



**PUBLIC AGENDA
STANDING POLICY COMMITTEE ON FINANCE**

Monday, December 5, 2016, 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 S. Gersher, Councillor A. Iwanchuk

Pages

1. CALL TO ORDER

2. CONFIRMATION OF AGENDA

Recommendation

That the agenda be confirmed as presented.

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 November 7, 2016 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 Proposed Member's Resolutions for The Art Gallery of Saskatchewan Inc. and The Saskatoon Art Gallery and Conservatory Corporation [CK. 175-27]

9 - 23

A letter dated October 31, 2016, from Mr. Alain Gaucher, Chair, Board of Directors, Remail Modern, regarding proposed resolutions for the transfer of the Mendel Art Gallery Foundation Inc. to the Remail Modern Foundation Inc., as part of the transition toward winding up the Mendel Art Gallery and opening Remail Modern, is provided.

A report of the City Solicitor is also provided.

Recommendation

That the City of Saskatoon, being the Member of The Art Gallery of Saskatchewan Inc. and the Member of the Saskatoon Gallery and Conservatory Corporation, appoint Charlie Clark [or in his absence (any Councillor)] of the City of Saskatoon, in the Province of Saskatchewan, as its proxy to vote on its behalf at the December Member's meetings of the Saskatoon Gallery and Conservatory Corporation and the Remail Modern Art Gallery of Saskatchewan for the approval of the Member's Resolutions for The Art Gallery of Saskatchewan Inc. and The Saskatoon Art Gallery and Conservatory Corporation, to be held on the 20th day of December, 2016, or at any adjournment of adjournments thereof.

6.2.2 Proposed Changes to Art Gallery of Saskatchewan Inc. (Remail Modern) Articles and Bylaws [CK. 175-27, x 620-5]

24 - 65

Letters dated November 24, 2016 and November 3, 2016, from Alain Gaucher, Board Chair, Remail Modern, regarding proposed changes to Art Gallery of Saskatchewan Inc. articles and bylaws, along with a summary of the proposed changes, copies of the articles and bylaws, and a request to speak.

A request to speak from Mr. Gaucher, Board Chair, Remail Modern on the above matter is provided.

Recommendation

That the City of Saskatoon, being the Member of The Art Gallery of Saskatchewan Inc., appoint Charlie Clark [of in his absence (any Councillor)] of the City of Saskatoon, in the Province of Saskatchewan, as its proxy to vote on its behalf at the December Member's meeting of the Remail Modern Art Gallery of Saskatchewan, regarding the proposed changes to The Art Gallery of Saskatchewan Inc. Articles and Bylaws, to be held on the 20th day of December, 2016, or at any adjournment of adjournments thereof.

6.3 Requests to Speak (new matters)

6.3.1 Remail Modern Opening

66 - 66

A request to speak from Mr. Alain Gaucher, Board Chair, Remail Modern, on the above matter, is provided.

Recommendation

That the information be received.

6.3.2 SREDA's 2016/2017 Report to the City of Saskatoon

67 - 71

A request to speak, along with the above report, has been received from Alex L. Fallon, President & Chief Executive Officer, Saskatoon Regional Economic Development Authority.

Recommendation

That a report be submitted to City Council recommending:

1. That the information be received;
2. That a bonus payment of \$118,750 to the Saskatoon Regional Economic Development Authority Inc. be approved; and
3. That SREDA's 2017 Key Performance Indicators and Targets be approved.

7. REPORTS FROM ADMINISTRATION

7.1 Delegated Authority Matters

7.1.1 Internal Audit Budget Information Update - November 2016 [CK. 1600-3 and AF. 1600-1]

72 - 76

Recommendation

That the information be received.

7.1.2 Request to Sell City-Owned Property - 410 5th Avenue North [CK. 4215-1, AF. 4110-1 and LS. 4110-1]

77 - 119

Recommendation

1. That the Director of Saskatoon Land be authorized to sell Lots 29 and 30, Block 181, Plan 99SA24455, located at 410 – 5th Avenue North in the City Park neighbourhood through an open market (standard terms) approach in compliance with the terms and conditions outlined in the December 5, 2016 report of the CFO/General Manager, Asset & Financial Management;
2. That if no offers are received for this parcel over a 60-day offer acceptance period, the parcel remain for sale over-the-counter until an acceptable market price offer is received;
3. That the Director of Saskatoon Land be authorized to administer architectural controls as a condition of sale for

- this parcel; and
4. 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.

7.2 Matters Requiring Direction

- 7.2.1 **SREDA Business Incentives - 2016 Tax Abatements [CK. 3500-13, AF. 3600-2-1, and x 1965-1]** 120 - 123

Recommendation

That the Standing Policy Committee on Finance recommend to City Council that the tax incentive abatements as determined by the Saskatoon Regional Economic Development Authority (SREDA) be approved.

- 7.2.2 **Incentive Application - 9 Mile Legacy Brewing Company [CK. 3500-13, AF. 3500-1]** 124 - 126

Recommendation

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

1. That the application from 9 Mile Legacy Brewing Company for a five-year tax abatement on the incremental portion of taxes at 229 20th Street West, as a result of its expansion in 2016, be approved as follows:

- 100% in Year 1
- 80% in Year 2
- 70% in Year 3
- 60% in Year 4
- 50% in Year 5

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

- 7.2.3 **Incentive Application - Fire Sand Real Estate Ltd. [CK. 3500-13 and AF. 3500-1]** 127 - 129

Recommendation

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

1. That the application from Fire Sand Real Estate Ltd. for a five-year tax abatement on the incremental portion of taxes at 3639 Burrton Avenue, as a result of its development in 2016, be approved as follows:

- 100% in Year 1
- 80% in Year 2
- 70% in Year 3
- 60% in Year 4
- 50% in Year 5

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

7.2.4 Heavy Equipment Repairs and Repair Parts - Blanket Purchase Orders [CK. 1390-1 and AF. 1390-1] 130 - 132

Recommendation

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

1. That the Administration prepare multi-year blanket purchase orders for the following vendors, and estimated costs per year, for up to the next five years:

- Cervus Equipment - \$35,000
- Frontline Truck and Trailer - \$80,000
- Redhead Equipment - \$140,000
- Brandt - \$45,000; and

2. That Purchasing Services, Asset and Financial Management Department, issue the appropriate blanket purchase orders

7.2.5 Summarized Reserve Analysis [CK. 1815-1 and AF. 1704-1] 133 - 219

Recommendation

That the Standing Policy Committee on Finance recommend to

City Council:

1. That the creation of the following four new reserves be approved:
 - Facility Site Replacement Reserve
 - Forestry Farm Park and Zoo Capital Reserve
 - PotashCorp Playland Asset Replacement and Maintenance Reserve
 - Street Cleaning/Sweeping Equipment Acquisition Reserve;
2. That the Asphalt Plan Replacement Reserve and Landfill Buildings/Equipment Replacement Reserve be repealed;
3. That various housekeeping updates to reflect the City of Saskatoon's current corporate structure be approved;
4. That the changes be effective January 1, 2017;
5. That the City Clerk be requested to update Council Policy No. C03-003, Reserves for Future Expenditures; and
6. That the City Solicitor be requested to amend The Capital Reserve Bylaw No. 6774.

7.2.6 Boychuk Interchange Land Acquisition [CK. 4020-1, x CK. 6000-1, AF. 4020-1 and LA. 4021-016-004] 220 - 223

Recommendation

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

1. That the Administration be authorized to purchase a portion of Surface Parcel # 120790425 from Larix Holdings Ltd. for the Boychuk Interchange Project as per the terms noted in the December 5, 2016 report of the General Manager, Transportation & Utilities Department;
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; and
3. That Project P2016 Boychuk Drive/Highway 16 Grade Separation be used as the funding source for this purchase, including legal and administrative costs and disbursements.

- 7.2.7 **Boychuk Interchange Land Exchange Agreement [CK. 4020-1, x 6000-1, AF. 4020-1 and LA. 4021-016-002]** 224 - 230

Recommendation

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

1. That the Administration be authorized to enter into a tri-party land exchange agreement with 101204822 Saskatchewan Ltd. and the Rural Municipality of Corman Park No. 344 as per the terms noted in the December 5, 2016 report of the General Manager, Transportation & Utilities Department;
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; and
3. That Project P2016 Boychuk Drive/Highway 16 Grade Separation be used as the funding source for this purchase, including legal and administrative costs and disbursements.

- 7.2.8 **2017 Commercial and Multi-Residential Revaluation [CK. 1616-1 and AF. 1615-8]** 231 - 234

Recommendation

That the report of the CFO/General Manager, Asset and Financial Management Department, dated December 5, 2016, be forwarded to City Council for information.

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 Land Sales [CK. 4215-1, AF. 4110-1 and LA. 4110-1]

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

11.2 Land Sales [CK. 4215-1, AF. 4131-1 and LA. 4110-1]

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

11.3 Third Party Review [CK. 180-6, x 1870-10, AF. 181-4 and LS. 181-1]

[In Camera - Third Party Information - Section 18 - LAFOIPP]

11.4 Land Sales [CK. 4215-1, x 4131-32, AF. 4131-1 and LA. 4131-30]

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

12. ADJOURNMENT

rRemai mModern

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P.O. Box 569
Saskatoon SK S7K 3L6 Canada

October 31, 2016

City Clerk's Office
City of Saskatoon
222 3rd Avenue North
Saskatoon, SK
S7K 0J5

Re: Members Resolution – Name Change of the Corporation Mendel Art Gallery Foundation Inc. to Remai Modern Foundation Inc.

This resolution relates to the transfer of the Mendel Art Gallery Foundation Inc. to the Remai Modern Foundation Inc., as part of the transition toward winding up the Mendel Art Gallery and opening Remai Modern. The legal changes have been led by the office of the City Solicitor and the boards of the Mendel, Remai Modern and the Mendel Foundation have all approved the changes.

Our request to Council is that the City's representative be instructed to vote the City's proxy at the December Board of Directors meeting of the Saskatoon Gallery and Conservatory Corporation Board of Trustees and the Remai Modern Art Gallery of Saskatchewan for the signing of the attached two Member's Resolutions.

Attached are the following documents:

- Member's Resolution for The Art Gallery of Saskatchewan Inc.
- Member's Resolution for The Saskatoon Art Gallery and Conservatory Corporation
- Schedule "A"

We appreciate your consideration of this request.

Yours Sincerely,



Alain Gaucher, Q.C.
Chair Board of Directors, Remai Modern

The Art Gallery of Saskatchewan Inc.

Member's Resolutions

Whereas the Board of the Art Gallery of Saskatchewan Inc. at its meeting on the 20 day of September, 2016, passed the following resolution:

- “1. The Board of the Art Gallery of Saskatchewan Inc. hereby endorses and supports the Resolutions of the Directors of the Mendel Art Gallery Foundation Inc., a copy of which is attached as Schedule “A”.”

Now Therefore be it resolved that:

1. The Resolution of the Board of the Mendel Art Gallery Foundation Inc. cited above, including Schedule “A”, be and the same is confirmed by the Member without variation.

Confirmed by the Member of the Art Gallery of Saskatchewan Inc. this ____ day of _____, 2016.

Member

Schedule "A"

The Mendel Art Gallery Foundation Inc.

1. Paragraph 1 of the Articles of Incorporation be amended by deleting "Mendel Art Gallery Foundation Inc." and replacing it with "Remai Modern Foundation Inc."
2. Paragraph 5 of the Articles of Incorporation be amended by deleting "Max 12" and replacing it with "Max 16".
3. Schedules 2 and 3 referred to in Paragraph 7 of the Articles of Incorporation be replaced with 2a and 3a attached to this Resolution.
4. That Schedule 4 referred to in Paragraph 8 of the Articles of Incorporation be replaced with Schedule 4a attached to this Resolution.

Schedule 2a

The Objects of the Corporation shall be to raise and provide funds on behalf of and provide funds on behalf of a Canadian Registered Charity, The Art Gallery of Saskatchewan Inc., Registration Number BN 80569 8511 RR 0001.

Schedule 3a

The purposes of the Corporation are to develop and manage an endowment for the benefit of the Remai Modern, operated by The Art Gallery of Saskatchewan Inc. As such the Corporation will:

- (a) manage all funds and acquired property;
- (b) use the funds to support the acquisition of artworks for the Remai Modern collection, and to support other exhibition and public programs for the advancement of the goals of the Remai Modern as an educational and cultural facility for the benefit of the people of Saskatoon, Saskatchewan, Canada and their visitors;
- (c) conduct and direct fundraising program enhancing solicitation of funds through, for example: contributions, estate planning, memorial gifts and specific fund raising drives, including for raising funds for capital purposes if requested by the Remai Modern;
- (d) provide the community with continued feedback respecting the description and disposition of the Corporation funds;
- (e) present special funding requirements of the Remai Modern to the communities it serves; and
- (f) have the power to convert any property at any time from time to time received held by the Corporation onto any other form, and for such purposes to sell, dispose of, assign, transfer, lease or exchange the same, provided that it is not in contravention of any express term under which such property was received.

Schedule 4a

Upon liquidation or dissolution of the Corporation, the remaining assets shall be transferred to the Art Gallery of Saskatchewan Inc., presently a Canadian Registered Charity, Registration No. BN 80569 8511 RR 0001.

The Saskatoon Art Gallery and Conservatory Corporation

Member's Resolutions

Whereas the Board of the Saskatoon Art Gallery and Conservatory Corporation at its meeting on the 20 day of September, 2016, passed the following resolution:

- “1. The Board of the Saskatoon Art Gallery and Conservatory Corporation hereby endorses and supports the Resolutions of the Directors of the Mendel Art Gallery Foundation Inc., a copy of which is attached as Schedule “A”.”

Now Therefore be it resolved that:

1. The Resolution of the Board of the Saskatoon Art Gallery and Conservatory Corporation cited above, including Schedule “A”, be and the same is confirmed by the Member without variation.

Confirmed by the Member of the Saskatoon Art Gallery and Conservatory Corporation this ____ day of _____, 2016.

Member

Schedule "A"

The Mendel Art Gallery Foundation Inc.

1. Paragraph 1 of the Articles of Incorporation be amended by deleting "Mendel Art Gallery Foundation Inc." and replacing it with "Remai Modern Foundation Inc."
2. Paragraph 5 of the Articles of Incorporation be amended by deleting "Max 12" and replacing it with "Max 16".
3. Schedules 2 and 3 referred to in Paragraph 7 of the Articles of Incorporation be replaced with 2a and 3a attached to this Resolution.
4. That Schedule 4 referred to in Paragraph 8 of the Articles of Incorporation be replaced with Schedule 4a attached to this Resolution.

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- (c) conduct and direct fundraising program enhancing solicitation of funds through, for example: contributions, estate planning, memorial gifts and specific fund raising drives, including for raising funds for capital purposes if requested by the Remai Modern;
- (d) provide the community with continued feedback respecting the description and disposition of the Corporation funds;
- (e) present special funding requirements of the Remai Modern to the communities it serves; and
- (f) have the power to convert any property at any time from time to time received held by the Corporation onto any other form, and for such purposes to sell, dispose of, assign, transfer, lease or exchange the same, provided that it is not in contravention of any express term under which such property was received.

Schedule 4a

Upon liquidation or dissolution of the Corporation, the remaining assets shall be transferred to the Art Gallery of Saskatchewan Inc., presently a Canadian Registered Charity, Registration No. BN 80569 8511 RR 0001.

Proposed Member's Resolutions for The Art Gallery of Saskatchewan Inc. and The Saskatoon Art Gallery and Conservatory Corporation

Recommendation

That this Report be received as information.

Topic and Purpose

The purpose of this Report is to provide background information to the request of the President of The Saskatoon Gallery and Conservatory Corporation and The Art Gallery of Saskatchewan Inc. for City Council to appoint a proxy to vote in favour of the proposed Members' Resolutions as set out in the President's letter dated October 31, 2016.

Report Highlights

1. The City of Saskatoon (the "City") is the sole Member of The Saskatoon Gallery and Conservatory Corporation, which operated the Mendel Art Gallery, and is the sole Member of The Art Gallery of Saskatchewan Inc., which will be operating the Remai Modern. These two corporations are controlled corporations of the City. Being sole Member is analogous to being a sole shareholder of a corporation.
2. The Mendel Art Gallery Foundation Inc. was incorporated by The Saskatoon Gallery and Conservatory Corporation to raise monies for the Mendel Art Gallery.
3. The City is not a Member of that corporation.
4. The Boards of Directors of The Saskatoon Gallery and Conservatory Corporation, The Art Gallery of Saskatchewan Inc. and The Mendel Art Gallery Foundation Inc. wish to change the purpose of The Saskatoon Gallery and Conservatory Corporation from raising monies for the Mendel Art Gallery to raising monies for the Remai Modern, and to have the monies now being held for the benefit of the Mendel Art Gallery to having it held for the benefit of the Remai Modern.
5. The Boards of Directors of The Saskatoon Gallery and Conservatory Corporation and The Art Gallery of Saskatchewan Inc. are requesting that the City, which is the sole Member of each, approve the resolutions of the Boards of Directors.

Strategic Goals

The Strategic Goals are to support the financial sustainability of the Remai Modern and improve the Quality of Life of the citizens of Saskatoon and other visitors to the Remai Modern by assisting in the acquisition of works of art by the Remai Modern.

Background

This Report gives additional background to the request in a letter dated October 31, 2016 by Alain Gaucher, QC, on behalf of The Saskatoon Gallery and Conservatory Corporation and The Art Gallery of Saskatchewan.

Report

The Saskatoon Gallery and Conservatory Corporation has operated the Mendel Art Gallery since the mid 1960's.

In approximately 1989, The Saskatoon Gallery and Conservatory Corporation incorporated The Mendel Art Gallery Foundation Inc. as a non-profit charitable corporation for the purposes of raising money for the Mendel Art Gallery.

The Art Gallery of Saskatchewan Inc. was incorporated by the City to operate the Remai Modern art gallery, which is to open in 2017.

The Mendel Art Gallery closed to the public in June of 2015.

The Mendel Art Gallery Foundation Inc. still has in its possession monies it had raised for the Mendel Art Gallery before it closed.

Discussions occurred among the Boards of The Saskatoon Gallery and Conservatory Corporation, The Art Gallery of Saskatchewan Inc. and The Mendel Art Gallery Foundation Inc. as to what should be done with the monies still in the Foundation's hands.

The parties determined that the best approach, in summary, would be to have The Mendel Art Gallery Foundation Inc.:

- change its name to The Remai Modern Foundation Inc.;
- change its purposes from raising monies for the Mendel Art Gallery to raising monies for the Remai Modern;
- have the monies still in the hands of The Mendel Art Gallery Foundation Inc. redirected to the Remai Modern on two conditions:
 - (i) that monies which were raised as "unrestricted" be used solely for the purposes of art acquisition for the Remai Modern and that such acquisitions be acknowledged, when such art work is displayed or reproduced, as having been funded by The Mendel Art Gallery Foundation Inc.; and

Proposed Member's Resolutions for The Art Gallery of Saskatchewan Inc. and The Saskatoon Art Gallery and Conservatory Corporation

- (ii) that monies raised with a "restricted" purpose be used in accordance with those purposes.

The Non-profit Corporations Act, 1995, under which all of the above corporations were created, requires that when a non-profit corporation (such as The Mendel Art Gallery Foundation Inc.) has raised monies from the public, its purposes cannot be changed without a Court order – in this case changing the purposes of The Mendel Art Gallery Foundation Inc. (to be renamed) from raising monies for the Mendel Art Gallery to raising monies for the Remai Modern.

The Boards of Directors for The Saskatoon Gallery and Conservatory Corporation, The Mendel Art Gallery Foundation Inc. and The Art Gallery of Saskatchewan Inc. have all passed resolutions to:

- (i) instruct the Office of the City Solicitor to make the necessary applications to Court to change the purposes of the Mendel Art Gallery; and
- (ii) change the name of The Mendel Art Gallery Foundation Inc. as set out above.

In furtherance of these goals, the Office of the City Solicitor drafted the required resolutions for the Board of Directors of each of these three corporations, which resolutions each of the three Boards have passed.

The City is not a Member of The Mendel Art Gallery Foundation Inc.

The Member of The Saskatoon Gallery and Conservatory Corporation and The Art Gallery of Saskatchewan Inc. – in each case The City of Saskatoon, is now being asked to approve the resolutions of the Boards of Directors so that the Office of the City Solicitor can then make the application to Court for an Order allowing these changes.

The Member's (the City's) approval would be obtained by the Member (the City) approving the resolutions of the Boards of these two corporations by passing the proposed Member's Resolutions at a Member's Meeting now scheduled for December.

Thus, the President of these two corporations on behalf of the two Boards, has requested that the City, as the sole Member of each corporation, appoint as its proxy one of the persons on City Council to vote the Member's (the City's) approval of the Boards' of Directors resolutions by passing the proposed Member's Resolutions.

Communication Plan

No communication plan is necessary.

Proposed Member's Resolutions for The Art Gallery of Saskatchewan Inc. and The Saskatoon Art Gallery and Conservatory Corporation

Financial Implications

There are no direct financial implications to the City, but passage of the proposed Member's Resolutions is anticipated to assist in fundraising for acquisition of works of art by the Remail Modern.

Other Considerations/Implications

Passage of the proposed Member's Resolutions is anticipated to assist in fundraising for the Remail Modern.

Public Notice

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

Report Approval

Written by: B. H. Rossmann, QC, Solicitor, Director of Municipal Law
and Civil Litigation
Approved by: Patricia Warwick, City Solicitor

Admin Report – Proposed Member's Resolutions.docx
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rRemai mModern

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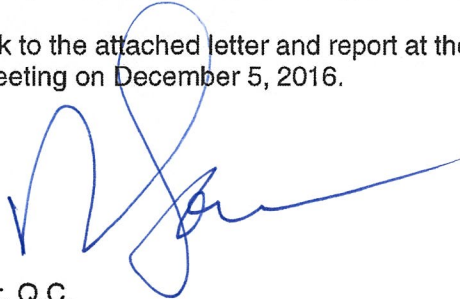
November 24, 2016

City Clerk's Office
City of Saskatoon
222 3rd Avenue North
Saskatoon, SK
S7K 0J5

Re: Proposed Changes to Art Gallery of Saskatchewan Inc. (Remai Modern) Articles and Bylaws

Please find attached a letter dated November 3, 2016 and a table explaining the proposed changes to the Articles and Bylaws. As Remai Modern's sole member, the City of Saskatoon needs to approve such amendments.

I wish to speak to the attached letter and report at the SPC Finance Committee Meeting on December 5, 2016.



Alain Gaucher, Q.C.
Board Chair, Remai Modern

CC: Gregory Burke, Executive Director & CEO

rRemai mModern

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P.O. Box 569
Saskatoon SK S7K 3L6 Canada

TO: Saskatoon City Council

FROM: Alain Gaucher, Chair, Board of Art Gallery of Saskatchewan Inc.

DATE: November 3, 2016

SUBJECT: Proposed Changes to Art Gallery of Saskatchewan Inc. (Remai Modern) Articles and Bylaws

Dear Sirs and Madams:

The Art Gallery of Saskatchewan Inc., which operates as Remai Modern ("**Remai Modern**"), would like to amend its articles ("**Existing Articles**") and bylaws ("**Bylaw 1**"). As Remai Modern's sole member, the City of Saskatoon needs to approve such amendments.

Over the course of the past year the Board of Remai Modern has undertaken a review of its governance framework, which has included reviewing its articles and bylaws, establishing new standing committees and defining rigorous terms of reference for those committees. This is to ensure the gallery has the appropriate framework to support its vision of being a leading Canadian Art Gallery. The existing articles and bylaws have been through an exhaustive review by our Governance Committee (which included then Councilor Paulsen) and by the Remai Modern Board, which has subsequently passed a resolution approving the draft amendments, subject to approval by the City of Saskatoon.

The City Solicitor was consulted in the course of drafting the amendments and important adjustments were made as a result.

We have prepared an attached table, which outlines the major proposed changes to the Existing Articles and Bylaw 1 of Remai Modern.

As will be explained in the table below, there are only two proposed changes to the Revised Articles—increasing the size of the board and expanding Remai Modern's permitted scope of activities to include "all things necessarily incidental" to operating the gallery and promoting fine arts.

The bylaws were substantially re-written and thus there are many changes. Below we have highlighted what are, in our opinion, the material changes between Bylaw 1 and Bylaw 2.

One change I wish to highlight is the ability for up to four directors out of a total of sixteen to be appointed from outside the City of Saskatoon. As the sole member the City of Saskatoon would continue to be the appointing body and would approve all nominations.

The Remai Modern is a major new art gallery in Canada and five times the size of the Mendel Art Gallery. Like many Canadian galleries of a similar size it has a local, provincial and national mandate. Many of these galleries have the ability to appoint directors from outside their municipality, the Vancouver Art Gallery being one example. This allows them to draw on provincial and national governance expertise. Such expertise would include national governance knowledge of art collections, exhibition management and fundraising. In relation to fundraising Remai Modern will need to fundraise up to 45% of its annual operating budget; millions of dollars more than the Mendel Art Gallery. To meet this need and to support the ability of the Remai Modern presenting exhibitions of national significance, national level corporate sponsorships will be required.

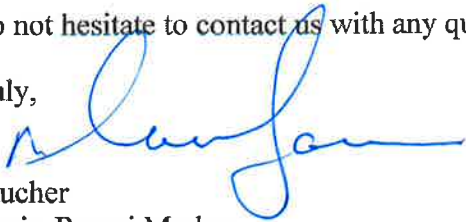
Our legal name is the Art Gallery of Saskatchewan Inc and significant grant funding is provided by provincial agencies. We would like to be able to appoint one or more directors to provide a provincial perspective and advocacy.

The ability to appoint up to four directors from outside Saskatoon supports the Board and City of Saskatoon's ability to meet the vision and annual business plans of Remai Modern.

If you would like any additional information, please let us know.

Please do not hesitate to contact us with any questions.

Yours truly,



Alain Gaucher
Board Chair, Remai Modern

ARTICLES	Summary of Provision in Revised Articles	Explanation of Change from Existing Articles to Revised Articles
4	Number (or minimum and maximum number) of Directors The minimum number of directors is 12, and the maximum number of directors is 16.	The Revised Articles increase the minimum number of directors from 6 to 12 and the maximum number of directors from 14 to 16.
6	Restrictions on activities In addition to operating the gallery and encouraging the appreciation of fine arts, Remai Modern may do all things necessarily incidental to and reasonably connected with such goals in relation to the operation of the Art Gallery of Saskatchewan as a provincially, nationally and internationally renowned art gallery.	The Revised Articles add that Remai Modern may do all things necessarily incidental and reasonably connected to its primary goals of operating the gallery and promoting fine arts.
BYLAWS	Summary of Relevant Portion of Provision in Bylaw 2	Explanation of Change from Bylaw 1 to Bylaw 2
Article 4 The Member		
4.1 Member	The sole member of Remai Modern is the City of Saskatoon.	Bylaw 2 decreases the number of members from an unlimited number to 1: the City of Saskatoon. Under Bylaw 1, there is one class of membership but no restriction on the number of members. However, Bylaw 1 only permitted directors to admit additional members in the following circumstances: (a) the members and the City Council approve such admission; (b) the City of Saskatoon must, at all times, hold at least 2/3 of the total issued membership interests in Remai Modern; and

		(c) any membership interest issued to a person other than the City of Saskatoon must be held in trust for the City of Saskatoon and such person must cast any votes they are entitled to as members as directed by City Council.
Article 6 Board of Directors		
6.1 Number of Directors	The minimum number of Directors is 12 and the maximum number of Directors is 16.	Bylaw 2 increases the minimum number of directors from 6 to 12 and the maximum number of directors from 14 to 16. This reflects the change made in the Revised Articles.
6.2 Qualifications of Directors	Bylaw 2 specifies that: <ul style="list-style-type: none"> • at least 12 Directors must be residents of Saskatoon; • 2 Directors must be City Councillors; and • up to 4 Directors may reside outside the City of Saskatoon. 	Bylaw 2 adds that up to 4 Directors may reside outside the City of Saskatoon. Bylaw 1 requires that at least 2 directors to be City Councillors and requires the rest of the directors to be residents of the City of Saskatoon.
6.3 Election and Term of Office	Directors shall serve a maximum of 6 years on the Board (3 2-year terms). However, a Director may serve 1 or more subsequent terms if the circumstances merit it and the City Council expressly consents. A Director who serves as Chair remains on the Board as Past-Chair (a voting member of the Board) until the close of the next Annual Member Meeting. This is the case regardless of whether or not such Director has already served the maximum of 6 consecutive years.	Bylaw 2 adds the ability to reappoint a Director for additional consecutive terms after he or she reaches the 6 year maximum. Bylaw 2 decreases the term of the Past-Chair. Bylaw 1 provides that the Past-Chair (referred to in Bylaw 1 as the past president) shall serve for 2 years after he or she ceases to be Chair. Bylaw 2 decreases the term of the Past-Chair to 1 year after he or she ceases to be Chair.
	A Director who has served the maximum number of	Bylaw 2 adds this rule, however, Bylaw 1 does not

	consecutive terms may be reappointed as a Director 3 years after ceasing to be a Director.	prohibit this.
6.4 Director Emeritus Designation	<p>An outgoing or former Director who has made a significant contribution to Remai Modern may be awarded the distinction of Director Emeritus. A Director Emeritus has the right to attend Board meetings (but can be excluded by the Board if necessary), but has no right to vote, cannot be counted towards quorum and is not entitled to be reimbursed for expenses.</p> <p>The Board may remove a Director Emeritus at any time from his or her position with the approval of at least 75% of the Board.</p>	Bylaw 2 adds the concept of Director Emeritus. It is not present in Bylaw 1.
Article 7 Board Meetings		
7.2 Regulation and Place of Meetings	Board meetings must be held in Saskatoon or within 30 kilometers of Saskatoon.	Bylaw 2 adds that Board meetings may be held within 30 km of Saskatoon. Bylaw 1 requires Board meetings to be held within Saskatoon.
7.4 Chair of Meetings, Minutes & Voting Procedure	In the event of a tie, the Chair is not entitled to a second or casting vote; rather, the motion is considered to have failed.	Bylaw 2 changes the rule regarding ties. Under Bylaw 1, if there is a tie, the chairperson has a second or casting vote.
Article 8 Committees of the Board		
8.1 Creation of Committees and	The Board must establish the following standing Committees: (a) Executive Committee;	Bylaw 2 provides for 7 mandatory committees and permits the Board to constitute any additional Committees as necessary. Bylaw 1 only provides for 1

<p>Committee Appointments</p>	<p>(b) Audit and Finance Committee; (c) Governance Committee; (d) Development Committee; (e) Human Resources Committee; (f) Collection Committee; and (g) Nominations Committee.</p> <p>Non-Directors may be invited by the Board to serve as voting members of the Committees.</p>	<p>mandatory committee (the Audit Committee), and provides that the board may create any other committees it deems necessary.</p> <p>Bylaw 2 expressly adds that non-Directors are permitted to serve as voting members of Committees of the Board.</p>
<p>Article 10 Officers</p>		
<p>10.1 Election and Term of Office</p>	<p>All Officers must be Directors.</p> <p>Officers are elected for a 1-year term. There is no limit to how many terms an Officer may serve.</p>	<p>Under Bylaw 2, all Officers must be Directors whereas under Bylaw 1, only the president and vice-president are required to be Directors.</p> <p>Bylaw 2 changes the term of office to set 1-year terms. Under Bylaw 1, Officers hold their position until a successor is appointed or they resign.</p>



1. Name of corporation: THE ART GALLERY OF SASKATCHEWAN INC. Entity No.: 101147469

2. The articles of the corporation are amended as follows:

Change the name to:

Change the name to:

X

Other: The corporation's Articles of Incorporation are amended as follows.

A. Section 4 of the Articles of Incorporation is repealed and replaced by the following:

The minimum number of directors of the corporation shall be 12 and the maximum number of directors of the corporation shall be 16.

B. Section 6(a)(iii) of the Articles of Incorporation is repealed and replaced by the following:

all things necessarily incidental to and reasonably connected with the above in relation to the operation of the Art Gallery of Saskatchewan as a provincially, nationally and internationally renowned art gallery.

3. Each amendment has been duly authorized pursuant to the requirements of the Act.

I Erin Smith, being Solicitor and Agent of the corporation, certify that the Articles of Amendment and any attachments are correct and that I have the authority to request these Articles be filed pursuant to The Business Corporations Act. Date: Signature:



1. Name of Corporation: Entity No.:
The Art Gallery of Saskatchewan Inc. 101147469

2. The classes of membership:

There shall be one class of membership in the corporation.

3. Right, if any, to transfer membership interest:

No membership interest in the corporation shall be capable of being assigned, transferred, mortgaged, charged or encumbered in any way.

4. Number (or minimum and maximum number) or directors:

The minimum number of directors of the corporation shall be 12, and the maximum number of directors of the corporation shall be 16.

5. The corporation is a charitable corporation.

6. Restrictions, if any, on activities the corporation may carry on or on the powers the corporation may exercise:

a. The activities the corporation may carry on are restricted to:

- i. the establishment, management, operation and maintenance of The Art Gallery of Saskatchewan Inc. in the City of Saskatoon and promotion of its facilities, amenities, works of art and programs for the benefit of the citizens of the City of Saskatoon and visitors;
- ii. encouraging the development and appreciation of the fine arts, with particular emphasis on the visual arts, including creation, collection, exhibition and presentation of the same, the provision of various educational, teaching and other programs and the lending and borrowing of works of art and art displays; and
- iii. all things necessarily incidental to and reasonably connected with the above in relation to the operation of the Art Gallery of Saskatchewan as a provincially, nationally and internationally renowned art gallery.

b. The corporation shall not:

- i. borrow money on the credit of the corporation, except from the City of Saskatoon;
- ii. issue, reissue, sell or pledge debt obligation of the corporation, except in favour of the City of Saskatoon; and

- iii. mortgage, hypothecate, pledge or otherwise create any security interest in all or any property of the corporation, owned or subsequently acquired, to secure any debt obligation of the corporation, except in favour of the City of Saskatoon.
 - c. The corporation cannot incorporate or cause to be incorporated, any Non-Profit or other corporation or foundation or like body without the consent of the City of Saskatoon.
- 7. Persons to whom remaining property is to be distributed in the course of liquidation and dissolution of the corporation:

Upon liquidation or dissolution of the corporation, any remaining property, whether real or personal and of whatever kind or nature and wherever situate, shall be transferred to the City of Saskatoon.

- 8. Other provisions, if any:
 - a. With the exception of a resolution of the directors of the corporation made at the first meeting of directors following incorporation admitting the City of Saskatoon as a member, no resolution of the directors of the corporation admitting any person as a member shall be of any force and effect until it has been confirmed by the members at a meeting of members;
 - b. No resolution of the directors adopting, amending or repealing bylaws shall have any effect until it has been confirmed by the members at a meeting of members;
 - c. A vacancy among the directors can only be filled by a vote of the members at a meeting of the members.
- 9. The foregoing restated articles of incorporation correctly set out, without substantive change, the corresponding provisions of the articles of incorporation as amended and supersede the original Articles of Incorporation.

Date	Name	Office Held	Signature

**BYLAW NO. 2
(2016)**

A Bylaw relating generally to the conduct of the affairs of:
The Art Gallery of Saskatchewan Inc.

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**ARTICLE 1
INTERPRETATION**

1.1 DEFINITIONS

In this Bylaw the following defined terms shall have the meanings ascribed below:

- (a) "**Act**" means *The Non-profit Corporations Act, 1995*, S.S. 1995, c. N-4.2, together with the regulations made pursuant thereto and any statute or regulations enacted in substitution therefor, all as amended from time to time;
- (b) "**Annual Member Meeting**" means the required annual meeting of the Member as described in Section 5.6;
- (c) "**appoint**" includes "elect" and *vice versa*;
- (d) "**Articles**" means the Corporation's articles of incorporation, as amended or restated from time to time;
- (e) "**Auditor**" means a professional accountant in good standing and licensed to audit financial statements in the Province of Saskatchewan who is (A) appointed by the Member to audit the financial statements of the Corporation and (B) is independent of the Member and Directors;
- (f) "**Board**" means the board of directors of the Corporation;
- (g) "**bylaws**" means any and all bylaws of the Corporation currently in effect;
- (h) "**Bylaw**" means this Bylaw No. 2 of the Corporation, as the same may be amended or re-enacted from time to time;
- (i) "**Chair**" means the position of chair of the Board as further defined in Article 10;
- (j) "**CEO**" means the chief executive officer of the Corporation or the successive equivalent position;
- (k) "**Claims**" means claims, losses, damages (direct, indirect, consequential or otherwise), suits, judgments, causes of action, legal proceedings, executions, demands, penalties or other sanctions of every nature and kind whatsoever, whether accrued, actual, contingent or otherwise, and any and all costs arising in connection therewith including legal fees and disbursements on a solicitor and his or her own client basis (and also including all such legal fees and disbursements in connection with any and all appeals);
- (l) "**Committee**" refers to any standing or ad hoc committee of the Board, and "**Committees**" refers to one or more of the standing or ad hoc committees of the Board;

- (m) "**Corporation**" means The Art Gallery of Saskatchewan Inc.;
- (n) "**Directors**" means the members of the Board, collectively, and "**Director**" means any one of them;
- (o) "**Director Emeritus**" has the meaning set out in Section 6.4(a);
- (p) "**Member Meeting**" means any meeting of the Member, including the Annual Member Meeting;
- (q) "**Member**" means the member of the Corporation as set out in this Bylaw;
- (r) "**Nominee**" means an individual nominated by the Nominations Committee for election or re-election to the Board, and "**Nominees**" means more than one Nominee;
- (s) "**Officers**" means the officers of the Corporation elected pursuant to Article 10, collectively, and "**Officer**" means any one of them;
- (t) "**Past-Chair**" means the individual, if any, who held the position of Chair within the past year but is not the current Chair;
- (u) "**Person**" includes any individual, proprietor, corporation, partnership, limited partnership, trust, joint venture, unincorporated organization, union, First Nation, Indian band, Métis organization or government, government or governmental body, and also includes, as applicable, their respective heirs, legal representatives, successors and assigns;
- (v) "**Schedule**" means a schedule to this Bylaw;
- (w) "**Secretary**" means the position of secretary of the Corporation as further defined in Article 10;
- (x) "**Treasurer**" means the position of treasurer of the Corporation as further defined in Article 10; and
- (y) "**Vice-Chair**" means the position of vice-chair of the Board as further defined in Article 10.

1.2 **TERMS**

All terms defined in the Act and which are not otherwise defined in this Bylaw shall have the same meaning given to such terms in the Act.

1.3 **EXTENDED MEANINGS**

For the purposes of this Bylaw, the word "including" shall be deemed to be followed by the statement "without limitation" and shall not be construed to limit any word or statement which it follows to the specific or similar items or matters immediately

following it, and the words "hereto", "hereof", "herein", "hereunder", "hereby" and similar expressions refer, unless otherwise expressly stated, to this Bylaw as a whole, and not any particular article, section, subsection, paragraph or other subdivision of this Bylaw.

1.4 GENDER AND NUMBER

This Bylaw is to be read with all changes in gender or number as required by the context. References thereto in the singular number or masculine gender shall also include the plural number or feminine (and neuter in the case of a corporation) gender, when the context so requires.

1.5 HEADINGS

The division of this Bylaw into articles, sections, subsections, paragraphs and clauses, and the insertion of headings, are for convenience of reference only and shall not affect the construction or interpretation of this Bylaw.

1.6 EFFECTIVE DATE

This Bylaw shall come into force and effect upon the date it is enacted by the Member.

**ARTICLE 2
THE CORPORATION AND ITS OBJECTS**

2.1 BUSINESS NAME

The Corporation shall operate under the business name "Remai Modern", or any other business name approved by the Board.

2.2 OBJECTS

The objects of the Corporation include the following:

- (a) to maintain, manage and operate Remai Modern Art Gallery of Saskatchewan for the benefit of the citizens of the City of Saskatoon and visitors;
- (b) to acquire and develop a permanent collection of art that supports the Corporation's vision and mandate;
- (c) to present an exhibition program that supports the Corporation's vision and mandate;
- (d) to present education and access programs that support the Corporation's vision and mandate;
- (e) to promote and foster activities, programs and presentations that support the Corporation's vision and mandate; and

- (f) to implement revenue generation activities that support the Corporation's vision and mandate.

2.3 NOT FOR PROFIT

The Corporation shall be operated on a non-profit basis.

**ARTICLE 3
REGISTERED OFFICE AND SEAL**

3.1 REGISTERED OFFICE

The registered office of the Corporation shall be located in the City of Saskatoon in the Province of Saskatchewan at such place as the Board may from time to time determine.

3.2 SEAL

The Corporation may adopt a corporate seal in the form approved from time to time by the Board.

**ARTICLE 4
THE MEMBER**

4.1 MEMBER

The sole Member of the Corporation shall be the City of Saskatoon.

4.2 RIGHTS AND PRIVILEGES OF THE MEMBER

The rights and privileges of the Member include the following:

- (a) to receive notice of all Member Meetings;
- (b) to attend all Member Meetings;
- (c) to vote at all Member Meetings; and
- (d) appoint and remove Directors.

**ARTICLE 5
MEMBER MEETINGS**

5.1 TIME AND PLACE OF MEETINGS

- (a) Member Meetings shall be held within the City of Saskatoon, at such place and time and on such day as the Member may determine.
- (b) Each Annual Member Meeting shall be held not later than 15 months after holding the preceding Annual Member Meeting.

- (c) The Chair or the Secretary may call a Member Meeting at any time, and shall do so when requested in writing by the Member.

5.2 NOTICE OF MEETING

- (a) A notice of a Member Meeting shall be delivered to the Member, the Directors and the Auditor by letter, facsimile, electronic mail, in-person, or by telephone no later than 15 days, and not more than 50 days, prior to a Member Meeting.
- (b) The notice of a Member Meeting that is not an Annual Member Meeting shall state the purpose for which the meeting is being called.
- (c) The notice of an Annual Member Meeting shall indicate if there will be any special business considered at the meeting and, if so, the notice shall describe such special business in sufficient detail so as to permit the Member to form a reasoned judgment thereon.
- (d) A Member Meeting, but not an Annual Member Meeting, may be held without notice provided that:
 - (i) the Member is present and waives notice; and
 - (ii) the Auditor and a quorum of Directors are present or waive notice, provided that the Auditor and such Directors are not present for the express purpose of objecting to the transaction of any business on the grounds that the Member Meeting is not lawfully called.

5.3 ADJOURNMENTS

- (a) Any Member Meeting may be adjourned from time to time and place to place, but no business shall be transacted at a subsequent meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (b) Unless the Member decides otherwise, notice of such adjournment is not required.

5.4 MINUTES & VOTING PROCEDURE

- (a) The only Persons entitled to be present at a Member Meeting are the Member, the Auditor (subject to Section 13.1(d)), the Directors and any other Person who is entitled or required under the Act, the Articles or the bylaws to be present at the Member Meeting.
- (b) In addition to being entitled to attend, Directors are entitled to be heard at all Member Meetings.
- (c) In addition to being entitled to attend, the Auditor is entitled to be heard at all Member Meetings on matters related to his or her duties as Auditor.

- (d) For greater certainty, the Directors and the Auditor are not entitled to vote at Member Meetings.
- (e) Any Person may be invited to attend a Member Meeting by the Member or the Board.
- (f) The Member shall record and keep, or cause to be recorded and kept, minutes of any Member Meeting and any resolutions passed thereat.
- (g) At all Member Meetings, every question shall be decided by unanimity.

5.5 RESOLUTION IN LIEU OF MEETING

- (a) A resolution in writing delivered to the Corporation and signed by the Member is as valid as if it had been passed at a Member Meeting unless a written statement with respect to the subject matter of the resolution is submitted by a Director or the Auditor in accordance with the Act.
- (b) Resolutions in writing contemplated in Section 5.5(a) may be signed in several counterparts, which counterparts together shall constitute a single resolution in writing and may be delivered by facsimile, be scanned and emailed, or otherwise be delivered by any means of electronic communication that is capable of producing a printed copy.
- (c) Any such resolution in writing is effective for all purposes at such time as the resolution states regardless of when the resolution is signed.
- (d) A copy of every such resolution in writing shall be kept with the minutes of the Member Meetings.

5.6 BUSINESS AT ANNUAL MEMBER MEETINGS

The business transacted at Annual Member Meetings shall include:

- (a) adopting the agenda;
- (b) adopting the minutes of the last Annual Member Meeting;
- (c) receiving the report of the Chair;
- (d) receiving the Corporation's financial statements and the report of the Auditor;
- (e) electing Directors if, as, or when required pursuant to this Bylaw;
- (f) appointing the Auditor for the ensuing year; and
- (g) receiving such other reports and conducting such other business as may be properly brought before the meeting.

**ARTICLE 6
BOARD OF DIRECTORS**

6.1 NUMBER OF DIRECTORS

Pursuant to the Articles, the minimum number of Directors shall be 12 and the maximum number of Directors shall be 16. From time to time, the Board shall fix the number of Directors within that range to suit the Corporation's needs.

6.2 QUALIFICATIONS OF DIRECTORS

(a) In order to be eligible to become a Director, and in order to continue to serve as a Director, an individual:

- (i) must be at least 18 years old;
- (ii) cannot have been found to be of unsound mind by a court in Canada or elsewhere; and
- (iii) cannot have the legal status of bankrupt.

(b) A majority of the Directors must be resident Canadians.

(c) At least 12 of the Directors must be residents of the City of Saskatoon.

(d) A maximum of 4 of the Directors may reside outside of the City of Saskatoon.

(e) At least 2 of the Directors must be neither Officers nor employees of the Corporation or its affiliates.

(f) At least 2 of the Directors must be current members of the City Council of the City of Saskatoon.

(g) The Directors who are not members of the City Council of the City of Saskatoon must also not be a family member of or a closely connected person to (as those terms are defined in *The Cities Act*, S.S. 2002, c. C-11.1) a member of the City Council of the City of Saskatoon.

6.3 ELECTION AND TERM OF OFFICE

(a) In order to attain regular turnover of Directors while preserving as much institutional knowledge of the Corporation as possible, it is intended that approximately 1/3 of the Directors are replaced every 2 years.

(b) Individuals shall be elected and re-elected to the Board pursuant to the following process:

- (i) The Nominations Committee shall select Nominees for election and re-election to the Board.

- (ii) All Nominees shall be presented to the Board and the Board shall approve all Nominees prior to presenting the Nominees to the City Council of the City of Saskatoon.
 - (iii) The Nominees who have been approved by the Board will be presented by the Board to the City Council of the City of Saskatoon for approval by the City Council of the City of Saskatoon.
 - (iv) The City Council of the City of Saskatoon may, at its discretion, appoint any or all Nominees to serve as Directors, and/or may appoint any other individual to serve as a Director.
 - (v) At the Annual Member Meeting or other Member Meeting at which the term of one or more Directors will expire or a vacancy on the Board has otherwise arisen, Nominees for the Board positions that are vacant, or about to become vacant who have received the approval of the City Council of the City of Saskatoon, shall be presented by the Board to the Member, and the Member shall vote on the Nominees. All Nominees approved by the Member shall be Directors.
- (c) In evaluating potential Nominees, the Nominations Committee and the Board shall consider the skills that are needed to ensure that the Corporation has a strong and well-rounded Board.
 - (d) Subject to Section 6.5, Directors shall be elected for a term that lasts until the conclusion of business of the second Annual Member Meeting following a Director's election.
 - (e) Directors shall be entitled to serve 3 consecutive terms, for a total of 6 years.
 - (f) A Director who has previously served the maximum number of consecutive terms may be reappointed as a Director 3 years after ceasing to be a Director.
 - (g) Notwithstanding Section 6.3(e), the Member may elect a Director who has served 3 consecutive terms for 1 or more subsequent terms if the circumstances merit it, for example, in order to facilitate business continuity. A Director shall only be granted the ability to serve more than 3 consecutive terms with the express consent of the City Council of the City of Saskatoon.
 - (h) Notwithstanding Section 6.3(e), a Director who finishes serving as Chair shall remain on the Board as Past-Chair from the time he or she ceases to serve as Chair until the conclusion of business of the next Annual Member Meeting in order to facilitate business continuity. For greater certainty, the Past-Chair shall continue to serve as a Director regardless of how many consecutive years he or she has served as a Director. For greater certainty, the position of Past-Chair shall be a voting member of the Board.

6.4 DIRECTOR EMERITUS DESIGNATION

- (a) A former or outgoing Director who has made a significant contribution to the Corporation may be awarded the distinction of Director emeritus ("**Director Emeritus**").
- (b) In order to be awarded the distinction of Director Emeritus, the Nominations Committee must nominate a former or outgoing Director and this nomination must be approved by not less than 75% of the Board.
- (c) A Director Emeritus has the right to attend all Board meetings, however he or she may be excluded by the Board if the Board determines it is necessary to have an in camera session.
- (d) A Director Emeritus has no right to vote at any Board meetings, shall not be counted towards quorum and has no right to be reimbursed for any expenses.
- (e) The Board may remove a Director Emeritus at any time from his or her position with the approval of at least 75% of the Board.

6.5 REMOVAL OF DIRECTORS

A Director may be removed at any time from his or her position by the Member.

6.6 VACATION OF OFFICE

- (a) The office of a Director shall be immediately vacated upon the occurrence of any of the following events:
 - (i) if a receiving order is made against a Director, or if a Director makes an assignment under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, and the regulations made thereunder and any statute or regulations enacted in substitution therefor, all as amended from time to time;
 - (ii) if a Director dies;
 - (iii) if, by notice in writing to the Corporation, a Director resigns his or her office and such resignation, if not effective immediately, becomes effective in accordance with its terms;
 - (iv) if a Director is removed pursuant to Section 6.5; and
 - (v) if the Director otherwise ceases to satisfy all of the qualifications of a Director as set forth in Section 6.2.
- (b) Where there is a vacancy among the Directors because of a death, resignation or any other cause, only the Member may fill such a vacancy at a Member Meeting or by a resolution in writing.

- (c) A Director selected by the Board to fill a vacancy described in Section 6.6(b) shall complete the term of office of the Director whose vacancy was filled by such an appointment.

6.7 ACTIONS BY THE BOARD

- (a) Subject to the Articles, the bylaws and any unanimous member agreement, the Board:
 - (i) shall manage the activities and affairs of the Corporation;
 - (ii) shall promote the objects of the Corporation as set out in Section 2.2; and
 - (iii) may exercise all such powers and do all such acts and things as may be exercised or done by the Corporation and which are not expressly directed or required by the Act or any other statute, the Articles, the bylaws or any resolution of the Board or the Member to be done in some other manner.
- (b) The powers of the Board may be exercised at a meeting at which a quorum is present in accordance with Section 7.1 or by resolution in writing in accordance with Section 7.6.
- (c) Where there is a vacancy on the Board, the remaining Directors may exercise all the powers of the Board so long as a quorum remains in office.

6.8 REMUNERATION AND EXPENSES

- (a) The Directors shall not receive any remuneration for their time fulfilling their duties as Directors, however, they shall each be entitled to be reimbursed for any reasonable and actual out of pocket expenses incurred in attending Board meetings or Committee meetings.
- (b) A Director who serves the Corporation in any other capacity may receive remuneration for services provided in such a role.

ARTICLE 7 BOARD MEETINGS

7.1 QUORUM

- (a) The Board shall not transact business at a Board meeting unless a majority of the Directors present are resident Canadians, except where:
 - (i) a resident Canadian Director who is unable to be present approves in writing or by telephone or other electronic means the business to be transacted at the meeting; and

- (ii) a majority of resident Canadians would have been present had that Director been present at the meeting.
- (b) Subject to Canadian resident requirements set out in Section 7.1(a), the quorum for the transaction of business at any Board meetings shall consist of a majority of the Directors then in office, provided that in no event shall the quorum consist of less than 4 Directors or such greater number of Directors as the Board may from time to time determine.
- (c) If a quorum is present at the opening of any Board meeting, the Directors present may proceed with the business of the meeting notwithstanding that a quorum is not present throughout the meeting.
- (d) If a quorum is not present within 1 hour of the time appointed for the Board meeting, the Directors may adjourn the meeting to a fixed time and place but may not transact any other business.

7.2 REGULATION AND PLACE OF MEETINGS

- (a) Except as otherwise provided by the Act and the bylaws, the Directors may regulate their meetings as they think fit.
- (b) Board meetings shall be held in the City of Saskatoon or within 30 kilometers of the City of Saskatoon at such time and on such day as the Board may determine.

7.3 CALLING BOARD MEETINGS

- (a) Board meetings may be called by:
 - (i) the Chair;
 - (ii) the Secretary, on the direction of the Chair; or
 - (iii) the Secretary, on the written direction of any 2 Directors.
- (b) Every Director shall be given notice by letter, facsimile, electronic mail, in-person, or by telephone at least 48 hour prior to every Board meeting.
- (c) The Directors may at any meeting decide to hold regular scheduled meetings by passing a resolution stating the day, hour and place of the regular scheduled meetings. Thereafter no further notice of those regular scheduled meetings shall be required except where required by the Act.
- (d) Notice of any Board meeting may be waived by the unanimous consent of all Directors before, during or after such a meeting.

- (e) A Director waives notice of a meeting by his or her attendance at the meeting, or if not in attendance, a Director may waive notice by letter, facsimile, electronic mail, telephone or otherwise.
- (f) Provided a quorum of Directors is present, each newly elected Board may, without notice, hold its first meeting immediately following the Member Meeting at which such Board is elected.
- (g) At least 48 hours in advance of any scheduled Board meeting, the Chair shall provide all Directors with an agenda of business to be discussed at the meeting and any associated materials necessary so as to permit the Directors to form a reasoned judgment on each agenda item.
- (h) Notice of intention to discuss or vote on any of the following matters at a Board meeting must be included in the notice of a Board meeting:
 - (i) submitting to the Member any question or matter requiring the approval of the Member;
 - (ii) approving the annual financial statements; or
 - (iii) adopting, amending or repealing bylaws.
- (i) A Board meeting may be adjourned from time to time and place to place, but no business shall be transacted at an adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (j) It is not necessary to give notice of an adjourned meeting or of the business to be transacted thereat unless a meeting is adjourned for 45 days or more, in which case notice of the adjourned meeting shall be given as in the case of the original meeting pursuant to this Section 7.3.

7.4 CHAIR OF MEETING, MINUTES & VOTING PROCEDURE

- (a) The chair of any Board meeting shall be the:
 - (i) the Chair;
 - (ii) in the absence of the Chair, the Vice-Chair; or
 - (iii) in the absence of the Chair and Vice-Chair, the Directors shall choose one of their number to chair the meeting.
- (b) Unless otherwise specified in this Bylaw, every question arising at any Board meeting shall be decided by a majority of votes of Directors present at the meeting.

- (c) In case of an equality of votes, the Chair shall not be entitled to a second or casting vote.
- (d) In the case of an equality of votes, the motion shall be considered to have failed.
- (e) All votes at any Board meeting shall be taken by a show of hands unless any Director present demands the vote be taken by ballot. If such a demand is made, the vote shall be taken by ballot. Such a demand may be withdrawn at any time prior to the taking of the ballot.
- (f) A declaration by the Chair that a resolution has been carried and an entry to that effect in the minutes shall be admissible in evidence as *prima facie* proof of the fact without the number or proportion of the votes recorded in favour of or against such resolution.
- (g) Voting by proxy is not permitted at any Board meeting.

7.5 PARTICIPATION IN MEETINGS BY ELECTRONIC MEANS

- (a) If all the Directors consent, a Director may participate in a Board meeting by means of a telephonic, an electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting.
- (b) A Director participating in a meeting by such means shall be deemed for all purposes to be present at the meeting.

7.6 RESOLUTION IN LIEU OF MEETING

- (a) A resolution in writing delivered to the Corporation and signed by all the Directors entitled to vote on that resolution at a Board meeting is as valid as if it had been passed at a Board meeting.
- (b) Resolutions in writing contemplated in Section 7.6(a) may be signed in several counterparts, which counterparts together shall constitute a single resolution in writing and may be delivered by facsimile, be scanned and emailed, or otherwise be delivered by any means of electronic communication that is capable of producing a printed copy.
- (c) Any such resolution in writing is effective for all purposes at such time as the resolution states regardless of when the resolution is signed.
- (d) A copy of every such resolution in writing shall be kept with the minutes of the Board meetings.

7.7 ATTENDANCE OF OTHER PERSONS

- (a) The CEO shall be given notice of all Board meetings and shall be entitled to attend and be heard at all Board meetings. However, the CEO may be excluded by the Board if the Board determines it is necessary to have an in camera session.
- (b) Notwithstanding Section 7.7(a), the CEO is not required to receive notice of a Board meeting if:
 - (i) notice is not required to be provided to the Directors pursuant to Section 7.3;
 - (ii) the CEO waives notice of a Board meeting by his or her attendance at such a meeting or if he or she waives notice of such a meeting by letter, facsimile, electronic mail, telephone or otherwise; or
 - (iii) all Directors unanimously waive the requirement for the Directors to receive notice of a Board meeting before, during or after such a meeting pursuant to Section 7.3(d).
- (c) Individuals, other than Directors and the CEO, may attend Board meetings at any time with the approval of the Board.
- (d) For greater certainty, neither the CEO nor a guest invited to a Board meeting pursuant to Section 7.7(c) has the right to vote at a Board meeting.

**ARTICLE 8
COMMITTEES OF THE BOARD**

8.1 CREATION OF COMMITTEES AND COMMITTEE APPOINTMENTS

- (a) The Board has the right to establish such Committees as it deems necessary from time to time and delegate to any such Committee any of the powers of the Board except those which pertain to items which, under the Act, a committee of a board has no authority to exercise, including those items listed in Section 7.3(h).
- (b) The Board shall prescribe the duties of all Committees and elect or remove Committee members as necessary.
- (c) The mandates, terms of reference and policies established by each Committee and any changes thereto shall be subject to ratification by the Board and shall be subject to any limitations or responsibilities imposed by law or provided in the Articles or bylaws.
- (d) The following is a list of the standing Committees that shall be established:
 - (i) Executive Committee;

- (ii) Audit and Finance Committee;
 - (iii) Governance Committee;
 - (iv) Development Committee;
 - (v) Human Resources Committee;
 - (vi) Collection Committee; and
 - (vii) Nominations Committee.
- (e) In addition to the above standing Committees, the Board may establish one or more ad hoc Committees as it sees fit.
- (f) Each Committee, through its chair and confirmed by the Board, may invite such additional individuals as it may deem necessary to advise and assist in Committee matters. Such additional individuals shall be full members of the respective Committee and shall be required to comply with any codes of conduct or other policy regulating the conduct of Directors as described in Section 11.2, but shall not be a Director unless elected in accordance with this Bylaw.
- (g) Each Committee shall have a minimum of 3 and a maximum of 8 members, a majority of whom must be Directors.
- (h) The Executive Committee shall, notwithstanding Section 8.1(g), be comprised of the Chair, the Vice-Chair, the Treasurer and the Secretary.
- (i) The Audit and Finance Committee shall, notwithstanding Section 8.1(g), be comprised of a minimum of 3 Directors. Additionally, a majority of both the Directors and the members on the Audit and Finance Committee shall be neither Officers nor employees of the Corporation or its affiliates.
- (j) The Auditor shall receive notice of every meeting of the Audit and Finance Committee and has the right to attend and be heard at such meetings.
- (k) The Collection Committee may, notwithstanding Section 8.1(g), have a majority of members who are not Directors.
- (l) The Nominations Committee shall, notwithstanding Section 8.1(g), be comprised of:
- (i) the Chair, Vice-Chair, Treasurer and Secretary; and
 - (ii) up to a maximum of 4 additional Directors that may be invited to join at the discretion of the Chair, Vice-Chair, Treasurer and Secretary.

8.2 COMMITTEE PROCEDURE

- (a) Each Committee shall operate under the terms of reference provided to it by the Board.
- (b) Unless otherwise determined by the Board:
 - (i) each Committee shall have the power to fix its quorum at not less than a majority of its members; and
 - (ii) the Board shall appoint a chair of each Committee to regulate its procedure.
- (c) The chair of each Committee shall be responsible for the calling of all meetings and for the presentation of reports to the Board.
- (d) In the case of an equality of votes, the chair of each Committee shall not be entitled a second or casting vote.
- (e) In the case of an equality of votes, the motion shall be considered to have failed.
- (f) The chair shall keep or cause to be kept minutes of its meetings in which shall be recorded all decisions made by it, which minutes shall be submitted, as soon as practical, to the Board.
- (g) Notice of all Committee meetings shall be sent to the Chair, or in the Chair's absence, the Vice-Chair, and the CEO by letter, facsimile, electronic mail, in-person, or by telephone at least 48 hour prior to every Committee meeting.
- (h) The Chair, or in the Chair's absence, the Vice-Chair, and the CEO have the right to attend and be heard at every Committee meeting.
- (i) Notwithstanding Section 8.2(h), the CEO may be excluded by a Committee if the Committee determines it is necessary to have an in camera session.
- (j) For greater certainty, only Committee members shall be counted towards quorum and have the right to vote on matters before the Committee.

8.3 TRANSACTION OF COMMITTEE BUSINESS

- (a) The powers of a Committee may be exercised at a meeting at which a quorum is present or by a resolution in writing signed by all members of such Committee who would have been entitled to vote on that resolution at a Committee meeting.
- (b) Resolutions in writing contemplated in Section 8.3(a) may be signed in several counterparts, which counterparts together shall constitute a single resolution in writing and may be delivered by facsimile, be scanned and emailed, or otherwise

be delivered by any means of electronic communication that is capable of producing a printed copy.

- (c) Members of Committees are able to take part in meetings via electronic means as described in Section 7.5, *mutatis mutandis*.

ARTICLE 9 IRREGULARITIES

9.1 ERRORS AND OMISSIONS RELATED TO NOTICE

No errors or accidental omission in giving notice for a Member Meeting, Board meeting or Committee meeting shall invalidate such meeting or invalidate or make void any proceedings taken or held at such meeting, and the Member, any Director, any Committee member and the Auditor may at any time waive notice or agree to abridge the time for any notice required to be given to them of any such meeting and may ratify and approve of any or all of the proceedings taken at such meeting.

9.2 IRREGULARITIES AND ERRORS MADE IN GOOD FAITH

Irregularities or errors made in good faith shall not invalidate acts or decisions made during any Member Meeting, Board meeting or Committee meeting.

ARTICLE 10 OFFICERS

10.1 ELECTION AND TERM OF OFFICE

- (a) The Board shall elect the Officers as required, and may delegate to such Officers powers to manage the business and affairs of the Corporation.
- (b) All Officers must be Directors.
- (c) There shall be at least 4 Officers and they shall be:
 - (i) the Chair;
 - (ii) the Vice-Chair;
 - (iii) the Secretary; and
 - (iv) the Treasurer.
- (d) Subject to Section 6.2(e), the Board may elect such other Officers as it sees fit.
- (e) A Director may hold more than 1 office.
- (f) All Officer positions have a term of 1 year. There is no limit to how many terms an Officer can serve.

- (g) The Board may remove an Officer from his or her position at any time by a majority vote of the Board.

10.2 DUTIES OF OFFICERS

- (a) The Chair shall:
 - (i) supervise the business and affairs of the Board;
 - (ii) prepare the agenda for each Board meeting;
 - (iii) call Board meetings pursuant to Section 7.3;
 - (iv) call Member Meetings pursuant to Section 5.1(c);
 - (v) when present, preside as chair at all Board meetings; and
 - (vi) any other duties assigned by the Board.
- (b) The Vice-Chair shall:
 - (i) assume the Chair's duties during an absence or disability of the Chair;
 - (ii) at the request of the Chair, assist the Chair in performing any of the Chair's duties; and
 - (iii) any other duties assigned by the Board.
- (c) The Treasurer shall:
 - (i) keep or cause to be kept proper accounting records in compliance with the Act and in accordance with generally accepted accounting principles;
 - (ii) ensure that true accounts of the following are kept:
 - A. the sums of money received and disbursed by the Corporation;
 - B. the matters in respect of which said receipts and disbursements take place;
 - C. all sales and purchases by the Corporation;
 - D. the assets and liabilities of the Corporation; and
 - E. all other transactions affecting the financial position of the Corporation;
 - (iii) provide a report regarding revenues and expenses of the Corporation to the Board quarterly, or more frequently as requested; and

- (iv) any other duties assigned by the Board.
- (d) The Secretary shall:
 - (i) record and keep minutes of Board meetings and any resolutions passed thereat, or cause such minutes and resolutions to be recorded and kept;
 - (ii) maintain or cause to be maintained the minute book for the Corporation, which shall include, among other things, the Articles, the bylaws and any unanimous member agreement;
 - (iii) file or cause to be filed the annual return, notice of a change of Directors, and any other documents required by the Corporate Registry of Saskatchewan;
 - (iv) call Board meetings as directed pursuant to Section 7.3;
 - (v) call Member Meetings pursuant to Section 5.1(c);
 - (vi) ensure any notices required in the bylaws or under the Act are delivered; and
 - (vii) any other duties assigned by the Board.
- (e) The duties of any additional Officers elected pursuant to Section 10.1(d) shall be prescribed by the Board at the time of their election.

10.3 VARIATION OF DUTIES

From time to time the Board may vary, add to, or limit the powers and duties of any Officer.

10.4 REMUNERATION AND EXPENSES

- (a) The Officers shall not receive any remuneration for their time fulfilling their duties as Officers, however, they shall each be entitled to be reimbursed for any reasonable and actual out of pocket expenses incurred in attending to Board business in their capacity as Officers.
- (b) An Officer who serves the Corporation in any other capacity may receive remuneration for services provided in such a role.

ARTICLE 11 DIRECTORS' AND OFFICERS' OBLIGATIONS

11.1 PRIMARY LEGAL DUTIES

For greater certainty, the primary legal duties of each Director and Officer include the following:

- (a) **Duty of Care** — The duty of care requires each Director and Officer to exercise the care, diligence and skill that a reasonably prudent Person would exercise in comparable circumstances. This includes being prepared for meetings, engaged, asking questions and following-up on results.
- (b) **Fiduciary Duty** — Each Director and Officer is required by law to act honestly and in good faith in all his or her dealings involving the Corporation. Each Director and Officer must exercise his or her decision making powers in the best interests of the Corporation and not for any side purpose, special interest or other agenda. In discharging this fiduciary duty, each Director and Officer is expected, when at the boardroom table, to address his or her mind exclusively to the interests of the Corporation. Each Director and Officer must resist the temptation to allow the sound judgment and advice which they are expected to provide to be clouded by extraneous factors including the personal financial interests of the Director or Officer.
- (c) **Duty of Confidentiality** — Each Director and Officer is required to keep all information acquired in the course of performing his or her role as a Director and/or Officer of the Corporation confidential except for any such information that a majority of the Board expressly authorizes may be shared. Each Director and Officer acknowledges that unauthorized statements will adversely affect the interests of the Corporation.

Notwithstanding the above:

- (i) a Director who is a City Councillor for the City of Saskatoon is not precluded from providing reports to in-camera sessions of the City Council of the City of Saskatoon or the City of Saskatoon's Governance and Priorities Committee (or any such successor committee); and
- (ii) any Director may disclose to legal counsel such matters as are necessary for the purpose of receiving legal advice. Any expense related to seeking or receiving such legal advice is that of the Director seeking legal advice, unless such expense is specifically approved by the Board.

11.2 CODES OF CONDUCT/CONFLICTS OF INTEREST

- (a) Each Director shall comply with any codes of conduct or other policy regulating the conduct of Directors, including conflict of interest guidelines, as adopted and amended by the Board from time to time.
- (b) A Director must declare all conflicts of interest as defined by the Act, *The Cities Act* (Saskatchewan), the bylaws or as otherwise defined by law and shall not take part in deliberations or votes of the Board with respect to any such matter.
- (c) The following form part of this Bylaw and all Directors must comply with the terms of such policies:

- (i) the City of Saskatoon Code of Conduct for Members of Civic Boards, Commissions, Authorities and Committees attached as Schedule A, as may be amended from time to time or the Code of Ethics pursuant to *The Cities Act* (Saskatchewan), as such Code of Ethics may be amended from time to time; and
- (ii) the City of Saskatoon Anti-Harassment Policy for Members of Civic Boards, Commissions, Authorities and Committees, attached as Schedule B, as it may be amended from time to time.

11.3 STATUTORY REQUIREMENTS

The Board shall meet all statutory requirements under the Act and any other legislation that may from time to time apply to the Board, to individual Directors, or to the Corporation. The Board may hire legal counsel or other advisors to assist it in meeting this obligation.

ARTICLE 12 PROTECTION OF DIRECTORS AND OFFICERS

12.1 INDEMNITY

- (a) The Corporation shall indemnify and save harmless every:
 - (i) Director and former Director; and
 - (ii) Officer and former Officer,
 - (iii) and their respective heirs, executors, administrators and personal representatives, from and against:
 - (iv) all Claims and associated costs, charges and expenses (including any amount paid to settle an action or satisfy a judgment) which such individual sustains or incurs or which is brought, commenced or prosecuted against him or her for or in respect of any act, deed, matter or thing whatsoever made, done or permitted by him or her to be done in or about the execution of the duties of his or her office; and
 - (v) all other costs, charges and expenses which such individual sustains or incurs in respect of or in relation to the affairs of the Corporation, except the costs, charges or expenses occasioned by his or her own willful neglect or default.
- (b) The indemnity authorized by this Section 12.1 shall be applicable only to the extent that such indemnity shall not duplicate any indemnity or reimbursement which the individual seeking indemnity hereunder has received or shall receive otherwise than by virtue of this Section.

- (c) Directors and Officers may rely on the accuracy of any statement or report prepared by the Auditor. Directors and Officers shall not be held liable for any loss or damage as a result of acting on that statement or report.

12.2 CONDITIONS TO INDEMNITY

The Corporation's obligations to indemnify a Director or Officer as set out in Section 12.1 is subject to the conditions precedent that:

- (a) the Director or Officer acted honestly and in good faith with a view to the best interests of the Corporation when taking the action in question in the Claim;
- (b) the Director or Officer acted within his or her authority as a Director or Officer pursuant to the Articles, bylaws, any other constating documents of the Corporation, any policies of the Corporation and the Act;
- (c) in the case of a criminal or administrative proceeding that is enforced by a monetary penalty, the Director or Officer had reasonable grounds for believing that the conduct in questions was lawful;
- (d) if the action is an action by or on behalf of the Corporation to procure a judgment in its favour, to which action the Director or Officer is made a party by reason of being or having been a Director or Officer of the Corporation, a court of competent jurisdiction gives its approval to the Corporation to indemnify the Director or Officer;
- (e) the Director or Officer did not improperly profit by the conduct in question, including, without limiting the generality of the foregoing, did not appropriate an opportunity which ought to have been made available to the Corporation; and
- (f) the Director or Officer did not fail to act in accordance with specific and lawful instructions or directions of the Board.

12.3 REQUIREMENTS TO CLAIM AN INDEMNITY

In order to qualify for indemnity, a Director or Officer shall do the following.

- (a) Provide written notice to the Corporation, directed to the Chair and Secretary, of the Claim as soon as reasonably practical after becoming aware of any Claim which may give rise to indemnification under Section 12.1. Failure to give such notice in a timely fashion will not disentitle the Director to the indemnity except to the extent that the Corporation suffers actual prejudice by reason of the delay in giving that notice.
- (b) Diligently assist in the conduct of the defence of any proceeding, including without limitation, in enforcing any right of contribution or indemnity against any other Person, and, in particular, attend at hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.

- (c) Not voluntarily make any payment, assume any obligation or admit any liability in respect of any Claims without the prior written consent of the Corporation.
- (d) Cooperate with the Corporation with a view to reducing defence and investigation costs including, without limitation, cooperating in the proposed choice of defence counsel, the terms of engagement of defence counsel, and the extent to which the defence and investigation costs may be controlled or limited through common efforts, including the employment of common defence counsel with other Directors or Officers, provided those common efforts do not create actual or perceived conflicts of interest.

12.4 CORPORATION'S OBLIGATIONS

- (a) If the Director's or Officer's conduct satisfies the conditions precedent in Section 12.2 and the obligations in Section 12.3, and the Director or Officer has obtained the prior consent of the Corporation to the incurring of defence and investigation costs or the payment of a settlement amount (such consent not to be unreasonably withheld), the Corporation shall:
 - (i) pay the reasonable defence and investigation costs incurred by the Director or Officer in defending a proceeding in respect of which the Corporation is required to provide indemnity pursuant to Section 12.1; and
 - (ii) pay the settlement amount or the amount of any judgment against the Director or Officer in respect of any proceeding for which an indemnity is provided pursuant to Section 12.1.
- (b) Notwithstanding Section 12.4(a), if the Corporation provides its consent to a proposed settlement of any proceeding and the Director or Officer refuses to consent to such settlement, any amount awarded against the Director or Officer in excess of the amount for which the settlement could have been made by the Corporation shall not be recoverable by the Director or Officer from the Corporation, and the Corporation shall be responsible for defence and investigation costs only up to the time at which such settlement could have been made.
- (c) If the Director or Officer is not receiving indemnification from another source during the course of any proceeding for which indemnity is available under this Bylaw, the Corporation shall advance and pay all defence and investigation costs as they are incurred, provided, that if:
 - (i) it subsequently is demonstrated that the Director or Officer is not entitled to be indemnified for any reason, the amount so advanced or paid by the Corporation must be repaid by the Director or Officer to the Corporation forthwith upon request; and
 - (ii) the Director or Officer later receives indemnification or reimbursement for all or any part of those defence or investigation costs from a source other

than the Corporation, the amounts so advanced or paid by the Corporation shall be repaid by the Director or Officer to the Corporation forthwith upon request, to the extent of the other indemnification or reimbursement.

- (d) If the action is an action referred to in Section 12.2(d), the Corporation agrees to make all necessary applications to secure that approval and to use its reasonable best efforts to obtain that approval.

12.5 INSURANCE

In the event that the City of Saskatoon has not obtained Director's and Officer's liability insurance and/or commercial general liability insurance, the Corporation may, if the same is available on commercially reasonable terms, obtain such insurance in such amounts and upon such terms as the Board may determine.

12.6 SUBROGATION

To the extent permitted by law, the Corporation shall be subrogated to all rights which the Director or Officer may have under any policy of insurance or other contract pursuant to which the Director or Officer may be entitled to reimbursement of, or indemnification in respect of, defence and investigation costs or settlement amounts under this Bylaw.

ARTICLE 13 AUDITOR AND CORPORATE RECORDS

13.1 AUDITOR

- (a) At every Annual Member Meeting, the Member shall appoint an Auditor to hold office until the next Annual Member Meeting.
- (b) If the position of Auditor becomes vacant in between Annual Member Meetings, the Board shall fill such a vacancy within a reasonable period of time following the occurrence of the vacancy. The Auditor so appointed by the Board shall hold office until the Member appoints an Auditor at the next Annual Member Meeting.
- (c) The accounts of the Corporation shall be maintained annually by the Corporation's accountants and a report shall be submitted to the Directors.
- (d) The Auditor shall receive notice of all Member Meetings and all Audit and Finance Committee meetings and shall be entitled (but is not obligated unless requested by the Member, the Board or the Audit and Finance Committee) to attend such meetings. However, the Member or Audit and Finance Committee may ask the Auditor to leave for any portion of the meeting where the performance of the Auditor is being discussed.
- (e) Except as otherwise authorized or directed in accordance with this Bylaw, the Auditor shall audit the accounts of the Corporation in accordance with generally

accepted auditing and/or accounting principles applicable to non-profit corporations in Canada and shall prepare an annual report to the Board.

- (f) The Auditor shall have a right of access at all times to all records, documents, books, accounts, and vouchers of the Corporation, and is entitled to require from the Directors, Officers, staff and the Corporation's accountants such information and explanation as may be reasonably necessary for the performance of the Auditor's duties.
- (g) The Auditor shall have all the rights and privileges as set out in the Act and shall perform the audit function as prescribed therein.

13.2 FINANCIAL STATEMENTS

- (a) At each Annual Member Meeting, the Board shall present to the Member the financial statements of the Corporation and the report of the Auditor.
- (b) A copy of the financial statements of the Corporation and the report of the Auditor shall be sent to the Member not less than 15 days prior to each Annual Member Meeting.
- (c) The financial statements shall be approved by the Board and signed by 2 Directors prior to the financial statements being provided to the Member.
- (d) The financial statements shall not cover a period that ended more than 4 months before the Annual Member Meeting.
- (e) The financial statements shall be a comparative statement (except in the case of the first statement) relating separately to the latest completed financial year and the financial year preceding it.
- (f) The financial statements shall be made up of:
 - (i) a statement of earnings for each period;
 - (ii) a statement of changes in cash position for each period; and
 - (iii) a balance sheet as at the end of each period with each statement containing the information required by the Act to be disclosed in such statements.
- (g) In lieu of publishing a notice that includes the information required to be set out in the financial statements, along with the report of the Auditor and any further information respecting the financial position of the Corporation and the results of its activities required by the Articles, the bylaws or any unanimous member agreement, all as prescribed in the Act, the Corporation may publish a notice stating that the said documents are available at the registered office of the Corporation to be examined during the usual business hours of the Corporation by any Person and that Person may make extracts therefrom free of charge.

13.3 MINUTES OF MEETINGS

Minutes of any meeting of the Board, a Committee or the Member, if purporting to be signed by the chair of such meeting, or by the chair of the next succeeding meeting, shall be receivable as *prima facie* evidence of the matters stated in such minutes.

13.4 BOOKS AND RECORDS

- (a) The books and records of the Corporation shall be maintained at the administrative offices of the Corporation or at a place otherwise designated by the Board.
- (b) The Member may, upon providing reasonable notice to the Corporation, inspect the books or records of the Corporation.
- (c) Unless otherwise permitted by the Board, such inspection shall take place only at the registered office during normal business hours.

**ARTICLE 14
BANKING**

14.1 FISCAL YEAR

The Corporation's fiscal year shall be the 12 month period ending on December 31 of each year unless it is subsequently changed by the Board.

14.2 BANKING

- (a) The banking business of the Corporation shall be transacted with such any bank, trust company or credit union duly licensed to conduct business in the Province of Saskatchewan as may from time to time be designated by the Board.
- (b) Such banking business or any part thereof shall be transacted under such agreements, instructions and delegations of powers as the Board may from time to time prescribe or authorize.

**ARTICLE 15
EXECUTION OF INSTRUMENTS**

15.1 EXECUTION OF INSTRUMENTS

- (a) All cheques, payments of money, notes, bills of exchange, deeds, transfers, assignments, contracts, obligations (including mortgages, loans or other security instruments) shall be signed in accordance with an approval policy to be adopted by the Board.

- (b) Notwithstanding Section 15.1(a), the Board may direct, by resolution, the manner in which, and the Person or Persons by whom, any particular instrument or class of instruments may or shall be signed.
- (c) Any Officer may affix the corporate seal to any document or instrument being signed, but its absence shall not affect the validity of the document or instrument.

ARTICLE 16 NOTICES

16.1 DEEMED DELIVERY DATE

- (a) A notice delivered by messenger or courier shall be deemed to be given when delivered personally or to the appropriate recorded address.
- (b) A notice mailed shall be deemed to be given 6 days after it is deposited in a post office or public letter box.
- (c) A notice sent by facsimile or email, shall be deemed to have been given when sent.

16.2 COMPUTATION OF TIME

In computing the date when notice must be given under any provision of the bylaws requiring a specific number of days' notice of any meeting or other event, the date of giving the notice shall be excluded and the date of the meeting or other event shall be included.

16.3 NEW NOTICE INFORMATION

The Secretary may change or cause to be changed the recorded address of the Member, any Director, any Officer, the Auditor or any member of a Committee in accordance with any information believed to be reliable.

ARTICLE 17 AMENDMENTS TO BYLAWS

17.1 AMENDMENT TO BYLAWS

- (a) The Board may by resolution amend, repeal or make any bylaws that regulate the activities and affairs of the Corporation subject to ratification by the Member.
- (b) No resolution of the Directors adopting, amending or repealing bylaws shall have any effect until confirmed by the Member at a Member Meeting or by written resolution.
- (c) The Member may make a proposal to make, amend or repeal a bylaw in accordance with the Section 127 of the Act.

**THIS BYLAW NO. 2 HAS BEEN ADOPTED BY THE BOARD THIS ___ DAY OF ____,
2016.**

Chair of the Board

Secretary of the Board

**THIS BYLAW NO. 2 HAS BEEN ENACTED BY THE MEMBER THIS ___ DAY OF
____, 2016.**

THE CITY OF SASKATOON

Per: _____
Name:
Title:

Per: _____
Name:
Title:

SCHEDULE A
**-- CITY OF SASKATOON CODE OF CONDUCT FOR MEMBERS OF CIVIC BOARDS,
COMMISSIONS, AUTHORITIES AND COMMITTEES**

See attached.

SCHEDULE B
**-- CITY OF SASKATOON ANTI-HARASSMENT POLICY FOR MEMBERS OF CIVIC
BOARDS, COMMISSIONS, AUTHORITIES AND COMMITTEES**

See attached.

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remaimodern.org

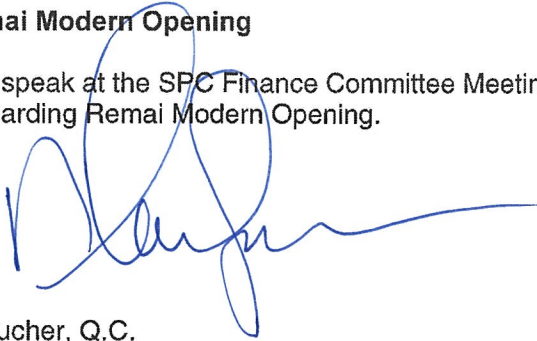
P.O. Box 569
Saskatoon SK S7K 3L6 Canada

November 25, 2016

City Clerk's Office
City of Saskatoon
222 3rd Avenue North
Saskatoon, SK
S7K 0J5

Re: Remail Modern Opening

I wish to speak at the SPC Finance Committee Meeting on December 5, 2016 regarding Remail Modern Opening.



Alain Gaucher, Q.C.
Board Chair, Remail Modern

CC: Gregory Burke, Executive Director & CEO



SREDA's 2016-2017 Report to the City of Saskatoon

Contents & Executive Summary

1) 2016 Corporate Performance (KPIs)

- a. SREDA achieved 95% of its 2016 Key Performance Indicators.
- b. Per the City of Saskatoon—SREDA Funding Agreement, this result triggers a performance related bonus payment of \$118,750 to SREDA (maximum of \$125,000).
- c. 2016 was one of the most successful years for SREDA. The organization was awarded the President's Cup from the Economic Developers Association of Canada (EDAC).

2) 2016 Economic Impact Reporting

- a. The total Economic Impact of SREDA's programs and services in 2016 was \$48.5M versus a target of \$52M. This marks the second year in SREDA's history that the organization has reported an Economic Impact figure. MNP independently reviews SREDA's methodology and figures.
- b. When compared against its 2016 budget, SREDA's Economic Impact performance means the organization achieved a Return on Investment of 25:1. For every dollar invested in SREDA, the organization helped generate \$25 of economic impact across the Saskatoon Region.

3) 2017 Operations – Budget

- a. Total Revenue: \$1,841,000
- b. Total Expenses: \$1,829,839
- c. Net Income: \$11,161
- d. 2017 base funding from the City of Saskatoon is \$784,339 which means SREDA leverages an additional \$1M in funding from industry and federal government to support economic development in the Saskatoon Region.

4) 2017 Operations – Key Performance Indicators

- a. 12 Key Performance Indicators set
- b. Split across our '6 pillars' of Economic Development
 - i. Business Attraction
 - ii. Business Expansion
 - iii. Entrepreneurship
 - iv. Regional Planning & Economic Development
 - v. Economic Forecasting & Analysis
 - vi. Marketing the Saskatoon Region

Note: 2017 KPIs & Budget are subject to SREDA Board approval on November 30, 2016

No.	KPI	Target	YTD	Weighting	Year-end Results
Business Attraction					
1.1	12 Qualified Business Attraction Leads	12	18	5%	5%
1.2	\$1M of Business Attraction Wins	\$1M	\$5	5%	5%
1.3	80 Investment Attraction Clients	80	132	3%	3%
1.4	\$12M of Investment Attraction Wins	\$12M	\$18.8M	5%	5%
Business Expansion					
2.1	2 Businesses Utilizing the Tax Incentives Policy	2	3 ¹	5%	5%
2.2	10 New Jobs Created under the Tax Incentives Policy	10	27.5 ¹	5%	5%
2.3	Provide 5 Saskatoon Region Companies with Market Research to Support Business Expansions or Startup	5	4	5%	5%
2.4	Host 2 Industry Roundtables to Identify Barriers to Business Growth and Produce SREDA Insight Reports	2	4	3%	3%
Entrepreneurship					
3.1	Maintain Funding for Square One <i>(note: increase/extend)</i>	1	1	5%	5%
3.2	Assist 3,500 Saskatchewan Entrepreneurs	3,500	3,815 ²	5%	5%
3.3	Host 10 Events Promote Entrepreneurship in the Region	10	7	5%	3.5%
Economic Forecasting & Analysis					
4.1	Host Quarterly Economic Update Forums	4	3	5%	3.75%
4.2	Produce Quarterly Economic Dashboard Reports	4	4	5%	5%
4.3	Host an Annual State of the Economy Forum	1	1	5%	5%
4.4	Provide Daily Economic Newsflash Bulletin to over 1,000 Professionals in the Saskatoon Region	12/12 (months)	12/12 (months)	3%	3%
4.5	Complete 2 Economic Impact Studies	2	7	5%	5%
Marketing the Region					
5.1	Market Saskatoon Region to 5,000 Canadian residents	5,000	4,098 ²	5%	4%
5.2	Market Saskatoon Region to 1,000 international residents	1,000	6,359 ²	5%	5%
Regional Affairs					
6.1	Develop a Marketing Plan & Regional Profiles to Showcase the Saskatoon Region to Businesses Investors	1	1	5%	5%
6.2	Lead the Development of Regional Economic Development / Planning Best Practices for Regional Members	1	1	3%	3%
6.3	Provide Funding Application Expertise to all Regional Members to Support Applications to the Federal Gov't	1	1	3%	3%
6.4	Share 5 Business Attraction Leads with Regional Members	5	4	5%	4%
22	TOTAL			100.00%	95%

¹ Three applications have been approved through SREDA's Incentive Review Committee; two are subject to approval at the December 7, 2016 City of Saskatoon Governance & Priorities Meeting.

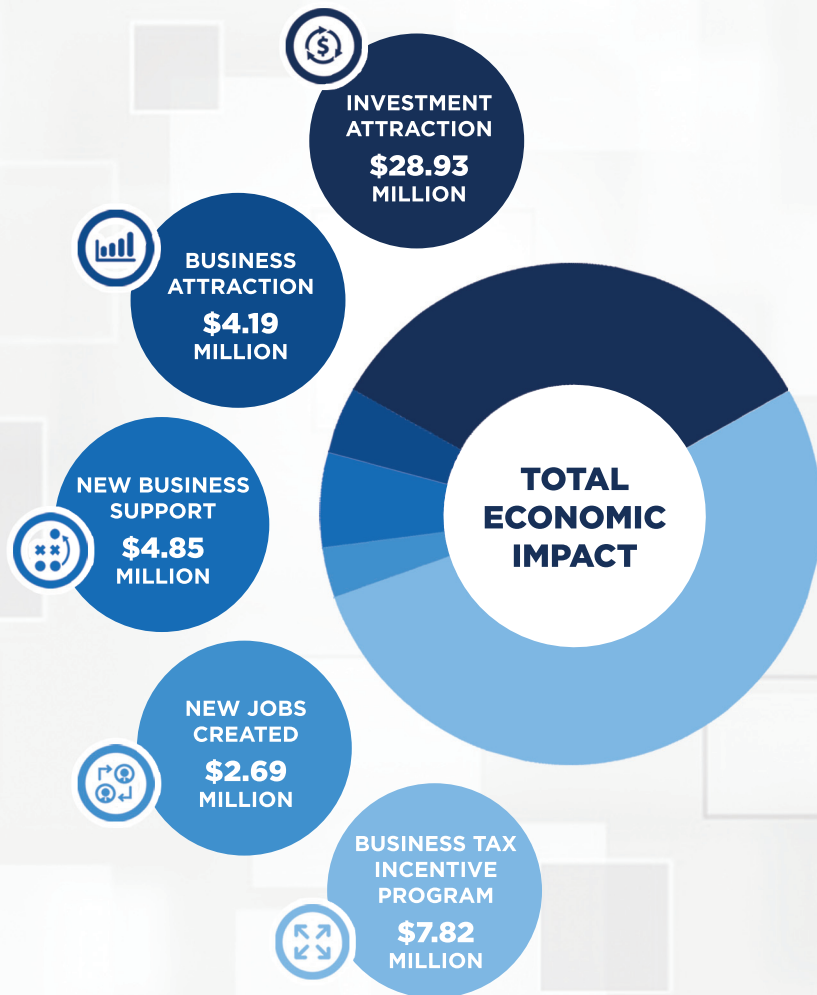
² Result is a combination of actual to October 31 and estimates for November & December 2016.



SREDA 2016 RESULTS

2016 ECONOMIC IMPACT

\$48.5 MILLION



“SREDA is proud to report an economic impact of \$48.5 million and an ROI of \$25:\$1 for 2016. The SREDA team successfully executed many new initiatives in 2016 to strengthen and grow the Saskatoon Region economy. A highlight for the year was being awarded the Economic Developers Association of Canada (EDAC) President’s Cup for our efforts in marketing the Saskatoon Region. Most importantly, SREDA has played a key role in helping local businesses and entrepreneurs grow their businesses in the Saskatoon Region.”

Alex Fallon, President and CEO of SREDA

ECONOMIC IMPACT ROI \$25

For every \$1 invested in SREDA, SREDA helped generate \$25 of economic impact in the Saskatoon regional economy.

SREDA PERFORMANCE HIGHLIGHTS	RESULT
Investment Attraction	\$28.93M
Business Attraction	\$4.19M
Businesses Using the Business Development Incentive	3
News Jobs Created Under the Business Development Incentive	27.5
Local Company Expansion Strategy Support	5
Quarterly Economic Dashboard Reports	4
Economic Impact Studies	7
Assisted Saskatchewan Entrepreneurs	3,815

SREDA 2017 Revenue

	2017 Revenue
1 City of Saskatoon (Base)	\$750,000
2 City of Saskatoon (KPI Bonus)	\$110,000
3 Regional Members	\$65,000
4 Private Sector Investors	\$160,000
5 SINP	\$50,000
6 Fee for Service	\$25,000
7 Federal Government	\$40,000
8 Sponsorship	\$70,000
9 Other Revenue	\$5,000
TOTAL REVENUE	\$1,275,000

SREDA 2017 Expenses

	2017 Expense
1 SREDA Salaries	\$784,339
2 SREDA Rent	\$110,000
3 SREDA Operations (HR, IT, Fin)	\$45,500
5 SREDA Administration	\$67,000
SubTotal	\$1,006,839
4 SREDA Management & Projects	\$52,000
6 Pillar 1: Business Attraction	\$70,000
7 Pillar 2: Business Expansion	\$20,000
8 Pillar 3: Entrepreneurship	\$20,000
9 Pillar 4: Economic F&A	\$30,000
10 Pillar 5: Regional Affairs	\$25,000
11 Pillar 6: Marketing	\$40,000
TOTAL EXPENSES	\$1,263,839

2017 NET INCOME	\$11,161
------------------------	-----------------

Square One 2017 Revenue	566,000
Square One 2017 Expenses	566,000

Total SREDA Revenue	\$1,841,000
Total SREDA Expenses	\$1,829,839
Surplus	\$11,161



SREDA 2017 KEY PERFORMANCE INDICATORS

Ec. Dev. Pillar	Key Performance Indicator	%
Business Attraction	1.1 Attract 8 companies to the Saskatoon Region to explore establishing an office/facility	10%
	1.2 Attract \$14M of investment into the Saskatoon Region	10%
Business Expansion	2.1 Support the expansion of 2 local businesses in the Saskatoon Region	10%
	2.2 Support the creation of 10 new jobs in the Saskatoon Region through business expansions	10%
Entrepreneurship	3.1 Assist in the establishment of 25 new businesses in the Saskatoon Region	10%
	3.2 Provide support to at least 4 Aboriginal entrepreneurs to launch/expand their business in the Saskatoon Region	10%
Regional Economic Development & Planning	4.1 Ensure the North Saskatoon Partnership for Growth Regional Plan is endorsed in April 2017	5%
	4.2 Host a Regional Business Opportunities Tour to market opportunities across the region to businesses & investors	10%
Economic Forecasting & Analysis	5.1 Release the Quarterly Saskatoon Region Economic Dashboard and track/grade the Saskatoon Region economy	5%
	5.2 Provide economic research & analysis on at least 5 key business/economic issues affecting the Saskatoon Region	5%
Marketing the Region	6.1 Market the Saskatoon Region to 8,000 non Saskatchewan residents to support population growth targets	5%
	6.2 Implement a marketing campaign that promotes the Saskatoon Region's strong & diversified economy	10%



Internal Audit Budget Information Update – November 2016

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. Overall, internal audit and consulting expenditures are expected to be within budget parameters. However, project deliverables (i.e. audit reports) are not expected to be tabled with the Standing Policy Committee on Finance until early 2017.

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 2016. This is the second year of the five-year contract with PwC.

Report

There are currently three internal audit projects being conducted by PwC. Audit fieldwork is currently underway with audit reports expected to be delivered to the Administration for review before the end of 2016 or early 2017, and final reports are expected to be tabled with the Standing Policy Committee on Finance in the first quarter of 2017. As of November 15, 2016, 61% of the total budgeted internal audit hours for the year have been completed.

PwC is also working on two additional consulting projects. Both projects are well underway, and reports are expected to be tabled in early 2017. As of November 15, 2016, 69% of the total budgeted consulting project hours for the year have been completed.

All operating funding has been fully allocated to specific audit and consulting projects.

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

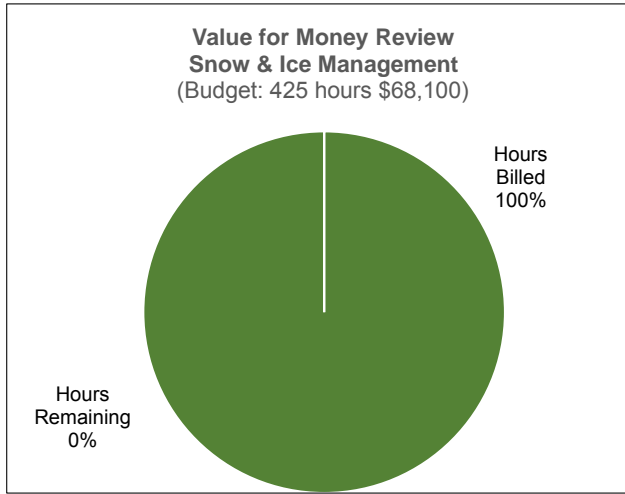
Report Approval

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

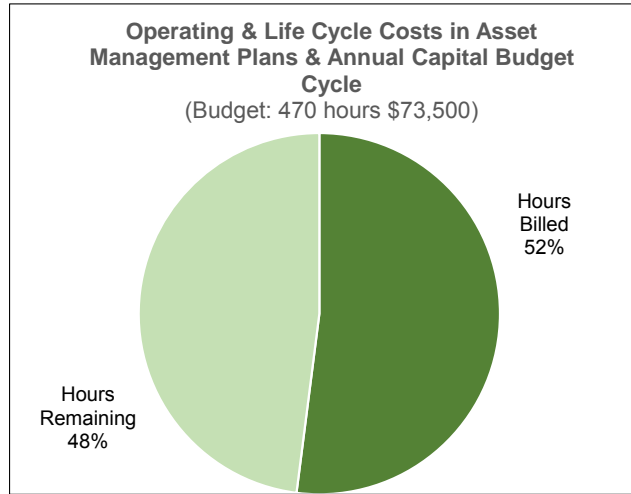
Internal Audit Budget_Nov 2016.docx

Internal Audit Budget Status Report

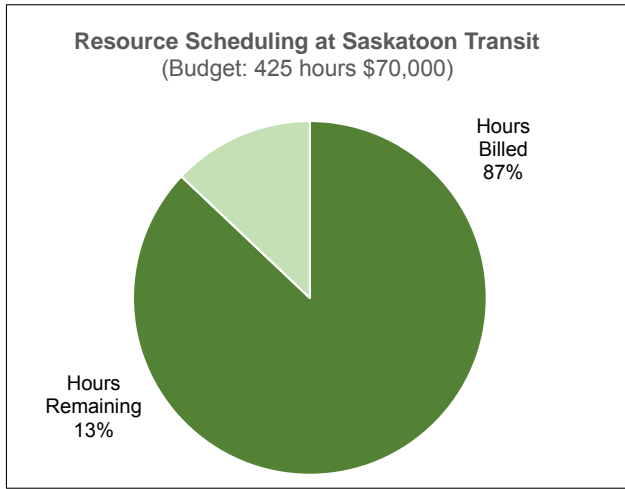
Internal Audit Projects



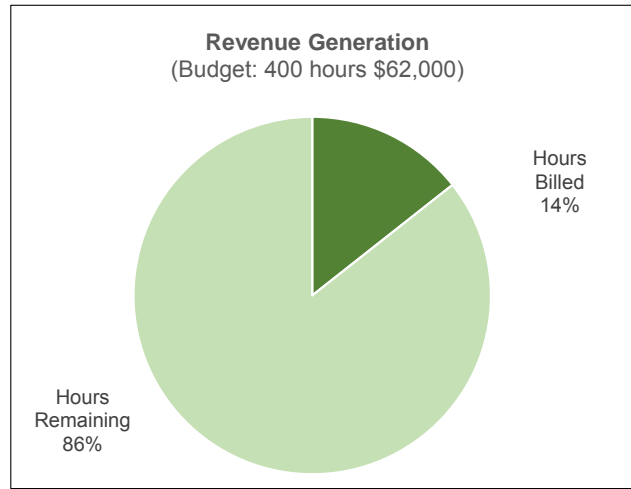
Notes: Statement of Work approved January 4, 2016. Audit report presented to SPC on Finance September 6, 2016. Administration agreed with all 21 findings - 2 high, 14 moderate and 5 low. Update report presented to SPC on Finance November 7, 2016.



Notes: Statement of Work approved August 15, 2016. Initial audit fieldwork complete and framework presented to Administration in October 2016. Layering of proposed framework onto existing practices and providing illustrative example of functioning framework to be provided to Administration by December 31, 2016. Anticipated reporting to SPC on Finance in early 2017.

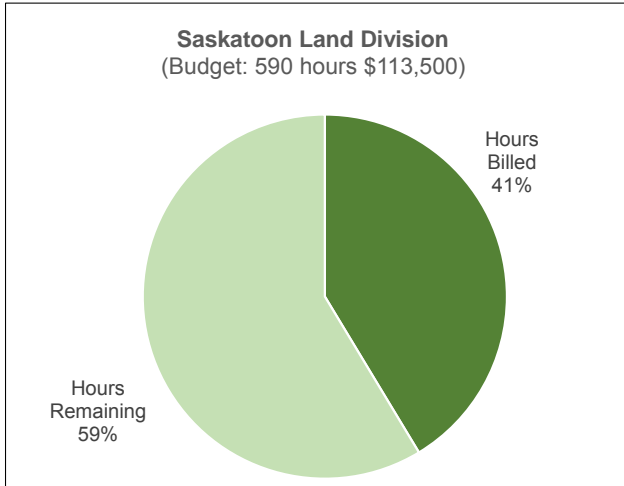


Notes: Statement of Work approved July 18, 2016. Audit fieldwork completed in September 2016. Draft report reviewed with Administration on November 15, 2016. A revised draft report will be submitted for review by November 30, 2016, with the final report to be submitted to SPC on Finance January 2017.

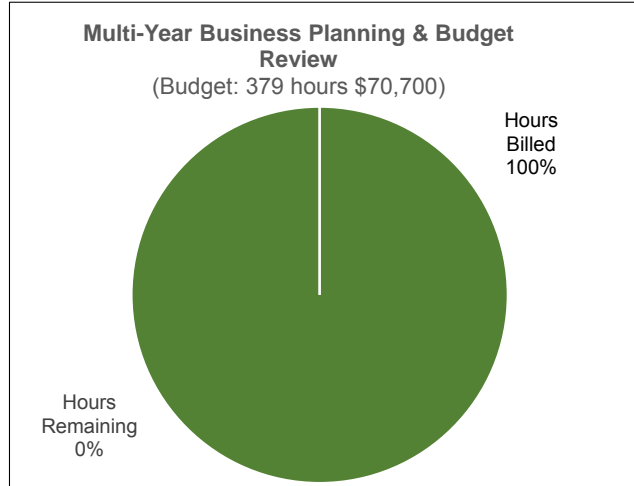


Notes: Statement of Work approved November 7, 2016. Audit fieldwork has commenced with relevant stakeholder groups and will continue throughout December 2016. Anticipated reporting to SPC on Finance in the first quarter of 2017.

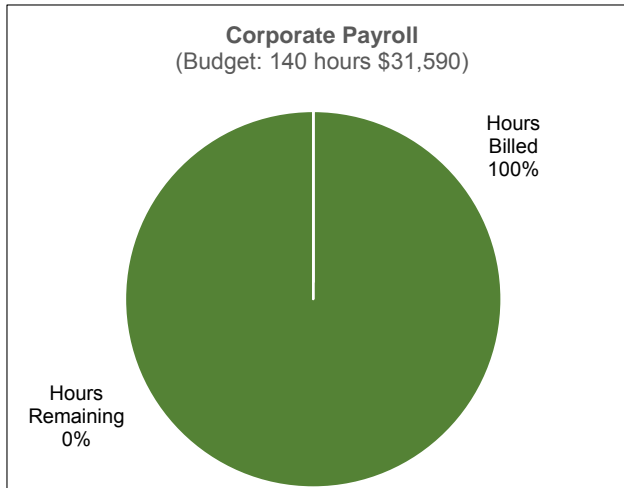
Additional Consulting Projects



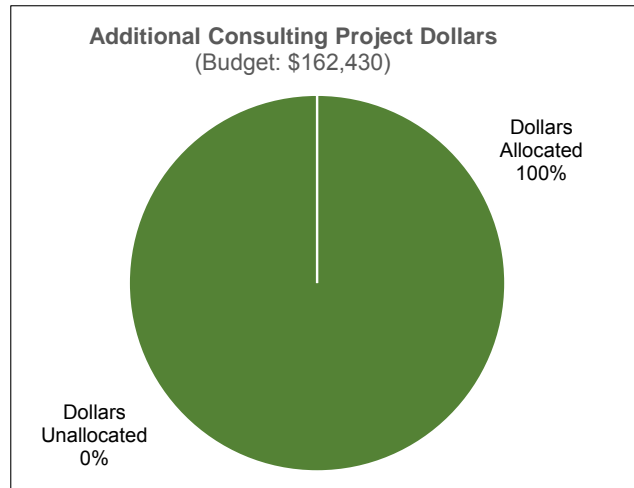
Notes: Statement of Work approved August 15, 2016. Project fieldwork is well underway, with most procedures expected to be presented to Saskatoon Land for review by November 30, 2016. A review with the Administration will occur in December 2016 and anticipated reporting to SPC on Finance in early 2017.



Notes: Statement of Work approved August 15, 2016. Preliminary observations and recommendations presented to Administration in early October 2016. Anticipated reporting to SPC on Finance in early 2017.

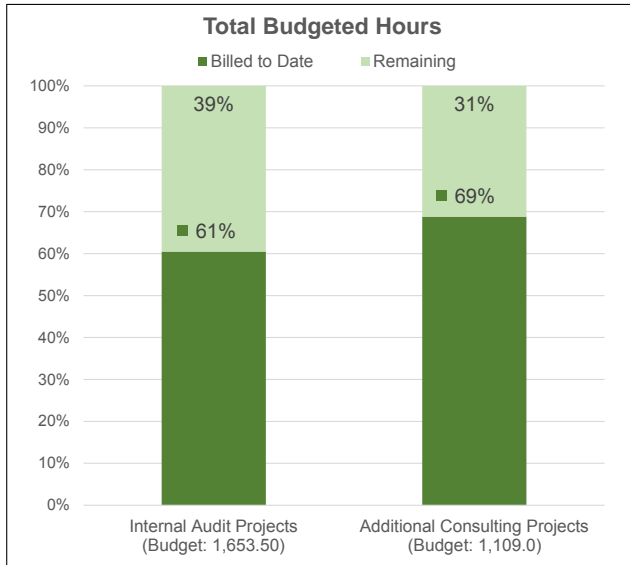


Notes: Conducted by former internal audit service provider.

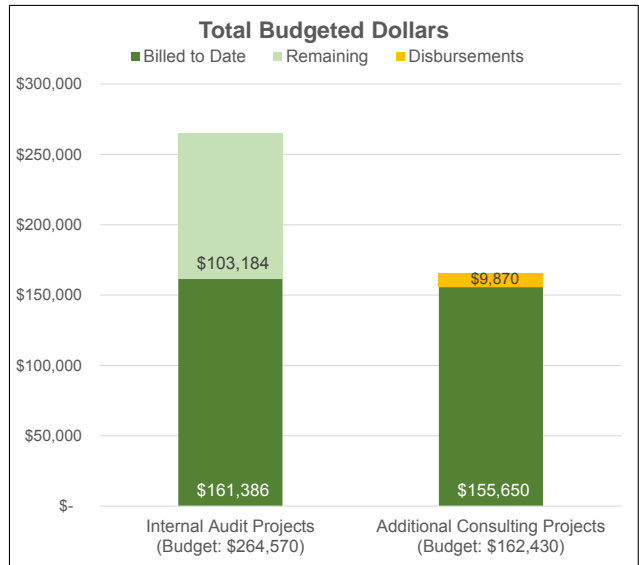


Notes: All additional consulting project dollars have been fully allocated to specific consulting projects.

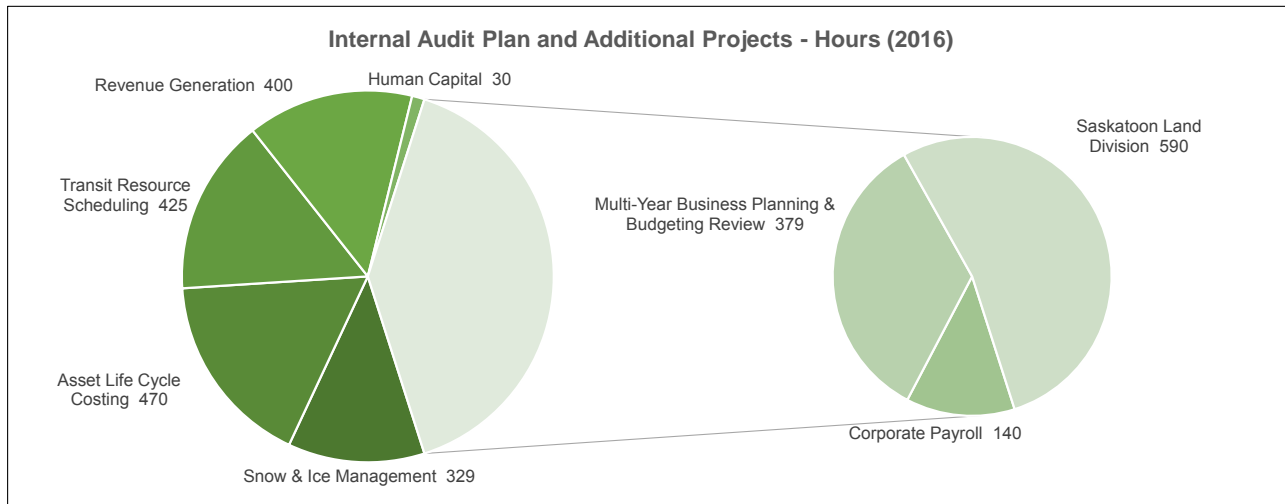
Overall Internal Audit Program



Notes: A total of 1,000.5 hours of internal audit work and 763.0 hours of additional consulting work have been billed to date.



Notes: A total of \$326,906 has been billed to date for internal audit services, consulting services and disbursements. This represents 77% of the total operating budget for 2016.



Notes: The Internal Audit Program operating budget has been fully allocated to specific audit and consulting projects.

Request to Sell City-Owned Property – 410 – 5th Avenue North

Recommendation

1. That the Director of Saskatoon Land be authorized to sell Lots 29 and 30, Block 181, Plan 99SA24455, located at 410 – 5th Avenue North in the City Park neighbourhood through an open market (standard terms) approach in compliance with the terms and conditions outlined in this report;
2. That if no offers are received for this parcel over a 60-day offer acceptance period, the parcel remain for sale over-the-counter until an acceptable market price offer is received;
3. That the Director of Saskatoon Land be authorized to administer architectural controls as a condition of sale for this parcel; and
4. 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 approval to sell and administer architectural controls on a mixed use parcel at 410 – 5th Avenue North in the City Park neighbourhood through an open market (standard terms) sales approach to proponents with the highest price offer in compliance with the terms and conditions outlined in this report.

Report Highlights

1. 410 – 5th Avenue North is proposed to be sold through an open market (standard terms) approach whereby non-binding offers are received from interested proponents and used to determine with which party further negotiations will take place.
2. The Administration is recommending a price of \$4.135 million for this parcel, based on comparable land sales in the downtown area.
3. Proposed building plans will be reviewed using Saskatoon Land's 410 – 5th Avenue North Architectural Controls. Conformance with the architectural controls will ensure a building design that is architecturally significant.
4. The parcel is eligible for a number of incentives that the City of Saskatoon (City) offers through various programs.

Strategic Goals

The sale of this parcel supports the four-year priority of continuing to create and support a business-friendly environment and increase the tax base that is non-residential under the Strategic Goal of Economic Diversity and Prosperity.

This sale also supports the long-term strategy of increasing and encouraging infill development and corridors to balance growth under the Strategic Goal of Sustainable Growth.

Background

The City-owned property at 410 – 5th Avenue North is a paved and electrified parking lot located at the northeast corner of 25th Street and 5th Avenue North. This parking lot had been used by members of the Saskatoon Police Service for parking their private vehicles until they relocated to the new Police Headquarters. Currently this parking lot is being leased to the Saskatoon Health Region to accommodate parking requirements for staff at Saskatoon City Hospital. This lease expires July 31, 2017.

City Council, at its meeting held on January 26, 2015, approved the rezoning of this parcel from M3 – General Institutional Service District to B5 – Inner-City Commercial Corridor District within the City Park neighbourhood. This rezoning to B5 was undertaken by Saskatoon Land to support the City Centre Plan and 25th Street Master Plan. The B5 District accommodates a greater mix of uses on the subject property and increases appeal to potential developers.

Report

Open Market (Standard Terms) Sales Approach

The Administration is recommending that 410 – 5th Avenue North (Attachment 1) be sold through an open market (standard terms) sales approach. This involves the establishment of an asking price by Saskatoon Land and the solicitation of non-binding offers from interested parties. Interested parties will have a 60-day period to submit an offer on the subject parcel. The open market (standard terms) sales approach allows for greater flexibility in offering serviced land parcels to market and helps to qualify proponents interested in purchasing and building on the properties.

The parcel is zoned B5 District (Inner-City Commercial Corridor), which has a high degree of flexibility in terms of institutional, office, and community activities, as well as medium and high-density residential uses. In addition to a number of permitted mixed land uses, the B5 District also enables a wide range of commercial uses. This property is located within the City Centre Plan area, approved by City Council on December 16, 2013. The City Centre Plan's vision includes promoting a vibrant mix of uses in the City Centre, which the zoning of this property and land sale will facilitate.

Pricing

The Administration recommends a sale price establishment based on a value of \$110/sq. ft. The parcel located at 410 – 5th Avenue North is 37,595 sq. ft.; therefore, the price of \$4.135 million is recommended. Factors such as zoning, location, visibility and corner influence are taken into consideration within the final price of the lot. The price is based on a review of comparable commercial land sales in the downtown Saskatoon market.

Offers received during the application period will be reviewed by the Administration to determine compliance with standard terms and to identify which proponent will be contacted for negotiation of a sale agreement for the respective parcel. It is generally

accepted that the highest offer received will determine the preferred proponent, assuming the standard terms and conditions are met. If no offers are received, the parcel will remain available over the counter until an acceptable offer is received. Any offer will be conditional upon approval of the CFO/General Manager, Asset and Financial Management Department.

Notable Terms of Sale

Standard terms and conditions for the sale of 410 – 5th Avenue North are identified in Attachment 2. Because the parcel is located along a major corridor and within an established neighbourhood, development controls and architectural controls will be enforced on this parcel as a condition of sale.

The Administration is suggesting a build-time commitment of thirty six (36) months be imposed on this site. The purpose of this is to make sure development takes place on this important site within an acceptable timeframe. The successful purchaser will be required to submit a Letter of Credit representing 5% of the full purchase price. The Letter of Credit will be returned to the successful purchaser upon erection of foundation for the principal building. The Letter of Credit will be forfeited if the successful purchaser does not build in accordance with all terms and conditions. The purchaser will also be required to enter into a separate agreement to permit repurchase of the lands by the vendor as a security for fulfillment of the building commitment.

Architectural Controls

The developer of this site will be required to submit a design that is informed by the standards set out in the 410 – 5th Avenue North Architectural Controls document (Attachment 3). The architectural controls were put in place to ensure the development that occurs on this site is a high-quality design and architecturally significant given its location. The controls address elements such as fenestration (arrangement of windows and doors); parking, loading and service areas; proportion, scale and massing; application of materials and colours to exterior walls; and the building's relationship to the streetscape. The intent of these controls is not to limit architectural style but to address basic elements that should be considered when designing a development for this parcel. The Administration will review plans submitted to ensure consistency with the required architectural controls. The goal is to achieve a building that is architecturally significant and consistent with the overarching vision of the City Centre Plan.

Development Controls

This parcel will also have development controls placed on it as part of the condition of sale, which will include: keeping existing trees adjacent to the parcel, no access would be granted to 25th Street, and the stormwater system adjacent to the site will need to be improved or stormwater will need to be retained on site for a two-year storm event.

Incentives

This site could be eligible for a number of incentives the City offers through various programs, should the developer apply for them. These include the Vacant Lot and Adaptive Reuse Incentive Program, Downtown Housing Incentives Program, Capital Grant and Tax Abatement for Affordable Rental Housing, Down Payment Grants of

Affordable Ownership Housing, and Structured Parking Tax Abatement. Interested proponents will be informed of these programs in the sales package prepared by Saskatoon Land for this sale.

Options to the Recommendation

Option 1: The Standing Policy Committee on Finance could choose to not proceed with the sale of the land at this time.

Option 2: The Standing Policy Committee on Finance could choose to sell 410 – 5th Avenue North to the highest bidder through a public tender process with a reserve bid price.

Communication Plan

Notice of the land offering will be advertised in The StarPhoenix a minimum of two Saturdays and will be sold pursuant to Council Policy No. C09-033, Sale of Serviced City-Owned Lands. The land offering will also be posted on Saskatoon Land’s website.

Financial Implications

Proceeds from the sale of this land will be deposited into the Property Realized Reserve.

Public and/or Stakeholder Involvement

Saskatoon Land has notified Arthur Baalim, Chairman of the Board, at the adjacent Community Service Village that this parcel will be offered to the market for sale in 2017. The Saskatoon Health Region has also been advised of the City’s intention to sell the land.

Other Considerations/Implications

There are no policy, environmental, privacy, or CPTED implications or considerations.

Due Date for Follow-up and/or Project Completion

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

Public Notice

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

Attachments

1. 410 – 5th Avenue North Sales Map
2. Open Market Sales Approach – Terms and Conditions
3. Architectural Controls 410 – 5th Avenue North

Report Approval

Written by: Clayton Waldbauer, Planner 16
Reviewed by: Frank Long, Director of Saskatoon Land
Approved by: Kerry Tarasoff, CFO/General Manager, Asset & Financial Management Department



\$ 4,135,500.00
 Lot 29 & 30
 Block 180
 Plan 99SA24455
 ±0.86 ac
 ±0.35 ha

Legend:

1234 Civic Address

38.10 Lot Dimensions

 Subject Site



Note: Saskatoon Land does not guarantee the accuracy of this plan. To ensure accuracy, please refer to the Registered Plan of Survey. This plan is not to scale. Distances are in metres unless shown otherwise. This is not a legal plan. Lot dimensions and the location of other features are compiled from available information and are subject to change without notice. For verification please check with the appropriate authority. Do not scale.

Open Market Sales Approach – Terms and Conditions

Standard Terms & Conditions (applicable to the sale of 410 - 5th Avenue North)

1. Deposit/Closing Date/Possession/Adjustment Date:
 - i) 10% deposit due within 10 days of offer acceptance.
 - ii) Sixty (60) days following acceptance of the Saskatoon Land proposal letter or as agreed to between the vendor and purchaser.

2. Conditions Precedent:
 - i) Approval of the sale by the CFO/General Manager, Asset and Financial Management Department.

3. Special Terms and Conditions:
 - i) A building commitment will be imposed for the commencement of construction to be satisfied within thirty six (36) months from the closing date.
 - ii) The purchaser will be required to enter into a separate agreement to permit repurchase of the lands by the vendor as a security for fulfillment of the building commitment.
 - iii) The successful purchaser will be required to submit a Letter of Credit representing 5% of the full purchase price. The Letter of Credit will be returned to the successful purchaser upon erection of foundation for the principal building, or improvements. The Letter of Credit will be forfeited if the successful purchaser does not build in accordance with all terms and conditions. This is necessary to enforce the build time commitment.
 - iv) The property is sold “as is” and the purchaser shall assume all responsibility and liability including any environmental matters existing as of the closing date.
 - v) Real Estate Commissions will be in accordance with Council Policy No. C09-015, Real Estate Commissions.
 - vi) The purchaser further agrees to grant the City of Saskatoon, Saskatchewan Telecommunications, Saskatchewan Power Corporation, SaskEnergy Incorporated, and any utility agencies easements, which may be required by any or all of the said agencies at no cost.
 - vii) Acknowledge the 410 – 5th Avenue North Architectural Controls Document and use their principles in the design and development on this parcel.
 - viii) Acknowledgement of development controls that will be enforced on site include:
 - a. No driveways or vehicular access will be granted from 25th Street East.
 - b. Improve the stormwater system from the site or provide stormwater retention on site for a two-year storm event to the satisfaction of Saskatoon Water.

- c. Existing trees in boulevard adjacent to site on 5th Avenue North must be maintained and protected during construction process.
- ix) Purchasers are required to demonstrate past experience with completing multi-storey, mixed-use, residential, commercial or institutional development projects.



ARCHITECTURAL CONTROLS

410 5TH AVE N.



City of
Saskatoon
 Saskatoon Land



410 5th Ave

fresh press

boutique

coffee

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1 INTRODUCTION

Commissioned by the Saskatoon Land Branch, this document provides overall architectural design guidelines for the corner parcel of land located at 410 5th Avenue North [Lot 29&30, Block 180, Plan 99SA24455].

GOALS

The **goals** of this document, in the provision of architectural controls for 410 5th Ave N., include:

- a. A set of standards for architecturally significant building design and development
- b. Strengthening of neighborhood identification and vitality
- c. Strengthening the character of the surrounding public realm
- d. Innovative design initiatives
- e. High quality material selection and architectural detailing
- f. Encouragement of sustainable design and development principles in recognition of the eco-responsibility of the industry

SITE IDENTIFICATION

Located on the corner of 5th Ave N. and 25th Street E., within the neighbourhood of City Park, 410 5th Ave N. is currently developed as a surface parking lot along an arterial road. Zoned in the Commercial Zoning District B5 – Inner City Commercial Corridor District [City of Saskatoon Zoning Bylaw No.8770], 410 5th Ave N. allows a high degree of redevelopment potential in terms of institutional, office, and community activities, as well as in medium and high-density residential uses.

An established community neighboring the heart of downtown Saskatoon, City Park's central location and proximity to the river valley serves to attract people of all ages, from varying backgrounds and walks of life.

This document was informed by the City Park Local Area Plan (2010) which outlines the vision of the City Park community. 410 5th Ave N. falls within the "High-Density Residential Policy District," encouraging the development of high-density multiple-unit dwellings and commercial uses located near the downtown, in close proximity to transportation and employment.

In addition to the City of Saskatoon Zoning Bylaw No. 8770 and the City Park Local Area Plan (2010), this document was guided by the goals of both the City Centre Plan (2013) and the Kinsmen Park Masterplan (2011). Each document mutually advocates for the development of a place-specific, memorable environment that fosters a vibrant mix of uses, generating a desirable location to live, attracting innovative businesses, and developing a strong community identity.

01 aerial photo of city park, the central business district [left], kinsmen park, the south saskatchewan river, saskatoon city hospital [right], & 410 5th Ave N [blue]

PURPOSE

The **purpose** of this document is to provide architectural controls for the potential development of a mixed-use high-density development at 410 5th Ave N. to promote the development of buildings of architectural significance through a set of standards and parameters regarding architectural context, proportion, scale, and form considerations, as well as building façade characteristics and the building's streetscape relationship.

In the subsequent chapters of this document, architectural expression, building orientation and massing, façade relief, material and architectural quality, and external considerations (lighting, landscape design, and service integration) will be discussed in detail.



2 ARCHITECTURAL DESIGN CONTEXT

Architectural context refers to the external elements that influence the architectural style, building material selection, and site layout. These external factors include, but are not limited to: site location, historical context, adjacent land use, and site connections.

Site Analysis: **OVERVIEW**

An established neighbourhood, City Park's "central location and proximity to the river and downtown lends itself to active transportation and the enjoyment of the outdoors" (City Park Local Area Plan, 2010).

City Park's neighbourhood boundaries (figure 04) consists of 25th Street E., 1st Ave N., 33rd Street E., and Spadina Cres E. along the South Saskatchewan River. With local streets lined with canopies of mature trees, City Park possesses significant community character amongst a growing downtown central business district undergoing significant revitalization.

With adjacencies such as Kinsmen Park, the University of Saskatchewan, Saskatoon City Hospital, the South Saskatchewan River Bank, and the Central Business District, City Park is the ideal location for new, innovative, mixed-use development.

Site Analysis: **HISTORY**

Purchased in 1903 by the Town Council of Saskatoon, 52 acres of land was subdivided into a grid pattern of 25 foot (average) size lots. The majority of construction being completed before 1950, development in the neighbourhood continued into the early 1990s, witnessing a period of stagnation then after.

With a similar history to City Park, Kinsmen Park was the first park in the downtown area. Due to its size, central location, and proximity to the riverbank, Kinsmen Park has historically been a popular destination in the neighbourhood for residents and tourists alike.

Community spaces of significance include the Mendel Art Gallery and Civic Conservatory (continuing to serve as a cultural landmark in its transition into a Children's Discovery Museum), Saskatoon City Hospital, as well as the Meewasin Valley Authority.

02 aerial photo looking south onto city park, the central business district, & 410 5th Ave N.

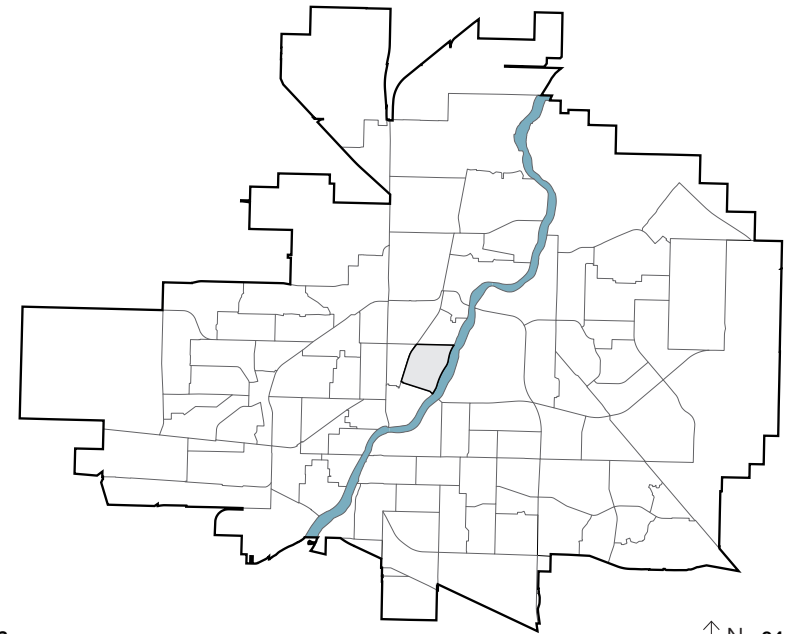
03 410 5th Ave N. site plan

04 city of saskatoon neighborhood boundary map highlighting city park





03



↑ N 04



02

Site Review: **SITE ACCESS**

1. Vehicular

Located on the corner of 5th Ave N. and 25th Street E., 410 5th Ave N. presents a series of opportunities and constraints which will be reviewed. The constraints will be mitigated through adaptive architectural and site design measures.

With access from the east originating primarily from the University Bridge and collecting onto 25th Street E. (figure 03), 410 5th Ave N.'s southern face is directed onto a high traffic arterial road. A commuter road, 25th St. E. fluctuates in intensity of usage, with the densest timeframes occurring in the morning and late afternoon rush hours.

A one-way street, 5th Ave N. serves as the primary access to 410 5th Ave N. off of 25th St E. A local street, 5th Ave N. is a quiet, low traffic road which is lined with a canopy of mature trees.

2. Parking

There is no street parking along 25th St. E., placing an emphasis on 5th Ave N. for direct means of access and identifying a need for on-site parking for building residents.

3. Pedestrian Connectivity

In the Kinsmen Park Masterplan, 5th Ave N. leads to a proposed 26th St. E. Gateway to Kinsmen Park. Adjacent to the eastern side of the parcel's property line resides a pathway stemming from 25th St. E., which leads into a lane-way connected to 26th St. E. This presents an opportunity for increased site pedestrian connectivity to Kinsmen Park.

2 ARCHITECTURAL DESIGN CONTEXT

ARCHITECTURAL DESIGN CONTEXT: DISCUSSION

City Park contains two distinct residential areas within its community boundaries. North of Queen St. the density of residential development, consisting of primarily single family dwellings, is substantially lower than south of Queen St. which contains 76% of City Park's nearly 4,500 residents in predominantly **MULTI-FAMILY** housing (City of Saskatoon, 2015). Existing building heights in immediate proximity to 410 5th Ave N. display a wide range of 2 to 20 storeys.

410 5th Ave N. contains strong opportunities for **MIXED-USE**, residential, retail/commercial, and office land use. Due to the lack of commercial development in the immediate area, the site's location on the edge of City Park adjacent to Saskatoon's **CENTRAL BUSINESS DISTRICT**, as well as its dense residential population, 410 5th Ave N. has tremendous potential to capitalize on the **CONSUMER MARKET** of the downtown area and the residential-employee population of City Park and its surroundings.

Demographically speaking, City Park is attractive to students [close proximity to the **UNIVERSITY OF SASKATCHEWAN** & Saskatchewan Polytechnic], singles, couples, empty nesters, families, and seniors due to a wide range of neighborhood and adjacent amenities.

05 mature tree canopies framing 5th Ave N. looking south toward 25th St. E.

06 existing site condition of 410 5th Ave N. looking north from 25th St. E.

07 site panorama looking north from 25th St. E.



ARCHITECTURAL DESIGN CONTEXT: height & street relation REQUIREMENTS/BEST PRACTICES

* 1. Building Height

- a. The maximum building height in the B5 Zoning District is 76m.
- b. High density development is encouraged to maximize site usage for a lively and active streetscape.

* 2. Development must include a strong streetscape relation:

- a. Landscaping
- b. Inviting public space amenities [benches, lighting, etc]
- c. Clearly defined entry points and way-finding devices such as signage
- d. Building facade articulation
- e. 25th St. E. & 5th Ave N. ground floor units encouraged to be occupied by active uses [retail/commercial]



05



06



92

07

06





3 PROPORTION, SCALE, & FORM

Creation of a vibrant landmark, maximizing square footage while creating depth in elevation through levels of modulation [bay windows, balconies, varied roof-lines] to break down perceived scale and mass.

3 PROPORTION, SCALE, & FORM

ARCHITECTURAL EXPRESSION: DISCUSSION

Creation of a **VIBRANT LANDMARK**, maximizing square footage while creating depth in elevation through levels of **MODULATION** [bay windows, balconies, varied rooflines] to break down perceived scale and mass. Achievement of comprehensive massing, proportion, façade relief, and orientation design considerations and implementation.

New development shall incorporate design elements that form a **DISTINCT ARCHITECTURAL EXPRESSION** to create an inviting, sunlit, human-scale environment and streetscape. The storefront establishes a visual relationship between interior and exterior which activates the street. Respect for **HUMAN DIMENSION** and accessibility facilitates a high quality urban realm through purposeful proportion, scale, and form considerations.

ARCHITECTURAL EXPRESSION: massing REQUIREMENTS/BEST PRACTICES

- * **1. Buildings shall incorporate design elements that break down perceived scale & mass.**
 - a. Distinct base, middle, & top
 - b. Base: to provide vibrancy, transparency, & distinct visual differentiation
 - c. Middle: to provide a high visual quality & distinction, with a degree of modulation
 - d. Top: to provide a high visual quality & distinction from the ground level and at a bird's-eye view
- * **2. Active street frontages along 25th St. E. and 5th Ave N. are required including the use of:**
 - a. Large storefront windows
 - b. Use of awnings/canopies for weather protection
 - c. Active land uses located on the ground floor to activate the street
 - d. Incorporate outdoor public space
 - e. Recessed entries from the sidewalk
- * **3. Monolithic massing, or building frontages adjacent to a street or sidewalk without windows or openings are prohibited.**
- * **4. Step backs required on high-rise buildings:**
 - a. Buildings over 10-14m require a step back of 1-2m.
- 5. Utilize shadow lines to create relief / Minimize negative effects of shadows:
 - a. Encourage use of shadow lines to break down building's perceived scale
 - b. Minimize shadows cast on adjacent buildings/open spaces
- 6. Amplify vistas and views / Minimize negative sight-lines:
 - a. Highlight views of Kinsmen Park, the South Saskatchewan River, the Central Business District, and City Park's residential neighborhood
 - b. Minimize views of 25th St. E. traffic



3 PROPORTION, SCALE, & FORM

ARCHITECTURAL EXPRESSION: orientation REQUIREMENTS/BEST PRACTICES

* 1. Building orientated to each street frontage:

- a. A parallel aligned building that frames 25th St. E. & 5th Ave N., as well as the intersection
- b. Orient frontages to both 25th St. E. & 5th Ave N.
- c. Internal uses should be visible from the sidewalk, and/or continue onto the sidewalk

* 2. Clearly defined entry points through the use of:

- a. Signage
- b. Awnings
- c. Landscaping
- d. Façade relief
- e. Entrances on both 25th St. E. & 5th Ave N.

* 3. Minimize blank façades and visibility of service areas:

- a. Loading areas, service bays, and blank building walls should be oriented to façades with minimal public exposure

4. Address the potential of the lane-way/creation of a pedestrian pathway:

- a. Provision of a secondary orientation to the eastern lane-way and its applications in providing community connectivity and increased accessibility
- b. Provide openings and windows on the eastern façade to create a welcoming environment for public use
- c. Integrate exterior public space with the lane-way

ARCHITECTURAL EXPRESSION: roof REQUIREMENTS/BEST PRACTICES

* 1. Clearly defined and visually distinct through the use of:

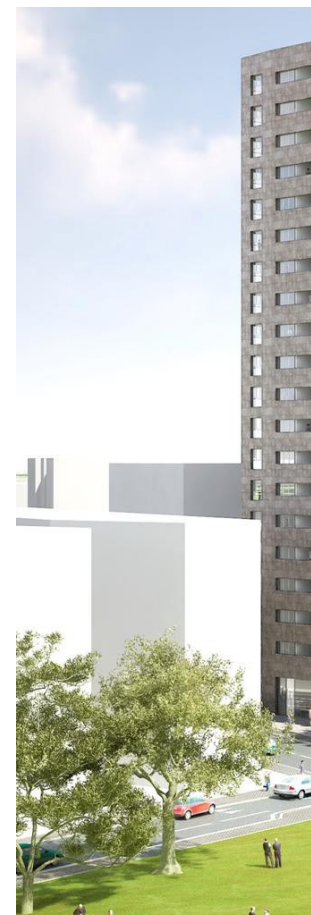
- a. Step backs
- b. Materiality
- c. Color
- d. Architectural detailing

2. Encouragement of vegetated or green roofs:

- a. Decrease heat island effect
- b. Opportunity for a community garden and amenity space

3. Provision of amenity space:

- a. Amplify vistas and views – balconies, terraces, communal rooftop patios
- b. Visual connection to ground level outdoor public space, Kinsmen Park and the South Saskatchewan River



10 columnar towers located on a corner site oriented to both street frontages -

NL Architects & WHAT Architecture

11 columnar towers rooftop public amenities -
NL Architects & WHAT Architecture





- 12 the human dimension: relationship between the building facade and human quality of life; spill over effect - Gehl Architects



4 BUILDING FACADE: exterior walls, materials, & color

Facade differentiation through depth and detailing. Achievement of a building of architectural significance that incorporates high quality design features and material selections, enhancing the street level interface.

4 BUILDING FACADE: exterior walls, materials, & color

BUILDING FACADE: DISCUSSION

Facade differentiation through depth and detailing. Achievement of a building of architectural significance that incorporates high quality design features and **MATERIAL** selections, enhancing the street level interface. **EXTERIOR WALLS** of a building, particularly the ground floor relation, have arguably the largest impact on human experience.

The key to creating **VISUAL CONTINUITY**, addressing pedestrian scale, and the generation of a vibrant, attractive streetscape, includes the mindful selection of materials and purposeful arrangement of windows and doors. Considerations in regards to material selection shall include a **BALANCE OF FUNCTION & DURABILITY, AND AESTHETICS & DESIGN QUALITY**.

BUILDING FACADE: exterior walls REQUIREMENTS/BEST PRACTICES

* 1. Materiality must consider overall architectural expression:

- a. Visual continuity

* 2. Exterior walls must be visually accessible:

- a. Avoid monolithic design
- b. Clearly defined entrances [awnings, relief, signage]
- c. Transparency
- d. Soft edges [many openings/points of display, sidewalk cafes/spill over, displays, large windows]

* 3. Façade differentiation and relief:

- a. Vertical relief articulation - makes walking distances appear shorter and more interesting
- b. Creation of complexities and points of visual variation [texture & detailing]

* 4. Minimum and maximum exterior cladding materials:

- a. Minimum of 2 cladding materials
- b. Maximum of 4-5 cladding materials

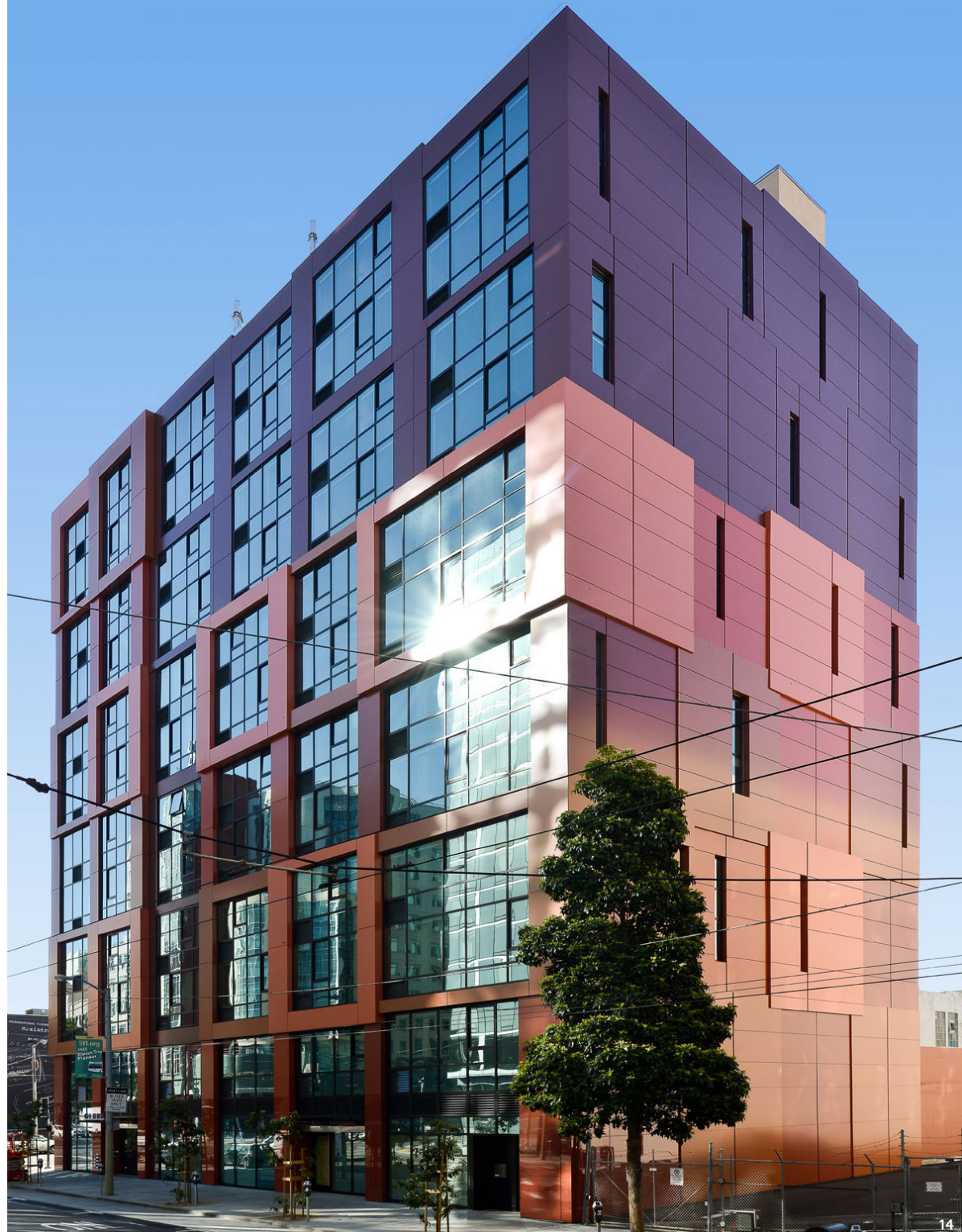
* 5. Durable, high quality materials (including, but not limited to):

- a. Metal (alucabond, alpollic, or equivalent)
- b. Synthetic (trespa, or equivalent)
- c. Corrugated metal panels (Vicwest, or equivalent)
- d. Wood Siding - properly treated for durability
- e. High performance glass curtain walls/storefront systems

* 6. Discouraged low quality materials:

- a. Vinyl siding
- b. Plastic
- c. Plywood
- d. Concrete block
- e. Stucco - minimum 20% of facade, prohibited at the first 10' section of the building

- 13 mission towers mixed-use proposal that utilizes a mixture of 3 main high quality materials with visually accessible walls and facade differentiation - MoDA, Calgary
- 14 olume residential building utilizing an abstract series of colored alucobond panels installed at 5 variable depths - Architectonia, San Francisco



4 BUILDING FACADE: exterior walls, materials, & color

BUILDING FACADE: windows & doors REQUIREMENTS/BEST PRACTICES

* 1. Window design:

- a. Reflective or mirrored glass prohibited
- b. Large areas of glazing required for grade-level occupancies
- c. Windowless walls not permitted on street frontages along 25th St. E. and 5th Ave N.
- d. Windowless walls not permitted on the north and east facades above the 2nd storey

2. Window function:

- a. Minimum standard of double-glazed high performance windows that meets or preferably exceeds Energy Code requirement
- b. Sunshades or overhangs recommended to cover 60% of windows on the southern façade of the building
- c. Automatic louvers or equivalent sun control devices to prevent direct sun penetration according to time of day and season

* 3. Entrance design:

- a. Clearly defined and visible from the street
- b. Oriented to the street
- c. Individual entrances for individual retail occupancies
- d. Recessed doors/roof canopies encouraged
- e. Narrow units with many doors - provide many exchange points between inside and out

4. Entrance function:

- a. Use of awnings/canopies to provide weather coverage
- b. Use of vestibules to decrease heat loss and form an acoustic barrier

BUILDING FACADE: materials & color REQUIREMENTS/BEST PRACTICES

* 1. Materials chosen for function and aesthetic quality:

- a. Workmanship
- b. Longevity
- c. Ease of maintenance
- d. Environmental impact

2. Use of environmentally friendly products based on:

- a. Recycled content
- b. Renewable resources
- c. Locally sourced materials
- d. VOC rating
- e. Energy efficiency

* 3. Use of color for aesthetic appeal and visual attraction:

- a. Minimum 2-3 color shades/options
- b. Maximum 4-5 color shades/options
- c. Utilize shades of a color with neutrals to create building differentiation and relief
- d. Material selection true to its nature - [brick as brick, wood as wood]



15 mission towers mixed-use proposal that utilizes the pixilation of the facade to capture different views and light, carving out space to create connective tissue between the street and the building
MoDA, Calgary

16 king street west mixed-use development that features a public plaza in the center of the design allowing for additional retail and boutique office storefronts using varying degrees of depth and relief -
BIG, Toronto





JAMES BEARD PUBLIC MARKET

VEGETARIAN SEAFOOD MEAT FLOWER COFFEE BREAD



- 17 james beard public market: civic hub that transformed a neglected and underutilized site into a center of community, commerce, and activity - Snohetta, Portland

5 RELATIONSHIP TO THE STREETScape

The creation of a high quality urban environment through an emphasis on the relationship between the building and the street. Designed to animate the ground floor level, a strong relationship to the streetscape is vital in fostering community vibrancy and vitality, as well as enhancing human comfort and safety.

5 RELATIONSHIP TO THE STREETScape

RELATIONSHIP TO THE STREETScape: DISCUSSION

The creation of a high quality urban environment through an emphasis on the relationship between the building and the street. Designed to **ANIMATE** the ground floor level, a strong relationship to the streetscape is vital in fostering community **VIBRANCY & VITALITY**, as well as enhancing **HUMAN COMFORT & SAFETY**.

Provisioning of exterior **PUBLIC SPACE** is encouraged as part of the architectural design. Due to the size of the site, an interior courtyard has strong potential to draw in the public realm, creating more operable storefronts and a place for social interaction. Improved **NEIGHBORHOOD CONNECTIVITY** through visual transparency and inviting public spaces, enhances the building's relationship to the streetscape.

18 central library landscape & street interface design that includes places to sit, congregate & interact with the building-
Snohetta & Dialog, Calgary

19 BV20 reconsiders the multi-family typology by the provision of ample green landscaping, seating, and a community garden to facilitate a community oriented lifestyle -
MoDA, Calgary

RELATIONSHIP TO THE STREETScape: exterior lighting & landscaping REQUIREMENTS/BEST PRACTICES

Exterior Lighting

* 1. Provision of exterior lighting:

- a. Provision of appropriate light levels for ambiance and safety
- b. Prevention of light pollution - fixtures should be hooded or shielded to direct light downwards
- c. Pathways illuminated
- d. Entrance lighting to define primary and secondary entrances
- e. Use of low energy or LED fixtures

Signage

* 2. Provision of signage:

- a. Signage encouraged on awnings, canopies, as well as wall hung
- b. 25% maximum signage area of storefront
- c. Serve as a wayfinding device for pedestrians & vehicles navigating the area
- d. Flashing signs and internally lit signs are not permitted

Landscape Design

* 1. Provision of landscaping:

- a. Inclusion of both soft and hard landscaping
- b. Provision of native vegetation
- c. Designed to encourage year-round activity
- d. Inclusion of permeable surfaces
- e. Inclusion of public art
- f. Provision of informal public seating
- g. Provision of bike racks

2. Identification of the potential of the eastern lane-way to connect exterior public space with Kinsmen Park:

- a. Pedestrian connection to 26th St. E. gateway to Kinsmen Park
- b. Landscape east site exposure
- c. Provision of a sidewalk and exterior lighting



18



108

19

22

5 RELATIONSHIP TO THE STREETScape

RELATIONSHIP TO THE STREETScape: mechanical & service integration REQUIREMENTS/BEST PRACTICES

Mechanical Integration

* 1. Integrate mechanical/electrical equipment into overall architectural design:

- a. Screen rooftop mechanical and electrical equipment
- b. Mechanical penthouses integrated with overall architectural design [materials, color, relief]

Parking, Loading, & Service Areas

* 2. Integrated into development in respect to site access, building access, and landscaping:

- a. Underground parking encouraged to enhance the ground floor realm
- b. Parking access located off 5th Ave N. due to decreased traffic flow
- c. Surface parking to be set back from the front property line and screened
- d. Above ground parking structures screened with retail occupying the front portion of the ground floor
- e. Provision of secure bike parking in well-lit open spaces

* 3. Loading, & service areas located to have minimal public exposure:

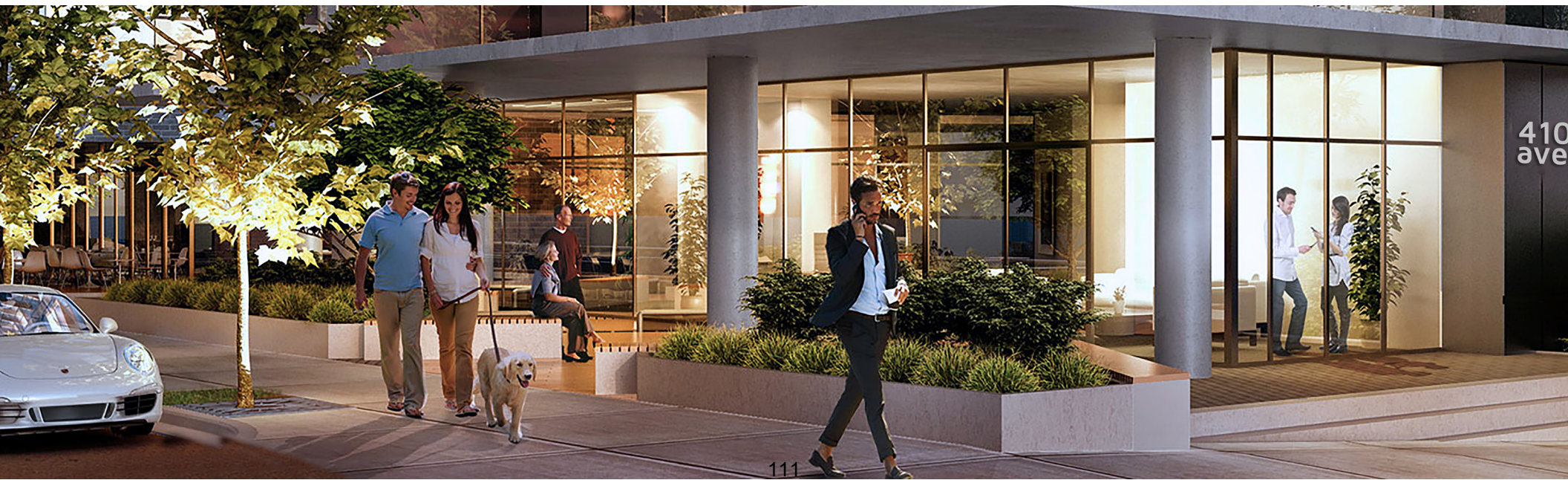
- a. Loading and service bays to be located from a side street or rear lane-way
- b. Loading and service bays to be integrated with the overall architectural design [materials, color, relief]

20 central library bisecting a LRT tunnel that incorporated mechanical & service provision into the overall architectural design -
Snohetta & Dialog, Calgary

21 mission towers conceptual proposal to address providing great spaces for gathering & interacting which responds to different speeds and scales of user perception -
MoDA, Calgary









22 existing site condition looking north from 25th St. E.

23 visualization no.1 incorporating high quality design features [recessed entry, signage, transparency, & landscaping] and material selections, enhancing the ground floor interface

6 SITE APPLICATION

The application of the principles and set standards of architecturally significant building design to 410 5th Ave N. as discussed in a series of place-specific diagrams and visualizations.

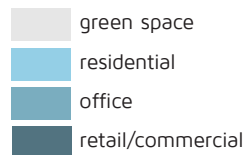


6 SITE APPLICATION

SITE APPLICATION: DISCUSSION

The application of the principles and set standards of architecturally significant building design to 410 5th Ave N. as discussed in a series of **PLACE-SPECIFIC** diagrams and visualizations. Outlining general architectural design requirements, this document does not prescribe a specific architectural style. However, this document serves as a sounding board for future **FLEXIBLE AND INNOVATIVE** design ideas.

"People come where people are" speaks of the notion that inviting, high quality spaces attract **HUMAN INTERACTION**, which then attracts further activity. At eye level the development should provide opportunities for walking, staying, and socialization. **VISUAL QUALITY** involves total visual expression, aesthetics, design, and architecture. New development must strive to achieve the important aspects of city space, interwoven into a high quality visual design.



24 massing diagram no.1 [rejected design]

- maximum build-out of the site [B5 Zoning: 76m max height]
- monolithic mass without a distinct base, middle, & top
- does not adhere to architectural control requirements

25 massing diagram no.2

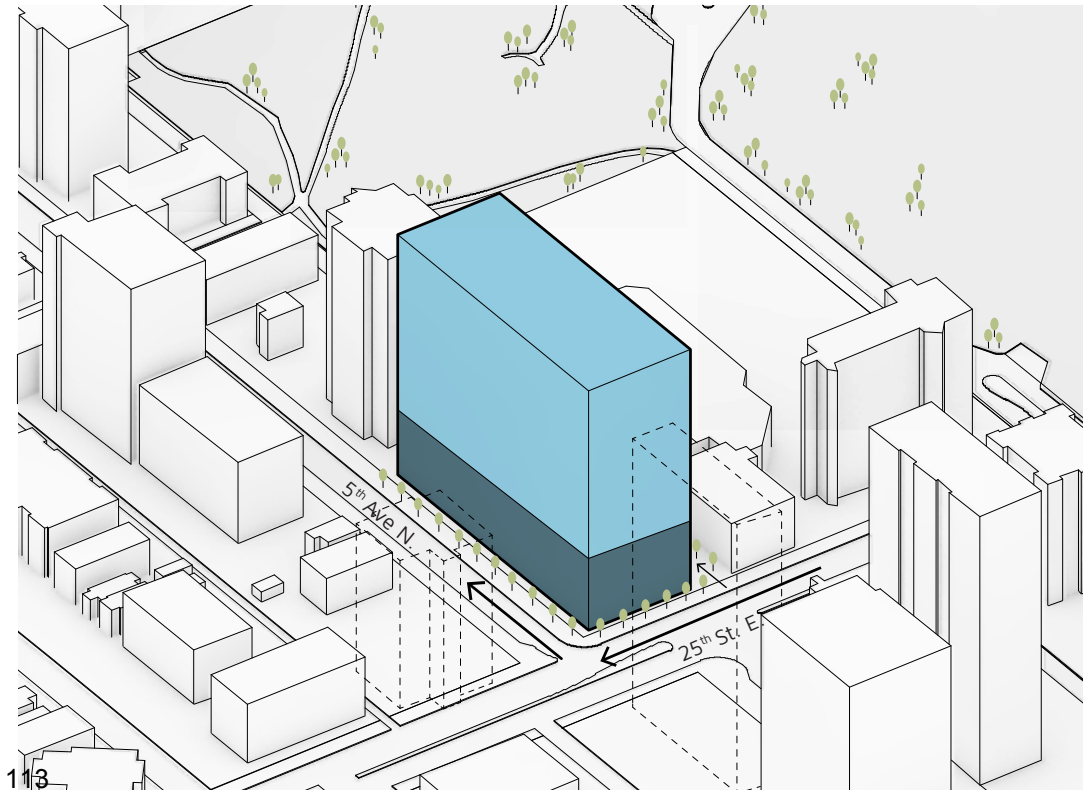
- two towers & raised podium breaking down the perceived mass of the building
- provision of an elevated exterior public space

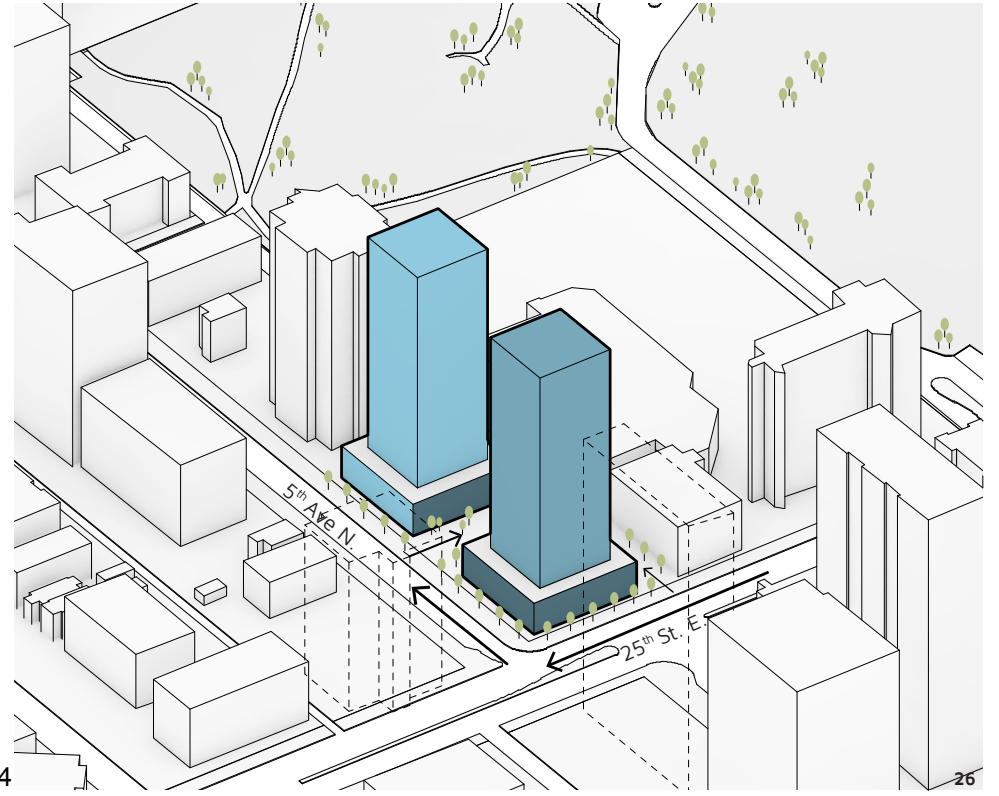
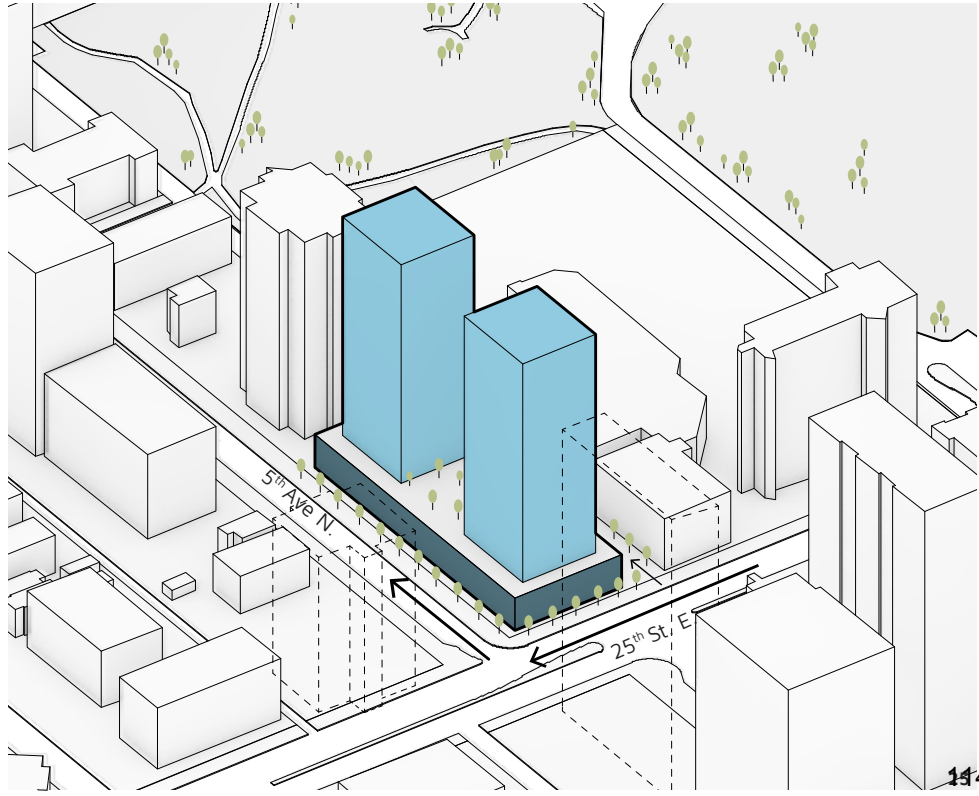
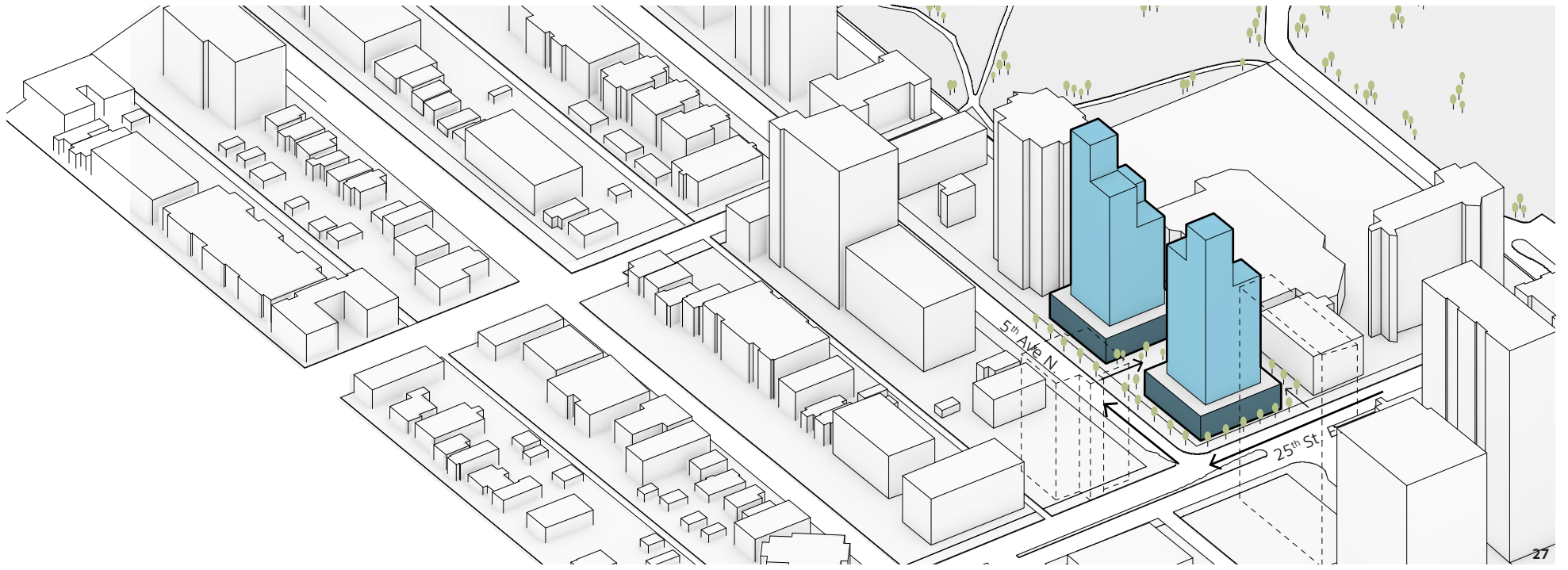
26 massing diagram no.3

- provision of a interior courtyard creating an exterior ground level public space with added storefronts
- mixed-use residential & office tower with the option of ground level residential units

27 massing diagram no.4

- modulating roof top elevations to break down perceived scale and provide views to Kinsmen Park & the river valley









410 5th avenue

410 5th av

fresh press

boutique

coffee house

6 SITE APPLICATION

SITE APPLICATION: checklist REQUIREMENTS

2 ARCHITECTURAL CONTEXT

HEIGHT/STREETScape RELATION

1. Building Height

- a. The maximum building height in the B5 Zoning District is 76m.
- b. High density development is encouraged to maximize site usage for a lively and active streetscape.

2. Development must include a strong streetscape relation:

- a. Landscaping
- b. Inviting public space amenities [benches, lighting, etc]
- c. Clearly defined entry points and way-finding devices such as signage
- d. Building facade articulation
- e. 25th St. E. & 5th Ave N. encouraged to be occupied by active uses [retail/commercial]

3 PROPORTION, SCALE, & FORM

MASSING

1. Buildings shall incorporate design elements that break down perceived scale & mass.

- a. Distinct base, middle, & top
- b. Base: to provide vibrancy, transparency, & distinct visual differentiation
- c. Middle: distinct visual quality, with a degree of modulation
- d. Top: distinct visual quality from the ground level and at a bird's-eye view

2. Active street frontages along 25th St. E. and 5th Ave N. are required including the use of:

- a. Large storefront windows
- b. Use of awnings/canopies for weather protection
- c. Active land uses located on the ground floor to activate the street
- d. Incorporate outdoor public space
- e. Recessed entries from the sidewalk

3. Monolithic massing, or building frontages adjacent to a street or sidewalk without windows or openings are prohibited.

4. Step backs required on high-rise buildings:

- a. Buildings over 10-14m require a step back of 1-2m.

ORIENTATION

1. Building orientated to each street frontage:

- a. A parallel aligned building that frames 25th St. E. & 5th Ave N., as well as the intersection
- b. Orient frontages to both 25th St. E. & 5th Ave N.
- c. Internal uses should be visible from the sidewalk, and/or continue onto the sidewalk

2. Clearly defined entry points through the use of:

- a. Signage
- b. Awnings
- c. Landscaping
- d. Façade relief
- e. Entrances on both 25th St. E. & 5th Ave N.

3. Minimize blank façades and visibility of service areas:

- a. Loading areas, service bays, and blank building walls should be oriented to façades with minimal public exposure

ROOF

1. Clearly defined and visually distinct through the use of:

- a. Step backs
- b. Materiality
- c. Color
- d. Architectural detailing

4 BUILDING FACADE

EXTERIOR WALLS

1. Materiality must consider overall architectural expression:

- a. Visual continuity

2. Exterior walls must be visually accessible:

- a. Avoid monolithic design
- b. Clearly defined entrances [awnings, relief, signage]
- c. Transparency
- d. Soft edges [many openings/points of display, sidewalk cafes/spill over, displays, large windows]

3. Façade differentiation and relief:

- a. Vertical relief articulation - makes walking distances appear shorter and more interesting
- b. Creation of complexities and points of visual variation [texture & detailing]

4. Minimum and maximum exterior cladding materials:

- a. Minimum of 2 cladding materials
- b. Maximum of 4-5 cladding materials

5. Durable, high quality materials (including, but not limited to):

- a. Metal (alucabond, alpolic, or equivalent)
- b. Synthetic (trespa, or equivalent)
- c. Corrugated metal panels (Vicwest, or equivalent)
- d. Wood Siding – properly treated for durability
- e. High performance glass curtain walls/storefront systems

6. Discouraged low quality materials:

- a. Vinyl siding
- b. Plastic
- c. Plywood
- d. Concrete block
- e. Stucco - minimum 20% of façade, prohibited at the first 10' section of the building

WINDOWS & DOORS

1. Window design:

- a. Reflective or mirrored glass prohibited
- b. Large areas of glazing required for grade-level occupancies
- c. Windowless walls not permitted on street frontages along 25th St. E. and 5th Ave N.
- d. Windowless walls not permitted on the north and east facades above the 2nd storey

2. Entrance design:

- a. Clearly defined and visible from the street
- b. Oriented to the street
- c. Individual entrances for individual retail occupancies
- d. Recessed doors/roof canopies encouraged
- e. Narrow units with many doors - provide many exchange points between inside and out

MATERIALS & COLOR

1. Materials chosen for function and aesthetic quality:

- a. Workmanship
- b. Longevity
- c. Ease of maintenance
- d. Environmental impact

2. Use of color to create aesthetic appeal and attraction:

- a. Minimum 2-3 color shades/options
- b. Maximum 4-5 color shades/options
- c. Utilize shades of a color with neutrals to create building differentiation and relief
- d. Material selection true to its nature

5 RELATIONSHIP TO THE STREETScape

EXTERIOR LIGHTING

1. Provision of exterior lighting:

- a. Provision of appropriate light levels for ambiance and safety
- b. Prevention of light pollution - fixtures should be hooded or shielded to direct light downwards
- c. Pathways illuminated
- d. Entrance lighting to define primary and secondary entrances in a hierarchical manner
- e. Use of low energy or LED fixtures

SIGNAGE

1. Provision of signage:

- a. Signage encouraged on awnings, canopies, as well as wall hung
- b. 25% maximum signage area of storefront
- c. Serve as a wayfinding device for pedestrians & vehicles navigating the area
- d. Flashing signs and internally lit signs are not permitted

LANDSCAPING

1. Provision of landscaping:

- a. Inclusion of both soft and hard landscaping
- b. Provision of native vegetation
- c. Designed to encourage year-round activity
- d. Inclusion of permeable surfaces
- e. Inclusion of public art
- f. Provision of informal public seating
- g. Provision of bike racks

7

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SREDA – Business Incentives – 2016 Tax Abatements

Recommendation

That the Standing Policy Committee on Finance recommend to City Council that the tax incentive abatements as determined by the Saskatoon Regional Economic Development Authority (SREDA) be approved.

Topic and Purpose

The purpose of this report is to receive City Council approval to process tax abatements to businesses approved under Council Policy No. C09-014, Business Development Incentives.

Report Highlights

1. SREDA has confirmed that six eligible businesses have fulfilled the agreed upon terms and conditions to receive their 2016 tax incentive abatements.

Strategic Goal

This report supports the long-term strategy of working collaboratively with economic development authorities to promote Saskatoon as a great place to live, work and raise a family, under the Strategic Goal of Economic Diversity and Prosperity.

Background

Council Policy No. C09-014, Business Development Incentives, makes incentives available to business meeting the eligibility requirements. Throughout the year, as applications are received, SREDA requests City Council to approve tax abatements for business incentive purposes. The incentives are based on the value of new construction, the creation of a specified number of jobs, and the maintenance of certain financial requirements. On an annual basis, following the approval of the incentive, staff from SREDA meet with each company to ensure that all of the requirements are being fulfilled.

Report

Staff from SREDA have met with each of the businesses eligible to receive a tax abatement for 2016. Reviews were conducted to determine if the terms and conditions outlined in the individual agreements were met. Attachment 1 is a letter from SREDA with the results of its 2016 audit. The letter identifies those companies that have met all conditions of their incentive agreements for 2016.

Options to the Recommendation

There are no options as the incentives are identified within the agreements between the City of Saskatoon and the applicable business.

Public and/or Stakeholder Involvement

Public and/or stakeholder involvement is not required.

Financial Implications

Property tax abatements approved under Council Policy No. C09-014 result in the deferral of the increased taxes that the new construction creates. As a result, there is no immediate impact, other than deferral. The abatements decline over a five-year period.

Other Considerations/Implications

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

Due Date for Follow-up and/or Project Completion

City Council’s approval to process tax abatements is required by December 31 in order to apply the abatement to the current tax year.

Public Notice

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

Attachment

1. Letter from Joanne Baczuk, Director, Business Development and Economic Analysis, dated November 22, 2016

Report Approval

Written by: Pamela Kilgour, Manager, Property Tax and Support
Reviewed by: Shelley Sutherland, Director of Corporate Revenue
Approved by: Kerry Tarasoff, CFO/General Manager, Asset & Financial Management Department

SREDA 2016 Tax Abatements.docx



Suite 103, 202 Fourth Ave N | Saskatoon SK | S7K 0K1
 PH. 306.664.0720 | www.SREDA.com | www.livingsaskatoon.com

November 22, 2016

Mr. Kerry Tarasoff, FCPA, FCMA
 CFO/General Manager, Asset and Financial Management
 City of Saskatoon
 222 3rd Avenue North
 Saskatoon, SK S7K 0J5

Re: 2016 Property Tax Abatements

Dear Mr. Tarasoff:

This letter will confirm that the following companies comply with the terms and conditions outlined in each of their Business Development Incentives Agreements with the City of Saskatoon and qualify for tax abatements in 2016:

Crestline Coach Ltd.	126 Wheeler Street
Deca Industries Ltd.	310 and 322 Robin Way, and 222 Robin Crescent
Federated Co-operatives Ltd.	607 46 th Street East
Lean Machine & Metal Fabrication Inc.	3607 Wheeler Avenue
Maple Leaf Foods Inc.	100 McLeod Avenue
WBM Office Systems	104-3718 Kinnear Place

The following four companies were approved for an abatement by the City of Saskatoon in 2015 and are expected to begin receiving their abatements in 2017:

- Howatt Enterprise Ltd
- The Saskatchewan Food Industry Development Centre Inc.
- Gemini Freight Systems Inc.
- ABC Canada Technology Group Ltd.

Axiom Industries Ltd. was approved for an abatement by the City of Saskatoon in August 2016 and is expected to begin receiving the abatements in 2017.



The Following two companies have has been recommended for an abatement by SREDA:

- Fire Sand Real Estate Ltd.
- 9 Mile Legacy Brewing Company

Approval will be sought from the City of Saskatoon in December 2016. Abatements will not be due until the construction is complete.

Please contact me at 306-664-0728 or at jbaczuk@sreda.com if there are any questions regarding these reports.

Sincerely yours, with thanks,



Joanne Baczuk
Director, Business Development and Economic Analysis



Incentive Application – 9 Mile Legacy Brewing Company

Recommendation

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

1. That the application from 9 Mile Legacy Brewing Company for a five-year tax abatement on the incremental portion of taxes at 229 20th Street West, as a result of its expansion in 2016, be approved as follows:
 - 100% in Year 1
 - 80% in Year 2
 - 70% in Year 3
 - 60% in Year 4
 - 50% in Year 5
2. That the City Solicitor be instructed to prepare the appropriate agreements.

Topic and Purpose

The purpose of this report is to obtain City Council approval for a five-year tax abatement on the incremental portion of taxes at 9 Mile Legacy Brewing Company's (9 Mile) development at 229 20th Street West.

Report Highlights

1. 9 Mile has met the eligibility requirements of Council Policy No. C09-014, Business Development Incentives.

Strategic Goal

This report supports the long-term strategy of creating a business-friendly environment where the economy is diverse and builds on our city and region's competitive strengths under the Strategic Goal of Economic Diversity and Prosperity.

Background

City Council approved Council Policy No. C09-014, Business Development Incentives, on October 15, 1991, with the most recent updated approved on March 26, 2012.

The purpose of this policy is to make incentives available to businesses which meet the eligibility requirements listed within this Policy to:

- encourage them to locate or expand their operations in Saskatoon in order to create long-term, skilled or semi-skilled jobs;
- provide tax relief that will flow to companies creating new jobs;
- place Saskatoon in a competitive position in attracting businesses that it would not otherwise occupy;
- increase the long-term viability of a project; or
- demonstrate the City of Saskatoon's commitment to a business or industry.

In accordance with this Policy, the Saskatoon Regional Economic Development Authority (SREDA) Board of Directors, through a sub-committee, reviews the applications and brings forward recommendation to City Council.

Report

Attachment 1 is a report from Wanda Hunchak, Chair, SREDA Board of Directors. The report is self-explanatory and provides the required information for City Council to consider the request from 9 Mile for a five-year tax abatement.

Options to the Recommendation

City Council has the option of denying the tax abatement; however, that would be contrary to the Policy.

Financial Implications

The tax abatement will be offset by an equivalent amount of incremental property tax until it expires in year five. The impact in the first year is estimated at \$1,642. The total estimated value of the five-year abatement is \$5,911.

Other Considerations/Implications

There are no policy, environmental, privacy, or CPTED implications or considerations. Neither a communication plan nor public and/or stakeholder involvement is required.

Due Date for Follow-up and/or Project Completion

A further follow-up report is not required; however, the abatement will be subject to an annual compliance audit undertaken by SREDA.

Public Notice

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

Attachment

1. Report from Wanda Hunchak, Chair, SREDA Board of Directors, October 7, 2016

Report Approval

Written by: Shelley Sutherland, Director of Corporate Revenue

Approved by: Kerry Tarasoff, CFO/General Manager, Asset & Financial Management Department

Incentive App_9 Mile Legacy Brewing Company.docx



Saskatoon Regional Economic Development Authority (SREDA)
Suite 103, 202 Fourth Avenue N | Saskatoon, SK

MEMO

TO: Kerry Tarasoff, CFO/General Manager, Asset & Financial Management
City of Saskatoon

FROM: Wanda Hunchak, Chair
SREDA Board of Directors

RE: Incentive Application Review

DATE: October 7, 2016

The Saskatoon Regional Economic Development Authority's Board of Directors reviewed a tax incentive application from 9 Mile Legacy Brewing company ("9 Mile"), and has determined that it meets the eligibility requirements of the City of Saskatoon Business Development Incentives Policy, C09-014.

9 Mile has purchased property at 229 20th Street West in Saskatoon and will be renovating the existing building to support the expansion of their existing craft brewery. The renovations are anticipated to be complete in February 2017.

The company current has 1.3 full time employees and plans to add 5.2 FTEs in Saskatoon by the end of the first year because of the expansion.

The Saskatoon Regional Economic Development Authority's Board of Directors approved the following resolution on October 3, 2016:

Recommendations

THAT the Board of Directors approves the recommendation by the Incentive Review Committee for SREDA to submit 9 Mile Legacy Brewing Company's tax incentive application to the City of Saskatoon for approval.

The Board's recommendations are forwarded to City Council for consideration and approval. A summary of the tax abatement application from 9 Mile Legacy Brewing Company is attached for reference, along with the Eligibility Criteria Checklist.

Wanda Hunchak, Chair

Incentive Application – Fire Sand Real Estate Ltd.

Recommendation

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

1. That the application from Fire Sand Real Estate Ltd. for a five-year tax abatement on the incremental portion of taxes at 3639 Burron Avenue, as a result of its development in 2016, be approved as follows:
 - 100% in Year 1
 - 80% in Year 2
 - 70% in Year 3
 - 60% in Year 4
 - 50% in Year 5
2. That the City Solicitor be instructed to prepare the appropriate agreements.

Topic and Purpose

The purpose of this report is to obtain City Council approval for a five-year tax abatement on the incremental portion of taxes at Fire Sand Real Estate Ltd.'s (Fire Sand) development at 3639 Burron Avenue.

Report Highlights

1. Fire Sand has met the eligibility requirements of Council Policy No. C09-014, Business Development Incentives.

Strategic Goal

This report supports the long-term strategy of creating a business-friendly environment where the economy is diverse and builds on our city and region's competitive strengths under the Strategic Goal of Economic Diversity and Prosperity.

Background

City Council approved Council Policy No. C09-014, Business Development Incentives, on October 15, 1991, with the most recent updated approved on March 26, 2012.

The purpose of this policy is to make incentives available to businesses which meet the eligibility requirements listed within this Policy to:

- encourage them to locate or expand their operations in Saskatoon in order to create long-term, skilled or semi-skilled jobs;
- provide tax relief that will flow to companies creating new jobs;
- place Saskatoon in a competitive position in attracting businesses that it would not otherwise occupy;
- increase the long-term viability of a project; or
- demonstrate the City of Saskatoon's commitment to a business or industry.

In accordance with this Policy, the Saskatoon Regional Economic Development Authority (SREDA) Board of Directors, through a sub-committee, reviews the applications and brings forward a recommendation to City Council.

Report

Attachment 1 is a report from Wanda Hunchak, Chair, SREDA Board of Directors. The report is self-explanatory and provides the required information for City Council to consider the request from Fire Sand for a five-year tax abatement.

Options to the Recommendation

City Council has the option of denying the tax abatement; however, that would be contrary to the Policy.

Financial Implications

The tax abatement will be offset by an equivalent amount of incremental property tax until it expires in year five. The impact in the first year is estimated at \$46,860. The total estimated value of the five-year abatement is \$168,696.

Other Considerations/Implications

There are no policy, environmental, privacy, or CPTED implications or considerations, and neither a communication plan nor public and/or stakeholder involvement is required.

Due Date for Follow-up and/or Project Completion

A further follow-up report is not required; however, the abatement will be subject to an annual compliance audit undertaken by SREDA.

Public Notice

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

Attachment

1. Report from Wanda Hunchak, Chair, SREDA Board of Directors, October 7, 2016

Report Approval

Written by: Shelley Sutherland, Director of Corporate Revenue

Approved by: Kerry Tarasoff, CFO/General Manager, Asset & Financial Management
Department

Incentive App_Fire Sand Real Estate Ltd.docx



SREDA
SASKATOON REGIONAL
ECONOMIC DEVELOPMENT AUTHORITY

Saskatoon Regional Economic Development Authority (SREDA)
 Suite 103, 202 Fourth Avenue N | Saskatoon, SK

MEMO

TO: Kerry Tarasoff, CFO/General Manager, Asset & Financial Management
 City of Saskatoon

FROM: Wanda Hunchak, Chair
 SREDA Board of Directors

RE: Incentive Application Review

DATE: October 7, 2016

The Saskatoon Regional Economic Development Authority's Board of Directors reviewed a tax incentive application from Fire Sand Real Estate Ltd. ("Fire Sand"), and has determined that it meets the eligibility requirements of the City of Saskatoon Business Development Incentives Policy, C09-014.

Fire Sand has leased property at 3639 Burrton Ave. in Saskatoon. Together with its affiliated companies—Fire Sand Glass Ltd. and Fire Sand Equipment Ltd.—Fire Sand is constructing and equipping a new glass manufacturing and fabrication facility. Construction is anticipated to be complete in September 2016.

This new company expects to create 16 new jobs within three years.

The Saskatoon Regional Economic Development Authority's Board of Directors approved the following resolution on October 3, 2016:

Recommendations

THAT the Board of Directors approves the recommendation by the Incentive Review Committee for SREDA to submit Fire Sand Real Estate Ltd.'s tax incentive application to the City of Saskatoon for approval.

The Board's recommendations are forwarded to City Council for consideration and approval. A summary of the tax abatement application from Fire Sand Real Estate Ltd., along with the Eligibility Criteria Checklist and lease agreement.

Wanda Hunchak, Chair

Heavy Equipment Repairs and Repair Parts – Blanket Purchase Orders

Recommendation

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

1. That the Administration prepare multi-year blanket purchase orders for the following vendors, and estimated costs per year, for up to the next five years:
 - Cervus Equipment - \$35,000
 - Frontline Truck and Trailer - \$80,000
 - Redhead Equipment - \$140,000
 - Brandt - \$45,000; and
2. That Purchasing Services, Asset and Financial Management Department, issue the appropriate blanket purchase orders.

Topic and Purpose

The purpose of this report is to obtain City Council approval to issue multi-year blanket purchase orders for the major repairs and supply of Original Equipment Manufacturer repair parts for various equipment that was purchased through the public tender process.

Report Highlights

1. Numerous pieces of civic equipment and heavy trucks require a specific brand of Original Equipment Manufacturer repair parts and have only one authorized service center in Saskatoon for their respective brands.
2. In order to obtain administrative efficiencies and minimal operational disruptions, it is recommended that the Administration negotiate multi-year blanket purchase orders with specific authorized dealers and service centre vendors.

Strategic Goal

This report supports the long-term strategy of increasing productivity by being more efficient in the way the City of Saskatoon (City) does business under the Strategic Goal of Continuous Improvement.

Report

The City has numerous pieces of heavy trucks and equipment that have all been purchased through public tender process. The following vendors are the only authorized dealer and service center for their respective brands in Saskatoon:

- Cervus Equipment (Peterbilt)
- Brandt Tractor (John Deere Heavy Equipment)
- Redhead (Volvo and Case)
- Frontline Truck and Trailer (Freightliner)

Heavy Equipment Repairs and Repair Parts - Blanket Purchase Orders

With current shop labour rates and the rising cost of repair parts, most large repairs will exceed the \$5,000 threshold put on department issued purchasing documents. Many repair parts needed often exceed the same threshold. The additional administrative paper work and required approval process causes timely delays in payment/ authorization of work, adding to the downtime of equipment.

The majority of required repairs/parts are required as soon as possible to ensure there is minimal disruption to civic operations such as snow removal, garbage collection, street repair, water and sewer repairs, and other emergency situations. As identified in the Fleet Services' Civic Service Review (December 2015), Fleet Services is also required to have a minimum number of equipment available at a moment's notice.

The Administration is recommending that the City negotiate directly with the aforementioned vendors to obtain blanket purchase orders for Fleet Services for a period of up to five years. Blanket purchase orders will allow for more effective purchasing by reducing the total number of purchase orders issued each year, and streamlining the process will provide the City with cost savings and efficiencies.

The estimated costs for the blanket purchase orders are as follows:

Vendor	One Year	Five Years
Cervus Equipment	\$35,000	\$175,000
Frontline Truck & Trailer	\$80,000	\$400,000
Redhead Equipment	\$140,000	\$700,000
Brandt	\$45,000	\$225,000

Options to the Recommendation

City Council could choose not to proceed with entering in a blanket purchase order with the aforementioned and continue with the current process. The Administration does not recommend this option due to the urgent nature of equipment repairs which are often required for emergency repairs to infrastructure such as snow removal, water mains, garbage collection and road repairs.

Financial Implications

Costs for repairs to this equipment are funded from Fleet Services' approved operating budget. In the event that a repair is due to operator abuse and/or neglect, these costs are then charged to the appropriate department.

Other Considerations/Implications

There are no policy, environmental, privacy, or CPTED implications or considerations, and neither public and/or stakeholder involvement nor a communication plan is required.

Due Date for Follow-up and/or Project Completion

If approved, these blanket purchase orders will be in place immediately, with an option to extend the blanket for up to four additional years, provided the supplier provides acceptable pricing and maintains status as the sole supplier.

Heavy Equipment Repairs and Repair Parts - Blanket Purchase Orders

Public Notice

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

Report Approval

Written by: Jason Kennon, Manager, Fleet Services
Reviewed by: Troy LaFreniere, Director of Facilities and Fleet Services
Linda Rauckman, Director of Materials Management
Kerry Tarasoff, CFO/General Manager, Asset and Financial
Management Department
Approved by: Murray Totland, City Manager

Heavy Equipment Repair_Blanket PO

Summarized Reserve Analysis

Recommendation

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

1. That the creation of the following four new reserves be approved:
 - Facility Site Replacement Reserve
 - Forestry Farm Park and Zoo Capital Reserve
 - PotashCorp Playland Asset Replacement and Maintenance Reserve
 - Street Cleaning/Sweeping Equipment Acquisition Reserve;
2. That the Asphalt Plan Replacement Reserve and Landfill Buildings/Equipment Replacement Reserve be repealed;
3. That various housekeeping updates to reflect the City of Saskatoon's current corporate structure be approved;
4. That the changes be effective January 1, 2017;
5. That the City Clerk be requested to update Council Policy No. C03-003, Reserves for Future Expenditures; and
6. That the City Solicitor be requested to amend The Capital Reserve Bylaw No. 6774.

Topic and Purpose

The purpose of this report is to provide City Council with an update regarding the sufficiency of the current reserves included in Council Policy No. C03-003, Reserves for Future Expenditures (Policy), and Bylaw No. 6774, The Capital Reserve Bylaw (Bylaw). This report is also requesting City Council approval to amend both the Bylaw and Policy to reflect the current organizational structure and existing practices.

Report Highlights

1. Reserve balances have remained healthy from 2004 to 2015 with a balance of \$141 million as at December 31, 2015.
2. The 2016 Reserve Analysis Summary provides comments on the sufficiency, history or other relevant information regarding each reserve. The Administration is recommending various amendments to both the existing Policy and Bylaw.
3. Asset Management Plans will continue to be a useful tool in addressing reserve insufficiency through alignment of funding with desired condition levels.

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.

Summarized Reserve Analysis

Background

The Administration periodically provides City Council with a summarized reserve analysis outlining the current health of each reserve, as well as amendments to the current Policy and Bylaw where required. The last summarized reserve analysis was completed in 2007 and was received as information by City Council at its regular meeting on October 25, 2007.

Report

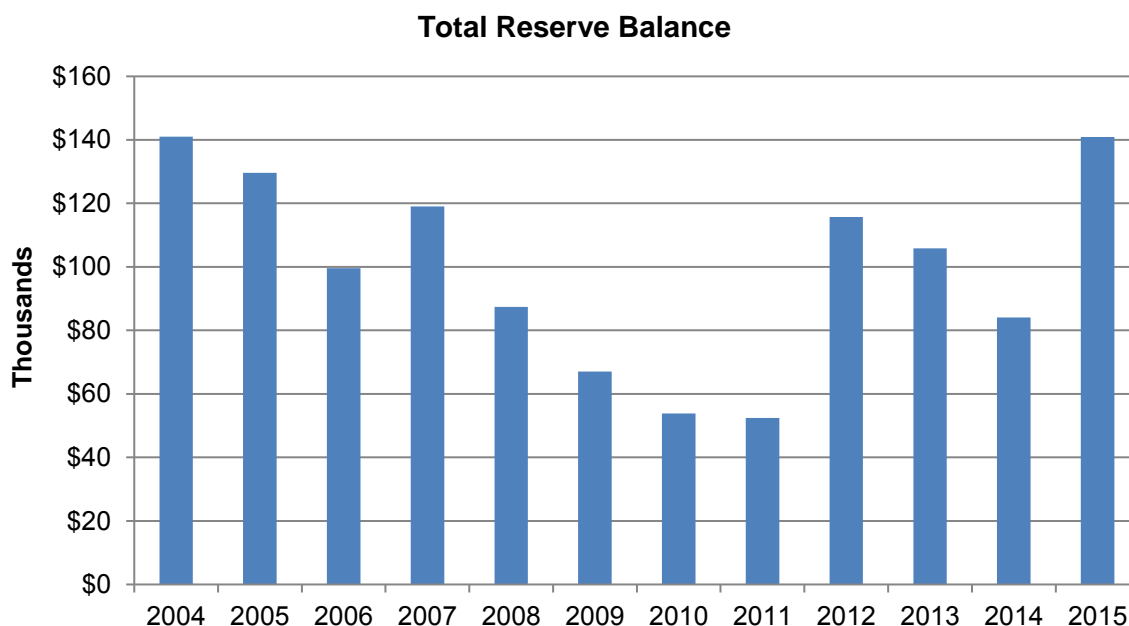
Reserve Sufficiency Analysis

For financial statement classification and reporting, the City's capital and operating reserves are categorized as either Replacement Reserves under the Bylaw or Future Expenditures Reserves under the Policy.

Attachment 1 is a summarized analysis of each reserve and includes information such as:

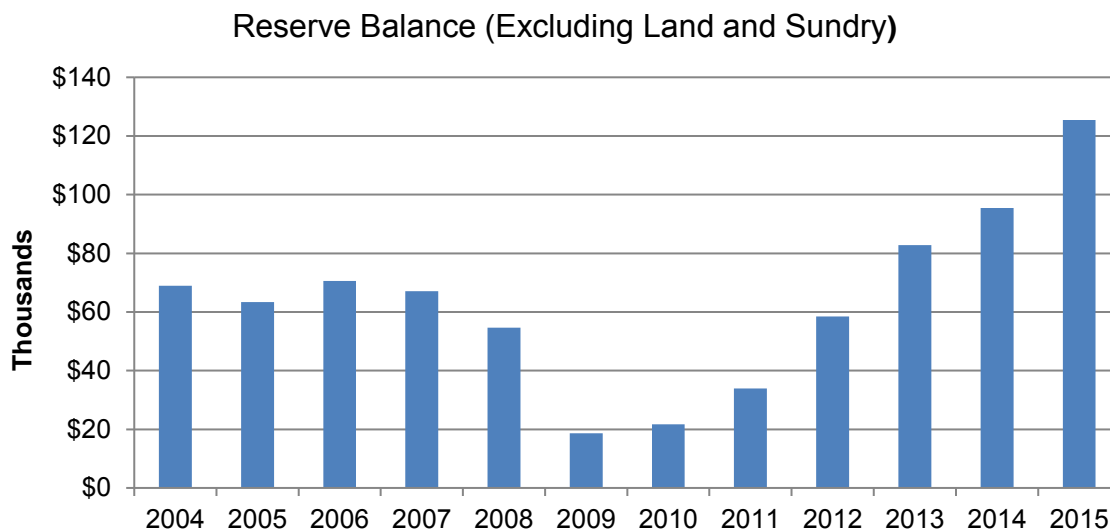
- type of reserve (replacement or future expenditures);
- authorization (bylaw, policy, or other);
- purpose of the reserve;
- current funding formula; and
- comments regarding relevant information on the capacity, history or sufficiency of the particular reserve.

Many of the City's reserves are in good financial position and are sufficient to finance planned future expenditures. As seen in the following chart, the City's reserve balances have remained healthy between \$50 million to \$140 million from 2008 to present.



Summarized Reserve Analysis

While the chart above displays the relative health of the City's reserves, it includes balances related to Land Development (Prepaid, Property Realized, Land Bank and Land Operations Reserves), as well as the Sundry Reserve (Mostly Neighbourhood Land Development) which can fluctuate significantly from year to year based on economic conditions and the Land Development Business Plan and Budget. Excluding these amounts, in an effort to isolate civic and utility operation reserves, the chart on the following page shows the reserve sufficiency the City has attained since 2004, excluding Land and Sundry Reserves.



Overall, the City's operating reserves have been increasing at a steady pace since 2009. The large decrease in reserve balances seen from 2007 to 2009 is mainly due to the authorized deficit in the Infrastructure Replacement Reserve – Water and Sanitary Sewers due to the advancement of flood control project costs. These costs are being recovered through a dedicated flood control levy of \$4.50 per water meter placed on utility bills. In addition, there were several reserves which advanced funds to capital projects as matching funds in 2008 to 2010 in order to take advantage of federal and provincial infrastructure programs as approved by City Council.

Council Policy No. C03-003 and Bylaw No.6774

Based on the Administration's analysis, there are several recommended changes to both the Policy and Bylaw, as outlined in Attachment 1. These recommended changes include items such as:

- updated language and wording to reflect current organizational structure;
- removal of reserves no longer used or funded;
- addition of reserves that have been created through the budget process, but have yet to be formalized in the Policy or Bylaw; and
- various changes to reflect current practices and direction approved by City Council.

Summarized Reserve Analysis

Attachment 1 also provides a snapshot of the sufficiency and history of each reserve. Amendments to the Policy, including general updates, are shown in Attachment 2.

Asset Management

As indicated in Attachment 1, the Corporate Asset Management Plan will play a large role in addressing future reserve sufficiency. The following reserves will be reviewed in future asset management plans:

- Bridge Major Repair Reserve - \$9.4 million in unfunded projects from 2016 to 2020;
- Civic Vehicles & Equipment Replacement Reserve - fleet renewal;
- Parks Infrastructure Reserve - has been in an authorized deficit the past number of years due to Dundonald Neighbourhood Park upgrades. This Reserve will return to a surplus position by December 31, 2016, however, is still insufficient to cover future capital renewal;
- Transit Vehicle Replacement Reserve - average age of fleet is 11.9 years compared to industry best practice of 7.0 years; and
- Civic Buildings Comprehensive Maintenance Reserve.

These asset management plans will assist in addressing potential funding within various reserves (including the above) by identifying a current condition level and a desired condition level of numerous assets and potential funding strategies required to achieve the desired condition level.

Options to the Recommendation

There are no options to the recommendation.

Communication Plan

A communication plan is not required.

Policy Implications

Policy implication to the Bylaw and Policy are outlined in the report and associated attachments.

Other Considerations/Implications

There are no financial, environmental, privacy, or CPTED implications or considerations, and neither public and/or stakeholder involvement is required.

Due Date for Follow-up and/or Project Completion

The Administration will continue to present a Summarized Reserve Analysis report to City Council as required.

Public Notice

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

Summarized Reserve Analysis

Attachments

1. 2016 Summarized Reserve Analysis
2. Draft Amended Council Policy No. C03-003, Reserve for Future Expenditures

Report Approval

Written by: Clae Hack, Director of Finance

Approved by: Kerry Tarasoff, CFO/General Manager, Asset & Financial
Management Department

Summarized Reserve Analysis_2016.docx

City of Saskatoon
2016 Summarized Reserve Analysis

Summary of Recommendations

Reserve	Pg.	Explanation/Recommendation
Access Transit Capital Reserve	5	<p>The current funding formula does not allow for the proceeds from sale or write offs as a result of an accident to be reinvested into the Reserve for replacement.</p> <p>Recommendation: That the funding formula be amended to include a provision for these items as a funding source.</p>
Asphalt Plant Replacement Reserve	5	<p>This Reserve has been depleted and obsolete for over a decade but remains active under Bylaw No. 6774.</p> <p>Recommendation: That the Reserve be closed and removed from Bylaw No. 6774.</p>
Electrical Distribution Replacement Reserve	7	<p>The current method to fund this Reserve using an amount equal to annual depreciation does not properly provide adequate funding since much of the existing infrastructure was purchased or constructed at a cost much lower than current replacement costs. Changing the funding method to an annual average of the next five years replacement requirements will help ensure there is both adequate funds to support future Capital projects as well as balance annual contributions, smoothing the effect of years which may have high or low Capital requirements.</p> <p>Recommendation: That the funding formula be changed from being equal to depreciation to being equal to the annual average of the next five years replacement requirements in Bylaw No. 6774.</p>
Facility Site Replacement Reserve	8	<p>This Reserve currently has annual base funding of \$200,000 per year. This is short of the targeted base of approximately \$750,000. Administration will continue phasing this funding in future budgets as directed by the May 13, 2013 City Council report. Although this Reserve is receiving funding, it has yet to be formalized into Bylaw No. 6774.</p> <p>Recommendation: That the Facility Site Replacement Reserve be formalized into Bylaw No. 6774.</p>
Landfill Buildings/Equipment Replacement Reserve	10	<p>This Reserve is fully depleted and obsolete, and has been inactive since 2007.</p> <p>Recommendation: That the Reserve be closed and removed from Bylaw No. 6774.</p>
Transit Vehicle Replacement Reserve	13	<p>The current funding formula does not allow for the proceeds from sale or write offs as a result of an accident to be reinvested into the Reserve for replacement.</p> <p>Recommendation: That the funding formula be amended to include a provision for these items as a funding source.</p>
Affordable Housing Reserve	16	<p>This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures. However, Policy No. C03-003 requires an update, as the funding formula is not consistent with current practice. Originally, the City was to create a funding base of \$1.5M with a phased in approach of \$250,000 per year from 2011 – 2016. During its September 26, 2011 meeting, City Council approved a cost sharing</p>

Reserve	Pg.	Explanation/Recommendation
Affordable Housing Reserve (con't)		<p>agreement with the Provincial Government. The phased-in approach to provide an additional \$1.5M in funding was suspended. It has not been revisited since this time.</p> <p>Recommendation: That Policy No. C03-003 be amended to reflect current practices as outlined in the Housing Business Plan approved on November 30, 2015 during 2016 Budget Deliberations.</p>
Civic Hospitality Reserve	19	<p>This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures. This Reserve is governed by Policy No. C01-005, Civic Hospitality to Conventions.</p> <p>Recommendation: That Policy No. C03-003 be amended to include a cross reference to Policy No. C01-005.</p>
Civic Utilities Stabilization Reserve	19	<p>Transit Stabilization: This Reserve has had a \$0 balance since 2015 and is no longer being used due to Transit no longer being considered a utility.</p> <p>Recommendation: That the Reserve be closed and removed.</p> <p>Access Transit Stabilization: This Reserve has had a \$0 balance since 2011 and is no longer being used due to Access Transit no longer being considered a utility.</p> <p>Recommendation: That the Reserve be closed and removed.</p> <p>Storm Water Management Utility Stabilization: The Storm Water Utility had a deficit of \$276,000 in 2014 which resulted in a withdrawal from this Reserve to reduce the balance to \$1.1M. Overall, the Reserve is financially well supplied; however, there is no guidance in place to determine the cap on this Reserve or where to allocate any surplus over the determined cap.</p> <p>Recommendation:</p> <ol style="list-style-type: none"> 1. That Policy No. C03-003 be amended to reflect a cap on the Storm Water Management Utility Stabilization Reserve equal to the maintenance and drainage components of the current year's operating budget; and 2. That any excess be transferred to the Storm Water Management Capital Reserve. <p>Recycling (Curbside) Stabilization Reserve: This Reserve was created in 2013 in order to offset unanticipated utility operating deficits in this program by establishing and maintaining a stabilization reserve, however, Policy No. C03-003 was not amended to include the Recycling (curbside) Stabilization Reserve.</p> <p>Recommendation: That Policy No. C03-003 be amended to include the Recycling (curbside) Stabilization Reserve.</p>

Reserve	Pg.	Explanation/Recommendation
Community Initiatives Grant Reserve	21	This Reserve was approved at City Council on September 12, 2011, but was not formalized into Policy No. C03-003. Recommendation: That this Reserve be added to Policy No. C03-003 as outlined in the motion from the September 12, 2011 City Council meeting.
Forestry Farm Park and Zoo Capital Reserve	26	This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures. This Reserve is capital in nature, and therefore, should be part of Bylaw No. 6774 instead of Council Policy No. C03-003 Recommendation: That this Reserve be transferred to Bylaw No. 6774 from Policy No. C03-003.
PotashCorp Playland Asset Replacement and Maintenance Reserve	32	This Reserve was created during 2016 Budget Deliberations but has yet to be formalized. Recommendation: That this Reserve be added to Bylaw No. 6774.
Spectator Ball Fields Development Reserve	36	This Reserve has not been utilized since 2008, as there is no current source of funding since the amusement tax was repealed. Recommendation: That this Reserve be removed from Policy No. C03-003.
Street Cleaning/Sweeping Equipment Acquisition Reserve	37	This Reserve was created through the 2011 Budget Process, but was not formalized into Bylaw No. 6774. The Reserve is currently well supplied and the funding is sufficient for planned future expenditures. Recommendation: That Capital Bylaw No. 6774 be amended to include this Reserve.
Streetscape Reserve - Core BID	37	This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures. Changes were made to the funding formula at the December 5, 2011 regular meeting of City Council that starting in 2013, \$0.50 of each paid hour of parking meter revenue be allocated 100% to the Business Improvement District Streetscape Reserve; however, this was not formalized into Bylaw No. 6774. Recommendation: That the funding formula in Bylaw No. 6774 be amended to reflect this motion.

REPLACEMENT RESERVES

Name: Access Transit Capital Reserve

Type: Replacement

Authorization: Capital Bylaw No. 6774

Purpose: To finance the cost of capital expenditures for the Access Transit Program of the Utility Services Department, including purchases of new and replacement buses, and related equipment.

Funding Formula: Ongoing funding is provided by an annual provision in an amount authorized in the City's Operating Budget, equal to the estimated average annual cash flow Reserve requirements projected over the next 10-year period. This Reserve was initially funded by a transfer of \$239,835 from the previous years' Access Transit operating surpluses.

Comments: This Reserve is in good financial position based on the current capital plan; however, the current fleet has an average age of about 4.6 years, compared to industry standards of 3 years. Transit, along with the Finance division, presented an asset management plan in summer 2016 which provided an overview of the state of assets within Access Transit. Options regarding the asset management plan will be provided at 2017 budget deliberations. In addition, the current funding formula does not allow for the proceeds from sale or write offs as a result of an accident to be reinvested into the reserve for replacement.

Recommendation: That the funding formula be amended to include a provision for proceeds from the sale or write offs as a result of an accident be included as a funding source.

Name: Albert Community Centre Major Repair Reserve

Type: Replacement

Authorization: Capital Bylaw No. 6774

Purpose: To finance the cost of repairs to the Albert Community Centre.

Funding Formula: This Reserve is funded annually from an authorized provision in the City's Operating Budget. The provision is equal to 0.3342% of 1 mill (or an equivalent value resulting from future reassessments) applied to the City's taxable property assessment of the previous year.

Comment: This Reserve is in good financial position and is projected to be sufficient for planned future expenditures

Recommendation: N/A

Name: Asphalt Plant Replacement Reserve

Type: Replacement

Authorization: Capital Bylaw No. 6774

Purpose: To finance the cost of purchasing or replacing asphalt plant equipment.

Funding Formula: This Reserve is funded annually from an authorized provision in the City's Operating Budget. The provision shall be equal to the annual cash flow requirements for the operation of the asphalt plant averaged over the latest five-year period.

Comment: This Reserve has been depleted and obsolete for over a decade but remains active under Bylaw No. 6774.

Recommendation: That the Reserve be closed and removed from Bylaw No. 6774.

Name: Bridge Major Repair Reserve

Type: Replacement

Authorization: Capital Bylaw No. 6774

Purpose: To finance the cost of major repairs to the City's bridges and overpasses.

Funding Formula: Funded annually from an authorized provision in the City's Operating Budget.

Comment: The current reserve sufficiency analysis has over \$8.4 million of unfunded projects identified from 2016 – 2020 (as per the 2016 approved budget) and indicates that current contributions are insufficient. The Major Projects Division will be working on completion of an asset management plan which will identify current condition levels, desired condition levels and funding gaps, as well as potential financial strategies to address these gaps.

Recommendation: N/A

Name: Civic Vehicles & Equipment Replacement Reserve

Type: Replacement

Authorization: Capital Bylaw No. 6774

Purpose: To finance the cost of replacing civic vehicles and equipment; replacing major components of civic vehicles and equipment; or performing major overhauls of vehicles and equipment.

Funding Formula: This Reserve shall be funded by the proceeds from the sale of the units being replaced (salvage value). The Reserve is also funded annually from a provision in the City's Operating Budget. The estimated provision shall be adjusted at year end by multiplying the actual number of months each unit has generated revenue during the year by the current replacement cost (less eventual salvage value) of each unit, divided by the total number of months each unit is expected to generate revenue during its life. Any surplus in this Reserve shall be transferred annually to a Vehicle and Equipment Stabilization Reserve and any deficit shall be reduced to zero by contributions to this Reserve from the Vehicle and Equipment Stabilization Reserve.

Comment: Fleet Services has undergone a service review and is in the process of preparing an asset management plan. Based on these reviews/plans, a revised funding formula may be presented to City Council in the future in order to address any potential funding gap.

Recommendation: N/A

Name: Computer Equipment Replacement Reserve

Type: Replacement

Authorization: Capital Bylaw No. 6774

Purpose: To finance the cost of replacing and upgrading computers and associated hardware and software required to support corporate computer systems.

Funding Formula: This Reserve shall be funded annually from an authorized provision in the City's Operating Budget. The provision shall be equal to the Reserve's average annual cash flow requirements projected over the next 5-year period.

Comment: This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Container Replacement Reserve

Type: Replacement

Authorization: Capital Bylaw No. 6774

Purpose: To finance the cost of replacing, upgrading and purchasing collection bins for recycled material; and for single-family roll-out garbage containers and multi-family garbage containers.

Funding Formula: This Reserve is funded annually from an authorized provision of the City's Operating Budget for Solid Waste Management.

Comment: The Container Replacement Reserve has an authorized deficit due to the expansion of the City's Recycling Program. Further, the annual contribution to this Reserve has not kept up to growth and replacement needs of the black garbage cans. In 2016, this program was subsidized by the Transportation and Utilities Departmental Capital Funding Reserve. A future report outlining the requirements of this Reserve will be presented in 2017.

Recommendation: N/A

Name: Corporate Capital Reserve

Type: Replacement

Authorization: Capital Bylaw No. 6774

Purpose: To finance administrative support projects such as computer system replacements or other types of projects to support existing services.

Funding Formula: This Reserve shall be funded by an annual provision in an amount authorized by the City's Operating Budget. This Reserve is allowed to be in a deficit position, provided the shortfall is repaid, in full, within five fiscal years from the date the deficit was incurred. The source of funds for the repayment of the deficit shall be the annual authorized provision in the City's Operating Budget.

Comment: This Reserve was created in 2010 and funding is currently deemed to be sufficient for planned future expenditures.

Recommendation: N/A

Name: Electrical Distribution Replacement Reserve

Type: Replacement

Authorization: Capital Bylaw No. 6774

Purpose: To finance the cost of replacing the City's electrical distribution facilities. Funds in this Reserve shall only be used for capital expenditures for the replacement of electrical distribution facilities such as buildings, lines, street lighting, meters, transformers, substations and like facilities.

Funding Formula: This Reserve shall be funded annually from an authorized provision in the City's Operating Budget. The provision shall be equal to a depreciation expense which is calculated by dividing the historical cost of the electrical distribution facility by the estimated years of its useful life. This Reserve may be in a deficit position if sufficient funds are available in the Electrical Distribution Extension Reserve to cover that deficit.

Comment: This Reserve is forecasted to have a \$6.7 million surplus at December 31, 2016; however, it is offset by \$4.5 million forecasted deficit in the Electrical Distribution Extension Reserve. The current method to fund this Reserve using an amount equal to annual depreciation does not properly provide adequate funding since much of the existing infrastructure was purchased or constructed at a cost much lower than current

replacement costs. Changing the funding method to an annual average of the next five years replacement requirements will help ensure there is both adequate funds to support future Capital projects as well as balance annual contributions, smoothing the effect of years which may have high or low Capital requirements.

Recommendation: That the funding formula be changed from being equal to depreciation to being equal to the annual average of the next five years replacement requirements in Bylaw No. 6774.

Name: Facility Site Replacement Reserve

Type: Replacement

Authorization: May 13, 2013 Secretary, Administration and Finance Committee

Purpose: The purpose of the Facilities Site Maintenance Reserve is to provide a funding source for the replacement of infrastructure components, including water/sewer lines, storm lines, manholes, signs, curbs, sidewalks, fencing, lot lighting, roads and paving at the end of their life cycle.

Funding Formula: This Reserve shall be funded annually from an authorized provision in the City's Operating Budget.

Comment: This Reserve currently has annual base funding of \$200,000 per year. This is short of the targeted base of approximately \$750,000. The Administration will continue phasing this funding in future budgets as directed by the May 13, 2013 City Council report. Although this Reserve is receiving funding, it has yet to be formalized into Bylaw No. 6774.

Recommendation: That the Facility Site Replacement Reserve be formalized into Bylaw No. 6774.

Name: Fire & Protective Services Department – Small Equipment Replacement Reserve

Type: Replacement

Authorization: Capital Bylaw No. 6774

Purpose: To finance the cost of replacing cars, trucks and other small equipment used by the Fire & Protective Services Department.

Funding Formula: This Reserve shall be funded annually from an authorized provision in the City's Operating Budget. The provision shall be equal to the average annual funding requirements of this Reserve over the latest five-year period. Calculation of the value of each asset shall be based on the asset's current replacement value adjusted for inflation, less the salvage value of each asset, divided by its estimated useful life.

Comment: This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Fire Apparatus Reserve

Type: Replacement

Authorization: Capital Bylaw No. 6774

Purpose: The purpose of this Reserve is to finance the cost of replacing large fire apparatus used by the Fire and Protective Services Department.

Funding Formula: This Reserve shall be funded annually from an authorized provision in the City's Operating Budget.

Comment: This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Grounds Maintenance Equipment Replacement Reserve

Type: Replacement

Authorization: Capital Bylaw No. 6774

Purpose: To finance the cost of replacing equipment maintained by the Asset Management Equipment Maintenance Centre (1101 Avenue P North).

Funding Formula: This Reserve shall be funded annually from an authorized provision in the City's Operating Budget. The provision shall be equal to 5.4% of the current replacement value of the equipment (net of salvage value) covered by the reserve.

Comment: This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Infrastructure Replacement Reserve – Water and Sanitary Sewers

Type: Replacement

Authorization: Capital Bylaw No. 6774

Purpose: To finance the capital costs of infrastructure replacements of existing water and sanitary sewer infrastructure.

Funding Formula: This Reserve shall be funded by the infrastructure levy added to the water and sewer utility bills for both residential and commercial users, and such amounts as may be transferred from the Water Utility Stabilization Reserve.

Comment: This Reserve has been in an approved deficit position for several years, currently at \$10.1 million, due to the advancement of flood control projects to alleviate further flooding and due to the settlement of a number of insurance claims as a result of the floods. The Reserve is fully funded through utility rates and is currently being replenished through a flood control levy of \$4.50 per water meter placed on utility bills. This reserve is expected to be in a surplus position by 2018 at which time funding should be sufficient to meet future capital plans.

Recommendation: N/A

Name: Landfill Buildings/Equipment Replacement Reserve

Type: Replacement

Authorization: Capital Bylaw No. 6774

Purpose: To finance the cost of replacing buildings and equipment (excluding buildings and equipment provided by the Vehicle and Equipment Services Branch of the Asset Management Department) at the Landfill.

Funding Formula: This Reserve shall be funded annually from an authorized provision in the City's Operating Budget.

Comment: This Reserve is fully depleted and obsolete, and has been inactive since 2007.

Recommendation: That this Reserve be closed and removed from Bylaw No. 6774.

Name: Landfill Replacement Reserve

Type: Replacement

Authorization: Capital Bylaw No. 6774

Purpose: The purpose of the Landfill Replacement Reserve is to finance the cost of replacing the City's landfill.

Funding Formula: This Reserve shall be funded annually from an authorized provision in the City's Operating Budget consisting of a base provision of \$410,000 and a further provision at a rate per tonne charge fixed by City Council on the disposal of waste at the City's landfill site.

Comment: This Reserve is in an authorized deficit position due to past capital expenditures and expansion of the landfill. Declining landfill fill revenues from increased regional competition have resulted in declining annual contributions to this Reserve. The projected deficit as at December 31, 2016 is \$1.085 million and is anticipated to return to a surplus position by the end of 2017.

Recommendation: N/A

Name: Leisure Services Equipment Replacement Reserve

Type: Replacement

Authorization: Capital Bylaw No. 6774

Purpose: To finance the cost of replacing equipment used by the Leisure Services Department.

Funding Formula: Funds from this Reserve shall be funded annually from an authorized provision in the City's Operating Budget. The provision shall be equal to the estimated average annual cash flow requirements of this Reserve over the next projected 15-year period.

Comment: This reserve is in good financial position, and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Parks Infrastructure Reserve

Type: Replacement

Authorization: Capital Bylaw No. 6774

Purpose: To finance the capital costs of infrastructure replacements, repairs and upgrades of existing parks.

Funding Formula: This Reserve shall be funded annually from an authorized provision in the City's Operating Budget, which provision shall take into account the average monthly Consumer Price Index for the City for the immediately preceding year.

Comment: This Reserve has been in an approved deficit position the past number of years due to Dundonald Neighbourhood Park upgrades. It is anticipated that this Reserve will be in a surplus position by December 31, 2016. The original funding formula for this Reserve was intended for upgrade of neighbourhood parks only, not all existing park infrastructure as per the purpose identified in the Bylaw No. 6774. Therefore, funding levels are currently below the requirements to address all park infrastructures. The Parks Division is currently completing an asset management plan which will address desired physical condition levels, funding gaps and potential funding alternatives in 2016.

Recommendation: N/A

Name: Paved Roadways Infrastructure Reserve

Type: Replacement

Authorization: Capital Bylaw No. 6774

Purpose: To finance the capital costs related to the preservation and rehabilitation of existing paved roadways. The objective is to minimize the life cycle cost of this infrastructure while providing acceptable service.

Funding Formula: This Reserve shall be funded by an annual provision in an amount authorized by the City's Operating Budget. The Reserve began with an initial transfer of \$8,838,900 from the Infrastructure Replacement Reserve – Roadways, and a one-time supplemental funding of \$2,525,100.

Comment: This Reserve is new (codified to Bylaw No. 9165, February 10, 2014), and is a continuation of the Infrastructure Replacement Reserve – Roadways. This Reserve is part of the Building Better Roads funding strategy and received over \$29 million per year in dedicated funding in 2016. 2017 will be the final year of a dedicated mill rate increase which will bring total funding to approximately \$31 million. This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Printing & Mail Equipment Replacement Reserve

Type: Replacement

Authorization: Capital Bylaw No. 6774

Purpose: To finance the cost to upgrade and replace necessary printing and mail equipment.

Funding Formula: This Reserve shall be funded annually from an authorized provision in the City's Operating Budget. The provision shall be equal to the estimated annual average cash flow requirements of this Reserve for the next projected five-year period.

Comment: This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Public Works Weigh Scales Replacement Reserve

Type: Replacement

Authorization: Capital Bylaw No. 6774

Purpose: To finance the cost of replacing weigh scale equipment in the Public Works Branch.

Funding Formula: This Reserve shall be funded annually from an authorized provision in the City's Operating Budget. The provision shall be equal to the average annual cash flow requirement of the Reserve over the next projected five-year period.

Comment: This Reserve is currently holding \$181,000 and will be considered for use when the Landfill moves its entrance in conjunction with the Recovery Park initiative. The funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Sewage Collection & Treatment Replacement Reserve

Type: Replacement

Authorization: Capital Bylaw No. 6774

Purpose: To finance the cost of replacing sewage collection and treatment equipment.

Funding Formula: This Reserve shall be funded annually from an authorized provision in the City's Operating Budget. The amount of the provision shall be calculated in accordance with the following formula: $A = (C - R) \div 10$, where: **A** is the annual provision; **C** is the current estimated replacement cost of all equipment used in the collection and treatment of sewage scheduled for replacement over the next 10 years; **R** is the balance of the Reserve at the beginning of the current year.

Comment: This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Storm Water Management Capital Reserve

Type: Replacement

Authorization: Capital Bylaw No. 6774

Purpose: To finance the capital cost of constructing, rehabilitating and replacing facilities necessary for the collection, transmission, treatment and disposal of storm water.

Funding Formula: This Reserve shall be funded by the annual provision of such portion of the Storm Water Management Charge as determined by City Council.

Comment: This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Transit Vehicles Replacement Reserve

Type: Replacement

Authorization: Capital Bylaw No. 6774

Purpose: To finance the cost of replacing and refurbishing transit buses and replacing bus radios and associated equipment.

Funding Formula: This Reserve shall be funded annually from an authorized provision in the City's Operating Budget. The provision shall be equal to the estimated average annual cash flow requirements of this Reserve over the next projected 15-year period. Interest earned on this Reserve shall be credited to this Reserve.

Comment: The current funding to this Reserve is insufficient. The Administration presented a "Saskatoon Transit Fleet Renewal Strategy" in fall 2015 to address this funding shortfall and transit asset condition issues, as well as an asset management plan which was presented in summer 2016. Options regarding the funding shortfall will be provided at 2017 budget deliberations for consideration. In addition, the current funding formula does not allow for the proceeds from sale or write offs as a result of an accident to be reinvested into the Reserve for replacement.

Recommendation: That the funding formula be amended to include a provision for proceeds from the sale or write offs as a result of an accident be reinvested into this reserve for replacement as a funding source.

Name: Transportation Infrastructure Reserve

Type: Replacement

Authorization: Capital Bylaw No. 6774

Purpose: To finance the capital costs related to the preservation or retrofit of gravel roadways, lanes, drainage, sidewalks, curbs, pavement markings, medians, guardrails, traffic signals and signage, and other miscellaneous transportation infrastructure.

Funding Formula: This Reserve shall be funded by an initial transfer of the balance of the funds remaining in the Infrastructure Replacement Reserve – Roadways, and an annual provision in an amount authorized in the City's Operating Budget.

Comment: This Reserve is in good financial position, although there is \$4.68 million in unfunded capital projects from 2016 – 2020 (mostly related to Boundary Roads (\$1.355 million), Curb Replacement/Repair (\$1.1 million), Median Rehabilitation (\$432,000), Pavement Marking Upgrades (\$600,000) and Signage Replacements - Freeways (\$400,000). Overall, the funding formula is sufficient for \$17.578 million of planned future expenditures from 2016 - 2020.

Recommendation: N/A

Name: Trunked Radio System Infrastructure Replacement Reserve

Type: Replacement

Authorization: Capital Bylaw No. 6774

Purpose: To provide funding for the repair and replacement of existing components of the City's trunked radio system infrastructure.

Funding Formula: This Reserve shall be funded annually from a charge included in the monthly system access and battery maintenance fees charged to civic departments using the trunked radio system. The Reserve was established over a three-year period. The contribution in the initial three years was: 2004 - \$50,000; 2005 - \$100,000; and 2006 - \$150,000. After 2006, the annual contribution was to be \$150,000.

Comment: This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Water Supply Replacement Reserve

Type: Replacement

Authorization: Capital Bylaw No. 6774

Purpose: To finance the cost of replacing equipment used for the supply of water.

Funding Formula: This Reserve shall be funded annually from an authorized provision in the City's Operating Budget. The provision shall be equal to the 10-year replacement schedule and shall be calculated according to the formula: $A = (C - R) \div 10$, where **A** is the annual provision; **C** is the current estimated replacement cost of all equipment scheduled for replacement over the next ten years; **R** is the balance of the Reserve at the beginning of the current year.

Comment: This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

FUTURE EXPENDITURE RESERVES

Name: 325 – 3rd Avenue North Building and Operating Reserve

Type: Future Expenditures

Authorization: Policy No. C03-003

Purpose: To provide funding for the self-financing City-owned building (325 – 3rd Avenue North) with an operating reserve that allows flexibility for management of the building.

Funding Formula: This Reserve shall be funded from a one-time transfer of the balance of the funds previously allocated for repairs and improvements at 325 – 3rd Avenue North. Funds will be used for necessary building upgrades, building improvements, lease space related expenditures, and to cover any lease revenue shortfalls.

Comment: This Reserve is new (2014) and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Active Transportation Reserve

Type: Future Expenditures

Authorization: Capital Bylaw No. 6774

Purpose: To finance the capital costs of Active Transportation infrastructure, including cycling and pedestrian infrastructure needs such as sidewalks, ramps, multi-use pathways and cycling infrastructure.

Funding Formula: Ongoing funding is derived from a 0.1% mill rate contribution. Reserve contributions shall not exceed \$500,000.00 in any one year. This Reserve was initially funded by one-time capital funding set in the City's 2014 Operating Budget.

Comment: Annual funding for this Reserve is at the maximum allowable rate of \$500,000 per Bylaw No. 6774. . Even with this funding there is a total of \$3.05 million worth of projects identified from 2016 – 2020 that are currently unfunded which include Arterial Road Sidewalk/Pathway retrofits (\$1.0 million), Bicycle Facilities (\$850,000) and the design and construction of a multi-use pathway to extend from Idylwyld Drive to Avenue W (\$2.05 million). Based on the current capital plan, the funding formula is sufficient for future expenditures.

Recommendation: N/A

Name: Affordable Housing Reserve

Type: Future Expenditures

Authorization: Policy No. C03-003

Purpose: To support housing development in Saskatoon as guided by Policy No. C09 002, Innovative Housing Incentives. The fund also covers losses associated with the Equity Building Program.

Funding Formula: Provisions to this Reserve shall consist of:

- a) The net proceeds from the sale of property that the City acquired as a result of tax enforcement proceedings;
- b) An annual allocation of \$1.5 million beginning in 2011 from the City's annual operating budget, phased-in with incremental annual provisions of \$250,000 per year for six years beginning in 2011 and ending in 2016; and
- c) An allocation from the Neighbourhood Land Development Fund to make up the difference between the annual allocation of \$1.5 million and the phased-in contribution from the annual operating budget.

Comment: This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures. However, Policy No. C03-003 requires an update as the funding formula is not consistent with current practice. Originally, the City was to create a funding base of \$1.5M with a phased in approach of \$250,000 per year from 2011 – 2016. During its September 26, 2011 meeting, City Council approved a cost sharing agreement with the Provincial Government. The phased-in approach to provide an additional \$1.5 million in funding was suspended. It has not been revisited since this time.

Recommendation: That Policy No. C03-003 be amended to reflect current practices as outlined in the Housing Business Plan approved on November 30, 2015 during 2016 budget deliberations.

Name: Animal Services Reserve

Type: Future Expenditures

Authorization: Policy No. C03-003

Purpose: To provide a source of funds for financing future expenditures that upgrade, enhance or expand services and facilities provided by the Animal Services Program.

Funding Formula: Ongoing funding is provided by an annual provision in an amount authorized in the City's Operating Budget, as well as a yearly balancing item equal to any positive amount arising from that year's operating revenues, minus operating expenditures for the Animal Services Program. Contributions are funded through animal license revenues.

Comment: This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Campsite Reserve

Type: Future Expenditures

Authorization: Policy No. C03-003

Purpose: To accumulate funds for offsetting any operating deficits incurred in any year by municipally-owned campsite facilities. To finance capital expenditures that upgrades or expands facilities and services.

Funding Formula: This provision uses a yearly balancing item which will equal any positive amount arising from that year's operating revenues minus operating expenditures for the City's campsite program(s).

Comment: This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Cemetery Stabilization Reserve

Type: Future Expenditures

Authorization: Policy No. C03-003

Purpose: To offset unanticipated cemetery operating deficits due to revenue shortfalls or unexpected expenditures.

Funding Formula: As per Policy No C03-003, provisions to the Reserve consist of an annual amount authorized by City Council through the Operating Budget, and any year-end surpluses realized in excess of budget.

Comment: This Reserve was fully depleted from 2005 – 2011, and after some years operating in a surplus positions (2012 - 2014) it is again fully depleted (2015 – present). Losses incurred by the cemetery have been covered by other Civic Operating Programs, as City Council has not authorized any annual amounts through the operating budget in the past. The Administration continues to work toward operating the cemetery without a requirement for mill rate funding.

Recommendation: N/A

Name: CIS - Systems Development

Type: Future Expenditures

Authorization: Policy No. C03-003

Purpose: To provide a source of funding for IT system development work, funding for a proof of concept, small system acquisitions and partial funding for major system acquisitions within the corporation.

Funding Formula: Funded annually from an authorized provision in the City's Operating Budget.

Comment: This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: CIS Unified Communications Reserve

Type: Future Expenditures

Authorization: Policy No. C03-003

Purpose: To provide a source of funding that will be used to fund improvements and upgrades to the Microsoft Lync unified communications environment and for the addition and/or replacement of telephone handsets.

Funding Formula: This Reserve shall be funded annually from an authorized provision in the City's Operating Budget. Expenditures from this Reserve may be less than \$25,000.

Comment: This Reserve was created in 2014 and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Civic Buildings Comprehensive Maintenance Reserve

Type: Future Expenditures

Authorization: Capital Bylaw No. 6774

Purpose: To finance the cost of repairs to those of the City's buildings and structures in respect of which monetary contributions are made to this Reserve.

Funding Formula: This Reserve is funded annually from an authorized provision in the City's Operating Budget. The provision shall be equal to 1.2% of the appraised value of the building as determined by the City's insurance schedules. The Reserve is also funded by an initial one-time provision from the City's Operating Budget with respect to each building that becomes part of this Reserve. The amount is determined by the Civic Buildings and Grounds Department as a result of its assessment of the building.

Comment: Associated Engineering provided a review of this Reserve's funding formula in 2012 and concluded that 1.2% of the appraised value of the building as determined by the City's insurance schedule was a reasonable contribution level at that time for most Civic Facilities and found the City "well positioned compared to many other municipalities with the establishment of the CBCM fund." The report also identified that certain facilities (e.g. Shaw Centre) could benefit from a higher contribution rate. It is currently planned that this Reserve will contribute to \$39.5 million in capital projects from 2016 – 2020, while \$0.625 million of projects remain unfunded. In the future, the Administration will be preparing an asset management plan for civic facilities in order to address condition levels, funding gaps and funding options.

Recommendation: N/A

Name: Civic Hospitality Reserve

Type: Future Expenditures

Authorization: Policy No. C01-005

Purpose: To allow for funding over a five-year rolling basis. Unused balances in current operating years can be rolled over to the next year.

Funding Formula: The provision is a yearly balancing item which will equal any positive amount arising from that year's operating expenditures for the Civic Hospitality Fund. The Civic Hospitality Fund itself was increased by \$8,000 in years 2006 and 2007, and another is planned for 2008 to bring the annual provision to \$48,000. At each year end, actual to budget is looked at for the General Expenditures Civic Hospitality Fund account; amounts are transferred to/from Reserve to balance. This Reserve was created in 2006; the first annual year end transfer amount to Reserve was \$9,541.50.

Comment: This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures. This Reserve is governed by Policy No. C01-005, Civic Hospitality to Conventions.

Recommendation: That Policy No. C03-003 be amended to include a cross reference to Policy No. C01-005.

Name: Civic Utilities Stabilization Reserve

Type: Future Expenditures

Authorization: Policy No. C03-003

Purpose: To offset unanticipated utility operating deficits by establishing and maintaining a Utility Stabilization Reserve, with a separate account for each utility. Civic utilities covered by this stabilization reserve include: Access Transit; Electrical Distribution; Sewage; Storm Water Management; Transit; and Water.

Funding Formula: Any year-end surplus realized in excess of budget is transferred to the applicable management utility reserve account(s). To the extent that a balance exists in the respective account, the Utility Stabilization Reserve shall be used to finance any year-end deficits incurred by a civic utility. Subject to City Council approval, available funds in the respective accounts of the Utility Stabilization Reserve may be transferred to the applicable utility capital reserves and /or used to repay any existing debt incurred by the utility.

Comments:

- **Water & Wastewater Utility Stabilization:** The balance of the Water and Sewer Utilities Stabilization Reserve is capped at 5% of the current year's budgeted metered revenue (including the infrastructure levy). The Reserve reached its maximum allowable limit in 2015 with a balance of \$5,227,900.

Recommendation: N/A

- **Electrical Utility Stabilization:** The balance of the Electrical Utility Stabilization Reserve is capped at 1.5% of the current year's budgeted metered revenue. The Reserve balance as at January 1, 2016 was \$60,289.

Recommendation: N/A

- **Transit Stabilization:** This Reserve has had a \$0 balance since 2015 and is no longer being used due to Transit no longer being considered a utility.

Recommendation: That the Transit Stabilization Reserve be closed and removed.

- **Access Transit Stabilization:** This Reserve has had a \$0 balance since 2011 and is no longer being used due to Access Transit no longer being considered a utility.
Recommendation: That the Access Transit Stabilization Reserve be closed and removed.
- **Storm Water Management Utility Stabilization:** This Reserve had a deficit of \$276,000 in 2014 which resulted in a withdrawal from this reserve to reduce the balance to \$1.2 million on January 1, 2016. Overall, the Reserve is financially well supplied; however, there is no guidance in place to determine the cap on this Reserve or where to allocate any surplus over the determined cap.
Recommendation: That Policy No. C03-003 be revised in order to reflect a cap on the Storm Water Management Utility Stabilization Reserve equal to the maintenance and drainage components of the current year's operating budget and that any excess be transferred to the Storm Water Management Capital Reserve.
- **Recycling (Curbside) Stabilization Reserve:** This Reserve was created in 2013 in order to offset unanticipated utility operating deficits in this program by establishing and maintaining a stabilization reserve, however, Policy No. C03-003 was not amended to include the Recycling (curbside) Stabilization Reserve.
Recommendation: That Policy No. C03-003 be amended to include the Recycling (curbside) Stabilization Reserve.

Name: Civic Vehicles & Equipment Asset Disposition/Acquisition Reserve

Type: Future Expenditures

Authorization: Capital Bylaw No. 6774

Purpose: To finance the purchase of additional vehicles and equipment for the civic vehicles and equipment fleet. The funds may also be used to finance the purchase or construction of buildings or other capital assets needed to protect, operate and maintain the fleet. Expenditures from this Reserve may be made for the purchase of additional vehicles and equipment with a unit value of less than \$25,000.

Funding Formula: This Reserve receives any funds in excess of \$500,000 in the Civic Vehicles and Equipment Stabilization Reserve at year-end, as well as from any proceeds and accumulated contributions from the sale of vehicles and equipment no longer required in the fleet. It was initially funded by a transfer of \$2 million from the Civic Vehicles and Equipment Replacement Reserve.

Comment: A one-time transfer of \$3.1 million from the Civic Vehicles and Equipment Asset Disposition/Acquisition Reserve to the Civic Vehicles and Equipment Replacement Reserve was approved on September 28, 2015, in order to fund the replacement of three pieces of equipment at the Saskatoon Landfill including a Track Dozer, Trash Compactor and Track Loader. A future report will be presented to consolidate and update the three existing Civic Vehicles and Equipment Reserves within Bylaw No. 6774 which will improve administrative efficiency and reflect current departmental operations.

Recommendation: N/A

Name: Civic Vehicles and Equipment Stabilization Reserve

Type: Future Expenditures

Authorization: Capital Bylaw No. 6774

Purpose: To ensure that any deficiency in the annual provision from the Vehicles and Equipment Services budget will not negatively impact on the required provision to the Civic Vehicles and Equipment Replacement Reserve.

Funding Formula: The source of funds for this Reserve is any year-end surplus from Vehicle and Equipment Services' operations, and any year-end surplus in the Civic Vehicles and Equipment Replacement Reserve. Any funds in excess of \$500,000 at year-end are transferred to the Civic Vehicles and Equipment Asset Disposition/Acquisition Reserve. This Reserve was initially funded by a transfer of \$500,000 from the Civic Vehicles and Equipment Replacement Reserve.

Comment: This Reserve is described as a subsidiary in the Civic Vehicles and Equipment Replacement Reserve. The Stabilization Reserve was unused from 2004 - 2013. An audit is being conducted with the Fleet Services Section and a future report will be presented to City Council to consolidate and update the three existing Civic Vehicles and Equipment reserves within Bylaw No. 6774 which will improve administrative efficiencies and reflect current organizational operations.

Recommendation: N/A

Name: Commercial Truck Enforcement and Education Reserve

Type: Future Expenditures

Authorization: Capital Bylaw No. 6774

Purpose: To finance the cost of capital expenditures for the truck enforcement initiative, including the purchase, maintenance and monitoring of weigh-in-motion (WIM) systems and roadway installations and related equipment and wheel load scales. This Reserve also finances ongoing education and awareness initiatives, as well as the operation of the Truck Permitting Program.

Funding Formula: This Reserve shall be funded from the City's share of the fine revenue generated from truck enforcement violations.

Comment: This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Community Initiatives Grant Reserve

Type: Future Expenditures

Authorization: September 12, 2011 City Council

Purpose: To support initiatives and activities that are of general benefit to Saskatoon citizens and enhance their quality of life and access to services with a focus on supports and services to vulnerable populations in our community or other community initiatives that City Council deems appropriate.

Funding Formula: The unexpended funds from the contingency portion of the Assistance to Community Groups – Cash Grant Program.

Comment: This Reserve was approved at City Council on September 12, 2011 but was not formalized into Policy No. C03-003.

Recommendation: That this Reserve be added to Policy No. C03-003 as outlined in the motion from the September 12, 2011 City Council meeting.

Name: Community Services Department Plan Review and Inspection Service Stabilization Reserve

Type: Future Expenditures

Authorization: Policy No. C03-003

Purpose: To stabilize the effect annual fluctuations in construction activity have on the mill rate, and to accumulate funds to offset deficits in the Department's Plan Review and Inspection Program. This Reserve also provides a source of funds to finance unexpected or non-cyclical costs associated with equipment replacements, building code requirements, and special projects.

Funding Formula: Provisions to the Reserve consist of all revenues which are in annual excess of expenditures related to the Plan Review and Inspection Program. The cumulative amount provided for in the Reserve shall not exceed \$100,000 plus 150% of the annual operating budget of the Program. Should the Reserve surpass the fund ceiling established for more than three consecutive years, the Administration will revisit the existing building permit fees, review forecast construction activity levels, and make the appropriate recommendations to modify the fees. During the three-year period, the surplus revenues will remain in the Plan Review and Inspection Service Stabilization Reserve.

Comment: This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Community Support Grant Reserve

Type: Future Expenditures

Authorization: Policy No. C03-003

Purpose: To provide a source of funds for increasing participation in sport, culture, and recreation programs.

Funding Formula: Receives the funds remaining in the combined Saskatchewan Lotteries Community Grant/Cultural Participation Grant Program at the end of the season.

Comment: This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Cultural Reserve (Cultural Grant Component and Public Art Component)

Type: Future Expenditures

Authorization: Policy No. C03-003

Purpose: To accumulate funds for the purpose of financing the periodic one-time capital funding for major arts organizations, currently eligible for ongoing operating support under the Cultural Grant Program.

Funding Formula: The annual provision to the Reserve shall be the amount authorized by City Council through the Operating Budget.

Comment: This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Dedicated Lands Account

Type: Future Expenditures

Authorization: Capital Bylaw No. 6774

Purpose: To provide for a special municipal account for monies received with respect to dedicated lands in accordance with The Planning and Development Act, 2007, S.S. c. P-13.2 and regulations enacted pursuant thereto. Funds shall be used to purchase land for the development / public use of additional parks in neighbourhoods determined by City Council as having insufficient park land. The fund will also be used to upgrading or replace existing parks or public recreation facilities on existing dedicated lands.

Funding Formula: This Reserve shall be funded by monies paid to the City pursuant to Section 187 of *The Planning and Development Act, 2007*, S.S. c. P-13.2, and by the proceeds from the sale, lease or sublease of public reserves, municipal reserves and environmental reserves. This Reserve also collects the interest earned on the funds in the Dedicated Lands Account. Expenditures from this Reserve may be less than \$25,000.

Comment: This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Dedicated Roadway Reserve

Type: Future Expenditures

Authorization: Capital Bylaw No. 6774

Purpose: To fund the purchase of property required for the construction or reconstruction of roadways in previously developed areas of the city.

Funding Formula: The source of funds for this Reserve shall be the proceeds from the sale of existing rights-of-way, and the revenue received from Boulevard Leases and Municipal Access Agreements entered into by the City. This Reserve received an initial transfer of \$369,910 from the Property Realized Reserve.

Comment: This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Electrical Distribution Extension Reserve

Type: Future Expenditures

Authorization: Capital Bylaw No. 6774

Purpose: To finance the cost of extensions of the City's electrical distribution facilities.

Funding Formula: Reserve funds are annually provided from the City's electrical distribution operating revenues, equal to the average annual projected financing requirements for the next following five-year period, and available transfers from the Electrical Utility Stabilization Reserve. This Reserve may be in a deficit position if sufficient funds are available in the Electrical Distribution Replacement Reserve to cover that deficit.

Comment: This Reserve is currently forecasted to be in a \$4.5 million deficit position at December 31, 2016, however, is offset by \$6.7 million surplus in the Electrical Distribution Replacement Reserve. Overall, the net balances of these reserves are in good financial position and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Engineering Department Buildings Major Repair Reserve

Type: Future Expenditures

Authorization: Capital Bylaw No. 6774

Purpose: To finance the cost of repairs to or the replacement of all buildings operated by the Engineering Department.

Funding Formula: This Reserve shall be funded annually from an authorized provision in the City's Operating Budget. The provision shall be equal to 1% of all the capital work undertaken by the City using its own employees during the preceding year.

Comment: This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Errors and Omissions Liability Reserve

Type: Future Expenditures

Authorization: Policy No. C03-003

Purpose: To provide the City with a source of funding for claims for economic loss that arise from errors and omissions made by civic officials. In reviewing the loss history to premium payments ratio for Errors and Omissions Liability insurance, it became apparent that the insurance coverage provided was not cost effective. The Errors and Omissions Liability Reserve was approved to provide a reserve funded in the same way as the previous insurance policy.

Funding Formula: This Reserve shall be funded on an annual basis in the amount of \$100,000, from contributions made by those departments, boards and commissions as are indemnified by the City, on the same pro rata basis as other insurance premiums are paid. The Reserve will accumulate and maintain an Errors and Omissions Liability reserve capped in the amount of \$1.0 million.

Comment: This Reserve was created in 2010 and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Façade Conservation and Enhancement Grant Reserve

Type: Future Expenditures

Authorization: Policy No. C03-003

Purpose: To finance any costs related to incentives in the Façade Conservation and Enhancement Grant Program.

Funding Formula: This Reserve shall be funded in three ways. First, it shall receive up to \$30,000 annually from the Urban Design Streetscape – Business Improvement District (BID) operating budget, which will be dedicated towards projects within the BIDs. Second, it shall receive up to \$30,000 annually from the Urban Design Streetscape – City Wide operating budget, which will be dedicated towards projects outside of the BIDs. Third, it shall receive up to \$10,000 annually from the Heritage Program. Uncommitted amounts from the Urban Design allocations in any given year will be returned to the applicable Urban Design Program.

Comment: This Reserve was created in 2014 and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Fire Department Uniforms Reserve

Type: Future Expenditures

Authorization: Policy No. C03-003

Purpose: To distribute, over six years, the cost of purchasing clothing for the Fire and Protective Services Department, as set down in a Memorandum of Agreement with the Fire Fighter's Union and the City of Saskatoon.

Funding Formula: This Reserve is funded by an annual provision through the operating budget, as authorized by City Council.

Comment: This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Fiscal Stabilization Reserve

Type: Future Expenditures

Authorization: Policy No. C03-003

Purpose: To accumulate funds for the purpose of offsetting any tax-supported operating deficits incurred in any year.

Funding Formula: This Reserve is funded by year-end surpluses realized in excess of budget; sinking fund surpluses and other operating/stabilization reserve surpluses, and one-time revenue opportunities. The minimum balance of the Fiscal Stabilization Reserve shall be 5% of the current year's tax-supported expenditures.

Comment: As at December 31, 2015, the balance in the Fiscal Stabilization Reserve was \$8.2 million which is \$2.0 million shy of the goal of 5% of the current year's tax-supported expenditures. It is intended that over time, future surpluses and one-time revenues will bring the Reserve back to its targeted level.

Recommendation: N/A

Name: Forestry Farm Auditorium Reserve

Type: Future Expenditures

Authorization: Policy No. C03-003

Purpose: To finance the cost of program and service improvements related to the Auditorium at the Forestry Farm Park and Zoo.

Funding Formula: This Reserve shall be funded annually by an amount from the rental revenues of the Auditorium. The amount shall be calculated by multiplying \$20 by the number of Auditorium rental hours paid for in the year.

Comment: This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Forestry Farm Development

Type: Future Expenditures

Authorization: Policy No. C03-003

Purpose: To distribute, over several years, the cost of expanding, improving or developing program opportunities that directly service the public.

Funding Formula: Donations from individuals and businesses supporting the Zoo, revenue generated from wolf piggy banks and other similar initiatives, proceeds from the sale of Zoo Poo and 60% of the net revenues from the vehicle charge at the main gate of the Forestry Farm Park and Zoo.

Comment: This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Forestry Farm Park and Zoo Capital Reserve

Type: Future Expenditures

Authorization: Policy No. C03-003

Purpose: To improve visitor services, animal habitats and infrastructure services at the Saskatoon Forestry Farm Park and Zoo, as outlined in the Facility Master Plan.

Funding Formula: This Reserve shall be funded annually by an annual provision through the Saskatoon Forestry Farm Park and Zoo operating budget, as authorized by City Council.

Comment: This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures. This Reserve is capital in nature and therefore should be part of Bylaw No. 6774, The Capital Reserve Bylaw, instead of Policy No. C03-003, Reserves for Future Expenditures.

Recommendation: That this Reserve be transferred to Bylaw No. 6774 from Council Policy No. C03-003.

Name: Fuel Stabilization Reserve

Type: Future Expenditures

Authorization: Policy No. C03-003

Purpose: To accumulate funds for the purpose of offsetting any over-expenditures in the City's tax-supported fuel budget attributable to variations in fuel pricing, thereby stabilizing the effect on the mill rate and on the City's year-end financial position.

Funding Formula: An annual provision will be made from the City's Operating Budget in those years that the Reserve is not at the maximum, any year-end surplus in the City's tax-supported fuel budget, and the balance of the Fuel Stabilization Reserve shall not exceed \$2 million. Any amounts in excess shall flow to the Fiscal Stabilization Reserve.

Comment: This Reserve was created in 2012, has a suitable funding formula, and is financially well supplied with a current balance of \$1.325 million due to recent decreases in the cost of fuel.

Recommendation: N/A

Name: Gas Tax Capital Expenditure Reserve

Type: Future Expenditures

Authorization: Capital Bylaw No. 6774

Purpose: To finance eligible costs of approved capital projects and the cost of debt issued for approved Gas Tax funded capital projects.

Funding Formula: The source of funds for this Reserve shall be the transfer of federal gas tax revenue under the New Deal for Cities and Communities program, and disbursements from the Water/Wastewater Utilities in an amount equivalent to the gas tax funds received for eligible projects. Interest earned on the funds in this Reserve shall be credited to this Reserve.

Comment: The annual balance of this Reserve is intentionally always zero as its main function is a clearing account for gas tax payments to eligible projects.

Recommendation: N/A

Name: General Voting Reserve

Type: Replacement

Authorization: Policy No. C03-003

Purpose: To distribute, over several years, the cost of periodic municipal elections, bylaw votes, and plebiscites. Funds may be used to finance voting expenditures related to periodic municipal elections, bylaw votes and plebiscites.

Funding Formula: Annual provision, through the Operating Budget, as authorized by City Council.

Comment: This Reserve is currently in a good financial position, however, it is noted that there is a projected future shortfall in 2020 as the City will be required to lease or buy new voting machines for the 2020 election. Yearly lease costs are estimated at \$250,000 and purchase costs close to \$650,000. The Administration will be addressing this shortfall in a future report for 2017 budget deliberations to increase base funding for this purpose.

Recommendation: N/A

Name: Golf Course Capital Reserve

Type: Future Expenditures

Authorization: Capital Bylaw No. 6774

Purpose: To finance the long-term capital plan for civic golf courses including the replacement of equipment and vehicles, and to finance the expansion and redevelopment of course facilities and services (includes course design, layout and development, irrigation systems, clubhouse facilities and parking lots).

Funding Formula: This Reserve shall be funded by an annual provision in an amount authorized in the City's Operating Budget. The Reserve was initially funded by a transfer of \$17,000 from the Golf Course Stabilization Reserve.

Comment: This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Golf Course Stabilization Reserve

Type: Future Expenditures

Authorization: Policy No. C03-003

Purpose: To accumulate funds for the purpose of offsetting any operating deficits incurred in any year by municipally-owned golf courses.

Funding Formula: The provision shall be a yearly balancing item which will equal any positive amount arising from that year's operating revenues minus operating expenditures, on an aggregated basis, for the City's golf course programs. The balance of the Golf Course Stabilization Reserve shall not exceed \$200,000. Funds in excess of this amount shall be transferred to the Golf Course Capital Reserve.

Comment: This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Heritage Fund Reserve

Type: Future Expenditures

Authorization: Policy No. C03-003

Purpose: To support the implementation of the Civic Heritage Policy.

Funding Formula: This Reserve shall be funded from an annual provision of \$54,000 from general civic operating revenues.

Comment: This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures. Revisions were approved to this Reserve at the December 16, 2013 and April 23, 2001 City Council meeting but were not formalized into the Policy No. C03-003.

Recommendation: That Policy No. C03-003 be amended to reflect these motions, which would include revising the funding formula to state:

- a) annual provision of \$44,000 from general civic operating revenues; and
- b) an annual contribution of \$3,600 from general civic operating revenues to be accumulated for the Forestry Farm Park and Zoo bunkhouse building until such time as City Council directs its use.

Name: Holiday Park Golf Course Redevelopment Reserve

Type: Future Expenditures

Authorization: Capital Bylaw No. 6774

Purpose: To finance the cost of the Holiday Park Golf Course Master Development Plan, as approved by City Council on February 28, 1994.

Funding Formula: The source of funds for this Reserve are any year-end net operating surplus from the Holiday Park Golf Course to a maximum of \$45,000; and an annual sum from green fee revenues at the Holiday Park Golf Course equivalent to a \$2 share of the base adult rate charged at the Holiday Park Golf Course. The Reserve began with an initial transfer of \$20,000 from the Golf Course Reserve.

Comment: This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Interest Stabilization Reserve

Type: Future Expenditures

Authorization: Policy No. C03-003

Purpose: To smooth out the effects on the City's general operating revenues of fluctuations arising from variations in interest rates and available funds for short-term investment.

Funding Formula: A "base level" of interest earnings for the budget year is calculated using the following formula: **Current Year Base = Previous Year Base + 1/3 of (current year estimate - previous year base)**. Previous Year Base = the net impact of interest earnings on the previous year's Operating Budget. The Current Year Estimate = anticipated interest earnings for the budget year based on current estimates of rates and fund balances.

Comment: This Reserve is in a good financial position as the balance has grown from \$546,000 in 2011 to \$2.029 million in 2015.

Recommendation: N/A

Name: Land Operations Reserve

Type: Future Expenditures

Authorization: Policy No. C03-003

Purpose: To accumulate funds for the purpose of offsetting any operating deficits, incurred in any year, resulting from lower land sales for the City's Land Management Program.

Funding Formula: This Reserve receives a provision from the annual Operating Budget equal to any positive amount arising from the year's cost recovery minus operating expenditures for the City's Land Management Program. The balance of the Land Operations Reserve shall not exceed double the annual operation budget of the Land Branch. Funds in excess of this amount are transferred to the Property Realized Reserve at year end.

Comment: This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Legal Opinion – Members of Council Reserve

Type: Future Expenditures

Authorization: Policy No. C03-003

Purpose: To provide a source of funding for initial legal opinions for members of City Council on issues that may arise from their duties as members of City Council (such as a conflict of interest), where the City Solicitor's Office does not provide legal advice.

Funding Formula: Initial funding of up to \$27,500 for the Reserve shall be from the Fiscal Stabilization Reserve with annual provisions to be authorized in the City's Operating Budget. The maximum amount to be paid for each legal opinion is \$2,500.

Comment: This Reserve was created in 2013 and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Major Natural Event Reserve

Type: Future Expenditures

Authorization: Policy No. C03-003

Purpose: To assist in offsetting operational and capital expenditures required due to a major natural event. Major natural events include, but are not limited to, blizzards, plough winds/tornadoes, heat wave, severe rain, river flood event and extreme cold.

Funding Formula: Provisions to the Reserve shall consist of an annual amount authorized by City Council through the Operating Budget. The Reserve will be capped at \$250,000.

Comment: This Reserve was created in 2010, had no activity, and was fully depleted on November 30, 2014. The Administration will be tabling a report in the near future to address the future of this Reserve.

Recommendation: N/A

Name: Parking Capital Reserve

Type: Future Expenditures

Authorization: Capital Bylaw No. 6774

Purpose: To finance the cost of the construction of municipally-owned parking facilities; the upgrading of existing privately or municipally-owned parking facilities; the purchase of parking meters for new installations; the purchase of parking meter parts for major time limit or rate changes; and the cost of parking studies and projects.

Funding Formula: This Reserve shall be funded annually from the revenues for the year from parking meters, parking meter hooding fees, parking permits, smart cards, taxicab stand fees, and billboard leases on civic parking lots. The amount of the annual provision shall be 4.12% of these revenues after deducting the annual contribution of \$30,000 to the Downtown Housing Reserve, and the annual operating grants to any established business improvement districts.

Comment: This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Park Enhancement Reserve

Type: Future Expenditures

Authorization: Policy No. C03-003

Purpose: To provide a source of funds to finance enhancements in neighbourhood, district, multi-district, or special use parks.

Funding Formula: The annual provision to the Reserve shall be the amount authorized by City Council through the Operating Budget. The projects considered under the park enhancement program will be cost shared with Community Associations and/or City-wide non-profit recreation, cultural and sports organizations.

Comment: This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Parks Branch Grounds Maintenance Equipment Acquisition Reserve

Type: Future Expenditures

Authorization: Capital Bylaw No. 6774

Purpose: To finance the cost to purchase new, additional equipment with a unit acquisition value of less than \$25,000 for the Parks Branch. This equipment is required to maintain parks at approved service levels, with regard to future growth of the City, and any approved service level increases. Funds from this Reserve are to be used to expand the existing Parks Branch fleet rather than to replace equipment which is already part of the fleet.

Funding Formula: This Reserve shall be funded annually from an authorized provision in the City's Operating Budget.

Comment: This Reserve was created in 2011 and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Parks Branch Grounds Maintenance Stabilization Reserve

Type: Future Expenditures

Authorization: Policy No. C03-003

Purpose: To accumulate funds for the purpose of offsetting any over expenditures in the City's grounds maintenance budgets attributable to variations in normal summer weather conditions, thereby stabilizing the effect of weather variations on the mill rate and on the City's year-end financial position.

Funding Formula: In years where the expenditures of the Parks Maintenance and Design Service Line are less than the approved budget, the unexpended funds will be transferred to this Reserve at year end. The balance of the Reserve shall not exceed a value equal to the Service Line component of the annual budget.

Comment: A net withdraw of approximately \$64,000 was used in 2015 to offset dryer than normal summer conditions. The current Reserve balance is \$336,000 and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Pest Control Reserve

Type: Future Expenditures

Authorization: Policy No. C03-003

Purpose: To provide a stable control of cankerworm, ground squirrel and mosquito populations for the City of Saskatoon.

Funding Formula: An annual contribution of \$13,500 through the operating budget, as authorized by City Council. The Reserve shall not exceed five years contributions or \$67,500.

Comment: This Reserve reached its maximum in 2009 and had no activity until 2014. As of December 31, 2015 the reserve is at its maximum authorized balance of \$67,500. The current funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: PotashCorp Playland Stabilization Reserve

Type: Future Expenditures

Authorization: Policy No. C03-003

Purpose: To accumulate funds for the purpose of offsetting any operating deficits incurred in any year by PotashCorp Playland at Kinsmen Park.

Funding Formula: The provision is a yearly balancing item which will equal any positive amount arising from the year's operating revenues minus operating expenditures for the City's Kinsmen Park Rides.

Comment: This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Potash Corp Playland Asset Replacement and Maintenance Reserve

Type: Future Expenditures

Authorization: Capital Bylaw No. 6774

Purpose: The purpose of the Reserve is to finance the cost of enhancing features or replacing or performing major overhauls of the PotashCorp Playland assets, which are under the control of the Community Services Department.

Funding Formula: This Reserve shall be funded annually through the estimated provision in the City's Operating Budget. The estimated provision shall be adjusted each year based on revised cost estimates to replace PotashCorp Playland assets at the end of the life or current cost for major construction, and the Reserve shall also be funded through the salvaged value of the rides during their replacement.

Comment: This Reserve was created during 2016 budget deliberations but has yet to be formalized.

Recommendation: That Capital Bylaw No. 6774 be amended to include this Reserve.

Name: Property Realized Reserve

Type: Future Expenditures

Authorization: Capital Bylaw No. 6774

Purpose: To finance the purchase of real property for resale by the City.

Funding Formula: This Reserve is funded from the sale of all City-owned properties. This excludes new areas accounted for in Fund 50, which were acquired for and are held for resale by the City, after deducting the proceeds from the sale of land that the City acquired through tax enforcement proceedings; proceeds received as prepaid service charges; and land administration fees.

Comment: The sufficiency of this Reserve is continually monitored, and the Reserve is in good financial position.

Recommendation: N/A

Name: Reserve for Capital Expenditures

Type: Future Expenditures

Authorization: Capital Bylaw No. 6774

Purpose: To finance the cost of capital expenditures (at City Council's discretion) which have been authorized through the City's Capital Budget.

Funding Formula: This Reserve is funded by an annual authorized provision in the City's Operating Budget.

Comment: The sufficiency of this Reserve is monitored annually, at minimum, or more frequently as required. Funding is currently sufficient.

Recommendation: N/A

Name: Reserve for Major Special Events

Type: Future Expenditures

Authorization: Policy No. C03-003

Purpose: To provide a source of funds for encouraging community groups and organizations to pursue and host major festivals and national and international events as per Council Policy No. C03-007, Special Events.

Funding Formula: Provisions to the Major Special Events Reserve shall consist of unexpended funds remaining in the Operating Budget of the City's Youth Sports Subsidy Program, and any additional amount as authorized by City Council.

Comment: This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Reserve for Sports Participation

Type: Future Expenditures

Authorization: Policy No. C03-003

Purpose: To provide a source of funds for increasing participation in sport for learn-to/developmental and reduce cost as a barrier to participation.

Funding Formula: At the end of the season any funds remaining in the Sports Participant Grant Program are to be placed in this Reserve.

Comment: This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Reserve for Unexpended Youth Sports Subsidy Funds

Type: Future Expenditures

Authorization: Policy No. C03-003

Purpose: To provide a source of funds for encouraging youth sport organizations receiving the Youth Sports Subsidy to pursue and host major provincial, national and international events as per Council Policy No. C03-034, Youth Sports Subsidy Program – Allocation Criteria and Special Events.

Funding Formula: Provisions to the Reserve for Unexpended Youth Sports Subsidy Funds shall consist of:

- a) unexpended funds remaining in the operating budget of the City's Youth Sports Subsidy Program; plus
- b) any additional amount as authorized by City Council.

Comment: This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: River Landing Capital Reserve

Type: Future Expenditures

Authorization: Capital Bylaw No. 6774

Purpose: To finance the cost of replacing the durable and non-durable assets of River Landing.

Funding Formula: This Reserve received an initial transfer of \$40,300 from the Civic Buildings Comprehensive Maintenance Reserve. The Reserve shall be funded by a reallocation of \$40,000 from the current River Landing Operating Budget (Preventative Maintenance); and by an annual authorized provision from that Budget. The appraised value of the durable and non-durable assets shall be adjusted annually by applying the previous year's Consumer Price Index for the City of Saskatoon. The provision shall be determined in accordance with the following formula: $TAC = AVDA \times .25\% + AVNDA \times 5\%$ where: **TAC** is the Total Annual Contribution; **AVDA** is the Appraised Value Durable Assets; **AVNDA** is the Appraised Value Non-Durable Assets.

Comment: This Reserve was created in 2013 and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Saskatoon Minor Football Field Stabilization Reserve

Type: Future Expenditures

Authorization: Policy No. C03-003

Purpose: To offset operating deficits at the Saskatoon Minor Football Field or fund unexpected expenditures for equipment replacement or facility repair. Such examples could include an increase to utilities, damage or vandalism to the field, equipment, or auxiliary building.

Funding Formula: This Reserve shall be funded from a one-time transfer of \$65,000 from the 2014 Operating Budget that occurred when Saskatoon Football Inc. took over the operation of the Saskatoon Minor Football Field for the 2014 season.

Comment: This Reserve was created in 2015 and is in good financial position; the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Self-Insured Retention Reserve

Type: Future Expenditures

Authorization: Policy No. C03-003

Purpose: (1) To fund third-party claims against the City, including claims that are below the City's deductible made by persons claiming that the City has caused them a loss or to fund deductibles charged by the City's insurers on claims that exceed our self-insured retention. (2) To fund sudden and accidental property losses that the City suffers that are beyond the ability of the individual department that suffers the loss to absorb.

Funding Formula: The Reserve will be funded on an annual basis in the amount of \$850,000 from contributions made by those departments, Boards and Commissions that are covered by the City's claims and insurance programs, on the same pro rata basis as insurance premiums are paid until the cap is reached, and thereafter, in an amount sufficient to restore the Reserve to the cap to a maximum per year of \$850,000. The Reserve will accumulate and maintain a balance capped at \$2.5 million. The Reserve is to be reviewed every five years.

Comment: This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Sewage Treatment Capital Reserve

Type: Future Expenditures

Authorization: Capital Bylaw No. 6774

Purpose: To finance capital expenditures used in wastewater collection and treatment.

Funding Formula: This Reserve is funded by the utility revenue generated from a charge of 11 cents per 100 cubic feet of water on the current year's actual metered water in all rate blocks; plus a supplemental provision from the wastewater utility's revenues that will contribute to funding in case of a projected reserve shortfall (ensures smooth transitions). The amount by which funds budgeted for the payment of debenture debt charges (principal and interest) relating to the Wastewater Treatment Facility exceed actual debt charges adds to funds, as does any amount that may be transferred from the Water and Sewer Utilities Stabilization Reserve in accordance with Policy No. C03-003.

Comment: This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Snow and Ice Management Contingency Reserve

Type: Future Expenditures

Authorization: Policy No. C03-003

Purpose: To accumulate funds for the purpose of offsetting any over-expenditures in the City's snow and ice management budget attributable to variations in normal winter weather conditions, thereby stabilizing the effect of weather variations on the mill rate and on the City's year-end financial position.

Funding Formula: An annual provision will be made from the City's Operating Budget in those years that the Reserve is not at the maximum. The balance of this Reserve shall not exceed a value equal to the Snow Clearing/Removal component of the annual Operating Budget.

Comment: This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Snow and Ice Management Equipment Acquisition Reserve

Type: Future Expenditures

Authorization: Capital Bylaw No. 6774

Purpose: To finance the cost of purchasing additional equipment required by the Public Works – Roadways Section to ensure that service levels in the delivery of the Snow and Ice Management Program are met.

Funding Formula: This Reserve shall be funded annually from an authorized provision in the City's Operating Budget consisting of a base provision of \$265,000 and as further allocated at annual budget deliberations.

Comment: This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Spectator Ball Fields Development Reserve

Type: Future Expenditures

Authorization: Policy No. C03-003

Purpose: To provide a source of financing to fund improvements to the Gordon Howe Spectator Ball Fields (Gordon Howe #1, Bob Van Impe, J.F. Cairns, and Leakos facilities) as identified by the respective facility operators in consultation with the Community Services Department. Improvements may include, but are not limited to, the construction of a clubhouse, upgrading the playing surfaces of the diamonds, the construction of a new diamond, provision for additional seating, etc.

Funding Formula: A minimum of 60% of the net revenues from the Amusement Tax that is collected from the gate receipts for all activities operated or sponsored, at the Gordon Howe Spectator Ball Fields, by the Saskatoon Amateur Softball Association, the Saskatoon Men's Baseball League, and Field of Dreams Baseball Inc.

Comment: This Reserve has not been utilized since 2008, as there is no current source of funding since the amusement tax was repealed.

Recommendation: That this Reserve be removed from Policy No. C03-003.

Name: Street Cleaning/Sweeping Equipment Acquisition Reserve

Type: Future Expenditures

Authorization: In development

Purpose: To finance the purchase of new, additional equipment required by the Transportation Branch (Infrastructure Services Department) for the Street Sweeping Program to ensure approved service levels are met, having regard to future growth of the City, as well as any approved service level increases.

Funding Formula: This Reserve shall be funded annually from an authorized provision in the City's Operating Budget.

Comment: This Reserve was created through the 2011 Budget Process but was not formalized into Bylaw No. 6774. The Reserve is currently well supplied and the funding is sufficient for planned future expenditures.

Recommendation: That Capital Bylaw No. 6774 be amended to include this Reserve.

Name: Streetscape Reserve - City-Wide

Type: Future Expenditures

Authorization: Capital Bylaw No. 6774

Purpose: To finance the cost of capital expenditures for city-wide streetscape projects.

Funding Formula: This Reserve shall be funded from the residual portion of any Land Bank Sale Administration Fees allocated to the operating budget of the City-Wide Urban Design Program.

Comment: This Reserve's current funding source (Land Bank Sale Administration Fee) will discontinue in 2017 as indicated in the 2016 approved budget. A future report will be coming forward from the Planning and Development Division based on the Growth Plan to Half a Million which will address this reserves future funding source.

Recommendation: N/A

Name: Streetscape Reserve - Core BID

Type: Future Expenditures

Authorization: Capital Bylaw No. 6774

Purpose: To finance the cost of capital expenditures for streetscape projects within established Business Improvement Districts.

Funding Formula: This Reserve shall be funded annually from the revenues for the year from parking meters, parking meter hooding fees, parking permits, smart cards, taxicab stand fees, and billboard leases on civic parking lots. The amount of the annual provision shall be 44.33% of these revenues after deducting the annual contribution of \$30,000 to the Downtown Housing Reserve and the annual operating grants to any established business improvement districts.

Comment: This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures. Changes were made to the funding formula at the December 5, 2011 regular meeting of City Council that starting in 2013, \$0.50 of hourly parking meter revenue be allocated 100% to the Business Improvement District Streetscape Reserve, but this was not formalized in Bylaw No. 6774.

Recommendation: That the funding formula in Bylaw No. 6774 be amended to reflect that \$0.50 of hourly parking meter revenue be allocated 100% to the Business Improvement District Streetscape Reserve.

Name: Superintendent's Residence Reserve

Type: Future Expenditures

Authorization: Policy No. C03-003

Purpose: To distribute over several years, the cost of expanding, improving, leasing, or developing heritage-based program opportunities that directly service the public. Direct expenditures for heritage-based program development, rental, or improvements for the entire Forestry Farm Park with an emphasis on interpreting the Sutherland Forest Nursery Station (i.e. displays, visitor reception area, graphics, and interpretive tours).

Funding Formula: 30% of all funds generated by special event or retreat rentals of the first floor of the Superintendent's Residence.

Comment: This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Traffic Noise Attenuation Reserve

Type: Future Expenditures

Authorization: Capital Bylaw No. 6774

Purpose: To finance the costs of noise barrier retrofit construction projects which are not addressed in conjunction with other major roadway rehabilitation projects.

Funding Formula: This Reserve shall be annually from an authorized provision in the City's Operating Budget, which provision shall take into account the average monthly Consumer Price Index (CPI) for the City of Saskatoon for the immediately preceding year.

Comment: This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Traffic Safety Reserve

Type: Future Expenditures

Authorization: Capital Bylaw No. 6774

Purpose: To provide for the funding of traffic, pedestrian and cyclist safety-related projects and traffic-calming measures.

Funding Formula: This Reserve shall be funded from the City's share of the fine revenue generated from red light camera violations.

Comment: This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Transit Capital Projects Reserve

Type: Future Expenditures

Authorization: Capital Bylaw No. 6774

Purpose: To finance the cost of capital expenditures for the Transit Services Branch of the Utility Services Department, including: the repair and replacement of buildings; the purchase of new buses to increase the size of the transit fleet; major transit studies; the construction of transit terminals; and the purchase of major equipment.

Funding Formula: This Reserve shall be funded annually from an authorized provision in the City's Operating Budget. This provision shall be equal to the estimated average annual cash flow requirements of this Reserve over the next projected 15-year period.

Comment: The current funding to this Reserve is insufficient. The Administration presented a "Saskatoon Transit Fleet Renewal Strategy" in fall 2015 to address this funding shortfall and transit asset condition issues, as well as an asset management plan in summer 2016. Options regarding the funding shortfall will be provided at 2017 budget deliberations

Recommendation: N/A

Name: Transportation (Sign Shop) Equipment Acquisition Reserve

Type: Future Expenditures

Authorization: Capital Bylaw No. 6774

Purpose: To finance the purchase of new, additional equipment required by the Transportation Branch (Infrastructure Services Department) for the Roadway Signing and Marking Program and the Traffic Signals Program to ensure approved service levels are met, having regard to future growth of the city, as well as any approved service level increases.

Funding Formula: This Reserve shall be funded annually from an authorized provision in the City's Operating Budget.

Comment: This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Transportation Infrastructure Expansion Reserve

Type: Future Expenditures

Authorization: Capital Bylaw No. 6774

Purpose: To provide funding for the construction of additions to the City's transportation network including roadways, bridges and overpasses.

Funding Formula: This Reserve shall be funded annually from an authorized provision in the City's Operating Budget, which provision shall take into account the average monthly Consumer Price Index (CPI) for the City of Saskatoon for the immediately preceding year.

Comment: This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Vacant Lot and Adaptive Reuse Incentive Reserve

Type: Future Expenditures

Authorization: Policy No. C03-003

Purpose: To finance any costs related to incentives in the Vacant Lot and Adaptive Reuse Incentive Program.

Funding Formula: This Reserve shall be funded annually in the amount of \$30,000 from the City's parking meter revenues. This amount is to be directed toward housing projects in the downtown. Residual funds (the difference between the maximum incentive amount minus the earned incentive amount) as collected through the incremental property taxes will be placed in this Reserve.

Comment: This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

Name: Waste Minimization Reserve

Type: Future Expenditures

Authorization: Policy No. C03-003

Purpose: To accumulate funds for the purpose of funding pilot projects or to supplement existing programs related to waste minimization initiatives by the Environmental Compliance Branch of the Utility Services Department.

Funding Formula: Proceeds from the sale of recyclable materials will be the source of funds, with the transfer to the Reserve being equal to the revenues realized. This includes any proceeds received by the City of Saskatoon from the sale of waste newspapers under the agreement with Cosmopolitan Industries Ltd. Also included are any proceeds received from the sale of metal, wood chips, cans, plastic and bottles. The balance in the Waste Minimization Reserve shall not exceed \$100,000. The amount by which the year-end balance in with Reserve exceeds \$100,000 shall be transferred to the Landfill Replacement Reserve.

Comment: This Reserve has had a \$0 balance since 2014. Due to the transfer of recycling services to Cosmopolitan Industries, this Reserve is currently under review in order to modify the source of funds and purpose. The Administration will be bringing forward an additional report in the near future.

Recommendation: N/A

Name: Waterworks Capital Projects Reserve

Type: Future Expenditures

Authorization: Capital Bylaw No. 6774

Purpose: The purpose of the Waterworks Capital Projects Reserve is to finance the cost of:

- a) capital expenditures used in the collection, treatment, storage and distribution of water; and
- b) replacement of the existing primary water mains and construction of new primary water mains from the Water Treatment Plant to the reservoirs.

Funding Formula: This Reserve is funded by:

- a) an annual provision from the water utility's revenues equal to 11 cents per 100 cubic feet of water on the current year's actual metered water in all rate blocks; plus
- b) a supplemental provision from the water utility's revenues that will contribute to funding a projected reserve shortfall and that will result in a smooth transition in water rates; plus
- c) the amount by which funds budgeted for the payment of debenture debt charges (principal and interest) relating to the Water Treatment Plant exceed actual debt charges; plus
- d) any amount that may be transferred from the Water and Sewer utilities Stabilization Reserve in accordance with Policy No. C03-003.

Comment: This Reserve is in good financial position, and the funding formula is sufficient for planned future expenditures.

Recommendation: N/A

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NUMBER
C03-003

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		UPDATED TO <i>September 28, 2015</i>
ORIGIN/AUTHORITY <i>Clause C4, City Commissioner Report No. 27-1983 and as updated by City Council Resolutions up to and including Clause 1, Planning and Operations Committee Report No. 21-2013; Standing Policy Committee on Planning, Development and Community Services Item 8.1.7 – March 23, 2015, Item 8.1.6 – June 22, 2015 and Item 8.1.4 – September 28, 2015</i>	CITY FILE NO. <i>CK. 1815-1</i>	PAGE NUMBER <i>1 of 40</i>

1. PURPOSE

To plan and control the utilization of funds in reserves established for future expenditures.

2. GENERAL DEFINITIONS

- 2.1 Capital Projects - Projects recognized as “capital” in accordance with the definition which is applicable for the City’s Capital Budget document in the year when the project is undertaken.
- 2.2 Reserves Established for Future Expenditures - All unallocated financial reserves established by the City of Saskatoon for application against future expenditures (excludes those reserves covered by the Capital Reserve Bylaws, prepaid services, as well as funds held in suspense).

3. GENERAL POLICY

- 3.1 Unless otherwise specified, all interest earned on funds accumulated in the reserves established for future expenditures shall be credited to the City’s general revenues.
- 3.2 Annually, during the review of the Capital Budget/Plan, a detailed five-year plan of the proposed source and application of funds, together with a status report, for all reserves established for future expenditures shall be submitted to City Council for consideration.

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3.3 Unless otherwise specified, the application of funds from any reserve established for future expenditures cannot exceed in any year, the reserve's opening balance plus approved provision for that year.

3.4 Unless otherwise specified, interest will be charged as a condition of repayment on all loans (which are authorized by City Council and permitted by this policy) from any reserves identified in this policy.

4. 325 – 3rd AVENUE NORTH BUILDING AND OPERATING RESERVE

4.1 Purpose

To provide a source of funding for the creation of a self-financing building and operating reserve to provide flexibility in the management of the City-owned building at 325 – 3rd Avenue North.

4.2 Source of Funds

This reserve shall be funded from a one-time transfer of the balance of the funds previously allocated for repairs and improvements at 325 – 3rd Avenue North.

4.3 Application of Funds

The funds in this reserve will be used for necessary building upgrades, building improvements, lease space related expenditures, and to cover any lease revenue shortfalls.

4.4 Responsibility

The building and operating reserve will be managed by the Real Estate Services Manager

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5. AFFORDABLE HOUSING RESERVE

5.1 Purpose

To support housing development in Saskatoon as guided by Policy C09-002, Innovative Housing Incentives.

5.2 Source of Funds

Provisions to this reserve shall consist of:

- a) The net proceeds from the sale of property that the City acquired as a result of tax enforcement proceedings;
- b) An annual allocation of **\$250,000** ~~1.5 million~~ beginning in 2011 from the City's annual operating budget ~~phased in with incremental annual provisions of \$250,000 per year for six years beginning in 2011 and ending in 2016; and~~
- ~~e) An allocation from the Neighbourhood Land Development Fund to make up the difference between the annual allocation of \$1.5 million and the phased in contribution from the annual operating budget; and~~

c) Funding shortfalls to meet the annual targets set by City Council shall come from an annual allocation from the Neighbourhood Land Development Fund.

5.3 Application of Funds

The funds in this reserve shall be used in accordance with Policy C09-002, Innovative Housing Incentives. The fund shall also be used to cover any experienced losses associated with the Equity Building Program.

6. ANIMAL SERVICES RESERVE

6.1 Purpose

To provide a source of funds for the purpose of financing future expenditures undertaken to enhance or expand services and facilities provided by the animal services program.

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6.2 Source of Funds

Annual provision, through the Operating Budget, as authorized by City Council, as well as a yearly balancing item which will equal any positive amount arising from that year's operating revenues minus operating expenditures for the Animal Services Program.

6.3 Application of Funds

- a) Direct expenditures may be made for capital projects involving the upgrading or expansion of the Animal Services Program facilities and services.
- b) Direct expenditures for improvements to the Animal Services Program (i.e. off-leash area fencing and equipment, signage, computer systems).

6.4 Responsibility

Direct expenditures for capital improvements/projects that do not qualify as a capital project as defined in this policy are authorized by the City Manager or designate. All expenditures qualifying as capital projects are reflected in the City's Capital Budget/Capital Plan and require City Council approval.

7. CAMPSITE RESERVE

7.1 Purpose

To accumulate funds for the purpose of offsetting any operating deficits incurred in any year by municipally-owned campsite facilities and of financing future capital expenditures undertaken to upgrade or expand such facilities and services.

7.2 Source of Funds

This provision shall be a yearly balancing item which will equal any positive amount arising from that year's operating revenues minus operating expenditures for the City's campsite program(s).

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7.3 Application of Funds

- a) Direct expenditures may be made for capital projects involving the upgrading or expansion of municipally-owned camping facilities and services.
- b) The Reserve may be used to finance any balancing requirements arising when current budgeted or actual operating expenditures exceed current budgeted or actual operating revenues for the City's campsite program(s).
- c) The Reserve may be used to repay any debt incurred in previous years in upgrading or expanding municipally-owned camping facilities.

8. CEMETERY STABILIZATION RESERVE

8.1 Purpose

To offset unanticipated cemetery operating deficits due to revenue shortfalls or unexpected expenditures.

8.2 Source of Funds

Provisions to the reserve shall consist of:

- a) An annual amount authorized by City Council through the Operating Budget plus
- b) Any year-end surpluses realized in excess of budget.

8.3 Application of Funds

The Reserve may be used to finance any balancing requirements arising when current budgeted or actual operating expenditures exceed current budgeted or actual operating revenues for the City's cemetery program.

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9. CIS SYSTEMS DEVELOPMENT RESERVE

9.1 Purpose

The purpose of the CIS Systems Development Reserve is to provide a source of funding for IT system development work, funding for a proof of concept, small system acquisitions and partial funding for major system acquisitions within the corporation.

9.2 Source of Funds

This Reserve shall be funded annually from an authorized provision in the City's Operating Budget.

9.3 Application of Funds

- a) Unless otherwise specified, the funds from this Reserve shall be used for small capital expenditures related to IT systems development or system acquisition projects.
- b) Notwithstanding any provision in this ~~Policy~~ **Bylaw**, expenditures from this Reserve may be less than ~~\$50,000~~ **\$25,000**.

9.4 Responsibility

Direct expenditures for expenditures that do not qualify as a capital project as defined in this policy are authorized by the City Manager or his designate. All expenditures qualifying as capital projects are reflected in the City's Capital Budget/Capital Plan and require City Council approval.

10. CIS UNIFIED COMMUNICATIONS RESERVE

10.1 Purpose

The purpose of the CIS Unified Communications Reserve is to provide a source of funding that will be used to fund improvements and upgrades to the Microsoft Lync unified communications environment and for the addition and/or replacement of telephone handsets.

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10.2 Source of Funds

This Reserve shall be funded annually from an authorized provision in the City's Operating Budget.

10.3 Application of Funds

- a) Unless otherwise specified, the funds from this Reserve shall be used for small capital expenditures related to the Microsoft Lync IP telephone system.
- b) Notwithstanding any provision in this ~~Policy~~ **Bylaw**, expenditures from this Reserve may be less than ~~\$50,000~~ **\$25,000**.

10.4 Responsibility

Direct expenditures for expenditures that do not qualify as a capital project as defined in this policy are authorized by the City Manager or his designate. All expenditures qualifying as capital projects are reflected in the City's Capital Budget/Capital Plan and require City Council approval.

11. CIVIC HOSPITALITY RESERVE

11.1 Purpose

The purpose of the Civic Hospitality Reserve is to allow for funding over a five-year rolling basis. Unused balances in current operating years can be rolled over to the next year.

11.2 Responsibility

This Reserve is governed by Policy No. C01-005, Civic Hospitality to Conventions. See Policy for more details on the Civic Hospitality Reserve

124. CIVIC UTILITIES STABILIZATION RESERVE

124.1 Purpose

To offset unanticipated utility operating deficits by establishing and maintaining a Utility Stabilization Reserve, with a separate account for each

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utility. For the purpose of this policy, a Civic Utility shall include water, **wastewater** sewage, electrical distribution, ~~transit, access transit~~ **curbside recycling** and storm water management utilities.

124.2 Source of Funds

- a) Any year-end surpluses realized in excess of budget shall be transferred to the applicable water and **wastewater** sewage, electrical, ~~transit, access transit~~ **curbside recycling** or storm water management utility reserve account(s).
- b) Water and **wastewater** sewage utilities may provide for a budgetary contribution to and from the stabilization reserves.

124.3 Reserve Balance Limitation

- a) The balance of the Water and **Wastewater Sewer** Utilities Stabilization Reserve shall be capped at 5% of the current year's budgeted metered revenue (including the infrastructure levy).
- b) The balance of the Electrical Utility Stabilization Reserve shall be capped at 1.5% of the current year's budgeted metered revenue.
- c) **The balance of the Curbside Recycling Stabilization Reserve shall be capped at 5% of the current year's budgeted total revenue.** ~~The balance of the Transit Utility Stabilization Reserve shall be capped at 5% of the current year's budgeted total revenue.~~
- d) **The balance of the Storm Water Management Utility Stabilization Reserve shall be capped at an equivalent value of the Storm Sewer Maintenance and Drainage expense components of the current year's operating budget.**
- e) Funds in excess of these amounts shall be disbursed as provided for in Section ~~12~~4.4 of this ~~P~~olicy.

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124.4 Application of Funds

- a) To the extent that a balance exists in the respective account, the Utility Stabilization Reserve shall be used to finance any year-end deficits incurred by a civic utility.
- b) Subject to City Council approval, available funds in the respective accounts of the Utility Stabilization Reserve may be:
 - i) Transferred to the applicable utility capital reserves.
 - ii) Used to repay any existing debt incurred by the utility.
- c) The amount by which the Water & **Wastewater** ~~Sewer~~–Utilities Stabilization Reserve exceeds the balance as calculated in section 11.3 shall be transferred to either the Waterworks Capital Projects Reserve or the **Wastewater** ~~Sewage~~–Treatment Capital Reserve as jointly decided by the General Manager, **Transportation & Utilities Department**, ~~Utility Services~~ and the **Director of Finance**~~City Comptroller~~.
- d) Notwithstanding (c) above, City Council may direct that some or all of the amount by which the Water and **Wastewater** ~~Sewer~~ Utilities Stabilization Reserve exceeds the balance as calculated in section 11.3 shall be transferred to the Infrastructure Replacement Reserve.
- e) The amount by which the Electrical Utility Stabilization Reserve exceeds the balance as calculated in section 11.3 shall be transferred to the Electrical Distribution Extension Reserve.
- f) **The amount by which the Storm Water Management Utility Stabilization Reserve exceeds the balance as calculated in Section 12.3 shall be transferred to the Storm Water Management Capital Reserve.**
- gf) **The amount by which the Curbside Recycling Stabilization Reserve exceeds the balance as calculated in Section 12.3 shall be transferred to an appropriate recycling reserve as recommended by the Administration and approved by City Council.** ~~The amount by which the Transit Utility Stabilization Reserve~~

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exceeds the balance as calculated in section 11.3 shall be transferred to the Transit Capital Projects Reserve.

124.5 Responsibilities

The Standing Policy Committee on Environment, Utilities and Corporate Services~~Planning and Operations Committee~~ - shall monitor this Reserve and make recommendations to City Council with respect to the application of discretionary funds and to the further policy development of this Reserve.

13. COMMUNITY INITIATIVES GRANT RESERVE

13.1 Purpose

This Reserve is to support initiatives and activities that are of general benefit to the citizens of Saskatoon and enhance their quality of life and access to services with a focus on supports and services to vulnerable populations in the community, or any other community initiative that City Council deems appropriate.

13.2 Source of Funds

The unexpended funds from the contingency portion of the Assistance to Community Groups – Cash Grant Program.

13.3 Application of Funds

Expenditures to be made in accordance with the following criteria:

- a) New, innovative projects/initiatives that may not fit within existing grant criteria;**
- b) Projects that provide direct services or supports to enhance the quality of life for Saskatoon residents;**
- c) Projects that meet a demonstrated area of current need; and**
- d) Projects must be completed within 12 months of approval.**

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13.4 Responsibility

The Reserve will be managed by the Community Services Department and funds allocated at the discretion of City Council in accordance with the above established criteria.

142. COMMUNITY SERVICES DEPARTMENT PLAN REVIEW AND INSPECTION SERVICE STABILIZATION RESERVE

142.1 Definitions

Expenditures - Salaries, payroll costs and operating costs related to plan review and inspection activities for both Building and Plumbing permits.

Revenues - The sum of revenue received from building and plumbing permit fees.

142.2 Purpose

- a) To accumulate funds for the purpose of offsetting any deficits in the Department's Plan Review and Inspection Program due to revenue shortfalls from a decline in the number, and/or type of Building and Plumbing Permits issued or unexpected expenditures;
- b) To stabilize the effect annual fluctuations in construction activity have on the mill rate; and
- c) To provide a source of funds to finance unexpected or non-cyclical costs associated with equipment replacements, building code requirements, and special projects.

142.3 Source of Funds

Provisions to the reserve shall consist of all revenues which are in excess of expenditures related to the Plan Review and Inspection Program on a yearly basis. The cumulative amount provided for in the Reserve shall not exceed \$100,000 plus 150% of the annual operating budget of the program.

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142.4 Application of Funds

The **R**reserve shall be used to finance a deficit in the Plan Review and Inspection Program, arising which actual expenditures for this program exceed the actual revenues on a yearly basis. \$100,000 is maintained to fund unexpected or non-cyclical costs associated with equipment replacements, building code replacements, and special projects.

142.5 Funds in Excess of Reserve Maximum

Should the Plan Review and Inspection Service Stabilization Reserve surpass the ceiling established in 12.3 for more than three consecutive years, the Administration will revisit the existing building permit fees, review forecast construction activity levels and make the appropriate recommendations to modify the fees. During the three-year period, the surplus revenues will remain in the Plan Review and Inspection Service Stabilization Reserve.

142.6 Responsibility

The General Manager, Community Services Department shall administer the **R**reserve.

Direct expenditures for capital improvements/projects that do not qualify as a capital project, as defined in this policy, are authorized by the City Manager or his designate. All expenditures qualifying as capital projects are reflected in the City's Capital Budget/Capital Plan and require City Council **a**pproval.

153. COMMUNITY SUPPORT GRANT RESERVE

153.1 Purpose

To provide a source of funds for increasing participation in sport, culture, and recreation programs.

153.2 Source of Funds

Funds remaining in the combined Saskatchewan Lotteries Community Grant/Cultural Participation Grant Program at the end of the season shall be placed in the **R**reserve.

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153.3 Application of Funds

Direct expenditures may be made in accordance with the following criteria:

- a) Eligibility requirements are:
 - i) Organizations incorporated under the Saskatchewan Non Profit Corporations Act or a local chapter of a non-profit corporation;
 - ii) Membership and participation in the project open to the public;
 - iii) Participants to be primarily residents of Saskatoon;
 - iv) May not use the funds to provide third party funding, but may form partnerships with other organizations;
 - v) May not receive a City grant or other Lotteries funding for the same project; and
 - vi) Educational, religious, and health institutions are not eligible to apply.

- b) The priority areas in which organizations can apply for funding are:
 - i) Short term volunteer leadership training and instructional certification (excluding NCCP - National Coaching Certificate Program);
 - ii) Unique, innovative or special projects and expenditures that might involve:
 - partnerships for targeted initiatives
 - recently incorporated organizations
 - projects that provide long term benefit to the organization; and
 - iii) Cultural, sport or recreation awareness/promotion initiatives in which two or more organizations work together on a project. Each organization may apply for a different portion of the project, up to a maximum of \$10,000 each.

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- c) Projects must be completed within 12 months of approval.
- d) The minimum and maximum amounts provided shall be \$500 - \$10,000 per non-profit organization.
- e) ~~The Reserve will not be used for projects that would normally qualify under the regular Sask. Lotteries Community Grant/Cultural Participation Grant Program.~~
Funds may be used to augment the Saskatchewan Lotteries Community Grant/Cultural Participation Program at the discretion of the General Manager, Community Services Department.
- f) Travel grants and grants to individuals will not be funded under the Reserve.

153.4 Responsibility

The Reserve will be managed and adjudicated by the Community Services Department in accordance with the above established criteria.

164. CULTURAL RESERVE (Cultural Grant Component and Public Art Component)

164.1 Purpose

The purpose of the ~~R~~reserve is to accumulate funds for the purpose of financing the periodic one-time capital funding for major arts organizations, currently eligible for ongoing operating support under the Cultural Grant Program and to support the implementation of Public Art Policy No. C10-025.

164.2 Source of Funds

The annual provision to the reserve for both components shall be the amount authorized by City Council through the Operating Budget.

The General Manager, Community Services Department, shall have authority to allocate funding from one component to the other.

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164.3 Application of Funds

164.3.1 Cultural Grant Component

Allocation of funds from the **R**reserve shall be adjudicated by the Cultural Grant Capital Reserve Adjudication Committee and made in accordance with the following criteria:

- a) Cultural Grant Capital Reserve Adjudication Committee – will include three members from the art, festival, or heritage organizations who are receiving funding through the Cultural Grant Program and who are not applying at the deadline being adjudicated, plus a City of Saskatoon representative with project management expertise. If three members of the Cultural Grant Program are not available, then individuals from the community with relevant expertise in the running of not-for-profit organizations will be utilized.
- b) Eligibility requirements:
 - i) Eligible applicants will be restricted to those Major Arts Organizations currently receiving funding under the Cultural Grant Program, as well as major festival institutions and major heritage institutions currently eligible for support in the Cultural Grant Program.
 - ii) Must demonstrate leverage of other sources of funding for this project.
 - iii) Will be for one-time projects.
- c) The priority areas in which major cultural organizations can apply for one-time funding are:
 - i) Capital projects – new and replacement.
 - ii) Governance reviews.
 - iii) Strategic planning and market research aimed at refocusing direction.
- d) There will be two categories of funding, as follows:
 - i) Major Capital Grants (max \$80,000); and

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ii) Minor Capital Grants (max \$10,000)

Priority will be given to Major Grants.

e) Projects must be completed within 24 months of approval of the funds.

164.3.2 Public Art Component

Direct expenditures may be made to:

- a) fund new public art commissions;
- b) supplement designated civic capital project public art commissions;
- c) purchase City-leased or other existing artworks; and
- d) undertake major public art restoration and conservation treatments.

All expenditures qualifying as capital projects are reflected in the City's Capital Budget/Capital Plan and require City Council approval.

164.4 Responsibility

164.4.1 Cultural Grant Component

The reserve will be managed by the Community Services Department. The Adjudication Committee shall review applications and make recommendations for funding to the Planning Development and Community Services (PDCS) Committee. The PDCS Committee will be responsible for reviewing recommendations made by the Adjudication Committee and providing appropriate recommendations to City Council for approval.

164.4.2 Public Art Component

The Director, **Recreation &** Community Development Division, Community Services Department, shall be responsible for the

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administration of this reserve in accordance with Public Art Policy No C10-025 and related programs; and

All expenditures qualifying as capital projects require City Council approval.

175. ERRORS AND OMISSIONS LIABILITY RESERVE

175.1 Purpose

To provide the City with a source of funding for claims for economic loss that arise from errors and omissions made by civic officials. In reviewing our loss history to premium payments ratio for Errors and Omissions Liability insurance, it became apparent that the insurance coverage provided was not cost effective. The Errors and Omissions Liability Reserve was approved to provide a reserve funded in the same way as the previous insurance policy.

175.2 Source of Funds

This ~~R~~reserve will be funded on an annual basis in the amount of \$100,000, from contributions made by those departments, boards and commissions as are indemnified by the City, on the same pro rata basis as other insurance premiums are paid. The ~~R~~reserve will accumulate and maintain an Errors and Omissions Liability reserve capped in the amount of \$1,000,000. ~~The reserve is to be reviewed in ten years.~~

175.3 Application of Funds

Funds in this Reserve shall only be applied to claims for economic loss received by the City where liability does or is likely to exist as a result of an error or omission made by an employee or a member of a related board or commission that is indemnified by the City.

175.4 Responsibility

The ~~Risk Manager, Risk Management Division,~~ City Solicitor's Office, shall be responsible for the administration of this ~~R~~reserve in accordance with the Policy and related programs.

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186. FAÇADE CONSERVATION AND ENHANCEMENT GRANT RESERVE

186.1. Purpose

To finance any costs related to incentives in the Façade Conservation and Enhancement Grant Program.

186.2 Source of Funds

This Rreserve shall be funded up to \$30,000 annually from the Urban Design Streetscape – Business Improvement District (BID) operating budget, which will be dedicated towards projects within the BIDs; up to \$30,000 annually from the Urban Design Streetscape – City Wide operating budget, which will be dedicated towards projects outside of the BIDs; and \$10,000 annually from the Heritage Program. Uncommitted amounts from the Urban Design allocations in any given year will be returned to the applicable Urban Design Program.

186.3 Application of Funds

The funds in this Rreserve shall be used in accordance with City Council Policy, the Façade Conservation and Enhancement Grant Program.

197. FIRE DEPARTMENT UNIFORMS RESERVE

197.1 Purpose

To distribute, over six years, the cost of purchasing clothing for the **Saskatoon** Fire and ~~Protective Services~~ Department.

197.2 Source of Funds

An annual provision through the operating budget, as authorized by City Council.

197.3 Application of Funds

Funds may be used to finance the purchase of clothing requirements set down in a Memorandum of Agreement with the Fire Fighter’s Union and the City of Saskatoon.

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208. FISCAL STABILIZATION RESERVE

208.1 Purpose

To accumulate funds for the purpose of offsetting any tax-supported operating deficits incurred in any year.

208.2 Source of Funds

- a) Any year-end surpluses realized in excess of budget.
- b) Sinking fund surpluses and other operating/stabilization reserve surpluses.
- c) One-time revenue opportunities.

208.3 Reserve Balance Limitation

- a) The minimum balance of the Fiscal Stabilization Reserve shall be 5% of the current year's tax-supported expenditures.

208.4 Application of Funds

- a) To the extent that a balance exists in the Fiscal Stabilization Reserve, it shall be used to finance any tax-supported operating year-end deficits incurred.
- b) Subject to City Council approval, available funds in excess of the minimum balance may be used to fund any operational or capital one-time requirements.

2149. FORESTRY FARM PARK AND ZOO AUDITORIUM RESERVE

2149.1 Purpose

To finance the cost of program and service improvements related to the Auditorium at the Forestry Farm Park and Zoo.

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2149.2 Source of Funds

This Reserve shall be funded annually by an amount from the rental revenues of the Auditorium. The amount shall be calculated by multiplying \$20.00 by the number of Auditorium rental hours paid for in the year.

2149.3 Application of Funds

Direct expenditures for program and service improvements in the Auditorium and its immediate grounds.

2149.4 Responsibility

Direct expenditures for improvements/projects that do not qualify as a capital project as defined in this policy, are authorized by the City Manager or his designate. All expenditures qualifying as capital projects are reflected in the City's Capital Budget/Capital Plan and require City Council approval.

220. FORESTRY FARM PARK AND ZOO DEVELOPMENT RESERVE

220.1 Purpose

To distribute, over several years, the cost of expanding, improving or developing program opportunities that directly service the public.

220.2 Source of Funds

Donations from individuals and businesses supporting the Zoo, revenue generated from wolf piggy banks and other similar initiatives, proceeds from the sale of Zoo Poo and sixty percent of the net revenues from the vehicle charge at the main gate of the Forestry Farm Park and Zoo.

220.3 Application of Funds

Direct expenditures for program improvements to the entire Forestry Farm Park and Zoo (i.e. displays, visitor reception area, playground equipment).

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220.4 Responsibility

Direct expenditures for capital improvements/projects that do not qualify as a capital project as defined in this policy, are authorized by the City Manager or his designate. All expenditures qualifying as capital projects are reflected in the City's Capital Budget/Capital Plan and require City Council approval.

~~21. FORESTRY FARM PARK AND ZOO CAPITAL RESERVE~~

~~21.1 Purpose~~

~~To improve visitor services, animal habitats and infrastructure services at the Saskatoon Forestry Farm Park and Zoo as outlined in the Facility Master Plan.~~

~~21.2 Source of Funds~~

~~An annual provision through the Saskatoon Forestry Farm Park and Zoo operating budget, as authorized by City Council.~~

~~21.3 Application of Funds~~

~~Direct expenditures for the implementation of the Saskatoon Forestry Farm Park and Zoo Master Plan with an emphasis on visitor services, animal habitat and infrastructure improvements.~~

~~21.4 Responsibility~~

~~Direct expenditures for capital improvements/projects that do not qualify as a capital project as defined in this policy, are authorized by the City Manager or his designate. All expenditures qualifying as capital projects are reflected in the City's Capital Budget/Capital Plan and require City Council approval.~~

232. FUEL STABILIZATION RESERVE

232.1 Purpose

To accumulate funds for the purpose of offsetting any over-expenditures in the City's tax-supported fuel budget attributable to variations in fuel pricing,

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thereby stabilizing the effect on the mill rate and on the City's year-end financial position.

232.2 Source of Funds

- a) An annual provision will be made from the City's Operating Budget in those years that the reserve is not at the maximum.
- b) Any year-end surplus in the City's tax-supported fuel budget.
- c) The balance of the Fuel Stabilization Reserve shall not exceed \$2 million. Any amounts in excess shall flow to the Fiscal Stabilization Reserve.

232.3 Application of Funds

The reserve shall only be used to finance unanticipated over-expenditures arising from fuel prices that are over and above the current year's budget.

232.4 Responsibility/Authority

The **Director of Finance** ~~Finance Manager~~ shall have authority to effect a year-end transfer of unexpended tax-supported fuel funds to the Fuel Stabilization Reserve.

243. GENERAL VOTING RESERVE

243.1 Purpose

To distribute, over several years, the cost of periodic municipal elections, bylaw votes, and plebiscites.

243.2 Source of Funds

Annual provision, through the Operating Budget, as authorized by City Council.

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243.3 Application of Funds

Funds may be used to finance voting expenditures related to periodic municipal elections, bylaw votes and plebiscites.

243.4 Policy Consideration

The total cost of elections will be cost-shared with the School Boards through application of a formula approved by the School Boards and City Council.

254. GOLF COURSE STABILIZATION RESERVE

254.1 Purpose

To accumulate funds for the purpose of offsetting any operating deficits incurred in any year by municipally-owned golf courses.

254.2 Source of Funds

The provision shall be a yearly balancing item which will equal any positive amount arising from that year's operating revenues minus operating expenditures, on an aggregated basis, for the City's golf course programs.

254.3 Reserve Balance Limitation

The balance of the Golf Course Reserve shall not exceed \$200,000. Funds in excess of this amount shall be transferred to the Golf Course Capital Reserve.

254.4 Application of Funds

The Reserve may be used to finance any balancing requirements arising when current budgeted or actual operating expenditures exceed current budgeted or actual operating revenues for the City's golf course programs.

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265. HERITAGE FUND

265.1 Purpose

To support the implementation of the Civic Heritage Policy.

265.2 Source of Funds

- a) Annual provision of **\$44,000** ~~\$54,000~~ from general civic operating revenues; **and**
- b) **Annual contribution of \$3,600 from general civic operating revenues to be accumulated for the Forestry Farm Park and Zoo bunkhouse building until such time as City Council directs its use.**

265.3 Application of Funds

Direct expenditures may be made:

- a) For projects relating to the implementation of the Heritage Conservation Program;
- b) To cover deficiencies if a rehabilitation project under the Heritage Conservation Program does not generate a sufficient increase in assessment to offset the tax abatement under this program;
- c) For projects for the identification and evaluation of City-owned heritage property; and
- d) For special heritage studies undertaken by the Community Services Department.

265.4 Responsibility

- a) The **Director Manager of Planning & Development Division** ~~Development Services Branch~~, Community Services Department, shall be responsible for the administration of this **R**reserve in accordance with the Civic Heritage Policy and related programs; and

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- b) The General Manager, Community Services Department, shall be responsible for expenditures up to \$12,000 a year under Section 264.3(d).

276. INTEREST STABILIZATION RESERVE

276.1 Purpose

To smooth out the effects on the City's general operating revenues of fluctuations arising from variations in interest rates and available funds for short-term investment.

276.2 Source and Application of Funds

A "base level" of interest earnings for the budget year shall be calculated using the following formula:

Current Year Base = Previous Year Base \pm 1/3 of (current year estimate - previous year base)

[Previous Year Base = the net impact of interest earnings on the previous year's operating budget.

Current Year Estimate = anticipated interest earnings for the budget year based on current estimates of rates and fund balances.]

287. LAND OPERATIONS RESERVE

287.1 Purpose

To accumulate funds for the purpose of offsetting any operating deficits, incurred in any year, resulting from lower land sales.

287.2 Source of Funds

Provision from the annual Operating Budget equal to any positive amount arising from the year's cost recovery minus operating expenditures for the City's Land Management Program.

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287.3 Reserve Balance Limitation

The balance of the Land Operations Reserve shall not exceed one and a half times the annual operation budget of the **Saskatoon Land Division Branch**. Funds in excess of this amount shall be transferred to the Property Realized Reserve at year end.

287.4 Application of Funds

Funds may be used to finance any deficits arising when operating expenditures exceed cost recoveries for the City's Land Management Program.

298. LEGAL OPINION – MEMBERS OF COUNCIL RESERVE

298.1 Purpose

To provide a source of funding for initial legal opinions for members of City Council on issues that may arise from their duties as members of City Council, where the City Solicitor's Office does not provide legal advice.

298.2 Source of Funds

Initial funding of up to \$27,500 for the reserve shall be from the Fiscal Stabilization Reserve with annual provisions to be authorized in the City's Operating Budget.

298.3 Application of Funds

The funds from this Reserve shall be used for an initial legal opinion for members of City Council on a matter which has arisen as part of their role as a member of Council, in one of the following areas:

- a) whether a member of Council should be declaring a conflict of interest and abstaining from voting on a matter before Council; and/or
- b) in other circumstances, where the Executive Committee agrees that the City Solicitor is unable to provide legal advice to an individual member of Council.

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The maximum amount to be paid for each legal opinion is \$2,500.

298.4. Responsibility

The City Clerk will be responsible for administration of the Rreserve.

3029. MAJOR NATURAL EVENT RESERVE

3029.1 Purpose

To assist in offsetting operational and capital expenditures required due to a major natural event. Major natural events include, but are not limited to, blizzards, plough winds/tornadoes, heat wave, severe rain, river flood event and extreme cold.

3029.2 Source of Funds

Provisions to the Rreserve shall consist of an annual amount authorized by City Council through the Operating Budget. The Rreserve will be capped at \$250,000.

3029.3 Application of Funds

The Rreserve shall only be used for expenditures described in Section 28.1 above.

3029.4 Responsibilities

Expenditures shall be authorized by the City Manager or his/her designate. All expenditures qualifying as capital projects are reflected in the City's Capital Budget/Capital Plan and require City Council approval. Any expenditures from this Rreserve will be reported to City Council on an annual basis.

310. PARK ENHANCEMENT RESERVE

310.1 Purpose

To provide a source of funds to finance enhancements in neighbourhood, district, multi-district, or special use parks.

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310.2 Source of Funds

The annual provision to the Reserve shall be the amount authorized by City Council through the Operating Budget.

310.3 Application of Funds

The projects considered under the park enhancement program will be cost-shared with Community Associations and/or City-wide non-profit recreation, cultural and sports organizations. Specific project approval will be at the discretion of the General Manager, Community Services and in accordance with the City's park development guidelines. All expenditures qualifying as capital projects are reflected in the City's Capital Budget/Capital Plan and require City Council approval.

324. PARKS ~~DIVISION BRANCH~~ GROUNDS MAINTENANCE STABILIZATION RESERVE

324.1 Purpose

To accumulate funds for the purpose of offsetting any over expenditures in the City's grounds maintenance budgets attributable to variations in normal summer weather conditions, thereby stabilizing the effect of weather variations on the mill rate and on the City's year-end financial position.

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324.2 Source of Funds

In years where the expenditures of the Parks Maintenance and Design Service Line are less than the approved budget, the unexpended funds will be transferred to the Parks ~~Branch~~ **Division** Branch Grounds Maintenance Stabilization Reserve at year end. The balance of the Parks **Division** ~~Branch~~ Grounds Maintenance Stabilization Reserve shall not exceed a value equal to the Parks Maintenance and Design Service Line component of the annual budget.

324.3 Application of Funds

- a) The Reserve shall only be used to finance unanticipated over expenditures arising when actual Parks Maintenance and Design Service Line operating expenditures exceed budgeted grounds maintenance expenditures due to variations in normal summer weather conditions.
- b) Withdrawals from the Reserve shall be subject to the following authorizations:
 - i) General Manager, Infrastructure Services - may approve a cumulative withdrawal during the fiscal year, not to exceed 5% of the Parks Maintenance and Design Service Line budget.
 - ii) City Manager may approve a cumulative withdrawal during the fiscal year, not to exceed 10% of the Parks Maintenance and Design Service Line budget.
 - iii) City Council approval is required when the cumulative withdrawal during the fiscal year exceeds 10% of the Parks Maintenance and Design Service Line budget.

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324.4 Responsibility/Authority

- a) The **Director of Finance** ~~Corporate Finance Manager~~ shall have authority to affect a year-end transfer of unexpended Parks Maintenance and Design Service Line funds to the Parks **Division** ~~Branch~~ Grounds Maintenance Stabilization Reserve.
- b) The General Manager, **Community Services Department,** ~~Infrastructure Services,~~ shall monitor the adequacy of the annual provision from general revenues to the Reserve, and when and if appropriate, recommend changes.

332. PEST CONTROL RESERVE

332.1 Purpose

To provide a stable control of cankerworm, ground squirrel and mosquito populations for the ~~c~~City of Saskatoon.

332.2 Source of Funds

An annual contribution of \$13,500 through the operating budget, as authorized by City Council. The ~~R~~reserve shall not exceed 5 years contributions or \$67,500.

332.3 Application of Funds

To fund pest management program improvements in the event of severe infestations of one or more of the three pests listed above, for a maximum of two years. At this point the program improvement would be discontinued or a request would be made through the budget process to include the additional expenditures in the operating base of the pest control program.

343. POTASHCORP PLAYLAND STABLIZATION RESERVE

343.1 Purpose

To accumulate funds for the purpose of offsetting any operating deficits incurred in any year by the municipally-owned Kinsmen Park Rides; and

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343.2 Source of Funds

The provision shall be a yearly balancing item which will equal any positive amount arising from the year's operating revenues minus operating expenditures for the PotashCorp Playland at Kinsmen Park.

343.3 Reserve Balance Limitation

- a) The balance of the Reserve shall be capped at 100% of the current year's budgeted operating expenses.
- b) Funds in excess of this amount shall be transferred to the PotashCorp Playland Asset Replacement and Maintenance Reserve as part of Capital Reserve Bylaw No. 6774.

343.4 Application of Funds

The Reserve may be used to finance any balancing requirements arising when current budgeted or actual operating expenditures exceed current budgeted or actual operating revenues for the PotashCorp Playland at Kinsmen Park.

354. RESERVE FOR MAJOR SPECIAL EVENTS

354.1 Purpose

To provide a source of funds for encouraging community groups and organizations to pursue and host major festivals and national and international events as per **Council** City Policy No. C03-007 entitled "Special Events".

354.2 Source of Funds

Provisions to the Reserve for Major Special Events shall consist of:

- a) An annual amount as authorized by City Council for Major Special Events and Profile Saskatoon Events as categorized in **Council** City Policy No. C03-007, Special Events.

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NUMBER
C03-003

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354.3 Application of Funds

The Reserve may be used to finance eligible capital/operating expenditures, incurred by community groups and organizations, to attract and host major national and international events and major festivals pursuant to **Council** City Policy No. C03-007 on "Special Events".

354.4 Responsibility

The Reserve will be managed and applications adjudicated by the Community Services Department, which will establish detailed criteria for the adjudication of event grant applications.

365. RESERVE FOR SPORTS PARTICIPATION

365.1 Purpose

To provide a source of funds for increasing participation in sport for learn-to/developmental and reduce cost as a barrier to participation.

365.2 Source of Funds

That any funds remaining in the Sports Participant Grant Program at the end of the season be placed in the **R**reserve.

365.3 Application of Funds

Direct expenditures may be made by the Community Services Department for the following:

- a) Skill-development programs for coaches;
- b) Learn-to/developmental programs; and
- c) Programs which provide access where cost is a barrier to participation.

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365.4 Responsibility/Authority

The Reserve will be managed and adjudicated by the Community Services Department, which will establish detailed criteria based on needs assessment data.

376. RESERVE FOR UNEXPENDED YOUTH SPORTS SUBSIDY FUNDS

376.1 Purpose

To provide a source of funds for encouraging youth sport organizations receiving the Youth Sports Subsidy to pursue and host major provincial, national and international events as per Council Policy No. C03-034 entitled "Youth Sports Subsidy Program - Allocation Criteria and Special Events."

376.2 Source of Funds

Provisions to the Reserve for Unexpended Youth Sports Subsidy Funds shall consist of:

- a) Unexpended funds remaining in the operating budget of the City's Youth Sports Subsidy Program, plus
- b) Any additional amount as authorized by City Council.

376.3 Application of Funds

The Reserve may be used to finance eligible facility rental expenditures incurred by youth sport organizations receiving the Youth Sports Subsidy, to attract and host major provincial, national and international events, pursuant to City Policy No. C03-034 entitled "Youth Sports Subsidy Program - Allocation Criteria and Special Events."

376.4 Responsibility/Authority

The Reserve will be managed and applications adjudicated by the Community Services Department, which will establish detailed criteria for the adjudication of event grant applications.

CITY OF SASKATOON COUNCIL POLICY

NUMBER

C03-003

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387. SASKATOON MINOR FOOTBALL FIELD STABILIZATION RESERVE

387.1 Purpose

To offset operating deficits at the Saskatoon Minor Football Field or fund unexpected expenditures for equipment replacement or facility repair. Such examples could include an increase to utilities, damage or vandalism to the field, equipment, or auxiliary building.

387.2 Source of Funds

This Rreserve shall be funded from a one-time transfer of \$65,000 from the 2014 operating budget that occurred when Saskatoon Football Inc. took over the operation of the Saskatoon Minor Football Field for the 2014 season.

387.3 Application of Funds

- a) The operator of Saskatoon Minor Football Field must submit audited financial statements to the City for review.
- b) The maximum amount to be withdrawn from the reserve annually is the lesser of:
 - i) the actual deficit for the year from approved expenditures; or
 - ii) the amount of \$13,000, which is 20% of the original contribution to the reserve.

387.4 Responsibility

The General Manager, ~~of the~~ Community Services Department, or designate shall be responsible for administering and monitoring this reserve in accordance with this Reserve Policy.

The limitations will ensure that the reserve lasts a minimum of five years (2014 to 2018), providing the operator with funding to offset unexpected operating costs for the first five years.

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398. SELF INSURED RETENTION RESERVE

398.1 Purpose

To fund third party claims against the City, including claims that are below the City's deductible made by persons claiming that the City has caused them a loss or to fund deductibles charged by the City's insurers on claims that exceed our self insured retention, and to fund sudden and accidental property losses that the City suffers that are beyond the ability of the individual department that suffers the loss to absorb.

398.2 Source of Funds

The Rreserve will be funded on an annual basis in the amount of \$850,000 from contributions made by those departments, boards and commissions that are covered by the City's claims and insurance programs, on the same pro rata basis as insurance premiums are paid until the cap is reached, and thereafter, in an amount sufficient to restore the reserve to the cap to a maximum per year of \$850,000. The Rreserve will accumulate and maintain a balance capped at \$2,500,000. The Rreserve is to be reviewed every five years.

398.3 Application of Funds

Funds in this reserve may be applied to the following:

- (a) defence and payment of uninsured claims by third parties;
- (b) defence and payment of third party claims that do not exceed the City's self insured retention under the applicable insurance policy;
- (c) defence and payment of claims that exceed the City's self insured retention under the applicable insurance policy where the City elects to retain control of the claim;
- (d) payment of deductibles, including defence and settlement costs, due and owing under the applicable insurance policy arising from third party claims where the insurer has taken control of the claim;

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- (e) large, sudden and accidental first party property losses suffered by a civic department, board of corporation that do not exceed the City's self insured retention under the applicable insurance program and are certified by the City Manager to be beyond the ability of the department to absorb in its annual budget; or
- (f) payment of such other occasional and unusual amounts at the direction of the City Manager upon advice from the City Solicitor.

398.4 Responsibility

The ~~Risk Manager, Risk Management Division, City Solicitor's Office,~~ shall be responsible for the administration of this Rreserve in accordance with this policy and related programs.

4039. SNOW AND ICE MANAGEMENT CONTINGENCY RESERVE

4039.1 Purpose

To accumulate funds for the purpose of offsetting any over-expenditures in the City's snow and ice management budget attributable to variations in normal winter weather conditions, thereby stabilizing the effect of weather variations on the mill rate and on the City's year-end financial position.

4039.2 Source of Funds

An annual provision will be made from the City's Operating Budget in those years that the reserve is not at the maximum. The balance of the Snow and Ice Management Contingency Reserve shall not exceed a value equal to the Snow and Ice Management service line ~~Snow Clearing/Removal component~~ of the annual operating budget.

4039.3 Application of Funds

- a) The Reserve shall only be used to finance unanticipated over-expenditures arising when actual snow and ice management operating expenditures exceed budgeted snow and ice management expenditures due to variations in normal winter weather conditions.

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- b) Withdrawals from the Reserve shall be subject to the following authorizations:
 - i) General Manager, **Transportation & Utilities Department, Infrastructure Services** may approve a cumulative withdrawal during the fiscal year, not to exceed 5% of the Snow and Ice Management program service line.
 - ii) City Manager **or designate** may approve a cumulative withdrawal during the fiscal year, not to exceed 10% of the Snow and Ice service line Management program.
 - iii) City Council approval is required when the cumulative withdrawal during the fiscal year exceeds 10% of the Snow and Ice service line Management program.
- c) City Council shall be kept informed of all withdrawals from the Reserve.

4039.4 Responsibility/Authority

- a) The **Director of Finance** ~~City Comptroller~~ shall have authority to effect a year-end transfer of unexpended snow removal funds to the Snow and Ice Management Contingency Reserve.
- b) The General Manager, **Transportation & Utilities Department, Infrastructure Services** shall monitor the adequacy of the annual provision from general revenues to the Reserve and when and if appropriate, recommend changes.

~~39. SPECTATOR BALLFIELDS DEVELOPMENT RESERVE~~

~~39.1 Purpose~~

~~To provide a source of financing to fund improvements to the Gordon Howe Spectator Ballfields (Gordon Howe #1, Bob Van Impe, J.F. Cairns, and Lealos facilities) as identified by the respective facility operators in consultation with the Community Services Department.~~

~~39.2 Source of Funds~~

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~~A minimum of 60% of the net revenues from the Amusement Tax that is collected from the gate receipts for all activities operated or sponsored, at the Gordon Howe Spectator Ballfields, by the Saskatoon Amateur Softball Association, the Saskatoon Men's Baseball League, and Field of Dreams Baseball Inc.~~

~~39.3 Application of Funds~~

~~The Reserve may be used to finance capital improvements to the Gordon Howe #1, Bob Van Impe, J. F. Cairns and Leakes facilities. Improvements may include but are not limited to the construction of a clubhouse, upgrading the playing surfaces of the diamonds, the construction of a new diamond, provision for additional seating, etc.~~

~~39.4 Responsibility~~

~~Direct expenditures for capital improvements/projects that do not qualify as a capital project as defined in this policy, are authorized by the City Manager or his designate. All expenditures qualifying as capital projects are reflected in the City's Capital Budget/Capital Plan and require City Council approval.~~

410. SUPERINTENDENT'S RESIDENCE RESERVE

410.1 Purpose

To distribute, over several years, the cost of expanding, improving, leasing, or developing heritage-based program opportunities that directly service the public.

410.2 Source of Funds

Thirty percent of all funds generated by special event or retreat rentals of the first floor of the Superintendent's Residence.

410.3 Application of Funds

Direct expenditures for heritage-based program development, rental, or improvements for the entire Forestry Farm Park with an emphasis on interpreting the Sutherland Forest Nursery Station (i.e. displays, visitor reception area, graphics, and interpretive tours).

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410.4 Responsibility

Direct expenditures for capital improvements/projects that do not qualify as a capital project, as defined in this policy, are authorized by the City Manager or his designate. All expenditures qualifying as capital projects are reflected in the City's Capital Budget/Capital Plan and require City Council approval.

421. VACANT LOT AND ADAPTIVE REUSE INCENTIVE RESERVE

421.1 Purpose

To finance any costs related to incentives in the Vacant Lot and Adaptive Reuse Incentive Program.

421.2 Source of Funds

This Reserve shall be funded annually in the amount of \$30,000 from the City's parking meter revenues. This amount is to be directed towards housing projects in the downtown.

Residual funds (the difference between the maximum incentive amount minus the earned incentive amount) as collected through the incremental property taxes will be placed in this Rreserve.

421.3 Application of Funds

Funds in the Reserve shall be used only for expenditures for the purposes listed in Subsection (1).

421.4 Responsibility

Direct expenditures that qualify as an incentive under the Vacant Lot and Adaptive Reuse Program are authorized by the General Manager, of Community Services Department.

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432. WASTE MINIMIZATION RESERVE

432.1 Purpose

To accumulate funds for the purpose of funding pilot projects or to supplement existing programs related to waste minimization initiatives by the ~~Environmental Health Business Line~~ Environmental Compliance Branch of the ~~Utility Services Department~~.

432.2 Source of Funds

Proceeds from the sale of recyclable materials will be the source of funds, with the transfer to the ~~R~~reserve being equal to the revenues realized. This includes any proceeds received by the City of Saskatoon from the sale of waste newspapers under the agreement with Cosmopolitan Industries Ltd. Also included are any proceeds received from the sale of metal, wood chips, cans, plastic and bottles.

432.3 Reserve Balance Limitation

The balance in the Waste Minimization Reserve shall not exceed \$100,000. Funds in excess of this amount shall be disbursed as provided for in Section 39.4 of this ~~P~~policy.

432.4 Application of Funds

- a) The ~~R~~reserve shall be used to fund waste minimization pilot projects and community-based initiatives that fall within the purview of the City's Solid Waste Management Master Plan, to supplement such initiatives funded in the approved operating budget, or as a source of related capital budget funding. The projects may include a test run of a particular waste minimization initiative or research related to program development. Any ongoing programs or program enhancements resulting from the pilot projects will be included in the appropriate operating budget. The reserve may be used to fund capital projects related to waste minimization such as construction of a waste recycling/storage facility.
- b) The amount by which the year end balance in with Reserve exceeds \$100,000 shall be transferred to the Landfill Replacement Reserve.

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432.5 Responsibilities

The **Standing Policy Committee on Environment, Utilities and Corporate Services** ~~Planning and Operations Committee~~ shall monitor this Reserve and make recommendations to City Council concerning any further policy development of this **R**reserve.

443. GENERAL RESPONSIBILITIES

443.1 Director of Finance, Asset & Financial Management Department ~~General Manager, Corporate Services~~

- a) Administers, unless otherwise specified, all reserves and funds identified in this policy;
- b) Updates and administers this policy; **and**
- c) Provides City Council, annually, with year-end status reports and a five-year plan on the application of funds from all reserves.

443.2 City Council

- a) Annually reviews and approves the application of funds from reserves established for future expenditures.
- b) Reviews and, where appropriate, approves any and all amendments to this policy.

Boychuk Interchange Land Acquisition

Recommendation

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

1. That the Administration be authorized to purchase a portion of Surface Parcel # 120790425 from Larix Holdings Ltd. for the Boychuk Interchange Project as per the terms noted in this report;
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;
3. That Project P2016 Boychuk Drive/Highway 16 Grade Separation be used as the funding source for this purchase, including legal and administrative costs and disbursements.

Topic and Purpose

The purpose of this report is to receive City Council approval to purchase a 0.0867 acre portion of Surface Parcel # 120790425 from Larix Holdings Ltd. (Larix) for the Boychuk Interchange Project.

Report Highlights

1. The land is required to allow for the back-sloping of Range Road 3050, south of Highway 16.
2. Notable terms of the agreement include a purchase price of \$5,100.

Strategic Goal

The Boychuk Interchange Project 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 Boychuk Interchange Project was bundled with the McOrmond Interchange Project as a Design-Build Project. The City shortlisted three proponents: Flatiron Constructors Canada Ltd., Graham Infrastructure LP, and PCL Construction Management Inc., and the project will be awarded to the winning proponent in 2016.

For the Boychuk Interchange, the City has previously purchased 7.51 acres of property in 2012 from Ahmadiyya Movement in Islam (Ontario) Inc.

Report

Land required to back-slope Range Road 3050

In the preliminary design stage, Stantec identified that additional land would be required to provide adequate back-slope for Range Road 3050. Lakeshore Garden Centre is located on Surface Parcel # 120790425, just south of Highway 16 and west of RR 3050 (Larix Holdings Ltd., is a related company that is the registered owner of this parcel). With the exception of a business sign, Lakeshore Garden Centre does not have any improvements on the easternmost portion of their site – this portion is the area identified as required for the back-sloping of RR 3050.

Boyчук Interchange Land Acquisition

Terms of the Agreement

Real Estate Services has negotiated an agreement with Larix to acquire a 0.0867 acre portion of Surface Parcel # 120790425 as shown on Attachment 1. The land is within the Rural Municipality of Corman Park and will be designated as roadway upon acquisition.

Notable terms of the agreement are as follows:

- Purchase price of \$5,100 to be paid upon the possession date (compensation has been calculated at a rate of \$59,000/acre, consistent with what was paid for other land required for this project).
- Conditional upon City Council approval by December 14, 2016.
- Possession date of December 21, 2016.
- Lakeshore Garden Centre business sign to be relocated at the expense of the City. This expense is estimated to be \$5,000.

Options to the Recommendation

City Council could choose to not approve this purchase. Administration does not recommend this option as the alternative to acquiring this land is the construction of an MSE wall, which is cost prohibitive.

Public and/or Stakeholder Involvement

RM of Corman Park Administration is aware and in support of the City's intention to purchase this land to designate as roadway.

Financial Implications

The City will pay \$5,100 in compensation, all costs associated with relocating the business sign, as well as survey and Land Registry fees.

Other Considerations/Implications

There are no communications, policy, environmental, privacy or CPTED implications or considerations.

Due Date for Follow-up and/or Project Completion

Closing date is to be the earliest date acceptable to both parties subsequent to registration of the Plan of Survey and the raising of titles pursuant to the Plan.

Public Notice

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

Attachment

1. Drawing Showing Proposed Land Acquisition

Report Approvals

Written by: Jeremy Sibley, Real Estate Services

Reviewed by: Keith Pfeil, Manager, Real Estate Services

Boychuk Interchange Land Acquisition

Reviewed by: Bryan Zerebeski, Senior Project Management Engineer

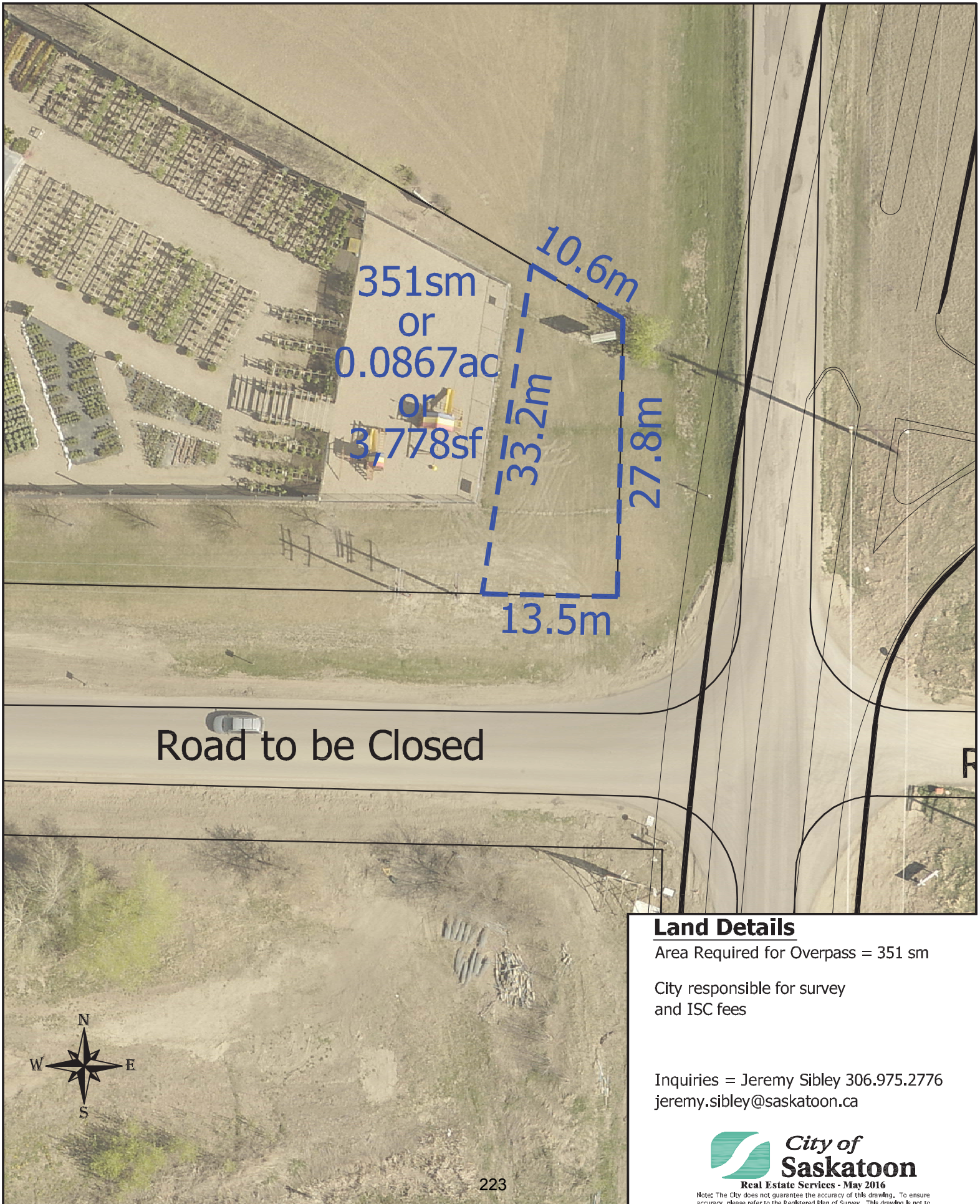
Reviewed by: Frank Long, Director of Saskatoon Land

Reviewed by: Celene Anger, Director of Construction & Design

Reviewed by: Kerry Tarasoff, CFO/General Manager, Asset and Financial
Management Dept.

Approved by: Jeff Jorgenson, General Manager, Transportation & Utilities Dept.

Finance BZ – Boychuk Interchange Land Acquisition



Road to be Closed

351sm
or
0.0867ac
or
3,778sf

10.6m
27.8m
13.5m
33.2m



Land Details

Area Required for Overpass = 351 sm

City responsible for survey
and ISC fees

Inquiries = Jeremy Sibley 306.975.2776
jeremy.sibley@saskatoon.ca



Note: The City does not guarantee the accuracy of this drawing. To ensure accuracy, please refer to the Registered Plan of Survey. This drawing is not to scale. Distances are in metres unless shown otherwise. Do not scale.

Boychuk Interchange Land Exchange Agreement

Recommendation

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

1. That the Administration be authorized to enter into a tri-party land exchange agreement with 101204822 Saskatchewan Ltd. and the Rural Municipality of Corman Park No. 344 as per the terms noted in this report;
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;
3. That Project P2016 Boychuk Drive/Highway 16 Grade Separation be used as the funding source for this purchase, including legal and administrative costs and disbursements.

Topic and Purpose

The purpose of this report is to receive City Council approval to facilitate and be party to a land exchange agreement between 101204822 Saskatchewan Ltd. (D&S Homes), the Rural Municipality of Corman Park No. 344 (RM), and the City of Saskatoon (City) to satisfy land requirements for the Boychuk Interchange Project.

Report Highlights

1. Land is required from D&S Homes to allow for the back-sloping of Range Road 3050, south of Highway 16.
2. A land exchange agreement has been negotiated and is supported by the parties involved.

Strategic Goal

This Boychuk Interchange Project 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 Boychuk Interchange Project was bundled with the McOrmond Interchange Project as a Design Build Project. The City shortlisted three proponents: Flatiron Constructors Canada Ltd., Graham Infrastructure LP, and PCL Construction Management Inc., and the project will be awarded to the winning proponent in 2016.

For the Boychuk Interchange, the City has previously purchased 7.51 acres of property in 2012 from Ahmadiyya Movement in Islam (Ontario) Inc.

Report

Land required to back-slope Range Road 3050

In the preliminary design stage of the Boychuk Interchange project, Stantec identified that additional land would be required to provide adequate back-slope for Range Road 3050. D&S Homes is the owner of Surface Parcel No. 166122187 which is an

undeveloped parcel adjacent to RR 3050. Approximately 0.4996 acres of the 3.02 acre parcel is required for back-slopping (shown on Attachment 1).

Terms of the Agreement

Real Estate Services has negotiated a tri-party land exchange agreement between D&S Homes, the RM, and the City. The land exchange agreement is conditional upon City of Saskatoon Council approval by December 14, 2016.

The agreement states that the 0.4996 acres required from D&S Homes will be converted into roadway. In return, D&S Homes will receive the 0.4796 acre portion of Township Road 362 that will be closed by the RM, due to the interchange requiring that it be re-routed south of the D&S owned parcel (as shown on Attachment 1). Additional compensation for the difference in area is \$1,200, calculated at a rate of \$59,000/acre which is consistent with other land acquisitions required for this project. As this area is within the RM, the RM is responsible for the road closure. The City is responsible for all survey and Land Registry fees.

Access to the land will be December 21, 2016, to allow for construction to commence while the Closing Date will be the earliest date acceptable to all parties subsequent to registration of the Plan of Subdivision and raising of title pursuant to the Plan.

Options to the Recommendation

City Council could choose to not approve this land exchange. Administration does not recommend this option as the alternative is the construction of an MSE wall, which is cost prohibitive.

Public and/or Stakeholder Involvement

RM of Corman Park Council approved the proposed land exchange (in principle) at their Council Meeting on June 20, 2016 (Attachment 2).

The Ministry of Highways and Infrastructure was contacted to discuss the proposal. However, they directed Administration back to the RM since *The Municipalities Act* delegates the direction, control and management of all streets/roads other than Provincial Highways to the Municipalities.

The adjacent property owner, Lakeshore Garden Centre, has been contacted and does not oppose the land exchange provided that drainage and grade has been considered and any alterations to the future consolidated site do not negatively affect their property. This concern has been addressed in the conditional agreement.

Financial Implications

The City will pay \$1,200 in compensation, as well as survey and Land Registry fees. The Crown will not require compensation for the road closure since the portion of roadway to be closed was not purchased by the Crown as a provincial highway.

Other Considerations/Implications

There are no communications, policy, environmental, privacy or CPTED implications or considerations.

Due Date for Follow-up and/or Project Completion

No additional follow-up is required.

Public Notice

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

Attachments

1. Drawing Showing Proposed Land Exchange
2. Excerpt from R.M. of Corman Park Council Meeting Minutes - June 20, 2016

Report Approvals

Written by: Jeremy Sibley, Real Estate Services

Reviewed by: Keith Pfeil, Manager, Real Estate Services

Reviewed by: Bryan Zerebeski, Senior Project Management Engineer

Reviewed by: Frank Long, Director of Saskatoon Land

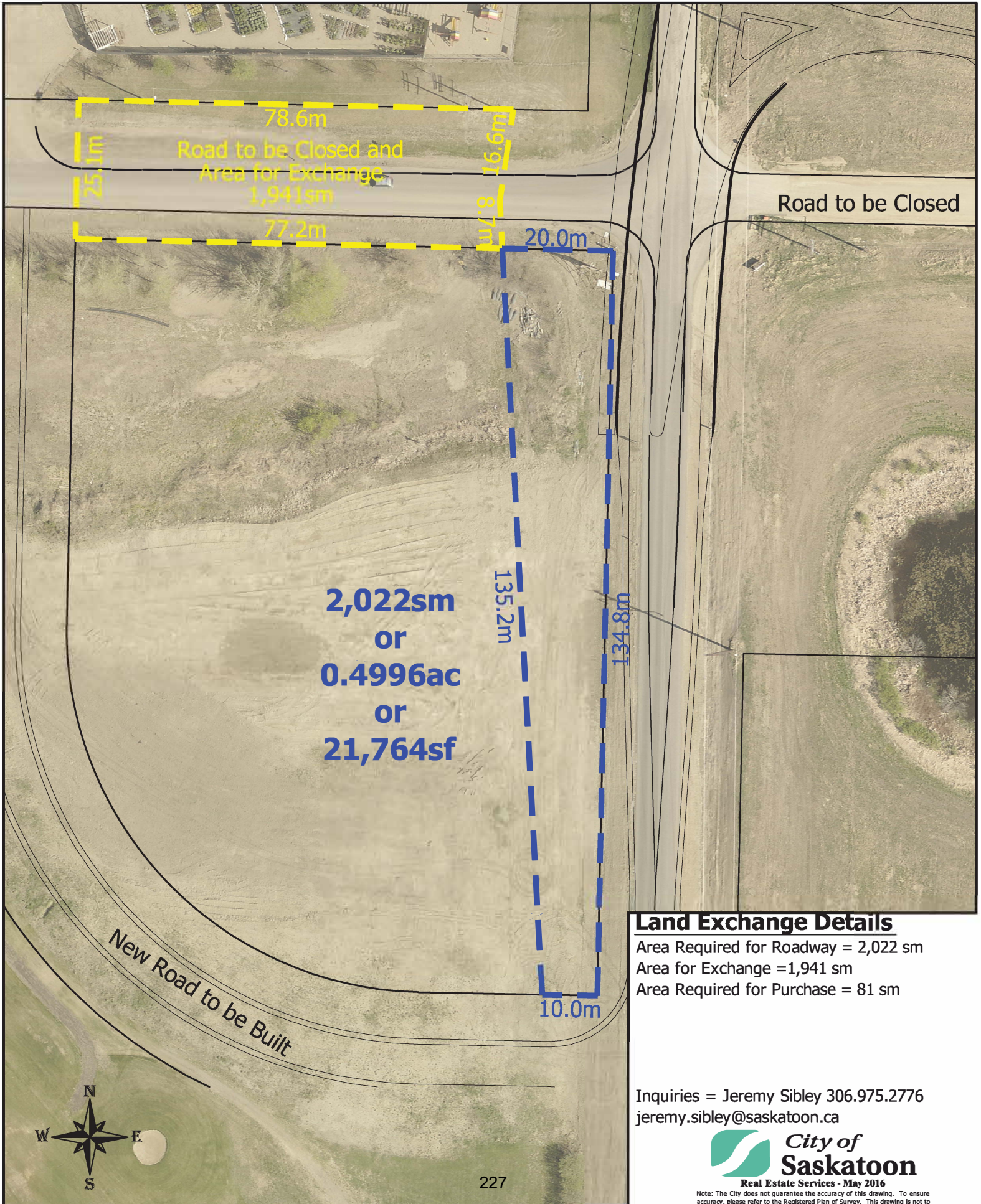
Reviewed by: Celene Anger, Director of Construction & Design

Reviewed by: Kerry Tarasoff, CFO/General Manager, Asset and Financial Management Dept.

Approved by: Jeff Jorgenson, General Manager, Transportation & Utilities Dept.

Finance BZ – Boychuk Interchange Land Exchange Agreement

Land Exchange Opportunity



Land Exchange Details

- Area Required for Roadway = 2,022 sm
- Area for Exchange = 1,941 sm
- Area Required for Purchase = 81 sm

Inquiries = Jeremy Sibley 306.975.2776
jeremy.sibley@saskatoon.ca



Note: The City does not guarantee the accuracy of this drawing. To ensure accuracy, please refer to the Registered Plan of Survey. This drawing is not to scale. Distances are in metres unless shown otherwise. Do not scale.

- government ministries and agencies including but not limited to the Ministry of Environment, Water Security Agency, and the Saskatoon Health Region;
- iv. The applicant applying for a building permit for any new construction on site; and
 - v. Access to the balance of the agricultural parcel must be constructed subject to consultation with, and approval from, the R.M. Director of Public Works.

CARRIED UNANIMOUSLY

**Discretionary Use
Hang & Tam Ha -
Sea Container**

51. Chuhaniuk: That the discretionary use application of Hang & Tam Ha for placement of one (1) sea container on Lot 6, Block 1, NW 22-35-5-W3 be APPROVED subject to:
- i. the number of sea containers allowed on site is limited to a maximum of two (2), a development permit must be applied for and approved for the placement of a second sea container;
 - ii. the applicant providing for screening of the sea container from roadways and adjacent properties, including painting the sea container a neutral colour and planting trees;;
 - iii. the applicant shall utilize the sea container for residential storage only. The sea container is prohibited to be used for the purposes of advertising, sale, or commercial warehousing (storage of any commercial equipment);
 - iv. the placement of the sea container shall be valid only for the period of time the property is occupied by the applicant. If the property is sold or rented to another person the sea container must be removed or a new development permit applied for and approval obtained;
 - v. compliance with all relevant requirements of the R.M. of Corman Park Zoning Bylaw;
 - vi. the applicant being solely responsible for all costs associated with the discretionary use application; and
 - vii. any commercial operations or businesses operating from the site require the approval of a development permit from the R.M. of Corman Park.

CARRIED UNANIMOUSLY

**Discretionary Use
Little Loon -
Telecommunication
Facility**

52. This discretionary use application for a telecommunication facility, received from Little Loon Wireless for Derrick and Tekla Englot, was an oversight and not included on the agenda for this meeting.

Froese-Kooijenga: That the application of Little Loon Wireless to construct a Telecommunications Facility consisting of a 45.72 m (150 ft) self-support tower on the NE 10-38-5-W3 as discretionary use be APPROVED subject to the applicant being responsible for all costs associated with the discretionary use application.

CARRIED UNANIMOUSLY

**Development
Summary Report**

53. Fox: That the Development Summary Report be received as information.

CARRIED UNANIMOUSLY

**Proposed Land
Exchange -
Boychuk
Drive/Range Road
3050 and Highway
No. 16**

54. Funding for the City of Saskatoon's interchange project at Boychuk Drive and Highway No. 16 was announced on May 26, 2016 with construction expected to get underway in fall of 2016 (see Attachment 1 for the draft interchange plan). The City intends to issue a request for Proposals (RFP) to the narrowed list of proponents for the interchange by the end of June 2016. For the RFP to be issued, the construction limits of the roadway must be identified.

Stantec, the City's Engineer for this project, has recently identified that additional land would be required for the

backsloping of Range Road 3050 south of the highway. The owner of the parcel from which the largest area is required is 101204822 Saskatchewan Ltd. (D&S Homes); this area is shown outlined in blue on Attachment 2. Outlined in yellow on this attachment is the portion of Glazier Road (Township Road 362) that would be closed once the connector to Range Road 3050 is built and re-aligned.

The City would like to secure the R.M.'s consent in using the portion of Glazier Road that will be closed as a piece in the exchange with D&S Homes. The City is requesting the consent now to allow the project to proceed on schedule, enabling the City, the R.M. and all landowners in the vicinity to realize the benefits of a much desired and required interchange in the near future.

As the portion of roadway to be closed is within R.M. of Corman Park boundaries, City Administration had conversations with the R.M. and the Ministry of Highways & Infrastructure (MHI) regarding the possibility of completing a land exchange to secure the required area in lieu of financial compensation. The possibility was also mentioned in a discussion with D&S Homes, who was in full support of the exchange should it become possible as an exchange would leave them with a site of approximately the same size as the current parcel.

The proposed exchange would have approximately 2,022 square meters (0.5 ac) of the D&S parcel being converted into right-of-way, with approximately 1,941 square meters (0.48 ac) of current roadway being consolidated with the future D&S parcel once the roadway is built.

R.M. Administration noted that the portion of the road to be closed should be removed after construction because if the roadway remains where it is it could create a dangerous situation for people coming east along Glazier Road and driving straight instead of having to continue the curve around the re-aligned road. Access to the D&S parcel would have to be off the re-aligned roadway, to be determined in the future. There may also be some site line issues with the vertical profile depending on where the new roadway access ties in by Lakeshore Nursery. The Director of Public Works also noted potential concerns with how drainage may be affected but it was agreed that those details would be dealt with during detailed design and construction once a contractor is selected.

In principle, R.M. Administration is not opposed to the land swap but where the access into this parcel from the re-aligned road should be considered along with removal of the old roadway.

At this time, tri-party agreement would be entered into between the City, R.M. and 101204822 Saskatchewan Ltd. (D&S Homes) acknowledging that after construction of the new interchange and roadways are completed that the portion of Glazier Road to be closed would be consolidated with Parcel No. 166122187. It was agreed that the costs of the survey work, road closure and consolidation would be at the expense of the City.

Rooke: That the R.M. of Corman Park enter into a tri-party agreement between the City of Saskatoon, R.M. and 101204822 Saskatchewan Ltd. (D&S Homes) acknowledging that after construction of the new interchange and roadways at Boychuk Drive and Highway No. 16 are completed, that an approx. 0.48 acre portion of Glazier Road will be closed and consolidated with Surface Parcel No. 166122187 in exchange for an approx. 0.5 acre portion of Surface Parcel No. 166122187 to be converted into road right-of-way.

Recorded Vote:

For: Councillors Chuhaniuk, Fox, Rooke, Beauchemin, Froese-Kooijenga, Janzen, Trask

Opposed: Councillor Germs

CARRIED

Germs: That a letter be forwarded to the City of Saskatoon requesting confirmation that this proposed interchange will not have any negative, long term drainage impact for the area property owners.

CARRIED UNANIMOUSLY

**Sewage Treatment
& Water Recovery –
Saskatchewan
Water Action
Network**

55. Council was presented information received on May 20, 2016 from the Saskatchewan Water Action Network (SWAN) was received regarding options for waste water treatment options. One of the focus areas of SWAN is to bring advanced technologies associated with water recovery and wastewater treatment to Saskatchewan. SWAN suggests that Membrane Bioreactors (MBR) are common technologies found around the world and when compared to traditional technologies (e.g. lagoons) they have considerable benefits.

While MBRs are not yet common within Saskatchewan, an application has been submitted for a wastewater treatment plant in NE 24-37-6-W3 that is currently under review. The applicant wanted to provide information to Council about these technologies in advance of their application.

Rooke: That the correspondence from the Saskatchewan Water Action Network regarding options for waste water treatment options be received as information.

CARRIED UNANIMOUSLY

Bylaw No. 14/16

56. Chuhaniuk: That Bylaw No. 14/16 being a bylaw to rezone from Agriculture District (AG) to Agricultural Residential 1 District (AR1) portion of Parcel A SE 23-35-5-W3 be now read a first time.

CARRIED UNANIMOUSLY

Bylaw No. 20/16

57. Germs: That Bylaw No. 20/16 being a bylaw to rezone from Agricultural Residential 1 District (AR1) to Country Residential 1 District (CR1) portion of NE 36-36-4-W3 be now read a first time.

CARRIED UNANIMOUSLY

Bylaw No. 21/16

58. Beauchemin: That Bylaw No. 21/16 being a bylaw to rezone from District (AG) to Agricultural Residential 1 District (AR1) portion of F 22-38-4-W3 be now read a first time.

CARRIED UNA

Bylaw No. 27/16

59. Rooke: That Bylaw No. 27/16 being a bylaw to rezone from D-Agricultural 1 District (DAG1) to D-Country Residential 1 District (DCR1) portion of N1/2 NW 32-36-6-W3 be now read a first time.

CARRIED UNANIMOUSLY

Bylaw No. 29/16

60. Janzen: That Bylaw No. 29/16 being a bylaw to rezone from D-Agricultural 1 District (DAG1) to D-Country Residential 1 District (DCR1) portion of NE 6-38-5-W3 be now read a first time.

CARRIED UNANIMOUSLY

2017 Commercial and Multi-Residential Revaluation

Recommendation

That the report of the CFO/General Manager, Asset and Financial Management Department, dated December 5, 2016, be forwarded to City Council for information.

Topic and Purpose

The province of Saskatchewan is undergoing a legislated revaluation of assessed values in 2017. This report provides information related to the aggregate property assessment value changes for all property classes.

Report Highlights

1. The purpose of a property revaluation is to recalculate property assessment values to a more current valuation date.
2. The aggregate assessment value changes are not as large as those Saskatoon had experienced in the past revaluation cycle.

Strategic Goal

This report supports the Strategic Goal of Asset and Financial Sustainability by ensuring that the assessment and taxation of properties in the city of Saskatoon are open, accountable and transparent.

Background

At its meeting on April 25, 2016, City Council received a report from the CFO/General Manager, Asset and Financial Management Department, regarding 2017 residential and condominium revaluation. The report provided information on preliminary increases to the aggregate assessment values for the residential and condominium property class. These increases were the result of moving from the 2011 base valuation date to the 2015 base valuation date.

Preliminary aggregate assessment value changes are now available for the multi-residential, commercial, and agricultural property class.

Report

Purpose of a Property Revaluation

The assessments in place from 2013 to 2016 were based on January 1, 2011, market levels. The 2017 assessments will be based on market levels as of January 1, 2015, and will be in place until the next revaluation in 2021.

The Aggregate Assessment Change

On a city-wide basis, preliminary analysis indicates aggregate property assessment values have increased, with increases varying by individual properties and by property classes. The table on the following page displays the aggregate taxable assessment value changes by property class, due to updating the assessed values to a more current valuation date.

2017 Commercial and Multi-Residential Revaluation

Property Class	Taxable Assessments as of Valuation Date Jan. 1, 2011	Updated Taxable Assessments as of Valuation Date Jan. 1, 2015	% Change in Taxable Assessment between Valuation Dates	% Assessment Change Due to 2013 Reassessment**
Commercial	\$ 6.927B	\$ 9.409B	36%	92%
Multi-Residential	\$ 1.764B	\$ 2.656B	51%	102%
Residential & Condominium	\$26.633B	\$29.849B	12%	83%
Agricultural	\$ 7.135M	\$15.140M	112%	46%

Note: **% assessment change due to 2013 reassessment provided for comparative purposes.

Historically, City Council has required that the results of a revaluation remain revenue neutral at the property class level with no changes in taxes between property classes. Revenue neutral is a tax calculation, meaning whether property assessments increase or decrease due to changes in values, the City of Saskatoon's (City) tax revenue does not automatically change – the City still receives the same amount of tax revenue. Revenue neutral assumes that the City, schools and libraries require the exact amount of tax dollars from each class of property. Any yearly tax change brought forward by the City is communicated through the budgetary process, not by the reassessment process.

The aggregate change in assessment by property class may impact the amount of property taxes paid for individual properties. Properties which the assessed value increased or decreased by more than the overall increase in assessment, by property class, will see a change in taxes on a revenue neutral basis. The following chart provides examples of the impact the reassessment has on commercial property taxes based on the concept of revenue neutral.

Commercial Property Class	Individual Assessment as of January 1, 2011	Individual Assessment as of January 1, 2015	Change in Assessment between Valuation Dates	Overall Property Class Change	Individual Tax Change on a Revenue Neutral Basis
Example 1	\$1.50M	\$2.04M	36%	36%	0%
Example 2	\$2.00M	\$2.50M	25%	36%	-11%
Example 3	\$2.00M	\$2.90M	45%	36%	9%

The first example shows an individual property's assessment that has increased by 36%, which is the same rate as the overall commercial property class change. The impact on the property taxes on a revenue neutral bases is zero.

The second example shows an individual property's assessment which increased by 25%, compared to that of the overall commercial property class change at 36%. The impact on the property taxes, on a revenue neutral basis is -11%.

The third example shows an individual property's assessment which increased by 45%, compared to that of the overall commercial property class change at 36%. The impact on the property taxes, on a revenue neutral basis is 9%.

Public and/or Stakeholder Involvement

Throughout July and August 2016, the City Assessor and Assessment staff reviewed assessment models with sector representatives within the commercial class. Discussions continue to occur with members of the real estate industry relating to commercial valuation models and trends. The City Assessor will continue to discuss the results of reassessment with the business community, including the Executive Director of the Greater Saskatoon Chamber of Commerce.

Communication Plan

A detailed communication plan has been developed to support the 2017 reassessment. Goals include ensuring the majority of property owners know what a reassessment is, where they can find reassessment/property tax information, and that they can calculate the effect of reassessment with the new online Revenue Neutral Property Tax Calculator.

Planned communication tools/activities will support the City's digital first strategy and will include:

- promotion of online information and the existing Property Assessment & Tax Tool to confirm assessment details;
- the Revenue Neutral Property Tax Calculator will be made available to property owners on saskatoon.ca, which is an easy-to-use property tax calculator that will allow property owners to view the estimated increase or decrease to their property taxes as the result of the 2017 reassessment;
- a custom envelope with messaging directing property owners to try the new Revenue Neutral Property Tax Calculator;
- a new video to join the existing budget/property tax video series, Understanding Residential Assessment;
- an informative insert to accompany the 2017 Reassessment Notice to property owners;
- an updated, downloadable 2017 Residential Property Assessment PDF brochure;
- updated webpages including Frequently Asked Questions; and
- social media, CityPage insertions, and public service announcements.

Policy Implications

The policy implications are similar to previous reassessments through which City Council sought to keep the impact of revaluation, overall by class of property, revenue neutral. The Administration will be submitting further reports and recommendations related to a number of tax policy issues, including appeal contingencies and phase-in of “within class” changes in the commercial class due to revaluation.

Financial Implications

Other than the approved capital budget for reassessment which includes costs for additional mailings and work associated with increased appeal activity, there are no further known financial implications.

Other Considerations/Implications

There are no environmental, privacy, or CPTED implications or considerations.

Due Date for Follow-up and/or Project Completion

A report on tax policy issues, including recommendations for appeal contingencies and phase-in for the commercial tax class will be presented to City Council in April 2017.

Public Notice

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

Report Approval

Written by: Darcy Huisman, City Assessor
Reviewed by: Shelley Sutherland, Director of Corporate Revenue
Approved by: Kerry Tarasoff, CFO/General Manager, Asset & Financial Management Department

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