Ontario's legislation is the most prescriptive in that it sets out specific rules for calculating the permissible levies including the requirement to base the levies on the average level of service provided in the municipality over the previous ten years. Portions of projects that benefit the existing community must be identified and excluded from the levies and reductions are required in respect of any uncommitted excess capacity in the system that is available to service development. In addition, portions of projects that may provide services to new development beyond the planning period, normally covered by the calculation must be removed from the levy. Less prescriptive provincial legislation in other jurisdictions also require that the relationship between planned development/redevelopment in the community and infrastructure and facilities required to service that growth be established. Generally, however, there are no references to service levels as in the Ontario legislation.

  Municipalities may at their discretion exempt certain developments from development levies. For instance, Saskatoon's Council may exempt specific land uses, classes of development, or development within defined areas from levies, and they may do so in order to attract more development to a given area or to encourage specific types of development. In addition, some of the provincial statutes in Canada mandate exemptions for certain property classes (e.g. places of worship). Generally, however, exemptions result in a revenue loss for the municipality and under the benefits principle may not be recovered from other development.

- **Accounting Considerations -** For the most part, development levy revenues are required to be deposited into one or more accounts that are separate from a municipality's other funds. The funds and any accrued interest are to be used only for the purpose for which they were collected, or for debt incurred by the municipality as a result of expenditures incurred or to reimburse an owner for payments from subsequent benefitting owners, although it is noted that there may be specific requirements related to flow-through of payments from subsequent benefitting owners.

- **Required Public Consultation -** All provinces require a public consultation process to be part of the development levy setting process. This provides for transparency in the process. Periodic review of development levies is generally mandated. In addition, there are also provisions in the various enabling statutes for appeal of the development levies.

- **Benefit to Existing Population -** Finally, to the extent that portions of growth-related capital projects may benefit the existing community or development beyond the planning period covered by the calculation, funding from non-development levy sources would be required to support the capital program. While this is a remnant of the benefits received principle, it is important for municipalities to address this funding requirement to ensure that financial capacity is available to support the growth-related capital program as proposed.

In summary, development levies ensure that growth pays for growth in terms of the services prescribed in various provincial statutes. Municipalities generally have wide discretion in how the levies are imposed. Refinements to improve performance on the principles of equity and economic efficiency can be made to municipality-wide average cost approaches by the inclusion of area-specific approaches for selected services and greater differentiation between and within the residential and non-residential sectors. Such approaches may, however, require greater administrative effort. Reliability of the revenue stream may of course be subject to variations in the growth forecast or other factors, and periodic review and revision of development levy calculations may be required or mandated. Accountability or transparency is addressed through the public participation requirements of the various provincial statutes and through restrictions on the accounting for and use of development levy funds.

2. Property Taxes and Utility Rates

Property taxes and utility rates are the most significant revenue sources for most municipalities. In a very broad sense, property taxes can be viewed as being consistent with the benefits principle if one considers the societal benefits that are conferred by the delivery of municipal services. However, property taxes can also be problematic when tax payers do not recognize a clear connection between the amount they pay and the benefits they receive. This can lead to frustration on behalf of tax payers who feel that they pay for services that they do not benefit from, as well as inefficient use of services for which the actual costs of use are unclear. Utility rates reflect the benefits principle more directly.

Provincial legislation clearly gives municipalities the authority to raise all sums required to provide the full range of municipal services through property taxes and user fees and charges (net of senior government grants and subsidies). Therefore, all growth-related infrastructure and facility funding could be raised through these sources. However, a number of important considerations require attention.

As already reviewed, there is limited authority for the range of growth-related services that can be funded through development levy legislation in most provinces.

This means that there will be a requirement for non-development levy funding (i.e. property taxes) to be used by most municipalities to provide capital facilities for such growth-related as fire and police buildings, vehicles and equipment; library facilities and collections; transit vehicles and maintenance facilities; homes for the aged; and public works garages and fleets. The alternative is to let service levels generally deteriorate as growth occurs.

In addition, because development levy legislation is based on the benefits principle, the portions of growth-related capital costs that are deemed to be of benefit to the existing community, even for the services for which development levies are allowed, will require funding through the property tax or user charges (e.g. utility rates for water, wastewater and perhaps stormwater).

If property tax and user charges were used instead of development levies to fund growth-related services for which development levies are most generally allowed (e.g. water, wastewater, stormwater and roads), additional debt financing would likely be required. This is because these services generally require "lumpy" capital investments and are necessary to be built early in the development process in order to open-up development areas.

Because municipalities are generally facing significant funding gaps related to rehabilitation/replacement of *existing* infrastructure and facilities, significant tax and user charge increases will be required to avoid further deterioration of a municipalities' *existing* tangible capital assets. The inclusion of growth-related capital funding requirements would clearly exacerbate this situation.

Finally, because mill rates are typically higher for commercial and industrial property classes and sub-classes, the use of tax funds to fund growth-related capital would fall disproportionately on these properties.

In summary, while growth-related infrastructure and facility costs *could* be funded through property taxes and utility rates, this approach would clearly violate the principle that growth should pay for growth. It would add significant costs to the existing tax and utility rates that would be shared by existing rate payers.

3. Comprehensive Development Agreements

As noted above, there are a variety of growth-related capital facilities that are not generally covered by development levy legislation. Only Ontario includes the complete range of growth-related services. In British Columbia, the introduction of s. 176 in the *Local Government Act* provides local governments the authority to enter into agreements for the provision of local services. Under this authority, the City of Vancouver may enter into Comprehensive Development Agreements (CDAs), which are agreements in which a developer or group of developers agree to provide amenities for the broader community in exchange for development approval. Services such as social housing, libraries, fire halls and transit stations may be included. The amenities would be over and above those covered through development cost charges (levies). The pursuit of CDAs is generally limited to large developments that would have a significant impact on such facilities. Additionally, developers would have to have the financial capability to fund the projects. These types of agreements are negotiated on a case-by-case basis.

Clearly, legislative authority for this type of agreement would be required in Saskatchewan. Such an approach could address the principle that growth should pay for growth in a more fulsome manner, and would help to ensure that service levels for community amenities would not deteriorate in the face of growth or fall on the existing community through property taxes.

4. Front-End Servicing and Financing Agreements

In the late 1970s, the Regional Municipality of Halton, a rapidly growing municipality in the Greater Toronto Area, would have exceeded provincially allowable debt limits to provide necessary growth-related water and wastewater capital through the tax base for large development areas in the Town of Oakville. To address this situation, two steps were taken. First, since this occurred prior to the adoption of development levy legislation, development levies were established under the authority of the Ontario *Planning Act* to provide a long-term funding source for these services. Further, in order to completely avoid the debt financing associated with early provision requirements for water and sewage treatment plants as well as the extension of trunk water mains and wastewater infrastructure to the different development areas, the Region introduced front-end servicing and financing policies that required developers to *provide and finance* the infrastructure (with appropriate development levy credits given in recognition of the developer provision of the works).

The approach was later incorporated into the development levy legislation to provide similar authority to municipalities across Ontario. It is noted that an area-specific development levy regime is most consistent with front-end financing approaches, particularly since flow-through of funds from subsequent benefitting owners is more closely aligned with the specific projects that have been front-ended.

A similar arrangement is currently being developed for the planned Seaton community to the east of Toronto. This agreement is between local and regional governments, private developers and the Province (a large land owner) for this significant new greenfield development that will accommodate nearly 30,000 residents and provide large industrial and commercial development sites. The developers and Province will require a cost-sharing agreement to fairly share the funding and financing requirements.

Again, legislative authority for such types of agreements would be required in Saskatchewan. Under this type of approach, in addition to ensuring that growth pays for growth, the risks related to the pace of development are shifted from the public to the private sector. As with the CDAs reviewed above, the application of such an approach would likely be limited to large development tracts, perhaps by sector plan area.

5. Density Bonusing

Density bonusing is an arrangement by which a municipality allows a developer to exceed densities set out in zoning bylaws in exchange for the provision of servicing additions or community facilities. The scenario is typically applied in redevelopment or infill situations and is intended to be mutually beneficial: the developer benefits from additional potential productivity of the land in question; the municipality benefits from higher tax revenues resulting from higher property assessment as well as amenities, which, in the absence of the arrangement would lead to a deterioration in service levels. Density bonusing is generally used in larger cities such as Toronto and Vancouver. A major criticism of its use in Toronto has been the inconsistent approach to calculating the bonus amount. It is noted that Vancouver also uses density bonusing to secure the provision of affordable housing.

The potential revenue from density bonusing is very high, particularly during construction booms when developers are willing to pay the bonus. In weaker real estate markets, when profit margins are thinner, density bonusing can act as a disincentive to development.

6. Land Value Capture

Land value capture approaches provide a funding source for redevelopment, infrastructure and other community improvement projects. Under these schemes, municipalities earmark incremental tax revenues derived from development in specified areas for the purpose of funding municipal capital improvements.

An example of such is provided by Community Revitalization Levies (CRLs) in Alberta. The intent of the CRLs is to overcome budgetary constraints prohibiting much needed revitalization in areas experiencing prolonged decline and under-investment from the public and private sectors. This is done by taking the incremental tax revenue from private sector developments (usually redevelopments) and utilizing it to provide public infrastructure improvements to further enhance the designated area. For the private sector developer, this will lead to enhanced land values in the area over the long term. For the municipality, overall land value increases will provide additional tax revenues once the CRLs are finished.

A related financing tool is the Tax Increment Financing (TIF), which is a public financing method that is used for subsidizing redevelopment, infrastructure, and other community improvement projects.

TIF uses future incremental gains in taxes to either fund completely or to subsidize current improvements. The completion of a public project often results in an increase in the property value of surrounding real estate. The incremental increase in tax revenue is earmarked for a period of time to support the public project. TIF is often designed to channel funding toward improvements in distressed, underdeveloped, or underutilized parts of a jurisdiction where development might not occur otherwise.

To date, TIF arrangements are not widely used in Canada, but are more common in U.S. municipalities. However, there are financing arrangements in Canada that allow municipalities to use incremental tax gains to support development in specific areas or to offset specific impediments to development (e.g. soil contamination). In Ontario, municipalities can designate community improvement project areas and adopt community improvement plans (CIP) in order to facilitate the rehabilitation of a designated area. With the approval of the Province, a CIP allows a municipality to provide a range of incentives including grants or loans to registered or assessed owners of lands and buildings within the designated area. Among the financial incentive options available is a Tax Increment Grant program (TIG) under which property tax incentives can be provided to owners for specified periods when approved projects are undertaken.

Given the potential pre- and post-development tax increment, TIG amounts can be substantial. However, they are not without risk. Given that the value of a TIG is based on an *estimated* future tax increment, a municipality could be required to pay out a grant which has a value higher than the increment if the initial estimate is too high. From the developer's perspective TIGs are paid out only after development is complete and long after the risks of development are at their highest.

7. Public-Private Partnerships

Public-private partnerships (P3s) are arrangements under which municipalities and private sector entities collaboratively develop, or develop and operate, local infrastructure and community facilities. The variety of arrangements can be quite varied and complex. Generally, such P3s are applicable to significant new capital infrastructure (water filtration plants, sewage treatment plants) or facilities (large recreation facilities or entertainment complexes); retrofits and maintenance and repair work on existing infrastructure are rarely funded under P3s. Saskatoon is currently involved in two P3s the Civic Operations Centre and the North Commuter Parkway & Traffic Bridge Replacement Project.

8. Senior Government Grants and Subsidies

Development in local communities can bring significant benefit to senior governments in the form of additional tax revenue. Cities across the country are playing an increasing role in provincial and national economies. As cities grow, however, increasing fiscal strain is being experienced in the municipal sector to provide the services necessitated by development. Further, regulatory requirements from senior governments have increased considerably. This combination of circumstances has exacerbated the existing capital funding gap that most municipalities presently face.

Various federal and provincial infrastructure funding programs have certainly emerged over recent years. This has been welcomed by municipalities. Nevertheless, the continuation of programs is not guaranteed. Municipalities have long argued for reliable and sustainable funding rather than program or project specific funding.

V REVIEW OF THE LEGISLATION IN SASKATCHEWAN

This section provides a review of the current Provincial legislation that sets out which costs can and cannot be recovered through development levies, servicing agreements and fees, and then discusses the common elements between development.

A. CURRENT LEGISLATION AND PRACTICE

In Saskatchewan, the statutory authority for development levies and servicing agreement fees is contained in *The Planning and Development Act, 2007 (PDA)*. Part VIII of the *PDA*, ss.168-176, covers the authority and requirements for imposing and administering development levies and servicing fees.

Section 168 of the *PDA* defines capital cost for both development levies and servicing fees as the "municipality's estimated cost of providing construction, planning, engineering and legal services that are directly related to the matters for which development levies and servicing agreement fees are established pursuant to sections 169 and 172, as the case may be…" (*PDA*, s. 168).

1. Development Levies

Sections 169-171 set out the requirements for the establishment and imposition of development levies. Establishment of levies is provided in *PDA*, s. 169. Councils may, by bylaw, establish development levies to recover the capital costs for development that does not involve the subdivision of land (*PDA*, ss. 169(1) and (2)). The development levy may be imposed for recovering all or a portion of the municipality's capital cost for "… providing, altering, expanding or upgrading…" the services and facilities associated with water, wastewater or stormwater, roadways and related infrastructure, parks and recreational facilities that are "…associated, directly or indirectly, with a proposed development of land…"(*PDA*, s. 169(2)). A development levy can only be imposed if, in council's opinion, the municipality will incur additional capital costs related to the development as determined by a study or studies setting out the capital costs and taking into account the future land use patterns and development and phasing of the required public works (*PDA*, ss. 169(3) and (4)).

The development levies may be varied as set out in the bylaw with regard to defined areas, land uses, capital costs related to different classes of development or the size and number of lots in a development (*PDA*, s. 169(5)). The bylaw must provide that similar levies be imposed for developments that require similar capital costs (*PDA*, s. 169(6)). Councils may choose to exempt land uses, classes of development, or defined areas from payment of the development levies (*PDA*, s. 169(7)). Finally, adoption of the bylaw must be in accordance with applicable public participation requirements (*PDA*, ss. 169(9) and (10)).

A development levy bylaw must be approved by the minister unless the municipal council has been declared an approval authority under *PDA*, s. 13(1) (*PDA*, s. 170). It is noted that Saskatoon Council has approval authority.

Where council has passed a development levy bylaw, it "...may require the applicant or owner of land to pay any applicable levies..." or to enter into an agreement with respect to the payment of levies subject to the condition that only one development levy is payable per development (*PDA*, s. 171). This provides that developers cannot be double-charged: once they have fulfilled the requirements associated with a development levy they cannot be asked to pay again for services related to that development.

2. Servicing Agreements and Fees

Section 172 sets out provisions for the imposition of servicing agreements and fees where there is a proposed subdivision of land. A municipality may require a subdivision applicant to enter into a servicing agreement to provide services and facilities that directly or indirectly serve the subdivision and may withhold a certificate of approval unless an executed servicing agreement is entered into (*PDA*, ss. 172(1) and (2)).

Servicing agreements may provide for the applicant's undertaking to install or construct specified works *within* the subdivision and the payment of fees established by council to pay for services located *within or outside* the proposed subdivision that directly or indirectly serve the proposed subdivision (*PDA*, ss. 172(3)(a)(b)).

Services within the subdivision may include: water, wastewater and stormwater mains and laterals; hydrants; sidewalks; boulevards; curbs; gutters; street lights; graded, gravelled or paved streets and lanes; connections to existing services; area grading and levelling of land; street name plates; connecting and boundary streets; landscaping of parks and boulevards; public recreation facilities or other works that council may require.

Services within or outside of the proposed subdivision would be subject to the payment of fees for the capital cost, in whole or in part, of providing, altering, expanding or upgrading water, wastewater, stormwater and other utility services, public highway facilities, or park and recreation space facilities that are directly or indirectly required to serve the proposed subdivision.

The servicing agreements may also provide for time limits for the completion of any work or payment of fees (*PDA*, s. 172(3)(c)), provision for the applicant and the municipality to share any of the costs (*PDA*, s. 172(3)(d)), and any performance assurances that the council may consider necessary (*PDA*, s. 172(3)(e)). In order to avoid double counting in the provision of services or payment of fees, the servicing agreement fees cannot include payments made or required for development levies under *PDA*, s. 171 unless additional capital costs are anticipated to be incurred as a result of the proposed subdivision (*PDA*, s. 172(4)). Finally, unless such time is extended by mutual agreement, an applicant for subdivision approval must enter into the servicing agreement within 90 days after the day that the municipality receives the subdivision application (*PDA*, ss. 172(5) and (6)).

3. Common Elements for Development Levies and Servicing Agreement Fees

PDA, s. 173 provides that development levy agreements and servicing agreements may contain provisions for:

- authorizing installment payments of levies or fees;
- applying a variable rate for phased development;
- performance assurances considered necessary by council;
- reimbursement of development levies or servicing agreement fees or the value of excess infrastructure capacity if any of these things benefit subsequent development or subdivision of land; and
- any other matter that council considers necessary to facilitate the agreement.

A municipality is required to deposit all development levies and servicing agreement fees into one or more accounts separate from other municipal funds (*PDA*, s. 174(1)). The funds and any accrued interest are to be used only for the purpose for which they were collected, or for debt incurred by the municipality as a result of expenditures incurred or to reimburse an owner for payments from subsequent benefitting owners (*PDA*, s. 174(2)).

A municipality may register an interest based on the development levy agreement or servicing agreement against the title of the affected lands in the land registry. The rights and privileges in the agreements take effect to the benefit of the municipality and are binding on the owner of land and the owner's heirs, executors, administrators, successors and assigns (*PDA*, ss. 175(1) and (2)).

An applicant may within 30 days after receiving a request in writing for the payment of a development levy or a servicing agreement fee appeal the request to the Saskatchewan Municipal Board regarding a number of factors related to the need for the capital works or the calculation of the charge (*PDA*, ss. 176(1) and (2)).

Finally, if the municipality and an applicant or owner have been unable to enter into a development levy agreement or a servicing agreement within 90 days after application for a development permit or proposed subdivision, the applicant or owner may apply to the Saskatchewan Municipal Board for a decision with respect to the need for the agreement and the proposed terms and conditions of the agreement (*PDA*, s. 174(4)). If council has been declared an approval authority (as is the case in Regina), any appeal in this regard must be made to the Development Appeals Board, with subsequent appeal, if necessary, to the Saskatchewan Municipal Board (*PDA*, ss. 176(5), (6) and (7)).

VI COMPARISON OF DEVELOPMENT CHARGES IN CANADIAN MUNICIPALITIES

This section provides a comparison of the policies and rates of development charges imposed by municipalities throughout Canada. Table 12 includes a summary of how development charges are applied for nine different municipalities throughout Canada. Tables 13 and 14 provide a comparison of the development levies applied to the construction of a single family home for a range of municipalities in Saskatchewan and other Canadian municipalities respectively.

A. POLICY COMPARISON

The services that a municipality recovers for is largely dependent on what the legislation allows for and most municipalities recover for the all eligible services. Ottawa recovers for the most services and Winnipeg recovers for the least which is reflective of the legislation in their respective Province. The three cities in Saskatchewan (Regina, Martensville, and Prince Albert) all recover for the same services as Saskatoon but the Water and Wastewater charge includes the recovery of the plant related costs.

Each municipality faces unique circumstances which dictate whether an area specific charge or city-wide charge is applied. For example, the City of Ottawa has a separate charge for development inside the Greenbelt, outside the Greenbelt, rural areas and rural areas that do not receive water and wastewater servicing; the City of Calgary has a separate charge for developments less than and greater than 400ha; whereas the City of Martensville and the City of Red Deer are the same as Saskatoon in that they impose a uniform charge no matter the location of development[2].

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[2] *There may be instances when the City of Saskatoon charges additional off-site levies to a development based on the area to better reflect the services the development will require. These charges are negotiated with the developers and reviewed on a case by case basis.*

A municipality may also vary the charge based on the type of the development. Similar to the City of Saskatoon, the City of Ottawa and Vancouver vary the charge for residential, commercial and industrial development. The difference between Saskatoon, Ottawa and Vancouver is that Ottawa and Vancouver calculate the charge based on a per unit basis for residential development and then vary the rate for single family units, multi-residential and apartments to capture the different impacts on service each unit type has. The City of Saskatoon captures the impact of different unit types by calculating the charge based on the front metres of the home.

In Saskatchewan, the surveyed municipalities charge a uniform rate for all types of development. However, the City of Regina provides an exemption for the inner area of the City with the intent to promote growth in developed areas. Also, the City of Martensville applies a 50% reduction for non-residential developments to provide incentive for these types of developments. Other exemptions from the surveyed municipalities include affordable homes in City of Prince Albert, places of worship in the City of Ottawa and specific areas in the City of Vancouver to promote development.

B. RESIDENTIAL RATE COMPARISON

A comparison of the residential development levies for municipalities in Saskatchewan are shown in Table 13 and for other Canadian municipalities in Table 14. When analyzing the comparisons provided in tables 13 and 14 it is important to consider the following:

- The rates may vary from municipality to municipality due to services included in the charge;
- The way in which municipalities calculate and apply development levies can vary significantly from one municipality to another and therefore high level assumptions were required to compare rates;
- There may be unique circumstances and costs which may impact the cost of servicing new development;

- The rates shown in the tables are at a point in time and development levies are frequently recalculated; more often than not the rates will increase if only due to inflation; and
- The comparison is not intended to guide policy decisions.

Table 12 - Page 1
Municipal Comparison

	Saskatoon	Regina	Martensville	Prince Albert
Infrastructure Charge		Servicing Agreement Fees	Development Levies	Development Levies
Applicable Services				
Water	* - excludes plant related costs	* - Recovers the trunk and plant related costs)	* - Recovers for the water reservoirs, pumping stations and plant expansions	* - Recovers for plant, reservoir, and trunk related costs along with required studies
Wastewater	* - excludes plant related costs	* - Includes the growth-related costs of the plants)	* - Includes a charge for Pumping Stations and Forecmains and a separate charge for Treatment	* - Recovers for the plant and trunk related costs along with required studies
Stormwater	*	*	*	*
Roads	*	*	*	*
Recreation	* - excludes major recreation facilities	*	*	*
Parks	*	*	*	*
Transit				
Police & Fire Protection				
Library				
Childcare				
Housing				
Other				
Area Specific Charges	City-wide	Area specific charge for the Global Transportation Hub	City-wide	Varied rates for "Limited Service Area" and "Development Lands"
Landuse Specific Charges (Residential, Commercial, Industrial, Institutional)	Charges differentiated for residential, commercial and industrial.	Same rate applied to all types of development	Uniform charge for all residential development; 50% reduction for non-residential developments to provide incentive for these types of developments	Uniform charge
Timing of Charge	As a condition of subdivision (staged payments over the course of 14 months)	When land is subdivided	Building permit issuance	Building permit issuance
Exemptions	None	Inner area of the City; intent of the exemption was to promote growth in developed areas.		Affordable Homes, Non-Profit Housing Agency
Comments		Development Levies allow the municipality to impose development levies on those proposed developments that have not been subject to a servicing agreement and that are not located within the exempt area. The difference between a servicing fee and a development levy is that servicing fees are triggered where land is subdivided and development levies are triggered where a developer applies for a development permit or building permit.	The levy may be utilized to pay a debt incurred by the City as a result of expenditures related to growth	The levy may be utilized to pay a debt incurred by the City as a result of expenditures related to growth

Table 12 - Page 2
Municipal Comparison

	Saskatoon	Red Deer	Edmonton	Calgary
Infrastructure Charge		Off-site Levy	See below	Development Levy
Applicable Services				
Water	* - excludes plant related costs	*		*
Wastewater	* - excludes plant related costs	*	* - Permanent Area Contribution (PAC) - Sanitary Trunk Sewer. A uniform charge across the city is also applied per unit levied for sanitary sewers.	*
Stormwater	*	*	* - Permanent Area Contribution (PAC) - Storm Trunk Sewers and other stormwater management system related costs	*
Roads	*	*	* - Arterial Roadway Assessment (ARA)	*
Recreation	* - excludes major recreation facilities			*
Parks	*			*
Transit				
Police & Fire Protection				*
Library				*
Childcare				
Housing				
Other			Inspection Fees	
Area Specific Charges	City-wide	City-Wide	Payment Area Contribution - calculated for each development or subdivision Arterial Roadway Assessment - determined for each of the catchment areas	Charges for Watershed Catchment Areas
Landuse Specific Charges (Residential, Commercial, Industrial, Institutional)	Charges differentiated for residential, commercial and industrial.	Uniform charges	Uniform charge	Uniform Charges
Timing of Charge	As a condition of subdivision (staged payments over the course of 14 months)	Following approval of a subdivision plan and prior to the issuance of a building permit.	Condition of a subdivision or development permit	Building permit issuance
Exemptions	None		None	
Comments		Developer and Customer contributions - The capital plan includes projects supported through fees. These projects do not have an impact on taxation. Continued growth creates new demands leaving The City to fund some new capital costs. These costs include upgrades and expansions and the additional tax revenue generated from the increased number of properties is not sufficient to cover these additional costs, leaving The City to find other revenue sources to fund infrastructure projects.	Permanent area contributions (PACs) are payments for storm and sanitary trunk sewers, storm water management facilities, and other cost-sharable drainage improvements within predefined drainage basins (land areas). It is based on the area of development or subdivision and is an up-front cost for the developer which is refunded over time. Arterial Roadway Assessments (ARA) establish how developers will share the costs of arterial roadway infrastructure. Each development occurring within the catchment is required to pay an assessment based on a per hectare rate under the provisions of the Servicing Agreement. This is an up-front cost refunded to the developer over time. Area Assessments are area specific charges for rural/ suburban areas in the city levied for the installation of trunk sanitary sewers in newly serviced areas.	Community and Recreation Assessment Levy - construction of emergency response stations, recreation facilities, libraries, police stations and large buses necessary to serve development for new growth areas, regardless of the location of the Development Area. "Major Road Standard Oversize Assessment Levy - shall be used by the City towards the cost of Oversize for Major Road Standard within the City, regardless of the location of the Development Area within the City. Utility Oversize Assessment Levy - shall be used by the City towards the cost of Oversize and water pressure reducing valve chambers within the City regardless of location of the Development Area within the City.

Table 12 - Page 3
Municipal Comparison

	Saskatoon	Winnipeg	Ottawa	Vancouver
Infrastructure Charge		N/A	Development Charges	Development Cost Levies
Applicable Services				
Water	* - excludes plant related costs		*	
Wastewater	* - excludes plant related costs		*	* Region recovers a specific charge per household
Stormwater	*		*	
Roads	*		*	
Recreation	* - excludes major recreation facilities		*	
Parks	*		*	
Transit			*	
Police & Fire Protection			*	
Library			*	
Childcare			*	*
Housing			*	*
Other			Planning Studies, Public Works Vehicles and Works Yards	
Area Specific Charges	City-wide		Inside the Greenbelt, Outside the Greenbelt, Rural, Rural - Unserviced	City-wide charge, Layered charges (these are in addition to the city-wide), Area Specific charges (these are exempt from the city-wide rate). These charges are based on a calculation of Floor Space Ratio (FSR), different rates are applied for uses greater than or less than 1.2 FSR.
Landuse Specific Charges (Residential, Commercial, Industrial, Institutional)	Charges differentiated for residential, commercial and industrial.		Residential (Single and Semi Detached, Apartment 2+ bedroom, Apartment less than 2 bedroom, Townhouse/Multiple/Row/Mobile), Non-Residential (Commercial, Institutional, Industrial)	1. Single Family Units, 2. Multi-family residential, 3. Commercial; 4. Industrial
Timing of Charge	As a condition of subdivision (staged payments over the course of 14 months)		Building permit issuance	Building permit issuance
Exemptions	None		Places of worship, non-residential buildings used for agricultural purposes	There are eight policy areas that are exempt because alternative public benefit strategies and funding mechanisms were established prior to the creation of the City-wide charge.
Comments		Winnipeg is bound by the Winnipeg Charter, which restricts development fees only to the immediate infrastructure -- roads, sewers, sidewalks, drainage, intersection improvements -- directly connected to a new development.		City-wide DCLs can be applied towards growth-related capital projects that are part of city-wide amenity system used by residents across the city. Levies collected within each DCL district must be spent within the area boundary, except housing projects which can be located city-wide.

Table 13 - Page 1
Comparison of Development Levies in Saskatchewan (2014)

	Saskatoon per front m	Regina per ha	Weyburn per ha	Martensville per front m	Prince Albert per ha	Yorkton per ha
Offsite-Levy Services:						
Roads and Related Infrastructure	$656	$79,523	$34,434	$267	$28,768	$14,414
Wastewater						
Distribution System	$540	$65,532	$76,563	$193	$13,570	$17,218
Treatment Plant	$0			$320		
Water						
Distribution System	$144	$55,515	$77,419		$19,625	$22,112
Treatment Plant						
Storm Water Management		$20,588	$3,163	$0	$19,337	$4,793
Parks	$353	$22,616	$20,949	$126	$14,047	$29,850
Recreation				$200		
General Government/Planning	$26	$20,499			$3,025	
Sub-Total Offsite-Levy Services:	**$1,718**	**$264,273**	**$212,527**	**$1,106**	**$98,372**	**$88,387**

	Saskatoon per front m	Regina per front m	Weyburn per front m	Martensville per front m	Prince Albert per front m	Yorkton per front m
Offsite-Levy Services Per Front Metre[1]						
Roads and Related Infrastructure	$656	$432	$187	$267	$156	$78
Wastewater				$0		
Distribution System	$540	$356	$416	$193	$74	$94
Treatment Plant	$0			$320		
Water				$0		
Distribution System	$144	$302	$421	$0	$107	$120
Treatment Plant	$0			$0		
Storm Water Management	$0	$112	$17	$0	$105	$26
Parks	$353	$123	$114	$126	$76	$162
Recreation				$200		
General Government/Planning	$26	$111	$0	$0	$16	$0
Sub-Total Offsite-Levy Services:	**$1,718**	**$1,436**	**$1,155**	**$1,106**	**$535**	**$480**

1. Assumes 170m of frontage per ha

Table 13 - Page 2
Comparison of Development Levies in Saskatchewan (2014)

<table>
<tr><th></th><th>Saskatoon per SDU</th><th>Regina per SDU</th><th>Weyburn per SDU</th><th>Martensville per SDU</th><th>Prince Albert per SDU</th><th>Yorkton per SDU</th></tr>
<tr><td>Offsite-Levy Services:</td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Roads and Related Infrastructure</td><td>$8,720</td><td>$5,748</td><td>$2,489</td><td>$3,551</td><td>$2,079</td><td>$1,042</td></tr>
<tr><td>Wastewater</td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Distribution System</td><td>$7,182</td><td rowspan="2">$4,737</td><td rowspan="2">$5,534</td><td>$2,569</td><td rowspan="2">$981</td><td rowspan="2">$1,245</td></tr>
<tr><td>Treatment Plant</td><td>$0</td><td>$4,256</td></tr>
<tr><td>Water</td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Distribution System</td><td>$1,909</td><td rowspan="2">$4,013</td><td rowspan="2">$5,596</td><td>$0</td><td rowspan="2">$1,419</td><td rowspan="2">$1,598</td></tr>
<tr><td>Treatment Plant</td><td>$0</td><td>$0</td></tr>
<tr><td>Storm Water Management</td><td></td><td>$1,488</td><td>$229</td><td></td><td>$1,398</td><td>$346</td></tr>
<tr><td>Parks</td><td rowspan="2">$4,696</td><td rowspan="2">$1,635</td><td rowspan="2">$1,514</td><td>$1,675</td><td rowspan="2">$1,015</td><td rowspan="2">$2,158</td></tr>
<tr><td>Recreation</td><td>$2,660</td></tr>
<tr><td>General Government/Planning</td><td>$347</td><td>$1,482</td><td>$0</td><td>$0</td><td>$219</td><td>$0</td></tr>
<tr><td>Sub-Total Offsite-Levy Services:</td><td>$22,854</td><td>$19,102</td><td>$15,362</td><td>$14,711</td><td>$7,111</td><td>$6,389</td></tr>
</table>

SDU (Single Detached Unit) - Assumed to be 13.3 front metres

<table>
<tr><th></th><th>Saskatoon %</th><th>Regina %</th><th>Weyburn %</th><th>Martensville %</th><th>Prince Albert %</th><th>Yorkton %</th></tr>
<tr><td>Offsite-Levy Services:</td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Roads and Related Infrastructure</td><td>38.2%</td><td>30.1%</td><td>16.2%</td><td>24.1%</td><td>29.2%</td><td>16.3%</td></tr>
<tr><td>Wastewater</td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Distribution System</td><td>31.4%</td><td rowspan="2">24.8%</td><td rowspan="2">36.0%</td><td>17.5%</td><td rowspan="2">13.8%</td><td rowspan="2">19.5%</td></tr>
<tr><td>Treatment Plant</td><td>0.0%</td><td>28.9%</td></tr>
<tr><td>Water</td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Distribution System</td><td>8.4%</td><td rowspan="2">21.0%</td><td rowspan="2">36.4%</td><td>0.0%</td><td rowspan="2">19.9%</td><td rowspan="2">25.0%</td></tr>
<tr><td>Treatment Plant</td><td>0.0%</td><td>0.0%</td></tr>
<tr><td>Storm Water Management</td><td>0.0%</td><td>7.8%</td><td>1.5%</td><td>0.0%</td><td>19.7%</td><td>5.4%</td></tr>
<tr><td>Parks</td><td>20.5%</td><td rowspan="2">8.6%</td><td rowspan="2">9.9%</td><td>11.4%</td><td rowspan="2">14.3%</td><td rowspan="2">33.8%</td></tr>
<tr><td>Recreation</td><td>0.0%</td><td>18.1%</td></tr>
<tr><td>General Government/Planning</td><td>1.5%</td><td>7.8%</td><td>0.0%</td><td>0.0%</td><td>3.1%</td><td>0.0%</td></tr>
<tr><td>Sub-Total Offsite-Levy Services:</td><td>100.0%</td><td>100.0%</td><td>100.0%</td><td>100.0%</td><td>100.0%</td><td>100.0%</td></tr>
</table>

Table 14
Comparison of Development Levies in Canadian Municipalities (2014)

	Saskatoon per front m	Edmonton per ha	Calgary per ha	Red Deer per ha	Vancouver per sq.ft	Winnipeg[4] Nil	Ottawa per SDU
Offsite-Levy Services:							
Roads and Related Infrastructure	$656	$164,000	$122,193	$97,906			$8,248
Wastewater							
Distribution System	$540	$18,620	$17,047	$21,642	$0.63		$2,279
Treatment Plant	$0		$28,028				
Water							
Distribution System	$144		$18,408	$16,060	$0.00		$2,268
Treatment Plant	$0		$6,457				
Storm Water Management			$3,713	$67,693			$44
Parks	$353		$75,644		$1.21		$2,703
Recreation	$0						$3,859
Emergency Service: Police, Fire & Paramedic Services							$760
Library							$385
Vehicles & Works Yards							$493
Child Care					$0.15		$86
Afford Housing					$0.94		$189
Transit					$0.65		$3,850
General Government/Planning	$26						$150
Sub-Total Offsite-Levy Services:	**$1,718**	**$182,620**	**$271,490**	**$203,301**	**$3.58**	**$0**	**$25,314**

	Saskatoon per SDU	Edmonton[1] per SDU	Calgary[2] per SDU	Red Deer[2] per SDU	Vancouver[3] per SDU	Winnipeg per SDU	Ottawa per SDU
Offsite-Levy Services Per Front Metre[1]							
Roads and Related Infrastructure	$8,720	$14,471	$8,832	$7,077			$8,248
Wastewater							
Distribution System	$7,182	$2,983	$1,232	$1,564	$945		$2,279
Treatment Plant	$0		$2,026				$0
Water							
Distribution System	$1,909		$1,331	$1,161			$2,268
Treatment Plant	$0		$467				$0
Storm Water Management			$268	$4,893			$44
Parks	$4,696		$5,468		$1,815		$2,703
Recreation							$3,859
Emergency Service: Police, Fire & Paramedic Services							$760
Library							$385
Child Care							$493
Housing					$225		$86
Vehicles & Works Yards					$1,410		$189
Transit					$975		$3,850
General Government/Planning	$347						$150
Sub-Total Offsite-Levy Services:	**$22,854**	**$17,454**	**$19,624**	**$14,695**	**$5,370**	**$0**	**$25,314**

Notes:

1. Edmonton includes a charge of $1,340/SDU for sanitary sewer which is in addition to the per hectare charge. The Roads charge shown for Edmonton includes costs for Roads, Water and Wastewater.

2. Assumes 184 front metres per hectare and a 13.3 metres of frontage per single detached unit.

3. Vancouver calculation based on an assumption of a 1,500 sq.ft house with an Floor Space Ratio equal or less than < 1.2.

4. Winnipeg is zero due to legislation preventing the municipality from having a charge, although charges may be levied through subdivision agreements (ie. stormwater infrastructure)

VII FUTURE FUNDING OPTIONS

The previous sections of this report have focussed on the manner in which growth-related projects are currently funded. This section is forward looking. It considers the funding implications of the City's approach to planning as it is evolving through the *Growth Plan to 500,000* process. It also considers a range of growth funding options that to varying degrees differ from the current funding model.

The first part of this section summarizes the various challenges that the City will face in the future in funding growth-related capital projects. The second part examines funding options in the context of the current approach and future needs.

A. ANTICIPATED GROWTH-RELATED CAPITAL FUNDING ISSUES

Saskatoon is in the midst of an extended period of growth, the underpinning of which – energy, potash and agriculture show every indication of performing well for an extended period. Given these prospects, the City has begun to consider the long-term implications of the City reaching a population of 500,000 in the next 30 years. Were Saskatoon to grow this size following the current pattern of development, the required improvements to the transportation network alone would be extremely onerous and very costly.

1. Infill & Redevelopment

It is a basic tenet of the ongoing planning review process that new development needs to be intensified. This can be accomplished through infilling and redevelopment within existing urban areas and through the achievement of higher densities in new greenfield development.

This approach has the potential to achieve some savings both capital and operating costs. On the capital side, infill and redevelopment can be very cost effective if existing infrastructure has unused capacity. Water & wastewater collection and distribution systems, fire stations and EMS facilities, and parks and recreation facilities are among the types of infrastructure that may be underutilized in established areas. Additionally, although not a City service, schools in older areas often have space capacity. It should be noted however, that while infill and redevelopment within existing areas can often make use of existing infrastructure this is not always the case and instead new, and often very costly, infrastructure expansions and or replacements will be required. It is also important to recognize that growth, whichever form it takes, will always impose an increased demand on some City services. Obvious examples include waste and wastewater treatment and landfill facilities.

2. New Neighbourhoods

In greenfield situations, the implication of more intensive development is largely restricted to linear infrastructure. With greater density the amount of roads, sidewalks, lighting and underground infrastructure is reduced. This can also have an indirect effect on other services such as fire protection and waste management which to some extent are affected by the density of development. On the other hand, infrastructure for services which are "people driven", will be largely unaffected by changes in density. Overall, barring a radical change in design, the effect on infrastructure requirements that would result from increasing neighbourhood densities is likely to be relatively limited since a significant share of the municipal services which have major infrastructure requirements are largely sized in relation to population rather than geography.

3. Transit

A very important aspect of the current thinking regarding long-range planning for Saskatoon is the role of transit. As in other cities where intensification is a planning objective, increasing the role of transit is very important. The extent to which this has implications for growth-related infrastructure depends upon the nature of the transit system. Additional bus requirements on existing routes can be scaled in a relatively even manner. However, where new routes are required the marginal costs differences are substantial. For more complex, higher order transit services (dedicated bus lanes with electronic signalling etc., or full BRT systems) initial infrastructure requirements are both significant and costly. This makes for both a financing and funding challenge. The challenge is further increased firstly because better transit involves by definition a higher level of service and than currently exists and secondly because at present the City does not levy a contribution towards transit capital from new development. Finally, transit services are costly to operate and any additional expenses not covered by fare box revenues must be paid for through property taxes. In short, improving transit in support of intensification objectives is expensive both from a capital and operating perspective.

In conclusion, as Saskatoon continues to grow and to intensify it will need to add a substantial amount of infrastructure. Efficiencies from fuller use of existing infrastructure is possible within existing urban areas through infill and redevelopment. Some reductions in linear infrastructure requirements can be achieved in new neighbourhoods if development densities are increased. However, these efficiencies will be relatively small in relation to the overall requirements of new growth given the extent of the services which are primarily influenced by population and employment rather than geography. Requirements for increased transit service will potentially be very difficult to address as the infrastructure needs are likely to be significant and operating costs will be high.

The next part of this section examines a wide range of alternative funding options. They are considered within the context of both the City's current and future planning environment.

B. EVALUATION OF ALTERNATIVE FUNDING OPTIONS

There are many funding options that the City could consider in order to pay for the infrastructure that it will be needed to service new development. At the outset it should be stated that there is no absolute requirement to adopt new approaches; the City could continue to pay for infrastructure using the current mix of funding mechanisms. However, given the outlook for significant growth, the City is likely to require more complex and expensive infrastructure and higher service levels especially for transit. Accordingly, the City's funding capacity will be tested. For this reason having additional ways of funding and or financing growth-related infrastructure and perhaps also operating costs could be advantageous.

The various options that are evaluated below are ordered from high to low according to the extent to which funding and/or financing responsibility would fall on the taxpayers and the City. For the purposes of context the evaluation starts with a discussion of property taxes the burden of which clearly falls on taxpayers.

1. Property Taxes

Property taxes are the basic and most reliable source of revenue for the City. They are applied across all parts of the City and to all types of property. The taxes are levied in relation to property values with non-residential properties being taxed at a rate approximately 24% higher than residential properties. Paying for growth-related infrastructure through property taxes spreads the burden very widely and clearly is at odds with the concept of "growth paying for growth". Given that under the current development levy policy the large majority of growth-related costs are covered by the levy, at the moment the impact on property taxes is judged to be comparatively small.

As a funding tool the property tax is very reliable. It has a very wide base and, because it is set on an annual basis, can be depended upon to generate planned for revenues. In relation to growth-related capital cost, it clearly spreads the burden far wider than the direct beneficiaries which is new development. The main justification for using property taxes to pay for growth-related infrastructure is that it is akin to an intergenerational loan which is paid back over time through the future taxes paid by the benefitting development.

Given that currently the bulk of growth-related costs are paid for by development levies there is no compelling reason to significantly reduce the share being borne through property taxes. If in the future growth-related costs increase significantly and there is a reluctance to add these extra costs onto the development levy, raising property taxes would be a straightforward funding source. However, this approach would certainly give rise to a debate about the question as to who should pay for the cost of growth.

A second consideration relating to property taxes and growth costs is the issue of exemptions from development levies. Should the City for policy reasons choose to exempt certain types of development from paying levies it is important that the foregone levy amounts are recovered through property taxes rather and are not added onto the levy. In this way cost of the exemption program is borne by all taxpayers and not new development.

2. Utility Rates

The second funding mechanism to be considered is the utility rate model. Under the model, growth-related capital projects are paid for by the City either out of current revenues and reserves or through debt. The costs are then recovered through the utility rates. Like property taxes, this is a broad based approach that spreads out the costs across the whole city. However it differs in that instead of using the value of property to divide up costs, the utility approach uses water consumption which aligns well with the nature of the service. The arguments in favour of this approach are the same as those for property taxes. The key counter argument is also the same – growth should pay for required growth-related infrastructure. Under the current funding arrangements all or nearly all water and wastewater related capital costs are being recovered through the development levy. However, the levy currently does not include any provision for plant costs since, at present, the servicing needs of new development are being met through existing plant capacity. This situation will be changing in the next few years as the current capacity reserve is used up. At that point the City will have to decide which approach it is going to use to pay for the potentially large capital cost of providing additional plant capacity.

3. Public-Private Partnerships

Public-Private Partnerships (P3's) are mechanisms for delivering large infrastructure projects. As the term implies the mechanism involves a partnership between a public sector entity (the City in the case of Saskatoon) and a private sector proponent. The proponent is usually responsible for designing, building and financing the project and, depending on the type, may also be responsible for long-term operation maintenance. There are a number of reasons why P3's are an attractive alternative to the way in which municipalities traditionally undertake major projects. From the perspective of this study the principle advantage is that with a P3, the City does not provide the funding but instead makes payments to the proponent for the facility over the term of the concession.

P3 arrangements are only suitable for a fairly narrow range of municipal projects. Primarily this is because of the complexity and cost of the agreements that P3 projects involve that begin when a P3 is first considered to the point of completion and into the operational period. A rule of thumb is that a P3 project should involve an investment of at least $100 million. The City does not provide financing but over time the full cost of the project will be borne by taxpayers through the annual payments that are made. These payments will be made either from property taxes or from utility rates depending on the type of project. As such under the P3 approach new development does not directly pay for any share of a project that is attributable to growth.

The City is currently involved in two P3 projects; the Civic Operations Centre and the North Commuter Parkway & Traffic Bridge Replacement Project. The Civic Operations Centre has a cost of $128 million. The federal government, through PPP Canada, is providing $42.9 million of the funding.

The North Commuter Parkway & Traffic Bridge Replacement Project has a cost of $252.6 million. Through PPP Canada, the federal government will contribute up to $66 million to the project, and the Province of Saskatchewan will contribute $50 million.

4. Installment Based Development Levy

An installment based development levy is an approach that clearly places the responsibility for all or part of the cost of growth-related infrastructure onto new development. However, rather than being paid by the developer or builder at the subdivision or building permit stage, the levy is spread out over a number of years and added onto the property tax bill. In this way, the responsibility for paying the levy is shifted onto the new property owner who benefits from the infrastructure that the levy pays for. From the general taxpayers' perspective, this approach has the advantage of keeping the cost of growth-related infrastructure off the tax levy. For the City, the approach is less desirable than the current development levy arrangement since the levy revenues would be received over a number of years rather than up-front as it is under the current approach. While interest on yet to be paid shares of levies could be added, the City would still have to finance uncollected levy payments. Additional administration costs would also be incurred. The approach would be popular with the development industry since it would shift the burden for paying levies onto purchasers. For the purchasers, the arrangement would have little appeal. On balance unless the City considered it necessary to reduce front-end costs for the development industry there is no compelling reason to consider moving to an installment based levy system.

5. Up-Front Development Levy

This is the funding tool that the City currently uses to pay for the majority of growth-related costs. The levy is calculated annually and is applied on a per metre of frontage basis or in some instances on a per hectare basis. In addition, a number of lump-sum fees are charged for various other services including utility connections and community centres. In Saskatoon, the development levy is collected at the subdivision stage.

There are a number of observations that warrant consideration; some relating to quantum and others to the timing and application of the levy:

- As discussed previously, the rates do not cover all services. Legislation does permit charges for some of these services. Most significantly, at present no charge is being made for water and wastewater plant capacity. As well, no amount is being collected for some of the City's large infrastructure projects.

- The way in which rates are calculated is well set out. While it is understood that discussions about the annual rates are held with the development industry the report addressing the rates does not explain how the rates are actually calculated.

- Collection of development levies at the building permit stage is a common approach. In Saskatoon the City currently collects them at the earlier subdivision stage. Should the City choose to lighten the impact of the levy on developers it could delay collection until either the building permit stage or until issuance of occupancy permits.

- The current rate structure is largely based on frontage. As a result, no allowance is made to the size of building or for use[3]. Since demands on services can vary significantly depending upon use and density of employees; consideration could be given to alternative ways of charging such as rates per metre of building for different uses (e.g. office, retail and industry).

- In instances where servicing costs for neighbourhoods differ significantly from the norm, consideration could be given to the use of area-specific rates that take account of particular conditions. In this way the rates in other areas would not be affected by atypical servicing costs in any particular area.

Development levies are very likely to continue as the primary funding source of growth-related capital. This is appropriate in terms of the principles of aligning funding source with application. However, as discussed previously there are a number of changes that could be made to the City's current approach both to increase(or possibly decrease) the amount of revenue the levies generate relative to the overall costs of growth-related infrastructure and to provide more transparency to the process through which the rates are set.

6. Front-End Financing

An additional approach that is used in other cities and that could reduce the City's financing needs is to shift the responsibility for financing growth-related costs onto developers. Often this is done if a developer wishes to advance a development ahead of the municipality's planned timing. In these situations the developer often also undertakes the construction. Credits are provided by the municipality in exchange for undertaking this work and are applied against levies when payable. This approach is probably less practical in Saskatoon given the fact that the City is so heavily involved itself in land development and takes such a lead role in servicing.

[3] *However, it is understood that the interchange component of the rate is adjusted for retail centre developments.*

C. OTHER FUNDING OPTIONS

The funding and financing options discussed above are all either those currently used by the City to pay for growth or are alternatives that are used in other places. There are however, many other tools that the City might wish to consider as alternatives to these more traditional growth funding and financing methods. Some of the alternatives are outlined below. Needless to say, should the City wish to pursue any of these alternatives, additional work would be required in order to validate the approach. Most importantly they have to be assessed in terms of the legislative requirements that would need to be met.

1. Transportation Oriented Options

Three funding tools that have specific relevance to the funding of transportation infrastructure are:

- **Parking Space Charge** – Applying an annual charge to parking spaces would generate a steady and predictable stream of revenue. It would be relatively easy to administer and could be incorporated into the property tax bill. While charges would naturally be unpopular, opposition could in part be mitigated if the revenues were specifically directed towards transportation capital project.

- **Tolls** – With advances in technology, it is increasingly practical to implement tolls. This approach could for example be applied to new sections of limited access arterial roads and to bridges. There is a clear linkage for this tool between source and application.

- **Vehicle Registration Fee** – A third potential transportation related potential funding tool is a vehicle registration fee. This would generate a predictable flow of revenue and, assuming the Province would be prepared to add it onto the vehicle licence fee, would be relatively easy to administer. As with any new fee or charge it would be unpopular but again this could to some extent be mitigated by committing the revenue to road related capital projects.

2. Value Capture Fee

Levying fees to capture a portion of increases in property values that arise as a result of City investments in infrastructure is feasible but not common. Usually, value capture fees are considered where a major project such as a subway or an LRT is built and where it is very clear that property values will rise as a result. The drawback to the funding tool is that it is difficult to apply and is unpredictable both in terms of the revenues it can raise and the timing. Such a fee does however have a good linkage between source and application.

A variant on the value capture fee is a fee (or equivalent) that is liked to increases in the permitted amount of development for a property, over and above what is allowed under the existing zoning. For example, if permission is granted to allow additional units on a residential development site, the City could consider charging a fee to pay for local service upgrades. Alternatively, the developer could in exchange for the extra density, be required to provide an additional local amenity. The linkage between source of such a fee and its application is clear.

3. Land Transfer Tax

A City based land transfer tax is potentially a very significant additional funding source. This has been demonstrated in the City of Toronto where in the last four years the tax has generated nearly $1.3 billion. A particular advantage of the tax is that it is linked to property values and therefore tends to rise from year to year without the need for rate adjustments. While the tax is real estate related there is no particular relationship between the source of the revenue – real estate sales– and the use to which the revenues are put. From a practical point of view, the tax has the advantage, however since most people buy property very infrequently only a limited number would be affected in any given year. As well, while the tax may be quite substantial, in relation to the overall amounts involved in a real estate purchase the tax would be a relatively small share.

The revenue tools discussed above are a sample of the wide range of options that could be considered. While none of them are self-evidently appropriate to be implemented in Saskatoon, it is certainly the case that the City, like nearly all cities in Canada, is highly reliant on property tax and therefore some alternative revenue sources would be helpful especially if they are tied directly to a particular category of future expenditures such as to transit or roads.

In the final section of the report that follows, the overall conclusions that have been drawn from the study are set out together with a number of suggested directions that the City could take in relation to the funding of growth-related infrastructure.

VIII OBSERVATIONS AND SUGGESTED FUTURE DIRECTIONS

This study has been undertaken in order to provide the City and more broadly Saskatoon's residents with a better understanding of the way in which the new services required to meet the needs of new development are being paid for. This issue is important since Saskatoon has been growing rapidly for some years and this trend is expected to continue.

A. THE CHALLENGE OF GROWTH

While there are many advantages to a growing city there are also drawbacks. It is difficult to keep up with the growing pressure on road capacity and the need to provide better transit service to relieve some of the pressure at an affordable cost is a growing challenge. As well as demand for additional community facilities always seems to outstrip the rate at which new centres are added.

While thus far the City has managed its way through the recent period of expansion well, it is conscious of the need to think carefully about how growth is to be handled in the future. It has developed a strategic plan and is working through an *Integrated Growth Plan* process. A key element of this plan which is a response in part to the challenges posed by growth is the emphasis to be placed on intensification. This should see more residential units being developed within the City's existing urban envelope and a more units per hectare being achieved in new neighbourhoods.

Another aspect of the changes that will affect Saskatoon as it continues to grow is the increasing scale and complexity of its infrastructure needs. There is an approaching need to increase water and wastewater plant capacity and new river crossings will be needed. Major infrastructure projects such as these, the need for which stem largely from the growth-related demand lend themselves to P3 procurement arrangements. This approach is being used to develop the new Civic Operations Centre. However, tying P3 concession payments for projects of this type into development levies may be difficult.

1. Saskatoon's Land Division is Unique

A unique aspect of the City of Saskatoon is that it operates a highly successful land development business which in 2012 had land sale revenues of over $166 million. Operating as the Land Division, it reportedly has about a 50% share of Saskatoon's land market. The Land Division develops land for residential, multi-family, industrial, commercial and institutional users and since 1954 has been able to sustain itself through a long-term land bank program. Surpluses (akin to profits) from the Land Division are used by the City to fund civic projects notably the City's affordable housing program. Some of the projects that the surpluses help pay for are at least in part growth-related. The surpluses therefore help reduce costs that might otherwise need to be included in the development levy. Thus, the surpluses are in part being recycled to the benefit of the Land Division since lot prices are indirectly enhanced if development levies are kept low.

2. How does Saskatoon Fund Growth-Related Infrastructure

A key component of the work undertaken in this study has focussed on understanding how the City pays for the infrastructure that is required to meet the service needs of new development. The answer to this question is not clear cut. The City's development levy pays for the bulk of the required new infrastructure. However, other components are funded, not by new development, but through property taxes, utility rates, grants and Land Division surpluses. In the case of water and wastewater infrastructure, new development is making use of excess capacity that was built and paid for some time ago. The way in which infrastructure is funded is not consistent as some types of projects may be funded differently from project to project. Overall therefore, because the apportionment between existing and new development of the costs and benefits of capital projects does not follow a consistent approach, the extent to which costs attributable to growth are paid for by growth may vary from year to year.

3. Saskatoon's Levy Program is Comparable to Other Communities

A review of growth-related capital levy programs elsewhere in Saskatchewan and for communities in other provinces indicates that Saskatoon's approach is in the mid to upper end of the "growth pays for growth" spectrum. Ontario's legislation is very inclusive and as a result charges tend to be high. In contrast, Winnipeg recovers only a limited amount of growth-related costs from new development.

Saskatoon's rate structure is very simple and has only limited differentiation between land uses. As more infill, redevelopment and intensification occur, and in a greater variety of development results, the current rate structure may warrant review. As well the provision of exemptions or discounts for specific types of development or locations may also be warranted.

B. FACTORS FOR CONSIDERATION

Taking account of the discussion above and more the detailed issues that were examined during this study, a number of options designed to realign and or broaden the City's funding capacity for growth-related infrastructure have identified. These options have been grouped under three headings; Scope, Scale and Clarity.

1. Scope

The current system of funding growth broadly divides costs between development levies, utility rates and property taxes with the levy funding by far the largest share. Were the City to consider it desirable for new development to pay a larger share of growth-related costs there is scope within both the legislation and the services covered to increase the levy. For example shares of major infrastructure projects that are currently funded through taxes could be added to the levy. In the future as new water and wastewater plant investments are required, their costs could and perhaps should be recovered through the levy. If on the other hand the City is reluctant to raise levies or to place more of the burden on property taxes or rates, other funding approaches, some of which have been outlined in this report, could be considered. In particular, transportation infrastructure could be targeted using automobile based fees.

2. Scale

The current levy structure is very simple. Three sets of rates, one for residential development, another for for institutional, commercial, schools and residential lots with an area of over 1,000 metres and a third for industrial uses. While the structure has merit in that it is easy to understand and apply, it does not provide any differentiation for more specific land uses or building size, even though these factors have a significant bearing on the scale of service demands. For example, a multi-storey office building which has a high density of employees places a much higher demand on road capacity than a single story industrial building located on an equivalent sized site. The City might wish to consider making modifications to the structure of the development levy to take account of such additional factors that affect the need for services and infrastructure. Use of area-specific charges could also be considered if location-based factors are considered to have a significant influence on infrastructure costs.

3. Clarity

While it does not directly affect the way in which growth-related projects are funded, it is suggested that the City give consideration to making the funding structure and process clearer. At present it is difficult to identify exactly how much it is costing the City to provide the infrastructure required to meet the needs of new development. It is also difficult to clearly identify how the costs are funded.

A similar information challenge applies to the calculation process that is used to determine the development levy rates. In order to provide greater clarity so that both developers and others understand exactly how levy rates are derived, it is suggested that the methodology be spelled out together with details of the calculations.

Details of the funding structure and process lend themselves to being set out in a formal policy document. The preparation and adoption of a formal growth funding policy document of this type would provide a good framework within which to review how the City funds growth.

APPENDIX A

MUNICIPAL FINANCE ISSUES RELATING TO DIFFERENT FORMS OF DEVELOPMENT

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MUNICIPAL FINANCE ISSUES RELATING TO DIFFERENT FORMS OF DEVELOPMENT

The following appendix provides commentary on the impact that minor infill projects, major infill projects and greenfield development has on City revenues, operating costs and capital costs. It also considers other aspects relating to each type of development. Today, infill projects represent approximately 20% of growth and greenfield development represents 80%. The City's target is to move to a 30/70 split between infill and greenfield development with longer term projections of 50/50.

A. MINOR INFILL PROJECTS

Projects of this type consist of what the *Growing Forward* project refers to as Neighbourhood Level Infill. These are small scale (one, two and semi-detached dwellings and small condominium projects mainly) residential developments that utilize vacant lots or involve replacing a small house with a duplex on neighbourhood streets. While not strictly infill projects, major renovations and additions to existing units can also be considered in this category since they extend the lives of buildings and increase the amount of living space to accommodate additional residents. The level of activity for these types of infill development has increased dramatically in the last few years in Saskatoon.

Figure 1 – Samples of Minor Infill Projects

Typical semi-detached infill project in an established neighbourhood (left), and a new multi-family condominium project in an established mixed use neighbourhood (right).

The following is a summary of how these projects impact city finances:

- **Revenues –** given that these projects involve new construction, property taxes will be at least equal to and generally higher than for neighbouring houses. These projects are unlikely to pay Development Levies, unless there is a subdivision of land or a condo plan approved.

- **Operating Costs –** because of their small scale this type of development is able to utilize existing capacity in city services with only a marginal effect. Nevertheless over time as the collective number of units becomes more significant overall service levels could decline but not to the extent that the change is evident.

- **Capital Costs –** as with operating, because of their small scale there is seldom any need for new city funded infrastructure to be added when these developments are undertaken.

- **Other Impacts –** one of the key benefits of small infill projects is the halo effect they have on the surrounding area as they tend to stimulate additional investment.

B. MAJOR INFILL PROJECTS

Major infill projects can vary significantly but consist of what the *Growing Forward* project refers to as Intermediate Level and Strategic Level Infill.

- Intermediate Level Infill – these are larger sites, usually surplus land, which can be developed as additions to neighbourhoods, or along major corridors. The *Growing Forward* project is proposing to lift development rights to encourage a much higher mixed-use (residential and commercial) density mainly along proposed new high frequency and rapid transit routes, and key development nodes, like older shopping centres.

- Strategic Level Infill - these are large, redevelopment opportunities which exist on University surplus agricultural lands, North Downtown and within the City Centre.

Figure 2 – Samples of Major Infill Areas and Projects

The City Centre is a strategic infill area (left). The Pleasant Hill Village is a major infill/revitalization project (right).

The impact that these projects have on city finances can vary greatly from project to project:

- **Revenues** – given that these projects involve new construction it can be anticipated that the property taxes they generate will be equal to or higher than comparable newer properties. As these projects often involve plans of subdivision most will pay Development Levies.

- **Operating Costs** – existing roads, water and wastewater infrastructure, parks, recreation facilities and libraries may be capable of meeting part or all of the needs of these developments depending on the amount of underutilized capacity of each facility. However the impact on each service will vary from project to project. Large projects are understandably more likely to require additional services with attendant cost implications.

  These developments tend to improve transit utilization when they are located along or near existing routes assuming that the routes are not already operating and capacity and do not need to be extended.

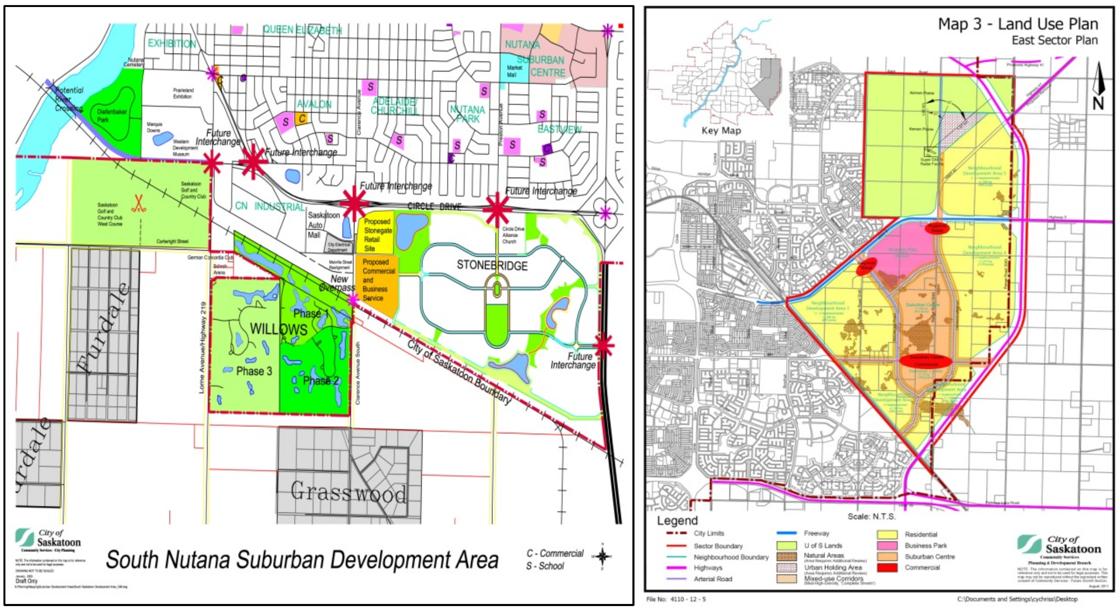
- **Capital Costs** – vary according to the particular characteristics of each project. Costs can be very low if there is available capacity. However should additional infrastructure be required it can be very expensive particularly if being integrated into a developed area. For example, should there be insufficient capacity in the water main or trunk sewer it can be very costly to replace pipes that are not at the end of their useful life.

  On the other hand, major infill projects that are able to leverage existing local roads and use capacity in the water and wastewater infrastructure can be cost effective.

C. GREENFIELD DEVELOPMENT

Greenfield development refers to new suburban neighbourhoods generally constructed outside of Circle Drive.

Figure 3 – Samples of Greenfield Development



These developments generally have the following impacts on city finances:

- **Revenues** – given that these projects always involve new constructions it can be anticipated that property taxes will be equal to or higher than comparable new houses. However, it may be the case that new Greenfield units will have higher persons per unit than existing households and that therefore property taxes per capita may be moderated. These projects will pay Development Levies.

- **Operating Costs** – costs will increase according to the characteristics of each service. The characteristics/impacts of growth for each service is discussed in detail in Table 9 (page 19) of the main body of this report. There are generally few opportunities for cost savings.

- **Capital Costs** – Greenfield developments generally require new local infrastructure for all services. They also absorb capacity from city-wide infrastructure (e.g. bridges, water and wastewater treatment plants). This can lead to a need for large up-front investment. However once made the repair/replacement requirements will be minimal in the short to medium-term as compared to infill projects that use existing infrastructure.

When analyzing the marginal costs and benefits of Greenfield developments there are a couple of key points to consider in addition to the above:

- While new neighbourhoods provide housing and many of the commercial and community amenities that residents require they are not designed to be completely self-sufficient. Most of the office, commercial, industrial and institutional space where residents work is located elsewhere. Accordingly, when considering the financial impacts of greenfield development it is important to take into account that there are additional city-wide impacts.

- Ground oriented units are likely to remain the form of housing most in demand in Saskatoon for the foreseeable future and greenfield development is the form most capable of delivering the required number of units. However it is realistic to anticipate that the density within new developments can be increased further and that a larger share of demand could be met through intensification within the existing urban envelope.

In summary, while it is helpful to understand the impact that each form of development has on city finances, it is typically market demand that has the greatest influence on the form of housing constructed. Notwithstanding this, the City does play an important role in influencing the pattern of growth through thoughtful urban planning and encouraging a range of choices for consumers. Accordingly, to ensure that "smart growth" is achieved the City will need to continue to keep this objective in mind in the strategic planning process.

APPENDIX B

SCALE AND COMPOSITION OF RESIDENTIAL TAX INCREASES (2009-2015)

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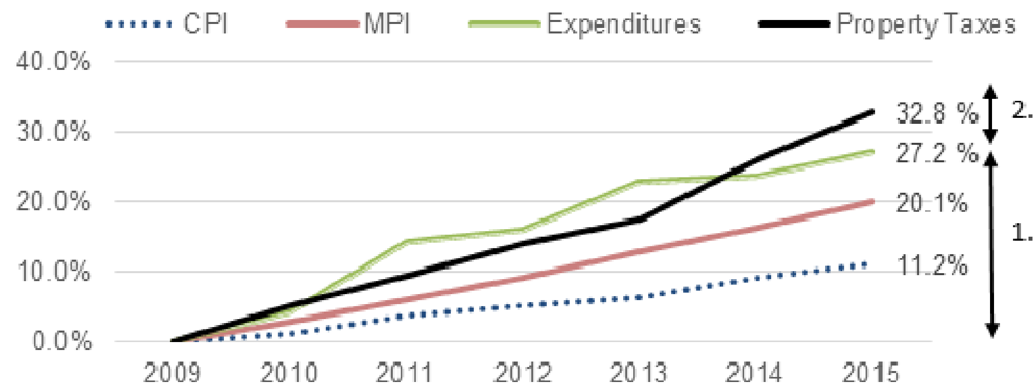
SCALE AND COMPOSITION OF RESIDENTIAL TAX INCREASES (2009-2015)

A. INTRODUCTION

Since 2009 the City has experienced both high growth and property tax increases. This appendix provides an analysis of city revenues and expenditures and identifies a number of factors which have contributed to the increase in taxes.

Figure 1

Historical Increases
City of Saskatoon



This appendix sets out to explain the following from Figure 2:

1. **The increase in city expenditures.** The increase in city expenditures at minimum would be expected to increase by CPI. However, the goods and services municipalities purchase tend to be more expensive than those used to determine CPI. Therefore while costs could be expected to increase by the Municipal Price Index (MPI), in fact city expenditures per household have increased slightly faster than MPI.

2. **Property taxes have increased faster than city expenditures.**

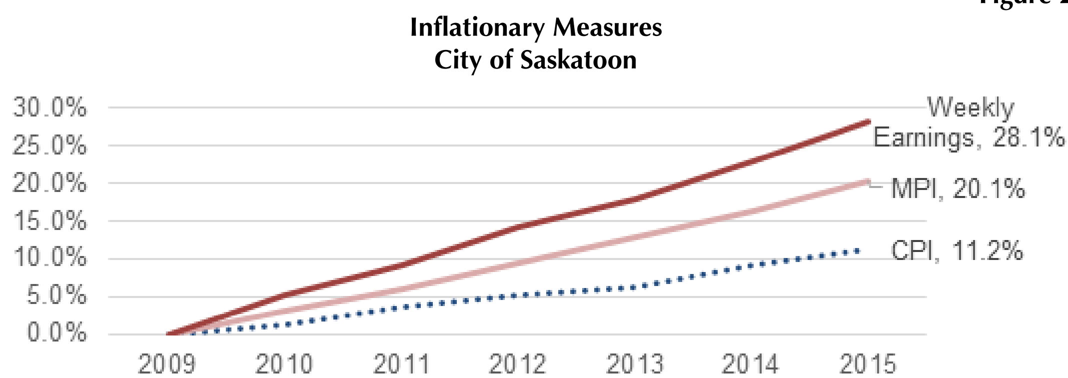
The appendix begins with an overview of key inflation and demographic metrics. The next section provides analysis on the changes in city revenues, both tax and non-tax, and the final section analyzes city expenditures by type and service.

B. KEY METRICS

There are a number of metrics that are important to consider when analysing factors influencing property tax increases. These metrics are used in order to isolate the specific contributory factors.

1. Inflation Measures

Figure 2



- Consumer Price Index (CPI)[1] - measures changes in the price level of a basket of goods and services purchased by an average household. CPI in the Province of Saskatchewan increased 11.2% or an average of 1.9% annually from 2009-2015.

- Municipal Price Index (MPI) – measures the changes in the price level of the basket of goods and service purchased by the City of Saskatoon. The City began calculating an MPI in 2013 and has calculated the MPI to be 3.3% in 2013, 3.2% in 2014 and 3.2% in 2015. Assuming an MPI of 3% for 2010-2012, the cumulative MPI from 2009-2015 was 20.1%.

- Weekly Earnings[2] – measures the increase in average weekly earnings in the Province of Saskatchewan. This measure increased 28.1%, or an average of 4.7% from 2009-2015.

[1] *2009-2014 - Statistics Canada (http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/econ09i-eng.htm); 2015 – average of CPI between 2009-2014*

[2] *2009-2014 – Statistics Canada (http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/labr79-eng.htm); 2015 – average of changes in Weekly Earnings between 2009-2014*

2. Demographic Measures[3]

Figure 3

Population, Households and Employment
City of Saskatoon

	Total Change	Total Change (%)	Average Annual Change
Population	47,900	22.9%	3.49%
Households	15,875	18.0%	2.79%
Employment	25,901	20.4%	3.15%

There are two key observations from Figure 3:

1. **Population is increasing at a faster rate than households.** This can be attributed to new households having higher persons per unit (PPU) than existing households. According to Statistics Canada, the PPU in households built between 2006 and 2011 is 2.59 compared to 2.39 for all previously constructed homes.

   This is an important observation because some city services are population driven whereas the majority of revenues are household driven. Therefore when population increases faster than households it may translate to costs increasing at a faster rate than revenues.

2. **Population is increasing at a greater rate than employment**. This may be an indication that people are moving to Saskatoon but are working elsewhere. If this were to be the case, non-residential assessment would not rise in the same proportion as residential assessment which would result in the City receiving lower revenues per capita than in previous periods of growth.

[3] *Population – Statistics Canada 2011 Census; 2012-2015 annual staff estimates*

Households – Statistics Canada 2011 Census; 2012-2015 calculated based on a PPU of 2.5

Employment - Statistics Canada 2011 Census; 2012-2015 calculated using the 2011 activity rate of 59.4%

C. ANALYSIS OF REVENUES

The revenue related aspect of the analysis first considers property taxes and the distribution of additional revenue between residential and non-residential development over the 2009-15 period. Next, the amount of non-tax revenues was examined to determine the extent to which these funds have changed.

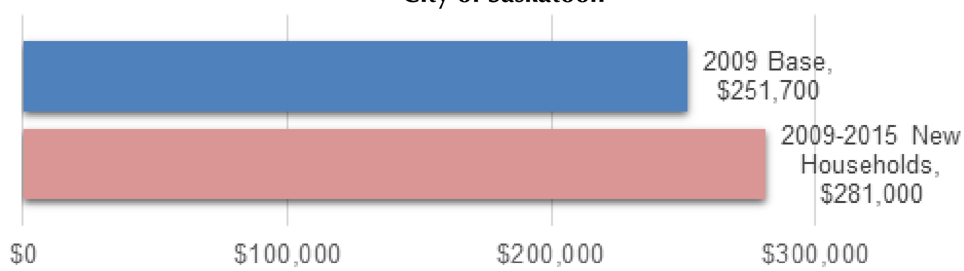
1. Property Taxes and Assessment

Three conclusions were made after analyzing the change in Property Taxes and Assessment:

1) **New households have generated higher assessments (11.6%) than existing households (Figure 4).**

Figure 4

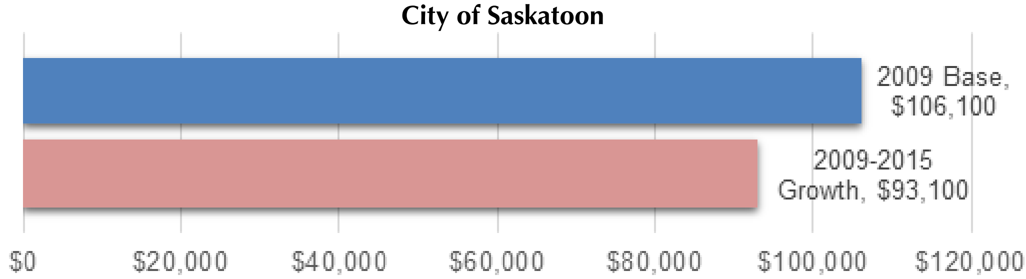
Comparison of Average Assessment per Household
City of Saskatoon



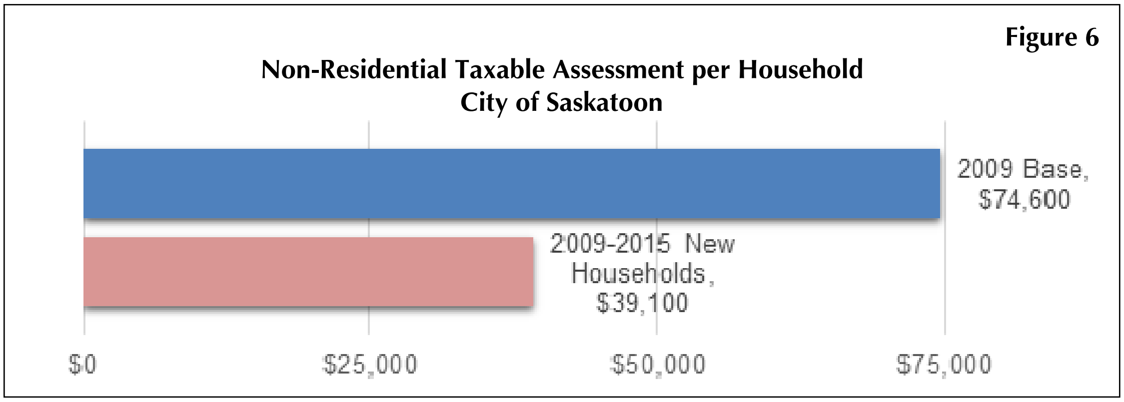
2) **Population is growing faster than households.** As a result new population (as a measure of growth) has generated relatively less assessment (12.3%) than the existing base (Figure 5).

Figure 5

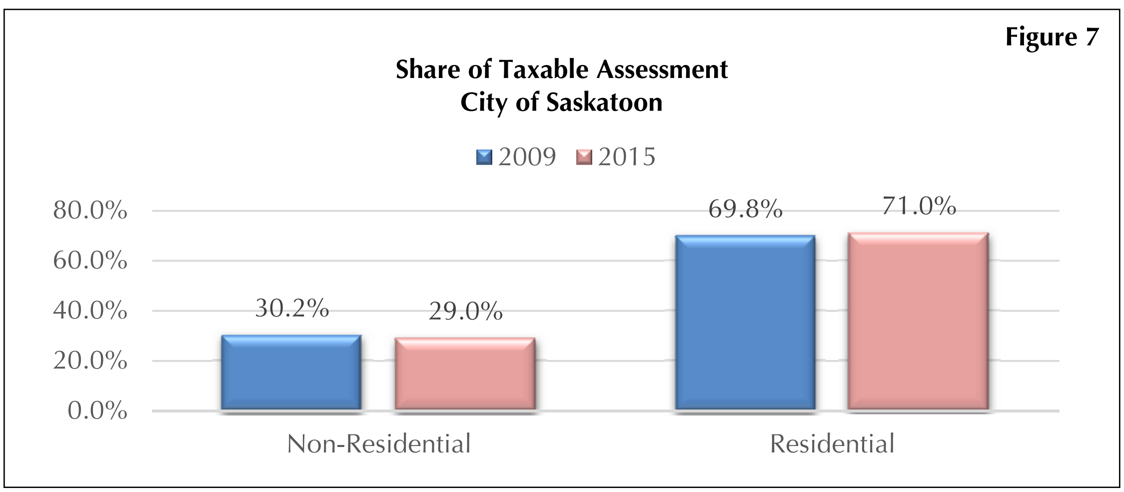
Comparison of Average Assessment per Capita
City of Saskatoon



3) **Non-residential taxable assessment has grown at a slower rate than residential assessment** Figure 6 illustrates that in 2009 there was $74,600 of non-residential assessment per household whereas there has only be $39,100 of residential assessment per household in the households that have been constructed between 2009-2015.. This means that the residential sector is now funding a greater share of city expenditures.



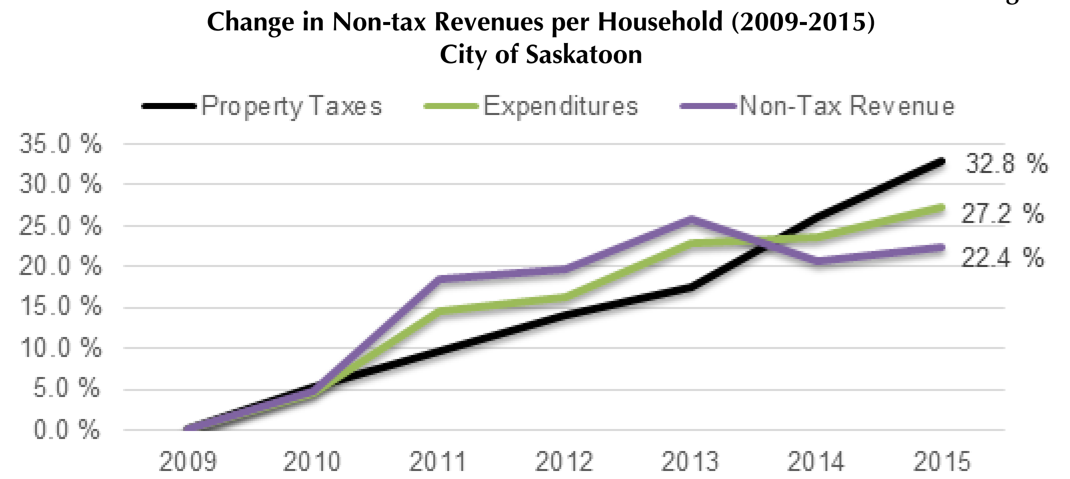
- Figure 7 shows the impact that the slower growth of non-residential assessment has had on the share of taxable assessment. The residential share has increased by 1.2% and while this does not appear to be a very significant shift, in fact it is very material given that for 2015 1.2% of property tax revenue is equal to $2.55 million.



2. Non-tax Revenues

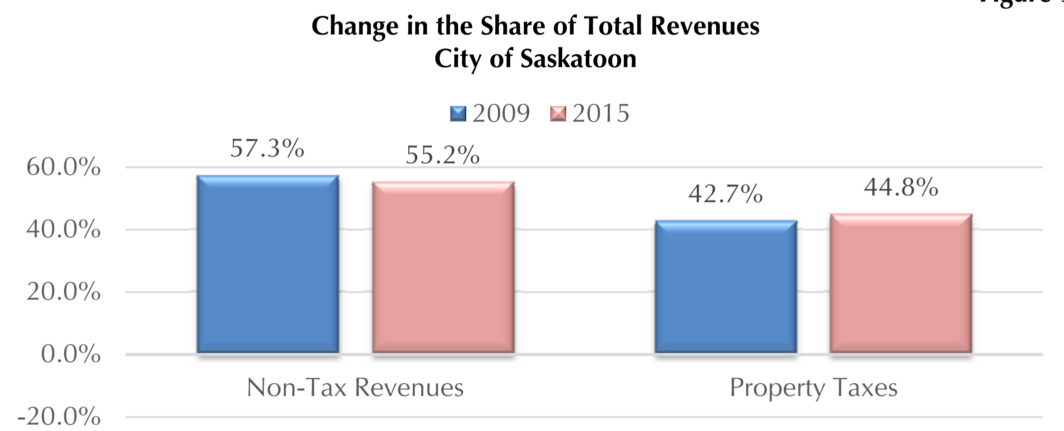
This section provides analysis on the City's Non-tax Revenues. Figures 8 and 9 compares the change in Non-tax Revenues and Property Taxes between 2009-2015 and then Figures 10 and 11 provide a detailed breakdown of the change of each revenue type over the same period.

Figure 8



- Figure 8 shows that Non-Tax Revenues have not increased at the same rate of City Expenditures between 2013-2015; when this occurs Property Taxes increase and fund a greater share of the budget.

Figure 9



- Figure 9 illustrates that the share of non-tax revenues decreased by 2.1% since 2009. This change results in the need for property taxes to fund $9.22 million more of the budget.

Figure 10

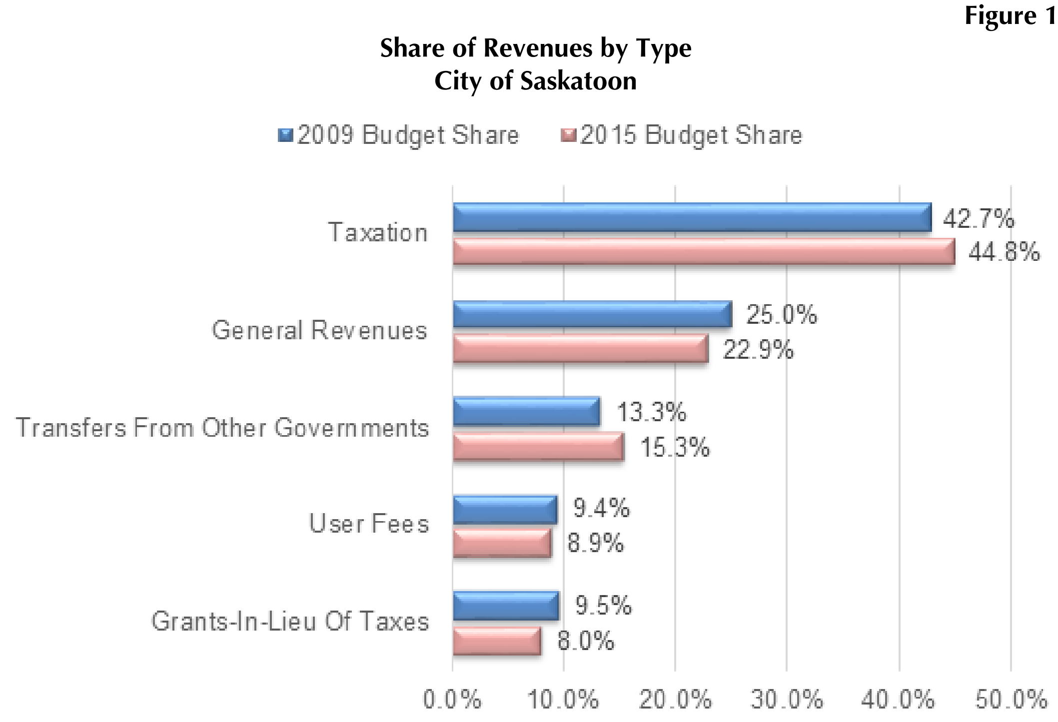
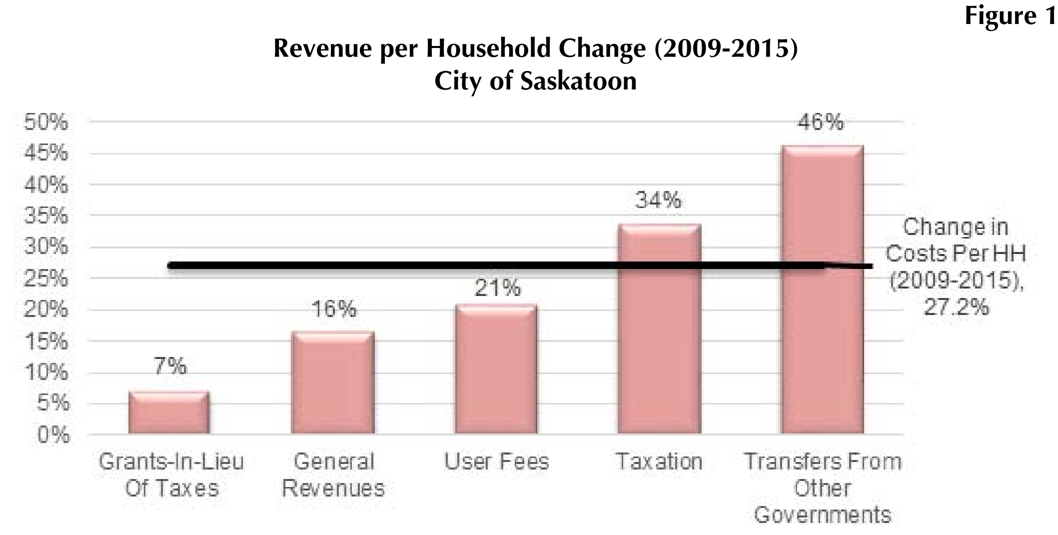


Figure 11



- Figure 10 provides a breakdown of the share of the City's revenue sources in 2009 and 2015. Taxation now funds a greater share of the budget because the Non-Tax Revenues (except for Transfers from Other Governments) have not grown at the same rate of City Expenditures.

- Figure 11 shows that Grants-in-Lieu of Taxes, General Revenues and User Fees did not keep pace with the change in city costs. These three revenue types are driving the need for property taxes to fund a greater share of costs.
    - General Revenues represents the largest type of non-tax revenue and did not keep pace because:
        1. Saskatoon Light and Power (SL&P) were required to increase their capital investment in order to maintain their assets. This increase prevented SL&P from increasing the annual Return on Investment to the City of Saskatoon at a rate that reflects consumption growth and inflation.
        2. The municipal payment from SaskEnergy decreased due to gas commodity rates substantially decreasing between 2009 and 2014.
    - Grants-In-Lieu-of Taxes represent grant payments from the federal and provincial orders of government in place of property taxes for government owned/managed properties. The small increase in this category indicates that few provincial and federal properties were added during this period.

D. ANALYSIS OF EXPENDITURES

The analysis first examines expenditures by type (ie. salaries, materials, fuel, etc.) and then looks at the net expenditures by service in order to pin point the source of the increases.

Figure 12

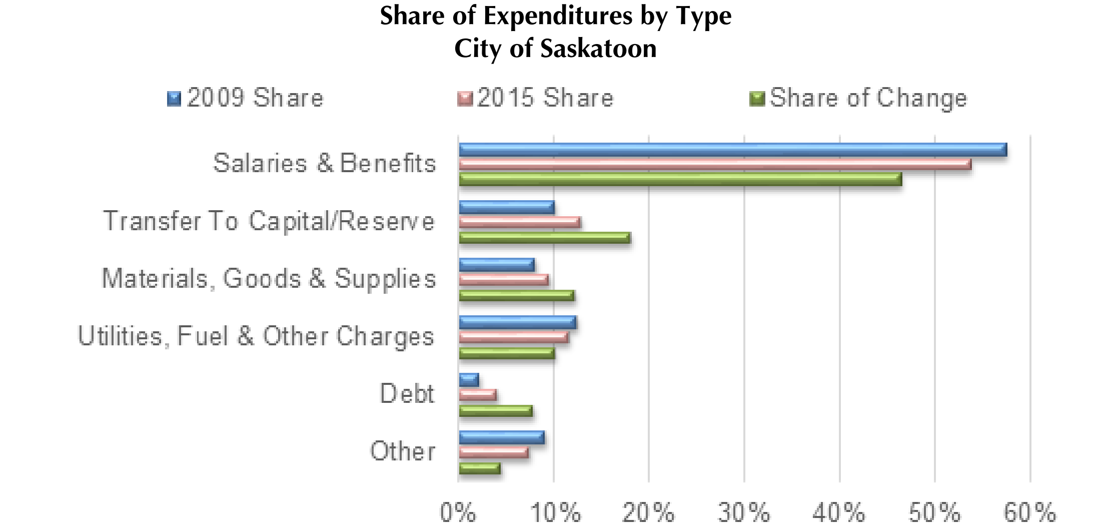
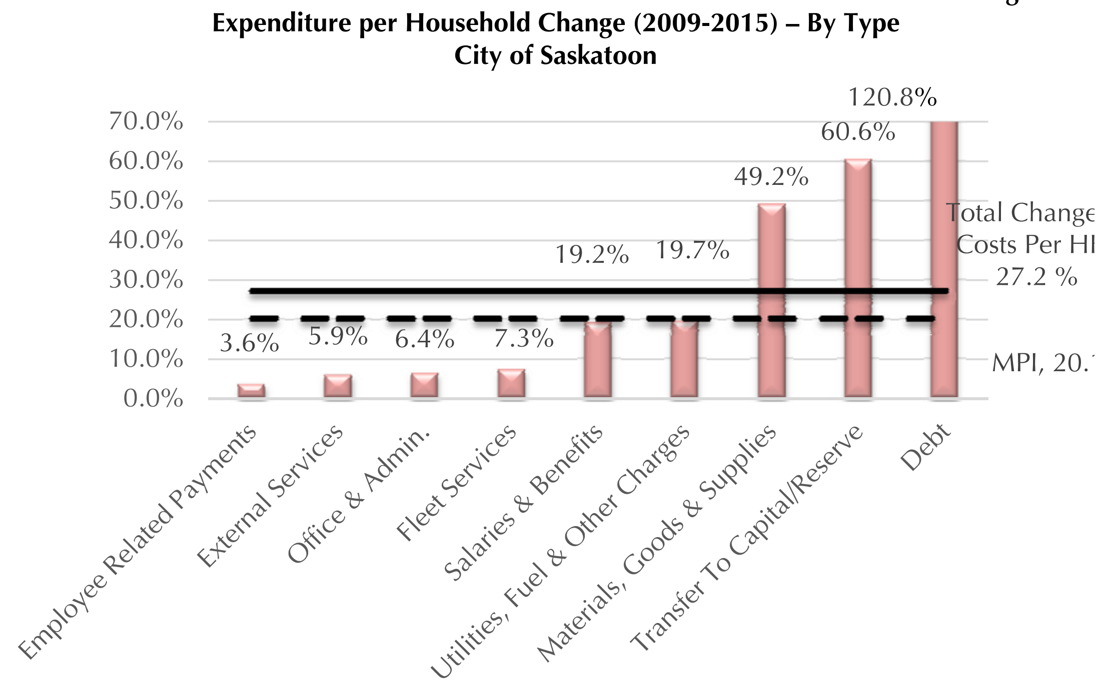


Figure 13



- Figure 12 and Figure 13 show that Materials, Goods & Supplies, Transfers to Capital/Reserves and Debt Payments have been the main drivers of the cost increases over and above MPI.
  - Transfer to Capital/Reserve and Debt increases are related to the increase in capital expenditures in Roadways and projects such as the new Police Headquarters.
  - Materials, Goods and Supplies (MG&S) also attributed to the increase in the Roadways program given that the associated materials required for the maintenance of roads and sidewalks are included. Costs for the introduction of the compost program are also included in MG&S.

Figure 14

Impact of Dedicated Tax Levy on Property Taxes
City of Saskatoon

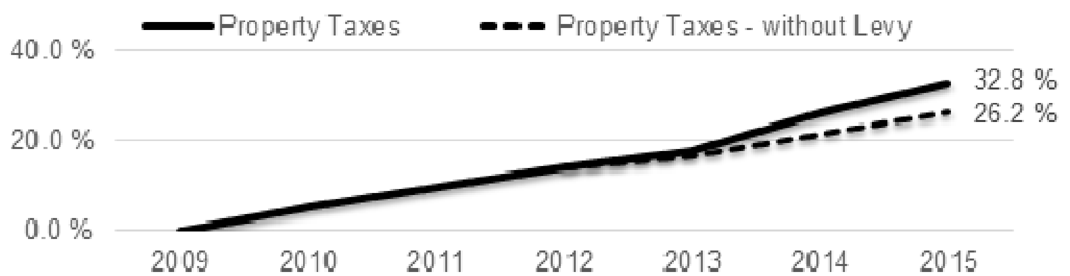
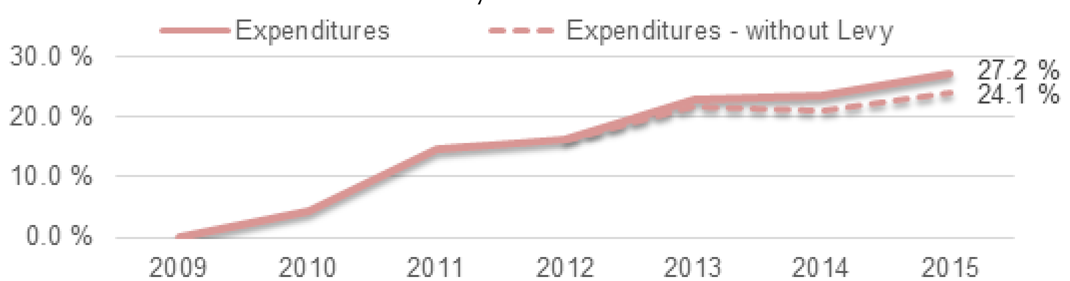


Figure 15

Impact of Dedicated Tax Levy on Expenditures
City of Saskatoon



- The increase in the City's Roadways program has provided residents with a service level increase. A portion of the increase has been funded through a Dedicated Tax Levy. Figure 14 shows that the Dedicated Tax Levy represents 6.6% of the 32.8% Property Tax increase.

- Figure 15 shows that the share of the Roadways investment that is funded through the Dedicated Tax Levy represents 3.1% of the expenditure increase.

Figure 16

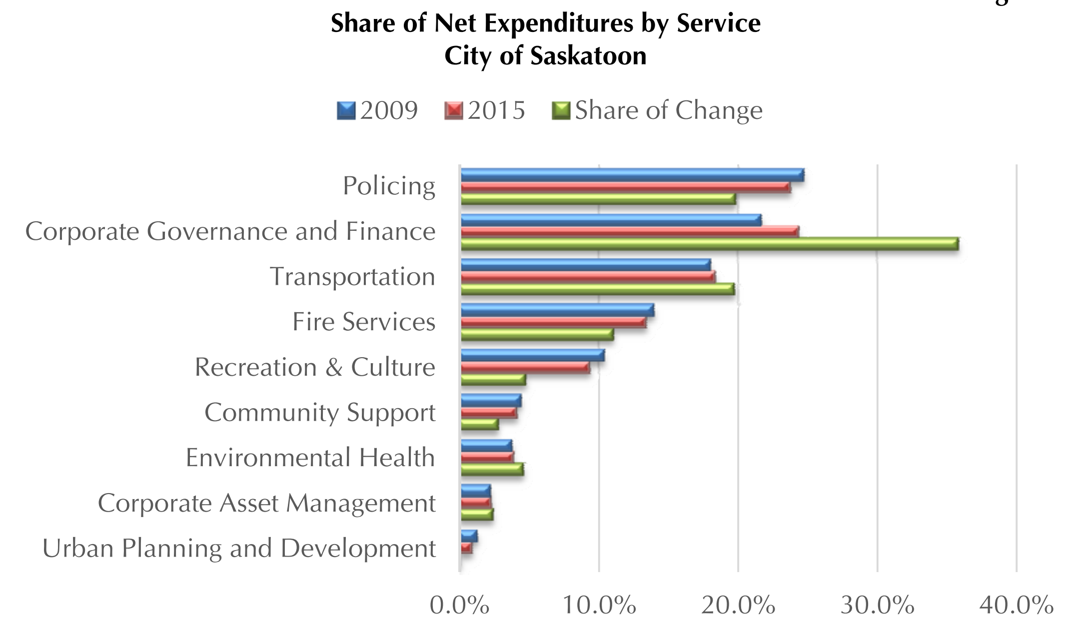
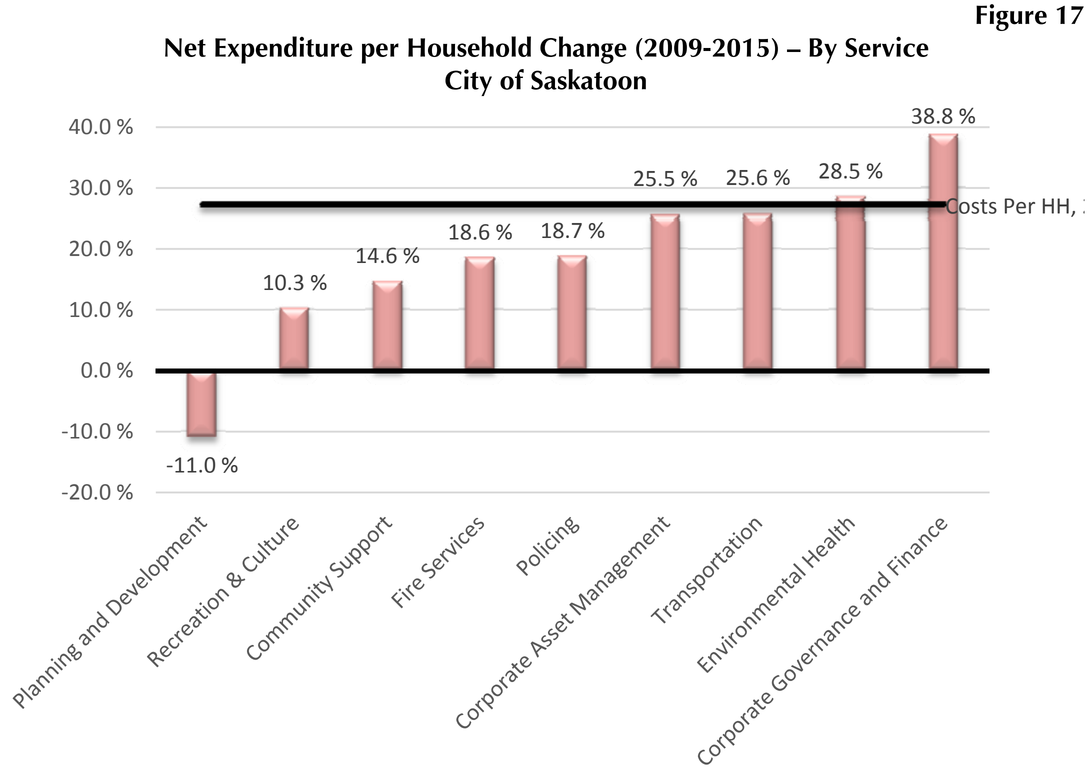


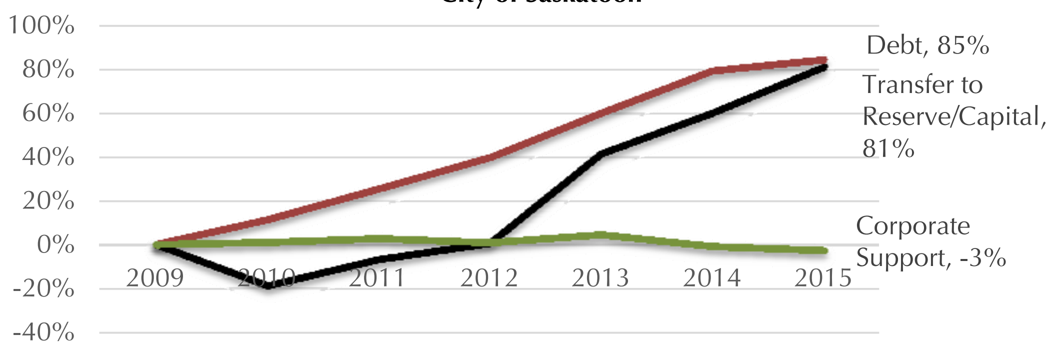
Figure 17



- Figure 16 and Figure 17 show the same results as the analysis by expenditure type. Corporate Governance and Finance, the largest share of expenditures for the City of Saskatoon, increased by 38.8%.
  - This service provides corporate support (administrative services, human resources, information technology, and finance support) for all other services. This is also where Transfers to Capital/Reserves and the Debt Payments are accounted for in the budget.

Figure 18

Change in Corporate Governance and Finance Cost per Household from 2009
City of Saskatoon



- Figure 18 shows that the "Corporate Support" portion of Corporate Governance and Finance on a net expenditure per household had a marginal decrease between 2009 and 2015 whereas Debt Management increased by 85% and Transfer to Reserve/Capital increased by 81%.

E. CONCLUSION

Analysis of city revenues and expenditures has shown that the following factors have each played a role in the increase in property taxes:

1. Increase in City costs:

   - Inflation: The City experiences a higher rate of inflation than the Consumer Price Index (CPI). This is because the “basket of goods” the City pays for (fuel, asphalt, electricity, facility/equipment repairs, maintenance costs) is different than the average household’s (rent, food, household expenses and education).

   - Increased Capital Expenditures – specifically roadways: The City has significantly increased the amount spent on road, sidewalk and bridge maintenance, snow and ice removal and street sweeping.

2. Property taxes have increased faster than City costs

   - Non-tax Revenues: Non-tax revenues have increased at a slower rate than expenditures, which has resulted in property taxes funding a greater portion of City expenditures.

   - Non-residential Assessment: Because non-residential assessment has not kept up with residential assessment, the residential sector is now funding a greater share of City expenditures.

While over the 2009-2015 period growth resulted in increases in both revenues and costs and because city services are so integrated, it is difficult to pin point exactly how much growth has impacted city finances as compared to the existing base. The study has shown that new units tend to have high assessments relative to existing units implying a higher than average revenue generation.

From an operating cost perspective, as is noted above, it is hard to isolate the increases related to growth. However it is the case that new subdivisions are well designed and contain new infrastructure that is unlikely to involve much maintenance or repair work. The one aspect of new growth which may result in higher than average costs is the unfunded infrastructure (i.e. infrastructure not paid for either through Development Levies and other capital funding sources such as Land Division surpluses).

ATTACHMENT 2

GROWTH IN SASKATOON:

KEY FINDINGS FROM HEMSON CONSULTING REPORT & FREQUENTLY ASKED QUESTIONS

DOES GROWTH PAY FOR GROWTH?

Hemson concludes that growth mostly pays for growth. Growth pays for most of all new capital costs within a neighborhood, such as roads within the neighborhood, sidewalks, street lights, storm sewers and drains. This is paid for by the developers when they build a new neighborhood.

But individual neighbourhoods don't pay for all things that a city needs, things like police stations, fire halls, major freeways and river bridges, major recreation facilities, and so on.

The City collects a levy from developers to pay for SOME of the things that a city needs that are outside of a neighborhood. A portion of interchanges, underground sewer and water pipes connecting the neighbourhood to the main system, and some major parks and sportsfields are paid for by the developers when they build new neighbourhoods.

But the levy from the developers currently doesn't cover everything.

The Province of Saskatchewan determines what levies and taxes cities can collect, and by legislation, the City of Saskatoon could actually collect more levies from developers to pay for:

- Water and wastewater treatment plants and expansions
- Bridges
- Major recreation facilities

As Saskatoon grows, we need to continue to build capital infrastructure such as bridges and water treatment plants. But these need to be paid for. So, whatever isn't covered by the development levies, or by contributions from the Province of Saskatchewan and the Government of Canada, is paid for through property tax.

WHY ARE PROPERTY TAXES RISING?

Over the past five years, the City has experienced both high growth and higher than normal property tax increases. Hemson Consulting was also asked to find reasons why property taxes are rising more quickly that cost increases. According to their report, property taxes have been risking because of:

1. **Inflation** - Actual City costs per household have increased faster than what the City is collecting for inflation. The basket of goods the City pays for (labour, fuel, asphalt, electricity, facility/equipment repairs, maintenance costs) is increasing faster than the average inflation rate.

2. **Increased Capital Infrastructure –** road replacement costs, debt payments to pay for major capital expenses, and putting tax dollars into reserves to pay for things like sewer and water pipe replacement, means there is less available to cover our day-to-day costs of providing our services.

3. **Increased services –** The City has significantly increased the amount of property tax dollars spent on the maintenance of roads, sidewalks and bridges, as well as street sweeping and snow and ice removal.

4. **Some revenues are growing slowly** and are not keeping pace with cost increases. The City collects five types of revenue:

   a. Transfers from Federal and Provincial Governments
   b. Property Taxes
   c. User Fees
   d. General Revenues
   e. Grants in Lieu

   User Fees, General Revenues and Grants in Lieu are all considered City Non-Tax Revenues, and these revenues are not keeping pace with our costs.

   For example, General Revenues from Saskatoon Light and Power (SL&P) are increasingly needed to replace aging electrical lines and sub-stations, so their available contribution to General Revenues is less.

   Grants in Lieu of taxes are grant payments from the federal and provincial governments in place of property taxes for government owned/managed properties. There are fewer provincial and federal properties, so there has only been a slight increase in this category.

   User fees are collected from individuals using specific city services such as leisure centres. However, in recent years the amount of revenue collected from user fees at our leisure centres has been lower than anticipated.

5. **Assessment per Capita is decreasing –** The City collects tax revenue from properties and provides services to people. The number of people is increasing at a faster rate than the number of households and this can create a gap in costs exceeding available revenues.

6. **Non-Residential versus residential taxable assessment** – residential property taxes are paying a higher share of the property tax than the non-residential (commercial and industrial properties).

GROWTH AND DEVELOPMENT IN SASKATOON

How much is Saskatoon expected to grow?

- Saskatoon is forecasted to grow by 250,000 people over the next 30 years. This is roughly 2.5 times faster than the city's long-term historical growth rate. If the forecast is correct, Saskatoon will double to half a million people by 2045.

What are the benefits of growth?

- More employment and business opportunities
- More cultural and social opportunities
- Increased economic activity
- Ability to sustain and potentially expand services such as recreation programming, social services and transit

What challenges does Saskatoon face during high growth periods?

- Increased financial pressure to build, pay for and maintain the infrastructure necessary to service new homes and commercial properties (interchanges, bridges, water and wastewater treatment plant expansions, recreation and cultural facilities, libraries, transit facilities, police and fire stations)
- Increased demand on existing civic programs and services (attainable housing, recreation facilities and leisure programs, fire and police services)
- Increased traffic congestion with more vehicles on existing roads
- Maintaining existing infrastructure while constructing new infrastructure
- Rising housing costs
- Effectively planning new developments to ensure long-term sustainability

FUNDING GROWTH-RELATED INFRASTRUCTURE

What infrastructure is added when Saskatoon grows, and who pays for it?

Infrastructure is a necessary part of growth. It falls into two categories.

- **Direct** infrastructure includes roads, street lights, sidewalks, storm sewers and drains located within a newly developed neighbourhood. Land developers pay for all "on-site" costs.

- **Off-site** infrastructure includes arterial roads, interchanges, bridges, trunk sewers, primary water mains, water and wastewater treatment plant expansions, major recreation and cultural facilities, libraries, police and fire stations that are in the city but outside the new neighbourhood and/or sector.

What are development levies?

- Most off-site costs are covered in whole or in part by development charges (levies) paid to the City by land developers. Developers collect the fees as a portion of the price of the residential and commercial lots they sell. The City is responsible for all costs not included in development levies.

How does the City pay for costs not included in development levies?

The City pays for off-site infrastructure not covered by development levies in several ways, including:

- Property taxes
- Utility rates for water and electricity
- User fee revenues, such as admission to civic recreational facilities
- Applicable provincial and federal grants
- Surpluses from the sale of land serviced by the City's Saskatoon Land Division
- Other financing tools, such as Public-Private Partnerships (P3s)

MORE ABOUT DEVELOPMENT LEVIES

What capital costs are included in development levies?

Saskatchewan legislation allows municipal governments to include infrastructure costs in development levies related to:

- Roads, trunk sewers and primary water mains
- Parks and recreation
- Water and wastewater expansion (plants and pipes)
- Stormwater systems

What capital costs can be included in development levies but currently are not?

- Bridges
- Major recreation facilities
- Water/wastewater treatment plants and plan expansions

What capital costs cannot be included in development levies?

Saskatchewan legislation does not allow municipal governments to include all costs related to growth in its development levies. For example, the following costs are not allowed:

- Attainable housing
- Libraries
- Police and Fire services
- Transit services

The majority of these costs are typically paid for through the collection of property taxes and user fees.

While new growth does a good job paying for most capital costs there may be development costs that could be captured by levies that the City currently doesn't collect. Any capital costs not covered by **development levies** must be covered by other City revenue sources which are predominantly from the property taxes.

THE COST OF DEVELOPMENT

As Saskatoon grows, different types of development impact costs in different ways.

- **Minor Infill Projects**: Small developments within existing neighbourhoods typically use existing capacity in municipal services and infrastructure. These projects generally have minimal impact on the City's operating and capital costs). Tax revenues on new infill construction tend to be as high as or higher than neighbouring houses.

- **Major Infill Projects**: Larger developments on vacant or redevelopment lands within existing areas can have positive impacts, if they utilize unused capacity in existing services and infrastructure. For example, infill projects can improve transit efficiency when built around existing routes. Tax revenues on new infill construction tend to be as high as or higher than comparable existing houses.

- **Greenfield Development**: New subdivisions built on vacant land require new local infrastructure and also use capacity of city-wide infrastructure. Most of this new infrastructure is funded by development levies. Operating costs are in line with similar existing houses. There are few opportunities for cost savings in greenfield development, but tax revenues per household tend to be above average.

- **Non-Residential Development**: Over time, office, retail, industrial and institutional development tends to increase in line with residential growth. Such non-resident development is distributed throughout the city. The infrastructure needs and cost of providing services to non-residential development is generally less than for residential development.

HOW GROWTH AFFECTS YOU

How does growth impact City revenues and expenditures?

Development increases both costs and revenues.

- **Revenues**: New homes and commercial properties generate additional tax revenues. A growing population generates more revenue from user fees (e.g., increased use of transit, leisure facilities). Some of the provincial and federal grants the City receive also increase as population increases.

- **Capital Expenditures**: A growing population requires the City to provide services to more households and commercial properties. The City must pay for all growth-related infrastructure not recovered by development levies (e.g., expansion of water/wastewater treatment plants).

- **Operation and Maintenance**: New development requires the City to expand the services it provides, which increases operation and maintenance costs. For example, a growing population needs additional police officers and recreation programs; new neighbourhoods need new roads and fire stations.

The 2016 Business Plan and Budget Process

Recommendation
That the Executive Committee recommend to City Council that it:
1. Reaffirm Council's four-year priorities listed in Attachment 1;
2. Approve the proposed performance measures listed in Attachment 3; and
3. Endorse the proposed process for the 2016 Business Plan and Budget, described in Attachment 4.

Topic and Purpose
The purpose of this report is to address several elements that will direct the City of Saskatoon's 2016 Business Plan and Budget Process. The Administration is proposing a more integrated, transparent, and accountable process that attempts to help it and City Council make more informed decisions on how best to allocate resources to the proposed projects, programs, and services in the 2016 Business Plan and Budget.

Report Highlights
1. In addition to the City of Saskatoon's Strategic Plan, Council's priorities will provide direction and focus to the Administration in the preparation of the 2016 Business Plan and Budget.
2. Performance measures will be integrated into the 2016 Business Plan and Budget Process, so as to provide an objective method to measure the City's performance in achieving measurable results.
3. A public engagement component o that the people of Saskatoon have an opportunity to provide input into the 2016 Business Plan and Budget.
4. The City of Saskatoon's 2016 Business Plan and Budget will need to carefully balance the fiscal constraints facing the City and the expanding service demands of a growing city.

Strategic Goal
The information contained in this report aligns with all of the City's Strategic Goals because Council Priorities, Performance Measures, and the Business Plan and Budget process attempt to address all seven goals.

Background
- In 2013, Saskatoon City Council adopted a ten-year Strategic Plan. The Vision, Strategic Goals and other elements that make up the Plan were based on extensive public consultations.
- In alignment with the ten-year Strategic Plan, Council also adopted its four-year priorities.

- At its October 21, 2013, meeting, City Council adopted the recommendation that Hemson Consulting Ltd. (Toronto) be awarded a contract to conduct a Financing Growth Study.
- In December 2014, additional scope was added to the Study to investigate the relationship between property taxes and growth, as well as the impact of different types of growth.
- At a January 31, 2015, Special Council Strategic Planning meeting, Council reviewed the four- and ten-year priorities set out in the Strategic Plan.
- At its February 23, 2015, meeting, City Council directed "that the Administration proceed with public engagement and consultation on the performance targets…" to obtain community input on the City's proposed performance measures for the 2016 Business Plan and Budget.
- Following City Council's 2015 Business Plan and Budget deliberations in December 2014, members of Council and the City Manager discussed the possibility of implementing a new approach to the City of Saskatoon's Business Plan and Budget Process.

Report

This report will address several elements that will contribute to the preparation of the City of Saskatoon's 2016 Business Plan and Budget.

1. Strategic Direction/Council Priorities

The strategic direction for the 2016 Business Plan and Budget will be provided through the City's ten-year Strategic Plan and more directly, Council's priorities. Council's priorities are based on achieving the City's seven strategic goals and will provide direction and focus to the Administration in preparing the Business Plan and Budget.

A list of Council's four year priorities is provided in Attachment 1. The priorities are ranked in order of importance and support the seven strategic goals and Council's ten year priorities as stated in the Strategic Plan. Many of Council's priorities originally identified in 2013 are either complete or substantially underway. Although it may be difficult for the 2016 Business Plan and Budget to fulfill all of Council's priorities, the Administration will place significant emphasis on identifying initiatives and allocating resources to achieve the most important priorities.

2. Performance Measures

Performance measures are a way of monitoring progress toward achieving the City's Strategic Goals, and determining whether investments made are achieving results at a corporate or community level. Tracking progress related to performance targets also helps to identify when a program or service is not being delivered effectively or efficiently which can result in insufficient services to the public.

A balanced scorecard, published annually, will keep the public informed of the City's progress towards achieving the performance targets. Annual public reporting strengthens the City's accountability to citizens. Citizens can also use the report to become more involved in discussing service needs and priorities with City Council.

From March 5, 2015, to March 22, 2015, the City of Saskatoon conducted an extensive public engagement and consultation process to obtain community input on the City's 25 performance measures, 19 performance targets, and 6 performance indicators. The results of this consultation process are provided in Attachment 2.

Of note, the engagement and consultation process resulted in the following changes to the performance measures:

1. Change the indicator for "Satisfaction with Civic Services" to a target of "Citizen Satisfaction with Civic Services of 90% or more".
2. Replace "Retail Space per Capita" with "Business Growth" measured by the number of business licenses as an indicator of Economic Diversity and Prosperity.
3. Track "Residential Development Density" as a supporting measure rather than reported as a strategic target.

The final proposed list of performance measures is shown on Attachment 3 for Committee's consideration. These performance measures reflect the changes identified above, based on public input. Once approved by City Council, the performance targets will be used for resource allocation decisions during the preparation of the 2016 Corporate Business Plan and Budget.

3. Community Input into Business Plan and Budget

Subsequent to the approval of the 2015 Business Plan and Budget, the Administration investigated various options and ideas to improve the City of Saskatoon's Business Plan and Budget Process. Although the City of Saskatoon's process has been evolving and improving in very incremental steps since 2010, the Administration found Saskatoon's process is lacking in three key areas transparency, engagement; and technology.

As a result, the Administration is proposing to change the process to prepare the 2016 Business Plan and Budget by ensuring that it:

a) is open and transparent so that Council and the public have the necessary information to provide input;
b) includes extensive public engagement and consultation; and
c) uses digital tools and web-based applications to make the process more interactive.

The process will also include an extensive education process so as to create a better public understanding of the factors and constraints that the City needs to consider in preparing the Business Plan and Budget.

Attachment 4 provides an overview of the new Business Plan and Budget Process.

4. Addressing Fiscal Constraints in a Time of Growth

Provincial legislation requires that the City must pass a balanced operating budget each year. In other words, revenues must match expenditures. In recent years, concerns have been raised about the level of property tax increases that are required to balance the City's budget. As a result, the City hired a consulting firm to investigate the reasons for this.

A review by Hemson Consulting concludes that there are several factors contributing to a rise in property tax increases:

1. Population growth has increased faster than household growth.
2. A decreasing trend in per capita property assessment.
3. Residential taxable assessment is growing faster than non-residential assessment (i.e. residential sector is funding a greater share of costs than non-residential).
4. City, non-tax revenues (general revenues, user fees, and grants-in-lieu of property taxes) are not keeping pace with costs.
5. Major cost increases are related to capital investments and service level increases.
6. Inflation as measured by the Municipal Price Index (MPI).

These findings suggest that the City has some structural fiscal issues that it will need to address in order to reduce reliance on the property tax. The City will also continue to control expenditures and manage its variable costs through continuous improvement efforts.

Public and/or Stakeholder Involvement

The 2016 Business Plan and Budget will include a variety of public and stakeholder engagement opportunities in five major project phases.

Phase One – inform the public about the budgeting process using a digital first approach – including the website and videos. Other opportunities may include in-person and live stream presentations.

Phase Two – opportunities to provide feedback by telephone, online, and in-person. There will be a variety of ways to participate depending on individual's available time and interest:

a) Time Sensitive – opportunities for those who have limited time but are willing to invest 5-15 minutes (e.g. short telephone, online, or in-person/intercept surveys).

b) Interested and Busy – opportunities for those who have limited time but are willing to invest 15-30 minutes (e.g. social media chats and budget information sessions).
c) Interested and Invested – opportunities for those who are interested and able to invest more than 30 minutes time (e.g. in person and/or virtual public meetings).

Phases Three and Four – informing the public on the results of the various community engagement activities. More specifically, phase three evaluates the public engagement process so as to help the Administration begin constructing the 2016 Business Plan and Budget. Phase four consolidates all inputs and any additional information that emerges to assist in Administration in preparing the 2016 preliminary Business Plan and Budget.

Phase Five – an online citizen's budget tool so the public can play a more active role in the budgeting process and see how their own decisions would impact the City budget. Civic staff will also complete in-person surveys by bringing the citizen's online budgeting tool to them, and we will look at providing opportunities to "book a session" to host a simulated experience for a group to deliberate the 2016 Budget using the citizen's online budgeting tool as the framework.

The Administration is also proposing to use the June Executive Committee meeting as a forum for the public and key stakeholders to attend to provide early input on the 2016 Business Plan and Budget directly to Committee Members. At this point, the City will have the results of the Annual Civic Services Survey to help inform the discussion that would occur that day.

As part of the City's Performance Measures, over 400 individuals participated in an online or in-person survey to provide their input. In addition, 40 environmental stakeholders participated in an engagement session. Refer to Attachment 2 for more information.

Communication Plan
A communication and engagement plan has been prepared for the 2016 Business Plan and Budget. The goal is to inform citizens of the budgeting process, and to provide an opportunity for citizens to give their input into the budget, well in advance of City Council approval.

All tools will be created using plain language, imagery, and videos. The City will take a digital first approach to communications including the development of a webpage to inform the public about the budgeting process. It will demonstrate that the similarities and challenges the City has to budgeting are similar to citizens own households, and it will address the top questions on citizens' minds such as:

- How do you spend my tax dollars?
- What are the basic building blocks used when the City develops a budget?
- Why are my taxes going up when the population of Saskatoon is growing?

A series of at least three videos will help to inform citizens on a variety of budget topics such as:

- How your City Budget works.
- Are tax increases caused by population growth?
- How are my property taxes calculated?

A variety of traditional and digital communications tools will be used during all project phases including, but not limited to, the following:

- News Media (technical briefings, news releases, and public service announcements);
- Print advertising (City Page StarPhoenix newspaper ads);
- Community Association advertisements;
- Posters;
- Twitter and Facebook promotions and postings;
- Social media and other online banner advertising; and
- Radio advertising may also be considered.

The Performance Targets are an important component to the 2016 Business Plan and Budget. The goal of the communication plan for the targets is to build broad public awareness in how the City is making progress toward the strategic goals. Development of webpages on saskatoon.ca will feature a dashboard with progress updates on performance indicators and targets, monthly stories, and regular updates on the City's continuous improvement efforts.

Policy Implications
There are no policy implications at this time. However, during the preparation of the 2016 Business Plan and Budget the Administration may propose various policy changes for consideration by Executive Committee and/or City Council.

Due Date for Follow-up and/or Project Completion
The Administration will provide regular updates to Executive Committee and/or City Council. The preliminary 2016 Business Plan and Budget will be tabled at the October 19, 2015, Executive Committee meeting.

Public Notice
Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

Attachments

1. Strategic Plan – Four-Year Priorities for the 2016 Business Plan and Budget (April 20, 2015)
2. Consultation Results – Performance Measures – Making Progress Towards our Strategic Goals (April 20, 2015)
3. Proposed Performance Measures – Making Progress Towards our Strategic Goals (April 20, 2015)
4. The 2016 Business Plan and Budget Process (April 20, 2015)

Report Approval

Written by:	Mike Jordan, Director of Government Relations
Approved by:	Murray Totland, City Manager

Exec – The 2016 Business Plan and Budget Process

Strategic Plan – Four-Year Priorities
for the 2016 Business Plan and Budget

Listed in order of priority:

- Establish service levels for the repair and maintenance of our roads, streets, lanes, sidewalks, and bridges.
- Increase transit ridership.
- Begin the process of implementing Service Saskatoon.
- Create incentives to promote density.
- Maintain competitive rates for residential and business property taxes.
- Work on the new North Commuter Parkway Project.
- Provide opportunities for activities in a winter city.
- Develop partnerships and programs with Aboriginal organizations.
- Implement the Immigration Action Plan.
- Build a leisure centre located within the core neighbourhoods.
- Establish levels of service for rehabilitation of assets and identify supporting financial strategies.
- Identify opportunities to replace conventional energy sources with green energy technologies.
- Prepare a transportation plan and table a budget to develop a mix of transportation modes, address downstream effects, and promote active transportation.
- Develop a regional planning partnership.
- Continue to create and support a business-friendly environment, and increase the tax base that is non-residential.
- Develop funding strategies for expenses related to new capital expenditures.
- Reassessment cycle changed to a minimum of every two years.
- Explore alternate sources of revenue to pay for ongoing operations.
- Complete an assessment to determine the costs and revenues related to growth.
- Consider mitigation strategies for the impact of severe weather events on the City’s infrastructure.
- Eliminate the need for a new landfill by eliminating waste and/or diverting waste.
- Complete the City Centre Plan.
- Create “complete communities” in new neighbourhoods and existing neighbourhoods.
- Establish rapid mass transit corridors for Saskatoon.

<u>Other Priorities identified that are not specifically in the Strategic Plan</u>

The Administration will report further on each of these items:

- Service level approved for snow removal.
- External audit on efficiencies.
- Improve IT functions.
    - Focus of IT is business development and direct support to improving services to citizens.
- Recreation Master Plan and funding plan.
- More input into process to determine principles for neighborhood traffic plans.
- Define rules around transparency with the goal of becoming more transparent – move more items out of In Camera.
- Better understanding of the priorities within Police.
- Finish all of the big projects, such as the Remai Modern Art Gallery of Saskatchewan and the North Commuter Parkway.
- Develop a better budget process.
- Improvements to Lead Pipe Connection Replacement Program.
- Inner city neighbourhood park refurbishing.

Consultation Results - Performance Measures
Making Progress Towards our Strategic Goals

Introduction

A robust performance measurement program will contribute to the City's strategic goal of "A Culture of Continuous Improvement" and the vision of becoming the best-managed city in Canada. Performance measures and targets will help focus resources and actions to make progress on our strategic goals.

A citizen and stakeholder engagement strategy was implemented to create awareness of proposed performance measures and to seek feedback. A total of 424 surveys were completed. In addition, 40 environmental stakeholders participated in a target engagement session. A summary of the consultation feedback is included in this report.

Feedback Highlights

The following are general highlights from consultations:

- People are generally supportive of targets being set.
- No target had unanimous agreement: opposing views were expressed for many targets with comments ranging from targets being too low/not ambitious enough to being too high/not realistic.
- Some people said they would like more emphasis on environmental and quality of life measures that impact them directly and less emphasis on growth measures.
- Many comments focused on the need for action on targets and improved services, particularly road maintenance.
- Some people commented that they didn't understand certain measures, particularly "B Service Level", "per capita" measures, and some financial and economic-related measures.
- Several suggestions were made for performance measures in other areas such as community-wide greenhouse gas reduction, targets aimed at waste reduction, income and employment growth, and others. Additional measures will be considered as the Performance Measurement Program evolves.

Revisions to Performance Measures Based on Consultation Feedback

The following revisions resulted from the public consultations and have been included in Attachment 3 - *Performance Measures: Making Progress Towards our Strategic Goals.*

1. Change the indicator for "Satisfaction with Civic Services" to a target of "Citizen Satisfaction with Civic Services of 90% or more".
2. Replace "Retail Space per Capita" with "Business Growth" measured by the number of business licenses as an indicator of Economic Diversity and Prosperity.
3. Track "Residential Development Density" as a supporting measure rather than reported as a strategic target.

More detailed consultation feedback as well as details on the performance measures is available under Corporate Performance on the saskatoon.ca website or from the City Clerk's Office.

Summary of Consultation Feedback on Proposed Performance Measures
Targets

Strategic Goal	Performance Measure	Target	*Level of Importance	*Level of Agreement
A Culture of Continuous Improvement	Overall Satisfaction with Civic Services	90% or more	High	N/A
	Workforce Diversity	City of Saskatoon's workforce represents the diversity of Saskatoon's population	Low	Relatively High Disagreement
	Frequency of Lost Time Injuries	Zero	Medium	Medium
Asset and Financial Sustainability	Annual Municipal Property Tax Increase	Equal or less than Municipal Price Index (MPI)	Medium	Relatively High Disagreement
	Debt Supported By Taxes	Debt supported by taxes is less than $1,750 per person	Medium	Relatively High Disagreement
	Key Infrastructure Status	Maintain bridges, roads, sidewalks, water lines, and sewer lines so they are improving every year (B Service Level)	High	Medium
Quality of Life	Number of New Attainable Housing Units	500 new units annually across the attainable housing continuum	Medium	Medium
	Vacancy Rates for Rental Housing	Average rental housing vacancy rate of 3%	Medium	Medium
	Participation Rates for City Recreation and Cultural Facilities	Increase visits to City of Saskatoon recreation and culture facilities to 6,600 visits per 1,000 people	Medium	Medium
	Crime Rates	Decrease overall crime rates by 5.0% annually over the previous 5-year average	High	Relatively High Agreement
	Fire Response Time	Respond to all fire calls within six minutes and 20 seconds at least 90% of the time	High	Relatively High Agreement
Environmental Leadership	Waste Diverted from the Landfill	Divert 70% of waste from the Saskatoon Landfill	High	Relatively High Agreement
	Reduction of Greenhouse Gas Emissions	Reduce the City of Saskatoon's greenhouse gas emissions by 30% from 2006 levels	Medium	Relatively High Agreement
Sustainable Growth	Residential Infill Development in Established Areas	At least 25% five-year rolling average of residential development is in infill neighbourhoods by 2023	Medium	Medium
Moving Around	Transit Rides Per Capita	Increase transit ridership to 62 rides per capita	Medium	Medium
	Kilometres of Cycling-Specific Infrastructure	Increase the amount of cycling-specific infrastructure by 10%	Medium	Relatively High Disagreement
	Transportation Choices	20% of people use cycling, walking or transit to get to work	Medium	Medium
	Traffic Collisions	Decrease traffic collisions by 5% annually	Medium	Medium
Economic Diversity and Prosperity	Supply of Residential and Industrial Land	One-year inventory of land for single family units Two-year inventory of land for multi-family units Two-year inventory of industrial land	Low	Medium

Summary of Consultation Feedback on Proposed Performance Measures

Indicators

Strategic Goal	Indicator	*Level of Importance
Asset and Financial Sustainability	Municipal Property Tax per Capita	Medium
	Municipal Property Tax as a Percentage of Total Revenues	Medium
Quality of Life	Perceived Quality of Life	High
Sustainable Growth	Population Growth and Rate of Change	Low
Economic Diversity and Prosperity	Amount and Value of Building Activities	Low
	Business Growth	Low

*Level of Importance and Level of Agreement as identified by survey respondents.

Proposed Performance Measures

Making Progress towards our Strategic Goals

April 2015

City of Saskatoon

Proposed Performance Measures
Making Progress towards our Strategic Goals

Contents

Proposed Performance Measures
Making Progress towards our Strategic Goals

Introduction

The City of Saskatoon's *Strategic Plan 2013-2023* was developed with the input of more than 10,000 citizens. Seven strategic goals were identified by the community and City Council to realize our vision for the future.

The next step is to set targets which measure our success in achieving each of our goals. Nineteen targets have been proposed as measures of success to guide our programs, policies and investments over the next ten years. Most targets are to be achieved by 2023, some targets are to be achieved annually, and three are longer – term targets.

The following background is provided for the proposed targets (in some cases not all information was available):

- Target description
- How we've been doing over the last five years
- How other cities are doing
- What we need to do to achieve our target
- Benefits of achieving our target
- What risks may impact our success in achieving our target

Six additional indicators are proposed to track progress towards our goals. Trends and comparisons with other cities also are shown for each indicator.

Citizens and stakeholders were invited to provide comments on the targets and indicators as measures of success for consideration by Saskatoon City Council when finalizing the targets. Annual business plans and budgets will be developed to align with the targets in support of the City's strategic goals. On an annual basis, we will report out on how we are progressing towards each target.

The following summary of the performance measures includes the proposed targets and indicators and incorporates some of the feedback received during the public consultation.

Continuous Improvement

“Citizen satisfaction with civic services of 90% or more” is a proposed target to measure citizen satisfaction with overall civic services and is measured through the *City of Saskatoon Annual Civic Services Survey.*

“The City of Saskatoon’s workforce represents the diversity of Saskatoon’s population” is proposed as a long-term target. The proposed target measures the percentage of City of Saskatoon employees in four groups: females, Aboriginal people, people with disabilities, and visible minorities.

“Zero lost time incidents” measures our success in making health and safety a top priority. The proposed target is to eliminate incidents and causes of injuries which result in lost time from work.

Asset and Financial Sustainability

“Municipal property tax per capita” is a proposed indicator that tracks the average amount of municipal property tax for each person in Saskatoon.

“Municipal property tax as a percentage of total revenues” is a proposed indictor that will monitor the percentage of property tax paid relative to all revenue collected by the City of Saskatoon.

“Annual municipal property tax increase equal to or less than the Municipal Price Index (MPI)” is a proposed target to keep annual property tax increases less than the annual inflation rate for city costs. The target measures success in controlling costs.

“Debt supported by taxes is less than $1,750 per person” is a proposed maximum debt level and represents each resident’s average share of the City’s debt. The intent is not to meet the maximum, but to have it in place so the debt remains affordable for taxpayers.

“Maintain bridges, roads, sidewalks, water lines, and sewer lines so they are improving every year (B Service Level)” is a proposed target to measure success in maintaining our key infrastructure. With a “B Service Level”, the asset condition is “getting better” and the backlog of required maintenance declines slowly.

Quality of Life

“Perceived quality of life” is a proposed indicator of citizen perceptions about well-being in the city. Perceptions are measured through the *City of Saskatoon Annual Civic Services Survey.*

"500 new units annually across the attainable housing continuum" is a proposed target to measure the City's success in developing a mix of affordable housing for ownership and rental throughout Saskatoon to address basic needs.

"Maintain an average rental housing vacancy rate of 3%" is a proposed target to measure success in maintaining a generally acceptable level of rental accommodation.

"Increase visits to City of Saskatoon recreation and culture facilities to 6,600 visits for every 1,000 residents" is a proposed target to measure our success in growing and maintaining participation in City-owned and managed recreation and culture facilities and programs.

"Decrease overall crime rates by 5.0% annually over the previous five-year average" is a proposed target to measure success in increasing public safety in our homes, on our streets, and in our overall community.

"Respond to fire calls within six minutes and 20 seconds at least 90% of the time" is a proposed target to measure our success in minimizing loss of life and property due to fire.

Environmental Leadership

"Divert 70% of waste from the Saskatoon landfill" measures our success in environmental stewardship. The proposed target means that more of Saskatoon's waste will be recycled, reused, or composted instead of going to the landfill.

"Reduce the City of Saskatoon's greenhouse gas emissions by 30% from 2006 levels" is proposed as a target to measure our success as an organization in reducing our impact on climate change by lowering greenhouse gas emissions.

Sustainable Growth

"Population growth and growth rate" are proposed as indicators of sustainable growth. Population growth is a fundamental driver of the City's business plan and budget planning process.

"At least 25% five-year rolling average of residential development is in infill neighbourhoods" is proposed as a target to measure success in reducing requirements for new infrastructure and ongoing maintenance costs. This target supports the overall strategic direction of many major corporate initiatives.

Moving Around

"Increase transit ridership to 62 rides per capita" is a proposed longer-term target to measure our success in making our transit system a more efficient option for people to move around in Saskatoon.

"Increase the amount of cycling-specific infrastructure by 10%" is a proposed target to measure success in improving the ease with which cyclists move around the city. A 10% increase requires approximately 1.7 km's of additional cycling infrastructure annually.

"20% of people use cycling, walking or transit to get to work" is a proposed longer-term target to measure our success in significantly increasing the proportion of transit users and cyclists and decreasing the proportion of people who drive to work.

"Decrease traffic collisions by 5% annually" is a proposed target to measure success in increasing public safety on our streets.

Economic Diversity and Prosperity

"The number and value of building permits" are proposed indicators of economic growth and prosperity. Increased investment and construction activity are influenced by our success in creating a business environment with competitive taxes, quality infrastructure, and policies encouraging growth.

"Business Growth", measured by the increase in the number of business licenses, is proposed as an indicator of a healthy economy. The City influences business growth through taxes, zoning, and other policies and bylaws which impact the ability of businesses to grow and prosper.

"A one-year inventory of land for single family units, a two-year inventory of land for multi-family units and a two-year inventory of industrial land" are proposed as targets to support building demand. The target includes inventory held by the City and by private sector builders and developers.

Continuous Improvement

- **Citizen Satisfaction with Civic Services**
- **Workforce Diversity**
- **Frequency of Lost Time Injuries**

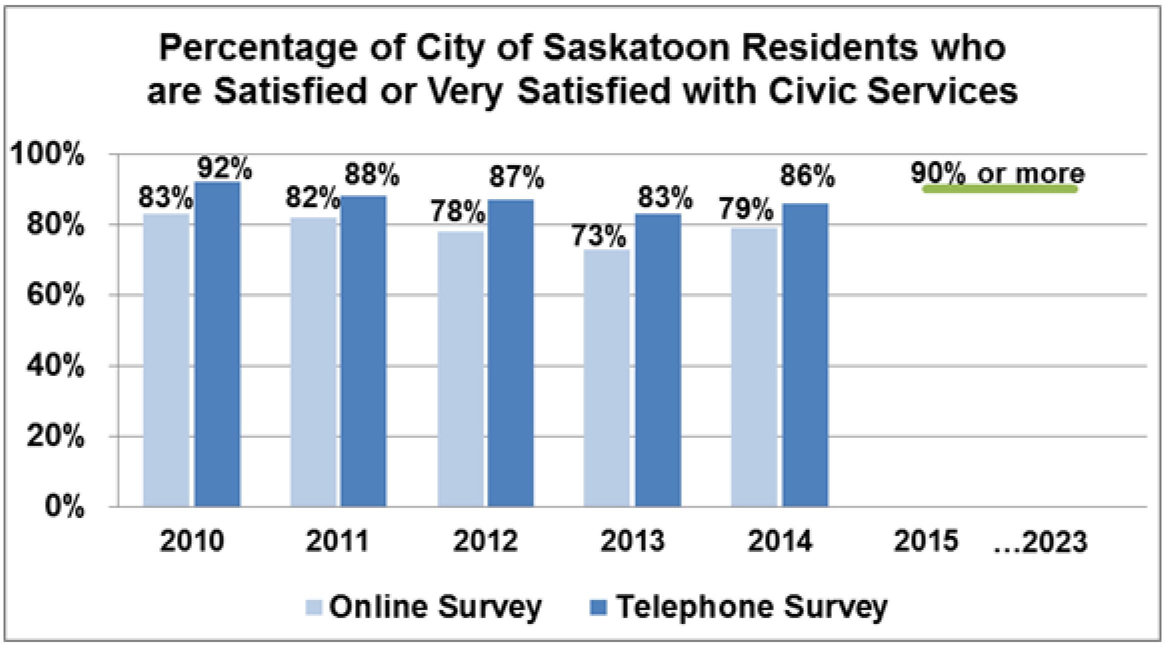
Citizen Satisfaction with Civic Services

Proposed Target: Citizen satisfaction with civic services of 90% or more

Description: "Citizen satisfaction with civic services of 90% or more" is a proposed target for satisfaction for overall civic services and is measured through the *City of Saskatoon Annual Civic Services Survey.* The survey asks, "Generally speaking, how satisfied are you with the overall level of services provided by the City of Saskatoon?"

How are we doing?

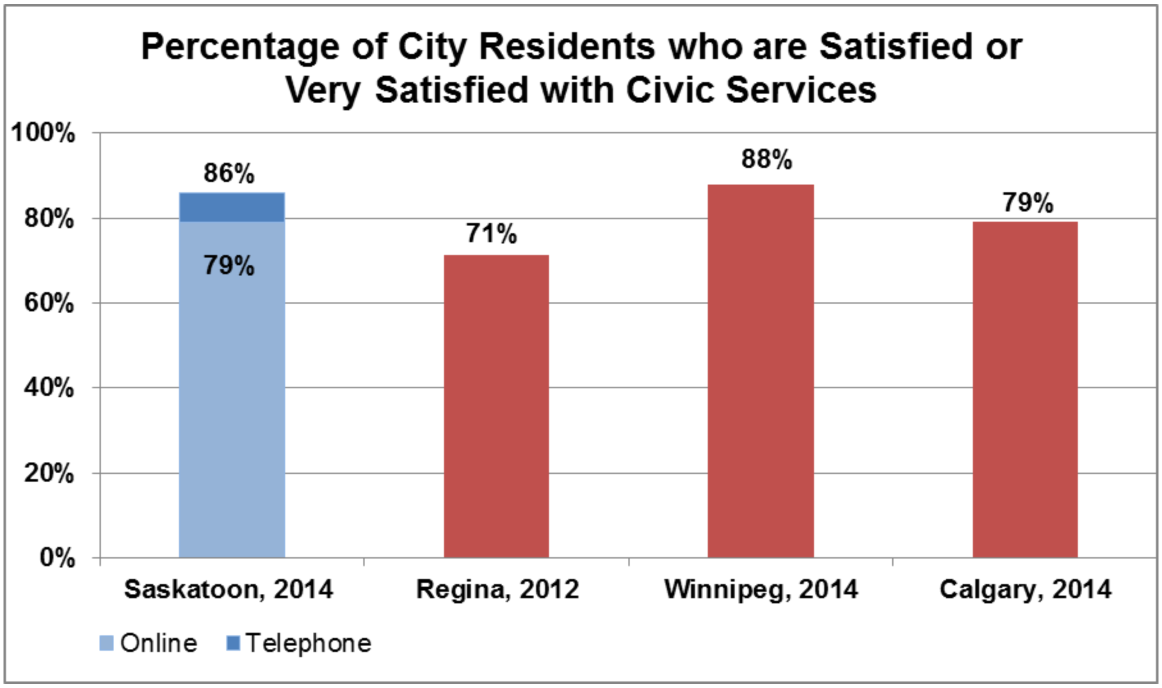
In 2014, 86% of 500 telephone respondents and 79% of 801 online respondents said they were satisfied or very satisfied with the level of civic services. Average satisfaction increased from 2013 to 2014.



Source: *City of Saskatoon Annual Civic Services Survey*

How are other cities doing?

Surveys indicate that people in Saskatoon are more satisfied with their civic services than people in Regina and Calgary.



Sources: *The City of Saskatoon Annual Civic Services Survey (2014)* and surveys conducted adapted to comparable format: *City of Regina Citizen Survey Base Report* (March 2012); *Winnipeg Citizen's Perspective 2014 Citizen Survey; The City of Calgary 2014 Citizen Satisfaction Survey.*

Notes: Some cities do not undertake surveys annually. The graph reports the most recent survey results available.

What do we need to do to achieve this target?

- Define service levels and the funding needed for service level options. City Council will approve the level of service to be provided.
- Allocate resources to civic services based on approved service levels.
- Implement Service Saskatoon to track contacts from citizens and provide timely and appropriate responses.

What are the benefits of achieving the target?

- Approved levels of service will provide more clarity around the services that citizens can expect to receive.
- Resources will be focused on achieving approved service levels in areas of importance to citizens.

What are the risks?

- Unexpected events such as extreme weather may impact the allocation of City resources.
- Changes in growth could impact anticipated revenues needed to fund services to meet citizen expectations.

Workforce Diversity

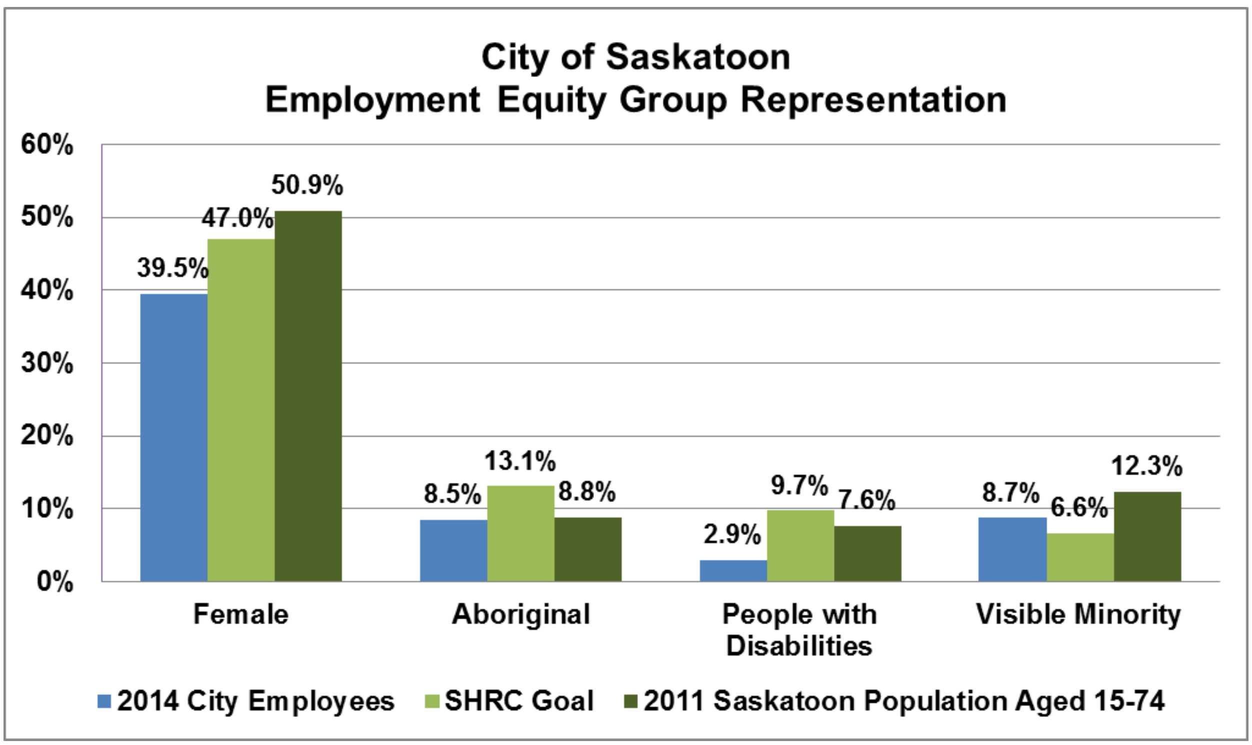
Proposed Long-Term Target: The City of Saskatoon's workforce represents the diversity of Saskatoon's population

Description: The workforce diversity target will measure the percentage of City of Saskatoon employees in four groups: females, Aboriginal people, people with disabilities, and visible minorities. The City's numbers do not include fire, police association, library, or exempt staff from boards. The Saskatchewan Human Rights Commission (SHRC) has identified targets based on 2006 populations in the provincial labour force.

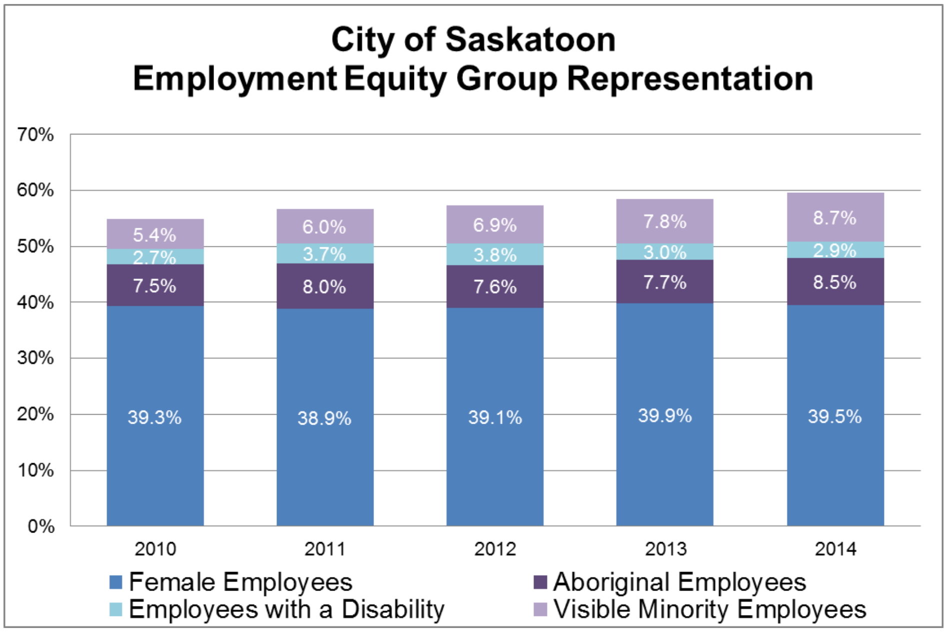
The workforce diversity target measures our success in offering an inclusive workplace that embraces diverse backgrounds under our goal for "Continuous Improvement".

How are we doing?

In 2014, the City of Saskatoon had a gap in employment of females, Aboriginal people, and people with disabilities relative to SHRC targets.

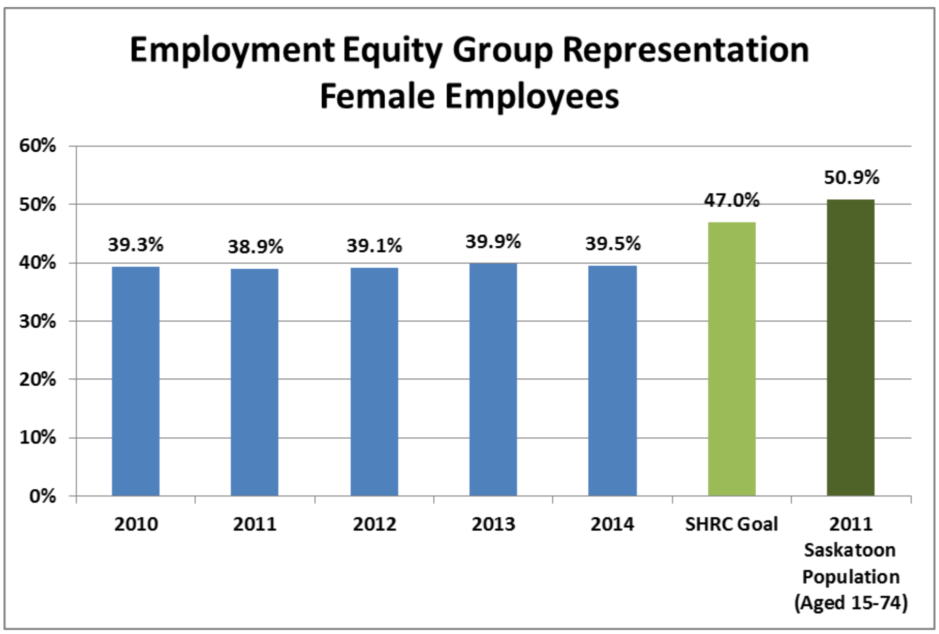


Sources: City of Saskatoon, Saskatchewan Human Rights Commission, Statistics Canada



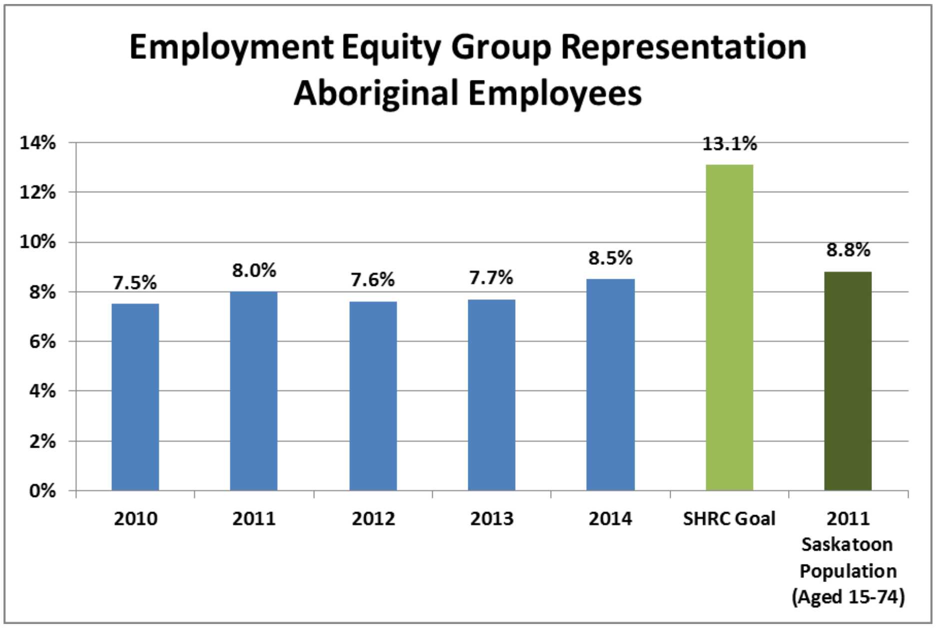
Overall, the percentage of City of Saskatoon employees who are members of Equity Groups has been increasing.

Source: City of Saskatoon



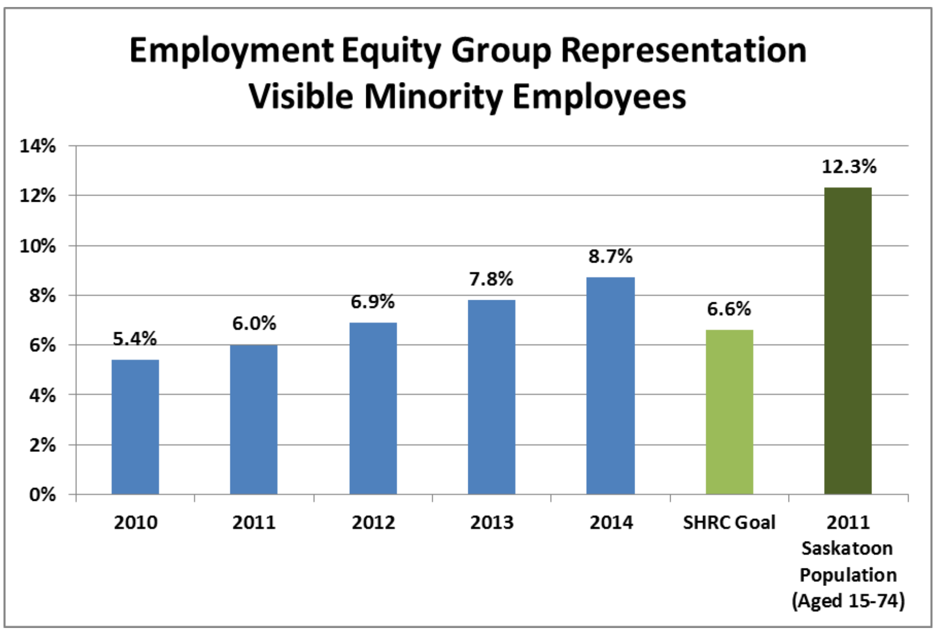
Over the last five years, the proportion of female employees has remained relatively constant at 39.5%. Most of the City's female employees work in traditional female jobs and are under-represented in the management and trades positions. The SHRC goal is for females working in underrepresented occupations.

Sources: City of Saskatoon, Saskatchewan Human Rights Commission, Statistics Canada



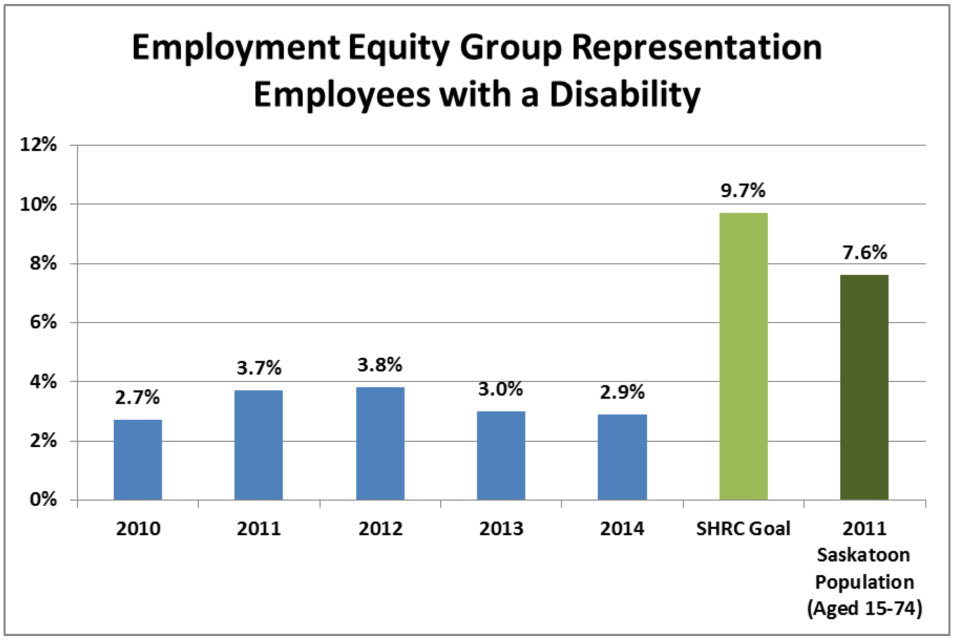
Over the last five years, the percentage of the City of Saskatoon's Aboriginal employees has increased. Most Aboriginal employees work in labour and service positions with many of these being seasonal jobs.

Sources: City of Saskatoon, Saskatchewan Human Rights Commission, Statistics Canada



The City has surpassed the SHRC target for visible minority employees. Immigration has brought many more skilled visible minority people to Saskatoon since the SHRC goals were set based on 2006 populations.

Sources: City of Saskatoon, Saskatchewan Human Rights Commission, Statistics Canada



The proportion of self-declared employees with a disability employed by the City increased in 2011 and 2012 but subsequently decreased to close to the 2010 level.

Sources: City of Saskatoon, Saskatchewan Human Rights Commission, Statistics Canada

Current benchmarks with comparative municipalities are not available.

What do we need to do to achieve this target?

- Maintain a dedicated person to manage the diversity programs and policies.
- Maintain a dedicated person to manage Aboriginal affairs and build relationships with Aboriginal communities.
- Increase training opportunities for employees at all levels of the organization to increase intercultural skills.
- Invest in measurement tools such as the Inter-developmental Inventory and the Employee Engagement Survey.
- Improve workplace spaces to increase accessibility for people with disabilities.

What are the benefits of achieving the target?

- A representative workforce draws from a larger labour pool which can result in a variety of skills and experience, cultures and language which represent the clients that the City serves.

What are the risks?

- Using the SHRC goals as the only measure of success has some shortcomings:
  - The goals were last changed in 2006 based on the Statistics Canada census survey and Saskatoon's population has changed significantly since then.
  - Stats Canada notes that "the Aboriginal people may be underrepresented in census surveys."
  - SHRC's are population numbers for ages 15 to 74 and may not reflect those who are working or want to work.
  - SHRC goals specify women in under-represented occupations but do not consider types of jobs for other equity groups.
- City of Saskatoon employment that relies on self-reported information may appear lower if people choose not to self-identify or if their situation changes over time (e.g. some people acquire a disability while employed).
- Competition is strong from other organizations who are recruiting talented employees to meet diversity targets or other employment objectives.
- Expected turnover rates will impact the ability to achieve some SHRC goals within ten years.

Frequency of Lost Time Injuries

Proposed 10 Year Target: Zero lost time incidents

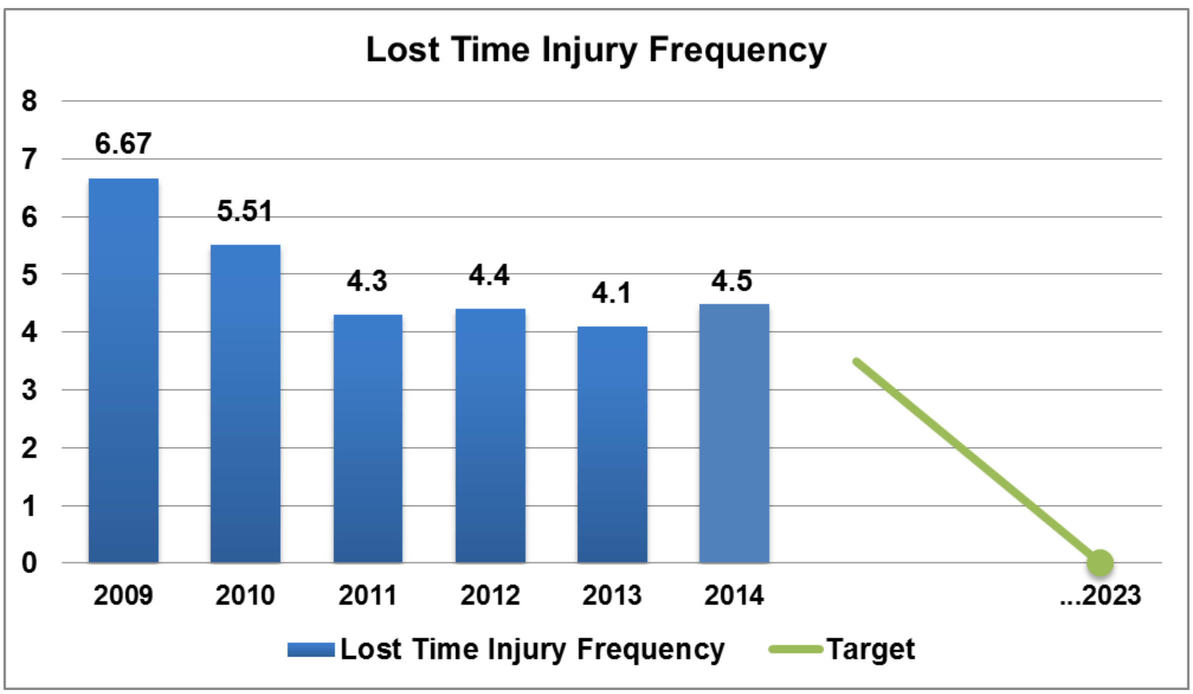
Description: "Lost Time Injury Frequency" (LTIF) measures our success in making health and safety a top priority under our goal for "Continuous Improvement". The target is to eliminate incidents and causes of injuries which result in lost time from work.

$$LTIF = \frac{\text{Number of lost time injuries X 200,000}}{\text{Number of employee labour hours worked}}$$

Note: 200,000 is the base for 100 full-time equivalent workers (working 40 hours per week, 50 weeks per year).

How are we doing?

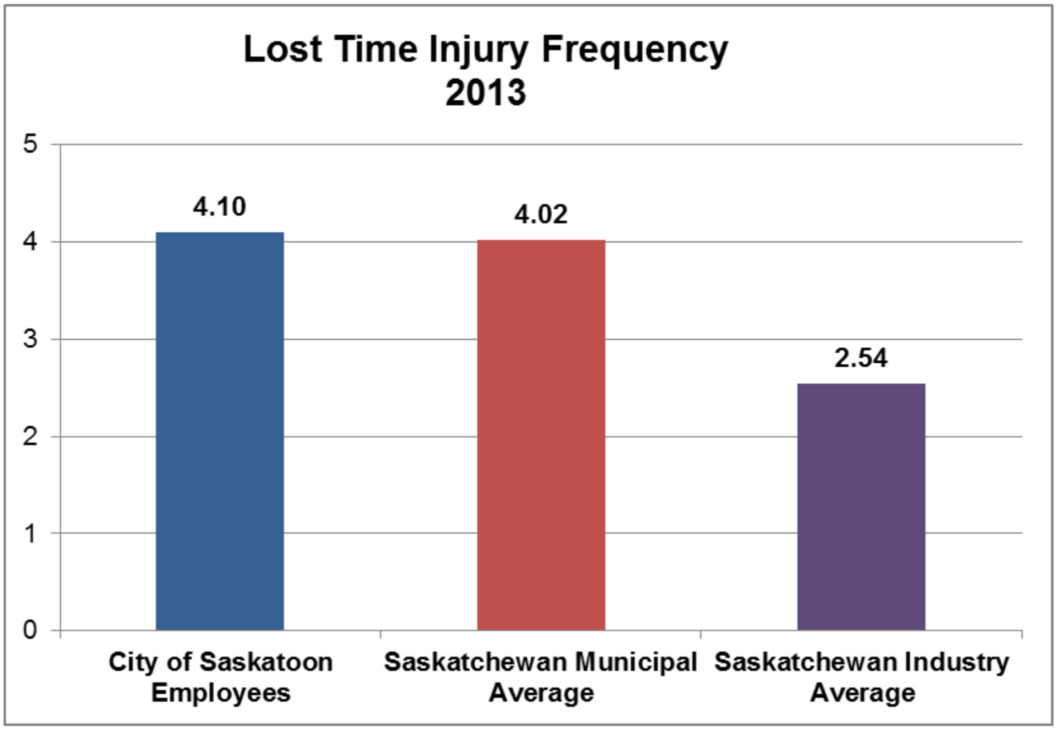
Lost work time due to injuries relative to the number of hours employees worked has been on a downward trend but increased in 2014.



Source: City of Saskatoon

How are other cities doing?

Saskatoon's lost time is similar to the average lost time in other Saskatchewan municipalities but is higher than the overall Saskatchewan industry average. As the largest municipal employer in the province, Saskatoon's lost time has a significant influence on the average for all Saskatchewan municipalities.



Sources: City of Saskatoon and Workers Compensation Board

What do we need to do to achieve this target?

An integrated Health and Safety Management System is being implemented to make health and safety a top priority. Culture change will be influenced by increasing safety awareness to reduce injuries through:

- Regular safety and toolbox meetings
- Regular Occupational Health and Safety (OHS) Committee meetings
- Inspections
- Incident investigations
- Ergonomic assessments and adaptations
- Enhanced training, particularly for new equipment operators

Over the longer term, safety can be improved through implementing an online health and safety management software system to provide quick collection of more comprehensive information so that timely corrective action can be undertaken to prevent future similar injuries.

What are the benefits of achieving the target?

- Positive impact on employees' personal lives and daily living activities
- Reduced pain and suffering for employees
- Positive impact on productivity and employee morale
- Lower Workers Compensation Board (WCB) rates as expenses associated with medical treatment, rehabilitation, and pension costs for long-term claims are reduced

What are the risks?

- "Lost time" may not be interpreted the same by those reporting on the measure, thereby reducing the value of comparative information.
- Anticipating and preventing all sources of accidental injury may not be achievable or practical in some cases where risk is small. Risk versus benefits need to be considered when making investments.
- Sometimes incidents occur when situations interact in unexpected ways.
- Incidents may not be reported if they are associated with disincentives or loss of incentives.

Asset and Financial Sustainability

- **Municipal Property Tax per Capita**
- **Municipal Property Tax as a Percentage of Total Revenues**
- **Annual Municipal Property Tax Increase**
- **Tax-Supported Debt per Person**
- **Key Civic Infrastructure Status**

Municipal Property Tax per Capita

Proposed Indicator: Municipal Property Tax per Capita

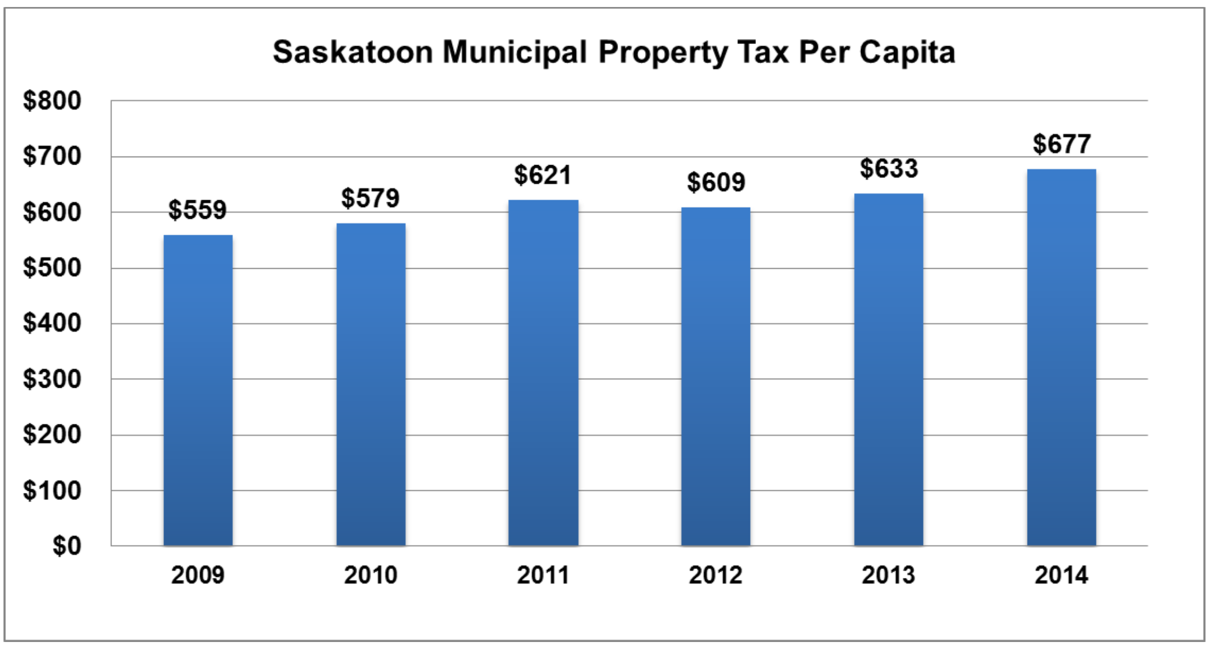
Description: The proposed indicator will track the average amount of municipal property tax for each person in Saskatoon.

$$\text{Municipal Property Tax per Capita} = \frac{\text{Total Municipal Property Taxes}}{\text{Population of Saskatoon}}$$

"Total Municipal Property Taxes" is from the City of Saskatoon's annual approved budget. The Saskatoon Public Library Tax and the Education Tax are not included in Saskatoon municipal property tax indicator. The city's population is estimated as of December 31 for each year by the City of Saskatoon Planning and Development Division.

How are we doing?

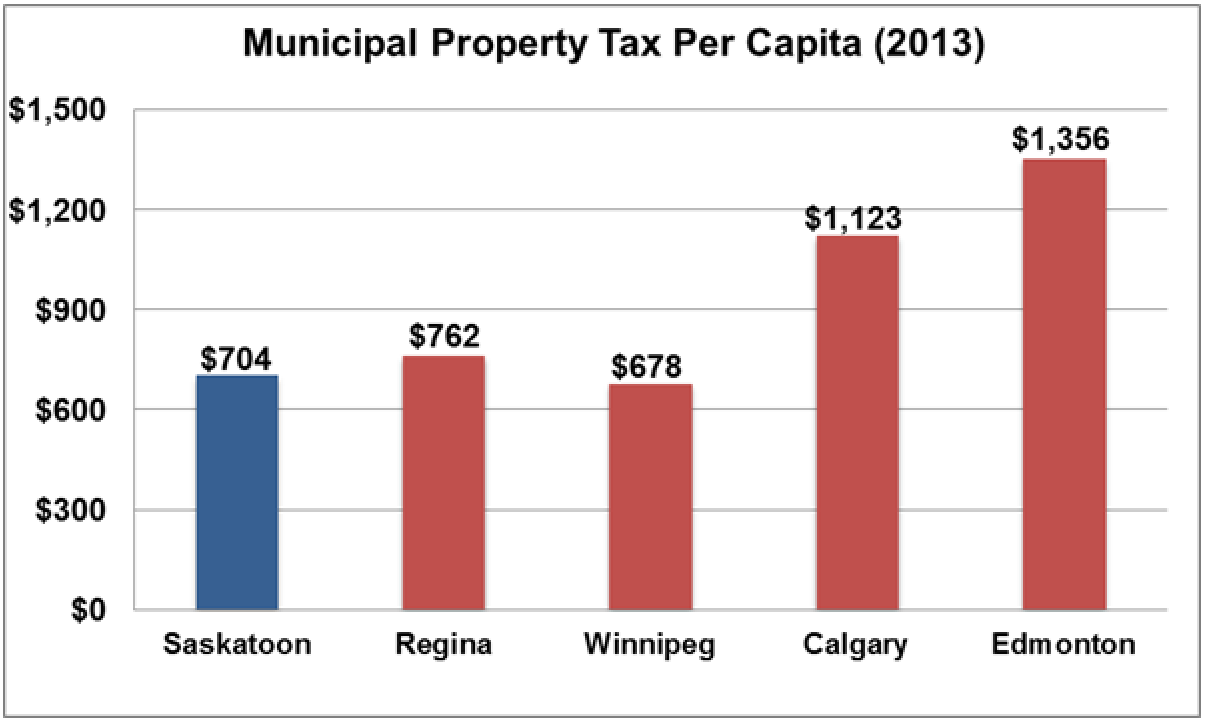
The City of Saskatoon's municipal property tax per capita has increased over the last five years. The graph below does not include public library or education property taxes.



Sources: City of Saskatoon
Note: Does not include Saskatoon Public Library Tax or Education Tax. Population is estimated by the City of Saskatoon as of December 31 for each year.

How are other cities doing?

The City of Saskatoon's municipal property tax per capita is quite favourable compared to other major cities in Western Canada, partly because more of Saskatoon's budget is funded through other self-generated revenues. The graph below, with comparative numbers published by the City of Calgary, includes library taxes.



Source: City of Calgary *Residential Property Taxes and Utility Charges Survey (2013)*

Notes: The graph based on *The Residential Property Taxes and Utility Charges Survey* does not include education taxes but includes library taxes as part of the municipal property taxes for comparability with jurisdictions that do not charge a separate library levy. The graph uses Statistics Canada July estimates for populations. The graph does not include additional business taxes applied by Winnipeg ($82 per capita in 2012) and Calgary ($195 per capita in 2012).

Municipal Property Tax as a Percentage of Total Revenues

Proposed Indicator: Municipal Property Tax as a Percentage of Total Revenues

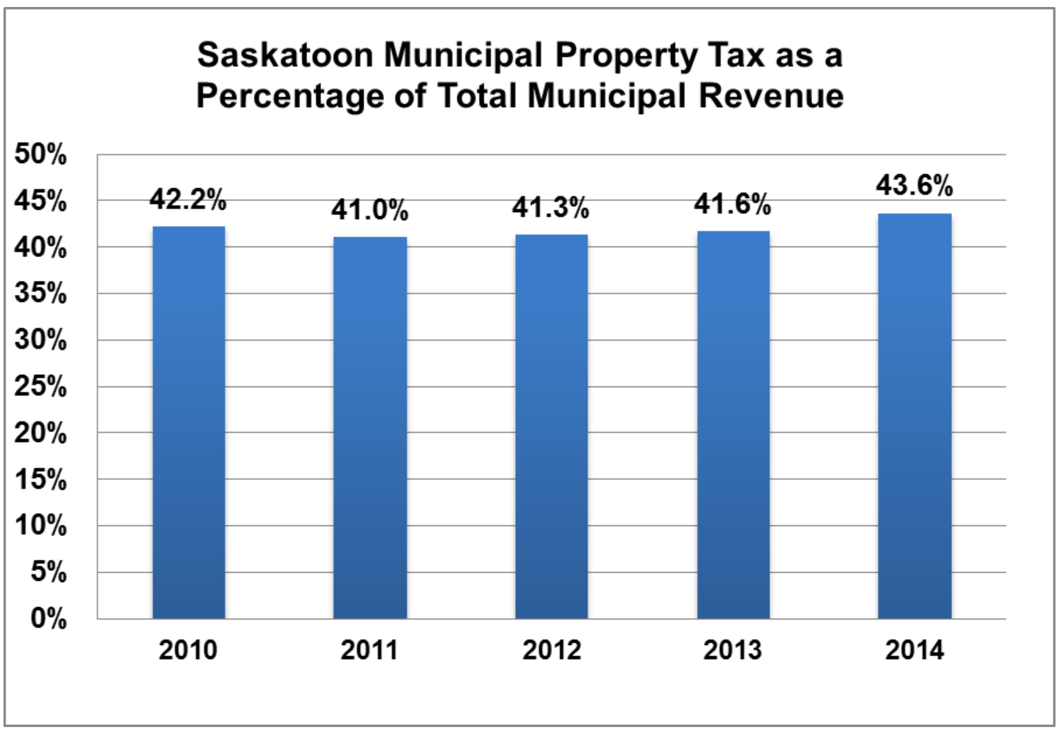
Description: The proposed indicator will monitor the percentage of municipal property taxes paid relative to all revenue collected by the City of Saskatoon:

$$\frac{\text{Total Municipal Property Taxes}}{\text{Total Municipal Revenues}}$$

"Total Municipal Property Taxes" includes the budgeted "property levy". Some examples of revenue sources included in total municipal revenues are water and power utilities, user fees for recreation and transit, permits and licenses, land development, and interest.

How are we doing?

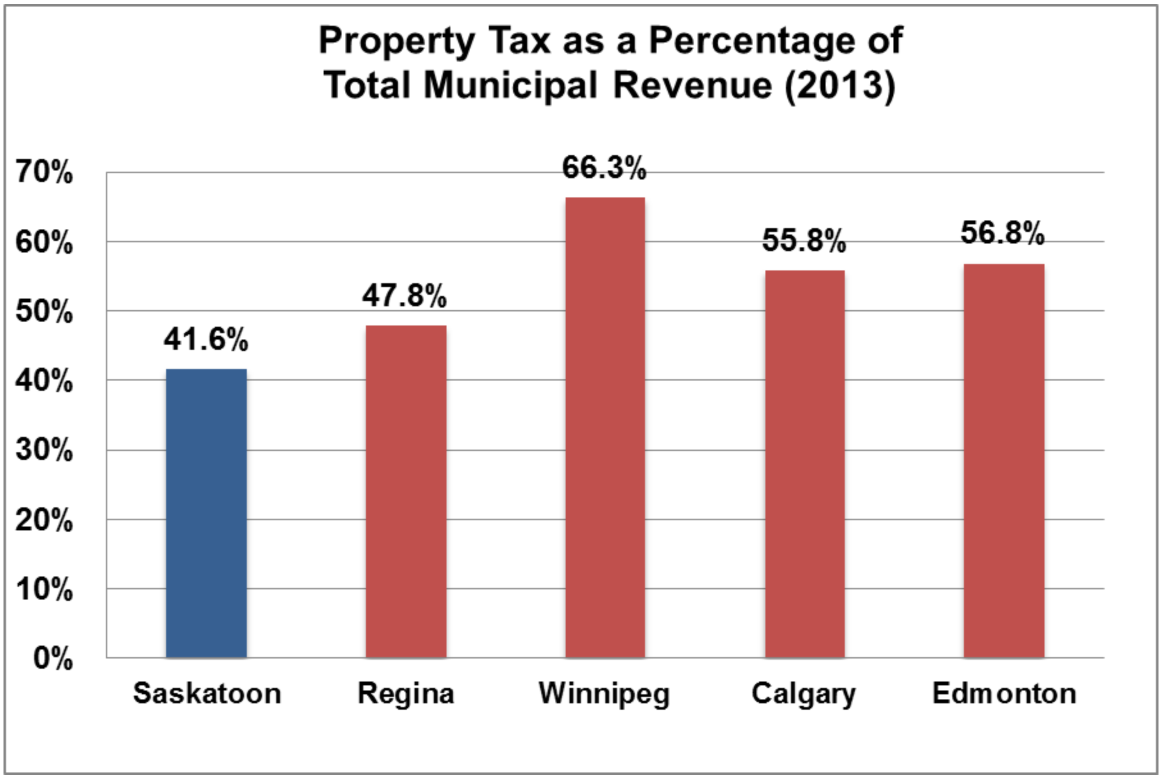
Currently, the percentage of municipal property tax to total municipal revenues is 43.6%. The percentage of municipal property tax could increase to more than 45% as the City moves towards fully funding approved service levels for core civic services like roads and bridges unless other funding sources are identified.



Source: City of Saskatoon

How are other cities doing?

Comparing other cities is challenging because of differences in how revenues are calculated. While not directly comparable, measures from these municipalities are helpful as representations of municipal property tax as a percentage of total municipal revenue. Currently, the City of Saskatoon's percentage is quite favourable. A contributing factor to this favourable indicator is that the City of Saskatoon has a higher level of self-generated revenues that enables less reliance on property taxes to fund its annual budgets. Saskatoon also may not be funding to the same service level as other cities.



Source: City of Saskatoon *Annual Municipal Operations Benchmark Report*

Notes: The *Annual Municipal Operations Benchmark Report* includes Saskatoon property taxes resulting from supplementary assessment (from properties that are assessed throughout the year, therefore not included in the initial property tax roll). Winnipeg operates its transit as a utility and does not include transit revenues in its total.

Annual Municipal Property Tax Increase

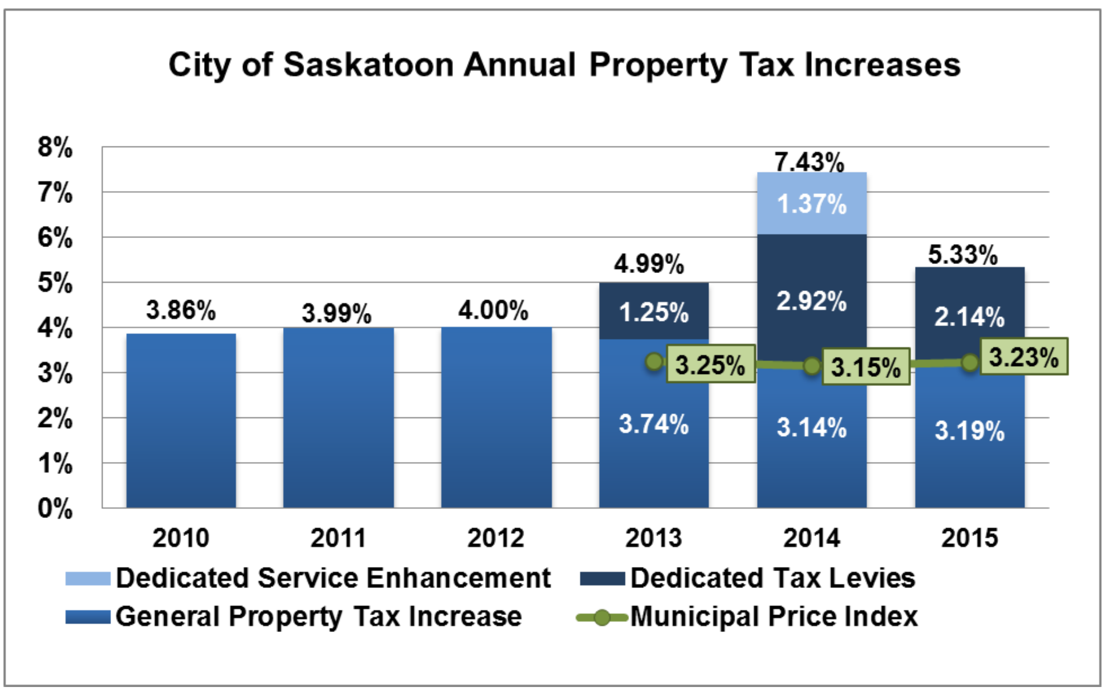
Proposed 10-Year Target: Annual municipal property tax increase equal to or less than the Municipal Price Index (MPI)

Description: The proposed target is to keep annual municipal property tax increases less than the annual inflation rate for City costs (MPI) and measures success in controlling costs. Setting a target for a maximum municipal property tax increase provides specific direction to City Council and the Administration during the budget preparation and budget deliberations.

The MPI is calculated annually based on the inflation rate for municipal costs such as labour and fuel.

How are we doing?

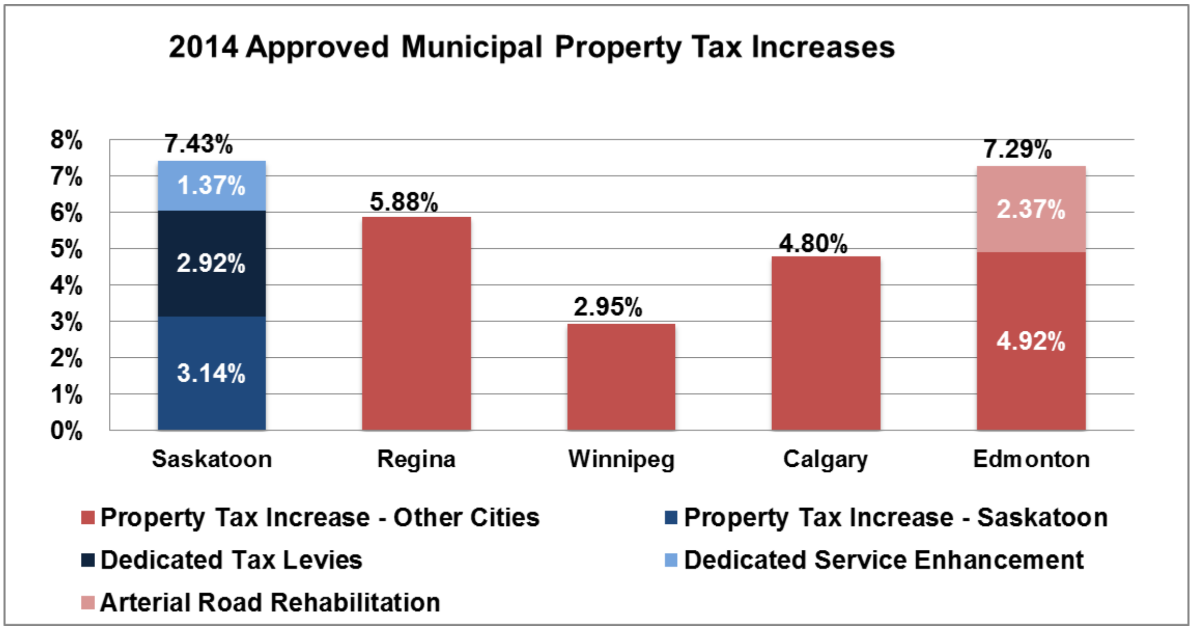
Saskatoon's 2014 municipal property tax increase included an inflationary increase of 3.14% and two dedicated taxes: one for roads (2.92%) and one for dedicated service enhancements related to snow removal, street sweeping, and sidewalks (1.37%) for a total increase of 7.43%. The 2015 total property tax increase was 5.33% including a general increase of 3.19% and a 2.14% increase in dedicated levies for roads (1.94%) and sound attenuation (0.20%). Saskatoon's expected MPI for 2015 is 3.23%.



Source: City of Saskatoon

How are other cities doing?

Other Western Canadian cities had 2014 municipal property tax increases ranging from 2.95% to 7.29%.



Sources: Cities of Saskatoon, Regina, Winnipeg, Calgary, Edmonton

Note: The City of Edmonton increased their municipal property tax by 4.92% and allocated an additional 2.37% in provincial education property "tax room" to arterial road rehabilitation.

What do we need to do to achieve this target?

- The City is undertaking continuous improvement to identify and implement efficiencies and cost savings without reducing the level of service for citizens.

What are the benefits of achieving the target?

- A target based on inflation ensures the annual property tax increases remain affordable to citizens.

What are the risks?

- The City will need to fund growth-related expenses which occur prior to receiving related revenue. Limiting property tax increases to inflation means that the City will need to diversify its revenue streams.
- Increases in service levels or fully funding approved service levels for core civic services may require a tax increase in excess of the MPI.

Debt Supported by Taxes

Proposed Maximum Debt Supported by Taxes: Debt supported by taxes is less than $1,750 per person

A maximum debt level is recommended rather than a target. The intent is not to meet the maximum, but to have it in place so the debt remains affordable for taxpayers.

Description: The measure represents each resident's average share of the City's long-term tax-supported debt. Debt per capita helps to communicate City's debt levels.

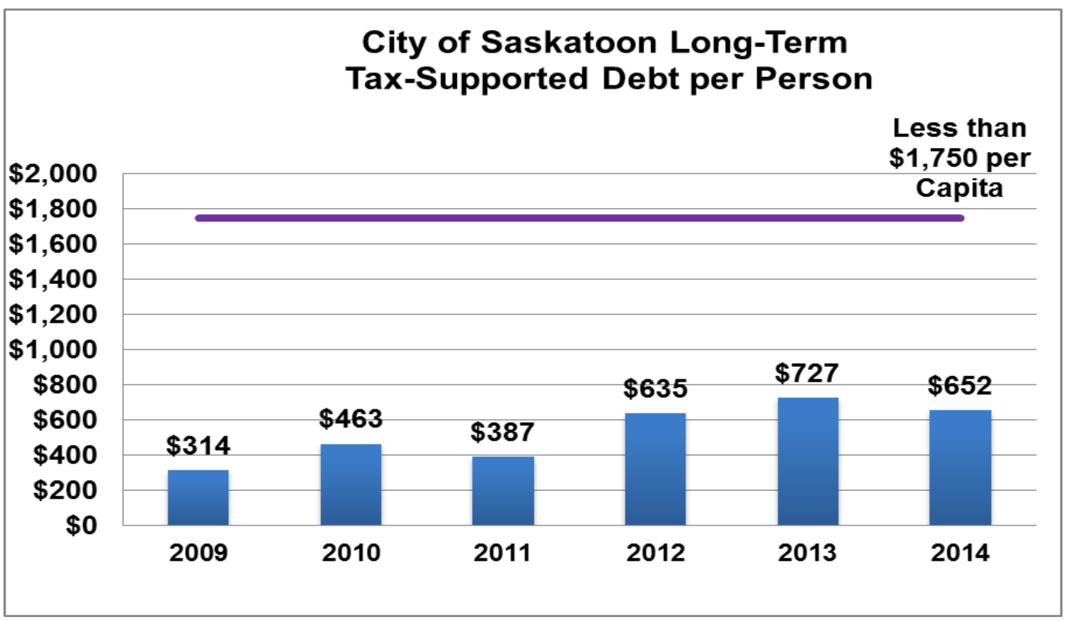
$$\text{Tax-Supported Debt per Person} = \frac{\text{Actual Long-term Borrowing including P3 Financing}}{\text{Population of Saskatoon}}$$

The city's population is estimated as of December 31 for each year by the City of Saskatoon Planning and Development Division.

Long-term tax-supported debt includes debt repaid by property taxes and federal gas taxes but excludes utility debt. In the future it also will include Public Private Partnership (P3) financing.

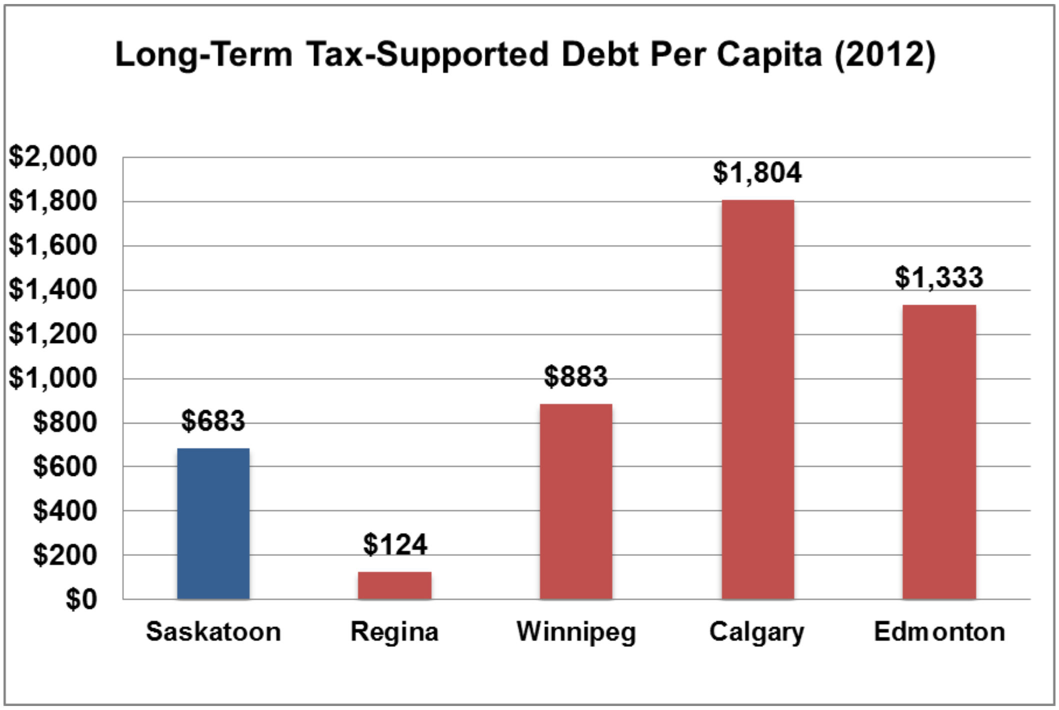
How are we doing?

Average long-term tax-supported debt has been trending upwards to support the City's growth but decreased in 2014.



Source: City of Saskatoon

How are other cities doing?



Saskatoon's long-term debt is lower than debt in most other major cities in Western Canada.

Source: City of Saskatoon's *Annual Municipal Operations Benchmark Report*

Note: The *Annual Municipal Operations Benchmark Report* used the 2011 Census population for all municipalities. Long-term tax-supported debt per capita using more recent estimated populations would be lower.

What are the benefits of achieving the target?

- Long-term public infrastructure like bridges and roads is needed to support economic growth and quality of life for citizens.
- Debt is an important part of any city's funding strategy for long-term infrastructure.
- The maximum debt per capita ensures debt levels are controlled based on the population.
- Although not considered directly by credit rating agencies, the measure contributes to a strong credit rating which keeps interest rates lower.

What are the risks?

- As the City grows, there is more need to expand infrastructure which will require more debt financing.
- Increased debt and interest payments influence the tax rate.

Key Civic Infrastructure Status

Proposed 10-Year Target: Maintain bridges, roads, sidewalks, water lines, and sewer lines so they are improving every year (B Service Level)

Description: An annual "B Service Level" requires funding for an "acceptable" level of service to citizens and a slow improvement to the overall condition of the asset. With a "B Service Level", the backlog of required maintenance declines slowly and once the backlog is eliminated, the asset condition is maintained. Adequate funding is needed to both meet the public's current expectations and maintain the assets with minimum long-term costs (lowest life cycle costs).

Key Civic Infrastructure includes bridges, structures, roads, sidewalks, water, and sewer infrastructure.

The following table describes service levels:

Asset Service Levels

Level of Service	Asset Condition	Description
A	Getting Better Quickly	Sufficient expenditures to maintain and keep assets in optimal condition. Asset condition/value improves to optimal levels, eliminating any backlog.
B	Getting Better	Sufficient expenditures to increase asset condition/value and decrease backlog slowly over time. Once backlog is eliminated, the funding is sufficient to maintain condition without a backlog.
C	Maintained	Sufficient expenditures to keep assets in constant condition over time. The backlog remains constant.
D	Maintain Assets that are in Very Poor Condition	Sufficient expenditures to replace assets when they completely fail. Insufficient funding to treat all segments requiring preservation and restoration work, and the backlog will slowly increase with time.
E	Getting Worse	Insufficient expenditures to maintain asset condition. Asset condition deteriorates annually. Some assets may need to be closed or removed from service.
F	Getting Worse Quickly	Asset condition/value decreases rapidly. Assets are frequently removed from service due to deterioration as insufficient funding exists to replace all completely failed segments.

How are we doing?

Funding has been increasing to maintain key infrastructure, particularly “roads and sidewalks” but a significant funding increase is needed to meet “B Service Levels” in the future.

Funding for bridges and structures has not kept up with what is needed to maintain bridges and structures at their lowest lifecycle cost. With “B Service Level” funding, the current maintenance backlog is expected to be eliminated by 2023 and funding can be stabilized to maintain conditions without a backlog. The timing for specific projects will affect how much of the backlog is eliminated each year.

How are other cities doing?

Infrastructure service levels are difficult to compare across jurisdictions because of differences in definitions and reporting on infrastructure service levels and investments.

What do we need to do to achieve this target?

A long-term strategy for key infrastructure is needed to identify:

- Inventory of key infrastructure
- Condition of key infrastructure
- Investment needed to improve the infrastructure
- Funding strategy to eliminate the current investment gap

What are the benefits of achieving the target?

Investing required funding levels to achieve the target “B Service Level” will have many benefits:

- Infrastructure will meet the needs of the growing population and economy.
- Assets will last longer.
- Long-term overall infrastructure costs will be minimized (least life cycle costs).
- The overall condition of the road and sidewalk network will be improved.
- The backlog of roads requiring repair and upgrading will be reduced.
- Fewer water main breaks or sewer backups will occur.
- Bridges and structures can be maintained to last indefinitely.
- Travel will be safer.
- Citizens will be more satisfied with the core infrastructure.

What are the risks?

- The main risk to achieving service levels and maintaining assets is that required funding may not be approved. If required funding is not approved, assets will deteriorate over time, the backlog of maintenance will continue to grow, and long-term costs will increase exponentially.
- If the shortfall in funding for bridges and structures continues over the next five years, rehabilitation options will change and costs will be higher.
- Continued deterioration of bridges and structures could result in closures to protect public safety.

Quality of Life

- Perceived Quality of Life
- Number of New Attainable Housing Units
- Vacancy Rates for Rental Housing
- Participation Rates for City Recreation and Cultural Facilities
- Crime Rates
- Fire Response Time

Perceived Quality of Life

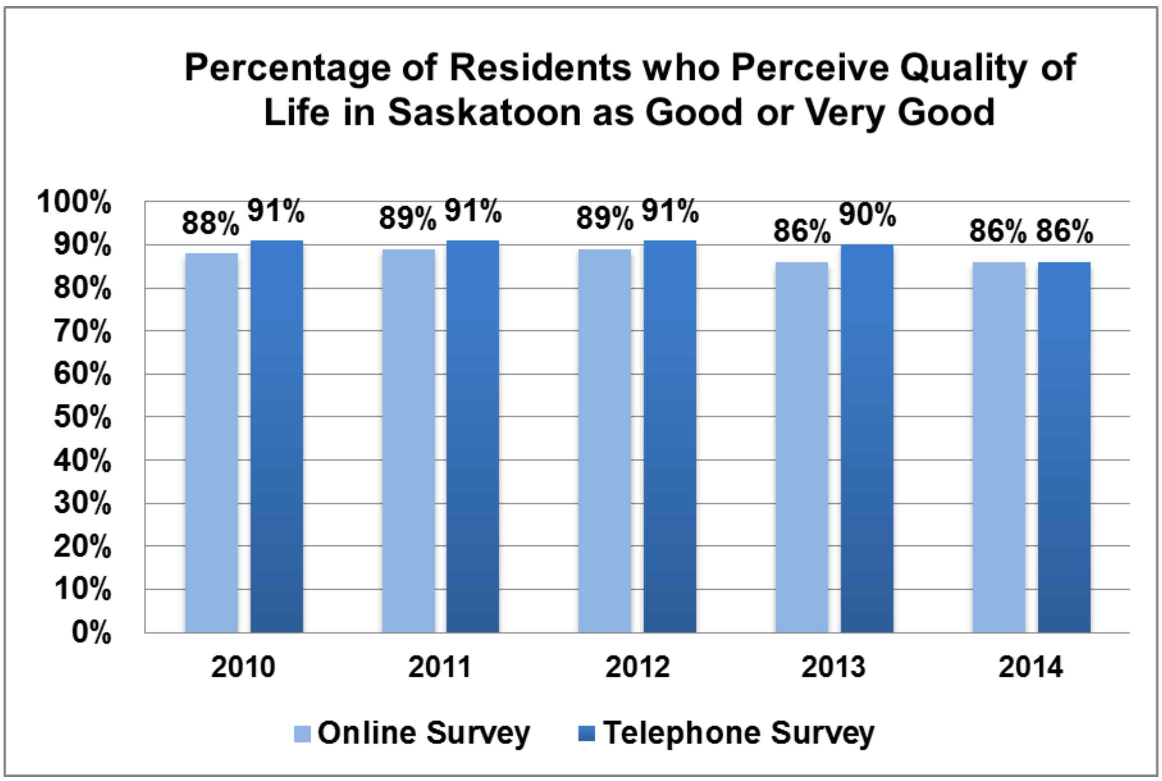
Proposed Indicator: Perceived Quality of Life

Description: The percentage of people rating "Quality of Life" in Saskatoon as "good" or "very good" measures how people feel about well-being in the city. Quality of life is influenced by factors such as access to good jobs, housing, opportunities for leisure activities, transportation, access to appropriate services, and feelings of safety.

City initiatives such as sports, culture, and recreation programs, efficient transportation networks, housing programs, quality infrastructure, and effective policing can influence perceptions of quality of life.

How are we doing?

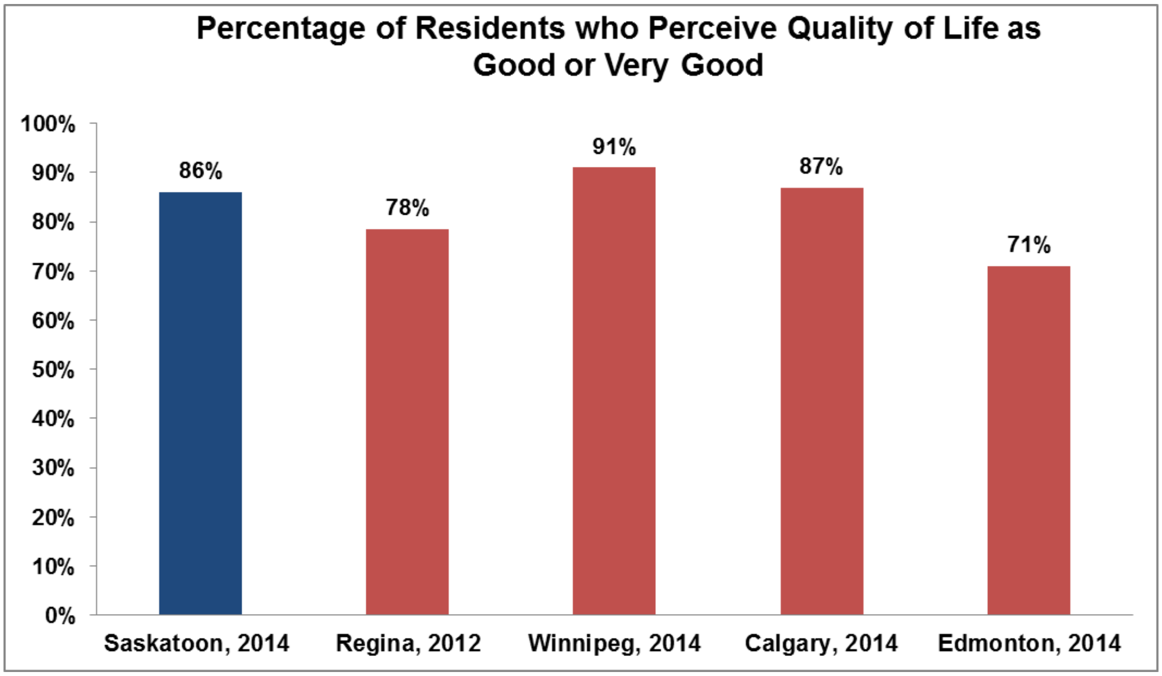
The City of Saskatoon Annual Civic Services Survey asks people to rate quality of life in Saskatoon as very poor, poor, fair, good, or very good. In 2014, 86% of individuals surveyed rated the quality of life in Saskatoon as good or very good, slightly lower than in recent years.



Source: *The City of Saskatoon Annual Civic Services Survey*

How are other cities doing?

Perceived quality of life in Saskatoon compares favourably to perceptions in other western cities.



Sources: *The City of Saskatoon Annual Civic Services Survey (2014)* and surveys conducted adapted to comparable format: *City of Regina Citizen Survey Base Report* (March 2012); *Winnipeg Citizen's Perspective 2014 Citizen Survey; The City of Calgary 2014 Citizen Satisfaction Survey; City of Edmonton Citizen Perception Survey* (Draft Report, 2014)

Note: Regina does not undertake surveys annually. The graph reports the most recent survey results available.

Number of New Attainable Housing Units

Proposed 10-Year Target: 500 new units annually across the attainable housing continuum

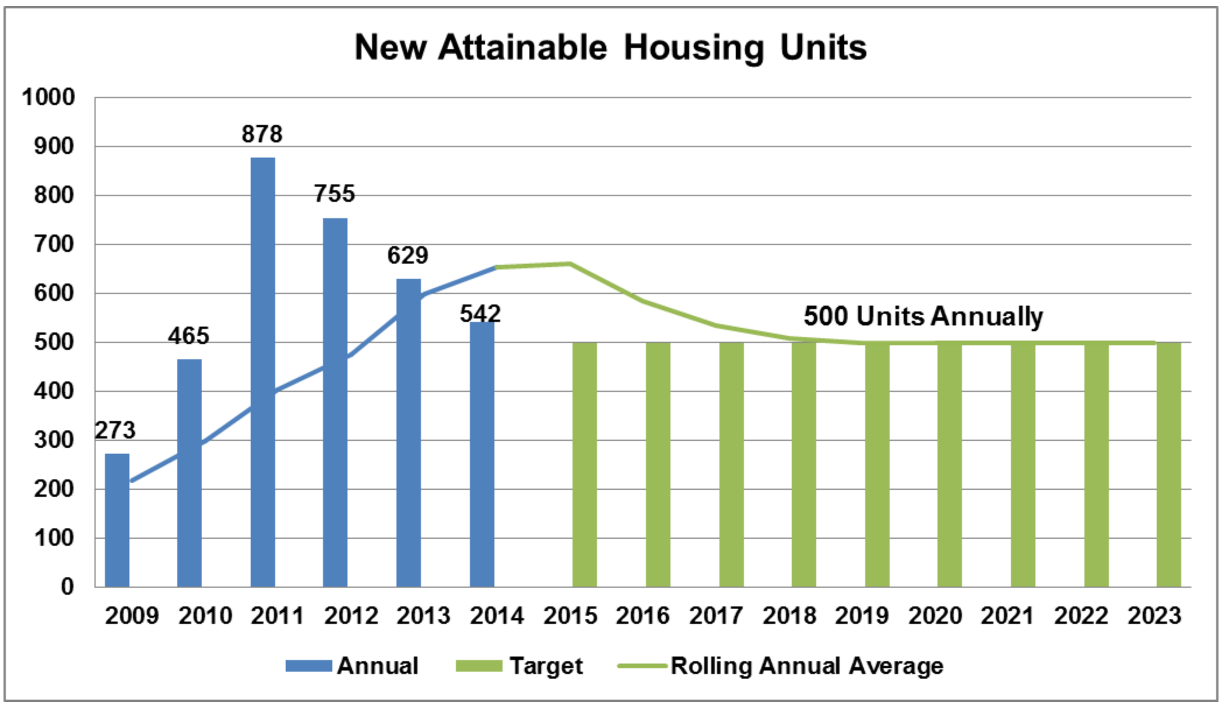
Description: The proposed target measures the City's success in developing a mix of affordable housing for ownership and rental throughout Saskatoon to address basic needs. Affordable, appropriate, and secure housing contributes to healthy and economically viable communities.

The target includes a mix of the following:

- Affordable rental and secondary suites
- Purpose-built rental units
- Affordable-ownership units
- Entry-level ownership units

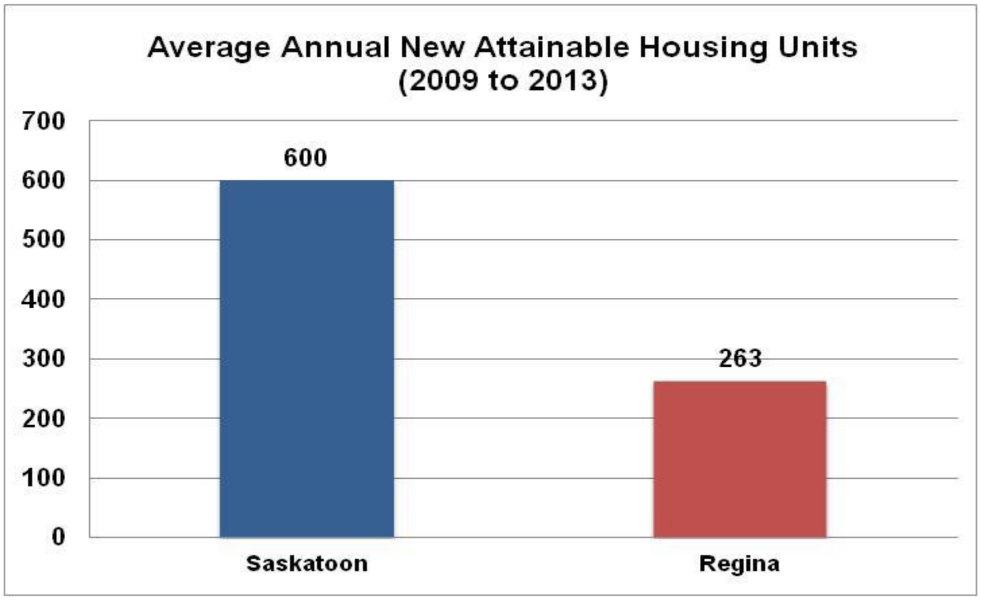
How are we doing?

The City of Saskatoon has supported an average of 654 units of attainable housing annually over the last five years. The City supported 542 attainable housing units in 2014 and 565 units are in process for 2015.



Source: City of Saskatoon

How are other cities doing?



Sources: City of Saskatoon, City of Regina

Comparisons between cities are difficult because of differences in programs and definitions that cities use for attainable housing. Regina adopted a new strategy in 2013 to increase its housing supply.

What do we need to do to achieve this target?

The City has a ten-year *Housing Business Plan* to support 500 units annually across the attainable housing continuum. Achieving the target requires an annual optimal investment of approximately $2 million which leverages additional funding from the federal and provincial governments, Aboriginal groups, non-profit housing providers, faith groups, and private builders. The annual investment may be less in years when the housing providers are focusing on providing smaller units with a lower cost per unit.

The City's average costs per attainable housing unit are as follows:

Attainable Housing Average Unit Costs			
	Cash Grant	**Foregone Tax Revenue**	**Total**
Affordable Rental	$18,186	$2,545	$20,731
Affordable Ownership	$3,920	$3,262	$7,182
Purpose Built Rental		$2,324	$2,324
Secondary Suites	$498		$498
Entry Level	Under the Equity Building Program, down payments are available from the City's investment funds, repayable over five years at 3.5% interest. There is no expense to the City.		

What are the benefits of achieving the target?

Implementation of the City's housing program will result in more affordable and appropriate housing choices for Saskatoon residents, helping them to contribute to our community and economy. Groups that directly benefit from achieving the target include the following:

- Métis and Off-reserve First Nations people
- New immigrants to the city
- Single parents
- Young people entering the workforce
- Post-secondary students
- Low and moderate income individuals and families

When people have appropriate housing, everyone benefits and the quality of life in Saskatoon remains high.

What are the risks?

Several factors influence the city's ability to achieve this target:

- Funding commitments from other levels of government which together contribute significantly more than the City of Saskatoon to attainable housing in Saskatoon.
- The willingness of non-profit housing providers and private home builders to create new attainable housing units.
- The availability of suitable land for housing projects.
- Economic factors such as interest rates, mortgage and lending rules, the availability of skilled labour, and demand and supply for rental housing.

Vacancy Rates for Rental Housing

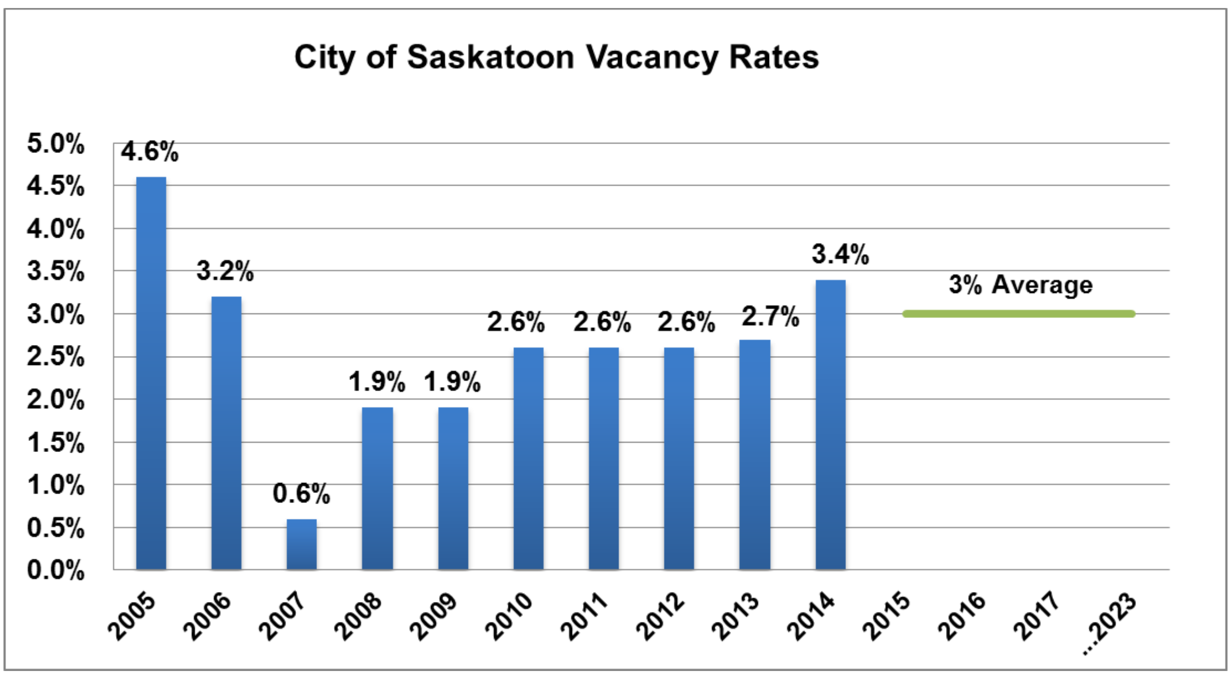
Proposed 10-Year Target: Maintain an average rental housing vacancy rate of 3%

Description: The proposed target measures success in maintaining a generally acceptable level of rental accommodation. Vacancy rates below 3.0% generally indicate a limited supply of rental housing and can lead to rising costs for renters. Affordable, appropriate, and secure housing contributes to healthy and economically viable communities.

$$\text{Vacancy rates} = \frac{\text{Total number of vacant rental units}}{\text{Total number of rental units available}}$$

How are we doing?

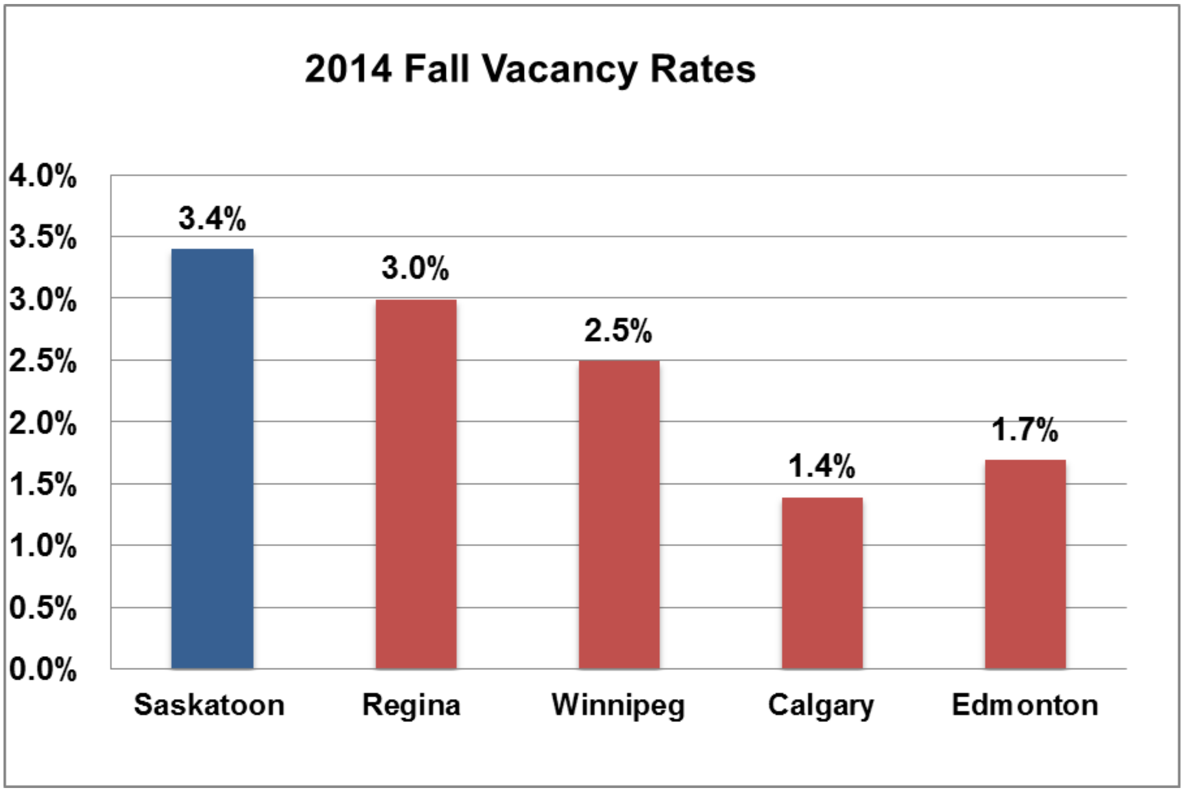
In 2007, in response to a 0.6% vacancy rate, City Council committed to a five-year *Housing Business Plan*. The plan's implementation increased the housing supply and contributed to consistent vacancy rates of about 2.6%. In 2013, a ten-year plan was adopted to support a target of 500 affordable housing units annually across the attainable housing continuum. In 2014, the rental vacancy rate increased to its highest level since 2005.



Source: Canadian Mortgage and Housing Corporation

How are other cities doing?

Saskatoon's Fall 2014 vacancy rate was higher than the rate in other western Canadian cities and higher than the 2.7% national average of Canada's 35 largest cities.



Source: Canadian Mortgage and Housing Corporation

What do we need to do to achieve this target?

The City will influence a healthy vacancy rate by

- Permitting the creation of new and legalizing existing secondary suites that meet required standards
- Implementing the infill strategy which allows garage and garden suites
- Achieving the target of 500 units annually under the *Housing Business Plan* with a cost of approximately $2 million annually

What are the benefits of achieving the target?

Through achieving a healthy vacancy rate, residents will have access to more variety of appropriate and affordable housing thereby facilitating the opportunity for them to contribute to our community and economy. Groups that directly benefit from the achievement of this target include the following:

- Temporary workers
- Métis and Off-reserve First Nations people
- New immigrants to the city
- Single parents
- Young people entering the workforce
- Post-secondary students
- Low and moderate income individuals and families

When people have appropriate housing, everyone benefits and the quality of life in Saskatoon remains high.

What are the risks?

Several factors influence the city's ability to achieve this target:

- Funding commitments from other levels of government for housing programs
- The willingness of non-profit housing providers and private home builders to create new rental properties
- Higher economic growth and more migration into the City than expected
- Other economic factors such as interest rates, mortgage and lending rules, the supply of skilled labour, and demand for rental housing
- Slower economic and population growth can result in an oversupply relative to demand

Participation Rates for City Recreation and Cultural Facilities

Proposed 10-Year Target: Increase visits to City of Saskatoon recreation and culture facilities to 6,600 visits per 1,000 people

Description: The target measures our success in growing and maintaining participation in City-owned and managed recreation and culture facilities and programs which contribute to quality of life of residents. The measure includes number of visits to leisure centres (including registered programs), the Forestry Farm Park and Zoo, outdoor pools, municipal golf courses, playground programs, youth programs, youth centres, Mendel Art Gallery, and Remai Modern Art Gallery of Saskatchewan.

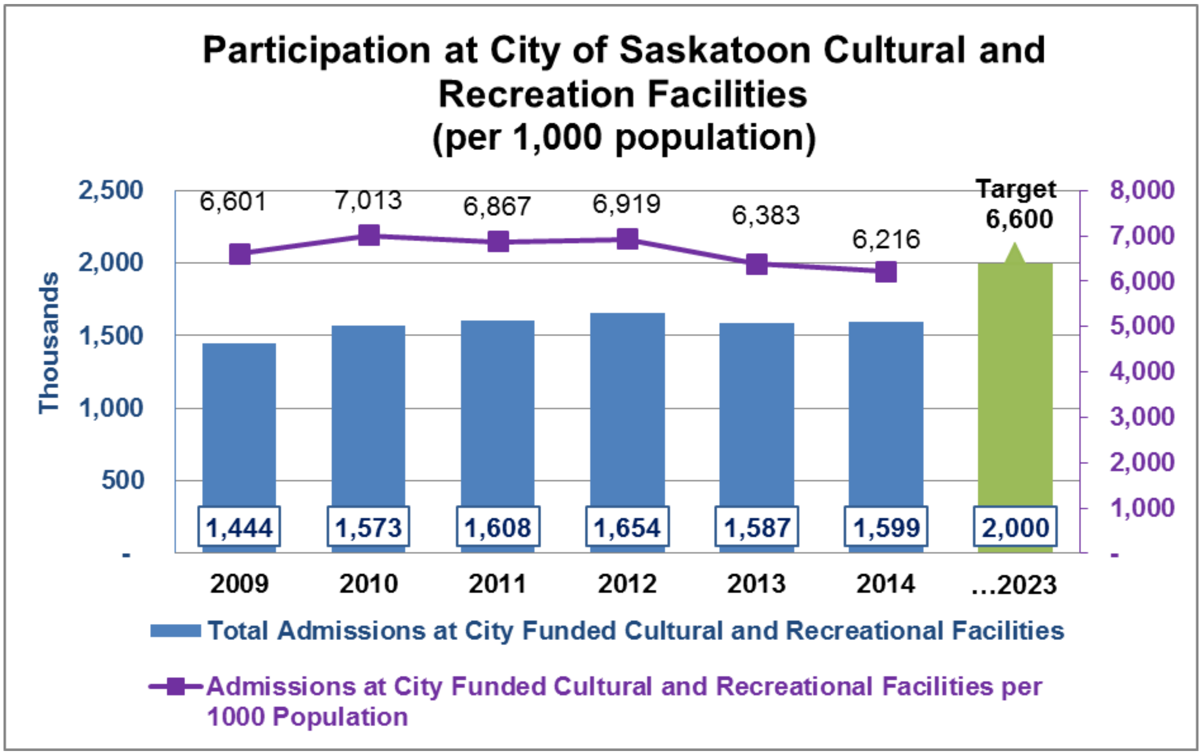
While the City also provides financial and staff support to community-based organizations that offer a variety of sports, culture and recreation activities, attendance at third party facilities, events and programs are not included in the target.

$$\text{Participation} = \frac{\text{Number of visits to city managed recreation and culture facilities}}{\text{Population of Saskatoon }/1{,}000}$$

The target represents an increase of about 400,000 visits to two million visits by 2023 based on a 2% annual population growth rate.

How are we doing?

In 2014, City-managed recreation facilities and programs attracted almost 1,600,000 visits or an average of over 6,200 visits per 1,000 residents. Overall participation increased in 2014 with more people visiting leisure centres, playground programs, and "youth centers, events, and programs." The increase in participation, however, did not keep pace with Saskatoon's population growth. Attendance is influenced by availability and types of programs, price, other recreation options, and weather.



Source: City of Saskatoon

Attendance at City of Saskatoon Recreation Facilities		
Admissions and Attendance	**2014**	**2013 to 2014 Percent Change**
Indoor Leisure Centres	771,393	1.8%
Forestry Farm Park & Zoo	142,253	-0.1%
Playground Programs	127,259	10.0%
Outdoor Pools	86,061	-2.1%
Municipal Golf Courses	115,086	-6.1%
Youth Centres, Youth Events & Youth Programs	12,300	15.1%
Registered Programs (Average 8 visits per registration)	181,872	0.1%
Mendel Art Gallery	163,181	-3.4%
Total Admissions	1,599,405	0.8%

Information from other jurisdictions is not directly comparable because of different types of recreation facilities and different ways of counting visits.

What do we need to do to achieve this target?

- New recreation programs and art exhibits to respond to changing demands, attract new users and continue to attract repeat visits
- New fee options to stay competitive
- Effective new marketing and promotions to increase awareness and attendance at facilities and programs
- Facility upgrades, enhancements or new facilities (including the new Remai Modern Art Gallery of Saskatchewan) to address aging infrastructure, reflect changing trends, respond to the growing population, and attract new users

What are the benefits of achieving the target?

- Saskatoon residents, regardless of their income, will have access to leisure activities in their neighbourhood.
- Participation in sports and recreation improves health and fitness. Healthier people are more productive and have a higher quality of life.
- Recreation programs provide Saskatoon with a competitive edge in being a city of choice when families are considering Saskatoon as a place to live, work, or vacation.
- Youth participation in recreation activities can help to reduce crime and mischief and the related costs to society.

What are the risks?

- Private fitness facilities and community organization programs that are conveniently located and meet specific interests may reduce attendance at City recreation facilities.
- Adverse weather has an impact on visits to golf courses, outdoor pools and playground programs.
- Social, cultural and demographic changes influence how people spend their leisure time.

Crime Rates

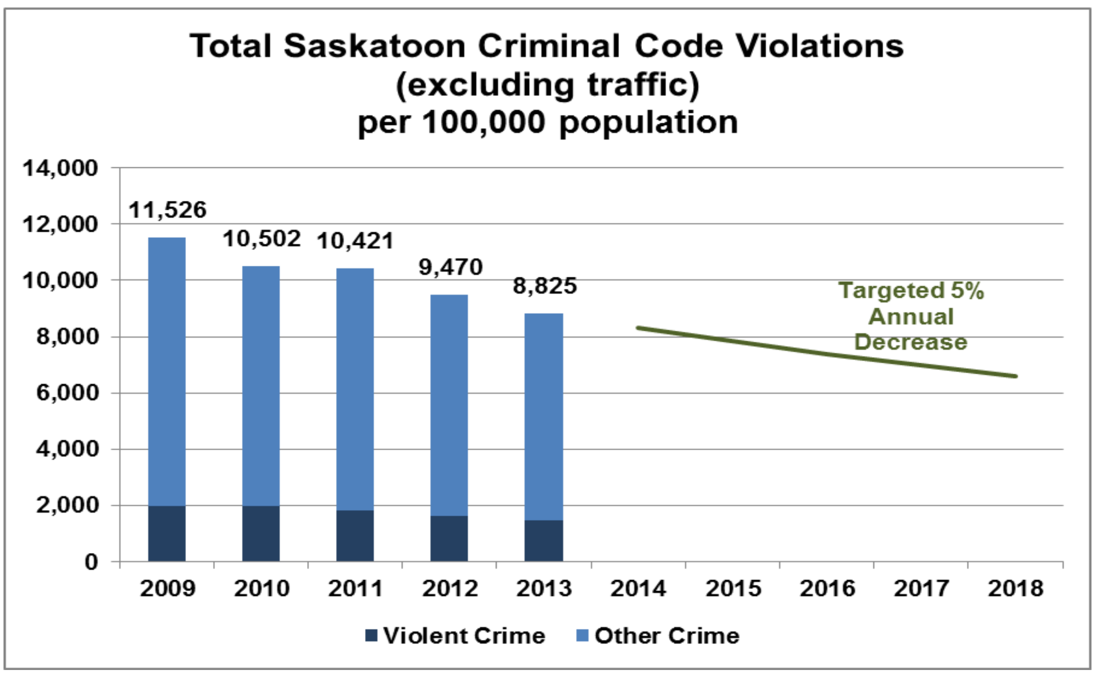
Proposed 5-Year Target: Decrease overall crime rates by 5.0% annually over the previous five-year average

Description: Decreasing crime rates indicate success in increasing public safety in our homes, on our streets, and in our overall community. People have a higher quality of life when they feel safe. Crime rates decrease when people are working and have recreation and leisure opportunities.

Crime rates will include criminal code violations (violent crime and other crime) and will exclude traffic violations. For comparative purposes, crime rates will be based on numbers published by Statistics Canada, Canadian Centre for Justice Statistics.

How are we doing?

Saskatoon's crime rates for both property crime and violent crime have been steadily decreasing since 2009.



Source: Statistics Canada, Canadian Centre for Justice Statistics

How are other cities doing?

Even though Saskatoon's crime rates have decreased, our crime rates are higher than in other western cities.

Source: Statistics Canada, Canadian Centre for Justice Statistics

What do we need to do to achieve this target?

- The Saskatoon Police Service (SPS) is decreasing crime as one of four priority areas in their *2015–2019 Business Plan* to create a safe and secure community. Reducing robberies, thefts, and mischief will be emphasized to reduce overall crime.

What are the benefits of achieving the target?

Less crime means fewer victims and an increase in the sense of public safety. Less crime reduces costs associated with the following:

- Stolen and damaged property
- Medical system usage due to drug use and violent crime
- Criminal justice costs for courts, prosecution, prisons, etc.
- Productivity losses including lost wages
- Intangible costs including pain and suffering

What are the risks?

- Saskatoon has a large marginalized population facing poverty, poor housing, and non-inclusion which contribute to street and gang activity such as robbery, assault, theft, and vandalism. Underlying issues must also be addressed to reduce crime.
- Rapid population growth contributes to more crime and social disorder. Physical and population growth is straining the City's funding capacity while increasing pressure on human resources.

Fire Response Time

Proposed 10 Year Target: Respond to fire calls within six minutes and 20 seconds at least 90% of the time

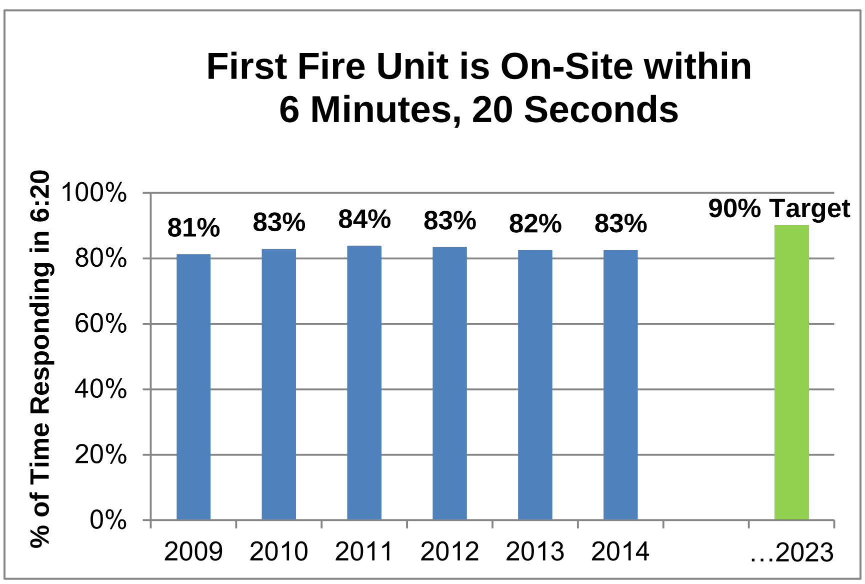
Description:

"Fire Response Time" measures total response time from when dispatch receives a call for a fire emergency until the first unit arrives at the fire scene. Total response time includes dispatch (communication), turnout (reaction) and travel time.

The National Fire Protection Association (NFPA), a body of professionals that develops best practice models for fire services, recommends the following response times for emergency fire calls in urban settings, to be achieved 90% of the time:

- 60 seconds to receive and process the call
- 80 seconds for responders to don protective clothing
- 240 seconds (4 minutes) for travel time for the first arriving unit to arrive at the incident after leaving the station
- Eight minutes travel response time to have a full complement of at least 16 firefighters on-site

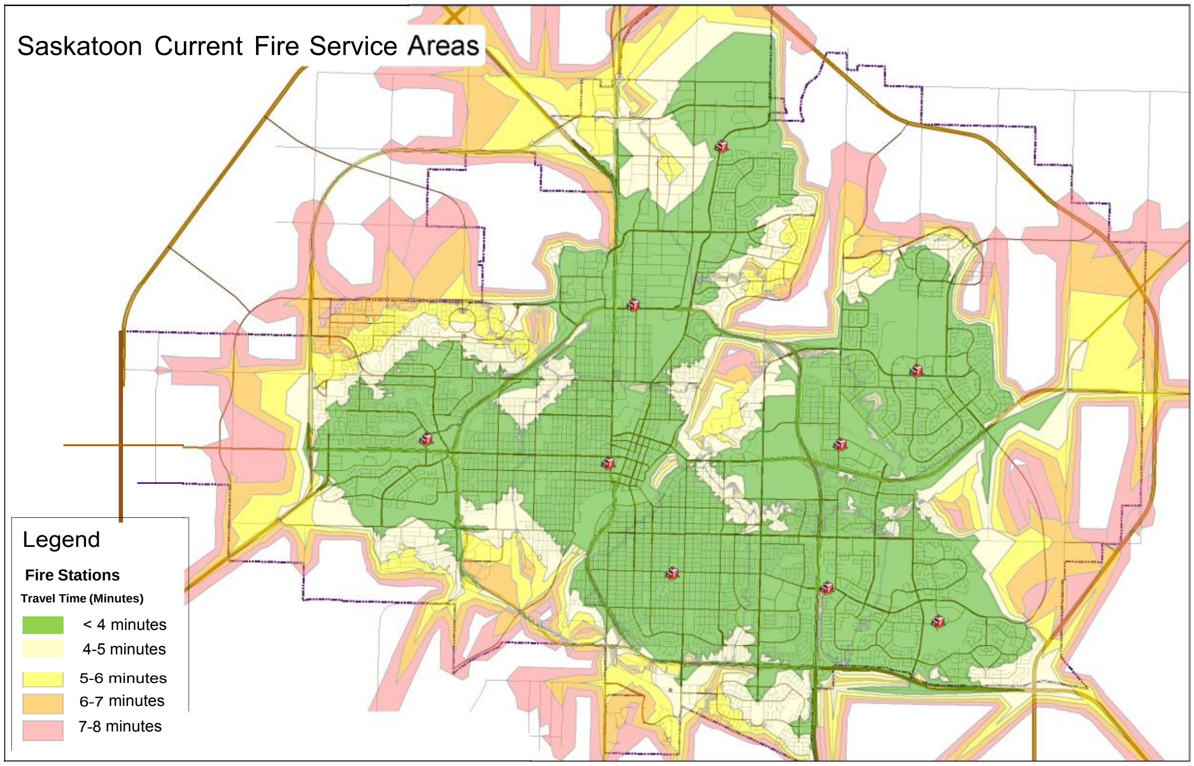
How are we doing?



In 2014, the Saskatoon Fire Department responded within six minutes and 20 seconds to 82.5% of the 5,312 fire calls they responded to. The average total response time in 2014 for the first fire unit to arrive on-site was five minutes and 10 seconds.

Source: Saskatoon Fire Department

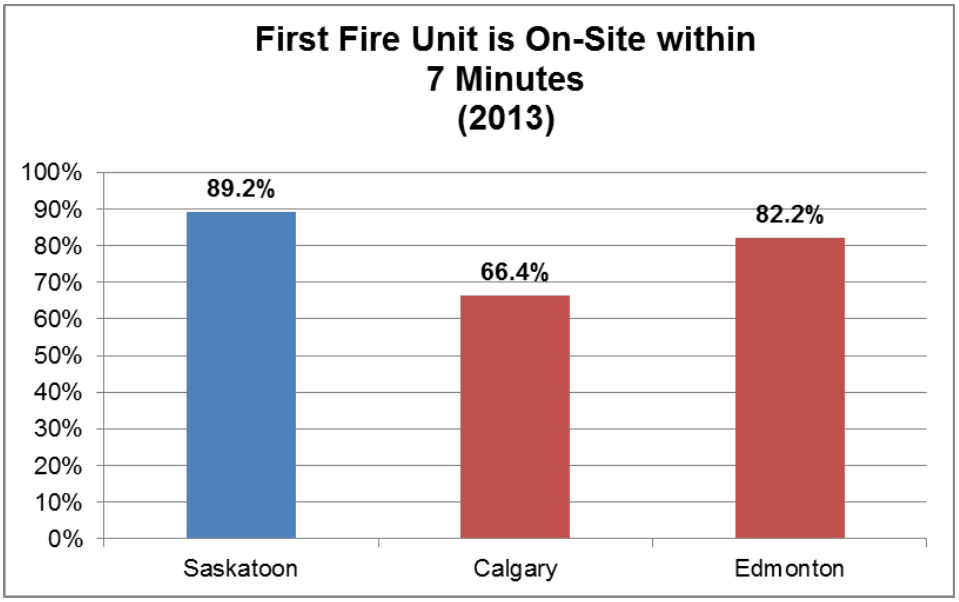
The map shows the present location and coverage of the nine fire stations and the travel time required to respond to a fire in the service area.



How are other cities doing?

Fire Departments have different allowances for time in three categories (dispatch, reaction and travel) within their total Fire Response Time, thereby making direct comparisons with other jurisdictions challenging. The following chart compares Saskatoon allowances with Calgary and Edmonton allowances.

	Saskatoon	Calgary	Edmonton
Dispatch Time (Seconds)	60	60	90
Reaction Time (Seconds)	80	90	90
Travel Time (Seconds)	240	270	240
Total Time (Seconds)	380	420	420
Total Time (Minutes)	6:20	7	7



In 2013, Saskatoon achieved a seven minute response time 89.2% of the time. Calgary achieved their seven minute target 66.4% of the time and Edmonton 82.9% of the time.

Sources: Saskatoon Fire Department, City of Calgary, City of Edmonton

What do we need to do to achieve this target?

Strategically located fire stations which maximize the service area that can be reached within a four minute travel time are key to meeting the total response time target. New fire stations, with appropriate funding plans, must be incorporated in long-term planning strategies. Minimizing overlap of service areas will increase operating efficiencies while continuing to provide effective coverage.

What are the benefits of achieving the target?

- Due to the dynamics of fire growth, seconds count in saving lives and property.
- Increased densification, new building and insulation materials, and modern furnishings which contribute to quicker fire spread and release of toxic chemicals make a timely response even more important to protecting citizens and their property.
- By achieving timely response time targets, “quality of life” is enhanced by the knowledge that life and property have a reasonable, quantified chance of success.
- Fire protection levels are a key driver in the establishment of insurance rates within the service area. Quicker response times can lower insurance costs.

What are the risks?

Meeting targeted response times may be negatively impacted by the following:

- The construction of houses in new neighbourhoods which are further from fire stations
- Increased neighbourhood densification and resulting traffic congestion
- More train traffic through the city
- Lack of appropriate funding plans for the development of strategically located fire stations

Environmental Leadership

- **Waste Diverted From the Landfill**
- **Reduction of Greenhouse Gas Emissions**

Waste Diverted From the Landfill

Proposed 10-Year Target: Divert 70% of waste from the Saskatoon landfill

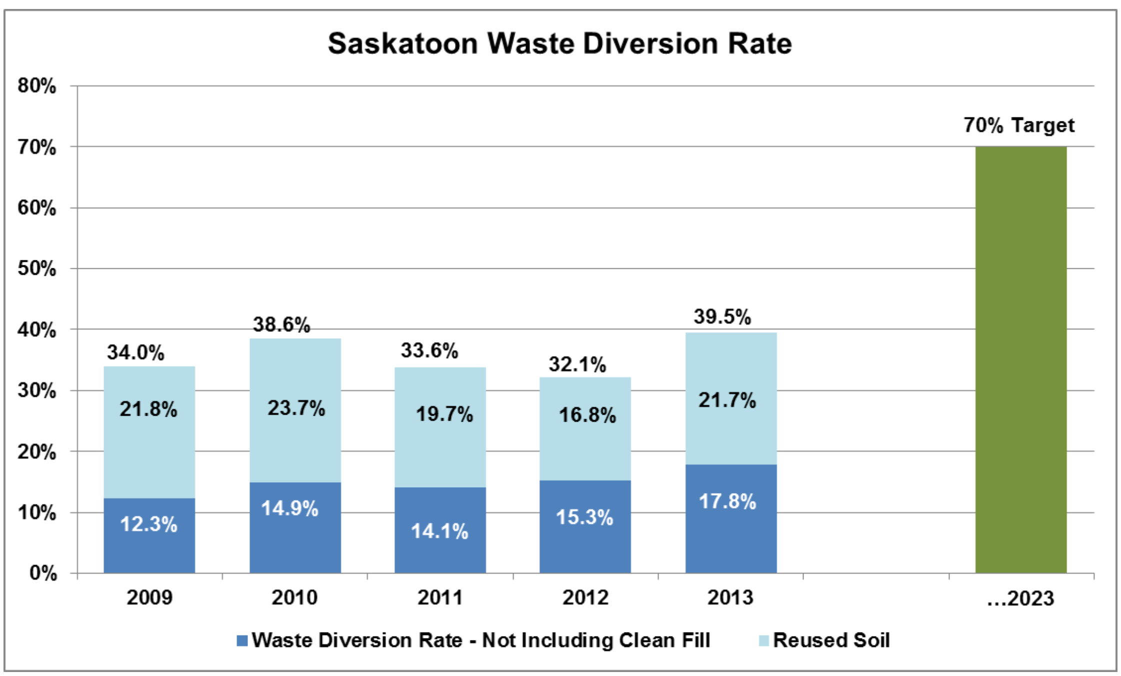
Description: The target will measure our success in environmental stewardship through increasing the percentage of waste that is recycled, reused, or composted.

$$\text{Waste Diversion Rate} = \frac{\text{Total waste diverted}}{\text{Total waste (diverted + landfill)}}$$

"Total waste diverted" includes the amount of waste diverted through City of Saskatoon programs including the multi-unit residential program and does not include reduction, reuse, or recycling through non-City recyclers such as Sarcan. "Total waste" includes the amount of "Total waste diverted" plus the waste that goes to the City of Saskatoon landfill. Waste going to third party landfills is not included.

How are we doing?

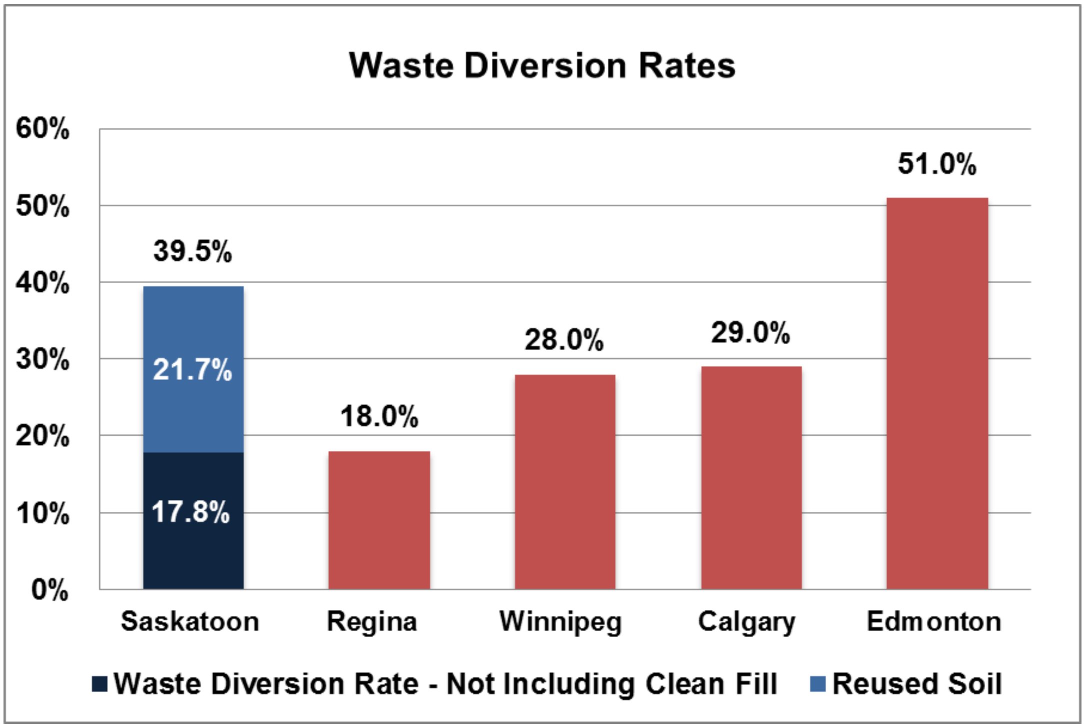
In 2013, 17.8% of waste handled through the City of Saskatoon, not including waste soil, and 39.5% including soil went somewhere other than the City of Saskatoon landfill. The total waste diversion rates for 2009 to 2013 in the graph below include soil from City construction and other City projects that went to the landfill but was subsequently reused. With the new *Soils Handling Strategy*, City soil will not go into the waste system and will not be included in the waste diversion numbers. This will lower future expected waste diversion rates.



Source: City of Saskatoon

How are other cities doing?

Different jurisdictions have varying ways of defining and reporting their waste diversion and total waste which makes comparisons with other cities challenging. For instance, Edmonton only reports residential waste diversion (51%) and the rate includes an estimate of residential composting, grass-cycling and reuse that does not enter the City of Edmonton's waste handling system. The City of Saskatoon currently diverts more of the waste that it handles than most other Western Canadian cities when the City's waste soil is included. Other cities have set waste diversion targets ranging from 50% to 90% with 2020 being a common target date.



Sources: City of Saskatoon (2013), City of Regina (2014), City of Calgary (2012), City of Edmonton (2013) and City of Winnipeg (2014)
Notes: Not all cities report annually. Data is based on most recent data available.

What do we need to do to achieve this target?

In 2023, approximately 200,300 tonnes of waste are expected. To reduce the amount going to the landfill to 60,000, the following is required:

- Current programs including multi-unit recycling will divert 66,300 tonnes or approximately 33% of waste by 2023.
- Proposed new programs will divert an additional 52,000 tonnes or 26% of total waste when fully implemented.
- Additional programs need to be identified to divert another 22,000 tonnes or 11% of waste to reach 70%.

Current Programs	Tonnes Diverted in 2013	Potential Tonnes Diverted by 2023
Curbside Recycling (single family)	8,034	16,800
Multi-Unit Recycling	-	3,500
Compost Depot	21,088	20,000
Green Cart (Leaves & Grass) Program	832	3,500
Recycling Depots	3,773	2,000
Household Hazardous Waste Days	52	300
Soil Re-Use	42,189	20,000
Outgoing Recyclable Material from Landfill	800	
Public Space Recycling	14	200
Total	**76,782**	**66,300**

Proposed New Programs	Potential Tonnes Diverted by 2023
Recovery Park	22,000
Food Waste Program	12,000
Industrial, Commercial and Institutional Recycling	8,500
Industrial, Commercial and Institutional Food Waste	9,500
New Programs to be Determined	22,000
Total	**74,000**

What are the benefits of achieving the target?

Waste diversion provides economic, environmental, and social benefits:

- Significant future costs to build a new landfill will be postponed or avoided. If waste is not diverted, a new landfill will be necessary within 50 years at an estimated cost of $180 million.
- Landfill operating costs and the market value for land are $90 per cubic meter or approximately $4 million per year (2009 valuation).
- Recycling conserves raw materials and saves energy.
- A tonne of recycled aluminum cans saves 6.5 tonnes of greenhouse gas (CO_2e).
- A tonne of recycled newspapers saves 2.8 tonnes of CO_2e.
- A tonne of recycled plastic saves 2.3 to 3.6 tonnes of CO_2e.
- The City's current waste diversion programs reduce CO_2e by approximately 97,000 tonnes annually (equivalent to removing 19,000 vehicles from our roadways each year).
- Waste diversion programs create local jobs and provide skills and learning opportunities for more than 400 adults with intellectual disabilities.

What are the risks?

- Achieving the target will require changes in what people send to the landfill. Changing attitudes and habits towards waste disposal may take more time.

Reduction of Greenhouse Gas Emissions

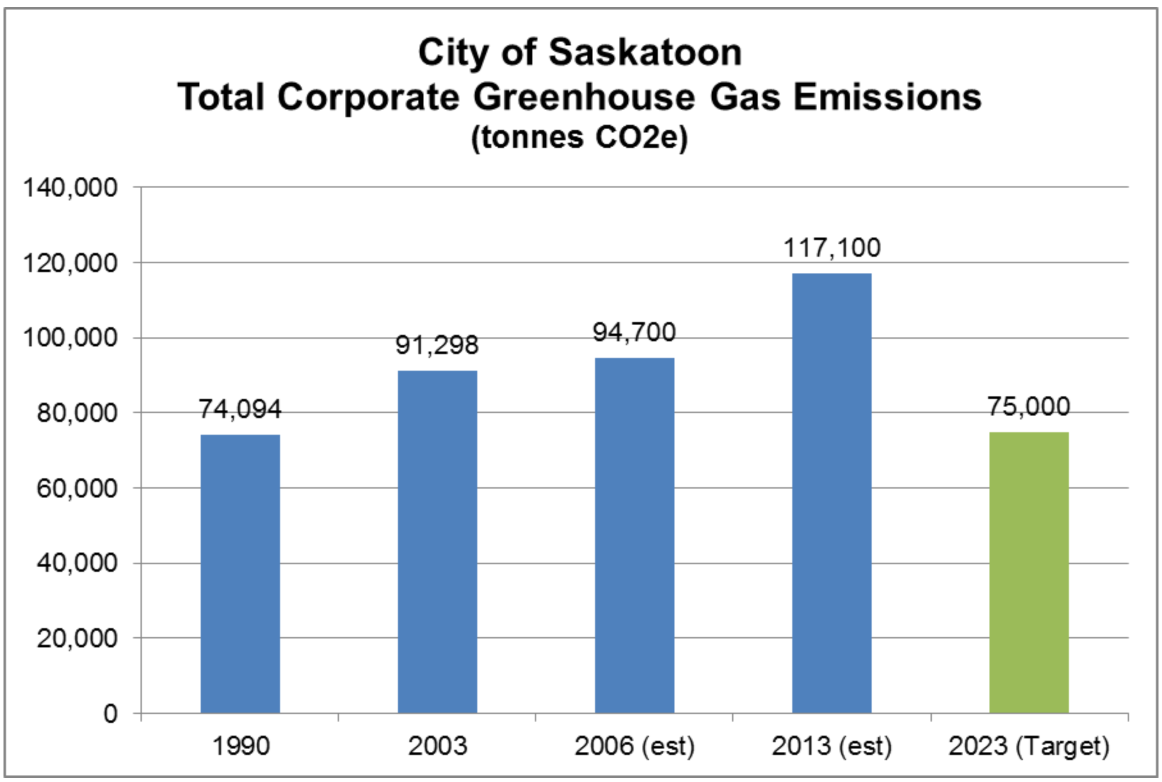
Proposed 10-Year Target: Reduce the City of Saskatoon's greenhouse gas emissions by 30% from 2006 levels

Description: The target will measure our success as an organization in reducing our impact on climate change by lowering greenhouse gas emissions and diversifying to more renewable energy sources.

A 30% reduction from 2006 levels means the City of Saskatoon (corporate) must reduce greenhouse gas emissions to 75,000 tonnes. Considering growth, 67,770 tonnes of greenhouse gas (CO_2e) must be eliminated to reach the target.

How are we doing?

In 2013, the City of Saskatoon (corporate) emitted an estimated 117,100 tonnes of CO_2e, an increase from 2006 levels.



Source: City of Saskatoon

How are other cities doing?

Other municipalities report greenhouse gas reductions relative to different years making comparisons challenging. The following is a sample of other cities' corporate greenhouse gas targets and current status:

City	Corporate Reduction Targets	Current Status
Regina	20% below 1990 by 2005 & 1% each year following until 2012	No status available
Winnipeg	20% below 2006 by 2019	20.2% below 2006 (2007)
Calgary	20% below 2005 by 2020 80% below 2005 by 2050	46% below 2005 (2012) and 100% of corporate electricity offset by renewable electricity certificates (mostly wind power)
Edmonton	20% below 1990 by 2020 50% below 1990 by 2050	No status available

What do we need to do to achieve this target?

Continued operational changes and investments in energy efficiency are needed to reduce greenhouse gases. Several measures have been implemented through the *2009 Energy and Greenhouse Gas Management Plan* with costs ranging from $6 to $1,500 per tonne of greenhouse gas saved. Operational changes have been as simple as introducing set-back thermostats to reduce energy for heating to complex initiatives like installing solar heating at indoor pools and producing electricity from landfill gas.

Current initiatives shown below will contribute to achieving the target.

Initiative	**Estimated Tonnes of CO_2e Reduction**
Civic Building Energy Efficiency through Energy Performance Contracting	8,000
Compressed Natural Gas Garbage Fleet	570
Water and Waste Water Plants	300
Garbage Service Verification	300
Innovation (Green) Teams	4,500
Sustainable Procurement	Unavailable
CHP at Shaw and Lakewood (produces heat and power in one efficient process)	900
Landfill Gas	45,000
Recovery Park	8,200
Totals	67,770

What are the benefits of achieving the target?

- Almost all greenhouse gas reduction activities reduce utility costs (savings today) or help defer major capital costs (future savings).
- Conventional non-renewable energy is replaced with renewable sources that generate a new revenue stream for the City.
- Reducing greenhouse gases can also reduce air pollutants.
- Future legislation mandating emissions reduction is anticipated. By reducing emissions now, the City will avoid making deeper cuts in greenhouse gases in the future to comply with regulations.

What are the risks?

- The City's greenhouse gas emissions have been rising as a result of increased activity to respond to citizen expectations and growth. Future growth will contribute to more emissions as City vehicles travel greater distances.
- Saskatoon Water's waste water treatment plant expansion will result in increased electricity usage. Processes to respond to new regulations for waste water treatment could also require more electricity, thereby increasing greenhouse gas emissions.

Sustainable Growth

- **Population Growth and Rate of Change**
- **Residential Infill Development**

Population Growth and Rate of Change

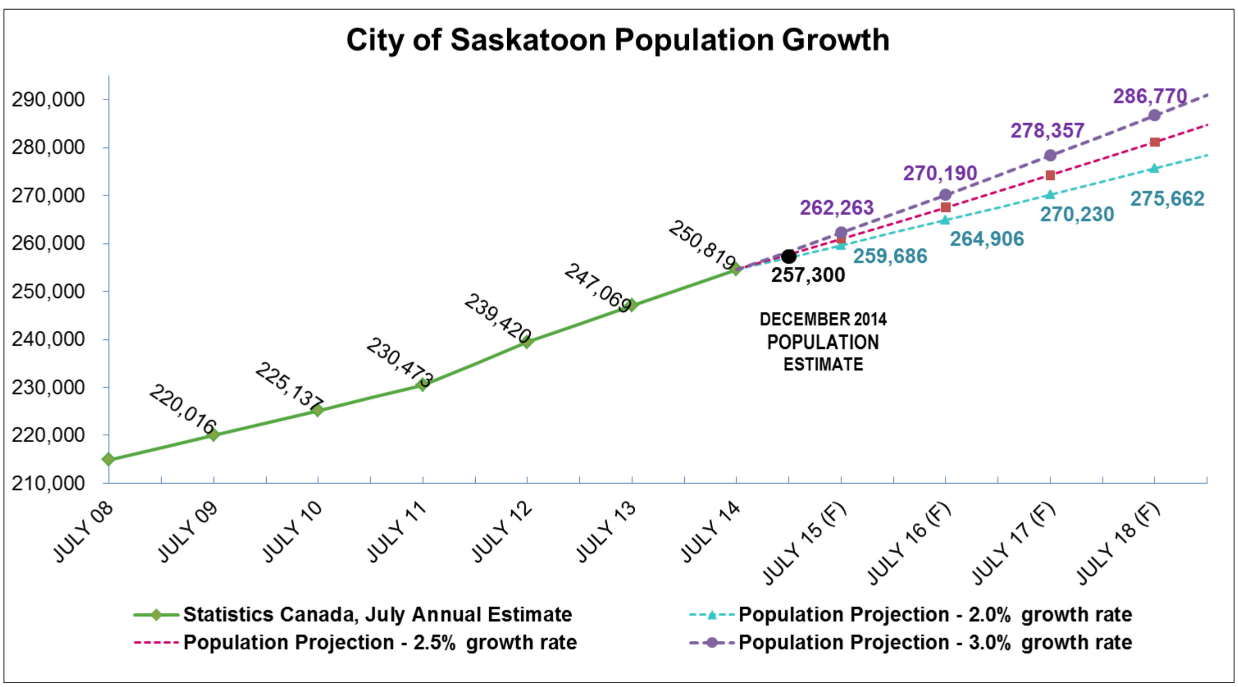
Proposed Indicators: Population growth and rate of change

Description: Population growth and growth rate are proposed as indicators of sustainable growth and community success. The overall vision of the City of Saskatoon's *Strategic Plan 2013-2023* is to continue to grow and prosper. Population growth is necessary to provide sufficient labour for Saskatoon's continued economic growth. Population growth also provides opportunity for other aspects of the community to grow and diversify including business, education, culture, recreation, and overall financial stability.

Population growth is a fundamental driver of the City's business plan and budget planning process. City infrastructure investments are based on population growth. The return on those investments often depends on further growth.

How are we doing?

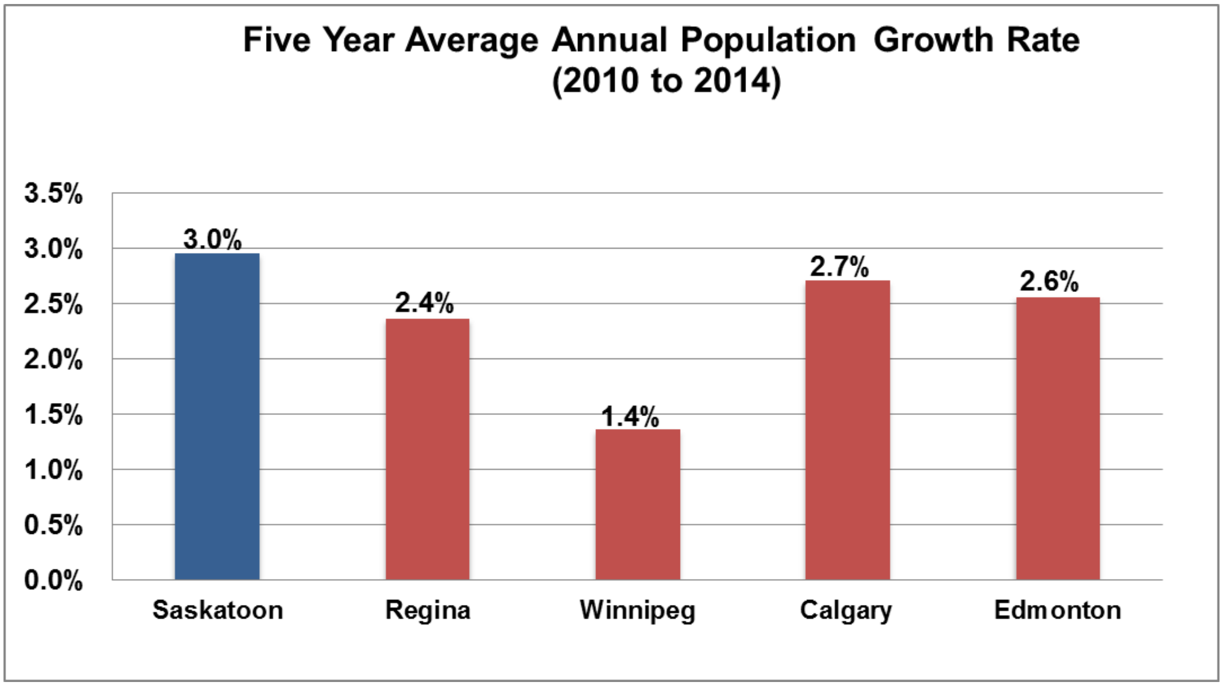
Saskatoon's population grew by an average annual rate of 3.0% from 2010 to 2014. Referencing Statistics Canada's February 2015 population estimates for Canadian municipalities, our annual growth rate for 2014 was 3.0%. Over the last five years, the City's opportunities for employment, education, services, and a high quality of life attracted people from around Saskatchewan, Canada and internationally.



Source: Statistics Canada and City of Saskatoon

How are other cities doing?

Between 2010 and 2014, Saskatoon's population grew faster than other major western Canadian cites. The strength in the resource sector, particularly mining, and related employment opportunities have contributed to Saskatoon's higher growth rate.



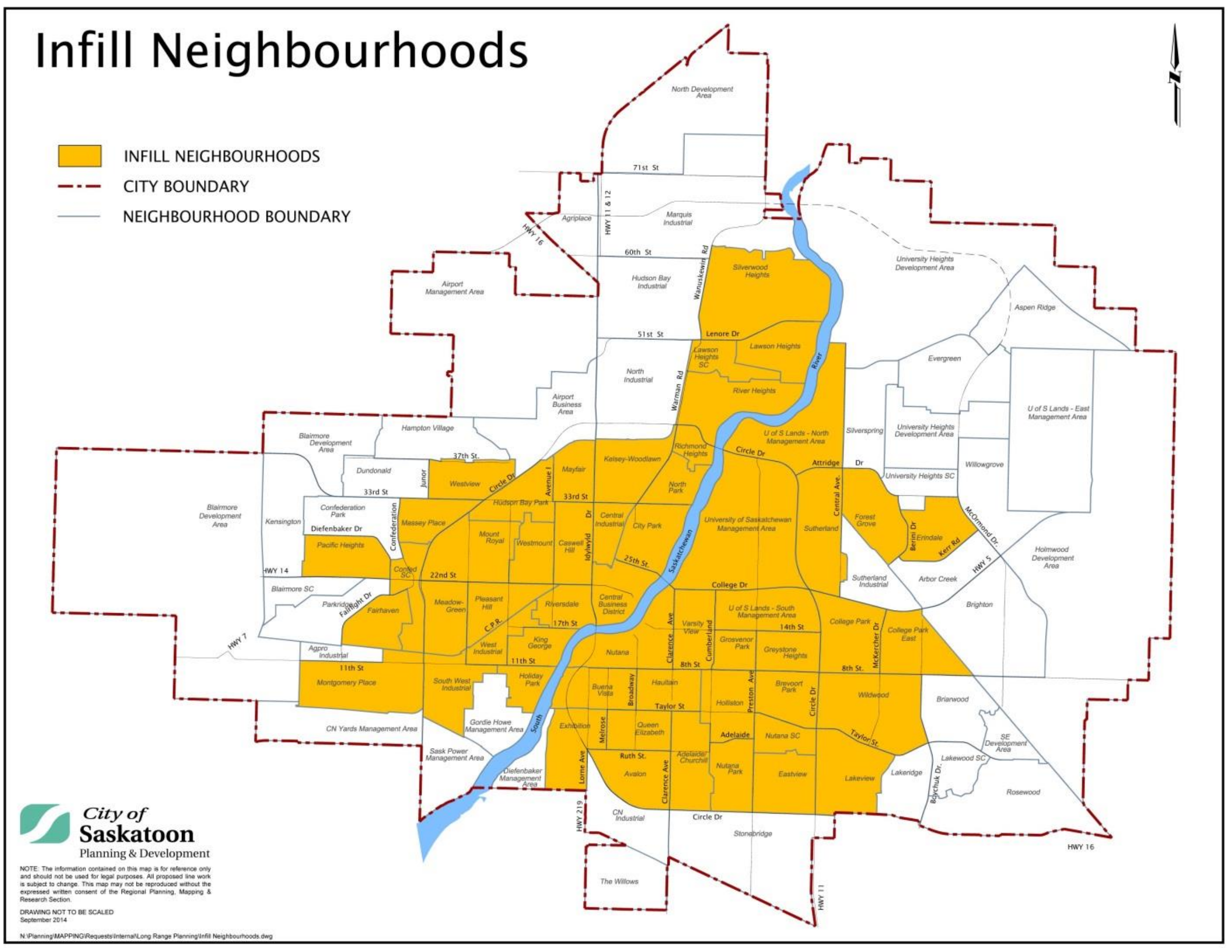
Source: Statistics Canada

Residential Infill Development

Proposed 10-Year Target: At least 25% five-year rolling average of residential development is in infill neighbourhoods by 2023

Description: Residential infill development measures the City's success in reducing requirements for new infrastructure and ongoing maintenance costs. The City's *Growth Plan to Half a Million* has an infill target of 30% of the next 250,000 people over the next 30 years. Current infill levels are below 30% and many significant infill projects are several years away. A five-year rolling average is used because of large annual fluctuations in development.

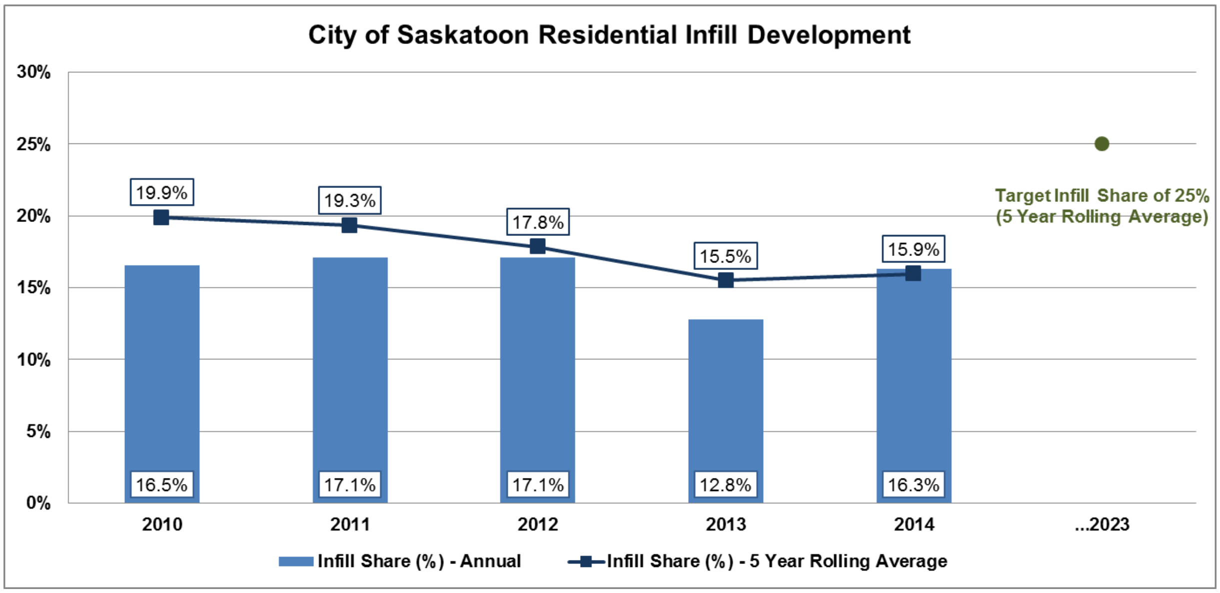
The target = Number of new housing units in infill neighbourhoods over five years
Total new housing units over five years



The target supports the success drivers of sustainable growth, neighbourhood quality, balanced land use, multiple transportation options, and it can contribute significantly to the availability of land for development. This target supports the overall strategic direction being set by many major corporate initiatives such as the *Growth Plan to Half a Million, North Downtown Plan, City Centre Plan, Neighbourhood Infill Guidelines Study, Civic Operations Centre Plan, University's 2057 Plan,* and Vacant Lot Development Incentive Program.

How are we doing?

Over the past 10 years, almost 20% of total dwellings constructed in Saskatoon were infill development. The infill ratio varied from a low of 13% in 2009 and 2013 to a high of 44% in 2004.



Source: City of Saskatoon

How are other cities doing?

Many cities have infill development as a high priority to facilitate sustainable growth and have targets for new units or population living in infill neighbourhoods. Meaningful comparisons are a challenge since each city defines infill differently and uses different data for the calculations. The following benchmarks were identified:

- In Edmonton, 15.3% of new residential units were infill (downtown, mature neighbourhoods and near LRT stations) in 2013.
- In Calgary, 16% of new population lived in infill neighbourhoods between 2006 and 2014.
- In Regina, 25% of new residential units were infill and 30% of new population lived in infill neighbourhoods between 2006 and 2011.

What do we need to do to achieve this target?

- The 'growth near major corridors' component of the "*Growing Forward! Shaping Saskatoon"* initiative will have recommendations for infill along major corridors such as Idylwyld Drive and 8^{th} Street and at key locations.
- With a projected build-out population of 7,650, the *North Downtown Plan* will increase infill development. However, it is currently planned to be implemented over 30 years, meaning that the impact on the infill target is unlikely to be significant within the next 10 years. The City could influence this by advancing the implementation timeframe.
- Saskatoon Land has a mandate to generate revenue for the City, primarily through development in new suburban areas. The City could alter Saskatoon Land's mandate to include infill development. This would help achieve the target and set a strong example for private developers by demonstrating feasibility.
- The University of Saskatchewan's *Vision 2057* plan for its endowment lands forms the single largest potential component of the City's infill strategy. Impacts will likely be realized in the medium and long-term.
- Offsite levies are considered as "owing" on many existing sites within the City's infill neighbourhoods. The offsite levy structure could be reviewed with a goal of encouraging infill development through, for instance, reducing or offsetting the levies, or replacing them with re-development levies to provide more direct benefits to re-development areas.

What are the benefits of achieving the target?

- Increases cost-effective and efficient transportation
- Reduces the overall cost of infrastructure
- Supports services and amenities in and near the city centre
- Enhances neighbourhood quality by the development of vacant sites and redevelopment of neglected buildings
- Adds population to support neighbourhood amenities like schools and services
- Supports City Centre population growth
- Avoids requirements to develop and service approximately 1,700 hectares (over 4,000 acres) in new suburban areas.

What are the risks?

- New buildings that do not fit with existing character or too much density in one location may detract from neighbourhood quality and raise opposition among residents, so infill policy requires sensitivity at the local level.
- In periods of high growth, there is a tendency for developers to "do what they know best" and there may be resistance to taking substantive steps to change the current suburb-focused development model to more infill development.
- A major factor in achieving the target is *Vision 2057* which is dependent on the University of Saskatchewan's developments over the next ten years.
- Much of the required development activity is out of the City's direct control and is dependent on continued economic success for Saskatoon and region.

Moving Around

- Transit Rides Per Capita
- Kilometres of Cycling-Specific Infrastructure
- Transportation Choices
- Traffic Collisions

Transit Rides Per Capita

Proposed Long-Term Target: Increase transit ridership to 62 rides per capita

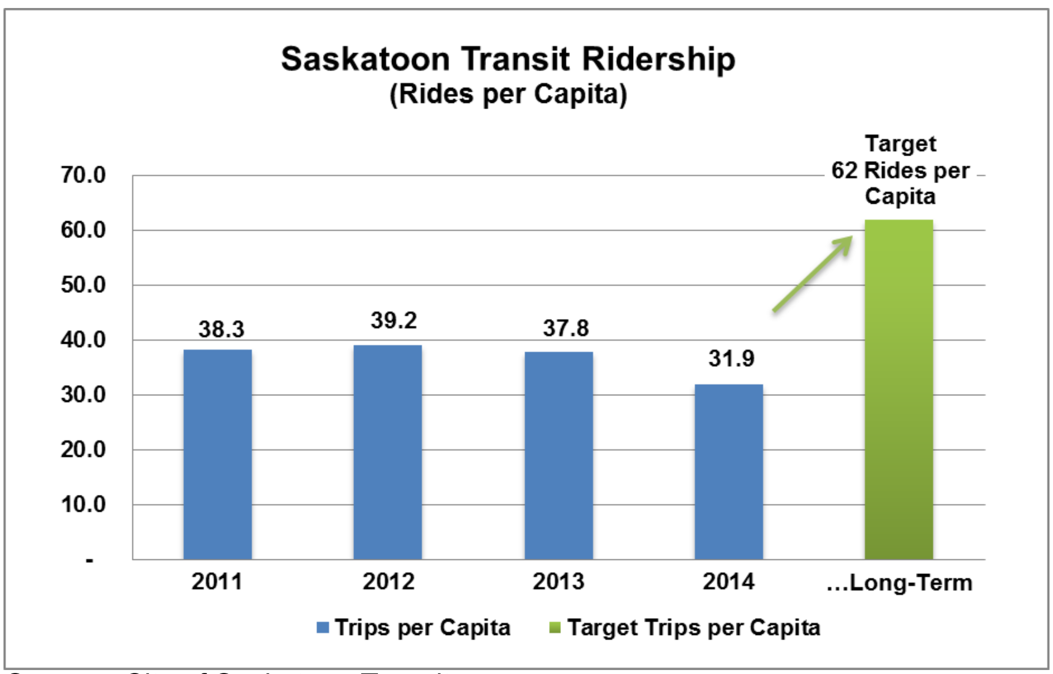
Description: The target measures our success in making our transit system a more efficient option for people to move around in Saskatoon. Achieving this target means that more people are using transit for their travel needs, thereby reducing road congestion. Higher transit use provides the movement of more people rather than more cars, particularly along key corridors.

Bus ridership will be measured using electronic pass swipes which includes transfers.

The transit target is consistent with the transit rides per capita target identified in the "*Growing Forward! Shaping Saskatoon"* strategy for a population in 30 to 40 years that is twice the size of Saskatoon's current population.

How are we doing?

In 2011, Saskatoon Transit introduced electronic bus passes. In 2013, based on electronic pass swipes, total bus ridership was 9.4 million or 37.8 rides per capita. Approximately one quarter of Saskatoon's ridership is transfers. In 2014, bus ridership was 8.2 million rides or 31.9 rides per capita.

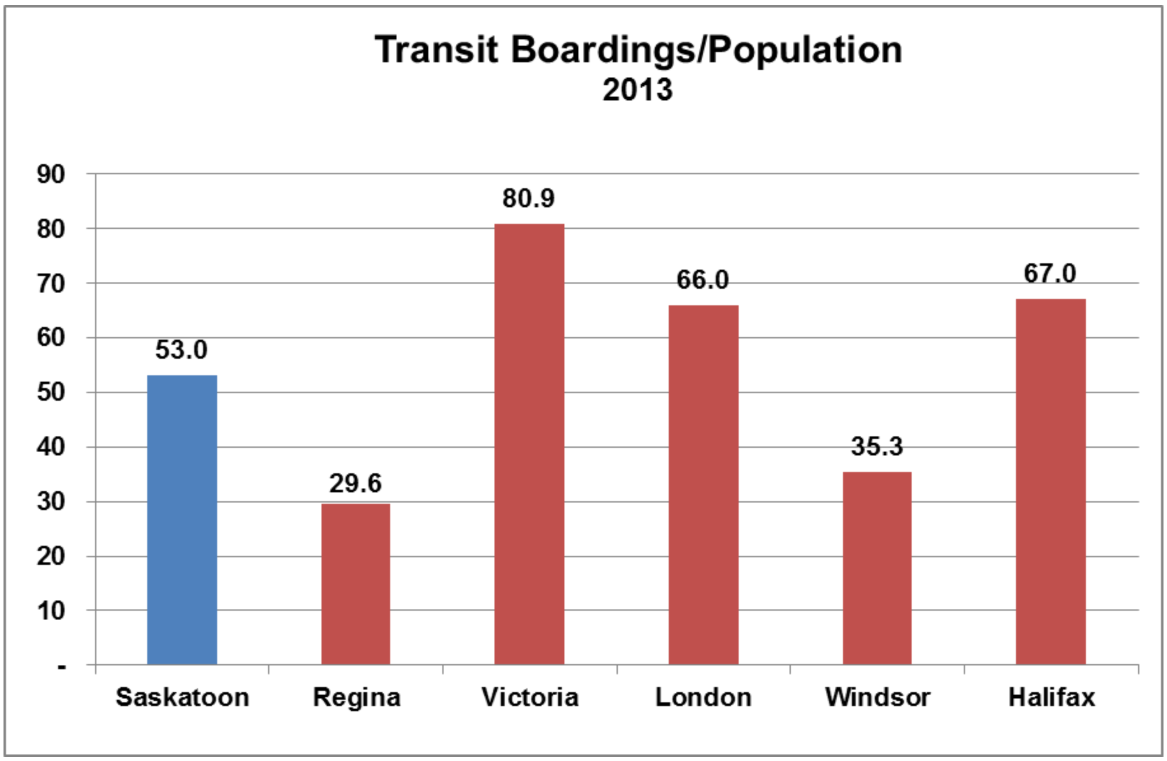


Source: City of Saskatoon Transit

How are other cities doing?

Saskatoon's transit ridership is benchmarked to cities of similar size and with similar transit systems. Based on Canadian Urban Transit Association (CUTA) data, Saskatoon has higher per capita bus ridership than Regina and has mid-range ridership relative to other medium-sized cities with similar transit systems. Saskatoon's U-Pass has resulted in a higher number of students taking transit.

Cities use different methods of defining and estimating bus ridership which makes direct comparisons challenging. Bus ridership numbers are influenced by number of transfers required to get to a destination and allowable transfer times. Transit ridership recorded by electronic swipes is lower than the calculated ridership. Populations may also be defined and estimated differently (e.g. Municipal Population versus Service Area Population).



Source: CUTA Canadian Transit Fact Book – 2013 Operating Data

Notes: The numbers in the graph include each municipality's reported "Boardings" which include transfers and "Municipal Population". Numbers would be different if "Service Area Population" were used. Saskatoon's data provided to CUTA is an "estimated calculation" which is consistent with previous years and is likely higher than actual numbers, although may be more comparable to some other cities. Regina's number is based on electronic swipes. If electronic swipes were used, Saskatoon's number would be 37.8.

What do we need to do to achieve this target?

To significantly increase ridership, transit needs to be more convenient and reliable. Increased operating and capital investments will be needed to make transit a reliable and convenient transportation alternative. In addition to making improvements in scheduling, routing and service hours, investing in the following five key areas will attract new ridership through decreasing travel time and improving the transit experience:

1. Increase bus frequency:
   - Add more direct routes (16 current limited stop express service routes) to high congestion and high ridership areas.
   - Increase bus frequency on regular routes and offer new routes as the city grows.

2. Improve reliability and on-time performance:
   - Implement Intelligent Transit System (ITS) providing improved efficiency through more detailed route analysis. ITS will allow fleet resources to be appropriately focused on problematic areas so that schedules are more closely adhered to, ultimately increasing the reliability of the service.
   - Decrease average fleet age from 14 years to 9 years through the purchase of new buses. This will reduce downtime due to major maintenance requirements.
   - Decrease the bus/mechanic ratio from 15:1 to approximately 7:1 through hiring more mechanics.

3. Enhance comfort:
   - Provide cleaner buses and shelters to offer a more comfortable, enjoyable ride.
   - Convert high volume shelters to heated shelters.
   - Install shelters in more locations.

4. Improve customer service:
   - Provide more customer focused training to build customer-centered service skills.
   - Increase the quantity and quality of the information that customers receive. By dedicating staff to this area, Transit will be able to communicate up-to-date information through multiple communication channels (Transit's website, social media, and public service announcements).

5. Implement Bus Rapid Transit (BRT)
   - Develop a Bus Rapid Transit (BRT) plan to implement rapid transit corridors throughout Saskatoon, increasing frequency, reliability and commuting options.

What are the benefits of achieving the target?

- Fewer private vehicles on the road results in lower greenhouse gas emissions, a decrease in congestion, and a healthier environment.
- An easier commute means a higher quality of life for Saskatoon citizens.

What are the risks?

- The greatest barriers to encouraging new ridership are time, convenience and reliability. As congestion increases, the ability to commute by personal vehicle will become more difficult and public transportation will become a more attractive option. With funding allocations going to decrease congestion, Saskatoon Transit's current services will be a less attractive option than driving.
- A primary risk to achieving this target is insufficient funding invested to make transit a more attractive transportation option. Higher frequencies, newer buses and a more comfortable commute require increases in both capital and operating budgets.

Kilometres of Cycling-Specific Infrastructure

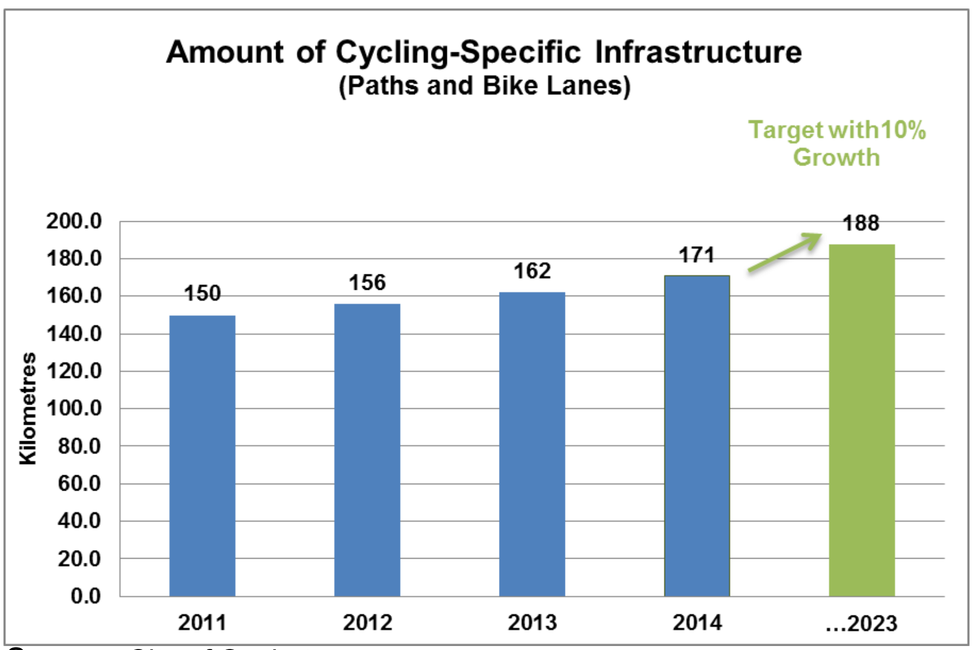
Proposed 10-Year Target: Increase the amount of cycling-specific infrastructure by 10%

Description: The proposed target measures the City's success in making it easier for cyclists to move around. Cycling-specific infrastructure includes the following:

- Cycle track: A raised cycle track that is the same level as the adjacent sidewalk
- Bike boulevard: A street that gives priority to cyclists (Example: 23rd Street from Idylwyld Drive to Vancouver Avenue)
- Paved off-road multi-use trail: Multi-user or shared pathway (Example: Meewasin Valley Authority Trail or 33rd Street Multi-Use Pathway)
- Walkway or park path: Paths in parks
- Gravel or crushed dust off-road multi-use trail: (Example: Gravel trail connecting Glenwood Avenue to Cardinal Place near Airport Business Area)
- On-road bike lane: An exclusive bike lane for cyclists only (Example: 4th Avenue)

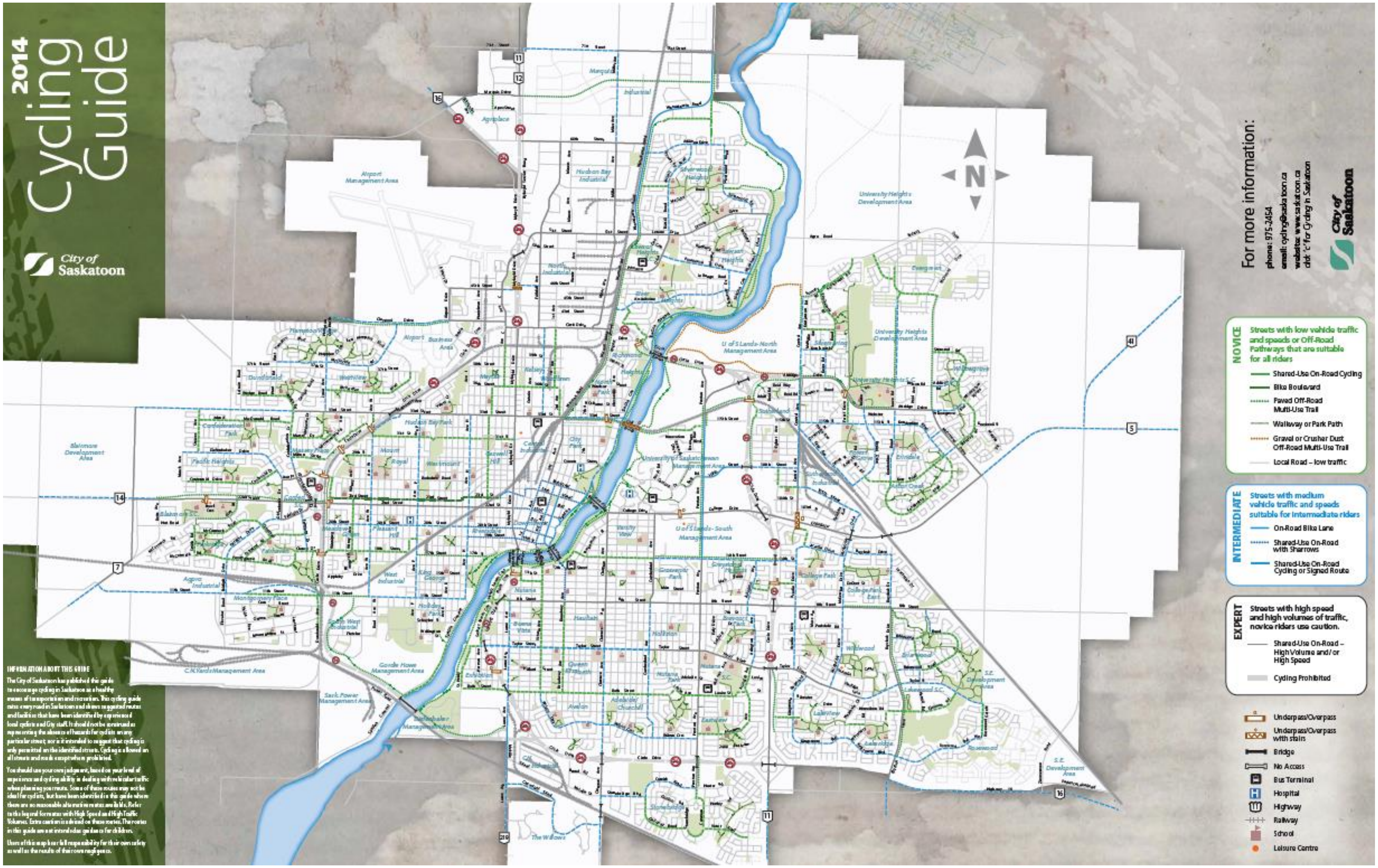
In 2014, cycling infrastructure in Saskatoon was inventoried and classified (see map on next page). Saskatoon has a total of 1,194 km of cycling facilities of which 80% are suitable for novice cyclists, 12% for intermediate cycling skills, and the remaining 8% are suitable only for expert cyclists (high volume roads). A 10% increase is approximately 1.7 km of additional cycling infrastructure annually using the new 2014 inventory as the baseline.

How are we doing?



Source: City of Saskatoon

In 2014, Saskatoon added a new cycle track and designated more sidewalks and pathways as multi-use pathways for a total of 170.6 km of cycling-specific infrastructure.



The Cycle Track and multi-use pathways that were constructed or designated in late 2014 are not shown on the map.

What do we need to do to achieve this target?

- A new growth plan is needed to prioritize cycling infrastructure projects and programs to make cycling a more accessible transportation option for more people.
- Costs for new cycling-friendly paths range from $500K per km in unconstrained locations to $3M per km in fully developed urban locations.

What are the benefits of achieving the target?

- Many residents use their bicycle for their daily transportation needs. Cycling initiatives are intended to increase the ability of Saskatoonian's to use their bicycles as an alternative to automobiles.
- Increasing accessible cycling infrastructure will provide more opportunities for people to use their bicycles for recreation purposes.
- Cycling has a positive impact on reducing energy consumption and greenhouse gas production.

What are the risks?

- The historical level of investment for cycling infrastructure will not be sufficient to meet these targets. If a funding plan is not approved, the target will not be met.
- Efforts to create more cycling infrastructure through converting parking stalls or driving lanes to cycling lanes may be opposed by other road users.

Transportation Choices

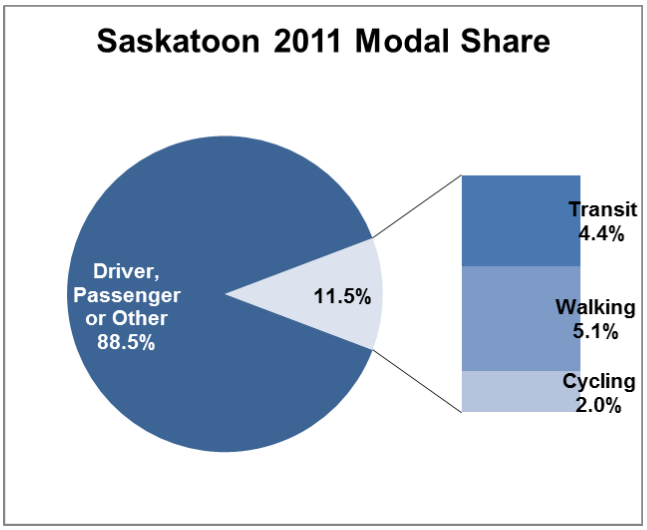
Proposed Long-Term Target: 20% of people use cycling, walking or transit to get to work

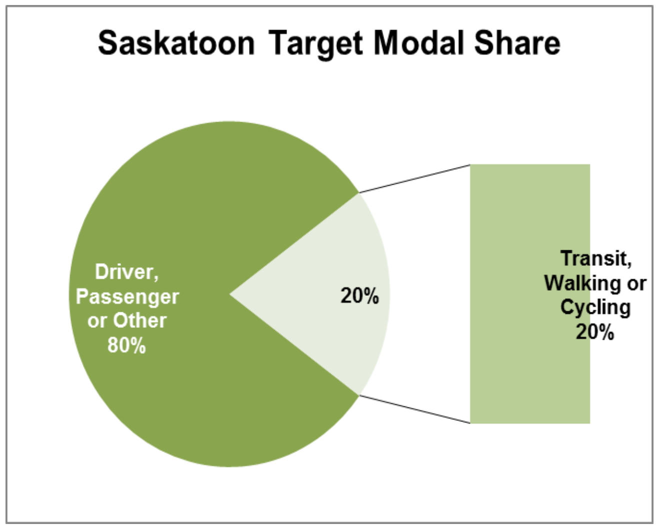
Description: The proposed target measures our success in significantly increasing the proportion of transit users and cyclists and decreasing the proportion of people who drive to work.

The target uses census data from the *National Household Survey* and reflects only trips to work. The Transportation Division will work towards providing an alternative indicator to estimate what mode of transportation people use to cross the river.

How are we doing?

In 2011, approximately 11.5% of Saskatoon residents used cycling, walking or transit to get to work.

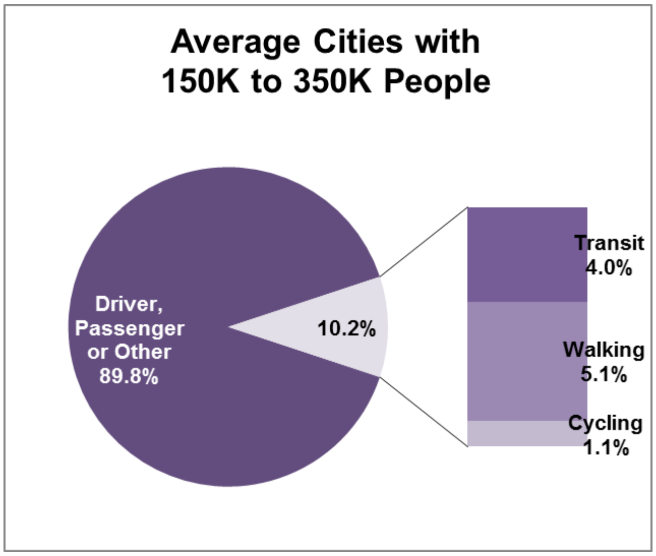


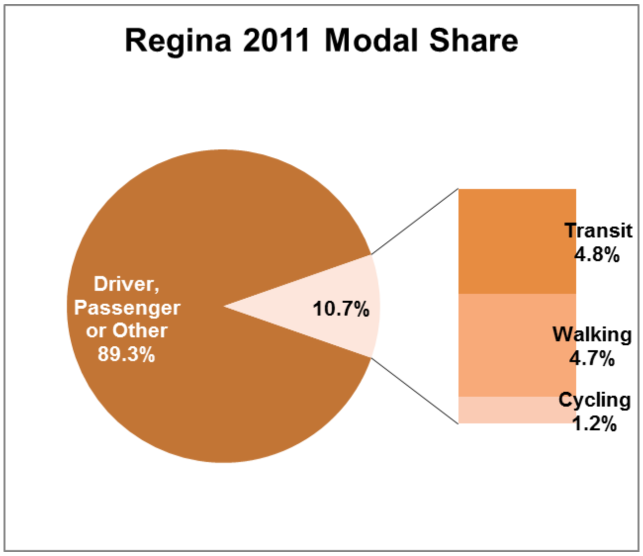


Source: Statistics Canada, *2011 National Household Survey*

How are other cities doing?

An average of 10.2% of people in cities with a population of 150,000 to 350,000 used cycling, walking or transit to get to work in 2011. More people in Saskatoon cycle or take transit to work than the average in other mid-size cities.





Source: Statistics Canada, 2011 Census, National Household Survey

What do we need to do to achieve this target?

- Achieving this type of change will require priority for transit infrastructure investments including development of rapid transit corridors.
- Increased investments are needed to make cycling a more accessible transportation option for more people.

What are the benefits of achieving the target?

Fewer people driving and more people cycling, walking and taking transit to work have many benefits for the community:

- Less energy consumption and greenhouse gas production
- Less road congestion
- Reduced need and costs for road and bridge infrastructure
- Healthier people
- More cost-effective transit system

What are the risks?

- People like the flexibility, convenience and time savings driving to work offers. More people will drive to work if sufficient investments are not make to make transit and cycling more attractive transportation options.

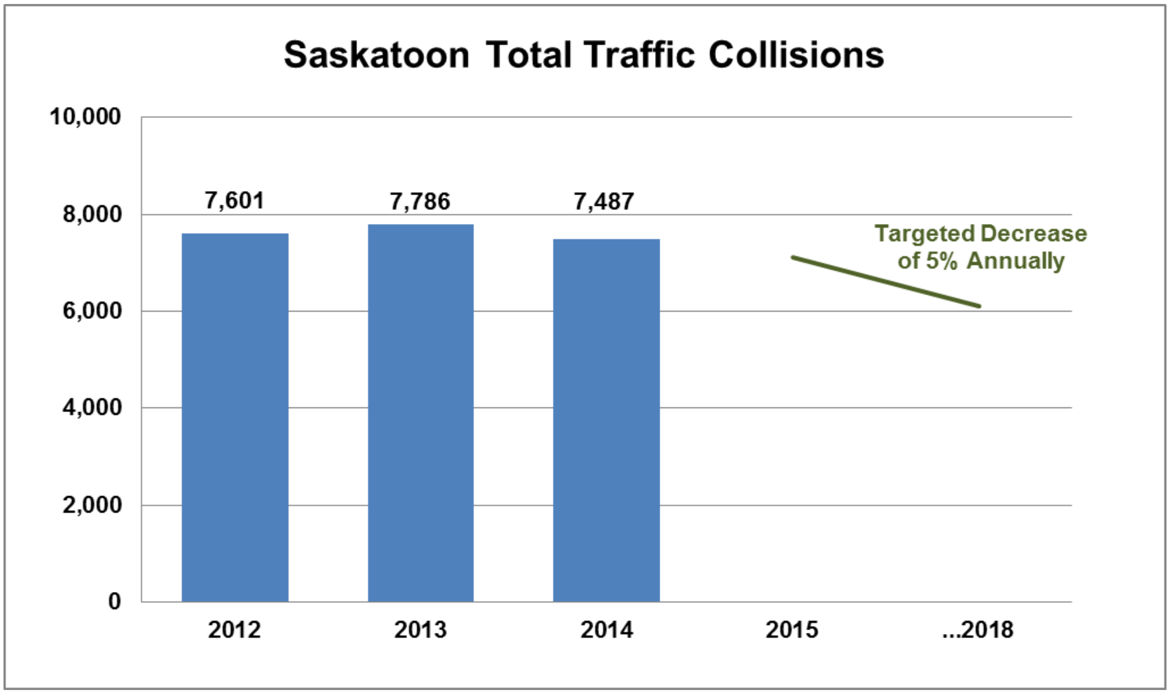
Traffic Collisions

Proposed 5-Year Target: Decrease traffic collisions by 5% annually

Description: Decreasing traffic collisions indicates success in increasing public safety on our streets.

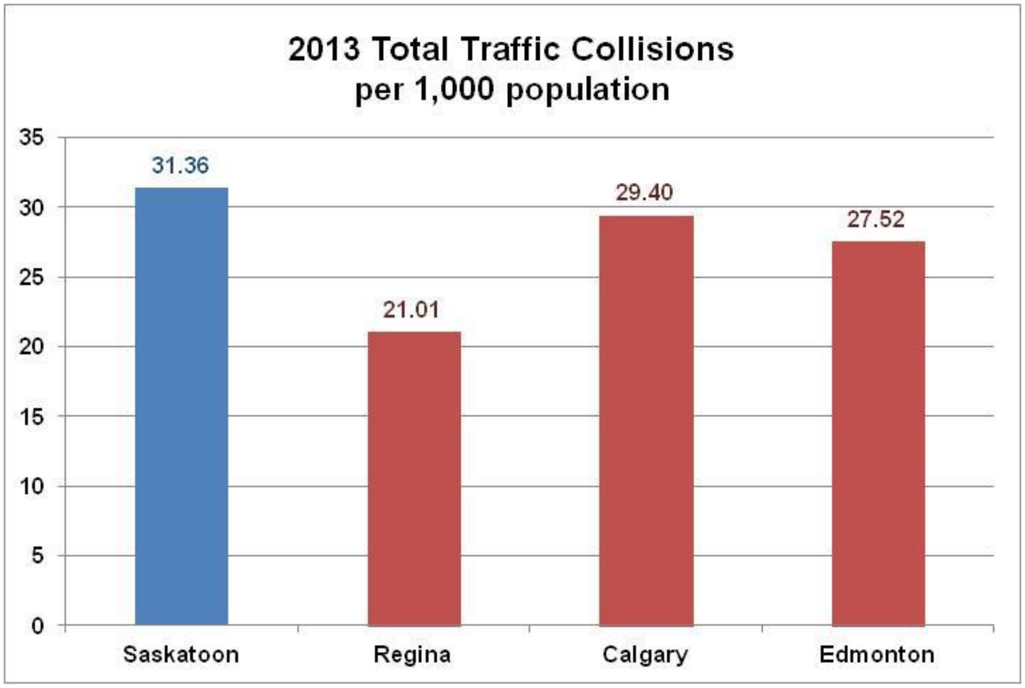
How are we doing?

In 2014, the number of traffic collisions in Saskatoon decreased by 3.8% to 7,487 which was the lowest level in three years.



Source: Saskatoon Police Service

How are other cities doing?



Traffic collisions in Saskatoon are higher than in other Western cities.

Source: Saskatoon Police Service

What do we need to do to achieve this target?

Saskatoon Police Service is working to reduce traffic accidents as one of four priority areas in their *2015–2019 Business Plan* to create a safe and secure community. The addition of a new integrated traffic section with the RCMP, funded by SGI, will enforce traffic laws and reduce accidents.

The City of Saskatoon's 2014 *Traffic Safety Action Plan* (TSAP) will focus on reducing accidents associated with the following:

- Aggressive driving
- Distracted driving
- Impaired driving
- Intersections
- Older drivers
- Young drivers
- Vulnerable road users (e.g. pedestrians, bikers)

What are the benefits of achieving the target?

A reduction in vehicle collisions means

- Fewer fatalities and injuries
- Less property damage
- Smoother traffic flow
- Increased productivity (less time off for injuries and dealing with damaged vehicles)

The TSAP identified the direct cost of collisions to be $57.52 million per year and societal costs to be $261.2 million per year in Saskatoon. A 5% reduction in collisions means a $2.9 million savings in direct costs and a $13.1 million savings in societal costs.

What are the risks?

- Unusually bad weather conditions increase traffic collisions.
- More vehicles and road infrastructure congestion increase traffic violations and collisions.

Economic Diversity and Prosperity

- Amount and Value of Building Activities
- Business Growth
- Supply of Residential and Industrial Land

Amount and Value of Building Activities

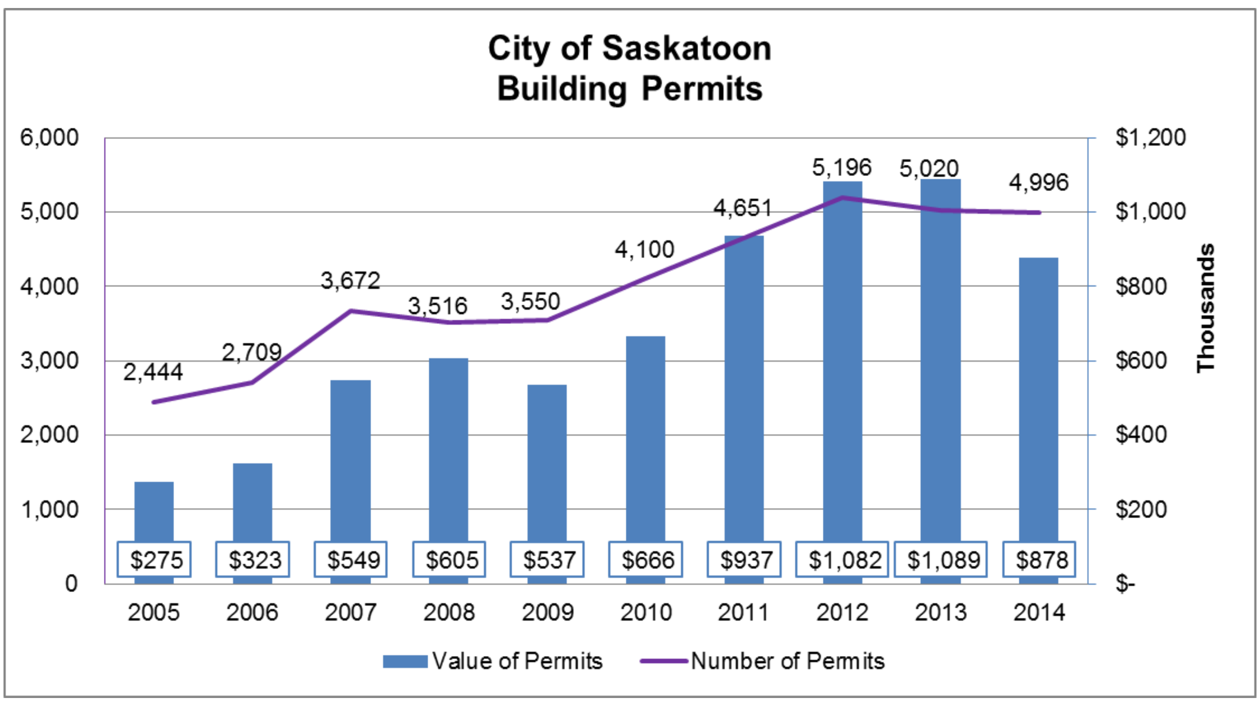
Proposed Indicators: Number and value of building permits

Description: The number and value of building permits are indicators of economic growth and prosperity. They are often used in understanding trends in the local business cycle and can assist in predicting future real estate supply levels. Investment and construction activity are influenced by a business environment with competitive taxes, quality infrastructure, and policies encouraging growth.

Saskatoon's higher than average construction activity signifies investor confidence in our economy. Higher construction levels also reflect Saskatoon's significant population growth. Building activity has created well-paying employment opportunities in the construction industry and in businesses that support the industry, contributing to higher quality of life.

How are we doing?

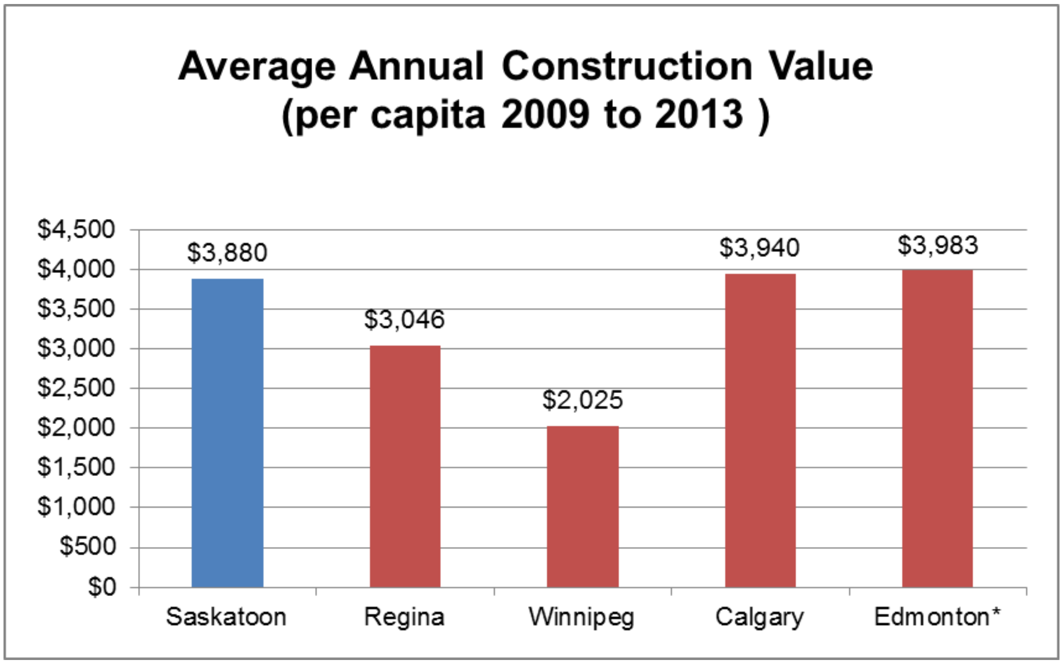
The number of building permits issued by the City of Saskatoon has doubled in the last ten years and the value increased more than three times. In 2012 and 2013, the City issued over 5,000 building permits with over $1 billion in annual construction value. In 2014, the number of permits decreased slightly and the value decreased by 19.3%.



Source: City of Saskatoon

How are other cities doing?

Between 2009 and 2013, Saskatoon's $3,880 per capita average annual construction was close to the average in Edmonton and Calgary and significantly more than in Regina and Winnipeg.



Sources: City of Saskatoon, Statistics Canada's 2011 Census.
*Edmonton construction value is average of four years (2010 to 2013).

What are the risks?

- The number and value of building permits are influenced by local economic factors, world commodity prices, population growth, and changes in interest rates.

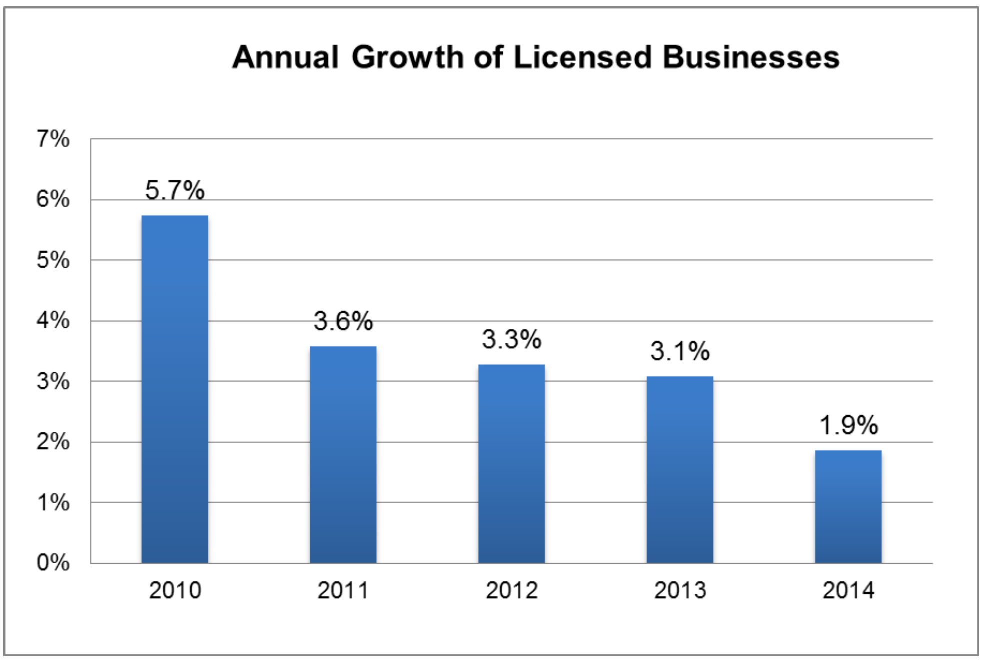
Business Growth

Proposed Indicator: Business Growth

Description: **"**Business Growth" as measured by the increase in the number of business licenses issued by the City of Saskatoon is proposed as an indicator of the City's Economic Diversity and Prosperity. The City of Saskatoon Business License Bylaw requires all businesses to obtain a license prior to operating.

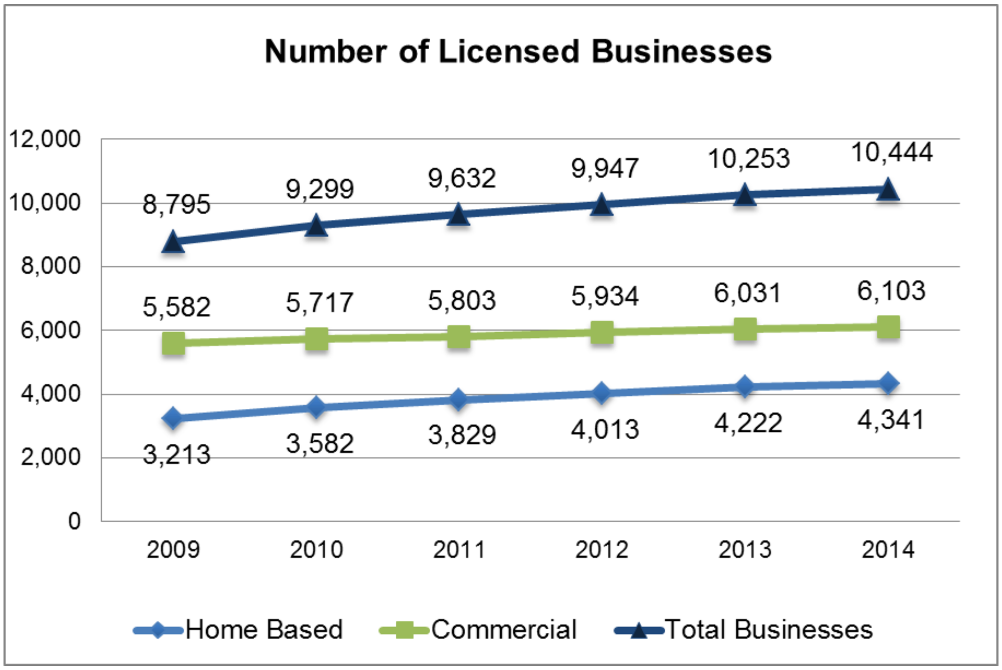
How are we doing?

In 2014, the total number of businesses increased by 1.9% compared to 2013 and by 19% in total over the last five years. In 2014, the City of Saskatoon had 10,444 licensed businesses, including 6,103 commercial businesses and 4,341 home-based businesses.



Source: City of Saskatoon

Home-based businesses accounted for 119 of the 191 increase in total business licenses in 2014. Services-producing businesses account for 77% and goods-producing businesses account for 23% of licensed businesses.



Source: City of Saskatoon

How are other cities doing?

Edmonton is the only other benchmark western Canadian city that requires business licenses for all active businesses. From 2013 to 2014, Edmonton had a 5.9% increase in business licenses to 29,980 in total. Regina, Winnipeg, and Calgary only require licenses for businesses operating in a few specific sectors.

Supply of Residential and Industrial Land

Proposed 10-Year Targets:

- A one-year inventory of land for single family units
- A two-year inventory of land for multi-family units
- A two-year inventory of industrial land

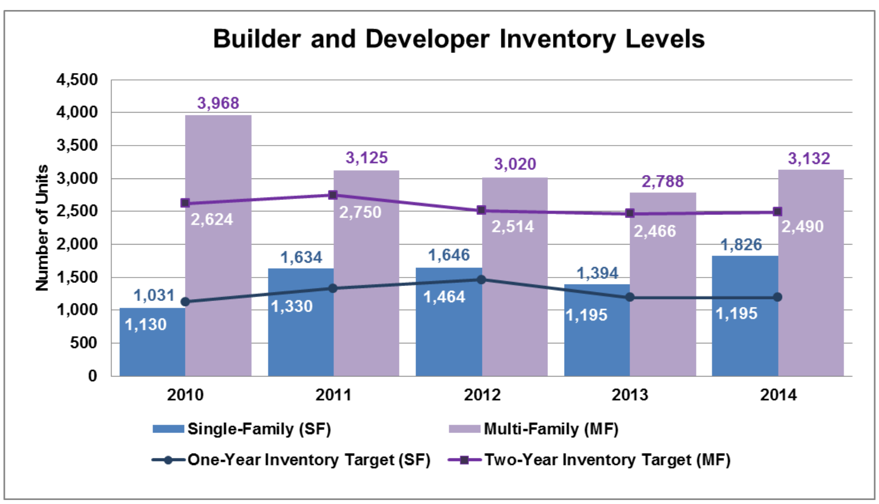
Description: The targets will measure success in maintaining an adequate supply of serviced land to meet building demand.

The target for single family lots is equivalent to a one-year supply held by Saskatoon Land and private-sector home builders and developers. In setting yearly servicing goals for single family lots, the City aims to have enough land completely serviced by year-end to satisfy the City's share of market demand in the next year. The target for serviced land for multi-family units accommodates a two-year demand. A multi-family project typically requires a longer time to design and construct.

The target for industrial serviced land supports two years of demand for industrial building. The inventory target provides a healthy supply of land to accommodate business and employment growth.

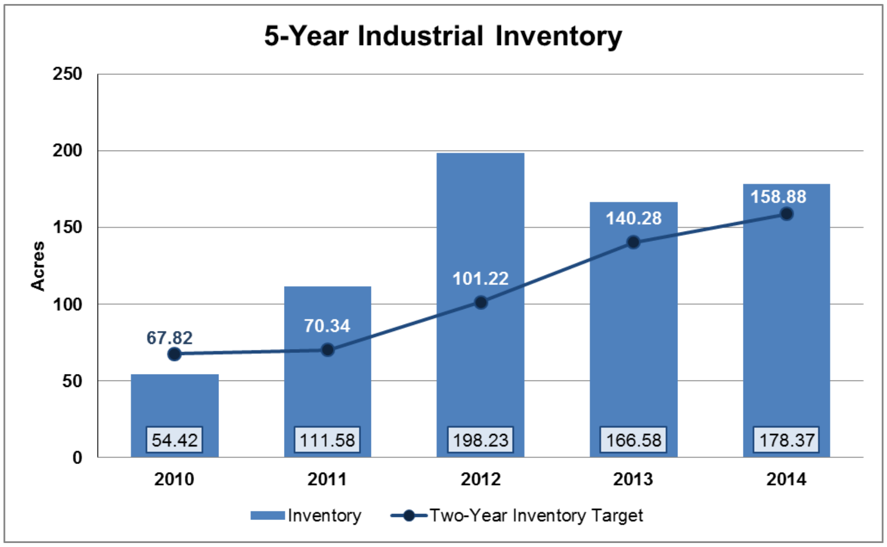
The annual target for serviced residential land is based on past building permits, projected population growth and projected demand for single family lots and multi-units in the upcoming year. The annual target for industrial land is based on the average of the previous five years of industrial land sales by Saskatoon Land.

How are we doing?



Source: City of Saskatoon

The supply of land for single and multi-unit residential housing has met or exceeded targets over the last four years.



The supply of land for industrial development has met or exceeded targets over the last four years.

Source: City of Saskatoon

What do we need to do to achieve this target?

Over the next three years, Saskatoon developers are planning to service enough land to accommodate over 12,000 dwelling units. Actual servicing levels will vary depending on contractor performance, weather, and market conditions.

Land Use	2015	2016	2017	Total
Single Family	1,970	2,098	1,866	5,934
Multi-family	2,329	1,684	2,388	6,401
Total	**4,299**	**3,782**	**4,254**	**12,335**

Investment required by the City and private land developers to achieve the targets is not measured. The City's investment required to meet inventory targets is quantified in the annual Land Development Capital Budget. Over the past three years the City's annual land development capital budget has increased from $70.73 million to over $170 million.

What are the benefits of achieving the target?

- Meeting the inventory target for residential land supply ensures there is a sufficient amount of serviced lots to accommodate demand for housing in the Saskatoon market.
- The one-year supply of single family and two-year supply of multi-family land ensures a balanced market exists that is not subject to significant price swings due to land shortage or oversupply.
- Measuring inventory levels to ensure the targets are being met informs investment decisions and ensures carrying costs are not unreasonably high.

What are the risks?

- Due to the significant capital expenditure land development has inherent risk. In achieving the target inventory levels, changing market conditions that are beyond the City's control can have significant impacts on achieving the targets.
- Above average precipitation and contractor performance can have a significant impact on the City's ability to influence the target.
- Much of the risk in achieving the target arises from the dependence on the investment decisions of private developers. As a land developer the City strives to achieve the above noted targets, however it is the land development industry as a whole that ultimately achieves the set inventory goals.

The 2016 Business Plan and Budget Process

[1] Introduction

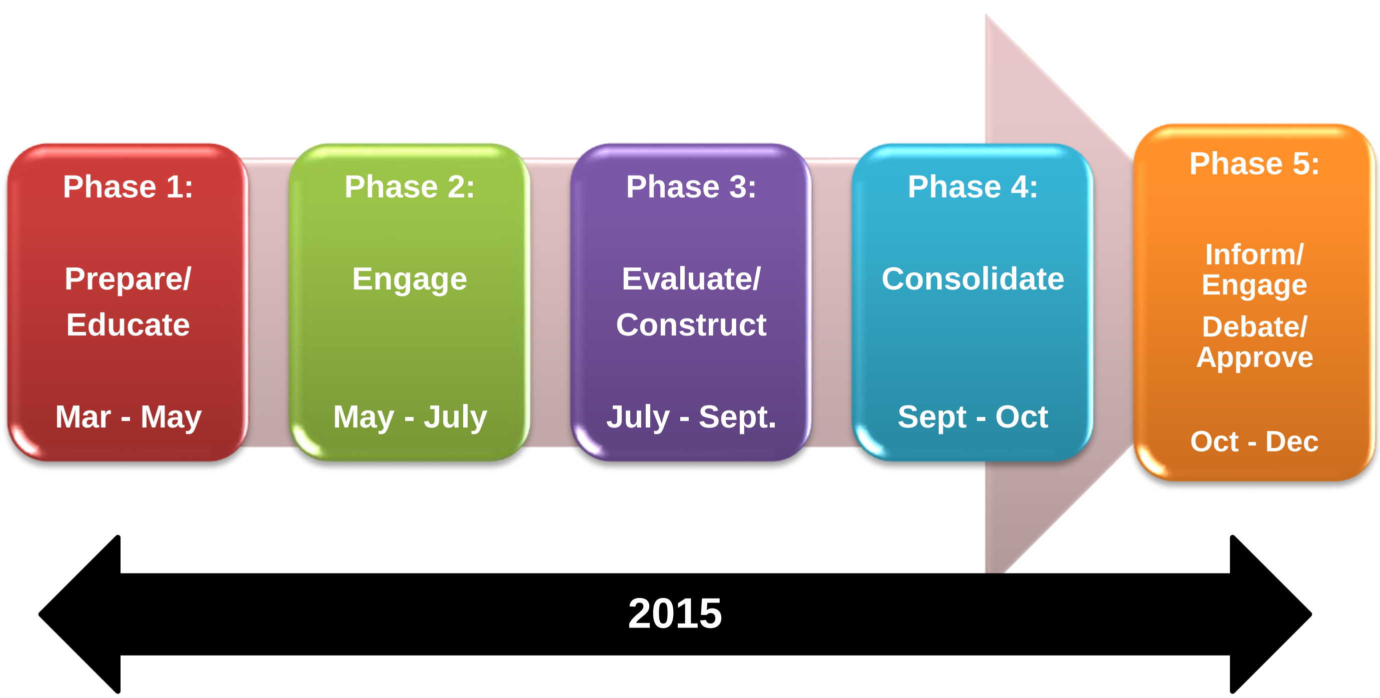
In February 2015, the City of Saskatoon created an administrative committee to manage the 2016 Business Plan and Budget process, called the Business Plan and Budget Coordination Committee. The primary objective of the internal committee is to lead and coordinate the entire process. The committee reports directly to the City's Leadership Team, and through the City Manager to Executive Committee. The process includes various phases that will focus on different elements of the business planning and budgeting process.

[2] Components/ Phases

Figure 1 illustrates the five phases or components of the 2016 Business Plan and Budget process. Although the phases are distinct and each one will have a primary focus during different months of the year, there will be some overlap. For example, engagement will be included during each phase, but it will receive greater emphasis in Phases 2 and 5. Education will also figure prominently in all phases but will receive special emphasis in Phase 1.

FIGURE 1:

Phases of the Business Plan and Budget Process



Phase 1: Prepare/Educate

- This phase is currently underway and includes the preparation of background information, research of fiscal issues and service changes, and the development of public education and engagement tools.
- This phase also includes an economic outlook to get a sense of the economic climate facing Saskatoon in 2015 and 2016.
- This phase also includes the launch of the new budget process.

Phase 2: Engage

- This phase is where the engagement process begins. It will include the use of broad engagement tools (e.g., Civic Services Survey, and a digital survey) to get the community's input on general issues related to the 2016 Business Plan and Budget.
- This phase would also include the opportunity for Council to have direct input from citizens.

Phase 3: Evaluate & Construct

- During this phase, Administration would evaluate and utilize public feedback to help construct the 2016 Business Plan and Budget.

Phase 4: Consolidate

- During this phase, the Administration will work to consolidate all budget inputs and finalize the 2016 Business Plan and Budget.
- This phase will also include the development of interactive public engagement tools.

Phase 5: Inform/Engage, Debate/Approve

- During this phase, the public will have the opportunity to provide input on the proposed 2016 Business Plan and Budget. Administration will table the proposed Business Plan and Budget at the October 19, 2015, Executive Committee meeting, which will be six weeks prior to Council deliberations.
- This phase also includes Council's deliberations on the 2016 Business Plan and Budget and will include any adjustments that Council makes to the Business Plan and Budget.

[3] Deliverables:

The Business Plan and Budget Coordination Committee will work with internal departments and external stakeholders to deliver the following information:

- Coordination of Council Priorities
- Performance Measures and Targets
- Economic Outlook
- Budget Supporting Documents (fiscal trends, input factors, etc.)
- Public Engagement Products and Tools
- General Business Plan and Budget Presentation
- Complete Budget Documents

[4] Next Steps:

The immediate next steps for the 2016 Business Plan and Budget are as follows:

April 20, 2015: Process Launch with Executive Committee;

April 27, 2015: Council considers Priorities, Performance Measures and Budget Process;

May 4, 2015: Proposed Performance Measures News Conference and unveiling of an interactive site;

May 11, 2015: Civic Services Survey and launch of additional engagement tools;

June 15, 2015: Proposed Public Engagement with Executive Committee on 2016 Business Plan and Budget.

Additional milestones and decision points will be communicated to Executive Committee and the public once the information and timelines are confirmed.

Office of the City Clerk

To:	City Clerk, Executive Committee	Date:	April 13, 2015
		Phone:	306-975-3240
		Our File:	CK. 375-4 x 7550-1
From:	Debby Sackmann, Committee Assistant Saskatoon Environmental Advisory Committee	Your File:	

Re: Community Greenhouse Gas Emissions and Waste Diversion Targets

The Saskatoon Environmental Advisory Committee (SEAC), at its meeting held on April 9, 2015, discussed the recent stakeholder consultations on City performance targets on waste diversion and corporate greenhouse gas (GHG). This consultation was hosted by SEAC and City Administration and was attended by forty-four stakeholders representing significant expertise in their areas. Based on that consultation, SEAC would like to make the following recommendations to the Executive Committee:

Community Greenhouse Gas Emissions Target

The Saskatoon Environmental Advisory Committee strongly recommends that City Council establish community greenhouse gas (GHG) emission targets with the understanding that these multi-year targets can be met only with firm leadership by City Council.

In the past few years the emphasis of Council and Administration has been on reducing GHG emissions from the actual running and managing of the City of Saskatoon (Corporate). Citizens should commend those involved for their accomplishments in Corporate GHG reductions. Among these are: LED street lights, Combined Heat & Power projects at Lakewood and Shaw Rec Centres, solar water heating at swimming pools, energy audits on several City buildings, landfill methane gas project, and residential recycling program.

Unfortunately, the Corporate City constitutes only 2.3% of the entire City's GHG emissions. If the City were to make giant strides and reduce the Corporate GHG output by 30% this would result in only a 0.7% reduction in total City GHG's. Any major dent in reducing the entire City's GHG's can only come about by including and concentrating on the City as a whole.

At the stakeholder consultations, the group discussing GHG's unanimously decided that the most important target for the City to choose is total community GHG emissions.

With strong leadership from Council, Administration and Saskatoon's residents and businesses can meet these goals. SEAC looks forward to helping Council and Administration choose appropriate targets and effective actions to meet those targets.

Waste Diversion Target

While the participants at the stakeholder consultation were broadly supportive of the 70% waste diversion target, there was discussion about additional targets that would be aimed at waste reduction. The rationale behind these suggestions was that Saskatoon citizens should be encouraged to reduce the amount of waste that they produce. Reducing the overall waste produced by our city is the best way to meet our environmental goals and not be obliged to build another landfill. Ideas for waste reduction targets could include a desired per capita amount of waste that each citizen would be allotted or a target to decrease the total tonnes of waste that is landfilled.

DRS

cc: Chair, Saskatoon Environmental Advisory Committee

Proposed Amendments to the Corman Park-Saskatoon Planning District Official Community Plan - Commercial and Industrial Policies and Grasswood Mixed-Use Node

Recommendation

That a copy of this report be forwarded to City Council recommending:

1. That the advertising, in respect to the proposed amendments to the Corman Park–Saskatoon Planning District Official Community Plan Bylaw No. 8844, be approved;
2. That the General Manager, Community Services Department, be requested to prepare the required notices for advertising the proposed amendments to the Corman Park – Saskatoon Planning District Official Community Plan Bylaw No. 8844;
3. That the City Solicitor be requested to prepare the required bylaw to amend the Corman Park – Saskatoon Planning District Official Community Plan Bylaw No. 8844; and
4. That at the time of public hearing, City Council consider the Administration's recommendation that the proposed text and Future Land Use Map amendments to the Corman Park – Saskatoon Planning District Official Community Plan Bylaw No. 8844, as outlined in this report, be approved.

Topic and Purpose

The purpose of this report is to request approval to advertise and to consider proposed text and Future Land Use Map (FLUM) amendments to the Corman Park-Saskatoon Planning District Official Community Plan (DOCP) Bylaw No. 8844.

Report Highlights

1. Public Notice Policy No. C01-021 requires City Council approval to advertise the proposed DOCP amendments, prior to a public hearing at City Council.
2. During recent boundary alteration discussions, the City of Saskatoon (City) agreed with the Rural Municipality of Corman Park (RM) to consider DOCP amendments to respond to development pressures and guide development decisions in the Corman Park-Saskatoon Planning District (Planning District) during the next two years.
3. Proposed map and text amendments have been drafted.

Strategic Goal

Under the City's Strategic Goal of Sustainable Growth, this report supports the strategy to plan collaboratively with regional partners and stakeholders.

Background

The City and the RM agreed, as part of recent boundary alteration discussions, to prepare DOCP amendments by the end of 2014. Additional time has been required due to the complexity and significance of the policy issues.

The proposed amendments focus on high-priority commercial and industrial development nodes in the Planning District. The proposed amendments will enable certain proposals in the Planning District to begin the development review process over the next two years.

Report

Approval of Advertising

Public Notice Policy No. C01-021 requires City Council approval to advertise the proposed amendments, prior to a public hearing at City Council. At the time of writing this report, these amendments are scheduled to be considered by the District Planning Commission (DPC) on April 8, 2015.

Summary of Proposed Approach for Amendments to the DOCP

As reported to City Council at its meeting on June 23, 2014, the Boundary Alteration Committee, which comprised City and RM representatives, highlighted the need for a prioritized review of development policies in the Planning District. The proposed amendments to the DOCP are now presented for consideration. They are based on the following policy approach:

a) balancing the needs and interests of both municipalities to continue to attract economic growth;
b) consistency with the proposed land use, phasing, and servicing identified in the Concept Plans for the Planning District;
c) consideration of both municipalities' growth plans: the City recognizes the RM's desire for alternative growth models, particularly south of City limits; concurrently, the City is interested in further long-term urban growth north, west, and east of City limits; and
d) consideration of market, servicing, and infrastructure impacts.

Proposed amendments to the Corman Park-Saskatoon Planning District Zoning Bylaw (District Zoning Bylaw) would follow after the approvals of the DOCP amendments. The District Zoning Bylaw is adopted solely by the RM, but it must be consistent with the jointly-adopted DOCP, including the FLUM.

Summary of Proposed Future Land Use Map (FLUM) Amendments

The DOCP's FLUM shows current and proposed future residential, commercial, and industrial lands. A map is attached that shows the FLUM, plus the following lands that are proposed to be added to the FLUM (see Attachment 1). The proposed changes to the FLUM align with the Concept Plans that were drafted for the Planning District.

a) industrial lands: Three proposed sites to the north and northwest of the City, all in areas with existing rural industrial development;

b) residential lands: A proposed extension to the Greenbryre Estates acreage development south of the City;

c) Grasswood Mixed-Use Node - A proposed node that requires special policy treatment as described below:
   i) lands around the intersection of Highway 11 South and Grasswood Road that are already designated on the FLUM for commercial or future commercial use; and
   ii) adjacent First Nation and privately-owned lands, extending north to City limits; and

d) additional Future Growth Sector lands: The lands that are part of the 2015 boundary alteration have been shown on the FLUM as “Proposed Future Growth Sector.”

<u>Summary of Proposed Text Amendments to the DOCP</u>
The proposed text amendments that are being provided to the DPC for review are in Attachment 2. A verbal update on the DPC’s feedback will be provided at the meeting. The following is a summary of the proposed text amendments and their implications for development.

Before development could occur on proposed additional industrial and commercial lands, the following would be required:

a) developments would be designed to transition to centralized municipal services when those are available. All costs associated with the transition and provision of such services would be the responsibility of the developer; and

b) compliance with all current DOCP and District Zoning Bylaw policies, including obtaining approval of Comprehensive Development Reviews (which are similar to Neighbourhood Concept Plans) and appropriate zoning.

Before development could occur in the Grasswood Mixed-Use Node, the following would be required:

a) completion of the baseline Market Impact Study for the area, which is being cost-shared by the RM and the City and will guide land use, phasing, and other policy decisions and ensure the viability of the region's existing markets is not compromised;

b) a land use plan for the area, building on the more general South East Concept Plan;

c) support for providing centralized municipal services to the area, subject to inter-municipal agreements to address timing, costs, and development design;

d) a servicing and transportation plan for the area, with developments designed to transition to centralized municipal services as described above;

e) revenue-sharing and cost-sharing agreements between the RM and the City; and

f) compliance with the over-arching plans for the area and all current DOCP and District Zoning Bylaw policies, including obtaining approval of Comprehensive Development Reviews (which are similar to Neighbourhood Concept Plans), a Market Impact Assessment, and appropriate zoning.

Public and/or Stakeholder Involvement

The draft Concept Plans for the Planning District were developed with public and stakeholder involvement. As noted, the proposed amendments will be considered by the DPC on April 8, 2015. A verbal report of the DPC's comments will be provided at the Executive Committee meeting.

Communication Plan

Notification of the public hearing for the proposed amendments will be advertised in The StarPhoenix and Clark's Crossing Gazette in accordance with Public Notice Policy No. C01-021 and *The Planning and Development Act* requirements respectively.

Policy Implications

As noted, the proposed amendments are changes to the policies of the DOCP. Implementation of the proposed amendments may have further policy implications, and these would be addressed in subsequent reports.

Other Considerations/Implications

There are no options, environmental, privacy, financial, or CPTED implications or other considerations at this time. As noted above, implementation of some of the proposed amendments will involve revenue-sharing and cost-sharing agreements between the RM and the City.

Due Date for Follow-up and/or Project Completion

The proposed amendments require the approval of both City and RM Councils. If recommended for approval, a report would be presented to Saskatoon City Council on April 27, 2015, requesting advertising approval. A City public hearing date is anticipated for May 25, 2015. An RM public hearing date is anticipated for May 19, 2015.

Public Notice

Public notice is required for consideration of this matter, pursuant to Section 3 of Public Notice Policy No. C01-021.

Attachments

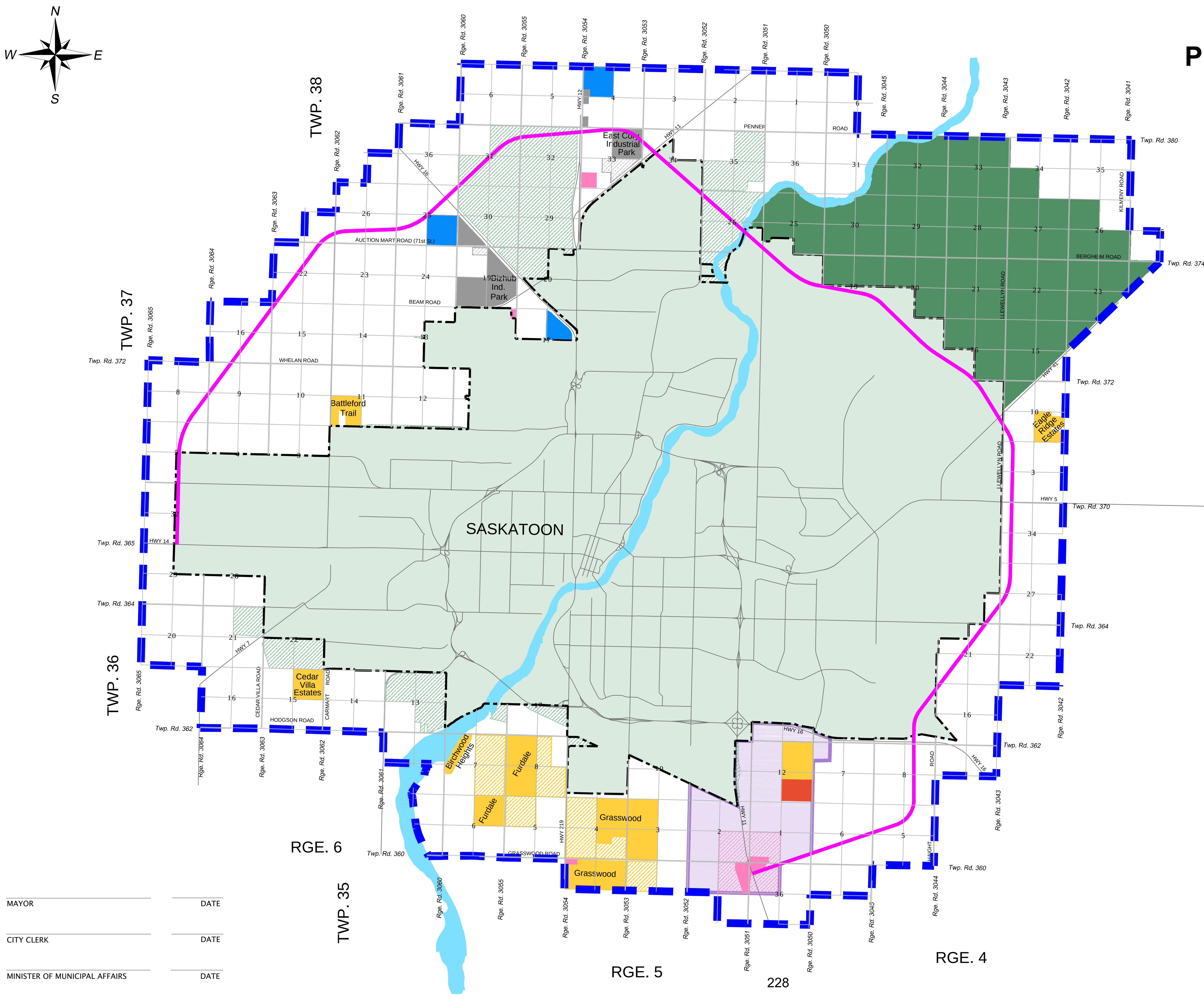
1. Future Land Use Map – Proposed Amendments
2. Overview of Proposed Text Amendments

Report Approval

Written by:	Laura Hartney, Regional Planning Manager, Planning and Development Christine Gutmann, P4G Regional Plan Project Manager
Reviewed by:	Alan Wallace, Director of Planning and Development
Approved by:	Randy Grauer, General Manager, Community Services Department
Approved by:	Murray Totland, City Manager

S\Reports\CP\2015\EXEC – Proposed Amendments to the Corman Park-Saskatoon Planning District OCP – Commercial and Industrial Policies and Grasswood Mixed-use Node/ks

Future Land Use Map
PROPOSED AMENDMENTS



- Corman Park - Saskatoon Planning District Boundary
- Perimeter Highway Alignment
- City of Saskatoon
- Saskatoon Future Growth Sector
- Proposed Saskatoon Future Growth Sector
- Existing Residential Areas
- Future Residential Areas
- Proposed Future Residential Areas
- Existing Commercial Areas
- Future Commercial Areas
- Existing Industrial Areas
- Future Industrial Areas
- Proposed Future Industrial Areas
- Proposed Grasswood Mixed Use Node

MAYOR DATE

CITY CLERK DATE

MINISTER OF MUNICIPAL AFFAIRS DATE

RM OF CORMAN PARK #344

City of Saskatoon Planning & Development

NOTE: The information contained on this map is for reference only and should not be used for legal purposes. All proposed line work is subject to change. This map may not be reproduced without the expressed written consent of the Regional Planning, Mapping & Research Section.

DRAWING NOT TO BE SCALED
March 12, 2015

N:\Planning\MAPPING\Planning District\2015_OCP\Future Land Use.dwg (11x17)

Future Land Use Map - Proposed Amendments

ATTACHMENT 1

Overview of Proposed Text Amendments to the Corman Park – Saskatoon Planning District Official Community Plan

Section 3: Industrial Sector Objectives and Policies

Amendments to Section 3: Industrial Sector Objectives and Policies of the District Official Community Plan (DOCP) are proposed to:

- amend the process for amendments to the Future Land Use Map (FLUM) by removing the requirement for a Concept Plan to be completed prior to allowing an amendment to the FLUM to be considered. Currently, a Concept Plan must be adopted before the FLUM can be changed to enable most types of industrial development; this requirement would be removed. However, prior to approval, development proposals must meet the test of “significant economic benefit to the Saskatoon Region” and complete a Comprehensive Development Review;
- require a Comprehensive Development Review to be completed for specific discretionary uses, including: Industrial Complex; Local Waste Management and Remediation Industry; Chemical Plant; and Waste Transfer Station;
- require developments to be designed to transition to centralized municipal services when they are available and require developers to be responsible for all costs associated with providing and transitioning to centralized municipal services. Independent systems may only be considered where the RM and Saskatoon agree this is feasible;
- amend the access policies to include consideration of transportation studies; and
- consider additional housekeeping amendments to this policy section, such as the requirement for both municipal Councils to approve industrial uses outside of industrial parks.

Section 7: Commercial Sector Objectives and Policies

Amendments to Section 7: Commercial Sector Objectives and Policies of the DOCP are proposed to:

- amend the process for amendments to the FLUM by removing the requirement for a Concept Plan to be completed prior to allowing an amendment to the FLUM to be considered. Currently, a Concept Plan must be adopted before the FLUM can be changed to enable most types of arterial commercial development; this requirement would be removed. However, prior to approval, development proposals must meet the test of “significant economic benefit to the Saskatoon Region” and complete a Comprehensive Development Review;
- require a Comprehensive Development Review to be completed for specific discretionary uses, including Commercial Complex;
- require arterial commercial developments to be designed to transition to centralized municipal services when they are available and require developers to be responsible for all costs associated with providing and transitioning to centralized municipal services. Independent systems may only be considered where the RM and Saskatoon agree this is feasible; and
- consider additional housekeeping amendments to this policy section such as ensuring consistent use of the term “commercial development.”

New Section: Section 8: Grasswood Mixed-Use Node Objectives and Policies

Amendments to the DOCP will include the addition of a new Section - Section 8: Grasswood Mixed-Use Node Objectives and Policies. The Grasswood Mixed-Use Node has been identified as a significant priority. This new node would provide for inter-municipal agreements (revenue/cost sharing) between the RM and the City. In addition, the policies would provide for different forms of development than typical in the rest of the Planning District (mixed use, etc.). A new Zoning District that would allow for unique forms of development in the area would also be developed. The exact form this would take has not been determined.

Prior to development proceeding in the Node, a Market Impact Study, as well as servicing and transportation infrastructure, would need to be considered as follows:

Market Impact Study and Assessment

A baseline Market Impact Study for the Node is being completed by the RM and the City and is anticipated to be completed by September 2015. At the time of rezoning, subdivision, or development, an applicant would be required to complete a Market Impact Assessment as part of their proposal.

Requirements of the applicant's study would be identified after the baseline Market Impact Study is completed. Generally speaking, it would be expected that the site-specific Market Impact Assessment would compare itself to the recommendations in the baseline Market Impact Study as a means to support development on the site.

Centralized Municipal Services

Proposed policies for the Grasswood Mixed-Use Node would support the provision of centralized municipal services to the area. It is expected that inter-municipal agreements would provide the servicing connection details (timing, costs, etc.).

Proposed development would be considered if it is not connected to centralized municipal services, subject to considerations such as the development being designed so that it could be transitioned to centralized municipal services when or if services are available. City engineers have provided guidance on what these requirements would be, and a fact sheet will be developed to provide guidance to developers on how to implement this requirement. The proposed policies would also require developers to be responsible for all costs associated with provision of services, including direct and off-site levies.

Transportation Impacts
Proposed development would also need to consider transportation impacts prior to approval.

All remaining sections of the DOCP will be renumbered to reflect this new section.

Section 12: Plan Implementation
Amendments to Section 12: Plan Implementation of the DOCP are proposed to:

- amend the process for amendments to the FLUM as per the proposed changes to Sections 3 and 7 and include the Grasswood Mixed-Use Node where appropriate as noted above;
- require a Comprehensive Development Review to be completed for specific discretionary uses as per the proposed changes to Sections 3 and 7 as well as for development within the Grasswood Mixed-Use Node as noted above;
- require Comprehensive Development Reviews to be undertaken according to the standards outlined in this report;
- require developments to be designed to transition to centralized municipal services, including consideration of all related costs as per the proposed changes to Sections 3 and 7, as well as the proposed Section 8: Grasswood Mixed-Use Node;
- include the requirement for Market Impact Assessments as required for the proposed Section 8: Grasswood Mixed-Use Node; and
- correct an editorial error in the description of the Corman Park – Saskatoon Planning Commission.

FLUM amendments must still be approved by both City Council and the RM Council. Rezonings, which are approved by the RM Council, must continue to align with the FLUM.

Definitions
Proposed amendments to the DOCP also include a new definition for the terms “Economic Benefit” and “Centralized Municipal Services.”

City Councillors' Common Travel and Training Expenses – 2014

Recommendation
That the information be forwarded to City Council and posted on the City's website.

Topic and Purpose

The purpose of this report is to provide a summary of Councillors' common travel and training expenses for 2014.

Strategic Goal

The information contained in this report and attachment aligns with the Strategic Goal of Continuous Improvement and demonstrates the Leadership Commitment of Openness and Accountability.

Report

Section 3.4 of Policy No. C01-023, "City Councillors' Travel and Training", states that the City Clerk will, on an annual basis, prepare a report listing the total cost of Councillors' combined travel and training from the Councillors' Common Travel and Training Budget. Upon approval of the Councillors, the report is to be submitted to City Council, for information.

A Common Travel and Training Budget is provided in order for Councillors to attend annual conferences or board meetings of any organization on which he or she sits as an official representative of the City of Saskatoon, or as a Board member, such as the Trans Canada Yellowhead Highway Association or FCM Board and Committees. The total amount budgeted for Common Travel and Training in 2014 was $24,000.00. The amount is pro-rated in an election year.

The following are the expenditures in 2014 for Common Travel and Training including applicable taxes.

Total Amount Budgeted	$	24,000.00
Total Amount Spent	$	10,810.09

Individual Expenditures

Councillor C. Clark	$	0.00
Councillor T. Davies	$	0.00
Councillor R. Donauer	$	0.00
Councillor D. Hill	$	7,903.85
Councillor A. Iwanchuk	$	70.00
Councillor Z. Jeffries	$	2,836.24
Councillor M. Loewen	$	0.00
Councillor P. Lorje	$	0.00
Councillor E. Olauson	$	0.00
Councillor T. Paulsen	$	0.00

Attachment 1 sets out the details of the above expenditures.

Executive Committee, at its meeting held on September 7, 2010, considered the matter of posting the expenses of all members of City Council, including the Mayor, on the City's website and resolved that the information be posted on the City's website annually in order to demonstrate City Council's commitment to transparency.

A summary of travel expenses for Mayor Atchison for 2014 has been included with the report dealing with Individual Travel and Training Expenses.

Public Notice

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

Attachments

1. Common Travel/Training Expenses – Councillors – 2014

Report Approval

Written by: Janice Hudson, Council Assistant
Approved by: Joanne Sproule, City Clerk

Admin Report – Councillors' Common Travel and Training Expenses 2014.docx

Attachment 1

COMMON TRAVEL/TRAINING EXPENSES – COUNCILLORS
FOR THE PERIOD JANUARY 1, 2014 – DECEMBER 31, 2014

FCM = Federation of Canadian Municipalities
SAMA = Saskatchewan Assessment Management Agency
TCYHA = Trans Canada Yellowhead Highway Association

Councillor Clark

DESTINATION	DATE	PURPOSE	TOTAL COST
TOTAL			**$0.00**

Councillor Davies

DESTINATION	DATE	PURPOSE	TOTAL COST
TOTAL			**$0.00**

Councillor Donauer

DESTINATION	DATE	PURPOSE	TOTAL COST
TOTAL			**$0.00**

Councillor Hill

DESTINATION	DATE	PURPOSE	TOTAL COST
Charlottetown, PEI	Feb. 11-14	FCM Sustainable Communities Conference *	$1,528.56
Thunder Bay, ON	Mar. 4-9	FCM Standing Committees & Board Meetings	1,572.74
Niagara Falls, ON	May 28 – June 3	FCM Annual Conference & Tradeshow **	0.00
Saquenay, QC	Sept. 2-6	FCM Standing Committees & Board Meetings	2,148.27
Ottawa, ON	Nov. 17-22	FCM Standing Committees & Board Meetings; Joint Meeting w/National Parole Board & Corrections Canada	2,654.28
TOTAL			**$7,903.85**

* 50% paid by SUMA for Board members – cost shown is City of Saskatoon's share
** 100% paid by SUMA for Board members

Councillor Iwanchuk

DESTINATION	DATE	PURPOSE	TOTAL COST
Regina, SK	Apr.16	SAMA Annual General Meeting	$70.00
TOTAL			**$70.00**

Councillor Jeffries

DESTINATION	DATE	PURPOSE	TOTAL COST
Edmonton and Compeer, AB	Feb.28 and Mar.1	TCYHA Meeting and Interprovincial Highway Summit	$847.13
Valemount, BC	May 15-17	TCYHA Annual General Meeting	1,322.30
Calgary, AB	Nov. 2-4	Institute of Corporate Directors Training*	666.81
TOTAL			**$2,836.24**

* Meewasin Valley Authority paid tuition for Board member.

Councillor Loewen

DESTINATION	DATE	PURPOSE	TOTAL COST
TOTAL			**$0.00**

Councillor Lorje

DESTINATION	DATE	PURPOSE	TOTAL COST
TOTAL			**$0.00**

Councillor Olauson

DESTINATION	DATE	PURPOSE	TOTAL COST
TOTAL			**$0.00**

Councillor Paulsen

DESTINATION	DATE	PURPOSE	TOTAL COST
TOTAL			**$0.00**

City Council Individual Travel and Training Expenses – 2014

Recommendation
That the information be forwarded to City Council and posted on the City's website.

Topic and Purpose
The purpose of this report is to provide a summary of Councillors' Individual Travel and Training expenses for 2014.

Strategic Goal
The information contained in this report and attachment aligns with the Strategic Goal of Continuous Improvement and demonstrates the Leadership Commitment of Openness and Accountability.

Report
Section 3.4 of Policy No. C01-023, "City Councillors' Travel and Training", states that the City Clerk will, on an annual basis, prepare a report listing the total cost of each Councillor's Individual Travel and Training. Upon approval of the Councillors, the report is to be submitted to City Council, as information.

Each Councillor is allotted funds annually for general travel and training, such as attendance at the annual SUMA and FCM conferences. The total amount budgeted for 2014 for all Councillors was $35,000.00 ($3,500.00 each). This amount is pro-rated in an election year.

The following are the expenditures in 2014 for Individual Travel and Training including applicable taxes.

Individual Travel and Training

Total Amount Budgeted	$	35,000.00
Total Amount Spent	$	26,828.11
Individual Expenditures		
Councillor C. Clark	$	588.40
Councillor T. Davies	$	3,303.63
Councillor R. Donauer	$	4,466.34
Councillor D. Hill	$	0.00
Councillor A. Iwanchuk	$	3,078.09
Councillor Z. Jeffries	$	4,266.51
Councillor M. Loewen	$	856.25
Councillor P. Lorje	$	2,904.71
Councillor E. Olauson	$	4,326.92
Councillor T. Paulsen	$	3,037.26

Attachment 1 sets out the details of the above expenditures.

Executive Committee, at its meeting held on September 7, 2010, considered the matter of posting the expenses of all members of City Council, including the Mayor, on the City's website and resolved that the information be posted on the City's website annually in order to demonstrate City Council's commitment to transparency.

In this regard, included as Attachment 2 is a summary of travel expenses for Mayor Atchison for 2014. It should be noted this summary includes car allowance for 2014, which is the subject of another report.

Public Notice
Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

Attachments
1. Individual Travel/Training Expenses – Councillors – 2014
2. Travel Expenses – Mayor Don Atchison – 2014

Report Approval
Written by: Janice Hudson, Council Assistant
Approved by: Joanne Sproule, City Clerk

Admin Report – Council's Individual Travel and Training Expenses.docx

INDIVIDUAL TRAVEL/TRAINING EXPENSES - COUNCILLORS
FOR THE PERIOD JANUARY 1, 2014 – DECEMBER 31, 2014

CPBI = Canadian Pension & Benefits Institute
FCM = Federation of Canadian Municipalities
NSBA = North Saskatoon Business Association
SAW = Saskatchewan Association of Watersheds
SUMA = Saskatchewan Urban Municipalities Association

Councillor Clark

DESTINATION	DATE	PURPOSE	TOTAL COST
Saskatoon, SK	Feb. 5-6	Healing Steps Conference	$150.00
Saskatoon, SK	Mar. 19-21	SAW Conference	150.00
Niagara Falls, ON	May 29 – June 3	FCM Conference & Tradeshow – Hotel Deposit – late cancellation	233.40
Saskatoon, SK	Oct. 15	CPBI Luncheon	55.00
TOTAL			**$588.40**

Councillor Davies

DESTINATION	DATE	PURPOSE	TOTAL COST
Saskatoon, SK	Apr. 2	State of the City Address - Chamber Luncheon	$36.75
Niagara Falls, ON	May 29 – June 3	FCM Conference & Tradeshow	3,230.13
Saskatoon, SK	June 5	Chamber Luncheon ft. Kevin Howlett	36.75
TOTAL			**$3,303.63**

Councillor Donauer

DESTINATION	DATE	PURPOSE	TOTAL COST
Regina, SK	Feb. 2-5	SUMA Convention	$1,191.65
Saskatoon, SK	Mar. 21	NSBA Luncheon ft. Hon. Ken Krawetz	29.40
Saskatoon, SK	Apr. 2	State of the City Address - Chamber Luncheon	36.75
Niagara Falls, ON	May 29 – June 3	FCM Conference & Tradeshow	3,142.39
Saskatoon, SK	June 5	Chamber Luncheon ft. Kevin Howlett	36.75
Saskatoon, SK	Nov. 20	NSBA Luncheon ft. His Worship Mayor Atchison	29.40
TOTAL			**$4,466.34**

Councillor Hill

DESTINATION	DATE	PURPOSE	TOTAL COST
TOTAL			**$0.00**

Councillor Iwanchuk

DESTINATION	DATE	PURPOSE	TOTAL COST
Saskatoon, SK	Feb.	International Women's Day Dinner ft. Michaelle Jean	$101.00
Niagara Falls, ON	May 29 – June 3	FCM Conference & Tradeshow	2,977.09
TOTAL			**$3,078.09**

Councillor Jeffries

DESTINATION	DATE	PURPOSE	TOTAL COST
Regina, SK	Feb. 2-5	SUMA Convention	$1,333.91
Niagara Falls, ON	May 29 – June 3	FCM Conference & Tradeshow	2,907.60
Saskatoon, SK	Sept. 18	"All My Relations": Aboriginal Education & the Future	25.00
TOTAL			**$4,266.51**

Councillor Loewen

DESTINATION	DATE	PURPOSE	TOTAL COST
Regina, SK	Feb. 2-5	SUMA Convention	$663.50
Saskatoon, SK	Feb.	International Women's Day Dinner ft. Michaelle Jean	101.00
Saskatoon, SK	June 5	Chamber Luncheon ft. Kevin Howlett	36.75
Saskatoon, SK	Oct. 15	CPBI Luncheon	55.00
TOTAL			**$856.25**

Councillor Lorje

DESTINATION	DATE	PURPOSE	TOTAL COST
Saskatoon, SK	Apr. 2	State of the City Address - Chamber Luncheon	36.75
Niagara Falls, ON	May 29 – June 3	FCM Conference & Tradeshow	2,794.46
Saskatoon, SK	June 5	Chamber Luncheon ft. Kevin Howlett	36.75
Saskatoon, SK	Sept. 25	Chamber Luncheon ft. Claude Mongeau	36.75
TOTAL			**$2,904.71**

Councillor Olauson

DESTINATION	DATE	PURPOSE	TOTAL COST
Regina, SK	Feb. 2-5	SUMA Convention	$827.98
Saskatoon, SK	Mar. 21	NSBA Luncheon ft. Hon. Ken Krawetz	29.40
Saskatoon, SK	Apr. 2	State of the City Address - Chamber Luncheon	36.75
Niagara Falls, ON	May 28 – June 3	Collaborating to Compete Conference and FCM Conference & Tradeshow	3,366.64
Saskatoon, SK	June 5	Chamber Luncheon ft. Kevin Howlett	36.75
Saskatoon, SK	Nov. 20	NSBA Luncheon ft. His Worship Mayor Atchison	29.40
TOTAL			**$4,326.92**

Councillor Paulsen

DESTINATION	DATE	PURPOSE	TOTAL COST
Saskatoon, SK	Feb.	International Women's Day Dinner ft. Michaelle Jean	$101.00
Niagara Falls, ON	May 29 – June 3	FCM Conference & Tradeshow	2,936.26
TOTAL			**$3,037.26**

MAYOR DON ATCHISON (JANUARY 1 - DECEMBER 31, 2014)

WITHIN CANADA - TRAVEL EXPENSES

Destination	Date	Purpose	Amount
Ottawa	Jan 21-22	(FCM) National Municipal Rail Safety Working Group Meeting Flights paid in 2013 - $753.89	$ 572.88
Ottawa	Feb 25-27	BCMC Meeting	$ 1,733.59
Ottawa	March 25	Business Meetings (Government Relations)	$ 1,151.73
Ottawa	April 22 - 23	(FCM) National Municipal Rail Safety Working Group Meeting	$ 1,447.07
Lloydminster	May 7 - 9	Sask. City Mayor's/Manager's Meeting	$ 595.20
Niagara Falls	May 28 - 29	BCMC Meeting Hotel Deposit paid in 2013 - $212.23	$ 822.96
Saguenay	Sept 2 - 3	(FCM) National Municipal Rail Safety Working Group Meeting	$ 1,960.76
Winnipeg	Sept 16 - 18	Maximum Velocity Airport Authority Forum	$ 1,294.45
Montreal	October 17	Meetings with Air Industry Representatives	$ 929.73
Regina	October 21	Sask. Economic Mission Dinner	$ 136.20
Regina	Oct 29 - 31	Sask. City Mayor's/Manager's Meeting	$ 414.71
Toronto	Nov 2 - 3	Canadian Council - P3 Conference	$ 127.58
	Nov 2 - 3	Canadian Council - P3 Conference (credit from hotel for deposit)	$ (254.04)
TOTAL			**$ 10,932.82**

BCMC - Big City Mayors Caucus

2014 Budget: **$ 25,000.00**

Total Spent: **$ 10,932.82**

OUTSIDE OF CANADA TRAVEL EXPENSES

Destination	Date	Purpose	Total Cost
Palm Springs	Feb. 2 - 6	Trustees Institute for Jointly Managed Training & Education Funds	**Pension Expense**
Singapore/Manila	May 30 - June 8	World Cities Summit Mayors Forum	**$ 7,511.88**
Taiwan	Oct 5 - 13	Consider Canada Alliance Meetings	**$ 109.53**
TOTAL			**$ 7,621.41**

General Government Budget
Total Spent: **$ 7,621.41**

CAR ALLOWANCE

2014 Budget: **$ 18,000.00**
Total Spent: **$ 9,609.93**

City Council Car Allowance – 2014

Recommendation
That the information be forwarded to City Council and posted on the City's website.

Topic and Purpose
The purpose of this report is to provide a summary of car allowance expenses for Councillors and the Mayor for 2014.

Strategic Goal
The information contained in this report and attachment aligns with the Strategic Goal of Continuous Improvement and demonstrates the Leadership Commitment of Openness and Accountability.

Report
At its meeting of June 13, 2005, City Council resolved in part that, effective July 1, 2005, Councillors be reimbursed for use of their personal vehicle for City business, based on a per kilometre reimbursement equal to the limits set by the Canada Revenue Agency for tax-exempt allowances for the use of personal vehicles.

The following are the expenditures for 2014 for each Councillor.

Car Allowance – Councillors

Total Amount Estimated	$	15,000.00
Total Amount Spent	$	13,108.60

Individual Expenditures

Councillor C. Clark	$	0.00
Councillor T. Davies	$	1,082.70
Councillor R. Donauer	$	1,603.26
Councillor D. Hill	$	2,601.00
Councillor A. Iwanchuk	$	876.04
Councillor Z. Jeffries	$	1,647.00
Councillor M. Loewen	$	0.00
Councillor P. Lorje	$	2,809.20
Councillor E. Olauson	$	1,761.48
Councillor T. Paulsen	$	727.92

Also included is the following summary from Mayor Atchison:

2014 Budget:	$	18,000.00
Total Spent:	$	9,609.93

The above summary will be posted on the City's website.

Public Notice
Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

Report Approval
Written by: Janice Hudson, Council Assistant
Approved by: Joanne Sproule, City Clerk

Admin Report – Council Car Allowance 2014.docx