City of Saskatoon

PUBLIC AGENDA
STANDING POLICY COMMITTEE ON FINANCE

Monday, March 6, 2017, 2:00 p.m.

Council Chamber, City Hall

Committee Members:

His Worship Mayor C. Clark (Ex-Officio), Councillor C. Block, Councillor R. Donauer, Councillor B. Dubois, Councillor A. Iwanchuk, Councillor M. Loewen

Pages

1. CALL TO ORDER

2. CONFIRMATION OF AGENDA

Recommendation

1. That the agenda be re-ordered as follows:
   a. Items 2 to 6.2.3;
   b. Items 7.2.1; 7.1.6; 6.2.4; and 7.1.7;
   c. Items 7.1.1 to 7.1.5;
   d. Items 7.2.2 to 12; and
2. That the agenda be confirmed as adjusted above.

3. DECLARATION OF CONFLICT OF INTEREST

4. ADOPTION OF MINUTES

Recommendation

That the minutes of Regular Meeting of the Standing Policy Committee on Finance held on January 30, 2017 be adopted.

5. UNFINISHED BUSINESS

6. COMMUNICATIONS (requiring the direction of the Committee)

6.1 Delegated Authority Matters

6.2 Matters Requiring Direction

6.2.1 Sutherland Business Improvement District – Written Procedures for Meetings [File No. CK. 175-50] 8 - 24

Recommendation

That the Standing Policy Committee on Finance recommend to City Council:

1. That the information be received; and
2. That the Sutherland Business Improvement District make the procedures publicly available in paper or electronic format at its normal place of business.

6.2.2 Tourism Saskatoon – 2016 Un-Audited Financial Statement [File No. CK. 175-50] 25 - 26

Recommendation

That the Tourism Saskatoon 2016 Un-Audited Financial Statement be forwarded to City Council for information.

6.2.3 North Central Transportation Planning Committee Membership Fee - April 1, 2017 to March 31, 2018 [File No. CK. 155-10] 27 - 28

An invoice for the above membership fee is provided.

Recommendation

That the annual membership fee for the North Central Transportation Planning Committee in the amount of $600.00 be paid.

6.2.4 2017 Internal Audit Plan Update [File No. CK. 1600-3] 29 - 49

A communication from PricewaterhouseCoopers LLP, dated February 28, 2017, is provided.

Recommendation

That the Standing Policy Committee recommend to City Council that the 2017 Internal Audit Plan submitted by PricewaterhouseCoopers LLP be approved.

6.3 Requests to Speak (new matters)

7. REPORTS FROM ADMINISTRATION

7.1 Delegated Authority Matters

7.1.1 2017 Tag Days [File No. CK. 200-3 and AF. 200-3] 50 - 51

Recommendation

That the applications for the 2017 Tag Days be approved.

7.1.2 Transfer of Unpaid Utilities to Property Tax [File No. CK.1550-1 and AF.1550-1] 52 - 54

Recommendation

That the information be received.

7.1.3 Administration of Tax Abatements and Grants [File No. CK. 1965-1, x 1871-1 and AF. 1965-1] 55 - 58

Recommendation

That the information be received.

7.1.4 Report on Write-downs of Surplus Inventory - 2016 [File No. CK. 1290-1 and AF. 1001-1] 59 - 60

Recommendation

That the information be received.

7.1.5 Saskatoon Tower Lease – Amending Agreement [File No. CK. 230-3, AF. 4225-1 FAC. 525-1] 61 - 63

Recommendation

1. That the existing radio communications tower lease with British Columbia Investment Management Corporation Realty Corporation at 125 5th Avenue North be amended to add a second communications tower, extend the term of the lease for an additional ten-year period, and add two, five-year renewal options; and
2. That the City Solicitor be requested to prepare the appropriate agreement and that His Worship the Mayor and the City Clerk be authorized to execute the agreement under the Corporate Seal.

7.1.6 Update on Key Strategic Risks - 2017 [File No. CK. 1600-37 and AF. 1880-1] 64 - 108

Recommendation

That the information be received.

7.1.7 Internal Audit Budget Information Update – January 2017 [File No. CK. 1600-3 and AF.1600-1] 109 - 112

Recommendation

That the information be received.

7.2 Matters Requiring Direction

7.2.1 Corporate Risk Annual Report 2016 [File No. CK. 430-80 and AF. 1880-1] 113 - 139

Recommendation

That the report of the CFO/General Manager, Asset and Financial Management Department, dated March 6, 2017, be forwarded to City Council for information.

7.2.2 Inquiry – Councillor Z. Jeffries (September 28, 2015) Undeveloped Lots after Sale of Lot [File No. CK. 4110-45, AF. 4131-1, and LA. 4110] 140 - 143

Recommendation

That the report of the CFO/General Manager, Asset and Financial Management Department, dated March 6, 2017, be forwarded to City Council for information.

7.2.3 Inquiry – Councillor Z. Jeffries (September 28, 2015) New Lots – Landscaping after Home Construction [File No. CK. 4131-1, AF. 4131-1, and LA. 4110-1] 144 - 155

Recommendation

That the report of the CFO/General Manager, Asset and Financial Management Department, dated March 6, 2017, be forwarded to City Council for information.

7.2.4 Emergency Back-up Power Generator – Prime Consulting Services – Award of Request for Proposal [File No. CK. 640-1, AF. 640-1 and FA. 17-0163] 156 - 158

Recommendation

That the Standing Policy Committee on Finance recommend to City Council:

1. That the proposal submitted by Willms Engineering Ltd. for prime consulting services for emergency back-up power at City Hall at a maximum upset cost of $140,000, plus taxes, be approved; and
2. That His Worship the Mayor and the City Clerk be authorized to execute the contract documents as prepared by the City Solicitor under the Corporate Seal.

7.2.5 Preliminary Year-End Financial Results - December 31, 2016 [File No. CK. 1704-1 and AF. 1704-1] 159 - 169

Recommendation

That the Standing Policy Committee on Finance recommend to City Council:

1. That the fuel surplus amount of $2.947 million not be transferred to the Fuel Stabilization Reserve;
2. That a $1.026 million transfer of the Snow & Ice Program surplus to the Snow and Ice Management Reserve be approved;
3. That the transfer of the unspent amount of $15,533 for Internal Audit to the Internal Audit Program Reserve be approved; and
4. That the transfer of $387,209 from the Street Scape – City Wide Reserve to cover the Urban Design Program funding shortfall be approved.

7.2.6 Pleasant Hill Village Open Market (with Criteria) Land Sales Approach [File No. CK. 4131-31, x 4215-1 and PL. 951-22] 170 - 194

Recommendation

1. That the Administration be authorized to sell Parcels A (Plan No. 102232842), C (Plan No. 101995667), and F (Plan No. 102052325) individually in Pleasant Hill Village through an open market (with criteria) land sales approach, in compliance with the criteria and weighting, asking price, and approval process, as outlined in the March 6, 2017 report of the General Manager, Asset and Financial Management Department;
2. That the Administration report back to Committee on the results of the open market (with criteria) land sales approach for Parcels A, C, and F; expected timing of development; and completion of the Pleasant Hill Village Project;
3. That the City Solicitor be requested to prepare the appropriate sales agreement(s) for Parcels A, C, and F, and that His Worship the Mayor and the City Clerk be authorized to execute the agreement(s) under the Corporate Seal; and
4. That the Administration report back to Committee on options for proceeding if no suitable proposal(s) are received for Parcels A, C, and/or F.

7.2.7 2017 Reassessment Tax Phase-In and Contingency [File No. CK. 1616-1, x CK. 1920-1, AF. 1615-8 x 1625-1 and 1920-1] 195 - 198

Recommendation

That the Standing Policy Committee on Finance recommend to City Council:

1. That the tax impact of the 2017 provincial reassessment for the multi-residential subclass and the non-residential class be phased-in equally over a four-year period;
2. That a contingency of $100,000 be added to the multi-residential subclass and $500,000 be added to the commercial class in 2017; and
3. That the City Solicitor be requested to prepare the 2017 Tax Phase-In and Contingency Bylaws for submission to City Council for consideration at the same meeting that the Mill Rate Bylaws are presented.

7.2.8 Municipal Tax Ratio Policy [File No. CK. 1920-1 and AF. 1625-1 x 1920-1] 199 - 249

A PowerPoint presentation will be provided.

The following letters are provided:

Request to Speak

- Kent Smith-Windsor, dated February 27, 2017; and

- Keith Moen, dated February 28, 2017.

Recommendation

That the Standing Policy Committee on Finance recommend to City Council that the policy of utilizing a ratio of non-residential to residential tax rates continue to be used as the City of Saskatoon's tax policy for 2017.

8. URGENT BUSINESS

9. MOTIONS (notice previously given)

10. GIVING NOTICE

11. IN CAMERA AGENDA ITEMS

Recommendation

That the following items be considered *In Camera.*

11.1 Audit Matter [File No. CK. 1600-1]

[In Camera - Third Party Information - Section 18; Economic and Other

Financial Interests - Section 17]

11.2 Audit Matter [File No. CK. 1600-18]

[In Camera - Third Party Information - Section 18; Economic and Other Financial Interests - Section 17; and Audits and Tests - Section 19]

11.3 Audit Matter [File No. CK. 1600-24]

[In Camera - Third Party Information - Section 18; Economic and Other Financial Interests - Section 17; and Audits and Tests - Section 19]

11.4 Audit Matter [File No. CK. 1600-8]

[In Camera - Third Party Information - Section 18; Economic and Other Financial Interests - Section 17; and Audits and Test - Section 19]

11.5 Audit Matter [File No. CK. 1660-24]

[In Camera - Audit/Economic/Financial - Land - Sections 17 and 19 of LAFOIPP]

11.6 Land Matter [File No. CK. 4215-1]

[In Camera - Economic/Financial - Land - Section 17(1)(d) and (e) LAFOIPP]

12. ADJOURNMENT

175-50

SUTHERLAND
BUSINESS IMPROVEMENT DISTRICT

1000 Central Avenue, Saskatoon, SK S7N2G9
Telephone: (306) 477-1277 Facsimile: (306) 374-7198
www.sutherlandbid.ca

January 31, 2017

City Clerk
2nd Floor
City of Saskatoon
222 – 3rd Ave. North
Saskatoon, SK. S7K 0J5

Re: Written Procedures for Meetings – Sutherland Business Improvement District (SBID)

Enclosed is a copy of the procedures for meetings adopted by the Sutherland Business Improvement District.

We ask that it be put on the agenda of the Standing Policy Committee on Finance.

Yours truly,

Lloyd Moker, Executive Director
Sutherland Business Improvement District

LM:lm

Meeting Procedures for Sutherland Business Improvement District (SBID)

In accordance with Section 55.1 of *The Cities Act*, the following constitutes the Meeting Procedure for SBID (the "Corporation").

DIVISION A
Directors' Meetings - General

Regular Meetings of Directors

1. Regular Meetings of Directors of the Corporation will be held on 2nd Wed (e.g. every third Wednesday of the month). As per the Bylaws, no specific notice to directors is required.

Special Meetings of Directors

2. Special Meetings of Directors may be held when required at such times and place as agreed by the Directors, or as requisitioned pursuant to the Bylaws. All Directors shall be given notice of the time and place of such meetings as per the Bylaws.

Place of Meetings

3. Both Regular and Special Meetings of the Directors shall be held in the City of Saskatoon.

Resolutions in Writing and Electronic Meetings

4. Notwithstanding any other provision of this Meeting Procedure, a resolution signed by each member pursuant to Section 132 of *The Non-profit Corporations Act, 1995* is as valid as if it had been passed at a meeting of the members. A copy of the resolution shall be kept with the minutes of Meetings of Members.

5. Notwithstanding any other provision of this Meeting Procedure, a resolution signed by each Director or Committee of Directors pursuant to Section 104 of *The Non-profit Corporations Act, 1995* is as valid as if it had been passed at a meeting of the members. A copy of the resolution shall be kept with the minutes of Meetings of Directors or Committees of Directors.

6. If all of the Directors of the Corporation consent, a Director may participate in a meeting of Directors or a Committee of Directors by means of telephone or other

communications facilities that permit all persons participating in a meeting to hear each other, and a Director participating in a meeting by these means is deemed for the purposes of *The Non-profit Corporations Act, 1995* to be present at such meeting.

DIVISION B
Control and Conduct at Meetings

Chair

7. (1) The Chair shall:

    (a) preside at all meetings;

    (b) preserve order at meetings;

    (c) enforce the rules of the Corporation;

    (d) decide points of privilege and points of order; and

    (e) advise on points of procedure.

   (2) The Chair shall have the same rights and be subject to the same restrictions, when participating in debate, as all other Directors.

   (3) When wishing to make a motion, the Chair shall:

    (a) vacate the chair, and request that the Vice-Chair take the chair;

    (b) if the Vice-Chair is absent, the Secretary shall take the chair; and

    (c) the Chair shall remain out of the chair until the motion has been dealt with.

Vice-Chair

8. (1) The Directors shall appoint a Vice-Chair.

   (2) The Vice-Chair is to act as the Chair if:

    (a) the Chair is unable to perform the duties of Chair; or

(b) the office of Chair is vacant.

Point of Order

9. (1) A Director may rise and ask the Chair to rule on a point of order.[1]

(2) When a point of order is raised, the Director speaking shall immediately be seated and shall remain seated until the Chair decides the point of order raised.

(3) A point of order must be raised immediately at the time the rules of the Corporation are breached.

(4) The Director against whom a point of order is raised may be granted permission by the Chair to explain.

(5) A point of order is not subject to amendment or debate.

Point of Privilege

10. (1) A Director may rise and ask the Chair to rule on a point of privilege.[2]

(2) After the Director has stated the point of privilege, the Chair shall rule whether or not the matter raised is a point of privilege.

(3) If the matter is determined to be a point of privilege, the Director who raised the point of privilege shall be permitted to speak to the matter.

(4) If the point of privilege concerns a situation, circumstance or event which arose between Directors, the Director shall raise the point of privilege immediately after adoption of the minutes of the previous meeting.

(5) A point of privilege is not subject to amendment or debate unless a motion regarding the point of privilege is put to the Directors.

Point of Procedure

11. (1) Any Director may rise and ask the Chair for an opinion on a point of procedure.[3]

(2) When a point of procedure is raised, the Director speaking shall immediately be seated until the Chair responds to the inquiry.

(3) After the Director has asked the point of procedure, the Chair shall provide an opinion on the rules of procedure bearing on the matter before the Directors.

(4) A point of procedure is not subject to amendment or debate.

(5) The Chair's answer to a point of procedure is not a ruling, and cannot be appealed to the whole of the meeting.

Appeal

12. (1) Any Director may appeal any ruling of the Chair on a point of order or point of privilege to the whole of the meeting.

(2) A ruling of the Chair must be appealed immediately after the ruling is made or the ruling will be final.

Conduct of Directors

13. (1) A Director wishing to speak at a meeting shall obtain the approval of the Chair before speaking.

(2) When addressing a meeting, a Director shall refrain from:

(a) speaking disrespectfully of the federal government, the provincial government or municipal council, or any official representing them;

(b) using offensive words in referring to a Director, an employee of the Corporation or a member of the public;

(c) reflecting on a vote of Directors except when moving to rescind or reconsider it, and reflecting on the motives of Directors who voted on the motion or the mover of the motion; or

(d) shouting or using an immoderate tone, profane, vulgar or offensive language.

(3) When a Director is addressing the Chair, all other Directors shall:

(a) remain quiet and seated;

(b) refrain from interrupting the speaker, except on a point of order or point of procedure; and

(c) refrain from carrying on a private conversation in such a manner that disturbs the speaker.

(4) Directors shall remain seated and be silent once a question is put to vote and until the vote is declared.

(5) Directors shall ensure that all cellular telephones and similar electronic devices remain silent and do not create a disruption to the meeting.

DIVISION C
Directors' Meeting Procedure

Procedure and Rules

14. (1) When any matter arises relating to procedure, which is not covered by this Meeting Procedure, the matter shall be decided by reference to *Bourinot's Rules of Order of Parliamentary Procedure*.

(2) In the event of any conflict between the provisions of this Meeting Procedure and those contained in *Bourinot's Rules of Order of Parliamentary Procedure*, the provisions of this Meeting Procedure shall apply.

Suspension of Rules

15. Any of the rules contained in this Meeting Procedure not specified in *The Non-profit Corporations Act, 1995* may be suspended for any one meeting by a unanimous vote of the Directors present at the Directors' meeting.

Order of Business and Agenda

16. (1) The order of business for a Regular Business Meeting shall be as set out in Schedule "A".

(2) The Chair shall prepare the agenda for Directors' meetings and shall arrange for distribution of copies of the agenda, along with all reports or communications to be dealt with at the Directors' meeting, to each Director at least 7 days immediately preceding the Directors' meeting.

(3) Business shall be considered in the order in which it stands on the agenda, unless the Directors alter the order of business for the convenience of the Directors' meeting by a majority vote of the Directors present.

Minutes

17. (1) The Secretary shall arrange for the recording of the minutes of each Directors' meeting and shall arrange for distribution of copies of the minutes of the last Directors' meeting to each Director at least 30 days before the next Directors' meeting.

(2) Any Director may request that a portion of the minutes be read aloud.

(3) Any Director may make a motion amending the minutes to correct any mistakes.

Commencement of Meeting

18. (1) The Chair shall commence the meeting at the time specified for the meeting and as soon as a quorum is present.

(2) If neither the Chair nor the Vice-Chair is present within five minutes of the time specified for the meeting and a quorum is present, the Secretary shall take the chair and commence the meeting until the arrival of the Chair or the Vice-Chair.

(3) If a quorum is not present within 15 minutes of the time specified for the meeting, the Directors' meeting shall stand adjourned until the next regularly scheduled meeting.

Quorum

19. (1) A quorum for the transaction of business at any meeting of the Corporation shall consist of a majority of the Directors then in office, provided that in no event shall the quorum consist of less than four Directors or such greater

number of Directors as the Corporation may from time to time determine. If a quorum is present at the opening of any meeting of Directors, the Directors present may proceed with the business of the meeting notwithstanding that a quorum is not present throughout the meeting. If a quorum is not present at the opening of any meeting of Directors, the Directors present may adjourn the meeting to a fixed time and place but may not transact any other business.

(2) Any act or proceeding of the Corporation that is adopted at any Directors' meeting at which a quorum is not present is invalid.

Motions and Debate

20. (1) A motion shall not be considered until it has been seconded.

(2) When a motion is under debate, no other motions may be made, except:

(a) to refer the motion to a Committee or the administration for a report back to the Directors;

(b) to amend the motion;

(c) to defer the motion to a fixed date; or

(d) to request that the motion be put to a vote.

(3) Any motions allowed under subsection (2) shall be considered in the order in which they were moved.

Motion to Amend - General

21. (1) Except as provided in subsection (12), any motion may be amended to:

(a) add words within the motion;

(b) delete words within the motion; or

(c) change a word or words within the motion.

(2) The amending motion must be:

(a) relevant to the main motion;

(b) made while the main motion is under consideration; and

(c) consistent with the principle embodied in the main motion.

(3) An amending motion may also be amended.

(4) A subamendment must be:

(a) relevant to the original amendment;

(b) made while the original amendment is under consideration; and

(c) consistent with the intent of either the original amendment or the main motion.

(5) Only two amendments to a motion, an amendment and a subamendment, are allowed at the same time. When one or both have been dealt with, a further amendment or subamendment may be entertained.

(6) There is no limit to the number of amendments or subamendments that may be proposed.

(7) An amendment may be introduced at any stage before the question is put on the main motion provided there is not more than one amendment and one subamendment before the meeting at one time.

(8) Any Director wishing to move an amendment that is not in order at the time because there are already two amendments before the meeting may state the intention of the proposed amendment, as the proposal may affect the vote on those motions awaiting decision.

(9) The main motion shall not be debated until all amendments to it have been put to a vote.

(10) Amendments shall be put in the reverse order to the order in which they were moved.

(11) When all amendments have been voted on, the main motion incorporating all amendments adopted shall be put to a vote.

(12) No amendments shall be made to the following motions:

(a) a motion to adjourn;

(b) a motion to defer to a fixed date, except as to the date; or

(c) a motion requesting that a motion be put to a vote.

Dividing a Motion into Parts

22. (1) A Director may request or the Chair may direct that a motion be divided if the motion contains more than one separate and complete recommendation.

(2) Directors shall then vote separately on each recommendation.

(3) A new motion to add a further recommendation is permitted provided:

(a) the proposed recommendation is relevant to the original motion;

(b) the proposed recommendation does not alter in a significant way the principle embodied in the original motion; and

(c) the original motion has been dealt with.

Motion Arising

23. When a particular matter is before the Directors, a motion arising on the same matter is permitted provided:

(a) the proposed motion is related to and rises from the item which has just been considered;

(b) the proposed motion does not alter in a significant way the principle embodied in the original motion; and

(c) the proposed motion is made before the consideration of any other item of business at the meeting.

Motion to Defer to a Fixed Date

24. (1) Where a majority of all Directors decide to defer a motion to a fixed date, the motion cannot be considered by the Directors until the fixed date.

(2) The only amendment allowed to a motion to defer to a fixed date is to change the date.

(3) Notwithstanding subsection (1), the Directors may consider a deferred motion before the fixed date if a majority of all Directors agree that the motion may be considered before that date.

Request that Motion be put to Vote

25. (1) A motion requesting that a motion be put to a vote shall not be moved or seconded by a Director who has spoken to the original motion.

(2) A motion requesting that a motion be put to a vote shall not be amended or debated.

(3) If a motion requesting that a motion be put to a vote is passed by the Directors, the original motion shall immediately be put to a vote of the Directors without further amendment or debate.

(4) If a motion requesting that a motion be put to a vote is not passed by the Directors, the original question may be amended or debated.

Motion to Adjourn

26. (1) A motion to adjourn is allowed at any time during a Corporation meeting, except:

(a) when a Director is speaking;

(b) when Directors are voting on a motion;

(c) when a recorded vote is being taken;

(d) when Directors are considering a motion requesting that a motion be put to a vote; or

(e) when no other intermediate proceeding has been considered since the last motion to adjourn was made at the meeting.

(2) A motion to adjourn shall be decided without debate.

Motion Contrary to Rules

27. The Chair may refuse to put to the Directors a motion which is, in the opinion of the Chair, contrary to the rules and privileges of the Directors' meeting.

Withdrawal of Motion

28. The mover and seconder of a motion may withdraw it at any time prior to a vote being taken or prior to the motion being amended.

Motion to Reconsider

29. (1) A motion to reconsider is in order whether the original motion passed or failed.

(2) A motion to reconsider may only be made at the same Directors' meeting as the original motion was voted on.

(3) A motion to reconsider must be moved by a Director who voted with the prevailing side of the original motion. When a motion loses on a tied vote, the prevailing side is those who voted against the motion.

(4) A motion to reconsider may be seconded by any Director regardless how the Director voted on the original motion.

(5) A motion to reconsider is debatable only if the motion being reconsidered is debatable.

(6) A motion to reconsider cannot be amended.

(7) A motion to reconsider shall require a majority vote of the Directors present at the meeting.

(8) If a motion to reconsider is adopted, the original motion is immediately placed before the Directors to be reconsidered.

(9) Once a vote on a motion to reconsider has taken place, there shall be no further motion to reconsider that resolution.

Motion to Rescind

30. (1) A motion to rescind is in order only when the original motion passed. No motion to rescind shall be necessary when the original motion failed.

(2) A motion to rescind may be made at any time following the Directors' meeting at which the original motion was voted on regardless of the time that has elapsed since the original vote was taken.

(3) A motion to rescind may be moved and seconded by any Director regardless how they voted on the original motion.

(4) A motion to rescind is debatable.

(5) A motion to rescind may be amended.

(6) Except as provided in subsection (7), a motion to rescind shall only be made by a notice of motion duly given at a Directors'meeting prior to the meeting at which the motion is to be considered.

(7) The Directors may, by unanimous consent of the Directors present, waive the requirement for notice.

(8) A motion to rescind shall, in all cases, require a majority vote of all Directors to pass.

(9) A motion cannot be rescinded:

(a) when the making or calling up of a motion to reconsider is in order;

(b) when action on the motion has been carried out in a way that cannot be undone; or

(c) when a resignation has been accepted or actions electing or expelling a person from membership or office have been taken.

Notice of Motion

31. (1) A motion introducing a new matter shall not be considered by Directors unless a notice of motion has been submitted in writing to the Secretary at a previous regularly scheduled Directors' meeting.

(2) A notice of motion shall include a copy of the actual motion to be placed before the Directors.

(3) The Directors may, by unanimous consent of the Directors present, waive the requirement for notice.

(4) All notices of motion received pursuant to subsection (1), shall be considered at the next Regular Business Meeting.

Debate on Motion

32. (1) Subject to subsections (4) and (5), no Director shall speak more than once to a motion except to explain a material part of their speech which may have been misquoted or misunderstood.

(2) No Director shall speak longer than five minutes on the same motion.

(3) The mover of the motion shall be given the first opportunity to speak.

(4) The mover of the motion shall be allowed a reply at the conclusion of the debate, which reply shall not be longer than three minutes.

(5) The Directors may, by a majority vote of the Directors present, allow any Director to speak to the same motion more than once or for longer than five minutes.

Voting of Directors

33. (1) A Director attending a Directors' meeting shall vote at the meeting on a matter before the meeting unless the Director is required to abstain from voting because of a conflict of interest.

(2) If a Director is not required to abstain from voting on a matter before the meeting and abstains from voting, the Director is deemed to have voted in the negative. [this may vary depending upon your Corporation's Bylaws]

(3) The Secretary shall ensure that each abstention is recorded in the minutes of the meeting.

Voting of Chair

34. The Chair shall vote with the other Directors on all questions. [this may vary depending on your Corporation's Bylaws]

Majority Decision

35. Unless a greater percentage of votes is required by any provision of the Bylaw, *The Non-profit Corporations Act, 1995*, or this Meeting Procedure, at every Directors' meeting all questions are to be decided by a majority vote of the Directors present.

Recorded Vote

36. (1) Any Director may request a recorded vote on any vote of Directors.

(2) In such case, the minutes must show the names of Directors present and whether each voted for or against the proposal or abstained.

Tied Vote

37. If there is an equal number of votes for and against a resolution, the resolution is defeated.

DIVISION D
Members' Meetings - General

Annual General Meeting

38. The Annual General Meeting of Members shall be held in Saskatoon, notice of which shall be given to each member no more than 50 days and no less than 15 days before the meeting.

Special Meetings of Members

39. A Special Meeting of Members may be held at such time and place as determined by the Directors, or as requested pursuant to *The Non-profit Corporations Act, 1995*. Notice of the meeting shall be given to each member no more than 50 days and no less than 15 days before the meeting.

40. Both Regular (the "Annual General Meeting") and Special Meetings of Members shall be held in the City of Saskatoon.

DIVISION E
Control and Conduct at Meetings

41. Division B, Control and Conduct at Meetings shall apply, *mutatis mutandis*, to meetings of members.

DIVISION F
Members' Meeting Procedure

Directors' Meeting Procedure to Apply *Mutatis Mutandis*

42. Division C, Directors' Meeting Procedure shall apply, *mutatis mutandis*, to meetings of members.

43. Schedule "A" shall have added to it the following:

(a) consideration of amendments to Articles of Incorporation;

(b) consideration of amendments to Bylaws;

(c) consideration of Financial Statement and Report of Auditor;

(d) resignation of Directors;

(e) election of Directors; and

(f) appointment of an Auditor.

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1. "**point of order**" means an issue raised by a Director in a meeting claiming that the procedures of the meeting or of an individual Director are contrary to the procedural rules or practices.

2. "**point of privilege**" means an issue raised by a Director in a meeting on any matter related to the rights and privileges of the Corporation or individual Director and includes:

(a) organization and existence of the Corporation;
(b) comfort of Directors;
(c) conduct of employees of the Corporation or persons in attendance at the meeting;
(d) accuracy of the reports of the Corporation's proceedings; and
(e) reputation of the Corporation or Directors.

3. "**point of procedure**" means a question directed to the person presiding at a meeting to obtain information on the rules or procedures bearing on the business at hand.

Schedule "A"

Regular Business Meeting Agenda

1. **Call to Order**
2. **Confirmation of Agenda**
3. **Adoption of Minutes of Regular Business Meeting**
4. **Unfinished Business**
5. **Reports from Administration and Committees**
   - 5.1 **Administrative Reports**
   - 5.2 **Committee Reports**
   - 5.3 **Chair Report**
   - 5.4 **Other Reports**
6. **Adjournment**

TourismSaskatoon

101-202 4th Avenue North, Saskatoon Saskatchewan Canada S7K 0K1
Phone: 306.242.1206 • Toll Free: 1-800-567-2444 • Fax: 306.242.1955
info@tourismsaskatoon.com
www.tourismsaskatoon.com

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RECEIVED
FEB 02 2017
CITY CLERK'S OFFICE
SASKATOON

January 31, 2017

Mayor Charlie Clark & City Council
Mayor's Office
City of Saskatoon
222 – 3rd Avenue North
Saskatoon, SK S7K 0J5

Dear Mayor Clark:

Re: Tourism Saskatoon 2016 Un-Audited Financial Statement

Please find enclosed our un-audited financial statement for the year 2016 as required by our Fee for Service Agreement.

You may contact Todd Brandt at (306) 931-7574 or myself at (306) 931-7570 should you have any questions pertaining to the enclosed information.

Sincerely,

AWallman

Angela Wallman
Finance and Personnel Officer

Enclosure

cc: Kerry Tarasoff

Administration Revenue - 0100	December 31, 2016	YTD	2016 Projection	2016 Budget	% Used	Prior Year
City of Saskatoon Grant	40,017	480,200	480,200	480,200	100%	414,600
Other Revenue	4,583	60,893	60,768	9,000	677%	21,903
Total Revenue	44,600	541,093	540,968	489,200	111%	436,503
Administration Expenses						
Accounting & Audit	1,753	21,124	22,000	24,070	88%	20,783
Bank Charges	12	3,798	3,500	5,000	76%	4,805
Printing	344	1,570	1,200	1,600	98%	1,696
Courier/Delivery	19	351	550	500	70%	466
Depreciation - Furniture & Equipment	554	7,454	7,455	9,000	83%	7,838
Depreciation - Leasehold Improvements	1,946	23,356	23,356	23,300	100%	23,356
Meetings/Staff PD	31	6,090	6,500	7,500	81%	14,898
Insurance - General	347	4,898	4,600	5,500	89%	5,234
Meetings: Board/Executive	175	1,027	1,000	3,000	34%	2,423
Memberships		795	795	800	99%	795
Equipment Rental	203	8,063	8,500	8,500	95%	8,366
IT - Computers, Network	77	1,969	2,500	3,000	66%	2,214
Office Supplies	745	3,932	4,000	4,000	98%	3,895
Postage	-4	2,557	3,000	2,500	102%	2,124
Rent & Occupancy Costs	6,857	82,169	82,170	81,624	101%	84,533
Subscriptions		374	374	400	94%	374
Telephone	1,294	14,616	15,000	15,150	96%	12,896
Travel Costs			-	400	0%	
Travel - Local		520	800	800	65%	55
Workers Compensation	-1,030	1,264	2,294	2,100	60%	2,146
Depreciation of Deferred Contributions	-756	-9,076	(9,076)	-9,000	101%	-7,823
Allocation to Reserves				10,000	0%	
Total Expenses	12,567	176,851	180,518	199,744	89%	191,074
Net Income/Loss	32,033	364,242	360,450	289,456		245,429

K:\AUDIT\Audit Reports\2016 Audit Reports
Dec 2016

155-10

NCTPC
NORTH CENTRAL
TRANSPORTATION
PLANNING COMMITTEE
BOX 972 • SHELLBROOK, SK • S0J 2E0 • PHONE (306) 747-3762 • FAX (306) 747-2103

INVOICE

Customer	***Particulars***
City Clerk's Office City of Saskatoon 222-3rd Avenue North Saskatoon, SK S7K 0J6	Date: 15 February 2017 Payment Due: 31 March 2017

Qty	*Description*	*Unit Price*	*TOTAL*
	Membership Fee for April 1, 2017 to 31 March 2018 The Executive wish to thank you for your past support through your paid membership and also wish to thank you for your anticipated continued support in the 2017/2018 year.	Maximum of $600.00	$600.00
	TOTAL		$600.00

All paid members will receive copies of the approved Executive Minute by e-mail (or posted mail if you indicate you are unable to receive e-mail or you are unable to open Word documents).
Please include with your remittance your updated e-mail address.
All non-paid members will receive a notice of the next Executive Meeting including the time, date and location if you are able to receive e-mail in Microsoft Word and we have your e-mail address on file.

If you have any questions,
Please feel free to contact any of the Executive Officers.

Chairperson: Richard Porter @ (306) 747-7694
1st Vice Chairperson: Louis McCaffrey @ (306) 397-2391
2nd Vice Chairperson: Raymond Wilfing @ (306) 236-6811
Executive Administrator: Beth Herzog @ (306) 747-3762
E-Mail: bethherzog@sasktel.net

~ Thank You ~

NORTH CENTRAL
TRANSPORTATION
PLANNING COMMITTEE
BOX 972 • SHELLBROOK, SK • S0J 2E0 • PHONE (306) 747-3762 • FAX (306) 747-2103

~ INVITATION ~

North Central Transportation Planning Committee

Invites you to attend its

19th Annual Meeting

Supper will be served at 5:30 p.m.

Thursday, April 20, 2017 @ 7:00 p.m. CST
Senior's Hall
Main Street
Blaine Lake, Saskatchewan

Please RSVP numbers attending for supper to bethherzog@sasktel.net or call 747-3762 before April 3, 2017.

Thank you

All members of the North Central Transportation Planning Area are welcome to attend.

Elections for Rural Division 2, 4, 6 and Urban 1, 3, 5 will be held and all municipalities in those divisions with paid memberships are welcome to nominate for those divisions up for re-election.
Vacant **Industry** and **First Nation** Seats on the Executive Committee are also up for election.

Contact Person is Richard Porter @ 306-747-7694
rporkyporter@sasktel.net

City of Saskatoon

2017 Draft Internal Audit Plan for SPC on Finance Input on Priorities

Date of Submission: February 28, 2017
Date of Meeting: March 6, 2017

pwc

Table of Contents

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City of Saskatoon Internal Audit Plan

Context - Updating Internal Audit Plan

1

Introduction

- Risk registers have been developed for each key strategic risk and reviewed by the Corporate Risk Committee.
- The risk assessment conducted in 2015, which identified risks and was assigned priorities by City Council in 2015, continues to inform the most recent Strategic Risk Master Register developed by the Director of Corporate Risk and the Corporate Risk Committee, as well as the Internal Audit Plan.
- The Internal Audit Plan has been updated to ensure the nature and the timing of projects correlates to the strategic risk assessment.
- Looking ahead to 2018 and 2019, operational risk assessments will be considered for incorporation into the Internal Audit Plan as they are developed by the Director of Corporate Risk and the Corporate Risk Committee and approved by the SPC on Finance.

Objective

- The objective of today's presentation and discussion is to receive input and direction from the SPC on Finance of the prioritization of the internal audit projects. This draft has been prepared based on the most recent set of City Council priorities from 2015 and also takes into consideration risks as ranked by Administration.
- The presentation and discussion today affords an opportunity for the SPC on Finance to reshape the Internal Audit plan and/or to provide additional priorities requiring addressing in the audit plan.

Key Assumptions

- While the strategic risk assessment provides a starting point for the Internal Audit Plan, the Inherent and Residual Risk Scores associated with each Strategic Risk assist in further refinement. Those risks with higher Inherent and Residual risks are, generally speaking, afforded higher priority by the Internal Audit Plan as are those with either high or medium priority assigned by City Council.
  - Please refer to Appendix 1.
- Consideration is also given to audit readiness. Internal Audit works with Administration to identify those areas where, despite Inherent and Residual risk, there may not be audit readiness at the time of development of the Internal Audit plan due to significant work being undertaken currently (or planned for in the near future) by the Administration to identify and address gaps.

Risk and Priority Coverage

- A common target for internal audit functions is to address 80% to 100% of high risk areas within a 3 to 5 year cycle, plus emerging issues and management and professional standards requirements.
  - In 2016 we were presented with emerging issues to address which resulted in projects related to Multi-Year Budgeting and Saskatoon Land.
- In the initial plan presented in July 2015, all high priority areas were covered by projects in the first 3 years of the plan. In the revised plan, all high priority areas continue to be covered although some projects addressing medium risk areas have been moved ahead in order to avoid overlap (i.e. several projects addressing MA-1 re: roads, snow and ice, sidewalks, bridges) as well as to take audit readiness into consideration.

City of Saskatoon Internal Audit Plan

Five Year Internal Audit Plan

2

Details of the Internal Audit Plan

- During the first 2 years of the Internal Audit Plan (2015 and 2016), a total of 2,375 of 2,800 (85%) planned hours were delivered. As a result, there are 425 carryover hours into 2017 in order to deliver 4,200 hours by the end of 2017.
- Each "Audit Area" within the plan contains references to the corresponding risk from the Strategic Risk Master Register as well as the Risk Narrative, along with the intended nature of the project (i.e. Assurance or Advisory) and a brief description of the high level scope of the project. Scope will be further defined with Administration.

2015 – Actual

Audit Area	Risk Narrative	Hours	Fees ($ 000)	Priority /Risk	Type of Audit and High-Level Scope Description
Risk Assessment and City Council Surveys/ Presentation	Initial risk assessment and audit plan preparation	650	$101	N/A	
Road Maintenance	The City may not be investing enough money in its transportation infrastructure to maintain an acceptable condition and level of service	400	$67	MA-1	Value for Money (Assurance): Assess the economy, efficiency and effectiveness of road maintenance
Snow and Ice Management	The City may not be investing enough money in its transportation infrastructure to maintain an acceptable condition and level of service	100	$20	MA-1	Value for Money (Assurance): Assess economy, efficiency and effectiveness of snow and ice management
	Total achieved '15	**1,150**	**$188**		
	Carryover to 2016	**250**			
	Total incl. carryover	**1,400**			

High Priority Areas   Medium Priority Areas   Low Priority Areas

2016 – Actual

Audit Area	Risk Narrative	Hours	Fees ($ 000)	Priority/ Risk	Type of Audit and High-Level Scope Description
Snow and Ice Management (Continued)	The City may not be investing enough money in its transportation infrastructure to maintain an acceptable condition and level of service	325/325	$53	MA-1	Value for Money (Assurance): Assess economy, efficiency and effectiveness of snow and ice management
Revenue Generation	The City may be unable to adequately diversity its revenue sources	120/400	$62	SG-1	Advisory: Assess potential options with respect to additional revenue generation
Asset Life Cycle Costs	The City may not be considering the total costs of asset ownership when making investment decisions	370/425	$70	A&FS-2	Advisory: Review current capital budgeting process and identify improvements to incorporate asset life cycle costs including future operating cost impact.
Transit Services Staff Scheduling	The City may not be investing enough money in its public transit infrastructure to maintain an acceptable level of service	410/425	$70	MA-3	Value for Money (Assurance): Assess economy, efficiency and effectiveness of the transit services
Human Capital Planning and Management	The City's existing strategies may not be attracting, hiring, managing, developing and retaining top talent to support existing and future operations	0/75	$9	CI-2	Advisory: Review process with respect to human capital strategies regarding attracting, developing and retaining talent
	Total achieved '16	**1,225**	**$204**		
	Total achieved '15	**1,150**	**$188**		
	Total '15 & '16 achieved	**2,375**	**$392**		
	Total carryover into '17	**425**	**$60**		

2017 – Proposed (subject to change)

Audit Area	Risk Narrative	Estimated Hours	Fees ($ 000)	Priority /Risk	Type of Audit and High-Level Scope Description
2016 Carryover from Projects	Revenue Generation (280 hours), Asset Life Cycle Costs (55 hours), Transit Services Staff Scheduling (15 hours)	350	$51	N/A	N/A
Human Capital Planning and Management	The City's existing strategies may not be attracting, hiring, managing, developing and retaining top talent to support existing and future operations	505	$80	CI-2	Advisory: Review process with respect to human capital strategies regarding attracting, developing & retaining talent
Business Continuity	The City may not be prepared to quickly and effectively resume operations in the event of serious incident, accident, disaster or emergency	400	$66	A&FS-1	Value for Money (Assurance): Review current disaster recovery and business continuity plans
Bridge Maintenance	The City may not be investing enough money in its transportation infrastructure to maintain an acceptable condition and level of service	275	$46	MA-1	Value for Money (Assurance): Assess economy, efficiency and effectiveness of bridge maintenance
Parks and Recreation	The City may not be investing sufficient funds in its parks infrastructure to maintain an acceptable condition and level of service	295	$48	QL-1	Value for Money (Assurance): Assess economy, efficiency and effectiveness of parks and recreation facilities
	Total proposed '17	**1,825**	**$291**		
	Total achieved '15 and '16	**2,375**	**$392**		
	Total '15 to '17 combined	**4,200**	**$683**		

High Priority Areas Medium Priority Areas Low Priority Areas

2018 - Planned (subject to change)

Audit Area	Risk Narrative	Estimated Hours	Fees ($ 000)	Priority /Risk	Type of Audit and High-Level Scope Description
Parks and Recreation (continued)	The City may not be investing sufficient funds in its parks infrastructure to maintain an acceptable condition and level of service	230	$42	QL-1	Value for Money (Assurance): Assess economy, efficiency and effectiveness of parks and recreation facilities
IT Security and Privacy	The City may not be adequately protecting information created by or entrusted to it	370	$60	A&FS-9	IT (Assurance): Review current state of privacy of information and overall IT security policies, procedures and practices
Citizen Engagement Process	The City's engagement and communications initiatives and opportunities may not be effectively reaching its citizens	400	$68	CI-1	Operational (Assurance and Advisory): Review current processes for engaging with citizens and their effectiveness including customer response
Sidewalks	The City may not be investing enough money in its transportation infrastructure to maintain an acceptable condition and level of service.	400	$67	MA-1	Value for Money (Assurance): Assess economy, efficiency and effectiveness of bridge maintenance
	Total planned '18	**1400**	**$237**		

High Priority Areas Medium Priority Areas Low Priority Areas

2019 - Planned (subject to change)

Audit Area	Risk Narrative	Estimated Hours	Fees ($ 000)	Priority /Risk	Type of Audit and High-Level Scope Description
Infrastructure Investment Evaluation	The City's infrastructure investments may not correspond to growth trends and forecasts for the local or regional economy / The City may not be aligning its financial resources in a way that supports its priorities, strategic goals and core services	400	$70	SG-2 and A&FS-5	Assurance: Review process for evaluating infrastructure investments and management's process to minimize risk of under/over investment
IT Governance	The City's information technology strategy may not be properly aligned with the organization's goals and objectives	325	$56	A&FS-7	Operational (Assurance): Review current governance process around IT goals & initiatives and their alignment to business needs
Building Maintenance	The City may not be investing enough money in its facilities to maintain an acceptable condition and level of service	400	$69	SG-3	Value for Money (Assurance): Assess economy, efficiency and effectiveness of building maintenance
Co2 Reduction Initiatives	The City may fail to identify and pursue corporate Co2 reduction initiatives.	275	$47	EL-2 and EL-3	Advisory: Review the current environmental strategy of the City and benchmark to identify what CO2 reduction initiatives could be considered
	Total planned '19	**1,400**	**$242**		

High Priority Areas Medium Priority Areas Low Priority Areas

Unassigned Risks

Audit Area	Scope	Risk	Type of Audit / Assurance / Advisory
Integrated Asset Management System	Review benefits and drivers for an integrated asset management system and create roadmap for implementation	A&FS-8	IT (Advisory)
Systems Integration	Assess business case for integration of IT systems and related benefits that can be achieved by the organization	A&FS-8	Advisory
Climate Change Strategy	Evaluate the City's climate change strategy and efforts to manage related risks	SG-4	Assurance
Garbage Collection	Assess efficiency and effectiveness of garbage collection function	EL-1	Value for Money (Assurance)
Procurement and Sole Sourcing	Assess compliance with procurement and sole sourcing processes for key contracts for the last 2-3 years	A&FS-12	Assurance
Regional Growth Plan	Assess the City's current growth plan, related risks and efforts undertaken to align efforts with neighbors	SG-6	Advisory
Fleet Maintenance	Review current condition of fleet across the City and help identify how to manage them more effectively, including advising on a lease vs buy option	A&FS-10	Operational (Advisory)

High Priority Areas Medium Priority Areas Low Priority Areas

Next Steps

3

Next Steps

- Receive confirmation of final approval of internal audit plan in late March or early April 2017.
- Work with Administration to develop Statements of Work for the 2017 projects for approval by the SPC on Finance by end of May 2017.
- Work with the SPC on Finance and Administration to identify any emerging issues requiring Internal Audit work in 2017.
  - Issues identified that resulted in Statements of Work in 2016 were Multi-Year Budgeting and Saskatoon Land.

Appendix – Proposed Audit Plan Mapped to Priorities and Risks

Proposed Strategic Risk Priorities

City Council Priority 2015	Strategic Risk	Inherent Risk[1] Severity (1-16)	Residual Risk[2] Severity (1-16)	Year Planned	Year Complete	Proposed 2017 Internal Audit Plan	Proposed 2018 Internal Audit Plan	Proposed 2019 Internal Audit Plan
High	The City may be unable to adequately diversify its revenue sources	10.8	6.6	2016	In progress			
High	The City may not be investing enough money in its transportation infrastructure to maintain an acceptable condition and level of service • Roads Maintenance • Snow and Ice Management	7.3	6.1	2015 2015/16	2015 2015/16	✓ Bridge Maintenance	✓ Sidewalks	
High	The City may not be prepared to quickly and effectively resume operations in the event of serious incident, accident, disaster or emergency	5.8	3.9			✓		
High	The City's engagement and communications initiatives and opportunities may not be effectively reaching its citizens	5.8	4.0				✓	
Medium	The City may not be considering the total costs of asset ownership when making investment decisions	9.9	5.7	2016	In progress			
Medium	The City's infrastructure investments may not correspond to growth trends and forecasts for the local or regional economy	9.4	6.2					✓
Medium	The City may not be investing enough money in its public transit infrastructure to maintain an acceptable level of service	9.1	5.8	2016	In progress			

[1] Inherent risk: without considering the effect of controls/strategies

[2] Residual risk: after considering the effect of current activities but not planned strategies

City Council Priority 2015	Strategic Risk	Inherent Risk[1] Severity (1-16)	Residual Risk[2] Severity (1-16)	Year Planned	Year Complete	Proposed 2017 Internal Audit Plan	Proposed 2018 Internal Audit Plan	Proposed 2019 Internal Audit Plan
Medium	The City's waste and recycling services may not be meeting customer service delivery and environmental stewardship expectations	9.0	5.8					
Medium	The City may be using outdated or unsupported software and/or hardware that may fail	8.6	6.3					
Medium	The City's information technology strategy may not be properly aligned with the organization's goals and objectives	8.3	5.4					✓
Medium	The City may not be prepared for the effects of climate change	7.3	5.0					
Medium	The City's decision making processes may be hampered by information systems and data sets (financial and operational) that are not integrated	7.0	5.9					
Medium	The City's existing strategies may not be attracting, hiring, managing, developing and retaining top talent to support existing and future operations	6.1	4.6	2016/17	In progress	✓		
Medium	The City may not be investing enough money in its parks infrastructure to maintain an acceptable condition and level of service	5.9	3.7			✓		
Medium	The City may not be adequately protecting information created by or entrusted to it	5.8	4.0				✓	
Medium	The City may not be consistently considering risk management when evaluating and pursuing strategic initiatives	5.8	3.4					

City Council Priority 2015	Strategic Risk	Inherent Risk[1] Severity (1-16)	Residual Risk[2] Severity (1-16)	Year Planned	Year Complete	Proposed 2017 Internal Audit Plan	Proposed 2018 Internal Audit Plan	Proposed 2019 Internal Audit Plan
Medium	The City may not be aligning its financial resources in a way that supports its priorities, strategic goals and core services	5.7	3.4					✓
Medium	The City may not be investing enough money in its facilities to maintain an acceptable condition and level of service	4.5	2.2					✓
Low	The future growth of the City and region could be restricted by, or in conflict with, growth in surrounding areas	11.7	4.9					
Low	The City may not be investing enough money in its fleet infrastructure to maintain an acceptable condition and level of service	7.2	2.8					
Low	The City may fail to identify and pursue corporate CO2 reduction initiatives	6.1	5.4					✓
Low	The City's community education and awareness initiatives regarding carbon footprint may not be affective change in people's attitudes and behaviors	5.4	4.7					
Low	The City's purchases may not be in accordance with approved policy	4.3	2.9					

2017 Tag Days

Recommendation
That the applications for the 2017 Tag Days be approved.

Topic and Purpose
The purpose of this report is to request Standing Policy Committee on Finance approval of nine applications for 2017 Tag Days.

Report Highlights
1. Council Policy No. C02-010, Tag Days, ensures that soliciting of donations for public purposes is carried out in a coordinated manner that benefits the community as a whole.

Strategic Goal
This report supports the long-term strategy of supporting community-building through support to volunteers on civic boards, committees and community associations under the Strategic Goal of Quality of Life.

Background
Council Policy No. C02-010 defines a Tag Day as a day set aside for solicitation of donations from the public by a particular organization for charitable purposes. The charitable purposes can be any benevolent, philanthropic, patriotic, artistic, athletic, recreations, or civil purpose, and any purpose that has an objective of promoting or providing a public service.

Report
The following organizations have all been approved for Tag Days in previous years, and are requesting approval for a 2017 Tag Day. All requirements of the Tag Days Policy have been met.

Organization	Date(s) Requested
Navy League of Canada – Saskatoon Branch	Apr. 1 and Sept. 23
2293, 3071, & 328 Royal Canadian Army Cadets Corps	Apr. 8
702 Lynx Royal Canadian Air Cadet Squadrons	Apr. 22 and Oct. 7
107 Spitfire Royal Canadian Air Cadet Squadrons	May 6 and Oct. 14
Special Olympics Saskatchewan – Saskatoon	May 27
Saskatoon Professional Firefighters Union 80 – Boot Drive	Sept. 9
Canadian Cystic Fibrosis – Shinerama Saskatoon	Sept. 21
Kiwanis Club of Saskatoon	Sept. 30
Royal Canadian Legion & Anavets – Poppy Campaign	Oct. 28

Options to the Recommendation
Non-approval of the recommendation would not allow these organizations to proceed with their Tag Day initiative.

Communication Plan
Communication is directly with the Tag Day applicants.

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

Due Date for Follow-up and/or Project Completion
Tag Day initiatives will be completed by October 28, 2017.

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

Report Approval

Written by:	Michael Voth, Revenue Collections and Licensing Manager
Reviewed by:	Shelley Sutherland, Director or Corporate Revenue
Approved by:	Kerry Tarasoff, CFO/General Manager, Asset & Financial Management Department

Tag Days 2017.docx

Transfer of Unpaid Utilities to Property Tax

Recommendation
That the information be received.

Topic and Purpose
The purpose of this report is to provide the Standing Policy Committee on Finance with an update on the process of transferring a tenant's unpaid utility (excluding electrical) charges to the property owner's tax roll.

Report Highlights
1. *The Cities Act* allows Saskatchewan cities to transfer a tenant's unpaid utilities (excluding electricity) to the property owner's tax roll.
2. Other cities, governed under the same legislation, have already implemented this ability or are contemplating doing so.
3. The City of Saskatoon offers a Landlord/Tenant Agreement that helps mitigate the cost of service disruptions.
4. As requested by landlords, information is provided to landlords as early in the process as possible.

Strategic Goal
This report supports the Strategic Goal of Asset and Financial Sustainability by being open, accountable and transparent, particularly when it comes to the collection decisions the City of Saskatoon (City) makes.

Background
At its meeting on April 4, 2016, when considering a report from the CFO/General Manager, Asset and Financial Management Department, regarding the transfer of unpaid utilities to property tax, the Standing Policy Committee on Finance resolved that the Administration hold further discussions with the industry on this matter with a report back with the findings of that consultation and how this practice compares to other utilities and decision making authorities.

In 2016, unpaid charges for tenant utility services were added to the tax roll on 55 separate accounts totaling $28,748.75.

Report
The Cities Act
For many years, *The Cities Act (The Act)* has allowed the transfer of unpaid utility charges, including electrical, from a utility account to the property tax roll where the utility customer was also the property owner. In May 2014, *The Act* was amended to allow unpaid charges for utility service (excluding electrical) incurred by a tenant to be added to the tax roll of the property owner.

Other Jurisdictions

Two Saskatchewan cities surveyed have already implemented a similar transfer process. Two others continue to consider how best to incorporate the process into workflows which currently include a very active, year-round service disconnection process.

The Provincial Crown Corporations that provide utility services were also contacted. SaskEnergy, SaskWater and SaskPower all follow collection processes that reflect the legislation under which they are governed, which does not include the provision to transfer unpaid utility charges to a tax roll.

For example, SaskEnergy may require that an account be placed in the landlord or property owner's name if the service is being delivered to a premise that has two or more suites, apartments or units served by a single meter.

Also, SaskEnergy may require a separate service agreement between themselves and the landlord if a tenant applies for service. This service agreement allows the transfer of the account to the landlord should the account fall into arrears and/or collections activities be deemed unsuccessful.

Landlord Agreement

The City's Landlord Tenant program is in place to ensure continuity of service at a specific address. It provides a service to landlords by automatically putting the account in their name when the tenant has disconnected. This means they do not have to contact Corporate Revenue, and the connection fee is waived.

Information Provided to Property Owners

The following details the information provided to property owners should a tenant's account enter into arrears and collection efforts not be successful:

- A notice of pending disconnection is sent.
- At the same time, a letter is sent to the landlord notifying them of the potential problem.
- Should the notice not generate contact and/or a resolution, a registered letter is sent to both the property owner and tenant advising that the utility charge may be transferred to property taxes. The letter provides 30 days' notice for resolution before unpaid utility charges may be transferred to the owner's property tax.

It is important to note that during this process, the City continues to actively collect on the outstanding debt by using all available contact methods (i.e. phone, email, etc.) to reach the tenant and owner.

Further Discussions with Property Owners

Meetings were held with the Saskatchewan Landlord's Association as well as several individual property owners to explore options that would better equip property owners to react to potential transfers. The most common request from these meetings was for specific information including outstanding balances regarding their tenant's utility account balances. This information can only be released with the utility account holder's permission.

An agreed upon strategy is to ensure lease/rental agreements contain language allowing the disclosure of utility amounts owed by the tenant. This allows landlord's access to utility balance information to work with tenants if a transfer is imminent or has already taken place. In consultation with the City Solicitor's Office, this suggested language has been provided to the Landlord's Association, the Office of Residential Tenancies, and to any property owners upon request.

Further internal process reviews were also undertaken to ensure that any potential transfer is dealt with consistently and is only used as a last resort.

Communication Plan

Ongoing communication will continue through notifications sent with annual property tax notices, as well as the City proactively contacting potentially affected property owners throughout the transfer process.

Due Date for Follow-up and/or Project Completion

There is no due date for follow-up and/or project completion at this time.

Public Notice

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

Report Approval

Written by:	Michael Voth, Revenue Collections & Customer Service Manager
Reviewed by:	Shelley Sutherland, Director of Corporate Revenue Kerry Tarasoff, CFO/General Manager, Asset & Financial Management Department
Approved by:	Catherine Gryba, Acting City Manager

Transfer of Unpaid Utilities_Consultation.docx

Administration of Tax Abatements and Grants

Recommendation
That the information be received.

Topic and Purpose
The purpose of this report is to provide information regarding the City of Saskatoon's (City) use of tax abatements and grants.

Report Highlights

1. The types of abatements approved by City Council fall into two main categories:
   - tax abatements based on City Council approved initiatives; and
   - grants for social, environmental and cultural organizations.

   The total taxes abated in 2016, including Library and Education taxes was $3.2 million. The City's portion is approximately $1.9 million, or 0.4% of the City's total 2016 budgeted expenditures.

2. The City abated $1.37 million in 2016 for incentive-based tax abatements.

3. The City abated just over $900,000 in 2016 for grant-based tax abatements.

4. Other site-specific abatements were approximately $931,300 in 2016.

Strategic Goals
The information in this report supports the Strategic Goal of Quality of Life, as the community investments made through the various grant programs support community based organizations to address and support work in the community.

This report also supports the Strategic Goal of Asset and Financial Sustainability by ensuring that the City is open, accountable and transparent regarding the decisions it makes relating to equitable and consistent application of tax exemptions and abatements.

Background
At its September 29, 2014 meeting, when considering the Persephone Theatre Property Tax Abatement report, City Council resolved that the Administration report to the Standing Policy Committee on Finance on the future administration of abatements and grants.

All properties within Saskatoon have an assessed value; however, not all properties are taxable. The taxable status of properties is determined by *The Cities Act*. For example, properties held by the Crown, places of worship, and schools are exempt from taxation. City Council also has the right to exempt properties from taxation for up to five years.

Prior to 2005, City Council approved an annual report from the City Assessor recommending exemptions for a long list of properties. Most of the properties exempted from taxes were owned by not-for-profit groups, senior's clubs, cultural organizations, etc. Upon approval of the exemption report, the list of properties would be included with the exempt portion of the assessment roll, which meant that the properties would not be issued a tax notice for that year.

In order to be more transparent regarding the amount of property tax dollars that were forgiven, City Council approved a recommendation from the Administration in November 2004 that the properties previously exempted by City Council become taxable properties (no longer exempted from property taxes), and that the corresponding tax dollars be used for tax abatements provided through the applicable City Council approved grant or incentive programs.

Report

<u>Overview</u>

The City has a number of Council policies under which tax abatements are applied to properties. The types of abatements approved by City Council fall into two main categories:

- tax abatements based on City Council approved initiatives; and
- grants for social, environmental and cultural organizations.

There are also a small number properties receiving abatements based on site specific criteria (i.e. not included in other abatement policies). The total taxes abated in 2016, including Library and Education taxes, were $3.2 million. The City's portion was approximately 0.4% of the total 2016 operating budget expenditures.

<u>Incentive-Based Tax Abatements</u>

While tax abatements were initially used only as incentives for business development, the City's tax abatement program has been expanded to include residential development incentives, infill incentives, and other policy objectives.

The incentive-based abatements are as follows:

i) Business Development Incentives Policy (Council Policy No. C09-014) - available to businesses meeting eligibility requirements and is coordinated through Saskatoon Regional Economic Development Authority (SREDA).

ii) Innovative Housing Incentives Policy (Council Policy No. C09-002) - introduced to encourage the construction and renovation of diverse housing to accommodate low and moderate income households.

iii) Vacant Lot and Adaptive Reuse Incentive Program (Council Policy No. C09-035) - estatblished to encourage infill development on vacant sites and adaptive reuse of vacant building space in established neighbourhoods, including the Downtown.

iv) Civic Heritage Policy (Council Policy No. C10-020) - established to encourage investments that will improve and enhance the building façade and/or the restoration of historic buildings.

v) Municipal Enterprise Zone (Administrative Policy A09-031) - made incentives available to property owners (both residential and non-residential) meeting the eligibility requirements within the Enterprise Zone. The Municipal Enterprise Zone abatement program ended in 2010; however, the abatements were applied until the end 2016, based on construction completion dates.

The following table summarizes the incentive-based tax abatements applied to properties in 2016.

Incentive Programs (Policy)	**No. of Properties**	**Total Taxes Abated***
Business Development Incentives	8	$327,142
Innovative Housing Incentives	57	$843,726
Vacant Lot and Adaptive Reuse Incentive	16	$70,833
Civic Heritage Program	14	$59,284
Municipal Enterprise Zone**	2	$69,272
Total	**97**	**$1,370,257**

*Includes City, Library & Education taxes
**Final year of abatements for this program

Grant-Based Tax Abatements

The City has several grant programs established to meet defined needs within the community. These grant programs provide cash to organizations that submit annual applications meeting specific criteria. Two grant programs include tax abatements. This means that as part of the grant programs, there is a cash and a tax abatement portion, and the City abates property taxes to some organizations that own property (i.e. Persephone Theatre or Sask Abilities Council).

The grant-based tax abatements are as follows:

i) Assistance to Community Groups (Council Policy No. C03-018) - provides assistance to community groups in the area of social services and environment.

ii) Cultural Grant Program - builds capacity within the arts and culture section in Saskatoon for the well-being of the community.

The following table summarizes the grant-based tax abatements applied to properties in 2016.

Grant Category	**No. of Properties**	**Total Taxes Abated***
Social Services Category	25	$618,376
Cultural Category	6	$286,697
Total	**31**	**$905,073**

*Includes City, Library & Education taxes

<u>Other Abatements</u>
On occasion, City Council will approve non-policy tax incentives in order to facilitate specific objectives. Each non-policy incentive agreement is unique and is site-specific. The following table shows the non-policy abatements for 2016.

Recipient	**Total Taxes Abated***
Saskatoon Ideas Inc.	$3,310
Saskatoon Soccer Centre Inc.**	$689,976
Saskatoon Airport Authority	$235,408
Total	**$928,694**

*Includes City, Library & Education Taxes
**Abatement renewal pending an update report and City Council approval (April 2017)

- The incentive to Saskatoon Ideas Inc. is related to development in the south downtown and River Landing.
- Saskatoon Soccer Centre Inc. receives an abatement on the condition that it contributes funds toward the Dedicated Capital Reinvestment Fund (held in trust by the City) in order to ensure the timely repair or replacement of major capital components of the two soccer facilities.
- The Saskatoon Airport Authority (SAA) agreement allows taxes to be paid based on a per-passenger rate (rather than assessment based taxes). In 2016 the SAA paid taxes of $1,026,523.

Due Date for Follow-up and/or Project Completion
A due date for follow-up and/or project completion is not required.

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

Report Approval

Written by:	Joanne Stevens, Manager Finance Special Projects
Reviewed by:	Clae Hack, Director of Finance
Approved by:	Kerry Tarasoff, CFO/General Manager, Asset & Financial Management Department

Report on Write-downs of Surplus Inventory - 2016

Recommendation
That the information be received.

Topic and Purpose
The purpose of this report is to identify the amount of surplus inventory that was written off for the year 2016.

Report Highlights
1. For the year 2016, the write-downs of surplus/obsolete inventory by Saskatoon Light & Power totaled $47,549.47.

Strategic Goal
The review of inventory levels supports the Strategic Goal of Asset and Financial Sustainability by being open, accountable and transparent.

Report
In accordance with Administrative Policy No. A02-020, Stores - Operations and Utilization, the Administration is required to report once a year on inventory write-downs.

For the year 2016, Saskatoon Light & Power's write-downs were .5% of its inventory, and the write-downs of surplus/obsolete inventory totaled $47,549.47, as detailed in Attachment 1. There were no write-downs for the other stores areas.

Financial Implications
The total write-downs of $47,549.47 have been expensed to the appropriate operating program in 2016.

Due Date for Follow-up and/or Project Completion
A due date for follow-up and/or project completion is not required.

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

Attachment
1. Inventory and Asset Recovery Services – Inventory Write-downs - January 1 to December 31, 2016

Report Approval

Written by:	Keith Beck, Inventory & Asset Recovery
Reviewed by:	Linda Leedahl, Acting Director of Materials Management
Approved by:	Kerry Tarasoff, CFO/General Manager, Asset & Financial Management Department

Inventory Write-downs 2016.docx

Inventory and Asset Recovery Services
Inventory Write-downs - January 1 to December 31, 2016

Saskatoon Light & Power

Corporate No.	Description	Quantity	Average Cost	Total	Reason
2-75-15	Cable copper 15KV 750 MCM concentric neutral	510	$ 57.85	$ 29,505.73	Cable salvaged from a job in 2010, should have been charged to job
2-68-20	Cable ACSR bare 336 MCM	610	$ 7.54	$ 4,601.54	Obsolete
6-14-09	Transformer padmount deadfront 14400-120/240 100KVA	1	$ 3,333.34	$ 3,333.34	Transformer failed test and was scrapped - unit was 33 years old
6-90-05	Transformer overhead 1 ph 2400-120/240 50KVA	1	$ 2,699.34	$ 2,699.34	Transformer leaking oil - 35+ years old - scrapped
6-61-12	Base precast concrete box for switching cubicle 4 way	1	$ 2,090.50	$ 2,090.50	Base obsolete
1-21-06	Bracket mid-span triplex	46	$ 31.75	$ 1,460.57	Old version replaced with new style
1-53-00	Insulator pin Locust wood 1 1/2" X 9"	283	$ 3.98	$ 1,126.34	Obsolete
7-65-18	Fuse limiter pedestal porcelain 150 amp	5	$ 141.75	$ 708.75	Obsolete
1-53-08	Pin steel for insulator with 1 3/8" hole for 25 KV	21	$ 30.36	$ 637.64	Obsolete
1-52-90	Pin hole adapter 4 KV arm	104	$ 5.22	$ 542.56	Obsolete
4-21-31	Arm aluminum, street light, red, for marine-style fixture	1	$ 398.26	$ 398.26	Damaged beyond repair in Stores
1-52-92	Pin steel for insulator with 1" hole for 4 KV	19	$ 14.38	$ 273.22	Obsolete
2-17-11	Insulator pin type 1" hole 6.6 KV colored	13	$ 4.67	$ 60.66	Obsolete
1-53-07	Pin steel for insulator with 1" hole for 25 KV	8	$ 7.09	$ 56.72	Obsolete
2-17-13	Insulator pin type 1" hole 6.6 KV white	22	$ 1.60	$ 35.20	Obsolete
2-17-31	Insulator wire holder screw type colored	3	$ 5.62	$ 16.85	Obsolete
2-18-11	Insulator large secondary volt 13/16" hole	1	$ 2.25	$ 2.25	Old ceramic version replaced with new polymer
	Total write-downs SL&P			**$ 47,549.47**	

ATTACHMENT 1

Saskatoon Tower Lease – Amending Agreement

Recommendation

1. That the existing radio communications tower lease with British Columbia Investment Management Corporation Realty Corporation at 125 5th Avenue North be amended to add a second communications tower, extend the term of the lease for an additional ten-year period, and add two, five-year renewal options; and

2. That the City Solicitor be requested to prepare the appropriate agreement and that His Worship the Mayor and the City Clerk be authorized to execute the agreement under the Corporate Seal.

Topic and Purpose

The purpose of this report is to obtain Standing Policy Committee on Finance approval to amend the Communications Tower Lease with British Columbia Investment Management Corporation Realty Corporation (bcIMC). The lease will include the addition of a second communications tower and secure continued corporate radio service to the City of Saskatoon (City) for up to an additional 20 years.

Report Highlights

1. 125 5th Avenue North (Saskatoon Tower) is an ideal location for the placement of an additional communications tower as the City currently has infrastructure in place at this location.
2. The City and bcIMC have agreed to the terms of the lease amending agreement, subject to Standing Policy Committee on Finance approval.

Strategic Goal

The Communications Tower Lease supports the long-term strategy of reducing crime by providing communication services for the City's protective services groups in downtown neighbourhoods under the Strategic Goal of Quality of Life. It also supports the long-term strategy of optimizing the flow of people and goods in and around the city under the Strategic Goal of Moving Around.

Background

The City and bcIMC (formerly 3170497 Canada Inc.) entered into a lease with a five-year term on October 1, 2002. The lease was for a portion of the rooftop of the Saskatoon Tower and a small equipment room which was to be used for the purpose of a corporate communications system. Prior to the expiration of the initial term, in October 2007 the City and bcIMC entered into an amending and renewal agreement to extend the term of the lease until September 30, 2017. In 2002, the annual rent was $12,000 and it has increased at the greater of 3% or the Consumer Price Index (CPI) annually.

All infrastructure was upgraded in 2012 to the current radio telecommunications industry standard of Astro P25 digital. The infrastructure is valued at $3 million.

Report

Saskatoon Tower is an Ideal Location for a Communications Tower

Saskatoon Tower is one of the tallest buildings downtown, which is ideal for coverage of the City's trunked radio transmissions throughout Saskatoon's main core. This space houses all radio repeaters and associated infrastructure for radio transmission to the mission critical agencies, as well as to other corporate divisions. The roof top space has many antennas associated with the City's communications network.

The building's location and height is also suitable for installation of the new broadband wireless radio communication equipment for communication between the centralized traffic management system and signalized intersections in the field. The wireless system is a more flexible and cost effective solution compared to the old twisted-pair cable infrastructure.

Terms of the Lease Amending Agreement

The Real Estate Services Section, Saskatoon Land Division, has negotiated amendments to the current lease to allow for an additional tower to be erected and to extend the term of the agreement for ten years and provide two, five-year renewal options for an additional ten years.

Notable terms of the agreement include:

a. The City can erect the additional tower at any time subsequent to Standing Policy Committee on Finance approval. Upon completion, additional annual rent will amount to $5,000, pro-rated based on installation date.

b. The lease would be extended until September 31, 2027.

c. There are two renewal options, each for an additional term of five years.

d. Annual rent, commencing October 1, 2017, will start at $23,695.74 and increase annually at the greater of 3% or the CPI. In the event the renewals are exercised, the rent will continue to escalate in the same manner. A review of similar communications tower leases suggest the proposed rent is consistent with market rents.

e. Termination notice, by either party, would be extended from 90 days to 180 days.

f. All other terms of the original agreement will remain in effect.

Options to the Recommendation

Option 1: The Committee can choose not extend the lease. The Administration does not recommend this option as an equally suitable location would have to be secured.

Option 2: The Committee can choose to extend the lease for the current tower, and not approve the additional tower. The Administration does not recommend this option as the Transportation Division requires a second tower for traffic signal communications needs.

Public and/or Stakeholder Involvement

Public and/or stakeholder involvement is not required.

Financial Implications

The City will pay annual rent in the amount of $23,695.74 beginning in 2017 and escalating at the greater of 3% or CPI. Funding is available through the Radio Shop and Electronics Shop Operating Budget.

Other Considerations/Implications

There are no policy, environmental, privacy or CPTED implications or considerations; a communication plan is not required at this time.

Due Date for Follow-up and/or Project Completion

Placement of the additional non-penetrating roof mount antenna assembly for traffic signal communication needs is anticipated to be completed immediately following approval. No additional follow-up is required.

Public Notice

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

Report Approvals

Written by:	Jeremy Sibley, Property Agent, Real Estate Services, Saskatoon Land Del Ehlert, Manager of Maintenance Support, Facilities & Fleet Management
Reviewed by:	Frank Long, Director of Saskatoon Land Goran Lazic, Senior Transportation Engineer, Transportation Angela Gardiner, Director of Transportation Troy LaFreniere, Director of Facilities & Fleet Management Jeff Jorgenson, General Manager, Transportation & Utilities Department
Approved by:	Kerry Tarasoff, CFO/General Manager, Asset & Financial Management Department

Saskatoon Tower – Amending Agreement.docx

Update on Key Strategic Risks – 2017

Recommendation
That the information be received.

Topic and Purpose
The purpose of this report is to provide an update on how the Administration is managing the City of Saskatoon's (City) key strategic risks.

Report Highlights
1. Risk Registers have been developed for each strategic risk and updated to reflect 2016 accomplishments and the planned mitigation strategies for 2017 and beyond.

Strategic Goal
This report supports the long-term strategy of creating and encouraging a workplace culture of continuous improvement that encourages innovation and forward-thinking under the strategic goal of Continuous Improvement.

The City's Risk Based Management (RBM) Program sets a positive and proactive risk management culture for the Administration through the adoption of a systematic, practical and ongoing process for understanding and managing risk.

Report
In 2015, the City's internal auditors, PricewaterhouseCoopers (PwC), assisted the Administration in conducting a strategic risk assessment in order to identify the key strategic risks facing the City. With input from City Council, each strategic risk was prioritized as high, medium or low for the purposes of developing the Internal Audit Plan.

In order to understand each strategic risk, a template for the development of a Risk Register for each strategic risk was developed (Attachment 1). Risk Registers record the details related to each risk in one centralized document, including the following:

- City Council's priority for internal audit purposes;
- Corporate Risk Committee's scoring of the risk;
- root causes of the risk;
- significant impacts that could result if the risk were to occur;
- what is currently being done to manage the risk; and
- additional activities that are planned in the short and medium term that will further manage the risk.

At its meeting on May 30, 2016, the Standing Policy Committee on Finance received the risk registers for all high and medium risks. During the remainder of 2016, the

Corporate Risk Committee (comprised of the City Manager, General Managers of the four departments, City Solicitor, Fire Chief, Police Chief, Director of Government Relations, and Director of Corporate Risk) engaged in the following activities:

- reviewed the underlying nature of each risk event as identified in the strategic risk assessment and amalgamated those that were the same or similar, resulting in a decrease in the number of risk registers from 32 to 23 (Attachment 2);

- refined the risk descriptions;

- evaluated each strategic risk and determined its severity based on the likelihood of the risk event occurring on a scale of 1 (rare) to 4 (very likely), and the impact if the risk event were to occur on a scale of 1 (negligible) to 4 (critical) on both an inherent basis (without considering the effect of controls/ strategies), and on a residual basis (after considering the effect of current activities but not planned strategies); and

- developed a target risk ranking of high, medium or low, representing the medium- to long-term goal for the risk.

The Corporate Risk Committee reviewed the updated Strategic Risk Registers which reflected 2016 accomplishments, confirmed the content of each, and reviewed the reasonableness of the target dates provided for planned mitigation strategies (Attachment 3).

The planned mitigation strategies for 2017 are being included in the planned activities for the respective departments.

Communication Plan

To effectively communicate the City's RBM Program, key strategic risks, and actions being taken to manage those risks and internal audit plan, a Corporate Risk webpage has been created on the City's website (saskatoon.ca) which will be updated to include this report.

Financial Implications

The financial implications of planned mitigation strategies will be incorporated into future Business Plan and Budget submissions of each responsible department as required.

Due Date for Follow-up and/or Project Completion

Updated Risk Registers will be submitted for confirmation and approval to the Standing Policy Committee on Finance on an annual basis, and will also be shared with PwC in advance of the development of the annual Internal Audit Plan.

Public Notice

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

Attachments

1. Strategic Risk Register Template
2. Updated Strategic Risk Listing – Approved by Corporate Risk Committee October 2016
3. Individual Strategic Risk Registers – February 14, 2017

Report Approval

Written by:	Nicole Garman, Director of Corporate Risk
Reviewed by:	Clae Hack, A/General Manager, Asset & Financial Management Department
Approved by:	Catherine Gryba, A/City Manager

Key Strategic Risks Update - 2017.docx

Strategic Risk Register Template

City Council Risk Priority
As determined by City Council September 2015 – high (red), medium (yellow), low (green) for purposes of the internal audit plan

Risk Score			
	Likelihood *(probability of risk occurring)*	Impact *(effect of risk if it does occur)*	Severity *(likelihood x impact)*
Inherent Risk *(without considering the effect of controls/ strategies)*	*scale of 1 (rare) - 4 (very likely)*	*scale of 1 (negligible) – 4 (critical)*	*calculated figure*
Residual Risk *(after considering the effect of current activities but not planned strategies)*	*scale of 1 (rare) - 4 (very likely)*	*scale of 1 (negligible) – 4 (critical)*	*calculated figure*

Administration Target Risk Ranking
(desired mitigated risk ranking after considering the effect of both current and planned activities/ strategies)

Risk No.	**Risk Description**	**Strategic Goal**
Unique number assigned to each risk event	**Brief description of the risk event**	**The Strategic Goal that is effected by the risk event**
Risk Lead	*The Department that is responsible for ensuring risk mitigation activities are carried out*	
Key Impacts	*A list of the most significant impacts that could result if the risk event were to occur*	
Root Causes	*A list of the possible circumstances/situations that could cause the risk event to occur*	
Outcomes of Managing the Risk	*A description of the achievement, experience, result or state that could be achieved if the risk is well managed*	

Current Activities

A list of the significant activities, initiatives and/or projects that had been undertaken prior to the current year to:
(1) reduce the chances of the risk event occurring; and/or
(2) reduce the impact if the risk event were to actually occur.

1	
2	
3	

Planned Mitigation Strategies

A list of the significant activities, initiatives and/or projects that have been planned for the current year and up to the next 3 years to:
(1) further reduce the chances of the risk event occurring; and/or
(2) further reduce the impact if the risk event were to actually occur.

	Strategy	**Target Date**
1		
2		
3		

Updated Strategic Risk Listing

Approved by Corporate Risk Committee October 2016

Old Risk No.	New Risk No.	Risk Statement	Risk Narrative – Original	Risk Narrative - Revised
MA-1(a) MA-1(b) A&FS-4	MA-1	**Inadequate investment in transportation infrastructure and maintenance**	The current investment within the overall infrastructure renewal and maintenance over the last ten years may not have been adequate Some areas need fresh infrastructure investment • Roads, Sidewalks	The City may not be investing enough money in its transportation infrastructure to maintain an acceptable condition and level of service
MA-2(a) MA-2(b) MA-2(c)	Included in MA-1	**Fail to meet expectations**	The City may not be delivering expected level of services to citizens or internal stakeholders • Road Maintenance, Snow Removal, Bridges	Combine with risk of inadequate investment in roads
A&FS-1	A&FS-1	**Unprepared for business interruption/ emergency**	The City may not have adequate business continuity planning and/or emergency preparedness in place	The City may not be prepared to quickly and effectively resume operations in the event of serious incident, accident, disaster or emergency
SG-1	SG-1	**Fail to identify and pursue alternative revenue sources**	There may be limitations on non-property tax revenue options and taxing powers, resulting in an over-reliance on property tax	The City may be unable to adequately diversify its revenue sources

Old Risk No.	New Risk No.	Risk Statement	Risk Narrative – Original	Risk Narrative - Revised
CI-1	CI-1	**Disengaged and uninformed citizens**	City may lack the right initiatives to adequately engage and inform citizens An expectation gap between citizens and the City may be leading to dissatisfaction with services	The City's engagement and communications initiatives and opportunities may not be effectively reaching its citizens
MA-3	MA-3	**Inadequate investment in mass transit infrastructure and maintenance**	The current investment within the overall infrastructure renewal and maintenance over the last ten years may not have been adequate Some areas need fresh infrastructure investment • Transit	The City may not be investing enough money in its public transit infrastructure to maintain an acceptable level of service
MA-4	Included in MA-3	**Fail to meet expectations**	The City may not be delivering expected level of services to citizens or internal stakeholders • Transit	Combine with risk of inadequate investment in mass transit
QL-1	QL-1	**Inadequate investment in parks infrastructure and maintenance**	The current investment within the overall infrastructure renewal and maintenance over the last ten years may not have been adequate Some areas need fresh infrastructure investment • Park & Recreation	The City may not be investing enough money in its parks infrastructure to maintain an acceptable condition and level of service

Old Risk No.	New Risk No.	Risk Statement	Risk Narrative – Original	Risk Narrative - Revised
QL-2	Included in QL-1	**Fail to meet expectations**	The City may not be delivering expected level of services to citizens or internal stakeholders • Parks Maintenance	Combine with risk of inadequate investment in parks
A&FS-2	A&FS-2	**Wrong capital investment decisions are made**	While making capital investment decisions, adequate funding for asset lifecycle costs may not be getting identified	The City may not be considering the total costs of asset ownership when making investment decisions
SG-2	SG-2	**Infrastructure investment not aligned with growth**	The City carries the risk of over/under investing within its future infrastructure and not being aligned to economic scenario within the city/province	The City's infrastructure investments may not correspond to growth trends and forecasts for the local or regional economy
EL-1	EL-1	**Fail to meet citizen expectations regarding waste collection services**	The City may not be delivering expected level of services to citizens or internal stakeholders • Garbage Collection	The City's waste and recycling services may not be meeting customer service delivery and environmental stewardship expectations
A&FS-3(a) A&FS-3(b)	Included in A&FS-7 A&FS-3	**Fail to meet internal customer expectations regarding facilities management services**	The City may not be delivering expected level of services to citizens or internal stakeholders • IT, Buildings	Combine with risk of IT not supporting business objectives The City may not be investing enough money in its facilities to maintain an acceptable condition and level of service

Old Risk No.	New Risk No.	Risk Statement	Risk Narrative – Original	Risk Narrative - Revised
A&FS-4	Included in MA-1, MA-3 and QL-1 Included in A&FS-3	**Infrastructure fails due to inadequate maintenance**	The lack of integrated Asset Management approach and systems may be affecting the overall process of asset maintenance	Combine with risk of inadequate investment in roads, public transit and parks Combine with risk of not meeting expectations for facilities management
A&FS-5	A&FS-5	**Funding decisions don't align with citizen/City Council priorities or strategic goals**	The current budgeting process may make it difficult to see the "big picture" and identify priority based funding A good understanding of what is needed for baseline operations and what's considered as an add-on may not exist	The City may not be aligning its financial resources in a way that supports its priorities, strategic goals and core services
SG-3	SG-3	**Risk is not consistently considered in the decision making/project management process**	Strategic initiatives may not be reviewed for key risks during the business case evaluation in a structured and comprehensive way	The City may not be consistently considering risk management when evaluating and pursuing strategic initiatives
CI-2	CI-2	**Unprepared for vacancies in key management or operational positions**	Current succession planning and leadership development may not be adequate considering ageing workforce and staff turnover	The City's existing strategies may not be attracting, hiring, managing, developing and retaining top talent to support existing and future operations

Old Risk No.	New Risk No.	Risk Statement	Risk Narrative – Original	Risk Narrative - Revised
CI-3	Included in CI-2	**Unplanned vacancies in operational staff positions**	With the economic growth of the province, the City may be experiencing a high degree of staff turnover which may require better talent management and retention strategies	Combine with risk of being unprepared for vacancies
CI-4	Included in CI-2	**Existing talent does not match current or future business needs (the people we have are not the people we need)**	Overall workforce planning process may not be adequate to highlight what the future organization would look like and align it with citizen needs and expected service levels	Combine with risk of being unprepared for vacancies
A&FS-6	A&FS-6	**Outdated or unsupported software and/or hardware failure**	Some IT systems and hardware may be outdated resulting in inability to meet business needs	The City may be using outdated or unsupported software and/or hardware that may fail
A&FS-7	A&FS-7	**Information technology strategy does not support the achievement of corporate/ divisional strategic/ business plans**	There may be a lack of clear IT strategy for the organization which may result in higher IT costs and inability for IT to function as an enabler	The City's information technology strategy may not be properly aligned with the organization's goals and objectives
A&FS-8	A&FS-8	**Decisions must be made with incomplete information**	Financial and operational systems are not well integrated which makes it difficult to make data based decisions (asset management, maintenance, ERP, HR, etc.)	The City's decision making processes may be hampered by information systems and data sets (financial and operational) that are not integrated

Old Risk No.	New Risk No.	Risk Statement	Risk Narrative – Original	Risk Narrative - Revised
A&FS-9	A&FS-9	**Unauthorized release of/access to confidential/ personal information**	Inadequate management of privacy and security of information may be a risk Data management may be insecure due to use of cloud services	The City may not be adequately protecting information created by or entrusted to it
SG-4	SG-4	**Unprepared to mitigate/adapt/ respond to climate risk (variability and change)**	City may be lacking a clearly articulated strategy on how to manage climate change related risks	The City may not be prepared for the effects of climate change
SG-5	Included in and re-numbered A&FS-10	**Inadequate investment in fleet infrastructure and maintenance**	The current investment within the overall infrastructure renewal and maintenance over the last ten years may not have been adequate Some areas need fresh infrastructure investment • Fleet Management	The City may not be investing enough money in its fleet infrastructure to maintain an acceptable condition and level of service
A&FS-10	A&FS-10	**Fail to meet expectations**	The City may not be delivering expected level of services to citizens or internal stakeholders • Fleet	Combine with risk of inadequate investment in fleet
A&FS-11	A&FS-11	**Inappropriate internal service costing practices**	Current system of cross-charging costs may be inefficient	Remove from strategic risk register
SG-6	SG-6	**Fail to plan for growth on a regional basis**	The lack of a regional growth plan that includes all of the city's neighbors could restrict the city's growth in the future	The future growth of the city and region could be restricted by, or in conflict with, growth in surrounding areas

Old Risk No.	New Risk No.	Risk Statement	Risk Narrative – Original	Risk Narrative - Revised
A&FS-12	A&FS-12	**Fail to comply with procurement policies**	Procurement activities may not be in adherence with policies and procedures, especially with respect to sole source contracts	The City's purchases may not be in accordance with approved policy
EL-2	EL-2	**Community-wide greenhouse gas emissions increase**	City may need to do more to create community awareness with respect to increase awareness, educate and change people's attitude about carbon footprint	The City's community education and awareness initiatives regarding carbon footprint may not be affecting change in people's attitudes and behaviors
EL-3	EL-3	**Lack of corporate CO2 reduction initiatives**	Absence of CO2 reduction initiatives may lead to a bigger than expected carbon footprint. Initiatives could include environmental impact assessments, landfill emissions, green energy initiatives, etc.	The City may fail to identify and pursue corporate CO2 reduction initiatives

Strategic Risk Register

(Effective February 14, 2017)

City Council Risk Priority
High

Risk Score			
	Likelihood	Impact	Severity
Inherent Risk	3.29	3.29	10.82
Residual Risk	2.33	2.83	6.59

Administration Target Risk Ranking
Medium

Risk No.	Risk Description	Strategic Goal
SG-1	**The City may be unable to adequately diversify its revenue sources**	**Sustainable Growth**
Risk Lead	CFO/GM Asset & Financial Management	
Key Impacts	- higher mill rate, large mill rate increases - deferred capital spending accelerated deterioration - increasing infrastructure deficit/deficiency - rejected new/expanded/enhanced operating programs/initiatives - decreased level of service	
Root Causes	- legislative constraints - lack of political appetite - citizen and/or stakeholder opposition	
Outcomes of Managing the Risk	- diversified funding sources that are responsive to growth, adequately finance municipal services and infrastructure, are fair and encourage economic growth and development	

Current Activities

1	Dedicated levies to fund specific infrastructure deficits
2	Return on Investment from Saskatoon Light & Power and Water/Wastewater Utilities
3	Periodic review of service rates at the program level
4	Long-Term Financial Plan approved by City Council
5	Discussion papers on issues and options tabled with City Council
6	Internal committee formed to research and evaluate options
7	Corporate fundraising strategy/philanthropic policy being developed
8	Opportunities to improve relationships with donors/sponsors being pursued
9	Advertising bundling opportunities being reviewed
10	Internal audit currently underway
11	Findings from Hemson Consulting Ltd. “Financing Growth Study” to be incorporated into future Growth Plan initiatives

Planned Mitigation Strategies

	Strategy	Target Date
1	Annual ”State of Finance” update on long-term financial plan to be presented to City Council	2017
2	Implement recommendations from internal audit	2017+

Strategic Risk Register

(Effective February 14, 2017)

City Council Risk Priority
High

Risk Score	Likelihood	Impact	Severity
Inherent Risk	2.58	2.83	7.30
Residual Risk	2.17	2.83	6.14

Administration Target Risk Ranking
Medium

Risk No.	Risk Description	Strategic Goal
MA-1	**The City may not be investing enough money in its transportation infrastructure to maintain an acceptable condition and level of service**	**Moving Around**
Risk Lead	GM Transportation & Utilities	
Key Impacts	- deteriorating infrastructure/condition/level of service - increasing reactive/emergency maintenance activities and costs - deferred capital work; accelerated deterioration - available funding defaulted to repair worst conditions rather than invest in preservation treatments - increasing infrastructure deficit/deficiency - unsafe/inconsistent driving/walking conditions - reduced ability to further economic growth and social welfare - citizen dissatisfaction, transfer of dissatisfaction to other program areas - negative perception of civic government	
Root Causes	- resource constraints - past underfunding of asset renewal - rate of inflation and/or growth exceeds budget allocations - absence of established asset management plan, life cycle costing process - absence of approved service level objectives - lack of mutual understanding, gap between citizen expectations and actual services provided	
Outcomes of Managing the Risk	- citizens can move around the city safely and efficiently, in all seasons, with limited disruption/ congestion on roads, bridges and sidewalks that are in good condition - cost effective program that is trusted, inspires confidence and provides good value for tax dollars - quality infrastructure that enhances our community's prosperity, productivity, quality of life and economic development/investment - mobility for all citizens is enhanced and encourages active transportation	

Current Activities	
1	Ongoing monitoring of infrastructure condition, by type (roads, sidewalks) and by class
2	Prepare annual report on infrastructure condition (roads, sidewalks)
3	Prepare annual report on short/long term infrastructure funding adequacy/deficiency
4	Deliver annual maintenance programs and Building Better Roads program
5	Continue to implement Roadway Financial Management Strategy
6	Prioritize sidewalk remediation based on risk
7	Annual Civic Services Survey
8	Monitor, track and report actual level of service and other accomplishments
9	Completed Roadways Civic Service Review
10	City Council-approved Winter Road Maintenance Level of Service
11	Maintain Snow and Ice Contingency Reserve
12	Increased funding from existing sources

Current Activities (Continued)	
13	Internal audits of (1) summer maintenance and (2) winter maintenance programs completed
14	Asset Management Plans prepared for roads, sidewalks and bridges
15	Engineering and financial staff involvement in road maintenance operations re-established
16	Centralized & coordinated roadways workflow management process and resource optimization model developed

Planned Mitigation Strategies		
	Strategy	**Target Date**
1	Increase funding from existing sources and/or identify and pursue alternative funding sources	Ongoing
2	Monitor, track and report actual level of service and other accomplishments (e.g., piloting GPS study on winter maintenance fleet)	Ongoing
3	Undergo internal audits • Sidewalks • Bridges	TBD
4	Enhance Building Better Roads program – summer maintenance program design changes; proactive maintenance approach; redesign of fall sweep program	2017
5	Prepare/update Asset Management Plans that address inventory, current condition, service level and funding considerations • Street signage • Traffic signals	2017
6	Prepare additional roadways level of service reports for City Council approval – summer maintenance, street signage, traffic signals	2017
7	Develop roadway inventory/level of service driven budget	TBD
8	Research, develop and implement next phase of roadway asset management system	TBD
9	Reassess sidewalk design process and specifications	TBD
10	Develop and/or maintain engagement plan/communication strategy regarding transportation infrastructure investment and maintenance activities	Ongoing

Strategic Risk Register

(Effective February 14, 2017)

City Council Risk Priority
High

Risk Score			
	Likelihood	Impact	Severity
Inherent Risk	1.57	3.71	5.82
Residual Risk	1.29	3.00	3.87

Administration Target Risk Ranking
Low

Risk No.	Risk Description	Strategic Goal
A&FS-1	**The City may not be prepared to quickly and effectively resume operations in the event of serious incident, accident, disaster or emergency**	**Asset & Financial Sustainability**
Risk Lead	CFO/GM Asset & Financial Management	
Key Impacts	- unable to deliver normal levels of critical civic services for internal and external customers in the critical hours following a disruptive event - property damage - loss of revenue, loss of civic assets - additional costs incurred - negative perception of civic government - legal action against the City	
Root Causes	- resource constraints - competing priorities - lack of risk knowledge/understanding	
Outcomes of Managing the Risk	- the City mitigates, prepares for, and responds to credible hazards that impact safety and security of civic staff, processes and continuity of operations - the City effectively, predictably and cooperatively responds to a disruptive event in a way that maximizes the use of available resources and enables critical business units to return to minimal function within a predetermined period of time - Saskatoon is one of the best managed cities before, during and after a disaster	

Current Activities	
1	Emergency Measures (EMO) program developed
2	Emergency Operations Centre (EOC) established
3	Incident Command System training commenced
4	Notifynow mass notification system implemented and periodically tested
5	Backup IT centre established
6	Electrical supply upgraded at City Hall
7	Regional Resiliency Assessment Program completed at four civic facilities
8	Active Threat Workshop completed
9	Corporate security measures under review
10	Several individual contingency plans/business interruption plans have been prepared
11	Business Continuity Certification achieved

Planned Mitigation Strategies		
Strategy		Target Date
1	Corporate-wide Business Continuity Planning (BCP) assessment to prioritize services and recovery tasks required in the critical hours after a disruptive event	2017
2	Develop in-house BCP expertise	2017
3	Launch BCP training program	2017
4	Develop risk-based BCP development schedule	2017
5	Update 2007 Pandemic Business Impact Analysis	2017
6	Conduct Regional Resilience Assessment Program reviews of critical infrastructure	2017/2018
7	Initiate EOC mock exercise	2017
8	Expand Incident Command System and EOC training	2017
9	Research, develop and implement updated spill policy and operations	2017
10	Evaluate, research and update corporate security plans	2017/2018
11	Undergo internal audit	2018
12	Launch a communication strategy regarding the City's preparedness	2017 and Ongoing

Strategic Risk Register

(Effective February 14, 2017)

City Council Risk Priority
High

Risk Score			
	Likelihood	Impact	Severity
Inherent Risk	2.71	2.14	5.80
Residual Risk	2.00	2.00	4.00

Administration Target Risk Ranking
Medium

Risk No.	Risk Description	Strategic Goal
CI-1	**The City's engagement and communications initiatives and opportunities may not be effectively reaching its citizens**	**Continuous Improvement**
Risk Lead	GM Corporate Performance	
Key Impacts	- unrealistic expectations - expectation gap - citizen dissatisfaction - decisions that are not supported or understood - poor decision making process - perception of less transparency and accountability	
Root Causes	- outdated, ineffective initiatives - reluctance to adopt change - limited, uncoordinated capacity to execute community engagement opportunities	
Outcomes of Managing the Risk	- citizens actively and effectively participate in processes that result in better decisions that are trusted, transparent and more widely accepted	

Current Activities	
1	Online engagement tool launched 2014
2	Piloted new approach to community engagement
3	Piloted new 3rd party online citizen budget tool
4	Piloted "leveraging off of an anchor event" program
5	New website launched 2015
6	Digital Policy and Standards Guide adopted
7	Internal Process Review of Public Works Customer Service Call Centre
8	Hired Service Saskatoon Special Projects Manager
9	Blue pages and website phone numbers updated
10	Free public wifi offered in civic facilities
11	Citizen service satisfaction survey process piloted
12	Internet publishing and electronic agenda systems implemented
13	Created new online citizen panel
14	Service Saskatoon officially launched

Planned Mitigation Strategies		
Strategy		Target Date
1	Develop a strategy for a new engagement process	Ongoing
2	Pursue additional online engagement initiatives	Ongoing
3	Pursue additional techniques to increase participation	Ongoing
4	Develop and/or maintain engagement plan/communication strategy regarding the City's engagement and information sharing initiatives	Ongoing
5	Design and implement internal processes to coordinate and integrate citizen engagement based on subject matter and geographic similarities for ease of citizen access	2017 and Ongoing
6	Explore options for an online engagement hub to improve on Shaping Saskatoon site hosted by a 3rd party supplier; may include integrated capability to manage the Citizen Advisory Panel	2019/2019
7	Continue the Engagement Civic Service Review to create consistencies and coordination of engagement on a corporate basis	2018
8	Implement a "Community of Practice" to learn collectively from others in our corporation or community involved with engagement	2018
9	Continue to implement citizen service satisfaction survey process, analyze survey results and identify opportunities for improvement	Ongoing

Strategic Risk Register

(Effective February 14, 2017)

City Council Risk Priority
Medium

Risk Score			
	Likelihood	Impact	Severity
Inherent Risk	3.00	3.29	9.87
Residual Risk	2.00	2.83	5.66

Administration Target Risk Ranking
Low

Risk No.	Risk Description	Strategic Goal
A&FS-2	**The City may not be considering the total costs of asset ownership when making investment decisions**	**Asset & Financial Sustainability**
Risk Lead	CFO/GM Asset & Financial Management	
Key Impacts	- decisions are made with incomplete information - higher overall costs, the decision may not be the most fiscally prudent - more cost-effective projects are deferred - lower level of confidence in/optics of the decision making process - inaccurate budgeting for future operating and capital costs	
Root Causes	- focus on initial capital outlay - no consistent costing methodology - uncertainty regarding future costs	
Outcomes of Managing the Risk	- the most cost effective decisions result from considering the total cost of asset ownership (acquisition, operating, maintenance and disposal)	

Current Activities	
1	Unit costing initiatives being undertaken (Parks, Roadways, Fleet)
2	Life cycle costing methodology being applied to all P3 projects
3	Internal audit currently underway

Planned Mitigation Strategies		
	Strategy	**Target Date**
1	Develop corporate life cycle costing methodology	2017
2	Launch life cycle costing methodology training program	2017
3	Incorporate life cycle costing into decision making process	2018
4	Incorporate life cycle costing into capital budgeting process	2018
5	Incorporate life cycle costing into operating budget process	2019
6	Implement recommendations from internal audit	2017 and Ongoing

Strategic Risk Register

(Effective February 14, 2017)

City Council Risk Priority
Medium

Risk Score			
	Likelihood	Impact	Severity
Inherent Risk	3.00	3.00	9.00
Residual Risk	2.33	2.50	5.83

Administration Target Risk Ranking
Medium

Risk No.	Risk Description	Strategic Goal
EL-1	**The City's waste and recycling services may not be meeting customer service delivery and environmental stewardship expectations**	**Environmental Leadership**
Risk Lead	GM Transportation & Utilities	
Key Impacts	- citizen/stakeholder dissatisfaction - transfer of dissatisfaction to other program areas - diversion rates do not achieve target levels - shortened useful life of existing landfill; accelerated requirement to identify, prepare and fund the establishment of a replacement site	
Root Causes	- contradictory service expectations; expectation gap - poor response to public phone-in service requests - past underfunding of asset renewal - inappropriate business model	
Outcomes of Managing the Risk	- citizens are satisfied with the reliability of garbage collection - citizens are satisfied with the waste diversion options available to them - citizens perceive they receive good value for their tax dollars - useful life of the landfill is maximized, need for a replacement site is deferred indefinitely	

Current Activities

1	A public education program has been developed and communicated throughout the community
2	Waste diversion programs that are convenient and easy to use have been launched
3	New optimized routes implemented in 2016 with software to help identify missed segments
4	Integrated collection calls with PW Customer Service system
5	Completed a comprehensive community-wide waste study to identify opportunities for improved service and diversion

Planned Mitigation Strategies

	Strategy	Target Date
1	Develop an updated Waste Diversion Plan	2017
2	Conduct a comprehensive review of the waste business model including opportunities to improve waste service, diversion outcomes and financial sustainability (e.g., utility)	2017
3	Conduct periodic community waste audits	Ongoing
4	Implement a community engagement and awareness plan to solicit the cooperation of residents and businesses in improved waste services and diversion	2017
5	Develop targeted action plans for bringing new services and diversion programs forward as a result of the periodic audits and community engagement	2017/2018
6	Complete implementation of 2014 landfill financial audit recommendations	2017
7	Undertake new training for Landfill Operators to improve safety and extend the life of the landfill through efficiency gains	2017

Strategic Risk Register

(Effective February 14, 2017)

City Council Risk Priority
Medium

Risk Score			
	Likelihood	Impact	Severity
Inherent Risk	2.86	3.29	9.41
Residual Risk	2.33	2.67	6.22

Administration Target Risk Ranking
Low

Risk No.	Risk Description	Strategic Goal
SG-2	**The City's infrastructure investments may not correspond to growth trends and forecasts for the local or regional economy**	**Sustainable Growth**
Risk Lead	GM Community Services	
Key Impacts	- under: growth overwhelms existing infrastructure - under: stifled economic activity, employment and business opportunities - over: significant investment precludes use of funds for alternative priorities - over: increasing debt servicing costs	
Root Causes	- absence of overall plan for growth - growth plan not aligned with Strategic Plan - unreliable, inaccurate, inconsistent economic/demographic data upon which to base decisions - lack of secure, predictable, long-term funding strategies	
Outcomes of Managing the Risk	- well functioning and efficient infrastructure that enhances quality of life, promotes environmental responsibility, expands access to vital services and improves economic opportunities for all - strategic approach to infrastructure development - enhance existing assets before building new; use infrastructure to influence rate/type of growth - investments are aligned with the approved Growth Plan to Half a Million	

Current Activities	
1	General urban land development process established (studies, annexation, community plans through to subdivisions, site registrations, building permits)
2	Approved concept plans in place and ready to pursue in response to demand
3	3 year land development program/plan prepared and updated regularly
4	Frequent and ongoing monitoring of market conditions and economic/supply/demand indicators
5	Ongoing monitoring of financial resources (reserve sufficiency, cash flows)
6	Completion of Hemson Consulting Ltd. "Financing Growth Study"
7	Utilization of P3 agreements for large infrastructure projects
8	Long-term infrastructure plan being developed by federal government
9	Long-term infrastructure funding commitments received for new infrastructure
10	City Council has adopted a long range Official Community Plan to manage growth and change
11	Regional Plan being prepared to ensure the City secures a land base for long range urban growth
12	Completed, presented and obtained approval of Growth Plan to Half a Million

Planned Mitigation Strategies		
	Strategy	**Target Date**
1	Evaluation and pursuit of findings from Hemson Consulting Ltd. "Financing Growth Study"	2017/2018
2	Develop an engagement strategy regarding growth and infrastructure investment, and specific sub-plans for core initiatives of the Growth Plan to Half a Million	2017
3	Long-term infrastructure funding commitments for both new and existing infrastructure	2017-2045
4	Align major infrastructure investments with directions and strategies of Growth Plan to Half a Million	2017+

Strategic Risk Register

(Effective February 14, 2017)

City Council Risk Priority
Medium

Risk Score			
	Likelihood	Impact	Severity
Inherent Risk	3.43	2.64	9.06
Residual Risk	2.50	2.33	5.83

Administration Target Risk Ranking
Medium

Risk No.	Risk Description	Strategic Goal
MA-3	**The City may not be investing enough money in its public transit infrastructure to maintain an acceptable level of service**	**Moving Around**
Risk Lead	GM Transportation & Utilities	
Key Impacts	- deteriorating transit infrastructure/condition/reliability - inability to deliver transit services/achieve service levels - decreasing ridership/decreasing revenue/increasing mill rate support - increasing reactive/emergency maintenance activities - deferred replacement; accelerated deterioration - increasing infrastructure deficit/deficiency - unsafe transit vehicles - citizen dissatisfaction, transfer of dissatisfaction to other program areas	
Root Causes	- financial constraints - past underfunding of asset renewal and operating hours - absence of established life cycle costing process - absence of established asset management plan - absence of approved service level objectives - lack of data analytics and marketing strategies to attract new ridership - conflict over trade-off between coverage and frequency of service - lack of public understanding about service level objectives	
Outcomes of Managing the Risk	- a safe, reliable, convenient and affordable public transit system that enables residents to access work, education, health care, shopping, social and recreational opportunities - quality infrastructure that enhances our community's prosperity, productivity, quality of life and economic development/investment - reduction of greenhouse gas emissions, traffic congestion, commute times	

Current Activities

1	Saskatoon Transit Fleet Renewal Strategy and Asset Management Plan approved by City Council
2	Long-term Transit Plan approved by City Council
3	Five-year and ten-year implementation priorities being identified
4	Public engagement sessions have occurred
5	Annual Civic Services Survey
6	Intelligent Transportation System implemented
7	Real-time mapping launched
8	New Transit website launched
9	Internal audit regarding staff scheduling currently underway
10	Funding secured from the Public Transit Infrastructure Fund

Planned Mitigation Strategies

	Strategy	Target Date
1	Implementation of new fleet management system	2017
2	Launch a revised communications strategy regarding transit investment	2017 and Ongoing
3	Implement recommendations from internal audit	2017+

Strategic Risk Register

(Effective February 14, 2017)

City Council Risk Priority
Medium

Risk Score			
	Likelihood	Impact	Severity
Inherent Risk	3.00	2.86	8.58
Residual Risk	2.50	2.50	6.25

Administration Target Risk Ranking
Low

Risk No.	Risk Description	Strategic Goal
A&FS-6	**The City may be using outdated or unsupported software and/or hardware that may fail**	**Asset & Financial Sustainability**
Risk Lead	GM Corporate Performance	
Key Impacts	- vulnerability to security threats (information and infrastructure) - failures/crashes; catastrophic data loss - data corruption, instability - increased downtime, lost productivity, inefficiencies - loss of flexibility, responsiveness - service disruptions	
Root Causes	- resource constraints - competing priorities - absence of IT strategy, governance model	
Outcomes of Managing the Risk	- a modern information technology infrastructure that supports program areas in the achievement of business objectives	

Current Activities	
1	A full assessment of the IT infrastructure is in progress
2	Operational risk is being defined and mitigated
3	A sustainability review is being undertaken for the corporation
4	Providing business analysis and alternate options
5	Determining KLOs and SLAs
6	Developing an asset management plan for infrastructure and applications
7	Planning for a security audit and review
8	Introduced a new IT Opportunity Assessment Process and Privacy Information Assessment
9	Nine strategic programs developed and partially funded to address the technical debt of the organization

Planned Mitigation Strategies		
	Strategy	**Target Date**
1	Partner with EMO and Corporate Risk to support divisions in the preparation of business continuity plans	2017
2	Transition to managed print services	2017
3	Establish a technical roadmap with options for infrastructure and business continuity plans	2017
4	Evaluate infrastructure and develop plans and strategies to accommodate a shift to sustainable, scalable and cost effective IT infrastructure	2017+
5	Investigate ERP/hybrid based solution	Ongoing
6	Continue to develop enterprise strategies and programs	Ongoing
7	Undergo Canadian Cyber Resiliency Review	2017

Strategic Risk Register

(Effective February 14, 2017)

City Council Risk Priority
Medium

Risk Score			
	Likelihood	Impact	Severity
Inherent Risk	3.21	2.57	8.25
Residual Risk	2.17	2.50	5.42

Administration Target Risk Ranking
Low

Risk No.	Risk Description	Strategic Goal
A&FS-7	**The City's information technology strategy may not be properly aligned with the organization's goals and objectives**	**Asset & Financial Sustainability**
Risk Lead	GM Corporate Performance	
Key Impacts	- information technology is an impediment to achieving business objectives - fragmented and reactive approach to technology investments - customer dissatisfaction, transfer of dissatisfaction to other program areas - negative perception of local government	
Root Causes	- resource constraints - decentralized/outdated business/operating/delivery models - non-strategic culture, lack of strategic alignment - lack of change management, training and communication/collaboration between IT and the rest of the organization - lack of mutual understanding, unrealistic expectations - not utilizing already captured data to inform business decisions	
Outcomes of Managing the Risk	- IT is a strategic business partner that offers innovative business solutions and empowers its customers to effectively utilize technology to provide services citizens expect and create workflow efficiencies - an information technology strategy that is closely aligned to business and strategic objectives and critical business processes - information technology assists in the management of business information risks (not just IT risks)	

Current Activities	
1	Launched new vision and mandate statement
2	Introduced a new Service Desk tool and launched Phase 1
3	Implemented prioritization and portfolio management system
4	IT requirements are identified in the annual business planning process
5	Providing business analysis and alternate options
6	Determining KLOs and SLAs
7	Introduced a new IT Opportunity Assessment Process and Privacy Information Assessment
8	Established Business Unit Steering Committee
9	Developed business relationship management core competencies
10	Developed cascading performance plans/targets
11	Implemented new organizational structure that is aligned to business units/divisions
12	Provided training for IT staff in business analysis, project management and achieving excellence in IT
13	Moved sustainment and future development of website in-house
14	Launched pilot projects for business units to utilize data when making business decisions

Planned Mitigation Strategies		
Strategy		Target Date
1	Establish IT Governance Steering Committee	2017
2	Utilize Business Unit Steering Committee	Ongoing
3	Develop project and portfolio management including return on investment and business case analysis	Ongoing
4	Develop multi-year Corporate IT Strategy	2017
5	Implement corporate standards for the use of SharePoint	2017+
6	Continue implementation of Service Desk tool	2017+
7	Continue to implement process to utilize data when making business decisions	2017+
8	Develop and/or maintain engagement plan/communication strategy regarding IT investment	Ongoing
9	Implement business analysis and process improvements throughout the organization	2017+
10	Implement cloud based solution	2018

Strategic Risk Register

(Effective February 14, 2017)

City Council Risk Priority
Medium

Risk Score			
	Likelihood	Impact	Severity
Inherent Risk	2.71	2.71	7.34
Residual Risk	1.86	2.67	4.97

Administration Target Risk Ranking
Low

Risk No.	Risk Description	Strategic Goal
SG-4	**The City may not be prepared for the effects of climate change**	**Sustainable Growth**
Risk Lead	GM Corporate Performance	
Key Impacts	- failure of critical built infrastructure; associated loss of life/injury - reactive and more costly corrective/remediation measures - loss of/damage to civic assets - increasing levels of greenhouse gases	
Root Causes	- resource constraints - lack of understanding of importance, components, direction, priority status - infrastructure investment decision criteria do not include the value of mitigation/adaptation/ resiliency strategies	
Outcomes of Managing the Risk	- the City's infrastructure, citizens, ecosystems and economy are protected from, less vulnerable to or more resilient from the impacts of climate change - climate change considerations are integrated into the decision-making, design and maintenance processes in a comprehensive and integrated manner	

Current Activities	
1	Information reports regarding climate adaptation strategies received by City Council
2	Incorporated Environmental Implications section in Committee and City Council report template
3	Participated in the West Yellowhead Air Management Zone
4	Ad hoc mitigation, adaptation and response strategies
5	Revised roadway design standards to address saturated ground/high water table conditions and snow storage requirements; mandatory subsurface drainage for all new roadway construction, discretionary for rehabilitation projects
6	Superpipe capacity improvements avoid storm water infiltration into sanitary sewer system
7	Predictive model developed with U of S to more accurately predict future rainfall patterns and identify infrastructure constraints
8	Weather Event Response Plans developed in Parks/Urban Forestry
9	Hydrant accessibility inspection process in place

Planned Mitigation Strategies		
Strategy		Target Date
1	Develop a comprehensive inventory of climate adaptation response needs based on climate change models developed for the Prairies	2017
2	Conduct a gap analysis between response needs and current adaptation response plans and initiatives	2017/2018
3	Draft a Climate Adaptation Plan identifying the strategy for completing the City's climate change response needs	2018
4	Incorporate climate adaptation strategies into asset management plans	2017
5	Review infrastructure design standards based on Climate Adaptation Plan	TBD
6	Engage with community stakeholders to ensure community-wide response plans are in place	TBD
7	Develop Storm Water Management Plan and associated policy tools such as low impact development guidelines to reduce impacts to civic "grey" infrastructure and increase the resilience of "green" infrastructure	2017/2018
8	Develop new landscaping design and construction specifications to ensure all new park development considers severe weather	TBD
9	Retrofit existing parks and green spaces for improved resilience to climate change impacts	TBD

Strategic Risk Register

(Effective February 14, 2017)

City Council Risk Priority
Medium

Risk Score			
	Likelihood	Impact	Severity
Inherent Risk	2.57	2.71	6.96
Residual Risk	2.43	2.43	5.90

Administration Target Risk Ranking
Low

Risk No.	Risk Description	Strategic Goal
A&FS-8	**The City's decision making processes may be hampered by information systems and data sets (financial and operational) that are not integrated**	**Asset & Financial Sustainability**
Risk Lead	CFO/GM Asset & Financial Management	
Key Impacts	- the wrong decisions is made - inefficient processes, data re-entry errors - redundant applications/systems that waste resources	
Root Causes	- system investment decision criteria do not include non-financial costs and benefits - decentralized IT business model - absence of IT strategy, governance model - manual processes/information repositories - absence of end-to-end business process analysis	
Outcomes of Managing the Risk	- relevant, complete and accurate financial and non-financial information is readily available to support the decision making process - integrated business information systems that improve productivity, increase efficiencies, decrease costs and streamline processes	

Current Activities

1	RFP awarded for the development of a business case for a core ERP system
2	Enterprise strategies and programs to encompass asset management, data management and business intelligence are being developed
3	Introduction of SharePoint (improves information governance, collaboration and workflow)
4	Developed an IT Strategic Plan
5	Civic Service Reviews have identified opportunities to better manage processes and information
6	Asset Management Plans compile and integrate asset and financial information
7	Business case for core corporate financial system approved by City Council
8	Introduced a new IT Opportunity Assessment Process and Privacy Information Assessment
9	Project On Line was implemented and first draft of prioritization developed
10	Developed data management plans in three pilot areas (Fire, Transit and Human Resources)

Planned Mitigation Strategies

	Strategy	Target Date
1	Continue to prioritize Project On Line implementation	Ongoing
2	Continue to develop data management plans to improve data utilization and facilitate data analytics/open data concept	Ongoing
3	Develop a change management process to aid in the identification and resolution of integration opportunities	2017+
4	Continue to conduct Civic Service Reviews	Ongoing
5	Continue to develop Asset Management Plans for significant categories of civic infrastructure	Ongoing

Strategic Risk Register

(Effective February 14, 2017)

City Council Risk Priority
Medium

Risk Score			
	Likelihood	Impact	Severity
Inherent Risk	2.14	2.86	6.12
Residual Risk	2.00	2.29	4.58

Administration Target Risk Ranking
Low

Risk No.	Risk Description	Strategic Goal
CI-2	**The City's existing strategies may not be attracting, hiring, managing, developing and retaining top talent to support existing and future operations**	**Continuous Improvement**
Risk Lead	GM Corporate Performance	
Key Impacts	- unable to fill key management and/or operational positions in a timely manner, if at all - business objectives may not be achieved because key management positions are unstable/vacant and/or adequately trained staff with essential skills are not available to effectively deliver services - critical and/or corporate knowledge is lost - employees become "surplus" because their skills do not match what is needed - decrease in employee morale – both existing and new staff - increase in hiring and training costs	
Root Causes	- financial and/or non-financial compensation packages are not competitive - failure to capture relevant knowledge/prepare an actionable knowledge base - not utilizing data analytics to predict future workforce demands - absence of an overall framework - technological and business model changes - lack of talent pipeline management/succession planning process - hiring freezes/caps - negative work environment, job dissatisfaction - changing public expectations	
Outcomes of Managing the Risk	- leadership talent is identified early and cultivated over time (e.g., training, action learning, mentoring, job rotation, high-potential development programs, etc.) - the City's human capital (its people) is aligned with its business plans to achieve its mission and strategic goals – the right people with the right skills are in the right job at the right time - a desirable workplace that maximizes employee retention while implementing and maintaining measures that minimize disruptions when employees resign, must be terminated, retire or transfer	

Current Activities	
1	Succession planning framework has been presented to the Leadership Team
2	Succession planning framework has been applied to Director and GM positions
3	Competency frameworks have been developed for Directors and GMs and are being developed for Supervisors and Managers
4	"Investing in Leaders" program continues to offer wide selection of opportunities to staff
5	"Employee Rewards and Recognition" program being developed
6	Consistently rated as one of Saskatchewan's Top 100 Employers
7	Divisional HR plans have been introduced and updated to align HR services with operational needs
8	Business Intelligence (BI) tools being developed and implemented for diversity, absenteeism, safety, overtime and retention

Planned Mitigation Strategies		
Strategy		Target Date
1	Undergo internal audit	2017
2	Finalize and implement “Employee Rewards and Recognition” program	2017
3	Implement a BI tool to enable the production of regular workforce analytics to improve workforce planning capabilities	2017
4	Pilot workforce analytic reporting as BI data cubes are completed and put into production and amend reporting as necessary	2017
5	Individual Development Plan process will be updated and piloted with several divisions	2017
6	Formal “offboarding” process will be implemented, including mandatory exit interviews	2017
7	“Stay Surveys” have been introduced with periodic reporting to the Leadership Team	2017
8	Implement a Total Rewards Strategy for Directors and Managers	2017
9	Undertaking work to identify the City’s current branding within and outside the organization	2017
10	Finalize Recruitment and Retention Strategy (drafted in 2016)	2017
11	Implement mandatory Supervisor 101 program to ensure all supervisors and managers have necessary skills, knowledge and competencies to effectively lead and manage their teams	2017
12	Learning Management System to identify and track key training needs and existing talent pools to be implemented	2017/2018
13	Formal “onboarding” process will be implemented for individuals new to the organization/new to the position	2017/2018
14	Introducing improved web based solutions for surveys, dashboard and information libraries	2017/2018

Strategic Risk Register

(Effective February 14, 2017)

City Council Risk Priority
Medium

Risk Score			
	Likelihood	Impact	Severity
Inherent Risk	2.57	2.29	5.89
Residual Risk	2.00	1.83	3.66

Administration Target Risk Ranking
Medium

Risk No.	Risk Description	Strategic Goal
QL-1	**The City may not be investing enough money in its parks infrastructure to maintain an acceptable condition and level of service**	**Quality of Life**
Risk Lead	GM Community Services	
Key Impacts	- deteriorating park and recreation infrastructure/condition/level of service - increasing reactive/emergency maintenance activities - deferred capital work; accelerated deterioration - increasing infrastructure deficit/deficiency - unsafe conditions (turf, playing surfaces, amenities, pathways, trees - structural weakness, disease) - citizen dissatisfaction, transfer of dissatisfaction to other program areas	
Root Causes	- financial constraints - past underfunding of asset renewal - rate of inflation and/or growth exceeds budget allocations - absence of established life cycle costing process - absence of established asset management plan - absence of approved service level objectives - lack of mutual understanding, contradictory service expectations	
Outcomes of Managing the Risk	- a safe, clean, accessible and well-maintained park and open space network that provides varied opportunities for both active and passive recreation and leisure activities for citizens of all ages - citizens perceive they receive good value for their tax dollars - quality infrastructure that enhances our community's prosperity and quality of life	

Current Activities	
1	Completed Civic Service Review - Parks
2	Annual Civic Services Survey
3	Completed Recreation & Parks Master Plan
4	Continuing to implement new service delivery model – combined horticultural and turf maintenance crews
5	Increased funding from existing sources
6	Asset Management Plans prepared for pathway, irrigation and play structure assets
7	Participated in the Special Event Civic Service Review to identify improvements to the Special Event process regarding impact on parks/open spaces
8	Developed new "Naturalized Park" classification
9	Implemented new work management system
10	Completed Urban Forestry Civic Service Review

Planned Mitigation Strategies		
Strategy		Target Date
1	Prepare an Asset Management Plan that addresses inventory, current condition, service level and funding considerations for additional park assets: • Sportsfields • Paddling pools • Spray parks	2017
2	Develop drainage regulatory-compliance model (Community Standards), including consideration of drainage issues that affect parks and recreation spaces	2017/2018
3	Continue development of Landscape Design and Development Standards including further research regarding citizen and developer engagement	2017
4	Continue expansion of new combined crew service delivery model to additional areas	2017
5	Establish new satellite maintenance facilities in new development areas	2017
6	Complete implementation of the newly installed tree inventory software system	2017
7	Implement key findings from Urban Forestry Civic Service Review	2017
8	Develop and/or maintain engagement plan/communication strategy regarding Landscape Development and Design Standards and service levels	2017 and Ongoing

Strategic Risk Register
(Effective February 14, 2017)

City Council Risk Priority
Medium

Risk Score			
	Likelihood	Impact	Severity
Inherent Risk	2.14	2.71	5.80
Residual Risk	2.00	2.00	4.00

Administration Target Risk Ranking
Low

Risk No.	Risk Description	Strategic Goal
A&FS-9	**The City may not be adequately protecting information created by or entrusted to it**	**Asset & Financial Sustainability**
Risk Lead	City Clerk's Office	
Key Impacts	- information is exploited for personal gain/economic advantage - loss of citizen trust and confidence in the City - legal action against the City - legislative non-compliance	
Root Causes	- lack of understanding of what information is confidential/personal - absence of policies that govern collection, use, creation and storage of information - inadequate security measures - intentional/unintentional breach of security measures, release of information (e.g., hacking, employee error)	
Outcomes of Managing the Risk	- every person who has access to confidential/personal information understands and carries out their responsibilities to protect that information throughout its life cycle - the public has confidence that information provided to the City is dealt with appropriately	

Current Activities	
1	Procedures ensure user accounts are kept up to date (current staff only)
2	Procedures ensure user access privileges do not exceed legitimate needs
3	A framework of information management/governance policies have been developed
4	Monitoring, intrusion detection and penetration testing protocols exist
5	Security reviews, inspections and audits conducted on a periodic basis
6	Confidentiality agreements are required in certain circumstances
7	Administrative processes regarding City Clerk's Office handling of information
8	Divisional training sessions have started upon request
9	Corporate records training program provided for records coordinators and others dealing directly with records management
10	Privacy Impact Assessment Process approved by Leadership Team

Planned Mitigation Strategies		
Strategy		Target Date
1	Develop Privacy Policy (internal) that addresses access and privacy aspects to consider in a hybrid environment, unauthorized release/breach response plan, etc.	2017
2	Continue to implement Privacy Impact Assessment Process – review and approval processes	Ongoing
3	Recruit new Access & Privacy Officer (position approved for 2017 budget) who will be responsible for developing an access and privacy program and implementation of policies, procedures, practices and training to improve privacy of personal and confidential information	2017
4	Review and update language in tenders/RFPs regarding privacy issues, access to information	2017
5	Develop corporate records training program for general staff	2017
6	Review and update information management/governance policies	2017
7	All new employees/contractors receive training on how to comply with information management/governance policies	2017/2018
8	Develop detailed policies to support information management/ governance framework	2017/2018
9	Review records classification system and records retention schedules	2017

Strategic Risk Register

(Effective February 14, 2017)

City Council Risk Priority
Medium

Risk Score			
	Likelihood	Impact	Severity
Inherent Risk	2.14	2.71	5.80
Residual Risk	1.57	2.14	3.36

Administration Target Risk Ranking
Low

Risk No.	Risk Description	Strategic Goal
SG-3	**The City may not be consistently considering risk management when evaluating and pursuing strategic initiatives**	**Sustainable Growth**
Risk Lead	CFO/GM Asset & Financial Management	
Key Impacts	- preventable failures jeopardize project/program/initiative success - foreseeable opportunities are missed - accepted risk exceeds the organization's risk appetite	
Root Causes	- lack of understanding of importance, process and benefits of risk management - unstructured/immature/poorly implemented risk management program - risk appetite has not been clearly defined	
Outcomes of Managing the Risk	- project threats are minimized; project opportunities are seized - projects are delivered on time, on budget and with quality results	

Current Activities

1	Risk Based Management program was approved by City Council
2	Risk Management Policy was approved by City Council
3	Developed internal audit plan based on strategic risk assessment
4	Strategic Risk Assessment was completed and approved by City Council
5	Risk Based Management workshop conducted
6	2016 Business Planning process included consideration of key challenges
7	Leadership Commitment session held in fall 2015 to increase awareness of risk identification, prioritization and mitigation
8	Strategic Risk Registers prepared and received by SPC on Finance
9	2017 Business Planning process included consideration of strategic risks

Planned Mitigation Strategies

	Strategy	Target Date
1	Conduct Operational Risk Assessment	2017
2	Prepare operational risk registers	2017
3	Incorporate operational risk assessments into internal audit plan update	2017
4	Incorporate Risk Management section in Committee and City Council report template	2017
5	Business Planning process will include consideration of operational and strategic risks	2018
6	Develop a Project Risk Management framework and program	2018
7	Incorporate training on risk management into the corporate learning and development program	2018

Strategic Risk Register

(Effective February 14, 2017)

City Council Risk Priority
Medium

Risk Score			
	Likelihood	Impact	Severity
Inherent Risk	2.00	2.86	5.72
Residual Risk	1.57	2.14	3.36

Administration Target Risk Ranking
Low

Risk No.	Risk Description	Strategic Goal
A&FS-5	**The City may not be aligning its financial resources in a way that supports its priorities, strategic goals and core services**	**Asset & Financial Sustainability**
Risk Lead	CFO/GM Asset & Financial Management	
Key Impacts	- higher priority services are underfunded; lower priority services are overfunded - lower level of confidence in the budgeting process - decisions are made with incomplete information	
Root Causes	- budgeting system limitations - resource constraints - lack of information	
Outcomes of Managing the Risk	- a clear, transparent and credible budgeting process that inspires trust among citizens, City Council and the Administration; outlines a plan for achieving priority objectives; will use available resources effectively, efficiently and in a sustainable manner; and serves as a basis for accountable government	

Current Activities

1	Annual Business Planning process
2	Strategic Planning process
3	Annual Civic Services Survey
4	Piloted new 3rd party online citizen budget tool
5	Implemented new five-step budgeting process
6	Multi-year budgeting consulting project underway

Planned Mitigation Strategies

	Strategy	Target Date
1	Research, evaluate and prepare for implementation of a multi-year budgeting process	2017/2018
2	Renew the City's Strategic Plan	2017
3	"Let's Talk 2020" engagement opportunities to obtain information from citizens regarding civic priorities over the next four years	2017

Strategic Risk Register

(Effective February 14, 2017)

City Council Risk Priority
Medium

Risk Score			
	Likelihood	Impact	Severity
Inherent Risk	1.86	2.43	4.52
Residual Risk	1.33	1.67	2.22

Administration Target Risk Ranking
Low

Risk No.	Risk Description	Strategic Goal
A&FS-3	**The City may not be investing enough money in its facilities to maintain an acceptable condition and level of service**	**Asset & Financial Sustainability**
Risk Lead	CFO/GM Asset & Financial Management	
Key Impacts	- deteriorating facility condition/availability - increasing reactive/emergency maintenance activities and cost - deferred facility/equipment replacement; accelerated deterioration - available funding defaulted to repair worst facilities/equipment rather than invest in preventive maintenance - increasing facility deficit/deficiency - unsafe facility/equipment condition - reduced ability for operational programs to deliver services - customer dissatisfaction, transfer of dissatisfaction to other program areas - injury, illness or death of employees and/or the public	
Root Causes	- resource constraints - past underfunding of asset renewal - absence of established life cycle costing process and asset management plans - appraised values lag inflationary impacts - rate of inflation exceeding annual Municipal Price Index - absence of approved service level objectives - lack of mutual understanding; unrealistic expectations	
Outcomes of Managing the Risk	- Facilities provides quality service in an efficient, timely and professional manner to ensure safe, clean, productive and well maintained civic facilities for employees and citizens - quality infrastructure that enhances our community's prosperity and quality of life	

Current Activities	
1	Developed customer service agreements for certain customer groups
2	Conduct annual review of Civic Buildings Comprehensive Maintenance reserve
3	Cyclical building condition assessments (5 year cycle)
4	Conduct regular customer service meetings to review service and performance
5	Established an Asbestos Management Program and hired an Indoor Air Quality Manager to administer the program
6	Piloted a new Service Desk tool on a limited basis

Planned Mitigation Strategies		
Strategy		Target Date
1	Roll out the new Service Desk tool to other areas of the organization	2017
2	Continue to develop customer service agreements	2017
3	Prepare an Asset Management Plan that addresses inventory, current condition, service level and funding considerations	2017
4	Complete implementation of maintenance management system and integrate with Enterprise Asset Management system	2017 and Ongoing
5	Develop customer service satisfaction survey and feedback process	2017
6	Reassess organizational structure to improve proactive planning and strategic/tactical operation of division	2017
7	Develop and/or maintain engagement plan/communication strategy regarding facilities planning, purpose and investment	2017 and Ongoing
8	Undertake a comprehensive reserve sufficiency analysis and pursue bylaw amendments as required	TBD

Strategic Risk Register

(Effective February 14, 2017)

City Council Risk Priority
Low

Risk Score			
	Likelihood	Impact	Severity
Inherent Risk	3.28	3.57	11.71
Residual Risk	1.83	2.67	4.89

Administration Target Risk Ranking
Low

Risk No.	Risk Description	Strategic Goal
SG-6	**The future growth of the City and region could be restricted by, or in conflict with, growth in surrounding areas**	**Sustainable Growth**
Risk Lead	GM Community Services	
Key Impacts	- conflicting, un-coordinated, disjoined stand-alone municipal and First Nation growth plans - inability to maximize regional efficiencies and economies of scale - fragmented growth plans and conflicting land uses that impose constraints on others	
Root Causes	- lack of cooperation/involvement/commitment/buy-in by municipalities and First Nations in the region - sense of competition and desire to retain tax base - poor working relationship with regional partners - political change and uncertainty	
Outcomes of Managing the Risk	- well integrated regional planning that strengthens each partner municipality and maximized economic prosperity and quality of life for all	

Current Activities	
1	Participated in the Saskatoon North Partnership for Growth (P4G) with the Cities of Warman and Martensville, the Town of Osler and the Rural Municipality of Corman Park
2	Awarded a contract for the multi-phased development of a Regional Plan that will address land use, servicing and governance and administration
3	Hired a project manager to oversee the development of the Regional Plan
4	Have participated with the RM of Corman Park in the Corman Park-Saskatoon Planning District since 1956

Planned Mitigation Strategies

	Strategy	Target Date
1	Develop regional land use map	2017
2	Develop regional servicing strategy	2017
3	Develop governance and administrative structures for Regional Plan implementation	2017
4	Liaise with the RM of Corman Park and the Ministry of Government Relations on development proposals in the Planning District	Ongoing
5	Commence discussions on boundary alterations; areas of focus are in the north, northwest, northeast and east	2018-2020
6	Engage with First Nations with land development interests in the Saskatoon region	Ongoing
7	Conduct workshops on Reserve creation and economic and partnership opportunities	Annually
8	Meet with SREDA's Broader Regional Committee	Quarterly

Strategic Risk Register

(Effective February 14, 2017)

City Council Risk Priority
Low

Risk Score	Likelihood	Impact	Severity
Inherent Risk	2.50	2.17	5.43
Residual Risk	2.33	2.00	4.66

Administration Target Risk Ranking
Medium

Risk No.	Risk Description	Strategic Goal
EL-2	**The City's community education and awareness initiatives regarding carbon footprint may not be affecting change in people's attitudes and behaviors**	**Environmental Leadership**
Risk Lead	GM Corporate Performance	
Key Impacts	- property damage, economic loss and personal injury due to the effects of climate change - increased frequency and intensity of severe weather events – prolonged drought, prolonged wet, intense rain/flooding, damaging winds, heavy snowfall/blizzard, mild winter with freeze/thaw and icing, extreme heat/cold, pests and invasive species - loss of economic competitiveness to other communities - co-benefits are not realized (e.g., reduced air pollutants, reduced traffic congestion, improved range of choice in the housing market, etc.)	
Root Causes	- lack of awareness and understanding of how activities effect greenhouse gas emissions - market barriers to technology with positive returns but misaligned beneficiaries - denial mentality - lack of access to convenient and affordable alternative solutions	
Outcomes of Managing the Risk	- greenhouse gas emissions must be drastically reduced to avoid a dangerous and irreversible rise in average global temperatures - a growing, efficient, competitive and productive economy that uses less energy and the energy that is used is from low-carbon sources	

Current Activities	
1	A community greenhouse gas reduction target is being developed (Saskatoon Environmental Advisory Committee)
2	A community greenhouse gas inventory has been completed
3	Waste diversion target adopted – divert 70% of waste from the landfill
4	Existing conservation education programs (Student Action for a Sustainable Future, healthy yards program, demonstration garden with the food bank and UofS Master Gardeners, backyard composting and rain barrel education, "how to" guides)
5	Expanded the Green Cart program to accept food waste
6	Continue recycling education initiatives to increase the rate of capture for recyclable materials
7	Community cash grants program for environmental initiatives
8	Signed the Covenant of Mayors committing to address climate change using the tools available to the City
9	Launched the Rolling Education Unit - a mobile trailer used at festivals, events, and other public locations to facilitate learning about waste diversion
10	A business case was developed for Recovery Park

Planned Mitigation Strategies		
Strategy		Target Date
1	Incorporate community greenhouse gas targets into a new Energy & Greenhouse Gas Reduction Business Plan – specific strategies and benchmarks	2017
2	Develop a waste diversion plan - specific strategies and benchmarks	2017
3	Develop first phase of Recovery Park	2017
4	Develop an annual implementation plan for community greenhouse gas reduction programs and policies focussed on conservation and efficiency, improved green spaces to capture carbon, and expanding renewable energy options	2017
5	Partner with Crown utilities and home builders to advance energy efficient housing	2017
6	Ensure neighbourhood layouts are oriented to take advantage of solar power	2018
7	Implement the Growth Plan to Half a Million, calculating the estimated potential for greenhouse gas reduction associated with realizing the Plan	2018-2028

Strategic Risk Register

(Effective February 14, 2017)

City Council Risk Priority
Low

Risk Score			
	Likelihood	Impact	Severity
Inherent Risk	2.69	2.69	7.24
Residual Risk	1.67	1.67	2.79

Administration Target Risk Ranking
Low

Risk No.	Risk Description	Strategic Goal
A&FS-10	**The City may not be investing enough money in its fleet infrastructure to maintain an acceptable condition and level of service**	**Asset & Financial Sustainability**
Risk Lead	CFO/GM Asset & Financial Management	
Key Impacts	- deteriorating fleet condition/availability - increasing reactive/emergency maintenance activities and cost - deferred vehicle/equipment replacement; accelerated deterioration - available funding defaulted to repair worst vehicles/equipment rather than invest in preventive maintenance - increasing fleet deficit/deficiency - unsafe vehicle/equipment condition - reduced ability for operational programs to deliver services - customer dissatisfaction	
Root Causes	- resource constraints - past underfunding of asset renewal - absence of established life cycle costing process - absence of established asset management plan - absence of approved service level objectives - lack of mutual understanding; unrealistic expectations	
Outcomes of Managing the Risk	- Fleet Management provides quality procurement and maintenance services in an efficient, timely and professional manner to ensure safe, reliable and well maintained vehicles and equipment that support operational program service delivery	

Current Activities

1	Undertaken a comprehensive reserve sufficiency analysis
2	Developed customer service agreements for certain customer groups
3	Completed Civic Service Review (CSR)
4	Circulated customer service survey to all internal customers as part of CSR
5	Implementing logistical changes at maintenance shop (entryway, office and parking)

Planned Mitigation Strategies

	Strategy	Target Date
1	Complete Fleet Services Business Model Review	2017
2	Pursue bylaw amendments as required	2017
3	Continue to develop customer service agreements for certain customer groups	2017
4	Complete development of maintenance shop staffing model that matches customer operational needs	2017
5	Update fleet management technology and training	2017
6	Conduct customer service surveys to all internal customers annually	2017
7	Conduct annual review of rental rates	2017
8	Develop and/or maintain engagement plan/communication strategy regarding fleet investment	2017 and Ongoing

Strategic Risk Register

(Effective February 14, 2017)

City Council Risk Priority
Low

Risk Score			
	Likelihood	Impact	Severity
Inherent Risk	2.83	2.17	6.14
Residual Risk	2.50	2.17	5.43

Administration Target Risk Ranking
Medium

Risk No.	Risk Description	Strategic Goal
EL-3	**The City may fail to identify and pursue corporate CO_2 reduction initiatives**	**Environmental Leadership**
Risk Lead	GM Corporate Performance	
Key Impacts	- property damage, economic loss and personal injury due to the effects of climate change - loss of credibility as an environmental leader - increased frequency and intensity of severe weather events – prolonged drought, prolonged wet, intense rain/flooding, damaging winds, heavy snowfall/blizzard, mild winter with freeze/thaw and icing, extreme heat/cold, pests and invasive species	
Root Causes	- failure to meaningfully consider CO_2 implications when evaluating projects/initiatives/options - resource constraints - absence of a clear vision, near- and long-terms goals and strategies to achieve reductions in CO_2 emissions	
Outcomes of Managing the Risk	- an efficient, competitive and productive corporation that uses less energy and the energy that is used is from low-carbon sources	

Current Activities	
1	Reduction target adopted - reduce City's greenhouse gas emissions by 30% from 2006 levels
2	Combined heat and power projects at Shaw Centre and Lakewood Civic Centre installed
3	Centralized utility management services to identify reduction opportunities
4	Renewable energy generation being pursued at the Green Energy Park, including implementing solar power demonstration project at the landfill
5	Single-stream recycling in place at most civic facilities
6	Environmental Implications section in Committee and City Council report template increases staff awareness of CO_2
7	Energy Performance Contracting will accelerate improving the energy efficiency of civic buildings
8	Landfill Gas Power Generation Facility successfully destroying methane and generating clean electricity
9	Launched new garbage, recycling and Green Cart program routing that focusses on optimization/ fuel savings
10	Installed LED fixtures for street and park lighting in new neighbourhoods
11	Implemented more effective water management practices regarding parks and trees
12	Developed new neighborhood design standards and wetlands policy

Planned Mitigation Strategies		
	Strategy	Target Date
1	Develop the 10-year implementation strategy for the Growth Plan to 500,000 to reduce outward growth pressures on civic services and infrastructure that generate increases in CO_2	2017-2019
2	Develop an Energy & Greenhouse Gas Reduction Business Plan – specific strategies and benchmarks for achieving the corporate greenhouse gas target	2017
3	Develop and implement a phased-in sustainable purchasing program	2016/2017
4	Develop energy management programs and strategies regarding water, electrical and natural gas	2016/2017
5	Develop the Corporate Environmental Performance program to further reduce the City's CO_2 footprint, among other environmental impacts	2017
6	Investigate upgrading of existing street and park lighting to LED fixtures	2017/2018
7	Investigate options for facilitating solar power development on civic buildings and on private property across Saskatoon	2017
8	Develop a significant solar energy installation at a civic facility	2017/2018
9	Continue to explore options for green energy generation – wind, solar, hydro	TBD
10	Develop Storm Water Management Plan and associated policy tools such as low impact development guidelines to reduce reliance on potable water for irrigation and other environmental impacts	2017/2018
11	New Advanced Traffic Management System to incorporate alternative traffic signal timing plans to reduce vehicle idling and congestion (among other traffic goals)	2017-2021

Strategic Risk Register

(Effective February 14, 2017)

City Council Risk Priority
Low

Risk Score			
	Likelihood	Impact	Severity
Inherent Risk	2.14	2.00	4.28
Residual Risk	1.71	1.71	2.92

Administration Target Risk Ranking
Low

Risk No.	Risk Description	Strategic Goal
A&FS-12	**The City's purchases may not be in accordance with approved policy**	**Asset & Financial Sustainability**
Risk Lead	CFO/GM Asset & Financial Management	
Key Impacts	- inconsistent application of policy requirements - negative impact on City's reputation/public image - allegations of corruption/collusion/ fraud - perception of unfairness/preferential treatment - exposure to liability in the event of inadequate insurance and/or workers' compensation coverage - potential litigation regarding process from unsuccessful proponents	
Root Causes	- lack of knowledge/understanding of policies (due to turnover, ignorance, etc.) - ambiguous, subjective, unclear and/or outdated policies - adherence to the "letter" of the policy rather than the "intent" in order to bypass the policy - inconsistency between corporate policy and departmental/divisional policy/past practice - administrative timelines do not take into account time required to follow policy	
Outcomes of Managing the Risk	- transparent, efficient, effective and fair procurement activities that result in defensible and unbiased procurement decisions - procurement decisions that are the best value for the City	

Current Activities	
1	RFP awarded for the review of the City's procurement policy and procedures
2	Joint education/training sessions have been held with key internal stakeholders
3	All sole source decisions must be signed off by applicable General Manager
4	New P-card policies and procedures have been developed

Planned Mitigation Strategies		
	Strategy	**Target Date**
1	Develop new procurement policies and procedures based on results of Procurement Review for Administration and City Council approval	2017
2	Roll out of standardized purchasing templates (e.g. RFQ, RFP, tenders, agreements, etc.)	2017
3	Continued phased roll out of P-cards and training sessions throughout the organization	2017 and Ongoing
4	Implement new procurement policy and procedures	2017
5	Provide joint education/training session with additional internal stakeholders/user groups	2017
6	Evaluate further centralization of certain inventory and purchasing functions	2017
7	Evaluation of the potential for further automating receipt of tender/RFP submissions	2017

Internal Audit Budget Information Update – January 2017

Recommendation
That the information be received.

Topic and Purpose
This report provides an update on the expenditures to date for internal audit services provided by PricewaterhouseCoopers (PwC).

Report Highlights
1. Expenditures are within budget parameters.

Strategic Goal
Efficient and effective performance of internal audits supports the long-term strategy of being more efficient in the way the City of Saskatoon (City) does business, under the Strategic Goal of Continuous Improvement.

Background
City Council budgeted $427,000 for internal audit services for 2017. This is the third year of the five-year contract with PwC.

Report
There are currently four internal audit projects being conducted by PwC. Audit fieldwork is currently underway regarding the Revenue Generation and Human Resource Management audits. The Operating & Life Cycle Costs and Resource Scheduling audits are nearing completion and audit reports have been provided to the Administration for review. As of January 31, 2017, 4% of the total budgeted internal audit hours for the year have been completed.

PwC is also working on one additional consulting project that has been carried over from 2016. The final report regarding Saskatoon Land is expected to be tabled with the Standing Policy Committee on Finance in April 2017.

Attachment 1 provides detailed information regarding each project. The Statement of Work describing the scope and approach for each audit/project can be found on the Corporate Risk webpage on the City's website.

Due Date for Follow-up and/or Project Completion
A budget information update report will be submitted monthly to the Standing Policy Committee on Finance.

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

Attachment

1. Internal Audit Budget Status Report

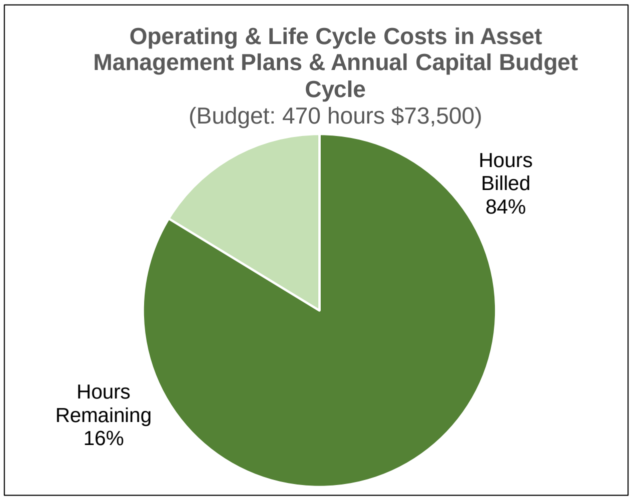
Report Approval

Written by: Nicole Garman, Director of Corporate Risk
Approved by: Clae Hack, A/General Manager, Asset & Financial Management Department

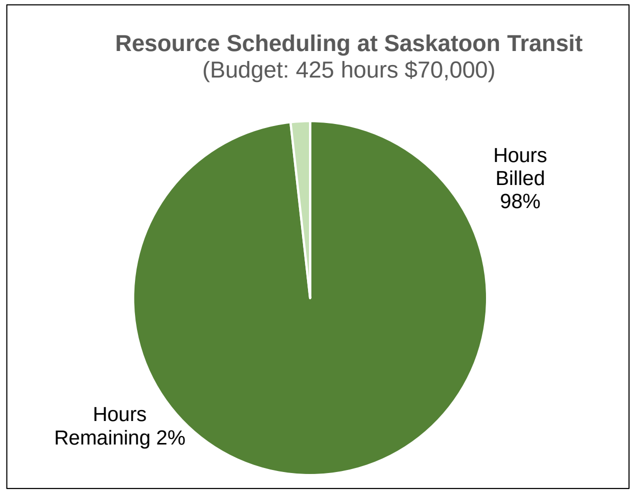
Internal Audit Budget_Jan 2017.docx

Internal Audit Budget Status Report

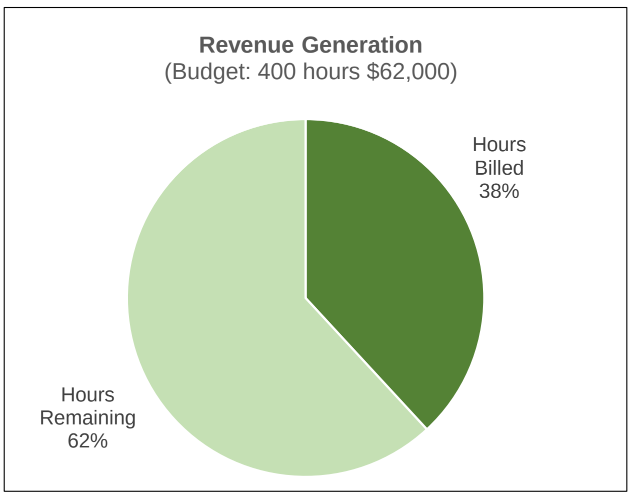
Internal Audit Projects



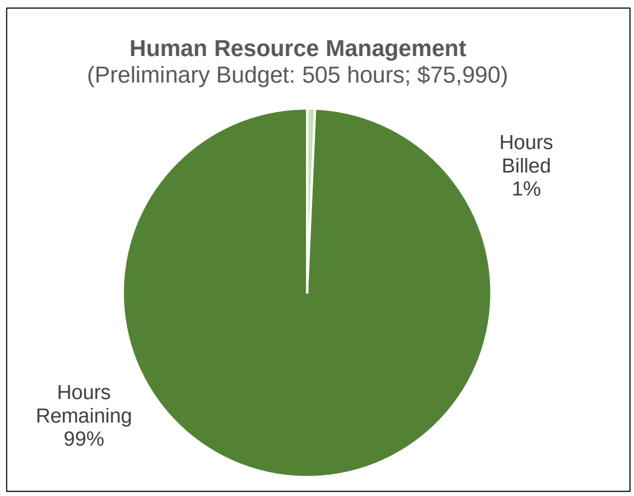
Notes: Statement of Work approved August 15, 2016. Audit fieldwork is complete and a draft report has been provided to the Administration for review. Anticipated reporting to SPC on Finance in April 2017.



Notes: Statement of Work approved July 18, 2016. Audit fieldwork is complete and a draft report has been provided to the Administration for review. Anticipated reporting to SPC on Finance in April 2017.

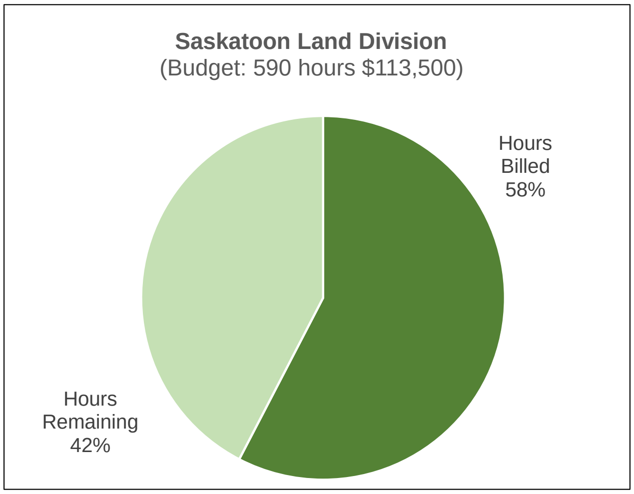


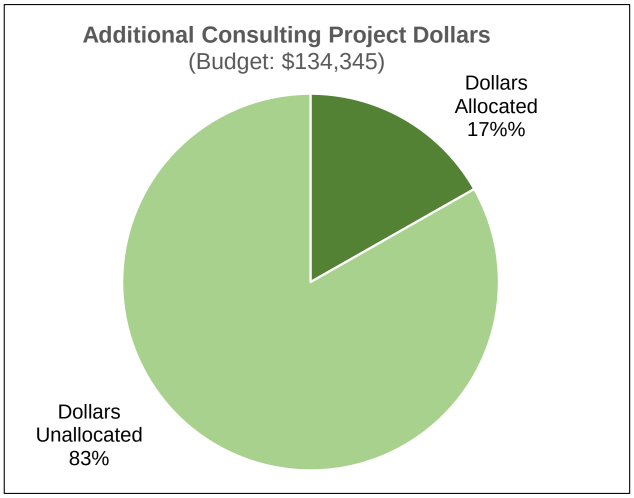
Notes: Statement of Work approved November 7, 2016. Audit fieldwork continues. Anticipated reporting to SPC on Finance by mid-2017.



Notes: Initial meeting with the corporate stakeholder group has been scheduled for mid-February. A statement of work is planned to be presented to the SPC on Finance in April 2017.

Additional Consulting Projects

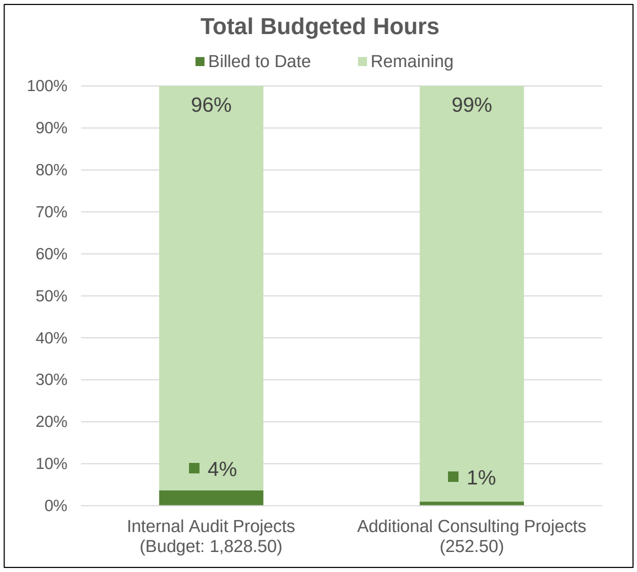


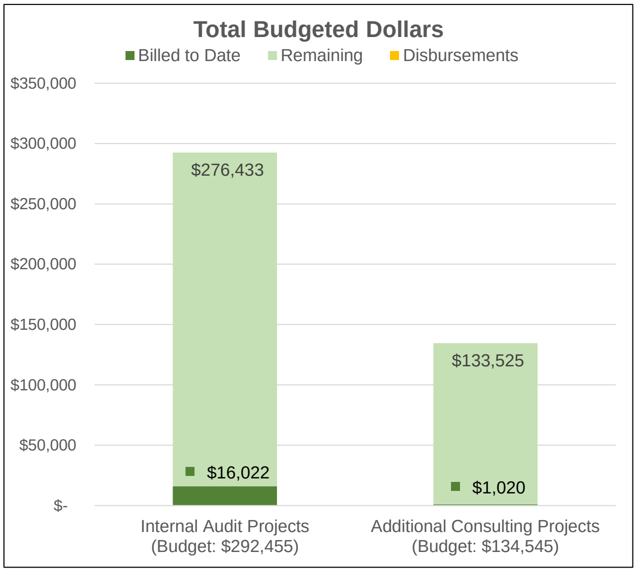


Notes: Statement of Work approved August 15, 2016. Audit fieldwork is complete and a draft report has been provided to the Administration for review. Anticipated reporting to SPC on Finance in April 2017.

Notes: 17% of additional consulting project dollars have been allocated to specific consulting projects to date.

Overall Internal Audit Program





Notes: A total of 67.0 hours of internal audit work and 2.5 hours of additional consulting work have been billed to January 31, 2017.

Notes: A total of $17,041.65 has been billed to January 31, 2017 for internal audit services, consulting services and disbursements. This represents 4% of the total operating budget for 2017.

Corporate Risk Annual Report 2016

Recommendation
That the report of the CFO/General Manager, Asset and Financial Management Department, dated March 6, 2017, be forwarded to City Council for information.

Topic and Purpose
The purpose of this report is to provide an annual update on activities carried out by the Corporate Risk Division in 2015/2016 and to outline key initiatives for 2017.

Report Highlights
1. The Terms of Reference for the Corporate Risk Committee requires the Committee to report, on an annual basis, to the Standing Policy Committee on Finance and City Council a summary of risk management activity for each calendar year.

2. The Administration has successfully reduced the risk severity of 11 (48%) of its key strategic risks from high to medium, although continued effort will be required to achieve targets.

Strategic Goals
This report supports the long-term strategy of creating and encouraging a workplace culture of continuous improvement that encourages innovation and forward-thinking under the strategic goal of Continuous Improvement.

The City of Saskatoon's (City) Risk Based Management program sets a positive and proactive risk management culture for the corporation through the adoption of a systematic, practical and ongoing process for understanding and managing risk.

Report
<u>Annual Report</u>
A key component of the Risk Based Management (RBM) Program was the establishment of a Corporate Risk Committee (CRC). The CRC was established in early 2015 with the mandate "…to promote a proactive risk management practice and culture within the City of Saskatoon so as to assist with the achievement of corporate goals through the timely identification and effective treatment of corporate risk."

The CRC consists of the Senior Administration (City Manager, General Managers of the four departments, City Solicitor, and Director of Government Relations), Fire Chief, Police Chief, and the Director of Corporate Risk.

The Terms of Reference for the CRC requires the Committee to report, on an annual basis, to the Standing Policy Committee on Finance and City Council a summary of risk management activity for each calendar year.

The 2016 Corporate Risk Annual Report (Attachment 1) provides a summary of the following:

- RBM Program, including its principles, framework and process;
- Corporate Risk Division's accomplishments in 2015 and 2016 as they relate to the RBM Program's two main objectives;
- key mitigation activities being undertaken to manage each of the City's strategic risks that were identified through the strategic risk assessment; and
- Corporate Risk Division's objectives for 2017.

Reductions in Risk Severity

The Administration has successfully reduced the risk severity for each of the City's key strategic risks as a result of current risk management activities, in some cases significantly. Further, for 11 of the strategic risks, the risk severity has decreased from high severity (i.e. high likelihood, high impact) to medium severity (i.e. medium likelihood, medium impact), and 3 strategic risks are now rated within the target residual risk zone that the Administration had set for it.

Even with these improvements, the Administration will continue to work on enhancing its understanding of corporate risks, expand the risk assessment process throughout the organization, and implement additional risk management strategies to further reduce risk severity.

Communication Plan

Producing a detailed *2016 Corporate Risk Annual Report* will ensure that internal and external stakeholders, along with the public, are provided with the most accurate and appropriate information on the City's ongoing commitment to an RBM Program for the corporation.

In addition to issuing a News Release regarding the publication of the *2016 Corporate Risk Annual Report*, hard copies of the report will be distributed to key stakeholders. A digital version of the annual report will also be made available on the Corporate Risk webpage on saskatoon.ca.

Due Date for Follow-up and/or Project Completion

A report summarizing risk management activity will be submitted annually to the Standing Policy Committee on Finance and City Council.

Public Notice

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

Attachment

1. 2016 Annual Report - Corporate Risk Division

Report Approval

Written by:	Nicole Garman, Director of Corporate Risk
Reviewed by:	Kerry Tarasoff, CFO/General Manager, Asset & Financial Management Department
Approved by:	Catherine Gryba, Acting City Manager

Corporate Risk Annual Report - 2016.docx

ATTACHMENT 1

CORPORATE RISK

2016 ANNUAL REPORT

City of Saskatoon

"The City of Saskatoon, like all municipal governments, faces many types of risk, including strategic, operational, financial and compliance risks that, if not effectively managed, can impede the successful delivery of services and achievement of goals and objectives.

We are committed to ongoing enhancement of intelligent risk performance in all areas of our operations, ensuring continuous improvement in the way the City is managed, as well as continued growth in public confidence in the City's performance."

- **Murray Totland**, City Manager
Chair, Corporate Risk Committee

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EXECUTIVE SUMMARY

The City of Saskatoon's Risk-Based Management Program was established in August 2014 in order to provide "a systematic, proactive and ongoing process to understand and manage risk, and to communicate risk information throughout the City, which contributes positively to the achievement of corporate objectives." Since that time, many foundational initiatives have been undertaken to improve understanding and embed risk management into the organization's culture.

Through the Corporate Risk Committee, the Administration has dedicated significant effort to fully understanding and analyzing each strategic risk, assessing how likely each risk is to occur, determining what the impact would be if it did occur, identifying what is currently being done to manage the risk and determining what more is required to bring that risk down to an acceptable level.

This understanding and analysis has allowed the City to make significant progress in managing its key strategic risks. Of the 23 risks identified in the strategic risk assessment, current risk management activities have decreased the severity of 11 risks from high (i.e. high likelihood, high impact) to medium (i.e. medium likelihood, medium impact), with 3 risks now residing within their target zone.

Before risk management activities

- 21 strategic risks ranked as high severity
- 2 strategic risks ranked as medium severity

After current risk management activities

- 10 strategic risks ranked as high severity
- 13 strategic risks ranked as medium severity

Administration's target

- 8 strategic risks to be of medium severity
- 15 strategic risks to be of low severity
- 3 strategic risks have achieved their target zone

Even with this improvement, additional work remains to be done. Over the coming year, the Administration will continue to focus on identifying and understanding its risks more fully, and pursuing implementation of those planned mitigation strategies that will move the organization closer to achieving its targets.

1 INTRODUCTION

The City of Saskatoon provides the infrastructure and delivers key programs and services necessary to improve the city's high quality of life. Many of these are essential services that citizens rely on every day, including:

- roads, bridges, pathways and public transit to move people;
- Police, Bylaw and Fire services to keep citizens safe;
- parks, waste management and drainage systems to keep neighbourhoods clean and healthy; and
- social programs and leisure activities that make Saskatoon a great place to live, work and visit.

This diversity of activity creates an equally diverse and complex range of risks as well as a wealth of opportunities for the City. Understanding and managing the risks associated with these activities and making the most of new opportunities is challenging and critical to preserving and protecting the City's reputation and resources.

The City recognizes that risk management is an integral part of a good governance structure and best management practice. Effectively managing risk helps support continuous improvement in the way the City is managed, as well as continued growth in public confidence in the City's performance.

Through Council Policy No. C02-040, Corporate Governance – Risk-Based Management (the Policy), the City has adopted the risk management methodology as set out in the International Standard ISO 31000 *Risk Management – Principles and Guidelines* (ISO 31000). The Policy affirms the City's strategic commitment to building a risk management culture in which risks are identified and managed effectively.

Established in August 2014, the Policy objectives of the City's Risk-Based Management (RBM) Program are to "...embed into corporate operations and reporting a systematic, proactive and ongoing process to understand and manage risk and uncertainty, and to communicate risk information throughout the City..."

As described in the body of this report, significant progress has been made in achieving the objectives of the RBM Program, with further advances planned for 2017 and beyond.

RBM Program Vision

We know what our risks are and we are accountable to actively manage them

2 RISK-BASED MANAGEMENT PROGRAM

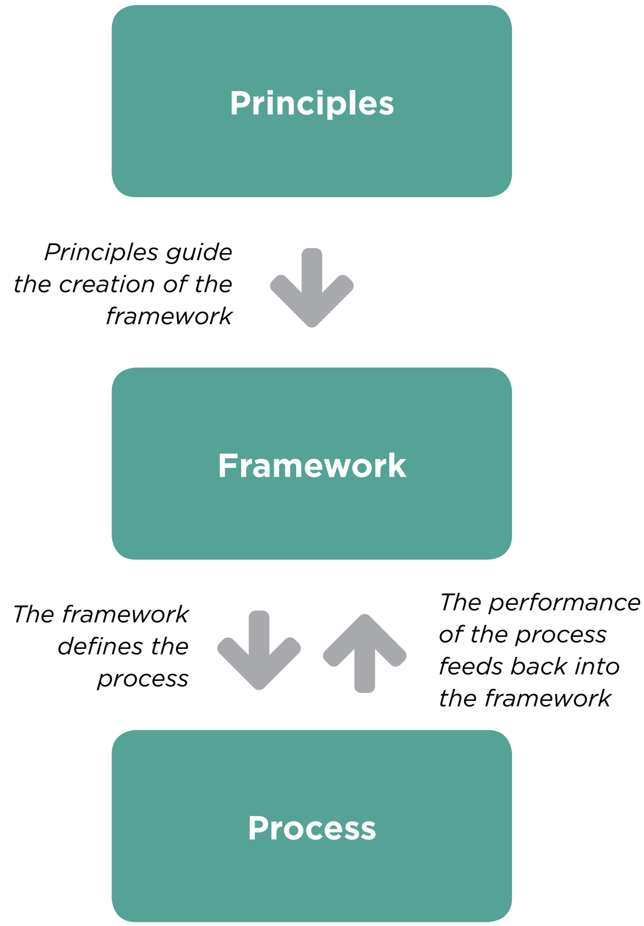
The City faces a variety of challenging natural, political, financial, environmental and cultural influences that make its operating environment uncertain. These influences may impact on the extent to which corporate objectives can be met.

The effect such uncertainty has on the City's objectives is known as "risk."

The City has adopted the risk management methodology as set out in ISO 31000. As shown in Figure 2.1, the ISO 31000 risk management methodology has the following three components:

- a set of **Principles** for guiding and informing an effective risk management program;
- a **Framework** that provides the foundations that will embed risk management throughout the organization; and
- a **Process** that supports the development and implementation of activities to assess, treat, monitor and review risk.

FIGURE 2.1: COMPONENTS OF ISO 31000 RISK MANAGEMENT METHODOLOGY



Risk

The chance of something happening that will have an effect on our ability to achieve our objectives

2.1 PRINCIPLES

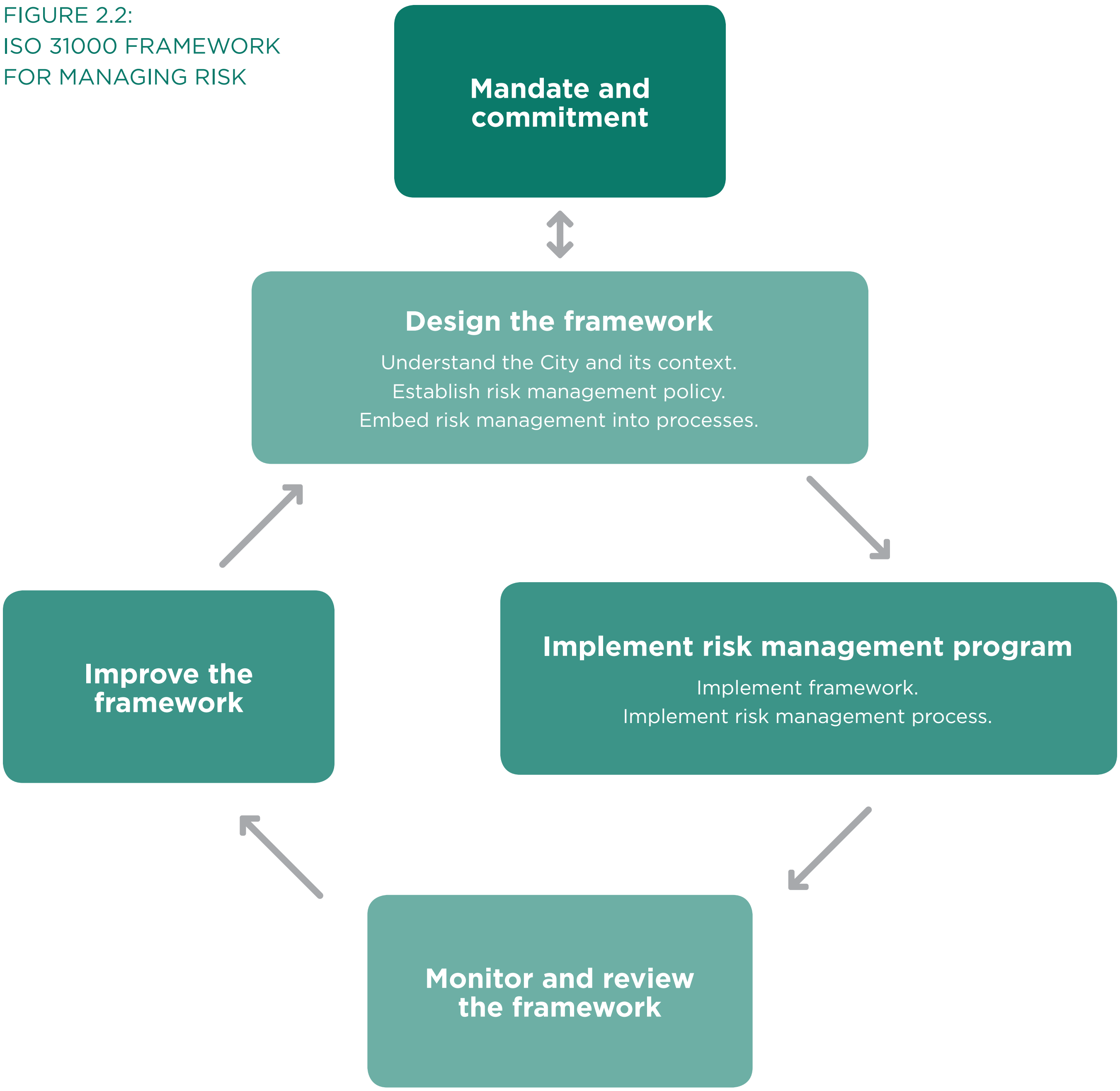
The City's RBM Program will:

- **Create and protect value** to help the City achieve its objectives and improve its performance.
- Be an **integral part of activities and processes**, including strategic and business planning, project management and change management.
- Be **part of decision making** as every decision made has an element of risk. Effective risk management can help make informed choices, prioritize actions and select between alternative options.
- Deal explicitly with the **uncertainties** inherent in all civic activities.
- Be **systematic, structured and timely** to facilitate repeatable, consistent, comparable and reliable outcomes.
- Be **based on best available information** with inputs to the risk management process drawing on historical data, experience, feedback, observation, forecasts or expert judgment. Assumptions must be stated clearly.
- Be **tailored** to the City and consider its objectives, capabilities, the environment in which it operates and the risks faced.
- Consider **human and cultural factors** by recognizing the perceptions and intentions of internal and external stakeholders, including staff members' capabilities and attitudes towards risk management.
- Be **transparent and inclusive** about how risk is identified and assessed, how decisions are reached and how risks are treated. The Administration and City Council (through the Standing Policy Committee on Finance) will be regularly consulted to ensure they have an opportunity to provide input into the criteria used to evaluate the effectiveness of the risk management process.
- Be **dynamic and responsive** as the internal and external environments in which the City operates change. These environments need to be monitored to determine which risks are still relevant and to identify any new and emerging risks. The City's risk management framework and processes need to be responsive to change.
- Facilitate the City's **continuous improvement and enhancement** through regular reviews of, and improvements to, the risk management framework and processes.

2.2 FRAMEWORK

The success of the City's RBM Program will depend on the framework that provides the foundation for embedding it throughout the organization at all levels.

FIGURE 2.2:
ISO 31000 FRAMEWORK
FOR MANAGING RISK

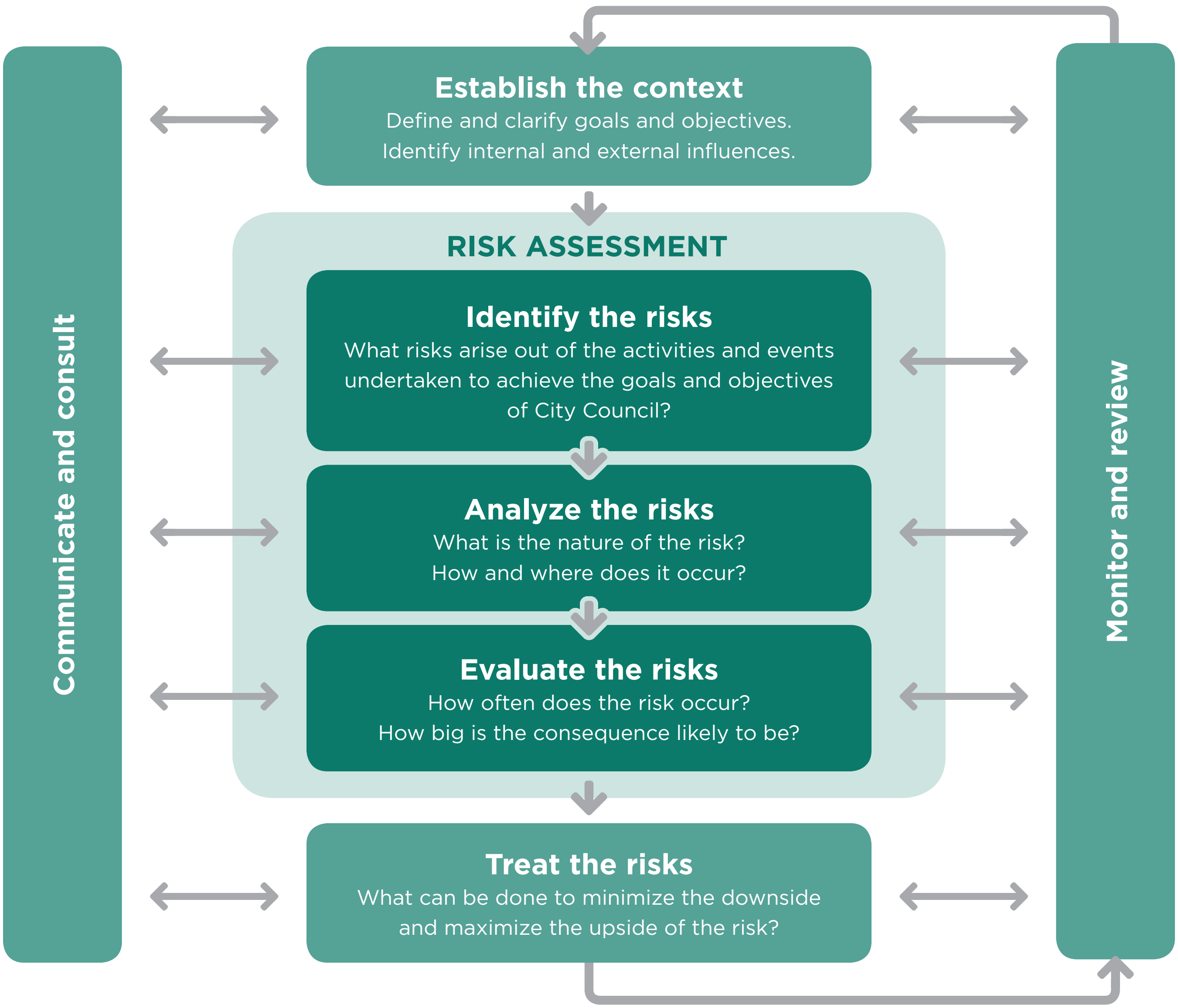


2.3 PROCESS

The City's RBM process can be summarized as follows:

> The City manages risk by *identifying* it, *analyzing* it and then *evaluating* whether the risk should be modified by risk *treatment* in order to satisfy our risk criteria. Throughout this process, we *communicate* and *consult* with stakeholders and *monitor and review* the risk and the controls that are modifying the risk in order to ensure that no further risk treatment is required.

FIGURE 2.3: ISO 31000
RISK MANAGEMENT PROCESS



3 ACCOMPLISHMENTS IN 2015/2016

Since the RBM Program was established in August 2014, efforts have been focused on establishing the foundational elements of the RBM Program, undergoing a strategic risk assessment and engaging in corporate outreach activities.

Embed into corporate operations and reporting a systematic, proactive and ongoing process to understand and manage risk and uncertainty.

- The **Risk Based Management Policy** was approved by City Council, formalizing the City's objectives for, and commitment to, risk management.
- The **Corporate Risk Committee**, a key component of the overall risk governance structure and comprised of leaders within the organization, was established.
- A **Strategic Risk Assessment**, that identified and prioritized the City's strategic risks, was conducted by PricewaterhouseCoopers (PwC).
- The **Internal Audit Plan** was developed based on the priorities identified in the Strategic Risk Assessment.
- **Risk Registers** were prepared addressing all "high" and "medium" priority strategic risks.
- Nine **risk reviews** of new/proposed programs, existing programs, special events and procurement decisions were performed, at the request of civic management and staff.
- An **operational risk assessment** of the City's snow management facilities has been initiated by civic management.

Communicate risk information throughout the City.

- Key challenges and risks have been incorporated into the **Business Plan and Budgeting** process.
- The Corporate Risk Management **webpage** was launched.
- The Corporate Risk Division has been involved in the development of key **corporate initiatives**, including a Power Outage Protocol and a Corporate Security Plan.
- Several **guidance documents** have been prepared to improve understanding and application of risk concepts throughout the organization, with more to follow.
- The City Council Orientation and the Administration's Fall Leadership Forum **Trade Shows** provided an opportunity to introduce risk to our elected officials and 480 colleagues in an easy to understand and engaging way (see Appendix 1 for the Corporate Risk infographic).

4 STRATEGIC RISKS – AT A GLANCE

The strategic risk assessment that was conducted by PwC in 2015 resulted in the identification of several strategic risks. These strategic risks were prioritized by City Council in order to guide the Internal Audit Plan, and were scored by the Corporate Risk Committee in terms of:

- **Likelihood:** the probability of the risk event occurring, measured on a scale of 1 (rare) to 4 (very likely); and
- **Impact:** the effect if the risk event does occur, measured on a scale of 1 (negligible) to 4 (critical).

The scoring of the risks was performed on both an inherent basis (without considering the effect of controls) and residual basis (after taking into account current risk mitigation activities). As outlined in Figure 4.1 below, the decrease from the inherent risk score (e.g. 10.8) to the residual risk score (e.g. 6.6) is the impact that can be attributed to current risk mitigation activities.

FIGURE 4.1: GUIDE TO UNDERSTANDING THE STRATEGIC RISK SUMMARY

The priority assigned to the risk by City Council for the purposes of preparing the Internal Audit Plan

The statement that briefly describes the risk event

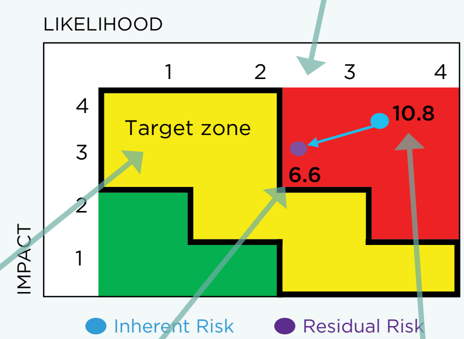
The risk matrix visually presents the risk scores with an indication of severity (red = high, yellow = medium, green = low)

HIGH PRIORITY STRATEGIC RISKS

› The City may be unable to adequately diversify its revenue sources

Key current risk mitigation activities:

- Long-term financial plan approved by City Council and updated annually
- Return on investment from civic utilities
- Conducted “Financing Growth Study”
- Developing corporate fundraising strategy/philanthropic policy
- Internal audit underway



A summary of the key activities that are currently being undertaken to reduce the likelihood and/or impact of the risk event

The Administration’s target residual risk zone

The residual risk score (after considering current risk mitigation activities) = likelihood x impact

The inherent risk score (without considering risk mitigation activities) = likelihood x impact

As summarized in the following tables, many activities are currently being undertaken to reduce the likelihood and/or impact of the City's strategic risks. These tables are current snapshots of the risk levels with mitigation activities (residual) compared to the risk levels if these activities were not initiated (inherent).

HIGH PRIORITY STRATEGIC RISKS

The City may be unable to adequately diversify its revenue sources

Key current risk mitigation activities:

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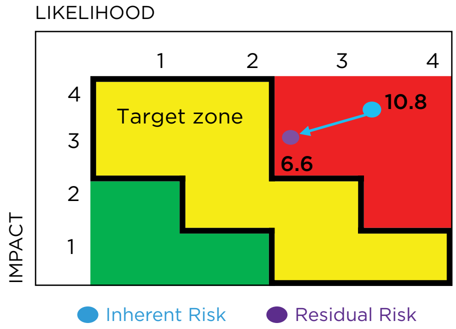
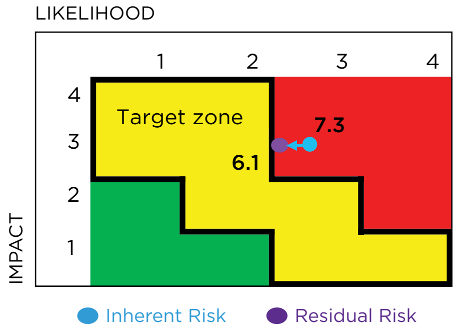


The City may not be investing enough money in its transportation infrastructure to maintain an acceptable condition and level of service

Key current risk mitigation activities:

- Ongoing monitoring and reporting of infrastructure condition, by type and class
- Asset management plans prepared
- Internal audits completed for Roadways Maintenance and Snow & Ice Management
- Increased funding levels
- Financial management strategies developed
- Winter maintenance levels of service approved by City Council and monitored on an ongoing basis

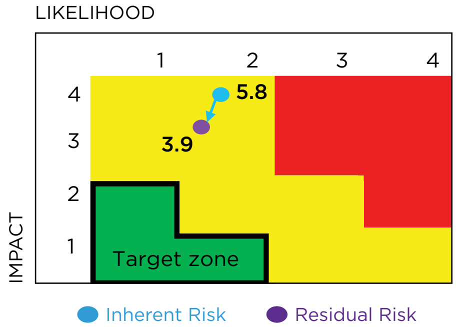


HIGH PRIORITY STRATEGIC RISKS (CONT.)

The City may not be prepared to quickly and effectively resume operations in the event of serious incident, accident, disaster or emergency

Key current risk mitigation activities:

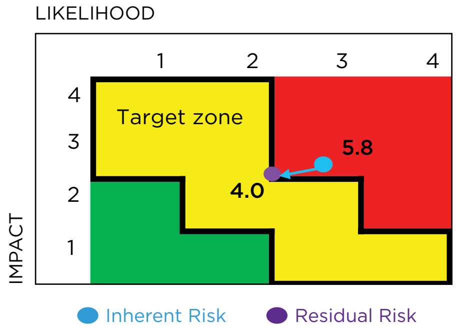
- Emergency Operations Center established
- Mass notification system implemented and periodically tested
- Security assessments completed at four civic facilities
- Corporate Security Plan being implemented



The City's engagement and communications initiatives and opportunities may not be effectively reaching its citizens

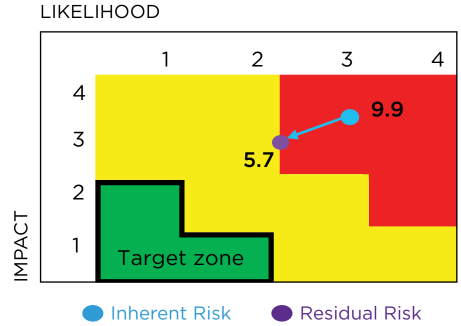
Key current risk mitigation activities:

- New website launched
- Implemented internet publishing and electronic agenda systems
- Launched Service Saskatoon
- Created Citizen Advisory Panel
- Piloted citizen service satisfaction survey process, 3rd party online citizen budget tool and other new approaches to engagement



MEDIUM PRIORITY STRATEGIC RISKS

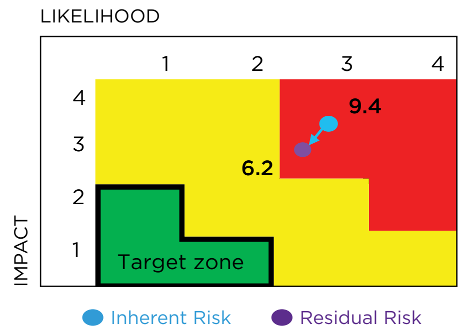
The City may not be considering the total costs of asset ownership when making investment decisions



Key current risk mitigation activities:

- Unit costing initiatives being undertaken in certain areas (e.g. parks, roadways, fleet)
- Life cycle costing methodology being applied to all P3 projects
- Internal audit underway

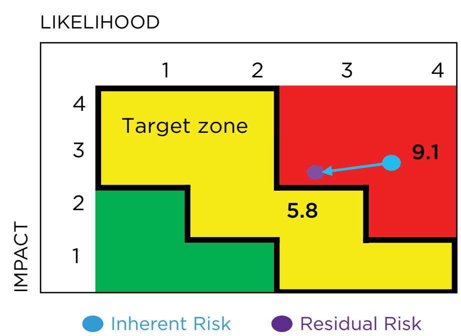
The City's infrastructure investments may not correspond to growth trends and forecasts for the local or regional economy



Key current risk mitigation activities:

- Growth Plan to Half a Million approved by City Council
- Frequent and ongoing monitoring of market conditions, economic indicators and financial resources
- Long-term infrastructure plans developed and funding commitments secured
- Regional plans, concept plans and community plans developed

The City may not be investing enough money in its public transit infrastructure to maintain an acceptable level of service



Key current risk mitigation activities:

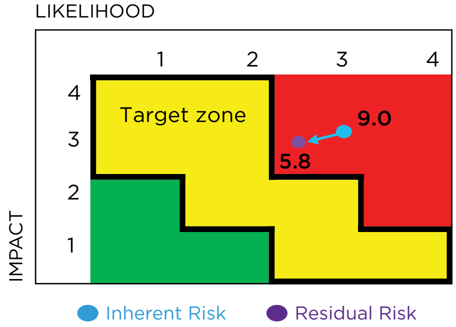
- Long-term transit plan, fleet renewal strategy and asset management plan approved by City Council
- Infrastructure funding secured
- Intelligent Transportation System (ITS) implemented
- New website and real-time mapping launched
- Internal audit underway

MEDIUM PRIORITY STRATEGIC RISKS (CONT.)

The City's waste and recycling services may not be meeting customer service delivery and environmental stewardship expectations

Key current risk mitigation activities:

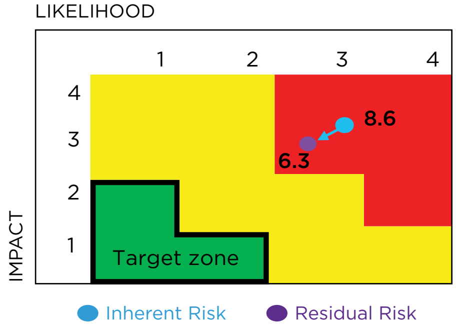
- Convenient and easy to use waste diversion programs have been launched
- Green Cart program expanded to accept food waste; subscriptions have also increased
- Recovery Park business case developed
- Implemented route optimization process
- Comprehensive community-wide waste study completed



The City may be using outdated or unsupported software and/or hardware that may fail

Key current risk mitigation activities:

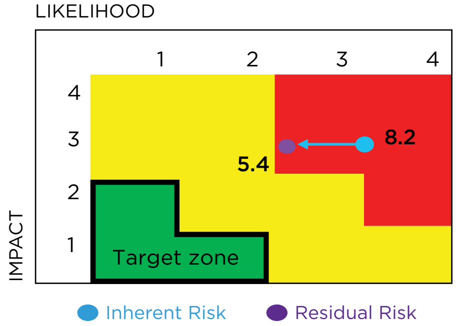
- Full assessment of the IT infrastructure is in progress
- Asset management plan being developed
- Opportunity assessment process introduced
- Corporate-wide sustainability review being undertaken



The City's information technology strategy may not be properly aligned with the organization's goals and objectives

Key current risk mitigation activities:

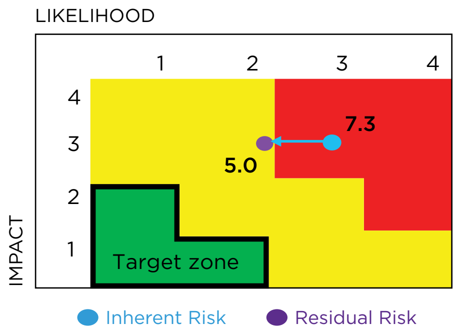
- Launched new vision and mandate statement
- Implemented new IT organizational structure
- Established a business unit steering committee
- Introduced new Service Desk tool
- Implemented a prioritization and portfolio management system



The City may not be prepared for the effects of climate change

Key current risk mitigation activities:

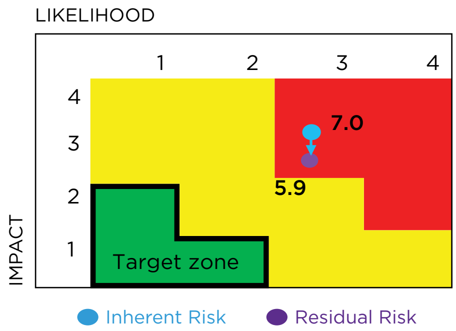
- Environmental Implications section in corporate report templates
- Revised roadway design standards consider severe/prolonged weather events
- Stormwater superpipe capacity improvements
- Developed predictive model with U of S regarding rainfall to identify infrastructure constraints
- Developing climate change adaptation response plan



The City's decision making processes may be hampered by information systems and data sets (financial and operational) that are not integrated

Key current risk mitigation activities:

- Business case for core corporate financial (Enterprise Resource Planning) system approved by City Council
- Developing enterprise strategies and programs to encompass asset management, data management and business intelligence
- Developed IT Strategic Plan
- Implemented Project On Line
- Data management plans developed in three pilot areas (fire, transit and human resources)

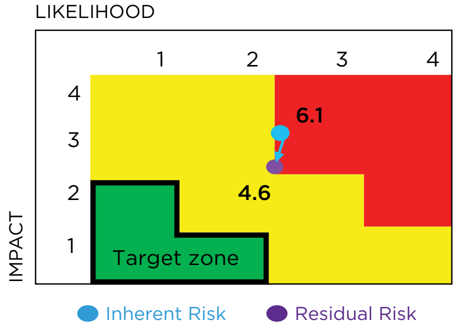


MEDIUM **PRIORITY STRATEGIC RISKS** (CONT.)

The City's existing strategies may not be attracting, hiring, managing, developing and retaining top talent to support existing and future operations

Key current risk mitigation activities:

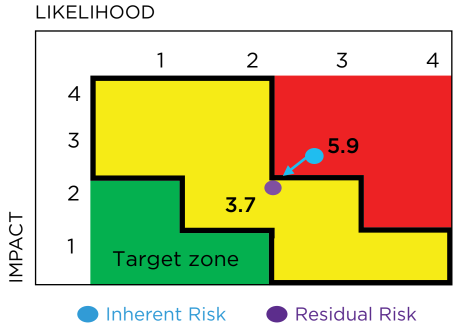
- Succession planning framework has been developed for senior positions
- Competency frameworks have been/are being developed
- "Employee Rewards and Recognition" program under development
- "Investing in Leaders" program continues to offer a variety of opportunities for staff



The City may not be investing enough money in its parks infrastructure to maintain an acceptable condition and level of service

Key current risk mitigation activities:

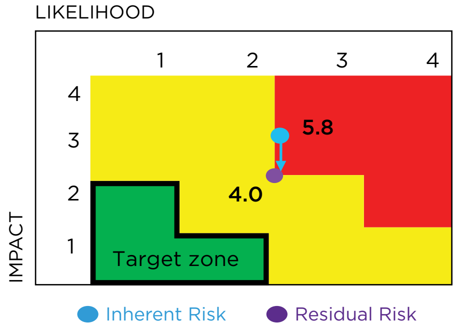
- Completed Civic Service Reviews for Parks and Urban Forestry
- Completed Recreation & Parks Master Plan
- Increased funding from existing sources
- Asset management plan prepared for select assets, additional plans are underway
- Implemented new work management system



The City may not be adequately protecting information created by or entrusted to it

Key current risk mitigation activities:

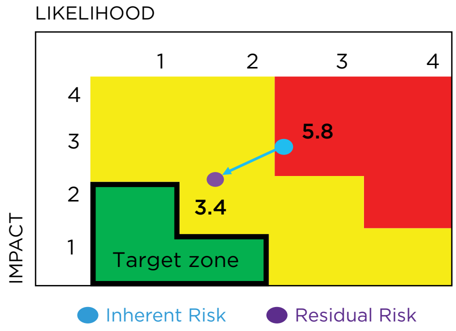
- A framework of information management and governance policies have been developed
- Security reviews, inspections and audits periodically conducted
- Administrative processes/procedures are in place governing user access privileges and information handling
- Privacy Impact Assessment process in place



The City may not be consistently considering risk management when evaluating and pursuing strategic initiatives

Key current risk mitigation activities:

- Risk Management Policy approved by City Council
- Implementation of RBM Program underway
- Strategic Risk Assessment completed
- Strategic Risk Registers prepared and periodically updated
- Consideration of strategic risks in 2017 business planning process

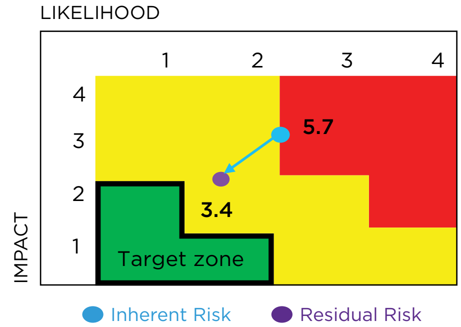


MEDIUM PRIORITY STRATEGIC RISKS (CONT.)

The City may not be aligning its financial resources in a way that supports its priorities, strategic goals and core services

Key current risk mitigation activities:

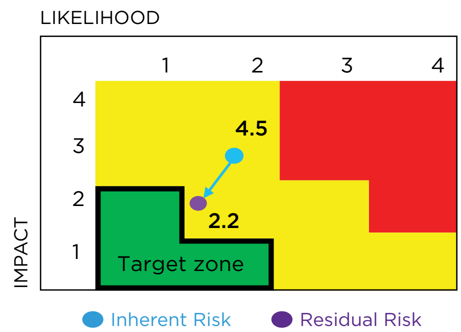
- Periodic strategic planning and annual business planning processes
- Piloted 3rd party online citizen budget tool
- New budgeting process implemented
- Multi-year business planning and budget consulting project underway



The City may not be investing enough money in its facilities to maintain an acceptable condition and level of service

Key current risk mitigation activities:

- Conduct cyclical building condition assessments
- Customer service agreements prepared and regular customer service meetings conducted
- Annually review CBCM reserve
- Asbestos Management Program established

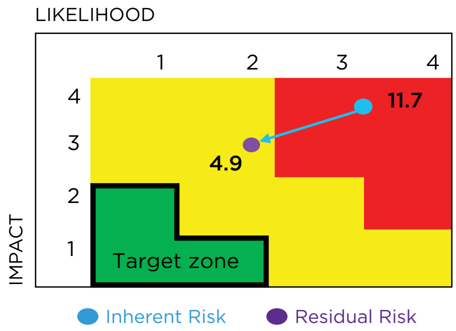


LOW PRIORITY STRATEGIC RISKS

The future growth of the City and region could be restricted by, or in conflict with, growth in surrounding areas

Key current risk mitigation activities:

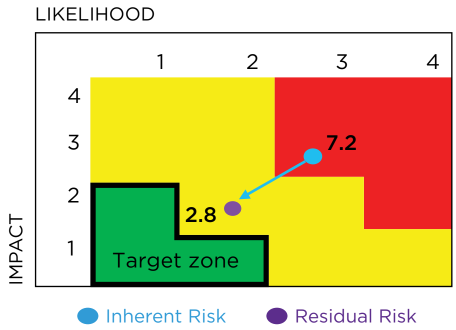
- Participating in the Saskatoon North Partnership for Growth (P4G)
- Contract awarded for multi-phased development of a Regional Plan
- Ongoing participation in Corman Park – Saskatoon Planning District



The City may not be investing enough money in its fleet infrastructure to maintain an acceptable condition and level of service

Key current risk mitigation activities:

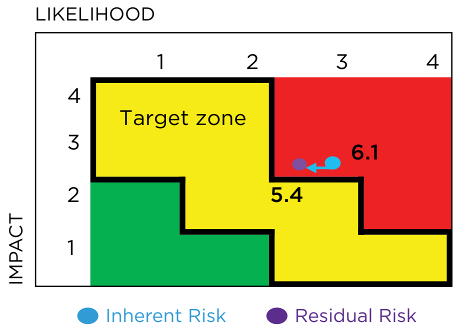
- Completed Civic Service Review and implementing recommended improvements
- Reviewing fleet business model
- Preparing customer service agreements with significant customer groups
- Asset Management Plan being prepared
- Comprehensive reserve sufficiency analysis undertaken



The City may fail to identify and pursue corporate CO_2 reduction initiatives

Key current risk mitigation activities:

- Corporate greenhouse gas emission reduction target adopted
- Energy Performance Contracting request for proposals issued
- Environmental Implications section in Committee and City Council report templates
- Several initiatives undertaken to date (e.g., LED fixtures for street/park lighting, solar power demonstration project, single-stream recycling at civic facilities, route optimization, water management practices, etc.)

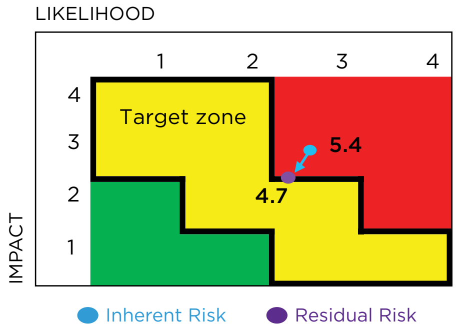


LOW PRIORITY STRATEGIC RISKS (CONT.)

The City's community education and awareness initiatives regarding carbon footprint may not be affecting change in people's attitudes and behaviors

Key current risk mitigation activities:

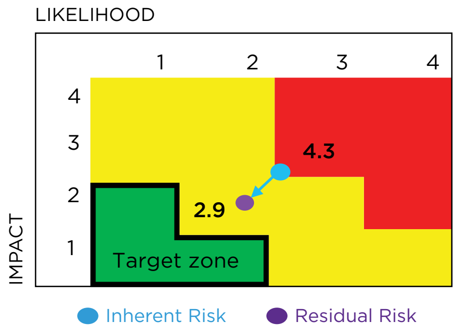
- Signed the Covenant of Mayors
- Developed community greenhouse gas emission inventory
- Community greenhouse gas emission reduction target being developed
- Waste diversion target adopted
- Conservation, recycling and waste diversion education programs are provided to citizens
- Green Cart program expanded to accept food waste



The City's purchases may not be in accordance with approved policy

Key current risk mitigation activities:

- Comprehensive review of procurement policy and procedures currently underway
- New purchasing card policies and procedures implemented
- Education/training sessions provided to key internal stakeholders



5 OBJECTIVES FOR 2017

Building on the successes achieved to date, 2017 will see additional categories of risk being subject to risk assessment as knowledge and capacity continues to be developed within the organization.

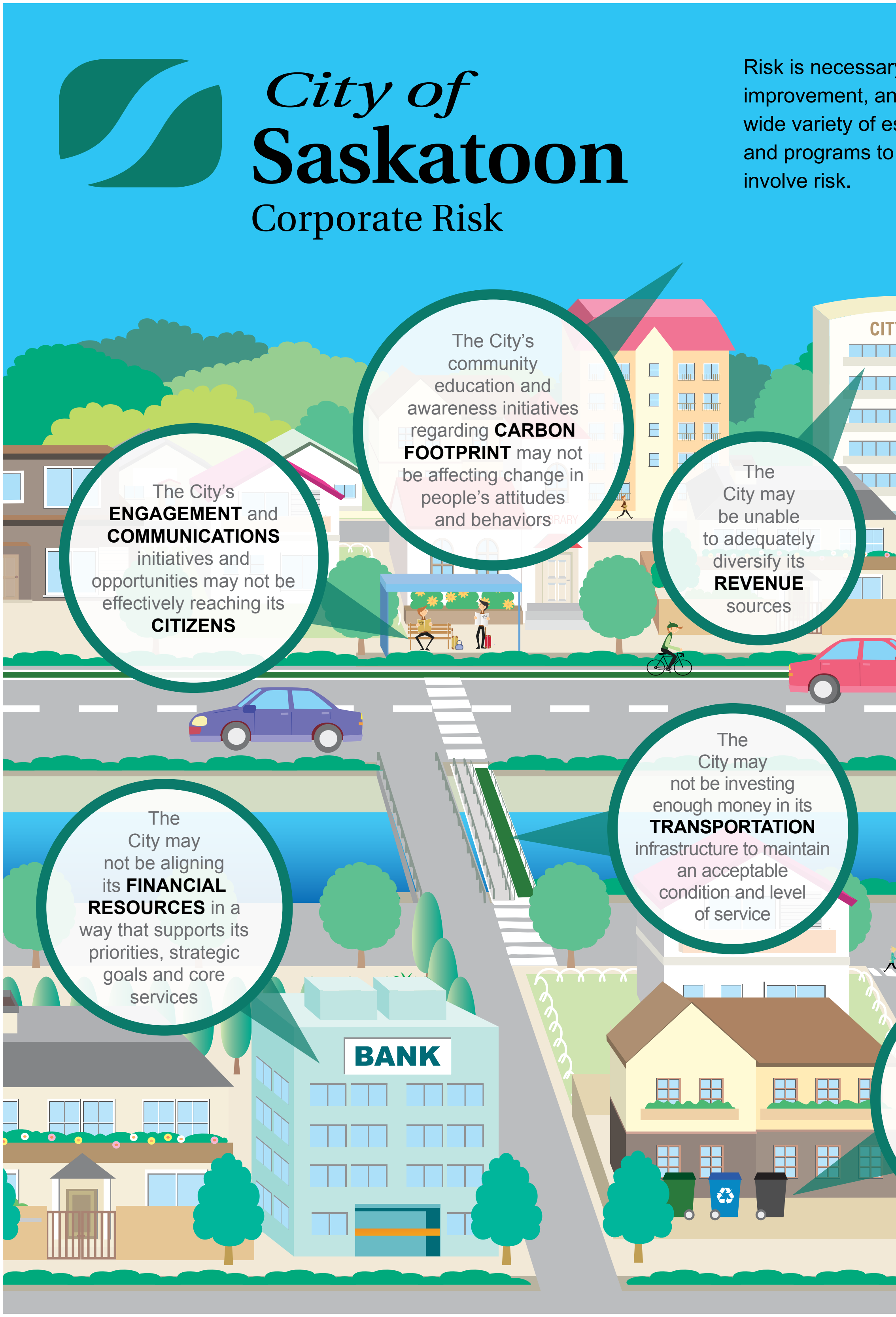
Embed into corporate operations and reporting a systematic, proactive and ongoing process to understand and manage risk and uncertainty.

- A "Risk Management" section will be considered for inclusion in the corporate report template to ensure risk is identified and addressed in all reports to City Council and Committees of Council.
- Operational, financial and compliance risk assessments will be conducted throughout the organization.
- Risk registers will be prepared for the most significant operational, financial and compliance risks that are identified through the risk assessment process.

Communicate risk information throughout the City.

- A Corporate Risk SharePoint site will be established to serve as a source of information and guidance for all Divisions.
- Additional education and informational material will be developed and shared throughout the organization.

APPENDIX 1


City of Saskatoon
Corporate Risk
Risk is necessar
improvement, an
wide variety of es
and programs to
involve risk.
The City's community education and awareness initiatives regarding CARBON FOOTPRINT may not be affecting change in people's attitudes and behaviors
The City's ENGAGEMENT and COMMUNICATIONS initiatives and opportunities may not be effectively reaching its CITIZENS
The City may be unable to adequately diversify its REVENUE sources
The City may not be investing enough money in its TRANSPORTATION infrastructure to maintain an acceptable condition and level of service
The City may not be aligning its FINANCIAL RESOURCES in a way that supports its priorities, strategic goals and core services
BANK

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ssential services
citizens does

The City of Saskatoon's Corporate Risk Management Program assists the Administration to ensure management of risk is addressed in a positive, systematic and productive way.

Risk to the Corporation is mitigated through an ongoing commitment to continuous improvement in the way the City is managed – thereby increasing public confidence in the City's performance.

City of Saskatoon

saskatoon.ca

Inquiry – Councillor Z. Jeffries (September 28, 2015) Undeveloped Lots after Sale of Lot

Recommendation
That the report of the CFO/General Manager, Asset and Financial Management Department, dated March 6, 2017, be forwarded to City Council for information.

Topic and Purpose
The purpose of this report is to respond to Councillor Jeffries' inquiry regarding existing steps and potential options to ensure timely lot development in neighbourhoods developed by Saskatoon Land.

Report Highlights

1. Saskatoon Land found a relatively small number of vacant lots in its substantially complete neighbourhoods.

2. Current policy requires that eligible contractor's complete construction on lots purchased from Saskatoon Land within three years (Time Frame to Build Requirement) subject to suspension of further lot purchases. Individual purchasers are subject to a four-year residency requirement enforced by a forgivable $50,000 mortgage.

3. The Time Frame to Build and forgivable mortgage provisions have been largely successful in curbing speculation and promoting timely construction on lots within Saskatoon Land development areas.

4. Saskatoon Land reviewed alternative approaches to encourage timely lot development including negotiated buy-backs, performance fees and security deposits, and options to repurchase.

Strategic Goal
This report supports the long-term strategy of creating and encouraging a work place culture of continuous improvement that encourages innovation and forward-thinking under the strategic goal of Continuous Improvement.

Background
At its September 28, 2015 meeting of City Council, the following inquiry was made by Councillor Jeffries:

> "Could Administration please report back on what additional steps could be taken to prevent future lots in new Saskatoon Land neighbourhoods from remaining undeveloped long after the sale of a lot."

In 2007, City Council approved the Time Frame to Build requirement in Council Policy No. C09-006 requiring that Eligible Contractors and individual purchasers buying lots from Saskatoon Land complete home construction within two years of the sale agreement being signed.

Time Frame to Build requirements were intended primarily to limit the number of vacant lots resulting from speculative purchasers holding inventory during times of rising lot prices in order to take advantage of appreciation in prices.

In January 2009, the Time Frame to Build requirement was extended from two years to three years for Eligible Contractors and individuals in order to reduce the impact of market fluctuations and still retain the intended purpose of the policy requirement.

Report

Current Vacant Lot Inventory

Saskatoon Land recently quantified the number of vacant lots in neighbourhoods considered to be substantially complete, including Willowgrove, Hampton Village, Rosewood, and early phases of Evergreen (Phases 1 to 5). The analysis of recently developed neighbourhoods shows there is not a substantial number of vacant lots in these areas as indicated in the table below:

Saskatoon Land - Purchased Vacant Lots - Dec 31, 2016

Neighbourhood	Initial Phase	Eligible Contractor Vacant Inventory	Individual Purchaser Vacant Inventory	Total Sold Lots - Remain Vacant
Willowgrove	2003	2	3	5
Hampton Village	2003	0	1	1
Rosewood	2011 - 2012	7	2	9
Evergreen (Phases 1 to 5)	2010 - 2012	18	0	18

While Saskatoon Land has been diligent in advising the above purchasers of the need to fulfill the build time requirements, the owners have cited varied reasons for not proceeding with timely construction on the lots, including:

- difficulty selling excess inventory in the current market;
- reluctance to build speculatively in the current market;
- difficulty selling existing property or accessing funds from recent sale of property; and
- personal circumstances.

Current Practice to Limit Vacant Lots - Time Frame to Build Requirement

Council Policy No. C09-006, Residential Lot Sales – General Policy, requires lot purchasers to build a fully completed residence within three years of purchasing a lot.

For Eligible Contractors, enforcement of the requirement involves temporary suspension from further lot purchases until the violation has been rectified. Individual purchasers are subject to a four-year residency requirement beginning at the time of title transfer, enforced by a forgivable $50,000 mortgage registered against each lot.

Generally speaking, the policy requirements for both contractors and individuals has been effective in limiting speculation and lot flipping during times of elevated market conditions and rising prices; as well as encouraging timely builds to take place in Saskatoon Land development areas.

<u>Alternative Approaches to Existing Policy</u>
In response to Councillor Jeffries' inquiry, Saskatoon Land has identified three alternative approaches to the existing policy requirement.

a) Negotiated Buy-back

   Negotiated buy-backs have been used by Saskatoon Land in the past and can be effective provided there is interest from both parties in pursuing this option. This approach was used successfully in the acquisition and subsequent retendering of a lot in the Briarwood neighbourhood. The Administration was able to negotiate the repurchase of this site at market value and successfully retender the site in approximately one year. Construction on the lot started within approximately two years of buy-back negotiations commencing.

   While the approach did result in a successful outcome, significant administrative resources were used in acquisition negotiations and subsequent sale of the property. In addition to time and resources, there are risks to Saskatoon Land with respect to potential price reductions, carrying costs, and further delays in construction completion.

b) Performance Fees and/or Security Deposits

   Performance fees or security deposits related to build time requirements are another approach that could be used to encourage purchasers to meet build time requirements. Under this option, the City would charge a performance bond or fee at the time of lot sale and return the bond or fee when the dwelling unit is completed. If the build time requirement was not met, the City would retain the bond or fee collected at the time of lot sale. Similar to current policy requirement, this method may not be effective in spurring construction where market demand and end-buyer purchase is the determining factor in construction start-up and completion. Furthermore, if this strategy is used only by Saskatoon Land and not private developers, the fee may place Saskatoon Land at a competitive disadvantage in the local marketplace.

Other municipalities involved in the sale of residential lots have used performance fees to control the timing of home construction on the lots they sell. In discussions with representatives of these municipalities, it was noted that the measures are used at their discretion, and that it is generally preferred to let these issues be resolved through normal market demand.

c) Option to Repurchase

In past multi-family and industrial sales, Saskatoon Land included a clause in the sale agreements for an option to repurchase the property. This gives Saskatoon Land the option to buy back the land at an agreed amount if the purchaser is unable to fulfill the construction completion requirement in the agreement. This approach could require a stand-alone option agreement in addition to the standard single-family agreements for sale. If Saskatoon Land were to execute the option and purchase a lot back, the risks would be similar to a negotiated buy-back, in that the ability to resell the lot would be dependent on market conditions. The lot could remain vacant for an extended period of time in both Saskatoon Land's inventory and a future builder's inventory as it is restocked and eventually resold. There are also legal concerns regarding buy back options, which can make the execution of the clause difficult to enforce or necessitate court proceedings should the purchaser not be willing to sell the lot back to Saskatoon Land.

Due Date for Follow-up and/or Project Completion

Due date for follow-up and/or project completion is not required.

Public Notice

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

Report Approval

Written by:	Jeremy Meinema, Finance & Sales Manager
Reviewed by:	Frank Long, Director of Saskatoon Land
	Randy Grauer, General Manager, Community Services Department
Approved by:	Clae Hack, A/General Manager, Asset & Financial Management Department

Inquiry - Jeffries (Sept 28, 2015) Undeveloped Lots after Sale.docx

Inquiry – Councillor Z. Jeffries (September 28, 2015)
New Lots – Landscaping after Home Construction

Recommendation
That the report of the CFO/General Manager, Asset and Financial Management Department, dated March 6, 2017, be forwarded to City Council for information.

Topic and Purpose
The purpose of this report is to respond to Councillor Jeffries' inquiry regarding existing and potential options to ensure the timely completion of front yard landscaping in Saskatoon Land's development areas.

Report Highlights
1. The Administration undertook inspections in various suburban growth areas to identify the number of lots where front yard landscaping has not been completed.

2. The Administration implemented a front yard landscaping and front driveway surfacing rebate program aimed at encouraging lot sales and the early establishment of front yard landscaping and front driveway surfacing.

3. The Administration reviewed different options aimed at making front yard landscaping a mandatory requirement in Saskatoon Land's developed neighbourhoods.

4. The Administration explored options for the completion of front yard landscaping within a regulatory context.

5. The Administration conducted a review of other jurisdictions which looked at regulations and processes employed by other municipalities aimed at establishing and maintaining landscaping.

Strategic Goal
This report supports the four-year priority of identifying targeted opportunities to implement specific continuous improvement tools within departments under the Strategic Goal of Continuous Improvement.

Background
At its September 28, 2015 meeting of City Council, the following inquiry was made by Councillor Jeffries:

> "Could Administration please report back on what additional steps could be taken to ensure that new lots in Saskatoon Land neighbourhoods have basic landscaping being undertaken within a reasonable period of time after home construction."

Report

Landscaping Inspections

In response to Councillor Jeffries' inquiry, Saskatoon Land undertook inspections in the Hampton Village, Stonebridge, and Willowgrove neighbourhoods to identify the number of occupied single-family lots where front yard landscaping has not been completed. The results are as follows:

Neighbourhood	# of Lots with Non-landscaped Front Yards*	# of Single-Family Lots in Neighbourhood
Hampton Village	330	1,851
Stonebridge	427	2,655
Willowgrove	24	1,763

* Homes currently under construction were not recognized as having a non-landscaped front yard.

The above data suggests that front yard landscaping is being completed, though it may take several years from the time the home is substantially complete. This is supported by the low numbers of non-landscaped front yards in Willowgrove, where most home construction was completed over five years ago. Development of Hampton Village and Stonebridge followed similar timeframes as Willowgrove, though Stonebridge and Hampton Village data includes several homes that were initiated as late as 2015/2016. In 2015 and 2016, there were 21 single-family home starts in Hampton Village and 204 single-family home starts in Stonebridge.

In previous years, front yard landscaping and driveway construction has been left up to the new homeowners to complete. More recently, land developers and builders have begun to recognize the benefits to streetscape appearance, and the marketability of new homes when these aesthetic elements are completed earlier. Based on this observation and the fact that front yard landscaping tends to be completed within a few years after new homes become occupied, Saskatoon Land anticipates a significant reduction in the number of lots with non-landscaped front yards over the next two to three years.

Saskatoon Land Neighbourhood Front Yard landscaping Approaches

a) Incentives

At its August 18, 2016 meeting, City Council approved the implementation of a landscaping and front driveway surfacing rebate program to encourage the sale of single-family lots sold in 2016. An extension of the rebate program was approved by the Standing Policy Committee on Finance at its January 9, 2017 meeting, which enables a continuation of the rebate program for single-family lots sold in 2017.

The rebate program provides builders with a maximum rebate of $6,000 per lot where driveway surfacing is completed within one year of building permit issuance, and a rebate of $2,000 per lot where front yard landscaping is completed within one year of building permit issuance. To date, Saskatoon Land has issued a total of eight rebates, including six driveway rebates and two landscaping rebates.

All lots sold in 2016 and 2017 are eligible for the rebate program and Saskatoon Land anticipates a high uptake in the rebate program in spring and summer 2017. Based on 2016 lot sales and anticipated lot sales in 2017, approximately 350 lots would be eligible for rebates.

b) Mandatory Requirement

As an option to facilitate the completion of front yard landscaping on single-family lots sold in Saskatoon Land neighbourhoods, Saskatoon Land could potentially impose a mandatory front yard landscaping requirement which would be enforced through the collection of a performance fee at the time of lot sale. Saskatoon Land would establish standards for front yard landscaping. Once the landscaping work has been completed and inspected by Saskatoon Land and is in compliance with Saskatoon Land's standards, the performance fee would be returned to the builder/homeowner.

In cases where the builder/homeowner failed to complete the landscaping within a prescribed time period, Saskatoon Land would retain the performance fee as a penalty for not complying with the requirement. In the case of builders, non-compliance of this requirement could involve suspensions from participating in future lot allocations.

c) Contractor Procurement

To ensure the timely completion of front yard landscaping, Saskatoon Land could procure a qualified landscaping contractor to complete the landscaping in Saskatoon Land neighbourhoods. The contractor would complete the landscaping work once home construction is substantially complete, and the landscaping costs borne by Saskatoon Land would be incorporated into lot prices.

<u>Regulatory Options for Front Yard landscaping</u>
The City's Zoning Bylaw No. 8770 (Zoning Bylaw) includes landscaping requirements for most land uses; however, there are no regulations that apply to one and two-unit dwelling sites. Zoning Bylaw requirements for land uses other than one and two-unit dwellings typically require landscaping strips adjacent to site property lines at varied depths parallel to the respective site property line(s). The Property Maintenance and Nuisance Abatement Bylaw, 2003 focuses on the prevention of excessive growth of weeds or grass, but does not require front yard landscaping to be complete.

Given the above, the implementation of landscaping requirements for one and two-unit dwelling sites would require a new civic bylaw or amendments to an existing civic bylaw.

Further analysis of Saskatoon Land's front yard landscaping approaches and options for landscaping requirements within a regulatory context is included in Attachment 1.

Review of Other Jurisdictions
Saskatoon Land reviewed regulations and processes used by other municipalities to regulate and enforce the completion of landscaping in low-density residential areas. Of the municipalities reviewed, including Calgary, Edmonton, Kelowna, Regina, Winnipeg and Victoria, the City of Edmonton is the only municipality, through its zoning regulations, to require landscaping for low-density housing forms on a city-wide basis (Attachment 2). Other municipalities, including Calgary and Victoria, have landscaping standards for low-density housing forms, however, these are generally limited to sensitive or character areas where higher degrees of architectural and site plan control are required.

As a means to ensure the establishment and maintenance of landscaping, the City of Edmonton may require building permit applicants to provide a landscaping security, in the form of a cheque or letter of credit, equal to 100% of the estimated landscaping cost. These securities are held to ensure that landscaping is established and adequately maintained for two growing seasons. In the event that landscaping is not completed within the two-year timeframe, the City may tender the completion of landscaping work, drawing upon the cashed security to fund the landscaping work. Securities are collected as a standard practice for all land uses, excluding single-family homes. Securities are typically collected for single-family homes only in instances where builders/applicants have a prior history of landscaping deficiencies on past projects.

Calgary, Victoria and a number of other smaller municipalities in Western Canada also employ a landscaping security approach to ensure landscaping is completed for multi-family, commercial and industrial forms of development.

Public and/or Stakeholder Involvement
Saskatoon Land met with the City's Community Standards Division, Planning and Development Division and the City Solicitor's Office to discuss current administrative policy applicability in addressing options to encourage the timely establishment of front yard landscaping.

Due Date for Follow-up and/or Project Completion
A future report will be presented to the Standing Policy Committee on Finance to provide an update on the outcome of the landscaping and driveway incentives, and potentially request that front yard improvements be a mandatory requirement for new homes built in Saskatoon Land development areas within a certain period of time.

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

Attachments

1. Option Evaluation Summary
2. City of Edmonton Zoning Bylaw 12800 – Landscaping Requirements

Report Approval

Written by:	Matt Grazier, Senior Planner
Reviewed by:	Frank Long, Director of Saskatoon Land Randy Grauer, General Manager, Community Services Department
Approved by:	Clae Hack, A/General Manager, Asset & Financial Management Department

Inquiry - Jeffries (Sept 28, 2015) Landscaping After Home Construction.docx

Option Evaluation Summary

Saskatoon Land Neighbourhood Front Yard Landscaping Approaches

Incentives

Pros
- Encourages early completion of front yard landscaping has added benefit of spurring lot sales.
- Provides opportunity to demonstrate to stakeholders the benefit of providing landscaping with new home construction.

Cons
- Provides an interim solution only. Rebate incentives may not be offered in a more robust housing market.
- Administration time required to manage inspection program.

Mandatory Requirement - Performance Fee

Pros
- Provides enforcement tool for completion of front yard landscaping within prescribed time frame.
- The release of the performance fee functions as an incentive to encourage the timely completion of landscaping.
- Additional revenue would be collected in situations where prescribed time lines are not met.

Cons
- Unless other private land developers also have mandatory landscaping requirements, Saskatoon Land would be at a competitive disadvantage.
- Fee ties up builder capital until landscaping work is completed.
- Use of another development fee would not be preferred by builders and customers.

Contractor Procurement

Pros
- Provides greatest control with regard to the timing of landscaping completion.

Cons
- Difficult to administer and achieve efficiencies with large builder list and varying new home completions.
- Significant impact on administrative staff resources. to procure landscaping and manage contractors.
- Difficult to include homeowner preferences with respect to landscaping improvements.
- Increases lot prices.

Regulatory Options for Front Yard Landscaping

New Bylaw or Amendment of an Existing Bylaw

Pros
- Provides defined standards for front yard landscaping for one and two-unit dwelling sites.
- Enables an equal playing field for all developers and homeowners.

Cons
- Would apply on a city-wide basis and with the city-wide variance in housing form and site characteristics, implementation and administration would be difficult.
- Due to the large number of properties this bylaw would apply to, enforcement of this bylaw would be extremely resource-intensive from a staffing perspective.
- May create a large number of non-conforming sites.
- Determining what constitutes acceptable forms of landscaping will be difficult to define.
- The optics of further civic intervention into private property development may not be positive.

Other City/Developer Initiatives Contributing to Improved Street Appeal and Property Maintenance

- New Building Bylaw - The implementation of a new building bylaw which provides requirements for maintaining a neat and tidy site during construction, while keeping all building materials in a secure location (targeted implementation date of summer 2017).

- Boulevard Establishment - For streets featuring separate walk and curb, roadway contracts managed by Construction & Design Division typically include the seeding of City boulevards areas, which are the areas between the front walk and curb. Seed growth in these areas, in many cases, has been poor. Recent discussions between the Parks, Construction & Design and Saskatoon Land Divisions have focused on the need to incorporate a seeding establishment and maintenance period to ensure proper seed growth, prior to the release of the Final Acceptance Certificate (FAC). This approach will be utilized for future roadway contracts in Saskatoon Land neighbourhoods.

- Public Realm Improvements Led by the Developer - In a number of new neighbourhood project areas, Saskatoon Land and other private developers have undertaken landscaping improvements on public space, including boulevards, medians and buffers. The early establishment of landscaping in these areas demonstrates leadership and helps set the expectations for the neighbourhood with respect to homeowner landscaping.

Edmonton Zoning Bylaw 12800

55. Landscaping

Bylaw 17062
July 9, 2015

55.1 General Purpose

Bylaw 17672
June 27, 2016

The intent of these Landscaping regulations is to contribute to a reasonable standard of livability and appearance for developments, from the initial placement of the Landscaping through to its mature state, to provide a positive overall image for Edmonton and to encourage good environmental stewardship.

Bylaw 17672
June 27, 2016

55.2 Landscaping Requirements for Low Density Residential Developments

1. Unless otherwise specified in this Bylaw, or developed as part of a Multi-unit Project Development, all new Single Detached Housing, Semi-detached Housing, Duplex Housing, Row Housing and Stacked Row Housing, shall be Landscaped in accordance with the following:

a. Landscaping shall be provided on a Site within 18 months of the occupancy of a development or commencement of a Use;

b. Trees and shrubs shall be maintained on a Site for a minimum of 42 months after the occupancy of a development or commencement of a Use;

c. all applications for a Development Permit listed in subsection 55.2(1) shall include a Site plan that identifies:

i. the number, type and approximate size of existing trees and shrubs;

ii. trees and shrubs proposed for preservation;

iii. the number, type and approximate size of proposed trees and shrubs; and

iv. proposed ground cover;

d. trees and shrubs shall be provided in accordance with Table 55.2(1)(d), as follows:

<table>
<tr><th>Measure</th><th colspan="3">Table 55.2(1)(d)
Tree and Shrub Planting Requirements</th></tr>
<tr><td>Site Width</td><td>Single Detached Housing</td><td>Semi-Detached Housing and Duplex Housing (per Dwelling)</td><td>Row Housing and Stacked Row Housing (per Dwelling)</td></tr>
<tr><td>Less than 10.0 m</td><td>One deciduous tree, one coniferous tree and four shrubs</td><td rowspan="2">One deciduous tree, one coniferous tree and four shrubs</td><td rowspan="3">One deciduous tree, one coniferous tree and four shrubs</td></tr>
<tr><td>10.0 m – 13.0 m</td><td>Two deciduous trees, one coniferous tree and six shrubs</td></tr>
<tr><td>Greater than 13.0 m</td><td>Two deciduous trees, two coniferous trees and eight shrubs</td><td>One deciduous tree, one coniferous tree and six shrubs</td></tr>
</table>

e. new trees and shrubs shall be provided on the following basis:

i. deciduous trees shall be a minimum 50 mm Caliper;

ii. coniferous trees shall be a minimum of 2.5 m in Height;

iii. deciduous shrubs shall be a minimum of 300 mm in Height; and

iv. coniferous shrubs shall have a minimum spread of 450 mm;

f. trees and shrubs required in Table 55.2(1)(d) may be provided either through the planting of new trees and shrubs, or the preservation of existing trees and shrubs in accordance with Section 55.6;

g. all Yards visible from a public roadway, other than a Lane, shall be seeded or sodded;

h. at the discretion of the Development Officer, seeding or sodding may be substituted with alternate forms of ground cover, including hard decorative pavers, washed rock, shale or similar treatments, perennials, or artificial turf, provided that all areas of exposed earth are designed as either flower beds or cultivated gardens; and

Bylaw 17832
November 28, 2016
Bylaw 17832
November 28, 2016

i. notwithstanding Section 11.2, a Development Officer may vary the proportion of deciduous to coniferous trees required in Table 55.2(1)(d), in which case the application shall not be a Class B Development.

Bylaw 17672
June 27, 2016
Bylaw 17831
November 28, 2016

55.3 General Planting Requirements

1. Unless otherwise specified in this Bylaw, Landscaping shall be provided in accordance with the following:

a. for new Multi-unit Project Development consisting of Single Detached Housing, Semi-detached Housing, Duplex Housing, Row Housing, Stacked Row Housing and Apartment Housing or for new Mobile Homes when developed as part of a Mobile Home Park, the number of trees and shrubs shall be determined on the basis of the following:

i. one tree for each 35 m2 and one shrub for each 15 m2 of Setback;

ii. one tree for each 20 m2 and one shrub for each 10 m2 of parking area islands, as determined by subsection 54.2(3); and

iii. in no case shall there be less than one tree per parking area island;

b. for new development consisting of Residential-Related Use Classes, Commercial Use Classes, Industrial Use Classes, Basic Services Use Classes, and Community, Educational, Recreational and Cultural Service Use Classes, the number of trees and shrubs provided shall be determined on the basis of the following:

i. one tree for each 25 m2 and one shrub for each 15 m2 of Setback;

ii. one tree for each 20 m2 and one shrub for each 10 m2 of parking area islands, as determined by subsection 54.2(3); and

iii. in no case shall there be less than one tree per parking area island;

c. new trees and shrubs shall be provided on the following basis:

i. the proportion of deciduous to coniferous trees and shrubs shall be approximately 50:50;

ii. approximately 50% of required deciduous trees shall be minimum of 50 mm Caliper and approximately 50% shall be a minimum 70 mm Caliper;

iii. approximately 75% of required coniferous trees shall be a minimum of 2.5 m in Height and approximately 25% shall be a minimum of 3.5 m in Height; and

iv. minimum shrub size shall be 300 mm in Height for deciduous and a spread of 450 mm for coniferous;

Bylaw 17831
November 28, 2016

d. Notwithstanding Section 11.3, the Development Officer may vary subsection 55.3(1)(b) and subsection 55.3(1)(c) for a Public Park Use, in consultation with Parks and Biodiversity, in which case the application shall not be a Class B Discretionary Development.

e. all open space including Front Yards, Rear Yards, Side Yards and Yards, at Grade Amenity Areas, Private Outdoor Amenity Areas, Setback areas and Separation Spaces shall be landscaped with flower beds, grass, ground cover or suitable decorative hardscaping in addition to trees and shrubs. This requirement shall not apply to those areas designated for parking or vehicular circulation.

Bylaw 17672
June 27, 2016

55.4 Landscape Plan and Content

1. Every application for a development listed in Section 55.3 shall include a Landscape Plan, drawn at a scale of 1:300 or larger, which clearly indicates and accurately identifies the following:

a. a key plan with a north arrow;

b. property lines and dimensions of the Site;
c. the approximate or estimated location of Uses, building perimeters, and Landscaping on adjacent Sites;
d. adjacent public area features, such as streets, Lanes, driveways, vehicular entrances, street furniture and boulevard trees;

e. overhead, surface and underground utilities, and limits of easements;
f. outlines of all Site structures to include the building footprints at Grade, location and type of underground structures and overhangs within the first two Storeys;

Bylaw 17727
August 22, 2016

g. building entrances, porches, decks, steps, walkways, other Hardsurfacing or hardscaping features, parking areas, curbs, lighting, Fencing, walls, screens, recreational facilities and garbage collection areas. Materials, colours and patterns shall be indicated;
h. existing grading and final Site grading, including the direction of Site drainage, and berming shown on a grading plan in 0.5 m contours; and the geodetic elevations of proposed catch basin rim, the corners of the Lot(s), the top and bottom of retaining walls, and of the plant material to be retained;

Bylaw 17727
August 22, 2016

i. the Height and materials of all Fencing, screens and walls;
j. trees and shrubs proposed for preservation;
k. existing trees and shrubs labelled by common name, botanical name, size, and condition of health;
l. graphical illustration of the canopy and spread of existing and proposed trees and shrubs;
m. proposed trees, shrubs, perennials and ground covers labelled by common name, cross-referenced with a plant list identifying botanical name, quantity, size and method of planting; and
n. the method of providing water to the proposed Landscaping.

2. The Development Officer may consider an application for a Development Permit that does not provide all the information required by subsection 55.4(1) if, in the opinion of the Development Officer, the information provided is sufficient to show that the Landscaping provisions of the Bylaw shall be met.

3. The Development Officer shall approve the Landscape Plan as a condition of the Development Permit. Any changes to an approved Landscape Plan require the approval of the Development Officer prior to the Landscaping being installed.

Bylaw 17672
June 27, 2016

55.5 General Requirements

1. Notwithstanding Sections 55.2 and 55.3 referring to new development, the provision of Landscaping, in accordance with this Bylaw, shall also be a condition of the issuance of a Development Permit related to an existing development if the existing development, as a consequence of the work that is the subject of the Development Permit, is substantially enlarged or increased in capacity. This Section shall not apply to developments that consist solely of interior alterations or improvements, or change of Use that does not alter the building shell.
2. The Development Officer may require Landscaping of areas within a Site that are intended for future development if, in the opinion of the Development Officer, the lack of Landscaping creates a potential negative visual impact, given the visibility of these areas from adjacent properties and public roadways.
3. Hardsurfaced areas such as walkways and plazas shall be enhanced with Landscaping, at the discretion of the Development Officer.
4. Provision shall be made for adequate on-site pedestrian circulation. Adequate on-Site pedestrian circulation means Hardsurfaced sidewalks or walkways connecting the main entrance of all on-Site principal buildings to public sidewalks and walkways adjacent to roadways or within rights-of-ways Abutting the Site.
5. Any parking lot having eight or more parking spaces that is visible from an Abutting Site in a Residential or Commercial Zone, or from a public roadway other than a Lane, or from a LRT line, shall have perimeter planting. The location, length, thickness and Height of such perimeter planting at maturity shall, in conjunction with a change in Grade or other natural or man-made features, be sufficient to provide substantial interruption of the view of the parking lot.

Bylaw 17727
August 22, 2016

6. Any trash collection area, open storage area, or outdoor service area, including any loading, unloading or vehicular service area that is visible from an Abutting Site in a Residential or Commercial Zone, or from a public roadway other than a Lane, or from a LRT line, shall have screen planting a minimum of 1.85 m in Height. The location, length, thickness and Height of such screen planting at maturity shall, in conjunction with a change in Grade or other natural or man-made features, be sufficient to block the view from any Abutting Residential or Commercial Zone, or from the public roadway or a LRT line. If, in the opinion of the Development Officer, screen planting cannot reasonably be expected to survive, earth berming, masonry walls, wood Fencing or other man-made features may be permitted as a substitution.

Bylaw 17727
August 22, 2016

7. If the Height of materials in an outdoor storage area would limit the effectiveness of screen planting required by subsection 55.5(6), a Fence, wall, earth berm, or a combination thereof, may be substituted, subject to the approval of the Development Officer.
8. All planting shall be installed at finished Grade. Where this is not practical in the opinion of the Development Officer, planters

may be used. Such planters shall be of adequate design, having sufficient soil capacity and insulation to promote healthy growth.

9. Landscaping that extends onto or over City-owned lands shall be developed in accordance with the Traffic Bylaw 5590 and the City Design & Construction Standards.
10. All plant materials shall be hardy to the Edmonton area and to the Site conditions.
11. All plant materials shall meet the horticultural standards of the most current edition of the "Canadian Standard for Nursery Stock", produced by the Canadian Nursery Landscape Association.
12. The Development Officer may, where the Development Officer considers it appropriate, vary any or all of the Landscaping regulations of this Bylaw. Before granting a variance to the Landscaping standards of this Bylaw, the Development Officer may require the applicant to submit a report from a qualified landscape professional, such as a horticulturist, or landscape architect, explaining and justifying the variance.

Bylaw 17672
June 27, 2016

55.6 Incentives for Preserving Existing Trees and Shrubs

1. Existing vegetation should be preserved and protected unless removal is demonstrated to be necessary or desirable to efficiently accommodate the proposed development.
2. The requirement to provide trees and shrubs may be satisfied either through planting new or preserving existing trees and shrubs.
3. At the discretion of the Development Officer, an existing tree may satisfy the requirement to provide one tree where:
   a. an existing deciduous tree with a minimum Caliper of 100 mm; or
   b. an existing coniferous tree with a minimum Height of 4.0 m is preserved.
4. At the discretion of the Development Officer, an existing tree may satisfy the requirement to provide two trees where:
   a. an existing deciduous tree has a minimum Caliper of 200 mm; or
   b. an existing coniferous tree has a minimum Height of 7.0 m is preserved.
5. Preserved shrubs may, at the discretion of the Development Officer, be credited towards the Landscaping requirements.

Bylaw 17672
June 27, 2016

55.7 Additional Landscaping Regulations for Specific Land Uses

1. The Development Officer may require Landscaping in addition to that specified in Section 55 if:
   a. there is a likelihood that the proposed development will generate undesirable impacts on surrounding Sites and between Uses within the development, such as poor appearance, excessive noise, light, odours, traffic, litter or dust;
   b. such additional Landscaping is warranted due to combinations of Uses including, but not limited to the following:
      i. Row Housing or Stacked Row Housing development, where the Private Outdoor Amenity Area for the Row Housing or Stacked Row Housing faces Single Detached Housing or a Site zoned to allow Single Detached Housing as a Permitted Use, public roadways other than a Lane, or a LRT line;
      ii. Low Rise Apartments, where developed on an infill basis, Abutting existing Single Detached Housing or a Site zoned to allow Single Detached Housing as a Permitted Use;
      iii. Religious Assembly where developed on a Site Abutting an existing Residential Use or a Site zoned to allow Single Detached Housing as a Permitted Use;
      iv. any Non-accessory Parking; or
      v. Vehicle-Oriented Uses where developed on a Site adjacent to an existing Residential Use, or a Site zoned to allow Single Detached Housing as a Permitted Use.
2. Additional Landscaping required by the Development Officer may include, but is not limited to, the following:
   a. additional Separation Space between incompatible Use Classes;

Bylaw 17727
August 22, 2016

   b. the use of trees, shrubs, Fences, walls and berms to buffer or screen Use Classes that generate negative impacts; and
   c. the use of trees, shrubs, planting beds, street furniture and surface treatments to enhance the appearance of a proposed development.
3. The Development Officer may consult with a qualified landscape professional, such as a horticulturist or landscape architect, in

determining if additional Landscaping requirements are to be imposed, and the type of additional Landscaping required.

Bylaw 17422
November 16, 2015
Effective Date: December 1, 2015

55.8 Guaranteed Landscaping Security

1. The Development Officer may require, as a condition of Development Permit approval, a guaranteed Landscaping security, from the property owner, to ensure that Landscaping is provided and maintained for two growing seasons. Only the following forms of security are acceptable:

   a. cheque to a value equal to 100% of the landscaping cost; or

   b. an irrevocable letter of credit in the amount of 100% of the Landscaping cost.

2. The estimated cost of the Landscaping shall be calculated by the owner or the owner's representative and shall be based on the information provided on the Landscape Plan. If, in the opinion of the Development Officer, these estimated costs are inadequate, the Development Officer may establish a higher Landscaping cost figure for the purposes of determining the value of the Landscaping security.

3. If the Landscaping security is offered in the form of a cheque it shall be cashed and held, by the City, without interest payable, until, by confirmation through inspection by the Development Officer, the Landscaping has been installed and successfully maintained for two growing seasons. Partial refund after installation of the Landscaping or after one growing season shall be considered upon request of the owner, at the sole discretion of the Development Officer.

4. If a letter of credit is offered as the Landscaping security, it shall be in a form satisfactory to the Development Officer. The initial term of the letter of credit shall be one year. The letter of credit shall be renewed by the owner 30 days prior to expiry and delivered to the Development Officer until such time as the Landscaping has been installed and maintained for two growing seasons.

5. Upon application by the owner or the owner's representative, a letter of credit may be amended to a reduced amount, for attachment to the original letter of credit, at the discretion of the Development Officer, when any of the following events occur:

   a. the required Landscaping has been properly installed; and

   b. the required Landscaping has been well maintained and is in a healthy condition after one growing season.

6. Upon application by the owner or the owner's representative, a letter of credit shall be fully released if the required Landscaping has been well maintained and is in a healthy condition after two growing seasons.

7. Any letter of credit shall allow for partial draws by the City if the Landscaping is not completed in accordance with the approved Landscape Plan(s) within one growing season after completion of the development; or the Landscaping is not well maintained and in a healthy condition two growing seasons after completion of the Landscaping. The City may draw on a cashed security or a letter of credit and the amount thereof shall be paid to the City for its use absolutely. All expenses incurred by the City, to renew or draw upon any letter of credit, shall be reimbursed by the owner to the City by payment of invoice or from the proceeds of the letter of credit.

8. In the event the owner does not complete the required Landscaping, or fails to maintain the Landscaping in a healthy condition for the specified periods of time, and the value of the cashed cheque or the proceeds from the letter of credit are insufficient for the City to complete the required work should it elect to do so, then the owner shall pay the deficiency to the City immediately upon being invoiced. The City shall provide an accounting to the owner indicating how the proceeds of the letter of credit were applied, within 60 days of completing or maintaining the landscaping.

55.9 Inspections

Upon receipt of a written request from the parties involved in the development, including but not limited to the property owner, condominium association or the issuer of the Letter of Credit, an inspection of the finished Landscaping shall be completed by the Development Officer. Inspections shall be made during the normal growing season, between May 01 and September 30. All reasonable effort shall be made by the Development Officer to perform the inspection within 20 working days of receipt of the inspection request.

Emergency Back-up Power Generator – Prime Consulting Services – Award of Request for Proposal

Recommendation
That the Standing Policy Committee on Finance recommend to City Council:

1. That the proposal submitted by Willms Engineering Ltd. for prime consulting services for emergency back-up power at City Hall at a maximum upset cost of $140,000, plus taxes, be approved; and

2. That His Worship the Mayor and the City Clerk be authorized to execute the contract documents as prepared by the City Solicitor under the Corporate Seal.

Topic and Purpose
The purpose of this report is to request City Council approval to proceed with a contract with Willms Engineering Ltd. for prime consulting services for design and contract administration for a back-up generator at City Hall.

Report Highlights
1. The Project Services Section has been requested to provide City Hall with a back-up emergency power generator.

2. On January 5, 2017, the City of Saskatoon (City) issued a Request for Proposal (RFP) for prime consulting services.

3. The Administration is recommending that Willms Engineering Ltd. (Willms), the preferred proponent, be awarded the contract for the prime consulting services.

Strategic Goals
The installation of an uninterruptible power supply for City Hall supports the Strategic Goal of Continuous Improvement by providing a safe and productive environment. In addition, this project also supports the Strategic Goal of Asset and Financial Sustainability by ensuring City Hall is well-managed and well-maintained.

Background
The Administration issued an RFP for prime consulting services required for the design and contract administration related to the installation of an emergency back-up generator at City Hall (Project No. 1943). As per Administrative Policy No. A02-027, Corporate Purchasing Procedure, City Council approval is required to award the RFP as the acceptable proposal is in excess of $75,000.

Report

<u>RFP for Consulting Services</u>

On January 5, 2017, an RFP for prime consulting services was advertised on the SaskTenders website with a closing date of January 19, 2017. Four responses to the RFP were received from the following proponents:

1) Willms Engineering Ltd.
2) Associated Engineering Ltd.
3) WSP Canada Inc.
4) PWA Engineering Ltd.

The Evaluation Committee (Committee) was comprised of five staff from the Facilities and Fleet Management Division. The Committee evaluated the proposals based upon the following criteria, as detailed in the RFP:

Criteria	Points
Evaluation of rates and charges	20
Demonstrated understanding of project requirements	20
Qualifications of project personnel and relevant experience	35
Project schedule	20
General quality of proposal, including completeness, readability and layout	5
TOTAL	**100**

<u>Preferred Proponent</u>

Upon the evaluation of all proposals submitted, the Committee determined that the proposal submitted by Willms achieved the highest score and meets the RFP requirements. The Administration is recommending that the City enter into an agreement with Willms for prime consulting services with a maximum upset cost of $140,000, plus applicable taxes.

Options to the Recommendation

City Council can choose not to proceed with the installation of the back-up generator. This option is not recommended as it would be contrary to providing uninterrupted service and communication to the citizens of Saskatoon.

Public and/or Stakeholder Involvement

Public and/or stakeholder involvement is not required at this stage of the project.

Financial Implications

The cost of the consultant services agreement is within the approved 2017 Capital Budget, Project No. 1943.

Other Considerations/Implications

There are no policy, environmental, privacy, or CPTED implications or considerations, and a communication plan is not required.

Due Date for Follow-up and/or Project Completion

This request for proposal award will be completed once approval is obtained. Once the prime consulting services on the assessment of the design and requirements for a back-up generator are complete, a public procurement process will be undertaken to select the appropriate generator.

Public Notice

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

Report Approval

Written by:	Darrell Wasylowich, Project Coordinator, Project Services Section, Facilities & Fleet Management
Reviewed by:	Gord Hundeby, Manager, Project Services Section, Facilities & Fleet Management Troy LaFreniere, Director of Facilities & Fleet Management Clae Hack, A/General Manager, Asset & Financial Management Department
Approved by:	Catherine Gryba, A/City Manager

Emergency Back-up Power Generator – Prime Consulting Services – Award of RFP

Preliminary Year-End Financial Results - December 31, 2016

Recommendation
That the Standing Policy Committee on Finance recommend to City Council:

1. That the fuel surplus amount of $2.947 million not be transferred to the Fuel Stabilization Reserve;

2. That a $1.026 million transfer of the Snow & Ice Program surplus to the Snow and Ice Management Reserve be approved;

3. That the unspent amount of $15,533 for Internal Audit be transferred to the Internal Audit Program Reserve be approved; and

4. That the transfer of $387,209 from the Street Scape – City Wide Reserve to cover the Urban Design Program funding shortfall be approved.

Topic and Purpose
The purpose of this report is to inform City Council of the preliminary year-end financial results for the 2016 fiscal year, and obtain approval of the above recommendations which will result in a balanced budget subject to the confirmation by the external audit.

Report Highlights
1. Preliminary civic year-end results in a surplus of $.654 million. After the recommended reserve transfer, this will effect an overall balanced budget.

2. All civic utilities posted preliminary surpluses.

3. The City of Saskatoon's Boards all reported preliminary surpluses in 2016.

4. The actual to budgeted fuel expenditures for mill-rate programs resulted in a surplus of $2.947 million. The Administration is recommending that the surplus not be transferred to the Fuel Stabilization Reserve due to a sufficient balance within the reserve.

5. As 2016 actual results indicate, Saskatoon Land does not have adequate funds to provide the Urban Design Program with the originally budgeted funding of $.500 million. $.113 million is available to be transferred, while the remaining $.387 million is recommended to be funded from the Street Scape – City Wide Reserve.

6. As the Internal Audit Program had $.016 million of unspent funds in 2016, it is recommended that these funds be transferred to the Internal Audit Program Reserve to be spent in future years.

7. The Snow Removal and Ice Management Program posted a $2.473 million surplus. The Administration is recommending a transfer of $1.026 million to the Snow and Ice Stabilization Reserve which would produce an overall corporate balanced budget.

8. The Fiscal Stabilization Reserve has a balance of $8.122 million. As a result of the balanced budget after transfers to/from reserve, no withdrawal or contribution is required.

Strategic Goal
This report supports the Strategic Goal of Asset and Financial Sustainability by demonstrating how the City of Saskatoon (City) invests in what matters, and demonstrates openness, accountability and transparency in the allocation of resources.

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 April/May 2017, at which time the finalized audited financial statements will be tabled with City Council for approval in May/June 2017. At that time, 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 line for the year ended December 31, 2016.

The preliminary results indicate a surplus prior to transfers to reserves of $.654 million and is subject to confirmation by the external auditor. There were a number of factors that contributed to the overall surplus, most notably:

- Mill rate related corporate fuel expenditures had a $2.947 million favourable variance (35.49%) due to low oil and fuel prices throughout 2016.

- Snow & Ice Management had a favourable variance of $2.473 million (19.44%) from a reduction in the amount of contractual service required due to the lack of large snow events during 2016, as well as increased funding from a phased-in base increase ($1.040 million) for a city-wide residential snow removal program.

- The City received $3.0 million in unanticipated surplus distributions from the Saskatchewan Workers' Compensation Board (WCB) in 2016. This rebate was due to WCB Saskatchewan's funded position exceeding the 105% – 120% funding policy target range; largely due to higher than anticipated investment returns.

These positive variances were offset by the following unfavourable results:

- Waste Handling Service experienced a $2.058 million negative variance (30.20%) due in large part to declining revenues at the landfill as other area landfills continue to attract major customers from the City.

- Recreation facilities had a $.712 million unfavourable variance (8.96%) mostly due to admissions and corresponding revenues being less than the approved budget. Although actual revenue and admissions results continue to increase year over year, they continue to fall short of the approved budget.

- Fines and Penalties had a $1.186 million negative variance (14.34%) largely from fewer traffic violations as a result of automated enforcement and increased compliance. Parking fines also had a negative variance, resulting from the continued implementation of the new parking system in early 2016.

All civic utilities posted surpluses in 2016 as follows (in millions):

- Saskatoon Light % Power $1.294
- Storm Water Management Utility $ .264
- Water Utility $1.823
- Waste Water Utility $1.548
- Waste Services Utility $ .339

These surpluses have been transferred to the applicable Stabilization and/or Capital Reserve as stipulated in Council Policy No. C03-003, Reserve for Future Expenditures, and the Capital Reserve Bylaw No.6774.

The City's Boards and the Saskatoon Police Service (SPS) all posted surpluses in 2016. SPS posted a surplus of $.887 million which is incorporated within the civic year-end results. SaskTel Centre has a preliminary surplus of $2.16 million, while TCU Place reported a $1.071 million surplus. The Remai Modern/Mendel Art Gallery had a net surplus of $.248 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 $2.947 million. The allowable maximum in the reserve as per Council Policy No. C03-003 is $2.0 million. The Administration considers the current reserve balance of $1.325 million to be sufficient based on current fuel trends and is recommending that the 2016 surplus not be transferred to the Fuel Stabilization Reserve.

Saskatoon Land Operations

The City's Land Development operating program is funded solely through an administrative fee charged on each land sale. The 2016 budget anticipated $6.383 million in revenue through this fee; however, as a result of a changing economy and slower land sales, the actual revenue totalled $2.086 million. Expenditures and transfers to reserve were adjusted appropriately to result in a $.113 million surplus prior to transfers to any reserves.

Saskatoon Land was originally budgeted to provide the Urban Design Program with interim funding in 2015 and 2016; however, this transfer was contingent on Saskatoon Land having sufficient funds available. As 2016 actual results indicate, Saskatoon Land does not have adequate funds to provide the Urban Design Program with the originally budgeted $.500 million. In order to avoid a withdrawal from the Land Operations Stabilization Reserve, only $.113 million is available to be transferred.

The remaining $.387 million will be funded from an alternative source in order to balance the Urban Design program. The Administration is recommending that funding come from the Street Scape – City Wide Reserve. This is consistent with the intent and purpose of the reserve and would leave the Street Scape – City Wide Reserve with a balance of $.332 million which remains sufficient to achieve the program's current five-year capital plans.

Internal Audit Program

The Internal Audit Program Reserve was established in early 2017 in order to provide stabilization to the internal audit program. In 2016, the Internal Audit Budget was $.427 million, while only $.411 million was expended. Therefore, the Administration is recommending that the $.016 million in remaining funds be transferred to the Internal Audit Program Reserve to be spent in future years.

Snow and Ice Management Reserve

The operating results for this program in 2016 indicate a $2.473 million surplus due to a relatively mild winter and snowfall throughout the year.

The Snow and Ice Management Reserve is used to stabilize this program in fiscal years where deficits occur. The current balance in the Reserve is $2.088 million. Due to the relative health of the reserve and significant surplus, it is recommended that an amount equal to $1.026 million be transferred to this reserve which would result in an overall balanced civic budget. This transfer would bring the balance of the Snow and Ice Stabilization Reserve to $3.113 million as at December 31, 2016.

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 $8.122 million. As a result of the balanced budget after transfers to reserve, no withdrawal or contribution is required.

Options to the Recommendation

City Council can choose to transfer $.675 million of the Fuel Expenditure Surplus of $2.947 million to the Fuel Stabilization Reserve which would bring the reserve balance to its maximum allowable limit of $2.0 million. This would create an overall civic deficit of $.675 million which would need to be funded through the Fiscal Stabilization Reserve. This option was not recommended because the current Fuel Stabilization Reserve is deemed sufficient with its current balance and projected fuel prices.

City Council could also choose to transfer the full Snow & Ice Management surplus of $2.473 million to the Snow & Ice Management Stabilization Reserve. This would increase the overall civic deficit to $1.447 million while increasing the Snow & Ice Stabilization Reserve to $4.561 million. This option is not recommended because it would put the Civic Operations into a deficit position and require withdrawal from the Fiscal Stabilization Reserve.

City Council could also choose to not fund the Urban Design Program through the Street Scape – City Wide Reserve. This would result in a deficit which would reduce the Fiscal Stabilization Reserve to $7.735 million. This option is not recommended as the Street Scape – City Wide Reserve has sufficient funds to cover this shortfall and is consistent with the intent of the reserve.

Communication Plan

The year-end financial results for the fiscal year 2016 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

- As per Council Policy No. C03-003, the funding for the Fuel Stabilization Reserve is to be “any year-end surplus in the City’s tax-supported fuel budget.” Since the recommendation is to not transfer the 2016 surplus due to sufficiency in the Reserve, City Council must approve the recommendation to not transfer the fuel surplus.

- As per Council Policy No. C03-003, the Director of Finance shall have authority to effect a year-end transfer of unexpended snow removal funds to the Snow & Ice Management Stabilization Reserve. A transfer of $1.026 million is recommended.

Financial Implications

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

Other Considerations/Implications

There are no environmental, privacy, or CPTED considerations or implications, and neither 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 Standing Policy Committee on Finance will review the preliminary financial statements and forward the approved Consolidated Financial Statements and other financial-related reports to City Council in June 2017.

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 - Year Ended December 31, 2016

Report Approval

Written by: Clae Hack, A/General Manager, Asset & Financial Management Department
Approved by: Catherine Gryba, Acting City Manager

2016PrelimYEResults.docx

Summary of Preliminary Year-End Financial Results

City of Saskatoon General Fund - 2016 Summary				
	2016 Budget	**2016 Actuals**	**Variance**	**Percentage**
Revenues	$464,749,700	$456,886,873	($7,862,827)	(1.69%)
Expenditures	$464,749,700	$456,233,011	$8,516,689	1.83%
Preliminary Surplus (Deficit)	$ -	$653,862	$653,862	0.14%
Less Transfer to Snow & Ice Stabilization	$ -	$1,025,538	$1,025,538	-
Less Transfer to Internal Audit Program Reserve	$ -	$15,533	$15,533	-
Add Transfer from Street Scape – City Wide Reserve	$ -	($387,209)	($387,209)	-
Surplus/(Deficit)	**$ -**	**$ -**	**$ -**	**-**

Mill Rate Year-End Results – Summary

The preliminary surplus prior to transfers to reserve for the City's mill rate operations in 2017 is $.654 million, which is equivalent to a 0.14% variance from budget. This surplus was largely due to the following positive variances:

- Mill rate related corporate fuel expenditures had a $2.947 million favourable variance (35.49%) due to low oil and fuel prices throughout 2016. The 2017 budget was adjusted by $.990 million to compensate for this ongoing trend.

- Snow & Ice Management had a favourable variance of $2.473 million (19.44%) from a reduction in the amount of contractual service required due to the lack of large snow events during 2016 and additional funding received from the dedicated Snow & Icy Levy (0.55%) of $1.040 million in 2016.

- The City received $3.0 million in unanticipated surplus distributions from the Saskatchewan Workers' Compensation Board (WCB) in 2016. This rebate was due to WCB Saskatchewan's funded position exceeding the 105% – 120% funding policy target range; largely due to higher than anticipated investment returns.

- Saskatoon Police Service had a $.887 million positive variance (1.05%) primarily due to energy savings from its Headquarters' operations from mild weather conditions throughout 2016 and the overall energy efficient nature of the new facility. Further positive variances were due to more criminal record checks than budget.

These positive variances were offset by the following unfavourable results:

- Waste Handling experienced a $2.058 million negative variance (30.20%) due to declining revenues at the landfill as other area landfills continue to attract major customers from the City.

- Recreation facilities had a $.712 million unfavourable variance (8.96%) largely due to admissions and corresponding revenues being less than the approved budget. Although actual revenue and admissions results continue to increase year over year, they continue to fall short of the approved budget.

- Fines and Penalties had a $1.186 million negative variance (14.34%), largely from fewer traffic violations than originally budgeted as a result of automated enforcement and increased compliance. Parking fines also had a negative variance as a result of the continued implementation of the new parking system in early 2016.

- Facilities Management had a $.889 million negative variance (10.45%) as a result of aging infrastructure and assets that caused unplanned increased maintenance on pools, office buildings and various arenas.

- Street Cleaning and Sweeping had an unfavourable variance of $.563 million (14.82%) largely due to extending the program by a week to expedite delivery which resulted in additional labour, contractual services and equipment.

- Road Maintenance had a negative variance of $.560 million (1.43%) as a result of additional work that was completed throughout the year given the warmer than normal temperatures in spring and fall which extended the road maintenance season.

Land Development – Summary

The Land Development operating results are included in the General Fund Summary; however, the following information provides additional analysis.

City of Saskatoon Land Development - 2016 Summary				
	2016 Budget	**2016 Actuals**	**Variance**	**Percentage**
Revenues	$6,382,800	$2,086,124	($4,296,676)	(67.32%)
Expenditures	$6,382,800	$2,086,124	$4,296,676	67.32%
Surplus/(Deficit)	**$ -**	**$ -**	**$ -**	**-**

The City's Land Development operating program is funded solely through an administrative fee charged on each land sale. The 2016 budget anticipated $6.383 million in revenue through this fee; however, as a result of a changing economy and slower land sales, the actual revenue totalled $2.086 million.

As a result of lower revenue, Land Development expenditures were adjusted in order to balance the business line's budget. Significant adjustments included:

- Originally anticipated/budgeted transfers to the Land Operations Reserve of $3.360 million were reduced to $0 to reflect insufficient revenues. As a result, the balance in this reserve will remain at $3.363 million.

- Various operational savings and reductions totalling $.547 million.

- A budgeted transfer of $.500 million to the Urban Design Program was reduced to $.113 million. This reduction is consistent with the direction received from City Council during 2015 Budget Deliberations that Land Development would provide an interim funding source to the Urban Design Program in 2015 and 2016 as long as the sales in the Land Development Program were sufficient. If insufficient, which is the current situation, an alternative funding source would be required.

As a result of these adjustments, the Land Development business line was able to deliver a balanced budget without drawing upon the Land Operations Reserve. Due to the reduction in funding for the Urban Design Program, an alternative funding source was required. Therefore, the Administration is recommending:

- A transfer of $.387 million be made from the Street Scape – City Wide Reserve in order to cover the funding shortfall in the Urban Design Program. This is consistent with the intent and purpose of the reserve and would leave the Street Scape – City Wide Reserve with a balance of $.332 million which remains sufficient to achieve the programs current five-year capital plans.

Recommended Transfers

The remaining service line positive and negative variances are all less than $.500 million. The Administration is recommending the following actions as a result of the 2016 preliminary results:

- The non-transfer of corporate fuel surplus of $2.947 million to the Fuel Stabilization Reserve. The Fuel Stabilization Reserve currently has a healthy balance of $1.325 million, and with current market conditions, the transfer of this surplus is not required.

- A transfer of $.016 million to the Internal Audit Program Reserve in order to utilize these funds for future year internal audit engagements. This reserve was created in early 2017 and this would be the first transfer to this reserve, bringing the balance to $.016 million.

- A transfer of $1.026 million to the Snow & Ice Stabilization Reserve as opposed to the entire Snow & Ice 2016 surplus of $2.473 million. This transfer would produce a balanced budget after transfers to reserve. This will increase the Snow & Ice Stabilization Reserve to a balance of $3.113 million as at December 31, 2016.

Utility Year-End Results – Summary

- **Saskatoon Light & Power** recorded a year-end surplus result of $1.294 million largely due to a 5.0% rate increase effective July 2016 which provided a positive impact of $1.27 million. This surplus will has been transferred to the Electrical Stabilization Reserve which will have a balance of $1.354 million.

- The **Storm Water Management Utility** posted a surplus of $.264 million. This surplus was largely due to commercial and multi-residential properties' equivalent runoff units (ERU) changes which resulted in a favourable revenue variance, as well as operational savings from temporary staff vacancies and maintenance costs. This surplus will be transferred to the Storm Water Management Stabilization Reserve and bring the balance to $1.460 million as at December 31, 2016.

- The **Water Utility** recorded a surplus of $1.823 million due to plant operational savings in flow or volume-related expenses due to a moderate summer climate and associated power for pumping, chemicals and landfill fees for residual disposals. A portion of this surplus ($.791 million) will be transferred to the Water and Wastewater Stabilization Reserve, bringing the balance to $6.574 million with the remainder ($1.032 million) to be transferred to the Water Capital Projects Reserve which will increase the balance from $5.695 million to $6.727 million.

- The **Waste Water Utility** posted a surplus of $1.548 million due to Plant operational favourable variances from the deferral of equipment, fixed asset and maintenance spending. As well, volume related expenses such as chemicals and wet injection costs were less than anticipated. This surplus will be transferred to the Wastewater Capital Projects Reserve which will increase the balance from $1.819 million to $3.366 million.

- The **Waste Services Utility** recognized a favourable variance of $.339 million made up of the following categories:

  - Multi-Unit Recycling had a surplus of $.156 million largely due to the additional revenue received from the Provincial Multi-Unit Recycling Program which exceeded operational costs. This surplus has been transferred to the Waste Minimization Reserve, which now has a balance of $.156 million. This balance is over the cap outlined in the Reserve Bylaw of $100,000 and a report outlining options will be presented to City Council in spring 2017.

  - The Curbside Recycling program has a surplus of $.225 million as a result of residential growth and more users than originally anticipated in the program. This surplus has been allocated to the Curbside Recycling Stabilization Reserve which now has a balance of $0.666 million. This balance is over the approved cap of 5% of total revenues by $0.453 million and a report outlining options for this funding will be presented to City Council in spring 2017.

  - The Compost program had a deficit of $.119 million as a result of higher operating costs than originally budgeted. This deficit has been covered off through a transfer from the Waste Minimization Reserve and a management fee through the Waste Handling (Landfill) service line.

<u>Boards and Commissions Year-End Results – Summary</u>

- **The Saskatoon Police Service** ended 2016 with a surplus of $.887 million primarily due to energy savings from its Headquarters operations resulting from mild weather conditions throughout 2016 and the overall energy efficient nature of the new facility. Further positive variances were due to more criminal record checks.

- **TCU Place** is reporting a preliminary surplus of $1.071 million which will be transferred to its Equipment Replacement Reserve and Capital Expansion Reserve respectively.

- **SaskTel Centre** has posted a preliminary surplus of $2.160 million which will be transferred to its Stabilization Reserve, Equipment Replacement Reserve, and the Capital Enhancement Reserve.

- The preliminary result for the **Remai Modern/Mendel Art Gallery** indicates a net year-end surplus of $.248 million which will be utilized for the Remai Modern's portion of Transition and Capital Funding.

Preliminary Financial Results by Business Line
Year Ended December 31, 2016

2016 Preliminary Year-End Results (in 000's)			
Mill Rate Programs	**2016 Total Budget**	**2016 Year End Actuals**	**2016 Variance Budget vs. Actuals**
Community Support	13,678	13,817	138
Corporate Asset Management	8,136	8,399	263
Corporate Governance & Finance	51,385	48,802	(2,583)
Environmental Health	12,659	14,584	1,925
Fire & Protective Services	46,617	46,576	(41)
Land Development	0	0	0
Art, Culture & Event Venues (Remai/Mendel, TCU Place, SaskTel Centre)	7,207	7,206	(0)
Policing	84,324	83,437	(887)
Recreation & Culture	27,075	27,861	786
Taxation & General Revenues	(358,968)	(358,154)	814
Transportation	102,225	100,777	(1,448)
Urban Planning & Development	5,663	6,042	379
Mill Rate Operating Surplus	**0**	**(654)**	**(654)**
Transfer to Reserve (Snow & Ice)		1,026	1,026
Transfer to Internal Audit Program Reserve		16	16
Transfer from Street Scape - City Wide Reserve		(387)	(387)
TOTAL MILL RATE SURPLUS		-	-

Utility Programs	**2016 Total Budget**	**2016 Year End Actuals**	**2016 Variance Budget vs. Actuals**
Saskatoon Light & Power	0.0	(1,294)	(1,294)
Saskatoon Storm Water Management	0.0	(264)	(264)
Saskatoon Waste Services	0.0	(339)	(339)
Saskatoon Waste Water Utility	0.0	(1,548)	(1,548)
Saskatoon Water Utility	0.0	(1,823)	(1,823)
Utility Rate Deficit/(Surplus)	**0.0**	**(5,266)**	**(5,266)**
Transfer to Applicable Utility Reserve		5,266	5,266
TOTAL UTILITY SURPLUS		-	-

Pleasant Hill Village Open Market (with Criteria) Land Sales Approach

Recommendation

1. That the Administration be authorized to sell Parcels A (Plan No. 102232842), C (Plan No. 101995667), and F (Plan No. 102052325) individually in Pleasant Hill Village through an open market (with criteria) land sales approach, in compliance with the criteria and weighting, asking price, and approval process, as outlined in this report;
2. That the Administration report back to Committee on the results of the open market (with criteria) land sales approach for Parcels A, C, and F; expected timing of development; and completion of the Pleasant Hill Village Project;
3. That the City Solicitor be requested to prepare the appropriate sales agreement(s) for Parcels A, C, and F, and that His Worship the Mayor and the City Clerk be authorized to execute the agreement(s) under the Corporate Seal; and
4. That the Administration report back to Committee on options for proceeding if no suitable proposal(s) are received for Parcels A, C, and/or F.

Topic and Purpose

The purpose of this report is to seek approval for the recommended approach of re-offering Parcels A, C, and F in Pleasant Hill Village, through an open market (with criteria) land sales approach.

Report Highlights

1. Open market (with criteria) is the recommended sales approach for Parcels A, C, and F that will ensure that development proceeds in accordance with the fundamental objectives for Pleasant Hill Village and the Pleasant Hill Village Enhanced Concept Plan (Enhanced Concept Plan).
2. Parcels A, C, and F should be sold individually to provide flexibility to prospective developers. Individual sales agreements for Parcels A, C, and F will also allow for a phased approach, if interest is higher for a particular parcel(s) over other(s).
3. Parcels A, C, and F will be marketed at current market value, estimated at $12 per square foot, and resulting in an asking price of $943,000 for all three parcels.
4. The open market (with criteria) land sales package will be released this spring and awarded to successful proponent(s) this summer. Overall completion of the Pleasant Hill Village project will depend on developer interest and housing market conditions in Saskatoon.

Strategic Goal

This report supports the City of Saskatoon's (City) Strategic Goal of Quality of Life by directing investment into an established neighbourhood to enhance property values and encourage private investment.

Background

The Pleasant Hill Village Project (Project) commenced in autumn of 2006. One of the fundamental objectives of the Project was to offer home ownership opportunities in a neighbourhood where rental occupancy rates were high. The Project is intended to attract families with affordable home-ownership opportunities into a community with a new school and wellness centre, daycare, and new seniors' residence, while being surrounded by new and attractive park space (see Attachment 1).

At its July 16, 2007 meeting, City Council adopted the original Concept Plan for the Project. Parcels B and D were disbursed through a Request for Proposals (RFP) process and resulted in the creation of 36 new ground-oriented units. Parcel E was disbursed through a direct sale to Saskatchewan Knights of Columbus Charitable Foundation Inc. for the construction of a 75-unit seniors' rental apartment building.

At its September 29, 2014 meeting, City Council approved changes to the Enhanced Concept Plan to match the land use and zoning designations for Parcels A and C with the types of developments envisioned by the original Concept Plan and allow for the disbursement of these remaining sites with appropriate zoning in place.

An RFP to develop remaining Parcels A, C, and F closed on March 12, 2015. One proposal was received, which scored well through the evaluation process. However, in January 2016, the proponent informed the Administration that no further proceedings with the agreement to purchase would occur, citing uncertain housing market conditions. Because no other proposals were received, the RFP was concluded.

At its April 25, 2016 meeting, City Council approved amendments to Sale of Serviced City-Owned Lands Policy No. C09-033 to allow for new, more flexible land sales approaches. Open market (standard terms) and open market (with criteria) are two new approaches. In particular, the open market (with criteria) approach is recommended when the City has a desire to achieve specific development objectives, such as attracting the right business to a particular location (i.e. cluster of specific businesses) or where there is a desire to achieve specific performance objective.

At its May 30, 2016 meeting, the Standing Policy Committee on Planning, Development and Community Services received an information report outlining an update and next steps for the Project, including the recommendation to proceed with an open market (with criteria) land sales approach for Parcels A, C, and F, and unbundling the parcels to sell individually. An update on site works and allocation of remaining funds to complete the Project was also provided.

Report

Proposed Criteria and Weighting for Open Market (with Criteria) Land Sales Approach for Parcels A, C, and F.

Working with the lessons learned from the previous RFP results, as well as from earlier project phases, the Administration, in partnership with the Pleasant Hill Community Review Committee (Review Committee), has drafted proposed criteria and weighting that will form the basis for the open market (with criteria) land sales approach for Parcels A, C, and F (see Attachment 2).

Proposals will be evaluated on the following main criteria:

a) developer experience with completion, marketing, and sales of comparable projects;
b) design, tenure, size, and affordability of housing units;
c) layout of buildings and other site design considerations to ensure integration with surrounding park and neighbourhood; and
d) price offered.

The intent of the criteria is to ensure that development meets the fundamental objectives and aligns with the Enhanced Concept Plan for the Project while remaining flexible enough to attract developers. The criteria will also ensure that development adheres to existing City policies and design requirements, such as Architectural Controls for Multi-Unit Dwelling Districts 2013 (see Attachment 3). Based on the criteria, the Administration will prepare the necessary documents to proceed with an open market (with criteria) land sales approach.

Development proposals received under this approach will be reviewed by the Administration and the Review Committee to determine the best combination of price offered and ability to meet other defined criteria within a set time period. Proponents are required to submit proposals similar to an RFP process that demonstrate ability to meet the criteria. A letter of credit, non-refundable deposit, and/or performance bond within the sales agreements will be used by the City to ensure compliance with the defined criteria.

Phasing and Unbundling Parcels A, C, and F

It is recommended that Parcels A, C, and F be sold individually to provide additional flexibility to prospective developers and a potentially phased approach if interest is higher for a particular parcel(s) over other(s).

Price

Real Estate Services, Saskatoon Land Division, provided an estimate of $12 per square foot as the current market value for Parcels A, C, and F. Therefore, the sales package will list the asking price per site as follows:

a) Parcel A - $241,000;
b) Parcel C - $341,000; and
c) Parcel F - $361,000.

The open market (with criteria) land sales approach allows for price offered to be weighted among other criteria in order to achieve the desired development (see Attachment 2).

<u>Estimated Timeline for the Open Market (with Criteria) and Approval Process</u>
The Administration anticipates the following steps and estimated dates:

a) finalize open market (with criteria) sales package – March 2017;
b) release of land sales package – April 2017;
c) award option to purchase to successful proponent(s) – August 2017; and
d) report to Committee – October 2017.

The Administration and Review Committee will review and score the proposal(s) received according to the established criteria and weighting (see Attachment 2). As per Sale of Serviced City-Owned Lands Policy No. C09-033, the CFO/General Manager, Asset and Financial Management Department, has the delegated authority to approve the highest scoring proposal(s) based on the criteria outlined, and to proceed to sales agreements.

If no suitable proposal(s) are received for Parcels A, C, and/or F, then the Administration will report back with options on how to proceed at that time.

Options to the Recommendation
The Committee may decide to follow the same RFP process that was previously utilized for disbursing Parcels A, C, and F in Pleasant Hill Village. This option is not recommended as it failed to secure a developer previously.

Public and/or Stakeholder Involvement
The Review Committee, consisting of representatives from the Pleasant Hill Community Association, the Administration, architecture and design professionals, area service providers, and on-site residents, has provided valuable input on various aspects of development in Pleasant Hill Village and will continue to do so for Parcels A, C, and F. The Administration will prepare a communication plan leading to project completion.

Financial Implications
Proceeds from the sale of these parcels will be deposited in the Property Realized Reserve. Funding for all necessary site works to complete the Enhanced Concept Plan will be undertaken with the remaining project funds.

Other Considerations/Implications
There are no policy, environmental, privacy, or CPTED implications or considerations; a communication plan is not required at this time.

Due Date for Follow-up and/or Project Completion
The Administration will report back to Committee on the results from the sale of Parcels A, C, and F and completion of site works (i.e. sidewalk, drainage servicing, and signage) upon completion of the Project.

The Saskatoon Land Division produces an annual report on the results of all land sales completed through the open market approaches. Successful sales of Parcels A, C, and/or F will be included in the 2017 report.

If no suitable proposal(s) are received for Parcels A, C, and/or F, then the Administration will report back with options on how to proceed at that time.

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

Attachments
1. Pleasant Hill Village Map
2. Proposed Evaluation Criteria for Pleasant Hill Village Open Market (with Criteria) Land Sales Approach for Parcels A, C, and F
3. Architectural Controls for Multi-Unit Dwelling Districts 2013

Report Approval
Written by: Vicky Reaney, Senior Planner, Planning and Development
Reviewed by: Lesley Anderson, Director of Planning and Development
Frank Long, Director of Saskatoon Land
Clae Hack, Acting General Manager, Asset and Financial Management Department
Approved by: Randy Grauer, General Manager, Community Services Department

S/Reports/2017/PD/FINANCE – Pleasant Hill Village Open Market (with Criteria) Land Sales Approach/ks

NOTE :

Drawing not to be scaled. Illustration is intended to show site concept. Some components may not be exactly as shown or may be subject to minor design changes. To ensure accuracy, please refer to the Registered Plan of Survey.

N:\Planning\MAPPING\Requests\Internal\Community Services\Public Notice_Pleasant Hill MR Exchange_2016.dwg

Proposed Evaluation Criteria for Pleasant Hill Village Open Market (with Criteria) Land Sales Approach for Parcels A, C, and F

The proposals will be evaluated on the following basis:

CRITERIA	MAXIMUM SCORE
Parcels A and C	
Building Design and Site Layout	40
Developer Experience	30
Housing Units	20
Price Offered	10
TOTAL SCORE	**100**
Parcel F	
Building Design and Site Layout	40
Developer Experience	30
Housing Units	20
Price Offered	10
Mix of Uses	10
TOTAL SCORE	**110**

<u>Evaluation Criteria – Detailed Descriptions</u>

Building Design and Site Layout – 40 points

Points will be awarded if proposals contain:

a) ground-oriented housing with no internal corridors;
b) demonstrated affordable operating costs (i.e. use of durable materials and achievement of energy-efficiency performance standards);
c) demonstrated integration with surrounding park and streets through building and site design;
d) demonstrated architectural merit through achievement of as many aspects as possible in the City's <u>Architectural Controls for Multi-Unit Dwelling Districts 2013</u> (see Attachment 3); and
e) demonstrated adherence to Crime Prevention through Environmental Design principles (i.e. provision of clear sightlines and multiple entry and exit points on site).

Developer Experience – 30 points

Points will be awarded based on the proponent's relative experience in the following areas:

a) multi-family residential projects;
b) marketing and sale of housing units; and
c) neighbourhood infill projects.

Full points will be awarded to proponents that have completed projects with relevance in all three areas. Lesser points will be awarded to proponents who have completed projects with relevance to one or more areas.

Housing Units – 20 points
All proposals must be for homeownership. Proposals including rental housing will be disqualified. For Parcels A and C, proposals must also meet Canada Mortgage and Housing Corporation's definition of affordable homeowner housing:

a) Units must be modest in terms of floor area, design, and amenities when compared to community norms; and
b) Generally, the purchase price of the units must be below the average selling price of comparable units.

Points will be awarded if proposals contain:

a) larger housing units (2, 3, and 3+ bedrooms) to attract families;
b) adaptable features to enhance affordability (i.e. roughed-in features and spaces) and accessibility (i.e. provision of barrier-free units); and
c) financial incentives and/or creative financing tools to support affordability for moderate-income households (i.e. deferred down payment and shared equity model).

Price Offered – 10 points
Parcels A, C, and F will be marketed at current market value, estimated at $12 per square foot, and resulting in an asking price of:

a) Parcel A - $241,000;
b) Parcel C - $341,000; and
c) Parcel F - $361,000.

Full points will be awarded if the full asking price is offered. Lesser points will be awarded if partial asking price is offered.

Parcel F – Additional 10 points
Proposals for Parcel F will be scored out of 110 points total. All of the above evaluation criteria will apply, with the following exceptions:

a) proposals do not need to meet Canada Mortgage and Housing Corporation's definition of affordable homeowner housing; and
b) proposals do not have to be ground-oriented if a permitted non-residential use is proposed at-grade. Internal corridors for permitted office/institutional/residential mixed-use projects will be considered.

If a mixed-office/institutional/residential project is submitted, up to 10 additional points will be awarded. If a non-housing project is submitted, the Housing Units score will be 0.

ATTACHMENT 3

Architectural Controls for Multi-Unit Dwelling Districts 2013

City of Saskatoon Land Branch
306-975-3278 | 201 3rd Ave N | Saskatoon, SK

PREPARED BY

The City of Saskatoon

Land Branch

City of Saskatoon

September 2013

1.0 Introduction

This document outlines the general architectural design requirements for the Multiple-Unit Dwelling Districts being developed by the City of Saskatoon.

Architectural Controls concern the position of buildings on sites, the proportion, scale and massing of buildings, the application of materials and colours to exterior walls and roofs, and the choice and location of windows and doors.

An architectural style is not prescribed. Instead, projects should satisfy the overall human scale architectural vocabulary as outlined in these architectural controls. Varying architectural interpretations are encouraged.

These Architectural Controls are intended to supplement the City of Saskatoon Zoning Bylaw No. 8770. Developments are expected to be governed by Bylaw No. 8770 in combination with the Architectural Controls. In the event that there are contradictions between these two documents, Zoning Bylaw No. 8770 will govern.

The intent of this document is:

1. To promote architectural detailing; not to prescribe style;
2. To influence the application of more than one colour palette; not to prescribe colour; and
3. To influence the application of more than one material; not to prescribe material.

2.0 Proportion, Scale, and Massing

INTENT: New developments should be well proportioned, integrate with neighbouring buildings, and incorporate design elements that break down perceived proportion, scale and massing of building elements to create human-scaled pedestrian-environments and enjoyable streetscaping.

- Developments should utilize existing or “natural” grade, to assist them in blending with adjacent developments. Grade alterations can create negative impacts on adjacent properties.
- All multi-family buildings should be positioned to enhance the streetscape by creating what may be described as a street wall.
- All building volumes must incorporate intermittent variances in plan and elevation to encourage shadow lines on the building and to assist in breaking down the apparent mass and scale into well proportioned volumes. This includes building elevations that are adjacent to or visible from public streets, public parks, and adjacent developments.
- Construct buildings to define the edges of, and to face onto, any public park and/or accessible open spaces.

Above: The above image demonstrates a building facade that interfaces well with the street, creating a pedestrian friendly space.

Street Wall

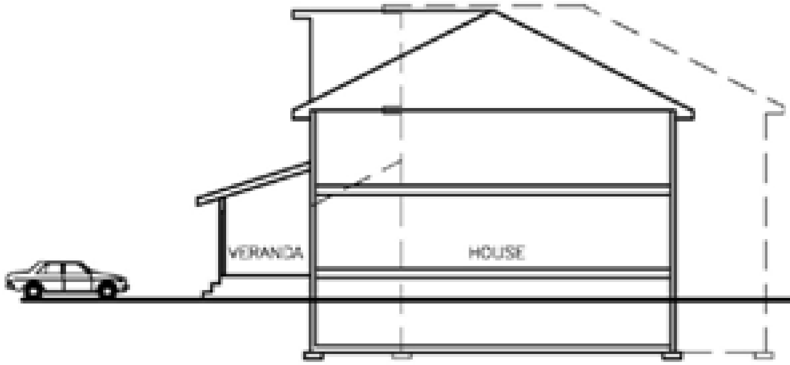
A Street Wall refers to the alignment of building facades that face the street. A well designed street wall creates a welcoming pedestrian environment through defining a walkable, pedestrian friendly space.

In General...

- The majority of the principal building(s) main façade should be located so it is parallel to a straight public street or tangent to a curved public street.
- Open space is permitted between the principal building(s) fronting a public street provided that the total linear amount of building façade exceeds the total linear amount of open space as measured along the same property line.
- The sides of groupings of principal and accessory buildings are permitted to front onto public streets, providing the total linear amount of side elevations are less than the total linear amount of principal building facades fronting the same street. Where side elevations front onto a public street, the side elevations must receive the same architectural treatment as the principal facade.

Left: This building demonstrates an unacceptable building facade facing a public street. Additional design treatments are required.

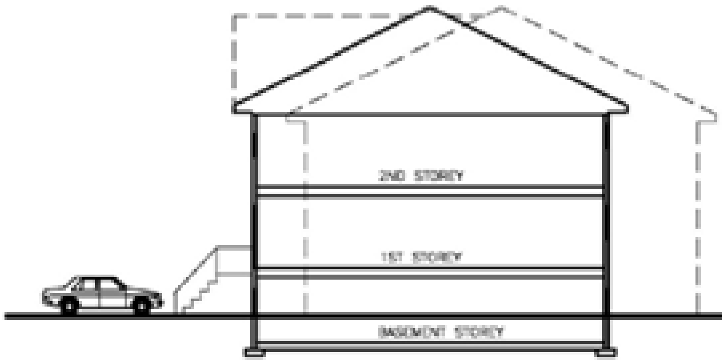
Above: Buildings that are aligned with adjacent streets ensure a site configuration that creates streets with pleasing streetscapes and enhances the image and feel of the neighbourhood.



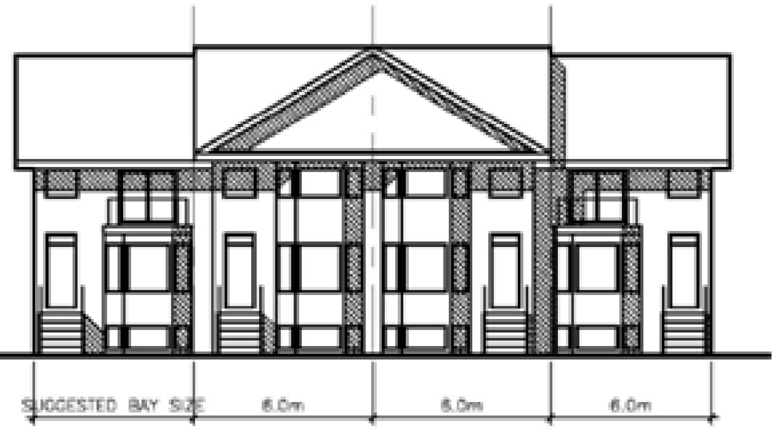
SAMPLE SECTION

SAMPLE FRONT ELEVATION

Proportion, Scale and Massing: Projects must incorporate sensitive design elements that break the overall scale and mass of buildings into human scale components through the use of a variance in plan and wall planes.



SAMPLE SECTION



SAMPLE FRONT ELEVATION

3.0 Walls & Materials

INTENT: To create a visually pleasing streetscape and reduce visual monotony, a variety of materials are to be used as well as materials that compliment those used in adjacent developments.

- A minimum of two major exterior cladding materials, excluding fenestration, are required for any elevation of a principal or accessory building adjacent to or visible from a public street, a public park, or adjacent development, the proportions of which must be sensitively designed.
- In the case of most materials, except for vinyl siding or cement board siding, the use of two discernible colours, two discernible textures, or combinations thereof of the same material are acceptable as meeting the requirements. In the case of vinyl siding or cement board siding, consideration will be given to two significantly different material patterns in a case where a relatively smaller proportion of a third material (greater than 30% of a third material) is used. For example, a material application may be accepted if visible building elevations were proposed to contain 3 materials – 30% stone and 70% vinyl siding whereby straight horizontal overlapping vinyl panels were heavily accented with vinyl “fish scale” panels.
- Required architectural detailing applies equally to all building elevations including where the side and rear of a principal building or an accessory building is adjacent to or visible from, any public street, public park, or adjacent development.
- Walls clad in a single material are not permitted.
- Durable high quality materials should be utilized for cladding on all building faces.
- Wall cladding materials are required to extend to a minimum of 1.2 metres (4 feet) along side building elevations that do not face public streets, public parks, or adjacent developments.
- Where properties share a common property line, each property must have different materials or combinations of materials.

Above: Each of the above images demonstrates a minimum of two exterior cladding materials with sensitively designed proportions.

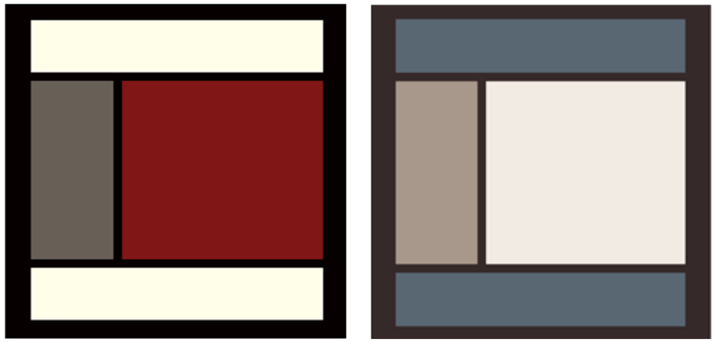
4.0 Color

INTENT: Variety of colour is necessary for multi-family projects to create lively streetscapes and to prevent the creation of visual monotony.

Dwelling Group or Street Townhouse Style Buildings: Colour should vary from building to building within developments. A minimum of two exterior colour schemes for each multi-family parcel must be implemented. A minimum of two major colours are required to be utilized in the colour scheme of each building facade adjacent to or visible from any public street, public park, or adjacent development (excluding roof colours and colours utilized for minor architectural components such as soffit and fascia, window and door trim etc). A minimum of four colours should be utilized on any one building colour scheme. This includes the roof colour and the colours of minor architectural components. In order to qualify, colours must be visible from any street.

Apartment Style Buildings: One exterior color scheme is permitted per site that has more than one building. A minimum of two major colours should be utilized on each building facade adjacent to or visible from any public street, public park, or adjacent development (excluding roof colours and colours utilized for minor architectural components such as soffit and fascia, window and door trim etc). A minimum of four colours should be utilized on any one building. This four colour minimum includes the roof colour and the colours of minor architectural components. In order to qualify, colours must be visible from any street.

Above: Street townhousing utilizing a variety of colors
Below: Example color palates meeting the minimum of four colours within a colour scheme.



General Requirements:

- Accessory buildings should be treated in a complimentary fashion to the principal buildings on the same site. Where different multi-family parcels share a common property line, each parcel must have different color schemes.
- A minimum number of colors is prescribed to ensure more than one color is used on each façade.
- Readily discernible shades of one colour when viewed from any street may be considered two separate colours.

Color Scheme Example

Color Scheme #1

Vinyl Shingles: Foundry #827 "Colonial Grey". Matching trim.

Alternative: Foundry #821 "Sandalwood".

Roof: IKO "Harvard Slate" similar

Stucco: Imasco 318A-6A "Renaissance Clay"

Soffits: Gentek 431 "Bright White" Doors & Windows Similar.

Vinyl Siding: Gentek #010 "Canyon Clay" Accent paint to match.

Cultured Stone: Owens Corning Del Mare Ledgestone "Palermo"

Color Scheme #2

Vinyl Shingles: Foundry #827 "Colonial Grey". Matching trim.

Alternative: Foundry #821 "Sandalwood".

Roof: IKO "Harvard Slate" similar

Stucco: Imasco 830-1P "Serenity"

Soffits: Gentek 431 "Bright White" Doors & Windows Similar.

Vinyl Siding: Gentek #631 "Storm" Accent paint to match.

Cultured Stone: Owens Corning Del Mare Ledgestone "Palermo"

5.0 Fenestration – Windows & Doors

INTENT: Fenestration should be oriented to streets and/or public spaces, complement the architectural vocabulary, and satisfy functional and climatic issues. Abundant glazing at street level is encouraged for community surveillance and to enhance street lighting at night.

- Readily discernible trim must be utilized around highly visible doors and windows.
- Blank walls without fenestration at street level or upper levels will not be permitted on facades adjacent to or visible from public streets, public parks, or adjacent development.
- If glazing tints are used, they should reflect the choice of colours of wall and roof claddings. Reflective coatings are not permitted.
- If imitation shutters are utilized, they are required to be proportioned to give the impression that they are functional and capable of covering the entire window.
- Developments are encouraged to have main entrances facing public streets.

6.0 Roofs

INTENT: Roofs should be designed to form an integral part of any project and complement the overall architectural design. Where exposed roof surface areas are large, it is mandatory to incorporate sensitive design elements that break down perceived proportion, scale and massing of the roof to create human-scaled surfaces.

- The exposed roof area when calculated perpendicular to a vertical viewing plane should not exceed 40% of the total projected wall and roof area. Alternatively, large roof areas should be broken down into smaller volumes by varying the roof planes, or by introducing sensitive design elements such as dormer windows.
- Sloped roofs should have a minimum overhang of 450 mm or 18 inches. Fascia boards should be a minimum 150 mm or 6 inches. Permitted claddings for sloped roofs include pre-finished steel standing seam roofs complete with snow and ice stops, asphalt shingles, cedar shingles/shakes, granular faced aluminum shingles, clay or concrete tile roofing and glazing.
- All chimneys visible from any street should be enclosed within a chimney chase. The form, style, materials and color of the chimney chases should be consistent with the overall architectural character.
- While roof pitch is not prescribed, special consideration must be given to the integration of the roof with the building architecture.

Top Left: Use of dormers to break up a large roof plane.

Middle Left: Use of varying roof planes to break up viewing plane.

Bottom Left: Example of flat roof.

7.0 Relationship to Streetscape

INTENT: Multi-unit building facades facing public streets should help define the streetscape through thoughtful design and sensitive architectural treatments.

Above: Good examples of buildings interfacing with public street.

- Create a street wall with the majority of the staggered main facade located parallel to straight streets or tangent to curved streets.
- Wherever possible, front and side elevations should front onto public streets. In event that it is not possible, sensitive design treatments may be required in order to create a visually pleasing streetscape.
- Any facade abutting and/or highly visible from a public street, public park or adjacent development shall receive the same architectural treatment as the "front" facade.
- Property lines adjacent to streets must be fully landscaped.
- Street or group townhousing units that are visible from a public street are required to include a significant entry treatment.
- In general, private exterior open space in the form of verandas, porches, balconies, patios, and/or roof terraces are strongly encouraged for as many residential units as possible.
- For Dwelling Groups, main entrances to each unit do not have to face a public street, however, secondary entrances facing public streets should be architecturally well defined.
- In general, connections to existing public space and amenities from multi-unit buildings are encouraged (i.e. walkways linking to sidewalks and/or park pathways).

Fencing

Fencing is not required. In the event that a fence is desired, the below guidelines should be considered:

- If a front yard fence is constructed of wood, steel, aluminum, or wrought iron, the amount of solid area of the fence sections shall not exceed 50%.
- Fence piers or fence sections constructed of natural stone, manufactured stone, brick, or some other masonry application may be 100% solid.
- In the case of street or group townhousing, a front yard fence is required to have an access opening or gate to the street from each front door. Where a solid fence fronts onto a public street and encloses an open space between a principal and accessory building, the cladding materials requirements for principal and accessory buildings shall relate to the fence.

Above: Examples of acceptable front yard fencing

8.0 Variety

INTENT: A variety of architectural styles, spaces, colours, materials and uses are encouraged within the Neighbourhood.

- Where properties share a common property line, or are in close proximity to each other, each property is encouraged to demonstrate architectural variety to decrease visual monotony.
- Repetition of architectural styles on separate development sites that are in close proximity to each other is strongly discouraged.

9.0 Parking, Loading, and Service Areas

INTENT: Balance the need to improve the pedestrian environment with the demand for parking. Parking should not dominate the streetscape or individual sites.

- For all developments, required parking is not permitted in front yards. Required parking must be located within or under the development or in a rear yard or side yard and suitably screened from adjacent public streets, public parks, or adjacent development.
- Access to all multi-family parcels (not individual dwellings) is acceptable from public streets.
- Where possible, dwelling group sites may orient garages across the street from single family housing with front garages, subject to approval during the Development Review Process addressing technical site and other City Policy considerations.

Above: Example of parking suitably screened from public view by locating it in the interior of building site.

10.0 Site and Building Exterior Lighting

INTENT: Buildings and sites should be illuminated for security and ambience. Night lighting encourages activity, but any potential for “light pollution” is to be avoided.

Lighting on any site and on/in any portion of a building shall be arranged and shielded such as that it does not become a hazard or annoyance. Lighting should not in any way compromise the appropriate function of adjacent properties.

11.0 Mechanical/Electrical

INTENT: Screen mechanical and electrical equipment that is normally left within view of the street on sites and on rooftops. Noise generated by this equipment must be considered such that adjacent occupancies are not impacted.

Excluding any existing utility, mechanical and electrical equipment on a site or on a building must be adequately screened from adjacent street level.

12.0 Landscaping

INTENT: To encourage professionally designed solutions to link to streetscapes and publics spaces with the Neighbourhood.

- Open space must be landscaped. All developments submissions must be accompanied by general landscape concept plans (not Landscape Rendering).
- In the case of soft landscaping that is visible from any public street, lane or park, grass may only be used for 75% of the soft landscaping provided on any site. This must be demonstrated on plan either graphically or in text format.
- Landscapes must be designed to be self-sustaining in the local climate or an adequate irrigation system is to be provided.
- Coniferous trees must be a minimum of 1800mm height and deciduous trees must have a minimum caliper of 50mm at the time of installation.
- Landscaping is to be extended into the City boulevard where the site is adjacent to separate sidewalk and curb.

Below: Multi-family buildings front on common space that contains self-sustaining landscaping.

13.0 Summary of Key Architectural Considerations

1. The intention of implementing Architectural Controls is not to control building styles but rather to reduce the potential for the visual monotony often associated with multi-family developments. This can be achieved by breaking up large volumes of uninterrupted roof planes, the breaking up the featureless planes associated with large multi-unit wall areas, the careful use of more than one cladding material, the use of trim details, and the use of several colour schemes each containing more than one or two colours.

2. On a group townhousing site, or an apartment style building site, the buildings adjacent to the front property line is required to front onto the public street. This required layout is similar to the way a street townhouse fronts onto a street.

3. Where possible, townhouse sites may orient garages across the street from single family housing with front garages. It is also subject to approval during the Development Review Process addressing technical site and other City Policy considerations.

4. Large volumes of roofs or walls need to be broken up with architectural detailing that significantly reduces large expanses of featureless plane.

5. All buildings require, at the very least, two major cladding materials.

6. Any building's colour scheme needs, at the very least, four colours of which two are major colour applications. The two major colours will be associated with the major cladding materials. The two other colours will be associated with the roof colour and minor architectural detailing such as soffit, fascia, doors, door trim, and window trim. In the case of townhousing, adjacent buildings require different colour schemes.

7. Wall cladding materials are required to extend a minimum of 1.2 metres (4 feet) along side building elevations that do not face public streets, public parks, or adjacent developments.

8. Any facade abutting and/or highly visible from a public street, public park or adjacent development shall receive the same architectural treatment as the "front" facade.

9. All mechanical equipment, garbage or recycling receptacles, must be suitably screened. Chimneys or other venting pipes must be clad in chimney chase.

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Land Branch

2017 Reassessment Tax Phase-In and Contingency

Recommendation
That the Standing Policy Committee on Finance recommend to City Council:

1. That the tax impact of the 2017 provincial reassessment for the multi-residential subclass and the non-residential class be phased-in equally over a four-year period;

2. That a contingency of $100,000 be added to the multi-residential subclass and $500,000 be added to the commercial class in 2017; and

3. That the City Solicitor be requested to prepare the 2017 Tax Phase-In and Contingency Bylaws for submission to City Council for consideration at the same meeting that the Mill Rate Bylaws are presented.

Topic and Purpose
The purpose of this report is to obtain City Council approval for property tax phase-in and appeal contingency related to the 2017 property reassessment.

Report Highlights
1. A phase-in of tax changes over four years due to reassessment for commercial and multi-residential will be administered.
2. A contingency of $500,000 for commercial and $100,000 for multi-residential will be levied to mitigate the risk of potential tax losses due to assessment appeals.

Strategic Goal
The recommendations in this report support the long-term strategy to ensure Saskatoon has a competitive tax regime with solid, clear and reasonable public policies under the Strategic Goal of Economic Diversity and Prosperity.

Background
Provincial legislation requires a revaluation of all property values every four years. This four-year cycle began in1997, with 2017 being the sixth revaluation.

As per *The Cities Act*, City Council may phase-in a tax change resulting from a reassessment for a taxable property, a class, or a sub-class of property. City Council has approved a phase-in of taxes for each reassessment beginning in 1997.

In the past reassessments, an appeal contingency has been levied against residential property classes only in the reassessment year as substantially more appeals are filed in the first year of reassessment. The non-residential appeal contingency amount recommended to City Council is reviewed and levied annually, with the support of the Combined Business Group, to ensure the sufficiency of the contingency. In addition, the business community supports that any deficit in this appeal contingency will also be levied against commercial properties.

Report

Phase-In

The tax phase-in plan is established for the purpose of phasing in the changes in taxes resulting from reassessment. The phase-in is revenue neutral within each property class. Increases in each tax class are offset by decreases within the same class.

At its meeting of April 25, 2016, City Council approved a two-year phase-in for the residential/condominium class.

The following table outlines the aggregate assessment changes by property class and the phase-in periods to mitigate the impact of tax changes.

Property Class	2009 Increase	2013 Increase	2017 Increase	2009 Phase-In	2013 Phase-In	2017 Phase-In
Residential/Condo	33%	83%	12%	2	4	2 (approved)
Multi-Residential	21%	102%	51%	4	4	4 (recommended)
Commercial	39%	92%	36%	4	4	4 (recommended)

The 2017 reassessment results show multi-residential and commercial properties have larger increases on average than the residential/condominium properties. Based on the above, the Administration is recommending a four-year phase-in period for multi-residential and commercial tax changes due to reassessment, as has been done in the past two reassessment cycles.

Appeal Contingencies

The following table illustrates the contingency amounts levied and the appeal losses during the previous reassessment cycle, as well as the starting and ending balance in the contingency reserves for each property tax class.

Property Class	Balance Jan 1, 2013	Levy 2013-2016	Appeal Losses	Balance Dec 31, 2016
Residential/Cond	$31,538	$0	$9,093	$22,445
Multi-Residential	$211,155	$0	$158,884	$52,272
Commercial	($861,320)	2,500,000	$1,813,077	($174,397)

Residential/Condominium: A contingency levy is not recommended for 2017 as the balance of $22,445 is sufficient to cover future potential losses in this assessment cycle.

Multi-Residential: The contingency balance is $52,272. The Administration is recommending a $100,000 contingency for 2017 to cover any future potential losses in this assessment cycle.

Commercial: The contingency balance is currently a deficit of $174,397 which the Administration allows to occur, as the shortfall is then levied in the following year against the commercial class. The Administration, with the support of the Combined Business Group, is recommending a contingency of $500,000 for 2017. This will cover the current deficit balance and future potential losses for 2017. The Administration will continue to review the appeal losses annually to ensure the sufficiency of the contingency balance, and it is anticipated that the contingency will be $500,000 each year for the remainder of this assessment cycle.

Options to the Recommendation

City Council may approve an alternative phase-in period or none at all.

Public and/or Stakeholder Involvement

A representative of the Saskatoon Combined Business Group, Mr. Smith-Windsor, has reviewed and supports the recommendation to phase-in the tax impact of reassessment for the commercial property class over a four-year period and the recommendation of a $500,000 commercial contingency for 2017.

Communication Plan

The communication plan for property tax phase-in will include the following:

- The property tax notice will include an explanation of phase-in;
- A property tax notice guide will accompany the property tax notice and will also be made available at Saskatoon Public Libraries and Leisure Centres;
- Inserts in the CityPage in the weeks leading up to the delivery of property tax notices;
- The City's website will be updated with the 2017 Property Tax and Phase-in information; and
- Customer Service teams and City Councillors will be provided with information explaining how phase-in works.

Financial Implications

There are no financial implications to the various taxing authorities. The financial impact of this report is with individual property owners.

Other Considerations/Implications

There are no environmental, privacy, policy, or CPTED implications or considerations.

Due Date for Follow-up and/or Project Completion

Decisions affecting these recommendations need to be made now to facilitate the compilation of the appropriate bylaws for the 2017 tax year, which will be tabled at the next meeting of City Council.

Public Notice

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

Report Approval

Written by:	Pamela Kilgour, Manager, Property Taxation & Support
Reviewed by:	Shelley Sutherland, Director of Corporate Revenue Clae Hack, A/General Manager, Asset & Financial Management Department
Approved by:	Murray Totland, City Manager

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Municipal Tax Ratio Policy

Recommendation
That the Standing Policy Committee on Finance recommend to City Council that the policy of utilizing a ratio of non-residential to residential tax rates continue to be used as the City of Saskatoon's tax policy for 2017.

Topic and Purpose
The purpose of this report is to inform City Council of the impact of the 2017 property reassessment on the current local tax policy, and to request City Council approval for the continued policy approach of a non-residential to residential tax ratio.

In addition, the report provides research, analysis and municipal comparisons for City Council to determine a specific tax ratio to apply in 2017.

Report Highlights
1. The 2017 reassessment saw commercial assessment values increase at a higher rate than residential assessment values (36% vs. 14% on average).
2. The 2017 Revenue Neutral Tax Ratio is 1.47.
3. Saskatoon is the only municipality in Western Canada with a targeted tax ratio.
4. The ability for business property owners or non-residential property owners to deduct property taxes from their corporate income tax requirements formed the basis for Saskatoon's tax ratio of 1.75.
5. Both residential and non-residential taxes are second lowest of major Western Canadian Cities.

Strategic Goal
One of the long-term strategies for the Strategic Goal of Economic Diversity and Prosperity is ensuring Saskatoon has a competitive tax regime with solid, clear and reasonable public policies. The discussion pertaining to the ratio between residential and commercial property taxes relates to competitive rates for both residential and commercial property taxes.

Background
In 2001, the City of Saskatoon (City) implemented a 10-year plan that reduced the ratio of commercial to residential tax rates from 2.41 to 1.75. The reduction to the tax ratio was the result of the June 15, 1998 City Council decision, which was based on a recommendation put forth by the Local Tax Review Committee (1997).

The recommendation from the Committee focused on tax equity and fairness in that residential and non-residential properties should pay an equal amount of property taxes if the properties have the same assessed value. The recommended effective tax ratio of 1.75 utilized this equity and fairness concept, which was adjusted for the benefit businesses receive from the deductibility of property taxes in the determination of income for income tax purposes. The shift to the 1.75 ratio was completed in 2010 and has since been maintained on the City's and Library's share of the property taxes (Education tax rates are set by the Province and are therefore not included in the tax ratio calculations).

In 2012, the Greater Saskatoon Chamber of Commerce proposed a further reduction in the ratio to 1.43, based on the fact that the income tax rates were less than they were when the original 1.75 ratio was approved. The Administration supported this recommendation in a report to City Council on October 21, 2013, as it was based on the original concept of fairness and equity between the residential and non-residential tax classes. At that meeting, City Council resolved that the tax ratio of 1.75 remain in effect and that the matter be considered with the next revaluation cycle in 2017.

At its meeting on November 21, 2016, the Governance and Priorities Committee received an information report from the CFO/General Manager, Asset and Financial Management Department, on Financing Growth – Hemson Study Update. This update report referenced the recommendation from the original Hemson Study, tabled with the former Executive Committee in April 2015, that the City investigate ways of increasing non-residential taxable assessment.

Report

<u>Tax Policy Ratio</u>

Every year, City Council approves tax policy recommendations from the Administration. Since 2001, the recommendations have included the movement towards, and later the maintaining of, the non-residential effective tax rate at 1.75 times higher than the residential effective tax rate. Recently, there has been a lot of focus on this ratio and whether or not it should be adjusted.

The Administration has prepared a discussion paper (Attachment 1) to provide a comprehensive overview of business property taxation issues and the impact on residential property taxes. The discussion paper integrates theoretical frameworks in the economic literature with practical analysis of how selected cities approach the issue of business property taxation.

<u>Revenue Neutral</u>

At the beginning of every reassessment cycle, the Administration calculates the revenue neutral tax rate for each property class (i.e. when assessments increase, there is a corresponding decrease in tax rates so that the same taxation dollars are collected for each property tax class). Once revenue neutral is determined, budgetary adjustments and tax policy decisions are applied to the new (reduced) tax rates.

<u>Impact of the 2013 and 2017 Reassessments</u>

The 2013 reassessment saw the average non-residential assessment increase more than the average residential assessment increase (92% vs. 83%). This meant that the revenue neutral ratio between non-residential and residential properties was approximately 1.66. At its April 8, 2013 meeting, City Council resolved that the tax ratio should remain at 1.75. This resulted in a decrease of about 1.5% for residential taxes and an increase of approximately 3.7% for the non-residential tax class.

In 2017, the reassessed value for the average non-residential assessment again increased more than average residential assessment increase (36% vs. 14%). The result of this variance is the 2017 revenue neutral tax ratio between non-residential and residential property classes has decreased to approximately 1.47. This means that in order to collect the same amount of taxes from each property class in 2017 as in 2016, City Council would need to approve a 1.47 ratio. Any other ratio would result in the shifting of taxes between residential and non-residential properties.

Hemson Report and Local Business

One of the recommendations in the Financing Growth Study (also referred to as the Hemson Report) was that Saskatoon should investigate ways to increase the non-residential assessment which would, over time, reduce the overall tax burden on residential properties. This aligns with the proposal in the 2012 paper from the Greater Saskatoon Chamber of Commerce which stated that a lower non-residential tax rate would increase taxable assessment in that property class.

During the past two reassessment cycles (2013 and 2017) in Saskatoon, non-residential property values increased at a higher rate than residential property values. This assessment value differential caused a reduction in the revenue neutral tax ratio (i.e. the revenue neutral tax ratio goes down if commercial properties increase on average more than residential properties). However, although there appears to be a correlation between a lower tax ratio and increased business taxable assessment, there is no way to determine if this was the result of the 1.75 tax ratio, economic influences, or other market forces (Section 7 of discussion paper).

Business Property Taxes and Competitiveness

The general consensus within the available economic literature is that high business property taxes can affect competitiveness, but the literature does not define what "high" is. To provide a current context, a December 2016 report by the C.D. Howe Institute concluded that Saskatoon had the most competitive business tax environment for capital investment when compared with the largest city in each province. This suggests that Saskatoon's current business property taxes would not be considered "high" as compared to other jurisdictions. Section 4 of the discussion paper addresses the issues pertaining to business property taxes and its impact on competitiveness.

Tax Equity and Fairness

The concept of "equity" is a fundamental principle of taxation. For taxation purposes, it implies that the burden of a tax should be shared fairly among individuals so that there is an equitable distribution of the cost of government to society (Section 2 of discussion paper).

Saskatoon's Local Tax Review Committee (1997) was concerned by the tax rate differential (Section 1.1 of discussion paper) and believed that there was no basis for charging businesses higher tax rates when in fact the residential properties received more services for the taxes than paid (Section 4.2 of discussion paper). The equity issue, combined with the ability for business property owners or non-residential property owners to deduct property taxes from their corporate income tax requirements, formed the basis for the adoption of a targeted non-residential to residential tax ratio of 1.75.

Equity and fairness, however, can be subjective depending who is the beneficiary of specific tax policy. For example, residential property owners may view the Calgary and Edmonton model (Section 5 of discussion paper) as more equitable in that both property classes share equally in property taxes increases.

Comparisons with Other Municipalities

As detailed in Section 5 of the discussion paper, the Administration's research indicates that no other major Western Canadian city has a targeted tax ratio policy. Some municipalities, such as Regina, use a revenue neutral approach while others like Calgary and Edmonton use a budget based, or tax share approach. However, Table 3 on page 20 of the attached discussion paper shows that of the major Western Canadian Cities, Saskatoon's property taxes are second lowest for both residential and non-residential property classes. Whether or not this favourable tax ranking is due to Saskatoon's current tax ratio policy could not be determined due to differences in provincial funding agreements, economic factors and general differences in municipalities' revenue streams.

Conclusion

The economic literature is inconclusive in terms of the impact that a tax ratio policy has on business decisions and whether there is an optimum tax ratio. While the literature cites that high business property taxes will discourage business development, there is no consensus on what high means.

Saskatoon has seen increases in commercial assessment values, but according to the literature, this may or may not be related to having one of the lowest effective tax rates in Western Canada.   In addition, there is no standard practice amongst municipalities when it comes to differential taxation for business properties, as it appears that tax policies depend on community values.

Based on the City's long-term strategy of having a competitive tax regime with solid, clear and reasonable public policies, the Administration is making a recommendation based on the direction from previous City Councils that Saskatoon should have a targeted tax ratio policy in 2017 based on equity and fairness. Within this recommendation, City Council will also need to determine the specific ratio on which to target in 2017 based on the presented research and analysis.

The past practice of City Council focused on a targeted ratio which aimed at residential and non-residential having the same property tax burden adjusted for the benefit businesses receive from the deductibility of property taxes in the determination of income for income tax purposes. To continue this principal, the ratio in 2017 would be 1.37 resulting in a shift of 2.1% of taxes to residential and a 5.0% decrease for non-residential properties. The following table summarizes all of the options City Council has in determining a specific ratio and corresponding taxation effect of any resulting shift:

Options 1, 2 & 3	**% Impact Residential**			**% Impact Non-Residential**			**%Tax Mix Result**	
	Shift	Tax*	Total	Shift	Tax*	Total	Res	Non-Res
(1) Targeted Tax Ratio								
a) Maintain Ratio @ 1.75	-5.2	4.2	-1.0	12.6	4.2	16.8	67.2	32.8
b) Reduce Ratio to 1.43	0.9	4.2	5.1	-2.0	4.2	2.2	71.5	28.5
c) Reduce Ratio to 1.37	2.1	4.2	6.4	-5.0	4.2	-0.8	72.3	27.7
d) Increase Ratio to 2.0	-9.5	4.2	-5.3	23.0	4.2	27.2	64.2	35.8
(2) Revenue Neutral								
Ratio is 1.47	0.0	4.2	4.2	0.0	4.2	4.2	70.8	29.2
(3) Tax Share (budget)								
a) 50/50 Tax Share	0.0	2.9	2.9	0.0	7.1	7.1	70.2	29.8
b) 60/40 Tax Share	0.0	3.5	3.5	0.0	5.7	5.7	70.6	29.4
c) 65/35 Tax Share	0.0	3.8	3.8	0.0	5.0	5.0	70.8	29.2

It is important to note that Option 3, a tax share approach, illustrates the property tax impact if the 2017 budgetary increase was applied 50/50, 60/40 or 65/35 to residential and non-residential properties. This approach would slowly move the City towards the targeted tax share over a period of several decades and would not immediately result in the desired tax share.

Options to the Recommendation

City Council has the following two options aside from the recommended tax ratio approach:

Option 1: The revenue neutral approach (Option 2 in the table above) which allows for growth and market forces to dictate the ratio.

Option 2: The tax share approach (Option 3 in the table above) which focuses on the split of overall taxes that is paid by residential and non-residential.

Public and/or Stakeholder Involvement

The Administration's research included and considered reports and analysis from the Greater Saskatoon Chamber of Commerce.

Communication Plan

A comprehensive communications plan will be developed to create awareness and understanding of the various options that will be considered for the 2017 Municipal Tax Ratio Policy. Communication tools will include, but may not be limited to, the following:

- A news release will be issued to highlight the tax policy options within this report, and subsequent news release(s) will be issued once City Council adopts the tax ratio policy for 2017.

- To ensure transparency, administrative reports and related documents, such as *Discussion Paper on Business Property Taxation By Cities* and *Frequently Asked Questions,* regarding the Municipal Tax Ratio Policy will be given an online presence on saskatoon.ca.

- Once City Council has decided on the best tax policy decision for Saskatoon, the website will be further updated to ensure access to information on the matter.

Policy Implications
The current tax ratio is that commercial properties will have an effective tax rate of 1.75 times that of residential properties. City Council's decision may affect the current policy.

Financial Implications
The result of any change to the ratio will be revenue neutral to the City.

Other Considerations/Implications
There are no environmental, privacy or CPTED implications or considerations.

Due Date for Follow-up and/or Project Completion
Tax policy decisions must be approved at the March 27, 2017 meeting of City Council in order to facilitate the compilation of the mill rate bylaws which will be tabled at the April 24, 2017 meeting of City Council.

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

Attachment
1. Business Property Taxation by Cities; A Discussion Paper, dated March 6, 2017

Report Approval

Written by:	Joanne Stevens, Manager of Finance Special Projects Mike Jordan, Director of Government Relations
Reviewed by:	Clae Hack, A/General Manager, Asset & Financial Management Department
Approved by:	Murray Totland, City Manager

Municipal Tax Policy 2017.docx

City of Saskatoon

BUSINESS PROPERTY TAXATION BY CITIES

WHAT WE KNOW, WHAT WE DON'T, AND WHAT WE SHOULD

A DISCUSSION PAPER

Prepared by Mike Jordan

Director of Government Relations

March 6, 2017

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1. INTRODUCTION

1.1 Background

Perhaps no city in Canada has placed more focus on the relationship between residential and non-residential (i.e., business) property tax rates than Saskatoon. Almost two decades ago, in 1998, Saskatoon City Council adopted a resolution to set the non-residential property tax rate at 1.75 times higher than the residential property tax rate. At that time, the non-residential to residential property tax ratio was 2.11:1. This meant that on a property of equal value, for every one dollar paid in property taxes from residential property owners, over two dollars was paid by non-residential property owners.

The Council resolution was the result of a recommendation from Saskatoon's Tax Review Committee (1997).[1] The Committee was concerned by the tax rate differential and believed that:

- property taxes are an important variable on business location decisions;
- the existing business property tax rate could have an adverse effect on the location of businesses in the city, especially small and medium sized businesses; and
- higher property tax rates on business properties is not justified on the basis of equity.[2]

In fact, the equity issue, combined with the ability for non-residential property owners to deduct property taxes from their corporate income tax requirements resonated with the Committee. This formed the basis for their recommendation of a targeted (or pegged) non-residential to residential tax ratio:

> *The target effective tax rate we recommend…was determined taking into account the benefit that most small medium sized businesses receive from the deductibility of property taxes in the determination of income for income tax purposes…this suggests an income tax rate of greater than 40%. We believe the effective income tax rate in Saskatoon on the majority of businesses in much less than this.*
> (Saskatoon Tax Review Committee, 1997)

The Committee's rationale was further influenced by a paper from local public finance economists, (Gilchrist and St. Louis, 1997) commissioned and sponsored by Saskatoon business groups. They concluded that Saskatoon's business property taxes: (a) could be more transparent with explicitly stated mill rates; (b) are high relative to other prairie cities; and (c) violate standards of fairness in taxation policy.

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[1] The Tax Review Committee was appointed by the City in 1996 and was required to submit recommendations to City Council by December 1997. It reported to City Council in December 1997, making 19 recommendations on property assessment and tax policy. The 1.75 ratio was a result of the calculations on property tax deductions that business are entitled to under the *Income Tax Act*, for Corporate Income Tax purposes, which at that time was roughly 43 percent.

[2] More precisely, it relates to the concept of horizontal equity, which means treating equal taxpayers equally. This concept is addressed in more detail in Section 2 of this paper.

Thus, in 2001, the City of Saskatoon took steps to reduce the non-residential property tax rate differential until it reached 1.75:1 in 2010, resulting in one of the lowest tax ratios among major Canadian cities. However, the issue did not end there.

About two years after the property tax ratio reached the 1.75 target, local business groups began advocating to Saskatoon City Council for a further reduction in the property tax ratio, this time arguing for a ratio of 1.43:1 by 2020 (Greater Saskatoon Chamber of Commerce 2012).[3] This new positon was based on the principle advanced by the Tax Review Committee of equity and income tax deductibility, and spurred by various federal and provincial corporate income tax changes and rate reductions. In 2013, the City Council of the day, however, deferred the matter until after the 2017 property reassessment.

This issue sat dormant until it was revived three years later during Saskatoon's 2016 civic election campaign. Again, local business groups were advocating for the ratio between the non-residential property tax rate and the residential tax rate be reduced to 1.43 from 1.75. (MacPherson-a, September 29, 2016). They argue that a lower tax ratio will create more employment opportunities, attract new businesses, allow firms to reinvest in existing properties, and ultimately, make local business more competitive (MacPherson-b, October 31, 2016).

By contrast, opponents to a lower tax ratio argue that the City already has one of the most competitiveness business property tax regimes in Canada and that a further reduction in the ratio would increase the tax burden on residential property owners (CBC News, Saskatoon October 22, 2013). Part of their argument was strongly supported by a December 2016 report by the C.D. Howe Institute, concluding that Saskatoon had the most competitive business tax environment when comparing the largest city in each province (Found and Tomlinson, 2016).[4]

Given this outcome, a fundamental question becomes: if Saskatoon already has the most competitive business tax regime for capital investment, then should the City's non-residential to residential tax ratio be lowered further?

- If the answer is yes, then: (a) What is the appropriate ratio? and (b) Is there evidence to suggest that a lower tax ratio is a catalyst to additional business investment?
- If the answer is no, then (a) Is there a "better" alternative? and (b) Will maintaining or even increasing the tax ratio result in reduced commercial and industrial investment?

Moreover, does the original principle of (horizontal) equity and tax deductibility still resonate?

[3] It is the author's understanding that the 1.43 ratio came from a report by the Canada West Foundation, called "A Tax Framework for Saskatchewan's Continuing Prosperity." The authors state: The reform is also complimentary to other recent tax changes, particularly the cuts in the corporate income tax rate from 17% to 12%, and the earlier elimination of the general corporate capital tax.

[4] The analysis was based on a measure called the Marginal Effective Tax Rate (METR). In this particular analysis, the METR was limited to capital investment and is defined as "the effective tax rate on the revenue generated by the last unit of capital invested." Stated another way, it measures the percentage increase in the rate of return an investor needs to cover the cost of taxes.

1.2 Focus and Purpose of Paper

This paper attempts to address the questions posed at the end of subsection 1.1 and other fundamental issues relating to business property taxation by City governments. It does so by integrating theoretical frameworks in the economic literature with practical analysis of how selected cities approach the issue of business property taxation. The motivation for this paper is to advance various property tax policy issues (and options) so that the reader has a more complete understanding of how property taxes—especially business property taxes—work and why high taxation of business properties can be harmful to capital investment.

1.3 Scope of Paper

While the primary focus of this paper is on municipal business property taxation, the analysis also integrates the impact on municipal residential property taxes where necessary. The inclusion is needed because the two are very closely linked when it comes to local tax policy.

Although the research and topics addressed in this paper attempt to be as comprehensive as possible, there are several tax policy issues that go beyond the scope of this analysis. For example, this paper does not address in any detail:

- Property tax exemptions, rebates, and abatements;
- Education property taxes;
- Evaluation of other types of taxes, such as income, consumption or excise taxes;
- Evaluation of alternative financing mechanisms, such as user fees, tolls, and tax increment financing; and
- Local expenditures or service levels.

1.4 Key Findings of the Paper

Based on the principles of tax theory, the economic literature, and the practical applications of local tax policy, the research reveals that:

- Property taxes on business align with the “capital tax view,” meaning that the tax is borne by the owners of capital;
- High business property taxes can have an impact on capital investment and location decisions, but there is no definition of what “high” is;
- Saskatoon is the only City of those included in the research with a targeted tax ratio between residential and non-residential properties. Others use a “tax share” approach.
- The literature does not reach a consensus or advance an optimum tax ratio;
- Saskatoon’s existing tax ratio is among the lowest in Canada, however, there is no concrete proof to suggest that this is the cause of increased investment;
- Business property owners in Saskatoon face the second lowest municipal property tax burden among all cities;
- Saskatoon (and Winnipeg) rely more heavily on residential property taxes to pay for services than all other cities;

- The share of taxable assessment between residential and non-residential properties is roughly equivalent in most (Winnipeg being the exception) cities at 75 percent residential and 25 percent non-residential; and
- However, the tax mix differs with Calgary and Edmonton collecting about 50 percent of taxes from each the residential and non-residential sectors; Saskatoon collects 71 percent from residential properties and 29 percent form non-residential properties.

1.5 Organization of Paper

The remainder of this paper is organized as follows:

- Section 2 presents generally accepted public finance criteria to help provide an evaluation framework to apply to the various options for the subsequent analysis.
- Section 3 provides an overview of the property tax, and briefly addresses its key features, good and bad. It also distinguishes between residential and business property taxes and investigates the economic incidence of the tax (meaning who pays it).
- Section 4 addresses whether business property taxes have an impact on business competitiveness, location decisions, and investment.
- Section 5 compares the approaches to business property taxation in five selected cities. The section also provides an overview of the various assessment and property tax policies that are prescribed by the provinces. It also provides a time-series data analysis of the approaches used in the various cities to determine whether there is a relationship between lower tax ratios and higher business investment.
- Section 6 offers three policy options or approaches for consideration. These options, or variants of them, are used by the cities covered by this paper. This section also evaluates the options by using the criteria set out in Section 3.
- Section 7 summarizes the findings of this work and offers some concluding observations and issues that should be explored further as they concern business property taxation in Saskatoon.

2. What Makes a Good Property Tax? Criteria to Consider

2.1 Introduction

The purpose of this section is to provide an overview of key criteria or principles for evaluating taxes. The central objective is to identify and explain generally accepted criteria that are fundamental to the implementation and operation of a good tax system. While it may be impossible for any tax system to meet all of the criteria in establishing a good tax system, it is important to have some standard of measure so that a determination can be made on the efficacy of various property tax options that are advanced later in this paper.

2.2 Equity

The concept of "equity" is a fundamental principle of taxation. For taxation purposes, it implies that the burden of a tax should be shared fairly among individuals so that there is an equitable distribution of the cost of government to society. Since taxes are essentially the cost of government, "any measure of the equity or fairness of the tax system obviously involves weighing the burden borne by one taxpayer against the burden borne by another" (Boadway and Kitchen, 1999). There are two fundamental principles of equity: (1) the benefits principle, and (2) the ability to pay principle. The paper addresses each concept below.

2.2.1 The Benefits Principle

The benefits principle holds that the tax burden should be distributed in accordance with the benefits that taxpayers receive from a particular service. In other words, proponents of this principle argue that the financing of government goods or services should be linked to the benefits that individual or business taxpayers receive from the service. However, the benefits principle is not applicable to situations where government provides a public good, such as parks and sidewalks, or where the distribution of income or wealth is desired (Rosen et.al, 2003).

2.2.2 The Ability to Pay Principle

In contrast to the benefits principle, the ability to pay principle maintains that taxes should be distributed according to some measure of a taxpayer's ability to pay. Ability to pay can be measured by income, consumption and wealth to determine a taxpayer's well-being. Taxes based on an ability to pay are appropriate in circumstances where collective benefits are provided to taxpayers. That is, they are appropriate where no clear link exists between the benefit received and the taxes paid. The ability to pay principle has two important dimensions: horizontal equity and vertical equity.

2.2.2.1 Horizontal Equity

Horizontal equity is simply the equal treatment of equals. In other words, a tax is said to be horizontally equitable if taxpayers who have the same level of well-being before the tax is imposed have the same level of well-being after it is imposed (Rosen et.al, 2003). With respect to property taxes, horizontal equity can be achieved when taxpayers with similar types of properties are treated equally; that is, the same tax rates are applied to all properties in the residential and non-residential property classes.

2.2.2.2 Vertical Equity[5]

Vertical equity, on the other hand, refers to the unequal treatment of unequal taxpayers. In other words, it determines the treatment of individuals with different levels of well-being. Vertical equity is thus achieved when taxpayers who have unequal economic abilities pay annual taxes that differ so as to achieve some collective notion of fairness (Hyman & Strick, 2001). Simply, a tax that achieves vertical equity is generally a progressive tax (e.g., federal personal income tax).

2.3 Efficiency/Neutrality

Taxes are said to be efficient or neutral when they do not require firms or individuals to alter their production, consumption, work, or savings patterns in order to comply with the tax. In other words, an efficient tax does not distort the economic decisions of firms or individuals (Boadway and Kitchen, 1999). Thus, it is desirable to impose high taxes on markets that do not respond significantly to price changes, since the imposition of the tax will be reflected in market prices. Taxes also play an important role on the level of economic growth in an economy, by either impeding investment or enhancing investment.

2.4 Ease of Administration

Compliance costs are imposed on firms and individuals in order to ensure that they comply with the tax system. Similarly, administrative costs are imposed on the public sector in administering the tax system. Obviously, the more complicated the tax or tax system, the more costly to administer. A major objective of any tax or tax system, therefore, is to ensure that compliance and administration costs are kept to a minimum.

2.5 Accountability/ Transparency/ Simplicity

A transparent and simple tax system provides taxpayers with the ability to determine if they are receiving appropriate levels of public services for the amount of taxes they pay, which will improve accountability. In addition, a transparent tax system is more difficult to evade than a more convoluted one. Transparent and visible taxes offer fewer incentives for taxpayers to avoid paying taxes, thereby reducing the administrative and compliance costs associated with the tax system (Boadway and Kitchen, 1999).

Accountability is also affected by how much of tax is exported to other jurisdictions. In other words, the greater ability to export taxes to other jurisdictions, the local tax becomes less accountable (Kitchen and Slack, 2014).[6]

2.6 Stability & Predictability

A good tax, or tax system, should provide stable and predictable revenues to help governments pay for the demand of public services and meet the ongoing costs of delivering those services. For taxpayers, it means that the tax should not result in unanticipated changes over time. Thus, stable and predictable taxes are important for ratepayers in planning their finances, and for cities in planning their budgets.

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[5] Vertical equity also classifies taxes as regressive, proportional and regressive. This paper addresses these issues briefly in Section 2.

[6] This paper address tax exporting in the context of business property taxation in Section 4.

So how do the above criteria apply to the property tax? According to the economic literature, (Kitchen and Slack 2012; Bird and Slack, 2004; and Bird and Bahl, 2008) the best local taxes are those that have the following characteristics:

- They are based on an immobile tax base, and therefore, borne primarily by local residents (not exported);
- They do not create problems with harmonization or harmful competition between local governments or local governments and other orders of government;
- They generate sufficient, stable and predictable revenues;
- They are visible to ensure accountability and transparency; and
- They are perceived to be fair and they are easy to administer at the local level.

The residential property tax meets the above criteria better than any other tax. The non-residential property tax, conversely, does not (Kitchen and Tassonyi, 2012). The next section of this paper will address the reasons why.

3. AN OVERVIEW OF PROPERTY TAXATION

3.1 Introduction

The purpose of this section is to provide an overview of the property tax. In particular, it addresses the objective of the property tax, how it works, what types exist, and the incidence, or who bears the burden of the property tax. This section concludes by addressing some criticisms of the property tax and attempts to determine if they can be justified.

3.2 The Objectives of the Property Tax

Local governments use property taxation as a primary source of funding for services that have been requested by their taxpayers. For example, in the City of Saskatoon's 2017 Operating Budget, the property tax accounts for 46 percent of total revenues.[7]

Thus, the major objective of the property tax is to raise revenues to help finance services provided by local governments. While the property tax is used to fund local services, public perception is that there is a direct linkage between the amount of property taxes paid and services received. Although this is true, it is important to distinguish between what types of services are funded by the property tax.

If structured correctly, the property tax should pay for those services that provide collective benefits for the residents and businesses of the community; meaning, police and fire protection, maintenance and repair of roadways and public parks, and social services. It also should help to subsidize those services that provide benefits to the individual user and collective benefits to the community, such as public transit and recreation. However, it should not fund those services that provide direct benefits to a consumer of a service (Kitchen, 2015).

3.3 The Mechanics of the Property Tax

The property tax is an ad valorem ("according to value") tax that is levied on the value of real property (including both land and structures). Because the property tax is essentially a local tax in Canada, and since local governments are under the control of the provinces, the definition of real property, the valuation process, and taxing ability varies from province to province.[8]

The value of real property is determined by the property assessment process. While property assessment and taxation are two distinct processes they have an important relationship. Assessment is the process of estimating a dollar value on a property for taxation purposes so that the property tax burden can be distributed equitably. Taxation is the process of applying a tax rate to a property's assessed value to determine the taxes payable by the owner of that property.

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[7] In Canada, property taxes were about 3.8 percent of GDP in 2015 (OECD, 2016).

[8] In Canada, a property tax is also levied at the provincial level in order to fund education. See Section 5 of this paper for an overview of the differences among provinces and cities.

In Canada, the property tax is levied on properties that are subject to taxation.[9] Although it is different in various provinces, properties not subject to taxation are typically federal, provincial and municipal government owned properties (buildings), places of worship, and education and higher education institutes. In lieu of paying property taxes, federal and provincial governments will provide a municipality with a "payment in lieu of taxes," which is considered to be tax revenue, just not "property tax revenue." Almost all properties that are exempt from taxation are non-residential properties, which, in turn, reduces the non-residential tax base.

3.4 Criticisms of the Property Tax

Despite its usefulness as a primary funding source for local governments, it is likely that no tax receives as much criticism as the property tax (especially the residential property tax).[10] The criticisms are largely levelled in the following ways (Slack 2001):

- The property tax is regressive because it is perceived as affecting lower income property owners more adversely than higher income property owners (this point is addressed in more detail in subsection 3.7).
- The property tax is unfair because it is levied against capital (stock) as opposed to income or consumption (flows).
- The property tax is inadequate because it does not provide enough revenues to finance local government activities.
- The property tax doesn't grow with the economy, like income or sales taxes.
- The property tax is considered to be too high because it is billed in one single instalment, instead of being deducted at the source, like income tax. Its highly salient (or visible) nature has made the property tax an unpopular revenue source for financing local government activities.
- The way properties are valued, or assessed, for tax purposes has led to the criticism that market value assessment discourages property improvements and leads to unpredictable tax burdens in volatile property markets. The perception is, therefore, that an increase in the assessed value of the property leads to an automatic increase in the property tax burden for the property owner.[11]

Nonetheless, the obvious question becomes: are the criticisms of the property tax justified and factual? The general consensus is no, but it depends on the type of the property tax.

With respect to the residential property tax, economists and policy analysts generally agree that it is a good revenue source to fund local government services. As one economist puts it, "the property tax is…a good local tax. It is far from perfect, but perfection in taxation is not of this

[9] Provincial legislation will allow certain types of properties to be exempt from taxation. Typically, these are provincially and federally owned properties, churches, and universities.
[10] Perhaps the Canadian Goods and Services Tax (GST) is more hated, but it is interesting to note that the most salient (visible) taxes are also the most hated. For more see Cabral & Hoxby, 2012.
[11] An increase in property taxes does not automatically stem from the assessment process, but the budgetary and service delivery decisions of a City (or municipal) Council. The assessment process is used to simply distribute, or redistribute in the case of reassessment, the local tax burden among property owners.

world…relative to other tax bases available to local government…the property tax gets high marks" (Oates, 2001). However, a distinction needs to me made between residential and non-residential property taxes.

3.5 The Two Sides of the Property Tax Coin: Residential and Non-Residential

In the study of local public finance, much attention is paid to how the property tax affects households or people. Moreover, local governments generally communicate property tax increases in terms of their impact on a household with an average or median assessed value, and the amount more per month that such households may pay.[12]

This is to be expected, given that the residential properties (single family homes and condominiums) comprise over 70 percent of the assessment base and 90 percent of the total amount of properties in most Canadian cities.[13] The consensus in the economic literature is that the residential property tax is a good local tax (OECD, 2010; Slack, 2011; Dahlby, 2012; and Norregaard, 2013).

Among the reasons for this conclusion are: (a) the connection between the types of services funded at the local level and the benefit to property values[14]; and (b) residential property cannot be moved or hidden to avoid paying the tax. However, property taxes on residential properties only tell part of the local property tax story.

The other part of the property tax story concerns the treatment of non-residential properties (e.g., commercial and industrial) or more succinctly, "business" properties. In Canada, the United States and in most of the world, business properties face higher property tax rates than residential properties (Bird and Slack, 2004) although they receive less benefits from services.[15] There are several reasons for this, but one of the most commonly cited is that residential property owners vote (Bird, Slack, and Tassonyi, 2012).

Non-residential property taxes are levied on commercial (a retail store or office building) and industrial (manufacturing plant) properties. Unlike the Corporate Income Tax (CIT), business property taxes are paid regardless if the business turned a profit or not. However, non-residential property owners businesses can deduct property taxes from their CIT filings, something that residential property owners cannot do. This sometimes justifies higher non-residential property tax rates.

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[12] See, for example, the City of Saskatoon's 2017 Preliminary Business Plan and Budget, "Shaping Our Financial Future" and supporting communications material found at https://www.saskatoon.ca/city-hall/budget-finances/financial-reporting

[13] In Saskatoon, residential properties make up about 80 percent of the total taxable property assessment base, while non-residential properties account for 20 percent in 2016. This share has been relatively consistent over the last 20 years. Based on the 2017 preliminary assessment data, residential properties in Saskatoon represent slightly above 96 percent of total taxable properties.

[14] For example, residential property owners benefit from the access to roads and transit, parks or green spaces, etc; thus, it can be argued that he benefits of local programs are reflected in local property values.

[15] See Section 4 for more on this topic.

Nonetheless, the prevailing view in the literature is that that business property taxes are not good local taxes because (a) there is a poor link to benefits received; (b) business properties are more mobile; and thus, business investment is more responsive to tax increases; and (c) the tax can be exported to owners of capital and consumers who live in other jurisdictions (Slack, 2011; Kitchen and Slack, 2012).

As several recent studies have concluded, property taxes on commercial and industrial property increase the marginal effective tax rate on capital, discouraging investment in structures, and reducing the competitiveness of the business sector (Dahlby, 2012; Found, 2014; Found and Tomlinson 2016).

3.6 Who Pays the Property Tax?

There is a widely held perception that the property tax is a regressive tax (Calgary Sun, December 4, 2013). The allegation is that the property tax takes a greater percentage of income from low-income earners than high-income earners. However, as one study has noted, “despite a series of books and papers stretching over a period of nearly 50 years, there is nothing approaching a consensus on this issue” (Fischel, Oates, and Youngman, 2011).

This lack of consensus stems from the fact that there are three different views or theories about how the property tax interacts in the economy, or what the economic incidence of the property tax is. In other words, who bears the burden of the property tax is fundamental to its understanding. There are two prevailing theories about the incidence of the property tax.[16]

One view, or theory, the so called “benefit view” surmises that the property tax is simply “the payment that households make for the bundle of local public services that they have chosen to consume (Fischel, 2001; Zodrow, 2007). In this case, the incidence of the property tax is irrelevant, because the tax is equivalent to a user fee for public services. This view may be applicable to residential properties, but not for business properties (Found 2014).

Another theory, the so called “capital tax view” (or new view) argues that the property tax is predominantly shifted to the owners of capital in the economy, In other words, it is a distortionary tax that has an impact on capital investment (Gilchrist and St. Louis 1997; Dahlby, 2012; Found 2014). As such, this view holds that the property tax is a progressive tax because the economic incidence falls on consumers of capital. This helps to support claims that business property owners are sensitive to higher property taxes. The next section of this paper will explore this issue in more detail.

[16] A third theory, called the “traditional view,” which no longer holds much merit, claims that the property tax is an excise tax that falls on both land and structures (Fischel, Oates, and Youngman, 2011). The tax burden is borne by local housing consumers in the form of higher housing prices. According to this view then, the property tax is considered to be regressive because housing constitutes a relatively larger share of consumption for poorer individuals. This view relies on partial equilibrium model whereby capital is assumed to be immobile (meaning non-responsive to tax changes) and it assumes that the property tax has no connection to benefits local taxpayers receive.

4. BUSINESS PROPERTY TAXES and COMPETITIVENESS

4.1 Introduction

The objective of this section is to address the issues pertaining to business property taxes and their impact on competitiveness.[17] More specifically this section will address the following question: do business property taxes impact the ability of a city to attract or retain investment, improve economic activity (including employment opportunities) and ultimately, influence business location decisions? But before it does, it reviews whether or not business properties are overtaxed relative to the benefits they receive from municipal services.

4.2 Business Property Taxes and Benefits Equity

As described in Section 3, one way to measure equity is through the benefits principle, meaning that the cost burden should be linked to the benefits that taxpayers receive from the delivery of local services. Benefits equity is generally covered by charging user fees for the service, but there is a residual cost for the remaining bundle of city services that is financed by property taxes (residential and non-residential).

Over the years, studies have attempted to quantify the amount of services that businesses receive from the municipality relative to residential property owners. Their intent is to determine if businesses are overtaxed relative to the benefits they receive.

The bulk of the studies have been conducted in the United States, but a few have been done in the provinces of British Columbia and Ontario. They generally conclude that the residential sector receives proportionately more benefits from local government services than the non-residential sector. For example, and as summarized in (Kitchen and Slack, 2012):

- A review of property taxes and municipal expenditures in eight municipalities in Ontario in 1990 concluded that non-residential property taxes ranged from 28 to 51 percent of total local property taxes but accounted for only 31 to 40 percent of municipal expenditures (Kitchen & Slack, 1993).
- A study in the City of Vancouver (MMK Consulting, 2007) compared the consumption of services to taxes paid by the different property classes and concluded that the non-residential sector paid $2.42 in taxes for each $1 of benefit received, while the residential sector paid $0.56 for each $1 of benefit. The study also concluded that the non-residential share of services consumed was 24 percent of the total; the residential share was 76 percent.
- In C.D. Howe Institute Commentary (Mintz and Roberts, 2006), the authors concluded that the non-residential sector is over taxed relative to the residential sector when compared with the benefits that each of these sectors receives.

[17] For the purpose of this section, “competitiveness” refers to the ability to make a jurisdiction more attractive to create wealth and enhance economic prosperity.

In addition to these studies, analysis conducted by Gilchrist and St. Louis (1997) in the Saskatoon context concluded that non-residential property taxes exceed the benefits that non-residential properties receive.

Looking at the statutory tax rates in Canada and elsewhere, there is no denying that business properties are taxed at higher rates than residential properties. Higher property taxation of commercial and industrial properties is generally done in one of three ways: (1) through assessing business properties at higher values than residential properties with the same tax rate applied to both property types (see Winnipeg); (2) through the application of higher tax rates on business properties (see Calgary and Edmonton); and (3) or both (see Saskatoon and Regina). So, is this justified?

In theory, higher taxation of business properties creates efficiency and equity concerns. Efficiency in municipal service levels will not be achieved if revenues collected from property taxes on business properties are used to subsidize services consumed by the residential sector. Equity is violated because those benefiting from the services are not paying their full costs (Kitchen & Slack, 2012).

4.3 Business Property Taxes and Competitiveness

Over the last two decades, the issues of competitiveness and business property taxes have generated a significant amount of interest from business group advocates and economists through the literature. Business group advocates have placed their focus squarely on the difference in tax rates—or the tax ratio—that cities levy on residential and non-residential properties. Their aim, naturally, focuses on reducing the tax rate differential between the two property classes, and thus, the overall tax burden for business properties.

The focus of the economic literature is broader and has generally tried to investigate whether or not local business property taxes affect competitiveness, investment and location decisions and whether or not higher business property rates are equitable (Smart, 2012; Kitchen & Slack, 2012; Found 2014). The general consensus is that high business property taxes can affect competitiveness, but the literature does not define what "high" is.

For example, the tax ratio between commercial properties and residential properties in Vancouver is 4.23 to 1 and for industrial properties it is 21.7 to 1 (based on 2016 general levy rates).[18] A November 2016 report by B.C.'s Commission on Tax Competitiveness found that, "the overall level of business property taxation in B.C…does not represent a competitiveness issue or a significant impediment to economic performance."[19] They do caution however, that high property tax rates on industrial properties can have "devastating effects on unprofitable plants."

[18] Rates obtained from http://vancouver.ca/home-property-development/tax-rates.aspx and compares the "general purpose tax levy only.

[19] See Commission on Tax Competitiveness, "Improving British Columbia's Business Tax Competitiveness," November 15, 2016, pg 5. Obtained from https://engage.gov.bc.ca/app/uploads/sites/76/2016/11/4637_CommissionOnTaxCompetitiveness_Final_Report_Nov-2016.pdf

That said, there have been very few studies on the relationship (or influence) of non-residential property taxes on competitiveness. The general conclusion is that the impact of non-residential property taxes depends on several factors: (1) the business cycle (e.g., economic expansion vs recession); (2) the business decision (e.g., investment vs operations); (3) the nature of the business (small vs. large multi-national); (4) access to skilled labour; and (5) access to infrastructure (Kitchen and Slack, 2012).

4.4 Business Property Taxes and Location Decisions

Businesses generally locate where they can maximize profits, so in theory, property taxes can influence a firm's location decision in the same way as any other cost of production. As noted elsewhere in this paper, property taxes on business properties increase the marginal effective tax rate on capital, thereby discouraging investment on structures and reducing the competitiveness of the business sector (Dahlby 2012; Found 2014). However, according to Slack and Kitchen (2014) there is no general agreement about the importance of property taxes in location decisions.

The available evidence—largely drawn from the United States—suggests that property tax differentials are relatively unimportant in inter-municipal or inter-regional location decisions but do play a role in intra-municipal or intra-regional location decisions (Kitchen and Slack, 2012). In other words, differences in property taxes are unlikely to play a significant role in a firm's decision whether to locate in the metropolitan areas of Vancouver, Calgary, or Toronto. They are likely to play a role, however, once a firm or business decides to locate in a certain region such as the Greater Toronto Area, Metro Vancouver or the Region around Montreal.

More recently, a very technical and comprehensive study by Found (2014), in the context of Ontario, reveals that capital investment in commercial structures and commercial property values are highly sensitive to the property tax and builds on the growing consensus that property taxes on business impose a substantial economic cost. This cost then can influence a firm's decision to locate in a particular jurisdiction. However, as Kitchen and Slack (2014) report, "stakeholders in Halifax told us that there is no concrete evidence that the tax differential between commercial and residential properties is having much impact on business location….:" In other words, economic models do indicate that business property taxes can influence location decisions, however, practical or empirical analysis may suggest otherwise.

4.5 Business Property Taxes and Exporting the Burden

As this paper notes in Section 2, the ability to export a tax that is levied in one jurisdiction and paid for by taxpayers in another jurisdiction weaken accountability of the tax and may reduce equity. A good explanation of tax exporting is provided in (Kitchen and Slack, 2012): "Tax exporting refers to situations in which some portion of the local tax burden is borne by people who live elsewhere either through a change in relative commodity prices or a change in the net return to non-locally owned factors of production." The ability of businesses to export the property tax depends on what the price elasticity (meaning sensitivity to price) of the demand for the product(s) is. However, according to (Kitchen and Slack, 2012) there is very little evidence of tax exporting in Canada.

5. THE APPROACH TO BUSINESS PROPERTY TAXATION IN CANADIAN CITIES

5.1 Introduction

The purpose of this section is to compare the approaches to business property taxation in selected Canadian cities: Calgary, Edmonton, Saskatoon, Regina, and Winnipeg.[20] Before the paper addresses these approaches in more detail, it first addresses some key differences about property assessment and taxation in the various jurisdictions. This will provide necessary context that will better explain the approaches that the selected cities use for business property taxation and help to determine some policy options that will be evaluated in Section 7.

5.2 The Jurisdictional Context

In Canada, the approach to both valuing and taxing properties—both residential and business—is governed by provincial legislation. In Saskatchewan, for example, *The Cities Act* (and its attendant regulations) provides the legislative framework for valuing properties, meaning the assessment process, and sets specific minimum requirements for the taxation of property.[21] Similar legislation frameworks exist in Alberta and Manitoba, although prescriptiveness of the legislation and flexibility that local governments have varies among the provinces.

The legislative frameworks pertaining to property assessments is very prescriptive. In other words, local governments have no autonomy with respect to how properties are valued for tax purposes. The reason for this is simply to ensure that similar properties in a province are valued in equitably, regardless of where they may be located.

However, the legislative frameworks for property taxation provides local governments with limited autonomy in that they have the ability to set their own property tax rates. Simply put, cities have very little autonomy in the property assessment process, but have more autonomy with respect to tax policy. The result is a property assessment system and property tax regime that is very difficult to compare across jurisdictions. These differences are summarized in table 1 and explained in more detail below.

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[20] The analysis includes Regina simply because they offer a different approach than the other cities, but I agree with Gilchrist and St. Louis (1997) in that both Saskatoon and Regina "face similar commercial and industrial taxation issues and their resolution will not be found in mutual comparisons."
[21] For more on *The Cities Act* see, http://www.qp.gov.sk.ca/documents/english/Statutes/Statutes/c11-1.pdf. The Assessment Process is addressed in Part X, while the property tax requirements are addressed in Part XI.

Table 1:
Comparing Property Assessment and Tax Requirements by Province, 2016

Function	Saskatchewan	Alberta	Manitoba
Frequency of Assessment	4 years	Annual	2 Years
Valuation Date	January 1, two years prior to reassessment year	July 1 in the year prior to the reassessment	April 1, two years prior to reassessment year
Property Classes	*residential *multi-unit residential *seasonal residential *commercial & industrial *non-arable land and improvements *other agricultural land and improvements *railways & pipelines *grain elevators	*residential *non-residential *farm land *machinery & equipment	*residential 1 *residential 2 *residential 3 *other (refers to commercial & industrial) *farm land *designated higher education *designated recreation facilities *institutional *railways *pipelines
Percentage of Value**	*Residential 70% *Non-Residential 100%	*Residential 100% *Non-Residential 100%	*Residential 45% *Non-Residential 65%

*** Note: The residential property class for residential properties in Saskatchewan changed to 80 percent for 2017.*

5.2.1 Frequency of Assessments

In terms of property assessments, each province sets its own valuation standards. Although the general approach to property valuations across all jurisdictions is “market value” (or fair market value), the frequency of assessments, the dates at which properties are to be valued, and the property classes that are to be valued and then ultimately taxed are much different.

For example, in Alberta and British Columbia, property assessments are conducted annually. In Saskatchewan and Ontario, by contrast, they are conducted every four years. In Manitoba, they are conducted every two years.[22] Provinces that have more frequent assessment cycles will have smaller assessment value variances than those with longer cycles.

[22] The literature and professional assessment organizations support more frequent property assessments to ensure the fair distribution of the tax burden and to reduce significant value shifts that occur between longer assessment cycles. See, for example, the International Association of Assessing Officers and Kitchen, 2004.

5.2.2 Valuation Dates

The property valuation dates, or reference dates, are also different across provinces. In Alberta, assessment values are reflective of the value of the property on July 1 of the year prior to the assessment year, resulting in a six month lag.

In Manitoba, the valuation date is April 1, two years prior to the reassessment year. So, Manitoba's 2016 reassessment used market values of April 1, 2014.

In Saskatchewan, the valuation date is January 1, two years prior to the reassessment year. For Saskatchewan, this means for the 2017 reassessment, the valuation date is January 1, 2015.

5.2.3 Property Classes

Provinces also prescribe the property classes (and subclasses) that are to be assessed and taxed. More property classes add more complexity to the tax system. Alberta has the least complex system, with only four property classes: residential, non-residential (i.e., commercial and industrial) farm land, and machinery and equipment.

Saskatchewan has a more complicated system with eight different property classes, including: residential, multi-residential, seasonal residential, commercial and industrial, non-arable land and improvements, other agricultural land and improvements, grain elevators, and pipelines and railway right of way. To simplify for taxation purposes, Saskatoon combines all residential assessment classes into one tax class and all non-residential assessment classes into a separate tax class.

Manitoba has ten property classes making it the most complex system of the three. It lists three types of residential properties (residential 1, residential 2, and residential 3), other (which refers to commercial and industrial properties) farm land, pipelines, railways, institutional, designated higher education, designated recreational facilities, and the legislative building. It is unique that Manitoba includes its legislative building as property class.

5.2.4 Percentage of Value

The final area of divergence among the provinces pertains to a term called "percentage of value." The percentage of value simply assigns the amount of value at which a property class can be taxed. In Alberta, this is very simple and transparent: all properties (with the exception of machinery and equipment) are taxed at 100 percent of their assessed value.

In Saskatchewan, the system is less transparent. Prior to 2017, residential properties were taxed at 70 percent of their assessed value. In 2017, residential properties will be taxed at 80 percent of their assessed value. However, non-residential properties are (and have been) taxed at 100 percent of their assessed value.

In Manitoba, no property class is taxed at 100 percent of its value. Residential properties are taxed at 45 percent, while commercial properties are taxed at 65 percent of their assessed value. Other classes have varying percentages of value. The percentage of value is illustrated in Table 2:

Table 2:
Percentages of Value for Taxation Purposes (2016)

Jurisdiction	Residential (Percentage of Value)	Non- Residential Percentage of Value
Alberta	100	100
Saskatchewan	70	100
Manitoba	45	65

The tax policy literature supports the notion that all properties should be taxed at 100 percent of their value. This will increase tax fairness as higher valued properties will pay a greater share of taxes (Slack, 2011; Bird and Slack, 2012; Ihlanfeldt, 2013).

Given this brief contextual overview of the provincial property assessment and taxation framework, this document now turns to address the practices in selected cities.

5.3 Business Property Taxation in Selected Cities

Taking the jurisdictional differences into account on how provincial property valuation and taxation rules work, this section of the document attempts to explain: how do the selected cities tax business properties? What are the similarities and differences? Do any consensus best practices emerge?

Before this paper addresses those questions, it first provides some assumptions for the analysis, so that the comparisons between the selected cities can be as close as possible. These assumptions are as follows:

- Residential properties includes single family homes, condominiums and multi-family residential (apartments).
- Non-residential properties include all commercial and industrial properties, and any other property that is not used for the purposes of individual or household accommodations.
- Excludes Business Occupancy Taxes, such as those used in Winnipeg and Calgary to assess business property tax burdens. These function differently from the property tax.
- Excludes Provincial education property taxes and tax rates.
- Property tax rates reflect the effective tax rate. This means that the property tax rate is adjusted to account for assessment and tax policy differences. For example, in those jurisdictions that have a percentage of value less than 100 percent for a property class, the tax rate is adjusted to reflect this.
- Comparisons use 2016 tax rates and 2016 assessed values to levy the taxes.

5.3.1 Saskatoon

Saskatoon currently taxes business properties 1.75:1 times higher than residential properties. In 1998, Saskatoon City Council passed a resolution to have a targeted non-residential to residential property tax ratio. The 1.75:1 tax ratio was achieved in 2010 and has remained in place since that time (see Section 6 for more on Saskatoon's approach).

As such, based on 2016 effective tax rates non-residential properties paid $924 per $100,000 of assessed value, while residential properties paid $524 per $100,000 of assessed value in municipal property taxes.

5.3.2 Regina

The City of Regina has no targeted tax rate policy. In other words, Regina does not have a residential to non-residential property tax ratio. The City of Regina uses a revenue neutral approach which means that taxes are not shifted from one property class to another due to variable valuation changes. This means that in a reassessment year Regina maintains its tax mix of about 67 percent for residential and 33 percent for non-residential.

Based on 2016 effective tax rates, non-residential properties in Regina paid $1,275 per $100,000 of assessed value, while residential properties paid $590 per $100,000 of assessed value in municipal property taxes. As a result, Regina's 2016 non-residential to residential tax ratio was 2.16:1 in 2016.

5.3.3 Calgary

Like Regina, the City of Calgary does not have a targeted tax rate policy. In fact, Calgary's approach is essentially a budget based, or tax shares approach in that it ensures that roughly 50 percent of the property taxes collected come from residential properties and 50 percent come from residential properties. Because Calgary conducts annual property assessments, real inventory growth and market value changes can be addressed in the budget year.

Based on 2016 effective tax rates, non-residential properties paid $1,215 per $100,000 of assessed value, while residential properties paid $371 per $100,000 of assessed value in municipal property taxes. Calgary's non-residential to residential tax ratio was 3.28 in 2016.

5.3.4 Edmonton

Edmonton's approach is very similar to Calgary's in that it considers real growth, market value changes, and the budget or tax policy of the City[23]. It is the combination of these factors that will ultimately determine the tax ratio. Like Calgary, Edmonton allocates any budget supported property tax increases on a 50/50 basis, meaning the total tax increase is applied equally to non-residential and residential properties.

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[23] To understand how these factors work together, see The City of Edmonton, "The Way We Finance: Property Assessment and Taxation White Paper," Appendix C. Obtained from https://www.edmonton.ca/city_government/documents/TWWF_Assessment_and_Taxation_White_Paper.pdf

Based on 2016 effective tax rates, non-residential properties paid $1,554 per $100,000 of assessed value, while residential properties paid $562 per $100,000 of assessed value in municipal property taxes. Edmonton's non-residential to residential tax ratio was 2.76 in 2016.

5.3.5 Winnipeg

Winnipeg also does not have a targeted tax rate policy. In fact, the residential and non-residential tax rates in Winnipeg are exactly the same, as required by provincial legislation, in this case the Winnipeg Charter. However, the difference lies in the fact that non-residential properties are assessed higher than residential properties, resulting in a higher effective tax rate for non-residential properties.

Based on 2016 effective tax rates, non-residential properties paid $830 per $100,000 of assessed value, while residential properties paid $574 per $100,000 of assessed value in municipal property taxes. Winnipeg's non-residential to residential tax ratio was 1.44 in 2016.

5.4 Comparative Analysis

Table 3 summarizes the effective property tax burden for residential and non-residential properties per $100,000 of assessment in the selected cities. As the table notes, residents and businesses in Saskatoon each face the second lowest municipal property tax burden when compared among the jurisdictions. Calgary has the lowest residential property taxes, while Winnipeg has the lowest non-residential burden.[24]

Table 3:
Effective Property Tax Burdens and Tax Ratio

	Effective Property Tax Burdens per $100,000 of Assessed Value (2016)		
City	**Residential**	**Non-Residential**	**Ratio**
Saskatoon	$523.54	$923.59	1.75
Regina	$590.06	$1,274.79	2.16
Calgary	$370.99	$1,215.45	3.28
Edmonton	$562.47	$1,554.35	2.76
Winnipeg	$574.47	$829.79	1.44

The effective tax rates adjust for the differences in percentage of value as shown in Table 2. As the table also illustrates, Winnipeg has the lowest non-residential to residential tax ratio, while Saskatoon is second.

[24] Winnipeg also has a Business Occupancy Tax, which the C.D. Howe study includes in their analysis to demonstrate a higher Marginal Effective Tax Rate (METR). Manitoba's Education Property Taxes also contribute to a higher METR for Winnipeg.

Table 4 offers a comparison of the property taxes collected and the share of taxable assessment for the residential and non-residential property tax classes in each city. Winnipeg and Saskatoon rely the most on residential property taxes to fund their budgets. Edmonton and Calgary each split the budgetary property tax requirements evenly across the residential and non-residential property classes.

However, when it comes to the share of taxable assessment, all cities, with the exception of Winnipeg, show a 75/25 residential to non-residential split. In other words, in all cities except Winnipeg, non-residential properties make up about a quarter of the total taxable assessment.

Table 4:
Share of Taxes vs Share of Taxable Assessment

	Share (%) of Total Property Taxes Collected for Budget (2016)		Share (%) of Taxable Assessment 2016	
City	**Residential**	**Non-Residential**	**Residential**	**Non-Residential**
Saskatoon	71	29	75	25
Regina	65	35	75	25
Calgary	48	52	75	25
Edmonton	51	49	75	25
Winnipeg	73	27	80	20

A few observations emerge from the preceding analysis. The first and obvious point to note is that cities utilize different approaches when it comes to levying business property taxes. For example, Saskatoon is the only City that has a targeted non-residential to residential tax ratio. The local property tax policies are thus, generally reflective of the community values and the mix of tax supported services that such cities deliver.

Second, the cities of Calgary and Edmonton generally follow a similar approach, but have no set tax ratio. In Winnipeg, the tax rates are uniform across all types of property classes, but the taxable amount changes. It is rather ironic that Winnipeg has the lowest non-residential to residential property tax ratio and yet it does not have an explicit targeted tax ratio policy and applies a uniform tax rate to all properties. Only the effective tax rate changes because of the percentage of value.

Third, the relationship between taxable assessment and property taxes paid by property class is the strongest in Saskatoon and the weakest in Calgary. In other words, the total property tax burden for non-residential properties in Saskatoon is closely related to its total taxable assessed value.

Finally, differences in approaches to assessment and property taxation result because provinces set different standards with respect to property valuations and provide cities with a certain degree of autonomy to implement their own tax policies, provided they meet the minimum standards as set out in legislation (or regulations). As a result, it is very difficult to perform standard comparisons to determine whether one approach or system is better than any other. That said, this paper now turns to address assessment value changes over time.

As the preceding analysis has highlighted and noted, there are several differences between provincial legislative and regulatory frameworks for valuing properties for taxation purposes. Similarly, these frameworks also differ significantly from one jurisdiction to the next with respect to local tax policy. While some such as Alberta provide greater autonomy to their municipalities with respect to local tax policy, others such as Manitoba, are more restrictive. This makes property assessment and tax comparisons between jurisdictions extremely difficult, unless of course, one employs sophisticated econometric models (Found 2014).

While it goes beyond the scope of this paper to undertake such a modelling exercise, there is a way to generally compare property assessment data by looking at per capita property value changes over time. In other words, how has the tax base of the city changed over time relative to population changes?

Tables 5 - 7 show the per capita taxable assessment value for the five cities in 2006 and 2016, and the change in value over the ten year period.[25] As Table 7 shows, Saskatoon's residential property values grew by over $48,000 per person, while the value of non-residential properties grew by over $16,000 per person.

Table 5:
Taxable Assessment Per-Capita Value (2006)

City	Residential	Non-Residential	Total
Calgary	$82,227	$22,793	$105,032
Edmonton	$67,873	$21,107	$88,980
Saskatoon	$29,656	$9,908	$39,563
Regina	$25,486	$8,431	$33,916
Winnipeg	$35,509	$11,209	$46,718

Table 6:
Taxable Assessment Per-Capita Value (2016)

City	Residential	Non-Residential	Total
Calgary	$170,176	$57,004	$227,182
Edmonton	$136,581	$46,493	$183,074
Saskatoon	$78,151	$26,240	$104,391
Regina	$71,136	$23,114	$94,250
Winnipeg	$92,469	$22,672	$115,141

Table 7:
Taxable Assessment Per-Capita Value Change (2016)

City	Residential	Non-Residential	Total
Calgary	$87,950	$34,211	$122,150
Edmonton	$68,709	$25,385	$94,094
Saskatoon	$48,495	$16,332	$64,827
Regina	$45,650	$14,683	$60,333
Winnipeg	$56,960	$11,463	$68,423

[25] The analysis uses taxable assessment data only from each of the five cities, meaning that it excludes properties that are exempt from taxation. Values are nominal. Population is based on the Census of Canada for each Census subdivision. Values do not include 2017 assessment data.

Table 8 illustrates these value changes in percentage terms. As the table shows, Regina and Saskatoon saw the largest per capita growth in assessed values for residential and non-residential properties. In percentage terms, non-residential assessment values grew the slowest in Winnipeg.

Table 8:
Taxable Assessment Per-Capita Percentage Change (2016 - 2006)

City	Residential	Non-Residential	Total
Calgary	76.4	93.4	79.9
Edmonton	89.0	89.8	88.0
Saskatoon	125.1	129.4	126.2
Regina	135.2	132.3	134.2
Winnipeg	118.4	80.7	109.6

Based on the data in Tables 6 and 7, a lower non-residential to residential tax ratio may have some role to play in the per capita growth in non-residential assessment values. However, given that Winnipeg has the lowest municipal effective tax rate ratio at 1.44:1, and Regina's is higher than Saskatoon's at 2.16:1, the correlation between municipal tax policy and non-residential property investment does not appear strong.

This suggests that business investment is combination of other factors as noted in Section 4, such as: (a) the business cycle; and (b) the total tax and fiscal environment. Again, however, it does not mean that the tax ratio is not a factor, as this paper has made the case that high business property taxes do have an impact on capital investment, it just means the analysis cannot prove causation.

Given this analysis, what are some possible policy options (or approaches) that cities use for local tax policy? The next section explores those options and reviews their relative merits.

6. BUSINESS PROPERTY TAX POLICY OPTIONS FOR CONSIDERATION

6.1 Introduction

The purpose of this section is to provide an evaluation of three general policy approaches (or options) that may be considered for implementation in Saskatoon. These three approaches are as follows:

(1) targeted tax ratio approach;
(2) revenue neutral approach; and
(3) tax share or (budget based) approach.

To some degree, each of these options exist in the five cities that are included in this analysis and are generally used by most cities in Canada.

Thus in order to provide an appropriate analysis of each option, this section will:

(a) describe the purpose and intent of each option;
(b) illustrate the property tax implications each option may have on both residential and non-residential property owners; and
(c) evaluate each option according to the criteria laid out in Section 2. This evaluation provides the advantages and disadvantages of each option as it relates to that criteria and other noteworthy metrics.

6.2 Assumptions

In terms of the subsequent analysis on property tax options and their implications, two assumptions are worth noting:

(1) the tax implications of each option do include the approved 2017 property tax increase that supports the City of Saskatoon’s 2017 Business Plan and Budget; and

(2) the options utilize the term revenue neutral tax burden, meaning that the tax burden does not change relative to the market value assessments of 2017.

6.3 Options & Approaches

Option 1: The Targeted Tax Ratio Approach

This option proposes to maintain the City of Saskatoon's approach of having a targeted (or pegged) non-residential to residential property tax ratio. The City's existing ratio, as described earlier in the report, is set at 1.75 to 1, meaning the non-residential property tax rate is 1.75 times higher than the residential property tax rate. As Section 5 of this paper notes, no other City included in the analysis uses this approach. Their property tax ratios are the result of other factors, which this paper addresses in Option 3.

However, this option does not mean that the City must maintain the existing ratio, even though research by the C.D. Howe Institute (2016) reveals that Saskatoon has the most competitive tax regime for capital investment. City Council can choose any ratio it desires. The ratio options and their potential impacts are included in Table 5 in Section 6.5.

Once the 2017 reassessment revenue neutral tax rate is applied, maintaining the existing 1.75 ratio would result in a tax reduction for residential properties of 5.2 percent and a tax increase of 12.6 percent for non-residential properties.

If the status quo ratio of 1.75 is maintained, then the total property taxes collected from the non-residential sector will increase to 33 percent of all property taxes collected from the current 29 percent. The share of property taxes collected from residential sector would fall to 67 percent from the current 71 percent. Again, Table 5 shows the implications for various ratio scenarios (see Section 6.5).

Advantages:

- Maintains a long established existing policy that is easy to administer.
- Sends clear signal and certainty to investors about the tax rate.
- Tax rate is simple and transparent.
- Depending on the ratio, may not distort market decisions.
- Depending on the ratio, could achieve horizontal equity.

Disadvantages:

- Depending on the ratio could increase tax burden on non-residential properties, relative to 2016.
- Depending on the size of the ratio, may result in lower investment/profitability for some business properties.
- Holding a tax ratio consistent reduces ability to distribute tax revenue equally from all classes of property.

Option 2: Revenue Neutral Approach

This option proposes to let market forces dictate the tax ratio. More precisely, this option would allow the assessment valuation changes determine the tax ratio, so that the tax change is revenue neutral. This is the approach Regina uses.

Under this option, the only tax increase to either property class would result from the budget process. A primary challenge with this option is to maintain the revenue neutral ratio in non-reassessment years, as property values do not change in non-assessment years, other than with the growth in inventory.

According to the 2017 reassessment, the revenue neutral option would see a reduction in the non-residential to residential property tax ratio from the existing 1.75:1 to 1.47:1. The reason for the fall in the ratio is because the values of non-residential properties grew at a higher rate than residential properties since the last reassessment in 2013.

Although the tax ratio would fall, the total property taxes collected from each sector would remain at 71 percent for residential properties and 29 percent for non-residential properties. In other words, the property tax burden would remain the same.

Advantages:

- Maintains the property tax burden for both property classes.
- Achieves reasonable sense of equity, in that no additional burden is placed on either property class through the assessment process.
- Market forces determine the tax ratio, so tax policy limits distortions.
- May result in additional investment.

Disadvantages:

- Results in change to existing policy (assuming the existing policy is the appropriate one).
- Does not provide certainty to investors about the potential tax rate as revenue neutrality is a function of inventory growth and market value changes.
- Does not reduce residential tax burden.

Option 3: The Tax Shares (or Budget) Approach

This option proposes no targeted tax ratio, but allows the budget process to determine the tax implications for non-residential and residential properties. This option follows the approaches used in Edmonton and Calgary and works optimally under a system that has more frequent property assessments.

In this case, the tax ratio would be the result of three factors: market values, inventory growth, and budgetary requirements. For this option to work, the City of Saskatoon would need to establish how much of the property tax is allocated to residential properties and non-residential properties for budgetary purposes.

To illustrate, let's assume that the City needs to collect an additional $10 million in property taxes to balance its operating budget. Let's also assume that the City wants to fill that gap by requiring the residential sector to pay $5 million and the non-residential sector to pay $5 million. In other words, the annual property tax budget requirement is split equally between the residential and non-residential property classes.

The tax ratio is then the outcome of this process. Over a period of time, the tax mix differential between the residential and non-residential properties would become more evenly split, instead of the 70/30 split that currently exists in Saskatoon. If this approach is implemented in 2017, then Saskatoon's tax mix would see a gradual shift to a 50/50 split.

Under this option, the 4.2 percent tax increase for 2017 (includes City & Library taxes) would be split equally between the residential and non-residential properties classes. However, the increase to each class would be different due to the percentage of taxable assessment in each class. For example, the residential tax class would see a 2.9 percent tax increase, while the non-residential would increase by 7.1 percent.

Advantages:

- Reduces the property tax burden for residential properties.
- Distributes tax burden equally among all property classes.
- Easy to administer.
- Provides stable and predictable revenues.

Disadvantages:

- Results in change to existing policy (assuming the existing policy is the appropriate one).
- Violates equity as it increases the non-residential tax burden over time and has no relationship to its share of taxable assessment.
- May reduce accountability and transparency of tax policy, especially with respect to business properties.

6.4 Evaluation of Options/Approaches

The previous subsection offered three general tax policy approaches that are used by various cities in Western Canada. At one end of the spectrum is a targeted tax ratio approach and at the other end is targeted tax share approach. In the middle is the revenue neutral approach. The revenue neutral approach, as used by Regina, is essentially a hybrid of revenue neutral tax policy and a targeted tax share approach. Despite its use in Regina, the revenue neutral approach is not covered in the literature, but the tax ratio approach and the tax share approach are. As such, this section dismisses the revenue neutral approach and reviews some conclusions in the literature on the other two approaches.

6.4.1 Tax Share Approach

In 2014, the City of Vancouver's Property Tax Policy Review Commission (City of Vancouver, 2014) released a report that, among things, addressed the debate over the tax ratio approach and the tax share approach. At the time, the City of Vancouver used—and still uses—the tax share approach to allocate its municipal tax burden among property classes.[26] This is the same approach used in Calgary and Edmonton.

In distributing the City's local tax burden, Vancouver implements equal tax increases to residential and business tax classes. Moreover, Vancouver's business to residential tax ratio at that time was 4.32:1. However, the Commission had no major concerns over this approach and stated that, "the Commission does not believe that there is a compelling case for a further shift in the municipal tax burden from Class 6 (business) to Class 1 (residential) at this point in time." (City of Vancouver, 2014). At the time, the total tax share from business properties was 43 percent and residential properties was 57 percent.[27]

Nonetheless, on the tax ratio approach, the Commission states that it is: "one of the legitimate ways to view equity and to allocate the tax burden across types of property…the share of taxes collected from each class of property will change in response to market changes in property assessments." The tax ratio approach is often cited as a key factor in influencing business location decisions and capital investment (Saskatoon Chamber of Commerce, 2012).

However, despite Vancouver's high business to residential tax rate ratio—at least relative to Saskatoon's—the Commission concluded that it, "finds no evidence of an increasing business tax differential, or of business investment leaving to other municipalities in Metro. Accordingly, the Commission recommends that the City leave the tax shares unchanged at this time" (City of Vancouver, 2014).

However, an earlier report seems to contradict the conclusion reached by the Vancouver Commission. In a 1997 report for Saskatoon business groups, Gilchrist and St. Louis

[26] This approach is actually used by most BC municipalities.
[27] The Commission also did not recommend an appropriate share of taxes from each sector. But if the goal is an equal allocation of the tax burden, over time, the total tax share would equal 50/50.

conclude the tax share approach violates equity and is contrary to competitiveness and efficiency goals. As they state: "to predetermine a business share, or to insist on the continuation of an historical share, is indefensible on equity grounds. It insists on a levy that is insensitive to the relative size of the business sector." (Gilchrist and St. Louis, 1997 page 26).

It might be useful to illustrate how a tax share approach affects the property tax ratio. Under a tax share approach, the tax ratio is the outcome and will fluctuate from year to year. Charts 1 and 2 illustrate the effects of this approach as it pertains to the City of Calgary. As Chart 1 shows, historically, Calgary's total property taxes are split almost equally among the residential and non-residential property classes.[28]

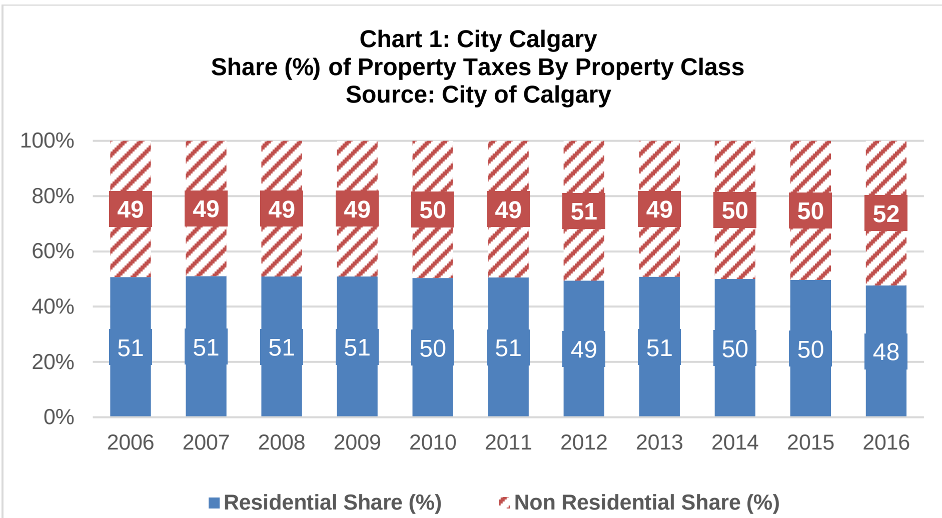
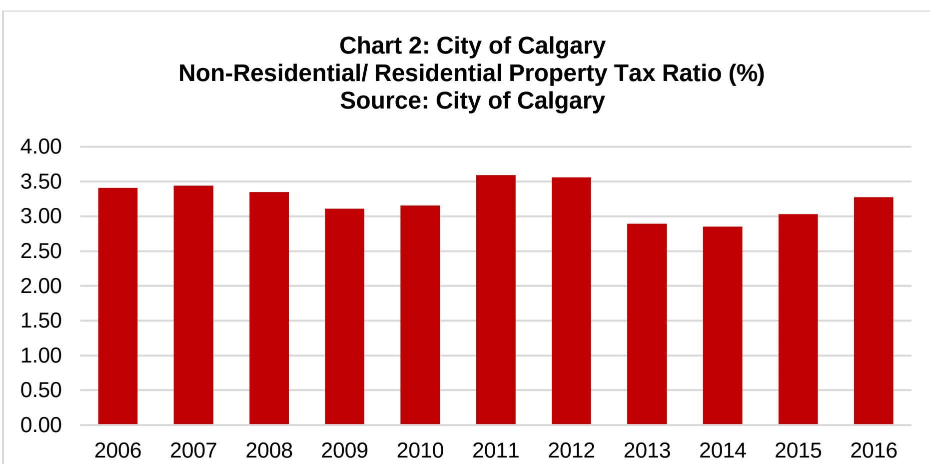


Chart 2 illustrates how this approach affects the non-residential to residential tax ratio in Calgary. As the chart shows, the ratio fluctuates from year to year.



[28] The deviation from 50 percent is because of real inventory and market value growth in those years. In years of higher non-residential growth, the tax share of non-residential properties would increase.

6.4.2 Tax Ratio Approach

As noted in Section 5, the tax ratio approach is used in Saskatoon, but in no other cities in Western Canada. However, looking beyond western Canada, there is evidence of provincial jurisdictions mandating a tax ratio approach:

- In Ontario, all municipalities must adopt a bylaw that sets the tax ratios for each class of property. All property tax rates are compared to the residential tax rate. The Province has set "allowable ranges of fairness" for tax ratios.
- The City of Toronto has committed to lower its non-residential to residential tax ratio to 2.5:1.
- In New Brunswick, municipalities set a rate on residential property and the rate on non-residential property must be 1.5 times the rate on residential property.
- In Alberta, proposed changes to the province's *Municipal Government Act* would set the non-residential to residential tax ratio to 5:1.

As the above points illustrate, the tax ratio approaches used, or proposed, in various jurisdictions have large variations. In fact, other than the Saskatoon Chamber of Commerce (2012) and the Canada West Foundation (2010), the literature does not recommend a specific tax ratio between non-residential and residential properties.

For example, in a 2014 report on Nova Scotia's property tax and assessment system, Kitchen and Slack (page 69) state: "Unfortunately, there is no single means of determining the appropriate tax rate ratio for business relative to residential properties." They make two additional points worth mentioning: (1) they were not able to obtain empirical evidence of businesses leaving the province because of property taxes; and (2) they are unable to make a recommendation on the appropriate ratio because the setting of tax rates and ratios requires judgement by decision makers.

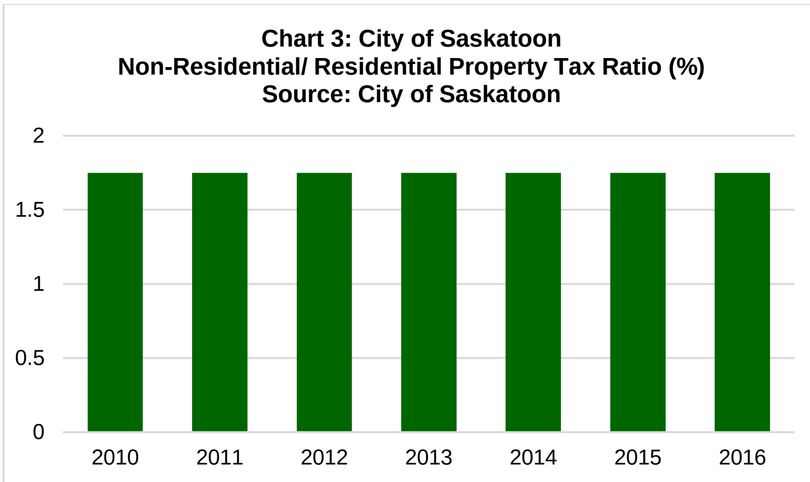
Kitchen and Slack's arguments were bolstered recently by a report from the B.C. Commission on Tax Competitiveness (November 2016). Despite the fact that tax ratios for some property classes (e.g., industrial) are 20 times higher than residential properties, the Commission could not recommend a specific tax ratio. They concluded that a specific tax ratio substantially reduces the fiscal flexibility of local governments.[29]

It appears that the tax share approach is used in those jurisdictions that have more frequent—meaning annual—property assessments (e.g., Edmonton, Calgary, and Vancouver). The tax ratio approach appears to be used in jurisdictions that have less frequent assessment cycles (e.g., Saskatoon and Toronto) although New Brunswick is in violation of this.

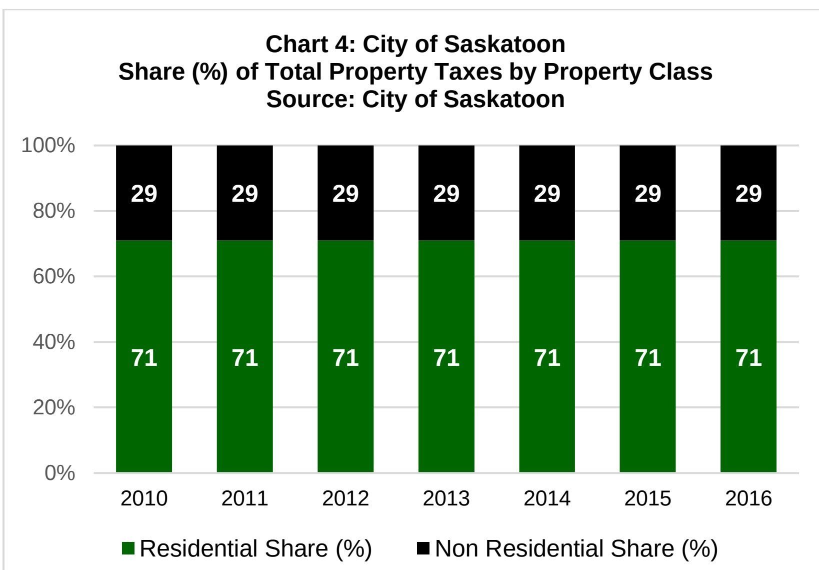
[29] They did caution, however, that excessive property taxes on major industrial and/or utilities properties creates investment uncertainty and competitiveness concerns about what the future level of property tax will be.

Nonetheless, the major benefit to the tax ratio approach is that it does provide certainty to investors about what the potential tax implications will be for new investments. However, there is no optimal tax ratio. On the other hand, the tax ratio approach can reduce a city's fiscal flexibility.

It might be useful to illustrate how a tax ratio approach affects the property tax share. Under a tax ratio approach, the tax share is the outcome and does not change from year to year. Charts 3 and 4 illustrate the effects of this approach as it pertains to the City of Saskatoon. As Chart 3 shows, since 2010, Saskatoon's non-residential to residential property tax ratio has been 1.75:1.



As Chart 4, shows, the fixed tax ratio has resulted in a fixed tax share for non-residential and residential property classes at 29 percent and 71 percent of total property classes respectively.



6.5 Implications of Options/ Approaches

The options and approaches described in subsection 6.3 can have various tax policy implications for residential and non-residential properties. Table 9 shows the implications that four different tax ratio options would produce both in terms of their impacts on residential and non-residential properties and the City of Saskatoon's non-residential and residential property tax mix. It also shows what the implications would be for revenue neutral approach and the tax share approach.

Table 9:
Implications of Options/Approaches

Options 1, 2 & 3	**% Impact Residential**			**% Impact Non-Residential**			**%Tax Mix Result**	
	Shift	Tax*	Total	Shift	Tax*	Total	Res	Non-Res
(1) Targeted Tax Ratio								
a) Maintain Ratio @ 1.75	-5.2	4.2	-1.0	12.6	4.2	16.8	67.2	32.8
b) Reduce Ratio to 1.43	0.9	4.2	5.1	-2.0	4.2	2.2	71.5	28.5
c) Reduce Ratio to 1.37	2.1	4.2	6.4	-5.0	4.2	-0.8	72.3	27.7
d) Increase Ratio to 2.0	-9.5	4.2	-5.3	23.0	4.2	27.2	64.2	35.8
(2) Revenue Neutral								
Ratio is 1.47	0.0	4.2	4.2	0.0	4.2	4.2	70.8	29.2
(3) Tax Share (budget)								
a) 50/50 Tax Share	0.0	2.9	2.9	0.0	7.1	7.1	70.2	29.8
b) 60/40 Tax Share	0.0	3.5	3.5	0.0	5.7	5.7	70.6	29.4
c) 65/35 Tax Share	0.0	3.8	3.8	0.0	5.0	5.0	70.8	29.2

**Includes City and Library tax increases for 2017.*

Under Option 1, there are various tax ratio scenarios that range from reducing the tax ratio to 1.37:1 and raising it to 2:1. The 1.37 tax ratio scenario follows the principle of horizontal equity and income tax deductibility that was used to originally set the City of Saskatoon's tax ratio policy back in 1998. On the other end, increasing the ratio to 2:1 follows recommended approaches in other jurisdictions.[30]

At this point, it may be useful to explore Saskatoon's approach in more detail. The original intent of the City of Saskatoon's property tax ratio policy was to achieve (horizontal) equity among residential and non-residential properties of similar assessed values (Saskatoon Tax Policy Review Committee, 1997). This was achieved by estimating the amount of property taxes that a business could deduct for income tax purposes. Canada's *Income Tax Act* allows businesses to deduct property taxes as an expense for the purposes of filing their corporate income tax (CIT) returns in a given year.

In Canada, CITs are levied by both federal and provincial governments on the net profits (before taxes) of a business. The federal and provincial governments each establish their own CIT rates and different rates are applied to different types of business. In Saskatchewan, for

[30] Business stakeholders in BC have recommended a 2:1 non-residential to residential tax ratio (City of Vancouver Property Tax Commission, 2014).

example, a small business (meaning income up to $500,000 per year) would face a combined federal and provincial tax rate of 12.5 percent (10 percent federal rate and 2.5 percent provincial rate) in 2017. However, larger corporations (income thresholds above $500,000 per year) in Saskatchewan face a higher combined income tax rate of 27 percent in 2017 (15 percent federal rate and 12 percent provincial rate).[31]

Since 1997, federal and provincial governments have taken steps to reduce CITs.[32] For example the combined general corporate income tax rate in Saskatchewan was approximately 43 percent in 1997. In 2010, it was 30 percent and, as noted, in 2017 it is 27 percent. Lower CIT rates also reduce the amount of property tax expenses that businesses are able to deduct for income tax purposes.

Table 10 illustrates how the CIT rate changes affect the business property tax liability and thus, can influence property tax equity. It suggests that business property taxes should be levied at a higher rate than residential properties.

Table 10:
Property Tax Equity and Corporate Income Tax Deduction

	2017		2010		1997	
	Residential	**Non-Residential**	**Residential**	**Non-Residential**	**Residential**	**Non-Residential**
Taxable Property Value	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000
Property Tax Liability	$1,500	$2,055	$1,500	$2,143	$1,500	$2,632
CIT Deduction Allowance (%)	0	27%	0	30%	0	43%
CIT Deduction Amount ($)	0	$554.85	0	$643	0	$1,132
Net Tax Liability	$1,500	$1,500	$1,500	$1,500	$1,500	$1,500
Property Tax Ratio	**1**	**1.37**	**1**	**1.43**	**1**	**1.75**

Returning to the options in Table 9, the least harmful option in terms of the tax shift and budgetary tax implications for both non-residential and residential properties is Option 2, the revenue neutral approach. However, the shortcoming of the revenue neutral approach is that it is not very useful in non-assessment years in maintaining a consistent tax ratio or tax share.

Under Option 3, there are three possible tax share scenarios. These scenarios allocate the budgetary property tax increase by: (a) 50 percent share from each property class; (b) a 60 percent share from the residential property tax class and a 40 percent share from the non-

[31] This is known as the "General Corporation" Income Tax rate applied to active business income. It is the rate that has been used by Saskatoon's Tax Policy Review Committee in recommending the 1.75 property tax ratio and further advance by the Canada West Foundation and Saskatoon Business Groups to arrive at the 1.43 property tax ratio. (Canada West Foundation, 2010).
[32] Economic research concludes that higher CIT's (and raining CIT rates) are harmful to the economy because capital investment is highly mobile. See, (BC Tax Competitiveness Commission, 2016).

residential property tax class; and (c) a 65 percent share from the residential property class and a 35 percent share from the non-residential property class. If any of these scenarios are implemented, it would likely take over 50 years before the City's total tax mix would equal any of these shares.[33]

That said and given the City of Saskatoon's original tax ratio approach, one equitable possibility might be to implement the revenue neutral approach in 2017 and then phase-in a targeted tax ratio, such as the 1.37 scenario, over time—say to the next reassessment cycle in 2020. This would mean that over four years it would add 0.5 percent per year to the residential tax class per year. On the other hand, the non-residential class would see a reduction of 1.2 percent per year for each of the four years.

[33] The timeframes are based on the assumptions of a four percent annual property tax budget increase and 2 percent growth in property inventory.

7. SUMMARY AND CONCLUDING OBSERVATIONS

The primary focus of this paper is to provide a comprehensive overview of business property taxation issues in selected Canadian cities. Given that context, a secondary objective is to help educate and inform decision makers about the complex issues on business property taxation. It does so by integrating theoretical frameworks in the economic literature with practical analysis of how selected cities approach the issue of business property taxation.

As section one of this paper details, Saskatoon has a storied history with respect to business property taxation. It is one of the only cities in Canada with a targeted non-residential to residential tax ratio. Section 1 also revealed that the tax ratio of 1.75:1 was the result of integrating income tax deductibility and (horizontal) equity. The low ratio was credited as helping to reduce Saskatoon's marginal effective tax rate on commercial and industrial investment. Despite having one of the lowest tax ratios in Canada for a city of Saskatoon's size, there have been calls to reduce this ratio to even lower levels.

Hence, a fundamental question that emerges is: if Saskatoon already has the most competitive business tax regime for capital investment, then should the City's non-residential to residential tax ratio be lowered further?

- If the answer is yes, then: (a) What is the appropriate ratio? (b) Is there evidence to suggest that a lower tax ratio is a catalyst to additional business investment?
- If the answer is no, then (a) Is there a "better" alternative? and (b) Will maintaining or even increasing the tax ratio result in reduced commercial and industrial investment?

Moreover, does the original principle of (horizontal) equity and tax deductibility still resonate? Should Saskatoon City Council continue to uphold this principle?

In attempting to answer these questions, this paper had to first set the stage by reviewing some fundamental criteria with respect to evaluating tax policies. As Section 2 reveals, while it may be impossible for any tax system to meet all of the criteria in establishing a good tax system, it is important to have some standard of measure so that a determination can be made on the efficacy of various property tax policy options that can be implemented.

In Section 3, the paper provides a review of the property taxation, including how it works, what types exist, the criticism (and adulation) of it, and the incidence, or who pays the burden of the property tax. On the last point, we fundamentally agree that the residential property tax is generally consistent with the "benefit view" and the non-residential property tax is consistent with the "capital view", indicating that the tax burden is generally borne by owners of capital.

In Section 4, the paper turns to focus more exclusively on business property taxation. In this section the objective is to determine the nature and extent to which the business property taxes help or hinder competitiveness. The section reveals:

- On the basis of benefits received, the empirical evidence in Canada suggests that the non-residential sector is over taxed relative to the residential sector. This over-taxation is potentially harmful if it reduces the level of economic activity.

- Studies suggest that the impact of property taxes on business competitiveness depends on a number of factors – the nature of the business decision (investment in new facilities, on-going operations, etc.), the business in question, plus other factors. More specifically, property taxes on business properties are not a concern unless the firm is in financial distress and the tax is a large component of its fixed cost.
- The literature, almost all of it based on U.S. studies, suggests that property tax differentials are relatively unimportant in inter-municipal or inter-regional location decisions but do play a role in intra-municipal or intra-regional location decisions. Two Canadian studies on tax competition find no evidence of harmful competition for capital and that neighboring jurisdictions show more similarity in their tax policies than non-neighboring jurisdictions.

Section 5 provides a comprehensive overview of the approaches to business property taxation in selected Canadian cities. It reveals that given the differences in provincial property assessment and taxation legislation, it is very difficult to measure outcomes across jurisdictions without making several adjustments. Nevertheless, the section reveals that Saskatoon is the only City that uses a targeted tax ratio approach. Most other cities utilize a tax share approach.

Over the last two assessment cycles, there is no denying that Saskatoon's non-residential property assessment base has grown considerably. But so too have they in Calgary, Edmonton, and Regina, where they have higher tax ratios as a result of utilizing different approaches to business taxation.

Although there may be a correlation between a lower tax ratio and increased business assessment, there is no way to prove causation. In other words, correlation should not imply causation. On the other hand, there is no denying that the tax ratio approach has been helpful in reducing the marginal effective tax rate for business investment.

Section 6 utilizes the information in Section 5 to generate policy options for consideration. This section provides three policy options or approaches for deliberation: (1) targeted tax ratio approach; (2) revenue neutral approach; and (3) tax share (or budget) approach. This section also uses the information in sections one through four to evaluate the policy approaches. As a result, two possible approaches emerge: the tax ratio approach and the tax share approach.

In some ways, the two approaches are inversely related. Under the tax ratio approach, the tax share is the outcome. Under the tax share approach the tax ratio is the outcome. So the question is what is more important?

Well, the evidence suggests that equity can be achieved under both approaches. It can be argued that the tax ratio approach provides transparency, accountability to business investors as the tax rate is essentially fixed, while the tax share approach provides more fiscal flexibility and generally limits the tax impact to residential property owners.

However, as Kitchen and Slack (2014) argue:

> *Ultimately, the task of setting tax rates and ratios requires judgement on the part of decision-makers. Local governments should monitor tax changes in their municipality and neighbouring municipalities as well as the attractiveness of their municipality for business investment. This information should help to determine whether tax ratios need to be changed, keeping in mind that a lower commercial tax rate will be borne by higher residential tax rates"*

In order to determine the efficacy of whatever tax policy approach the City of Saskatoon chooses, consideration should be given to providing a more quantitative analysis to measure whether the policy is actually producing the intended outcome. One way this could occur is through the development of key metrics.

In its 2014 report, the Vancouver Tax Policy Commission revealed eight metrics to help Council monitor the property tax situation for the commercial sector, and the attractiveness of Vancouver for business investment, relative to other parts of the region. These metrics are grouped as follows:

- Five metrics compare the commercial property tax situation in Vancouver to that of neighbouring municipalities – tax share, tax rates, tax per square foot, taxes per capita, and the tax rate ratio.
- The final three metrics gauge the ability of the city to retain and attract business investment relative to its neighbours (change in building permits, change in assessment, and change in vacancy rates).

The metrics need not be prescriptive, but could allow for more objectivity in determining whether or not Saskatoon's tax policy approach is appropriate under various economic conditions (e.g., downturn vs. expansion).

Although this paper does not address the issue of property tax business incentives—meaning tax abatements—it does so here briefly. If a low tax ratio is the key driver, as some suggest, for business investment and attraction, and perhaps business location decisions, then there is little need for a general business incentive, or tax abatement policy. Tax abatements can be useful to further some social policy goals or address market failures (e.g., incentivizing a downtown grocery store) but the general consensus in the literature is that property tax incentives are not an effective strategy to encourage economic growth (Kitchen & Slack, 2014).

Thus, if City Council decides to opt for a lower tax ratio, then the tax ratio in and of itself should send a strong enough policy signal to business investors that the City would no longer need any general business incentive policies (i.e., tax abatements) that are given to specific firms rather than to all firms. As such, consideration should be given to reviewing the suite of tax incentives the City offers, as this would allow policy makers to "concentrate more on the issues of general tax policy for all firms (such as equity and efficiency) than on tax incentives for specific firms" (Kitchen and Slack, 2012).

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1920-1

From: City Council
Sent: February 27, 2017 10:34 AM
To: City Council
Subject: Form submission from: Write a Letter to Council

Submitted on Monday, February 27, 2017 - 10:33
Submitted by anonymous user: 207.47.161.163
Submitted values are:

Date: Monday, February 27, 2017
To: His Worship the Mayor and Members of City Council
First Name: Kent
Last Name: Smith-Windsor
Address: 104 - 202 4th Avenue North
City: Saskatoon
Province: Saskatchewan
Postal Code: S7K 0K1
Email: assistant@saskatoonchamber.com
Comments: Kent Smith-Windsor would like to present to City Council's Finance Committe on March 6th regarding the Muncipal Tax Policy. Please confirm.

The results of this submission may be viewed at:
https://www.saskatoon.ca/node/398/submission/151773

1920-1

From: Andrew Shaw <andrew.shaw@nsbasask.com>
Sent: February 28, 2017 9:42 AM
To: Web E-mail - City Clerks
Cc: Keith Moen
Subject: Request to Speak

RECEIVED
FEB 28 2017
CITY CLERK'S OFFICE
SASKATOON

Hello,

On behalf of Keith Moen of the North Saskatoon Business Association, I would like to put in a request to speak at the upcoming Standing Policy Committee on Finance meeting on March 6th. Keith would like to speak regarding the city's Property Tax Differential. If it not already on the agenda to be discussed, Keith would also request that it be added to the meeting's agenda.

Thank you in advance,

Andrew

Andrew Shaw
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