



**PUBLIC AGENDA
EXECUTIVE COMMITTEE**

Wednesday, August 19, 2015, 9:00 a.m.
Council Chamber, City Hall

Pages

1. CALL TO ORDER
2. CONFIRMATION OF AGENDA
3. DECLARATION OF PECUNIARY INTEREST
4. ADOPTION OF MINUTES

Recommendation

That the minutes of the Public Meeting of Executive Committee held on July 22, 2015, be approved.

5. UNFINISHED BUSINESS
6. COMMUNICATIONS (requiring the direction of the Committee)

6.1 Delegated Authority Matters

6.2 Matters Requiring Direction

- 6.2.1 2015 Capital Budget Adjustment Request - Predictive Analytics Lab [File No. CK. 1711-2]

5 - 7

Recommendation

That a report be forwarded to the August 20, 2015 meeting of City Council recommending that a 2015 Capital Budget expenditure adjustment of \$210,000 for one-time purchases for the development of the Predictive Analytics Laboratory be approved.

6.3 Requests to Speak (new matters)

- 6.3.1 Overview of 2016 Budget - Saskatoon Public Library, Carol Cooley, Director of Libraries and CEO [File No. CK. 175-19]

Ms. Cooley will be in attendance.

Recommendation

That Ms. Cooley be heard

7. REPORTS FROM ADMINISTRATION

7.1 Delegated Authority Matters

7.2 Matters Requiring Direction

7.2.1 2016 Business Plan and Budget Process [File No. CK. 430-72 x 1700-1]

7.2.1.1 The 2016 Business Plan and Budget Process - June Public Engagement Results [File No. CK. 1704-1] 8 - 32

Recommendation

That the report of the General Manager, Corporate Performance Department dated August 19, 2015, be forwarded to City Council for information.

7.2.1.2 Proposed Fee and Staffing Increases Required to Achieve Mandate of Community Standards - Bylaw Compliance Section [File No. CK. 1720-1 x 4560-1] 33 - 44

Recommendation

That the staffing and fee adjustments contained in this report be considered during the 2016 Business Plan and Budget deliberations.

7.2.1.3 The 2016 Business Plan and Budget Process: Revenues [File No. CK. 1704-1] 45 - 81

Recommendation

That the Executive Committee refer this report and its attachments to City Council's 2016 Budget deliberations.

7.2.1.4 Utility Return on Investment [File No. CK. 1704-1] 82 - 85

Recommendation

That this report be referred to City Council's 2016 Operating Budget deliberations.

Recommendation

That the report of the General Manager, Corporate Performance Department dated August 19, 2015, be forwarded to City Council for information.

8. LEGISLATIVE REPORTS

8.1 Delegated Authority Matters

8.2 Matters Requiring Direction

9. URGENT BUSINESS

10. IN CAMERA AGENDA ITEMS

Recommendation

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

10.1 Legal Advice [File No. CK. 255-1]

[In Camera - Solicitor-Client Privilege/Privileged & Confidential]

10.2 Unfinished Business - Remai Modern Presentation (July 22, 2015)[File No. CK. 175-27]

[In Camera - Personal Information/Financial Interests/Solicitor-Client Privilege]

10.2.1 Project Update Report [File No. CK. 620-5]

[In Camera - Financial Interests/Solicitor-Client Privilege/Personnel Issues]

10.2.2 In Camera Meeting with Remai Board [File No. CK. 175-27]

[In Camera - Financial Issues/Personnel Issues]

10.3 Appointment to Development Appeals Board [File No. CK. 175-21]

[In Camera - Personal Information]

10.4 Update - Personnel Issues [File No. CK. 4670-4]

[In Camera - Personnel Matters]

10.5 Labour/Personnel Matter [File No. CK. 4730-1]

[In Camera - Labour/Personnel Matters]

10.6 Personnel Matter [File No. CK. 4560-1]

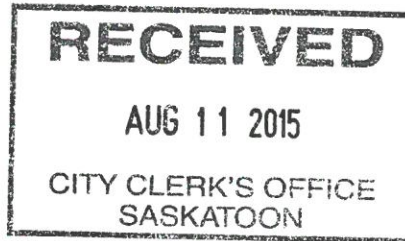
[In Camera - Personnel Matters]

11. ADJOURNMENT

1711-2

THE BOARD OF POLICE COMMISSIONERS

SASKATOON, SASKATCHEWAN



August 11, 2015

His Worship the Mayor
and Members of City Council

Your Worship and Members of City Council:

**Re: 2015 Capital Budget Adjustment Request
Predictive Analytics Lab**

The Board of Police Commissioners considered the attached report of the Chief of Police regarding the above matter at a special meeting held on August 11, 2015 and resolved:

1. That the Board approve a 2015 Capital Budget expenditure adjustment of \$210,000 for one-time purchases for the development of the Predictive Analytics Laboratory; and
2. That the Capital Budget adjustment request be forwarded to City Council for approval.

The Board therefore respectfully requests that this matter be placed before Executive Committee for consideration and subsequent approval by City Council at its meeting to be held on August 20, 2015.

Yours truly,

Joanne Sproule
Secretary to the Board

JS:jf

Attachment

cc: Mayor Atchison, Chair, Board of Police Commissioners
Chief of Police

“PUBLIC AGENDA”

TO: His Worship Don Atchison, Chairperson
Board of Police Commissioners

FROM: Clive Weighill
Chief of Police

DATE: 2015 August 06

SUBJECT: 2015 Capital Budget Adjustment Request
Predictive Analytics Lab

FILE NO.: 15,012-5



ISSUE:

Police Service capital projects are typically approved as part of a corporate wide process with City Council approval coming in December of each year. On occasion, urgent matters will arise necessitating the need to consider the approval of capital projects outside of the normal timelines.

The Saskatoon Police Service has entered into an agreement with the Provincial Government and the University of Saskatchewan to develop a Predictive Analytics Laboratory located in the Saskatoon Police Headquarters. Funding for this Capital Budget project is already in place from the Province.

The premise of the Predictive Analytics Laboratory is that Saskatoon Police data if analyzed by modelling experts may improve community safety and diminish harm to victims. The proposal and the timing of the project fall outside the timelines of the normal capital project approval process.

RECOMMENDATION:

1. That the Board approves a 2015 Capital Budget expenditure adjustment of \$210,000 for one-time purchases for the development of the Predictive Analytics Laboratory.
2. That the Board forwards the capital budget adjustment request to City Council for approval.

DISCUSSION:

The Saskatoon Police Service was approached to work with the Government of Saskatchewan and the University of Saskatchewan to develop a Predictive Analytics Laboratory located in the

“PUBLIC AGENDA”

Saskatoon Police Headquarters. The premise of the Laboratory is that Saskatoon Police data if analyzed by modelling experts may improve community safety and diminish harm to victims.

The funding for this capital project is already in place. The Government has authorized two hundred and ten thousand dollars (\$210,000) of unused provincial funding from the Serious Violent Offender (SVO) program to be used for the purposes of one-time purchases for the Predictive Analytics Laboratory. The funds will be used for purchases such as desks, computers, monitors, software and computer storage. These Provincial funds exist due to the SVO position starting later than anticipated in 2012- 2013 and have been carried over in the Police operating budget.

Written by: **Bernie Pannell**
Deputy Chief, Administration


Approved by: **Clive Weighill**
Chief of Police

Submitted by:



Clive Weighill
Chief of Police

Dated:



The 2016 Business Plan and Budget Process – June Public Engagement Results

Recommendation

That the report of the General Manager, Corporate Performance Department dated August 19, 2015, be forwarded to City Council for information.

Topic and Purpose

The purpose of this report is to outline the results of the June Public Engagement activities and provide comparisons with the 2015 Annual Civic Services Survey.

The purpose of the June engagement was to generate interest and obtain public input early in the budget process. Throughout the year, the budget process will be more integrated, transparent, and accountable so that City Council and the Administration make more informed decisions on how best to allocate resources to the proposed projects, programs, and services in the 2016 Business Plan and Budget.

Report Highlights

1. In June the public was invited to learn more about how the City prepares its budget, and provide input on spending priorities and the City's future investments.
2. Over 250 residents participated in an open house and an online or intercept survey.
3. Most participants in both the 2015 Annual Civic Services Survey and the June Public Engagement activities prefer:
 - o To balance the 2016 budget using a combination of user fees and property taxes increases versus service reductions or eliminations;
 - o Spending increases for the maintenance of major roadways, snow and ice, street crime, and affordable housing; and
 - o Funding decreases for arts and cultural groups.
4. Participants in the June Public Engagement activities identify roads/sidewalks, spending efficiencies, crime/policing, and transit services as the top priorities where City Council should focus its attention for the 2016 Budget.

Strategic Goal

The information contained in this report aligns with all of the City's Strategic Goals as the Business Plan and Budget process impacts all seven goals.

Background

At its April 20, 2015, meeting, Executive Committee considered a report from the City Manager outlining a five-phased approach to the 2016 Business Plan and Budget. The report noted that the Administration was proposing to develop extensive communication and public engagement plans to give the public, stakeholders, and City Council ways in which to participate throughout the budget process. More details on the components of

the Business Plan and Budget process are provided on our website under City Hall, Shaping Saskatoon's Financial Future.

At its May 19, 2015, meeting Executive Committee considered a report outlining options for City Council's public engagement session in June. Executive Committee approved that:

“That the Executive Committee hold a special Town Hall, public engagement meeting in Council Chambers, with a social media component on Monday, June 15, 2015 from 7:00 – 9:00 p.m. and;

That the details of the event be finalized by Civic Administration staff.”

Report

Shaping our Financial Future June Public Engagement Activities:

In June 2015, the Administration held various “Shaping our Financial Future” public engagement opportunities with the goal to:

- create public confidence by opening the doors of City Hall and inviting the public to learn more about how the City prepares its annual budget (education); and
- obtain the public's input about spending priorities and the City's future investments so City Council and the Administration can consider what matters most to residents in 2016 (engagement).

A variety of ways to participate were available to allow everyone to have their say depending on an individual's available time and interest.

1. **Shaping our Financial Future Town Hall:** Monday, June 15, 2015. Councillor Conversation Corner, Open House, and a Special Executive Committee Meeting.
2. **Keeping it Digital - Shaping our Financial Future Live Survey:** June 15 – 30, 2015. Survey was made available on saskatoon.ca and Shaping Saskatoon.
3. **Taking it on the Road Staff – Shaping our Financial Future - In Person Survey** Intercept surveys and interactive displays were made available at:
 - City Hall Civic Pancake Breakfast – Thursday, June 18, 2015
 - Saskatoon Farmers' Market – Wednesday, June 24, 2015
 - Frances Morrison Library – Friday, June 26, 2015
 - Saskatoon Field House – Monday, June 29, 2015

June Public Engagement Results:

Generally, the findings from the June Public Engagement activities were similar to the results of the 2015 Annual Civic Services Survey. Although the in person respondents vary slightly, the majority of participants prefer:

- To balance the 2016 budget using a combination of user fees and property taxes increases versus service reductions or eliminations;
- Spending increases for the maintenance of major roadways, snow and ice, street crime, and affordable housing; and
- Funding decreases for arts and cultural groups.

Participants in the June engagement activities identify roads/sidewalks, spending efficiencies, crime/policing, and transit services as the top priorities where City Council should focus its attention for the 2016 Budget.

A total of 83 citizens responded to the Shaping Our Financial Future **Live Survey** between June 15 -30, 2015. Approximately 172 citizens participated in the Shaping our Financial Future **In Person Survey**. Refer to Attachment 1 for a full copy of the report.

The results from the June engagement activities are not statistically reliable and cannot be considered representative of the citizens of Saskatoon due to small sample sizes and a self-selection bias that exists. Furthermore, the In Person Survey results vary between 35 and 172 respondents since participants did not necessarily complete all the questions on the interactive display panels and/or paper surveys. Therefore, caution is advised in interpreting the findings.

Where appropriate, the results of the June engagement activities are compared to the findings from the 2015 Annual Civic Services Survey, specifically the Hot Topic section.

Preferred Methods to Balance the Budget

As shown in Table 1, most participants prefer a combination of user fee and property tax increases over service reductions or eliminations. A greater proportion of those who responded through the In Person Survey supported property tax increases.

TABLE 1 BUDGET BALANCING	Civic Services Survey		Shaping Our Financial Future	
	Telephone	Online	Live	In Person
Combination of increase in property taxes and user fees	41%	29%	27%	30%
Increase Property Taxes	6%	5%	14%	44%
Increase User Fees	15%	14%	17%	6%
Reduce Service Levels	14%	11%	17%	4%
Discontinue a Service	5%	9%	12%	4%
Not Sure/ Prefer not to say	19%	33%	13%	12%

Spending Preferences on Civic Services (Spend more, less or the same)

As shown Table 2, maintenance of major roadways, snow and ice, and street crime had the most support for spending increases amongst all surveys, whereas funding for arts and cultural groups had the most support for spending reductions.

TABLE 2				
SPEND MORE	Maintenance of Major Roadways	Snow & Ice	Street Crime	Affordable Housing
Civic Services Survey – Telephone	69%	61%	61%	61%
Civic Services Survey Online	70%	60%	59%	50%
Shaping Our Financial Future – Live Survey	54%	46%	45%	28%
Shaping Our Financial Future – In Person Survey	66%	57%	55%	72%

2016 Business Plan and Budget – June Public Engagement Results

SPEND LESS	Funding for arts/ cultural groups	Renewing City Centre & North Downtown	Providing Animal Control Services	Parking
Civic Services Survey – Telephone	32%	16%	17%	11%
Civic Services Survey – Online	41%	27%	18%	15%
Shaping Our Financial Future – Live Survey	42%	39%	36%	48%
Shaping Our Financial Future – In Person Survey	22%	16%	22%	43%

2016 Budget Priorities

Participants were asked to list their top three priorities for the 2016 Budget, where City Council should focus most of its/their efforts. The top budget priority areas among Live Survey respondents include roads/sidewalks, reduce/efficient spending, crime/policing and transit service. Although this question was not asked in the 2015 Civic Services Survey, the results are similar to the responses on the most important issue(s) facing the City.

Top Budget Priority	Roads/ Sidewalks	Reduce/ Efficient Spending	Crime/ Policing	Transit Service
Shaping Our Financial Future – Live Survey	42%	35%	27%	23%
Shaping Our Financial Future – In Person Survey	18%	10%	10%	12%

Public and/or Stakeholder Involvement

The 2016 Business Plan and Budget includes a variety of public and stakeholder engagement opportunities in five major project phases. This report focuses on the first two phases which are Education and Engagement. However, more public engagement opportunities will continue as the budget process continues.

Communication Plan

A communication and engagement plan has been prepared for the 2016 Business Plan and Budget. A variety of tools are being used to promote the Shaping our Financial Future, Budget 2016; the tools use plain language, and include imagery and informative videos. The City is taking a digital approach first for communications while still complementing it with traditional tools such as print ads, PSAs, and brochures.

- Saskatoon.ca – the website is regularly updated to include updated information on how citizens can get involved. Any documents related to the Budget 2016 process, including related public reports, articles, and presentation materials are available and listed by month at www.saskatoon.ca/financialfuture.
- Social Media – information is posted to the City's Facebook and Twitter pages. A Facebook Event page has been created, and will be used to promote upcoming engagement activities.
- Video series to help inform citizens on a variety of budget topics including:
 - How Your City Budget Works

- How Municipal Tax Differs from Federal and Provincial Tax
- What Contributes to Property Tax Increases (to be released in August)
- Print Ads – all events will be advertised in the City Pages in the StarPhoenix and Sunday Phoenix.
- Ongoing Public Service Announcements.
- Budget Conversation Starter Brochure and other supporting print material.

The June Town Hall meetings were promoted through news media, website advertising on saskatoon.ca and Shaping Saskatoon, social media posting on Twitter and Facebook, City Page advertisement, email invitations to various stakeholder organizations and community groups, and posters at the leisure facilities and libraries, etc. Electronic artwork and social media messages were provided to the Mayor and City Councillors to share with their constituents.

Financial Implications

The estimated cost for the June Public Engagement activities and educational materials (excluding video productions) was approximately \$10,000. The project is being funded through the City Manager's Project Reserve Fund.

Other Considerations/Implications

There is no policy, environmental, Privacy, or CPTED implications or considerations.

Due Date for Follow-up and/or Project Completion

The results of all future Public Engagement activities for the 2016 Business Plan and Budget will be compiled and shared with the Executive Committee prior to the tabling of the 2016 Business Plan and Budget on October 19, 2015.

Public Notice

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

Attachment

1. Shaping our Financial Future June Engagement Activities: A Supplement to the 2015 Annual Civic Services Survey

Report Approval

Written by: Carla M. Blumers, Director of Communications
Reviewed by: Catherine Gryba, General Manager, Corporate Performance
Department
Approved by: Murray Totland, City Manager

SHAPING OUR FINANCIAL FUTURE JUNE ENGAGEMENT ACTIVITIES

JULY 2015



insightrix[®]

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Background & Objectives

The City of Saskatoon has conducted an annual survey on civic services with Saskatoon residents since the early 1990s. The objectives of the survey include determining perceptions of the quality of life in Saskatoon, understanding importance and satisfaction with services provided by the City of Saskatoon and collecting opinions on hot-topic items. In 2015, this hot-topic section focused on questions regarding balancing of the City's budget, in addition to preferred priorities for spending in the future. This survey is conducted using two methods: telephone interviews and online using an online panel of Saskatoon residents. Inshtrix Research conducted this study for the City since 2009.

As part of the City of Saskatoon's efforts to collect additional public input on the 2016 budgeting process, the City contracted Inshtrix to prepare a **Shaping Our Financial Future Online Survey (Live Survey)** to supplement the hot topic questions asked in the 2015 Annual Civic Services Survey. In addition to the Live Survey, the City offered a number of **Shaping Our Financial Future In Person Survey (In Person Survey)** opportunities, to encourage citizens to participate in the 2016 Budget.

Data from the following four sources are included in this report:

1. Annual Civic Services Study – Telephone
2. Annual Civic Services Study – Online
3. Shaping Our Financial Future – Live Survey
4. Shaping Our Financial Future – In Person survey

A full copy of the 2015 Annual Civic Services Survey is available at Saskatoon.ca.

Methodology Summary

The **2015 Annual Civic Services Survey** used both telephone interviews and online panel survey data collection methods. Data was collected between May 11th and June 2nd, 2015. A total of 500 surveys were completed via telephone and 821 surveys were completed online. The margin of error for the telephone research is ± 4.4 percentage points at a 95% confidence interval (19 times out of 20). A margin of error for the online study is not applicable as online research is considered a non-probability proportional sampling technique. For further details on the methodology for this study, please refer to the **2015 Annual Civic Services Survey Report** available at Saskatoon.ca.

The **Shaping Our Financial Future Live Survey** was made available to the public through Saskatoon.ca and on the Shaping Saskatoon webpage from June 15th to June 30th, 2015. A total of 83 citizens responded to the survey. A margin of error is not applied to this as it is an online research methodology.

The **Shaping Our Financial Future In Person Survey** was made available through the following:

- a) Interactive display panels and paper surveys available at an Open House held on Monday, June 15th, 2015 at City Hall.
- b) Intercept surveys and interactive display panels available at:
 - City Hall Civic Pancake Breakfast – Thursday, June 18th, 2015
 - Saskatoon Farmers' Market – Wednesday, June 24th, 2015
 - Frances Morrison Library – Friday, June 26th, 2015
 - Saskatoon Field House – Monday, June 29th, 2015

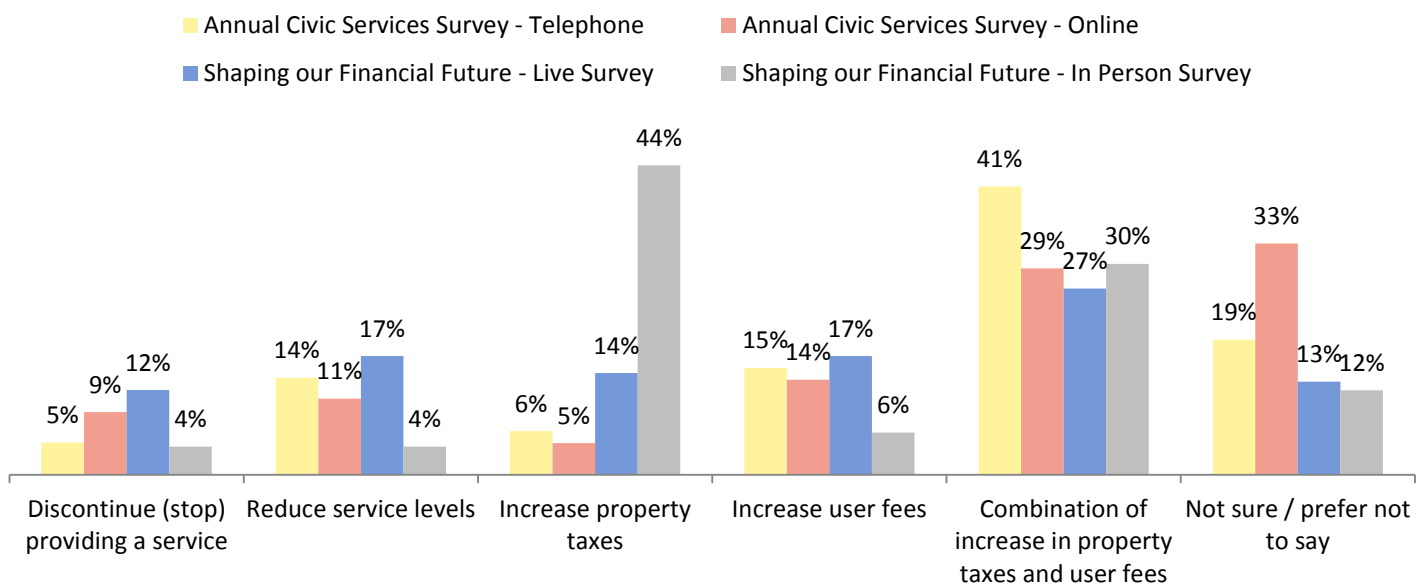
Sample size varies between 35 and 172 respondents since not all participants completed all questions on the interactive display panels and/or paper surveys.

Reporting Notes

- Due to rounding, not all results will add to exactly 100%.
- Results for questions with multiple allowed responses may total more than 100%, as respondents were able to choose more than one option.
- Each question includes a base description detailing the number of respondents who answered each question (n=#).
- Open-ended questions have been themed and coded into categories. The percentages from individual codes could total more than 100%, as comments from each respondent could be relevant to more than one code.
- *Caution is advised in interpreting findings from the Shaping Our Financial Future Live Survey and the In Person Survey as the results cannot be considered representative of the citizens of Saskatoon due to:*
 - a. *Smaller sample sizes*
 - b. *Self-selection biases*

BUDGET BALANCING

- When asked which of the following methods the City could use to balance its budget, most residents prefer a combination of increased user fees and property taxes over reducing services or no longer providing (stopping) a service.
- A greater proportion of those who responded through the Shaping Our Financial Future In Person Survey support increases to property taxes.
- A sizeable portion of those who responded through the Annual Civic Services Online Survey were unsure.



1. Which of the following methods for balancing the City of Saskatoon's budget do you prefer most? (Question 10 in Annual Civic Services Survey) Base: All respondents, n = 500 (Annual Civic Services Telephone Survey), n = 821 (Annual Civic Services Online Survey), n = 83 (Shaping Our Financial Future Live Survey), n = 50 (Shaping Our Financial Future In Person Survey).

SPENDING PREFERENCES ON CIVIC SERVICES

Citizens were next asked to indicate whether they believe the City should spend more, less, or the same amount as currently budgeted on different civic services. Findings from the four studies have been shown for comparative purposes. Remaining percentages are allotted to those who state they believe the City should spend the same amount or are uncertain.

Summary of “Spend More” and “Spend Less”

Overall, there are consistencies in the services that received the highest number of responses for spending level changes amongst all survey respondents, although the order varies slightly between different survey methods. Generally, “maintenance of major roadways” has the most support for increased spending amongst all surveys, whereas “funding for arts and cultural groups” has the most support for reducing spending.

SPEND MORE	Maintenance of Major Roadways	Snow & Ice	Street Crime	Affordable Housing
Annual Civic Services Survey – Telephone	69%	61%	61%	61%
Annual Civic Services Survey – Online	70%	60%	59%	50%
Shaping Our Financial Future – Live Survey	54%	46%	45%	28%
Shaping Our Financial Future – In Person Survey	66%	57%	55%	72%

SPEND LESS	Funding for arts and cultural groups and community organizations	Renewing the City Centre and North Downtown	Providing Animal Control Services	Parking
Annual Civic Services Survey – Telephone	32%	16%	17%	11%
Annual Civic Services Survey – Online	41%	27%	18%	15%
Shaping Our Financial Future – Live Survey	42%	39%	36%	48%
Shaping Our Financial Future – In Person Survey	22%	16%	22%	43%

Community Support

Within Community Support, fewer respondents from the Live Survey believe that the City should spend more on accessible infrastructure than respondents from the Annual Civic Services Survey. However, more respondents from the In Person Survey support increased spending in this area. This latter group also supports greater spending on arts and cultural activities, while those surveyed through other methods are far less supportive.

Spend Less				Budget Item	Spend More			
Annual Civic Services Survey - Telephone	Annual Civic Services Survey - Online	Shaping Our Financial Future - Live Survey	Shaping Our Financial Future - In Person Survey		Annual Civic Services Survey - Telephone	Annual Civic Services Survey - Online	Shaping Our Financial Future - Live Survey	Shaping Our Financial Future - In Person Survey
2%	4%	13%	4%	Barrier free roads, facilities and sidewalks for those with disabilities	54%	46%	30%	70%
32%	41%	42%	22%	Funding for arts and cultural groups and community organizations	15%	11%	19%	47%
17%	18%	36%	22%	Providing animal control services	9%	5%	6%	8%

Fire and Protection Services

Spending preferences are generally consistent across survey groups, with respect to fire and protection services. However, In Person Survey respondents are more supportive of spending more on fire property maintenance inspections than those surveyed through other methods.

Spend Less				Budget Item	Spend More			
Annual Civic Services Survey - Telephone	Annual Civic Services Survey - Online	Shaping Our Financial Future - Live Survey	Shaping our Financial Future - In Person Survey		Annual Civic Services Survey - Telephone	Annual Civic Services Survey - Online	Shaping Our Financial Future - Live Survey	Shaping our Financial Future - In Person Survey
2%	3%	7%	2%	Emergency response services	30%	31%	25%	26%
5%	6%	16%	3%	Fire and property maintenance inspections	21%	15%	19%	33%

Urban Planning and Development

Support for increased spending on planning for growth and development is generally evenly supported amongst all survey sources. However, Live Survey respondents are more evenly split in all areas on whether to spend more or less. In Person Survey respondents have the highest support to spend more on affordable housing while Live Survey respondents have the lowest support to spend more in this area.

Spend Less				Budget Item	Spend More			
Annual Civic Services Survey - Telephone	Annual Civic Services Survey - Online	Shaping Our Financial Future - Live Survey	Shaping Our Financial Future - In Person Survey		Annual Civic Services Survey - Telephone	Annual Civic Services Survey - Online	Shaping Our Financial Future - Live Survey	Shaping Our Financial Future - In Person Survey
12%	10%	33%	10%	Planning for growth and development	39%	45%	37%	39%
16%	27%	39%	16%	Renewing the City Centre and North Downtown	28%	26%	34%	43%
9%	14%	25%	7%	Renewing and revitalizing existing neighbourhoods	38%	28%	33%	53%
5%	10%	35%	9%	Affordable housing	61%	50%	28%	72%

Policing

An increase in spending for street crime prevention is largely supported by respondents from all surveys. However, those who participated in the In Person Survey are more likely to support increased spending on traffic safety enforcement whereas those who participated in the Live Survey are less likely to support increased spending in this area.

Spend Less				Budget Item	Spend More			
Annual Civic Services Survey - Telephone	Annual Civic Services Survey - Online	Shaping Our Financial Future - Live Survey	Shaping Our Financial Future - In Person Survey		Annual Civic Services Survey - Telephone	Annual Civic Services Survey - Online	Shaping Our Financial Future - Live Survey	Shaping Our Financial Future - In Person Survey
2%	4%	12%	6%	Street crime prevention	61%	59%	45%	55%
9%	16%	33%	15%	Traffic safety enforcement	29%	31%	13%	40%

Environmental Health

There is minimal support for increased spending amongst all survey respondents for maintenance of City trees, recycling collection or garbage collection. Composting programs received the most consistent support for increased spending amongst all survey respondents, followed by mosquito control. Live Survey respondents were more supportive of spending less in all areas.

Spend Less				Budget Item	Spend More			
Annual Civic Services Survey - Telephone	Annual Civic Services Survey - Online	Shaping Our Financial Future - Live Survey	Shaping Our Financial Future - In Person Survey		Annual Civic Services Survey - Telephone	Annual Civic Services Survey - Online	Shaping Our Financial Future - Live Survey	Shaping Our Financial Future - In Person Survey
4%	7%	19%	11%	Mosquito control	39%	32%	24%	16%
14%	18%	34%	19%	Composting programs	24%	21%	24%	43%
5%	12%	22%	7%	Maintenance of City trees	15%	9%	16%	12%
9%	11%	29%	5%	Recycling collection	14%	16%	17%	26%
9%	10%	25%	0%	Garbage collection	13%	10%	7%	18%

Transportation

Generally there is significant support from all survey respondents to spend more on maintenance of major roadways and freeways, and snow and ice. There is moderate support to increase spending on transit, and repair and maintenance of neighbourhood sidewalks among all respondents with the exception of those from the In Person Survey who commonly wish to see more spending in these areas. Traffic management and parking receive greater support for increased spending among Annual Civic Service Survey respondents than those through other methods.

Spend Less				Budget Item	Spend More			
Annual Civic Services Survey - Telephone	Annual Civic Services Survey - Online	Shaping Our Financial Future - Live Survey	Shaping Our Financial Future - In Person Survey		Annual Civic Services Survey - Telephone	Annual Civic Services Survey - Online	Shaping Our Financial Future - Live Survey	Shaping Our Financial Future - In Person Survey
1%	1%	6%	0%	Maintenance of major roadways and freeways	69%	70%	54%	66%
3%	3%	8%	4%	Snow and ice road maintenance	61%	60%	46%	57%
6%	14%	27%	18%	Maintenance of back lanes	31%	29%	19%	32%
9%	10%	25%	5%	Transit	40%	39%	43%	63%
5%	5%	8%	4%	Repair and maintain neighbourhood sidewalks	45%	36%	37%	60%
4%	5%	23%	6%	Traffic management such as traffic flow	41%	42%	27%	31%
11%	15%	48%	43%	Parking	38%	32%	11%	12%

Utilities

Increased spending preferences on utility items are generally consistent among all survey respondents, although those who participated in the In Person Survey are more likely to support increased spending on green energy programs.

Spend Less				Budget Item	Spend More			
Annual Civic Services Survey - Telephone	Annual Civic Services Survey - Online	Shaping Our Financial Future - Live Survey	Shaping Our Financial Future - In Person Survey		Annual Civic Services Survey - Telephone	Annual Civic Services Survey - Online	Shaping Our Financial Future - Live Survey	Shaping Our Financial Future - In Person Survey
11%	18%	35%	8%	Green energy programs	44%	36%	36%	58%
10%	14%	37%	20%	Flood control program	22%	12%	10%	18%

Corporate Governance and Finance

Minimal variations in increased spending preferences on corporate governance and finance are noted among those surveyed, although four in ten Live Survey respondents advise spending less on customer service initiatives.

Spend Less				Budget Item	Spend More			
Annual Civic Services Survey - Telephone	Annual Civic Services Survey - Online	Shaping Our Financial Future - Live Survey	Shaping Our Financial Future - In Person Survey		Annual Civic Services Survey - Telephone	Annual Civic Services Survey - Online	Shaping Our Financial Future - Live Survey	Shaping Our Financial Future - In Person Survey
13%	23%	42%	23%	Customer Service (longer hours of operation, a call centre or one point of contact with 24 / 7 service).	20%	15%	11%	27%
13%	13%	22%	13%	More online customer service options	25%	25%	30%	22%

Recreation and Culture

The majority of those who participated in the Annual Civic Services Survey (telephone and online) support consistent spending on recreation and culture programs. However, those who participated in the In Person Survey are more likely to support increased spending on many of these programs including indoor recreation and leisure facilities and programs, and maintenance of buildings and spaces.

Spend Less				Budget Item	Spend More			
Annual Civic Services Survey - Telephone	Annual Civic Services Survey - Online	Shaping Our Financial Future - Live Survey	Shaping Our Financial Future - In Person Survey		Annual Civic Services Survey - Telephone	Annual Civic Services Survey - Online	Shaping Our Financial Future - Live Survey	Shaping Our Financial Future - In Person Survey
14%	15%	25%	6%	Maintenance on buildings and spaces for major sport, culture and entertainment events	21%	11%	19%	45%
6%	12%	23%	14%	Outdoor swimming pools	14%	8%	12%	21%
5%	13%	29%	3%	Outdoor sports fields such as soccer, baseball and football	15%	8%	16%	33%
4%	8%	24%	33%	Summer playground programs such as neighbourhood paddling pools, spray pads and youth centres	24%	13%	29%	31%
6%	16%	35%	22%	Indoor ice rinks	19%	9%	13%	16%
7%	11%	25%	3%	Indoor recreation and leisure facilities and programs	19%	11%	24%	47%

2. Keeping in mind that taxes or user fees may increase if the cost of providing services increases, do you think the City of Saskatoon should be spending more, less or about the same as now on each of the following services? Base: (Question 11 in Annual Civic Services Survey) All respondents, n = 500 (Annual Civic Services Telephone Survey), n = 821 (Annual Civic Services Online Survey), n = 83 (Shaping Our Financial Future Live Survey), n = 35 to 64 (Shaping Our Financial Future In Person Survey).

2016 Budget Priorities

Next, participants were asked to list three items they believe should be priority budget items for Council to focus on the most going into 2016 Budget deliberations this fall. This question was not asked of Annual Civic Services Survey respondents. The top budget priority areas among Live Survey respondents include roads/sidewalks, reduce/efficient spending, crime/ policing transit service, and infrastructure in general. In Person Survey respondents tend to list fewer priorities overall, but the order of items suggested are consistent with Live Survey respondents.

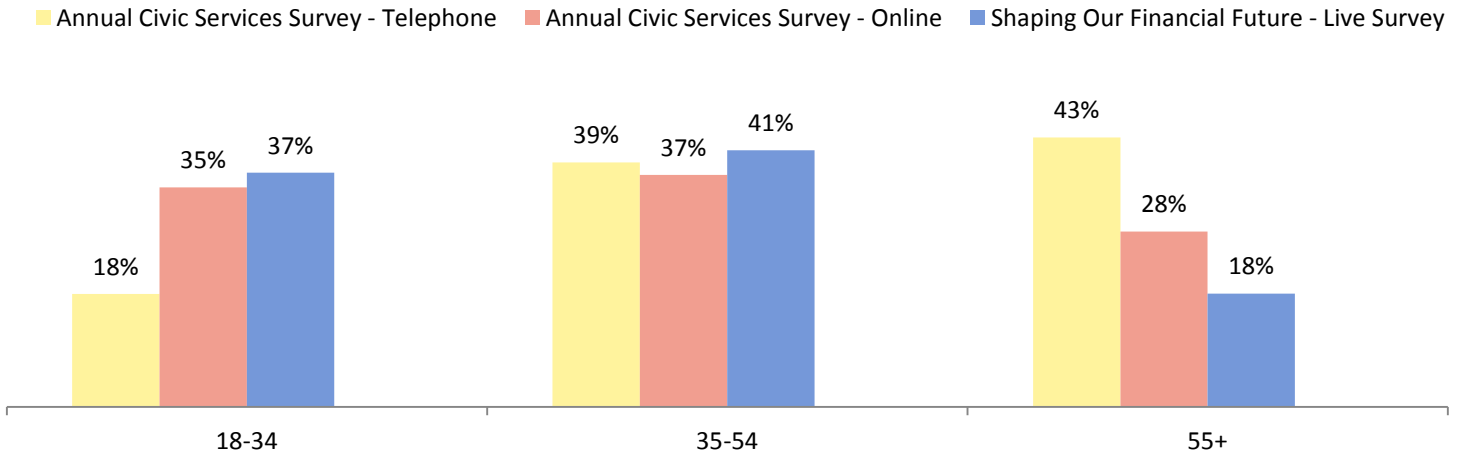
Shaping Our Financial Future Live Survey		Shaping Our Financial Future In Person Survey
42%	Roads/sidewalks	18%
35%	Reduce/efficient spending	10%
27%	Crime/policing	10%
23%	Transit service	12%
23%	Infrastructure – general	2%
20%	City programs and services	9%
18%	Taxation levels	5%
13%	Recreation facilities	7%
13%	Green energy initiatives	3%
11%	Planning for city growth/development	2%
10%	Revitalize core neighbourhoods	2%
10%	Active transportation (bike, walk, etc.)	5%
8%	Park maintenance	4%
8%	Affordable housing	11%
8%	Fire protection	0%
6%	Traffic flow/congestion	2%
16%	Other mentions	15%
0%	Don't know/no comment	0%

3. What are your top three priorities for the 2016 budget, that is, where should City Council focus the most? Base: All respondents, n = 79 (Shaping Our Financial Future Live Survey), n = 172 (Shaping Our Financial Future In Person Survey).

DEMOGRAPHICS

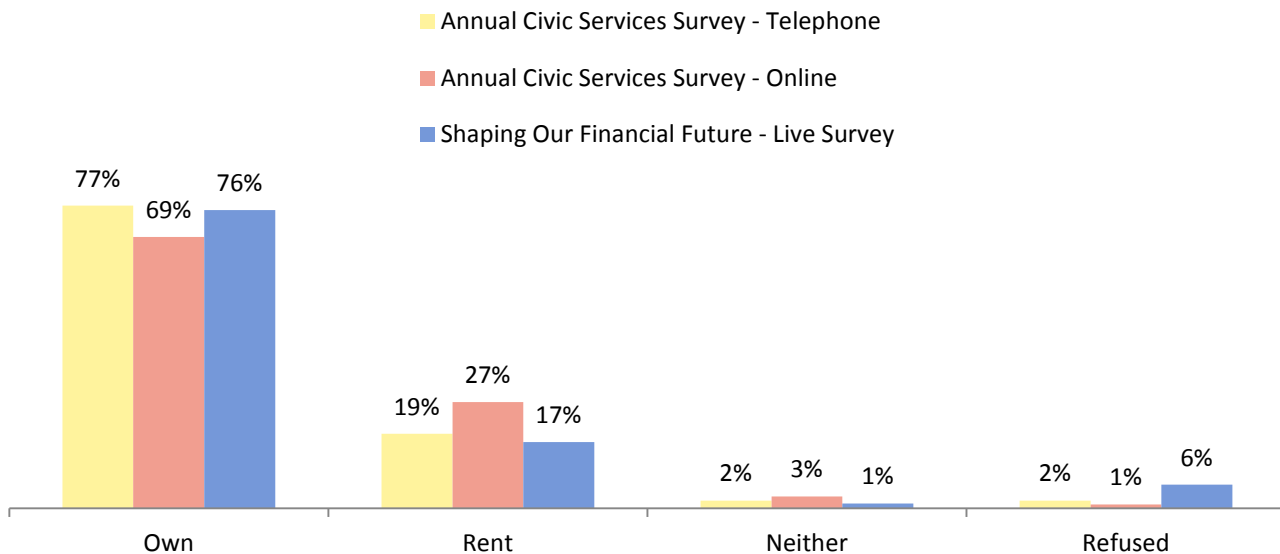
Note that demographic information was not asked of those who participated in the Shaping Our Financial Future In Person Survey.

Age Range



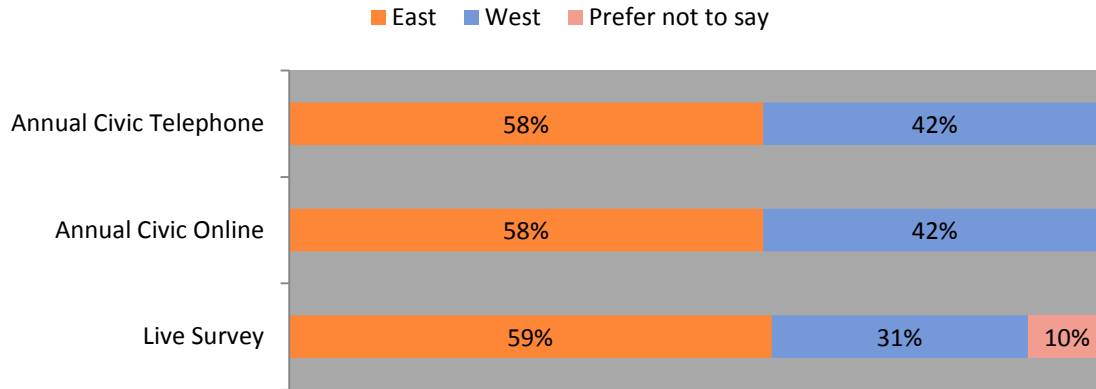
Into which age range do you fall? Base: All respondents, n = 500 (Annual Civic Services Telephone Survey), n = 821 (Annual Civic Services Online Survey), n = 83 (Shaping Our Financial Future Live Survey).

Type of Household



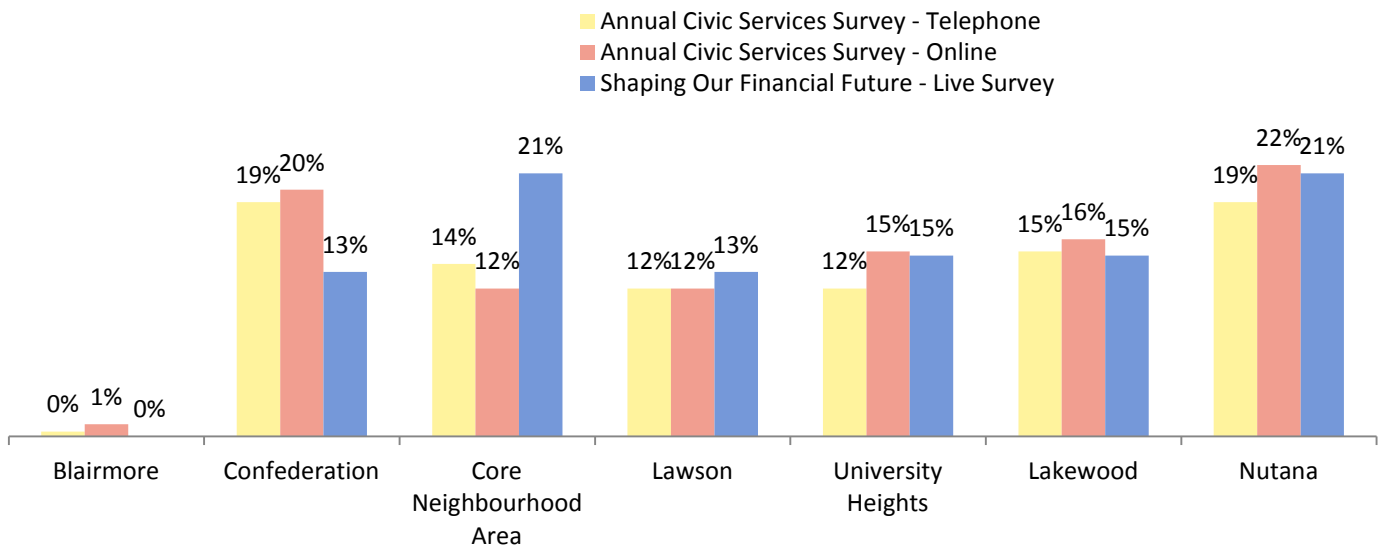
Do you rent or own your accommodations? Base: All respondents, n = 500 (Annual Civic Services Telephone Survey), n = 821 (Annual Civic Services Online Survey), n = 83 (Shaping Our Financial Future Live Survey).

Location of Residence



Do you live on the east side or the west side of the river? Base: respondents, n = 500 (Annual Civic Services Telephone Survey), n = 821 (Annual Civic Services Online Survey), n = 83 (Shaping Our Financial Future Live Survey).

Suburban District Area (SDA)



Into which of the following neighbourhoods in Saskatoon do you live? Base: respondents, n = 500 (Annual Civic Services Telephone Survey), n = 821 (Annual Civic Services Online Survey), n = 75 (Shaping Our Financial Future Live Survey).

Suburban District Areas

Blairmore SDA

Blairmore Development Area

Blairmore S.C.

Kensington

Confederation SDA

Parkridge

Fairhaven

Confederation Park

Pacific Heights

Dundonald

Hampton Village

Massey Place

Montgomery Place

Westview

Mount Royal

Holiday Park

Meadowgreen

Confed S.C.

Hudson Bay Park

West Industrial

Core Neighbourhoods SDA

Nutana

Caswell Hill

City Park

Varsity View

Westmount

Central Business District

Pleasant Hill

King George

Riversdale

Lakewood SDA

Wildwood

Lakeview

Briarwood

College Park

Lakeridge

College Park East

Lakewood S.C.

Rosewood

S.E. Development Area 901

Holmwood SDA

U of S Lands - East Management Area 718

Holmwood Development Area 904

Lawson SDA

Lawson Heights S.C.

Silverwood Heights

Lawson Heights

Mayfair

River Heights

North Park

Kelsey Woodlawn

Richmond Heights

Nutana SDA

The Willows

Nutana S.C.

Buena Vista

Eastview

Nutana Park

Stonebridge

Holliston

Avalon

Haultain

Queen Elizabeth

Greystone Heights

Adelaide Churchill

Exhibition

Brevoort Park

Grosvenor Park

University Heights SDA

Forest Grove

Silverspring

Sutherland

Erindale

Arbor Creek

Willowgrove

University Heights S.C.

University of Saskatchewan Management Area

University Heights Development Area

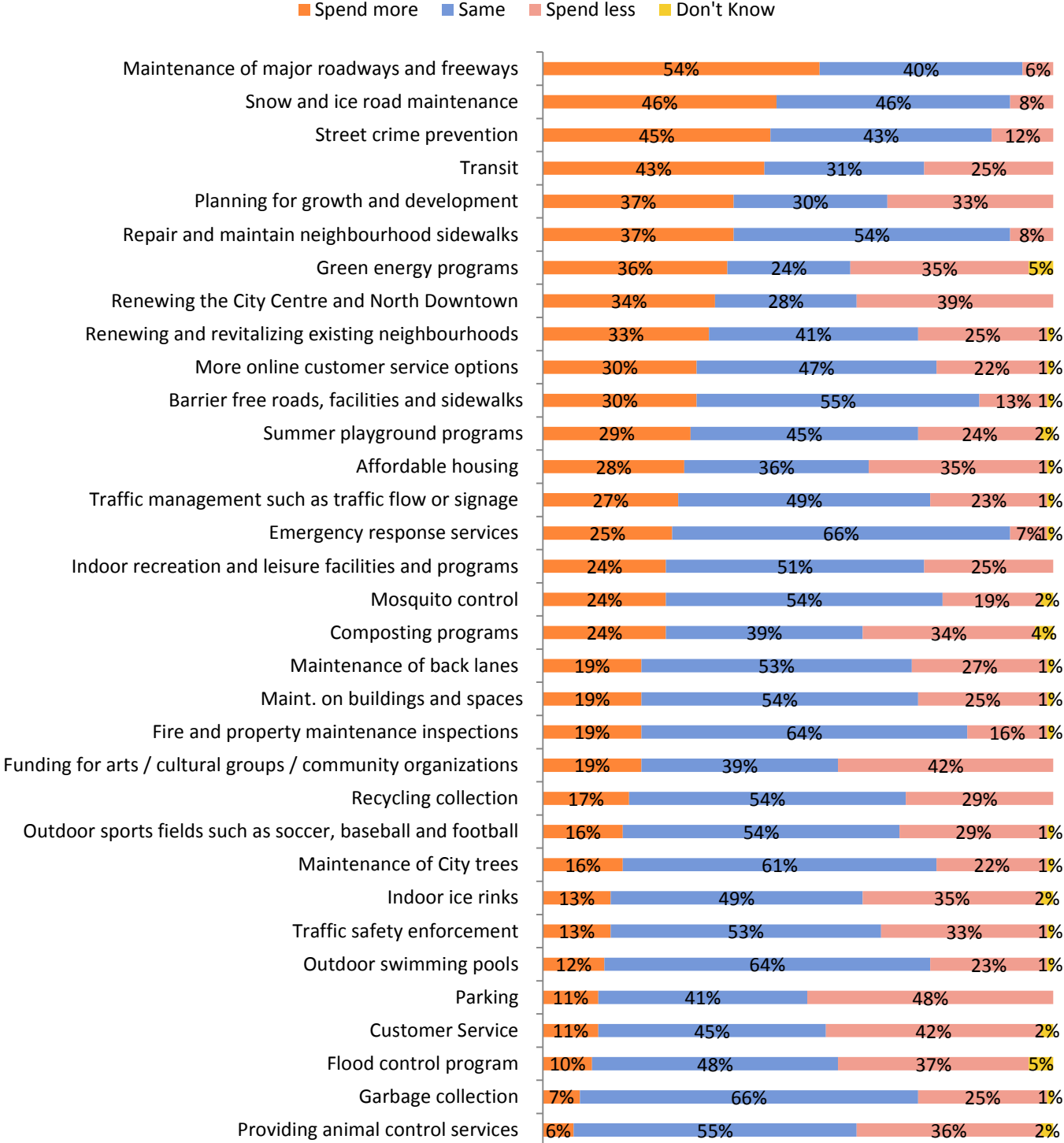
Evergreen

U of S Lands – South Management Area

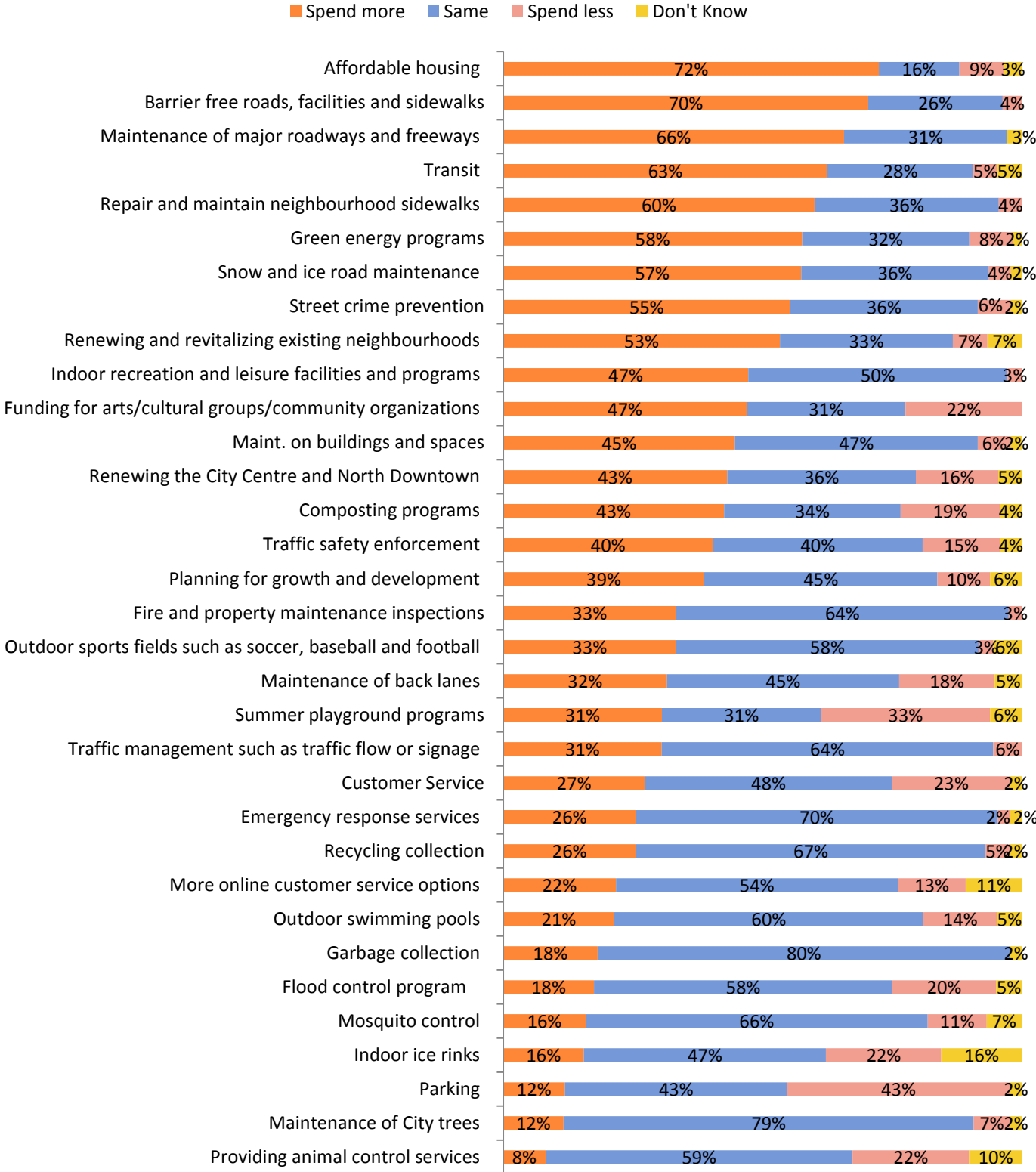
S.E. Development Area 901

APPENDIX

Spending Preferences on Civic Services (Shaping Our Financial Future Live Survey)



Spending Preferences on Civic Services (Shaping Our Financial Future In Person Survey)





July 2015

Proposed Fee and Staffing Increases Required to Achieve Mandate of Community Standards – Bylaw Compliance Section

Recommendation

That the staffing and fee adjustments contained in this report be considered during the 2016 Business Plan and Budget deliberations.

Topic and Purpose

This report outlines proposed service level changes that are required to ensure the vision and mandate for Community Standards Division can be fulfilled.

Report Highlights

1. New staffing resources, including a customer service coordinator and one bylaw inspector, are needed to accommodate workload volume increases and to meet the new mandate of the Community Standards Division
2. An increase in Legalizing Existing Suites (LES) occupancy permit fees is required in order to maintain program cost-recovery objectives.

Strategic Goals

These recommendations support the City of Saskatoon's (City) Strategic Goals of Continuous Improvement and Quality of Life by providing a coordinated approach to bylaw compliance issues, and implementing an enhanced delivery model to protect community standards in our city. These recommendations also facilitate the Strategic Goal of Sustainable Growth by supporting mixed uses, infill development, and overall density increases.

Background

The Community Standards Division was initiated in 2015, with staff from four areas: Business License and Bylaw Compliance, Parking, Right of Way Compliance, and Drainage Compliance, forming the nucleus of the new group. In the coming years, other bylaw enforcement functions currently distributed throughout the corporation will be aligned or incorporated within the Division. A dedicated and cohesive unit such as this provides an opportunity for enhanced customer service and communications, data collection and analysis, and accountability in the effective delivery of bylaw compliance, licensing, and enforcement programs.

The first six months of operation has been one of planning and organizing for the previously established work teams. Also, the very focussed effort required to implement the new flex pay parking system has detracted from the overall implementation plan for the new division. However, a good understanding of the needs and priorities to achieve the program mandate is now in place.

This report details the staffing needs over the coming year (2016) to achieve the key objectives and vision of the Community Standards Division. Full implementation of the Community Standards program is expected to be completed over the next three years (2016, 2017, and 2018).

Report

Key considerations in establishing the Community Standards Division was recognition of the need to better address concerns around accountability, need for a central point of contact, and for improved communications and service related to bylaw compliance and community standards issues. Staff resource requirements and funding opportunities are needed to support this mandate.

Proposed Staffing Increases

Two new staff positions are required to address volume increases and to support the program mandate. The staffing increases identified in this report will support the needs of a General Bylaw Compliance Program, to be implemented in 2016. These positions have not been included in the proposed 2016 Business Plan and Budget.

a. **Customer Service Coordinator**

A key objective in forming the Community Standards Division was to accommodate a more effective service delivery model for bylaw enforcement by providing a centralized focal point for customer service; streamlined communications, both internally and externally; and accountability for compliance related outcomes. The successful implementation of this model also requires the development of a comprehensive data collection and tracking system to manage complaints received, as well as to support the Division mandate. This database will establish a framework to manage data, monitor the effectiveness of the Division in achieving its objectives and performance measures, allow for timely responses to customers on the status of complaints, and serve as a coordinated resource base of information for staff responding to complaints.

A Customer Service Coordinator position is required to implement these components and to provide a bridge to implementation of the emerging 311 System. More detailed information outlining the duties required of a Customer Service Coordinator, as well as an overview of current work priorities identified for 2016 under the mandate of the new Community Standards model, is provided in Attachment 1. This full range of needs cannot be adequately addressed within our current staffing levels.

An initial priority for the Customer Service Coordinator will be the implementation of an appropriate management process for complaints received through the online complaint form, available on the City website since February 2015. This initiative represents a first step in providing a “central focal point” for customer enquiries around compliance-related concerns. Additional staff resources are required to fully implement and manage this and other new communication tools

effectively. Site usage of the online complaint form is high with over 300 complaints/inquiries filed to date. In addition, our analysis shows that a wide range of complaints are being submitted through the online complaint form, falling under the mandate and jurisdiction of multiple civic divisions and 1 external agency. A detailed overview of the volumes and types of complaints being received is provided in Attachment 2.

b. **Bylaw Inspector 13 – Zoning Compliance**

One additional entry-level Bylaw Inspector 13 position is required for the Zoning Compliance team to accommodate the increased complaint volumes, while ensuring that service levels are maintained, and to facilitate succession planning. This additional bylaw inspector will also allow for cross training to be initiated, to provide for more flexibility in the range of complaint files that staff may be involved in enforcing or administering. This is consistent with the mandate of the Community Standards Division and the move toward establishing a General Bylaw Compliance Team.

Zoning Bylaw complaints, as well as other files managed by the Zoning Compliance staff, have steadily increased over the past ten years due to a number of factors, including population growth in the city, increased public awareness, more mixed uses, increased density of development, and a 73% increase in the number of commercial- and home-based businesses since 1998.

In addition to volume increases, it is noted that files are becoming more complex, often taking longer to resolve and increasingly requiring multi-jurisdictional involvement. New standards for residential infill development and provision for garden and garage suites in the Zoning Bylaw are anticipated to result in additional inquiries. The volume of complaints is projected to maintain a steady increase as the city continues to grow.

An overview of the volume increases, as well as staffing levels within the Zoning Compliance Section since 2004 is provided in Attachment 3.

Additional staffing is required to ensure that the bylaw enforcement continues to be delivered in a timely manner and remains responsive to the needs of the community. Further, it is noted that a number of current staff filling senior bylaw inspector positions may be eligible to retire in the near future, based on years of service.

Proposed Fees Increases – LES Program

The LES Program offers an opportunity for property owners with illegal suites, constructed in one-unit dwellings prior to 1999, to fully legalize them under a modified set of building standards.

An overview of the LES Program and permit costs is provided in Attachment 4.

Proposed Fee and Staffing Increases Required to Achieve Mandate of Community Standards – Bylaw Compliance Section

The LES Program is fully administered by the bylaw inspectors, where involvement with a file through to completion can be quite extensive. It is estimated that the annual cost to deliver this program is approximately \$125,000, which includes staff time, plus enforcement and administrative costs.

A fee increase from \$1,200 to \$1,500 is recommended to maintain a 60% cost-recovery objective for the LES Program. Based on anticipated volumes of 50 occupancy permits issued per year, the increased fee will provide for approximately 60% recovery in the costs of operating this program.

Options to the Recommendations

1. City Council may choose to not support the recommendation proposing additional positions of bylaw inspector and Customer Service Coordinator. In this case, further direction would be required with respect to the Community Standards Division program mandate and desirable service levels.
2. City Council may choose to not support the proposed fee adjustments to the LES occupancy permits. This option is not recommended as the current fees do not meet a 60% cost recovery for this program.

Public and/or Stakeholder Involvement

No public or stakeholder involvement is required at this time.

Communication Plan

An appropriate communication strategy would be developed in order to communicate an LES fee increase to the various stakeholders affected. This would include the development community, real estate agents, and property owners who may wish to access the LES Program.

Financial Implications

The proposed two staff positions would amount to \$150,000 in additional salary and non-salary costs. The mill rate impact would be approximately \$90,000 per year (\$60,000 would be cost recovered through fees and charges). These positions are necessary to meet the mandate of Community Standards and focus on quality of life for its customers. Further revenue options will be explored to identify means to recover more of the costs of the overall bylaw enforcement effort. This could include consideration of cross charges to departments benefitting from the work of the Community Standards Division, additional fee increases, or identification of other “user pay” types of fees or charges.

Other Considerations/Implications

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

Due Date for Follow-up and/or Project Completion

The fee for an occupancy permit under the LES Program is approved by City Council resolution.

**Proposed Fee and Staffing Increases Required to Achieve Mandate of Community Standards –
Bylaw Compliance Section**

Public Notice

Public notice is not required for consideration of the proposed LES fee increases, pursuant to Section 3 of Public Notice Policy No. C01-021.

Attachments

1. Proposed Customer Service Coordinator Position and 2016 Work Program Priorities
2. Online Complaint Form – Submissions To Date
3. Zoning Compliance Program – Overview of Volumes and Staffing
4. Legalizing Existing Suites (LES) Program – Overview and Fee Summary

Report Approval

Written by: Jo-Anne Richter, Manager, Business License and Bylaw Compliance
Reviewed by: Andrew Hildebrandt, Director of Community Standards
Approved by: Randy Grauer, General Manager, Community Services Department
Murray Totland, City Manager

S/Reports/CS/2015/EXEC – Proposed Fee and Staffing Increases Required to Achieve Mandate of Community Standards – Bylaw
Compliance Section/ks
FINAL/APPROVED – M. Totland – August 10, 2015

Proposed Customer Service Coordinator Position and 2016 Work Program Priorities

Customer Service Coordinator – 1 FTE (temporary)

A Customer Service Coordinator position is proposed in the Community Standards Division in order to facilitate the implementation of the Community Standards General Bylaw Compliance Program and ensure the framework to provide enhanced enforcement services is in place by realigning the delivery of bylaw enforcement activities from a distributed to a centralized model.

This position would be responsible for overseeing the following:

- i) Customer service point of contact for General Compliance Section (initially comprised of Zoning Compliance and Right of Way Compliance staff);
 - o webmail complaints;
 - o phone inquiries;
 - o in-person inquiries; and
 - o complaint referrals from other departments.
- ii) Manage online complaint form and referrals to other civic departments;
- iii) Coordinate resolution of complaints which are multi-jurisdictional in nature;
- iv) Coordinate finalization, distribution, and updates to Good Neighbour Policy, and provide point of contact for enquiries;
- v) Coordinate implementation of Residential Infill Development User Guide, as well as enforcement program, and provide point of contact for enquiries;
- vi) Data base development;
 - o develop and maintain database to log and track complaints received (online, by phone, and in-person); and
- vii) Provide regular reporting on complaint volumes and type, timelines for resolution; effectiveness in meeting performance measurements and strategic targets, workload changes, and work program needs over time.

Currently this work is not being done in a comprehensive manner. Until an implementation framework is in place, complaint processes are being managed by individual work groups as they were prior to becoming part of the Community Standards Division.

2016 Work Program Priorities

The following short-term work program priorities are required to implement and/or deliver the General Compliance Program strategy in the coming year. This work will involve current and proposed staff within the General Compliance (including Zoning Compliance and Right of Way Compliance staff), as well as Planners in the Business Licensing Program. This work has been identified through our Business Planning process.

2016 Work Program Component	Staff Resources	Notes
Implement General Compliance Team and Program Mandate		
Launch Bylaw Enforcement Committee	Customer Service Coordinator	Facilitate transition to centralized corporate bylaw inspection mandate. Committee will assist with transition, determine needs and priorities, and identify delivery team.
Good Neighbour Policy – finalize and market	Customer Service Coordinator	Provide comprehensive user-friendly guide to municipal bylaw standards and requirements.
Residential Infill Development Team – coordinate enforcement program, oversee development of User Guide, and provide point of contact for enquiries	Customer Service Coordinator	Establish integrated administrative team to develop and implement guidelines and regulations outlining development responsibilities and standards for infill projects to minimize impacts to community.
Develop data tracking system for online complaints	Customer Service Coordinator	
Reporting and Tracking – General Compliance Program mandate, deliverables, volumes	Customer Service Coordinator	
Policy Review		
Develop Bylaw Amendment Framework	Customer Service Coordinator/Business License Planners	Initiate team to undertake focussed assessment, review and update of bylaws and standards required to optimize ability to meet goals and objectives of Community Standards Division
Illegal suites in Two-Unit and Semi-Detached Dwelling - Review and identify processes to address	Business License/Zoning Planners/Building Standards	Need to address issue of illegal suites being installed in new Two-Unit or Semi-Detached dwellings.
Parking Patio Policy Review	Business License Planners	Review and update policy as per request for review from BIDS and business owners.
Air B and B – review regulations and identify appropriate new or updated bylaw amendments	Business License Planners	Review regulations and identify solutions to address concerns expressed by licensed B and B Operators.
Multi-Unit Dwellings with High Service Call Volumes	Business License Planners	Work with Saskatoon Police Services (SPS) and Fire Department to identify potential solutions to regulate, license, or inspect properties with a history of compliance-related issues.
Sign Regulations (Zoning Bylaw) – review and update	Business License/Zoning Planners	Review and update sign regulations (including digital signs, digital superboards, election signs) and review fees.
On-Street Food Truck Policy	Business License Planners	Monitor in 2016 and provide policy update for 2017.
Junk and Salvage Yards – review and update reporting regulations for business owners	Business License Planners	As requested by SPS.
New Business License Bylaw	Business License Planners	Finalize bylaw to consolidate with General License Bylaw and undertake a number of housekeeping amendments.

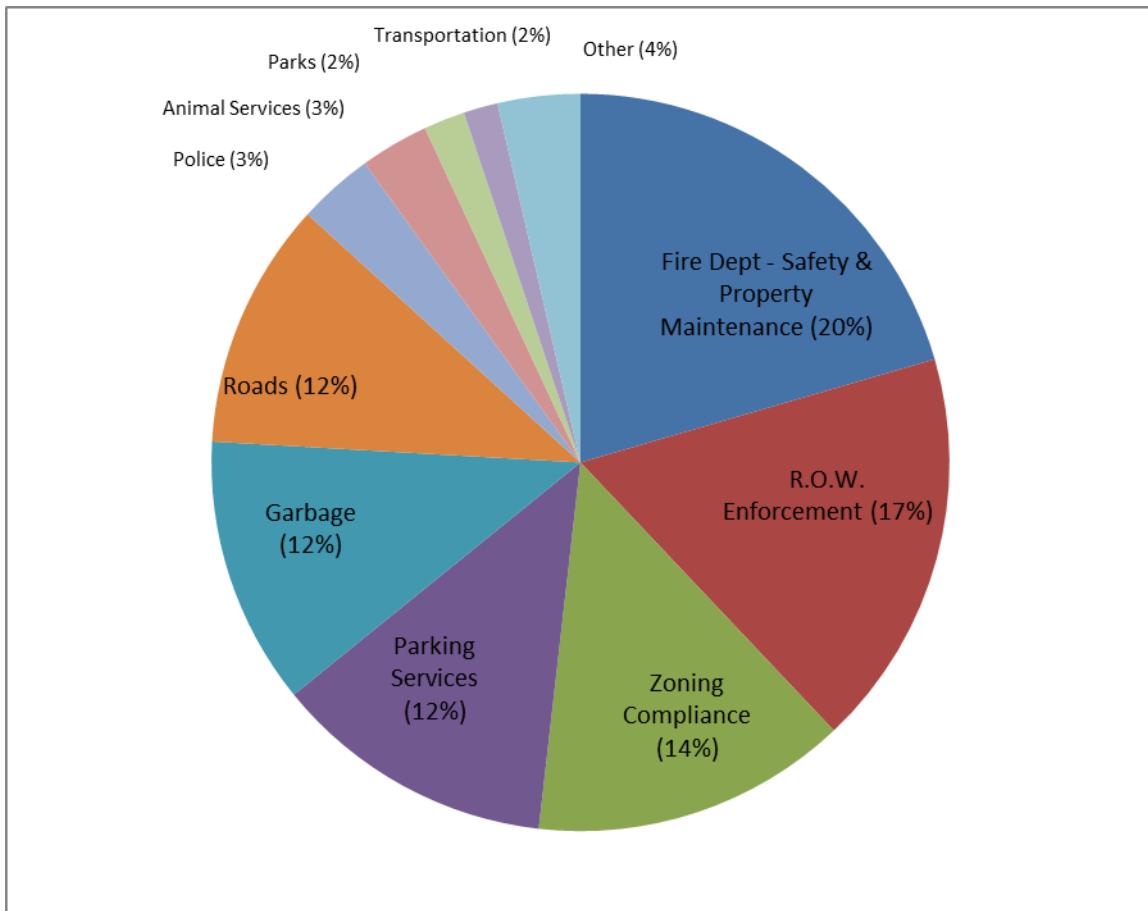
**Online Complaint Form – Submissions To Date
Volumes and Types of Complaints (February to June 2015)**

The monitoring, review, and distribution of complaints received through the online complaint form, new since February 2015, is currently being provided by Business License Planners. This is not a sustainable solution as this additional work (estimated at five to seven hours per week) has impacted the service levels of the Business License program. To date, the development of a database to manage and track this data is outstanding due to immediate customer service priorities.

Calls from people seeking an update on the status of their complaint are also being received by Zoning Compliance Inspectors. In the absence of a data management system for online complaints, this information cannot be readily provided.

As shown in Figure 1, complaints received online fall under the mandate of a wide range of departments, and is effectively serving as a first step in providing the focal point for complaint submissions.

Figure 1 – Distribution of Bylaw Compliance Web-Emails to City Departments/Divisions



Department Referred To	Number of Complaints
Fire Department - Safety and Maintenance	68
Right of Way Enforcement	58
Zoning Compliance	46
Parking Services	41
Garbage (Environmental Services)	39
Public Works - Roads	36
Saskatoon Police Services	11
Animal Services	10
Parks	6
Transportation	5
Other*	12
TOTAL	332



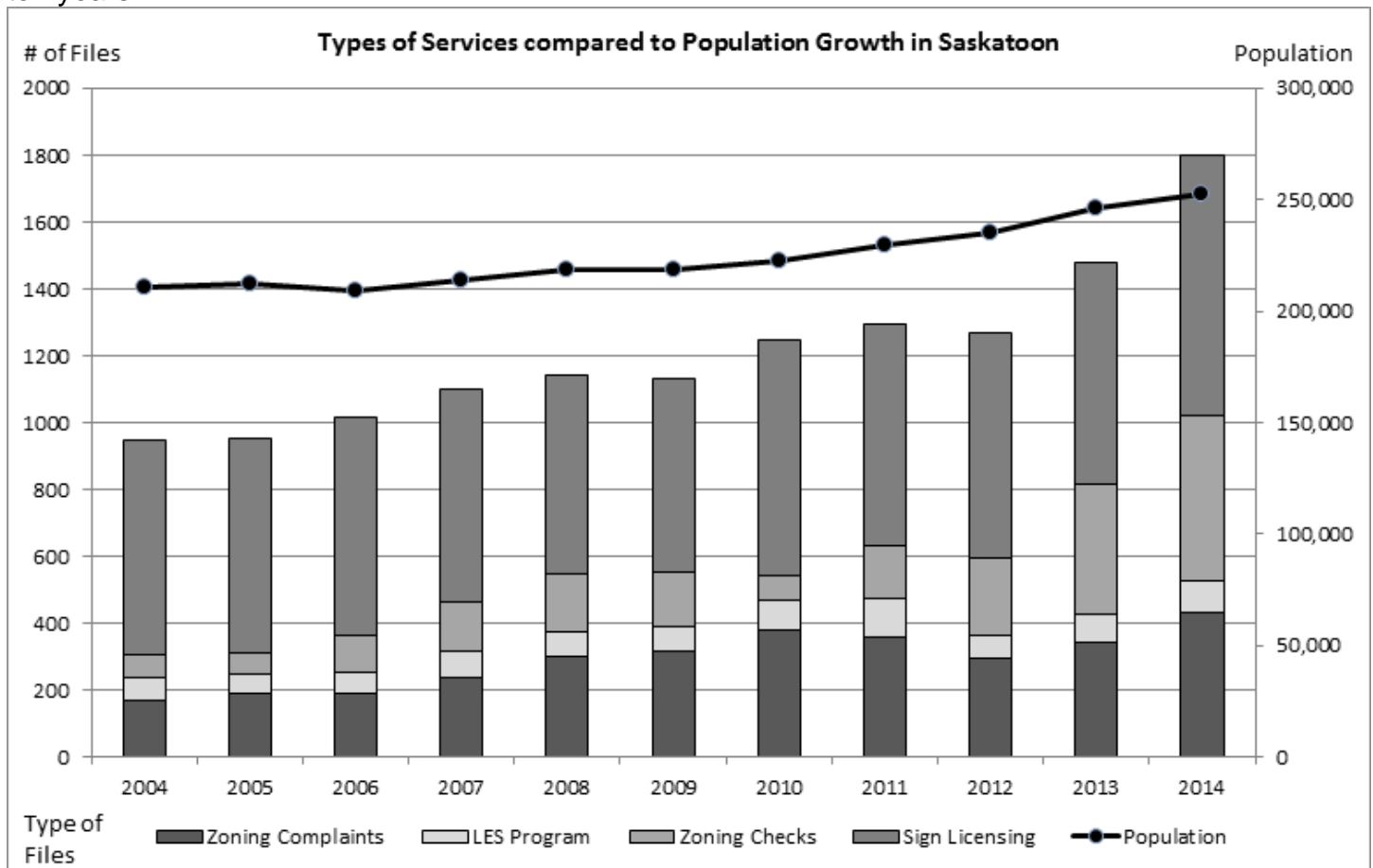
* "Other" Comprised of:	
Revenue	2
Corporate Services	2
Transit	2
Health Region	2
Recreation and Sport	1
Transportation	1
Drainage Inspector	1
Building Standards	1
Subtotal	12

Zoning Compliance Program – Overview of Volumes and Staffing

The Zoning Compliance Bylaw Inspectors are responsible for the following enforcement and licensing activities:

- Enforcement – Zoning Bylaw
- Legalizing Existing Suites (LES) Program
- Administration and issuance of all sign permits on private property
- Site checks to ensure parking and landscaping requirements for all new developments are implemented, and all required follow-up action to address inadequacies or complaints.

As shown in the graph below, these programs have seen significant volume increases over the last ten years.



As shown in Table 1 below, the number of bylaw inspectors responsible for Zoning Compliance and LES files has approximately doubled from 1993 (when two inspectors were on staff), while the average number of files being managed per year has almost tripled.

Table 1 - Volumes and Staffing – Zoning Compliance and LES Files

Year	Number of Zoning Complaints Received (includes LES files)	Number of Bylaw Inspectors	Average Number of Files/Person/Year	Notes
1993	152	2	76	
2005	245	3	81	LES program initiated
2009	391	4	97	Bylaw Inspector Supervisor position established
2014	524	4	131	

Since 1993, one Bylaw Inspector 13 has been responsible for tasks related to Sign Permits and Zoning Checks. This staffing level has not changed since that time. An overview of volumes, between 2004 (the first year that complete data records are available) and 2014 is provided in Table 2.

Table 2

Year	Number of Sign Permits	Zoning Checks	TOTAL	Number of Bylaw Inspectors
2004	641	70	711	1 Bylaw Inspector 13
2014	776	497	1,273	1 Bylaw Inspector 13

Complaint volumes are expected to continue to increase steadily; the volume of zoning complaints addressed by staff in 2014 increased by 25% over the average number of complaints received in the previous four years. Complaint volumes in 2015 to date suggest we are on target to receive a similar or higher number of complaints this year. Similarly, volumes of sign permits and parking and landscaping zoning checks are expected to continue to increase as the city grows.

One additional Bylaw Inspector 13 position is needed to address volume increases and facilitate succession planning to accommodate potential retirements in the coming years.

Legalizing Existing Suites (LES) Program – Overview

The LES Program offers an opportunity for property owners with illegal suites, constructed prior to 1999 in one-unit dwellings, to fully legalize them. The LES Program establishes a set of modified occupancy standards which focus on life and health safety code issues. Since the inception of the Program in 2002, 1,006 LES files have been opened, with 404 suites legalized and issued an occupancy permit to date.

A subsidy through the Affordable Housing Reserve is available to those who successfully complete the work required to obtain an occupancy permit for the suite. The current \$1,200 fee is intended to meet a cost-recovery objective of 60% established by City Council for development applications.

Costs to applicants for an occupancy permit under the LES Program are shown in the table below.

Year	Fee	Subsidy(Affordable Housing Reserve)	Cost to Applicant After Subsidy
2002	\$ 50		\$ 50
2003	\$ 250		\$ 250
2009	\$1,200	75% of fee	\$ 300
2010	\$1,200	50% of fee	\$ 600
2011	\$1,200	25% of fee	\$ 900
2016 (proposed)	\$1,500	25% of fee	\$1,125

Fees for the LES Program have not changed since 2009. Interest in the program continues to be high, with an average of 90 LES files opened every year for the past five years, of which about 50% result in applications for occupancy permits for legalized suites.

In many cases, the return on investment to enroll in the LES Program and undertake necessary work can be realized within less than one year of renting the suite.

The 2016 Business Plan and Budget Process: Revenues

Recommendation

That the Executive Committee refer this report and its attachments to City Council's 2016 Budget deliberations.

Topic and Purpose

The purpose of this report is threefold:

1. To provide the Executive Committee with an update on the City's operating revenue assumptions for the 2016 Business Plan;
2. To provide the Executive Committee with a background/discussion paper on ways in which the City of Saskatoon does, and should, fund its operating services and programs; and
3. To provide the Executive Committee with some issues and options to help the City increase its own-source, non-tax revenues in order to reduce the reliance on property tax to fund municipal programs and services.

Report Highlights

1. The Administration is providing an update of its revenue assumptions for the 2016 Business Plan and Budget.
2. Attachment 1 provides a background/discussion paper that provides an overview on how the City pays for its operating services and programs.
3. Attachments 2 through 4 provide some issues and options that will help the City of Saskatoon to reduce its reliance on property tax to fund programs and services.

Strategic Goal

The Business Plan and Budget process addresses all seven strategic goals in the Strategic Plan.

Background

At its April 20, 2015, meeting, the Executive Committee considered a report by the City Manager. That report contained several elements, including an overview of the 2016 Business Plan and Budget process, which aims to implement a more integrated, accountable, and transparent process.

The report indicated that the Administration would provide regular updates to the Executive Committee throughout the process, so that the Committee and the public are informed about the fiscal opportunities and challenges that the City is addressing in 2016.

At this same meeting, the Executive Committee considered a report from Hemson Consulting. That report investigated, among other things, the reasons why the City of

Saskatoon’s property tax increases in recent years have been higher than normal. One of the consultant’s main findings was that the growth in the City’s non-tax revenues have been declining as a share of the budget, resulting in a greater reliance on property tax to fund City operations.

At its May 19, 2015, meeting, the Executive Committee considered a report by the City Manager titled, “The 2016 Business Plan and Budget Process – A Fiscal Update”. The report highlighted the preliminary revenue estimates for the 2016 Operating Budget. Table 1, presented in that original is reproduced for information.

**Table 1:
2016 Budget Operating Revenue Assumptions**

Revenue Assumption	Projected Increase
Assessment Growth	\$ 4.5 million
Grants-in-Lieu & Franchise Fees	\$ 3.6 million
Fines, Penalties, & User Fees	\$ 0.4 million
Municipal Revenue Sharing	\$ 3.7 million*
Total Preliminary Increase	\$12.2 million

**Based on Provincial Sales Tax revenue projections contained in the 2015/16 provincial budget. This assumption will be confirmed in late June once the provincial government releases Public Accounts for the fiscal year-end 2014/15.*

It is important to note that the figures in Table 1 are preliminary estimates based on information and assumptions made at the time of the report.

At its meetings of June 15, 2015, and July 22, 2015, the Executive Committee considered additional reports from the City Manager that addressed the inflationary, growth, and service level impacts on the 2016 operating expenditures. Table 2 summarizes the outcomes of those meetings to show the potential operating expenditure increase for 2016.

**Table 2:
2016 Budget Operating Expenditure Assumptions**

Expenditure Assumption	Projected Increase
Salary/Benefits	\$9.4 million
Utilities, Contracts, Materials, Supplies	\$2.0 million
Roads/ Sound Walls Improvements	\$4.1 million
Capital Transfers/Phase in	\$1.3 million
Remai Modern Art Gallery	\$1.3 million
Civic Funding Plans	\$1.6 million
Snow & Ice Clearing Improvements	\$445,000
Expanded Transit Service to Evergreen	\$209,000
Total Preliminary Increase	\$20.35 million

As Table 2 indicates, the City's expenditure assumptions have been updated, but revenue assumptions have not. This report will provide an update on operating revenues.

Report

The purpose of this report is threefold:

1. To provide the Executive Committee with an update on the City's operating revenue assumptions for the 2016 Business Plan;
2. To provide the Executive Committee with a background/discussion paper on ways in which the City of Saskatoon does, and should, fund its operating services and programs; and
3. To provide the Executive Committee with some issues and options to help the City increase its own-source, non-tax revenues in order to reduce the reliance on the property tax to fund municipal programs and services.

1. Updated Revenue Assumptions:

Since the May 19, 2015, Executive Committee Meeting, the Administration has been updating its revenue assumptions for the 2016 Business Plan and Budget. As Table 1 in the background section of this report highlights, the Administration projected a revenue increase of \$12.2 million. However, more information has emerged that has changed some of these assumptions.

The most significant change to the revenue assumptions pertains to the Municipal Revenue Sharing (MRS) Program. Based on the Provincial Sales Tax (PST) revenue projections contained in the 2015/16 Provincial Budget, the Administration assumed that the City would receive an increase of approximately \$3.7 million.

However, when the Provincial Public Accounts were released at the end of June this year, actual PST revenues came in at approximately \$47 million less than projected. As a result, it is now anticipated that the City will see an increase of \$1.1 million in its MRS allocation for 2016, resulting in a shortfall of about 2.6 million from the original assumptions. The Administration will be using this updated MRS amount of \$1.1 million as it finalizes the 2016 Budget.

To address this potential shortfall, the Administration is bringing forward an additional report—to this same meeting—that recommends including a return on investment from the City's Water Utility, to be phased in over a number of years, starting with \$3 million for 2016. This will help to increase the City's own-source, non-tax revenues, and reduce the City's reliance on the property tax to fund the operating budget.

Other revenue assumptions include a reduction of about \$900,000 in transit revenues, a \$400,000 reduction in revenues from electricity rates, and a \$300,000 decrease in fines and penalties. These reductions are offset by a \$400,000 increase in assessment growth, a \$300,000 increase in recreation revenues, and a \$300,000 in miscellaneous revenues.

2. Background/ Discussion Paper on Paying for City Services

Attachment 1 to this report attempts to explain how the City does, and should, fund its operating expenditures. Given the limited revenue raising abilities the City has access to and control over, it should evaluate and carefully consider whether the current ways in which it pays for certain operating services is optimal and/or appropriate.

Based on the public finance literature and economic principles, the paper recommends that services that have certain characteristics should be paid for by general taxes—such as property tax—especially for those services that provide collective benefits to the community. On the other hand, those services that provide benefits to the individual should be paid for by some type of fee or charge that represents the costs of delivering the service. While the City generally achieves this, there are some services, such as solid waste collection that are contradictory to this model.

The impetus for this paper was generated by a recent report conducted on behalf of the City that found, amongst other things, the City's growing reliance on property tax is partially the result of slower growth in the City's own-source, non-tax revenues. An additional motivation is to provide City Council and the public with perhaps a better understanding of the different types of services that the City provides, and the most optimal ways in which the City should pay for them.

The research and recommendations in this background/discussion paper are in alignment with public feedback obtained through the 2015 Civic Services Survey and the budget engagement process. Specifically, participants in the survey and the budget engagement process indicated a preference for increases in both property taxes and user fees to pay for improvements to City services and programs.

3. Revenue Issues and Options

Attachments 2 through 4 provide the issues, recommendations, and options for Executive Committee to consider as they relate to increasing the City's own-source, non-tax revenues. The rationale supporting these recommendations is consistent with the research and conclusions found in Attachment 1, in that those who benefit from a service should pay for the service.

Attachment 2, for example, provides the issues and options for establishing a permit fee for overweight vehicles in order to ensure that service/program is full-cost recovery. By adopting the recommendation in this attachment, it would remove about \$61,000 from property tax.

Attachment 3 recommends that the City adopt right-of-way permit fees to make this program fully cost recoverable and remove funding for these from property tax. By adopting this recommendation, it would remove about \$44,350 from property tax.

Attachment 4 recommends that the City establish an administrative fee of \$375 for sidewalk crossing permits to make this service fully cost recoverable. By adopting this recommendation, it would remove about \$77,000 from property tax.

As the budget process evolves, the Administration will continue to refine its revenue and expenditure assumptions and/or opportunities. Thus, more details about revenues and expenditure implications for the 2016 Operating Budget may emerge, which may result in either an increase or decrease in these assumptions.

Options to the Recommendation

1. Executive Committee may direct the Administration to explore other revenue opportunities, or service delivery models, to be incorporated for the 2016 Business Plan and Budget.

Public and/or Stakeholder Involvement

The 2016 Business Plan and Budget will include a variety of public and stakeholder engagement opportunities as the process emerges. Previous reports to Executive Committee have outlined this process. For example, Attachment 2 of the City Manager's June 15, 2015, report, to Executive Committee provides a detailed description of the engagement opportunities.

Communication Plan

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

A variety of tools are being used to promote the Shaping our Financial Future, Budget 2016. All tools are being created using plain language, imagery, and videos. The City is first taking a digital approach to communications while still complementing it with traditional tools such as print ads, PSAs, and brochures.

- Saskatoon.ca – the website is regularly updated to include more information on how citizens can get involved. All background documents including related public reports and presentation materials will be added as they become available.
- Social Media – information is posted to the City's Facebook and Twitter pages. A Facebook Event page has been created, and will be used to promote upcoming engagement activities.
- Video series to help inform citizens on a variety of budget topics including:
 - How Your City Budget Works
 - How Municipal Tax Differs from Federal and Provincial Tax
 - What Contributes to Property Tax Increases (NEW)
- Print Ads – all events will be advertised in the City Pages in *The StarPhoenix* and *Sunday Phoenix*.
- Ongoing Public Service Announcements.
- Budget Conversation Starter Brochure and other print material.

Policy Implications

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

Financial Implications

The Administration is estimating that the revenue adjustments addressed in Attachments 2 through 4, will reduce property tax supported programs by \$175,000 in the 2016 Business Plan and Budget. In addition, the proposed Return on Investment from the Water Utility will help the City to obtain a fair return on investment back to shareholders (citizens) that will also help to reduce the City’s reliance on property tax to fund operating services and programs.

Table 3 illustrates the changes to the City’s revenues assumptions as a result of the information contained in this report.

**Table 3:
Revised 2016 Budget Operating Revenue Assumptions**

Revenue Assumption	Projected Increase
Assessment Growth	\$4.9 million
Grants-in-Lieu & Franchise Fees	\$3.6 million
Municipal Revenue Sharing	\$1.1 million
Utility ROI	\$3.0 million
Recreation Revenues	\$300,000
Miscellaneous Revenues	\$300,000
Proposed Fees (Attachments 2 to 4)	\$175,000
Less	
Electricity Rates	(\$400,000)
Transit Revenues	(\$900,000)
Total Preliminary Increase	\$12.1 million

Given these assumptions and based on the expenditure estimates contained in Table 2, the Administration is projecting an expenditure-to-revenue gap of approximately \$8.25 million.

Due Date for Follow-up and/or Project Completion

The Administration will continue to provide information on the 2016 Business Plan and Budget at each Executive Committee meeting up until the Business Plan and Budget is presented. The preliminary 2016 Business Plan and Budget will be tabled at the October 19, 2015, Executive Committee meeting.

The revenue adjustments proposed in this report (and attachments), and other related reports will be provided to City Council during budget deliberations so that it has the information it requires to make necessary decisions. In the meantime, Executive Committee, or City Council, may direct the Administration to explore other revenue

adjustments, or service delivery models, that are not exclusively addressed in this report.

Public Notice

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

Attachments

1. Paying for City Services: Principles, Concepts, and Ideas on how the City of Saskatoon Pays for Operating Programs and Services, A Discussion Paper.
2. 2016 Budget Issues and Options: Vehicle Permit Fees
3. 2016 Budget Issues and Options: Right of Way Permit Fees
4. 2016 Budget Issues and Options: Sidewalk Crossing Permit Fees

Report Approval

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

Administrative Report – The 2016 Business Plan and Budget Process (Executive August 19, 2015).docx



PAYING FOR CITY SERVICES:

Principles, Concepts, and Ideas on How the City of Saskatoon Pays for
Operating Programs and Services

A Discussion Paper

August 11, 2015

Prepared by Mike Jordan

Director of Government Relations

INTRODUCTION:

Each year, in accordance with provincial enabling legislation, the City of Saskatoon (the City), through City Council, adopts an operating budget and a capital budget. While these two types of budgets are passed at the same time, and are interrelated to some degree, they each serve different purposes. Briefly, the City's capital budget allocates financial resources to major capital infrastructure projects, such as the building of new roads, bridges, and buildings. The projects contained in the capital budget are paid for by a combination of government grants, borrowing, reserve contributions, and development levies, to name the most prominent.

On the other hand, the City's operating budget allocates resources to the various services and programs that residents rely on every day. Some of these services include police and fire protection, road maintenance, snow clearing, park maintenance, and public transit operations. The services contained in the operating budget are paid for through a combination of property taxes, user fees, and government transfers.

Nevertheless, there is a widely held perception that the City of Saskatoon pays for its operating budget expenditures through property taxes only. When the City releases its annual operating budget, headlines in the newspaper, or the lead story on the six o'clock news, focus on the size of the property tax increase, rather than projects, programs, and services that are contained in—or cut from—the budget.

This perception requires some clarification. That is, property tax revenues account for about 45% of all revenues in the City's 2015 operating budget, with the remaining 55% coming from other non-tax sources—such as user fees, licenses and penalties, and transfers from other orders of government.

However, relative to property tax revenues, the City's non-tax revenue sources—excluding government transfers—have been declining as a share of the operating budget. In other words, the City has been relying more on the property tax to pay for its operating programs and services. As such, concerns have been raised in Saskatoon about the fact that property tax increases in recent years have been larger than normal.¹

In 2014, the City of Saskatoon engaged the services of Hemson Consulting to investigate this issue. Among other things, the consultant was asked to determine the reasons why annual property tax increases have been higher than normal in recent years, despite the fact that Saskatoon has been growing at a record pace. In April 2015, Hemson presented its findings to the City, and concluded that the following factors have each contributed to property taxes rising faster than usual²:

- Inflation;
- increases in service levels and capital expenditures;
- slower growth in non-residential assessment; and
- slower growth in the City's non-tax, own-source revenues.

While these are all important factors and require further elaboration, this paper focuses on the last point. More precisely, in order to provide a better understanding of this trend, the primary

¹ For example, in 2013, 2014, and 2015, the City of Saskatoon's property tax increases have been above 5% annually.

² See Hemson Consulting Ltd., "Financing Growth Study," Prepared for the City of Saskatoon (April 8, 2015) Appendix B. Obtained from <https://www.saskatoon.ca/city-hall/budget-finances/shaping-saskatoons-financial-future>.

objective of this paper is to elaborate on how the City does, and should, fund its operating expenditures.

Given the limited revenue raising abilities the City has access to and control over, it should evaluate and carefully consider whether the current ways in which it pays for certain operating services is optimal and/or appropriate. If the current framework is appropriate, then reliance on property tax will continue to grow for the foreseeable future. However, if the existing framework is not optimal, then there is some opportunity for the City to adjust the ways in which it funds its operations.

Reliance on property tax to fund City operating expenditures is not necessarily a bad thing. As this paper will address, it ultimately does (and should) depend on what types of services are driving the property tax increases. Of course, the question that emerges is: What is appropriate or optimal? Well, the answer is partially found in the public finance literature. Economists have designed a framework to evaluate how public goods and services should be paid for.³

For instance, the framework suggests services that have certain characteristics should be paid for by general taxes—such as the property tax—especially for those services that provide collective benefits to the community. On the other hand, those services that provide benefits to the individual should be paid for by some type of fee or charge that represents the costs of delivering the service. Despite the value of this framework, the decisions ultimately lie with the values and objectives of a particular jurisdiction, and the elected officials who represent the people of that jurisdiction.

Nonetheless, based on the benefits-received model of local public finance, this paper argues that user fees are the most efficient and fair way to pay for many—not all—City programs and services. Indeed, user fees are not a panacea for financing City expenditures, but “for some services, user fees are not only feasible,” they are “...economically desirable because they help to allocate resources to maximize the satisfaction we receive from those resources.”⁴ By doing so, the City may be able to reduce its growing reliance on the property tax to pay for operating programs and services.

In order to provide some proper context for this analysis, this paper is organized as follows:

- Section one provides an overview of the legislative framework that provides the City with the authority to deliver services and fund those services. It shows that this legislative framework provides the City with limited revenue raising abilities, especially when it comes to raising revenues through taxation.
- Section two offers a general overview of the City’s major operating expenditures to illustrate the different types of services that the City of Saskatoon provides. It does not describe each individual service, but rather addresses the distinguishable characteristics that some of these services elicit.
- Section three provides an overview of the City’s operating revenues. It illustrates that the City has two major revenue categories: own-source revenues and external source revenues. It shows that when it comes to the City’s own-source revenues, the City has tax (property tax), and non-tax (fees or charges) revenues.

³ See for example, Harry Kitchen, “Financing City Services, Part 1: Operating Expenditure”, (Calgary: Manning Foundation for Democratic Education) October 10, 2013; obtained from <http://manningfoundation.org/Docs/Operating-Expenses.pdf>.

⁴ Donald N. Dewees, “Pricing Municipal Services: The Economic of User Fees”, in *Canadian Tax Journal* Vol 50, No 2 (Toronto; Canadian Tax Foundation, 2002) 586.

- Finally, section four offers some concluding observations and potential opportunities that the City may wish to consider to help it reduce its reliance on property tax to fund its operating programs and services. This section does not address any new revenue sources that the City should attempt to obtain from the provincial government. Instead, it considers the revenue instruments available to the City through its existing fiscal framework.

SECTION 1: The Legislative Framework for Municipal Finance in Saskatchewan

Municipal governments in Saskatchewan—including the City of Saskatoon (the City)—derive much of their authority from the province. In other words, the Government of Saskatchewan, primarily through enabling legislation, generally establishes the governance structures, the spending responsibilities, and the revenue raising abilities that municipalities may implement. For the City of Saskatoon, this authority is obtained from *The Cities Act*.⁵

According to section 4(2) of *The Cities Act (the Act)*, the purposes of cities are:

(a) to provide good government; (b) to provide services, facilities and other things that, in the opinion of council, are necessary and desirable for all or a part of the city; (c) to develop and maintain a safe and viable community; (d) to foster economic, social and environmental well-being; (e) to provide wise stewardship of public assets.

To accomplish these purposes, the Act provides the City with powers to enact bylaws. Section 8 of *the Act* provides the City with areas of jurisdiction to which it may pass bylaws. For example, the City may pass a bylaw for “services provided by or on behalf of the city, including establishing fees for providing those services.” The City also has the power to regulate certain activities in the city, and gives the City certain powers to provide for a system of licences, inspections, permits, or approvals. The Act allows the City to charge a fee to offset the costs of administering this regulatory framework.

Despite the broad jurisdiction the City is provided by *the Act* to deliver certain programs and services or regulate certain activities, the legislation also places some important financial limitations on the City. For example, section 128 of *the Act*, stipulates that a City must adopt a capital and operating budget for each financial year.

The legislation requires that the City’s operating budget shall include the expenditures related to the following:

- the amount needed to provide for the operations of the city;
- the amount needed to pay all debt obligations with respect to borrowings by the city;
- the amount needed to meet the sums that the city is required, by statute, to raise by levying taxes or other amounts that the city is required to pay;
- the amount to be transferred to reserves; and
- the amount to be transferred to the capital budget.

To pay for these expenditures, *the Act* requires that the operating budget include the following sources of revenue:

- taxes;
- grants;
- transfers from reserves; and
- any other source.

More importantly, however, *the Act* stipulates that the City’s operating revenues must be sufficient to pay for its operating expenditures. In other words, the legislation mandates that the City’s operating budget must be balanced; the City cannot budget for an operating surplus or deficit, unlike federal and provincial governments. However, this does not mean that at the end

⁵ For more on *The Cities Act* see, <http://www.qp.gov.sk.ca/documents/english/Statutes/Statutes/c11-1.pdf>. Additional authority is also provided through other pieces of legislation, most notably, Saskatchewan’s *Planning and Development Act*.

of a financial year that a surplus or deficit may not emerge; it simply means that the City cannot budget for a surplus or deficit. The fact that the City cannot pass a budget surplus or a budget deficit also limits its financial flexibility at times.

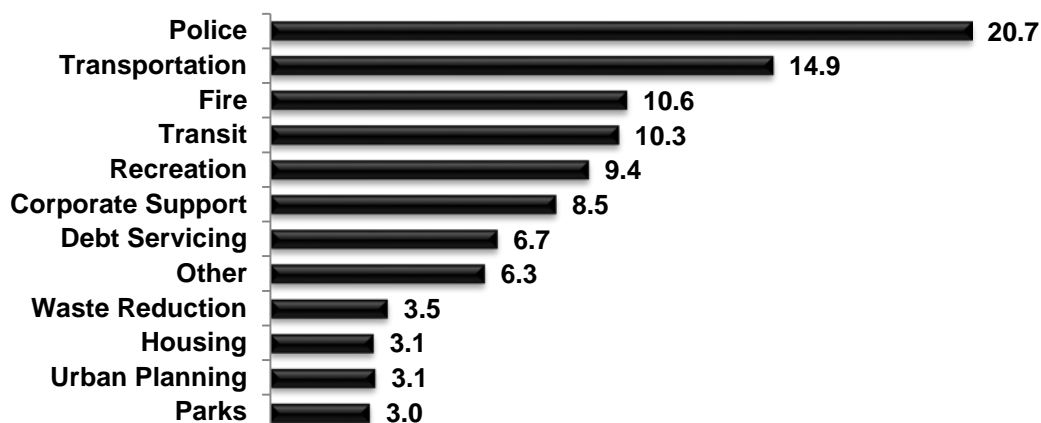
Given this legislative framework, the paper now turns to address the City's expenditures. The next section explores the nature and types of City expenditures to show that the City provides a variety of services that have distinguishable characteristics. These characteristics are important to note because in order to ensure an equitable and efficient system of municipal finance, different methods should be used to pay for services that elicit different characteristics.

SECTION 2: An Overview of City Expenditures

The City of Saskatoon (the City) provides over 70 services that people use on a daily basis. For example, the City maintains roads and parks, operates public transit, provides water and wastewater, offers solid waste collection and recycling services, supports arts, culture, and recreation opportunities, and is responsible for public safety through the delivery of police and fire services, to name a few of the most important. The City has direct local control over these services and is responsible for establishing their service levels, among other things.

Figure 2.1 shows the City's 2015 operating expenditures, as a percentage share of the budget. It shows that over half of the City's operating expenditures are allocated to transportation and public safety.

**Figure 2.1:
City of Saskatoon's 2015 Operating Expenditures
(Percentage Share of Operating Budget)**



While all of the above noted services are “City services” they do have distinguishable characteristics that help to differentiate them. Economists have developed a framework, or more precisely a continuum, to help analyze the features of different types of services. Table 2.1 provides an overview of this continuum.

**Table 2.1
A Continuum of Municipal Services**

Private Goods	Blended/Merit Goods	Pure Public Goods
Water	Public Transit	Parks
Wastewater	Recreation	Local Roads
Solid Waste Collection	Libraries	Police & Fire Protection
		Street Lighting

Before this paper elaborates on this continuum, it is important to point that there are two ways of looking at the characteristics of City services. One considers the perspective of the consumer of the service (typically, the resident) and the other considers the perspective of the provider of the service (in this case, the City).

From the consumer perspective, services can have private or public characteristics, based on who the beneficiary is.⁶ As noted in the table, at one end of the continuum are those services that have “private good” characteristics, such as water, wastewater, and garbage collection. The distinguishable features of these types of services are: (a) specific beneficiaries can be identified, (b) individuals can be excluded or prevented from using the service, and (c) all operating and capital costs are easy to determine.

At the other end of the continuum, by contrast, are those services that have “public good” characteristics, such as police and fire protection, local roads, and neighbourhood parks. The unique features of these types of services are: (a) specific beneficiaries are hard to identify, as the service provides collective benefits; and (b) it is difficult or prohibitively expensive to exclude or prevent an individual from using the service.

In the middle of the continuum are those services that have a blend of both public and private good characteristics, often called merit goods. These services include public transit and public recreation facilities. The unique features of these services are that they provide a benefit to the individual user and collective benefits to the community. For example, public transit provides a benefit to the person who uses the service, but it also provides a collective benefit to the community in that it helps reduce traffic congestion and greenhouse gas emissions by taking private vehicles off the roads.

From the provider’s perspective, the economic literature identifies two characteristics to distinguish services that have public good characteristics versus those that have private good characteristics: (1) rivalry, and (2) excludability.⁷

A service is considered to be rival if consumption by one person prevents it from being available to others. For example, one of the primary inputs into providing a municipal service is staff time. If staff is providing a service to one person, say in the case of providing building permits, they are unable to use that time to provide a service to another person. Thus, the service is said to be rival.

Conversely, a service is considered to be non-rival if one person’s consumption does not reduce the availability of others to consume that service. An excellent example of a non-rival service is street lighting. Once street lighting is provided, more than one person can consume the service without reducing the availability for others to consume it at the same time.

Excludability refers to the ability to restrict a person from consuming the service. For example, if a person does not pay his or her water bill, the City can restrict water service to that person. On the other hand, if a person does not pay his or her property tax bill, the City cannot restrict that person from receiving police services. In this case, the service is non-excludable as there is no mechanism for the City to restrict a person from consuming the service.

To summarize, rivalry and excludability help to define what City services have private good features, and what City services have public good features. If a service is non-rival and non-excludable then it can be said that the service has “pure public good” characteristics. By contrast, if a service is rival and excludable then it is said that the service has “pure private good” characteristics.

⁶ For more details on these concepts, see Harvey S. Rosen, Paul Boothe, Bev Dahlby, and Roger S. Smith, *Public Finance in Canada, First Canadian Edition*. (Toronto: McGraw Hill Ryerson, 1999).

⁷ For a broader discussion on these concepts, see Catherine Althaus and Lindsay M. Tedds, “User Fees in Canada: A Municipal Implementation Guide”, paper presented at the University of Waterloo Tax Symposium, June 19, 2014.

Of course, there are services that the City provides that do not easily fit into these categories. Some services, for example, are restricted (excludable) but one person's consumption does not limit the availability to others (up to a certain point). A good example of this is public transit. If a person does not pay the transit fare, the City has the ability to restrict that person from using the service.

Before concluding this section, it is important to note that some of the services that the City provides are not considered to be goods or services in the sense identified above. Instead these services represent "permissions" for property owners to undertake certain activities on their property.⁸ In other words, these permissions reflect the regulatory framework of the City to limit or restrict certain activities. They implicitly recognize that certain unregulated activities have negative implications on the community; and therefore, require a regulatory framework that captures the external costs associated with such activities.

The objective of this analysis is to distinguish between the different types of services that the City provides. This distinction is important because each of these general types of City services require different sources of funding to satisfy the principles of public finance. The next section of this paper will address the most appropriate ways to pay for City operating expenditures, including those services that have public and private good characteristics.

⁸ For a discussion on this concept, see City of Calgary, "Underlying Principles Guiding User Fees & Subsidies Review", Revised Discussion Paper, March 2007. Obtained from <http://www.calgary.ca/CA/fs/Pages/Policies/User-Fees-and-Subsidies-Policy-Review/User-Fees-and-Subsidies-Policy-Review.aspx>.

SECTION 3: An Overview of City of Saskatoon Revenue Sources

The purpose of this section is to provide an overview of the City's major revenue sources. It focuses primarily on the City's own-source revenues, meaning those revenues that are generated by City policies and decisions, such as property tax and user fees. It will build off of the analysis provided in the previous section, and addresses how the different types of City services should be funded. But before this section addresses these issues, it first begins by providing an overview of some important public finance principles and criteria that helps to evaluate the use of various revenue instruments.

Public finance economists typically have two models of public finance: the "ability to pay" model, and the "benefits received" model. The ability to pay model maintains that taxes should be distributed according to some measure of a taxpayer's ability to pay. Its main goal is to satisfy vertical equity concerns (more on this point later).

The benefits received model, by contrast, maintains that those who benefit from public services should pay for those services. This model attempts to satisfy horizontal equity concerns (again, more on this point later). In terms of local government finance, the benefits received model is most appropriate.⁹

Why? Well, because local governments in Canada do not have access to broad-based income taxes, which better reflects ability to pay. Similarly local government, more than any other order of government, provide services that offer direct benefits to local residents. Federal and provincial governments, by contrast, primarily deliver services that provide collective benefits (e.g., national defence, public health), and thus, the ability to pay model is a much better fit in this context.¹⁰

Moreover, public finance economists also refer to five key principles when determining how to fund public services. These principles are: efficiency, fairness (or equity), stability/predictability, accountability/transparency, and ease of administration. This paper provides a brief overview of each of these points.

Efficiency (economic or allocative): in economics, efficiency is concerned with the allocation of resources. Generally, efficiency is achieved when the tax per unit, charge or use fee equals the extra cost of the last unit consumed, known as the price equals marginal cost¹¹. The main economic reason for imposing appropriately designed charges or fees on those who benefit from public services, is to provide the public sector with incentives for using resources in the most efficient manner possible. A tax, or any other revenue instrument, is said to be efficient when they do not require private firms or individuals to alter their production, consumption, work, or savings patterns in order to comply with the tax or fee.

Fairness (equity): considers horizontal and vertical dimensions. Horizontal equity is achieved when individuals in similar situations are treated equally, or when those who consume public services pay for them. Vertical equity by contrast, refers to the unequal

⁹ Much of the proceeding discussion is based on Harry Kitchen, "No Seniors' Special: Financing Municipal Services in Aging Communities", IRPP Study, (Montreal: Institute for Research on Public Policy, No 51, February 2015) 24.

¹⁰ For more discussion on this, see Harry Kitchen, "Local Taxation in Selected Countries: An Empirical Examination", Working Paper (Kingston, ON: Queen's University, Institute for Intergovernmental Relations, 2004) 14.

¹¹ Supra Note 4.

treatment of unequal individuals. In other words, it determines the treatment of individuals with different levels of well-being. Vertical equity is best achieved through a progressive income tax system.¹²

Stability and Predictability: this criterion suggests that the revenue source should be stable and predictable and avoid any volatile swings so that it can meet the ongoing operating costs of government.

Accountability/Transparency: while this principle is relatively straight forward, accountability is improved when the purpose of a tax or user fee is clear to those required to pay for the service. Accountability is further enhanced when there is close link between the beneficiaries of a service and the payment for that service. Transparency is achieved when residents or beneficiaries of a service have access to information on how the price or charge is set and how expenditures are made.

Ease of Administration: the implementation of any revenue instrument or expenditure should be economical to operate and simple for taxpayers or users to understand and comply with. In other words, the resources allocated to administering the tax or fee should be minimized.

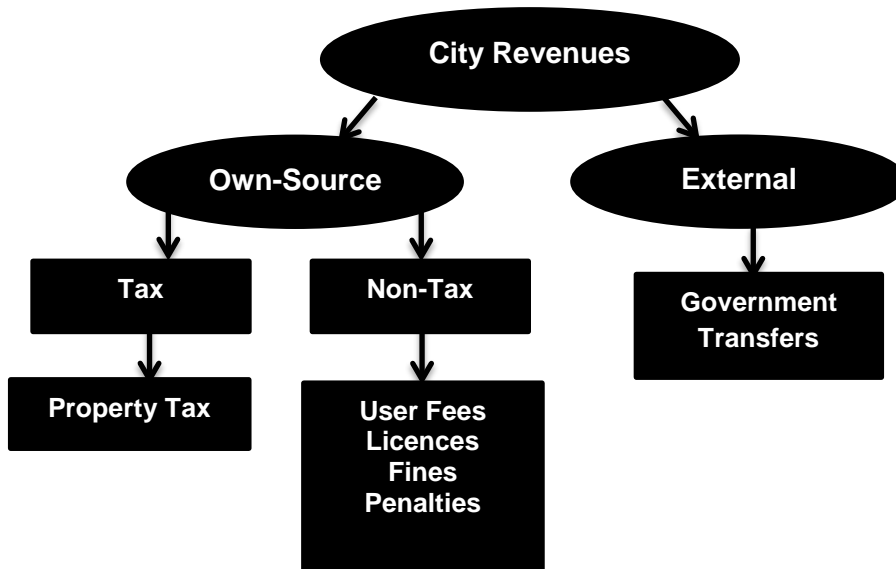
While this above criteria is very useful in evaluating the appropriate revenue instrument, it is important to note that not all City revenue policies will be able to achieve each of these objectives simultaneously. For example, a policy that aims to achieve economic efficiency may do so at the expense of equity, or fairness. Similarly, a policy that attempts to achieve predictable and stable revenues may also be difficult or expensive to administer, such as property tax. Ultimately, value judgments and choices will need to be made.¹³

However, when it comes to revenue instruments, the City has very few choices relative to the federal and provincial orders of government. As Section 1 of this paper describes, provincial legislation limits the City's ability to generate revenues to pay for its operating expenditures. The City of Saskatoon, like other Canadian cities, funds its operating expenditures from a combination of locally generated revenues and external funding sources. To illustrate this point, Figure 3.1 shows general categories of how the generates its operating revenues.

¹² For example, see Robin W. Boadway and Harry M. Kitchen, *Canadian Tax Policy, 3rd edition, Tax Paper No 103* (Toronto: Canadian Tax Foundation, 1999).

¹³ David N. Hyman and John C. Strick, *Public Finance in Canada: A Contemporary Application of Theory and Policy* (Toronto: Harcourt, Brace and Company, 1995) 320.

**Figure 3.1:
City Operating Revenue Sources**



The major distinction between the City's own-source revenues and the external sources is that the City has direct control over the amount of revenue—subject to legislative restrictions and jurisprudence—that can be generated from own-source revenues. For example, City Council approves the amount of property taxes collected, and sets the rates and fees that is charged for certain services, when it adopts the annual operating budget. By contrast, the City has no control over external sources, as these are established by other orders of government, primarily the provincial government¹⁴.

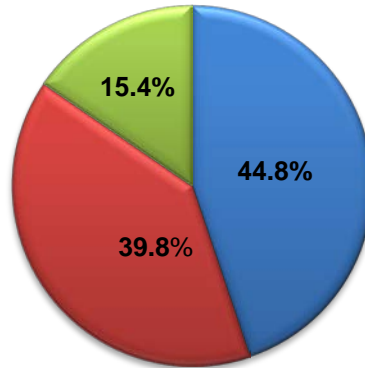
So, how do these revenue sources fund the City's operating expenditures? Figure 3.2 illustrates the revenue sources for the City's 2015 Operating Budget as a percentage share of the budget. As the chart, shows, about 85% of the City's 2015 Operating Budget is funded by own-source revenues, with about 45%, or less than half of all operating revenues, coming from property tax.

¹⁴ This refers to Saskatchewan's Municipal Revenue Sharing Program and other specific purpose transfers, such as Transit Assistance for Persons with Disabilities. The federal government does not provide operating grants to the City, but does provide capital infrastructure grants through the federal Gas Tax Fund, for instance.

Figure 3.2

City of Saskatoon's Operating Revenues by Major Source

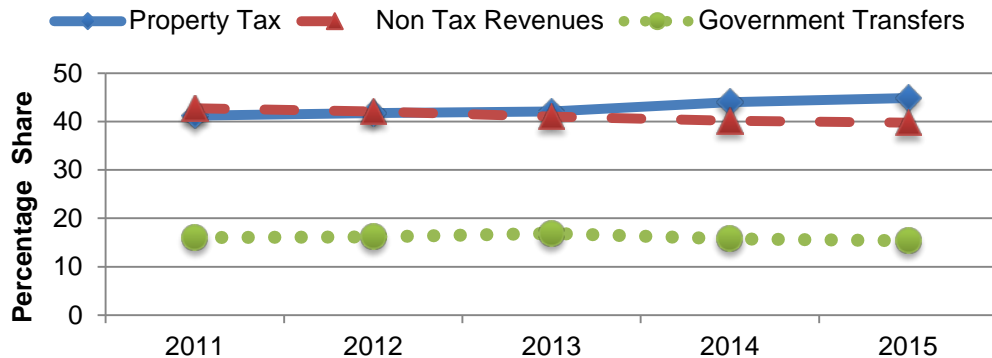
Taxation Non Tax Government Transfers



Despite the fact that the property tax funds less than half of the City's 2015 operating budget, concerns have been raised in Saskatoon about the point that property tax increases in recent years have been larger than normal. To investigate this issue, the City engaged the services of Hemson Consulting. One of the consultant's main findings was that the growth in the City's non-tax revenues have been declining as a share of the budget, resulting in a greater reliance on property tax to fund City operations.

Figure 3.3 illustrates this trend. The share of the property tax has increased from a low of 41.2% of the budget in 2011, to 44.8% of the budget in 2015. By contrast, the City's own-source, non-tax revenues have declined from 42.7% of the budget in 2011 to 39.8% of the budget in 2015.

Figure 3.3
Share of Operating Revenues by Source



So, should this trend be a cause for concern? Should the City reverse this trend? Well, the short answer is: it depends.

As the reader will recall, the discussion in Section 2 highlighted the characteristics or distinctions between the different types of services that the City provides. However, it did not address how those types of services should be funded. In other words, what services should be funded by the property tax? What services should be funded by other instruments, such as user fees? The subsequent analysis will address these points.

The Property Tax:

Perhaps no tax receives as much criticism as the residential property tax. It is often characterized as being regressive because it is perceived as affecting lower income property owners more adversely than higher income property owners (this point is addressed in more detail below).¹⁵ It is also considered to be inadequate because it does not provide enough revenues to finance local government activities. It is considered to be unfair because it is levied against capital (stock) as opposed to income or consumption (flows). It is considered to be too high because it is billed in one single instalment, instead of being billed periodically, like income tax. Finally, its highly visible nature has made the property tax an unpopular revenue source for financing local government activities.¹⁶

Sharing in this criticism, of course, is the way in which properties are valued, or the “assessment”. In most jurisdictions, properties are typically assessed at fair market value. The term “market value” has come to mean—in most jurisdictions—an arm’s length transaction between a willing buyer and a willing seller in an open market. Because market value is determined through sale prices and other legislatively prescribed techniques, an increase in the demand for real estate in a particular jurisdiction will almost certainly lead to a rise in market values for property. This has led to the criticism that market value assessment discourages property improvements and leads to unpredictable tax burdens in volatile property markets.¹⁷

The perception is, therefore, that an increase in the assessed value of the property leads to an automatic increase in the property tax burden for the property owner. An increase in property taxes does not automatically stem from the assessment process, but the budgetary and service delivery decisions of a municipal council. The assessment process is used to simply distribute, or redistribute in the case of reassessment, the local tax burden among property owners. Nonetheless, the obvious question is: are the above criticisms justified?

Not according to most economists and policy analysts. As one economist puts it:

¹⁵ See the excellent discussion on the economic incidence of the property tax by William Fischel, Wallace Oates and Joan Youngman, “Are Local Property Taxes Regressive, Progressive, or What?” July, 2011. Obtained from: https://editorialexpress.com/cgi-bin/conference/download.cgi?db_name=IIPF67&paper_id=28

¹⁶ For more of these criticisms see Enid Slack, “Understanding the Evolution of Property Tax Policy”, A paper prepared for, 2001: A Property Tax Odyssey, 34th Annual National Annual Workshop, Canadian Property Tax Association. Ottawa, Ontario, October 2, 2000.

¹⁷ For an overview of arguments for and against assessment methods, see Harry Kitchen, “Property Tax & Assessment Systems: The Good and Bad,” Presentation at the 50th Annual Conference of the Institute of Municipal Assessors (IMA), June 5, 2006, 7.

*“the property tax is...a good local tax. It is far from perfect, but perfection in taxation is not of this world. However, relative to other tax bases available to local government...the property tax gets high marks.”*¹⁸

The general consensus is that the property tax is a good tax to fund some, but not all, municipal services because: (a) it is a valuable revenue source for local governments, and is fundamental to local autonomy; (b) it provides a largely immobile tax base; (c) it is accountable and transparent; and (d) it achieves equity when it funds services providing collective benefits to the local community.¹⁹

As noted earlier, there is a widely held perception that the property tax is a regressive tax.²⁰ The allegation is that the property tax takes a greater percentage of income from low-income earners than high-income earners. However, as one study has noted, “despite a series of books and papers stretching over a period of nearly 50 years, there is nothing approaching a consensus on this issue”.²¹

This lack of consensus stems from the fact that there are three different views or theories about how the property tax interacts in the economy, or what the economic incidence of the property tax is. In other words, who bears the burden of the property tax is fundamental to its understanding as a good local tax.

One view, or theory, the so called “benefit view” surmises that the property tax is simply “the payment that households make for the bundle of local public services that they have chosen to consume”.²² In this case, the incidence of the property tax is irrelevant, because the tax is equivalent to a user fee for public services.

Another theory, the so called “capital tax view” (or new view) posits that the property tax is predominantly shifted to the owners of capital in the economy.²³ As such, this view holds that the property tax is a progressive tax.

A third theory, called the “traditional view,” which has largely been discredited in the literature,²⁴ holds that property tax is an excise tax that falls on both land and structures. According to this view then, the property tax is considered to be regressive because housing constitutes a relatively larger share of consumption for poorer individuals.

Despite the theories on the incidence of property tax and the inconclusiveness in the literature, the major objective of property tax is to raise revenues to help finance services provided by local governments. While the property tax is used to fund local services, public perception is that there is a direct linkage between the amount of property taxes paid and services received.

¹⁸ See Wallace E. Oates, “Local Property Taxation: An Assessment,” *Land Lines vol. 11 no 3 2001*. (Lincoln Institute for Land and Policy).

¹⁹ See Slack, *supra note 5* and Kitchen, *supra note 6*.

²⁰ See for instance, Dave Dormer, “Calgary Mayor Naheed Nenshi Pitches Shift on Business Tax C Collection”, (Calgary Sun) December 4, 2013. Obtained from: <http://www.calgarysun.com/2013/12/04/calgary-mayor-naheed-nenshi-pitches-shift-on-business-tax-collection>.

²¹ See *Supra Note 15*, at 1.

²² *Ibid*.

²³ For an explanation of this view see, George R. Zodrow, “The Property Tax as a Capital Tax: A Room with Three Views,” *National Tax Journal*, vol 54; no 1. (Washington D.C.: National Tax Association, 2001) 140.

²⁴ See *Supra Note 15*, at 2-3.

Although this is true, it is important to distinguish between what types of services are funded by property tax.

Ideally, as Kitchen and others have argued, property tax should be used for funding local public services where specific beneficiaries cannot be identified.²⁵ For example, local parks, police protection, roads and sidewalks are used by most, if not all, citizens in the municipality. Identifying a single beneficiary so as to determine an individual's tax liability is impossible. Generally, property taxes are used to finance what economists call "pure" public goods.²⁶

To review the discussion in Section 2, a pure public good refers to public services that are non-excludable and non-rival in consumption meaning that once the service is provided there is no additional resource cost of excluding individuals from using the service or another individual from consuming it. The property tax then distributes the cost of financing such goods and services among taxpayers based on some measure of the assessed value of the property. A good example is a public park.²⁷

However, when it comes to providing goods and services that have private characteristics, such as water, sewage, and solid waste collection systems, then property tax may not be the most appropriate source of funding. Since direct beneficiaries can be identified, and because redistribution is not necessary, user fees are a more appropriate funding choice.

User Fees:

Before discussing the importance of user fees as a means to fund municipal services, there is a need to define what a user fee is in order to show how it differs from a tax. Several court cases in Canada have addressed this issue. The general definition of a user fee, as developed by the case law, can best be described as follows:

"A user fee, by definition, is a fee charged by the government for the use of government facilities...there must be a clear nexus between the quantum charged and the cost to the government of providing such services or facilities. The fees charged cannot exceed the cost to government of providing such services or facilities. However, courts will not insist that fees correspond precisely to the cost of the relevant service. As long as a reasonable connection is shown between the cost of the service provided and the amount charged that will suffice."²⁸

The key points arising from this definition are that: a user fee is simply the price that the government charges for providing a service or accessing a facility; the fee covers the full cost of delivering the service; and the revenues are dedicated to the provision of the service and do not flow directly to the general revenue account of the government. Taxes, on the other hand, are generated for a public purpose and do not necessarily correspond to the cost of providing the

²⁵ Harry Kitchen: "Property Taxation Issues in Implementation," *Working Paper*. (Kingston, ON: Institute of Intergovernmental Affairs, Queen's University, 2005) 4, and Richard M. Bird, "User Charges in Local Government Finance", in Richard Stren and Maria Emilia Freire, eds., *The Challenge of Urban Government* (Washington: World Bank Institute, 2001).

²⁶ For a discussion of pure public goods see Rosen, et.al *supra* note 18, 131-149.

²⁷ The consumption of a public good may also be non-excludable, meaning that it would be very expensive or impossible to prevent an individual from consuming the good or service. A good example is a sidewalk.

²⁸ This quote is adapted from Kelly I.E. Farish and Lindsay M. Tedds, "User Fee Design by Canadian Municipalities: Considerations Arising from the Case Law," in *Canadian Tax Journal*, 62:3 (2014) 641.

service—that is, there is no clear nexus between the cost of the service and the tax being imposed—and the tax revenues flow to the general revenue account of the government.²⁹

It is important to note that this definition does not necessarily apply to municipally-owned public utilities providing services such as water, wastewater and electricity. Public utilities are permitted to establish a price that reflects a “fair return standard,” which allows for a “return on investment commensurate with that of comparable risk enterprises.”³⁰ This means that public utilities can include a return on investment when establishing fee rates for the delivery of this service.

With that definition established, user fees are an important source of revenue for all orders of government, but particularly municipal governments, like the City of Saskatoon. In 2015, user fees represent about 13% of the City’s operating revenues. While this seems like a small amount, fees for water and wastewater are not included in the City’s operating budget.

Depending on the municipality or City, user fees sometimes fund all or a portion of the costs associated with the delivery of water and wastewater systems, the collection of garbage and recycling, access to libraries and recreation facilities, and public transit operations. The City currently charges full user fees for golf courses and recycling collection, to name a couple of services, and charges partial user fees for public transit and access to recreation facilities. However, the City does not charge a user fee for garbage collection, despite the fact that more and more cities in Canada have moved in this direction.³¹

In addition, user fees are often structured in different ways, ranging from a flat or fixed charge, unrelated to consumption (e.g., recycling), to fees or charges that vary with consumption (e.g., water rates). Occasionally, they will have a mix of fixed or variable charges (e.g., wastewater). City departments will also charge user fees to recover the costs of providing certain programs and services to citizens.

As a City revenue source, user fees, if priced appropriately, can be more predictable than other sources and are better aligned with changes in the economy. With user fees, the City may observe market activities, forecast demand, and make pricing adjustments to reflect a change in the economy.

However, despite the revenue raising ability of user fees, it has the potential to serve other important functions with respect to the provision of some City services. Primarily, user fees should be structured so that they generate an efficient use of municipal services.³² In other words, user fees can help to “constrain the demand for services, allocate scarce services and signal when the value of the service is such that new investment is required”.³³

The economic literature strongly supports the use of user fees to fund some—not all—City services, particularly, those services that have private good characteristics.³⁴ To recall, the

²⁹ See *ibid.*

³⁰ See for example, Kathleen C. McShane, “Opinion on Capital Structure and Fair Return in Equity” Prepared for Ontario Power Generation, November 30, 2007; 6, 10.

³¹ For example, the cities of Calgary, Edmonton, and Winnipeg charge a flat fee for garbage collection, as opposed to paying for this service from property taxes.

³² See Kitchen, *supra* note 3 at 26.

³³ See Dewees, *supra* note 4 at 598.

³⁴ See for example, David G. Duff, “Benefit Taxes and User Fees in Theory and Practice,” in *University of Toronto Law Journal*, 54:4, (2004) 391-447, and Richard M. Bird and Thomas Tsiopoulos, “User Charges for Public Services: Potentials and Problems” in *Canadian Tax Journal*, 45:1 (1997) 25-86.

discussion in Section 2, services that have private good characteristics are those where the beneficiary of the service can be identified, the consumption of the service is rival and persons can be excluded from using the service. In other words, user fees uphold the principle that those who benefit from a service should pay for the service.

According to the benefits received model of public finance and in consideration of the economic principles described earlier in this section, user fees are an efficient, equitable, accountable and transparent way to pay for City services. If priced correctly, user fees provide consumers of the service with the ability to choose how much of the service they wish to consume in order to derive a benefit from that service. In situations where the service is mandatory—where there is no market competition—“the cost of providing the service should serve as the minimum measure of the benefit.”³⁵

Notwithstanding the economic benefits associated with user fees, they are often resisted by citizens and occasionally, elected officials. The opposition to user fees tends to arise because:

- they are alleged to be regressive;
- cost data is insufficient; and
- there is reluctance by municipalities to introduce new fee or alter existing fees that have been established over a period of time.³⁶

Despite the opposition to user fees, this paper is not suggesting that they be used for all services, just those services that possess specific characteristics. To reiterate, services that generate collective benefits to the community, should be, and generally are, paid for by property tax, and not user fees.

However, services that provide benefits to an individual person, or household, should be funded by a user fee and not property taxes. The City provides services that provide both benefits to the individual user, and collective benefits to the community. In these cases, the City should, and does, fund those services through a combination of property taxes and user fees. Finally, the City provides services that regulate certain activities. For these services, user fees or regulatory charges are definitely the appropriate way to fund them.

Stated another way, the City provides services that are either fully tax supported, partially tax supported, or receive no tax support:

- fully tax-supported (no user fees) – services provided for everyone, such as police and fire services, roads and local parks;
- partially tax-supported (reduced user fees) – services that benefit both individuals and society at large, such as recreation facilities and public transit;
- no tax support (full user fees) – services that primarily benefit the individual, including water, wastewater, and golf courses, and
- licences, permits and approvals (full user fees) – services that regulate the use of, or changes to, private property, such as building permits, development permits, business licences, and pet licences.

Government Transfers

³⁵ See supra note 8 at 8.

³⁶ See Kitchen, supra note 3 at 25.

Although the intent of the preceding analysis is to focus on the City's own-source revenues, tax (property tax) and non-tax (user fees), the analysis would not be complete without a brief discussion on the City's external revenue source, namely, government transfers. To deliver certain operating services and programs, the City receives transfers from the Government of Saskatchewan. These transfers are either unconditional grants, meaning that the government transfers the money to the City and the City may use the money as it deems appropriate, or conditional grants, meaning that the money must be dedicated to the delivery of specific services of programs.

As noted in Figure 3.2, government transfers accounted for approximately 15.4% (\$66 million) of the City's total operating revenues in 2015. As Figure 3.3 illustrates, government transfers as a share of City operating revenues, peaked at 16.9% in 2013, but have slowly declined from that amount in 2015.

The predominant source of government transfers that the City receives comes from the Government of Saskatchewan's Municipal Revenue Sharing (MRS) Program.³⁷ For its 2015 Operating Budget, the City of Saskatoon received \$47.4 million from the program. The remaining funds came from special purpose, or conditional grant programs for services, such as affordable housing, transit assistance for persons with disabilities, and low income transit assistance.

The MRS is an unconditional grant provided to all incorporated Saskatchewan municipalities. It is based on the equivalent of 1% of the Provincial Sales Tax (PST) revenues, and is then distributed to municipalities based on a formula set by the provincial government, in consultation with municipalities.

Because the program is linked to PST, it will fluctuate with the ups and downs of the provincial economy. So, if PST revenues increase in a fiscal year, then the City will typically see an increase in its revenue sharing transfer. However, the converse is also true: if PST revenues decline in a fiscal year, then the City will see a decrease (based on the previous year) in revenue sharing.³⁸

While declining PST revenues pose a potential risk to the MRS program, so does the overall fiscal situation facing the provincial government. Because the MRS is under the control of the provincial government, it has the ability to alter the program to serve the broader fiscal needs of the province.³⁹

For example, suppose the goal of the provincial government is to produce an annual budgetary surplus. If the revenues and expenditures do not meet the government's fiscal projections, resulting in a budgetary deficit, then the government has the ability to limit or even reduce its transfer payments—including revenue sharing—as a way to reduce expenditures and avoiding

³⁷ For more information on the Municipal Revenue Sharing program see <http://www.saskatchewan.ca/government/municipal-administration/funding/programs/municipal-revenue-sharing>.

³⁸ In fact, for its 2014 Operating Budget, the City of Saskatoon saw a decline in its revenue sharing amount relative to its 2013 Operating Budget, by about \$1.3 million. However, this was largely due to accounting changes that the province was required to make to PST revenues.

³⁹ There is no indication that the revenue sharing program is at risk of being altered; however, the provincial fiscal situation has resulted in some musings about the program. For instance, see <http://www.cbc.ca/news/canada/saskatoon/premier-brad-wall-says-changing-revenue-sharing-last-resort-1.2940771>.

a budgetary deficit. Thus, the City needs to be cautious in relying on this program to fund its growing operating expenditures.

One question that emerges from this discussion is: What is the role of government transfers to municipalities? Well, when it comes to operating programs and services, unconditional grants are appropriate to help address a fiscal gap—meaning the difference between revenue raising abilities and expenditure responsibilities of the City. They are also useful in assisting the City to provide services to which there is some shared or dual provincial role, but best delivered at the local level. Finally, they can have an “equalizing effect,” in that they help municipalities provide comparable levels of service at comparable tax rates.

Conditional grants also play an important role in that they help the City to deliver a service where there is a defined provincial interest (e.g., affordable housing). More importantly, conditional grants from the provincial government serve to reduce the financial burden on low income individuals to help them afford specific services (e.g., public transportation). In fact, the economic literature is very supportive of this idea, indicating that “the financial burden on low income individuals should be addressed through income transfers from a senior level of government...it is far more equitable to handle income distribution issues through income transfers than to tamper with fees to accommodate these concerns.”⁴⁰

⁴⁰ See supra note 3 at 43 and supra note 12, Chapters 8 and 9.

Section 4: Concluding Observations

The primary objective of this paper is to elaborate on how the City of Saskatoon (the City) does, and should, fund its operating expenditures. It attempts to accomplish this by providing an overview of the different, principles, concepts, issues, and ideas related to municipal public finance. The impetus for this paper was generated by a recent report conducted on behalf of the City that found, amongst other things, the City's growing reliance on the property tax is partially the result of slower growth in the City's own-source, non-tax revenues. An additional motivation is to provide City Council and the public with perhaps a better understanding of the different types of services that the City provides, and the most optimal ways in which the City should pay for them.

Section 1 of this paper, described the legislative framework that provides the City of Saskatoon with the authority to deliver services and fund those services. It showed that this legislative framework provides the City with limited revenue raising abilities, especially when it comes to raising revenues through taxation. The City has one major tax source, property tax, and is unable to levy a tax on income, retail sales, and fuel consumption, like federal and provincial governments can. However, the City does have the authority to charge a fee for service. The fact that the City cannot pass a budget surplus or a budget deficit also limits its financial flexibility at times.

Section 2 provided an overview of the City's major operating expenditures to illustrate the different types of services that the City of Saskatoon provides. It did not describe each individual service, but instead addressed the distinguishable characteristics that some of these services possess.

As this section highlighted, the City provides services that can be characterized as a having public good characteristics, private good characteristics, and services that have a blend of the two, often called merit goods/services. The major distinctions between those services that have public good characteristics and those that have private good characteristics are whether or not

- a specific beneficiary can be identified;
- a person can be excluded from using the service; and
- a person consuming the service will prevent another person from consuming it at the same time.

If these conditions exist, then the service is said to have private good characteristics. If they do not exist, then the service is said to have public good characteristics. This is an important distinction to make because, as the economic literature suggests, services that have private good characteristics should be paid for in different ways than those with public good characteristics.

In addressing how to pay for City services, Section 3 provided a high-level overview of the different revenue sources the City uses to fund its operating budget to pay for the services and programs contained within. It shows the City's operating revenues come from its own sources (tax and non-tax) and external sources (government transfers). The City has control over its own-source revenues, but no control over its external sources.

With respect to the City's own-source revenues, property tax accounts for about 45% of the operating revenues, but the City's reliance on property tax to fund operating programs has been growing in recent years. Despite the criticisms of it, the property tax is a good local tax to pay municipal services that provide collective benefits to the community (police protection), or to

help subsidize those services that provide a mix of individual and societal benefits (public transit). Provided that property tax pays for those services that elicit these features, then a growing reliance on property tax is not a major issue. The problem arises when property tax is used to pay for those services that benefit specific individuals.

Section 3 also noted that services that benefit specific individuals (or households) should be paid for by user fees. When priced correctly, user fees are a fair and efficient revenue instrument to pay for specific City services.

Accordingly, "...user fees that are carefully designed to cover the costs for services consumed are fair in their impact on users—those benefiting from a service pay for it."⁴¹ Moreover, "user fees should be adopted wherever possible for financing local services. In general it makes considerable economic sense to fund all water and sewer systems in this way, solid waste collection and disposal..."⁴² and partially the costs for public transit, recreation, and libraries.

The issue that often emerges with user fees is that they are alleged to be regressive in that they are perceived to consume a higher percentage of lower income individuals or households income relative to higher income individuals or households. While this is an important issue, there is a strong consensus in the economic literature that these concerns should be addressed through government transfers, rather than reducing the price of a municipal service that is to be funded by user fees.

So given this analysis, what is the path forward? In consideration of the benefits received model of public finance, and based on the principles of public of finance articulated in Section 3 of this paper, the City of Saskatoon should consider:

- developing a user fees and subsidies policy that clearly articulates how municipal services should be paid for;
- funding those services that provide collective benefits to the community through property taxes;
- funding those services that provide benefits to individuals or households through user fees;
- funding those services that provide both individual and collective benefits through a combination of taxes and user fees; and
- reducing its reliance on government transfers to help offset the full costs of providing a good service that elicits a benefit to individuals.

Whether or not these considerations will help to reduce the City's growing reliance on property tax remains to be seen. This will ultimately depend upon the service levels and expenditures associated with providing those services funded by the property tax. However, by using the appropriate revenue instruments to pay for the right types of City services, there is the potential opportunity to ensure that the City's non-tax revenues will, at the very least, keep pace with the costs associated with delivering its operating programs and services.

⁴¹ See Kitchen supra note 3 at 43.

⁴² Ibid, 31.

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**2016 BUDGET ISSUES & OPTIONS:
 VEHICLE PERMIT FEES**

[1] Issues:

- Vehicle permits are issued in accordance with Bylaw 7200: The Traffic Bylaw and Council Policy C07-019: Traffic Bylaw Special Permits.
- The issuance of permits is currently supported by the mill rate.

[2] Recommendation:

The Administration recommends that an administrative fee of \$50 be implemented for blanket annual vehicle permits, and a fee of \$30 for daily permits effective January 1, 2016.

[3] Background/Analysis

- Overweight and over-dimension vehicle permits are issued on a case-by-case basis to companies hauling loads in excess of the size and weight limits set out by Schedules 7 and 8 of Bylaw 7200: The Traffic Bylaw.
- Blanket permits are issued to those companies that regularly move through the city, and may include unlicensed and self-powered vehicles such as construction and farm equipment.
- Vehicle permits are issued to regulate the travel of overweight and over-dimension vehicles throughout the city to protect infrastructure.
- The administrative cost of processing and approving crossing vehicle permits is supported by the mill rate.
- In 2013, the increasing numbers of permit requests resulted in the creation of a temporary position to directly support this service. Permits are available Monday to Friday from 8 a.m. to 5 p.m.
- On average, there are 400 annual blanket permits issues each year.
- Between January 1 and July 31, 2015, 800 daily permits were issued. It is expected that approximately 1,500 daily permits will be issued in 2015.
- Most municipalities in Western Canada charge an administrative fee for overweight and over-dimension vehicle permits ranging from \$20 to \$196 for an annual blanket permit, and \$6 to \$300 for a daily permit.

[4] Strategic Direction:

- Implementing a fee for service supports the Strategic Goal of Asset and Financial Sustainability by increasing revenue sources and reducing the reliance on residential property taxes.

[5] Implications**[5.1] Service/Business Line Implications:**

- Review and approval for vehicle permits is included in the Transportation Services service line within the Transportation Business Line.

[5.2] Financial Implications:

- Reviewing and processing vehicle permits requires approximately one full time equivalent (FTE) position at a cost of \$60,600. This is currently funded by the mill rate.
- An administrative fee of \$50 per blanket permit and \$30 per daily permit would ensure that the cost of processing permits was fully recovered from those benefitting from the service.
- Implementing an administrative fee for this service would ensure the issuance of vehicle permits is fully cost recovered, reducing the mill rate by approximately \$60,600.

[5.3] Other Implications:

- If approved, the temporary position could be made permanent with no impact to the mill rate as a fully cost-recovered service. Having a dedicated resource to support this service ensures a high level of customer service to the industry.
- As the demand for permits increases or if there is a desire to expand the service to enable permits to be issued after regular office hours or on weekends, additional resources can be added at no impact to the mill rate.
- Charging fees for these permits may create additional work to process the payments, but this has not been quantified.

[6] Options to the Recommendation:**Option 1: Maintain the Status Quo**

Maintaining the status quo would maintain the practice of the costs of this service being supported by the mill rate. As the demand for permits increases, or if the service level is expanded, additional mill rate supported resources would be required.

Option 2: Variable Fee Based on Size/Weight of Vehicle

The Administration is currently quantifying the impact of allowing overweight vehicles to travel on the city's transportation network. It is anticipated that recommendations will be brought forward to introduce a variable permit rate similar to other municipalities. This is expected to be in place for 2017. The Administration does not recommend a variable rate until further research is conducted.

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**2016 BUDGET ISSUES & OPTIONS:
 RIGHT OF WAY PERMIT FEES**

[1] Issues:

- Right of way (ROW) permits are approved as part of the commercial building permit process, and in residential areas where crossings are controlled.
- The City of Saskatoon reviews and issues permits for use of ROW in accordance with Bylaw 2954: Use of Street.

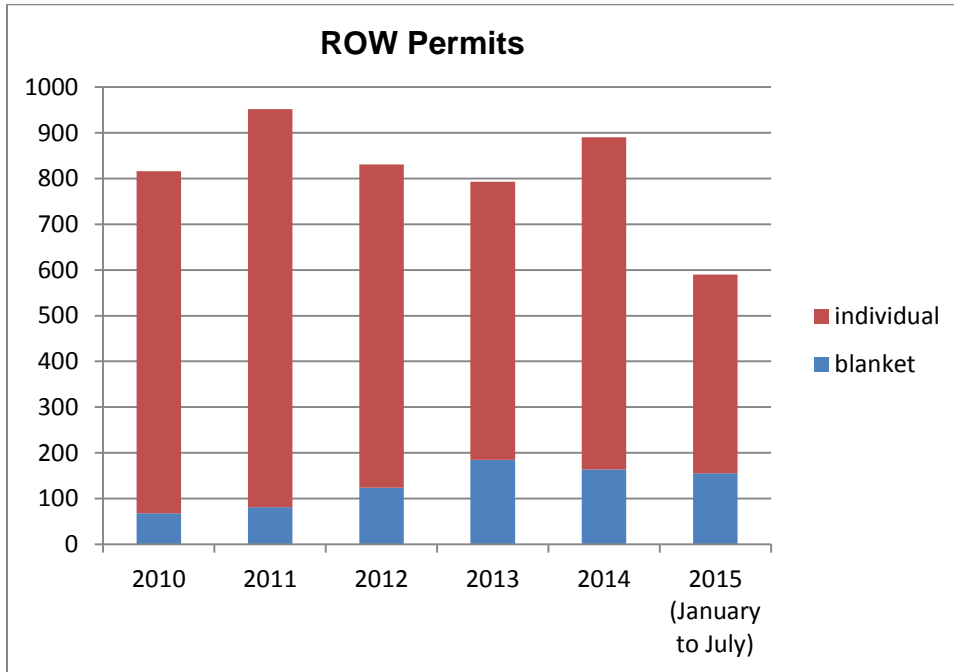
[2] Recommendation:

The Administration recommends that an administrative fee of \$150 per blanket permits, and \$40 per individual ROW permits be implemented effective January 1, 2016.

[3] Background/Analysis

- ROW is public space intended for use by pedestrians, bicycles, and motor vehicles. Any disruption and/or restrictions to these spaces results in public inconvenience, and more importantly, presents potential safety risks. Several Canadian municipalities currently charge for the use of ROW, not only to ensure that they are being properly and safely utilized, but also to minimize the inconvenience to the public both in-scope and duration.
- City of Saskatoon allows the use of ROW free of charge. A permit (either a blanket permit or a single location permit) is required to use any portion of the public ROW for private use for any length of time. The permit sets out all the terms and parameters for use of ROW.
- Blanket ROW permits are typically requested by contractors who work at various locations throughout the city. They are required to advise the City of their changes in location. Approximately 30% of all permits issued are blanket permits.
- Individual location ROW permits may be requested for the placement of garbage containers, closure of a portion of the street for development purposes, installation of private water and sewer connections, etc. The majority of permits issued are individual location permits, accounting for approximately 70%.
- A bylaw inspector is assigned to address complaints about improper use of ROW.
- Over the past five years, the total number of ROW permits issued has averaged 856 per year. The projected number of permits for 2015 is approximately 900.

- The administrative cost of processing, approval, and inspection of ROW permits is partially supported by the mill rate and partially charged to contractors when the City is required to set a lane closure.
- Most municipalities in Western Canada charge both an administrative fee plus an additional fee based on the amount of ROW used. The administrative fee ranges from \$17.50 to \$300.



[4] Strategic Direction:

- Implementing a fee for service supports the Strategic Goal of Asset and Financial Sustainability by increasing revenue sources and reducing the reliance on residential property taxes.

[5] Implications

[5.1] Service/Business Line Implications:

- Review and approval for ROW permits is included in the Transportation Services service line within the Transportation Business Line.
- Inspection and enforcement of ROW permits is included in the Bylaw Compliance service line within the Urban Planning and Development Business Line.

[5.2] Financial Implications:

- Reviewing and processing of ROW permits requires the equivalent of a 0.5 full time equivalent position (FTE) at a cost of \$33,000. This is partially funded by the mill rate (75%), with approximately 25% directly charged to contractors requiring lane closures.

- Inspecting and enforcement of ROW permits and improper use of ROW requires the equivalent of 0.25 FTE at a cost of \$19,600, which is fully funded by the mill rate.
- Implementing an administrative fee for this service would ensure these services are fully cost recovered, reducing the mill rate by approximately \$44,350.
- An administrative fee of \$150 per blanket permit, and \$40 per individual permit would ensure that the costs to review, approve, and inspect the ROW permits were fully recovered from those benefitting from the service.

[5.3] Other Implications:

- As the demand for permits increases, or if there is a desire to expand the service to enable permits to be issued after regular office hours or on weekends, additional resources can be added at no impact to the mill rate.
- There is the potential that introducing a fee may result in property owners not obtaining a ROW permit. Part of the bylaw inspector's role is to identify locations where ROW is being restricted without proper permits and enforces the bylaw when required.
- Charging fees for these permits may create additional work to process the payments, but this has not been quantified.

[6] Options to the Recommendation:

Option 1: Maintain the Status Quo:

Maintaining the status quo would maintain the practice of the costs of this service being supported by the mill rate. As development increases, additional mill rate supported resources would be required.

Option 2: Variable fee based on amount of ROW required

The Administration is currently investigating the feasibility of charging a fee based on the amount and length of time ROW is required. Most municipalities have a similar fee in addition to an administrative fee. By implementing a fee for ROW usage, contractors (or those requiring the use of the ROW) will be encouraged to not only minimize the amount of ROW for their projects, but will also be encouraged to complete the projects in a timely manner thus reducing the negative impact on pedestrians, cyclists, motorists, and the public in general. This is expected to be in place for 2017. The Administration does not recommend a variable rate until further research is conducted.

A Culture of Continuous Improvement
Saskatoon is the best-managed city in Canada!



**2016 BUDGET ISSUES & OPTIONS:
 SIDEWALK CROSSING PERMIT FEES**

[1] Issues:

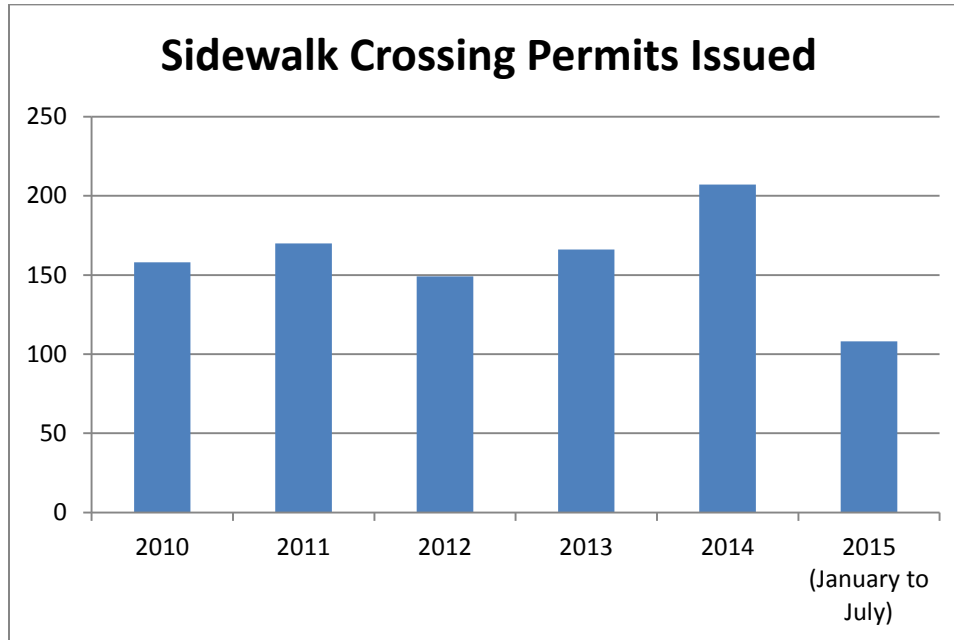
- Sidewalk crossings are approved as part of a commercial building permit process, and in residential areas where crossings are controlled.
- The City of Saskatoon reviews and issues permits for sidewalk crossings in accordance with Bylaw No. 4785.

[2] Recommendation:

The Administration recommends that an administrative fee of \$375 be implemented for sidewalk crossing permits effective January 1, 2016.

[3] Background/Analysis

- Sidewalk crossings are controlled through curb design in residential areas. Properties with rolled curb do not require permits; whereas, properties with vertical curb require permits to modify the existing sidewalk to create a crossing.
- All commercial building permits require formal approval of sidewalk crossings with the issuance of a sidewalk crossing permit.
- A sidewalk crossing permit ensures that the impact to traffic flow is minimized, and the infrastructure is built to City of Saskatoon standards.
- A construction inspector is assigned to oversee the construction of all sidewalk crossings.
- Over the years, the number of permits issued has increased from 158 in 2010 to 207 in 2014. The projected number of permits for 2015 is approximately 210.
- The administrative cost of processing, approval, and inspection of sidewalk crossing permits is fully supported by the mill rate.
- Other municipalities that charge an administrative fee directly for sidewalk crossing permits and inspections range from \$205 to \$260.



[4] Strategic Direction:

- Implementing a fee for service supports the Strategic Goal of Asset and Financial Sustainability by increasing revenue sources and reducing the reliance on residential property taxes.

[5] Implications

[5.1] Service/Business Line Implications:

- Review and approval for sidewalk crossing permits is included in the Transportation Services service line within the Transportation Business Line.
- Inspection of construction of sidewalk crossings is included in the Engineering service line within the Transportation Business Line.

[5.2] Financial Implications:

- Reviewing and processing sidewalk crossing permits requires the equivalent of a 0.5 full time equivalent (FTE) position at a cost of \$33,000. This is currently funded by the mill rate.
- Inspecting the construction of sidewalk crossings requires the equivalent of a 0.5 FTE at a cost of \$44,000, which is fully funded by the mill rate.
- Implementing an administrative fee for this service would ensure these services are fully cost recovered, reducing the mill rate by approximately \$77,000.
- An administrative fee of \$375 per permit would ensure that the costs to review, approve, and inspect sidewalk crossings were fully recovered from those benefitting from the service.

[5.3] Other Implications:

- As the demand for permits increases, or if there is a desire to expand the service to enable permits to be issued after regular office hours or on weekends, additional resources can be added at no impact to the mill rate.
- There is the potential that introducing a fee may result in property owners not obtaining a sidewalk crossing permit. Part of the construction inspector's role is to identify locations where sidewalk crossings may be built without permits and coordinate with bylaw inspectors to ensure compliance.
- Charging fees for these permits may create additional work to process the payments, but this has not been quantified.

[6] Options to the Recommendation:

Option 1: Maintain the Status Quo:

Maintaining the status quo would maintain the practice of the costs of this service being supported by the mill rate. As development increases, additional mill rate supported resources would be required.

Utility Return on Investment

Recommendation

That this report be referred to City Council's 2016 Operating Budget deliberations.

Topic and Purpose

The purpose of this report is to provide options regarding the implementation of a Water/Waste Water Utility Return on Investment (ROI).

Report Highlights

1. Currently, the Water/Wastewater Utility transfers \$9.1 million in a grant in lieu and \$6.0 million in Roadway Contributions back to the mill rate.
2. Recommended 10% ROI to be phased in over 5 years.

Strategic Goals

This report supports the Strategic Goal of Asset and Financial Sustainability through a long-term strategy to increase revenue sources, reduce reliance on residential property taxes, and to explore own-source alternate sources of revenue to pay for ongoing operations.

Background

According to Hemson Consulting's research as presented at the April 20, 2015, Executive Committee meeting, the City's property tax increases have been higher than average over the past few years largely due to:

- Non-tax revenues (general revenues, user fees and grants-in-lieu of property taxes) are not keeping pace with costs;
- Major cost increases are related to capital investment and service level increases; and,
- Inflation as measured by the Municipal Price Index (MPI) is rising at a more rapid pace than previous years.

A need for other sources or increased non-tax revenue was a prevailing recommendation from the Hemson report and has been incorporated as a strategic goal within the City's Strategic Plan.

In addition, the City has been relying on increases in the provincial government's Municipal Revenue Sharing (MRS) program over the past decade. This revenue source has increased by approximately 167% since 2007 from \$17.8 million to \$47.4 million in 2015. As the growth in the MRS annual increases are beginning to slow down and become flat, the City has an increasing need to incorporate other non-tax revenues in order to maintain a financially sustainable and diverse budget that is less reliant on property tax increases.

Utility Return on Investment

Report

Current Utility Payments to the Mill Rate

Currently, the Water/Waste Water Utility are contributing a combined \$15,152,700 to the mill rate, which is comprised of the following:

Description	Amount
Grant in Lieu	\$9,152,700
Roadway Contribution	\$6,000,000
TOTAL	\$15,152,700

The Utility is exempt from paying property taxes; therefore; the Saskatoon Water/Waste Water Utility pays an annual Grant in Lieu for compensation of otherwise lost tax dollars. This practice is identical to the treatment that Federal and Provincial Crown Corporations located within Saskatoon receive, meaning they are also exempt from paying property taxes. The Administration is recommending continuing this process as per current policy.

The Roadway Contribution was approved on December 3, 2013, as a \$6,000,000 transfer from Utilities to Roadway investment in order to offset the Utilities impact on the City's road maintenance and preservation efforts. This initiative was phased in from 2014-2016, at \$2,000,000 per year. The Roadway Contribution is a direct cost of doing business for the Utility and will continue to be treated separately from any potential ROI.

Return on Investment

In an effort to supplement the increasing gap between operating expenditures and the City's own-source, non-tax revenues, the Administration is recommending the Water and Wastewater Utility make a total mill rate contribution, or return on investment, equal to 10% (including the Roadway Contribution) of Metered and Fixed Revenue. This amount would equal the following mill-rate contributions over the next five years (based on estimated Utility Revenue)

	2016	2017	2018	2019	2020
Total Contribution (10%)	\$12.76	\$13.80	\$14.93	\$16.15	\$17.19

**all values reported in millions of dollars*

The Administration is recommending phasing in this ROI over the following five years:

	2016	2017	2018	2019	2020
Road Maintenance Fee	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00
Return on Investment	\$3.00	\$5.05	\$7.10	\$9.15	\$11.19
Total Contribution	\$9.00	\$11.05	\$13.10	\$15.15	\$17.19

**all values reported in millions of dollars*

Subsequent to 2020, the total contribution will be linked to 10% of total revenue and will continue to increase in correlation to Utility Revenue, thus creating a financially sustainable additional revenue source for mill-rate supported programs.

Utility Return on Investment

In 2015, to provide an internal comparison, Saskatoon Light and Power budgeted to contribute a 14.9% ROI to the mill rate, totalling \$23.06 million.

The City of Calgary has a similar structure in place to the one being recommended in this report. According to the City of Calgary, it receives a dividend and franchise fees from its Utility (Water, Wastewater, and Drainage) in the following ways:

- dividends to the City based on 10% of equity and capped at \$28.75 million for water and \$13.75 million for Wastewater. This would be equivalent to a return on equity/investment; and,
- franchise fees to the City for a payment in lieu of tax and 10% of revenues excluding customers who are outside of the city limits.

In addition, a public report prepared for the Ontario Power Generation, Foster Associates, concluded that a return on equity of 10.25 – 10.75% was deemed a fair return for a Utility based on a risk based economic analysis. This is consistent with Administration's recommended 10% return.

Options to the Recommendation

City Council can choose not to implement a ROI from the Water/Wastewater Utility which could result in the City continuing to rely more heavily on the property tax revenue as it's a major source of funding the operating budget.

Public and/or Stakeholder Involvement

There is no Public or Stakeholder involvement required.

Communication Plan

No communication plan is required.

Financial Implications

The introduction of a ROI will have no effect on the current rates. The ROI will be allocated within the current rates till the end of 2016, at which time the rates will be reviewed and recommended for change, if required, for operational and capital impacts.

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 follow up required.

Public Notice

Public Notice is not required.

Report Approval

Written by: Clae Hack, Director of Finance

Written by: Mike Jordan, Director of Government Relations

Utility Return on Investment

Reviewed by: Frank Long, Acting CFO/General Manager, Asset and Financial Management

Approved by: Murray Totland, City Manager

Utility Return on Investment.docx

Second Quarter Results – City of Saskatoon’s Corporate Business Plan and Budget – Sustaining the Saskatoon Advantage

Recommendation

That the report of the General Manager, Corporate Performance Department dated August 19, 2015, be forwarded to City Council for information.

Topic and Purpose

In an effort to be more accountable, transparent, and efficient in the management of the City of Saskatoon’s (City) key priorities and financial resources, this report presents the second quarter results for the City of Saskatoon’s 2015 Corporate Business Plan and Budget – *Sustaining the Saskatoon Advantage*, as of June 30, 2015.

Report Highlights

1. The 2015 budget projections are indicating a 0.28% unfavourable deviation from budget. The Administration will be taking all reasonable measures to bring in a balanced budget at year-end.
2. The key projects outlined in the 2015 Corporate Business Plan and Budget are on track and initiatives are progressing well.

Strategic Goals

This report supports the Strategic Goals of a Culture of Continuous Improvement and Asset and Financial Sustainability. With a long-term strategy to focus on continuous improvement, openness, accountability and transparency when it comes to resource allocation, Saskatoon will become the best-managed city in Canada and invest in what matters.

Report

Quarterly status updates on the City’s Corporate Business Plan and Budget help to ensure that City Council and the Administration are aware of emerging business plan and budget issues and challenges, so they can react accordingly. By providing these quarterly reports, this helps the City to mitigate any financial or corporate risks that may result from unplanned events or new challenges that may emerge throughout 2015.

The initiatives that are approved in the business plan have been sorted according to the Strategic Goals that were approved as part of the City of Saskatoon’s Strategic Plan 2013 - 2023. The budget allocations are reported according to Business Lines.

Business Plan Highlights

Attachment 1 provides a summary of the status (as of June 30, 2015) of the key projects outlined in the 2015 Corporate Business Plan and Budget.

Residential construction in Saskatoon remains active. While permits associated with one-unit dwelling housing starts are down; permits associated with apartments and housing (multi-unit dwellings) are on the increase compared to last year at this time. Commercial construction (permits related to commercial, industrial, institutional & assembly and other) is strong. The total number of permits associated with commercial construction is on par with last year. The value of construction associated with commercial construction is 20% higher compared to the end of the second quarter of 2014.

The number of building permits issued to the end of June is approximately 9% lower than the number issued in 2014 for the same time period. Building permits issued for the creation of multi-unit dwellings are approximately 23% higher than at the end of June 2014. This has resulted in the creation of 1,431 residential units compared to 1,579 residential units at the end of June 2014. Value of construction associated with permits issued to the end of June 2015 is slightly lower by approximately 6% from June 2014 (Attachment 2).

As of the end of June, there were five permits issued that had a construction value higher than \$10.0 million. In the first half of 2014 there were two construction permits with a value higher than \$10.0 million.

Year-end Budget Projections

The 2015 budget projections to year-end are indicating a 0.28% unfavourable variance from budget (Attachment 3) after applying transfers from reserves. This projection includes transfers from the Snow and Ice Reserve (\$0.520 million), the Parks Stabilization Reserve (\$0.400 million) and non-transfers to the Landfill Replacement Reserve (\$0.775 million). It is cautioned that this projection relies on only six months of performance and subject to substantial variance as the remainder of the year proceeds.

The Administration will be taking all reasonable measures to mitigate the deficit that is being forecast. These strategies include:

- Reducing the contribution to the Landfill Replacement Reserve of \$0.775 million to offset the variance in the Waste Services Utility due to the delay in Multi Materials Recycling Program and the corresponding loss of revenues.
- A planned 25% reduction in the watering of well-established park areas. Parks will be closely monitored to ensure no damage will occur to the asset. This is estimated to save approximately \$0.275 million assuming a return to normal rainfall from July 15 to August 31.
- Recreation fee changes approved by City Council aimed at increasing patronage at the Leisure Centres. The plan was to affect longer term increases in usage at the Leisure Centres. There is no major change anticipated for 2015.
- Transit is undertaking a major marketing campaign starting in August to increase ridership to help reduce the deficit in the short term but also aimed at increasing long term ridership. Additional cost controls have been implemented for 2015 which are projected to save over \$0.500 million in 2015.

The following is a summary of the items contributing to the projected variance:

Corporate Asset Management (\$0.613 million surplus)

- Fleet Services: Pricing on unleaded fuel has been averaging \$0.95 per litre compared to budget of \$1.05, causing an under-expenditure of \$0.484 million. Additional savings of \$0.213 million have been realized in reduced expenditures on the new Police Head Quarters and Civic Square East as repairs have been covered through warranty.

Transportation (Net \$2.340 million deficit)

- Snow Removal: An estimated \$0.520 million (4.69% variance) deficit is being projected. The Snow and Ice Reserve has a current balance of \$0.977 million and \$0.520 million will be used to offset the projected deficit if realized. Reductions in overtime and increased preventative maintenance inspections will help mitigate the deficit.
- Street Cleaning: Projected to be in a \$0.703 million (21.2% variance) deficit due to overages in costs due to using a more aggressive approach during the spring cleanup. Towing, signage and material trucking costs are pressure points for the sweeping program. Mitigation strategies include reducing overtime and continual refinement of processes to manage contractors and increase production efficiencies.
- Transit: An estimated \$1.3 million (5.3% variance) deficit due to decreased ridership, revenue reductions from transition to discounted passes and reduced cash/ticket sales offset by \$0.923 million in fuel savings. This risk is being mitigated through the development and deployment of the Growing Forward Initiative which is anticipated to redefine the role of Saskatoon Transit in a growing and changing community. For 2015, Saskatoon Transit will continue to mitigate the projected deficit through continued cost control efforts on expenditures and revised short and long term marketing plans.
- Parking: Projected \$0.657 million (20.36% variance) deficit from reduced meter revenue from delayed parking system implementation, partially offset by decreased transfers to reserve.

Taxation and General Revenues (\$1.49 million surplus)

- General Revenue: An estimated \$1.385 million (2.5% variance) surplus due to increased municipal payments from the Provincial Utility Crowns and higher interest earnings than projected due to increases in cash balances held at financial institutions.

Utilities (Net \$0.775 million deficit)

- Saskatoon Light and Power: \$1.23 million unfavourable variance due to energy sales being down 2.95%. This projected deficit will be mitigated through cost control efforts, possible capital project re-scheduling and will be offset by the utility’s stabilization reserve.

- **Waste Services:** An estimated \$0.775 million deficit due to delayed roll out of the Provincial Multi-Material Recycling Program (MMRP). Since this utility does not have a corresponding stabilization reserve, the deficit will be funded through the Environmental Health business line.
- **Saskatoon Water & Wastewater:** Projected \$2.0 million surplus due to revenues expected to exceed budget and operational savings. Billings lag actual consumption, so this projection is subject to significant variance. Any realized surplus would be transferred to the Water and Wastewater stabilization reserve, which will maximize allowable contributions, with the remainder to be transferred to the Wastewater Capital Projects Reserve and Water Capital Projects Reserve.

Environmental Health (\$0.257 million deficit)

- **Waste Handling Service:** A projected \$0.078 million (1.06% variance) deficit due to \$0.558 million reduction in landfill revenue due to increased volumes being taken to private landfills, \$0.185 million in additional costs associated with providing two Compost service facilities and \$0.270 million in additional fleet costs. A \$0.775 million reduction in reserve transfers to the Landfill Replacement Reserve (LRR) is aimed at offsetting the delayed roll out of MMRP and the corresponding utility deficit in the Waste Services Utility.
- **Waste Reduction:** An estimated \$0.203 million (24.93% variance) deficit due to \$0.088 million in increased labour costs associated to recycling depot maintenance/clean up/disposal and \$0.115 million in additional costs in providing eight Household Hazardous Waste day events; this is currently being absorbed through Human Resource staff vacancy savings under Corporate Governance & Finance.

Recreation and Culture (Net \$0.933 million deficit)

- **Parks Maintenance:** A net \$0.563 million (4.46% variance) projected deficit due to \$0.850 million in higher water utility costs due to summer drought conditions, which is offset by \$0.400 million in transfers from the Parks Stabilization Reserve. This forecast includes an adjusted watering schedule for the remainder of 2015 which is expected to save approximately \$0.275 million (assuming a July 15, 2015 return to normal rainfall).
- **Recreation Competitive Facilities:** An estimated \$0.338 million (9.18 % variance) deficit due to reduced revenues in LeisureCard admissions. This risk will be mitigated in the future through the implementation of a new marketing and pricing strategy as presented at the July 20, 2015 Standing Policy Committee on Planning, Development & Community Services which is expected to increase admissions.

Police (\$0.285 million deficit)

- \$0.285 million (0.36% variance) unfavourable variance due to increased staff compensation (\$0.627 million) and net operating costs (\$0.781 million) partially offset by additional revenue from Provincial funding and criminal record checks (\$1.0 million). The Police Service will continue to monitor overtime usage and are

considering deferring non-essential equipment purchases for the remainder of the year.

Corporate Governance & Finance (\$1.19 million surplus)

- An estimated \$1.19 million (2.24% variance) surplus due to \$1.46 million from a WCB refund related to the surplus in the Provincial Fund, offset by \$0.400 million in increased corporate pension costs.

Communication Plan

This report will be posted to the City’s website.

A news release will be prepared to highlight the reasons for the projected deficit and to highlight the progress that has been made to date on the projects and initiatives in the 2015 Corporate Business Plan.

Other Considerations/Implications

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

Due Date for Follow-up and/or Project Completion

The Third Quarter Report for 2015 will be tabled with Executive Committee in November, 2015.

Public Notice

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

Attachments

1. 2015 Corporate Business Plan – Second Quarter Report (April 1, 2015 to June 30, 2015)
2. Building Permit Statistics for YTD June 30, 2015 vs. YTD June 30, 2014
3. Year-end Projection for Period Ending June 30, 2015

Report Approval

Written by: Kim Matheson, Director of Strategic & Business Planning
Clae Hack, Director of Finance, Asset & Financial Management
Department
Reviewed by: Catherine Gryba, General Manager, Corporate Performance
Department
Approved by: Murray Totland, City Manager

Administrative Report - Second Quarter Results_2015.doc



**2015 Corporate Business Plan
Second Quarter Report**

April 1 to June 30, 2015

Community Support

Action	Comments
<p>A feasibility study for cemeteries, which involves hiring a Cemetery Consultant to assist with providing: an accurate count of the years remaining in Woodlawn Cemetery; a strategic plan to develop all unallocated areas within Woodlawn Cemetery; and a report to outline the future needs of the City, by providing the number and size of future cemeteries.</p>	<p>The project scope has been identified and we are now beginning to identify the capital funding requirements.</p>
<p>Enhance and develop new partnerships and programs for the Urban Aboriginal Leadership Program. These programs will assist in enhancing economic, employment, and training opportunities.</p>	<p>A coordinator has been hired and the new Wanska program curriculum has been developed. The program targets Aboriginal youth ages 14 to 19 and the curriculum focuses on leadership development for youth based on Dr. Martin Brokenleg's Circle of Courage®. The Circle of Courage is a holistic model of development based on four universal growth needs of all children and youth: Belonging, Mastery, Independence, and Generosity.</p> <p>Applications are out for the summer session of the program.</p>
<p>Collaborate with the Saskatoon Council on the Age Friendly Saskatoon Initiative. Develop an action plan to become a more "age-friendly" city where older adults can lead healthy independent lives and are active and engaged members of the Saskatoon community.</p>	<p>In April, along with the Saskatoon Council on Aging, a workshop for community based organizations primarily in the health care sector was hosted. The workshop was to review the Age Friendly action plan and identify initiatives that organizations could undertake to help move the recommendations forward.</p>
<p>Implement the Immigration Action Plan, through community intersectoral collaboration. Ensure the City's programs and services are changing along with the changes in the community.</p>	<p>A session for the Settlement Support Workers in Schools was coordinated and facilitated. Presentations included information on Paddling Pools and Playgrounds, Community Gardening, and Saskatoon Public Library Summer Programs. Helped to emcee and coordinate Future Forward: Careers by Design" annual conference for Career Practitioners, Educators, School Counsellors and Human Resource Professionals. Over 225 people attended from all around the province. Two City staff assisted on the Coordinating Committee to help connect to diverse speakers and sponsors.</p>

Community Support

Action	Comments
<p>Update and continue implementation of the Corporate Accessibility Action Plan, a collaborative, long-range plan that includes the installation of audible pedestrian signals and curb ramps, barrier free facility assessments, establishing an Accessibility webpage, and formalizing the Universal Design Standards for the City.</p>	<p>Audible pedestrian signal installations are incorporated into the annual work plan; procurement of equipment is underway through a Request for Proposals; no funding has been allocated to curb ramps for 2015. The new website launched in the first quarter and complies with Web Content Accessibility Guidelines (WCAG) 2.0 AA Accessibility Standards.</p>
<p>Promote existing cultural education and awareness programs. Establish an anti-racism, anti-discrimination education strategy aimed at increasing inter-cultural competencies.</p>	<p>The public education anti-racism implementation strategy has been reviewed by the Social Diversity section and includes 12 action items. Marketing is currently working on a communications plan consistent with the action items and includes internal anti-racism awareness sessions and a public education campaign around the theme; I am the Bridge.</p>
<p>Enhance activities for youth to increase positive race relations and civic engagement among the young adult community.</p>	<p>Currently working with Canadian Roots Exchange (CRE) and U of S partners to link previous Unified Minds participants with upcoming CRE programming for the fall school year.</p>
<p>Undertake initiatives to strengthen relations and partnerships with Aboriginal organizations and focus the provision of programs and services on identified gaps.</p>	<p>The City of Saskatoon was one of a number of Aboriginal, community, and faith organizations involved in the Saskatoon closing event for the Truth and Reconciliation Commission.</p> <p>The City of Saskatoon has entered into a partnership with the United Way of Saskatoon and Area to host a conference in the fall for community based organizations to enhance their ability to address the needs of the Aboriginal residents they serve. Initial planning for the conference is underway.</p>
<p>Continued implementation of the Culture Plan recommendations with a focus on a long term strategy to invest in and support the cultural sector in Saskatoon. Specific initiatives are highlighted in the Recreation & Culture business line.</p>	<p>Culture Plan implementation continued, with specific focus on action items connected to the arts sector support and the development of the city centre as a cultural district.</p>

Community Support

Action	Comments
<p>Through our involvement with the Saskatoon Collaborative Funders Partnership an evaluation and reporting tool among local community organizations that have a similar mandate will be piloted. This reporting tool will help community organizations to better report on their collective impact in the community and streamline the reporting.</p>	<p>The consultant for the project on evaluating and reporting on collective community impact has had initial meetings with potential community organizations with respect to their participation in the project. Research on best practices and approaches has been completed.</p>
<p>Support community building through direct investment, community development expertise, and support to volunteers on committees and community associations.</p>	<p>The Neighbourhood Services Section hosted a community association workshop and tradeshow to help build connections between community associations.</p>
<p>The continued implementation of the Animal Services Program Plan is highlighted within the Recreation & Culture business line and includes the following: providing reasonable access to off leash areas within all quadrants of the City, reviewing licensing fees, and ensuring the SPCA and SACA are consulted regarding plans for addressing the growing demand for animal services as the city continues to grow.</p>	<p>New etiquette and the design for user signs have been developed.</p> <p>The City received no Advertising in Dog Parks proposals. A review was completed and it was identified that proponents required more time to respond to the Request for Proposals. The Administration has reissued a new Request for Proposals that will close mid-July.</p> <p>A pound services and animal protection services agreement has been finalized, and it is currently being reviewed by the SPCA.</p>

Corporate Asset Management

Action	Comments
Develop energy management programs and strategies for effective management of water, electrical, and natural gas consumption within civic facilities.	Approval to release the Request for Proposals for the Owner's Consultant for Energy Performance Contracting has been received. A few minor changes are being made before releasing the Request for Proposals.
Construction of a permanent snow storage facility as a part of the new Civic Operations Centre (COC).	Construction remains on schedule for completion in December 2016.
Construction of a new Transit facility in 2015/2016 as a part of the new Civic Operations Centre (COC).	Construction remains on schedule for completion in December 2016.
Continue work on civic accommodation in City Hall to further examine the immediate and long-term space requirements and opportunities within newly acquired office spaces.	Shell space improvements to the 2nd floor space at Civic Square East (CSE) continue. Vacant office/desk space at both City Hall and CSE continue to be extremely limited while demand remains. As office space re-configuration opportunities arise, efforts are placed on utilizing existing space in a more efficient manner.
Develop alternate maintenance and operations service delivery models for maximizing resources.	A Civic Service Review of Fleet Services has been completed, with recommendations for service enhancement being reviewed. Future Remai Modern Art Gallery operations are being reviewed and compared to external agencies for efficiencies.
Establish mutually derived service level agreements with our customers to reflect their requirements and documenting expectations for service levels at civic facilities.	Initial meetings for the development of Recreation and Sport Service Agreements with the Facilities Division have occurred. The framework and principles for the agreements is underway.
Develop infrastructure (asset) management plans for all the City's key assets which will include asset condition, rehabilitation and investment needs, and service levels for each class.	A corporate strategy is currently being developed. Asset classes to be included under the strategy include Facilities, Fleet, Bridges, Land Improvements, and Machinery & Equipment. A Bus Renewal Strategy was approved by City Council in June.

Corporate Governance and Finance

Action	Comments
<p>Continue implementation of an electronic agenda and meeting management system to streamline process, improve access to information from City Council and Standing Policy Committee meetings, increase staff efficiencies, and reduce photocopying and paper costs.</p>	<p>Internet Publishing piece is being tested with implementation expected late in the second quarter or early in the third quarter. Electronic agenda implemented and training for the Administration and City Councilors is 90% complete. Electronic voting options are being reviewed with City Council and software is being tested.</p>
<p>Develop a long-term financial plan which combines financial forecasting with financial strategizing to identify future challenges and opportunities, causes of fiscal imbalances, and strategies to secure financial sustainability.</p>	<p>The Long-Term Financial Plan was presented at the June 15 Executive Committee meeting and was approved by City Council on June 22. At minimum, annual updates to the Plan will be provided to City Council.</p>
<p>Development of a business plan for a core corporate financial system.</p>	<p>A Request for Proposals for an Enterprise Resource Planning (ERP) Business Case Consultant closed on June 30. A report will be tabled with City Council in August to award the contract to the successful proponent. The business case is to be completed by the end of 2015.</p>
<p>Launch the “Investing in Leaders” staff development program that will provide training and development opportunities for staff at all levels and align leadership development with the Strategic Plan.</p>	<p>Investigated opportunities for new training delivery methods including World Café's, Lunch & Learns, Customized Sessions and On-line. Gap analysis findings were presented to a group of managers and the feedback will be incorporated into the new training framework.</p>
<p>Coordinate the Civic Service Reviews (CSR) and Continuous Improvement initiatives in collaboration with all Divisions across the organization, to improve the effectiveness and efficiency of programs and service delivery to our citizens.</p>	<p>A report providing recommendations for improved efficiencies within Fleet Services was presented to the Director of Facilities & Fleet Management and the General Manager of Asset & Financial Management. An asset management plan will be developed for Fleet Services and included as part of the CSR report that is planned for late 2015.</p>

Corporate Governance and Finance

Action	Comments
<p>Create and encourage a workplace culture of Continuous Improvement (CI) that encourages innovation and forward thinking. Identify targeted opportunities to implement specific Continuous Improvement tools within each division.</p>	<p>Divisions are actively working on their CI Initiatives. Requests to start Internal Process Reviews for several programs started in the second quarter and will continue into the fall. Programs included: Graffiti Removal/Remediation, Special Events, IT, and Truck Permitting.</p>
<p>Develop a formalized corporate fund-raising strategy and/or a philanthropic policy.</p>	<p>Policy is under review by various stakeholders.</p>
<p>Lead the transition from manual meter reading to Advanced Metering Infrastructure (AMI).</p>	<p>The AMI system and network devices have been ordered from Elster and are expected by the end of July. Contract negotiations have been completed with Harris Utilities (Meter Data Management System) and SaskTel (Wide Area Network Services), and equipment has been ordered. Installation of AMI network devices will begin in August.</p>
<p>Develop an Employee Rewards and Recognition Program in consultation with employees.</p>	<p>A first draft of an employee consultation survey has been completed. The purpose of the survey is to understand what employees want in an Employee Rewards and Recognition program. The survey will be reviewed and revisions to survey questions will be made in the third quarter.</p>
<p>Implement a Succession Planning Process that will include a smooth transition of knowledge and skills to successors.</p>	<p>The Competency Framework which will be an integral component of the Succession Planning Framework is currently under development with expected completion in the third quarter. The Succession Planning Framework, Competency Framework and outline of the Investing in Leaders Program will be presented to the Leadership Team and Senior Management Team in the third quarter of 2015.</p>
<p>Begin the process of implementing Service Saskatoon - a coordinated approach to responding to citizen calls and inquiries on programs and services. Develop a detailed project plan and facilitate the implementation process for a 311/ Customer Relationship Management (CRM) system.</p>	<p>Work is continuing on the internal process review for the Public Works Customer Service Centre (CSC). To provide a coordinated response to citizen inquiries, calls regarding garbage and recycling collection, compost depots and the Leaves and Grass program are handled through the Public Works CSC. Construction & Design now provides daily work schedules for water outages and road maintenance to the CSC (in addition to project information available on interactive maps), to ensure that all citizens can access information on projects affecting their community.</p>

Corporate Governance and Finance

Action	Comments
Launch a new website for the City that is more customer and citizen friendly and adopt a Digital Policy and Standards Guide to enhance online services and maintain a consistent user experience.	Some final enhancements to contact forms, contact information, and the content management system have been completed. The capital project is now complete and will transition to our regular business operations.
Develop a plan to increase awareness on levels of service and associated costs.	The key assets have been identified for development of Asset Management Plans in 2015. Plans will be complete by the end of 2015. Work will continue with divisions over the next few months to define Maintenance Service Levels.

Environmental Health

Action	Comments
Report on environmental implications and resiliency to climate change impacts.	This report will go to the Leadership Team in August, and to the Standing Policy Committee on Environmental, Utilities & Corporate Services in September.
Develop an Energy and Greenhouse Gas Reduction Business Plan that identifies key initiatives to achieve emissions reductions targets by 2020.	The corporate emissions reduction goal has been established. The Administration is providing support and advice to SEAC to develop a proposed community reduction goal. Work on the Business Plan has started based on the new target.
Establish an Environmental Sustainability Reserve to fund initiatives that reduce greenhouse gas emissions, save costs, and reduce impacts on the environment.	Discussions with Finance to clarify the proposed use of funds and potential sources of revenue to build the Reserve are underway.
Implement energy-efficient practices within the City fleet of vehicles and equipment including the development of a Green Fleet Strategy that researches the use of bio-fuels, compressed natural gas (CNG), and route optimization using GPS.	Project commissioning for the route optimization for the garbage fleet is still ongoing. Public Works is progressively increasing their use of the various components of the system. No additional meetings have occurred with SaskEnergy regarding CNG.

Environmental Health

Implement energy-efficient practices at the Water and Wastewater Treatment Plants.	No progress to report at this time.
Implement Sustainable Procurement policies to maximize the economic, social, and environmental benefits of the City's purchasing practices.	Representatives from the Procurement Committee met with Priority Saskatchewan. By September, a report will be sent to the Standing Policy Committee on Finance, recommending the award for legal advisor.
Continue to replace conventional energy sources with clean energy technologies at civic facilities and within park irrigation systems.	No new initiatives are being explored at this time. The potential to introduce clean energy will be considered in 2016 as part of the Energy Performance Contracting project.
Implement community waste audits to track the performance of recycling and composting programs.	The Request for Proposals for the 2015/2016 waste audits will be issued later this year. An audit of the Multi-unit Recycling Program was completed to determine the success and challenges with the program.
Implement a comprehensive City of Saskatoon (corporate) recycling program for all civic operations.	Later this year, an engagement plan will be implemented to encourage recycling at civic operations.
Implement the Landfill Optimization Strategy to extend the life of the Landfill indefinitely.	The Alternative Daily Cover (ADC) system is being used on an ongoing basis. This system will help reduce litter and leachate generation as well as extend the life of the Landfill by not filling up valuable airspace with soil.
Continue to expand programs to divert organics from the Landfill.	The compost depots and the home composting education program are both fully operational. Master composter and other composting training will occur as part of Hort Week (University of Saskatchewan) to increase participation. Leaves and Grass registrations closed on June 1 and registrations increased to over 5,700.
Complete Master Plan for Recovery Park, a facility adjacent to the Landfill including a 'Take-It or Leave-It' household item reuse centre, recycling depot, and processing areas for soil, stone, bricks, concrete, asphalt, wood, metal, drywall, and glass.	City Council approved the release of the Request for Proposals for a business case consultant. An internal team is being assembled to assess what work will be internal as opposed to being done by a consultant, and the Request for Proposals is being developed.
Communicate the financial benefit of environmental initiatives.	Financial benefits will be included in the soon-to-be-released 2014 Integrated Waste Management Annual Report.

Environmental Health

<p>Participate in the South Saskatchewan River Watershed Stewards as a leader in watershed protection and improvement, including studies of water quality.</p>	<p>A new Watershed Coordinator was hired. Workshops for City staff regarding awareness of aquatic invasive mussels are underway.</p>
<p>Establish a storm water monitoring program.</p>	<p>Met with stakeholders to evaluate potential for moving from a manual to an automated data management system.</p>
<p>Implement soil protection and remediation policies and procedures on City-owned properties.</p>	<p>Five training sessions were delivered and the SharePoint site was launched.</p>
<p>Develop enhanced spill response capabilities to protect the watershed.</p>	<p>The Task Force met to discuss the level of service analysis; what data is available and what can be collected for future spills.</p>
<p>Participate in the newly-established West Yellowhead Air Management Zone to guide air protection efforts within the region.</p>	<p>We are participating in the Air Management Zone and attending all Board and Membership meetings; however, the Regional Air Quality Study is currently on hold, the Province of Saskatchewan has not reached out to stakeholders to participate yet.</p>
<p>Complete the Garbage Service Verification project to improve service and achieve cost savings through efficiencies.</p>	<p>Phase 1 of route optimization has been implemented and Phase 2 optimization is being developed in the third quarter. Once Phase 2 is complete, changes to garbage and recycling schedules will result in further efficiencies and cost savings.</p>
<p>Improve the customer experience at the Saskatoon Regional Waste Management Centre (Landfill) while appropriately managing safety and environmental risk.</p>	<p>Landfill staff continues to participate in ongoing safety and customer service training and spotters are available at multiple locations on-site. Improvements to internal roads, tipping areas, drainage, signs, and litter clean-up have all contributed to a better on-site experience.</p>

Fire

Action	Comments
Construction of Fire Station No.10 in the Northwest sector in 2016/2017.	Land servicing in Elk Point has slowed and the property designated for the fire station will not be ready to continue with construction under the original timeframe. Land servicing will determine when the project resumes.
Develop a coordinated approach to address derelict residential structures.	The Saskatoon Fire Department hosts and chairs the Safe Communities Task Force which meets quarterly to identify problem residential properties and share information with participating agencies. These include the Saskatoon Police Service, the Ministry of Social Services, the Saskatoon Health District, the Ministry of Justice, and the Community Standards Division. When a location is identified as a problem or concern, the agencies with interests or in a position to effect change coordinate a strategy to intervene.
Develop a plan for future upgrades or replacement of the department training/mechanical maintenance shop.	Meetings have taken place with two private partners and discussions are ongoing with other potential partners.
Identify a station location in the South Saskatoon area.	Continue discussions with GIS mapping to determine a suitable location in accordance with NFPA 1710 Standard.
Creation of vacant properties/buildings bylaw.	Nothing further to report at this time.
Continue building partnerships with Provincial Emergency Management and Fire Safety in the areas of disaster response, communications, and departmental certifications.	Finished the Residential Rehabilitation Assistance Program with Police, the Water Treatment Plant, and the Wastewater Treatment Plant. Finished the Active Threat Workshop at City Hall which will be useful in development of the Corporate Security Plan.
Station headquarters upgrade to accommodate accessibility needs and communications upgrades.	No funding is currently available for this project. Internal planning will continue.

Land Development

Action	Comments
<p>Review the funding source for the Urban Design - Business Improvement District program to better meet community expectations and the goals of the City Centre Plan. Revising the current formula for allocating Parking Meter Revenue is a priority.</p>	<p>Consultation with the Business Improvement Districts and internal stakeholders to discuss funding sources has been initiated. No completion date has been established.</p>
<p>Servicing of multi-family land - A total of 53 acres of multi-family land will be serviced in 2015.</p> <ul style="list-style-type: none"> - Evergreen - Kensington - Aspen Ridge 	<p><u>Evergreen</u> - Roadway work on these multifamily parcels is underway. Utility installations are designed and being coordinated to take place over the summer months. Public tenders for these sites and parcels serviced last year will take place this fall pending market demand.</p> <p><u>Kensington</u> - Roadway construction on these parcels has commenced. Pricing approval for three parcels on Kensington Boulevard will be requested from the Standing Policy Committee on Finance in August. The release of further sites is dependent on multi-family parcel absorption throughout 2015.</p> <p><u>Aspen Ridge</u> - Servicing of these lands is well underway. Utility installations are in the design stage. Sale of these parcels will likely be deferred to 2016.</p>

<p>Neighbourhood Concept Plan (NCP) Development</p> <ul style="list-style-type: none"> - Elk Point - Blairmore 3 (B3) - University Heights (UH3) 	<p><u>Elk Point</u> - Comments by the Transportation division related to traffic downstream impacts are currently pending. The NCP will be submitted to Committees and City Council once these comments are reviewed and resolved.</p> <p><u>Blairmore 3</u> – The initial draft plan is complete. Submission of the draft plan will take place once phasing is determined.</p> <p><u>University Heights 3</u> - Background studies and initial design work are currently underway.</p>
<p>Servicing of single- family land and lot sales</p> <ul style="list-style-type: none"> - Kensington - Aspen Ridge - Marquis Industrial - Parkridge - Elk Point 	<p><u>Kensington</u> - Roadway construction for 268 lots is underway. 220 lots remain in inventory for sale over the counter. Further lot draws are on hold pending inventory absorption.</p> <p><u>Aspen Ridge</u> - Servicing work on 378 lots is well underway. Lot draws are planned for the fall, pending pricing and development control approvals from Standing Policy Committee on Finance.</p> <p><u>Marquis Industrial</u> - Servicing of 45 parcels totaling approximately 117 acres is underway. 26 parcels totaling 54 acres remain in inventory.</p> <p><u>Parkridge</u> – The lot draw for 174 lots was held in April. 156 lots remain in inventory.</p> <p><u>Elk Point</u> - Servicing completion is on hold pending concept plan approval and sufficient build out in Kensington. Grading of constructed wetlands and primary waterline installations are proceeding.</p>

Recreation and Culture

Action	Comments
<p>Develop and implement a special event application and event monitoring process to ensure residents neighbouring special use parks are able to enjoy Saskatoon river valley during the special event and festival season.</p>	<p>The Administration is meeting monthly to evaluate special events and to identify potential issues that may impact neighbourhood residents and/or businesses. An Internal Process Review of Special Events including processes pre-event, during the event and post-event will begin in the third quarter.</p>
<p>Continued development of off-leash dog parks on available City-owned land or park space based on the approved program plan.</p>	<p>The Administration is working to finalize the detail design for the new off-leash dog park in Hampton Village and Pierre Radisson District Park. Both off-leash dog parks will be tendered in 2015.</p>

Recreation and Culture

Action	Comments
<p>In recent years, admission volumes at the Leisure Centres have been showing a decline, specifically in the sale and usage of LeisureCards. Based on a market survey conducted in 2014, there is evidence of admission price, quantity of recreation programs, and awareness levels of Leisure Centre facilities are impacting admission volumes. Additional research is being conducted that will identify possible admission price strategies and fee options that will increase attendance at Leisure Centres.</p>	<p>Research has now been completed and a report is being prepared that will identify new admission price strategies to address declining attendance at Leisure Centres. Will be reporting out to City Council in July.</p>
<p>Work with the Meewasin Valley Authority (MVA) to complete the detail design for Chief Whitecap Park (CWP) followed by construction of the north parking lot, installation of parking lot fencing, and off-leash dog park area, and the installation of site amenities (garbage cans, benches, dog waste dispensers).</p>	<p>MVA, as project manager, has begun the detailed design process for CWP. A status report will be provided to Committee and City Council in July.</p>
<p>Complete the construction of the PotashCorp Playland at Kinsmen Park that includes new rides (train, train station, Ferris wheel and carousel) and an adventure playground area.</p>	<p>Construction remains on schedule for completion this summer. The targeted opening date is the first week of August.</p>
<p>Implement a plan targeted at potential markets to increase activity space rentals during low usage periods at indoor Leisure Centres.</p>	<p>Potential stakeholders and their barriers towards increasing rentals were identified. Engagement and communication tools were developed to evaluate stakeholder satisfaction, and a coordinated plan for specific stakeholder engagement was developed.</p>
<p>Complete the construction of a new Zoo Entrance and Gift Shop Building.</p>	<p>All work was completed as of May 29. The Zoo Admission is open to the public. A few deficiencies are being rectified.</p>

Recreation and Culture

Action	Comments
Complete Phase 2 construction of the Saskatoon Minor Football Field at Gordon Howe Park.	The clubhouse structure is near completion, and work is being done on the roof, which should be completed mid to late June, work also continues on the interior.
Development and implement a new service delivery model that includes new satellite maintenance buildings and equipment strategically located geographically closer to parks in new neighbourhoods.	A new service delivery model has started in Willowgrove. The Hampton Village maintenance compound is complete and beginning to provide parks service with the new service delivery model as well.
Develop a new “Naturalized Park” classification that will reflect the unique nature of the management vision, policies, goals and maintenance strategies associated both with existing naturalized areas and new naturalized parks that will be established in accordance with the Wetlands Policy.	Currently collaborating with Long Range Planning, Environmental Services, and Community Development on a Strategic Action Plan for Natural Areas and Biodiversity. The development of this Action Plan will aid to develop holistic vision, policies, and implementation plans for Naturalized Parks.
City Council identified a recreation facility located in one of the core neighbourhoods as a 4-year priority. The City has since been approached by the YMCA and the Saskatoon Tribal Council about a potential partnership for this city centre recreation facility. The Administration will undertake discussions about a potential partnership of a new recreation facility in a core neighbourhood.	During this quarter, in collaboration with the YMCA and Saskatoon Tribal Council, a series of stakeholder focus group discussions, a public open house, and an on-line survey were hosted. Also provided MNP consultants with a list of programs and services provided at City owned facilities and offered by community associations in the core neighbourhoods. This information will form part of the feasibility analysis report, which will be completed in June.
Establish a process to ensure the City’s major infrastructure projects undergo a cultural assessment to determine opportunities to incorporate cultural expressions in civic spaces and places.	Community Development met with the Heritage Coordinator and the Planning & Development Division, and identified Heritage Education & Awareness as an area where collaboration can occur in order to help implement the Heritage Plan.

Recreation and Culture

Action	Comments
Identify and move forward with necessary amendments to the Official Community Plan (OCP) to align with the Culture Plan.	Work started on preparing a report to City Council to have the OCP amended to reflect applicable recommendations within the Culture Plan.
Continue to develop a database and map of cultural facilities, public art, heritage and civic institutions, and artist studio spaces.	The ongoing partnership with the University of Saskatchewan was renewed for the summer of 2015. A UofS student has been hired to research and map all of the City of Saskatoon memorials and monuments dedicated to the Great War.
Continue to research and report-out on impacts and benefits of cultural investments and cultural spending; includes participation in the Department of Canadian Heritage's Cultural Statistics Strategy as well as in the Saskatchewan Partnership for Arts Research (SPAR) Arts Ecology Project, established by Saskatchewan Arts Alliance to examine how the arts work and how they are funded in Saskatchewan.	A newcomers artists' forum was tentatively scheduled for the fall, and work has begun on the planning of the forum.
Identify new opportunities for ongoing winter recreation programs at the neighbourhood level.	The Division has identified additional winter recreation opportunities and potential community partners for 2016. This will include a variety of 'Learn To' activities (skating, broomball, snow shoeing, etc.) in various neighbourhood parks. Work has also begun on a Winter City Strategy.
Completion of the Recreation and Parks Master Plan.	Final edits are being completed on the Master Plan, and an implementation workshop with key stakeholders was hosted on June 17 to identify short, medium, and long term priorities. The Master Plan will be presented to the Standing Policy Committee on Planning, Development & Community Services on July 20 and City Council on July 23.

Recreation and Culture

Action	Comments
<p>Complete a review of the Park Development Guidelines in relation to new neighbourhood development and existing park upgrades so that the parks continue to meet the needs of citizens while providing ongoing maintenance in a cost effective way.</p>	<p>Internal and external meetings with stakeholders continue to refine the Park Development Guidelines.</p>

Taxation

Action	Comments
<p>Investigate revenue sources to help alleviate pressure on the property tax levy.</p>	<p>As identified in the Hemson Growth Study Report, non-tax revenues are increasing at a decreasing rate compared to property tax. A series of discussion papers will be tabled with City Council on issues and options aimed at increasing non-tax revenues and ensuring the most appropriate method of revenue is applied for services (user-pay vs. taxation).</p>

Transportation

Action	Comments
<p>Establish a long-term Transit Plan with a vision of rapid transit corridors for Saskatoon to guide investment, transportation and urban planning as part of the Growth Plan to 500,000.</p>	<p>A long-term Transit Plan has been developed and 10-year implementation priorities have been identified. The third round of public engagement has been completed with input going towards refining implementation priorities. Final public engagement will occur in the fall and the Transit Plan report will go to City Council in early 2016.</p>

Transportation

<p>Continue to support the Province on the Perimeter Highway project.</p>	<p>Communication with Highways on the current alignment is ongoing.</p>
<p>Implement the 10-year Transportation Network Priorities.</p>	<p>The high-level Transportation Network Priorities will be updated as part of the final phase of the Growing Forward project. A detailed long range transportation master plan will commence in 2016.</p>
<p>Continue to implement a new Neighbourhood Traffic Management Process.</p>	<p>All 2014 plans have been adopted by City Council. Additional public consultation will continue in Varsity View to discuss speeding and traffic volume concerns on Main Street. Implementation of signs and temporary traffic calming for the 2014 plans has begun. The 2015 initial public consultation is underway, and will be completed on June 11.</p>
<p>Build interchanges at Boychuk Drive and Highway 16 and at Highway 5 and McOrmond Drive to improve traffic flows and enhance safety as the areas continue to develop.</p>	<p>The preliminary drainage design is completed and the cost estimate is underway, it will be included in the updated estimate. The sound study for the Boychuk Drive and Highway 16 Interchange is complete. The Amphibian nocturnal surveys have been completed and the preliminary geotechnical report is nearly complete. Once funding is finalized, the Request for Qualifications will go out and the Request for Proposals is currently being prepared. The funding application is also underway.</p>
<p>Build the North Commuter Parkway project and the Traffic Bridge.</p>	<p>The P3 Request for Proposals period remains ongoing. The project is currently on schedule for award of the Project Agreement and start of design and construction in late 2015.</p>
<p>Implementation of the Intelligent Transportation System (ITS) and significant software upgrades to improve transit customer experience.</p>	<p>Wave files for all bus stops have been created and successfully pushed to all buses with functional ITS. The volumes on the various types of buses (artic, conventional, low floor, Flyer and Nova) have been tested and adjusted to ensure the required quality is being delivered. A few bus stop related issues have been identified and are in the process of being addressed. We are planning to provide a status update to Communications and discuss roll out of the finished product.</p> <p>The current goal is to have this product successfully communicating on all ITS equipped buses by the end of August.</p>
<p>Secure funding to meet approved service levels to promote repair and maintenance of our roads, lanes, sidewalks and bridges.</p>	<p>Public Works continues to identify and establish levels of service for roadway operations.</p>

Transportation

<p>Increase transit ridership through education around public transit and provide service that is safe, convenient, reliable, and affordable.</p>	<p>Increased marketing was implemented in May and June to increase ridership during the University Bridge construction. A Fleet Renewal report was also approved, which will result in a target average age of the fleet of seven years, and ten new buses will be purchased.</p>
<p>Continue to evaluate and define the condition of Saskatoon’s Roadway network providing recommended funding levels to achieve the level of service endorsed by City Council.</p>	<p>An annual report will be submitted to Committee and City Council, similar to the report summarizing the 2014 program.</p>

Urban Planning and Development

Action	Comments
<p>Work collaboratively with all Civic Departments and external stakeholders to complete the Mayfair and Kelsey Woodlawn, Meadowgreen and Montgomery Place Local Area Plans (LAP).</p>	<p>The Mayfair and Kelsey Woodlawn LAP will be presented to City Council for approval on June 22. The Meadowgreen LAP is currently in progress and the Montgomery LAP launched on May 25.</p>
<p>Establish a Local Area Plan (LAP) renewal process to review and update the earliest Local Area Plans with community stakeholders.</p>	<p>A renewal program will be established to revisit early LAPs. This is anticipated to begin in 2017.</p>
<p>Complete a community engagement process to revisit the South Caswell Concept Plan in preparation for redevelopment following the move of Saskatoon Transit to the new Civic Operations Centre.</p>	<p>An Expression of Interest will be developed and released in June. A Request for Proposals will follow in the summer or fall based on what is learned from the Expression of Interest process.</p>
<p>Prepare a South West Sector Plan Long Range Plan.</p>	<p>Currently collecting internal comments on the report and aligning work with the Montgomery Place Local Area Plan and the 2015 Boundary Alteration.</p>

Urban Planning and Development

Action	Comments
Holmwood Sector Plan amendment process has begun and is anticipated to be completed in spring 2016.	Sector Plan amendment report development is underway.
Prepare a North Sector Plan Long Range Plan.	Revising the report based on the feedback that was received from all parties and aligning work with the Wanuskewin Heritage Park Master Plan and the 2015 Boundary Alteration.
Complete construction of the 20th Street West Streetscape and the Central Avenue Streetscape Master Plans.	The streetscape construction contract was awarded to ASL Construction; construction is scheduled to start in early July.
Complete the Pleasant Hill Village Project by successfully securing builders for the three remaining development sites in Pleasant Hill Village, and complete the coordination of all remaining project elements.	The Community Review Committee has completed the Request for Proposals evaluations. The top-scoring proposal has strong Committee support, subject to small design changes and provision of more complete drawings. In May, staff met with the prospective developer and provided detailed feedback. The Committee will have further design input over the summer, and this will result in a fully developed design concept. A fall report to City Council on developer selection will immediately follow. Crosswalk re-location and lane paving will take place this summer.
Successfully conclude the Community Support Program (CSP) pilot project and make recommendations to City Council on the future of the program.	The Street Activity Baseline Study Update 2015 was finalized on June 19. The information from this study forms the basis of the final CSP report.
Complete a new Heritage Registry.	Property owners were notified in May of intent to include their property on the Register. The proposed list of properties was discussed in-camera with MHAC on June 2. The report is anticipated to go to Committee and City Council with the final listing in the fall.
Amend Zoning Bylaw to implement the new Neighbourhood Level Infill Development Guidelines.	Amendments for "4-unit dwellings on corner sites" will be brought forward later in 2015.
Active Transportation Plan is currently in progress as part of the Growth Plan to 500,000 and is expected to be completed by the spring of 2016.	Phase I, Taking Stock, has been completed. Urban Systems is moving on to the Visioning and Discovering Possibilities phases of the project.

Urban Planning and Development

Action	Comments
<p>Expand the capacity of the Urban Design City-Wide program with a stable funding source to enable continued construction of streetscape projects aligned with the Growth Plan to 500,000. Capacity in the Urban Design program will be increased to meet the needs of the new Growth Plan.</p>	<p>The Urban Design City-Wide program will become an integral component of the new Corridor Redevelopment Program which will be developed upon completion of the Growth Plan. Funding and implementation details will be determined during the development of the Corridor Redevelopment Program.</p>
<p>Establish a new corridor redevelopment program to address the priorities and goals of the Growth Plan to 500,000. Land use, design, streetscaping, and transition to adjacent neighbourhoods will be important considerations.</p>	<p>The Growth Plan to Half a Million has identified prioritized corridors for redevelopment and preliminary implementation options. Final public engagement will occur in the fall and corridor redevelopment, as part of the Growth Plan, will go to City Council in early 2016. A new program to proceed with corridor redevelopment will be established during following approval of the Growth Plan.</p>
<p>Financing Growth Report will be completed with recommendations to explore new funding models to economically implement the new Growth Plan to 500,000.</p>	<p>The Financing Growth Report was presented to Executive Committee on April 20, 2015. It was referred back to the Administration for a report on the implications of the study's findings. New funding options will be explored in the Growth Plan to Half a Million.</p>
<p>Employment Area Plan is currently in development as part of the Growth Plan to 500,000 with completion expected in 2015.</p>	<p>The growth model is complete. Additional baseline data was gathered to inform the policy review work, and a policy analysis is in progress.</p>
<p>Draft Land Use Map and an Interim Development Strategy to guide development in the Regional Plan study area before the Regional Plan is finalized.</p>	<p>The Vision, Guiding Principles, and Strategic Directions for the Regional Plan were approved by the P4G Regional Oversight Committee on April 30, and the Interim Development Strategy was approved by the P4G Regional Oversight Committee on May 26. Open houses were held on June 2 and 3 for the P4G Regional Plan. The P4G Regional Oversight Committee will meet again on September 10 to discuss the draft Land Use Map.</p>

Urban Planning and Development

Action	Comments
<p>Inform and engage First Nations and Metis about Regional Growth Planning through educational materials, events and face-to-face meetings.</p>	<p>On April 27, City Council received the first edition of the First Nation Community Profiles, prepared in partnership with Saskatoon Regional Economic Development Authority (SREDA) and 11 First Nations with Reserves and/or Treaty Land Entitlement holdings in the Saskatoon region. The Profiles highlight key attributes of each First Nation and are intended to enhance relationships and opportunities. Several of the First Nations met on June 2 for a Broader Regional Committee meeting led by SREDA. The group received a project update from O2 Planning + Design, the consultant for the Regional Plan, and was encouraged to meet with the consulting team separately if needed. On June 2, City staff, SREDA staff and O2 Planning + Design attended a meeting with Aboriginal Affairs and Northern Development Canada (AANDC) and First Nations to discuss the Regional Plan. The next Broader Regional Committee meeting will be held in September.</p>
<p>Pursue legislative changes to allow for the collection of development levies in advance of urban development.</p>	<p>At its April 27 meeting, City Council received a report recommending proposed legislative amendments to address funding growth and regional planning. A letter was then written to the Minister of Government Relations requesting the amendments, with copies to the Saskatoon Members of the Legislative Assembly and the Saskatchewan Urban Municipalities Association.</p>
<p>Comprehensive review and re-write of the Building Bylaw to reflect current legislative requirements and to remove or add relevant items.</p>	<p>Project to begin in the third quarter.</p>
<p>Develop and implement an occupancy permit or approval process.</p>	<p>Building Standards has reviewed the existing occupancy permit process, and associated documentation. Written documentation has been updated to provide better communication with customers.</p>
<p>Investigate the feasibility of updating the Plumbing Permits Bylaw to include enforcement tools.</p>	<p>Project to begin in the third quarter.</p>

Utilities

Action	Comments
<p>Conservation education programs will continue in an effort to help ensure citizens understand how they can reduce costs and lower their environmental footprint.</p>	<p>Healthy yards programing continued throughout the second quarter. The City is partnering with the Saskatchewan Environmental Society and is accepting applications for a water audit for hotels to understand their water habits, and look for improvements. The results will help inform other businesses on tips for conserving water. A partnership with the food bank will showcase a garden using water conservation techniques.</p>
<p>Continue to expand curbside collection of organics through the Green Cart Program.</p>	<p>The green cart survey will be conducted at the end of June or early July. Green cart subscriptions have increased to over 5,700 subscribers (from 3,900 in 2014).</p>
<p>Saskatoon Light & Power will continue to explore options for new green energy generation projects. Potential future projects include a hydropower project at the Saskatoon Weir and a solar project at the Saskatoon Landfill. Comprehensive assessments of these projects will be completed to determine project viability.</p>	<p>A report on the hydropower project was received by City Council on April 27. The Administration will report back with development options and potential next steps in the third quarter.</p> <p>A Request for Proposals for a solar project at the Saskatoon Landfill will be issued in the third quarter, and is expected to be operational in the spring of 2016.</p>
<p>A Capital Development Planning Study was completed in 2012 to review the condition of the City's electrical distribution system against industry standards. A Bulk Power System Planning Study was also completed in 2014 to review the transmission system's ability to meet growth requirements in the future and to identify critical renewal projects involving transmission power lines and major substations. Work will continue in 2015 to develop an appropriate funding strategy to address these infrastructure renewal issues.</p>	<p>A report was submitted to City Council recommending the construction of a new transmission line for bulk power supply from the north side of Saskatoon. Funding for the initial stages of the project will be covered from existing capital reserves.</p>

Utilities

<p>At a cost of \$22.2 million, construction will continue into 2015 to expand the 42nd Street water reservoir and add a new pumping facility to service the industrial and northeast residential areas.</p>	<p>The work is scheduled to be completed and commissioned in July.</p>
<p>Upgrades to the filter infrastructure at the Water Treatment Plant at a cost of \$7.3 million will ensure continued filtration reliability of the plant and automation of controls.</p>	<p>Work involves upgrading of the filter mechanical components (underdrains, piping, valves, actuators, and control system). The project is funded in the 2015 – 2019 budgets.</p>
<p>Transfer pumping and electrical upgrades at the Water Treatment Plant at a cost of \$13.5 million will provide dedicated efficient pumps to transfer water to the Avenue H Reservoir facility.</p>	<p>Preparation of the Terms of Reference for engineering services for the project is in progress. The proposed schedule is: the engineering services contract will be in place by December, the construction contract will be in place by January 2017 (when funding is complete), and the construction period will be three years (completed in two stages). The project is funded in the 2016 – 2017 budgets.</p>
<p>An investment of \$9.0 million will be made to upgrade existing lift stations integral to the wastewater collection system to improve efficiency and reliability.</p>	<p>The contractor has mobilized on site and is continuing to dig the wet well. The hole for the new building is 90% complete.</p>
<p>Due to growth, the Wastewater Treatment Plant will require an additional fourth digester at a total cost of \$20.0 million. Design of the digester will begin in 2017.</p>	<p>Reviewing recent technical innovations that will reduce loading on existing digesters.</p>
<p>The Wastewater Utility is proceeding with a \$10.0 million odor abatement capital project. Construction is scheduled to be complete in 2016. It is estimated that this work will reduce approximately 76% of all odor emissions during normal operation.</p>	<p>Contractor’s mobilization and onsite measurements are in progress. The construction contract schedule is being finalized, and the beginning of the construction work is planned for June.</p>

Utilities

A surface flooding control strategy has been developed which will provide recommended remedial options to the critical flood zones in Saskatoon. This strategy will provide a long term plan to construct flood control measures to reduce the frequency and severity of surface flooding due to rain events.

A report is going to the Standing Policy Committee on Environment, Utilities & Corporate Services and City Council in July regarding funding options for critical flood zones in Saskatoon.

Seek and maintain accreditation for the Environmental Lab located at the Wastewater Treatment Plant and maintain accreditation at the Water Lab at the Water Treatment Plant.

As of June 2, the application has been accepted by the CALA advisory committee and is currently being reviewed by the Canada Accreditation Council.

Building Permit Statistics for YTD June 30, 2015 vs. YTD June 30, 2014

Category	Number of Permits			Construction Value (\$million)		
	YTDJune 30/15	YTDJune 30/14	Change %	YTDJune 30/15	YTDJune 30/14	Change %
Residential	1,713	1,916	-10.6%	\$138.5	\$218.5	-36.6%
Apartments & Housing Projects	121	144	-16.0%	\$133.8	\$108.7	23.1%
Commercial	163	143	14.0%	\$60.8	\$78.5	-22.5%
Industrial	94	108	-13.0%	\$54.5	\$46.4	17.6%
Institutional & Assembly	34	32	6.3%	\$44.3	\$13.8	221.7%
Other (includes demolition permits)	119	126	-5.6%	\$11.9	\$5.3	123.8%
TOTAL	2244	2469	-9.1%	\$443.9	\$471.1	-5.8%

Summary of permits over \$10M approved to June 30, 2015

New Apartment Condominium - 545 Hassard Close	\$10.0M	(Included in "Apartments & Housing Projects" above)
New Apartment - 241 Willis Crescent	\$22.0M	(Included in "Apartments & Housing Projects" above)
New Apartment - Care Facility (shell/Final) 333 Slimmon Pl	\$29.7M	(Included in "Apartments & Housing Projects" above)
New Warehouse - 570 Valley Rd	\$15.0M	(Included in "Industrial" above)
New Care Facility - 250 Hunter Rd	\$33.7M	(Included in "Institutional" above)

2015 Quarter Two Projections (As at June 30, 2015)			
Mill Rate Programs	2015 Total Budget	2015 Forecasts	2015 Variance Forecast vs Budget
Community Support	13,448	13,433	(15)
Corporate Asset Management	7,444	6,831	(613)
Corporate Governance and Finance	53,033	51,844	(1,189)
Environmental Health	12,979	13,236	257
Fire & Protective Services	44,985	44,933	(52)
Land Development	-	-	-
Major Event Facilities (Mendel, TCUP, SKTel Centre)	5,842	5,842	-
Policing	80,066	80,351	285
Recreation & Culture	26,394	27,327	933
Taxation and General Revenues	(337,690)	(339,182)	(1,492)
Transportation	88,014	90,054	2,340
Urban Planning and Development	5,485	5,471	(14)
Mill Rate Deficit / (Surplus)	-	-	440

Utility Programs	2015 Total Budget	2015 Forecasts	2015 Variance Forecast vs Budget
Saskatoon Light & Power	-	-	-
Saskatoon Storm Water Management	-	-	-
Saskatoon Waste Services	-	775	775
Saskatoon Waste Water Utility	-	-	-
Saskatoon Water Utility	-	-	-
Utility Rate Deficit / (Surplus)	-	-	775

Note 1

TOTAL PROJECTED MUNICIPAL DEFICIT	1,215
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Note 1: This is offset through the non-transfer to the Landfill Replacement Reserve of \$0.775 million located in the Environmental Health Business Line.